

**Democratic Services**

Guildhall, High Street, Bath BA1 5AW  
Telephone: (01225) 477000 *main switchboard*  
Direct Lines - Tel: 01225 394411  
Web-site - <http://www.bathnes.gov.uk>

25 January 2019  
Democratic\_Services@bathnes.gov.uk

**To: All Members of the Resources Policy Development and Scrutiny Panel**

**Bath and North East Somerset Councillors:** Sarah Bevan (Chair), Lisa O'Brien, Jasper Becker, Joe Rayment, Andrew Furse, Sally Davis and David Veale

**Resources Policy Development and Scrutiny Panel: Monday, 4th February, 2019**

Please find attached a **SUPPLEMENTARY AGENDA DESPATCH** of late papers which were not available at the time the agenda was published. Please treat these papers as part of the agenda.

Papers have been included for the following items:

8. **BUDGET & COUNCIL TAX 2019/20 AND FINANCIAL OUTLOOK (Pages 3 - 150) – Appendix 5 and 6**

Yours sincerely

Michaela Gay

**If you need to access this agenda or any of the supporting reports in an alternative accessible format please contact Democratic Services or the relevant report author whose details are listed at the end of each report.**

This Agenda and all accompanying reports are printed on recycled paper

This page is intentionally left blank

**Policy Development and Scrutiny Panel comments on the 'Corporate and Budget Planning 2019-20' report**

During January 2019, the Corporate and Budget Planning report has been presented to each of the Policy Development and Scrutiny (PDS) Panels and Select Committee. Panels have concentrated on the parts of the plan relevant to their own remit and the comments made are set out below. *Please note that all minutes are draft at this stage until agreed and finalised at the next meeting.*

**Planning, Housing and Economic Development – 15<sup>th</sup> January 2019**

The Director for Partnership & Corporate Services introduced this report to the Panel. He explained that the Organisational Plan is an annual plan, which has been aligned with the budget planning process. He said that the Organisational Plan for the first time introduces the Council's new Core Service Offer and its 3 new priorities.

- (1) Protect and Care for our most vulnerable
- (2) Nurture residents health, safety and wellbeing
- (3) Provide ways for everyone in the community to reach their full potential.

He stated that in essence, a core services offer is the best service offer we can deliver based on the resources currently available to us.

He said that the plan outlines the draft budget savings proposals where appropriate, which will be proposed as part of the budget setting process for the Council 2019 – 20 budgets which will be considered by the Cabinet and Council at their meetings in February. He added that the plan also outlines the Emerging Capital Bids for 2019/20 that will be proposed as part of the budget setting process to be considered at the same meetings.

Councillor Liz Richardson queried whether the figures relating to supporting the 21 children with the most complex needs were necessary (P.34) in the plan.

Councillor Charles Gerrish replied that the figure is there to illustrate the costs associated with this type of support and that he felt it gives the public a better understanding of how resources are used.

Councillor Richardson asked if the proposal to remove the non-domestic rate exemption for listed buildings would affect local village halls (P.38).

Councillor Gerrish replied that it would not as they would not be classed as empty.

Councillor Richardson commented that she would have like to have seen Planning Services recognised on the list of examples on P.38/39.

Councillor Barry Macrae asked if manufacturers, alongside the public, will be encouraged to reduce waste and stop over-packaging items.

Councillor Gerrish replied that this was recognised as a national issue and that the Council has been lobbying through the LGA on this subject.

The Corporate Director added that the Council had responded to a recent Government consultation paper regarding managing waste.

Councillor Rob Appleyard commented that he was concerned at the time taken to assess and meet the needs of children with Special Educational Needs and Disabilities. He also wished to raise the issue of the support given to Fostering / Adoption families when a diagnosis of this nature is recognised.

Councillor Gerrish replied this was more a matter for the Children & Young People Panel, but said that he was aware of the need to increase the speed in which Education, Health & Care Plans (EHCPs) are carried out. He added that he felt that local Councils were not funded appropriately following the SEND reforms.

The Chairman queried the language used within the Organisational Plan, such as 'Offer' and 'Nurture'. He asked if a list of statutory services could be provided.

The Director for Partnership & Corporate Services replied that this was open to interpretation to a certain degree and that the Plan was supposed to highlight the key services that the Council are able to provide for the public.

Councillor Gerrish added that Waste Collection is a statutory service, but that the frequency with which it is carried out is not specified. He added that in terms of 'nurturing' all Councillors have a role through being Corporate Parents.

Councillor Liz Richardson stated that she was not wholly satisfied with the answers given in Appendix 4, which shared feedback from the Local Forums. In particular she referenced Response 3 on P.52 and Response 5 on P.53.

Councillor Gerrish replied that the document supplied reflects accurately what was said at those meetings.

The Director for Partnership & Corporate Services added that he would check the document for factual clarification.

The Chairman asked how Heritage Services planned to increase its income by £1m and explain how this is classified as a medium risk.

Councillor Gerrish replied that the figure is based on this year's performance and included sites such as the Costume Museum and the Victoria Art Gallery as well as the Roman Baths. He added that an increase in entrance fee to Roman Baths was planned in an attempt to reduce numbers and therefore

enhance the visitor experience. He said that the products available within the shop at the Roman Baths were also due to be assessed.

The Director for Economy & Growth added that a review had been carried out relating to ticket prices and that a tiered ticketing system was to be introduced. He said that tickets would range in price from £16 in low season to £22 in high season. He stated that a contingency sum of £300,000 has been taken into account with regard to Brexit. He said that there would be a 10% discount for advance bookings.

With regard to the risk assigned he said that the Council have been working with consultants who have introduced this new ticketing system at other attractions across the country. He said that he felt that the Council could over achieve their target rather than under achieve.

Councillor Barry Macrae said that he was sceptical about the figures given and that the increase would affect peak season visitors from America and China.

Councillor Gerrish replied that the data available to support this decision should not be underestimated. He added that there is a growing market in visitors from India and said that holders of a Discovery Card would be unaffected.

Councillor Appleyard said that he supported the work of Heritage Services and that to enhance the visitor experience should be welcomed.

Councillor Colin Blackburn asked if an increase to the size of the shop at the Roman Baths had been considered.

Councillor Gerrish replied was being kept under review. He stated that a premises opposite the Baths had been previously considered, but was not viable.

Councillor Appleyard asked if consideration had been given to installing terminals within the shop so that orders can be made for products that may be out of stock or just available online.

The Director for Economy & Growth replied that he was aware that this had been discussed, but did not know the outcome. He added that he believed that the availability of online products was to be expanded.

The Chairman asked for further information regarding the figure of £350,000 relating to Destination Management.

Councillor Gerrish replied that Bath Tourism Plus (BTP) had become a Council owned company a number of years ago and that this figure related to a reduction in their subsidy. He added that BTP had already repaid a £150,000 loan from the Council. He said that the Christmas Market continued to be successful, but that a risk associated with this would be how the Market

would be affected if adverse weather conditions were in effect at this time of year.

Councillor Barry Macrae asked for further information regarding the income share from the Bath Casino.

The Director of Development and Public Protection replied that this was part of an agreement for the Council to receive an income split following the Gambling Act 2005.

Councillor Liz Richardson asked for the reason behind introducing a Section 106 Planning Obligations Compliance Advice Service.

The Director of Development and Public Protection replied that is intended to be a service to respond to enquiries from solicitors.

The Chairman asked if anything had gone wrong with the Neighbourhood Planning process in regard to the budget saving proposed.

The Director of Development and Public Protection replied that there was nothing wrong and that it was simply a case of the saving only being in place for two years and the requirement of it to be reversed.

The Chairman said that he was slightly concerned with the proposal to retain fees related to Permitted Development applications and how this would affect the Council's relationship with the public.

The Director of Development and Public Protection replied that the fee would be minimal, around £200 and said that decisions were borderline on occasions.

Councillor Appleyard stated that he would welcome the figure of £40,000 that was assigned to Air Quality Monitoring Equipment being used instead for the provision of back office support within the Music Service for Children & Young People.

Councillor Gerrish replied that the two items identified come from different budget streams, Capital -v- Revenue, and therefore whilst acknowledging the issue this would not be possible.

The Chairman thanked the Panel for their comments and said that their feedback would be given to the Resources PDS Panel on the 4<sup>th</sup> February to allow them to collate all PDS Panel responses to the Cabinet and Council.

### **Communities, Transport and Environment – 21st January 2019**

David Trethewey, Director of Partnerships and Corporate Services introduced the report.

Councillor Charles Gerrish, Cabinet Member for Finance and Efficiency, Martin Shields, Corporate Director, and Mandy Bishop, Director of Environmental Services, were also present to answer questions.

Panel members asked the following questions and made the following points:

Councillor Anketell Jones asked, regarding the Organisational Plan, what the critical point was if the amount in the pound spent on adult and children services kept on rising. The Director of Partnerships and Corporate Services explained that there is no categorical answer but that a Fair Funding Review was in place.

Regarding the Core Offer (page 61), Councillor Evans referred to the middle section and stated that he was concerned that safety was becoming the only criteria regarding roads rather than travel. The Director of Partnerships and Corporate Services explained that the Council has resources for core delivery but it can still influence others to affect results.

Councillor Anketell Jones asked about the PREVENT agenda and the Director of Partnerships and Corporate Services explained that the Council would continue to work with partners and the community.

Councillor Samuel stated that the Council had a long way to go to make it's online services more transactional which would lead to huge savings. He added that the One Stop Shop is not a comprehensive service and the current website is not fit for purpose. The Director of Partnerships and Corporate Services responded by explaining that there is a proposal in the digital transformation plan a move to a transactional service around parking and a new website is being worked on. Councillor Bull raised an equalities issue with transactional services by stating that not all people have access to or can use online services. Councillor Hale sought assurance that we never move away from the human voice on the phone system. The Director of Partnerships and Corporate Services stated that this would be considered in the roll out of services and residents access needs would be assessed but could not give an ongoing assurance regarding the phone system. Councillor Hale stated that an automated phone system would be a backwards step. Councillor Symonds gave an example that there were 650 members of Dial a Ride in his area and only 50 have access to email so many would have problems accessing the Council if any services were online only.

Councillor Samuel asked why the parking strategy (page 63) was marked as high risk. Mandy Bishop, Director of Environmental Services explained that this will now be reassessed as medium risk.

In response to a query from Councillor Neil Butters regarding parking income, Martin Shields, Corporate Director explained that the income can be used to support the highway (for example safe routes to schools).

Councillor Bull noted the large savings that were predicted from 'Getting from A to B', the officer confirmed this and added that the savings will be mainly in 2020/21.

Regarding a query about pothole repairs, the Director of Environmental Services explained some permanent pothole repairs would become part of the Capital programme. She explained that the CIPFA guidelines had changed recently. The Panel supported this.

There was some discussion on Green Waste collections. Councillor Gilchrist stated that there was a proposed increase in charges but reduction in this service and asked if some residents could pay more to get a full 12 month service. The Corporate Director explained that there had been a review of the service which found that it would not be cost effective to pick up small amounts of waste. Councillor Samuel pointed out that if the service operates on a cost recovery basis, it would not matter if there was a gap in the service. He added that when services are intermittent, they are not used. Councillor Charles Gerrish, Cabinet Member for Finance and Efficiency, stated that he had heard the points made.

Councillor Samuel stated that the 'Fix my street' App is a great innovation but still did not provide adequate feedback on what had been reported. The Corporate Director explained that it was a mechanism to make clear what was in the system but in the future it could be refined to link with back office systems to give more information. The Director of Environmental Services said she would check out Councillor Samuel's suggestion of sending a picture of a repair to the complainant.

In response to a question from Councillor Butters, the Cabinet Member explained that strategic work is funded by WECA and local work by BANES.

The Cabinet Member confirmed that the gulls nest removal programme will continue in response to a query from Councillor Gilchrist.

Regarding Air Quality monitoring, Councillor Samuel explained that he had asked if the Council had considered bidding to DEFRA for real time monitoring in the city. He explained that diffusion tubes were in place currently and they only looked backwards. The Corporate Director explained that the Council was in detailed discussion with DEFRA regarding what they would fund.

The Panel **RESOLVED** to pass on the following comments to the Cabinet:

- Regarding the digital transformation and core service redesign – consideration be given to those residents who cannot access or use online services.
- Consideration be given to the possibility of giving residents the option of paying more for a full 12 month green bin service.



- Consideration be given to refining the 'Fix My Street' App, which is a great innovation, so that it can provide adequate feedback to complainants.
- Consideration be given to getting real time monitoring (regarding Air Quality) across the city.

### **Children and Young People – 28<sup>th</sup> January 2019**

The Director for Partnership & Corporate Services introduced this report to the Panel. He explained that the Organisational Plan forms an important part of Bath and North East Somerset Council's strategic planning framework.

He added that the plan translates the Council's strategy and vision for the future into a more detailed annual Organisational Plan, setting its key activities and projects for the Council to achieve this.

He said that the plan outlines the draft budget savings proposals where appropriate, which will be proposed as part of the budget setting process for the Council 2019 – 20 budgets which will be considered by the Cabinet and Council at their meetings in February.

Councillor Liz Hardman asked what is the total Children & Young People budget, what was the percentage overspend last year and to what extent are we going to be within budget this year.

The Corporate Director replied that they have a budget of £25.3m, they were overspent by 5% on the budget last year and are currently 9% overspent on the budget for this current year.

Councillor Hardman asked if this figure could be accommodated in the current year and in the budget going forward.

Councillor Charles Gerrish, Cabinet Member for Finance and Efficiency replied that these figures were largely due to the number children in care within B&NES which was currently 191. He said that the Council is in a position to deal with this having received a Government grant under the care envelope and if necessary the revenue contingency reserves and has made budgetary provision within the proposals for next year.

Councillor Hardman asked how the Youth Connect Services redesign is progressing and to what extent has the Youth Services staff mutual progressed.

The Corporate Director replied that the proposal had received support in principle from the Cabinet at the end of October 2018, that the due diligence process was still ongoing and that further meetings were due this week, so he was optimistic that it would be concluded shortly.

Councillor Paul May, Cabinet Member for Children and Young People added that the sources of funding need to be secure as the contract is due to be for five years to enable a degree of stability for those concerned.

Councillor Hardman asked if the Council would commission services from the Staff Mutual.

The Corporate Director replied that they would.

Councillor Matt Cochrane asked if the figure of £3m was the true cost of supporting the 21 children with the most complex needs in 2018-19.

The Corporate Director replied that it was as there are a number of young people that have expensive placements.

Councillor Charles Gerrish added that a number of these placements are outside of B&NES.

Councillor Cochrane asked if the site of the Bath Studio School were to be used for further SEND provision would that potentially lead to families moving to the area to use it and has that happened historically.

Councillor Gerrish replied that he was aware of families that have moved to B&NES to access SEND provision and that potentially this could occur in the future.

Councillor Hardman asked what has been the impact on low income families of the changes to the Music Service.

The Director of Education Transformation replied that children from low income families should have the opportunity to access a musical instrument through whole-class teaching programmes. She added that funding is received from the Arts Council, but that this is set for a specific criteria and that information is returned to the Arts Council on an annual basis.

Councillor Paul May said that it was important to him to have within the Plan the wording 'Protect and care for our most vulnerable' and 'ensuring a 'Think Family' approach'.

The Chair asked regarding Appendix 3 what was meant by alternative provision in the line 'Refurbishment and renovation of a premises that was previously a primary school (St Johns, Lower Bristol Road), into alternative education provision for secondary age pupils in B&NES'.

The Corporate Director replied that this was intended to be a site for pupils that have been excluded or were having behaviour / attendance issues as a place where they could be educated, pending being reintroduced / reintegrated into the mainstream education system.

Councillor Gerrish stated that the site was situated in Lower Weston rather than the Lower Bristol Road as mentioned within the appendix.

Councillor Hardman asked how the Council will identify children missing out on education and act to meet their educational needs without a Children Missing Education Officer.

The Corporate Director replied that the Council still has a Children Missing Education Service - this is a statutory service that has a range of functions within it.

The Head of Education Inclusion Services added that it was possible for parents to be prosecuted if they were found to be negligent and that pupils could be monitored when notified that they have left a school. He said that it was the Council's role to ensure that every child has access to a school place. He informed the Panel that a piece of joint working was being carried out in partnership with School Nurses.

The Chair thanked the Panel for their comments and said that their feedback would be given to the Resources PDS Panel on the 4th February to allow them to collate all PDS Panel responses to the Cabinet and Council.

### **Health and Wellbeing Select Committee – 30<sup>th</sup> January 2019**

The Director for Partnership & Corporate Services introduced this report to the Select Committee. He explained that the Organisational Plan forms an important part of Bath and North East Somerset Council's strategic planning framework.

He stated that it was well recognised that a high percentage of the Council's budget is used within Adult Care, Health and Wellbeing

He said that the plan outlines the draft budget savings proposals where appropriate, which will be proposed as part of the budget setting process for the Council 2019 – 20 budgets which will be considered by the Cabinet and Council at their meetings in February.

He explained that the Organisational Plan for the first time introduces the Council's new Core Service Offer and its 3 new priorities. He added that a core services offer is the best service offer we can deliver based on the resources currently available to us.

The Corporate Director added that the majority of figures within appendix 2 were contained within the previous year's budget.

Councillor Charles Gerrish, Cabinet Member for Finance and Efficiency commented that although savings have been identified, the Adult Care budget was due to increase by £4.1m due to demand / demographic pressure.

Councillor Eleanor Jackson said that she appreciated the budget parameters the Council were working within and asked for further information regarding the review all social care packages and the possibility of in-house care provision.

The Acting Director for Integrated Health and Care Commissioning replied that planned reviews took place each year on existing care packages and new approaches such as Three Conversations were helping the Council to look at different ways of meeting people's needs.

Councillor Jackson asked if there was adequate support in place to enable residents to live longer in the community.

The Acting Director for Integrated Health and Care Commissioning replied that one of the Council's aims is to reduce the numbers of people placed in care homes and to support residents to stay at home and we have a range of services to help achieve this, such as the reablement service.

Councillor Jackson asked if there were enough care places available within the Council.

The Acting Director for Integrated Health and Care Commissioning replied that a review of home care services was ongoing with the aim of improving the amount of care available and how it is provided, for example by looking at ways of supporting people in rural areas where it can be more difficult for care agencies to cover.

Councillor Jackson commented that she would like to see communications to the public improve, primarily the elderly.

The Acting Director for Integrated Health and Care Commissioning replied that they were working on this issue with Virgin Care and that Virgin Care were developing Care Navigator roles in the community who would specifically help people to navigate their way around health and social care services but would also help people to find out what community options were available in their area.

The Corporate Director added that a great deal of information was available on the Wellbeing Options website (<http://www.wellbeingoptions.co.uk/>). He said that the site provides information about local care providers, services and activities, along with links to other useful websites and resources.

The Director for Partnership & Corporate Services said that recently there had been an increased involvement from the voluntary sector, including a group called Compassionate Communities B&NES.

Councillor Jackson asked if the Council had considered lending money to small family run residential homes for them to make adaptations / enhance their site provision.

Councillor Gerrish replied that the Council is not a bank and said that the likelihood would be that the proposal would be an expensive process for both parties.

Councillor Tim Ball referred to page 72 and asked if it were possible to squeeze more out of residential and nursing recommissioning.

The Acting Director for Integrated Health and Care Commissioning replied that the Council will look to ensure consistency and equity in care home fees by implementing a new commissioning and contracting model.

Councillor Ball asked how savings would be achieved with regard to Adult Mental Health.

The Acting Director for Integrated Health and Care Commissioning replied the Council would be looking to see that specialist placements for adults with mental health needs were good value and achieving the best outcomes for people.

Councillor Ball commented that he feared some care homes may close due to the new fees arrangements and that this could cost the Council more if the service ceases.

The Corporate Director replied that the Fair Price of Care process has been carried out to reflect the true costs to provide the care and at the same time ensure best value for money for the Council.

Councillor Vic Pritchard stated that the Council are normally unaware of a care home's financial circumstances until the 11<sup>th</sup> hour, sometimes merely a month's warning. He added that the intention is now for the Council to work far more closely with care homes and to have more of a dialogue regarding their finances.

Councillor Lin Patterson asked if more information could be provided on Compassionate Communities B&NES.

The Director for Partnership & Corporate Services replied that it has been setup by the 3<sup>rd</sup> sector and has received support from the Council and Virgin Care, but was not commissioned or funded by the Council. He added that one of their intentions is to be a focal point for receiving and disseminating strategic information. He said that further information could be found on their website ([www.3sg.org.uk](http://www.3sg.org.uk)).

Councillor Jackson said that it was a little ironic given the earlier Public Health presentation that they are being asked to do more work with less resources.

Councillor Pritchard replied by saying that the preventative agenda was a significant factor for the Council to consider as it moves forward.

The Corporate Director added that the Public Health budget reflects the Public Health Grant which has been reduced nationally.

Dr Bruce Laurence said that support for the team is welcome and that he feels that the Council is doing its best with what it has available.

The Chair thanked the Select Committee for their comments and said that their feedback would be given to the Resources PDS Panel on the 4th February to allow them to collate all PDS Panel responses to the Cabinet and Council.

Bath & North East Somerset Council		
MEETING:	Cabinet	
MEETING DATE:	6 <sup>th</sup> February 2019	EXECUTIVE FORWARD PLAN REFERENCE:
		E3106
TITLE:	Budget and Council Tax 2019/20 and Financial Outlook	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report		
Annex 1: Revenue Budget 2019/20 – individual service cash limits		
Annex 2: 2019/20 to 2020/21 Budget Savings & Income Generation Proposals		
Annex 3: Equalities Impact Assessment of 2019/20 to 2020/21 Savings Proposals		
Annex 4: Efficiency Strategy		
Annex 5: Draft Capital Programme 2019/20 to 2023/24		
Annex 5 (i) New and Emerging Capital Schemes		
Annex 5 (ii): Highways Maintenance Programme		
Annex 5 (iii): Transport Improvement Programme		
Annex 5 (iv): Corporate Estate Planned Maintenance Programme		
Annex 5 (v): Community Infrastructure Levy (CIL) Allocations		
Annex 6: Capital & Investment Strategy		
Annex 7: MRP Policy		
Annex 8: Advice of Monitoring Officer on the Budget Setting Process		
Annex 9: Annual Pay Policy Statement		
Annex 10: The Council’s Organisational Plan		
Annex 11: Budget Aims and Ambitions		

## 1. THE ISSUE

This report presents the revenue and capital budgets for 2019/20 together with proposals for Council Tax and Adult Social Care Precept for 2019/20.

## 2. RECOMMENDATIONS

### 2.1 The Cabinet recommends Council approves:-

- a) The General Fund net revenue budget for 2019/20 of **£113.10m** and the individual service cash limits for 2019/20 as outlined in Annex 1.

- b) The savings and income generation plans outlined in Annex 2 in conjunction with the Equalities Impact Assessment Report in Annex 3 and thereby agrees to implement the Council's draft Organisational Plan which has been presented to each of the relevant PDS Panels.
- c) To help protect front line services and meet additional pressures in Children's Services, the budget includes a recommendation that Council Tax is increased by 2.95% in 2019/20 (an increase of £39.76 per Band D).
- d) An increase of 1% to Council Tax for the Adult Social Care Precept is approved in recognition of the current demands and financial pressures on this service. This is equivalent to an increase of £13.47 on a Band D property.
- e) The adequacy of Un-earmarked Reserves at £12.2m within a risk assessed range requirement of £11.9m - £13.1m.
- f) The Efficiency Strategy attached at Annex 4.
- g) The Capital Programme for 2019/20 of £78.591m including new and emerging capital bids outlined in Annex 5(i), planned sources of funding in 5.7.2, and notes the programme for 2020/21 to 2023/24 and that any wholly funded projects coming forward during the year will be added to the Capital Programme in line with the Budget Management Scheme.
- h) The delegation of implementation, subject to consultation where appropriate, of the capital programmes set out in Annex 5(ii) to Annex 5(iv) to the relevant Director in Consultation with the appropriate Portfolio Holder.
- i) The Community Infrastructure Levy (CIL) allocations and amendments outlined in Annex 5(v) and the addition of Alternative Education Provision to the Regulation 123 list.
- j) The Capital & Investment Strategy attached at Annex 6.
- k) The MRP Policy attached at Annex 7.
- l) The Capital Prudential Indicators outlined in 5.7.8
- m) The Annual Pay Policy Statement at Annex 9.
- n) The Council's Organisational Plan at Annex 10
- o) The Council Tax Support Scheme for 2019/20 shown in the following link: [http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Council-Tax-Benefits-and-Grants/CouncilTax/draft\\_bath\\_ne\\_someset\\_s13a\\_201920.pdf](http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Council-Tax-Benefits-and-Grants/CouncilTax/draft_bath_ne_someset_s13a_201920.pdf) and referred to in 5.3.4.

2.2 That the Council include in its Council Tax setting, the precepts set and approved by other bodies including the local precepts of Town Councils, Parish Councils, and Charter Trustees of the City of Bath, and those of the Fire and Police Authorities.

2.3 That Cabinet note the S151 Officer's report on the robustness of the proposed budget and the adequacy of the Council's reserves outlined in 5.6.



- 2.4 Authorise the Council's S151 Officer, in consultation with the Portfolio Holder for Finance and Efficiency, to make any necessary changes to the draft budget proposal for submission to Council.

### **3. RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

The resource implications are contained within the body of the report

### **4. STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSALS**

A local authority has a statutory duty to set an annual budget and Council Tax. The advice of the Council's Monitoring Officer regarding the budget setting process is attached at Annex 8.

Members must have regard to the impact on specific groups in their decision making. The Equalities Team has reviewed savings plans to ensure that any impact the saving will have on diversity and equality has been assessed and to ensure that any issues are highlighted to members before a decision is made. The analysis is attached at Annex 3.

### **5. THE REPORT**

#### **5.1 The 2019/20 Budget Summary**

The Medium Term Financial Strategy (MTFS) was approved in October 2018 and outlined how the budget would be delivered over the medium to long-term. The MTFS for B&NES spans two years with a further three added to show the likely longer-term picture.

The Council needs to deliver a balanced budget over the term of the plan. A balanced budget means that balances or reserves are not used to meet on-going expenditure commitments. The MTFS shows a projected budget gap for 2020/21 and beyond. The figures include all estimates for pay awards, pension costs, Council Tax, business rates, Government grant, and inflation.

The budget focusses on protecting frontline services at a time when the authority is facing cuts in funding whilst facing unprecedented increases in demand in Adults and Children's Services. An increase of 1% in the Adult Social Care Precept has been included in this budget to help meet the pressures in Adult Social Care.

The Council has a good track record in savings delivery with £55.4m delivered between 2013/14 to 2017/18 and, a further £17m expected in this (2018/19) financial year – a total of £72.4m over six years.

The current plans identified, delivered, and will continue to deliver a high number of efficiency savings and therefore the scope for delivering further large savings from efficiencies is limited. The agreed approach is:-

- To review Council priorities to understand scope for further savings;
- To rationalise our corporate estate;
- To review the conditions of service of our workforce and ensure they are fit for the future;
- To review the scope for shared services;
- To review and target capital spend to priority areas and reduce the costs of funding the programme and the capacity demands for delivery;
- To review our contracts to reduce expenditure; and
- To establish a “core offer” which the council is able to sustain into the future, including through managing demand.

Significant savings and income generation plans totalling £12.3m are included within these budget proposals. Of these savings 35% are considered high risk (an improvement compared to 2018/19 of 61%) and continues to reflect the same position as many local authorities in that a proportion of savings plans are relatively complex and difficult to deliver. Therefore, a prudent view has been taken to allocate £2m to the Revenue Budget Contingency to meet savings and other budget risks.

To help protect front line services and meet additional pressures in Children’s Services the budget includes a recommendation that Council Tax is increased by 2.95% in 2019/20 (an increase of £39.76 per Band D). The proposed Band D Council Tax for Bath and North East Somerset Council next year including the Adult Social Care Precept is £1,401.12 (£1,347.89 in 2018/19) an increase of £53.23 per Band D (£4.44 per month).

There are a number of issues that are specifically impacting on B&NES that the Council has directly approached central Government to recognise and agree solutions such as the financial impact of the level of student accommodation and these are outlined in the report below.

The proposed net revenue budget for Bath and North East Somerset for 2019/20 is £113.10m.

### **5.1.1 Council Priorities**

The Council’s Corporate Strategy was adopted by Council at their meeting on 16<sup>th</sup> February 2016. It set out the 2020 Vision and the Council’s direction of travel. The Council’s four strategic priorities as set out in the Corporate Strategy are outlined below:-

- A strong economy and growth;
- A focus on prevention;

- A new relationship with customers and communities; and
- An efficient business.

An Organisational Plan (see Annex 10) has been developed across portfolios in 2019/20 outlining the Core Service Offer which will prioritise resources to the following:-

- Protect and care for our most vulnerable;
- Nurture our residents' health, safety, and wellbeing;
- Provide ways for everyone in the community to reach their full potential.

This outlines key targets for service provision as well as outlining proposals for budget savings. The Organisational Plan proposed by Cabinet translates the Council's overarching Corporate Strategy and vision for the future, setting out the key activities and projects that the Council plans to deliver to achieve this in 2019/20. The Organisational Plan was considered by the Policy and Scrutiny Panels in January 2019 to inform the budget process. Annex 11 outlines some examples of how the budget will continue to deliver the Cabinet's commitments, including a selection of projects and schemes from the capital investment programme.

## **5.2 The Revenue Budget 2019/20**

### **5.2.1 Current Position**

At the end of 2017/18 the Council reported a £1.1m over budget position and work was carried out to rebase the budget for 2018/19. However, despite this the expected 2018/19 year end position at the end of December 2018 is an over budget position of £3.2m mainly due to additional demand in Children's Services, a shortfall in income in Commercial Estate, and delays/ non-delivery of savings targets. This is an improvement on the position at the end of October 2018 which predicted an over budget position of £4.1m. There are a number of mitigations that are currently being reviewed as well as a recruitment freeze and Managers have been requested to minimise spend wherever possible which will further improve the year-end position.

In addition to this a review of the Capital Programme has been completed and £19.1m of projects were deferred or removed resulting in revenue saving of £0.6m. This was reported and agreed as part of the previous budget monitoring report

### **5.2.2 The Budget and Medium Term Financial Outlook**

The budget detail and assumptions as well as the future forecast is shown in the table below:-

	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m
<b>Budget Requirement (Previous Year)</b>	<b>113.27</b>	<b>113.10</b>	<b>110.89</b>	<b>112.34</b>	<b>113.79</b>
Once-Off items from previous year	-0.15	0.00	0.00	0.00	0.00
Pay inflation	1.77	1.24	1.21	1.21	1.22
National living wage impact	0.18	0.19	0.20	0.21	0.22
Pension Contributions	0.05	0.61	0.61	0.61	0.61
Demographic Growth & Increase in Service Volumes	3.49	3.08	3.08	3.08	3.08
Contractual Inflation	1.54	1.54	1.49	0.53	0.42
Budget Pressures / Rebasing	2.92	0.00	0.12	0.10	0.00
New Growth	0.76	0.00	0.00	0.00	0.00
Provision for amber rates savings in future years	0.00	1.00	0.80	0.80	0.80
Increase(-)/ Reduction in New Homes Bonus Grant	-0.35	1.93	0.91	1.39	0.90
Reduction in Public Health Grant	0.22	0.00	0.00	0.00	0.00
Capital Financing	2.11	1.61	1.11	0.50	0.50
Review of Capital Programme	-0.60	-	-	-	-
Increased Business Rates income (incl s31 grants)	-2.36	-	-	-	-
Once-off ASC Grant - Winter Pressures	0.73	-0.73	-	-	-
Once-off costs	0.71	-0.71	-	-	-
<b>Draft Budget Before Savings</b>	<b>124.29</b>	<b>122.86</b>	<b>120.41</b>	<b>120.78</b>	<b>121.54</b>

	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m
<b>Savings Proposals</b>					
Once-off Winter Pressures Funding	0.73	-0.73	-	-	-
Adult Social Care Once-off Business Rates Grant	0.36	-0.36	-	-	-
Once-Off Grant for Children's Services	1.25	-1.25	-	-	-
New and Revised Savings Plan	8.85	3.44	-	-	-
Estimated Savings Required	0.00	10.87	8.07	6.98	6.25
<b>Budget Requirement</b>	<b>113.10</b>	<b>110.89</b>	<b>112.34</b>	<b>113.80</b>	<b>115.30</b>
<b>Funding of Budget Requirement</b>					
Council Tax @ 2.95% in 2019/20	85.41	86.27	87.13	88.00	88.88
Adult Social Care Precept 1% in 2019/20	6.62	6.69	6.76	6.82	6.89
Collection Fund Surplus (Council Tax)	0.71	-	-	-	-
Business Rate Retention incl Revenue Support Grant	22.55	17.93	18.45	18.98	19.53
Collection Fund Deficit (NDR)	-0.27	-	-	-	-
Business Rates Reserve	-0.33	-	-	-	-
Contribution to Revenue Budget Contingency Reserve	-1.590	-	-	-	-
<b>Funding of Budget Requirement</b>	<b>113.10</b>	<b>110.89</b>	<b>112.34</b>	<b>113.80</b>	<b>115.30</b>

(Note the table outlines an increase in Council Tax in 2019/20 only with Adult Social Care Precept of 1% in 2019/20)

Some of the figures in the table above are affected by rounding.

The forecast includes the following cost pressures and assumptions:-

**Pay** – Pay inflation has been allocated in accordance with the national agreement for 2019/20. The Council's Pay Policy Statement is attached at Annex 9;

**Pension Costs** – Estimated at 1% increase per annum from 2020/21;

**Service Demand Pressures** – the strategy assumes that demand especially within Adults and Children's Social Care remains in line with estimates as at December 2018;

**Interest Rates** – Estimated average interest of c1.2% per annum for treasury management cash investments. The Council will maintain a minimum cash policy;

**Inflation** – CPI projections for the coming years are expected to be 2.0% in 2019/20, 2.0% in 2020/21 and 2.1% 2021/22. However it is expected that services will continue to absorb all but a limited amount based on specific service circumstances and contractual commitments;

**Capital Spending** – an allowance has been made to fund a minimal number of new schemes funded from corporate supported borrowing;

**Borrowing** – the strategy introduces longer term borrowing costs into the MTFS to free up revenue reserves however the authority will continue to optimise the use of cash balances subject to market conditions and the overriding need to meet cash outflows;

Annex 1 shows the Revenue Budget Summary for 2019/20, which totals £113.10m. Once approved by Council, these represent the financial plans that the Cabinet will manage under their delegated authority and monitor in accordance with the Budget Management Scheme.

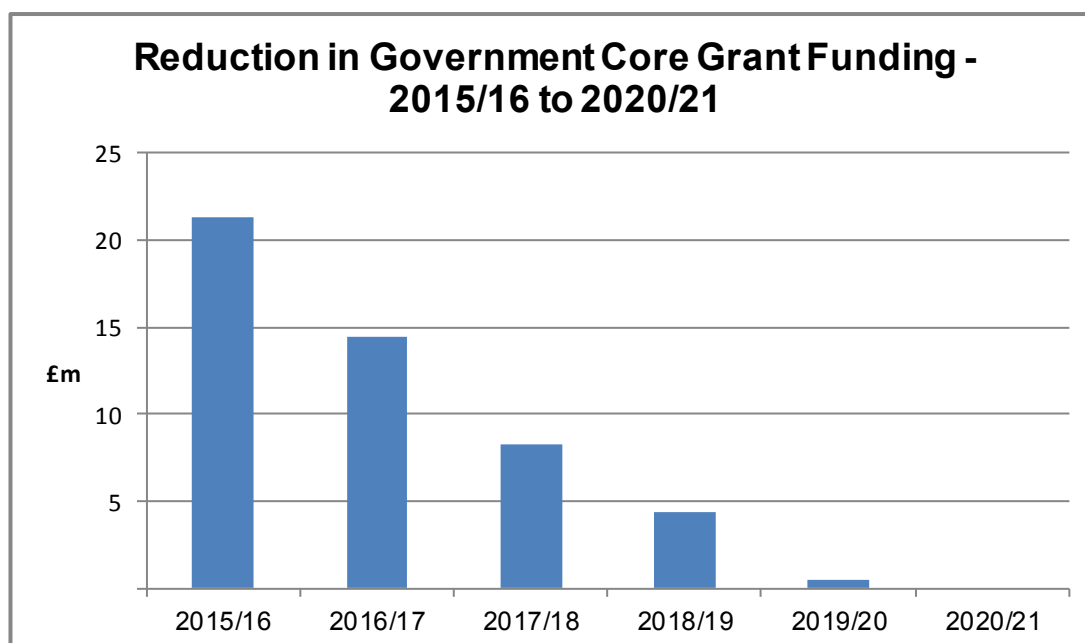
### 5.2.3 The Government Settlement

B&NES agreed to accept the four-year settlement as did 97% of all local authorities – 2019/20 is the last year of this agreement.

The Provisional Settlement was received on the 13<sup>th</sup> December 2018 but has not yet been finalised. MPs are unlikely to decide on the final settlement until mid to late February and therefore there is a small chance that the figures for B&NES will change. The figures outlined in this report reflect the provisional figures. The final settlement details will be reflected within the report to Council if they are published before the report deadline.

- **Revenue Support Grant**

The budget and strategy assumes that the 4-year settlement agreed for 2016/17, will continue to 2019/20 with further reductions of £0.49m in 2020/21 removing any remaining RSG (note the remaining RSG allocated to B&NES has been rolled into the 100% Business Rate Pilot). The reductions are shown in the table below:-



- **New Homes Bonus**

The 2017/18 Settlement announced changes to the funding arrangement for New Homes Bonus which would reduce the number of years for which payments are made to 4 years in 2018/19. The settlement announced that the national housing growth baseline adjustment would remain at 0.4% for 2019/20.

The amount allocated to B&NES for 2019/20 is £5.139m.

- **Adult Social Care Support Grant**

The Government announced further grant distribution as part of the Finance Settlement. Including £0.73m in 2018/19 and £0.73m in 2019/20, for winter pressures grant funding to be pooled through the Better Care Fund. This grant has specific criteria and requirement for use including targeted investment into Adult Social Care to help enable Hospital Discharges. A further once-off grant of £1.247m was announced that can be utilised for pressures within Adult Social Care or Children's Services. The grant will be used to fund Social Care placement pressures within Children's Services in 2019/20.

- **Better Care Fund**

The Better Care Fund is intended to incentivise the integration of health and social care, requiring Clinical Commissioning Groups (CCG) and Local Authorities to pool budgets and agree an integrated spending plan. Greater integration is seen as a potential way to use resources more efficiently and achieve better outcomes for people, in particular by reducing avoidable hospital admissions and facilitating early discharge from hospital.

The Council & B&NES CCG Better Care fund for 2019/20 is anticipated to be £70.7m with the Council contribution of £33.3m and CCG contribution of £37.4m. In addition to the mandated financial amounts for pooling this includes Council and CCG budgets for the Joint Community Services contract with Virgin Care and associated sub-contracts.

The Council budget assumes that the funding transfer from the £11.6m NHS mandated minimum contribution will remain consistent with prior years with £8.93m transferred in 2019/20 for Council commissioned schemes under the S75 pooled budget arrangements.

In addition extra funding for adult social care was announced in the 2017 national budget with local allocations of one-off funding of £2.064m in 2018/19 reducing to £1.028m in 2019/20, this funding is pre-committed through the approved Better Care Fund plan and is helping to protect current Social Care spending levels and meet the national conditions for the BCF plan including improving delayed transfers of care (DTC) performance.

For 2018/19 & 2019/20 the government through the improved BCF has made funding available incrementally to Local Authorities, £825m in 2018/19 and £1.5bn in 2019/20. For the Council, allocation of the one-off grant funding was £1.4m in 2018/19 increasing to £3m in 2019/20. This funding has been incorporated into the 2018/19 Better Care fund planning assumptions with the funding allowing the Council to continue in meeting Adult Social Care needs and supporting the local Social Care provider market. The B&NES Better Care Fund Plan and scheme proposals will require refreshing for 2019/20 and agreeing through the Health and Wellbeing Board.

- **Non-Domestic Rates**

It has been confirmed that the 100% Business Rate Retention Pilot will continue into 2019/20. The estimated benefit of £2.5m per annum for this Council was factored into the Budget in 2017/18. The strategy assumes (although no confirmation has been received to date) that this benefit will be removed as part of the review of Local Government Financing and Fairer Funding Review that the Council will be included in the 75% Business Rate Retention Scheme. Although the details have not yet been published an estimated £3.6m has been added to the budget gap in 2020/21. The strategy also assumes that a baseline reset will occur in 2020/21.

As part of the proposed budget, reasonable assumptions have been made for likely levels of future Business Rate income, together with specific provisions for appeals and growth. Any surplus or deficit on the Business Rate Collection Fund and associated income will be transferred to or from the Business Rates Reserve for consideration as part of the Business Rates calculations for future years. This approach will include any changes that arise from the final settlement announcement relating to Business Rates, the announcement was still awaited at the time this report was finalised.

As part of the Autumn Budget Statement, the Government announced the introduction of a new relief scheme for retail premises that have a rateable value of below £51,000. Under the scheme, eligible ratepayers will receive a one third discount of their chargeable amount. This relief will have effect for 2019/20 and 2020/21 requiring delivery through Council's local discretionary relief powers (under s47 of the Local Government Finance Act 1988) and the Council is updating its discretionary relief policy to include the new relief. The government will compensate Council's for the cost of this relief through a Section 31 grant.



- **Schools Funding**

Schools are funded by the Dedicated Schools Grant (DSG) which is initially allocated to the Council by the Department for Education (DFE). The DSG supports all expenditure in schools (who set their own budgets) and the activities that the Council carries out directly for schools. It does not cover the statutory responsibilities the Council has towards parents. These responsibilities are funded through the Councils main revenue funding and included as part of the proposed budget.

As schools convert to academies the DFE take back the element of DSG payable to the local authority in order to make payments direct to the academies. It is estimated that 80% of schools will have converted to academies by September 2019 and that all schools will develop plans to convert in the coming years.

With the introduction of the National Funding Formula for schools the DSG for schools (The Schools Block) was ring-fenced for schools from 2018/19 leaving the LA as ultimately responsible for the demographic pressures being observed in the other Blocks in particular the SEND / High Needs element of the DSG. The underlying overspend on the High Needs Block is expected to be £4.3m in 2018/19. The Council provided additional funding of £2.3m, in anticipation of this, and schools through the Schools Forum agreed to support the pressures to the full extent of their delegated powers with a contribution of 0.5% of the schools budget amounting to £0.5m. Further contributions above the 0.5% were not agreed for 2019/20 and would have required DFE approval.

For 2019-20 the DFE have consulted with Local Authorities and issued guidance on the recording of pressures and balances in the DSG grant regime. In line with this guidance the accounting treatment of the support to the High Needs Budget will be changed. For 2019-20 the £2.3m will now be placed in a contingency reserve that may be utilised to fund any overspends at year end once all other options including underspends within other DSG Blocks and the contribution from schools have been utilised. The Council can therefore plan over time to reduce the contribution from its General Fund.

As part of the plan to limit the draw on the council funding for the pressures on the high needs block efficiencies from other elements of the DSG are being considered. In particular the introduction of a new banding process for pupils with Education Health and Care Plans (EHCPs) which will ensure that pupils entering the SEND system are assessed appropriately to ensure correct resources are allocated to schools and settings. In addition to this capital projects are planned to increase local provision to limit the funding that is paid to expensive independent providers and reduce the cost and travel time for children.

The final settlement of the DSG for 2019/20 has been provided by the DFE and is in line with the estimates predicted. A further £0.4m grant has been allocated to B&NES for both 2018/19 and 2019/20 in recognition of the national pressures of funding for SEND/ High Needs Block. However, this remains insufficient to ensure that DSG is fully self-funded.

- **Requests made to Central Government**

The Council has asked Central Government to recognise the challenges it faces and the solutions that might help, and have identified 20 key areas where a shift in approach or legislation could help address pressures or mitigate additional future costs. These have been included as part of the Council's response to the Government's Fairer Funding Review and four of the key areas are as follows:-

- **Council funding for student households** - Students are rightly exempt from paying Council Tax but Councils are no longer compensated by Government for this loss of income. As students in the city of Bath account for almost a quarter of all residents, such compensation would equate to over £3m in additional Council Tax income. In addition we receive no Business Rates on student accommodation, which is often run by highly profitable businesses.
- **Ability to introduce a Local Tourism Levy** - Visitors are important to our economy, but they also impact upon Council resources and services with around 5.8 million visitors every year. If a Local Tourism Levy of £1 nightly surcharge per room for example was introduced £2.4m each year could be reinvested into the local area.
- **Special Education Needs and Disabilities (SEND)** - We welcome the SEND reforms however the Council is now facing a significant increase in workload and support costs as a result and it has asked the Government to transfer additional money to fund this important area.
- **Removal of non-domestic rate exemption for listed buildings** - This would not require a significant change in law and would enable the Council to bill £2.4m for rates on empty, listed properties to support services.

#### 5.2.4. Savings and Income Generation

Revised estimates for savings and income generation show that £23.2m will be required over the next two years. This is based on the assumption that the savings already approved and proposed savings of £12.3m can be delivered. This leaves a remaining savings gap of £10.9m in 2020/21 for which savings plans will need to be developed by February 2020.

The proposals for savings and income generation outlined in Annex 2 have been included in the Organisational Plan for 2019/20 and will be reviewed by each of the PDS Panels before Council on the 19<sup>th</sup> February 2019. The Annex has been updated to reflect any amendments to savings plans and income generation.

The savings strategy can be delivered as part of the authority's assessment of its **long term delivery model and Core Services Offer**. This can be achieved through:-

- **Priority based resourcing** to develop options to reduce spend by:-
  - Reducing or stopping services but maintaining a Core Services Offer;

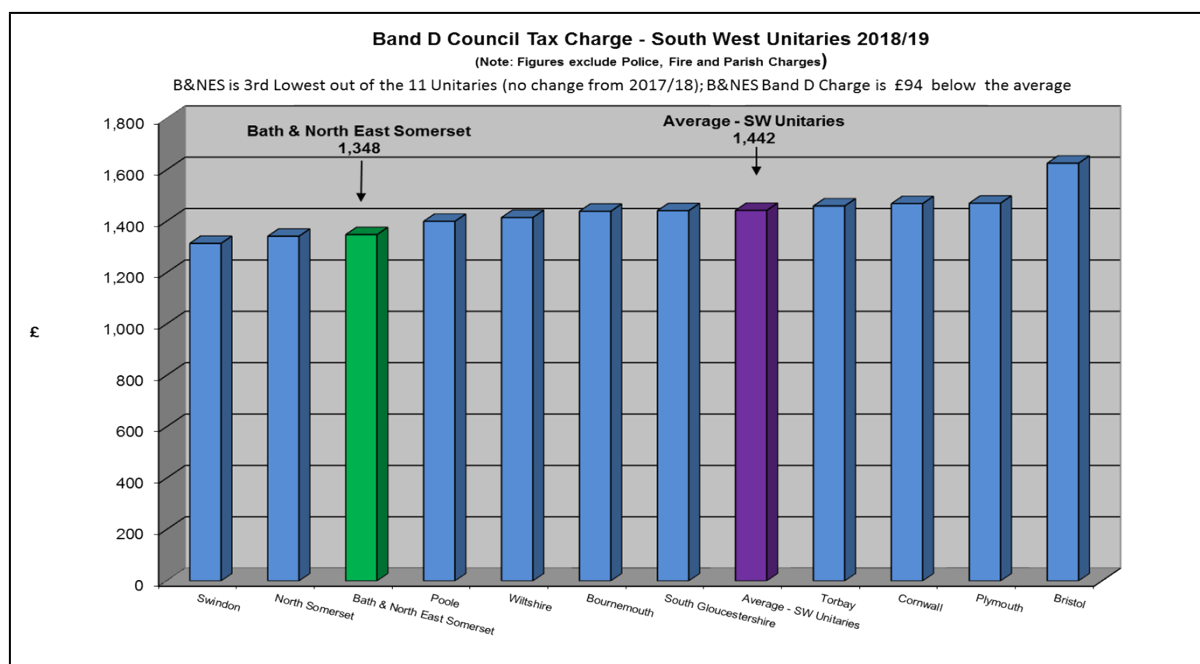
- **Maintain commercial income to;**
  - Increase discretionary charges only where appropriate;
  - Ensure statutory charges are based on full cost recovery.
- **Shared services where appropriate/ right sizing:-**
  - Review shared service opportunities with the CCG, WECA, and other local authorities;
  - Assess future staffing and management requirements through new ways of working/digital/estates to deliver the core offer.
- **Targeted capital spend:-**
  - Minimise the impact of capital spend by reviewing schemes and minimising new additions through prioritisation.
- **Managing Demand (and the processes surrounding demand)**
  - E.g. signposting and investing in self-help and early intervention to reduce demand on specialist roles.
- **Contract Savings**
  - Review of all contract spend to reduce costs.
- **Capital Programme**
  - A review of the capital programme is being carried out as part of preparing next year's budget with the following objectives:-
    - To ease staffing capacity issues;
    - Ease financial pressures
    - Ensure schemes still meet key priorities;
    - Review financial and delivery risks;

## 5.3 Council Tax

### 5.3.1 Band D Equivalent Council Tax

The MTFS did not include any assumptions on increases in Council Tax. The proposal within this report is to increase general Council Tax by 2.95% in 2019/20 to ease pressures within front line services but specifically Children's Services. This will increase a Band D by £39.76 for 2019/20 to £1,300.28. The tax base for 2019/20 is 65,687.52, an increase of 1,340.88 from 2018/19.

The diagram below shows that B&NES had the third lowest Council Tax of the South West Unitary Authorities in 2018/19:-



As billing authority, B&NES has to calculate a basic level of tax based on its own spending plans, to which is added the precepts from, Adult Social Care, Avon Fire Authority, Avon and Somerset Police Authority, and any town/parish Council. The actual total of Council Tax for Bath and North East Somerset residents will be calculated once all precepting authorities have notified B&NES of their proposals to be approved at Full Council on 19th February 2019.

The Government outlined in the settlement that the referendum level for Council Tax as 3% before a local referendum was required in recognition of the financial difficulties local authorities are facing.

### 5.3.2 Adult Social Care Precept

The Government has recognised some of the pressures facing Adult Social Care (ASC) authorities, providing for a continuation for a specific increase in the local Council Tax precept ringfenced to ASC. B&NES approved an increase of 2% in 2017/18, 3.0% in 2018/19, and proposes a further 1% in 2019/20 to meet the increasing demands on this service (this would increase the Adult Social Care Precept to £100.84 an increase of £13.47 from 2018/19).

### 5.3.3 Estimates for Future Years Band D Council Tax

The current Medium Term Financial Strategy **has not factored in any future increases** in Council Tax.

### 5.3.4 Council Tax Support

The Council Tax Support Scheme has been updated to reflect upper and lower thresholds – see link as follows [http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Council-Tax-Benefits-and-Grants/CouncilTax/draft\\_bath\\_ne\\_someset\\_s13a\\_201920.pdf](http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Council-Tax-Benefits-and-Grants/CouncilTax/draft_bath_ne_someset_s13a_201920.pdf). The tax base

currently assumes the same number of recipients as at the end of November 2018 will continue into 2019/20. The budget estimate is £9.2m compared to £8.9m in 2018/19.

The Revenue Support Grant passported to the Town and Parish Councils has been reduced to zero in 2019/20, with the exception of Radstock where the grant will be phased out by 2021/22 to take account of their relatively higher dependency on the grant as a result of having a higher proportion of Council Tax Benefit claimants under the old scheme.

## **5.4 West of England Combined Authority (WECA)**

In 2016, three councils in the West of England – Bath and North East Somerset, Bristol and South Gloucestershire – signed a devolution deal worth £1 billion. As a result, significant powers and funding have been transferred to the region through the new West of England Combined Authority (WECA) and West of England Mayor.

Since it was set up in 2017, in addition to the £30m per year from the devolution deal, WECA has secured the following additional investment for the region: -

- £103M for transport
- £5M to trial superfast 5G networks
- £4M for the Future Bright skills programme
- £46.4M from our business rates retention\*
- £3M to progress housing development and attract additional funding (plus a further £250M bid in to Government)
- £5.7M to improve roads
- £17.6M to invest in adult education
- £2.8M for a new Energy Hub and Low Carbon Fund
- £1.35M to support the region's creative sector
- £2m to run the Combined Authority and deliver our ambitious plans

*\* 100% of business rates are kept in the region – 5% to WECA, 94% to Councils (£2.5m for B&NES) and 1% to fire service*

The Budget for the WECA will be set on 1st February 2019 by the WECA Committee – at the time of writing the budget assumptions set out below are based upon the WECA Budget proposals and are subject to the outcome of the above meeting. The following elements of the WECA Budget and medium term financial plan have therefore been incorporated within the Council Budget proposal:

- Capital Grant payments in respect of Highways Maintenance and Transport Improvement funding will continue in line with the 4-year allocations provided indicatively by DfT covering 2017/18 to 2020/21. The total allocation for the Council in 2019/20 is £4.829m including £0.632m for the highest level of incentive grants which is automatically provided for Mayoral Combined Authority areas.
- Appropriate commissioning payments from the WECA to the Council of £0.482m for delivery of transport activities to ensure continuity of service provision in line with the Inter-Authority Agreements (concessionary travel, community transport and bus information).

- Contributions to the WECA from the Council (from existing budgets) to meet the Levy for costs of associated transport functions (concessionary travel, community transport and bus information). The basis of the Levy remains in line with the Council's estimated share of costs and is set at £4.259m. The net impact is neutral for the Council reflecting the movement of funds in line with the devolution arrangements.
- Within the Business Rates Collection Fund to continue to provide for an appropriate share of Business Rates to be allocated to the WECA in accordance with the 100% Business Rate Retention pilot to meet the costs of Highways Maintenance and Transport Improvement Grants (this does not impact on the Council's significant benefits from participation in the Pilot).
- Grants funding received from the WECA for feasibility studies and business case development for infrastructure schemes including:-
  - A share of £3.9m to help improve the skills of up to 3,000 adults;
  - £75k to progress the Safer Routes to Schools Scheme;
  - £400k towards improvements to the A39 / B3116 'Two Headed Man' junction;
  - £700k towards improvements to the A39/A368 'Bence's Garage' junction;
  - £40k towards improving cycle networks, including employer grants to encourage cycling to work;
  - Investment of £10m in the area to establish a new Institute for Advanced Automotive Propulsion Systems;
  - Funds to develop the road improvements schemes at Freezing Hill Lane and Hicksgate;
  - £3.3m "Love our High Street" initiative.
- These are funded from the additional investment funds received by the WECA as part of the devolution arrangements and reflected accordingly with the Council's revenue and capital budget proposals. Further bids for infrastructure funding may be made in line with the WECA Strategy and Assurance Framework and may come forward for inclusion in the capital programme in line with future delivery arrangements.
- The continuation of the reduction of £40K against the Council's annual contribution of £150K towards the running of the LEP/WoE Office reflecting the efficiencies that have been achieved through integrating these arrangements with WECA including the accountable body role for the significant WoE Growth and City Deal funds.

The WECA is not permitted to raise a Council Tax to fund any of its activity and therefore no precept will be requested.

Full details of the WECA Budget proposals are available at [www.westofengland-ca.gov.uk](http://www.westofengland-ca.gov.uk)

## 5.5 Revenue Balances, Contingency & Reserves

Reserves are amounts that have been set aside from annual revenue budgets to meet specific known events that will happen in the future. An estimate of the key reserves has been made for 2019/20 and future years using capital receipts flexibility mainly to fund restructuring and severance costs in 2018/19 to 2019/20.

	<b>Estimated Balance 1/4/19</b>	<b>Estimated Balance 31/3/20</b>	<b>Estimated Balance 31/3/21</b>	<b>Estimated Balance 31/3/22</b>	<b>Estimated Balance 31/3/23</b>
	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
Revenue Budget Contingency	2.0	2.0	2.0	2.0	2.0
Financial Planning and Smoothing Reserve	3.3	1.8	-	-	-
Transformation Investment Reserve	1.9	0.2	-	-	-
Restructuring & Severance Reserve	2.2	2.2	2.2	2.2	2.2

### 5.5.1 Revenue Budget Contingency

The primary purpose of this reserve is to fund in year unforeseen events, overspends, and to meet the risks of non-delivery of budget savings. Budget monitoring for the period April to December 2018 has outlined that £2.0m will be required to fund the year end position for 2018/19 and therefore provision has been made in the budget for £1.6m to be transferred into the reserve to maintain it at £2.0m for 2019/20.

### 5.5.2 Financial Planning and Smoothing Reserve

The Financial Planning Reserve will be used to smooth the delivery of organisational change. It has been estimated that within the savings plans proposed the Council will continue to downsize further in 2019/20. An allowance of £1.5m has been made in 2019/20 to smooth the timing of redundancies as they are made during the financial year.

### 5.5.3 Transformation Investment Reserve

The reserve was set up to deliver the Strategic Review savings. The reserve was realigned in the MTFS to fund commitments from flexible capital receipts and transfer some the

reserve to the Financial Planning and Smoothing Reserve. There remains a sum of £0.2m which can be allocated in 2019/20 for new initiatives.

#### 5.5.4 Restructuring and Severance Reserve

The reserve was set up to fund severance costs and will only be utilised in future for spend that is not linked to a specific budget savings plan or where there are insufficient capital receipts to fund severance costs. The requirement for this reserve will be reviewed once the required flexible capital receipts target is reached.

#### 5.5.5 Invest to Save Reserve

The Invest to Save Reserve was separated from Un-earmarked Reserves as part of budget setting for 2018/19. The reserve of £1.5m is utilised for new projects that make savings and repay the sum borrowed over an agreed period of time. It is currently fully committed with repayments currently expected to commence in 2022/23.

#### 5.5.6 Reserves and Flexible Capital Receipts

Flexible capital Receipts can be used for revenue spend that results in ongoing revenue savings. Actual usage for 2017/18 was £3.1m with a further £5.4m estimated for 2018/19. A revised target of £3.0m for 2019/20 has been set through the Efficiency Strategy attached at Annex 4. Currently £3.2m of capital receipts through estate assets, land holdings etc have been received by the end of December 2018 with a further £12.4m (£5.0m in 2018/19 and £7.4m in 2020/21) identified to meet requirements for flexible capital receipts or to finance the capital programme.

	<b>Actual Usage 2017/18</b>	<b>Estimated Usage 2018/19</b>	<b>Estimated Usage 2019/20</b>	<b>Estimated Usage 2020/21</b>	<b>Estimated Usage 2021/22</b>
	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
Flexible Capital Receipts	3.1	5.4	3.0	-	-

#### 5.5.7 General Fund Un-earmarked Reserve

The General Fund Un-earmarked Reserve is retained to meet the Council's key financial risks. The risk assessment has set a range of between £11.9m and £13.1m to meet those risks. Budget Monitoring for the period April to December 2018 estimated that Un-earmarked Reserves would total £12.2m by 31<sup>st</sup> March 2019 therefore will remain sufficient to meet those risks.



## **5.6 Robustness of and Risks within the Proposed Budget for 2019/20 Statutory Chief Finance Officer (CFO) Report and Advice on the Robustness of the Budget and Adequacy of Reserves and Balances**

### **5.6.1 Introduction**

The Local Government Act 2003 states that when a local authority is preparing its budget, “the Chief Finance Officer of the authority must report to it on the following matters:—

- (a) the robustness of the estimates made for the purposes of the calculations; and
- (b) the adequacy of the proposed financial reserves.”

And goes on to state that the authority “shall have regard to the report when making decisions about the calculations in connection with which it is made.”

This report has been prepared by the Director of Finance to fulfil her duty and gives the required advice relating to the 2019/20 financial year including a consideration of the budget proposal as a whole and all the financial risks facing the Council in this budget. Also, it identifies the Council’s approach to budget risk management and assesses the particular risks associated with the 2019/20 budget to inform the advice.

### **5.6.2 CIPFA’s Financial Resilience Index**

CIPFA has shared its initial Financial Resilience indicators with the Chief Finance Officers for each authority. These measure different aspects of financial indicators such as levels of reserves across each tier of local authority.

The majority of the indicators show (in 2017/18) B&NES to be low risk for some aspects such as the ratio of costs of Children’s Social Care compared to net budget, and the levels of earmarked and unallocated reserves compared to other Unitary Authorities.

The areas highlighted as higher risk include reserve depletion time, changes in reserves, budget flexibility and the ratio of costs of Adult Social Care compared to the net budget. In terms of a response to these risks:-

Reserve depletion time and changes in reserves – the level of reserves have been outlined as low or mid-risk however the indicators are showing a higher use of reserves in 2017/18 (note these were in line with budget plans). The budget for 2019/20 recognises this with £1.6m added into reserves and the continuation of the use of flexible capital receipts to fund the once-off costs associated with the delivery of savings. Unallocated Reserves remain sufficient to meet the Council’s key risks.

Budget flexibility is shown as a higher risk and this reflects the position of most smaller Unitary authorities in managing the demand pressures by savings in other service areas to support the highest spend budgets of both Adult Social Care and Children’s Services. The Organisational Plan outlines that spend on these services is 81.6p of every £1 spent. The increase in Council Tax for 2019/20 coupled with the move to a “Core Offer” will assist with sustainability as the Council moves forward into uncertainty with regards to its funding for 2020/21.

The high Adult Social Care ratio reflects the fact that B&NES has a relatively low net budget reflecting the net income stream from Heritage and the Commercial Estate.

### **5.6.3 Executive Summary of the Director of Finance (CFO) on the budget position**

For 2019/20 the total gap before savings is £8.9m, this is comprised of budget pressures brought forward from 2018/19, reviewed savings plans, budgets updated for inflation and demographics, the loss of Revenue Support Grant in 2019/20 but partially offset by business rates and tax base growth including the proposed Council Tax increase, and other budget changes.

The assessment of the plans to close the gap outlines a requirement for up to £1.5m of funds from the Financial Planning Reserve to smooth the delivery of savings in 2019/20 as they cannot all be delivered by the 1<sup>st</sup> April. It will also require a Revenue Budget Contingency sum of £2.0m to reflect the assessed level of risk associated with the scale of savings and further unknown pressures and demographics in 2019/20.

In addition to this putting forward a balanced budget for 2019/20 continues to be dependent on the flexible use of capital receipts to fund redundancies and once-off costs such as transformation to deliver the savings required. If sufficient receipts are not achieved the Council will have to fund redundancy costs from other reserves.

Delays to the timescales outlined for delivery of savings will impact adversely on remaining reserves and as a consequence may reduce non-earmarked balances below the minimum level required.

### **5.6.4 Consequences of Failing to Deliver a Budget**

If the Council is unable to produce a budget or a plan for reducing the budget requirement for future years or finds it cannot deliver the budget in year, the CFO (under s151 of the Local Government Act) would be required to produce a Section 114 report. (Note the conclusion under 5.6.5 of this report).

Section 114 of the Local Government Finance Act 1988 requires a report to all the authority's members to be made by the CFO, in consultation with the Council's Monitoring Officer and Head of Paid Service, if "the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure" (i.e. there is likely to be an unbalanced budget). In this event the Council must consider the report within 21 days and decide whether it agrees or disagrees with the views in the report and what action it proposes to take to bring the budget into balance. The publication of such a report starts an immediate 'prohibition period'. This means that everyone who has delegated authority to spend the Council money immediately has those powers suspended during the prohibition period, and only the CFO can authorise new commitments.

### **5.6.5 Report of the Director of Finance (CFO) in Respect of Statutory Duties**

The Budget Report as a whole sets out the Council's financial position and budget. This is the formal report and is part of a continuum of professional advice and is the culmination of a budget process in which substantial detailed work has already been carried out with Directors, Senior Managers and their teams and Members. This section provides a

summary of the conclusions which are considered in more detail within this report and its appendices.

In respect of the robustness of estimates, estimates have been prepared by Directors and their staff supported by appropriate finance staff reviewing pressures, savings, demographics, inflation and contractual obligations, and income generation. Each Directorate has completed a Robustness Statement outlining savings and delivery risk that have been incorporated into a corporate wide assessment. A sum of £2.0m Budget Contingency Reserve has been allocated to mitigate unforeseen risks, and the risk of savings not being realised in 2019/20. This contingency includes a general provision as well as allowances against various specific savings and is intended to increase confidence in the deliverability of the overall budget.

The total known pressures of £2.9m from 2018/19 have been included to ensure there should be sufficient funds to meet service demand and delivery costs as currently forecast. These have been reviewed on a regular basis by SMT and the Directors as part of the regular budget monitoring process in 2018/19 as well as need for additional growth resources for example an additional £0.4m for Social Workers within Children's Services.

Given the over budget position in 2017/18 and likely outturn in 2018/19, it has been critical to review those pressures as well as demographic demand and inflation (a total of £5.0m) to prepare a robust budget for 2019/20. Monitoring of the budget especially around demand pressures in Adult and Children's Services will be critical to identifying any emerging issues as quickly as possible. Although once-off additional grant has been utilised to meet some of the rising pressures in Children's Services these have been fully based into the budget for forward planning purposes from 2020/21.

In the context of this report as a whole, clearly the financial position continues to be challenging, but the **CFO concludes that the estimates are robust**, in that they have been robustly constructed.

With regard to the adequacy of balances, whilst the minimum level of General Fund Un-earmarked Reserve of £12.2m (within the required range of £11.9m to £13.1m) is preserved, the Council remains highly dependent on the use of flexible capital receipts to achieve its budget aims. Achievement of further capital receipts income of £5.2m by the end of 2019/20 is therefore imperative to the delivery of the budget and preservation of reserves.

**The conclusion of the CFO is that the estimates for 2019/20 are robust and the budget is lawful, balances are adequate but highly dependent on the achievement of the capital receipts target to maintain a reasonable level of reserves.**

## **5.7 Capital Strategy, Programme and Capital Receipts 2019/20 to 2023/24**

### **5.7.1 Capital & Investment Strategy**

Production of a Capital and Investment Strategy is a new Government requirement for 2019/20 and is the overarching document which sets the policy framework for the

development, management and monitoring of capital investment as well as lending to other organisations and commercial investments. The strategy focuses on core principles that underpin the council's capital programme, investment property, financing and the risks that will impact on the delivery of the programme and commercial estate; and the governance framework required for decision making and delivery.

### 5.7.2 Overall Capital Programme & Financing including New Capital Schemes

The Prudential Code for Capital Finance in Local Authorities was updated in December 2017. The objectives of the Prudential Code are to ensure that the capital expenditure plans of local authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved.

It requires authorities to assess capital expenditure and investment plans in the light of overall organisational strategy and resources and ensure that decision are made with sufficient regard to the long term financial implications and potential risks to the authority.

The Council follows this approach through:-

- Continuing to review all existing schemes and simplify, reduce, pause or stop as necessary;
- Minimising new schemes except those that meet corporate priorities;
- Agreeing an affordable limit for new schemes requiring corporate borrowing;
- Ensuring adequate investment in assets supporting key service provision (including meeting health and safety requirements or replace obsolete or inefficient assets/equipment);and
- Delivering or working with partners to deliver high priority government funded programmes and WoE programmes where they meet corporate priorities.

The Capital Programme will retain the clear separation of schemes for **Full Approval** and those which are for **Provisional Approval**.

Items gaining **Full Approval** are clear to proceed to full scheme implementation and delivery, subject to appropriate project management and governance.

Items for **Provisional Approval** will require either a further Officer decision and in some cases a formal Executive decision for Full Approval. The budget estimates for schemes shown for Provisional Approval are therefore included on an indicative basis, and as an aid to planning.

The Capital Programme will retain narrative only reference to pipeline projects and grant funding in early stage progression. These items will require further decision to incorporate into the programme at a later date, in line with the delegations outlined in the February Budget report.

The capital programme is aligned with the Community Infrastructure Levy allocations agreed for the coming financial year

**A summary of the proposed capital programme and it's financing for 2019/2020 – 2023/2024 is shown below:-**

Capital Schemes For Approval

<b>Cabinet Portfolio: Capital Schemes</b>	<b>Budget 2019/2020 £'m</b>	<b>Budget 2020/2021 £'m</b>	<b>Budget 2022/2022 £'m</b>	<b>Budget 2022/2023 £'m</b>	<b>Budget 2023/2024 £'m</b>	<b>Total £'m</b>
Development & Neighbourhoods	8.063	0.000	0.000	0.000	0.000	<b>8.063</b>
Economic & Community Regeneration	28.582	31.456	7.582	3.321	1.281	<b>72.222</b>
Transport & Environment	10.252	0.239	0.110	0.000	0.000	<b>10.601</b>
Children & Young People	2.692	0.000	0.000	0.000	0.000	<b>2.692</b>
Finance & Efficiency	28.910	0.000	0.000	0.000	0.000	<b>28.910</b>
Transformation & Customer Services	0.087	0.000	0.000	0.000	0.000	<b>0.087</b>
Corporate Capital Contingency	0.005	0.000	0.000	0.000	0.000	<b>0.005</b>
<b>Total</b>	<b>78.591</b>	<b>31.695</b>	<b>7.692</b>	<b>3.321</b>	<b>1.281</b>	<b>122.579</b>

**Capital Schemes For Provisional Approval (Subject to)**

<b>Cabinet Portfolio: Capital Schemes</b>	<b>Budget 2019/2020 £'m</b>	<b>Budget 2020/2021 £'m</b>	<b>Budget 2022/2022 £'m</b>	<b>Budget 2022/2023 £'m</b>	<b>Budget 2023/2024 £'m</b>	<b>Total £'m</b>
Development & Neighbourhoods	24.346	1.816	0.971	2.055	0.408	<b>29.596</b>
Economic & Community Regeneration	24.356	9.943	10.792	0.985	0.635	<b>46.711</b>
Transport & Environment	3.529	7.056	5.924	5.204	4.829	<b>26.542</b>
Children & Young People	22.464	6.645	0.000	0.000	0.000	<b>29.109</b>

<b>Cabinet Portfolio: Capital Schemes</b>	<b>Budget 2019/2020 £'m</b>	<b>Budget 2020/2021 £'m</b>	<b>Budget 2022/2022 £'m</b>	<b>Budget 2022/2023 £'m</b>	<b>Budget 2023/2024 £'m</b>	<b>Total £'m</b>
Finance & Efficiency	16.052	2.325	2.250	2.310	0.670	<b>23.607</b>
Transformation & Customer Services	3.825	0.068	0.068	0.000	0.000	<b>3.961</b>
<b>Total</b>	<b>94.571</b>	<b>27.853</b>	<b>20.005</b>	<b>10.554</b>	<b>6.542</b>	<b>159.525</b>
<b>Grand Total</b>	<b>173.162</b>	<b>59.548</b>	<b>27.697</b>	<b>13.875</b>	<b>7.823</b>	<b>282.105</b>

### **Funded By**

<b>Financing</b>	<b>Budget 2019/2020 £'m</b>	<b>Budget 2020/2021 £'m</b>	<b>Budget 2022/2022 £'m</b>	<b>Budget 2022/2023 £'m</b>	<b>Budget 2023/2024 £'m</b>	<b>Total £'m</b>
Grant	56.346	21.874	10.597	6.805	5.829	<b>101.451</b>
Capital Receipts/RTB	8.666	3.495	0.791	6.135	0.635	<b>19.722</b>
Revenue	1.355	0.000	0.000	0.000	0.000	<b>1.355</b>
Borrowing	96.974	33.615	16.159	0.835	1.329	<b>148.912</b>
3rd Party (inc S106 & CIL)	9.822	0.564	0.150	0.100	0.030	<b>10.666</b>
<b>Total</b>	<b>173.162</b>	<b>59.548</b>	<b>27.697</b>	<b>13.875</b>	<b>7.823</b>	<b>282.105</b>

Note1: The figures in the table above include re-phasing from prior years.

Note 2: Some of the figures in the above table are affected by rounding.

Attached at Annex 5(ii) is the Highways Maintenance Programme, 5(iii) the Transport Improvement Programme, and at 5(iv) the Corporate Estates Planned Maintenance Programme for approval. Once approved implementation is delegated subject to internal authorisation of Project Initiation Documents.

### **5.7.3 Efficiency Strategy**

Central Government outlined in December 2015 that local authorities will be able under certain circumstances to utilise capital receipts for revenue expenditure for certain purposes. This was updated in March 2016 which outlined a simpler approach to allow authorities to utilise receipts if the spend resulted in an ongoing saving. The guidance is clear however that expenditure should be once-off and the flexibility cannot be utilised for ongoing expenditure. The flexibility was due to end in March 2019 but the Government has extended this in the settlement for a further three years.

Council approved the current Efficiency Strategy in November 2017. The Efficiency Strategy is fundamental to funding the once-off costs to deliver savings plans. An updated Strategy is attached at Annex 4 to reflect the requirement of £3m in capital receipts to fund proposed savings plans in 2019/20. The Strategy must be approved by Full Council.

#### **5.7.4 Review of the Capital Programme**

A review of the capital programme was carried out as part of preparing the budget with the following aims:-

- To ease staffing capacity issues;
- Ease financial pressures;
- Ensure schemes still meet key priorities;
- Review financial and delivery risks;

The review deferred or removed £19.1m of projects resulting in revenue saving of £0.6m. This was reported and agreed at Cabinet in December 2018.

#### **5.7.5 Capital Risk Contingency**

There are three levels of risk provision in relation to the capital programme.

- Individual major projects within the capital programme hold their own contingency in accordance with good project management practise to meet unavoidable and unforeseen costs;
- The capital programme includes a funded corporate risk contingency which will be maintained at £1.9m;
- The corporate risk assessment on which the general reserves target is based includes an element in the context of the capital programme based on the risks of the current programme.

As with all capital projects, relevant risks are being considered as part of the overall risk-assessed general reserves and the Corporate Risk Register.

#### **5.7.6 Capital Invest to Save**

A process for small “Invest to Save” schemes requiring capital funding is currently being investigated with proposals being brought forward once completed.

#### **5.7.7 Minimum Revenue Provision (MRP) Policy**

The Council is required to make revenue provision to repay capital spend that is financed by borrowing (either supported or unsupported). This is called the Minimum Revenue Provision (MRP). The Department of Communities & Local Government has issued regulations that require full Council to approve a MRP Policy in advance each year, or if revisions are proposed during the year they should be put to the Council at that time. The policy as attached at Annex 7 has been updated to add the flexibility of using capital receipts to repay borrowing as permitted under regulations.

### 5.7.8 Prudential Indicators

The key objectives of the Prudential Code are to ensure that capital investment plans of local authorities are affordable, prudent, and sustainable. The Capital Prudential Indicators are shown below:-

Prudential Indicator	2017/18 Actual	2018/19 Forecast Outturn	2019/20	2020/21	2021/22
<b>Estimate of Capital Expenditure (£'000s)</b>					
Actual/estimates of capital expenditure	76,298	149,512	173,162	59,548	27,697
<b>Net Increase in Council Tax (band D per annum) Figures in £'s (not £'000's)</b>					
The implied estimate of incremental impact of the new capital investment decisions on the Council Tax			£6.49	£7.12	(£0.42)
Cumulative totals:			£6.49	£13.61	£13.19
<b>Capital Financing as % of Net Revenue Stream</b>					
Actual/estimates of the ratio of financing costs to net revenue stream			15.91%	20.85%	21.97%
<i>Memo: estimates of the ratio of financing cost to gross revenue stream</i>			5.23%	6.77%	7.20%
<b>Borrowing Limits (£m)</b>					
Operational boundary – borrowing			£409m	£432m	£437m
Operational boundary – other long-term liabilities			£2m	£2m	£2m
<b>Operational boundary – total</b>			<b>£411m</b>	<b>£434m</b>	<b>£439m</b>
Authorised limit - borrowing			£440m	£463m	£467m
Authorised limit – other long-term liabilities			£2m	£2m	£2m
<b>Authorised limit - total</b>			<b>£442m</b>	<b>£465m</b>	<b>£469m</b>
<b>Capital Financing Requirement (£'000s) (as at 31 March)</b>					
Actual/estimate of capital financing requirement	247,107	351,649	440,220	462,774	467,197

### Gross Debt and the Capital Financing Requirement

In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that external debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

After reviewing the capital programme and borrowing proposals, the Section 151 officer reports that the Council will continue to meet the demands of this indicator.



## Borrowing limits

The Authorised limits for external debt include current commitments and proposals in the budget report for capital expenditure, plus additional headroom over and above the operational limit for unusual cash movements.

The Operational boundary for external debt (or planned borrowing level) is based on the same estimates as the authorised limit, but including an allowance for cash flow funding of specific capital schemes and without the additional headroom for unusual cash movements.

### 5.7.9 Community Infrastructure Levy (CIL) Spend Proposals 2019/20

The allocations proposed for CIL spend are attached in Annex 5(v) for approval. These allocations have been included in the capital programme where appropriate.

## 6. RISK MANAGEMENT

A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance. The key risks to the budget are currently assessed as:

Risk	Likelihood	Impact	Risk Management
Further demands on service continue to escalate beyond current estimates	Possible	High	Ongoing monitoring of spend and controls. Ensure reserves are sufficient to manage in-year pressures
Pay awards will be higher than estimated	Unlikely	Medium	Agreement in place for 2019/20.
Interest rates reduce further impacting on investment income	Unlikely	Low	Rates are predicted to increase rather than decrease although the impact on interest rates post Brexit remains a risk. A prudent view has been taken within the MTFP and cash is being utilised for purchase of assets while rates are low
Interest rates increase	Likely	Medium	A reserve is available for borrowing to manage market risk and long term borrowing costs have been factored into the longer-term MTFS
Volatility and uncertainty around business rates	Likely	High	Ensure business rate income and appeals are monitored and that specific reserve is sufficient to manage in-year volatility
The Business Rates 100% pilot ceases	Unlikely in 2019/20	High	It has been confirmed that Combined Authorities will retain

			100% of business rates in 2019/20. Although possible it is unlikely that this will continue in 2020/21 and an estimated £3.6m pressure has been added to the MTFS
Anticipated savings not delivered	Possible	High	Ensure delivery plans are monitored and continue to assess on a regular basis. Ensure Budget Contingency Reserve sufficient to meet in-year issues.
Capital projects not delivered resulting in revenue reversion costs or liabilities from underwriting agreements	Likely	High	The Council has a number of projects within this category. These risks will continue to be monitored and reported. An assessment is made as part of the budget process to ensure that revenue reserves are sufficient to meet these risks. The capital programme methodology looks to de-risk projects wherever possible.
Changes to Government Policy that affects future funding	Likely	High	Need to monitor and continue to highlight impact
Economic downturn impacts on commercial income	Possible	High	Portfolio has been diversified to manage some of this risk especially within the retail sector.
Brexit risks	Likely	Medium	Given the outcome of the vote on the 15 <sup>th</sup> January uncertainty continues regarding how or when the UK will leave the EU. A need to continue to highlight the demand pressures to central Government regarding Adult Social Care and Children's Services. Review reserves to manage any short-term impact. Monitor any economic impact.
Funding pressures through WECA, CCG and other partners	Possible	Medium	Ensure good communication links with partner organisations
The additional income from Heritage may not be sustained	Possible	Medium	Continue to monitor income levels and impact on business plan
Capital receipts in the areas identified are	Possible	Medium	Currently £5.2m receipts are required to meet the target and

insufficient to meet target			£12.4m expected.
-----------------------------	--	--	------------------

The key risks will continue to be monitored and reported through regular budget monitoring to Cabinet.

In addition this report includes the Section 151 Officer's assessment of the Robustness of Estimates and Adequacy of Reserves. One of the considerations taken into account is the Directors' Review of Robustness of Estimates and Budget Risks/Sensitivities and the Corporate Risk Register. This is completed by all Directors in respect of their own services.

## 7 RATIONALE

The rationale for the recommendations is contained throughout this report and the accompanying appendices.

The Council's Section 151 Officer is the Director of Finance. As Section 151 Officer and CFO her duties include ensuring a prudent and balanced budget is set on time which properly takes into account the financial constraints and risks facing the Council.

## 8 OTHER OPTIONS CONSIDERED

The report and annexes also contain the other options that can be considered in making any recommendations.

## 9 CONSULTATION

Planned public consultation took place in November and December 2018. Planned scrutiny of the Organisational Plan, savings proposals, and capital bids took place through the Scrutiny Panels in January 2019 with an overall review including the budget through the Resources and Policy Development and Scrutiny Panel in February 2019.

<b>Contact person</b>	Donna Parham, Director of Finance (01225) 477468
<b>Background papers</b>	<i>January/February PDS Panels</i> <i>CIL Infrastructure List (Reg 123 List):</i> <a href="http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Apply-for-Planning-Permission/bnes_reg_123.pdf">http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Apply-for-Planning-Permission/bnes_reg_123.pdf</a>
<b>Please contact the report author if you need to access this report in an alternative format</b>	

This page is intentionally left blank

# Cash Limits 2019/20 Proposed Revenue Budgets

Annex 1

CABINET PORTFOLIO	Service	Current 2018/19 Cash Limits £'000	Removal of One-offs (including one-off virements in 2018/19) £'000	2018/19 Base Budget £'000	MTFS Growth £'000	MTFS Savings £'000	Business Rates and other grant income items £'000	Total 2019/20 Budget Changes £'000	2019/20 Proposed Budget £'000
<b>Leader</b>	Council Solicitor & Democratic Services	2,283		2,283	485	(50)		435	2,718
	<b>PORTFOLIO SUB TOTAL</b>	<b>2,283</b>		<b>2,283</b>	<b>485</b>	<b>(50)</b>		<b>435</b>	<b>2,718</b>
<b>Finance &amp; Efficiency</b>	Finance	2,030		2,030	114			114	2,144
	People Services	309		309	6			6	315
	Risk & Assurance Services	1,154		1,154	36	(20)		16	1,170
	Information Technology	4,654	(88)	4,566	207	(112)		95	4,661
	Human Resources	1,122		1,122	47	(350)		(303)	819
	Property Services	2,032		2,032	85			85	2,117
	Corporate Estate Including R&M	2,479		2,479	108	(300)		(192)	2,287
	Commercial Estate	(16,388)		(16,388)	300	(325)		(25)	(16,413)
	Housing Delivery Vehicle	(450)		(450)		(280)		(280)	(730)
	Traded Services	216		216					216
	Corporate Director	432		432	2			2	434
	Corporate items (incl Council Restructuring saving)	(337)		(337)	1,000	(1,388)		(388)	(725)
	Hsg / Council Tax Benefits Subsidy	(195)		(195)					(195)
	Capital Financing / Interest	5,468		5,468	1,290	(40)		1,250	6,718
	Unfunded Pensions	1,679		1,679		(90)		(90)	1,589
	Corporate Budgets incl. Capital, Audit & Bank Charges	(480)		(480)	659	(201)	(2,718)	(2,260)	(2,740)
	New Homes Bonus Grant	(4,790)		(4,790)			(349)	(349)	(5,139)
	Magistrates	17		17	(5)			(5)	12
	Coroners	305		305	30			30	335
	Environment Agency	231		231	5			5	236
	West of England Combined Authority Levy	3,873	400	4,273	(14)			(14)	4,259
	<b>PORTFOLIO SUB TOTAL</b>	<b>3,361</b>	<b>312</b>	<b>3,672</b>	<b>3,870</b>	<b>(3,106)</b>	<b>(3,066)</b>	<b>(2,303)</b>	<b>1,370</b>
<b>Transformation &amp; Customer Services</b>	Libraries & Information	1,433		1,433	27	(350)		(323)	1,110
	Customer Services	2,279	53	2,333	55	(50)		5	2,338
	Registrars Service	(86)		(86)	16	(9)		7	(79)
	Strategy & Performance	2,023		2,023	65	(475)		(410)	1,613
	<b>PORTFOLIO SUB TOTAL</b>	<b>5,649</b>	<b>53</b>	<b>5,703</b>	<b>163</b>	<b>(884)</b>		<b>(721)</b>	<b>4,982</b>
<b>Adult Care, Health &amp; Wellbeing</b>	Adult Services	61,505		61,505	3,836	(2,313)	(730)	793	62,298
	Adult Substance Misuse (Drug Action Team)	535		535	1			1	536
	Public Health	(118)		(118)	220	(277)		(57)	(175)
	<b>PORTFOLIO SUB TOTAL</b>	<b>61,922</b>		<b>61,922</b>	<b>4,057</b>	<b>(2,590)</b>	<b>(730)</b>	<b>737</b>	<b>62,659</b>
<b>Children &amp; Young People</b>	Children, Young People & Families	15,168		15,168	2,231		(1,250)	981	16,150
	Integrated Commissioning - CYP	2,290		2,290	85	(28)		57	2,347
	Safeguarding - CYP	725		725	13			13	738
	Inclusion & Prevention	12,757		12,757	77	(300)		(223)	12,535
	Education Transformation	(106,130)		(106,130)	106	(90)		16	(106,114)
	Schools Budget	103,518	(20)	103,498					103,498
	<b>PORTFOLIO SUB TOTAL</b>	<b>28,328</b>	<b>(20)</b>	<b>28,308</b>	<b>2,513</b>	<b>(418)</b>	<b>(1,250)</b>	<b>845</b>	<b>29,153</b>

# Cash Limits 2019/20 Proposed Revenue Budgets

Annex 1

CABINET PORTFOLIO	Service	Current 2018/19 Cash Limits £'000	Removal of One-offs (including one-off virements in 2018/19) £'000	2018/19 Base Budget £'000	MTFS Growth £'000	MTFS Savings £'000	Business Rates and other grant income items £'000	Total 2019/20 Budget Changes £'000	2019/20 Proposed Budget £'000
Development & Neighbourhoods	Development Management	1,030		1,030	282	34		316	1,346
	Building Control & Land Charges	50		50	31	(3)		28	78
	Public Protection & Health Improvement - Regulatory & Active Lifestyles	1,438		1,438	81	(102)		(21)	1,417
	Public Protection & Health Improvement - Leisure	660		660	29			29	689
	Neighbourhoods & Environment - Waste & Fleet Services	14,047		14,047	626	(135)		491	14,538
	Neighbourhoods & Environment - Parks & Bereavement Services	1,086		1,086	136	(125)		11	1,097
	Community Safety	41		41					41
	<b>PORTFOLIO SUB TOTAL</b>	<b>18,351</b>		<b>18,351</b>	<b>1,185</b>	<b>(332)</b>		<b>854</b>	<b>19,205</b>
Economic & Community Regeneration	Economy & Culture	1,117	(120)	997	97			97	1,094
	World Heritage	153		153	5	(5)			153
	Heritage	(7,782)		(7,782)		(1,000)		(1,000)	(8,782)
	Housing	1,085		1,085	43	(7)		36	1,121
	Regeneration	245		245	20	(150)		(130)	115
	<b>PORTFOLIO SUB TOTAL</b>	<b>(5,183)</b>	<b>(120)</b>	<b>(5,303)</b>	<b>165</b>	<b>(1,162)</b>		<b>(997)</b>	<b>(6,300)</b>
Transport & Environment	Highways & Traffic Management	6,920		6,920	446	(80)		366	7,286
	Transport & Parking Services - Parking	(7,549)	(150)	(7,699)	90			90	(7,609)
	Transport & Parking Services - Public & Passenger Transport	(635)	(400)	(1,035)	904	(229)		675	(361)
	<b>PORTFOLIO SUB TOTAL</b>	<b>(1,265)</b>	<b>(550)</b>	<b>(1,815)</b>	<b>1,440</b>	<b>(309)</b>		<b>1,131</b>	<b>(684)</b>
	<b>NET BUDGET</b>	<b>113,446</b>	<b>(325)</b>	<b>113,121</b>	<b>13,877</b>	<b>(8,851)</b>	<b>(5,046)</b>	<b>(20)</b>	<b>113,101</b>

## Sources of Funding

Council Tax	86,732		86,732	5,304	92,036
Retained Business Rates*	27,680	(60)	27,620	(5,073)	22,547
Collection Fund Deficit (-) or Surplus (+)**	(1,773)	1,773		439	439
Balances**	807	(2,038)	(1,231)	(690)	(1,921)
<b>Total</b>	<b>113,446</b>	<b>(325)</b>	<b>113,121</b>	<b>(20)</b>	<b>113,101</b>

\* 2019/20 Revenue Support Grant transferred into Retained Business Rates under the 100% Business Rate Pilot

\*\* Business Rate Collection Fund Deficit forecast funded by transfer from the Business Rate Reserve

## Council Tax - Calculation

Council Tax Debit £'000	86,732	92,036
Taxbase (No. of Band D equivalent properties)	64346.64	65,687.52
Band D Charge £	£1,347.89	£1,401.12
%age Increase		3.95%

## Annex 2 - 2019/20 - 2020/21 Budget Savings & Income Generation Proposals

Savings Title	How to be achieved	19/20 Saving £000	20/21 Saving £000	2 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
---------------	--------------------	-------------------	-------------------	----------------------	------------------------------------	---	----------------------------------	-----------------------------

*Note: The items shaded grey are existing savings and income generation proposals from the 2018/19 - 2019/20 budget, these have been reviewed for the 19/20 budget report.*

### Portfolio: Economic & Community Regeneration

Efficiency Savings								
Commissioning of Destination Management	Supporting Bath Tourism Plus to become self sustaining. This will be achieved by continuing to reduce the contract sum by 20/21 by working with BTP to ensure they become self sustaining. Note this saving was agreed at Council in February 2018.	150	200	350	M/H	0	None	Improved co-ordination of visitor economy activities for resident and visitors.
Housing	Service efficiency and additional grant income to off-set revenue costs. Note saving agreed at Council in February 2018	7		7	L	0	None	None
Reduction in grants	Reduction in contribution to the World Heritage Enhancement Fund. Note saving agreed at Council in February 2018.	5		5	L	0	None	None

#### Sub Total - Efficiency Savings

162	200	362
-----	-----	-----

Income Generating Opportunities								
Heritage Services business plan	Continued progression of business plan in line with recent performance. A further £500k has been added to the target agreed at Council in February 2018.	1,000		1,000	M	0	None	To be managed through Heritage business plan.

#### Sub Total - Income Generating Opportunities

1,000	0	1,000
-------	---	-------

#### Economic & Community Regeneration Total

1,162	200	1,362
-------	-----	-------

Savings Title	How to be achieved	19/20 Saving £000	20/21 Saving £000	2 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
---------------	--------------------	-------------------	-------------------	----------------------	------------------------------------	---	----------------------------------	-----------------------------

**Portfolio: Transport & Environment**
**Income Generating Opportunities**

Transport & Parking Services review	The revised Parking Strategy Review was completed and implemented part-way through 2018/19. The amount shown is the full year effect of that strategy and saving agreed at Council in February 2018.	229.3		229.3	H	0	None	This additional income reflects existing performance and targets, which are in line with proposals arising from the parking review. This is the full year impact of changes to parking charges implemented August 18.
-------------------------------------	--	-------	--	-------	---	---	------	---

**Sub Total - Income Generating Opportunities**

229.3		229.3
-------	--	-------

**Service Redesign**

Network Management	Redesign consultations	30		30	M	0	None	The impacts upon front line delivery will be minimal, this service re-design is about ensuring the right staffing resources are in place for future business priorities and ways of working. Options, risk assessments, EIAs will be developed at the relevant time
Transport - moving people from A to B	Continuation of the saving plan outlined and agreed at Council in February 2018 and reprofiled to look at the opportunities to improve customer options whilst also being cost effective	0	500	500	M	0	Infrastructure improvements to facilitate delivery changes.	Service delivery is being changed and structure reviewed to enable more interaction with the customer e.g. moving to more personalised budgets in relation to SEN transport options.
Capitalisation of Pot Hole Repairs	CIPFA guidelines allow authorities to capitalise relevant works and associated staff time. Permanent pot hole repairs above 2 x 3 ms (approx.). This will be required to be delivered within existing capital scheme allocation ≤50 - 150≥ Subject to analysis of 17/18 spend on pot holes	50		50	L	None, other than capitalisation of some salaries	Minimum investment levels to ensure steady state on the network will be monitored	Reallocation of some scheme funding  Impact assessment completed

**Sub Total - Service Redesign**

80	500	580
----	-----	-----

**Transport & Environment Total**

309	500	809.3
-----	-----	-------



Savings Title	How to be achieved	19/20 Saving £000	20/21 Saving £000	2 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
---------------	--------------------	-------------------	-------------------	----------------------	------------------------------------	---	----------------------------------	-----------------------------

**Portfolio: Development & Neighbourhoods**

Efficiency Savings								
Policy & Environment	Reduce funding to Avon Catchment. Note agreed at Council February 2018	3		3	L	None	None	
Parks & Bereavement Efficiencies	Reduction in vehicle fleet, increased operational efficiencies, partnership working and increased income generation throughout the parks & bereavement cost centre.	125		125	L	3 FTE posts deleted	Reduction in Vehicle Fleet	These proposals are based on service efficiencies and through benchmarking of charges
Various budget line savings across new Cash Limit	Savings are being taken from various budget lines across Building Control & Public Protection budgets	10		10	L	None	None	Minimal

**Sub Total - Efficiency Savings**

138	0	138
-----	---	-----

Income Generating Opportunities								
Neighbourhood Planning applications from Parish Councils	Saving was for 2 years only and therefore requires reversing 2019/20	-50		-50	L	0	None	Increased quality and support to Neighbourhood Plans would further enhance the relationships with communities and parishes.
Determine Permitted Development applications	Planning applications that turn out to be PD are currently returned and refunded irrespective of how much work has been done on them. In future these applications will be validated and passed to a planning officer to determine, thereby keeping the fee	3.5		3.5	L	None	None	Minimal and some authorities already process in this way
Bath Casino Income share	Income from the Casino	95		95	L	None	None	None
S106 Planning Obligations Compliance Advice Service	Introduce a schedule of charges for seeking formal confirmation that planning obligations have been satisfied / discharged.	10		10	L	N/A	N/A	Minimal

**Sub Total - Income Generating Opportunities**

58.5		58.5
------	--	------

Savings Title	How to be achieved	19/20 Saving £000	20/21 Saving £000	2 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
<b>Service Redesign</b>								
Refuse Collection	Increase in charges for the garden waste service. Note saving agreed as part of 2018 budget at Council now amended to reflect increased charges.	35		35	M	None	None	Amended saving to increase charges rather than reduce service
Waste Strategy	Greater reliance on online material with a reduction in hard copies. Saving already agreed as part of the 2018/19 budget at Council February 2018.	20		20	L	None	None	Impacts should be low as residents are used to the new service and require less support/enforcement
Cleansing	Cease funding Parish sweeping schemes. Agreed at Council February 2018.	80		80	L	None	None	Following a working group with parishes, a transitional funding scheme has been put in place to phase out the scheme.
Core Service Redesign	Highway, Traffic, Transportation, Waste, Parks, Cemeteries and Crematorium, Leisure services will be redesigned in consultation with internal/external partners and in accordance with the council's operating model.		200	200	M	Unknown at this time	Unknown at this time	These proposals will be worked up during 2019 and relevant options, risk assessments, EIAs completed at the relevant time
<b>Sub Total - Service Redesign</b>		135	200	335				
<b>Development &amp; Neighbourhoods Total</b>		332	200	531.5				

Savings Title	How to be achieved	19/20 Saving £000	20/21 Saving £000	2 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
<b>Portfolio: Adult Care, Health &amp; Wellbeing</b>								
<b>Efficiency Savings</b>								
Community Support Services	Reduce cost of Community Support services through: Re-defining requirements - new specification with focus on maximising independence and reduce longer-term dependency on funded care.	25		25	M	0	None	Improved outcomes for service users as they are able to access services that are focused on maximising their independence and not building unnecessary dependency.
Residential and nursing re-commission	Reduce the cost of care home placements through: a) Active promotion of community based alternatives that focus on maximising independence; b) Ensuring consistency and equity in care home fees by implementing a new commissioning and contracting model informed by Fair Price of Care exercise undertaken in 2016/17 (and subsequent reviews); & c) Implementation of a brokerage service and use of interim brokerage options during development.	25		25	None	The assessed level of need is aligned with the cost of meeting that need avoiding "over-prescription" and increased dependency. Improved consistency and equity between service user groups. Improved cost control supported by efficient payment processes achieves better value for money.	None	The assessed level of need is aligned with the cost of meeting that need avoiding "over-prescription" and increased dependency. Improved consistency and equity between service user groups. Improved cost control supported by efficient payment processes achieves better value for money.
Purchased Care –Across Client Groups	Accelerate existing transformation - Expedite existing savings plans and service transformation activities to realise benefits quickly through:- • Implementing a new brokerage service; • Utilise interim brokerage options and increase this to include complex mental health placements and nursing care home placements in the community • Rolling out the Three Conversations approach to agreeing and meeting the needs of individuals and carers • Service redesign including implementation of the Community Resource Centre redesign to increase nursing and dementia care home provision • Recommissioning of and change in contracting arrangements for domiciliary care and reablement services • Care home recommissioning and implementation of new care home contract - Improve transition arrangements for children and young people to adult services - Continuation of enhanced scrutiny of placements and packages to avoid over-prescription and value for money - Changing culture and practice through the Three Conversations approach - Ensuring income collection processes are efficient and effective with effective debt recovery (note overlap with Client Finance) - Commission options appraisal with CCG into arms-length vehicle to deliver care services.	1,271		1,271	None	Some initiatives are expected to improve service user experience and access to services whilst also achieving savings. For example, testing the "three conversations" approach to assessing need and support planning, which is being implemented by some other local authorities and is aimed at helping people lead independent lives. There may, in some instances, be a reduction in the range/type of services offered and the level of choice given to individuals, including the type of service put in place to meet their assessed/eligible need.	None	Some initiatives are expected to improve service user experience and access to services whilst also achieving savings. For example, testing the "three conversations" approach to assessing need and support planning, which is being implemented by some other local authorities and is aimed at helping people lead independent lives. There may, in some instances, be a reduction in the range/type of services offered and the level of choice given to individuals, including the type of service put in place to meet their assessed/eligible need.
Food Policy	Remove the food policy role. Agreed at Council February 2018	40		40	L	1	None	Loss of key source of food policy and strategy work

Savings Title	How to be achieved	19/20 Saving £000	20/21 Saving £000	2 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
Director of Public Health Award	Reduce Council contribution to DPH Award scheme and further explore options for recharging schools or redesigning the service. Agreed at Council February 2018	15		15	L	0	None	May result in less capacity to support schools and/or fewer schools participating in this health initiative.
<b>Sub Total - Efficiency Savings</b>		<b>1,376</b>		<b>1,376</b>				

Growth Avoidance								
Adult Social Care Demographic Growth - Older People over 65	Fair Price of Care and modelling of alternative fee structures for care home placements has informed development of new commissioning and contracting approaches. However, this is in the context of increasing pressures arising from demographic change. Also in the context of market conditions, which are a significant constraint when negotiating and agreeing new contractual arrangements and fee structures and ensuring that the Council's statutory obligations are met. Very close links with the mobilisation, transition and transformation of community services (your care, your way), the establishment of the Prime Provider/Dynamic Purchasing System arrangements and the agreement of risk and gain share.	333		333	H	0	None	A strengthened focus on maximising independence by focusing on individuals' strengths, interests, abilities and networks is designed to improve outcomes for service users and reduce longer term dependency. Potential reduced access to their preferred care setting for some service users and carers as the Council balances the views, preferences and wishes of the individual with ensuring that the assessed level of need is aligned with the cost of meeting that need, avoiding "over prescription" and building increased dependency.
Adult Social Care Demographic Growth - Mental Health over 65		190		190	H	0	None	
Adult Social Care Demographic Growth - Learning Disabilities		348		348	H	0	None	
Adult Social Care Demographic Growth - Mental Health Adults of Working Age		75		75	H	0	None	
Adult Social Care Demographic Growth - People with Physical Disabilities		46		46	H	0	None	
Sub Total - Growth Avoidance		992	0	992				

<b>Service Redesign</b>								
Public Health grant reduction	Redesign and reduction in Public Health work to absorb reduction in Grant funding. Agreed at Council February 2018	222		222	M	0	None	This would have to be delivered through further prioritisation of which local preventative initiatives and campaigns can be supported; stopping the test purchasing and intelligence gathering on illegal tobacco sales; reductions in office costs and reductions in contracted spend for health checks and other commissioned services
<b>Sub Total - Service Redesign</b>		<b>222</b>	<b>0</b>	<b>222</b>				

<b>Adult Care, Health &amp; Wellbeing Total</b>	<b>2,590</b>	<b>0</b>	<b>2,590</b>
---	--------------	----------	--------------

Savings Title	How to be achieved	19/20 Saving £000	20/21 Saving £000	2 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
---------------	--------------------	-------------------	-------------------	----------------------	------------------------------------	---	----------------------------------	-----------------------------

#### Portfolio: Children & Young People

Efficiency Savings								
SIAS /School Improvement & Achievement	Requirement for service will significantly reduce as Academisation increases.  Also option to absorb admin roles within a corporate team / shared service. Agreed at Council February 2018	50		50	M	1	None	Capacity reduced to minimum statutory duty of monitoring school standards, admissions, place planning and sufficiency and champion for disadvantaged children including FSM and LAC
Sub Total - Efficiency Savings		50	0	50				

Service Redesign								
Redesign Youth Connect Service	This saving reflects year 2 of a saving agreed at Council in February 2018 and is the full year impact of the changes made last year. The service has been redesigned and restructured, resulting in a reduction in staffing from October 2018. An in principal decision has been made by Cabinet to establish a Staff Mutual to allow the service to become independent and potentially enhance the available offer by enabling and encouraging other organisations (eg Town Councils) to take greater responsibility for local activities for young people.	300		300	L	No further reductions	There is ongoing work to transfer the future management of 3 Youth Service buildings	Changes to service already implemented in 2018.
Capital & Organisation	By reducing the staffing structure of the team as the number of schools convert to academies. Agreed at Council February 2018	40		40	L	1 fte	Nil	Limited impact as responsibility for delivery of some aspects of team will transfer to academies
Music Service	Explore options to combine back office support for the services across other local authorities (conversations already underway) and/or ensure charges to schools and parents enable full cost recovery to remove Council subsidy. Agreed at Council February 2018		40	40	H	None anticipated	Nil	The Music Service through its grant from Arts Council is responsible for providing support to low income families. Need to ensure this is not jeopardised by any changes in service delivery or charging.
Childrens Equipment	Use of DFGs for Equipment	28	-28	0	H	An all age Community Equipment review is currently underway to support the re-procurement of the service in 2019.		The council is required to ensure the Children with SEND have their needs accessed and met. The opportunity exists to cover this through capital grant for 2019/20. For 2020/21, it has been assumed that the revenue budget would be reinstated, pending the outcome of the Community Equipment review and re-procurement.
Sub Total - Service Redesign		368	12	380				

#### Total Children & Young People

418	12	430
-----	----	-----

Savings Title	How to be achieved	19/20 Saving £000	20/21 Saving £000	2 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
---------------	--------------------	-------------------	-------------------	----------------------	------------------------------------	---	----------------------------------	-----------------------------

**Portfolio: Transformation & Customer Services**

Efficiency Savings								
Consolidation of Marketing and Communication function	As well as being held within the corporate communications team, there are also budgets for marketing and communications dispersed across teams in the council. This proposal seeks savings through more co-ordinated use of these resources. Approved at Council February 2018	60		60	M	Since the initial proposal was drawn up further work has taken place on project scope and on analysing staffing and non-staffing budgets. The saving in 18/19 encompasses 1 FTE reduction. Further developments in this project envisage more co-ordinated working between communications staff across the organisation rather than significant structural changes, although this will be reviewed.	Minimal	Savings resulting from new customer focused, more agile and digital ways of working resulting in real business improvements for customers and staff across the organisation facilitated and supported by a joined up multi-disciplinary transformation/change team.
Consolidation of Performance / intelligence function	A budget and staffing review and consolidation of relevant functions, followed by zero-based-budgeting exercise and development of new operating model.	250		250	M	5-10	None	Low
Corporate Travel	Further reductions on the Council's spend relating to employee travel, including the so-called "grey fleet". This will build on savings already achieved through the implementation of previous phases of the Corporate Travel Plan. Savings will be delivered through further development of our "business travel hierarchy". In particular, there will be a managed increase in the proportion of operational miles undertaken through use of pool cars.	50		50	M	No impact on FTE- wider staff impacts summarised below.	This will make better and more efficient use of Council assets	The proposal aims to improve efficiency of service delivery through delivery of smarter ways of working
Registrations	Increase number of registered venues for weddings/ ceremonies. Cross-selling and upselling of event packages.  Estimated 10% increase in income.	9		9	L	0	None	This does require additional work but should be managed within existing resources

Savings Title	How to be achieved	19/20 Saving £000	20/21 Saving £000	2 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
Training	Training spend across all service areas will be centralised under the Human Resource & Organisation Development budget from 1 April 2019 and savings will be realised as a result.	350		350	M	There will be less overall spend on training, but training will be more focused on corporate priorities and delivered differently, ensuring a consistent and aligned approach for all staff development needs.	None	With the effective use of online training and pooling of resources alongside directed training there should be limited impact to service delivery. Ensuring staff have the relevant knowledge and skills to complete their roles effectively should in the long term impact on staff wellbeing, engagement and reduced absence which is currently an invisible cost.
De Minimis level of work for the Chairman's office	Introducing a De Minimis model for the Chairman's role, which will involve the Chair taking part only in the following activities: <ul style="list-style-type: none"> <li>• Chairing Council meetings</li> <li>• Community awards</li> <li>• Citizenship Ceremonies</li> <li>• Memorial Ceremonies (WW1, WW2 etc.)</li> <li>• Royal or dignitary visits</li> <li>• Any local or national significant events (planned or unplanned)</li> </ul>	40		40	L	0.75 FTE	None	Very little impact on service delivery. The proposal seeks to focus the role of the Chairman around core activities of the position and the Council such as chairing the formal Council meetings and items of Civic importance
<b>Sub Total - Efficiency Savings</b>		<b>759</b>	<b>0</b>	<b>759</b>				

<b>Income Generating Opportunities</b>								
Communications Hub & CCTV Income Generation	Approach the external market to use the spare capacity in our 24/7 Operation, including CCTV monitoring, Radio monitoring, Lone Worker Support, and Alarm Monitoring. Note Approved by Council in February 2018	50		50	H	0	None	Community benefits from increased security for those that use the service.  Continuation of savings from 17/18 and 18/19.
Energy services for B&NES	The Council to let concession type contract and in partnership with local community enterprise, to deliver a 100% local green energy tariff for local residents and a fairer option for low income households and those with pre-payment meter. Provides income through customer referral fees. Note approved by Council in February 2018"	15		15	M	None	None	Our Local Green Tariff enables residents to buy locally produced green energy, cutting local carbon emissions and stimulating the market. Provides a fairer deal for lower income, vulnerable and fuel poor households through separate Fairer power tariff
<b>Sub Total - Income Generating Opportunities</b>		<b>65</b>	<b>0</b>	<b>65</b>				

Savings Title	How to be achieved	19/20 Saving £000	20/21 Saving £000	2 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
---------------	--------------------	-------------------	-------------------	----------------------	------------------------------------	---	----------------------------------	-----------------------------

**Service Redesign**

Modern Libraries and Customer Services review	Continue to implement new ways of working to provide effective and efficient Library and Information Centres in our main urban areas to deliver our statutory universal offer to the community. Work with local communities delivering local library services to ensure they are sustainable and supported to deliver the service that their community needs.  A new mobile library will be introduced in 2019 and routes constantly reviewed to ensure they meet community needs.	350	350	700	M	Staff reductions have been made by not filling vacant positions through natural attrition as a result of introducing more efficient ways of working and supporting technology. This will be continued where appropriate especially as the focus changes of front line services is impacted by the continued reduction in Housing Benefit work and growth in support of digital skills for Universal Credit and other initiatives.	None	We will see an increased focus on the new digital agenda; helping people to access online resources and gain appropriate skills; with a focus on children and families and developing skills for the economy  Access to 3 million books across Libraries West will be maintained and the delivery of our universal offers  In rural areas the impacts will dependent upon local community solutions in an increasing number of vibrant community hubs.
Staffing reduction in Strategy & Performance	As a result of further consolidation of policy functions the numbers of posts in the service will be further reduced. Note already agreed at Council in February 2018.	60		60	M	3-4	None	Previously agreed staff reductions from a corporate approach to functions delivered by this service.
Service redesign/digital business improvement	Savings resulting from new customer focused, more agile and digital ways of working resulting in real business improvements for customers and staff across the organisation facilitated and supported by a joined up multi-disciplinary transformation/change team.	750		750	H	To be confirmed	Not known	Not known
<b>Sub Total - Service Redesign</b>		<b>1,160</b>	<b>350</b>	<b>1,510</b>				

**Transformation & CustomerServices Total**

<b>1,984</b>	<b>350</b>	<b>2,334</b>
--------------	------------	--------------



Savings Title	How to be achieved	19/20 Saving £000	20/21 Saving £000	2 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
---------------	--------------------	-------------------	-------------------	----------------------	------------------------------------	---	----------------------------------	-----------------------------

**Portfolio: Finance & Efficiency**

<b>Efficiency Savings</b>								
Finance – Income and Debt Transactional Services	To consolidate the approach to income collection and debt recovery services across the Council. Note already agreed at Council February 2018 and reprofiled		10	10	M	0	None	Further alignment of practices and recovery between departments
Property Management	Closer working with the recently appointed Private Sector retail advisor to reduce voids and increase rental growth through active management of the commercial estate. Note already agreed at Council February 2018	300		300	H	tba	Greater efficiency within the Commercial Estate	N/A
IT Supply chain efficiencies and technology changes	Reducing spend through re-procurement and / or by changing some of the technologies we are using. Note already agreed at Council February 2018	112		112	L	0	None	Ongoing efficiency programme following insourcing of IT service and centralisation of IT spend
Procurement Savings	Review of all contractual and non-contractual spend.	388	1,500	1,888	M	None	None	Additional support will be provided to assist with delivery
Reduction in Pension Requirement	This saving is due a reduction in employer pension contributions for staff who were previously employed by B&NES	90		90	L	None	None	None
Salary Turnover Savings	The saving will be achieved through each Director managing vacancies within their staffing budget	250		250	L	Possible delay in recruitment	None	Possible impact but the overall saving target should be manageable at less than 1% of payroll costs
<b>Sub Total - Efficiency Savings</b>		<b>1,140</b>	<b>1,510</b>	<b>2,650</b>				

Savings Title	How to be achieved	19/20 Saving £000	20/21 Saving £000	2 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
<b>Income Generating Opportunities</b>								
Property development company	<ul style="list-style-type: none"> <li>To generate Revenue Income for the Council</li> <li>To hold, manage and operate market housing for private short-term lettings.</li> <li>To sell market housing for investment</li> <li>Provision of other market housing related activity</li> <li>Deliver and manage other commercial and property developments.</li> <li>To deliver long term capital appreciation. Note already agreed at Council February 2018</li> </ul>	280	270	550	M	0	Release of Council land and assets for development opportunities	This Council owned company ADL is now redeveloping the former Riverside offices in Keynsham and creating a pipeline of other development sites.
Commercial Estate	Active commercial property investment approach targeted at acquisitions in line with the Council's commercial estate strategy - which has been refreshed to include properties beyond B&NES boundaries and mainly in the WoE devolution area - and non retail investments. Note already agreed at Council February 2018.	25		25	H	0	Increase in the Councils commercial holdings	An annual investment strategy will be developed to support the approach in line with emerging government guidance. Improved diversification of types of property holdings of the estate will be a benefit. This is the continuation of a new approach already proving successful and enables key services such as social care to be protected from the income generated.
City Deal Tier 3 Income	Recognition of projected Tier 3 income stream achieved from Business Rate growth in the Enterprise Area as part of the City Deal agreement. Note already agreed at Council February 2018 but a further £100k now achievable.	160		160	L	0	None	None
Office Accommodation	As staffing levels reduce due to current financial pressures, rent out vacated office accommodation esp. Lewis House. Note already agreed at Council February 2018 but reprofiled.	300	300	600	H	Staff will possibly need to relocate. No staffing reductions as a direct impact of this project	Bringing current corporate office accommodation into commercial use	Enables corporate estate to continue to be used as now with 3:2 desk ratios and (flexible) smarter working but also new income from space that becomes surplus.
Diversification and Longer Term Investment - Treasury Management	The Council has a successful strategy of using cash balances to minimise borrowing. The introduction of MIFID requires the council to retain a core investment balance of £10m to be able to comply with meeting the requirements needed for professional status. It is proposed that we diversify this £10m from short-term investments into longer term funds such as the CCLA (a property fund with a nationwide portfolio) and other combined funds.	200		200	L	None – but we will need to ensure we retain staff in this area to actively manage the investments	None	Additional investment income target of £250k net of funding required to maintain existing level of treasury management resourcing £50k.
<b>Sub Total - Income Generating Opportunities</b>		<b>965</b>	<b>570</b>	<b>1,535</b>				

Savings Title	How to be achieved	19/20 Saving £000	20/21 Saving £000	2 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
Service Redesign								
Establishment of Internal Audit Trading Company	As part of the natural evolution of the Audit West Partnership with North Somerset Council to establish the organisation as a local authority controlled trading (Ltd) company. Also possibly extend the partnership.Note already agreed at Council February 2018.	20		20	M	0	None	Possible TUPE implications - transfer of staff into B&NES owned company. Business plan at draft stage and new ways of working being established with partners inc. Devon and North Somerset
Parish Grants - Local Council Tax Support Scheme	Phased withdrawal / reduction in the Local Council Tax Support grant the Council currently makes to Parish & Town Councils and the Charter Trustees. Note already agreed at Council February 2018	41		41	L	0	None	Parishes will need to allow for the impact on their budgets, precepts and associated Council Tax increase. This phased change is already in progress having previously been notified.
Finance - Changes to Service Provision	This will depend on the demands on the service in terms of the success in reducing the number of capital and revenue projects. Note already agreed at Council February 2018 but revised and reprofiled		100	100	M	2.5	None	
Sub Total - Service Redesign		61	100	161				
Refinancing								
Minimum Revenue Provision	A change in the Council's Minimum Revenue Provision (MRP) policy to move to a straight line basis over a period up to 50 years or the equivalent asset life. Already approved and the last year of budget adjustment.	-160		-160	L	0	None	None
Sub Total - Refinancing		-160	0	-160				
Finance & Efficiency Total		2,006	2,180	4,186				
Portfolio: Leader								
Service Redesign								
Legal Service review of external legal spend and use of business partnering	Review use of external legal advice corporately and use of business partnering. Note already agreed at Council February 2018	50		50	H	0	None	Improved value for money
Sub Total - Service Redesign		50	0	50				
Leader Total		50	0	50				
OVERALL SAVINGS		8,851	3,442	12,293				

This page is intentionally left blank

## **Equality impacts of new savings proposals for 2019/20    Annex 3**

### **1. Introduction and legal background**

This report outlines how the impacts of the Council's budget proposals are being considered from an equality perspective. The Equality Act 2010 makes it unlawful to discriminate against an individual because of certain personal characteristics ('protected characteristics'). The law also requires that equality issues are considered by public bodies as part of decision making, especially where services are reduced or redesigned.

Failure to undertake proportionate Equality Analysis/Equality Impact Assessment could present risks of legal challenge to the Council for failing to pay due regard to its public sector equality duty.

### **2. Actions so far**

Each budget proposal has been set out in a Medium Term Financial Plan (MTFP) Proposal template, with the high level intentions outlined. The proposals describe what service redesign is being proposed and identify if there will be impacts on residents and/or service users.

As part of the Council's overall equality analysis process, Directors have been tasked to consider their proposals from an equality perspective. This initial 'screening' process aims to highlight if any of the proposals have the potential to have significant impacts upon service users, and if so, what actions, if any, could be taken to mitigate any unexpected or unintentional impacts. The findings of this initial screening process are contained within this report alongside planned actions.

The finer details of how the proposals will be implemented will follow in due course, and where appropriate comprehensive and detailed Equality Impact Assessments will be carried out as they are taken forward, as set out below. This will help to ensure that opportunities to enhance equality are utilised, and any possible negative impacts or barriers for particular groups are taken account of, and if possible, mitigated.

### **3. Policy Development and Scrutiny Panels- equalities scrutiny process**

Budget proposals were presented to Policy Development and Scrutiny Panels throughout January and commentary from these panels were reported to the Resources PDS Panel on 4<sup>th</sup> February for co-ordination and forwarding to Cabinet on 6<sup>th</sup> February and Full Council on 19<sup>th</sup> February.

PDS panels have been briefed to enable them to scrutinise the proposals from an equalities perspective (see Appendix).

#### **4. Specific savings proposals**

Across the Council, every attempt has been made to achieve efficiencies through service redesign, with minimum reduction in frontline services or disproportionate increases in charges.

In respect to impacts on staff, the Council's Human Resources policies and procedures ensure there is full consultation and consideration of staffing matters and that employment-related equality issues are fully taken into account. Therefore the focus here is largely on impacts upon service delivery and service users.

The following sets out new items contained in the document "2019/20 Budget Savings and Income Generation" proposals appended to the report to Cabinet. These are arranged by portfolio, and refer only to new items (ie those not previously agreed by Council in February 2018), unless significantly amended. Key equalities issues are identified alongside appropriate mitigations and plans for further work identified at this stage. Again, where appropriate, plans for further Equality Analysis/Equality Impact Assessment work are set out.

#### **Portfolio: Economic & Community Regeneration**

- **Heritage Services business plan**

A further £500k has been added to the income generation target agreed at Council in February 2018, which will be achieved through the introduction of dynamic ticket pricing. Heritage Services (and in particular the Roman Baths) are involved in a number of initiatives that proactively promote equality (e.g. ongoing improvements to access for people who have physical mobility problems, those with Autism or Dementia; and the provision of employment experience and job opportunities for young people with learning disabilities through Project Search). The screening process has identified that there will be no reductions in this good practice as a result of this proposal. It also has identified that the new tiered pricing strategy has been devised with accessibility in mind so super off-peak prices are actually lower than the standard rate people were paying before. Therefore, no Equality Impact Assessment has been completed or is proposed for this budget item

#### **Portfolio: Transport and Environment**

- **Network management – re-design consultations.**

The screening process has identified that impacts on service delivery will be minimal. This service re-design is about ensuring the right staffing resources are in place for future business priorities and ways of working.

Equality Analysis/ Equality Impact Assessment will be undertaken as appropriate as changes to consultation procedures could have a number of potential equality impacts.

- **Capitalisation of pot hole repairs**

The screening process has identified that there is no change to Council policy as a result of this proposal. Disabled facilities works such as dropped kerbs are funded via the Transport Improvement Grant and are therefore not impacted by these savings proposals.

The team responsible will monitor any effects that arise before, during and after implementation.

## **Portfolio: Development and Neighbourhoods**

- **Parks and Bereavement efficiencies**

The screening process undertaken has identified that there will be direct impacts upon residents and service users. It has been noted that fees and charges will increase but the increase will be uniform to all people who choose to buy these supplies or services from us. It is also noted that there will be some positive impacts through a partnership with Genesis to help operate the Council's plant nursery, with associated health and wellbeing and skills development opportunities.

An Equality Analysis/Equality Impact Assessment will be undertaken as these proposals are taken forward to ensure maximum opportunities for positive impacts are exploited, the impact of increased fees on our most vulnerable communities are understood, and any possible mitigating actions are identified.

- **Various budget line savings across new cash limit**

The screening process has identified that these savings present no significant risk to the current level of provision of frontline services in Building Control & Public Protection. Therefore, no Equality Impact Assessment has been completed or is proposed for this budget item.

- **Determine permitted Development Applications**

The screening process has identified that the impact upon residents/service users will be minimal, affecting about 21 applications a year. Approximately 80% of customers are already employing a planning agent to facilitate the process of preparing and submitting a planning application. In these cases an application has already been submitted and paid for, so the customer (or an agent) is expecting a decision. Applications for accessibility improvements for disabled service users are free and will therefore be unaffected by this

change. Therefore, no Equality Impact Assessment has been completed or is proposed for this budget item.

- **Bath Casino income share – income from the casino.**

This item refers to the planned contractual income stream arising from a previous decision. No new actions or implications are required. The screening process has identified no impacts on service users. Therefore, no Equality Impact Assessment has been completed or is proposed for this budget item.

- **S106 Planning Obligations Compliance Advice Service**

The screening process has identified no adverse impacts upon customers as a result of this proposal. Customers request this service during property purchase via their solicitors and are therefore already employing solicitors for advice as part of the conveyancing process. Currently, the Council advises solicitors to commission their own legal/planning advisors as we do not provide the service. However, solicitors have advised that they would like the Council to provide this service. Therefore, no Equality Impact Assessment has been completed or is proposed for this budget item.

- **Core Service redesign**

Highway, Traffic, Transportation, Waste, Parks, Cemeteries and Crematorium, Leisure services will be redesigned in consultation with internal/external partners and in accordance with the council's operating model. The screening process undertaken has not yet identifies specific impacts there will be upon residents or service users.

Work on the new service delivery model will be developed over the next 6 months, with a view to implementation in Autumn 2019. Equality Analysis/Equality Impact Assessment will be undertaken alongside the development of the new model.
--

## **Portfolio: Children and Young people**

- **Children's Equipment**

The Council is required to ensure that Children with SEND have their needs accessed and met. The budget for Children's Community Equipment has been set at £28,000 over the past 3 years, but spend and the projected spend for the past 2 years has been £100,000. It is proposed to use £90,000 of additional Disabled Facilities Grant funding to cover the cost pressure for 2019/20. Plans for the following year will need to be developed

The proposal does not highlight any negative equality impacts. This will be funded from additional once-off Disabled Facilities Grant and will not impact on application of the core Disabled Facilities Grant.
---



## Portfolio: Transformation and Customer Services

- **Centralisation of Training**

No specific equality impacts have been highlighted as a result of the screening, and none are anticipated. The centralised process will ensure that access to development is consistent and equitable across all departments and development is aligned to individual, departmental and organisational priorities. Therefore, no Equality Impact Assessment has been completed or is proposed for this budget item.

- **De Minimis level of work for the Chairman's Office**

This involves a reduction in the Chair's involvement in events, and a focus on 'local or national significant events (planned or unplanned)'. Following an initial screening process, an Equality Analysis has been undertaken.

Develop criteria on events and identify alternative ways in which the Council can continue to engage with the hard to reach and vulnerable groups that are the focus of many of the events and celebrations organised by the Chair's office.

- **Service redesign – digital business improvement.**

This proposal could have a number of impacts on residents in respect of equality issues and access to services

An Equality Analysis/Equality Impact Assessment will be completed when full details of the changes are known.

## Portfolio: Finance and efficiency

- **Procurement savings**

This will involve a review of all contractual and non-contractual spend. The screening process has identified that procurement activity carries with it important responsibilities – and opportunities – in relation to equality.

The Council is reviewing all contracts will undertake Equality Analysis/Equality Impact Assessment as part of each review.

- **Reduction in pension requirement**

The screening process undertaken has identified no impacts on residents or service users within the MTFP proposal template. The proposal identifies this as a natural reduction that has not required any new action or decision. Therefore, no Equality Impact Assessment has been completed or is proposed for this budget item.

- **Salary turnover savings:**

The saving will be achieved through each director managing vacancies within their staffing budget. A salary turnover saving target was agreed at Council in February 2018 and this is an additional sum. The arrangements already exclude specific staff that impact on service users especially the most vulnerable. It will also be moved to a Directorate target to enable the individual Director to assess the impact on his/her team. The saving also equates to less than 1% of payroll

An Equality Analysis/Equality Impact Assessment will be completed for this particular proposal in order to ensure that the criteria Directors use to make their decisions give full consideration to potential impacts upon staff who are affected by posts remaining vacant, and also upon service users, especially the most vulnerable.

- **Diversification and longer term investment – treasury management**

The proposal relates to investments within the Council's Treasury Management Strategy. The screening process undertaken has identified no impacts upon residents or service users. Therefore, no Equality Impact Assessment has been completed or is proposed for this budget item.

## **5. Cumulative impacts**

Budget proposals have the potential to impact on people across the full range of protected characteristics. In addition, whilst considerations of socio-economic status are not a requirement of the Equality Act public sector duty, the "narrowing the gap" agenda is an important focus for the Council and its partners. The Council's new priorities of protecting them most vulnerable, nurturing residents' health, safety and wellbeing and providing ways for everyone in the community to reach their full potential will continue to influence the roll out of the budget proposals. It will be important to ensure that all the equality impacts are considered alongside each other as further details are developed (and within any consultation), in order to identify the cumulative impacts. These impacts will be assessed and managed through the Council's relevant programme and project management and other governance processes.

## **6. Next Steps**

For each proposal that is taken forward, the following should be considered, as appropriate in the light of the issues identified in section 4. This will ensure that equality issues continue to be considered during planning, development and implementation stages.

- a. **Full Equality Impact Assessments/equality analysis** should be carried out on proposals where the screening process, as identified above, have

revealed likely impacts upon particular groups of people due to their protected characteristics. This will ensure that the Council can demonstrate it has taken due regard to equality issues and has thoroughly considered how to uphold the requirements of the Public Sector Equality Duty. The Council's Equality Impact Assessment template can be found on the Council's [EIA web pages](#), and support is available from the Equality Team in carrying out the assessments. Completed EIAs will be published on this web page.

- b. **Inclusive consultation.** Where consultation is arranged as part of taking any of these proposals forward, it is vital that a diverse range of people are encouraged to take part. This will help highlight any additional equality impacts that may need to be addressed and mitigated where possible. A variety of methods should be used to access consultees. The Equality Team can advise on this and on how to access participants from groups representing different equality strands. The [Independent Equality Advisory Group](#) can also be used as a consultative body, and will provide further guidance on likely impacts, and ways of mitigating these.
- c. **Clear and transparent communication.** Wherever it is planned to introduce changes, it is important to ensure that the communication and publicity strategies are accessible to disabled people (for example, people with visual impairment or learning disability) and those for whom English is an additional language. The Council has commissioned Oncall Interpreting services to assist with [Interpreting and Translation](#) where necessary.
- d. **Incorporating equality issues within commissioning specifications.** Where proposals include commissioning or recommissioning external providers, detailed equality requirements should be built into contract specifications. This will ensure that best practice relating to equality in delivery of services is continued and improved upon when delivered by external partners.
- e. **Workforce training and development.** A number of the budget proposals are dependent upon the ability of officers to recognise opportunities to advance equality (for example, by targeting services towards those who are most vulnerable); or to find ways of mitigating any potential barriers people might face (for example, helping people access alternative local support). It is also important that officers are aware of, and sensitive to, the particular needs of different groups of people. Equality training is available as part of the Corporate Training programme and bespoke training can be arranged by the Council's Equality Team.
- f. **Ongoing monitoring.** Where services are subject to redesign, equality monitoring should be carried out to help identify if the service is operating as

intended, if it is reaching and meeting the needs of our most vulnerable communities; and if there are any unforeseen impacts that need to be addressed. See the Council's sample [equalities monitoring template](#) for the data categories that should be used.

## **Annex 3 - Appendix 1.**

### **Briefing note for PDS panel members on equality in financial decision making**

#### **Background**

The Equality Act 2010 makes it unlawful to discriminate against an individual because of certain personal characteristics ('protected characteristics').

The law also requires that equality issues are considered by public bodies as part of decision making, especially where services are reduced or redesigned. The Public Sector Equality Duty (PSED) requires us to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people.

The questions below are intended to assist PDS panels to scrutinise the proposals (within their remit) from an equalities perspective.

#### **A). For each new draft proposal to be put before Cabinet in February 2019:**

- Are panel members clear that this proposal has been considered from an equalities perspective?
- Do we know what the impact will be on the most vulnerable people?
- Are there any potential unintended impacts or "knock-on" effects consequences - e.g. on partners, residents or other services?
- Have we consulted people and listened to what they have told us about this?
- During the implementation of the proposal – how will we continue to check for unintended effects on particular groups of people?
- Will there be room for discretion if during the implementation we discover that the change of service disproportionately disadvantages some people?
- Considering all the proposals together, what will the cumulative impact be, and will adverse impacts fall disproportionately on specific groups?

#### **B). For any budget items agreed by Council in February 2018**

- What have we learnt about equality impacts, following the implementation of last years' proposals?

This page is intentionally left blank

## 1. Flexible Use of Capital Receipts

Central Government outlined in December 2015 that local authorities would be able under certain circumstances to utilise capital receipts for revenue expenditure for certain purposes. These include for example:-

- Sharing back-office and administrative services with one or more other council or public sector bodies;
- Investment in service reform feasibility work, e.g. setting up pilot schemes;
- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation;
- Collaboration between local authorities and central government departments to free up land for economic use;
- Sharing Chief-Executives, management teams or staffing structures;
- Aggregating procurement on common goods and services where possible, either as part of local arrangements or regional procurement hubs;
- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;
- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, selling services to others).
- Integrating public facing services across two or more public sector bodies to generate savings or to transform service delivery;
- Improving systems and processes to tackle fraud and corruption;

Further guidance was released in March 2016 which outlined a simpler approach to allow authorities to utilise receipts if the spend resulted in an ongoing saving. The guidance is clear however that expenditure should be once-off and the flexibility cannot be utilised for ongoing expenditure.

The Government announced as part of the 2018/19 Finance Settlement that the flexibility would extend to 2021/22 (a further three years).

The requirement states that the strategy should list each project that plans to make use of the capital receipts flexibility and that details of the expected savings/service transformation are provided. All uses of flexible receipts have therefore been linked to the savings plans approved as part of budget setting. The Strategy should report the impact on the local authority's Prudential Indicators for the forthcoming and subsequent years.

The strategy in future years will monitor the performance of projects approved in previous years. The Strategy must be approved by Full Council. A revised strategy may be replaced by another during the year.

## **2. Savings Projects Which Meet the Criteria**

Council agreed in November 2017 to utilise the flexibility to fund the once-off revenue costs such as redundancy and legal costs allowable under the criteria to achieve the Directorate Savings Plans agreed as part of the 2017/18 budget. The flexibility was linked to the following budget savings plans:-

<https://democracy.bathnes.gov.uk/documents/s45572/Budget%20Appx%203%20-%20Savings%20Details.pdf>

A total of £3.1m of flexible receipts were utilised in 2017/18 mainly for redundancy costs linked to 2017/18 and 2018/19, contributing to the once-off costs associated with ongoing savings of £11.9m in 2017/18 and the target savings of £17m in 2018/19.

Note - Council approved in February 2018 to utilise the flexibility where applicable to the 2018/19 and 2019/20 Budget Savings and Income Generation Proposals linked to the following savings plans:

<https://democracy.bathnes.gov.uk/documents/s49864/Annex%202%20-%20Budget%20Savings%20Income%20Generation%20Proposals.pdf>

It is estimated that £5.4m will be utilised in 2018/19 in once-off costs to deliver savings. This will be reported as part of the outturn report in June/July 2019.

As the flexibility will continue beyond 2018/19 it is recommended that capital receipts will be utilised in 2019/20 to deliver the ongoing savings outlined in Annex 2. It is estimated that £3.0m in capital receipts will be utilised in 2019/20 for this purpose.

In summary the estimated overall level of receipts required over the three year period has reduced from £14.0m to £11.5m.



### 3. The Capital Receipts to be Used this Purpose

Capital receipts from the disposal of property, plant, and equipment received in the years in which the flexibility is offered can be used for this purpose. Right to Buy Receipts are excluded.

Individual receipts have not been listed but the target for financial planning purposes is for £3.0m of receipts to be available for use in 2019/20. This will impact on the amount of borrowing required and has been factored into the budget proposals as well as a target for new receipts.

It remains unchanged that the decision for the use of each receipt is delegated to the S151 Officer unless it results in an unplanned impact on the overall budget for 2019/20.

### 4. Impact on B&NES' Prudential Indicators

If the Council utilises this flexibility it impacts on the level of capital receipts that can be utilised to fund the capital programme. If it is assumed that B&NES has and will continue to utilise up to £11.5m of flexible receipts for once-off costs with the impact being factored into the Council's Prudential Indicators (as detailed in the Budget Report) as follows:-

Prudential Indicator	2017/18 Actual	2018/19 Forecast Outturn	2019/20	2020/21	2021/22
<b>Estimate of Capital Expenditure (£'000s)</b>					
Actual/estimates of capital expenditure	76,298	149,512	173,162	59,548	27,697
<b>Net Increase in Council Tax (band D per annum) Figures in £'s (not £'000's)</b>					
The implied estimate of incremental impact of the new capital investment decisions on the Council Tax (Note 1)			£6.49	£7.12	(£0.42)
Cumulative totals:			£6.49	£13.61	£13.19
<b>Capital Financing as % of Net Revenue Stream</b>					
Actual/estimates of the ratio of financing costs to net revenue stream			15.91%	20.85%	21.97%
<i>Memo: estimates of the ratio of financing cost to gross revenue stream</i>			5.23%	6.77%	7.20%

<b>Prudential Indicator</b>	<b>2017/18 Actual</b>	<b>2018/19 Forecast Outturn</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
<b>Borrowing Limits (£m)</b>					
Operational boundary – borrowing			£409m	£432m	£437m
Operational boundary – other long-term liabilities			£2m	£2m	£2m
<b>Operational boundary – total</b>			<b>£411m</b>	<b>£434m</b>	<b>£439m</b>
Authorised limit - borrowing			£440m	£463m	£467m
Authorised limit – other long-term liabilities			£2m	£2m	£2m
<b>Authorised limit - total</b>			<b>£442m</b>	<b>£465m</b>	<b>£469m</b>
<b>Capital Financing Requirement (£'000s) (as at 31 March)</b>					
Actual/estimate of capital financing requirement	247,107	351,649	440,220	462,774	467,197

1. This is an indicator of affordability that shows the implied impact of capital investment decisions on Council Tax levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the proposed capital programme.
2. The figures show borrowing limits but it is important to note that the Council is utilising cash flow efficiency wherever possible.

**Capital Programme - 2019/2020 - 2023/2024**

**ANNEX 5**

Project Title	PY Spend pre 2018/2019	Forecast Outturn 2018/2019	Actual / Projected Spend pre 2019/2020	Projected Re- phasing from 2018/2019 to 2019/2020 and Future Years	Budget Required 2019/2020	Total Budget 2019/2020	Total Budget 2020/2021	Total Budget 2021/2022	Total Budget 2022/2023	Total Budget 2023/2024	Total Cost 5 Years	Overall Project Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>DEVELOPMENT &amp; NEIGHBOURHOODS</b>												
<b>Full Approval</b>												
<b>Environmental Services</b>												
Beechen Cliff Woodland & Other Open Spaces Improvements	445	59	504	25	0	25	0	0	0	0	25	529
Neighbourhood Services - Vehicle Replacement Programme				146	0	146	0	0	0	0	146	146
Parks S106 Projects	9	308	317	151	0	151	0	0	0	0	151	468
Parks Equipment				0	41	41	0	0	0	0	41	41
Parks Action Response Work	130	56	186	50	0	50	0	0	0	0	50	236
Leisure - Council Client / Contingency	502	998	1,500	551	0	551	0	0	0	0	551	2,051
Leisure Facility Modernisation - Keynsham Sports Centre	622	2,586	3,208	1,809	5,000	6,809	0	0	0	0	6,809	10,017
Waste Project - Relocation of Cleansing				157	0	157	0	0	0	0	157	157
Waste Vehicles				48	0	48	0	0	0	0	48	48
Leisure Bath - Car Park	138	46	184	8	0	8	0	0	0	0	8	192
Bath Spa Water Monitoring - CIP (Cleaning in Place) Hub				0	77	77	0	0	0	0	77	77
<b>Subtotal Full Approval - Development &amp; Neighbourhoods</b>	<b>1,847</b>	<b>4,053</b>	<b>5,900</b>	<b>2,945</b>	<b>5,118</b>	<b>8,063</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,063</b>	<b>13,963</b>
<b>Provisional Approval</b>												
<b>Environmental Services</b>												
Waste Project	0	0	0	14,610	616	15,226	616	0	0	0	15,842	15,842
Keynsham Leisure Centre Refurbishment	0	0	0	0	250	250	0	0	0	0	250	250
Parks Play Equipment	0	0	0	187	253	440	0	0	0	0	440	440
Sydney Gardens: a 21st Century Pleasure Gardens	0	0	0	3,001	0	3,001	0	0	0	0	3,001	3,001
Air Quality Monitors	0	0	0	53	70	123	20	33	20	20	216	216
Neighbourhood Services - Vehicle Replacement Programme	0	0	0	-0	1,708	1,708	717	437	1,064	388	4,314	4,314
Litter Bins	0	0	0	75	0	75	0	0	0	0	75	75
Whitchurch Parks (CIL)	0	0	0	50	0	50	0	0	0	0	50	50
Parks S106 Projects	0	0	0	342	410	752	-36	0	0	0	716	716
River Avon Park	0	0	0	332	100	432	100	100	100	0	732	732
Parks and Bereavement Infrastructure	0	0	0	85	0	85	0	0	0	0	85	85
Parks Equipment	0	0	0	41	42	83	42	43	45	0	213	213
Cherry Grove Garden (Haycombe)	0	0	0	125	0	125	0	0	0	0	125	125
Neighbourhoods CCTV	0	0	0	44	0	44	0	0	0	0	44	44
Parks Action Response Work	0	0	0	52	0	52	0	0	0	0	52	52
Parks Foundation	0	0	0	0	50	50	0	0	0	0	50	50
Public Tennis Improvements - Bath	0	0	0	0	715	715	0	0	0	0	715	715
Tennis Provision - Chew Valley	0	0	0	0	120	120	0	0	0	0	120	120
Waste Baler	0	0	0	0	350	350	0	0	0	0	350	350
Waste Collection Vehicles - In Cab Technology	0	0	0	0	200	200	0	0	0	0	200	200
<b>Planning &amp; Development</b>												
Bathscape	0	0	0	58	407	465	357	358	826	0	2,006	2,006
<b>Subtotal Provisional Approval - Development &amp; Neighbourhoods</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,055</b>	<b>5,291</b>	<b>24,346</b>	<b>1,816</b>	<b>971</b>	<b>2,055</b>	<b>408</b>	<b>29,596</b>	<b>29,596</b>
<b>TOTAL DEVELOPMENT &amp; NEIGHBOURHOODS</b>	<b>1,847</b>	<b>4,053</b>	<b>5,900</b>	<b>21,999</b>	<b>10,409</b>	<b>32,408</b>	<b>1,816</b>	<b>971</b>	<b>2,055</b>	<b>408</b>	<b>37,658</b>	<b>43,558</b>

Project Title	PY Spend pre 2018/2019	Forecast Outturn 2018/2019	Actual / Projected Spend pre 2019/2020	Projected Re- phasing from 2018/2019 to 2019/2020 and Future Years	Budget Required 2019/2020	Total Budget 2019/2020	Total Budget 2020/2021	Total Budget 2021/2022	Total Budget 2022/2023	Total Budget 2023/2024	Total Cost 5 Years	Overall Project Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>ECONOMIC &amp; COMMUNITY REGENERATION</b>												
<b>Full Approval</b>												
<b>Community Regeneration</b>												
River Corridor & RoSPA Safety Works	640	68	708	171	0	171	0	0	0	0	171	879
Bath Quays South	1,891	7,613	9,504	19,489	0	7,087	11,411	991	0	0	19,489	28,993
Bath Quays North	2,302	4,226	6,528	0	3,928	3,928	1,592	1,053	0	0	6,573	13,101
Bath Quays Bridge & Linking Infrastructure	470	606	1,076	2,921	0	2,250	647	24	0	0	2,921	3,997
Innovation Quay - Economic Development Funding Enabling Infrastructure	0	0	0	0	7,610	7,610	16,656	4,364	2,071	131	30,832	30,832
Saw Close Development Works	1,510	317	1,827	323	0	323	0	0	0	0	323	2,150
Visitor & Till Management System				0	0	0	0	0	100	0	100	100
Roman Baths Archway Centre	187	100	287	5,030	0	5,030	0	0	0	0	5,030	5,317
Disabled Facilities Grant				0	1,150	1,150	1,150	1,150	1,150	1,150	5,750	5,750
Affordable Housing				252	500	752	0	0	0	0	752	752
Public Realm-Pattern Book	304	5	309	46	0	46	0	0	0	0	46	355
City Information Scheme Corporate Project	1,380	0	1,380	20	0	20	0	0	0	0	20	1,400
Keynsham High Street - Public Realm	0	170	170	50	0	50	0	0	0	0	50	220
Midsomer Norton Public Realm	0	35	35	165	0	165	0	0	0	0	165	200
<b>Subtotal Full Approval - Economic &amp; Community Regeneration</b>	<b>8,685</b>	<b>13,140</b>	<b>21,825</b>	<b>28,467</b>	<b>13,188</b>	<b>28,582</b>	<b>31,456</b>	<b>7,582</b>	<b>3,321</b>	<b>1,281</b>	<b>72,222</b>	<b>94,047</b>
<b>Provisional Approval</b>												
<b>Community Regeneration</b>												
Radsok Pedestrian Bridge	0	0	0	174	0	174	0	0	0	0	174	174
Bath Quays Delivery	0	0	0	0	0	1,637	3,658	5,232	0	0	10,527	10,527
Wayfinding and Public Realm Improvements	0	0	0	100	0	100	0	0	0	0	100	100
Keynsham High Street	0	0	0	2,400	0	2,400	0	0	0	0	2,400	2,400
Pioneer Office Investment Block (Quays)	0	0	0	10,000	0	10,000	0	0	0	0	10,000	10,000
Cattlemarket	0	0	0	150	0	150	0	0	0	0	150	150
River Corridor Fund	0	0	0	70	0	70	0	0	0	0	70	70
City Centre Streetscape	0	0	0	250	0	250	0	0	0	0	250	250
York Street and Swallow Street Public Realm	0	0	0	325	0	325	0	0	0	0	325	325
Union Street Public Realm	0	0	0	150	0	150	0	0	0	0	150	150
Heritage Infrastructure Development	0	0	0	250	300	550	300	325	350	0	1,525	1,525
Museums Acquisitions	0	0	0	5	0	5	0	0	0	0	5	5
Refurb of Roman Baths Shop	0	0	0	0	0	0	0	150	0	0	150	150
Victoria Art Gallery Air Con	0	0	0	50	0	50	0	0	0	0	50	50
Digital B&NES	0	0	0	820	0	820	0	0	0	0	820	820
Roman Baths Energy Reclaim	0	0	0	100	0	100	0	0	0	0	100	100
Affordable Housing	0	0	0	290	435	725	635	635	635	635	3,265	3,265
Borrowing Match Grant Programmes	0	0	0	300	150	450	150	150	0	0	750	750
Roman Baths & Pump Room Energy Reclamation	0	0	0	250	0	250	0	0	0	0	250	250
BWR Phase 2	0	0	0	0	4,000	4,000	5,200	4,300	0	0	13,500	13,500
Town & Local Centres Public Realm	0	0	0	0	50	50	0	0	0	0	50	50
Housing Infrastructure Fund & Housing Deal	0	0	0	0	2,000	2,000	0	0	0	0	2,000	2,000
Bath Quays - Weston Island	0	0	0	0	100	100	0	0	0	0	100	100
<b>Subtotal Provisional Approval - Economic &amp; Community Regeneration</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,684</b>	<b>7,035</b>	<b>24,356</b>	<b>9,943</b>	<b>10,792</b>	<b>985</b>	<b>635</b>	<b>46,711</b>	<b>46,711</b>
<b>TOTAL ECONOMIC &amp; COMMUNITY REGENERATION</b>	<b>8,685</b>	<b>13,140</b>	<b>21,825</b>	<b>44,151</b>	<b>20,223</b>	<b>52,938</b>	<b>41,399</b>	<b>18,374</b>	<b>4,306</b>	<b>1,916</b>	<b>118,933</b>	<b>140,758</b>

Project Title	PY Spend pre 2018/2019	Forecast Outturn 2018/2019	Actual / Projected Spend pre 2019/2020	Projected Re- phasing from 2018/2019 to 2019/2020 and Future Years	Budget Required 2019/2020	Total Budget 2019/2020	Total Budget 2020/2021	Total Budget 2021/2022	Total Budget 2022/2023	Total Budget 2023/2024	Total Cost 5 Years	Overall Project Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
TRANSPORT & ENVIRONMENT												
Full Approval												
Environmental Services												
Transport Improvement Programme				545	2,070	2,615	0	0	0	0	2,615	2,615
Highways Maintenance Programme				400	4,938	5,338	0	0	0	0	5,338	5,338
Parking - Vehicle Replacement Programme	0	64	64	60	0	60	0	0	0	0	60	124
Dorchester Street, Traffic Review	4	72	76	24	0	24	0	0	0	0	24	100
Street Lighting - LED Replacement Programme	2,469	185	2,654	380	0	380	0	0	0	0	380	3,034
London Road Modification	28	49	77	123	0	123	0	0	0	0	123	200
Office for Low Emission Vehicles (OLEV) Bid	25	140	165	67	356	423	239	110	0	0	772	937
Hicks Gate Roundabout Improvement	1	201	202	258	0	258	0	0	0	0	258	460
Passenger Transport Vehicles				6	0	6	0	0	0	0	6	6
Highways & Traffic Fleet Vehicle Renewal				0	1,025	1,025	0	0	0	0	1,025	1,025
Subtotal Full Approval - Transport & Environment	2,528	710	3,238	1,863	8,389	10,252	239	110	0	0	10,601	13,839
Provisional												
Environmental Services												
Transport Improvement Programme	0	0	0	0	0	0	1,610	1,163	1,163	1,163	5,099	5,099
Highways Maintenance Programme	0	0	0	0	0	0	3,666	3,666	3,666	3,666	14,664	14,664
Kingsmead Square Improvements	0	0	0	100	0	100	0	0	0	0	100	100
Existing Park & Ride Traffic Control Equipment	0	0	0	30	0	30	0	0	0	0	30	30
Replacement Mopeds for Outer Area Parking Enforcement	0	0	0	0	35	35	35	0	0	0	70	70
Passenger Transport - Vehicle Replacement Programme	0	0	0	485	170	655	525	0	0	0	1,180	1,180
Office for Low Emission Vehicles (OLEV) Bid	0	0	0	804	0	804	0	0	0	0	804	804
York Street Vaults Phase 2	0	0	0	950	0	950	0	0	0	0	950	950
Highways Schemes (CIL)	0	0	0	130	0	130	0	0	0	0	130	130
Pay and Display Replacement	0	0	0	100	100	200	100	0	0	0	300	300
Parking - Vehicle Replacement Programme	0	0	0	0	60	60	0	0	0	0	60	60
P&R Alligator Teeth	0	0	0	25	0	25	0	0	50	0	75	75
Manvers St Car Park Security	0	0	0	20	0	20	0	0	0	0	20	20
Lansdown P&R Extension	0	0	0	0	120	120	120	0	0	0	240	240
Parking - Radio System Replacement	0	0	0	0	0	0	0	45	0	0	45	45
Parking Enforcement Hand Held Computer Terminal Replacement	0	0	0	0	0	0	0	50	0	0	50	50
Somerdale Bridge	0	0	0	0	200	200	1,000	1,000	0	0	2,200	2,200
Whitchurch Highways - CIL	0	0	0	0	200	200	0	0	0	0	200	200
Highways & Traffic Fleet Vehicle Renewal	0	0	0	0	0	0	0	0	325	0	325	325
Subtotal Provisional Approval - Transport & Environment	0	0	0	2,644	885	3,529	7,056	5,924	5,204	4,829	26,542	26,542
TOTAL TRANSPORT & ENVIRONMENT	2,528	710	3,238	4,507	9,274	13,781	7,295	6,034	5,204	4,829	37,142	40,380

Project Title	PY Spend pre 2018/2019	Forecast Outturn 2018/2019	Actual / Projected Spend pre 2019/2020	Projected Re- phasing from 2018/2019 to 2019/2020 and Future Years	Budget Required 2019/2020	Total Budget 2019/2020	Total Budget 2020/2021	Total Budget 2021/2022	Total Budget 2022/2023	Total Budget 2023/2024	Total Cost 5 Years	Overall Project Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>CHILDREN &amp; YOUNG PEOPLE</b>												
<b>Full Approval</b>												
<b>Children &amp; Young People</b>												
Youth Projects	144	45	189	40	0	40	0	0	0	0	40	229
Building Adaptations to Provide Short Breaks for Disabled Children	125	0	125	20	0	20	0	0	0	0	20	145
Basic Needs Feasibility / Option Appraisal	143	6,449	6,592	1,387	150	1,537	0	0	0	0	1,537	8,129
Children's Centre Capital Schemes	40	411	451	567	0	567	0	0	0	0	567	1,018
Schools' Capital Maintenance Schemes				0	500	500	0	0	0	0	500	500
Schools Devolved Capital	1,600	2,537	4,138	28	0	28	0	0	0	0	28	4,166
<b>Subtotal Full Approval - Children &amp; Young People</b>	<b>2,053</b>	<b>9,442</b>	<b>11,496</b>	<b>2,042</b>	<b>650</b>	<b>2,692</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,692</b>	<b>14,188</b>
<b>Provisional Approval</b>												
<b>Children &amp; Young People</b>												
Basic Needs - School Improvement / Expansion	0	0	0	13,444	2,148	15,592	6,578	0	0	0	22,170	22,170
Alternative Education - Refurbishment & Equipment	0	0	0	0	0	0	0	0	0	0	0	0
SEND Provision	0	0	0	577	67	644	67	0	0	0	711	711
Schools' Capital Maintenance Schemes	0	0	0	1,253	2,790	4,043	0	0	0	0	4,043	4,043
Alternative Education Provision - St John's School	0	0	0	0	1,234	1,234	0	0	0	0	1,234	1,234
Schools CIL	0	0	0	0	950	950	0	0	0	0	950	950
<b>Subtotal Provisional Approval - Children &amp; Young People</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,275</b>	<b>7,189</b>	<b>22,464</b>	<b>6,645</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29,109</b>	<b>29,109</b>
<b>TOTAL CHILDREN &amp; YOUNG PEOPLE</b>	<b>2,053</b>	<b>9,442</b>	<b>11,496</b>	<b>17,317</b>	<b>7,839</b>	<b>25,156</b>	<b>6,645</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,801</b>	<b>43,297</b>
<b>FINANCE &amp; EFFICIENCY</b>												
<b>Full Approval</b>												
<b>Property &amp; Project Delivery</b>												
Corporate Estate Planned Maintenance				632	3,357	3,989	0	0	0	0	3,989	3,989
Acquisitions - Future Revenue Generation	1	0	1	127	0	127	0	0	0	0	127	128
Housing Delivery Vehicle	1,909	1,456	3,365	300	0	300	0	0	0	0	300	3,665
City Centre Security	0	0	0	0	495	495	0	0	0	0	495	495
City Centre Protection Measures	6	53	59	141	0	141	0	0	0	0	141	200
<b>Finance</b>												
Agresso System Development & 5.6 Upgrade	45	20	65	78	0	78	0	0	0	0	78	143
Flexible Use of Capital Receipts	3,124	5,376	8,500	1,291	1,709	3,000	0	0	0	0	3,000	11,500
Property Company Investment	4,315	8,105	12,420	9,913	10,867	20,780	0	0	0	0	20,780	33,200
<b>Subtotal Full Approval - Finance &amp; Efficiency</b>	<b>9,401</b>	<b>15,010</b>	<b>24,411</b>	<b>12,482</b>	<b>16,428</b>	<b>28,910</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28,910</b>	<b>53,321</b>
<b>Provisional Approval</b>												
<b>Property &amp; Project Delivery</b>												
Project Inception Fund	0	0	0	200	200	400	200	200	200	0	1,000	1,000
Commercial Estate Acquisitions	0	43,700	43,700	3,891	0	3,891	0	0	0	0	3,891	47,591
Property Disposals	0	0	0	400	400	800	300	300	300	0	1,700	1,700
Commercial Estate Investment Fund	0	0	0	300	300	600	300	300	300	0	1,500	1,500

Project Title	PY Spend pre 2018/2019	Forecast Outturn 2018/2019	Actual / Projected Spend pre 2019/2020	Projected Re- phasing from 2018/2019 to 2019/2020 and Future Years	Budget Required 2019/2020	Total Budget 2019/2020	Total Budget 2020/2021	Total Budget 2021/2022	Total Budget 2022/2023	Total Budget 2023/2024	Total Cost 5 Years	Overall Project Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Lewis House Refurbishment	0	0	0	500	1,000	1,500	0	0	0	0	1,500	1,500
Corporate Estate Planned Maintenance	0	0	0	0	0	0	1,400	1,400	1,400	0	4,200	4,200
Disposals Programme (Minor)	0	0	0	200	0	200	0	0	0	0	200	200
Cleveland Pools Trust	0	0	0	200	0	200	0	0	0	0	200	200
<b>Finance</b>												
Bath Area Forum - CIL Funded Schemes - Provisional	0	0	0	406	434	840	0	0	0	0	840	840
<b>Partnership &amp; Corporate Services</b>												
Digital Programme	0	0	0	3,370	2,130	5,500	0	0	0	0	5,500	5,500
IT Asset Refresh	0	0	0	271	1,450	1,721	125	50	110	670	2,676	2,676
Print Services - Equipment Investment	0	0	0	0	400	400	0	0	0	0	400	400
<b>Subtotal Provisional Approval - Finance &amp; Efficiency</b>	<b>0</b>	<b>43,700</b>	<b>43,700</b>	<b>9,738</b>	<b>6,314</b>	<b>16,052</b>	<b>2,325</b>	<b>2,250</b>	<b>2,310</b>	<b>670</b>	<b>23,607</b>	<b>67,307</b>
<b>TOTAL FINANCE &amp; EFFICIENCY</b>	<b>9,401</b>	<b>58,710</b>	<b>68,111</b>	<b>22,220</b>	<b>22,742</b>	<b>44,962</b>	<b>2,325</b>	<b>2,250</b>	<b>2,310</b>	<b>670</b>	<b>52,517</b>	<b>120,628</b>
<b>TRANSFORMATION &amp; CUSTOMER SERVICES</b>												
<b>Full Approval</b>												
<b>Partnership &amp; Corporate Services</b>												
Modern Libraries & Workplaces	274	714	988	87	0	87	0	0	0	0	87	1,075
<b>Subtotal Full Approval - Transformation &amp; Customer Services</b>	<b>274</b>	<b>714</b>	<b>988</b>	<b>87</b>	<b>0</b>	<b>87</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>87</b>	<b>1,075</b>
<b>Provisional Approval</b>												
<b>Partnership &amp; Corporate Services</b>												
Revenues & Benefits System: End of Life Replacement	0	0	0	750	0	750	0	0	0	0	750	750
Modern Libraries & Workplaces	0	0	0	3,000	0	3,000	0	0	0	0	3,000	3,000
Communications Hub (Microwave Link)	0	0	0	7	0	7	0	0	0	0	7	7
Customer Payments Security and Channel Shift	0	0	0	0	68	68	68	68	0	0	204	204
<b>Subtotal Provisional Approval - Transformation &amp; Customer Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,757</b>	<b>68</b>	<b>3,825</b>	<b>68</b>	<b>68</b>	<b>0</b>	<b>0</b>	<b>3,961</b>	<b>3,961</b>
<b>TOTAL TRANSFORMATION &amp; CUSTOMER SERVICES</b>	<b>274</b>	<b>714</b>	<b>988</b>	<b>3,844</b>	<b>68</b>	<b>3,912</b>	<b>68</b>	<b>68</b>	<b>0</b>	<b>0</b>	<b>4,048</b>	<b>5,036</b>
Capital Contingency	0	1,895	1,895	0	5	5	0	0	0	0	5	1,900
<b>GRAND TOTAL</b>	<b>24,787</b>	<b>88,665</b>	<b>113,452</b>	<b>114,038</b>	<b>70,560</b>	<b>173,162</b>	<b>59,548</b>	<b>27,697</b>	<b>13,875</b>	<b>7,823</b>	<b>282,105</b>	<b>395,557</b>

This page is intentionally left blank



## **NEW SCHEMES WITHIN THE CAPITAL PROGRAMME**

### **1. TRANSPORT & ENVIRONMENT**

#### **1.1. Environmental Services**

##### **1.1.1. Highways Maintenance Programme for Full Approval of £3.938m in 2019/20 and Additional Funding for Full Approval of £1m from 2019/20**

This is funded by Department for Transport (DfT) Section 31 Capital Grants amounting to £4.938m, this funding is provided through WECA, from DfT allocations.

This programme is a key component in achieving and maintaining the corporate objective of creating neighbourhoods where people are proud to live. By improving the overall condition of the highway network it serves to minimise road works with associated traffic disruption and addresses poor & visually unattractive surfaces and end of life assets. Improved street lighting leads to people in communities feeling more safe and happy with where they live. The transport network is crucial in maintaining a strong local economy and is a fundamental part of the local environment allowing local communities to thrive and flourish.

This will be used to address a programme of priority works across all highway asset groups namely carriageways, footways, structures (bridges, retaining walls, embankments & culverts), drainage and electrical infrastructure as identified through on-going inspection, monitoring and evaluation.

A detailed list of schemes, attached at Annex 5 (ii), will be subject to consultation with cabinet and ward members. Any amendments to the programme will be approved by the Director for Environmental Services in consultation with the Cabinet Member for Transport & Environment.

##### **1.1.2. Transport Improvement Programme for Provisional Approval of £1.16m from 2020/21.**

The Transport Improvement Programme budget is included for Provisional Approval funded from £1.16m of Integrated Transport Block Government Grant.

The programme delivers highway improvement works under the general headings of road safety, safer routes to school, pedestrians, congestion and traffic management schemes.

2018/19 proposals continue a focus on supporting the five objectives identified in the West of England Joint Local Transport Plan:

- Reducing Carbon Emissions
- Supporting Economic Growth

- Promoting Accessibility
- Contributing to better safety, security and health
- Improving quality of life & a healthy natural environment.

A detailed list of schemes, attached at Annex 5 (iii), will be subject to consultation with cabinet and ward members and the general public where appropriate. Any amendments to the programme will be approved by the Director for Environmental Services in consultation with the Cabinet Member for Transport & Environment.

**1.1.3. Highways and Traffic Fleet Vehicle Renewal for Provisional Approval of £325k in 2022/23 – Funded by Service Supported Borrowing.**

This is a rolling replacement programme for highways and traffic fleet, the allocation is for inspection vehicles.

**1.1.4. Parking Services Vehicle Replacement for Provisional Approval of £60k for 2019/20 – Funded by Service Supported Borrowing.**

This is a rolling replacement programme for parking vehicles. Where possible this programme will link in with the existing electric vehicle programme.

**1.1.5. Whitchurch Highways (CIL) for Provisional Approval of £200k for 2019/20 – Funded by CIL.**

CIL funding allocation for additional highways schemes in the region is planned to be utilised to improve the A37 / Staunton Lane at Whitchurch traffic signal junction. This funding will support works in either the Highways Maintenance Block Programme, or the Transport Improvement Programme.

**1.1.6. Somerdale Bridge for Provisional Approval of £200k for 2019/20 and £2m for 2020/21+ Funded by s106 and Grant.**

A Pedestrian and Cycling Bridge in Keynsham at the Somerdale development linked to planning requirements. The bridge will provide a commuter and leisure route from Keynsham into South Gloucestershire and Bristol. This is funded through s106 and in addition a grant bid will be made to WECA.

## **2. DEVELOPMENT & NEIGHBOURHOODS**

### **2.1. Environmental Services**

**2.1.1. Parks Foundation for Provisional Approval of £50k for 2019/20 – Funded by donations to the Foundation.**

Following award of funding from the National Endowment for Science Technology and the Arts (NESTA) Bristol Council have been working in partnership with

B&NES to set up a Parks Foundation to serve communities in Bath and Bristol. The Foundation is tasked with promoting volunteering and raising funds for capital projects in parks. This allocation is to enable the Council to progress capital works in parks funded through the Foundation as they are brought forward.

**2.1.2. Air Quality Monitoring Equipment for Provisional Approval of £40k for 2022/23+ Funded by Service Supported Borrowing.**

Numerous locations in Bath exceed the national air quality objectives for nitrogen dioxide and in addition to the existing Air Quality Management Area in Bath. Continued assessment of the air quality in the region is necessary to establish whether we meet the national air quality objectives.

The equipment enables a network of monitors to meet this obligation, this replacement programme enables end of life asset replacement to enable continued operations in line with statutory requirements.

**2.1.3. Neighbourhoods Vehicle Replacements for Provisional Approval of £484k for 2019/20 and Provisional Approval of £244k for 2020/21+ Funded by Service Supported Borrowing.**

Funding for the rolling replacement programme for fleet vehicles; including Waste, Recycling, Cleansing, Parks and Public Protection teams.

**2.1.4. Air Quality Study in Temple Cloud and Farrington Gurney for Provisional Approval of £50k for 2019/20 – Funded by CIL**

In response to the exceedances of the national air quality objective for nitrogen dioxide, Air Quality Management Areas have been declared in both Temple Cloud and Farrington Gurney under the Environment Act 1995. The Council must develop Air Quality Action Plans under this Act to mitigate the levels of nitrogen dioxide. The bid is for CIL funding to fund feasibility studies to assess potential actions involving infrastructure/infrastructure changes that may improve air quality in the areas. This study will inform the measures that may be incorporated in the Air Quality Action Plans.

**2.1.5. Public Tennis Improvements in Bath for Provisional Approval of £715k for 2019/20 – Funded by Grant and CIL.**

To create a network of tennis facilities offering pay and play opportunities, membership packages and coaching programmes for the community to drive up participation in tennis in a sustainable way. The funding will be used to refurbish the current tennis courts that are in a poor state of repair. They would then operate on a business model that allows them to run on a cost neutral basis to the Council with a share in any surplus made. Capital improvements earmarked at Sydney Gardens, RVP and Alice Park.

- 2.1.6. Tennis Provision Chew Valley for Provisional Approval** of £120k for 2019/20 – Funded by CIL and Grant.

To support public tennis improvements in the Chew Valley.

- 2.1.7. Waste Baler Replacement for Provisional Approval** of £350k for 2019/20 – Funded by Service Supported Borrowing

To replace the existing baler to help manage the packing of increased recycling volumes.

- 2.1.8. Bath Spa Water Monitoring for Provisional Approval** of £77k for 2019/20 – Funded by Service Supported Borrowing

To replace the water monitoring equipment, this equipment will ensure the safe use of the spa water supply.

- 2.1.9. Bathscape for Provisional Approval** of £407k, funded by Grant & CIL / **Provisional Approval** of £50k – Funded by CIL for 2019/20

Bathscape is a partnership project led by the council that aims to reconnect people and communities with Bath's landscape setting benefitting people, communities and heritage. This is supported predominantly through HLF funding, for which a second stage bid is in progress. This item adds CIL allocation toward match for the grant bid and seeks approval of the first year of the grant spend.

### **3. ECONOMIC & COMMUNITY REGENERATION**

#### **3.1. Economy & Growth**

- 3.1.1. Affordable Housing for Provisional Approval** of £635k for 2023/24.

Funded by a combination of Right to Buy receipts, s106 and Corporately Supported Borrowing, this capital supports the Council's strategic aim of delivering Affordable Housing and where required the recovery of Empty Properties.

- Key projects include:
- Extracare housing at Ensleigh;
- Shared housing initiative for young people;
- Specialist LD scheme;
- A sheltered scheme redevelopment; and
- Rural affordable housing schemes.

However, important to note that opportunities to develop bespoke affordable housing solutions or secure delivery where there are viability issues can arise at

any time. The ability to react quickly through capital intervention is key to being a responsive Housing Enabling Service.

**3.1.2. Disabled Facilities Grant for Full Approval** of £1.15m in 2019/20 and for **Provisional Approval** of £1.15m for 2023/24 – Funded by Grant and External Contributions.

The Housing Grants, Construction & Regeneration Act 1996 places a duty on Local Housing Authorities to fund certain types of adaptations for disabled householders, subject to a financial means test. Eligible adaptations are those designed to enable freedom of movement into and around the applicant's home. They encourage, promote and enable well-being within the home and reduce down-stream costs of acute service provision. This funding will support a demand led programme of around 200-250 p.a. Disabled Facilities Grants in accordance with above legislation, statutory guidance and best practice.

This is for full approval of the 2019/20 allocations and provisional approval to align the future years programme with funding expectations.

This funding will be uplifted following confirmation of the 2019/20 additional grant allocation.

**3.1.3. BWR Phase 2 for Provisional Approval** of £13.5m for 2019/20 to 2021/22 – funded by Grant. **Provisional Approval** of £150k of match for the grant for each of the years 2019/20, 2020/21 and 2021/22 – Funded by Corporately Supported Borrowing.

To address viability issues relating to land assembly infrastructure costs rendering the site undevelopable in its current state. The objective is to enable policy compliant comprehensive regeneration in line with planning permission granted.

**3.1.4. Bath Quays – Further Economic Development Feasibility Studies** for **Provisional Approval** of £100k for 2019/20 – Funded by Corporately Supported Borrowing.

There are key City centre sites that if acquired enable comprehensive redevelopment to come forward promoting the aims and objectives of the Enterprise Zone in terms of rates income, housing delivery, job delivery and income growth which could lead to comprehensive development. This project enables staff time to facilitate and to assess opportunities around strategic land acquisition.

**3.1.5. Bath City Centre Security** for **Full Approval** of £495k for 2019/20 – Funded by CIL and Corporate Borrowing.

This project involves coordinating public realm investment in Bath City Centre related to increased security for residents and visitors, it includes partnership

working with South Gate, Bath Tourism Plus, Bath BID and event organisers in the city centre.

Like many other authorities across the UK, the Council routinely works with partner organisations, such as the Police, to assess safety precautions. There is no indication of any imminent threat to Bath in particular and no specific intelligence to suggest that Bath is at any more risk than any other busy urban area in the UK.

**3.1.6. Housing Infrastructure Fund & Housing Deal for Provisional Approval of £2m for 2019/20 – Funded by Grant.**

The Housing Infrastructure Fund (HIF) is Governments flagship national funding stream to enable and accelerate increased housing delivery in order to deliver the commitments made in the Housing White Paper.

Combined Authorities were asked to prioritise one bid, and due to its strong case WECA have prioritised the A4 Corridor/South East Quadrant. This funding is grant to enable the development of the Full Business Case to be developed during 2019/20.

The total bid for is £250m, to enable and accelerate over 11,500 homes including North Keynsham, Whitchurch, Temple Meads, Hengrove and Brislington. If successful the B&NES direct funding would total at least £60m, with another £150m of indirect benefits through improvements to Temple Meads station and an A4 Corridor transport package.

The WoE Housing Deal is a £250m proposal being negotiated with MHCLG which if successful would enable additional housing growth and affordable housing beyond JSP growth outside the A4 Corridor/SE Quadrant (i.e. Bath and Somer Valley within B&NES).

**3.1.7. Town & Local Centres Public Realm (CIL) for Provisional Approval of £50k for 2019/20 – Funded by CIL.**

A CIL allocation to support the improvement of the public realm in town and local centres across B&NES, including Midsomer Norton and Keynsham. Programme scheme and business case required.

**4. CHILDREN & YOUNG PEOPLE**

**4.1. Children & Young People**

**4.1.1. SEND Provision for Provisional Approval of £134k over 2019/20 and 2020/21 – Funded by Grant.**

To support the establishment of further educational provision for pupils with Special Educational Needs and Disability within the Bath & North East Somerset area.

## **4.2. Education Transformation**

### **4.2.1. Basic Need Programme for Provisional Approval of £6.428m over 2019/20 & 2020/21 – Funded by Grant.**

The Council receive Basic Need (BN) grant funding from the Department for Education (DfE) on an annual basis. The funding is allocated to support the provision of sufficient school places which is a statutory responsibility of the Council.

Following a review of the pupil number projections and assessment of future priorities for provision of sufficient places, the funding will be used to support emerging expansion schemes at primary or secondary schools.

Funding for future projects at Peasedown St John Primary School and additional secondary school places in Bath will be required in the short to medium term. Beyond 2020/21 the Council's School Organisation Plan will highlight any areas of basic need where additional school places may be required. At the appropriate time, feasibility studies will be instructed to determine the most suitable and cost effective way to deliver the additional places required.

### **4.2.2. Basic Need Feasibility Works for Full Approval of £150k for 2019/20 – Funded through the basic need grant.**

The Council has a statutory duty to ensure there is sufficient provision of school places in the right areas to meet need. Development work is required to inform detailed project plans for future capital schemes. It is proposed that delegated authority for approval of individual feasibility study budgets within the totals above is given to the Strategic Director, People & Communities.

### **4.2.3. Schools Capital Maintenance Programme for Provisional Approval of £2.79m for 2019/20 – Funded by Grant.**

Grant is non ring-fenced funding allocated by central government to address the worst condition issues at schools maintained by the Council. Allocations are made by the DfE on an annual basis.

### **4.2.4. Schools DDA & Minor Works for Full Approval of £250k for 2019/20 – Funded by SCPM Grant.**

The Minor Works & Accessibility (DDA) budget is allocated from SCPM grant to address smaller condition issues such as renewal of heating controls and replacement of obsolete distribution boards etc, the budget is used to address ad hoc issues as they arise throughout the year.

**4.2.5. Schools Emergency Works for Full Approval** of £250k for 2019/20 – Funded by SCPM Grant.

The Emergency works budget is allocated from SCPM to meet larger unforeseen condition issues as they occur throughout the year. This might include issues such as the replacement of a failing temporary building or some major roof works.

Schemes 4.2.5 to 4.2.6 are funded within the Schools' Capital Maintenance programme item.

**4.2.6. Schools CIL Allocation for Provisional Approval** of £950k for 2019/20 – Funded by CIL.

CIL Allocation to support the provision of sufficient school places to allow the Council to meet its statutory duties.

**4.3. Integrated Commissioning**

**4.3.1. Alternative Education Provision for Provisional Approval** of £1.234m for 2019/20 – Funded by CIL and Corporately Supported Borrowing.

This project is the refurbishment and renovation of a premises that was previously a council run primary school (St Johns, Lower Bristol Road), into alternative education provision for secondary age pupils in B&NES.

The Local Authority has a statutory duty to arrange suitable education for permanently excluded pupils, and for other pupils who – because of illness or other reasons – would not receive suitable education without such arrangements being made.

**5. FINANCE & EFFICIENCY**

**5.1. Finance**

**5.1.1. Customer Payments Security and Channel Shift for Provisional Approval** of £68k for each of the years 2019/20 to 2021/22 – Funded by Corporate Supported Borrowing.

System and infrastructure developments to ensure compliance with Payment Card Industry Data Security Standards (PCIDSS), security measures & associated channel shift.

**5.1.2. Bath Area Forum – CIL Funded Schemes for Provisional Approval** of £434k – Funded by Bath Parish Area CIL.



The Council is required to pass 15% of CIL funds to the relevant Parish or Town Council. If there is no Parish or Town Council, the charging authority will retain the levy receipts but should engage with the communities where development has taken place, and agree with them how best to spend the local funding. The Bath City Forum has established a process for working with local elected members and communities to agree recommendations on using the local portion of CIL in Bath. As the Forum has no delegated powers or budgets, any Forum recommendations would need to be determined through an appropriate Executive Council decision.

**5.1.3. Corporate Capital Contingency Addition for Provisional Approval of £5k – Funded by Corporate Supported Borrowing.**

To replenish contingency funds to £1.9m required following draw-down during the financial year 2018/19.

**5.2. Economy & Growth**

**5.2.1. Corporate Estate Planned Maintenance for Full Approval of £3.357m (note £2m added to existing programme) – Funded by Corporate Supported Borrowing.**

Capital Planned maintenance works will be undertaken on the Council Corporate Estate. Annex 5 (iv) provides the detailed plan of priority works for 2018/2019.

Any amendments to the programme will be approved by the Director for Economy & Growth in consultation with the Cabinet member for Finance & Efficiency.

**5.2.2. Commercial Estate Refurbishment Programme for Provisional Approval of £400k for 2019/20 – Funded by Corporately Supported Borrowing.**

The Commercial Estate provides a significant income to the authority through rental income for a broad range of properties. This sum allows for some additional refurbishment work to attract new tenants.

**6. TRANSFORMATION & CUSTOMER SERVICES**

**6.1. Partnership & Corporate Services**

**6.1.1. IT Asset Refresh for Provisional Approval of £821k for 2019/20 and Provisional Approval of £372k for 2020/21+ Funded by Corporate and Service Supported Borrowing.**

The Asset Refresh programme is a rolling programme which covers all aspects of the Council's IT Infrastructure assets including virtual Servers hosting systems as well as multiple in-depth firewalls and security hardware to protect the Council's data, network routers enabling approximately 100 Council offices to inter connect, and backup systems.

Depending on the hardware, each kit requires replacing every 5 to 7 years subject to the associated out of warranty revenue costs, where practicable this programme incorporates a rebased 7 year life for most items.

During 19/20 the delivery will focus on a secure supported Windows 10/Office 2016 desktop environment and ensure continued PSN accreditation, including both software and hardware upgrades as well as buyout of licenses.

**6.1.2. Digital Programme for Provisional Approval of £1m for 2019/20 – Funded by Corporate Supported Borrowing.**

The project will give the organisation the tools to work differently with reduced capacity, modernise its processes to reduce manual intervention and potential error. Citizens will be able to engage with the Authority in a way that it expects aligned to how it communicates with other organisations it does business with day to day.

**7. EMERGING CAPITAL SCHEMES**

The following schemes are not yet fully developed and outline business cases have not been produced at this stage so it is not possible to identify an appropriate provision for them within the proposed Capital Programme.

These schemes may require significant capital expenditure some or all of which may be met through external sources or the related service provider. As the specific business cases are more developed and the capital requirements are more fully understood these schemes will come forward for Council consideration and decision at that point.

The business cases will need to identify suitable capital and, if necessary, revenue funding provision at this time.

**7.1. Additional WECA / Government Schemes**

Further schemes may be taken forward for consideration as a result of new government initiatives with available funding sources, emerging schemes that have been successful in securing external funding will be incorporated into the Capital programme in line with the Councils Budget Management Scheme.

This could include, but is not limited to, any potential projects that may emerge as part of the key route network and the following grant bids are either pending submission or awaiting confirmations:

- **Digital BNES: Local Full Fibre Networks** – Enabling viability and encouraging commercial deployment of full fibre networks in areas that are commercially unviable.

*Funding State: Scheme still to be launched; bid anticipated as one from joint WoE Authorities.*

- **Housing Infrastructure Fund & Housing Deal** – Enable and accelerate increased housing delivery in the A4 Corridor/South East Quadrant of the West of England.  
*Funding Stage: Outline Business Case Bid submission due March 2019. Full business case development to follow during 19/20.*
- **Park & Ride Packages** – Enable expansion of Park & Ride facilities servicing Bath.  
*Funding Stage: Pipeline only, bid progression will require business case submission.*
- **Avon Mill Roundabout** – Provide key infrastructure required to meet existing and future highway needs.  
*Funding Stage: Pipeline only, bid progression will require business case submission.*
- **Batheaston Roundabout Bus Lane A46** – Enable buses to more effectively link into the London Road bus lane and encouraging strategic aim for modal shift on transport.  
*Funding Stage: Pipeline only, bid progression will require business case submission.*
- **Clean Air Zone** – enable improvements to air quality and reduction in pollution in order to achieve compliance with the legislative requirements for 2021.  
*Funding Stage: Bid and business case in development for submission.*
- **Cleveland Bridge Refurbishment** – enable refurbishment to extend the strategic historic asset life.  
*Funding Stage: Pipeline only, bid progression will require business case submission.*
- **Chew Valley Trail** – support sustainable transport links for communities around the Chew Valley lake.  
*Funding Stage: Following planning approval a grant bid will be progressed to DEFRA.*
- **A37 to A362 Transport Improvements** – support the aims in the Transport Strategy by promoting alternative sustainable travel modes and support and promote the development of the Enterprise Zone.  
*Funding Stage: Pipeline only, bid progression will require business case submission.*

- **Hicks Gate** – deliver improvement that will accommodate future growth and will reduce delays for vehicles using the Keynsham Bypass to ring road link.

*Funding Stage: Pipeline only, bid progression will require business case submission.*

Highways Maintenance Block Programme 2019/20		
Description	Measurement	Funding
<b>Street Lighting Programme</b>	<b>No. of units</b>	
Steway Lane, Batheaston	2	£1,900
Brookside Close, Batheaston	2	£1,900
Catherine Way, Batheaston	2	£1,900
Raby Mews, Bathwick	1	£950
Darlington Place, Bathwick	4	£3,800
Sydney Wharf, Bathwick	3	£2,850
William Street, Bathwick	2	£3,100
Copseland, Bathwick	4	£3,800
Frome Road, Bloomfield	15	£16,650
Upper Church Street, City Centre	6	£9,300
Burton Street, City Centre	3	£4,650
Dunster House, Combe Down	5	£4,750
Belmont Road, Combe Down	9	£8,550
Drake Avenue, Combe Down	19	£18,100
Footpath's Drake Avenue, Combe Down	6	£5,700
Meare Road, Combe Down	25	£23,800
The Drung, Monkton Combe	7	£7,600
Edward Street, Kingsmead	9	£8,550
Avondale Buildings, Lambridge	2	£1,900
Dafford Street, Lambridge	5	£4,750
Dafford's Buildings, Lambridge	5	£4,750
Swainswick Gardens, Lambridge	14	£13,300
Rose Hill, Lambridge	11	£10,450
Bay Tree Road, Lansdown	14	£13,300
Fairfield Park Road, Lansdown	12	£11,400
Whitewells Road, Lansdown	16	£15,200
Magdalene Avenue, Lyncombe	7	£6,650
St Stephen's Road, Lyncombe	16	£15,200
Footpaths Chandler Close, Newbridge	2	£1,900
Fullers Way, Odd Down	4	£3,800
Monksdale Road, Oldfield	2	£1,900
Poolemead Road, Twerton	18	£17,100
Greenbank Gardens, Upper Weston	5	£4,750
Footpath Camden Road to Rivers Road, Walcot	2	£1,900
Ringswell Gardens, Walcot	22	£20,950
Cranwells Park, Weston	15	£14,250
Church Lane, Widcombe	5	£7,750
Camerton Hill, Camerton	7	£6,650
Freshford Lane, Freshford	1	£8,200
Richmond Close, Keynsham	3	£2,850
Chapel Lawns, Cladown	2	£1,900
Footpath Berkeley Avenue To North Road, Midsomer Norton	3	£3,300
Church Court, Midsomer Norton	3	£2,850
Mill Road, Radstock	10	£11,500
Pines Way, Radstock	4	£3,800
Fir Tree Avenue, Paulton	3	£2,850
Ludwells Orchard, Paulton	2	£1,900
Orchard Way, Peasedown St John	34	£32,350
Adams Close, Peasedown St John	4	£3,800
Pipin Close, Peasedown St John	5	£4,750
Underleaf Way, Peasedown St John	3	£2,850
Wellow Lane, Shoscombe	7	£6,650
Dene Road, Whitchurch	1	£950
Saltwell Avenue, Whitchurch	4	£3,800
<b>Highway Street Lighting 19/20 Sub Total</b>	<b>397</b>	<b>£400,000</b>
<b>Highway Structures Programme</b>		
Cleveland Bridge Strengthening - Design and Procurement		£60,000
Camden Crescent Viaduct Refurbishment Scheme - Construction Phase 2		£380,000
Windsor Bridge - Bearing Repairs		£50,000
Vineyards/Lansdown Road Retaining Wall & Railing Repairs - Construction Phase		£190,000
Structures Inspection Remedial Works Programme		£70,000
Structures Assessment Programme		£50,000
<b>Highway Structures 19/20 Sub Total</b>		<b>£800,000</b>
<b>Highway Drainage Programme</b>		
A362 Frome Road, Radstock - Drainage Improvements		£23,000
A39 Hallatrow Hill, Hallatrow - Drainage Improvements		£15,000
A368 Sutton Road, Stanton Wick - Drainage Improvements		£32,000
Smitham Hill, East Harptree - Drainage Improvements		£43,000
B3355 Phillis Hill, Midsomer Norton - Drainage Improvements		£25,000
Woodview, Pitway Lane, Farrington Gurney - Trash Screen		£12,000
<b>Highway Drainage 19/20 Sub Total</b>		<b>£150,000</b>

Description	Measurement	Funding
<b><u>Carriageway Resurfacing &amp; Major Re-Construction</u></b>	<b>SQM</b>	
Stockwood Hill, Keynsham	3,302	£85,800
Gypsy Lane, Keynsham	5,732	£149,000
The Circus, Bath	2,033	£52,800
Granville Road, Lansdown	2,864	£74,000
Lansdown Road (Part), Lansdown	8,407	£218,000
Lansdown Lane (Phase 1), Upper Weston	3,584	£93,000
Dartmouth Avenue and Millmead Road, Twerton	2,848	£74,000
Lymore Avenue, Twerton	4,261	£110,500
Beckhampton Road and Oldfield Lane, Oldfield Park	2,345	£61,000
Monksdale Road, Moorlands	2,097	£54,500
North Way, Whiteway	931	£25,200
South Road and Excelsior Terrace, Midsomer Norton	2,457	£63,800
B3355 Northmead Road/Paulton Road, Midsomer Norton	4,137	£107,500
A362 Frome Road (Part), Radstock	2,164	£56,200
Waterloo Road and Tynning Hill, Radstock	5,857	£152,200
B3355 Phillis Hill, Paulton	4,240	£110,000
Station Road (Part), Clutton	1,302	£33,700
South Road / B3115 Hook, Timsbury	3,956	£102,800
<b>Carriageway Resurfacing 19/20 Sub Total</b>	<b>62,517</b>	<b>£1,624,000</b>
<b><u>Carriageway Surface Dressing</u></b>	<b>SQM</b>	
B3130 Stanton Road, Chew Magna/Stanton Drew	8,175	£55,600
Stowey Road, Clutton	11,698	£79,800
A36 Lower Bristol Road, Westmoreland	12,465	£85,000
B3115 Hayeswood Road, Timsbury	6,063	£41,400
Woollard Lane and Charlton Road, Whitchurch/Publow/Queen Charlton	11,677	£79,600
Under Tree Road, Camerton	2,569	£17,500
Walley Lane, Chew Magna/Chew Stoke	8,902	£60,500
A39 Bath Road, Farmborough	8,594	£58,600
<b>Carriageway Surface Dressing 19/20 Sub Total</b>	<b>70,143</b>	<b>£478,000</b>
<b><u>Carriageway Micro Asphalt Surfacing</u></b>	<b>SQM</b>	
Fairfield Park Road, Fairfield Park	3,549	£24,200
Manor Road, Keynsham	5,417	£36,900
Hurn Lane (Part 1), Keynsham	2,481	£16,900
Hurn Lane (Part 2), Keynsham	1,803	£12,300
Waveney Road, Keynsham	1,098	£7,400
Marden Road, Keynsham	563	£3,800
Torridge Road, Keynsham	2,158	£14,700
Orwell Drive, Trent Grove and Clyde Avenue, Keynsham	2,317	£15,800
Severn Way, Kennet Road and Welland Road, Keynsham	2,249	£15,300
Medway Drive, Keynsham	2,085	£14,200
Hill View Road, Larkhall	1,228	£8,400
Rose Hill (Part 1), Larkhall	1,142	£7,800
Rose Hill (Part 2), Larkhall	1,323	£9,000
Locksbrook Road, Locksbrook	2,659	£18,000
Avon Park, Locksbrook	1,030	£7,000
Riverside Gardens/Staddlestones (Part), Midsomer Norton	5,286	£36,000
Longfellow Road, Westfield	4,450	£30,300
<b>Carriageway Micro Asphalt Surfacing 19/20 Sub Total</b>	<b>40,838</b>	<b>£278,000</b>
<b><u>Footway Programme</u></b>		
Paving Programme		£75,000
Asphalt Concrete Programme		£100,000
Slurry Sealing Programme		£75,000
<b>Footway 19/20 Sub Total</b>		<b>£250,000</b>
<b><u>Other Programmes</u></b>		
Planned Patching Programme & Pothole Action Fund		£908,000
Planned Road Marking Improvement Programme		£50,000
<b>Other 19/20 Sub Total</b>		<b>£958,000</b>
<b>PROGRAMME 19/20 OVERALL TOTAL</b>		<b>£4,938,000</b>

Transport Improvement Programme 2019/20	
Description	Funding
<b>Local Safety Schemes</b>	
Anti-Skid Surfacing	£40,000
Named AIP schemes for delivery in 19/20: Lambridge St/London Road	£10,000
Accident investigation and prevention (AIP) & Minor Safety schemes design	£20,000
Traffic Calming Park Road Keynsham 106 funded	£40,000
A36 Route Review delivery (CIL funded)	£50,000
Oakley Junction detailed design and approvals	£20,000
Bathwick St Mary School safety improvements (CIL funded)	£3,000
Withies Park /Redfield Rd MSN pedestrian improvements (CIL funded)	£20,000
A367/ Peasedown roundabout design 106 funded	£57,000
A4175 Route Review	£20,000
Keynsham, Radstock and Midsomers - Parking Surveys (CIL Funded)	£100,000
Vehicle activated Sign (VAS) upgrade (CIL funded)	£40,000
Lansdown Lane Pedestrian safety study	£5,000
<b>Local Safety Schemes Total</b>	<b>£425,000</b>
<b>Public Transport</b>	
Improvements to bus stops	£30,000
Bus stop Improvements Keynsham 106	£58,000
<b>Public Transport Total</b>	<b>£88,000</b>
<b>Managing Congestion</b>	
Priory Road, Keynsham - parking study	£5,000
Parking Schemes TRO	£45,000
Whitchurch Traffic Improvements CIL	£200,000
Traffic Monitoring (106 Airport)	£40,000
Improvement to signalled controlled crossings Upper Bristol Road/ Victoria Park	£40,000
<b>Residents Parking Zones:</b>	
Lyncombe Vale area, Widcombe	£25,000
Kemphorne Lane area	£15,000
Chelsea Road	£25,000
Oldfield Park - parking surveys	£10,000
Linden Gardens - continuation of 18/19 scheme	£10,000
<b>Managing Congestion Total</b>	<b>£415,000</b>
<b>Safer Routes to Schools</b>	
High Littleton new footway land assembly (CIL)	£20,000
Brassknocker Hill Bus Improvements	£156,000
School zebra crossings	£85,000
Ubley Footway Feasibility	£5,000
<b>Safer Routes to School Total</b>	<b>£266,000</b>
<b>Cycle Schemes</b>	
Cycle parking	£5,000
Development of Local Cycling and Walking Plans (LCWIP)	£30,000
Sydney Gardens Cycle link from Great Pultney Street to K&A towpath	£30,000
Enhancements to cycle route signing	£10,000
Locksbrook Bridge, Bath - structural assessment & feasibility	£15,000
<b>Cycle Schemes Total</b>	<b>£90,000</b>
<b>Pedestrian Schemes</b>	
Aids to mobility	£20,000
Public Rights of Way	£70,000
Monkton Combe School ped feasibility study	£5,000
Monmouth Street Footway Improveny assessment	£10,000
A4 Paragon, Bath - improve zebra crossing	£15,000
Wellsway, Keynsham - new zebra crossing	£30,000
Links to Canal Towpath, Central Bath improvements (106 funded)	£11,000
Farmborough Pedestrian Improvements (106 funded)	£20,000
Conker Bridge	£50,000
<b>Pedestrian Schemes Total</b>	<b>£231,000</b>
<b>Traffic Management Schemes</b>	
Winterfield Road and Ham Lane improvements (106 Funded)	£85,000
Monger Lane, Midsomer Norton traffic management (106 funded)	£140,000
Batheaston Fiveways Construction	£60,000
Weight limit/speed limit investigations (to be listed)	£7,000
Weight limit/speed limit TRO & implementation (to be listed)	£15,000
Circus Experimental Bus/Coach restriction - review experiment	£10,000
George St/Paragon/Charlotte St - improvements to HGV restriction signs	£5,000
Forefield Rise/Rosemount Lane area, Bath - delivery of improvements	£10,000
A39 Farmborough - extended speed limits on approach to village	£8,000
<b>Traffic Management Schemes Total</b>	<b>£340,000</b>
<b>Miscellaneous</b>	
JLTP Monitoring, Equipment and NHT survey	£15,000
Programme Management	£50,000
Legacy/Remedial works - previous years schemes	£25,000
Traffic sign rationalistaion / reduction street clutter	£15,000
Depot refurbishment	£80,000
Sub National Transport Board	£20,000
CIL Feasibility studies	£10,000
<b>Miscellaneous Total</b>	<b>£215,000</b>
<b>PROGRAMME 19/20 OVERALL TOTAL</b>	<b>£2,070,000</b>

This page is intentionally left blank



## 2019/20 Corporate Capital Planned Maintenance Programme

Description	Funding
<b>Operational Properties</b>	
The Guildhall - Various works including external window re-decoration and FRA upgrades	£660,968
The Hollies - Water heater replacement	£1,624
Lewis House - Tanking to address water ingress to archive store, and water heater replacement	£17,052
42 Bathwick Street - External repairs and redecoration	£24,360
7 Henrietta Street - Fire alarm panel replacement	£13,920
Fairfield House Day Centre - Address lift service requirements, and heating remedials	£48,720
<b>Operational Properties Total</b>	<b>£766,644</b>
<b>Depots and Waste</b>	
Midland Road Depot - Electrical and gas safety works	£14,964
Clutton Depot - Contribution to facilities upgrade as part of new Highways contract	£200,000
Radstock Road Depot - Remedial works to blocks 16 and 18	£25,520
Welton Transfer/Amenity Site - Fire alarm, emergency lighting upgrades, tank bunding replacement	£71,108
Locksbrook Road Depot - Fire alarm, emergency lighting upgrades, pressure vessel and heating works	£22,968
<b>Depots and Waste Total</b>	<b>£334,560</b>
<b>Libraries</b>	
Bath Central Library - Anticipated refurbishment cost of mechanical systems and FRA works	£200,103
<b>Libraries Total</b>	<b>£200,103</b>
<b>Children's Centres</b>	
St Martin's Garden Children's Centre - Replacement of fire alarm field devices	£5,220
Keynsham Children's Centre - DB3 and underfloor heating manifold replacement	£6,148
Paulton Children's Centre - Fire alarm upgrade	£9,280
<b>Children's Centres Total</b>	<b>£20,648</b>
<b>Cemeteries and Closed Burial Grounds</b>	
Locksbrook Cemetery - Emergency lighting, fire alarm upgrades. Roof refurbishment	£20,996
Haycombe Cemetery - Emergency lighting, fire alarm upgrades	£13,920
Harptree Cemetery - Portico stone repairs	£17,400
Various Closed Burial Grounds - Provision for partial rebuilding of boundary wall and footpath resurfacing	£69,600
<b>Cemeteries and Closed Burial Grounds Total</b>	<b>£121,916</b>
<b>Youth and Community</b>	
Hillside Community Centre - Replace boiler. FRA and emergency lighting	£14,036
Odd Down Children's Centre - Ventilation and fire alarm works	£15,892
Peasedown Youth Centre - Fire alarm system extension and CCTV upgrade	£9,280
Percy Community Centre - Oil tank decommissioning, fire alarm works and heating works	£46,748
Riverside Youth Hub - Partial rebuild of wall to increase longevity	£1,160
<b>Youth and Community Total</b>	<b>£87,116</b>
<b>Sports and Leisure</b>	
Entry Hill Golf Course bldg - Fire alarm installation	£8,120
Firs Field Play Area - Partial rebuild of wall adjacent childrens' playground to increase longevity	£11,600
<b>Sports and Leisure Total</b>	<b>£19,720</b>
<b>Parks and Leisure</b>	
Royal Victoria Park: The Pavilion and Greens - Alarm upgrade works, and feasibility towards modernisation	£71,640
Chew Valley Park - Fill sink hole	£11,600
Various Parks - partial rebuilding of boundary wall, footpath resurfacing and childrens playground fencing	£121,800
<b>Parks and Leisure Total</b>	<b>£205,040</b>
<b>Car Parks</b>	
Avon Street Car park - Essential repairs required prior to BQN implementation	£29,000
Manvers Street Car Park - Resurfacing required	£203,000
Charlotte Street Car Park - resurfacing to areas damaged by vegetation growth outside of Parkside scheme area	£40,600
<b>Car Parks Total</b>	<b>£272,600</b>

**2019/20 Corporate Capital Planned Maintenance Programme**

Description	Funding
<b>Fountains and Monuments</b>	
Laura Place Fountain - Replacement of electrical supply and stonework repairs	£25,520
<b>Fountains and Monuments Total</b>	<b>£25,520</b>
<b>Care Homes</b>	
Charlton House - potential requirement for lift refurbishment pending full inspection report	£139,200
Care Homes - various - Capital works under SLA	£20,880
<b>Care Homes Total</b>	<b>£160,080</b>
<b>Other</b>	
Bridge Street vault Permanent repair to vault temporarily propped during emergency road closure 2018	£42,920
Bridge survey programme - 2 yearly programme of bridge surveys to un-adopted assets	£10,000
Various properties - vault surveys: rolling programme of survey works	£80,000
Various properties - Surveys: rolling asset survey programme	£85,000
Various properties statutory compliance servicing - capital works arising	£100,000
Various properties - provision for emergency lighting upgrades required after periodic inspections	£88,160
Various properties - provision for fire alarm works inc 3G remote monitoring installation following inspections	£136,880
Various properties - provision for asbestos removals: contingency provision associated with above programme	£34,800
Various properties - provision for electrical testing programme and remedials: upgrades to follow inspections.	£189,204
Various properties - provision for tree surveys and resultant works: programme of surveys required	£46,000
Various properties - fire door inspection programme and remedials: programme of surveys required	£17,400
Various properties - other misc programmes: includes fire doors, lifts, heating systems and hot water boilers	£195,000
Additional data storage and infrastructure for 3D surveys	£10,000
Various Properties - provision for railing replacement, masonry repairs, workplace refurbishment	£58,000
Preliminaries on programme	£86,000
Contingency	£89,289
Over-programming to recover in year	-£125,600
<b>Other Total</b>	<b>£1,163,933</b>
<b>Corporate Capital Planned Maintenance Programme 2019-20</b>	<b>£3,357,000</b>

## **Annex 5 (v): Community Infrastructure Levy (CIL) Allocations**

It is forecast that the Council will have CIL of £3.509m available for spend in 2019/20 on infrastructure. This compares with £4.133m in 2017/18. This will make a substantial contribution to fulfilling the Core Strategy requirement that new development must be properly aligned with infrastructure. In doing so, it also makes a significant contribution to the Council's Capital programme.

In addition, it is anticipated that local communities will receive an additional £0.75m of income for local spend.

### **Principles**

The principles underpinning the decisions on how CIL income should be spent are;

- Decisions are made annually but based on a longer term programme of spend to ensure a co-ordinated approach to support delivery of the Core Strategy;
- Priority is given to infrastructure in the Infrastructure Delivery Plan (IDP) which is critical to supporting planned growth;
- Spend should be aligned with the Council's capital programme;
- Spend should take account of where CIL is generated;
- Strategic and Local CIL spend should be aligned where it is beneficial.

### **Regulation 123 List Update**

Charging authorities must set out a list of those projects or types of infrastructure that they intend to fund, or may fund, through the levy. This is the Regulation 123(2) list, the purpose of which is to prevent CIL being used in relation to those things that are intended to be funded through section 106 planning obligations. This will require an amendment, to reflect Alternative Education Provision, to the Reg 123 List as set out below.

- Strategic Transport Infrastructure including cycling and walking infrastructure, and public transport (excluding development specific mitigation works on, or directly related to, a development site)
- Green infrastructure to deliver the requirements set out in the Green Infrastructure Strategy, including specific green space requirements identified in the Green Space strategy (excluding on site provisions)
- The Early Years provision set out in the Childcare Sufficiency Assessment (Except for the Whitchurch Strategic Site and Bath Western Riverside Charging Zone proposal)
- School Schemes set out in the School Organisation Plan (Except primary schools and places required by strategic sites and the Bath Western Riverside Charging Zone proposals) and Alternative Education Provision.

- Social Infrastructure, including social and community facilities, sports, recreational, play infrastructure and youth provision, and cultural facilities (excluding on site provisions)
- Strategic Energy Infrastructure (excluding on site provisions)
- Health and Well-being Infrastructure (excluding on-site provisions)
- Strategic Waste Facilities
- Strategic Flood Risk Management Infrastructure (excluding on site provisions)

### **Proposals**

The proposed spend of CIL for 2019/20 is summarised in the table below:

<b>CIL Spend Category</b>	<b>Proposed Spend for 2019/20 £'000</b>
Flood	1,000
Education	1,094
Green Infrastructure	150
Social (inc Recreation & Leisure)	500
Waste	700
Strategic Transport Infrastructure	300
Health & Wellbeing	100
<b>TOTAL PROPOSED SPEND FOR 2019/20</b>	<b>3,844</b>

The detailed list of allocations for 2019/20 is listed in the table below:

CATEGORY AND ITEM	INCOME 18/19 FOR SPEND 19/20 £'000
<b>Flood</b>	
RIF Repayment (Bath Quays Flood)	1,000
<b>Flood Total</b>	<b>1,000</b>
<b>Education</b>	
Alternative Education Provision	141
Early Years Westfield Primary School	3
Norton Hill Secondary School, Midsomer Norton Expansion	200
Peasedown St John PS Expansion	150
Primary Schools, Bath	350
Secondary Schools, Bath Expansion	50
St Keyna PS Expansion, Keynsham	150
St Nicholas' CofE Primary School, Radstock Expansion	50
<b>Education Total</b>	<b>1,094</b>
<b>Green Infrastructure</b>	
Bathscape	50
South West Keynsham Parks & Green Spaces	100
<b>Green Infrastructure Total</b>	<b>150</b>
<b>Social (inc Recreation &amp; Leisure)</b>	
Bath Leisure	200
Bath Leisure (Tennis Courts) Additional Required	30
Keynsham Leisure (Tennis Courts)	10
Keynsham Leisure Refurb	250
Rural Leisure (Tennis Courts)	10
<b>Social (inc Recreation &amp; Leisure) Total</b>	<b>500</b>
<b>Waste</b>	
Relocation of Waste & Recycling Operations and Depot Consolidation	500
Relocation of Bath Recycling centre Facility and Depot Consolidation	200
<b>Waste Total</b>	<b>700</b>
<b>Strategic Transport Infrastructure</b>	
Bath Street Space - City Centre Security	50
Town & Local centres Public Realm (was Whitchurch)	50
Transport Whitchurch	200
<b>Strategic Transport Infrastructure Total</b>	<b>300</b>
<b>Health &amp; Wellbeing</b>	
Air Quality Feasibility	50
Freshford Community Centre, incl Surgery & Early Years	50
<b>Health &amp; Wellbeing Total</b>	<b>100</b>
<b>Grand Total</b>	<b>3,844</b>

The Capital Programme has been updated to include CIL funding.

### **Prior Year Allocations (£355K)**

The proposals listed for 2019/20 spend include allocation of previously unallocated CIL carried forward from 17/18 collections amounting to £285k. In addition, 18/19 for £50k has been realigned as part of the programme review that came forward in December 2018.

Previous years provisional allocations included a sum of £150k of the 2016/17 CIL for spend on the Radstock Healthy Living Centre. This was not formally included within the allocations brought to Council in previous years. The balance remains available and is still required to support the project. Approval is sought to agree this allocation in addition to the 2018/19 CIL for spend in 2019/20 as listed above.

### **Local CIL for Bath**

Recommendations for the spending of the neighbourhood element of CIL for Bath are considered at meeting of the Bath City Forum Working Group. Meetings take place every two months and the recommendations are taken to the full meeting of Bath City Forum where each project is voted upon. The successful recommendations then need to be approved by cabinet before the funds can be committed.

Bath City Forum has recently met and made its first recommendation, which will be brought forward for Cabinet consideration in due course.

The process for the submission of applications and the full criteria are available on the B&NES Council website along with a status report for project ideas that have been received.

**Bath and North East Somerset Capital and Investment Strategy 2019/20**

**Introduction**

This Capital and Investment Strategy is a new Government requirement for 2019/20 and is the overarching document which sets the policy framework for the development, management and monitoring of capital investment as well as lending to other organisations and commercial investments. The strategy focuses on core principles that underpin the council's capital programme, investment property, financing and the risks that will impact on the delivery of the programme and commercial estate; and the governance framework required for decision making and delivery.

The capital and investment strategy aligns with the priorities set out in the Council's Operational Plan of:-

- Protect and care for our most vulnerable
- Nurture residents' health, safety and wellbeing
- Provide ways for everyone in the community to reach their full potential

The strategy is integrated with the Medium Term Financial Strategy and Treasury Management Strategy.

.

**Capital Expenditure**

Capital expenditure occurs when the Council spends money on assets, such as property or vehicles that have a life of more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has limited discretion on what counts as capital expenditure, and this is outlined through its Accounting Policies which are updated and published annually as part of the Statement of Accounts.

In 2019/20, the Council is planning capital expenditure of £173m as summarised in the budget report. Of this planned expenditure £20m is for New and Emerging Capital Schemes as outlined in Annex 5 of the budget report.

As part of the approval process Service Directors put forward Emerging Capital Bids annually by the end of August to include projects in the Council's capital programme for future years. Given the current constraints on local authority finances the following principles are used for the current programme as well as new schemes:-

- To continue to review all existing schemes and simplify, reduce, pause or stop as necessary;
- Minimise new schemes except those that meet corporate priorities;
- Agree an affordable limit for new schemes requiring corporate borrowing;
- Ensure adequate investment in assets supporting key service provision (including meeting health and safety requirements or replace obsolete or inefficient assets/equipment);and
- Deliver or work with partners to deliver high priority government funded programmes and WoE programmes where they meet corporate priorities.

Bids are collated by the Finance team who calculate the financing cost and whether the bid is funded through Service Supported Borrowing, Corporate Supported Borrowing, CIL, WECA, or external grant. Portfolio Holders review the overall bids to agree priorities and overall affordability. As part of the budget process each Scrutiny Committee reviews bids within their service areas followed by the Resources PDS reviewing all bids and comments before making recommendations to Cabinet. The final capital programme is then presented to Council in February each year. The Council's Capital Programme can be found at Annex 5.

Schemes can either be classified as **Fully Approved or Provisionally Approved**. Items gaining **Full Approval** are clear to proceed to full scheme implementation and delivery, subject to appropriate project management and governance.

Items for **Provisional Approval** will require either a further Officer decision and in some cases a formal Executive decision for Full Approval. The budget estimates for schemes shown for Provisional Approval are therefore included on an indicative basis, and as an aid to planning.

The Capital Programme will retain narrative only reference to pipeline projects and grant funding in early stage progression. These items will require further decision to incorporate into the programme at a later date.

### **Financing the Capital programme**

Capital expenditure for the council is financed through a variety of sources, typically:-

- Receipts from the sale of capital assets



- Capital grants
- External contributions such as S106 or Community Infrastructure Levy
- The use of reserves or from revenue budget contributions

Any capital expenditure not financed by the above will need to be funded by borrowing. Existing council debt is therefore the consequence of historical capital expenditure. The council can temporarily utilise other resources in lieu of external borrowing to fund capital expenditure. This is referred to as internal borrowing.

In approving the inclusion of schemes and projects within the capital programme, the council ensures all of the capital and investment plans are affordable, prudent and sustainable. In doing so the council will take into account the arrangements for the repayment of debt, through a prudent MRP policy in line with MRP guidance produced by the Ministry of Housing, Communities and Local Government.

The capital financing charges and any additional running costs arising from capital investment decisions are incorporated within the annual budget and Medium Term Financial Strategy. This enables members to consider the consequences of capital investment alongside other competing priorities for revenue funding.

Borrowing costs are allocated as either Service Supported Borrowing where the service can demonstrate that it can fund the costs of borrowing from their individual budgets or Corporate Supported Borrowing where the costs are financed centrally.

### **Links to Treasury Management**

One of the key aims of Treasury management is to retain sufficient but not excessive cash to meet the Council's spending needs, while managing the risks involved.

The Council currently has an agreed strategy of utilising its cash balances rather than incurring the higher cost of long-term borrowing at present. This can be demonstrated through the CFR at the end of 2017/18 which was set at £247.1m which outlines the Council's underlying need to borrow compared to the actual long-term borrowing of £192.5m.

Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance and staff, who must act in line with the Treasury Management Strategy approved by Council. Quarterly reports on treasury management activity are presented to the Corporate Audit Committee and Cabinet. The Corporate Audit Committee is responsible for scrutinising treasury management decisions.

## **Loans**

The council has discretion to make loans for a number of reasons, primarily for housing, economic development, and renewable energy. Current Loans include:-

*Table 1: Loans for service purposes in £ millions*

<b>Loan Detail</b>	<b>Amount Outstanding at 31st March 2018</b>
	<b>£'m</b>
Council's Housing Company	4.287
Council's Tourism Company (will be repaid in 2018/19)	0.150
Bath & West Community Energy - Renewable Energy Scheme	0.121
<b>Total</b>	<b>4.558</b>

These loans are treated as capital expenditure. In making loans the council is exposing itself to the risk that the borrower defaults on repayments. The council, in making these loans, must therefore ensure they are prudent and has fully considered the risk implications, with regard to both the individual loan and that the cumulative exposure of the council is proportionate and prudent.

The council will continue to ensure that a full due diligence exercise is undertaken and adequate security is in place. The business case will balance the benefits and risks. All loans are either agreed by Cabinet or specific delegated authority. All loans will be subject to close, regular monitoring.

## **Shares**

The Council holds nominal shares in its own wholly owned companies it does not hold any other shares.

## **Asset Management**

The overriding objective of asset management within the council is to achieve a corporate portfolio of property assets that is appropriate, fit for purpose and affordable. The council's property portfolio consists of operational property, investment property and property held for specific community or regeneration purposes. The council has specific reasons for owning and retaining property:-

- Operational purposes e.g. assets that support core business and service delivery e.g. schools, office buildings.
- Investment properties held to provide a financial return to the council that support service provision.
- Parks, playgrounds and open spaces.
- Regeneration, enabling strategic place shaping and economic growth.

Asset management is an important part of the council's internal business management arrangements and is crucial to the delivery of efficient and effective services. The ongoing management and maintenance of capital assets will be considered as part of the Medium Term Financial Strategy. The 2019/20 budget includes an objective to optimise the council's office requirements through digital transformation and new ways of working. The Capital Programme also includes the following for capital works on Council owned properties:-

- Corporate Estate – planned capital maintenance £3.4m
- Commercial Estate – refurbishment programme £0.4m

### **Commercial Activities**

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines investment property as property held solely to earn rentals or for capital appreciation or both. Returns from property ownership can be both income driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth). The combination of these is a consideration in assessing the attractiveness of a property for acquisition.

In the context of the Capital and Investment Strategy, the council is using capital to invest in property to provide a positive surplus/financial return to finance Council services. The council can fund the purchase from either capital receipts or borrowing. The rental income paid by the tenant should exceed the cost of repaying the borrowed money each year. The annual surplus then supports the council's budget position, and enables the council to continue to provide services for local people.

The reasons for buying and owning property investments are primarily:-

- Financial returns to fund services to residents
- Market and economic opportunity.
- Economic development and regeneration within B&NES

Historically, property has provided strong investment returns in terms of capital growth and the generation of stable income. Property investment is not without risk as property values can fall as well as rise and changing economic conditions could cause tenants to leave with properties remaining vacant which not only reduces income but incurs additional costs such as maintenance and business rates.

The Council currently owns 322 properties held for investment purposes. The revenue income supports Council frontline services including Adult and Children's Social Care Services as follows:-

*Table 2: Property held for investment purposes in £ millions*

<b>Property Type</b>	<b>No of Properties</b>	<b>Value in Accounts as at 31/3/18</b>
		<b>£'m</b>
Retail	195	243.932
Offices	18	24.274
Licenced	18	20.779
Industrial	22	15.963
Other	66	9.972
Leisure	3	7.352
<b>Total</b>	<b>322</b>	<b>322.272</b>

In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

A fair value assessment of the Authority's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2018/19 year end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

The Authority assesses the risk of loss before entering into and whilst holding property investments by working closely with Hartnell Taylor Cook LLP (HTC) as its external commercial property adviser. In that capacity HTC advise the Council on all its commercial assets and potential acquisitions. Through HTC have access to a multi-disciplined team of property professionals to assist with all aspects of the management of the commercial portfolio, including detailed appraisal of potential acquisitions.

Advice has been sought on the appropriate level of gearing for the portfolio and how this should be benchmarked. Staying within the agreed gearing ratio will ensure the Council's portfolio is protected from the risk of fluctuations in the rates of borrowing.

New properties that are purchased will be supported by a Business Case detailing how they fit the Council's investment criteria, any associated risks and how these can be mitigated. The Council has taken legal advice from Trowers and Hamlins LLP regarding the legal powers available to the Council to acquire commercial properties outside of its geographical area.

With regards to acquisitions, where HTC introduce a property, that will be accompanied by a purchase report. Where a property is introduced by a third party, the Council would look to the introducing organisation to produce a Purchase Report but HTC will provide a commentary on that report. The report assesses the market and level of competition. The report will also consider the strength of the tenant covenant including its credit rating. In addition to the Purchase Report the Council commissions an external RICS Red Book valuation which includes a full risk assessment associated with the proposed investment

The Council will continue to invest prudently on a commercial basis within and the area surrounding B&NES to take advantage of opportunities as they present themselves, supported by a robust governance process. This will be done by:-

- focusing on secure assets let on long leases;
- Acquiring properties that create immediate income i.e. properties that are already let;
- Institutional quality assets to ensure liquidity;
- Diversifying the existing portfolio to address existing threats to the estate;
- Investment in alternative property sectors.

For each new asset the Council will review the structural and risk implications of adding the property to the portfolio. The risks associated with any new acquisition will be appraised prior to the acquisition and the Council will consider the following criteria for evaluating acquisitions:

- Location;
- Building quality;
- Quality of the income/financial strength of the tenant;
- Rental level compared to market level and potential rental growth;
- Tenant demand for property were it to fall vacant

In addition to the above considerations the Council will address the following in their appraisal of new assets. Each is a key consideration which needs to be carefully appraised when assessing the price the Council will pay to acquire the property and

the income yield that will be generated. Higher yields will be generated where there is greater tenant risk and shorter unexpired terms:

For each new property a Credit Safe check will be carried out on each tenant. Credit Safe provide a rating for the covenant strength of each tenant based on their last three years financial accounts. The higher the rating the more secure the tenant and the Council will target properties where there is minimal risk of tenant default. Tenants with a low Credit Safe rating will need be carefully appraised.

The Council is aiming to grow secure long term income from its' property acquisitions and will target longer leases for their investments. There will be opportunities to buy properties where tenants have a shorter term to their lease expiry, perhaps 2-3 years, and these will still be considered but alongside an asset management plan detailing how the lease could be extended. Through active asset management the Council may well be able to extend the unexpired term. These assets are likely to be acquired for a higher yield initially and if the term of the lease can be extended will represent good value for the Council.

At the point of acquiring the property the passing rent will be assessed in relation to the open market rent. In some cases the rent will be reversionary and the Council will benefit from a higher level of rent at the next rent review or lease renewal. The opportunity for rental growth will be closely linked with tenant demand in the particular location. The Council will consider whether there is currently an undersupply of a certain type of property which could drive rental growth going forward, for example the industrial market which is currently enjoying solid rental growth in the south west.

The Council will consider for each property acquired whether the tenant covenant can be improved, whether the lease term can be extended or break clauses be removed and whether at rent review there could be an improvement in the rental level. The Council will consider each property at the time of the purchase and the active asset management initiatives that could be undertaken to ensure the property will provide long term secure income in the future.

Compared with other investment types, property is a long term investment, relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. However, as part of the Council's management of assets, the portfolio is regularly reviewed to identify surplus or underperforming assets to be brought forward for disposal.

### **Proportionality**

The Authority dependency on profit generating investment activity to deliver services is shown below:-

*Table 3: Proportionality of Investments*

	<b>2017/18 Actual</b>
	<b>£'m</b>
Gross Council Expenditure	376.197
Gross Income from Investment Properties	18.184
Gross Income from Treasury Investments	0.102
<b>Proportion of Investment Income to Overall Expenditure</b>	<b>4.86%</b>

*The proportion is all investment income divided by the gross service expenditure*

If budgeted income is lower or overall budgeted expenditure is higher than expected the Authority holds a Revenue Budget Contingency and Un-Earmarked Reserves to meet any in-year shortfalls. If a shortfall were to continue into the medium to longer term a pressure would be added to the Medium Term Financial Plan that would have to be found from other sources either additional income elsewhere or cuts to services.

### **Borrowing in Advance of Need**

New Government guidance in 2018 outlined that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Authority has previously borrowed for this purpose because the acquisitions have direct relevance in the following areas:

- A Strong economy & growth – The Council is able to exercise active management over its property holdings and seek to ensure a varied portfolio mix and diversification of risk.
- An efficient business – the acquisitions contribute significantly towards achieving the Council's strategic review targets as well as the Directorate Plan income generation aspirations.

In line with the Council's financial planning the income continues to be utilised to protect frontline services, including the provision of adult social care; children and environmental services pursuant to the Council's general power of competence under s.1 Localism Act 2011.

The acquisition of the properties are in pursuance of the benefits (and in particular those of an economic nature) that it will confer upon the Council and its area, in accordance with s120 of the Local Government Act 1972. The acquisitions align themselves with the Council's Investment Strategy for the Commercial Estate.

The economic benefits conferred to the Council and its area specifically include:-

- Diversification and mitigation of risk to the portfolio, in terms of location, sector and type;
- Council resourcing - the acquisitions will provide resources required to assist in the delivery of the Council frontline services, which benefits the Council and its area directly; and
- Opportunity – There are limitations in terms of demand and supply from being geographically constrained. By seeking opportunities within an appropriate drive time distance and within the LEP and other neighbouring areas, outside B&NES, provides exposure to a larger number of significant assets.

Business cases are assessed using the prevailing long-term PWLB borrowing rate. Changes in interest rates are carefully monitored and managed through Treasury Management. A Capital Financing Reserve is held to manage any in year additional borrowing costs. Income from the commercial estate is monitored monthly and the Council holds a Revenue Budget Contingency and Un-earmarked balances to meet with in-year shortfalls. Ongoing shortfalls would be reflected in the MTFS as well as a review of whether individual properties should be held or sold.

### **Provision for Risks Capital Bids**

Each capital bid is risk assessed and a reasonable contingency sum is allocated within the project budget. In addition to this the Council sets aside a sum each year as a Capital Contingency as part of setting the budget to meet risks that require additional capital financing within the financial year. It also retains a revenue reserve to meet any unforeseen or additional revenue requirements such as additional interest or revenue reversion risks that require additional financing.

### **Knowledge and Skills**

The council has professionally qualified staff across a range of disciplines including finance, legal and property that follow continuous professional development (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills.

The council establishes project teams from all the professional disciplines from across the council as and when required. External professional advice is taken where required and will always be sought in consideration of any major commercial property investment decision.



## **Investment Indicators**

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

The following indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third party loans.

*Table 4: Total investment exposure in £millions*

<b>Total Investment Exposure</b>	<b>31/3/18 Actual</b>
	<b>£'m</b>
Treasury Management Investments	37.700
Service Investments Loans	4.558
<b>Commercial Investments - property</b>	<b>322.272</b>
<b>Total Investments</b>	<b>364.530</b>
Contractual Commitments to Lend	0
Guarantees Issued on Loans	0
<b>Total Exposure</b>	<b>364.530</b>

Government guidance is that these indicators should include how investments are funded. Since the Authority does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, commercial investment properties shown in table 4 can be linked to the borrowing shown in the following table 5.. The remainder of the Authority's investments are funded by usable reserves and income received in advance of expenditure through Treasury Management:-

*Table 5: Investments funded by borrowing in £millions*

<b>Investments Funded by Borrowing</b>	<b>2017/18 Actual</b>
	<b>£'m</b>
Commercial Investments - Property	47.946

The following indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting

framework, not all recorded gains and losses affect the revenue account in the year they are incurred:-

*Table 6: Investment rate of return (net of all costs)*

	<b>2017/18 Actual or Average Value/ Investment</b>	<b>2017/18 Actual Return</b>	<b>Rate of Return</b>
Investments net rate of return	<b>£'m</b>	<b>£'m</b>	<b>%</b>
Treasury Management Investments (weighted average balance)	33.555	0.101	0.30
Service Investments: Loans (weighted average balance)	2.456	0.079	3.20
Commercial Investments: Returns on Property Compared to Income	322.272	17.305	5.37

*Other investment indicators*

- Debt payments to net service expenditure 5.04%
- Outstanding debt to net service expenditure 164.60%
- Commercial Investments debt compared to asset value 14.88%
- Net commercial income compared to net Council expenditure 14.80%

**Council MRP Policy – (2019/20 Policy)**

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Department for Communities and Local Government's Guidance on Minimum Revenue Provision (the CLG Guidance) most recently issued in 2018.

The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The CLG Guidance requires the Authority to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.

- For capital expenditure incurred before 1st April 2008 MRP will be determined as the principal repayment on a 50 year annuity with an annual interest rate equal to 2% which will fully finance this element of the CFR within 50 years, incorporating an "Adjustment A" of £38.8m.
- For unsupported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate equal to the average relevant PWLB rate for the year of expenditure, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.
- For assets acquired by finance leases or the Private Finance Initiative [and for the transferred debt from Avon County Council], MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.

Capital expenditure incurred during each financial year will not be subject to a MRP charge until the following financial year or until the year after the asset becomes operational.

Using the various elements outlined in this MRP Policy the Council will calculate a gross amount that it considers prudently necessary to fund previously incurred borrowing in respect of capital expenditure. It will then decide how much of this to fund from capital receipts with the residual amount being the Council's MRP for the year.

## **BUDGET SETTING PROCESS – ADVICE OF THE MONITORING OFFICER**

### **PROCESS**

1. It is important to be clear on the process to be followed in setting the 2019/20 Budget. This paper sets out the guidance provided by the Council's Monitoring Officer.
2. The Cabinet has the responsibility to prepare and propose a draft Budget to Council for its approval.
3. The Cabinet can, in its absolute discretion, receive from any political group that so wishes, an alternative budget proposal to that published in the Cabinet agenda papers. It can only consider such proposals if it is satisfied that they have been discussed with the Council's statutory officers and relevant Directors and that an impact statement from Officers about such proposals is available.
4. All proposals that the Cabinet meeting is prepared to consider will therefore be cleared with the Section 151 Officer, the Monitoring Officer, and relevant Corporate Directors and Directors beforehand.
5. The Cabinet will formulate a budget proposal and Council Tax recommendation for the Council meeting on 19<sup>th</sup> February 2019. Such budget proposal may either take the form of a composite proposal or may include agreed core proposals and options for allocating parts of the budget.
6. The Council has available to it at the budget setting meeting two options. It can object to specific parts of the proposals and if it does so, must require the Leader on behalf of Cabinet to reconsider its proposals. The Council is required to give the Cabinet the reason(s) why it considers those proposal(s) should be changed and it is then for the Cabinet to consider those proposed changes and the reasons put forward. Alternatively it is open to the Council to accept the budget in its proposed form at the meeting, in which case no further action is necessary.
7. Council may then determine the budget on the basis of the Cabinet's recommendations as set out in paragraph 5 above, plus any insignificant changes adopted as amendments at the Council meeting. The Constitution provides that the meeting itself (on advice from the Chief Executive) will decide whether any amendment to the budget proposals is of such significance as to amount to an "objection" to the budget so as to require reconsideration by the Cabinet.
8. If a significant proposal is accepted on a vote at Council (from those proposals notified at the Cabinet meeting), this stands as a formal objection within the terms of the law and will be referred to the Leader for him to secure consideration by the Cabinet and report back to the Council meeting on 28<sup>th</sup> February 2019.

9. When the Cabinet has considered the objections, it is required to put its proposals (which may or may not be revised) back to the Council Meeting. If the Cabinet does not agree with Council's views on a proposed change, it is required to state why and the Council can then take those reasons into account, along with its original thoughts as to why the change was desirable. At the meeting, it is open to Council to take such decision as it sees fit on any variation from the budget as originally proposed that has been the subject of consideration under the process outlined in paragraphs 6 to 8.
10. In setting the budget the Council is required to approve a full budget resolution including the police, fire and parish precepts and the proposed Council revenue and capital budgets for 2019/20. That budget will include within it the overall proposed Council cash limits for 2019/20 including the provision for inflation, the proposed use of balances in the 2019/20 budget (if any) and the resulting budget requirement and Council Tax for Bath and North East Somerset including any recommendations for special expenses. The Council will also approve the borrowing limits for 2019/20 and prudential indicators.
11. Legally, the Council must set a balanced budget for the forthcoming year and determine the level of Council Tax. If a budget is not set by the date of the reserve budget-setting meeting (28<sup>th</sup> February 2019), this will lead to a delay in billing and a loss in council tax cash flow. It is highly likely that this will also translate into a higher level of uncollectable debt and debt collection costs and in addition this will significantly impact on council tax performance indicators. A delay until 28<sup>th</sup> February 2019 may also compromise the Council's ability to meet current billing deadlines, and there is a serious risk billing will also be delayed with negative cash flow impacts.
12. The final Council Tax set will encompass all parish and police and fire precepts (that is the money we collect on behalf of the parishes, fire and police and pay to them).

**Maria Lucas**

**Director of Legal & Democratic Services (Monitoring Officer)**

## Pay Policy Statement 2019 - 20

### Purpose and scope

- 1.1 The purpose of the statement is to provide a clear and transparent policy to the public, which demonstrates accountability and value for money.
- 1.2 The policy statement meets the Council's obligations under the Localism Act 2011 [Section 38 (1)] and the associated statutory guidance set out in the Openness and Accountability in Local Pay: Guidance and Supplementary Guidance under section 40 of the Localism Act (February 2012 & 2013) together with the Local Government Transparency Code 2015 (February 2015)) from the Department for Communities and Local Government.
- 1.3 It articulates the Council's policies towards a range of issues relating to the pay (including severance pay) of its direct workforce, in particular its Chief Officers, as defined by the Local Government and Housing Act 1989 and lowest paid employees. Details of 'Chief Officers' employed by the Council can be found on the Council's public website. The policy will be reviewed, to reflect any statutory changes (particularly in relation to public sector severance payments), anticipated in the coming the year.
- 1.4 The Council's pay arrangements reflect the need to recruit, retain and motivate skilled employees to ensure high levels of performance balanced with accountability on the public purse. The policy recognises flexibility which is essential in delivering a diverse range of services and is underpinned by principles of fairness and equality.
- 1.5 The pay policy statement applies equally to the lowest and the highest paid. In accordance with provisions of the Localism Act, it does not extend to schools and this statement does not, therefore, include school based employees.
- 1.6 The statement is approved by Full Council, i.e. not delegated as an executive or committee function, in advance of the financial year to which it relates and must be reviewed at least annually. Any amendments will be approved by Full Council.
- 1.7 The statement is published on the Council's public website.

### Definitions

For the purposes of this Pay Policy Statement the following definitions apply:

- 2.1 **'Pay'** in addition to base salary includes charges, fees, allowances, benefits in kind, increases in/enhancement to pension entitlements and termination payments where applicable.
- 2.2 **'Chief Officers'** refers to the following roles in the Council:

Statutory Chief Officers (see also annex 1) are:

- Chief Executive, as 'Head of Paid Service'
- Corporate Director – People & Communities, as 'Director of Children's Services' and 'Director of Adult Social Services'
- Director of Public Health
- Director of Legal & Democratic Services as 'Monitoring Officer'
- Director of Finance as Section 151 Officer ('Chief Financial Officer')

Non- Statutory Chief Officers are:

- Corporate Director
- Other Directors/Heads of Service are:  
senior managers who report direct to/or are accountable to a statutory or non-statutory Chief Officer in respect of all or most of their duties.

**‘Lowest paid employee’** refers to those employees in substantive full time employment at the lowest scale point of the Council’s published pay scale. See paragraph 8.1 below

## **General principles & practice**

- 3.1 All policy matters relating to the Council’s role as an employer including pay under section 112 of the Local Government Act, 1972 are delegated to the Employment Committee. The Restructuring Implementation Committee determine appointments to the posts of Corporate Director and other JNC Officers reporting to the Chief Executive, or Head of Paid Service, subject to there being no objection to the appointment being lodged by the Leader of the Council. The Council operates in accordance with The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 in respect of disciplinary action in respect of the Head of Paid Service, the Monitoring Officer and the Chief Financial Officer.

### **Principles:**

- 3.2 Bath & North East Somerset Council values all its employees and aims to apply a consistent and fair approach to pay and benefits in line with the following principles:
- ❖ To work within financial constraints and use those limited funds in the most effective way to support the Council in the provision of quality cost effective services and its workforce needs
  - ❖ To aim for consistency and fairness in the processes used to manage pay and benefits, as appropriate to service delivery and in line with its commitment to remaining within the framework of the relevant national pay and conditions agreements
  - ❖ To promote an equal pay agenda by ensuring that pay and job evaluation systems and processes meet legislative requirements and to actively work towards reducing any unjustified gender pay gaps
  - ❖ To ensure that pay and benefits processes and policies are transparent and accessible to all employees
  - ❖ To be mindful of the market in making decisions about pay and benefits
  - ❖ To take account of affordability in the introduction and maintenance of any changes to pay structure
  - ❖ To be clear about the recognition and reward of performance, whether at whole organisation, service, team or individual level
  - ❖ To support a flexible approach to the acceptance of changes to tasks, duties and responsibilities by employees and allow for flexibility between posts.
  - ❖ To enable the Council to attract and retain its employees and in order to do so, respond to situations where market forces dictate the necessity to apply supplements to established salaries.
  - ❖ To aim to retain a core set of benefits for all employees.



**Practice:**

**3.3 Basic pay is determined through**

- The job role and it's accountability in the overall context of the Council's services and responsibilities using the HAY job evaluation process which is based on objective criteria and free from discriminatory bias.
- Ensuring that all employees are dealt with on this basis with no distinction being made for senior management appointments including Chief Officers and their Deputies.
- The terms of the relevant national agreements on pay and conditions of service.
- The amount available for the pay review process is also impacted by what the Councils which are party to the national agreements can collectively afford.
- A comprehensive pay and grading structure has been adopted that positions the Council against median salary benchmarking compared to a national data base maintained by Korn Ferry, is affordable and offers recruitment and retention incentive. This is kept under review and is benchmarked against similar posts in other authorities.
- The outcome of reviews into the local pay and grading structures are determined within the terms of this policy and the Council's constitutional arrangements.

*Note: This excludes apprentices, interns and trainees, whose pay rates reflect the degree of training and development required in the roles.*

**3.4 Pay on appointment**

- Staff are normally appointed at the bottom scale point of the grade at which the post has been evaluated.
- Managers have discretion to appoint at a higher scale point within the grade band if the appointee can demonstrate that they are currently earning more than the minimum salary for the grade or there are other extenuating circumstances such as difficulties in attracting suitable applicants.

**3.5 Pay review dates**

- Grade progression (i.e. movement from a lower to a higher salary scale point (scp) within a grade where applicable) takes place on 1<sup>st</sup> April of each year until the highest scp in the grade is reached. Grade progression is subject to satisfactory performance (and may be withheld if performance is unsatisfactory) and a minimum of 6 months service in the grade. Where 6 months service cannot be achieved by 1 April, progression is considered on the anniversary of six months service.
- Where an increase in pay has been negotiated through the national pay bargaining framework, it will be implemented with effect from 1st April of the appropriate year (unless alternative implementation arrangements are specified in the agreement). Where the negotiations have not been concluded by 1<sup>st</sup> April, the increase will be paid at the earliest opportunity together with back pay from 1<sup>st</sup> April.

**3.6 Honoraria & other allowances**

- Work outside the scope of the post can be recognised by the award of an honorarium. The conditions and framework are set out in the 'Recognition for work outside the scope of the post' policy. Assessment and payment will be based on non - discriminatory, objective criteria.
- Allowances, for example standby, may be made to employees below senior manager level in connection with their role or pattern of hours they work in accordance with national or local collective agreements.
- The Council does not normally pay market supplements (i.e. a salary greater than the evaluated rate for the post to match salaries paid by other organisations). This arrangement is, however, kept under review in light of the prevailing market and issues of staff attraction and retention.

### 3.7 Re-employment of former local government employees

- The Council retains sufficient flexibility in its response to the re-employment of former local government employees to enable it to respond appropriately to the particular circumstances. It ensures that an open and fair selection process takes place before any appointment is confirmed. 'Merit' is the sole criteria for engagement.
- If the Council were to re-employ a previous local government employee who had received a redundancy or severance package on leaving, or who was in receipt of a pension covered by the Redundancy Payments (Continuity of Employment in Local Government Modification) Order 1999, known as the Modification Order) (with the same or another authority), then the Council's policy is to ensure that the rules of the Modification Order are applied. The Council will keep these provisions of its policy under review to ensure compliance with any legislative changes which come into force during the course of the year.
- The Council does not normally re-engage any B&NES employee that has taken voluntary redundancy for a period of 2 years after the date of redundancy.

### 3.8 Use of consultants, contractors and temporary 'agency' staff.

- Ordinarily staff will be engaged directly by the Council as employees but on an exceptional basis, where particular circumstances deem it necessary, people may be engaged under 'contracts for services' as consultants or contractors or on an 'agency basis'. When this situation arises, the Council will give detailed prior consideration to the benefit of doing so and that the overriding need to ensure value for money is achieved. Such arrangements must be in accordance with the Council's code of practice and HMRC rules.

## Equal pay

- 4.1 The Council is committed to the principle of equal pay for all posts of the same size and value and has implemented the national 'single status' agreement. In order to put its commitment to equal pay into practice, the Council:
- regularly reviews its pay grade and rates for all current staff and starting pay for new staff in line with Equality and Human Rights Commission guidance and the Council's Equality policy.
  - informs employees of how these practices work and how their own pay is arrived at.
  - provides training and guidance for managers and supervisory staff involved in decisions about pay and benefits.
  - regularly monitors pay and grading data and statistics
  - published pay equality data as statutorily required
- 4.2 The Council published its [2017 Gender Pay Gap](#) report in March 2018. The report sets out the overall difference between men and women's pay in the Council. This is known as the gender pay gap and is a measure of any difference in pay between the mean average and median earnings of men and women. This is then expressed as a percentage of male earnings. As the Council employs proportionately more women than men and with a greater number working part-time or in clerical roles, there is an overall difference or gender pay gap across the organisation of 8.41%.

## Ensuring consistency

- 5.1 The Council seeks to ensure consistency through the following processes:
- All departments are provided with the same quality of internal support in the job evaluation process. The HR & OD Service (in conjunction with senior managers, as appropriate) has an

on-going responsibility to review pay levels across the Council and highlight any potential anomalies.

- 5.2 If there is an exceptional need to review pay outside of the normal pay review timetable, proposals will be considered and approved by the relevant Director and the Head of HR & OD.

**Pensions**

- 6.1 Subject to the provisions of the relevant scheme, all directly employed staff who are the subject of this policy and are otherwise eligible are enrolled into a contributory statutory pension scheme. They may choose to opt out of membership. The Council has determined its policy in respect of discretionary provisions available within the relevant scheme in accordance with statutory requirements.
- 6.2 The Council has in place a policy for flexible retirement which is specifically authorised by statute whereby individual staff, with employer approval, may draw their pension and continue in employment at a lower pay grade/ working fewer hours. The Council considers all proposals on their individual merits but would not take any action beyond that authorised by existing policy without reference to the appropriate Council decision making body.

**Senior pay**

- 7.1 The remuneration of the Chief Executive and other senior management appointments in the Council (see Annex 1) is undertaken by external analysts using the Hay Job Evaluation process. Levels of pay have been market-related by being compared to a national data base maintained by the Korn Ferry Hay Group of similar posts in a wide range of public and not for profit sector organisations. The pay structure for Chief Officers takes account of the clearly defined additional 'statutory responsibilities' (see section 2 above). Five pay bands will be available for the most senior officers as set out in the Annex 1.
- 7.2 Any increases in pay rates will normally be in line with those negotiated nationally by Joint Negotiating Committees (JNC's) for Chief Executives and Chief Officers respectively. The pay policy, whilst agreed in advance of the financial year to which it relates, can be amended during the course of the year to incorporate a pay award negotiated nationally or for other reasons.
- 7.3 Where there is a pay range for a job the Council's adopted aim is to offer an appointment to the minimum point of the appropriate salary band. In order to secure the services of the best candidate it may be necessary to offer a higher amount. In these circumstances approval by the employing Director or members of the appointing Member committee as appropriate, in consultation with the Head of HR & OD, is required.
- 7.4 Where a pay band consists of a number of different salary points, any progression to the next incremental point is subject to satisfactorily meeting performance criteria agreed in advance with the Chief Executive or Corporate Director, as appropriate (in consultation with the Group Leaders). Any increase is paid from 1 April subject to 12 months service in that pay band and the maximum not being exceeded.
- 7.5 This is no provision for the Council to pay any bonuses, charges, fees or allowances, benefits in kind to senior employees or any other employees other than relocation allowances and expenses necessarily incurred in the performance of their duties. This provision is kept under review.
- 7.6 Other conditions of service are those determined nationally by the JNC's specifically for these appointments or, as locally determined for all other Council staff.

- 7.7 Senior staff are not differentiated from other members of staff in terms of remuneration on resignation or termination. The Council's general arrangements for severance and scheme for discretionary payments apply to this staff group as to all employees.
- 7.8 Proposed severance packages in excess of £100,000 (this threshold includes [but is not limited to] any proposals in respect of salary to be paid in lieu, redundancy compensation, pension entitlements and holiday pay as appropriate) are referred to the Restructuring Implementation Committee for consideration. This provision will be reviewed to comply with any legislative changes made during the coming year.
- 7.9 The Council's threshold level for disclosure of senior staff salaries will be at the minimum point of the senior civil service pay scale and above as at 31 March.

### **Relationship between senior pay and the 'lowest paid council employee'**

- 8.1 The grading structure and pay line determine the salaries of the highest and lowest paid Council employees. The Council's highest paid employee is its Chief Executive (see Annex 1). The lowest salary offered for substantive, full time employment in 2019-2020 will be £18,065 per annum as determined by national negotiations within the National Joint Council for Local Government Services.
- 8.2 The ratio between the highest paid salary and the median salary (£25,463) for the whole of the Council workforce is 1:6. The Council does not currently have a policy of maintaining or reaching a specific ratio of pay multiple between the Chief Executive and that of the median earner.

### **Publication**

- 9.1 The Council's approach to the publication of and access to information on the remuneration of Chief Officers is to include it on its public website as part of its requirements within the Accounts and Audit (England) Regulations 2011 and in accordance with the Code of Recommended Practice for Local Authorities on Data Transparency. A copy of the Pay Policy Statement is published on the Council's website: [www.bathnes.gov.uk/services/jobs/](http://www.bathnes.gov.uk/services/jobs/)

### **Further information**

For further information on the Council's pay policy please contact the Council's Human Resource Service email: [hrandpayroll@bathnes.gov.uk](mailto:hrandpayroll@bathnes.gov.uk). Tel: 01225 475641

## SENIOR MANAGEMENT PAY & GRADING

BAND	MIN/MID/MAX POINTS	Composition, Terms & Conditions
<b>CHIEF EXECUTIVE &amp; HEAD OF PAID SERVICE</b>		
<b>Band 1</b>	Fixed/Spot	<ul style="list-style-type: none"> <li>- A fixed salary within the range £150,000 to £160,000 pa taking account of current public sector market median data provided by the independent analysts and the Council's general starting salary policy</li> <li>- No variable element within the remuneration package.</li> <li>- All other conditions in accordance with overall Council pay policy.</li> </ul>
<b>CORPORATE DIRECTORS</b>		
<b>Band 3</b>	Fixed/Spot	<ul style="list-style-type: none"> <li>- A fixed salary within the range £119,000 to £136,000 pa taking account of current public sector market median data provided by the independent analysts and the Council's general starting salary policy</li> <li>- No variable element within the remuneration package.</li> <li>- All other conditions in accordance with overall Council pay policy.</li> </ul>

BAND	MIN/MID/MAX POINTS	Composition, Terms & Conditions
<b>DIRECTORS/HEADS OF SERVICE</b>		
<b>Band 4</b>	Minimum	£97,499
	Middle	£100,365
	Maximum	£103,233
		<ul style="list-style-type: none"> <li>• Integrated Commissioning</li> <li>• Children &amp; Young People</li> <li>• Finance [S151 Officer]</li> <li>• Environmental Services</li> <li>• Economy &amp; Growth</li> <li>• Partnerships &amp; Corporate Services</li> <li>• Development</li> </ul>
<b>NHS</b>	Fixed	£92,077
		<ul style="list-style-type: none"> <li>• Director of Public Health</li> <li>Part of the transfer of Public Health Services to Local Government. Salary paid in accordance with NHS senior consultant rates and before other statutory related protections</li> </ul>
<b>Band 5</b>	Minimum	£86,028
	Middle	£88,893
	Maximum	£91,764
		<ul style="list-style-type: none"> <li>• Legal &amp; Democratic [Monitoring Officer]</li> <li>• Safeguarding &amp; Quality Assurance</li> <li>• Education Transformation</li> <li>• Revenues &amp; Benefit Transformation</li> <li>• One West</li> </ul>
<b>Band 6</b>	Minimum	£74,556
	Middle	£77,427
	Maximum	£80,292
		<ul style="list-style-type: none"> <li>• Business Finance and Pensions</li> </ul>

**Notes:**

- 'Band 2' is not currently in use
- 'NHS' relates only to the Public Health statutory transfer provisions

## Organisational Plan 2019-20

### Executive Summary

Bath and North East Somerset continues to be a beautiful, highly sought after area with a vibrant economy and a strong Council that has delivered significant savings since 2010 without serious reductions to front line services. However, into the future Councils will no longer have sufficient resources to sustain funding for all of their current activity. This is because of reduced Government grant and increasing demand. We intend for Bath and North East Somerset to be known for the excellent health and overall wellbeing of its residents. This means we must carefully prioritise what we spend.

As part of the Council's strategic planning and budget process, the new **Medium-Term Financial Strategy** (MTFS) has set out the unprecedented scale of our financial challenge. This highlights the additional demands upon the Council, especially for social care, the scope to use new ways of working, notably digital communications, and the need for more prioritisation of activity and spend. For some services, this may also mean a different relationship with customers and communities.

This Organisational Plan pulls together the key activities that services will need to focus on over the next 12 months in order to deliver the Council's refocused corporate priorities:

- Protect and care for our most vulnerable
- Nurture residents' health, safety and wellbeing
- Provide ways for everyone in the community to reach their full potential

The Plan has been developed across all service portfolios and summarises the **Core Services Offer** that will be used to prioritise how resources will be used to deliver these corporate priorities to the public, it also outlines the proposals for budget savings. This will mean difficult decisions over what services B&NES can provide and how services will be delivered, with our local community groups, Parish Councils and the voluntary sector playing an increasingly important role.

The plan is divided into five main sections:

**Section 1: Corporate Overview - Financial Context, Challenges and Achievements**

**Section 2: What we plan to do - Approach to Savings and Core Services Offer**

**Section 3: New Ways of Working - How the Council will do things differently**

**Section 4: Delivery of the Plan - Managing Risk and Performance**

**Section 5: Conclusions**

## Section 1: Corporate Overview

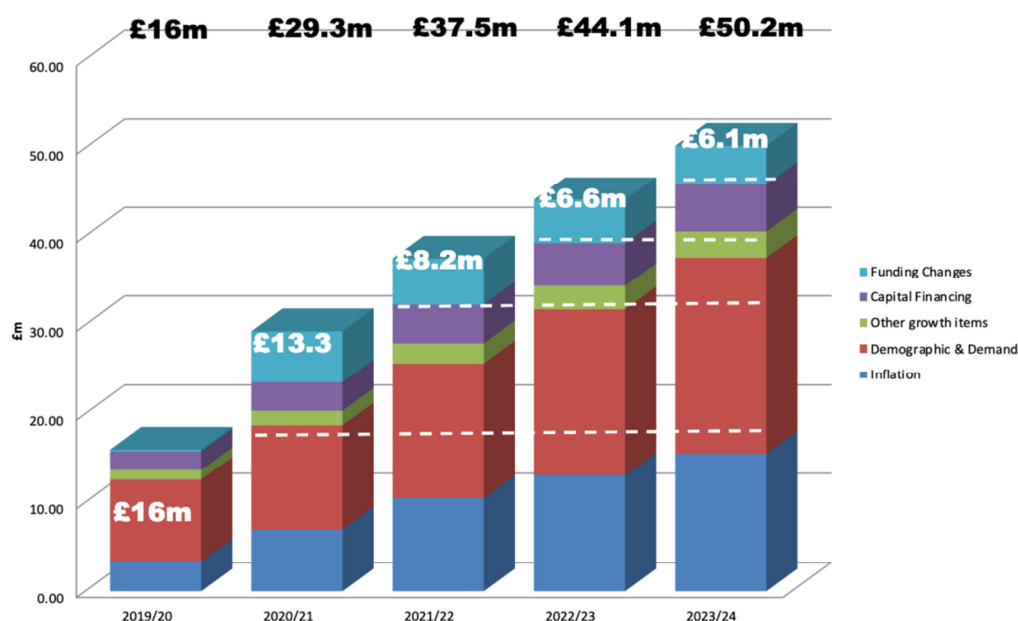
This Council, along with all local authorities, has experienced historically unprecedented reductions in funding. It faces difficult decisions about the services it should provide, and to what standard it should provide them. Some services remain a statutory priority whilst for others there is more scope for local discretion. Over the last few years the Council has been very successful in achieving efficiency savings and increasing commercial income. However, a further 'step change' is required given the size and impact of savings still to be made. The MTFS outlines the key areas of focus to deliver a balanced budget over the next five years including a review of priorities to ensure sustainable finances in the future.

### 1.1 Financial Context

Since 2010 all Councils have received less general grant funding from central Government each year. By 2020/21, Revenue Support Grant (RSG) will have reduced to zero from £21m in 2015-16. Government policy has been for local authorities to replace these grants with income from business rates, specific grants, the New Homes Bonus (a grant paid by central Government to reflect and incentivise housing growth) and increased commercial activity. This is in addition to running services more efficiently and embracing new technology to save money. Critically, in setting its spending assumptions for each local authority the Government assumes that each authority automatically increases Council Tax by the maximum amount allowed.

In reality, increasing service demand and demographic pressures continue to outstrip available funding. Our MTFS published in October 2018 outlined that the funding gap to 2023 was estimated to be £50.3 m, meaning the Council would need to reduce its net spend by around 44.5% (15.2% of gross spend) over the next five years. In the shorter term savings of £29.3m were required over the next two years.

**MTFS 2019/20 - 2022/23 Cumulative Budget Gap (based on current assumptions)**





**Notes:**

- *Inflation - Contractual and pay inflation allowance*
- *Demographic & Demand - Increased costs due to Demographic growth and increased service volumes (includes some rebasing of undeliverable savings items)*
- *Capital Financing- Revenue impacts of financing the Council's capital programme*
- *Funding Changes - Changes in Government grant funding, Council Tax and Business Rate income*
- *Other Growth Items - One-off costs and risk provision allowance for future savings delivery*

*The budget gap outlined in the Strategy does not include any increases in Council Tax - an increase of 3% per annum reduces the overall five-year gap by £14.3m.*

The Council has a good track record in making savings. Through efficiencies, good service planning and management, and new income streams, we have delivered savings of £55.4m between 2013/14 to 2017/18. A further £17m is expected in this financial year - a total of £72.4m over six years. This has been done with perceived minimal impact on frontline services.

For more detailed information on the Council's Financial Strategy, please read the Medium-Term Financial Strategy 2019/20-2023/24 which can be found online here:

<https://democracy.bathnes.gov.uk/documents/s53201/E3003z%20BATHNESMTFS.pdf>

## **1.2 The changing role of the Council**

To keep pace with increased demand, rising costs and reduced funding, we have no choice but to change the way we do things. We no longer have sufficient resources to be a universal provider of all services. We have already become a smaller organisation and this will continue, this does mean that we can no longer try to provide everything that we have in the past and to that same level, less money and people will mean fewer and different services. However we still want Bath and North East Somerset to be known for the excellent health and overall wellbeing of its residents. This means we must carefully decide what we spend by prioritising what services we deliver directly, what services we will commission from others, how we will work with other agencies and communities and what services we will withdraw from and over what timescale.

We have developed our three **corporate priorities** to help focus and prioritise services for our most vulnerable adults, children and families, and we will continue to deliver a range of high-quality statutory services within available resources.

We will also continue to invest in important local priorities such as public health, public protection, waste collection and cleansing, transport improvements, leisure centres and economic growth.

## **1.3 Pressures and Challenges**

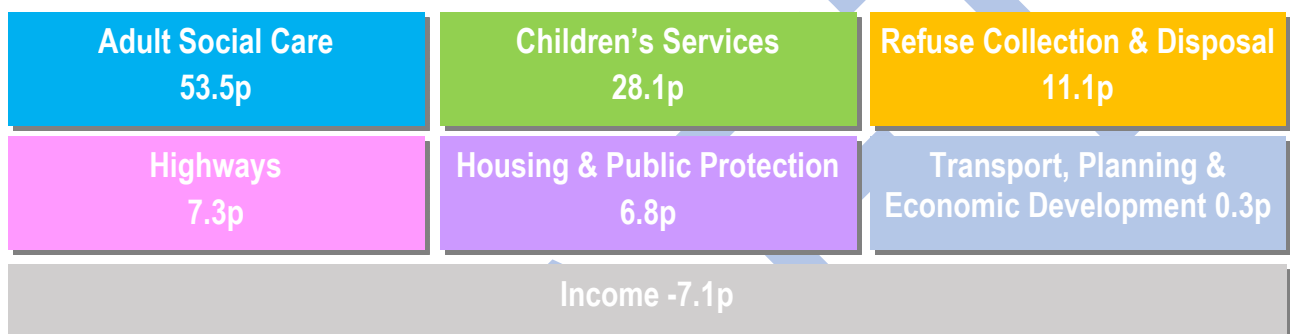
In common with all "upper tier" local authorities i.e. those that provide Adult Care and Children's Services we are experiencing increased demand for services and growing expectations at a time when there is less money

and fewer resources available. Both of these service areas have continued to improve efficiency and make changes to contribute to savings.

## Rising cost and demand for social care

Social Care covers everything from protecting some children before they are born through to ensuring people without a family and/or financial means receive a dignified burial, obviously there are a huge range of requirements in between these two extremes. We have invested in and improved the efficiency and effectiveness of social care services for adults and children & young people. In future, we must continue to prioritise caring for our most vulnerable residents.

However, it's important to understand the impact of rising costs and growing demand in this area. For every £1 of Council Tax being spent by the Council, nearly **82p** is spent on Adult Social Care and Children's services:



Why is the cost of care rising?

- ➔ Older people are living longer with complex combined health conditions which are costly and reflects our rapidly increasing & ageing population profile.
- ➔ Number of looked after children has risen by 40% in the past 5 years - supporting the 21 children with the most complex needs will cost over £3m in 2018-19.
- ➔ A decrease in local fostering households has led to an increase in independent fostering agency nights at an average cost of £112 per night.
- ➔ An increasingly challenged care market, struggling to recruit and retain staff, which is impacting on the availability and sometimes the quality of care home placements.
- ➔ The ongoing impact of Government's laudable national living wage policy and other wage pressures which are above inflation.
- ➔ Greater responsibility for children & young people with special educational needs and disabilities (SEND); the number of those with Education, Health & Care Plans rose from 692 in 2014 to 1062 in 2017 (a 53% increase), also the age range for those entitled to such support rose from 2-19 years to 2-25 years.

Prioritising these services means that all of our other services have to be funded from what is left - requiring some really hard decisions on where our money is best spent.

## **Reduced funding and increased reliance on business rates**

Local government has experienced continued reductions in funding, as mentioned earlier RSG will have reduced from £21m in 2015/16 to zero by 2020/21. We will have replaced around £8.8m of this through increased heritage and commercial income activities over the same time period.

The time horizon of the MTFS is five years with a detailed focus on the next two years for financial planning purposes. There is significant uncertainty beyond 2019/20 because the national approach to funding local government is under review. The Government's 'Fairer Funding Review' will assess the relative needs and pressures of local authorities to ensure the distribution of funding between them is fair.

The steady reduction in and eventual loss of RSG means the Council is under increasing pressure to become self-funding. This requires the Council to support economic growth to increase Business Rates receipts, support appropriate housing development to grow New Homes Bonus (note this is being replaced in 2020/21) and increase Council Tax receipts, raise money through commercial activities and by bringing in investment to the local area. This means a growing role for the Council investing in and securing a resilient local economy with new homes, offices and jobs. It also means we need to maximise Government funding via successful bids for specific projects and schemes.

## **Inflation and national living wage**

We are conscious that any rise in inflation and the national living wage\* will push up everyone's costs. Because we spend millions each year, even a small percentage rise in line with inflation impacts significantly on our budget.

*\*The National Living wage will rise by 4.9% from April 2019, increasing from £7.83 to £8.21 per hour, while the National Minimum Wage average rate for all age groups will rise by 4.4%.*

## **Rising maintenance costs**

It's not only the costs of care that's rising. We are facing higher costs for disposing of our waste to landfill, and maintaining our buildings, roads and green spaces.

## **Loss of economies of scale to support children with SEND**

Schools are funded separately via a dedicated grant given to the Council to administer. As schools become academies, Government takes back the element of the grant payable to the local authority in order to make payments directly to the academies. This means that the grant is progressively reduced and therefore the Council has to reduce the services provided to schools. It is estimated that over 80% of schools will have converted to academies by September 2019 and that all remaining schools will formulate plans to convert in the coming years.

It is important to note that our ongoing responsibility towards children and parents has not been removed. We remain responsible for supporting the growing number of children with SEND, we continue to have a duty to ensure there are sufficient school places to meet demand, to help to coordinate the schools admissions

system and to ensure that children leaving education have access to alternative provision, this despite losing many economies of scale. These responsibilities are funded through the Council's main revenue funding and allowed for in the budget proposals.

In summary, this means the Council continues to face a very real financial "squeeze" into the future. This is for reasons beyond our direct control and is no different to any upper tier local authority. Delivering future savings continues to be challenging and there are no easy choices which is why we have developed our three corporate priorities, so that we remain financial viable in the long term.

## **1.4 What have we already done?**

In 2015 we started a rigorous review of spending aimed at cutting waste and increasing efficiency. We've also been growing our income opportunities through prudent investment in property, housing and the economy and capitalising on Bath's heritage and tourism assets.

### **We have already saved £55m**

Since 2013, we've saved £55m, primarily through restructuring and re-designing services, social care efficiencies, reducing our estate, and improving our technology and capital financing arrangements.

In delivering these savings we have sought to minimise the impacts on front line services, for instance, we have used alternative delivery methods. We continue to be regarded as a good authority by independent inspectors (Ofsted). We have also kept Council Tax as one of the lowest in the South West.

### **We are investing in our economy and infrastructure**

Key strategic development projects such as Bath Quays and the regeneration of the Somer Valley will bring new offices and homes to the area, providing more opportunities and jobs for local people, whilst generating extra income from Council Tax and Business Rates, and providing more opportunities and jobs for local people. In addition, the New Home Bonus (a grant paid by central government to reflect and incentivise housing growth) will bring in £5.1m in 2019/20 that we can spend on frontline services.

### **'Invest to save' opportunities**

Some projects require us to invest significant funds in the short term so that they're sustainable, relevant and affordable into the future. The money saved (and income generated) over the longer term means that these investment projects make sound financial sense.

- ➔ We've combined our Library and One Stop Shop in Keynsham and Midsomer Norton. Along with investment in our community libraries, this work will save £450k a year from 2020 and ensure that all of our libraries thrive.
- ➔ New leisure facilities in Bath and Keynsham are an investment in health that will help reduce care costs in the future. The new contract with our partner GLL will deliver significant income back to the Council to offset (some of) the costs

- ➔ New waste services are designed to encourage residents to reduce waste and recycle more. On average a lorry load of rubbish costs us £1,000 to dispose of but we earn £100 for every load of recyclable waste; 75% of people's household waste is recyclable.

## **Good track record winning grants**

We have a good track record of winning bids for Government grants that attract investment into the area and raise money which help to fund projects that people care about. Recent examples include:

- ➔ Up to £30m to support the Bath Quays and Somer Valley Enterprise Zone, helping to create up to 2,500 local jobs at Bath Quays and around 400 jobs in the Somer Valley
- ➔ £1.1m a year Disabled Facilities Grants to support aids and adaptations for disabled people
- ➔ £3.5m to support affordable homes
- ➔ £7m of highway and transport improvement, including £2m to resurface Keynsham Bypass
- ➔ A share in a £200m scheme to bring superfast Broadband to Bath and North East Somerset
- ➔ Being chosen to pilot a scheme aimed at supporting new industries, creating jobs and stimulating investment in the local economy
- ➔ £18.3m for new and expanded primary school provision.
- ➔ Bath's Sydney Gardens. The UK's only surviving Georgian Pleasure Garden – will be restored thanks to a National Lottery £2.7m grant.

## **Secured Investment from WECA**

Having championed the creation of WECA, the Council and residents will benefit from extra revenue into the local authority budget and from a share of £1 billion investment in adult skills development and transport infrastructure, including major roads and rail networks, as well as cycling and walking routes:

- ➔ Annual revenue benefit of £2.5m per annum for the Business Rate Pilot.
- ➔ A share of £3.9m to help improve the skills of up to 3,000 adults
- ➔ £75k to progress the Safer Routes to Schools Scheme
- ➔ £400k towards improvements to the A39 / B3116 'Two Headed Man' junction
- ➔ £700k towards improvements to the A39/A368 'Bence's Garage' junction
- ➔ £40k towards improving cycle networks, including employer grants to encourage cycling to work
- ➔ Investment of £10m to support the University of Bath to establish a new Institute for Advanced Automotive Propulsion Systems
- ➔ Funds to develop the road improvements schemes at Freezing Hill Lane and Hicksgate
- ➔ £3.3m "love our High Street" initiative

## **We have become more self-sufficient**

We are appropriately capitalising on Bath's heritage assets and tourist attractions, as well as raising significant income from our commercial estate and services. Finding opportunities to raise income from these activities will become increasingly important in the coming years. Some examples include:

- ➔ ADL Development - our property development arm buys unused council property, refurbishes it and puts it back on the market. Its sale or rental income is then ploughed back into Council services. ADL will make considerable financial contributions in future years.

- ➔ Heritage Services – our museums and galleries generate significant funds for the Council. The Roman Baths is the second most profitable museum in the country, in 2017/18 it is anticipated that this would deliver an extra £1.52m more than 2016/17\*.

*\*These figures are based on estimates in the budget monitor as at October 2017.*

## 1.5 Pressing Government for Change

We have asked the Government to recognise the challenges we face and the solutions that might help, and have identified 20 key areas where a shift in approach or legislation could help us address pressures or mitigate additional future costs. We've included these as part of our response to the Government's Fairer Funding Review and have highlighted below four areas that we think are of particular concern to local people.

- ➔ **Council funding for student households** - Students are rightly exempt from paying Council Tax but Councils are no longer compensated by Government for this loss of income. As students in the city of Bath account for almost a quarter of all residents, such compensation would equate to over £3m in additional Council Tax income. In addition we receive no Business Rates on student accommodation, which is often run by highly profitable businesses.
- ➔ **Ability to introduce a Local Tourism Levy** - Visitors are important to our economy, but they also impact upon Council resources and services with around 5.8 million visitors every year. If a Local Tourism Levy was introduced, it would help. For example, a £1 nightly surcharge per room would bring in around £2.4m each year to be reinvested into the local area to help maintain over 5,000 listed assets and support the public realm, arts and culture.
- ➔ **Special Education Needs and Disabilities (SEND)** - We welcome the SEND reforms however we now face a significant increase in workload and support costs as a result and have asked the Government to transfer additional money to fund this important area.
- ➔ **Removal of non-domestic rate exemption for listed buildings** - This would not require a significant change in law and would enable us to bill for rates on empty, listed properties. We are currently missing out on £2.4m per year due to this exemption, income that could be used to provide services.

## 1.6 We are still delivering and improving good services

Despite the challenges, everyone continues to **'get the job done'** and provide residents and visitors with a high level of service, for example:

- 19,800 miles of road salted and 5,000 potholes repaired annually
- 17 parks, 60 play areas and 55 open spaces maintained
- 20,000 tonnes of recycling collected (including 5,000 tonnes of food waste) annually
- 2,400 care packages and 1,800 Education, Health and Care Plans
- Launched 'FixmyStreet' app with 687 fixes in one month

- Recycled 60% of the rubbish we collected
- Opened three community libraries and granted planning permission for the Hope House Centre
- Two 'South West in Bloom' gold awards
- Street Cleansing Apprentice of the Year in APSE Innovation Awards
- Launched our new combined staff and Chair's Community Awards with local partners
- Outstanding fostering and adoption services
- Good Child Protection services (Ofsted 2017)
- Some of the best schools in the South West
- 4 Green Flag parks and open spaces
- Exceptional award-winning heritage and tourist attractions
- Silver standard for our homelessness services

This is a very small sample of what we do for residents, workers and visitors every day.



## **Section 2 - What we plan to do**

£12m of additional savings will be delivered in 2019/20-2020/21

In addition to the £55 m already saved to 2018, we are delivering further savings of £12 m to 2021. This includes:

- Digital redesign of services (£2.4m)
- Heritage Services additional income (£1.0m)
- Savings from reviewing contracts (£2.0m)
- Further public transport efficiencies (£0.5m)
- Savings in office accommodation (£0.6m)
- Restructuring our Youth Connect Services (£0.3m) - £0.2m delivered in 2018/19
- Managing increasing demand for Adult Care through new commissioning arrangements (£2.4m)

Savings templates for 2019/20 can be found in Appendix 2.

### **Summary of what else we need to do...**

1. We need to find new ways of working which (i) support service delivery whilst radically cutting cost i.e. moving more services on-line (ii) rationalize our use of offices and (iii) cut travel time and cost.
2. We will prioritise the services we deliver in order to make the necessary savings while protecting our most vulnerable.
3. We must find better ways to work with residents, partners, voluntary organisations and parishes to help manage demand into the future and find ways to preserve locally valued services even if not provided or funded by the Council.
4. We need to become self-sufficient through increased commercial approaches and by growing and investing in our local economy (more homes, offices and jobs).

The scope for finding and delivering further large savings from efficiencies is limited and will require a radical shift around how services are delivered.

## **2.1 Core Services Offer**

Central to the success of the savings strategy and the Council's health and wellbeing ambitions for Bath and North East Somerset's residents is the delivery of the services under the new **Core Services Offer**, details of which are set out in **Appendix 1**.

In essence, a core services offer is ***the best service offer we can deliver based on the resources currently available to us***. Council activity will be funded according to priority outcomes, however we will continue to fulfil our statutory duties, offer support to those most in need, and assist with the economic development of the area.



## Key Messages:

Corporate Priority	Our Core Offer	What we can do as a Community
<b>Protect and care for our most vulnerable</b>  <b>Fact:</b> B&NES provides support which enables 1,551 vulnerable adults to live independently in their own homes and also provides residential care for 1,000 people	We will prioritise support for people's health and care needs with a focus on helping people stay in their own homes.	We can all be good neighbours! Going online to access council services saves money to protect the front line - each face-to-face enquiry costs £9.00 whilst the same online costs 15p
<b>Nurture residents' health, safety and wellbeing</b>  <b>Fact:</b> The Council receives over 1,100 service requests for Environmental Protection each year, ranging from noise complaints to filthy and verminous premises	We will work with the community and businesses to support health and safety, and provide public health functions and advice.	We can take responsibility for promoting our own good health and also consider how we can contribute at local level, whether recycling or being involved in litter picking
<b>Provide ways for everyone in the community to reach their full potential</b>  <b>Fact:</b> Last year, 8 of the 9 interns in our Project Search programme went on to employment	We will promote a strong local economy, affordable homes and local transport. We will focus our support on young people to develop their skills.	There are a whole range of ways we can get involved in our communities – this could range from helping out at a community library to helping a child with their reading, or paid fostering

As part of the Core Services Offer, we are introducing the **Bath & North East Somerset Deal** (the 'B&NES Deal'). It is based on the very successful approach adopted by other Councils and is an informal agreement between the Council and everyone who lives or works in the area to work together to create a better place to live work and visit.

## 2.2 Our Commitment to achieve the Core Offer

For the B&NES Deal, we need to be clear about:

- ➔ What we can realistically deliver within foreseeable resources
- ➔ How we listen to and work with communities
- ➔ What you will see us start to do less of - letting you know in advance about changes, and trying to work things through with you
- ➔ How the council would like communities to work with us as we look for new ways of delivering our priorities

Above all, we need to encourage listening and engagement, find ways to work together, and focus on our priorities using mechanisms like our new Parish Charter. This was developed jointly between our Parish Councils and B&NES, and encourages listening and working together.

## 2.2 Additional Areas of Focus

The time horizon for the MTFS is five years and the key strands for savings are:-

- ➔ **Maintaining commercial income** to increase discretionary charges only where appropriate, and ensure statutory charges are based on full cost recovery.
- ➔ **Shared services** where appropriate / right sizing:
  - Review shared service opportunities with the CCG, WECA, and other local authorities
  - Assess future staffing and management requirements through new ways of working / digital / office estates to deliver the core services offer.
- ➔ **Managing Demand**, for instance, signposting and investing in self-help and early intervention to reduce demand on specialist roles. This includes through more integration with the CCG, reducing unnecessary referrals and ensuring that other statutory services play their full part in supporting vulnerable children and adults and building on our conversations with voluntary sector and local communities.
- ➔ **Reviewing Contract Spend** of all contracts for services to reduce costs.
- ➔ **Reviewing Capital Programme** to ease staffing capacity issues and financial pressures, ensure schemes still meet key priorities and reduce financial and delivery risks.
- ➔ **Achieving greater self-sufficiency** - we have asked Government for powers to raise more local funding such as through the tourism levy and incorporated this as part of our response to the Fairer Funding Review.
- ➔ **Being an enabler:** we will support the community to act locally. For example, the recent launch event of Compassionate Communities talked about how we can make the most of existing supportive family/friend/neighbour networks and to help people to build new ones.

The above strands of work will stretch over a number of years.

### Section 3 - New Ways of Working

We recognise our core services offer will only be successful if we:

- a) **Change** how we currently do things;
- b) **Support** our service delivery partners in contributing to the overall wellbeing of the area; and
- c) **Work together** with residents on developing a sustainable offering for the future.

As part of our new approach, we have agreed a new **Organisational Vision** and a set of **values and behaviours** to help us stay focused on what matters and deliver our corporate priorities:

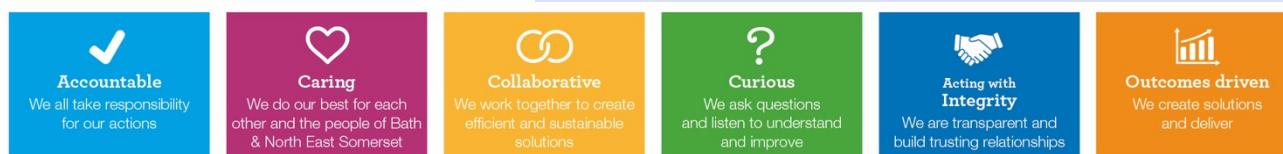
#### Our organisational vision...

**We are outcomes driven, working to provide the right services and solutions for our communities.**

**Our culture is open, owns decisions and is resilient. We trust each other to act in the best interest of residents, customers and colleagues.**

#### We will...

- ➔ **Learn** from everything we do. We apply our learning to continually make improvements.
- ➔ **Use evidence** to make informed decisions to find cost effective solutions and reduce demand.
- ➔ **Embrace** diversity and value everyone's contribution.
- ➔ **Be resourceful** and efficient by reviewing our processes, removing duplication and making digital preferences.



As part of their Directors' Plans, services have identified a number of new and improved ways that we can work together. The table below provides an example of these for each service area to show what this means for frontline services as they support the core services offer:

Directorate	Examples of New Ways of Working
<b>Children &amp; Young People</b>	In line with the Children and Young People Plan 2018-2021, we will have a greater focus on: intervening early; on ensuring a 'Think Family' approach; and on providing support for families where adults are experiencing complex difficulties associated with poor mental health, drug and alcohol problems, and domestic abuse.
<b>Development</b>	Increase apprenticeships, graduate interns, graduate trainees etc.: ➔ Investigate the possibility of creating graduate trainees or interns in Planning, Environmental Health etc. ➔ Explore opportunities for apprenticeships to support succession planning for Pest Control, Planning and Environmental Health and other teams

Directorate	Examples of New Ways of Working
	➔ Use Local Authority Building Control approved apprenticeship training courses for Assistant Building Control Surveyor to be able to use the apprenticeship levy for training
<b>Economy &amp; Growth</b>	We are increasingly working with Bath Spa University, the University of Bath and Bath College to make more of the teaching and research excellence and talent within those institutions to support the area's economic development, particularly linking to business. This includes the potential to develop and deliver a shared space in the Enterprise Zone and a Talent Institute, with a focus on health and well-being.
<b>Education Transformation</b>	Linking Early Years Leads in Multi Academy Trusts with the local authority to close the attainment and achievement gap for our most deprived children and raise standards.
<b>Environment</b>	We will continue to develop our local community and volunteer networks to support the added value and discretionary elements of our environmental services. We will continue to work with our public and private sector partners to identify innovative delivery models and work in more formal partnerships when we can demonstrate better outcomes and value for money for our communities.
<b>Finance</b>	We will continue to align to the new needs of the Council, improve financial reporting and complete the simplification of our processes and systems. We will be assisting with the enabling of all payments through the website as well as finalising our projects for centralisation of debt management and procurement.
<b>Integrated Commissioning</b>	The new domiciliary care service model will expect a "re-abling" approach from care workers, rather than a "do-for" approach. This will be developed as part of the new model during 2019-20.
<b>Legal &amp; Democratic</b>	Look to develop a "shared service" model with at least one other local authority to deliver efficiency savings and build service resilience.
<b>Partnership &amp; Corporate Services</b>	A joined up multi-disciplinary team has been set up to facilitate a new agile and customer focused way of working across the organisation including digital transformation.
<b>Public Health</b>	In order to manage essential work with current staffing levels, particularly involving commissioning, it is likely that some of the work of leading broader strategic partnerships (e.g. physical activity and food) and contributing health input to some of the wider determinants of health (such as spatial planning, transport and housing) will diminish.
<b>Safeguarding &amp; Quality Assurance</b>	Changing the culture by implementing the 'three conversations' and iThrive model*.

\* The iThrive model is based on tierless provision around key stages of staying well (which includes self management), getting help and Crisis, with the intention of recognising that people will need to move around those levels and be supported appropriately at all stages. This builds on the model already in place across children and adolescent mental health in B&NES, thus providing an integrated all age model.

We have also committed to review all of the Councils access channels to deliver “digital by default” and to review our response time to our general enquires and complaints.

## **Section 4 - Delivery of the Plan**

### **4.1 Corporate Risk Management**

Delivering against the Council’s priorities with a smaller budget is challenging and not without risk. Increased demand, rising costs and reduced funding means we have to carefully prioritise so that key risks are managed or mitigated. The benefits gained in managing risk are positive and should deliver better quality strategic, operational and financial management, statutory compliance, improved service delivery and the avoidance of unnecessary costs or reputational damage.

However, we need to do this within a smaller organisation and our actions need to be proportionate. As a consequence, we are refreshing our risk management strategy to ensure that we continue to focus key management actions in the right areas to enable delivery of key priorities.

Our aim is to continue to manage risks at three different levels:

- ➔ **Corporate / Strategic** - Impacts are cross-Council or of very high significance
- ➔ **Operational / Divisional** - Impacts are localised on delivery of functional or team objectives
- ➔ **Major Projects** - Impacts are significant against delivery of key Council priorities

An overarching principle of our new strategy is to develop our risk management processes and procedures alongside existing and newly developing corporate arrangements. This should have the clear advantage of achieving and demonstrating an embedded risk management process, and reduces the need for additional reporting.

### **4.2 Performance Management**

The Council’s new performance framework is based on a small number of high-level **vital signs**. This ensures that we keep clear line of sight of critical matters during the upcoming changes, with operational and delivery matters discussed through quarterly, narrative-based business review meetings.

The vital signs and contextual information are reviewed with Directors’ Group on a quarterly basis, with a written briefing taken to Cabinet. In 2019/20, this information will be published online.

## **5. Conclusions**

The Council has a very good track record on making savings as our contribution to managing wide public spending. We have made some difficult decisions and continue to face further challenges. However, we have a robust approach which combines maximising efficiency, becoming more commercial, asking Government for greater freedom to innovate and working more closely with our communities and parishes. This plan sets out how we will deliver further savings whilst continuing to protect front line services into the future.

## **Annex 10 - Appendix 1 - Core Services Offer**

### **We will protect and care for our most vulnerable**

- ➔ Ensure a robust safeguarding system to protect children and adults at risk
- ➔ Assess and meet needs of children and young people where they have suffered significant harm or are at immediate risk of significant harm
- ➔ Provide an alternative home for children unable to live with their parents or extended family, and ensure all their needs are met into adulthood
- ➔ Assess and meet the needs of children with Special Educational Needs and Disabilities
- ➔ Assess and meet social care and support needs for adults
- ➔ Provide effective housing options for vulnerable households, including the homeless

### **We will nurture residents' health, safety and wellbeing**

- ➔ Provide / commission services for families in our area that support them to raise their children
- ➔ Provide priority public health functions and advice to promote good health and reduce health inequalities
- ➔ Assess the needs of carers and provide appropriate support
- ➔ Help ensure our communities are kept safe
- ➔ Work with the community and businesses to support the health and safety of everyone who lives, visits and works in the area
- ➔ Provide a waste and recycling service and encourage all residents to reduce waste
- ➔ Maintain public buildings, highways and assets so they are safe to use
- ➔ Help to secure a sustainable, low carbon future

### **We will provide ways for everyone in the community to reach their full potential**

- ➔ Secure sufficient school places in our area and identify school capacity issues
- ➔ Contribute to maintaining a viable and sustainable economy
- ➔ Plan for and seek local and national funding to support the delivery of homes including affordable homes, jobs and sustainable transport options to meet community needs
- ➔ Support those furthest from the employment market or experiencing a mental health crisis to gain and sustain employment
- ➔ Provide a modern library and information service
- ➔ Use the area's distinctive heritage, hot springs and natural environment to support economic prosperity and enrich the lives of the local community
- ➔ Contribute with partners towards early intervention to prevent, delay or reduce need and promote independence
- ➔ Monitor performance of all schools and early years settings with a specific focus on disadvantaged groups of learners
- ➔ Identify children missing out on education and act to meet their educational needs
- ➔ Support young adults that have left our care until the age of 25

**Note:** There will be some services that do not directly support the corporate priorities, but which the Council has a legal duty to provide, for example, enabling residents to register births, deaths and marriages. We will continue to deliver these services within the resources available.

## **Annex 11 - Budget Aims and Ambitions**

Bath and North East Somerset Council, in partnership with other local public sector agencies, has developed an ambitious 2020 vision for the area, which together with the Corporate Strategy, remains the overarching strategic guide for future changes.

*‘Bath and North East Somerset will be internationally renowned as a beautifully inventive and entrepreneurial 21st century place with a strong social purpose and a spirit of wellbeing, where everyone is invited to think big - a ‘connected’ area ready to create an extraordinary legacy for future generations’*

The Corporate Strategy has been shaped by and will deliver the ‘Continuing to Put Residents First’ manifesto.

The Council is making good progress working towards its vision. This year’s budget sets out the detailed position for the next two years, along with the key operational changes outlined in the Council’s new annual Organisational Plan (2019/20).

Our new key priorities and Core Offer will guide Council activity and budget planning over the 12 months, ensuring that resources are allocated in a robust and sustainable manner, and enabling the Council to invest in the issues that matter most to local people

Below are examples of how the budget will continue to deliver Cabinet’s commitments, including a selection of projects and schemes from the Capital Programme.

### **Increasing Efficiency**

#### **Reducing the Number of Councillors**

The independent Local Government Boundary Commission for England accepted the Council’s proposals to reduce the number of councillors from 65 to 59. These new arrangements will take effect in May 2019.

#### **Management Arrangements and Staffing**

A senior management restructure has been completed, and includes more efficient integration with Bath and North East Somerset Clinical Commissioning Group. The Council has reduced its workforce by 140 staff since January 2018.



## **Digital**

New ways of working, including two new applications: Fix My Street & Report It, for complaints and issues about local areas, are fully operational, with over 10,000 complaints already closed or fixed. Current programmes include

- ➡ Council Website Redesign
- ➡ Print/Post digital mail
- ➡ Pay Online
- ➡ On line forms (apply & pay)
- ➡ Customer Self-Service (tell us & pay)
- ➡ Digital contacts
- ➡ Statutory Complaints

## **Modern Libraries Programme**

The Midsomer Norton Library transformation project has been completed and the new library is open and successful. In addition, five community libraries are supported and plans are in place for the movement of the three remaining branch libraries to this arrangement. Different ways of working has enabled the Council to save money and at the same time increase the total number of libraries across the district from eight to twelve by the end of May 2019.

We have moved our book warehouse out of Bath, increasing the efficiency and sustainability of the movement of books throughout the district. In addition we have invested in a new mobile library which will be more reliable, and, with the increase in the number of static libraries, we will be able to review routes and stopping times to the benefit of communities.

## **Heritage**

Bath and North East Somerset remains a significant destination for tourists. In 2016 there were approaching 4.8m day visits, nearly 1.2m staying visitor trips and over 3.4m staying visitor nights. There was a 7% increase in visitors to the Council's main heritage attractions between 2016/2017 and 2017/2018, from 1.37m to 1.47m.

Visitor numbers continue to be strong and all three of the Council's heritage sites have income which exceeds their budget. Plans are in place to start work on the Archway Project's World Heritage and the Roman Baths' learning centre in 2019/20.



## **Collaboration with the West of England Combined Authority**

The Council has worked with the Combined Authority to successfully achieve over £70m investment for a range of projects including:

- ➡ Broadband development
- ➡ Transport infrastructure
- ➡ Economic Regeneration (Including Bath Quays and the Bath & Somer Valley Enterprise Zone)
- ➡ Employment support.

## **Improving Local Transport**

The Council launched the “getting Bath moving” package of transport improvements, which includes:

- ➡ Championing a north/south route connection
- ➡ Improving bus journeys
- ➡ Improving rail services
- ➡ Moving long-stay parking out of the city centre and increasing short-stay provision
- ➡ Encouraging walking and cycling.

## **Completed Schemes**

The Council has recently completed a number of major infrastructure and maintenance projects:

- ➡ Major carriageway treatment work on the A4 Keynsham bypass
- ➡ Brougham Hayes junction improvement
- ➡ A39/A368 (Marksbury junction) improvements
- ➡ Rossiter road remedial works
- ➡ Weston Cycle Route
- ➡ Zebra crossings at Haysefield and Kingswood schools
- ➡ Trial of one way system in Keynsham High Street.

In addition, the authority also maintains...

- ➡ 1,250 km of highways
- ➡ 16,000 street lighting
- ➡ 60 (11 year average) salting runs a year
- ➡ 31,000 road gullies
- ➡ 6,500 (3 year average) street works.

## **Delivering New Homes and Jobs**

### **New Homes**

We are national leaders in terms of strategic planning, through the Joint Spatial Plan and Joint Local Transport Plan, for new homes, jobs and infrastructure. Work continues on the B&NES Local Plan which gives our residents and businesses the opportunity to guide development locally.

Targets are set for delivering 13,000 new homes, including 3,290 affordable units between April 2011 and March 2029. Up to March 2018, there have been 5,117 completions of which 1,264 were affordable homes. 1,246 new homes were constructed across Bath and North East Somerset in 2017/18 alone.

The new builds are spread across the district with 398 constructed in Bath, 416 in Keynsham, 285 in the Somer Valley and 147 in rural locations. Of the new builds, 192 were new affordable homes constructed by the Council's housing association partners (of which were 32 were funded by B&NES and Homes England) on 13 sites and a further 27 affordable homes were delivered from within the existing stock. In total 219 affordable homes were delivered in 2017/18. The main product was social rented housing but also included:

- Shared-ownership schemes, including specialist shared-ownership homes for people with learning difficulties;
- Discounted market housing for purchase; and
- Platform for Life, a specialist shared housing scheme for young people.

The Council also has a comprehensive pipeline of social housing, including the provision of more extra-care housing for elderly residents, and more social rented, shared-ownership and discounted market housing for purchase.

### **Employment and Jobs**

The number of businesses in B&NES continues to grow year on year with 7,890 in 2018, nearly 80% of which have fewer than 9 employees (micro enterprises). Total employee jobs also continue to increase, with 86,200 in 2017, up notably from 82,100 in 2016.

Planning consent has been granted for Bath Quays to introduce modern offices within the city centre for 2,500 new jobs. The site spans both sides of the River Avon in the centre of Bath.

The Council has commenced construction of the first new offices in Bath for 25 years on Bath Quays South, due for occupation in 2020. The Bath Quays North site will deliver in the region

of 20,000 sqm of new Grade A office spaces from 2022 and replace Avon St carpark with a modern basement carpark as part of a new and vibrant city quarter.

The Council continues to support the Project Search programme to provide employment support for young people with learning difficulties. In 2018/19, seven Project Search graduates found paid employment and the Council recruited nine more interns for the next academic year.

## **Supporting our Young People**

### **Children's Social Care**

The Council is building on its 2017 Ofsted rating of 'Good' for children's social care. In December 2018, the number of children and young people subject to a Child Protection Plan had fallen to 103, the lowest level for several years. In contrast, the number of children looked after by the Council increased to a corresponding high of 190, putting significant pressure on services and budgets, (although this remains below the national average)

### **Connecting Families**

By September 2018, B&NES had identified 764 families that met the inclusion criteria for the local Troubled Families Programme (known as the Connecting Families Programme). This exceeded the target of 750 families and we have recorded successful outcomes for 60% of target families, making us the 4<sup>th</sup> highest performing authority in the country.

### **Education**

Overall educational outcomes are in line with, or above, the national average at most key stages. In some cases attainment in B&NES is the best or among the best in the South West, although work is ongoing to tackle inequalities in outcomes for some disadvantaged groups of learners.

The Council continues to support the development of additional schools places, including for example:

- ➡ Expansion of Castle Primary in Keynsham to 420 places
- ➡ Expansion of Whitchurch Primary to 314 places

As at January 2018 there were 1,185 B&NES Council maintained Statements / Education, Health and Care (EHC) Plans for children and young people with Special Educational Needs and/or Disabilities (SEND). There were also a further 3,020 lower need SEND Support pupils in local state-funded mainstream primary and secondary schools. B&NES has witnessed a very high relative rate of new first-time LA maintained EHC Plans. Delivering this increased

volume of support has put pressure on LA services and schools, and added to budget pressures for specialist school placements outside the area and for transport to school.

### **Supporting Cleaner, Greener and Healthier Communities**

#### **Household Waste**

Fortnightly collection arrangements are now established. Residual household waste per head (waste collected not sent for recycling, re-use or composting) reached 92.97 kgs, while 58% of household waste was reused, recycled and composted.

#### **Houses of Multiple Occupancy**

From January any landlord who is privately renting a property occupied by three or more people in two or more households (HMOs) in the city will have to apply for an Additional HMO Licence under new rules introduced by the Council. This expands a scheme covering a small number of neighbourhoods to cover the whole city of Bath.

#### **Public Health**

The NHS Health Check programme aims to help prevent heart disease, stroke, diabetes, kidney disease and certain types of dementia. During 2017/18, 22.6% of eligible people were invited for an NHS Health Check, of which 52.0% took up the offer (compared to 47.9% in England).

B&NES has the second lowest rate of childhood obesity in England (among County Council and Upper Tier Local Authorities) for Year 6 pupils in B&NES's schools. One in four Year 6 pupils in B&NES schools are classified as overweight (12.2%) or obese (13.1%).

#### **Air Quality**

There is a network of 139 environmental monitors measuring environmental pollutants across the district. There are a number of places in Bath and North East Somerset where NO<sub>2</sub> exceeds the EU and national legal limit. This is mainly caused by diesel and older petrol vehicles. On average 32% of Bath's road traffic NO<sub>2</sub> is contributed by buses and coaches, 26% by diesel cars, 19% by HGVs, 16% by diesel vans, and 7% by petrol cars. A detailed action plan to address these issues has been developed as part of the BreATHe campaign.

## **Promoting Choice and Independence for Older People**

The Council consulted on a proposal for integrated commissioning arrangements with Bath and North East Somerset Clinical Commissioning Group (CCG); the structure is part of the Council's new management restructure. This approach enhances the way the Council plans and purchase care and support for older people because it takes into account the impact health and health services have on people's needs leading to better outcomes for people's health, wellbeing and independence overall.

The Council provides support enabling 1,551 vulnerable adults to live independently in their own homes. Of these 851 are under 65 and 700 are 65+. It also provides residential care for 1,000 people, 824 of whom are 65+. During the financial year 2017-18, 639.4 per 100,000 people aged 65+ were admitted to residential care, compared to 568.5 in England and 525.1 in the South West. The Council continues to work hard to support people to remain at home and has a number of approaches in place to achieve this, two of which are outlined below.

The Council provides services supporting 521 people with Learning Difficulties and 348 with Mental Health issues. A further 1,318 are helped with Physical support, 58 with Sensory support and 212 with Memory and Cognition support. 94 people are assisted with other support needs

### **3 Conversations**

The council piloted the 3-conversations model, which is developed around the individual and aims to create a new relationship between professionals and people who need support, providing a graded process of conversations aimed at helping people lead independent lives, with traditional (funded) support packages offered as part of an approach that considers the support and connections within people's families and communities as well, to help them get the best out of their lives. The pilot sites are already showing a reduction in the time a person has to wait for social care involvement and evidencing an increased awareness of the person's strengths and abilities.

### **Assistive Technology**

The Council and CCG launched a pilot to look at how assistive technology can help clinicians to assess a person's need when they come out of hospital. The current trial includes sensor systems – these sense movement and activity in a person's home, and can help therapists to monitor when a person might be more at risk (for example, when walking to the toilet at night time). The Council is also trialling large computer tablets that enable a clinician to send prompts to patients (for example, to remind them to take their medication), to video call, or to send through exercise guidance. A long term strategy on how assistive technology can enhance the care and support people receive is being developed

This page is intentionally left blank