

**Democratic Services**

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**Your ref:**

**Our ref:**

**Date:** 04 Feb 2013

**E-mail:** Democratic\_Services@bathnes.gov.uk

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

**Councillors:** John Bull, Manda Rigby, Colin Barrett, Paul Myers, Charles Gerrish,  
Barry Macrae and Nigel Roberts

Chief Executive and other appropriate officers  
Press and Public

Dear Member

**Resources Policy Development and Scrutiny Panel: Monday, 11th February, 2013**

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. **COUNCIL BUDGET 2013/14 AND MEDIUM TERM PLANS (Pages 3 - 148)**

Yours sincerely

Michaela Gay  
for Chief Executive

**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

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| <b>Bath &amp; North East Somerset Council</b>   |  |
|---|--|
| MEETING:  | Resources Policy Development & Scrutiny    |
| MEETING DATE:   | 11 February 2013                           |
| TITLE:  | Council Budget 2013/14 & Medium Term Plans |
| WARD:   | ALL  |
| <b>AN OPEN PUBLIC ITEM</b>  |  |
| <p><b>List of attachments to this report:</b></p> <ol style="list-style-type: none"> <li>1. <b>Council Budget Report</b> – a copy of the draft budget report together with all associated appendices for the Cabinet meeting on the 13<sup>th</sup> January will be sent separately as soon as it is available for publication.</li> <li>2. <b>Summary of Budget consultation responses</b> – summary of the web responses and the budget fair responses</li> <li>3. <b>Summary of PDS Comments on medium term plans</b> – summary based on the minutes from each of the PDS meetings in November</li> <li>4. <b>Summary of Equalities issues arising from the Budget</b> - work undertaken on equalities including approach, risks and mitigations</li> <li>5. <b>“50 Sensible ways to make savings”</b> – analysis of the Council’s actions that relate to the ideas published by the Secretary of State for Communities &amp; Local Government – Eric Pickles</li> </ol> |  |

## 1 THE ISSUE

- 1.1 The panel is invited to comment on the draft budget report that will be submitted to Cabinet on the 13<sup>th</sup> February.
- 1.2 The Comments of the panel will be communicated to the Cabinet in advance of their meeting so that they can be taken into account as the Cabinet finalises its recommendations to Council on the budget and the medium term plans.

## 2 RECOMMENDATION

The panel is asked to comment on the draft budget report and:

- 2.1 Highlight any issues that require further consideration by Cabinet, and
- 2.2 If any changes are suggested clarify the reason for the proposed changes together with how they should be financed

### **3 FINANCIAL IMPLICATIONS**

3.1 The draft budget sets out the financial matters for consideration together with the policy context and relevant Government announcements.

### **4 THE REPORT**

4.1 The attachments to this report are self-explanatory and are available for comment.

4.2 The panel also requested feedback on the nature of the savings required to property services and in particular expressed concern about the need to protect income from property assets. The detailed plans for the service have been developed to respond to this concern and avoid any risk to income and details will be presented at the meeting.

4.3 The panel requested that the savings in democratic services be reconsidered. In the draft budget there has been a substantial reduction in these savings. Cabinet has recommended this in response to the concerns and to ensure that there is not a reduction in effective scrutiny activity. Further details will be presented at the meeting.

4.4 The Secretary of State for Communities & Local Government – Eric Pickles – published a list of activities that might be considered by Councils to generate savings. The actions taken by this Council are substantial and set out in the attachment together with his list of ideas. His ideas were published at the same time as the settlement for Local Government on the 19<sup>th</sup> December.

### **5 RISK MANAGEMENT**

5.1 The budget report includes an assessment of the risks including the impact of savings on services, the robustness of estimates and the adequacy of reserves.

### **6 EQUALITIES**

6.1 The weight given to equalities matters as required by legislation, and the actions taken, should be noted. This is set out in the 4<sup>th</sup> attachment to this report.

### **7 CONSULTATION**

7.1 There is an attachment to this report on consultation with the public. PDS panels were consulted on the medium term plans.

7.2 The Council Tax support scheme has already been decided upon by the November meeting of full Council.

### **8 ISSUES TO CONSIDER IN REACHING THE DECISION**

8.1 *Social Inclusion; Customer Focus; Sustainability; Human Resources; Property; Young People; Human Rights; Corporate; Health & Safety; Impact on Staff; Other Legal Considerations – are all relevant.*

### **9 ADVICE SOUGHT**

9.1 All Council statutory officers have been directly involved in the production of the budget report, especially the S151 officer who is the lead officer for the report.

|  |  |
|--|--|
| <b>Contact person</b>  | <i>Andrew Pate – Strategic Director - Resources</i>  |
| <b>Background papers</b>   | <i>Medium Term Plans as considered by PDS panels in November and published on the democratic services part of the web site</i><br><br><i>Corporate Plan and Sustainable Community strategy</i> |
| <b>Please contact the report author if you need to access this report in an alternative format</b> |  |

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## Bath & North East Somerset Council

|               |  |                    |              |
|---------------|--|--------------------|--------------|
| MEETING:      | <b>Cabinet</b>   |                    |              |
| MEETING DATE: | <b>13 February 2013</b>  | AGENDA ITEM NUMBER | <b>E2503</b> |
| TITLE:        | <b>Medium Term Service &amp; Resource Planning 2013/14 – 2015/16, &amp; Budget and Council Tax 2013/14</b> |                    |              |
| WARD:         | All  |                    |              |

### AN OPEN PUBLIC ITEM

**List of attachments to this report:**

**Appendix 1** – Aims and Ambitions 2013/14 to 2015/6

**Appendix 2** – The Budget and Council Tax Proposal of the Cabinet 2013/14. This comprises a covering document, plus 8 Annexes

**Annex 1** Draft Base Revenue Budget 2013/14 – individual service cash limits

**Annex 2** Section 25 of the Local Government Act 2003 - Chief Financial Officer's Report on Adequacy of Balances and the Robustness of the Budget

**Annex 3** Draft Capital Programme 2013/14-2017/18 including other emerging projects and programmes on an indicative basis - items shown in for provisional approval.

**Annex 3i** Schools Planned Maintenance Programme 2013/14

**Annex 4** Minimum Revenue Provision (MRP) Policy

**Annex 5** Medium Term Service & Resource Plan (MTSRP) Savings Detail

**Annex 6** Community Assets

**Annex 7** Council Policy Context

**Annex 8** West of England – City Region Deal

**Appendix 3** - Medium Term Service & Resource Planning Assumptions 2013–2017

**Appendix 4** - Budget Setting Process – Advice of the Monitoring Officer

**Appendix 5** – Council Pay Policy Statement

## 1 THE ISSUE

- 1.1 This report presents the Cabinet's draft medium term financial plan, and revenue and capital budgets for the 2013/14 financial year together with a proposal for a Council Tax level for 2013/14.

## 2 RECOMMENDATION

- 2.1 That the Council approve:
  - a) The General Fund net revenue budget for 2013/14 of £123.534m with no increase in Council Tax.
  - b) That no Special Expenses be charged other than Town and Parish Council precepts for 2013/14.
  - c) The adequacy of reserves at Appendix 2 Table 9 with a risk-assessed level of £10.5m.
  - d) The individual service cash limits for 2013/14 summarised at Appendix 2 Table 5 and detailed in Annex 1.
  - e) That the specific arrangements for the governance and release of reserves, including invest to save proposals, be delegated to the Council's Section 151 Officer in consultation with the Cabinet Member for Community Resources and the Chief Executive.
- 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 the Charter Trustees of the City of Bath, and those of the Fire and Police Authorities.
- 2.3 That the Council notes the Section 151 officer's report on the robustness of the proposed budget and the adequacy of the Council's reserves (Appendix 2, Annex 2) and approves the conditions upon which the recommendations are made as set out throughout Appendix 2.
- 2.4 That in relation to the capital budget the Council:
  - a) approves a capital programme of £59.036m for 2013/14 and notes items for provisional approval in 2013/14 and the programme for 2014/15 to 2017/18 as shown at Appendix 2, Annex 3 including the planned sources of funding .
  - b) approves the Minimum Revenue Provision Policy as shown at Appendix 2, Annex 4
  - c) approves the Capital Prudential Indicators as set out in Appendix 2 Table 7.
- 2.5 That the Council notes the approach to Community Assets as set out in Appendix 2, Annex 6 and supports the progression of the Quick Wins identified in this Annex.



- 2.6 That the Council notes the Policy Development & Scrutiny review of Medium Term Service and Resource Plans and instructs the relevant officers to finalise these in consultation with the relevant Cabinet Member and in light of feedback from the PD&S reviews, and in line with the approved cash limits.
- 2.7 That the Council agree the Council's proposed pay policy statement as set out at Appendix 5.
- 2.8 Authorise the Divisional Director – Finance, in consultation with the Cabinet Member for Community Resources, to make any necessary presentational improvements to the draft budget proposal for submission to Council.

### **3 FINANCIAL IMPLICATIONS**

The financial implications are contained within the body of the report.

### **4 COMMUNITY STRATEGY OUTCOMES**

- 4.1 The framework for service and resource planning aims to ensure that resources are aligned to corporate priorities as set out in the Council's current Corporate Plan, which in turn reflects the Bath & NE Somerset Community Strategy.

### **5 CORPORATE IMPROVEMENT PRIORITIES**

- 5.1 The framework for Service and Resource planning aims to ensure resources are aligned to corporate priorities and improving the delivery of services and cross-Council priorities, linking performance with resources and value for money.

### **6 THE REPORT**

- 6.1 In this document the Cabinet sets out the following:-

- Its medium term service and resource planning financial assumptions (Appendix 3) which set the basis for the draft budget proposal for 2013/14.
- Its draft budget proposal for 2013/14 (Appendix 2). This provides the detail of the first year of the Medium Term Service and Resource Plans and recommends revenue and capital budgets for 2013/14, together with capital commitments for future years, and recommends a level of Council Tax for 2013/14.

- 6.2 The budget proposal builds on the prudent financial management of the Council and is designed to maintain front line services as far as possible whilst recognising the significant financial challenge facing the public sector. The budget proposals include:

- A net £2.5m or 2.0% decrease in the non-schools budget (after allowing for the technical adjustments required as a result of changes in local government finance funding reforms) to £123.534m

- An overall increase in the DSG, estimated at £2.5m with a total funding of £116.6m (including academies). The Dedicated Schools Grant (DSG) increase compared to 2012/2013 is complicated by the transfer of additional responsibilities into the DSG from other funding routes. The majority of the additional funding relates to the transfer of funding for 2 year olds and the funding for post 16 special needs provision, that have transferred from the Early Intervention Grant and the Education Funding Agency respectively. Taking account of this, the overall total represents a cash freeze per pupil compared to the previous year. However as schools convert to academies the Department for Education (DFE) recoup the DSG payable to the Local Authority in order to make payments direct to the academies. The DFE estimate the recoupment will be £41.1m in 2013/2014 leaving £75.5m payable to the Local Authority.
- A freeze in the Council's level of Council Tax, which excludes Polices, Fire and Parish precepts.
- These budget proposals are set out in detail at Appendix 2.

6.3 It is important to be clear on the process to be followed in setting the 2013/14 Budget. The Monitoring Officer has given specific guidance which is set out at Appendix 4, and in particular the need for the Council to approve a balanced budget.

6.4 The Monitoring Officer has also highlighted the implications arising if it does not prove possible for the Council to set a budget at its meeting on 19<sup>th</sup> February and any decision having to be deferred until the reserve date on 28<sup>th</sup> February. This includes potential delays to the Council Tax billing process.

6.5 The Council's pay policy statement as required under The Localism Act 2011 legislation is set out at Appendix 5.

6.6 The Budget proposal set out at Appendix 2 also includes specific Annexes relating to the Council's approach to Community Assets and the on-going development of the West of England City Region Deal.

## **7 RISK MANAGEMENT**

7.1 The report author (the Council's Section 151 Officer) has fully reviewed the risks related to this report and recommendations and consulted with the Lead Cabinet member.

7.2 In addition Appendix 2 to this report includes (at Annex 2) 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.

## **8 RATIONALE**

8.1 The rationale for the recommendations is contained in the supporting paper to this report.

8.2 The Council's Section 151 Officer is the Divisional Director - Finance. This report reflects information already presented to Policy Development and Scrutiny by the Director. As Section 151 Officer his 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.

## **9 OTHER OPTIONS CONSIDERED**

9.1 The supporting paper and appendices also contain the other options that can be considered in making any recommendations.

## **10 CONSULTATION**

10.1 Meetings have been and will continue to be held with staff, trades unions and other stakeholders during the development of service and resource plans which have fed into this budget. This has again included three Budget Fair's (Bath, Keynsham and Timsbury), enabling cross service consideration of the range of proposals by a range of stakeholders.

10.2 Representatives of the business community were engaged in these consultations as part of the Budget Fair.

10.3 Comments received from consultation, including the Budget Fair, Policy Development and Scrutiny Panels and Trade Unions have been provided for consideration by the Cabinet.

## **11 EQUALITY**

11.1 The Council is committed to ensuring that our financial decisions and the budgetary processes are subject to proportionate equality analysis. Bath & North East Somerset Council can demonstrate that it has analysed its decisions from an equality perspective by evidencing our analysis using a single template equality impact assessment toolkits. (B&NES was commended for this work and used as an exemplar authority for our proportionate approach to equality by the LGID.) Thus the Council has a written record of the equality considerations that have been taken; which include a consideration of the actions that would help to avoid or mitigate any negative impacts on people of particular protected groups. Our decisions have a stronger evidence base (through effective use of equality mapping and Joint Strategic Needs Assessment) assisting to make our decision-making processes more transparent.

## **12 ISSUES TO CONSIDER IN REACHING THE DECISION**

12.1 These include Social Inclusion; Customer Focus; Sustainability; Young People; Equality; Corporate; Impact on Staff and Other Legal Considerations such as the requirement to set a budget and Council Tax.

### 13 ADVICE SOUGHT

13.1 The Council's Monitoring Officer (Council Solicitor) and Section 151 Officer have had the opportunity to input to this report and have cleared it for publication.

|  |   |
|--|---|
| <b>Contact person</b>  | Tim Richens, Divisional Director – Finance (01225) 477468   |
| <b>Sponsoring Cabinet Member</b>   | Councillor David Bellotti, Cabinet Member for Community Resources   |
| <b>Background papers</b>   | Medium Term Service & Resource Planning reports to Policy Development & Scrutiny Panels<br>Equalities Assessment –Report to Resources PDS 11th February 2013<br>Consultation Response Summary – Report to Resources PDS 11 <sup>th</sup> February 2013<br>Council Response to DCLG Document “50 Ways to Save” – Report to Resources PDS 11th February 2013)<br>Financial Settlement 2013/14 to 2014/15, CLG website |
| <b>Please contact the report author if you need to access this report in an alternative format</b> |   |

## **Our Aims and Ambitions for Local People Explained 2013/14 to 2015/6**

Bath & North East Somerset Council strives to deliver excellent services to local people and make our area *the* place to live, invest, and visit in the UK.

The foundations for how this vision will be achieved are a sensible management of our budget, effective partnership working with local, national, statutory and voluntary organisations, together with strong leadership from both elected councillors and our staff.

There are challenges the Council and its partners must overcome. These include Government funding reductions on a scale unprecedented since the Second World War to address the Country's financial deficit, the effects of the national recession, and demographic change.

This three-year budget reflects what matters most for local people as we plan for an area which offers opportunity and positive lives for everyone, whilst ensuring our most vulnerable residents are given the support that they need. In putting people first and communities at the heart of everything we do, our priorities are:

- Protecting frontline services;
- No increases in Council Tax;
- Investing in homes and jobs for local people.

### **Supporting the most vulnerable people and families**

We want people to remain independent and living in their own home. The number of older people will grow incredibly over the next 20 years. From now until 2035, the over-65 population is likely to increase by 50%, and the over-85 population is likely to increase by 110% over the same timescale.

The £260 million over the next three years that we will spend on adult social care must be focused on the most vulnerable people, promoting their independence through improved community services to ensure that residents, where possible, stay at home. We must also recognise the increasing need for specialist care for people with dementia and those with the most complex needs, such as those with autism. We will continue to work closely with our partners to enable vulnerable people in our communities across Bath and North East Somerset to live fulfilling and rewarding lives.

This will mean refocusing some areas of our budget on people with the highest needs. An extra £3.25 million has been set aside for this purpose over the next three years.

In common with the national picture the Council is also experiencing significant population growth, which coupled with pupils generated from new housing developments, like the MOD sites, will require the provision of new classrooms at existing primary schools in areas where pressure is greatest. The capital funding

available for schools will be used to provide an additional 375 places over the next three years.

The money available for Children's Services will be targeted to address the needs of vulnerable young people and families. Our Children's Centres and Youth Centres will strive for excellence to support those people most in need and give them opportunities for their future. We will be working hard with families who are struggling to help them to have successful lives.

New responsibilities for public health from April 2013 will provide us with a greater opportunity to offer people information and advice about how to improve their quality of life, whether that be through health, fitness, or diet.

### **A better quality of life in our communities**

The Council must play a strong community leadership role in creating neighbourhoods where people are proud to live and we want our residents to make a difference to their own quality of life, as well as their health and wellbeing. We cannot achieve this on our own.

We will be investing £500,000 in cycle routes, completing the £32 million Bath Transportation Package and a new community cycle track at Odd Down. But local people must make the lifestyle choice to use sustainable methods of transport.

There will be also be times when residents are in the best position to make a difference to the place where they live. For instance, our eight library branches will be supported by our Community Library Programme, encouraging more people to play a part in running their library.

Taking this principle a step further, the Council is looking to transfer some of its assets to local communities if we think they would be better run by local people.

We will also be working closely with local communities to encourage more environmentally sustainable behaviour through promoting our Biomass Energy Efficiency Fund, Schools Energy Invest to Save Fund, and continuing our efforts to reduce the Council's own carbon footprint.

### **New places to live and work**

We want to build a strong economy supporting the community improvements necessary to sustain new houses – including affordable homes – and new jobs and so that local people can find a wider range of jobs, residents can share higher levels of prosperity, and the children and grandchildren that our excellent schools educate don't have to move away to progress the careers they aspire to.

Our budget plans include:

- Progressing the Bath 'City of Ideas' Enterprise Area through a combined total of over £27 million to regenerate key sites along the River Avon with employment space and places to live, including affordable homes;

- Completing a £33 million revamp of Keynsham town centre that will encourage private sector investment into the community;
- Regenerating communities, including Radstock where an upgrade of the road network will support new homes and jobs, and London Road, Bath;

These plans will take full advantage of our place as a leading location for the digital, creative, and technology sectors.

We will be proactive alongside our partners to develop worker skills, improve connections between employers and job seekers, and support the network of apprentices, interns, and undergraduate placement schemes. The area's greatest resource for economic prosperity is local people.

### **Making the best of opportunity**

The Council values the views of local people when making decisions about the services we provide. We listen and act upon the things residents tell us are important. The coming years will test the area to address the challenges we face – but they also provide significant opportunities. The Council looks forward to working with local communities every step of the way.

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## THE BUDGET PROPOSAL OF THE CABINET 2013/2014

### Budget Summary

#### Headlines

Despite a difficult national economic position and its impact on local government finances, our proposed budget protects high priority frontline services and invests in the future of our area, promoting new homes and jobs.

We are also proposing that Council Tax is frozen in 2013/14 for the third consecutive year, recognising the on-going pressure on household incomes. The proposed band D Council Tax for Bath & North East Somerset Council next year is £1,201.85 which represents no change on the previous year (no increase).

The proposed net revenue budget for Bath & North East Somerset Council next year, 2013/14, is £123.534m, a net cash reduction of £2.474m on the previous year. This reflects the impact of significant cuts in government grant funding amounting to 9.4% for 2013/2014.

#### The Budget Context

The proposed Council Budget for 2013/2014 presents a detailed Medium Term Service and Resource Plan for the three-year period from 2013/2014 through to 2015/2016. This will enable the Council to take a planned and structured approach to meet the significant financial challenge facing the Council.

2013/2014 represents the third year of financial planning prepared in the context of the Government's Comprehensive Spending Review (CSR) announced in October 2010. This CSR included a deficit reduction programme with 24% cuts to local authority spending spread over the four-year period from 2011/2012 to 2014/2015. Based on the most recent Local Government Finance Settlement we now know the equivalent reductions for this Council will actually be 40% over this same period. This reflects the below average Settlement received by this Council in each year of the CSR period and the Council's position as one of the lowest funded unitary councils in the country.

The table below illustrates the scale of the government grant funding reductions for the Council compared to the overall reductions indicated within the CSR 2010.

**Table 1: Reduction in Government Grant Funding**

|                                  | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 | Total  |
|----------------------------------|-----------|-----------|-----------|-----------|--------|
| CSR Indicative Funding Reduction | -10.7%    | -6.4%     | -0.9%     | -5.6%     | -23.6% |
| Actual B&NES Funding Reduction   | -13.5%    | -8.3%     | -9.4%     | -8.7%     | -39.9% |

It is also clear from the Government's Autumn Budget Statement in December 2012, that the reductions set out in this previous CSR will not be sufficient to meet the Government targets to reduce the fiscal deficit, as the on-going impact of economic uncertainty both across Europe and indeed worldwide, means the UK economy continues to fall short of previous expectations.

A range of significant changes impacting on local Government Finance will also take effect from 1 April 2013:

- The needs based Formula Grant funding system is replaced with a combination of localised Business Rates and a top up grant to be known as Revenue Support Grant.
- The new Localised Business Rates (National Non Domestic Rates) will provide for the Council to retain up to 49% of local business rates going forwards to incentivise growth.
- Responsibility for setting Council Tax Benefit passes to local authorities from 2013/2014 in the form of the new Local Council Tax Support Scheme. The Council considered and approved the revised arrangements for this scheme in November 2012.
- With effect from the 1<sup>st</sup> April 2013 the Government is abolishing elements of the Social Fund which is currently administered by the Department for Work and Pensions and allocating funding to Local Authorities based on their estimated awards for Community Care Grants and Crisis Loans.
- Public health responsibility and related services will pass to the Council from April 2013 from the PCT supported by separate ring fenced grant funding from the Department of Health.
- The full implementation of planned changes to Government Funding for the Local Education Authority and Academies through the Education Services Grant (ESG) will go ahead in 2013/14.
- Early years funding for 2 year olds will move from the LEA into the Dedicated Schools Grant together with responsibility for careers advice and guidance.

**The implications for this Council will require estimated savings of at least £30M over the next three financial years (2013/2014 to 2015/2016).**

### **The Budget Proposal**

Each Directorate of the Council has prepared a Medium Term Service and Resource Plan (MTSRP) covering the full three-year period from 2013/2014 to 2015/2016. Each of these plans has been considered by the relevant Policy and Development Scrutiny (PDS) Panel throughout November 2012.

The MTSRP's set out the specific service and resource requirements for 2013/2014 and beyond, including growth requirements and savings proposals, and allowing for the anticipated financial implications of the grant settlement. Feedback from the individual PDS panels has been considered in arriving at the proposed Budget.

The proposed Budget for 2013/2014 recognises the very difficult financial challenge now facing the whole of the public sector and the increasing need to prioritise resources. The following principles have been used to support this:

- Protecting frontline services;
- No increases in Council Tax;
- Investing in homes and jobs for local people.

There are no longer the available resources to deliver the full range of services that have been provided in the past. New legislation and demographic changes similarly demand clear prioritisation and new approaches. This increasingly means difficult choices.

The development of the Budget has moved away from setting targets and budget top slices based on historic spending to an approach more focussed on prioritisation supported where appropriate by zero based budgeting. This approach has included: -

- Ensuring only essential cost pressures are taken into consideration, challenging all proposals for inflationary increases and additional spending.
- A continued focus on achieving efficiency savings within and across service areas.
- Maximising savings achieved through the continued development of the Change Programme with projects like Customer Services and Procure to Pay.
- Seeking to increase income from new and existing sources. Developing and investing in a diversified income base to help protect the Council from reductions in Government funding.
- Minimising costs of borrowing utilising Council cash flow balances where appropriate to provide funding for capital projects.
- Exploring opportunities to support Communities to enable them to be more resilient and self-sustaining (See Annex 6).
- Making better use of Council Assets, particularly council land and property, to reduce running costs and provide capital receipts.
- Where Government is cutting its grants to local authorities, or other external sources of funding are being reduced, these savings requirements may need to be passed on to the relevant service.

The proposed Budget also recognises service specific spending pressures and Council priorities that need to be addressed including impacts of national policy changes totalling some £9.2m. The most significant of these include:

- £1.1m for increasing demands on Adult Social Care and Health services.
- £0.1m for increased demand for Children's care services.
- £3.2m for inflationary costs particularly for care placements and external service contracts.
- £1.4m for the impacts of government legislation and initiatives, including reduced planning fees, waste taxes and treatments, and concessionary fares.
- £0.2m for increased school days in 2013/2014 due to term timings.
- £1.3m for impacts of economic downturn and increased competition.
- £1.0m to offset one-off funding used to support the 2012/2013 budget.

- £0.2m for capital financing.
- £0.2 m for IT licensing costs.
- £0.3m for other improvement priorities

Taking account of the reductions in government grant funding and the pressures outlined above, requires the identification £30m of budget savings over the three-years from 2013/14 to 2015/2016 as part of the proposed Budget. As part of this overall picture the specific savings required for 2013/2014 total £11.63M and these are set out in full at Annex 5 and can be summarised as follows:-

**Table 2: 2013/14 Savings Analysis**

| Description   | £'000         |
|---|---------------|
| Change Programme & Efficiency Savings                   | 5,634         |
| Increases in Income from fees, charges and other grants | 3,887         |
| Service Reductions                                      | 2,109         |
| <b>Total Savings</b>                                    | <b>11,630</b> |

The majority of savings are being delivered from efficiencies and the Council's change programme. This has enabled prioritised service reductions to be kept to an absolute minimum. Indeed the reductions to services represent only around 18% of the total savings and around 1% of the gross Council budget excluding Schools. Details of the specific savings items and the impact on service areas are included within individual MTSRP's.

### **Capital Investment**

The proposed Capital Programme provides for £151M of investment from 2013/2014 whilst recognising the desire to reduce planned levels of external borrowing. Key elements of the programme include:-

- Continued investment in regeneration schemes including Keynsham Town Centre, Radstock and London Road – Bath
- Delivery of the Bath Transport Package following the confirmation of funding support from the Department of Transport.
- An on-going contribution towards enablement of affordable housing across B&NES area, building on the commitment to the Bath Western Riverside Development.
- Significant investment in highways maintenance and transport infrastructure with on-going support for the provision of 20mph zones and new funding for improved cycle routes.
- Improvements to school buildings and facilities together with provision of additional capacity particularly for primary school places.
- Progressing the Bath Enterprise Area including investment to regenerate key sites for development.
- Supporting Energy Efficiency Schemes including a Schools Energy Invest to Save Fund and a Biomass Energy Efficiency Fund.

## **Schools Funding**

Schools are funded by the Dedicated Schools Grant (DSG) which is initially allocated to the Council by the Department for Education. 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.

The Dedicated Schools Grant (DSG) increase compared to 2012/13 is complicated by the conversion of several schools to academies, and the transfer of additional responsibilities into the DSG from other funding routes. The overall increase in the DSG is estimated for 2013/2014 at £2.5m with total funding of £116.6m (including academies). The majority of the additional funding relates to the transfer of funding for 2 year olds and the funding for post 16 special needs provision, that have transferred from the Early Intervention Grant and the Education Funding Agency respectively. Taking account of this, the overall total represents a cash freeze per pupil compared to the previous year.

Whilst the Dedicated Schools Grant (DSG) is being allocated to Local Authorities on a cash freeze basis. The Pupil Premium allocations for maintained schools are increasing from £623 to £900 per Free School Meals pupil in 2013-14. This increase will bring the total payable to B&NES schools to £2.448m in 2013-14, an increase of £760k. This represents approximately a further 1% increase in overall resources for schools.

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. The DFE estimate of this will be £41.2m in 2013/14 leaving £75.4m payable to the Council.

This recoupment by the DFE is based on 10 secondary, 1 special and 2 primary academies in 2013/14. It is difficult to assess whether there will be more schools converting to academies over the next year.

Further budget changes to council funding are generated by the creation of the Education Services Grant (ESG) to replace the recoupment process for resources for academies taking on the statutory responsibilities of the council. Schools converting to academies and the Local Authority will be allocated resources that were originally part of the local government settlement. The grant allocations are based on pupil numbers in the establishments with academies being funded directly and the Local Authority receiving the allocation for all maintained schools. As schools convert to academies the resources allocated to the Local Authority under the ESG would diminish on a per pupil basis.

## **Council Tax**

The local government financial settlement included an announcement of financial support for councils who freeze their Council Tax for next year at the current level (i.e. a zero increase). This financial support (in the form of a grant) for 2013/2014 is stated as being included in baseline funding for 2014/15 and beyond. The income from the grant is equivalent to a 1% increase in council tax.

## **The proposed Council Budget utilises this grant and provides for a zero increase in Council Tax for 2013/2014.**

### **Business Rates**

The Council has historically been responsible for the collection of Business Rates (National Non Domestic Rates) effectively passing the funds raised directly through to national government. From 1 April 2013 as part of the new funding arrangements for local councils, up to 49% of the Business Rates will be retained locally. The aim of this new system will be to provide an incentive to local authorities to stimulate and encourage business growth in their area. However the Council will also share in the risk of non-payment, business rate appeals and business closure or failure. A national safety net is in place to provide some protection although this will only operate once business rates have reduced by 7.5%.

For the implementation of this new system the Government has set an initial baseline level of business rates to be collected. This baseline was initially stated to be set based on a 5 year average and this basis had been reflected in the Council's financial plans. A very late change by the Government to a 2 year average, effectively pushed this baseline higher for the Council adding a further £1M funding pressure to the Council's financial plans.

This system will not be reset now until at least 2020 and therefore the emphasis on business growth will be key to help support funding for frontline council services in the future. Immediate challenges do exist with the closure of the MOD sites in the Council area and the significant loss of business rates that will arise initially.

### **Reserves**

The Council is maintaining its un-earmarked reserves at the appropriate risk assessed level. Some of these reserves (above a minimum level) will continue to be utilised on an Invest to Save basis. The assessed risk which has been reviewed as part of the Budget process, suggests reserves of £10.5M for 2013/2014 with a minimum level of £6M. These are deemed appropriate based on current financial planning assumptions.

Earmarked reserves are set aside to fund specific future commitments and have been fully reviewed as part of the budget process. The most significant of these are:-

- Revenue Budget Contingency - £491K (to meet in-year revenue budget variations)
- Medium Term Financial Challenge Reserve - £2,651K (to support the existing Change Programme)
- Restructuring Reserve - £5,598K (to meet future severance costs arising from the MTSRP)
- Affordable Housing Reserve - £3M (to fund the affordable housing contribution for Bath Western Riverside)
- A new Financial Planning Reserve of £6.4M is created following the review of reserves and the removal of the Capital to Revenue Reversion Reserve and the Capital Financing Reserve. Up to £3.8M of this is being allocated as one-off headroom in 2013/2014. The balance will be allocated as part of the Budget each year to support the specific medium term financial proposals and priorities of the Council.

The balances shown are for 2013/2014 and these reserves are anticipated to be fully committed over the medium term.

**The Medium Term**

The Government's Autumn Statement in December 2012 confirmed the need for public sector spending deficit reduction measures to continue beyond the period of the current CSR and at least until 2018. The Statement also confirmed an additional 2% average reduction for local government funding in 2014/15 over and above the position set out in the CSR.

The Council has, as far as possible, reflected this position in this proposed Budget covering the period until 2015/2016. We anticipate a further spending review in spring 2013 which may provide further clarity for the final year of this MTSRP period.

### Structure of the Budget Proposal

Section 1 sets out the approach to the revenue and capital budget and the build-up of the recommended revenue budget for 2013/2014. Annex 1 provides the breakdown of the Budget for 2013/2014.

Section 2 sets out the position for future years 2014/2015 and 2015/2016 taking account of proposals developed in the medium term service and resource plans, in light of known pressures and assumptions about levels of funding. It also includes details of how the Council Change Programme will contribute to meeting the financial challenge.

Section 3 sets out the recommended capital programme for 2013/2014 including the indicative capital programme through to 2017/2018. Annex 3 provides more detail.

Section 4 sets out the current position on revenue balances taking into account the proposals for prudent use of reserves.

Section 5 sets out the implications of the revenue budget for Council Tax levels for 2013/2014.

**Table 3: Summary Net Revenue Budget and Capital Programme 2013/14 – 2015/16**

|  | 2013/14        | 2014/15        | 2015/16        |
|--|----------------|----------------|----------------|
| <b>Revenue Budget Funding:</b>                                   | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      |
| Council Tax  | 71.342         | 71.142         | 71.292         |
| Council Tax Freeze Grant   | 0.740          | 0.740          | 0.740          |
| Revenue Support Grant  | 31.107         | 25.944         | 21.244         |
| Retained Business Rates (after tariff)                           | 20.262         | 20.845         | 20.845         |
| Reserves & Collection Fund Surplus                               | 0.083          | 0.000          | 0.000          |
| <b>Total Funding</b>   | <b>123.534</b> | <b>118.671</b> | <b>114.121</b> |
| <b>Net Revenue Budget Spend</b>                                  | <b>123.534</b> | <b>118.671</b> | <b>114.121</b> |
|  |                |                |                |
| <b>Capital Programme – for approval</b>                          | <b>59.036</b>  | <b>19.972</b>  | <b>2.631</b>   |
| <b>Capital Programme - for provisional approval (subject to)</b> | <b>20.805</b>  | <b>24.319</b>  | <b>9.824</b>   |

**Note:** Revenue Budget figures beyond 2013/2014 are indicative only.



## **Section 1 – The Revenue Budget for 2013/2014**

### **Introduction & Process**

The proposed Budget for 2013/2014 to 2015/2016 has been prepared using the Council's Medium Term Service and Resource Planning (MTSRP) process.

The purpose of the Budget is to allocate financial resources across the Council to deliver services to the community to required standards and performance targets. The detail of what is spent must therefore be seen within the context of the Council's corporate objectives.

Strategic Directors, in consultation with their Cabinet Members, have developed Medium Term Service and Resource Plans covering the years 2013/2014 to 2015/2016. These Medium Term Service and Resource Plans set out the financial pressures, savings and efficiency proposals that each service will be taking forwards to meet the overall level of resourcing available to the Council. This includes outlining the impacts of each of the proposals both in terms of service delivery and on staff.

The Medium Term Service and Resource Plans have been reviewed by the relevant Policy Development and Scrutiny Panels and feedback from these Panels has been considered as part of the process. A consolidated schedule of all the MTSRP savings is attached at Annex 5. Copies of the individual plans and feedback from the PDS Panels are available as background papers.

The Cabinet have now had the opportunity to further consider proposals from officers which develop the medium term financial planning and take account of the on-going work of Strategic Directors and the comments from PD&S panels. In that context the Cabinet has developed the Budget proposal to reflect this position. The Cabinet has also considered feedback from consultation with the, community, Trade Unions, and a range of other partners / stakeholders, particularly from the Council's three Annual Budget Fairs held in early November 2012.

### **Approach to the Budget**

#### **Corporate Assumptions**

The Budget has been built up using a range of corporate financial planning assumptions for areas of income and expenditure which are subject to variation.

Assumptions relating to specific areas of cost increases or demand for individual services are separately identified within the Medium Term Service and Resource Plan for each service.

Appendix 3 sets out in more detail the corporate financial assumptions which underpin the Budget and the key financial planning assumptions are summarised below:

- A pay increases of no more than 1% in each year of the MTSRP 2013/14 to 2015/16.
- Continued low rates of interest from treasury management cash investments of 0.75% per annum. The Bank of England base rate is not expected to rise from the current level of 0.5% during the MTSRP period.
- A small 0.5% increase in the level of the employers' contribution to the Local Government Pension Fund following the next Actuarial Review in 2013, reflecting the impacts of wider changes to the Scheme.
- Balanced budgets are achieved for 2012/2013 with no related on-going funding pressures.
- No general inflationary provision – specific inflation has been provided and identified as growth within service areas based on specific service circumstances and contractual commitments. These are set out in detail in the MTSRP's and provide for 2% inflation except Adult Social Care where the target is 1.75%.
- That capital funding is provided from Capital Receipts and internal cash flow. New borrowing will be kept to a minimum subject to market conditions.

### Fees and Charges

The Council is reliant on a range of income streams from fees and charges, many of which are either set by statute or are subject to defined calculations under statutory guidance. Where the Council has discretion, the decisions are delegated to Officers, in consultation with the relevant Cabinet member, and increases in fees and charges are generally in line with the increase in the costs of the relevant service.

The Budget proposal and related Medium Term Service and Resource Plans assume any proposed changes in fees and charges will be in accordance with this policy with the following key exceptions:-

- **Car Parking Charges** – the MTSRP includes some specific proposals for car parking charges although beyond these actions, no general increase is proposed in the rates for car parking during 2013/2014.
- **Park and Ride Charges** – charges are now set by the operator within agreed contractual limits.
- **Planning Fees** – assumption that fees will increase to the maximum level set out in the relevant Government Fee Schedule.

### Government Grant

The Government originally set out its plans for tackling the significant budget deficit, in the Comprehensive Spending Review on 20th October 2010. This deficit reduction programme indicated 24% cuts to local authority spending over the Spending Review period from 2011/2012 to 2014/2015 with a significant element front loaded to the first two years.

The subsequent Local Government Finance Settlement announced in December 2012 showed the Council's funding baseline for 2013/2014 reducing by a further 9.7% and then by a further 8.7% in 2014/2015. This equates to a 40% reduction in funding for the Council, well in excess of the average set out in the CSR.

The funding baseline itself has been reassessed to take account of the start-up funding baseline for the new Localised Business Rate element. This Business Rate baseline position is fixed and only updated in line with inflation for at least seven years.

The Government's Autumn Statement in December 2012 reflected the on-going market concerns surrounding the national debt position of the UK and a number of Eurozone countries. In particular the statement confirmed the need for public sector spending deficit reduction measures to continue beyond at least until 2018. The Statement also confirmed a ceiling on public sector pay of 1% per annum for the next two years.

This settlement confirms that B&NES Council will remain one of the lowest funded unitary authorities with the position set out for 2013/2014 now forming the baseline funding until at least 2020 when the system is next due to be reset. The Council has the 6<sup>th</sup> lowest spending power per dwelling when comparing all Unitary Authorities.

The grant funding baseline has been updated to remove the funding for LEA services which will now be paid directly to the LEA and Academies as the Education Services Grant (ESG) on a per pupil basis. We had anticipated this adjustment although the rate of schools transferring to Academies (particularly secondary schools) does present a funding challenge for the Council.

The funding baseline also reflects the change in responsibility for setting Council Tax Benefit which passes to local authorities from 2013/2014 in the form of the new Local Council Tax Support Scheme. The Government grant supporting this is being reduced by approximately 10% for 2013/2014 and this is reflected in the provisions within the new scheme which, was considered and approved by the Council in November 2012.

The New Homes Bonus Scheme which provides funding for new homes brought into use and included in the Council Tax Base, was provisionally confirmed at a total of £1.977m for 2013/2014. This is the third year for funding for New Homes Bonus and includes an additional £0.759m for 2013/2014. The New Homes Bonus scheme runs for 6 years from the year of initial allocation. This funding is un-ring-fenced and available for allocation as part of the overall revenue budget.

The Settlement included provision of financial support from the government for councils who freeze their Council Tax for next year – 2013/2014. The grant is equivalent to a 1% Council Tax increase and is confirmed as being included in the baseline funding calculations.

The Settlement announcement confirmed the requirements for Council tax referendums where any Council (excludes parishes again in 2013/2014) increasing council tax by more than 2% (or £5 for qualifying police and fire authorities). This is clearly irrelevant for councils accepting the council tax freeze grant.

### Retained Local Business Rates

From 2013/2014 the new arrangements for funding of local government will provide for up to a maximum of 49% to be retained locally.

The actual amount to be retained is dependent upon a number of factors including a start-up baseline assessment, a top-up or tariff payment subject to the level of the baseline and a levy on future growth to support a national safety net.

The setting of the baseline is key and for the Council a late change in the bases if calculation from a 5 year to a 2 year average, effectively increased the Council's annual tariff payment to the Government by over £1M.

Going forwards the Council will retain 49% of the Business Rates less a tariff payment of £9.468m to the government based on the initial baseline. 49% of all future growth in business rates will be retained by the Council less a levy payment of 31p in the £ to provide for a national safety net.

Under this system the Council benefits from new growth but also bears 49% of the cost of reductions in business rates from for example, appeals, business closures or relocations, charitable reliefs etc. A national safety net will be provided where business rates reduce by over 7.5%, equivalent to approximately £2M for the Council.

The initial years of this new system will be very challenging as some large business closures will impact on the Business Rates collected, particularly MOD sites and Somerdale.

As part of the proposed Budget, reasonable assumptions have been made for likely future Business Rates although given these new arrangements have not been tested and current economic conditions continue to be challenging, there remain a significant risk associated with future receipts.

The Council has been seeking further changes to some elements of the new system, including the baseline calculation and the treatment of historic appeals, which may provide some flexibility in the overall Business Rates Collection Fund going forwards.

### Social Fund

With effect from the 1<sup>st</sup> April 2013 the Government is abolishing elements of the Social Fund which is currently administered by the Department For Work and Pensions and allocating funding to Local Authorities based on their estimated awards for Community Care Grants and Crisis Loans.

Bath & North East Somerset Council has been awarded £249,260 for next financial year as its share of the Social Fund. There are no rules or restrictions on how this money should be used but it is allocated for the purpose of local Welfare Provision.

In addition to the Programme funding there is also an amount of £52,670 to support any administrative costs of a new scheme

The Council has already indicated that a scheme should target those most impacted by the introduction of the Local Council Tax Support Scheme. The Cabinet will shortly review a report on how to best target and administer these funds to assist the most vulnerable members of our community impacted by the Welfare Reforms.

### Schools Funding

Schools are funded by the Dedicated Schools Grant (DSG) which is initially allocated to the Council by the Department for Education. 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.

The Dedicated Schools Grant (DSG) increase compared to 2011/12 is complicated by the conversion of several schools to academies, and the transfer of additional responsibilities into the DSG from other funding routes. The overall increase in the DSG is estimated for 2013/2014 at £2.5m with total funding of £116.6m. The majority of the additional funding relates to the transfer of funding for 2 year olds and the funding for post 16 special needs provision, that have transferred from the Early Intervention Grant and the Education Funding Agency respectively. Taking account of this, the overall total represents a cash freeze per pupil compared to the previous year.

Whilst the Dedicated Schools Grant (DSG) is being allocated to Local Authorities on a cash freeze basis. The Pupil Premium allocations for maintained schools are increasing from £623 to £900 per Free School Meals pupil in 2013-14. This increase will bring the total payable to B&NES schools to £2.448m in 2013-14, an increase of £760k. This represents approximately a further 1% increase in overall resources for schools.

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. The DFE estimate of this will be £41.2m in 2013/14 leaving £75.4m payable to the Council.

This recoupment by the DFE is based on 10 secondary, 1 special and 2 primary academies in 2013/14. It is difficult to assess whether there will be more schools converting to academies over the next year.

Further budget changes to council funding are generated by the creation of the Education Services Grant (ESG) to replace the recoupment process for resources for academies taking on the statutory responsibilities of the council. Schools converting to academies and the Local Authority will be allocated resources that were originally part of the local government settlement. The grant allocations are based on pupil numbers in the establishments with academies being funded directly and the Local Authority receiving the allocation for all maintained schools. As schools convert to academies the resources allocated to the Local Authority under the ESG would diminish on a per pupil basis.

### **Resource Allocation including Use of Recurring and One-Off Funding Headroom**

The development of the proposed Budget has moved away from setting targets and budget top slices based on historic spending to an approach more focussed on prioritisation supported where appropriate by zero based budgeting. This approach has included: -

- Ensuring only essential cost pressures are taken into consideration, challenging all proposals for inflationary increases and additional spending.
- A continued focus on achieving efficiency savings within and across service areas.
- Maximising savings achieved through the continued development of the Change Programme with projects like Customer Services and Procure to Pay.
- Seeking to increase income from new and existing sources. Developing and investing in a diversified income base to help protect the Council from reductions in Government funding.
- Minimising costs of borrowing utilising Council cash flow balances where appropriate to provide funding for capital projects.
- Exploring opportunities to support Communities to enable them to be more resilient and self-sustaining.
- Making better use of Council Assets, particularly council land and property, to reduce running costs and provide capital receipts.

The scale of the savings required over the next three years of the MTSRP period, is such that the Council will need to prioritise services and whilst every effort will be made to protect essential frontline services for local people, this will inevitably lead to reductions in some service areas which are considered a lower priority.

The proposals put forward in the MTSRP's provide clear actions to address the majority of the estimated £30M funding shortfall faced by the Council over this period, including a balanced Budget for 2013/2014. Future years will still be subject to government funding announcements and it is highly likely that further savings will be required.

Table 4 in this report shows how the budget rolled forward from 2012/2013 has then been built up with total growth and savings identified by services as set out in MTSRP's.

#### **Budget Headroom**

Each year the Council considers how any available headroom within the budget should be allocated. This headroom, which may be recurring or one-off in nature, is created from a number of sources and can only be finalised once all assumptions and calculations are completed for the proposed Budget. These sources include:-

- Changes in financial planning assumptions
- Variations in grant settlement
- Full year effect of prior year savings
- Adjustments to corporate finance items
- One-off funding provisions and variations, for example the council tax collection rate.

The Budget includes the following allocations of available headroom to meet specific commitments and priorities:

#### On-going Headroom Allocations - Nil

No on-going headroom is available for allocation at this stage over the MTSRP period. This is a reflection of the scale of the financial challenge and the need to utilise all available funding sources to minimise reduction in services.

#### One-off Headroom Allocations - £3,815K

These allocations are to be made from the Financial Planning Reserve.

- £3,000K to be allocated to establish an Earmarked Reserve to meet the costs arising from the likely timescale to implement recurring budget savings in 2013/2014
- £180K to meet additional costs of Children in Care Placement costs should they exceed baseline budget assumption.
- £150K to meet potential set up costs of a Tourism Levy.
- £150K to meet costs associated with a Trading Company acquisition.
- £100K to fund reduced savings in childrens preventative services.
- £50K to provide revenue maintenance grants to property owners in support of the London Road Regeneration Project.
- £60K for a contribution to the voluntary sector in order to provide business start-up loans to the self-employed.
- £50K to establish a hardship fund for landlords as a result of the changes to the Council Tax Discount Scheme for empty properties (as agreed by Council 8th November 2012)
- £40K to provide a webcasting trial of Council Meetings for one year.
- £35K contribution to fund the community engagement work and advice line in respect of the Retrofit and Green Deal delivery partnership.

In addition to these specific proposals, under the Council's Invest to Save Scheme, the Section 151 Officer in consultation with the Cabinet Member for Resources, may authorise funding for robust and credible invest to save proposals from reserves (i.e. in the short term creating a 'negative ear-marked reserve' which is then repaid over time, usually 3 years, from the related savings).

Robust and credible 'invest to avoid' proposals (where investment can avoid future costs), can also be considered, but in addition there needs to be specific provision within business cases to replenish the reserves over a 3 year period.

## Summary of the Revenue Budget Proposal

The proposed revenue budget for 2013/2014 represents:

- A net £2.5m or 2.0% decrease in the non-schools budget (after allowing for the technical adjustments required as a result of changes in the local government finance funding reforms).
- The Dedicated Schools Grant (DSG) increase compared to 2012/13 is complicated by the conversion of several schools to academies, and the transfer of additional responsibilities into the DSG from other funding routes. The overall increase in the DSG is estimated for 2013/2014 at £2.5m with total funding of £116.6m (including academies). The majority of the additional funding relates to the transfer of funding for 2 year olds and the funding for post 16 special needs provision, that have transferred from the Early Intervention Grant and the Education Funding Agency respectively. Taking account of this, the overall total represents a cash freeze per pupil compared to the previous year.
- Compared to 2012/2013. However as schools convert to academies the Department for Education (DFE) recoup the DSG payable to the Local Authority in order to make payments direct to the academies. The DFE estimate the recoupment will be £41.1m in 2013/2014 leaving £75.5m payable to the Local Authority.
- A freeze in the Council's level of Council Tax, which excludes Police, Fire and Parish precepts.

We are recommending a net revenue budget for 2013/2014 of £123.534m. Table 4 below, and Annex 1 to this Appendix, show the build-up of the recommended 2013/2014 revenue budget, compared to the rolled forward base budget from the current year.



Table 4: High Level Build-up of the 2013/14 Budget (detail in Annex 1)

| Description  | £'000          |
|--|----------------|
| <b>Total Base Budget rolled forward – 2013/14 (after removal of one-off items in 2012/13 Budget)</b> | <b>120,865</b> |
| Technical Adjustments relating to Local Government Finance Funding Reforms                           | 5,144          |
| Contractual and Unavoidable Inflation  | 3,206          |
| New Legislation / Government Initiatives   | 1,346          |
| Increased Service Volumes  | 1,839          |
| Impacts of Economic Downturn & Increased Competition   | 1,341          |
| Other / Technical  | 1,423          |
| <b>Total including Growth</b>  | <b>135,164</b> |
| Change Programme & Efficiency Savings  | 5,634          |
| Increases in Income from fees, charges and other grants  | 3,887          |
| Service Reduction  | 2,109          |
| <b>Total Savings</b>   | <b>11,630</b>  |
| <b>Recommended Net Revenue Budget 2013/14</b>  | <b>123,534</b> |

In recommending the overall revenue budget to the Council, this also includes the individual service cash limits for 2013/14. These are shown in **Annex 1** to this Appendix.

## Section 2 - Future Years

The Medium Term Service and Resource Plans were constructed to cover the 3 years 2013/14 – 2015/16 in line with the specific budget priorities and the council policy context (Annex 7).

The MTSRP's provide clear actions to address the majority of the estimated £30M funding shortfall faced by the Council over this period, including a balanced Budget for 2013/2014

The corporate financial assumptions and initial resource allocation as set out in Appendix 3 covered each of the next three financial years. Appendix 3 also explains that we cannot be certain at this stage about local government funding beyond 2014/2015 although we expect the financial challenge facing the public sector to continue until at least 2018 in line with the Government's Autumn Budget Statement in December 2012.

Table 5 below summarises the resource allocation from this Budget proposal together with the position for each of the following two years covered by the MTSRP's.

Whilst the MTSRP's provide for financial balance in 2013/2014, further work will be required in relation to 2014/15 and 2015/16. It is also the case, at this stage, that there is insufficient information available to fully identify future funding pressures including new government requirements, future demand changes and emerging issues. It is therefore expected that the requirements for savings in future years may increase.

Given the scale of savings already achieved and those outlined in the MTSRP's, it is likely that future savings will require prioritised changes to Council services. A rigorous process will therefore continue to be applied to the development of the Council budget and medium term financial planning process going forwards to enable resources to be prioritised between service areas.

### **The West of England City Deal**

The City Region Deal is an agreement between Government, the West of England authorities and the West of England Local Enterprise Partnership giving increased local financial flexibility and freedoms in exchange for a focussed programme of investment to enable the region to achieve its full economic growth potential

Extensive preparatory work is taking place to enable options to be put before councils. At this stage each of the 4 West of England Unitary Councils and Government have agreed in principle only.

Key decisions are not required until June and July 2013. At this stage the background information set out in Annex 8 is just for noting as it provides important context for the medium term plans especially intended investment in regeneration.

Table 5: Resource Allocation 2013/14 to 2015/16

| SERVICE AREA                                 | 2013/2014    |               |                     |                 | 2014/15        | 2015/16        |
|--|--------------|---------------|---------------------|-----------------|----------------|----------------|
|  | GROWTH (£M)  | SAVINGS (£M)  | TECHNICAL ADJS (£M) | CASH LIMIT (£M) |                |                |
| Adult Social Care & Housing                  | 3.148        | 1.836         | 3.537               | 58.377          | 59.388         | 60.083         |
| Children's Services                          | 0.663        | 0.895         | 3.506               | 24.455          | 23.688         | 22.025         |
| Place  | 3.654        | 2.978         | 0.126               | 28.038          | 27.320         | 27.248         |
| Regeneration, Skills & Major Projects        | 0.024        | 0.212         | 0.000               | 1.305           | 1.324          | 1.338          |
| Resources & Support Services                 | 1.167        | 3.080         | 0.000               | 3.279           | 0.026          | (1.500)        |
| Corporate & Agency                           | 0.500        | 2.629         | (2.025)             | 8.082           | 7.982          | 7.882          |
| <b>Totals</b>                                | <b>9.156</b> | <b>11.630</b> | <b>5.144</b>        | <b>123.534</b>  | <b>119.726</b> | <b>117.074</b> |
| <b>(Savings to be identified) / Headroom</b> |              |               |                     |                 | <b>(1.055)</b> | <b>(2.953)</b> |
| <b>Medium Term Financial Planning Total</b>  |              |               |                     |                 | <b>118.671</b> | <b>114.121</b> |

Note: Some of the figures in this table are affected by rounding

The Cash limits for 2014/15 and 2015/16 are at this stage indicative and will be reviewed as part of the Medium Term Service & Resource Planning process for 2014/15 onwards.

The Medium Term Service and Resource Plans reflect the impacts and delivery of the Council's change programme. Further details of the change programme are set out below.

### **Council Change Programme**

The Council's Change Programme was re-launched in 2010 and will have delivered substantial results over the period to 31 March 13. It takes account of the Government's austerity measures, the Academies Act, new requirements on the NHS, which affect our Health and Wellbeing Partnership and the various measures to promote Economic Growth.

The programme includes:

- Community Engagement - where there is a clear understanding of the needs of local communities and how these may best be met either by the Council, one of its partners or increasingly from within the community itself. This also looks at how best to join up the engagement between communities and the public sector, not just the Council.
- Reshape Customer Services - to be the public face of the Council, where 80% of questions are dealt with at the first point of contact, multi-agency one stop shops for face to face contact, plus improved web and self-service. This will also take account of changes to the welfare and benefits system to Universal Credit and include a pilot on customer contact with the DWP with a significant emphasis on face to face contact.
- Bring together Support Services - to deliver more effective and efficient services plus implement a new IT strategy with fewer systems, better support for flexible working, elected members and customer access.
- Meet the Government's requirements for Children's Services, Academies, Health and Social Care.
- Make further annual efficiency savings of at least £8m on top of other savings from the re-prioritisation of services.
- Make good use of Council assets – rationalisation of office space, excellent sustainability standards in offices, encouragement of regeneration and transferring assets to community groups where appropriate.

There has been substantial progress over the last 2 years with more to come over the next 2 years. The recent activity and achievement includes:

- Creation of a new social enterprise (Sirona) to run community health and social care – Council and PCT staff transferred in from October 2011 and the new organisation is operating successfully plus has a strong savings and improvement programme
- Customer Services improvements in many services such as highways, housing benefits, council tax, aspects of refuse collection, Bath one stop shop (an interim measure) and registrars. The Councils Website has also been updated and improved.

- Support services savings from simplification and standardisation of processes whilst also absorbing the effect of the creation of Sirona (which has mainly its own support services and some on-going support from the Council notably for property and IT – the property assets and networks having been retained by the Council)
- Changes in health and social care are being supported with the creation of a Health and Wellbeing board, which will deliver a Joint Health and Wellbeing Strategy for the area, plus arrangements to transfer public health to the Council.
- Academies have been supported to help their successful creation and a review of the LEA role is underway.
- Savings worth over £5M annually have already been directly achieved within the programme and the other efficiencies (to at least £8M in total) will be enabled by the programme.
- Council offices at Trimbridge House and Plymouth House in Bath have been closed (with the buildings returned to their owner) saving over £1M, flexible working has been rolled out.
- The Keynsham Regeneration project has been launched for completion in 2014 and work with the appointed delivery partner is now progressing.
- Records that took up valuable office space are now controlled through an efficient offsite archive and retrieval system.
- Lewis House in Bath has been modernised, as has the Hollies in Midsomer Norton. A new multi-agency one stop shop in Bath opened in May 2012.

## Section 3 – The Capital Budget for 2013/14

### Introduction

The Cabinet's proposals for the Council's capital programme are formulated in the context of:

- An ambitious yet prudent capital programme over a five year period.
- A desire to reduce the planned levels of external borrowing recognising the overall need to deliver value for money from the Council's external funding and treasury management decisions.
- The inclusion of significant government capital grant funding streams in relation to transport and schools which support the Council's strategic priorities and objectives.
- The prospective development and regeneration of various city centre and Employment Area sites across the Council area.
- The future financial challenge and the potential impact on future capital grant awards
- The increasing pressures on the revenue budget

This Capital Budget proposal:

- Limits new commitments to items which are in line with Council priorities and objectives and which are funded either from external sources, from anticipated future capital receipts, or where the potential costs of borrowing can clearly be met from within the proposed Budget.
- Recognises that careful consideration has been made by Officers and Members regarding future commitments and the direction of this programme.

Given that pressures on the revenue budget will increase over time, the Council maintains a prudent approach to revenue resource planning through the MTSRP's which take into account the associated revenue costs of the capital programme.

The MTSRP's recognise the intention to minimise new borrowing in the current market climate and fund the capital programme from a mixture of future capital receipts and internal cash flow. However the decision on the timing of new borrowing will be driven by market factors, particularly movements in interest rates to provide overall value for money to the Council.

The projected capital receipts for the period 2013/14 to 2017/18 are shaped by the Property Review and current proposals for development of Council owned sites.

All existing and future projected capital receipts will be utilised to support the general financing of the Council's Approved Capital Programme. The strategy of ear-marking capital receipts for specific areas of capital expenditure will be discontinued recognising the overall strategy to minimise and reduce the level of external borrowing going forwards.

The presentation of the Capital Programme retains 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 further Officer and Member scrutiny, including a formal Cabinet decision for Full Approval. The budget numbers for schemes shown for Provisional Approval are therefore included on an indicative basis, and as an aid to planning.

### **B) Recommended Programme for 2013/14**

On this basis the Cabinet is recommending the Capital Programme as attached in **Annex 3** and summarised in the table below.

The proposed programme assumes total capital payments and funding in 2013/14, comprising both the programme for Full Approval of £59.036m and a programme for Provisional Approval (subject to) of £20.805m, as shown in Table 6 below. Table 6 also shows the indicative capital programme and funding at summary level for 2014/15 to 2017/18. **Annex 3** shows the total capital programme for 2013/14 to 2017/18 in more detail.

Table 6: Summary Capital Programme and Financing 2013/14 - 2017/18

**For Approval**

| Capital Scheme                        | Budget 2013/14<br>£'000 | Budget 2014/15<br>£'000 | Budget 2015/16<br>£'000 | Budget 2016/17<br>£'000 | Budget 2017/18<br>£'000 | Total<br>£'000 |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|----------------|
| Place                                 | 14,830                  | 6,754                   | 1,449                   | 0                       | 0                       | 23,033         |
| Regeneration, Skills & Major Projects | 6,456                   | 3,264                   | 1,154                   | 450                     | 0                       | 11,324         |
| Children's Services                   | 5,714                   | 1,175                   | 20                      | 0                       | 0                       | 6,909          |
| Adult Social Care & Housing           | 1,565                   | 0                       | 0                       | 0                       | 0                       | 1,565          |
| Resources & Support Services          | 28,971                  | 8,779                   | 8                       | 159                     | 134                     | 38,051         |
| <b>Sub Total</b>                      | <b>57,536</b>           | <b>19,972</b>           | <b>2,631</b>            | <b>609</b>              | <b>134</b>              | <b>80,882</b>  |
| Contingency                           | 1,500                   | 0                       | 0                       | 0                       | 0                       | 1,500          |
| <b>Total</b>                          | <b>59,036</b>           | <b>19,972</b>           | <b>2,631</b>            | <b>609</b>              | <b>134</b>              | <b>82,382</b>  |

**For Provisional Approval (Subject to)**

| Capital Scheme                        | Budget 2013/14<br>£'000 | Budget 2014/15<br>£'000 | Budget 2015/16<br>£'000 | Budget 2016/17<br>£'000 | Budget 2017/18<br>£'000 | Total<br>£'000 |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|----------------|
| Place                                 | 8,655                   | 7,342                   | 6,217                   | 6,487                   | 1,518                   | 30,219         |
| Regeneration, Skills & Major Projects | 5,389                   | 7,750                   | 0                       | 0                       | 0                       | 13,139         |
| Children's Services                   | 4,636                   | 395                     | 0                       | 0                       | 0                       | 5,031          |
| Adult Social Care & Housing           | 1,325                   | 2,325                   | 1,000                   | 1,000                   | 1,000                   | 6,650          |
| Resources & Support Services          | 800                     | 6,507                   | 2,607                   | 2,307                   | 1,757                   | 13,978         |
| <b>Total</b>                          | <b>20,805</b>           | <b>24,319</b>           | <b>9,824</b>            | <b>9,794</b>            | <b>4,275</b>            | <b>69,017</b>  |

|                    |               |               |               |               |              |                |
|--------------------|---------------|---------------|---------------|---------------|--------------|----------------|
| <b>Grand Total</b> | <b>79,841</b> | <b>44,291</b> | <b>12,455</b> | <b>10,403</b> | <b>4,409</b> | <b>151,399</b> |
|--------------------|---------------|---------------|---------------|---------------|--------------|----------------|

**Funded By**

| Financing                              | Budget 2013/14<br>£'000 | Budget 2014/15<br>£'000 | Budget 2015/16<br>£'000 | Budget 2016/17<br>£'000 | Budget 2017/18<br>£'000 | Total<br>£'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|----------------|
| <b>Grant</b>                           | 21,965                  | 16,689                  | 5,879                   | 5,445                   | 422                     | 50,400         |
| <b>Capital Receipts/RTB</b>            | 9,732                   | 23,020                  | 6,253                   | 16,050                  | 0                       | 55,055         |
| <b>Revenue</b>                         | 823                     | 2,401                   | 1,297                   | 563                     | 478                     | 5,562          |
| <b>Borrowing</b>                       | 44,943                  | 766                     | -1,309                  | -12,070                 | 2,420                   | 34,750         |
| <b>3<sup>rd</sup> Party (inc S106)</b> | 2,378                   | 1,415                   | 335                     | 415                     | 1,089                   | 5,632          |
| <b>Total</b>                           | <b>79,841</b>           | <b>44,291</b>           | <b>12,455</b>           | <b>10,403</b>           | <b>4,409</b>            | <b>151,399</b> |

**Funding**

The revenue budget for 2013/14 and the Medium Term Service and Resource Plans for 2014/15 and 2015/16 provide for the revenue consequences of the Council borrowing in support of capital expenditure where appropriate.



A desire to reduce the planned levels of external borrowing has been recognised within the funding arrangements for the Capital Programme. It is anticipated that all current and future capital receipts will be utilised, together with the Council's internal cash balances to fund the Capital Programme. However the decision on the timing of new borrowing will be driven by market factors, particularly movements in interest rates to provide overall value for money to the Council.

The Capital Programme assumes the following achievement of capital receipts:

- 2012/13 = £19.9M
- 2013/14 = £ 2.6M
- 2014/15 = £22.8M
- 2015/16 = £ 6.2M
- 2016/17 = £16.0M
- 2017/18 = £ Nil

This prudent assumption recognises the difficulty in accurately projecting the actual level of capital receipts over longer-term periods.

The £3m set aside in an earmarked revenue reserve for affordable housing and capital development in 2010/11 remains fully committed to support the provision of affordable homes in the Bath Western Riverside development.

### **Significant Elements of the Capital Programme**

#### **Bath Transportation Package**

**Fully Approved** - the scheme will expand all three of the council's existing P&R sites, improve variable message signs (including car park count systems being installed into the main city centre and car park and ride sites), environmental improvements in the city centre and improve the 9 major bus routes into the city with new bus stops, bus priority and real time information.

The scheme received Full Approval from Department of Transport on 11<sup>th</sup> July 2012 and delivery commenced in August 2012. The work at Odd Down Park and Ride completed prior to Christmas and Lansdown Park and Ride will open by end of March 2013. Ducting work for VMS has been installed and Bus stop improvements, signal upgrades and car park counts have commenced.

Total budgeted costs are £31.87M (including £1.530m for High Street improvements), funded by a maximum grant of £10.958m from DfT with the remainder funded by the Council and other local contributions.

#### **Highways Structural Maintenance**

The Highways Structural Maintenance budget is included for **Full Approval** at £4.330m funded wholly from direct government grants including the recently announced additional Highway Maintenance Funding of £663K to recognise deterioration due to adverse weather.

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.

### **Local Transport Improvement Schemes**

The Local Transport Improvement Schemes budget is included at £1.264m funded from government grant, section 106 contributions and other 3<sup>rd</sup> party contributions. It is included for **Provisional Approval** and is the subject of a separate report on the Agenda for the Council meeting on February 19<sup>th</sup> 2013, providing further details of the individual schemes for full approval.

The 2013/14 schemes will initially be subject to agreement with the Cabinet Member for Transport and will focus on supporting the Joint Local Transport Plan approved with our WoE partner authorities.

The focus is around 5 key transport goals of Reducing Carbon Emissions, supporting Economic Growth, Promoting Accessibility, contributing to better safety, security and health and finally improve quality of life & a healthy natural environment.

### **Victoria Bridge**

**Fully Approved** - capital funding of £2,587K is provided to design and install a permanent solution for Victoria Bridge. The approved solution is a refurbishment of the bridge involving its complete removal and reconstruction, with existing, retained members being refurbished, and new steel members added where required.

Ramps were installed in May 2012 and the route across the Bridge opened to the public in the same month, on a temporary basis. The route will be closed again when works on the permanent solution commence in 2013.

External engineers have been appointed to carry out the design, the work for which is on-going and is expected to be complete in Q2 2013. The work required to refurbish the Bridge is programmed to commence in Q3 2013 with completion currently envisaged in early 2014.

### **Haycombe Cemetery Florist / Cafe**

There is an aspiration to broaden the range of facilities available to our customers at Haycombe Cemetery, some of whom travel long distances to pay their respects to loved ones. An ambition is to provide a cafe for customers and also a florist concession so that customers can purchase floral tributes on site. It is anticipated that we would provide this over the next 3 years.

Included for **Provisional Approval**, there is a need to develop a business plan and a cost plan for this project and review them in light of other priorities for the business which include the provision of a new canopy for the Crematorium entrance and courtyard. Other key dependencies include public consultation, identification of suitable site locations for the concessions, consideration of who

should operate the concessions i.e. the Council or private operator and securing necessary planning permissions.

An indicative budget of £100k is included for provisional approval in 2013/14 subject to development of a detailed business case.

### **Cycle Routes**

For **Provisional Approval** - £500K to provide road cycle lanes, contra flows in one way streets and some off road cycle paths. The aim is to make cycling safer for adults and children so that more will take up cycling. This programme will complement the Local Sustainable Transport programme to increase commuter cycling, the new off road track at Odd Down, the Two Tunnels project opening in April 2013 and the Batheaston Bridge.

### **River Corridor Fund**

For **Provisional Approval** - £100K. This programme will consider schemes to improve river and river bank safety, improving walkways and facilities for those using boats. The Council will consider advice from the River Corridor group before deciding on the schemes to be funded.

### **Sydney Gardens**

This scheme for the restoration of Sydney Gardens, involves an application to the Heritage Lottery Fund under their Parks for People Programme. The scheme is split into 3 phases:

Round 1 Feasibility

Round 2 Development

Round 3 Implementation

A project budget of £500k is included for **Provisional Approval** subject to the development of a detailed project plan and funding confirmation from the Heritage Lottery Fund

### **Odd Down Playing Field**

Included for **Full Approval**, Odd Down Playing Field is funded by a £1.232m, S106 contribution from the Sainsbury's Supermarket development.

The playing fields are also to benefit from a significant regeneration project which will deliver a 1.5km cycling track (£600k funded by British Cycling) and the implementation of a scheme to deliver an artificial (3G) playing pitch and a new clubhouse and changing room facility.

The 2013/14 Capital Programme also includes a provisional Council funded budget of £200k, which it is proposed to be used for the provision of enhanced changing facilities on the site.

The project will be delivered in 3 phases; 1.5km cycling track by April 2013, the artificial pitch by January 2014 and the new clubhouse and facilities by September 2014.

### **Roman Baths Development – Phase 2**

For **Provisional Approval**, the second phase of the Roman Baths Development will include further on-going investment to maintain, refresh and update the 'visitor offer'; this includes new step-free access throughout the museum and improvements to the East Bath.

Works will be spread over a number of years to reflect phasing and timing to fit around seasonal demand for the attractions. The project will also work closely with the Council's financial planning team to avoid potential impacts on the Council VAT position.

### **Bath Western Riverside**

**Fully Approved**, the BWR development continues to progress. The current position is as follows:-

- The first 30 private residential units are now occupied or sold.
- 100 affordable homes are now occupied.
- Phase 2 occupation is due during 2013.
- The 2<sup>nd</sup> Phase of infrastructure procurement was commenced in November 2012.

### **Radstock Regeneration**

**Fully Approved** - the scheme has undergone a re-designed to take on board feedback from the community. A new planning application is now being prepared. The revised project budget is now £1,575K of which £800K is confirmed funding via an HCA grant..

### **Public Realm**

**For Provisional Approval** – £339K is included in the 13/14 capital programme for the improvement of streets and spaces within Bath.

### **Bath Quays South**

£650K is included for **Provisional Approval** for the design development up to planning submission for a new commercial premises on Bath Quays South to form part of the Corporate Estate. The design development work will only proceed once an agreement to lease the facility has been reached with a tenant. The formal approval for the full capital expenditure will be subject to a full business case.

## **Growth Enabling Infrastructure - Bath Quays Footbridge, Bath Flood Risk Management, BWR Relocation of Gas Holders, BWR Replacement of Destructor Bridge.**

### **For Provisional Approval –**

#### Flood Risk Management

Strategic Flood Mitigation Phase 1: to enable the development of key river corridor sites in the Bath City Riverside Enterprise Area

#### BWR Relocation of Gas Holders

Decommissioning and decontamination of the Windsor Gas Station: to enable removal of the HSE restriction on development at Bath Western Riverside and other sites in the Windsor Bridge area

#### BWR Replacement of Destructor Bridge

The construction of a new road and pedestrian bridge to replace the Destructor Bridge at BWR: to provide access to the BWR western site

#### Bath Quays Footbridge

The construction of a new pedestrian bridge over the River Avon linking Bath Quays South and Bath Quays North: to enable the former site to be brought forward for development

### **Schools Capital Investment**

Schools and Early Years capital grant funding for 2013/14 has not been confirmed by the Education Funding Agency (EFA). Indications are that allocations will remain at a similar level to 2012/13: £1.564m for Basic Need to support provision of additional pupil places where there is population growth: £2.403m for Capital Maintenance and an estimated £0.402m of Devolved Capital to schools.

Although indications from the DfE are that allocations will remain at a similar level it is possible that there will be a reduction in Capital Maintenance given that only one non church secondary school, Chew Valley, remains in the 'control' of the local authority. All others have opted to become academies thus removing the responsibility for maintenance at these schools from the Council.

Basic Need priorities will include provision of additional capacity at St Saviour's Junior, Oldfield Park Junior and Paulton Junior schools to reflect earlier expansions at St Saviour's Infants, Oldfield Park Infants and Paulton Infants which have previously been approved and are already in the approved capital programme. Feasibility studies will be undertaken to identify options and costs for providing additional accommodation at these junior schools.

Priority for Capital Maintenance funding will be to address the most pressing condition items in schools e.g. windows, roofs, boilers etc. through the Schools Planned Maintenance Programme (SCPM). However due a cautious approach to allocations in 2011/12 and 2012/13 it has been possible to fund the 2013/14 SCPM from within existing funding and £1m for this is already included in the capital programme for **Full Approval**. A detailed list of proposed priorities for this funding is attached at Annex 3(i).

Until the costs of the proposed basic need schemes above are identified it is not possible to identify whether DfE Basic Need funding for 2013/14 will be sufficient or whether it will be necessary to also contribute capital maintenance funding to these projects ensuring that the Council fulfils its statutory duty to provide sufficient school places.

Subject to confirmation of funding Officers will provide details of proposed projects and costs for initial consideration by the Cabinet Member for Early Years, Children and Youth.

In addition to planned future projects there are also several larger scale projects previously approved as part of the capital programme in various stages of development in primary and secondary schools, these include;

- Ralph Allen Applied Learning Centre and artificial turf pitch - focussing on science with a learning environment to provide students with access to high technology equipment and practices mirroring those available in professional laboratories and industrial settings - Construction underway with completion Aug 2013 - £2.4m
- St Gregory's /St Mark's Post 16 Block - new joint 6th form block on site adjacent to St Gregory's which will admit pupils from both St Gregory's and St Mark's. Construction underway with completion September 2013 - £2.375m
- Weston All Saints Primary –Basic Need - to provide additional classrooms in two phases enlarging the school to 630 places overall. Phase 1 to be completed for 2014 of providing one classroom as an extension to the recently completed junior block with the remaining 6 classrooms to be delivered as a separate block by September 2015. Design phase underway - £1.8m.
- Castle Primary – Basic Need - phase one to provide additional pupil places on a phased basis to provide a capacity of 420 from the current 210 places. This project will provide an additional 90 places by refurbishment of IT suite for September 2013 followed by construction of two classrooms for September 2014 - £800k
- Paulton Infants – Basic Need -to provide 90 pupil places to meet rising birth rate and housing development to be funded via BN(£590k) and S106(£260k). Project phasing will see the refurbishment of kitchen space for September 2013 and construction of two classrooms for September 2014 - £850k

## Schools Energy – Invest to Save Fund

For **Provisional Approval** - this project will provide financing for energy efficiency projects identified by schools. The funding is provided partly £290K by the schools forum from Dedicated Schools Grant funding. The remainder is funded by service supported borrowing. The sustainability team are working with schools to provide them with information to guide them into developing projects to be funded partly by the resource from the DSG and partly by service supported borrowing. The split between the two sources of funding will depend on the details of the projects.

The projects will be mainly changes to fabric of the school buildings in order to save energy costs and cannot start until the surveys in schools are completed as the sustainability team will need a full set of information in order to target the allocations.

The timing of the projects will be influenced by the desire of schools to complete work during holiday periods and by any linkages with other capital projects being completed by property services.

## Disabled Facilities Grant

For **Full Approval** of £1M in 2013/2014 - this is the annual mandatory grant service administered by Housing Services for eligible applicants that satisfy the criteria of firstly, a necessary and appropriate home adaptation to enable them access to and use of the their home, secondly, the required adaption being reasonable and practical, and thirdly, meet the requirements of a test of resources. The assessment of need is carried out by the Council's OT service.

The scheme allows an eligible applicant to continue to live independently in their own home by providing a stair lift, suitable washing facilities or other relevant home adaptations.

## Affordable Housing

Investment of £550k per annum in 2013/14 & 2014/15 is included for **Provisional Approval** subject to the provision of a detailed project plan and business case.

This provision is for supporting work on tackling empty homes, increasing the delivery of affordable housing and associated costs. Such provision will contribute towards attracting inward investment through the New Homes Bonus and help achieve aims within the Council's Core Strategy and the Housing and Well-being Strategy. Political and Corporate approval will be sought for each spending proposal to ensure value for money and purpose of outcome.

## Gypsy and Travellers Site

A capital budget provision has been made for up to £1.8m across 2012/13 – 2014/15 to provide a 14 pitch transit site for Gypsy & Travellers. This scheme is included in the capital programme for **Provisional Approval** subject to detailed project plans being submitted once appropriate sites are located through the planning process.

The Gypsy & Traveller Accommodation Assessment 2007, which covers the period up to 2016, identified a need for 22 residential pitches & 20 transit pitches. This is currently being updated. The provision of a 14 pitch site will make a significant impact in meeting need.

## Workplaces Programme including Keynsham Regeneration

**Fully Approved** - the workplaces programme incorporates the entirety of the Council's office accommodation and rationalisation, better customer access, flexible working, carbon savings, supporting joining up public services including shared front office with key partners, substantial efficiencies (both cashable and non-cashable) and acts as a catalyst for regeneration.

The scheme includes:

- The Keynsham regeneration scheme to include Keynsham offices, retail, one stop shop, and library received planning consent last autumn. Demolition works of the former Keynsham Town hall, Library and retail shops is well underway. The new build is on programme and budget to open in the autumn of 2014.
- The main refurbishment of the corporate offices in Lewis House, Bath and the Hollies Midsomer Norton is now completed, with minor related projects nearing completion.

The workplaces programme is set to achieve a return of over 10% (after capital financing costs) and involves a total capital cost of £32M in future years (2013/14 onwards) of which £28m relates to Keynsham

## Victoria Hall

**Fully Approved** – subject to a cost & project plan, the objective is to bring Victoria Hall back to a safe and usable condition so that it can become a community space.

Until Feb 2012 the Hall was used as a community facility and an administrative base for Radstock Town Council. The building is in disrepair and officers were asked to carry out a feasibility study for a developed mixed use community, meeting and exhibition space with scope for locating the library into the building.

The Cabinet have approved continuing with this scheme.

The next steps will be to complete a business plan for the asset which includes the relocation of the town library. Sources of external funding such as grants will be further explored. A view will need to be taken to determine how best to



maximise the financial return from the caretaker's house to facilitate the development. It is currently estimated that works will be completed by the end of the 2013/14 financial year.

### **Specific Developments for Full Approval – Saw Close and MSN South Road Car Park**

#### Saw Close

The Saw Close site has been identified as a development possibility since the early 1990s. Property Services are currently in discussions with a local developer and adjoining landowner (the prospective developer) with the aim of achieving the best value deal possible for the Council in terms of capital generation and if possible maintaining revenue. This should also result in bringing a much neglected space back into full use and improving the public realm.

Negotiations with the prospective developer have progressed to the point that it is anticipated that the Council can reasonably expect to receive a capital receipt and appropriate costs associated with the disposal can be charged to the Capital Programme.

#### Midsomer Norton South Road Car Park

The overall objective is to bring forward this key Council freehold site for redevelopment in line with the draft Core Strategy and ERDP for Midsomer Norton.

In national planning terms South Road car park as an in-town location is sequentially the preferred site for food retail in the Somer Valley, supporting the role of Midsomer Norton as the market town for the area serving 46,000 people.

The location would provide increased footfall, together with linked shopping trips to the existing High Street. This will enhance the retail offering and contribute to the town's vitality and future viability and hopefully, stimulate further investment and regeneration.

## Specific Developments for Provisional Approval – Grand Parade & Undercroft and Riverside Keynsham

### Grand Parade & Undercroft

The key objectives for this development will include:

- Creation of a new fully accessible destination point for tourism and business within the City
- Bringing redundant space back into use for community and commercial benefit
- Enhancing the Bath Markets, as well as the museum and art gallery
- Increasing revenue income

The timeline will compliment the Workplaces Programme (due for completion in the autumn of 2014) with the assessment of development opportunities to include the Grand Parade and Undercroft, including Bath Markets, Victoria Art Gallery and the Colonnades.

Other potential linked development opportunities might include restoration of Pulteney Bridge, developing the Boat Dock, improving the Environment Agency (EA) radial gate and re-developing Bog Island.

The assessment will deliver a development specification that is based on the Council's priorities and objectives. This specification will then be used as an Invitation to Tender for suitably experienced developers, and a recommendation will be made to the Cabinet on appointing a developer(s).

### Riverside Keynsham

This project is part of the overall Keynsham Regeneration scheme. Options and negotiations for the redevelopment of the Riverside building are continuing.

Ideas are being explored for a range of uses for the site and particularly housing, including town houses and retirement living for older people. There will be consultation with the community in the autumn of 2013 before any decision on the future of the site.

For this first phase, there are three options for the development scheme which are in part dependent upon the negotiations and will of the intermediary landlord of Riverside. The fees and costs involved vary depending on the option pursued. A more detailed business case will be brought back through the capital approval process following the consultation period.

## **Desktop As a Service – VDI Technology**

For **Provisional Approval** – provides a virtualised desktop that meets the needs of WorkPlaces which will be deployed enterprise wide. Subsequently the virtual desktop will be available on almost any device with an internet connection, including personal devices.

Timescale – pilot 2012; gatekeeping sign off to deploy March 2013; completes Q3 2014 with indicative cost of £1.88M

Likely key deliverables include:

- thin client desktop in the office,
- virtual desktop at home, in the field/mobile,
- desktop available on almost any device including your own,
- reduced support costs
- lower carbon

### **Customer Services System**

**Fully Approved** - this is a critical corporate system underpinning the whole Customer Service Work stream. It is the key enabler for new ways of working and significant benefits realisation across the organisation through standardisation and use of systems, greater automation reducing manual processes and increasing information flow as well as online capability.

Contracts were signed in 2012/2013 development is now underway. Supplier payment milestones have been agreed and have now been reflected in capital profiling.

### **ICT Strategy**

The IT Strategy consists of the following project streams which are included for **Provisional Approval**:

Pilots to Rollout Mobile Devices - such as Smartphones, ruggedized devices and small form factor tablets to field workers to improve productivity and multi-disciplinary workers. Approximately 300 field devices to be available to field based and mobile staff so that records can be accessed and updated when out and about enabling operational efficiencies in areas such as on-street presence, enforcement and on street reporting. Increases productivity for social workers, other case workers e.g. benefits workers - more visits per week, less dead travel time.

Open Source - investigate with a view to moving from a traditional licenced desktop to using open source desktop software to reduce annual licensing costs. In whole or in part.

Collaboration - The ability to collaborate effectively internally and with other agencies on cases e.g. Connecting Families, collaboration with partners e.g. CCG, Police, Health, DWP, Curo/RSL's etc and internally. This will build on technology the Council already owns.

These projects are subject to a pilot / feasibility leading to the production of a business case to support wider implementation.

## **People & Communities – IT System Replacement**

For **Provisional Approval** and indicative budget of £1m phased between 2014/15 to 2016/17.

People and Communities currently have 3 main IT systems in use and other smaller applications. Each system does slightly different things and holds different parts of a record. The information is used by different staff for different purposes from reporting on attendance to care plans. The intention is to look to rationalise these and other applications in P&C to deliver better data integration, ease of use (less systems to learn) and a reduction in the costs. The new solution will fit with desktop as a service, support and enhance mobile working, increase staff productivity, embrace media rich functionality and have fully integrated reporting. A strategic review is underway and a full business case will be produced with a supporting cost benefit analysis.

The timescale will align to the strategic review of ICT needs during 2012/13 leading to the development of a business case in 2013 with a target for deployment during 2014.

## **Biomass Energy Efficiency Fund**

For **Provisional Approval** - £500K over two years to fund the installation of Biomass boilers on the basis that the capital cost can be repaid by those participating through their energy savings over a period of time.

## **Minimum Revenue Provision (MRP) & Depreciation 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 & Depreciation Policy in advance each year. The Council is recommended to approve the statement in Annex 4 which is unchanged from that agreed in 2008/2009 and defines how the Council will make a prudent minimum revenue provision for all new unsupported borrowing from 1<sup>st</sup> April 2008.

**Prudential Indicators**

The Capital Prudential Indicators are shown in table 7 below.

**Table 7: Capital Prudential Indicators.**

| <b>PRUDENTIAL INDICATOR</b>   | <b>2011/12<br/>Actual</b> | <b>2012/13<br/>Probable<br/>Outturn</b> | <b>2013/14</b> | <b>2014/15</b> | <b>2015/16</b> |
|---|---------------------------|---|----------------|----------------|----------------|
| <b>Current Financial Plan<br/>Data</b>  |                           |   |                |                |                |
| <b>Estimate of Capital Expenditure (£'000s)</b>   |                           |   |                |                |                |
| Actual/estimates of capital expenditure   | 45,838                    | 55,665                                  | 79,841         | 44,291         | 12,455         |
| <b>Net Increase in council tax (band D per annum) Figures in £'s (not £'000's)</b>            |                           |   |                |                |                |
| The estimate of incremental impact of the new capital investment decisions on the council tax |                           |   | £0.29          | £2.25          | £0.33          |
| Cumulative totals:  |                           |   | £0.29          | £2.54          | £2.87          |
| <b>Capital Financing as % of Net Revenue Stream</b>   |                           |   |                |                |                |
| Actual/estimates of the ratio of financing costs to net revenue stream                        |                           |   | 8.34%          | 10.20%         | 10.31%         |
| <i>Memo: estimates of the ratio of financing cost to gross revenue stream</i>                 |                           |   | 3.13%          | 3.74%          | 3.68%          |
| <b>Borrowing Limits (£m)</b>  |                           |   |                |                |                |
| Operational boundary – borrowing  |                           |   | £167m          | £156m          | £159m          |
| Operational boundary – other long-term liabilities  |                           |   | £2m            | £2m            | £2m            |
| <b>Operational boundary - total</b>   |                           |   | <b>£169m</b>   | <b>£158m</b>   | <b>£161m</b>   |
| Authorised limit - borrowing  |                           |   | £201m          | £196m          | £193m          |
| Authorised limit – other long-term liabilities  |                           |   | £2m            | £2m            | £2m            |
| <b>Authorised limit - total</b>   |                           |   | <b>£203m</b>   | <b>£198m</b>   | <b>£195m</b>   |
| <b>Capital Financing Requirement (£'000s) (as at 31 March)</b>                                |                           |   |                |                |                |
| Actual/estimate of capital financing requirement  | 136,134                   | 161,050                                 | 201,211        | 195,588        | 193,269        |

**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 without the additional headroom for unusual cash movements. This level also factors in the proposed use of the Council's longer term cash flow balances to "internally" meet the financing requirements for the Keynsham Town Centre Regeneration project, subject to overall treasury management decisions.

## Section 4 – Revenue & Capital Reserves and Contingencies

### A) Significant Earmarked Reserves

In developing the proposed Budget for 2013/2014 all the Council's earmarked reserves have been reviewed and the related potential liabilities re-assessed to establish the future requirements for each of the reserves. The reserves were allocated to one of three categories:-

- RED – Reserve is required to meet known future liabilities or commitments.
- AMBER – Reserve is required to meet anticipated future liabilities or commitments.
- GREEN – Reserve is no longer required – the liability or commitment no longer exists or can be met in other ways.

This review has identified a number of reserves that need to be maintained in the Red or Amber categories and also a number of reserves falling into the Green category which, can now be considered for alternative uses. The proposals for significant earmarked reserves will therefore be as follows:-

The Revenue Budget Contingency – the reserve has been utilised during 2012/13 to meet a range of in-year pressures and priorities and is anticipated to stand at £491K for 2013/14. This reserve will continue to be made available to meet in-year revenue budget pressures.

The Medium Term Financial Challenge Reserve – the Council continues to develop and progress a significant change programme both to redesign and reshape a range of services to recognise the future shape of the Council. A number of the specific changes are also progressing to respond to the initiatives imposed by the Government including the responsibilities for public health, changes in health and social care commissioning and the impacts of academy schools.

All these changes will require on-going investment in terms of financial and human resources to develop implement and embed them within the organisation.

Subject to the overall limits of the reserve, it may also be utilised to provide one-off resources in support of the delivery of the specific savings plans set out in the MTSRP's subject to an overall business case and project plan.

This reserve will meet the costs associated with these changes and is fully committed. Based on current estimates, the reserve will be fully utilised by the end of 2014/2015.

The Restructuring Reserve – the significant financial challenge facing the Council has and will continue to lead to job losses as savings and efficiencies are delivered. The MTSRP's indicate that around 300 posts will be lost as a result including through redundancy. The associated severance costs will be significant, and based upon experience to date, it is proposed that this reserve will be available to meet these costs in full, avoiding the need for subsequent additional service savings purely to pay such severance costs. This approach will be regularly reviewed to ensure it is being applied appropriately. The reserve is projected to be fully utilised by the end of 2015/2016.

The Affordable Housing Reserve – this reserve is committed to fund the Council's contribution to affordable housing including within the Bath Western Riverside development.

Capital to Revenue Reversion Reserve – this reserve was established to recognise the potential for capital costs in respect of Bath Transport Package reverting to revenue in the event the scheme did not gain Department of Transport funding. This funding has now been confirmed and the scheme is progressing. This reserve is therefore no longer required and will be fully available for reallocation to other priorities.

Capital Financing Reserve – this reserve represents funding accumulated to finance the revenue borrowing costs of capital projects, where actual borrowing is delayed based on market conditions and historic use of the Council's internal cash flow. The reserve would then be applied to meet future borrowing costs. The current financial climate and market expectations for prolonged very low interest rates, together with the strategy to fund capital projects from Capital Receipts and internal cash flow indicate this reserve will not be needed over the period of the proposed 5 year Capital Programme. It is therefore reasonable to make the current balance of the reserve available for reallocation to other priorities.

Financial Planning Reserve – this reserve has been established to support the future medium term financial planning of the Council. It will be allocated as part of the Budget each year to support the specific medium term financial proposals and priorities of the Council. Funding for this reserve has been provided from the review of all Council reserves set out above, and any surplus on the Council Tax Collection Fund.

Table 8 below, sets out the projected level of earmarked reserves taking account of anticipated commitments over the next 3 years to 2015/2016. This reflects the review of reserves including reallocations during 2013/2014 to support One-Off Headroom Allocations and the establishment of the Medium Term Financial Planning Reserve. All other Earmarked Reserves are anticipated to be fully committed with the allocation of available Revenue Budget Contingency subject to new and emerging priorities.



Table 8: Projected Significant Earmarked Reserves

|                                     | Revenue Budget Contingency<br>£000 | Medium Term Financial Challenge Reserve<br>£000 | Restructuring Reserve<br>£000 | Affordable Housing Reserve | Capital to Revenue Reversion Reserve<br>£000 | Capital Financing Reserve<br>£000 | Financial Planning Reserve |
|-------------------------------------|------------------------------------|---|-------------------------------|----------------------------|--|-----------------------------------|----------------------------|
| Currently Available                 | 491                                | 2,651   | 5,598                         | 3,000                      | 2,755  | 2,799                             | 0                          |
| Transfers between Reserves          |                                    |   |                               |                            | -2,755                                       | -2,799                            | 6,395 *                    |
| Estimated Reserves @ 1st April 2013 | 491                                | 2,651   | 5,598                         | 3,000                      | 0  | 0                                 | 6,395                      |
| Allocation in 2013/2014             | 0                                  | -1,691  | -1,742                        | -                          | -  | -                                 | -3,815                     |
| Balance C/F                         | 491                                | 960   | 3,856                         | 3,000                      | -  | -                                 | 2,580                      |
| Allocation in 2014/2015             | 0                                  | -960  | -1,372                        | -1,778                     | -  | -                                 | TBC                        |
| Balance C/F                         | 491                                | 0   | 2,484                         | 1,222                      | -  | -                                 |                            |
| Allocation in 2015/2016             | 0                                  | -   | -2,484                        | -819                       | -  | -                                 | TBC                        |
| Balance C/F                         | 491                                | Nil   | Nil                           | 403                        | -  | -                                 | Nil (est)                  |

\*Includes balances from other small discontinued reserves and projected surplus from the Council Tax Collection Fund.

## **B) Unearmarked Revenue Reserves -**

The Local Government Act 2003 contains a duty on the statutory finance officer (s151 Officer) to report to the Council, at the time the budget is considered and the Council Tax set, on the robustness of the budget estimates and the adequacy of financial reserves. The report of the s151 Officer on this subject is included as **Annex 2** to this report and is recommended to the Council. The conditions of the report by the Divisional Director - Finance are an integral part of our budget recommendations. This sets an unearmarked reserves target of £10.5 million based on the thorough risk assessment and in the context of the "one-off" funding proposals contained within this Budget proposal.

Table 9 below details the proposed movement in the level of unearmarked reserves over the period of the medium term service and resource plans. This analysis includes the proposed use of reserves to support invest to save proposals included within the Budget, specifically:

- The Workplaces Project – requires total cumulative revenue investment of £2.8m over the period to 31 March 2015 with reserves fully repaid by 2021/2022 and on-going revenue savings thereafter of over 10%.

This actual level of unearmarked reserves will also depend on the Outturn position for 2012/2013 and on future decisions by the Cabinet about any overspends. For financial planning purposes the Outturn estimate for 2011/2012 is assumed to be a balanced position. The figures are therefore only an estimate at this stage and are without prejudice to future Cabinet decisions.

## **C) Adequacy of reserves**

The s151 officer's report on the robustness of estimates and adequacy of reserves is set out at Annex 2. This provides a reserves strategy to maintain non-earmarked General Fund reserves at £10.5m based on a thorough risk assessment. The projected reserve levels are set out in Table 9 below.

**Table 9: Projected Non-Earmarked Revenue Reserves**

|  | <b>2013/14<br/>£'000</b> | <b>2014/15<br/>£'000</b> | <b>2015/16<br/>£'000</b> |
|--|--------------------------|--------------------------|--------------------------|
| <b>Estimated Reserves @ 1st April each year</b>  | <b>9,741</b>             | <b>8,844</b>             | <b>7,728</b>             |
| 2011/2012 Projected Outturn Underspensing        | -                        | -                        | -                        |
| Projected Invest to Save Movements               | -897                     | -1,116                   | +134                     |
| <b>Estimated Reserves @ 31st March each year</b> | <b>8,844</b>             | <b>7,728</b>             | <b>7,862</b>             |

Based on anticipated invest to save commitments mainly associated with the Workplaces project, the Non-Earmarked Reserves will be repaid in full by 2021/2022 and at no point will reduce below the risk assessed minimum level of £6M.

Under the Council's Invest to Save Scheme, the Section 151 Officer in consultation with the Cabinet Member for Community Resources, can authorise funding from within the non-earmarked reserve for robust and credible invest to save proposals (i.e. in the short term creating a 'negative ear-marked reserve' which is then repaid over time, usually 3 years, from the related savings). This is subject to the overall level of non-earmarked reserves being maintained above the risk assessed minimum level of £6M.

#### **D) Capital Risk Contingency**

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

Firstly individual major projects within the capital programme hold their own contingency;

Secondly, the capital programme includes a funded corporate risk contingency currently forecast to be £2.144m. This includes a £1.5m top up in 2013/14. The level of this contingency will be reviewed regularly.

Thirdly 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.

**E) Governance**

The Council is requested to approve that the specific arrangements for the governance and release of Council reserves, including invest to save proposals, be delegated to the Council's Section 151 Officer in consultation with the Cabinet Member for Community Resources and the Chief Executive.

## Section 5 – Council Tax

This section shows the implications of the recommended revenue budget for Council Tax levels for 2013/2014.

The financial settlement included an announcement of financial support for councils who freeze their Council Tax for next year at the current level (i.e. a zero increase). The proposed Budget provides for a zero increase in Council Tax for 2013/2014. **Table 10** explains the calculation of this figure:

**Table 10: Council Tax 2013/14 for Bath & North East Somerset Council Services**

| Description   | Amount           | Comments   |
|---|------------------|--|
| Recommended Net Revenue Budget  | £123,534k        | See Annex 1  |
| Less grant, retained business rates, reserves and estimate of Collection Fund surplus | £52,192k         | See Annex 1 Sources of Funding                       |
| <b>To be funded by Council Tax</b>  | <b>£71,342k</b>  |  |
| Tax base (Band D properties equivalent)   | 59,360.17        | Approved by the Section 151 Officer in December 2012 |
| <b>Recommended Council Tax at Band D for 2013/14</b>                                  | <b>£1,201.85</b> |  |
| 2012/13 Council Tax Band D  | £1,201.85        |  |
| <b>Recommended Increase</b>   | <b>£0.00</b>     | <b>0% increase</b>                                   |

***The figures above exclude parish, fire and police precepts.***

This Council collects Council Tax on the behalf of the parishes, Fire and Police Authorities and the final bills issued will include the Council Tax they have requested this Council to collect. These will form part of the Council's overall budget-setting resolution.

The Police & Crime Commissioner provided an updated draft of the Medium Term Financial Plan to the Avon & Somerset Police and Crime Panel on 16<sup>th</sup> January 2013. This update included the intention to freeze Council Tax for 2013/14. Final formal approval will be sought on 6<sup>th</sup> February 2013.

The Avon Fire Authority at its meeting on 14<sup>th</sup> December 2012 agreed to consult on the following three budget options:

- Option 1 – a Council Tax Freeze
- Option 2 – 1.99% Council Tax Increase
- Option 3 – 8.92% Council Tax Increase (Council Tax equating to the average for combined Fire Authorities in 2012/13)

The Fire Authority will meet on 8<sup>th</sup> February 2013 to finalise its budget and set its Council Tax and precepts for 2013/2014.

The headline increase will be affected by the final decisions of the parishes, Fire and Police Authorities, and any decision made concerning special expenses

(see below). Final figures will not be available until after Fire and Police meetings and decision dates highlighted above.

Table 11 sets out the composite Council Tax likely to be charged:

**Table 11: Potential Total Council Tax 2013/14 (Band D)**

| <b>Council Tax charges (Band D) made by</b> | <b>Charge made now 2012/13 £</b> | <b>Proposed Charge 2013/14 £</b> | <b>% Change</b>   |
|---|----------------------------------|----------------------------------|---|
| Bath and North East Somerset Council        | 1,201.85                         | 1,201.85                         | 0% (£0.00 at Band D)  |
| Avon and Somerset Police                    | 168.03                           | TBC                              | Final Decision to be taken on 6 <sup>th</sup> February 2013.  |
| Avon Fire & Rescue                          | 62.77                            | TBC                              | Final decision to be taken on 8 <sup>th</sup> February 2013   |
| <b>Total excluding parishes</b>             | <b>1,432.65</b>                  | <b>TBC</b>                       |   |
| Parishes (average)                          | 33.62                            | TBC                              | Not known at time of writing  |
| <b>Total</b>                                | <b>1,466.27</b>                  | <b>TBC</b>                       | <b>The 2013/14 figure will depend on decisions taken by the Police, Fire and Parish/Town Councils</b> |

The precepts required by Parishes, Fire and Police will form part of the Council Tax setting resolution at Council on 19th February 2013, and so the necessary updated information will be set out in the report.

### **Special Expenses**

As part of the 2012/2013 Budget preparation process no special expenses were declared (with the exception of Parish and Town Council precepts). It is proposed that this policy remains unchanged for the 2013/2014 budget.

Portfolio Cash Limits 2013/14 - Revenue Budgets

APPENDIX 2 ANNEX 1

| CABINET PORTFOLIO                        | Service   | Current 2012/13 Cash Limits |               | Removal of One-offs (including one-offs in 2012/13) | 2013/14 Base Budget |              | MTRSPP Growth  | MTRSPP Savings | Technical Adjustments | Total 2013/14 Budget Changes | 2013/14 Proposed Budget |       |
|--|---|-----------------------------|---------------|---|---------------------|--------------|----------------|----------------|-----------------------|------------------------------|-------------------------|-------|
|  |   | £'000                       | £'000         |   | £'000               | £'000        |                |                |                       |                              | £'000                   | £'000 |
|  | Policy & Partnerships   | 1,530                       | 1,530         |   | 1,530               | 11           | (60)           |                |                       | (49)                         | 1,481                   |       |
|  | Transformation Service  | 738                         | 738           |   | 738                 |              | (100)          |                |                       | (100)                        | 638                     |       |
| <b>Leader</b>                            | Councils Retained ICT Budgets   | (1,507)                     | (1,507)       |   | (1,507)             | 366          | (350)          |                |                       | 16                           | (1,491)                 |       |
|  | Council Solicitor & Democratic Services   | 1,969                       | 1,969         |   | 1,969               | 29           | (110)          |                |                       | (81)                         | 1,888                   |       |
|  | Improvement & Performance   | 2,616                       | 2,616         | (80)  | 2,536               | 24           | (40)           |                |                       | (16)                         | 2,520                   |       |
|  | <b>PORTFOLIO SUB TOTAL</b>  | <b>5,346</b>                | <b>5,346</b>  | <b>(80)</b>   | <b>5,266</b>        | <b>430</b>   | <b>(660)</b>   |                |                       | <b>(230)</b>                 | <b>5,036</b>            |       |
|  | Finance   | 1,706                       | 1,706         |   | 1,706               | 236          | (73)           |                |                       | 163                          | 1,869                   |       |
|  | Support Services Change Programme   | 96                          | 96            |   | 96                  |              | (100)          |                |                       | (100)                        | (4)                     |       |
|  | Customer Services   | 2,695                       | 2,695         |   | 2,695               | 317          | (162)          |                |                       | 155                          | 2,850                   |       |
|  | Risk & Assurance Services   | 1,222                       | 1,222         | (125)   | 1,097               | 10           |                |                |                       | 10                           | 1,107                   |       |
|  | Property Services   | 684                         | 684           | (197)   | 486                 | 36           | (377)          |                |                       | (341)                        | 145                     |       |
|  | Corporate Estate Including R&M  | 5,977                       | 5,977         | 541   | 6,518               | 138          | (373)          |                |                       | (235)                        | 6,283                   |       |
|  | Commercial Estate   | (12,730)                    | (12,730)      | (219)   | (12,949)            |              | (550)          |                |                       | (550)                        | (13,499)                |       |
|  | Traded Services   | (49)                        | (49)          |   | (49)                |              | (35)           |                |                       | (35)                         | (84)                    |       |
|  | Strategic Director  | 176                         | 176           |   | 176                 |              | (250)          |                |                       | (250)                        | (74)                    |       |
| <b>Community Resources</b>               | Corporate items (Tourism Levy, Trading Opps, Community Use of Assets & Corporate Travel Plan) |                             |               |   |                     |              | (500)          |                |                       | (500)                        | (500)                   |       |
|  | Hsg./ Council Tax Benefits Subsidy  | 305                         | 305           |   | 305                 |              |                |                |                       |                              | 305                     |       |
|  | Capital Financing / Interest  | 6,118                       | 6,118         |   | 6,118               |              | (1,400)        |                |                       | (1,400)                      | 4,718                   |       |
|  | Unfunded Pensions   | 1,709                       | 1,709         |   | 1,709               |              |                |                |                       |                              | 1,709                   |       |
|  | Corporate Budgets incl. Capital, Audit & Bank Charges   | 3,494                       | 3,494         | (199)   | 3,295               | 500          | (300)          |                |                       | (495)                        | 2,800                   |       |
|  | Academies (LACSEG) Provision  |                             |               | 1,500   | 1,500               |              | (170)          |                |                       | (1,330)                      | (1,500)                 |       |
|  | New Homes Bonus Grant   | (1,218)                     | (1,218)       |   | (1,218)             |              | (759)          |                |                       | (759)                        | (1,977)                 |       |
|  | Magistrates   | 17                          | 17            |   | 17                  |              |                |                |                       |                              | 17                      |       |
|  | Coroners  | 305                         | 305           |   | 305                 |              |                |                |                       |                              | 305                     |       |
|  | Environment Agency  | 205                         | 205           |   | 205                 |              |                |                |                       |                              | 205                     |       |
|  | <b>PORTFOLIO SUB TOTAL</b>  | <b>10,711</b>               | <b>10,711</b> | <b>1,301</b>  | <b>12,012</b>       | <b>1,237</b> | <b>(5,049)</b> |                |                       | <b>(5,837)</b>               | <b>6,175</b>            |       |
| <b>Wellbeing</b>                         | Adult Substance Misuse (Drug Action Team)   | 55,438                      | 55,438        | (4,687)   | 50,750              | 3,134        | (1,727)        |                |                       | 3,537                        | 55,694                  |       |
|  | Employment Development  | 598                         | 598           |   | 598                 |              | (50)           |                |                       | (50)                         | 548                     |       |
|  | <b>PORTFOLIO SUB TOTAL</b>  | <b>56,036</b>               | <b>56,036</b> | <b>(4,687)</b>                                      | <b>51,349</b>       | <b>3,134</b> | <b>(1,777)</b> |                |                       | <b>3,537</b>                 | <b>56,243</b>           |       |
| <b>Early Years, Children &amp; Youth</b> | Children, Young People & Families   | 11,511                      | 11,511        |   | 11,511              | 350          | (112)          |                |                       | 5,824                        | 17,333                  |       |
|  | Learning & Inclusion  | 19,655                      | 19,655        | (36)  | 19,619              | 45           | (335)          |                |                       | (2,368)                      | 17,251                  |       |
|  | Health, Commissioning & Planning  | (113,358)                   | (113,358)     | (90)  | (113,448)           | 268          | (449)          |                |                       | (181)                        | (113,628)               |       |
|  | Schools Budget  | 107,887                     | 107,887       | (4,390)   | 103,498             |              |                |                |                       |                              | 103,498                 |       |
|  | <b>PORTFOLIO SUB TOTAL</b>  | <b>25,696</b>               | <b>25,696</b> | <b>(4,515)</b>                                      | <b>21,181</b>       | <b>663</b>   | <b>(895)</b>   |                |                       | <b>3,506</b>                 | <b>24,455</b>           |       |

**Portfolio Cash Limits 2013/14 - Revenue Budgets**

**APPENDIX 2 ANNEX 1**

| CABINET PORTFOLIO       | Service  | Current 2012/13 Cash Limits |                | Removal of One-offs (including one-offs in 2012/13) | 2013/14 Base Budget |              | MTRSPP Growth   | MTRSPP Savings | Technical Adjustments | Total 2013/14 Budget Changes | 2013/14 Proposed Budget |       |
|-------------------------|--|-----------------------------|----------------|---|---------------------|--------------|-----------------|----------------|-----------------------|------------------------------|-------------------------|-------|
|                         |  | £'000                       | £'000          |   | £'000               | £'000        |                 |                |                       |                              | £'000                   | £'000 |
| Homes & Planning        | Planning Services                                |                             | 2,283          | (611)   | 1,672               | 877          | (147)           |                | 730                   |                              | 2,402                   |       |
|                         | Building Control & Land Charges                  |                             | 102            |   | 102                 | 9            | (18)            |                | (9)                   |                              | 93                      |       |
|                         | Housing  |                             | 2,179          |   | 2,179               | 14           | (59)            |                | (45)                  |                              | 2,134                   |       |
|                         | <b>PORTFOLIO SUB TOTAL</b>                       |                             | <b>4,564</b>   | <b>(611)</b>  | <b>3,953</b>        | <b>900</b>   | <b>(224)</b>    |                | <b>676</b>            |                              | <b>4,629</b>            |       |
| Sustainable Development | Arts   |                             | 519            | (11)  | 508                 | 14           | ( )             |                | 13                    |                              | 521                     |       |
|                         | Tourism & Destination Management                 |                             | 1,002          | (80)  | 922                 | 89           | (201)           |                | (111)                 |                              | 811                     |       |
|                         | Heritage including Archives                      |                             | (3,795)        |   | (3,795)             |              | (259)           |                | (259)                 |                              | (4,054)                 |       |
|                         | Major Projects Support                           |                             | 571            |   | 571                 | 17           | (125)           |                | (108)                 |                              | 463                     |       |
| Neighbourhoods          | Regeneration, Skills & Employment                |                             | 921            |   | 921                 | 7            | (87)            |                | (80)                  |                              | 841                     |       |
|                         | <b>PORTFOLIO SUB TOTAL</b>                       |                             | <b>(782)</b>   | <b>(91)</b>   | <b>(673)</b>        | <b>127</b>   | <b>(672)</b>    |                | <b>(545)</b>          |                              | <b>(1,418)</b>          |       |
|                         | Service Delivery - Overheads                     |                             | 928            |   | 928                 | 78           | (98)            |                | (20)                  |                              | 908                     |       |
|                         | Waste Services                                   |                             | 10,918         |   | 10,918              | 617          | (623)           |                | (6)                   |                              | 10,913                  |       |
| Transport               | Public Protection                                |                             | 1,028          |   | 1,028               | 31           | (326)           |                | (295)                 |                              | 733                     |       |
|                         | Neighbourhood Services                           |                             | 5,306          | (10)  | 5,296               | 173          | (240)           |                | (67)                  |                              | 5,229                   |       |
|                         | Libraries & Information                          |                             | 2,468          | (103)   | 2,365               | 45           | (246)           |                | (201)                 |                              | 2,164                   |       |
|                         | Sports & Active Leisure                          |                             | 996            | (44)  | 953                 | 12           | (103)           |                | (90)                  |                              | 862                     |       |
| Transport               | Community Safety                                 |                             | 149            |   | 149                 |              |                 |                |                       |                              | 149                     |       |
|                         | <b>PORTFOLIO SUB TOTAL</b>                       |                             | <b>21,793</b>  | <b>(156)</b>  | <b>21,637</b>       | <b>956</b>   | <b>(1,636)</b>  |                | <b>(680)</b>          |                              | <b>20,957</b>           |       |
|                         | Transport Design & Projects                      |                             | 842            | 69  | 911                 | 7            | (1)             |                | 6                     |                              | 917                     |       |
|                         | Transportation Planning (incl. Public Transport) |                             | 5,984          | (43)  | 5,942               | 94           | (213)           |                | (119)                 |                              | 5,823                   |       |
| Transport               | Park & Ride                                      |                             | (684)          |   | (684)               | 3            |                 |                | 3                     |                              | (681)                   |       |
|                         | Highways - Network Maintenance                   |                             | 7,439          | (69)  | 7,370               | 318          | (90)            |                | 354                   |                              | 7,724                   |       |
|                         | Transport Services                               |                             | (46)           |   | (46)                | 23           | (122)           |                | (99)                  |                              | (145)                   |       |
|                         | Parking Services                                 |                             | (7,131)        | (23)  | (7,153)             | 1,264        | (291)           |                | 973                   |                              | (6,181)                 |       |
| NET BUDGET              | <b>PORTFOLIO SUB TOTAL</b>                       |                             | <b>6,404</b>   | <b>(65)</b>   | <b>6,339</b>        | <b>1,709</b> | <b>(717)</b>    |                | <b>1,118</b>          |                              | <b>7,457</b>            |       |
|                         | <b>NET BUDGET</b>                                |                             | <b>129,770</b> | <b>(8,905)</b>                                      | <b>120,865</b>      | <b>9,156</b> | <b>(11,630)</b> |                | <b>5,144</b>          |                              | <b>123,534</b>          |       |

**Sources of Funding**

|  |                |  |                |  |                |  |  |  |  |              |                |
|--|----------------|--|----------------|--|----------------|--|--|--|--|--------------|----------------|
| Council Tax                                | 77,447         |  |                |  | 77,447         |  |  |  |  |              | 71,342         |
| Revenue Support Grant*                     | 39,545         |  |                |  | 39,545         |  |  |  |  | (6,105)      | 31,107         |
| Retained Business Rates                    |                |  |                |  |                |  |  |  |  | (8,439)      | 20,262         |
| Collection Fund Deficit (-) or Surplus (+) | 422            |  | (422)          |  |                |  |  |  |  | 20,262       | 168            |
| Council Tax Freeze Grant                   | 3,872          |  |                |  | 3,872          |  |  |  |  | (3,132)      | 740            |
| Balances                                   | 8,483          |  | (8,483)        |  |                |  |  |  |  | (85)         |                |
| <b>Total</b>                               | <b>129,770</b> |  | <b>(8,905)</b> |  | <b>120,865</b> |  |  |  |  | <b>2,670</b> | <b>123,534</b> |

\*Previously Formula Grant in 2012/13

**Council Tax - Calculation**

|  |           |
|--|-----------|
| Council Tax Debit £'000                        | 77,447    |
| Tax Base (No. of Band D equivalent properties) | 64,440.11 |
| Band D Charge £                                | £1,201.85 |
| %age Increase                                  | 0.00%     |



**Chief Financial Officer's Opinion on Adequacy of Balances and the Robustness of the Budget**

The Chief Financial Officer is required to make a statement on the adequacy of reserves and the robustness of the budget. This is a statutory duty under section 25 of the 2003 Local Government Act which states the following:

*(1) Where an authority to which section 32 or 43 of the Local Government Finance Act 1992 (billing or major Precepting authority) or section 85 of the Greater London Authority Act 1999 (c. 29) (Greater London Authority) applies is making calculations in accordance with that section, 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.*

*(2) An authority to which a report under this section is made shall have regard to the report when making decisions about the calculations in connection with which it is made.*

**Summary Report of the Divisional Director - Finance (as Chief Finance Officer for the Authority)**

I have examined the budget proposals contained in this report, and believe that whilst the spending, income and service delivery proposals contained remain challenging, they are achievable in terms of the requirement to set a balanced budget for 2013/2014.

I am satisfied that, in general, the requisite management processes exist within the Council to deliver this budget, and to identify and deal with any problems which may unexpectedly arise throughout the year.

The key points to highlight are:

- Un-earmarked reserves are at a prudent levels and this Budget proposes to maintain this position. This reserve will also be utilised for invest to save initiatives going forwards but at no point will the reserve fall below the risk assessed minimum level.
- This Budget provides some additional revenue reserve to recognise the challenges over the medium term financial planning period.
- Sound financial planning processes are in place, and there is member scrutiny at appropriate stages
- Revenue spend is closely monitored on a risk assessed basis and integrated finance and performance management reports are produced monthly.

- Challenging inflation targets have been set which will require a focus on commissioning and procurement to ensure they are fully delivered.
- There are a range of new and additional income targets which do increase the overall risk to the budget should they not be fully achieved.
- Changes to the local government finance system particularly the retained local business rates have been budgeted at prudent levels and whilst some flexibility has been allowed for, additional financial risk has been transferred from a national to a local level.
- Capital schemes are managed through an integrated project management, risk and financial management process.
- The intense external pressures on public finances require annually decreasing budgets and this will need to be closely managed.
- There is a need to use “invest to save” and “invest to avoid” approaches to enable the Council to maintain its spend within acceptable parameters and to achieve requisite efficiencies.

The Medium Term Service and Resource Plans rely on the delivery of strategies and action plans within individual services and it will continue to be necessary to give a high priority to the monitoring and review the implementation of these plans as part of the performance management and monitoring processes of the Council.

The significant commitment in the capital programme in the coming years remains challenging. Sound monitoring, review and programming of schemes will need to continue, as will individual project management processes. Where projects form part of partnership arrangements, satisfactory partnership governance arrangements will need to be in place.

On the matter of unearmarked reserves, I have continued to evidence the requisite level by use of internal risk assessment. The Council is maintaining its unearmarked reserves at the appropriate risk assessed level. The 2013/14 recurring budget contains no reliance on the use of unearmarked reserves although some of these reserves (above a minimum level) will be utilised on an Invest to Save basis under the parameters set out in Appendix 2.

In view of the challenging financial climate, it remains essential that unearmarked reserves are maintained at risk assessed levels, the only prudent exceptions being to fund invest to save schemes (provided a minimum level is maintained) and to enable exceptional risks or contingencies to be funded where no other funding is available.

It will be essential in the event of any exceptional use of unearmarked reserves for the Council to continue to put in place arrangements in future years' budgets to recover the level of reserves within 3 years.

From 2001/2, the Council adopted a risk management approach, which assesses the level of unearmarked reserves required against a corporate assessment of the risk being carried. The assessed risk suggests reserves of £10.5M for 2013/2014 with a minimum level of £6M, excluding earmarked reserves.

My recommendation that the budget is reasonably robust and Unearmarked reserves are adequate is on the basis that the Council and the Cabinet:

- Recognise the need to continue to regularly review the level of reserves in the light of the regularly updated corporate risk assessment
- Recognise that in any use of reserves to fund 'one-off' corporate priorities on an invest to save basis, the Council needs to be clear that the overall level of reserves remains adequate and that the relevant business cases for such expenditure are fully scrutinised and monitored appropriately.
- Recognise that where there is a draw down on risk assessed reserves taking them below the prudent level, for whatever reason, this is repaid within 3 years.
- Maintain a rigorous approach to financial monitoring, particularly at this time when a significant level of savings is expected to be delivered in the financial year ahead.
- Ensures that capital schemes are funded prudently and do not rely excessively on revenue funding and do not create unaffordable revenue consequences including maintenance and other running costs
- Maintain a prudent approach to budgeting for capital receipts, given current market conditions and the need to optimise value over the medium term.
- The Cabinet Members, Strategic Directors and Assistant Directors achieve their cash limits for 2012/13.

### Processes

Budget estimates are exactly that - estimates of spending and income made at a point in time. This statement about the robustness of estimates cannot give a guarantee about the Budget but gives members reasonable assurances that the Budget has been based on the best available information and assumptions at the time. The budget process aims to set challenging budgets while recognising the risk of this within its reserves strategy.

In order to meet the requirement on the robustness of estimates a number of key processes are in place, including:

- Specific guidance to Directorates on developing their budgets.

- A Council wide risk assessment.
- The continuing use of budget monitoring and financial outturn information to identify risks.
- The Council's s151 Officer and his staff providing advice throughout the process of budget preparation and budget monitoring.
- The Directors' review of the robustness of their budgets and budget sensitivities.

Notwithstanding these arrangements, which are designed to test the budget throughout its various stages of development, considerable reliance is placed on the Strategic Directors and Divisional Directors having proper arrangements in place to identify issues, project costs, service demands, to consider value for money and efficiency, and to implement changes in their service plans. This is supported by appropriately qualified financial support service staff.

Corporate and departmental processes will continue to develop over the MTSRP period to reflect the challenging financial position of the public sector. This will include the on-going implementation of risk assessed budget monitoring and enhancements to processes for monitoring implementation and delivery of savings.

### **Robustness of Estimates**

The 2013/14 Budget and the MTSRP process continue the need to link financial resources to corporate priorities and risks. There are complex and difficult choices for the Council:

- To realise ongoing efficiencies
- To increase financial resources to meet demand and reduce risk; or
- To reduce where necessary service levels and standards, frequency of service delivery, and eligibility for services.
- To ensure all resourcing decisions reflect statutory and other external requirements, as well as Council priorities

As part of developing the Budget, Members of the administration have considered these options and they are reflected in the proposed Budget.

Most notably the Council has had to address significant reductions in government grant funding, unavoidable cost increases, and demand pressures as well as the corporate priorities including;

- Significantly reduced Government Grant funding
- Changes to government funding
- Welfare and benefits reforms including Local Council Tax Support

- Priorities as set out in the Corporate Plan
- Low levels of interest rates
- Demand and price pressures in Adult Social Care
- Demand and price pressures in Children’s Social Care
- Realising and maximising capital receipts
- Need for capital investment in priority schemes
- A significant change agenda as a result of national policy changes e.g. Adult Social Care and Health, Academies Bill, Localism Bill etc.

The assumptions used for the 2013/14 and MTSRP period will require the forecasts for future years to be reviewed in light of actual circumstances. This will be undertaken early in each financial year leading to more detailed budgets being prepared for the next financial year and the medium term during the autumn of each financial year.

Given all these factors I, as the Council's Section 151 Officer, consider the estimates for 2013/14 to be sufficiently robust, and the reserves adequate, to be recommended for approval by the Council.

The medium term remains extremely challenging although the more detailed MTSRP’s developed as part of this budget will place the Council in a relatively good position over this period. It is still highly likely that further service improvement and reasonable Council Tax levels, will only be achievable through continued development of different ways of working, and clear prioritisation between services.

### **The Capital Budget**

Projects included in the capital programme for **Full Approval** were prepared by Divisional Directors and managers in line with financial regulations and guidance. All projects were agreed by the relevant Strategic Director and Cabinet Member and are fully funded, and reviewed through the Capital Strategy Group.

Projects have been estimated and costed at outturn prices with many subject to tender process after inclusion in the programme. This may lead to variance in the final cost.

Directorates are required to work within the given cash envelope so any under or over provision must be found within these limits.

In addition, I will require a clear commitment from the Council to:

- Ensure that all future commitments on the capital programme provide for a prudent source of funding in terms of revenue provision, including where investment will lead to future revenue savings.

- Carefully consider and balance the use of capital receipts to ensure they are prudently applied to help the council manage its resources effectively and achieve its priorities
- Review capital commitments in light of any future changes to Central Government support for capital projects where they are dependant on substantial Government funding.
- Be aware of the potential risks associated with capital spend before the scheme is completed i.e. the potential for costs charged to capital budgets to revert to revenue in the event schemes are discontinued prior to completion.

I will require the Council, Strategic Directors and Divisional Directors:

- To remain within their service budget for 2013/14 and to commence early work to identify options to balance medium term service and resource plans for future years while maintaining strict adherence to recovering overspends within future years' plans (i.e. services will need to absorb any overspends, pressures over the medium term).
- Repayment to reserves over 3 years should risks materialise, and need to be funded temporarily from reserves.

### **Estimated Available Revenue Reserves**

#### *Earmarked Revenue Reserves*

The Council's earmarked revenue reserves have been reviewed as part of the 2013/2014 Budget process and are fully committed over the medium term financial planning period as set out in Appendix 2. This position will be regularly reviewed.

#### *Non-Earmarked Revenue Reserves*

Detailed in the table below is the estimated level of non-earmarked revenue reserves over future years, reflecting the specific elements within the Budget as set out in Appendix 2.

**Table: Projected Non-Earmarked Revenue Reserves**

|  | <b>2013/14<br/>£'000</b> | <b>2014/15<br/>£'000</b> | <b>2015/16<br/>£'000</b> |
|--|--------------------------|--------------------------|--------------------------|
| <b>Estimated Reserves @ 1st April each year</b>  | <b>9,741</b>             | <b>8,844</b>             | <b>7,728</b>             |
| 2011/2012 Projected Outturn Underspending        | -                        | -                        | -                        |
| Projected Invest to Save Movements               | -897                     | -1,116                   | +134                     |
| <b>Estimated Reserves @ 31st March each year</b> | <b>8,844</b>             | <b>7,728</b>             | <b>7,862</b>             |

### **Assessment of Adequacy of Reserves**

Under the Local Government 2003 Act the Secretary of State has reserve powers to set a minimum level of reserves. The most likely use of this power is where an authority is running down its reserves against the advice of their s151 Officer.

Determining the appropriate levels of reserves is not a precise science or a formula e.g. a %age of the Council's budget. It is the Council's safety net for risks, unforeseen or other circumstances and must last the lifetime of the Council unless contributions are made from future years' revenue budgets. The minimum level of balances cannot be judged merely against the current risks facing the Council as these can and will change over time.

Determining the appropriate levels of reserves is a professional judgement based on local circumstances including the overall budget size, risks, robustness of budgets, major initiatives being undertaken, budget assumptions, other earmarked reserves and provisions, and the Council's track record in budget management. This judgement is subject to regular review as an integral part of the Council's financial reporting cycle, and annual review by full Council as an integral part of budget-setting and 3 year financial planning. Clearly, as circumstances change, the currently recommended level of reserves can be expected to change.

The consequences of not keeping a minimum prudent level of reserves can be serious. In the event of a major problem or a series of events, the Council would run a serious risk of a deficit or of being forced to cut spending during the year in a damaging and arbitrary way.

The recommendation on the prudent level of reserves has been based on the robustness of estimate information and the Corporate Risk Register. In addition, the other strategic, operational and financial risks taken into account when recommending the minimum level of unearmarked reserves include:

- There is always some degree of uncertainty over whether the full effects of any economy measures and/or service reductions will be achieved. Directors have been requested to be prudent in their assumptions and should have clear action plans to deliver such savings.
- The Bellwin Scheme Emergency Financial Assistance to Local Authorities provides assistance in the event of an emergency. The Local Authority is able to claim assistance with the cost of dealing with certain emergencies over and above a threshold set by the Government.
- The extent to which the Council is dependent on traded income.
- The risk of major litigation, both current and in the future.
- Risks in the inter-relation between the Council and other partner authorities and organisations.
- Unplanned volume increases in major demand led budgets, particularly in the context of high and accelerating growth.
- The need to retain a general contingency to provide for any unforeseen circumstances or emergencies, which may arise.
- The need to retain reserves for general day-today cash flow needs.

### **The recommendations of the Council's s151 Officer are:**

- **That the Council continues to maintain an absolute minimum prudent level of unearmarked reserves (excluding schools) of £6m at the end of any financial year, in addition to any specific earmarked reserves. The minimum level is designed to cope with risk and unforeseen circumstances that cannot be addressed by management or policy action within the year. Management and policy action should be the first actions taken before any resort to reserves.**
- **That an appropriate level of unearmarked reserves to provide resilience against day to day risks is £10.5m. This level of reserves is designed to allow the Council to withstand a measure of changes in circumstances during the year or minor variations in projected resources or spending over the period of the medium term service and resource plans.**
- **That the Council must restore reserves used to meet risks that crystallise within a period of 3 years.**



APPENDIX 2 ANNEX 3i

| <b>Schools Capital Planned Maintenance Programme 2013-14</b> |   |                   |                         |
|--|---|-------------------|-------------------------|
| <b>School</b>  | <b>Project</b>  | <b>Cost Est.</b>  | <b>Cumulative Total</b> |
| Moorlands Infant School                                      | Repair Roof   | £136,235          | <b>£136,235</b>         |
| Whitchurch Primary School                                    | Flooring and damp proofing  | £29,755           | <b>£165,990</b>         |
| Moorlands Junior School                                      | Renew roof lights & renew roof,<br>Upgrade/install ventilation canopy in<br>kitchen & kitchen refurbishment | £234,850          | <b>£400,840</b>         |
| St Michaels CofE Junior School                               | Ceiling cover and roof lights   | £18,000           | <b>£418,840</b>         |
| Chew Valley School   | Gas heating in sports hall  | £57,015           | <b>£475,855</b>         |
| Chew Valley School   | roof works to the tech block  | £104,577          | <b>£580,432</b>         |
| St Philips CofE Primary School                               | Replace boiler  | £43,417           | <b>£623,849</b>         |
| Moorlands Infant School                                      | Rewire power and lighting   | £143,245          | <b>£767,094</b>         |
| Batheaston CofE Primary School                               | Refurbish pupil toilets   | £45,550           | <b>£812,644</b>         |
|  | Fee   | £120,000          | <b>£932,644</b>         |
|  | Contingency   | £67,356           | <b>£1,000,000</b>       |
|  | <b>Total</b>  | <b>£1,000,000</b> |                         |

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| Project Title                                     | PLACE | PY Spend pre 12/13 | Forecast Outturn 12/13 | Actual/Projected Spend pre 13/14 | Projected Releasing from 12/13 to 13/14 | Budget        |               | Budget       |         | Budget       |              | Budget        |              | Budget        |               | Overall Project Total | Total 5 Years Funding |               | Comment/Project Description                             |
|---|-------|--------------------|------------------------|----------------------------------|---|---------------|---------------|--------------|---------|--------------|--------------|---------------|--------------|---------------|---------------|-----------------------|-----------------------|---------------|---|
|   |       |                    |                        |                                  |   | 2013/14       | 2013/14       | 2014/15      | 2015/16 | 2016/17      | 2017/18      | 2017/18       | 2017/18      | £'000         | £'000         |                       | £'000                 | £'000         |   |
| <b>Planning &amp; Transport</b>                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               |               |                       |                       |               |   |
| <b>Full Approval</b>                              |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               |               |                       |                       |               |   |
| BTP - Main Scheme                                 |       | -                  | 4,806                  | 4,806                            | 340                                     | 9,955         | 4,954         | 1,449        |         |              |              |               |              |               |               | 21,164                | 11,316                | 5,042         | Fully approved in July 2011                             |
| BTP - Pre Construction                            |       | 7,156              | 389                    | 7,545                            | -                                       | -             | -             | -            | -       | -            | -            | -             | -            | -             | -             | 7,545                 | -                     | -             | Fully approved in July 2011                             |
| BTP - Property                                    |       | 1,315              | 208                    | 1,523                            | 110                                     | 110           | 766           |              |         |              |              |               |              |               | 1,633         | 110                   | -                     | -             | Fully approved in July 2011                             |
| Ressler Road                                      |       | 216                | 86                     | 302                              | 1,532                                   | 766           | 766           |              |         |              |              |               |              |               | 1,834         | 1,532                 | -                     | -             | Fully approved in 2012/13                               |
| SWEP E-Purse                                      |       | 69                 | 322                    | 391                              | 9                                       | 9             |               |              |         |              |              |               |              |               | 400           | 9                     | 9                     |               | Fully approved in 2012/13                               |
| <b>Sub Total - Planning &amp; Transport</b>       |       | <b>8,756</b>       | <b>5,811</b>           | <b>14,567</b>                    | <b>1,991</b>                            | <b>10,840</b> | <b>5,720</b>  | <b>1,449</b> |         |              |              |               |              |               | <b>18,009</b> | <b>12,958</b>         | <b>5,051</b>          |               |   |
| <b>Environmental Services</b>                     |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               |               |                       |                       |               |   |
| <b>Full Approval</b>                              |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               |               |                       |                       |               |   |
| 20mph Schemes                                     |       | 714                | 259                    | 259                              | 838                                     | 241           | 70            |              |         |              |              |               |              |               | 311           | 241                   | 70                    |               | Fully approved in 2012/13                               |
| Victoria Bridge                                   |       |                    | 575                    | 1,289                            |   | 1,723         | 405           |              |         |              |              |               |              |               | 2,128         | 1,628                 | 500                   |               | Fully approved in June 2012                             |
| Better Bus Area                                   |       |                    | 320                    | 320                              |   | 171           | 559           |              |         |              |              |               |              |               | 730           | 350                   | 730                   |               | Fully approved in line with October 2012 Cabinet Report |
| Waste Services - Vehicles                         |       |                    |                        |                                  |   | 350           |               |              |         |              |              |               |              |               | 350           |                       |                       |               | Proposed for full approval                              |
| Neighbourhood Services - Vehicles                 |       |                    |                        |                                  |   | 174           |               |              |         |              |              |               |              |               | 174           |                       |                       |               | Proposed for full approval                              |
| <b>Provisional Approval</b>                       |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               |               |                       |                       |               |   |
| Highways Maintenance Block                        |       |                    |                        |                                  |   | 3,667         | 3,435         | 3,300        |         |              |              |               |              |               | 13,702        |                       | 13,702                |               | Subject to March Cabinet Report                         |
| Highways Maintenance Block - Additional Funding   |       |                    |                        |                                  |   | 663           | 353           |              |         |              |              |               |              |               | 1,016         |                       | 1,016                 |               | Subject to March Cabinet Report                         |
| Transport Improvement Programme                   |       |                    |                        |                                  |   | 1,264         | 1,723         | 1,723        |         |              |              |               |              |               | 6,433         |                       | 6,433                 |               | Subject to separate February Council Report             |
| Waste Services - Vehicles                         |       |                    |                        |                                  |   |               | 133           | 278          |         |              |              |               |              |               | 411           |                       | 411                   |               | Business case required annually for 2014/15 onwards     |
| Alloments   |       |                    |                        |                                  |   | 75            |               | 539          |         |              |              |               |              |               | 157           |                       | 157                   |               | Business case and detailed project plan required        |
| Neighbourhood Services - Vehicles                 |       |                    |                        |                                  |   | 82            | 695           | 151          |         |              |              |               |              |               | 1,943         |                       | 1,943                 |               | Business case required annually for 2014/15 onwards     |
| Neighbourhoods - Play Equipment                   |       |                    |                        |                                  |   | 225           | 225           | 115          |         |              |              |               |              |               | 565           |                       | 565                   |               | Business case and detailed project plan required        |
| Public Protection - Vehicle                       |       |                    |                        |                                  |   | 15            |               |              |         |              |              |               |              |               | 30            |                       | 30                    |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               | 110           |              |         |              |              |               |              |               | 220           |                       | 220                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               | 15            |              |         |              |              |               |              |               | 100           |                       | 100                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               | 45           |         |              |              |               |              |               | 45            |                       | 45                    |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               | 50           |         |              |              |               |              |               | 400           |                       | 400                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               | 80           |         |              |              |               |              |               | 80            |                       | 80                    |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 224           |                       | 224                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 100           |                       | 100                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 200           |                       | 200                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 300           |                       | 300                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 500           |                       | 500                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 100           |                       | 100                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 500           |                       | 500                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 100           |                       | 100                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 500           |                       | 500                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 200           |                       | 200                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 500           |                       | 500                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 80            |                       | 80                    |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 224           |                       | 224                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 100           |                       | 100                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 200           |                       | 200                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 300           |                       | 300                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 500           |                       | 500                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 100           |                       | 100                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 500           |                       | 500                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 200           |                       | 200                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 500           |                       | 500                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 100           |                       | 100                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 500           |                       | 500                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 200           |                       | 200                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 4,675         |                       | 1,354                 |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 2,970         |                       | 1,354                 |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 423           |                       | 423                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 820           |                       | 820                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 1,750         |                       | 1,750                 |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 200           |                       | 200                   |               | Business case and detailed project plan required        |
| Highways Maintenance - Vehicles                   |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               | 2,970         |                       | 1,354                 |               | Business case and detailed project plan required        |
| <b>Sub Total - Environmental Services</b>         |       | <b>714</b>         | <b>1,154</b>           | <b>1,868</b>                     | <b>913</b>                              | <b>9,874</b>  | <b>8,023</b>  | <b>5,617</b> |         | <b>1,418</b> | <b>5,787</b> | <b>30,719</b> | <b>1,418</b> | <b>8,268</b>  | <b>22,451</b> | <b>32,557</b>         | <b>8,268</b>          | <b>22,451</b> |   |
| <b>Tourism, Leisure &amp; Culture</b>             |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               |               |                       |                       |               |   |
| <b>Full Approval</b>                              |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               |               |                       |                       |               |   |
| Odd Down Playing Fields Development               |       |                    | 101                    | 101                              |   | 1,131         |               |              |         |              |              |               |              |               | 1,131         |                       | 1,131                 |               | Fully approved in line with Jan 13 cabinet report       |
| Playing Fields Development                        |       |                    |                        |                                  |   | 200           |               |              |         |              |              |               |              |               | 200           |                       | 200                   |               | Awaiting funding confirmation from external sources     |
| <b>Provisional Approval</b>                       |       |                    |                        |                                  |   |               |               |              |         |              |              |               |              |               |               |                       |                       |               |   |
| Beau Street Chin Heard                            |       | 50                 |                        | 50                               | 100                                     | 170           | 153           |              |         |              |              |               |              |               | 423           |                       | 423                   |               | Business case and detailed project plan required        |
| Heritage Infrastructure Development               |       |                    |                        |                                  |   | 320           | 100           |              |         |              |              |               |              |               | 820           |                       | 820                   |               | Business case and detailed project plan required        |
| Remains Development Phase 2                       |       |                    |                        |                                  |   | 750           | 500           |              |         |              |              |               |              |               | 1,750         |                       | 1,750                 |               | Business case and detailed project plan required        |
| Visitor & Till Management Systems                 |       |                    |                        |                                  |   | 100           | 100           |              |         |              |              |               |              |               | 200           |                       | 200                   |               | Business case and detailed project plan required        |
| <b>Sub Total - Tourism, Leisure &amp; Culture</b> |       | <b>50</b>          | <b>101</b>             | <b>151</b>                       | <b>100</b>                              | <b>2,671</b>  | <b>353</b>    | <b>600</b>   |         | <b>700</b>   | <b>5,787</b> | <b>4,524</b>  | <b>100</b>   | <b>4,675</b>  | <b>1,354</b>  | <b>6,986</b>          | <b>2,970</b>          | <b>1,354</b>  |   |
| <b>Total PLACE</b>                                |       | <b>9,520</b>       | <b>7,066</b>           | <b>16,556</b>                    | <b>3,004</b>                            | <b>23,485</b> | <b>14,096</b> | <b>7,665</b> |         | <b>1,518</b> | <b>6,487</b> | <b>53,252</b> | <b>1,518</b> | <b>24,196</b> | <b>29,056</b> | <b>69,836</b>         | <b>24,196</b>         | <b>29,056</b> |   |

| Project Title   | PY Spend pre 12/13 | Forecast Outturn 12/13 | Actual / Projected Spend pre 13/14 | Projected Rephasing from 12/13 to 13/14 | Budget Required 2013/14 | Budget Total 2013/14 | Budget 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Total 5 Years Funding |               | Overall Project Total | Comment/Project Description  |
|---|--------------------|------------------------|------------------------------------|---|-------------------------|----------------------|----------------|----------------|----------------|----------------|-----------------------|---------------|-----------------------|--|
|   |                    |                        |                                    |   |                         |                      |                |                |                |                | £'000                 | £'000         |                       |  |
| <b>REGENERATION SKILLS &amp; MAJOR PROJECTS</b>             |                    |                        |                                    |   |                         |                      |                |                |                |                |                       |               |                       |  |
| <b>Full Approval</b>  |                    |                        |                                    |   |                         |                      |                |                |                |                |                       |               |                       |  |
| BWR - Council Project Team                                  | 711                | 237                    | 948                                | 318                                     | 234                     | 552                  | 234            | 154            | 450            | -              | 472                   | 468           | 1,888                 | Fully Approved - Continuation of Phase 1 of project  |
| BWR - Affordable Housing                                    | 2,000              | 1,070                  | 3,070                              | 380                                     | 1,000                   | 1,380                | 1,000          | 1,000          | 450            | -              | 1,821                 | 2,009         | 6,900                 | Fully Approved - Continuation of Phase 1 of project  |
| BWR - Infrastructure  | 2,527              | 985                    | 3,462                              | 37                                      | 2,200                   | 2,237                | 1,800          | 1,000          | -              | -              | 279                   | 3,758         | 7,499                 | Fully Approved - Continuation of Phase 1 of project  |
| BDUK  | -                  | 1,105                  | 1,105                              | 230                                     | 230                     | 460                  | 230            | -              | -              | -              | 690                   | -             | 690                   | Fully Approved by Cabinet in January 2012  |
| Public Realm High Street                                    | -                  | 167                    | 1,105                              | 424                                     | 80                      | 80                   | 424            | -              | -              | -              | 424                   | -             | 1,529                 | Fully Approved - Continuation of project   |
| Public Realm Northumberland Place                           | 1,097              | 271                    | 1,677                              | 80                                      | 75                      | 80                   | 75             | -              | -              | -              | 80                    | -             | 346                   | Fully Approved - Continuation of project   |
| Public Realm Pattern Book                                   | 177                | 220                    | 397                                | 70                                      | 70                      | 70                   | 70             | -              | -              | -              | 70                    | -             | 1,400                 | Fully Approved - Continuation of project   |
| City Information Scheme                                     | 177                | 220                    | 397                                | 803                                     | 375                     | 1,178                | -              | -              | -              | -              | 555                   | 623           | 1,575                 | Fully approved in 2012/13  |
| <b>Provisional Approval</b>                                 |                    |                        |                                    |   |                         |                      |                |                |                |                |                       |               |                       |  |
| Public Realm Improvements Programme                         | -                  | -                      | -                                  | 339                                     | 339                     | 339                  | -              | -              | -              | -              | 339                   | -             | 339                   | Detailed project plan required   |
| Bath Quays South  | -                  | -                      | -                                  | 650                                     | 650                     | 650                  | -              | -              | -              | -              | 650                   | -             | 650                   | Detailed project plan required   |
| Bath Quays Footbridge Construction                          | -                  | -                      | -                                  | 2,250                                   | 2,250                   | 2,250                | -              | -              | -              | -              | 2,250                 | -             | 2,500                 | Detailed project plan required   |
| Strategic Flooding Solution                                 | -                  | -                      | -                                  | 250                                     | 250                     | 250                  | -              | -              | -              | -              | 250                   | -             | 3,000                 | Detailed project plan required   |
| London Road Regeneration                                    | 390                | 390                    | 390                                | 360                                     | 360                     | 360                  | 250            | -              | -              | -              | 610                   | -             | 1,000                 | Detailed project plan required   |
| Redstock Regeneration                                       | -                  | -                      | -                                  | 340                                     | 340                     | 340                  | -              | -              | -              | -              | 340                   | -             | 340                   | Subject to March Cabinet Report  |
| BWR - Relocation of Gas Holders                             | -                  | -                      | -                                  | 1,500                                   | 1,500                   | 1,500                | 2,500          | -              | -              | -              | 4,000                 | -             | 4,000                 | Provisional approval pending Cabinet report in April                                       |
| BWR - Replacement of Destruction Bridge                     | -                  | -                      | -                                  | 1,700                                   | 1,700                   | 1,700                | -              | -              | -              | -              | 1,700                 | -             | 1,700                 | Provisional approval pending Cabinet report in April                                       |
| <b>Sub Total - Regeneration Skills &amp; Major Projects</b> | <b>6,512</b>       | <b>4,628</b>           | <b>11,140</b>                      | <b>3,117</b>                            | <b>8,728</b>            | <b>11,845</b>        | <b>11,014</b>  | <b>1,154</b>   | <b>450</b>     | <b>-</b>       | <b>6,405</b>          | <b>6,858</b>  | <b>35,603</b>         | <b>11,200</b>  |
| <b>Total REGENERATION SKILLS &amp; MAJOR PROJECTS</b>       | <b>6,512</b>       | <b>4,628</b>           | <b>11,140</b>                      | <b>3,117</b>                            | <b>8,728</b>            | <b>11,845</b>        | <b>11,014</b>  | <b>1,154</b>   | <b>450</b>     | <b>-</b>       | <b>6,405</b>          | <b>6,858</b>  | <b>35,603</b>         | <b>11,200</b>  |
| <b>PEOPLE &amp; COMMUNITIES</b>                             |                    |                        |                                    |   |                         |                      |                |                |                |                |                       |               |                       |  |
| <b>Children's Services</b>                                  |                    |                        |                                    |   |                         |                      |                |                |                |                |                       |               |                       |  |
| <b>Full Approval</b>  |                    |                        |                                    |   |                         |                      |                |                |                |                |                       |               |                       |  |
| Ralph Allen ALC   | 172                | 1,144                  | 1,316                              | 1,079                                   | 52                      | 1,131                | -              | -              | -              | -              | -                     | -             | 2,447                 | Fully Approved - completion of project   |
| St Gregory's, St Marks 6th Form                             | 75                 | 1,128                  | 1,203                              | 122                                     | 1,050                   | 1,172                | -              | -              | -              | -              | 1,050                 | 122           | 2,375                 | Fully Approved - completion of project   |
| Schools Capital Maintenance Programme                       | 26,293             | 163                    | 26,456                             | 42                                      | 1,000                   | 1,000                | -              | -              | -              | -              | -                     | -             | 1,000                 | Proposed for full approval   |
| Whittington BSF   | 3,403              | 21                     | 3,424                              | 26                                      | 26                      | 42                   | -              | -              | -              | -              | -                     | -             | 26,498                | Fully Approved - completion of project   |
| Whittington ALC   | -                  | 51                     | 51                                 | 51                                      | 51                      | 51                   | -              | -              | -              | -              | -                     | -             | 3,450                 | Fully Approved - completion of project   |
| Early Years S106 Twerton                                    | -                  | 51                     | 51                                 | 51                                      | 51                      | 51                   | -              | -              | -              | -              | -                     | -             | 102                   | Fully Approved - completion of project   |
| Schools Devolved Capital                                    | -                  | 130                    | 130                                | 402                                     | 402                     | 402                  | -              | -              | -              | -              | -                     | -             | 402                   | Proposed for full approval - Subject to confirmation of grant funding                      |
| Ston All Saints Primary - Basic Need                        | -                  | 75                     | 75                                 | 990                                     | 990                     | 990                  | 680            | 20             | -              | -              | -                     | -             | 1,670                 | Fully approved in 2012/13  |
| Castle Primary - Basic Need                                 | -                  | 75                     | 75                                 | 230                                     | 230                     | 230                  | 475            | 20             | -              | -              | -                     | -             | 725                   | Fully approved in 2012/13  |
| Paulton Infant - Basic Need                                 | -                  | 160                    | 160                                | 670                                     | 670                     | 670                  | 20             | -              | -              | -              | -                     | -             | 850                   | Fully approved in 2012/13  |
| <b>Provisional Approval</b>                                 |                    |                        |                                    |   |                         |                      |                |                |                |                |                       |               |                       |  |
| Schools Capital Maintenance Programme                       | -                  | -                      | -                                  | 2,403                                   | 2,403                   | 2,403                | -              | -              | -              | -              | -                     | -             | 2,403                 | Detailed project plan required & confirmation of grant funding                             |
| Schools Basic Need Schemes                                  | -                  | -                      | -                                  | 1,564                                   | 1,564                   | 1,564                | -              | -              | -              | -              | -                     | -             | 1,564                 | Detailed project plan required & confirmation of grant funding                             |
| Short Breaks for Disabled Children                          | 4                  | -                      | 4                                  | 72                                      | 72                      | 72                   | -              | -              | -              | -              | -                     | -             | 72                    | Detailed project plan required   |
| Early Years - 2yr Olds Funding                              | -                  | -                      | -                                  | 202                                     | 202                     | 202                  | -              | -              | -              | -              | -                     | -             | 202                   | Business Case & detailed project plan required & subject to external funding opportunities |
| School Energy Invest to Save Fund                           | -                  | -                      | -                                  | 395                                     | 395                     | 395                  | -              | -              | -              | -              | -                     | -             | 395                   | Business Case & detailed project plan required & subject to external funding opportunities |
| School Places Provision                                     | -                  | -                      | -                                  | -                                       | -                       | -                    | -              | -              | -              | -              | -                     | -             | 500                   | Business Case & detailed project plan required & subject to external funding opportunities |
| <b>Sub Total - Children's Services</b>                      | <b>29,947</b>      | <b>2,872</b>           | <b>32,819</b>                      | <b>1,320</b>                            | <b>9,030</b>            | <b>10,350</b>        | <b>1,570</b>   | <b>20</b>      | <b>-</b>       | <b>-</b>       | <b>1,550</b>          | <b>10,390</b> | <b>44,759</b>         | <b>-</b>   |
| <b>Adult Social Care &amp; Housing</b>                      |                    |                        |                                    |   |                         |                      |                |                |                |                |                       |               |                       |  |
| <b>Full Approval</b>  |                    |                        |                                    |   |                         |                      |                |                |                |                |                       |               |                       |  |
| Supported Housing Development                               | 73                 | 73                     | 73                                 | 77                                      | 77                      | 77                   | -              | -              | -              | -              | -                     | -             | 150                   | Fully Approved   |
| Disabled Facilities Grant                                   | -                  | -                      | -                                  | 1,000                                   | 1,000                   | 1,000                | -              | -              | -              | -              | -                     | -             | 1,000                 | Proposed for full approval   |
| PSS Grant Unallocated                                       | 100                | 100                    | 100                                | 488                                     | 488                     | 488                  | -              | -              | -              | -              | -                     | -             | 588                   | Fully Approved   |
| <b>Provisional Approval</b>                                 |                    |                        |                                    |   |                         |                      |                |                |                |                |                       |               |                       |  |
| Disabled Facilities Grant                                   | -                  | -                      | -                                  | 400                                     | 150                     | 550                  | 1,000          | 1,000          | 1,000          | 1,000          | -                     | -             | 4,000                 | Detailed project plan required annually for 2014/15 onwards                                |
| Affordable Housing  | 100                | 100                    | 100                                | 250                                     | 250                     | 250                  | -              | -              | -              | -              | -                     | -             | 1,100                 | Business Case & detailed project plan required   |
| Gypsy & Traveller Sites                                     | 523                | 523                    | 523                                | 888                                     | 2,002                   | 2,890                | 2,325          | 1,000          | 1,000          | 1,000          | 1,550                 | -             | 8,738                 | Business Case & detailed project plan required   |
| <b>Sub Total - Adult Social Care &amp; Housing</b>          | <b>-</b>           | <b>523</b>             | <b>523</b>                         | <b>888</b>                              | <b>2,002</b>            | <b>2,890</b>         | <b>2,325</b>   | <b>1,000</b>   | <b>1,000</b>   | <b>1,000</b>   | <b>2,650</b>          | <b>5,565</b>  | <b>8,738</b>          | <b>-</b>   |
| <b>Total PEOPLE &amp; COMMUNITIES</b>                       | <b>29,947</b>      | <b>3,395</b>           | <b>33,342</b>                      | <b>2,208</b>                            | <b>11,032</b>           | <b>13,240</b>        | <b>3,895</b>   | <b>1,020</b>   | <b>1,000</b>   | <b>1,000</b>   | <b>4,200</b>          | <b>15,955</b> | <b>53,497</b>         | <b>-</b>   |

| Project Title                                 | PY Spend pre 12/13 | Forecast Outhurn 12/13 | Actual / Projected Spend pre 13/14 | Projected Rephasing from 12/13 to 13/14 | Budget Required 2013/14 | Budget Total 2013/14 | Budget 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Total Cost 5 Years | Overall Project Total | Total 5 Years Funding |               | Comment/Project Description  |
|---|--------------------|------------------------|------------------------------------|---|-------------------------|----------------------|----------------|----------------|----------------|----------------|--------------------|-----------------------|-----------------------|---------------|--|
|   |                    |                        |                                    |   |                         |                      |                |                |                |                |                    |                       | £'000                 | £'000         |  |
| <b>Resources &amp; Support Services</b>       |                    |                        |                                    |   |                         |                      |                |                |                |                |                    |                       |                       |               |  |
| <b>Property Services</b>                      |                    |                        |                                    |   |                         |                      |                |                |                |                |                    |                       |                       |               |  |
| <b>Full Approval</b>                          |                    |                        |                                    |   |                         |                      |                |                |                |                |                    |                       |                       |               |  |
| Workplaces Programme Delivery                 | 2,648              | 995                    | 3,643                              | -                                       | 339                     | 328                  | 3,114          | 4              |                |                | 3,446              | 7,089                 | 3,446                 | -             | Fully Approved   |
| Keysham Regeneration & New Build              | 1,480              | 4,339                  | 5,819                              | 11                                      | 19,275                  | 23,056               | 5,300          |                |                |                | 28,356             | 34,175                | 28,356                | -             | Fully Approved   |
| Lewis House (Inc Comms Hub & OSS)             | 4,438              | 1,116                  | 5,554                              | 3,781                                   | -                       | -                    | -              | -              | -              | -              | -                  | 5,554                 | -                     | -             | Fully Approved   |
| The Hollies                                   | 1,777              | 100                    | 1,877                              | -                                       | -                       | -                    | -              | -              | -              | -              | -                  | 1,877                 | -                     | -             | Fully Approved   |
| Corporate Estate Planned Maintenance          | -                  | -                      | -                                  | 825                                     | 825                     | 825                  | 825            | 825            | 825            | 825            | 825                | 825                   | 825                   | -             | Proposed for Full Approval   |
| Disposals Programme (Minor)                   | -                  | -                      | -                                  | 200                                     | 200                     | 200                  | 200            | 200            | 200            | 200            | 200                | 200                   | 200                   | -             | Proposed for Full Approval   |
| Key Disposal Programme                        | -                  | -                      | -                                  | 250                                     | 250                     | 250                  | 250            | 250            | 250            | 250            | 250                | 250                   | 250                   | -             | Proposed for Full Approval   |
| Commercial Estate Investment Fund             | -                  | -                      | -                                  | 200                                     | 200                     | 200                  | 200            | 200            | 200            | 200            | 200                | 200                   | 200                   | -             | Proposed for Full Approval   |
| Victoria Hall                                 | -                  | 35                     | 35                                 | 125                                     | 715                     | 840                  | 840            | 840            | 840            | 840            | 840                | 875                   | 840                   | -             | Proposed for Full Approval - Subject to S151 sign off of cost/project plan |
| Saw Close Development                         | -                  | 38                     | 38                                 | 242                                     | 155                     | 155                  | 242            | 242            | 242            | 242            | 242                | 280                   | 242                   | -             | Proposed for Full Approval   |
| South Road Car Park MSN                       | -                  | -                      | -                                  | 155                                     | 155                     | 155                  | 155            | 155            | 155            | 155            | 155                | 155                   | 155                   | -             | Proposed for Full Approval   |
| <b>Provisional Approval</b>                   |                    |                        |                                    |   |                         |                      |                |                |                |                |                    |                       |                       |               |  |
| Corporate Estate Planned Maintenance          | -                  | -                      | -                                  | -                                       | 400                     | 400                  | 4,000          | 200            | 200            | 200            | 4,400              | 4,400                 | 4,400                 | -             | Annual detailed project plan required                                      |
| DDA   | -                  | -                      | -                                  | -                                       | 552                     | 552                  | 552            | 552            | 552            | 552            | 2,208              | 2,208                 | 2,208                 | -             | Annual detailed project plan required                                      |
| Disposals Programme (Minor)                   | -                  | -                      | -                                  | -                                       | 200                     | 200                  | 200            | 200            | 200            | 200            | 800                | 800                   | 800                   | -             | Annual detailed project plan required                                      |
| Grand Parade & Undercroft                     | -                  | -                      | -                                  | -                                       | 400                     | 400                  | 4,000          | 200            | 200            | 200            | 4,400              | 4,400                 | 4,400                 | -             | Subject to feasibility study & business case                               |
| Riverside Development (inc CPO)               | -                  | -                      | -                                  | -                                       | 400                     | 400                  | 4,000          | 200            | 200            | 200            | 4,400              | 4,400                 | 4,400                 | -             | Subject to feasibility study & business case                               |
| <b>Sub Total - Property Services</b>          | <b>10,343</b>      | <b>6,623</b>           | <b>16,966</b>                      | <b>4,137</b>                            | <b>22,359</b>           | <b>26,496</b>        | <b>14,321</b>  | <b>1,661</b>   | <b>1,657</b>   | <b>1,657</b>   | <b>45,792</b>      | <b>62,756</b>         | <b>45,592</b>         | <b>200</b>    |  |
| <b>Support Services</b>                       |                    |                        |                                    |   |                         |                      |                |                |                |                |                    |                       |                       |               |  |
| <b>Full Approval</b>                          |                    |                        |                                    |   |                         |                      |                |                |                |                |                    |                       |                       |               |  |
| Desktop As a Service- VDI Technology          | -                  | -                      | -                                  | 1,468                                   | 1,468                   | 1,468                | 115            | 4              | 159            | 134            | 1,680              | 1,680                 | 1,680                 | -             | Proposed for full approval   |
| Windows 7 Upgrade                             | -                  | -                      | -                                  | 400                                     | 400                     | 400                  | -              | -              | -              | -              | 400                | 400                   | 400                   | -             | Proposed for full approval   |
| Aggresso Main System Update                   | 175                | 7                      | 182                                | 6                                       | 6                       | 6                    | 6              | 6              | 6              | 6              | 6                  | 188                   | 6                     | -             | Proposed for full approval   |
| Customer Services System                      | -                  | 371                    | 371                                | 704                                     | 704                     | 704                  | 250            | 250            | 250            | 250            | 704                | 1,075                 | 704                   | -             | Proposed for full approval   |
| IT Performance Reward Grant                   | -                  | 203                    | 203                                | 297                                     | 297                     | 297                  | -              | -              | -              | -              | 297                | 500                   | -                     | 297           | Fully Approved   |
| <b>Provisional Approval</b>                   |                    |                        |                                    |   |                         |                      |                |                |                |                |                    |                       |                       |               |  |
| IT Mobile Devices - Pilot                     | -                  | -                      | -                                  | 150                                     | 150                     | 150                  | 350            | 450            | 400            | 100            | 1,300              | 1,300                 | 1,300                 | -             | Business Case & detailed project plan required                             |
| IT Strategy                                   | -                  | -                      | -                                  | -                                       | -                       | -                    | 250            | 500            | 250            | 500            | 1,000              | 1,000                 | 1,000                 | -             | Individual detailed project plans required                                 |
| People & Communities - IT System Replacement  | -                  | -                      | -                                  | -                                       | 250                     | 250                  | 250            | 500            | 500            | 500            | 500                | 500                   | 500                   | -             | Business Case & detailed project plan required                             |
| Biomass Energy Efficiency Fund                | -                  | -                      | -                                  | 250                                     | 250                     | 250                  | 250            | 500            | 500            | 500            | 500                | 500                   | 500                   | -             | Business Case & detailed project plan required                             |
| <b>Sub Total - Support Services</b>           | <b>175</b>         | <b>581</b>             | <b>756</b>                         | <b>1,007</b>                            | <b>2,268</b>            | <b>3,275</b>         | <b>965</b>     | <b>954</b>     | <b>809</b>     | <b>234</b>     | <b>6,237</b>       | <b>6,993</b>          | <b>5,940</b>          | <b>297</b>    |  |
| <b>Total Resources &amp; Support Services</b> | <b>10,518</b>      | <b>7,204</b>           | <b>17,722</b>                      | <b>5,144</b>                            | <b>24,627</b>           | <b>29,771</b>        | <b>15,286</b>  | <b>2,615</b>   | <b>2,466</b>   | <b>1,891</b>   | <b>52,029</b>      | <b>69,751</b>         | <b>51,532</b>         | <b>497</b>    |  |
| Capital Contingency                           | -                  | -                      | -                                  | -                                       | 1,500                   | 1,500                | -              | -              | -              | -              | 1,500              | 1,500                 | 1,500                 | -             | Proposed for full approval   |
| <b>Grand Total</b>                            | <b>56,487</b>      | <b>22,293</b>          | <b>78,790</b>                      | <b>13,473</b>                           | <b>66,368</b>           | <b>79,841</b>        | <b>44,291</b>  | <b>12,455</b>  | <b>10,403</b>  | <b>4,409</b>   | <b>151,399</b>     | <b>181,242</b>        | <b>87,833</b>         | <b>52,366</b> | <b>11,200</b>  |

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### Council MRP Policy

Bath and North East Somerset will make a prudent minimum revenue provision for all new unsupported borrowing from 1<sup>st</sup> April 2008.

For all Government Supported Borrowing

a) The Council will determine that its MRP is equal as the amount determined in accordance with the former regulations 28 and 29 of the 2003 Regulations, as if they had not been revoked by the 2008 regulations.

For all new schemes of Council supported borrowing after 1<sup>st</sup> April 2008 it will use the Asset Life Method

b) This will be calculated where capital expenditure on an asset is financed wholly or partly by borrowing or credit arrangements, MRP is to be made in equal annual instalments over the life of the asset, in accordance with the following formula:

$$\frac{A - B}{C}$$

Where-

A is the amount of the capital expenditure in respect of the asset financed by borrowing or credit arrangements

B is the total provision made before the current financial year in respect of that expenditure

C is the inclusive number of financial years from the current year to that in which the estimated life of the asset expires.

c) Subject to paragraph f below, MRP will normally commence in the financial year following the one in which the expenditure was incurred.

d) Asset life. The estimated life of the asset will be determined in the year that MRP commences and not subsequently be revised.

e) Freehold land. If no life can reasonably be attributed to an asset, such as freehold land, the life will be taken to be a maximum of 50 years. However, in the case of freehold land on which a building or other structure is constructed, the life of the land will be treated as equal to that of the structure, where this would exceed 50 years.

f) Construction period. When borrowing to construct an asset, the authority will treat the asset life as commencing in the year in which the asset first becomes operational. It may accordingly postpone beginning to make MRP until that year. "Operational" here has its standard accounting definition. Investment properties will be regarded as becoming operational when they begin to generate revenues.

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# MEDIUM TERM SERVICE & RESOURCE PLAN – SAVING DETAILS

# APPENDIX 2 - ANNEX 5

## CHILDRENS' SERVICES

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                              | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|---|-----------------|----------------------------------|--|---|--|
| 20                     | 28                     | 4                      | M   | 1.7fte          | None                             | Savings identified from the customer services workstream which looks at redesigning the customer pathway making better use of IT systems and implementing streamlined processes (including family information) | Yet to be determined. Service will transfer work to the Customer Service equivalent to this reduction. Savings will need to be made available to the School Forum as partly DSG funded. |  |
| 31                     |                        |                        | M   | 1.5 fte         | None                             | P2P Efficiency savings   | Restructure of administration in relation to Invoice payment and purchase orders  |  |
| 51                     | 28                     | 4                      | Sub Total – Change Programme Savings          |                 |                                  |  |   |  |
| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                              | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
| 200                    | 0                      | 100                    | Sub Total – Other Cashable Efficiency Savings |                 |                                  |  |   |  |
| 16                     | 5                      |                        | L   | none            | None                             | Growth in sales of childcare vouchers  |   |  |
| 16                     | 5                      | 0                      | Sub Total – Additional Income                 |                 |                                  |  |   |  |
| 200                    | 0                      | 100                    | Sub Total – Other Cashable Efficiency Savings |                 |                                  |  |   |  |
| 200                    | 5                      | 100                    | L   | 3/4 fte         | None                             | Management restructure. Deletes 1 x Divisional Director post, 1 x Service Manager and 1 x Team Manager post from 1 April 2013  | Leaves four Divisional Directors to lead the re-structured Department across 2013-15. Merges a number of management posts across these services.  |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery       | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------------|-----------------|----------------------------------|---|---|--|
| 35                     | 65                     | 0                      | M                      | 1.77 FTE        | N/A                              | School Improvement and<br>Achievement Services  | <p>Following a 30% (£373k) reduction over 2011-12 and 2012-13 and the move towards more commissioned support for schools, further reductions will have a significant impact on our ability to deliver our statutory duties of promoting school improvement and challenging underperformance.</p> <p>This saving would require whole team restructure and realignment of responsibility with some tasks moved to managers. This would reduce our advisory work in schools to only those schools identified as failing or likely to fail and remove early advice/support. This further shifts the balance to commissioned support.</p> <p>The LA will hold further discussions with schools about the respective roles and responsibilities for school improvement.</p>                   |  |
| 30                     | 30                     | 0                      | 13/14 = L<br>14/15 = H | 1 FTE           | None                             | <p>Children Missing Education Service</p> <p>In 13/14 cease remaining activity to secondary schools.</p> <p>In 14/15 £26k reduction plus income target of £4k</p> | <p>Service reductions 2012/13 to a Primary only and prosecution (on behalf of schools in most extreme cases) service. This will reduce support for schools to achieve high levels of attendance and pupil tracking of more vulnerable children, where they are removed from a school roll or where no school place is immediately available.</p> <p>Further reduction of 1 FTE, limiting service to statutory work and little preventative work on behalf of schools. This could result in a higher level of absence, which could impact on attainment, more schools categorised as having increasing levels of persistent absence and adverse inspection (Ofsted) outcomes.</p> <p>NB as Primary schools become academies funds must be delegated to them, reducing central funds.</p> |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|--|---|--|
| 30                     |                        |                        | L                | 0.5             |                                  | Restructure Educational Psychology Service to undertake only statutory work                  | Restructure of the Educational Psychology service as part of the People and Communities restructure. Move to Statutory work only related to pupils with statements. Schools could commission work from this service (generating income to provide more capacity) or from other providers. |  |
| 20                     | 37                     |                        | M                | 3 FTE posts     | None                             | Inclusion Support Service restructure of administrative support                              | Restructure of the Inclusion support service as part of the People and Communities restructure to remove posts. Impact on workload and efficiency of the wider team.  |  |
| 13                     |                        |                        | L                | -0.2 FTE (25%)  | N/A                              | Post 16 Education Training and NEET<br><br>Reduce staff FTE working on raising participation | Majority of funding directly on projects for more vulnerable 16-19 year olds. Reduction in staffing (currently 0.8fte) would mean reduced capacity to support raising the participation age and to work with young people Not in Education Employment or Training. (NEET).                |  |
| 17                     |                        |                        | L                | nil             | nil                              | Post 16 Education, Training and NEET<br><br>Reduce commissioning spend                       | Reduced capacity to commission work to reduce the numbers of young people Not in Education Employment or Training. (NEET).  |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|---|---|--|
|                        | 480                    |                        | M/H              | 7 FTE           | N/A                              | Connexions – Discontinuation of current form of service                                   | <p>Connexions Service would be merged with Youth Service to provide focused provision for 16-25 yr olds. The new combined service would be a mainly targeted service working with referred vulnerable young people. Connexions contract with Learning Partnership West to be terminated as our statutory duties are reduced and remaining statutory duties (such as Section 139A Assessments for Young People with LDD and monitoring and support for most vulnerable young people likely to become NEET) brought in-house. LA would have to meet redundancy and pension costs. Youth work to continue the move to increased targeted services. Work in rural areas where deprivation is lower (although there are issues of transport and accessibility) would cease or be much reduced. Reduced number of sessions that centres would be open with less access for non-referred young people as part of sessions for referred young people.</p> |  |
|                        | 60                     |                        | M                | 0               |                                  | Schools Capital and Reorganisation Team<br><br>Reallocation of costs to capital programme | <p>The savings from capital team will result in less resources be available through the capital programme for maintenance and improvement in schools. Some officers of the team may be charged to the capital programme. This will have a limited impact upon the number of projects undertaken.</p>  |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff   | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|---|----------------------------------|---|---|--|
| 178                    | 175                    |                        | L                | 0.5 FTE internal.<br>Not known how<br>many posts lost in<br>voluntary sector. | n/s                              | <p>Reductions in commissioned services.</p> <p>(i) 2013-14</p> <p>Removes additional funds to commission extra CAMHS type services and cuts spend on IT Software Licences. Reduces lower priority elements of service such as Contact Centre (private law cases) and Relate. Reduces spend on BME/Equalities advice, CYP services and requires providers to make efficiency savings.</p> <p>(ii) 2014-15</p> <p>Reduces funding available for a range of additional /complementary services for a range of groups: Anti-bullying; Family Support (Southside); Play Rangers; Short Breaks (CYP with disabilities); CYP Participation and commissioning capacity.</p> | <p>(i) 2013-14</p> <p>Impact will be small. Most significant will be SARI. We are retaining one key support service for BME, CYP.</p> <p>(ii) 2014-15</p> <p>Significant impact in that the range of commissioned additional services and opportunities for vulnerable groups will be reduced. Core services will continue but there will be fewer opportunities available which add to the quality of life for some children, young people and their families/carers. Some children may well require support from the more 'acute' section of the care pathway.</p> <p>These reductions terminate a few of the contracts for short break services.</p> <p>The reduction in the number of contract means we have included a reduction in commissioner time.</p> |  |
| 20                     |                        |                        |                  | None  | None                             | Skills and Employment   | Will remove the ability of the service to commission up to date labour market information and data.   |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff                          | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|--|----------------------------------|---|---|--|
| 273                    | 228                    | 1836                   | M                | 30 FTE & 2 FTE<br>(modern<br>apprentice) |                                  | <p>Whole service re-organisation of Children's Centre and Early Years Services with work starting in January 2013 to achieve complete re-structure and consideration of different models of service delivery to be fully implemented by April 2015.</p> | <p>Complete re-structuring of services to move to a wholly targeted model. Children's Centres will cease all Council-funded 'universal' access services with services targeted upon the most vulnerable/deprived children and families. Lack of good universal services will mean that children may not be identified in a timely way and therefore could put increasing pressure on Children's Social Care. Parental mental health will not be identified early and add pressure to Adult Services or Health. Early Years Service contributions to specialist services e.g. breastfeeding, speech and language, infant mental health and post-natal parent/child attachment will cease. The Children's Centres also provide an increasing community focus and access point and a move to targeted service and partial opening will affect this aspect of work. Children's Centre budgets will be reduced by between 40%.</p> <p>Teaching advice and support to Private and Voluntary providers will be reduced to respond only to adverse Ofsted inspections, this will affect sector quality. Early identification of children with Special Educational Needs will not be as likely with less or no staff going into the Private, Voluntary nurseries, causing more stress on statutory SEN services.</p> <p>Play, support and family support activities will be reduced (these are provided by voluntary organisations).</p> |  |
|                        |                        |                        |                  |  |                                  | <p>In 2013-14 and 2014-15 a number of service areas and commissioned services will be reduced or stopped. These will be in addition to those commissions being reduced by the Children's Commissioning Team.</p>  |   |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff   | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery   | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|---|----------------------------------|--|--|--|
| -100                   |                        |                        |                  |   |                                  | A reduction in savings for Children's preventative services - to be prioritised                                  |  |  |
|                        |                        | 25                     | M                | 1 fte   |                                  | Management restructure in children's services will merge responsibilities at tier 3 and reduce management costs. | Council funding for YOS is only £261,000 out of a total budget of £700,000 with Youth Justice Board grant and other partners contributing two thirds of funding. Therefore reductions risk partnership arrangements.   |  |
|                        |                        | 50                     | M                | Increased charges not reduced<br>Staffing as staffing directly relates to music provision |                                  | Music service  | Net cost to Council has been reduced to minimal level £50K after Government Grant. This funding leverages in national grant of £750k per annum for Bath NES to be a regional music hub. Removal of Council funding therefore risks loss of grant. Costs to parents would increase impacting adversely on those least able to pay.  |  |
|                        |                        | 37                     | H                | 2   |                                  | Safeguarding, Social Care and Family Support Services  | This would significantly reduce the Service's capacity to provide targeted services to prevent family breakdown (in accordance with its statutory duties under section 17 Children Act 1989). This would impact upon the Service's ability to divert children and young people age 11-16 years from care, and would inevitably lead to an increased demand for care placements and budgets----on average care placements cost £20k-£40k per annum. |  |
|                        |                        | 28                     |                  |   |                                  | Review 117 Service and redesign overall provision of Family Support Services with reducing staffing capacity.    |  |  |
| 76                     |                        |                        |                  |   |                                  |  |  |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                   | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery   | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------------------------|-----------------|----------------------------------|--|--|--|
| 36                     | 27                     | 35                     | H                                  | 4fte            |                                  | Family Support.  | This would significantly reduce the Service's capacity to provide targeted services to prevent family breakdown (in accordance with its statutory duties under section 17 Children Act 1989). This would impact upon the Service's ability to divert children aged 5-11 years from care, and would inevitably lead to an increased demand for care placements and budgets----on average care placements cost £20k- £40k per annum. |  |
| 628                    | 1130                   | 1983                   | Sub Total – Reduced Service Levels |                 |                                  | Review Specialist Child and Family Support Service and redesign overall provision of family support services with reduced staffing capacity. |  |  |
| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                   | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery   | Additional Information (Inc. PDSP<br>Feedback) |
| 0                      | 0                      | 0                      | Sub Total – Discontinued Service   |                 |                                  |  |  |  |
| 895                    | 1163                   | 2087                   | TOTAL SAVINGS                      |                 |                                  |  |  |  |



| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved | Impact to Service Delivery | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|---------------------------|----------------------------|--|
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|---------------------------|----------------------------|--|

**ADULT SOCIAL CARE & HOUSING**

|                        |                        |                        |                  |                 |                                  |  |   |  |
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|--|---|--|
| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|                        | 293                    | 296                    | H                | None            | None                             | Decrease in Sirona contractual values as agreed.   | Already accommodated in service planning  |  |
| 39                     | 39                     | 0                      | M                | 2.6 fte         | None                             | Savings identified from the customer services workstream which looks at redesigning the customer pathway making better use of IT systems and implementing streamlined processes (including family information) | Yet to be determined. Service will transfer work to the customer service equivalent to this reduction |  |
| 15                     |                        |                        | M                | 0.75 fte        | None                             | P2P Efficiency savings   | Restructure of administration in relation to invoice payment and purchase orders                      |  |

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| Sub Total – Change Programme Savings |                        |                        |                  |                 |                                  | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|--------------------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|---|---|--|
| 54                                   | 332                    | 296                    |                  |                 |                                  |   |   |  |
| 2013-14 Saving<br>£000               | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
| 50                                   |                        |                        | M                | 1.0 FTE         | None                             | Savings in commissioning substance misuse services to be achieved primarily through reduced commissioning staff capacity with a small saving to be achieved by reducing spend on residential treatment by "holding" people in community treatment services, which are now achieving significantly improved outcomes following pathway redesign. | Limited service impact as there is less need to fund out of area residential treatment as a consequence of improvements to the care pathway and effectiveness of community treatment.<br><br>The treatment system is dependent on national performance related funding. Further reductions in service from council or NHS locally will put performance and therefore treatment system investment at risk.<br><br>Lack of effective substance misuse services can adversely impact on the community, including escalation of drug and alcohol related crime and anti-social behaviour.<br><br>Loss of commissioning capacity will increase workload pressures. |  |



| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                     | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|--------------------------------------|-----------------|----------------------------------|--|---|--|
| 20                     | 0                      | 0                      | L                                    | None            | None                             | Additional income from administration of Homesearch.   | None. Additional income from Curo and other Registered Providers to fund advertising of social rented properties via the Homesearch Scheme.   |  |
| 60                     | 60                     |                        | M                                    |                 | None                             | The Fairer Contributions policy, which is based on national guidance and determines individuals' personal contribution to the costs of their community based personal care services. The policy requires that individuals are left with basic minimum income thresholds, which are nationally prescribed. Further protection is provided by a nationally prescribed 25% "buffer", which in B&NES is set above the required minimum at 30%. A very small amount of additional income could be generated by reducing this buffer back down to the statutory 25%. | Impact on the income of service users subject to the Fairer Contributions Policy, though these service users would continue to receive the income protection prescribed through national guidance. Some impact on commissioning and finance capacity to implement change. |  |
| 1,000                  | -1,000                 |                        | L                                    |                 |                                  | Utilise s256 12/13 carry forward to delay recurring impact (one off).<br><br>In line with Department of Health Guidance, it has been agreed by the Council and Primary Care Trust (to become the Clinical Commissioning Group (CCG) in April 2013) that a proportion of s256 funding can be utilised to offset demand-led pressures in adult social care purchasing budgets (including funding of Personal Budgets).   |   |  |
| 500                    |                        |                        | L                                    |                 |                                  | Utilise s256 funding to meet pressures on adult social care purchasing budgets arising from demographic growth – particularly in placements, packages and Personal Budgets for older people and people with mental health needs, including dementia.   |   |  |
| 1,580                  | -940                   | 0                      | <b>Sub Total – Additional Income</b> |                 |                                  |  |   |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                          | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery   | Additional Information (Inc. PDSP<br>Feedback)  |
|------------------------|------------------------|------------------------|---|-----------------|----------------------------------|--|--|---|
| 0                      | 51                     | 0                      | H   | 1.5 FTE         | None                             | <p>£25k saving from ceasing the voluntary Accreditation Scheme for private rented accommodation.</p> <p>£26k saving from a reduction in staffing capacity in Housing Services.</p>   | <p>We are changing our approach to ensuring quality standards in HMOs – this is currently being consulted on.</p> <p>The Accreditation Scheme provides landlords &amp; tenants with reassurance that a property meets minimum standards. Proposed additional HMO licensing areas cover a significant proportion of the accreditation properties. – as a result, the voluntary scheme will be stopped.</p> <p>Reduction in staffing capacity is likely to result in increased waiting times for some housing services.</p>  |   |
|                        | 375                    | 455                    | H   | None            | None                             | <p>A planned reduction of spend on purchasing the provision of personal care and support for older people, including those with dementia, adults with mental health needs, adults with learning difficulties and disabled adults, including those with sensory impairment.</p> <p>Primarily achieved by reducing admissions to residential care, particularly for older people, including those with dementia, by improving access to preventative and early intervention and also, by ensuring that signposting, access to universal services and advice to all, including self-funders, is effective. This saving aligns with investment plans to develop preventative services.</p> | <p>Some service users and their families/carers view admission to residential or nursing care as the “safe” (low-risk) option. Our staff will work to ensure that any concerns about community-based alternatives are addressed effectively. In order to reduce such concerns and mitigate any risks, it would be critical to ensure strong, effective preventative and early intervention services, pathway redesign, and improved signposting and access (including to self-funders) to financial advice.</p> <p>Further investment of Section 256 funding as well as a strategic shift in the investment of a proportion of Supporting People &amp; Communities Funding would be appropriate in supporting the further development of this approach, which is in line with current national and local health and social care strategies.</p> <p>Proposal will increase pressures on Commissioning Team and will require culture change programme for practitioners.</p> | <p>Proposals made in light of high-level review by IPC, which suggests that savings could be achieved by further reductions in admissions to residential care.</p> <p>IPC review makes it clear that these savings can only be realised if part of a strategic shift, including pathway redesign, improved access to preventative services and culture change – see also comment against savings in relation to assessment &amp; care management.</p> |
| 0                      | 426                    | 455                    | <b>Sub Total – Reduced Service Levels</b> |                 |                                  |  |  |   |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|---|---|--|
| 152                    | 689                    |                        | M                | None            | None                             | Over the coming years, the Council will focus the money it has available on care for the most vulnerable adults to support their independence.<br><br>As a result of this focus, there will be a reduction in the level of services which are not directly discharging defined statutory duties under Community Care legislation. Detailed proposals for 2014/15 will be worked up during 2013/14 and the estimated savings by "sector" set out below should, therefore, be treated with caution. | Proposals represent a shift in the focus of Supporting People & Communities funding away from lower level support and towards delivery of more mainstream adult social care objectives.<br><br>There will be an impact on the people who currently use these specific services, such as older people, people who need support to enter or re-enter the workplace, people who need support to avoid/prevent homelessness, people who are socially excluded because of multiple/complex vulnerabilities such as mental ill health, disability, poverty, poor educational achievement & poor housing.<br><br>There will be an impact on a range of services which community organisations, as well as independent sector organisations, provide on our behalf.<br><br>However, as we continue to target our services towards more vulnerable people, there will still be an important part for the independent/ community sector to play in respect of delivering some of the £500k reinvestment in targeted advice/information; preventative services; and "pump-priming" third-sector organisations to recruit and support volunteers. |  |
| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|                        |                        |                        |                  |                 |                                  | Detailed proposals to be worked up during 2013/14 will enable consideration of:<br><br>a) alignment with the Council's priorities;<br><br>b) service performance, utilisation and value for money;  | Managing the de-commissioning of services represents a significant challenge to commissioning capacity.   |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                         | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|--|-----------------|----------------------------------|---|---|--|
|                        |                        |                        |  |                 |                                  | <p>c) engagement with providers, including views on how they might help deliver savings by for example working together more effectively to avoid duplication;</p> <p>d) the overall picture including how targeted investment is made to mitigate the impact of delivering the savings and, indeed, help deliver the savings; and</p> <p>e) work with other partners including the CCG to join up commissioning intentions and take a whole-system view including along care pathways.</p> <p>It is proposed that £500k be reinvested in order to mitigate the impact of proposals and enable the development of targeted services to realise savings from a) assessment/care management; &amp; b) further reductions in admissions to residential care. Estimated savings, by discontinuing or reducing services by "sector", taking account of the application of £500k reinvestment/mitigation are as follows:</p> <ul style="list-style-type: none"> <li>• Older people support, including 'sheltered' housing, estimated saving £449k</li> <li>• Physical &amp; Sensory Impairment support £11k</li> <li>• Young People estimated saving £61k</li> <li>• Ex-offenders/substance misuse estimated saving £42k</li> <li>• Generic (not age/client group specific) estimated saving £160k.</li> <li>• Advice &amp; information estimated saving £118k.</li> </ul> <p>Total saving £841k.</p> | Officers will continue to examine this area of spend and the various contracts in place to seek to bring forward settings into 2013-14 if possible. |  |
| 152                    | 689                    | 0                      | <b>Sub Total – Discontinued Services</b> |                 |                                  |   |   |  |
| 1,836                  | 1,082                  | 1,326                  | <b>TOTAL SAVINGS</b>                     |                 |                                  |   |   |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                            | Impact on staff   | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|---|---|----------------------------------|---|---|--|
| 274                    | 260                    | 66                     |   | Up to 19.5 ftes   |                                  | Customer Services Project within the Change Programme   | Better customer service and lower processing costs.   |  |
| 29                     | 30                     | 0                      |   | Up to 3.5 ftes  |                                  | P2P savings - consolidation of income functions across council  | Arising as part of other restructures.  |  |
| <b>303</b>             | <b>290</b>             | <b>66</b>              | <b>Sub Total – Change Programme Savings</b> |   |                                  |   |   |  |
| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                            | Impact on staff   | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
| 98                     | 300                    | 300                    |   | Estimated at 8 ftes   |                                  | All Directorate - Management Structure Changes across directorate, including DD level, 3rd tier and DMP division.   | Pending further work. £212K of 2013/14 savings from D&MP.   |  |
| 85                     | 0                      | 0                      |   | Up to 2 ftes  |                                  | Transport Policy - Focus on transport planning and strategy.  | Minimal   |  |
| 50                     | 50                     | 50                     |   | Introducing admission charges will require greater use of volunteers and changes to staff duties required; the fundamental review of the operating model in years 2 and 3 could impact further on staff numbers |                                  | Heritage Services - Victoria Art Gallery - reduction in net subsidy of £50k per annum, including the introduction of admission charging in 2013/14, together with a reduction in planned building maintenance; the operating model for the museum will be fundamentally reviewed in order to achieve a similar level of savings in subsequent years | Introducing admission charges will require physical alterations; the reduction in building maintenance could impact on the quality of decorations and the fabric of the building. |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff  | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|------------------|----------------------------------|--|---|--|
|                        |                        |                        |                  |                  |                                  |  | <p>There is a risk of a reduction in footfall. The introduction of museum admission charges typically leads to drop in footfall of between 50 and 75%. The measure will render the Gallery less accessible to seniors and 'hard to reach' groups; the fundamental review of the operating model for the museum is likely to significantly change the offer available to visitors.</p> <p>The introduction of charging will mean a change to the way exhibitions are sourced, requiring greater emphasis on finding crowd-pulling exhibitions in addition to exhibitions where works are for sale ; the review of the operating model could have more significant impacts that are yet to be determined.</p> |  |
| 20                     | 0                      | 0                      |                  | Up to 1 fte      |                                  | <p>Transportation Overheads - Seek to reduce management costs - joint review with DD Environmental Services</p>  | Minimal   |  |
| 39                     | 0                      | 0                      |                  | Up to 7 ftes     |                                  | <p>Highways (reduced management costs through structure changes) - potential to further consolidate and reduce service provision. This is the net saving after existing and emerging pressures absorbed.</p>   | <p>Reduction in capacity, causing delays to delivery of work. Reduced support to Members and Parish Councils on traffic management requests.<br/>Reduction in capability to respond to prolonged emergency, e.g. flooding.<br/>Some equalities issues as traffic management supports minority groups, including people with disabilities.</p>   |  |
| 50                     | 0                      | 0                      |                  | Reduced overtime |                                  | <p>Fleet Workshops - increase MOT / servicing income through reorganising service schedules and reliability to release capacity.<br/>Generate additional income through releasing in-house Passenger Transport capacity and reducing overtime costs.</p> | <p>Improved offer to customers including taxis and reduction in overall service costs. Improvements enabled by recent move of premises to Locksbrook Road</p>   |  |



| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff   | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|---|----------------------------------|--|---|--|
| 50                     | 0                      | 0                      |                  | nil   |                                  | Highways Maintenance - potential to achieve further contract savings   | Contract extension likely to be required in order to secure a rate freeze. Failure to achieve a rate freeze may result in reductions to statutory services (with impacts on assets). Future opportunity to repack services and include revised working methods in tendering. Risk that any new tender may bring in higher rates, creating further budget pressures.   |  |
| 0                      | 200                    | 0                      |                  | All staff would be covered by TUPE arrangements   |                                  | Delivery Trust option for Parks, Heritage Services, Libraries, Arts, Festivals - Review potential to establish a Trust to manage and deliver a range of services and functions including Heritage, Parks etc.                            | Lease and / or licence agreements to be put in place: no proposal to transfer assets. Externalisation of TLC services into a Trust needs to be done against the background of achieving financial benefit. It does have the potential to generate a net annual saving of c. £100k - £200k. One-off set up costs are likely to be in excess of £500k. These calculations are heavily dependent upon a large number of assumptions. |  |
| 200                    | 200                    | 200                    |                  | The business plan provides for a sustained increase in visitor numbers to the Roman Baths, which will impact on staff workloads |                                  | Heritage Services - Additional net profit over three years in line with the Heritage Services Business Plan.<br><br>We will improve our offer through the Roman Baths Development Phase 2 which has £4.188 million of capital allocated. | Increased visitor numbers are likely to cause increased attrition on the site. Deterioration to the ancient monument cannot be reversed and therefore increased measures are needed to prevent this.<br><br>Taking into account our investment in the Roman Baths over the coming years, this is an excellent opportunity to improve the reputation of Bath to a wider number of people.  |  |
| 60                     | 0                      | 0                      |                  | nil   |                                  | Waste - Introduce residents only permits at RC sites (using existing ANPR)   | Stops use of B&NES Recycling Centres by non-residents and mirrors approach in neighbouring authorities<br><br>Potential for shorter queues with nobody from outside the area using our facilities. Potential for increased fly tipping by people we no longer serve.  |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                                     | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery   | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|--|-----------------|----------------------------------|--|--|--|
| 70                     | 0                      | 0                      |  | Up to 2 ftes    |                                  | Reduce Transport Services management, supervision and admin teams through integration of teams and reduction of processing   | Process efficiencies, including potential for reducing overall costs of service management, therefore no significant impact on users.  |  |
| 20                     | 0                      | 0                      |  | nil             |                                  | Radstock Rd Depot to be closed and put portacabin facilities on Old Welton for cleansing / grounds staff   | Redevelop facilities at Old Welton & install new accommodation. Releases Radstock Road Depot. Removes potential to use Old Welton as transfer station contingency site = risk. Risk that full saving not achieved after all risks and costs are factored in  |  |
| 40                     | 20                     | 0                      |  | Up to 1 fte     |                                  | Reorganise Licensing and Environmental street-based inspection and enforcement staff into multi-functional teams which focus on geographical areas and are deployed to reflect varying levels of demand. | Improved customer service, increased focus and hours of enforcement. Reduced net cost through savings and income. More "localised" approach  |  |
| 20                     | 0                      | 0                      |  | 1 fte           |                                  | Restructure Estates Management / Play function   | Reduction of duplication but also capacity. Improved focus on developer funding.   |  |
| 20                     | 0                      | 0                      |  | 1fte            |                                  | Reduce Neighbourhood Managers by combining cleansing areas   | Should improve fluidity of resources across boundaries. Net saving after supervision costs   |  |
| 822                    | 770                    | 550                    | <b>Sub Total – Other Cashable Efficiency Savings</b> |                 |                                  |  |  |  |
| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                                     | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery   | Additional Information (Inc. PDSP<br>Feedback) |
| 250                    | 0                      | 0                      |  | nil             |                                  | Increase / introduce Car Parking Charges   | Increases in a number of areas proposed. A majority would require changes to Traffic Regulation Orders. Some charging proposals likely to be opposed by local residents resulting in delays to implementation. Significant risk of reduction in numbers using affected car parks, renewing permits or visiting affected locations. |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                     | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery   | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|--------------------------------------|-----------------|----------------------------------|---|--|--|
| 10                     | 15                     | 40                     |                                      | nil             |                                  | Additional advertising income (13/14 = roundabouts, 14/15 = billboards & 15/16 = bus shelters)  | Risks of lack of market interests and possible planning constraints due to National and Council Planning Policy. Income targets to be reviewed.  |  |
| 100                    | 0                      | 0                      |                                      | nil             |                                  | Planning - additional income from Government fee increase (note - this is one side of the net £700k pressure with £800k growth to remove base budget assumption on full cost recovery)                      | None - based on 15% extra allowed. Subject to government changing the fee schedule. Requires government decision.  |  |
| 35                     | 0                      | 0                      |                                      | nil             |                                  | Inflation on external income across Environmental Services (assumed at 2% for every income stream that is not a) set by statute, b) subject to a separate decision c) internal).                            | Risk that total income may not increase as demand is reduced due to increases in charges   |  |
| 108                    | 0                      | 0                      |                                      | nil             |                                  | Review of Bus Subsidies   | Results from re-tender of existing subsidised bus contracts  |  |
| 60                     | 60                     | 0                      |                                      | nil             |                                  | Waste - Reduce subsidy for garden waste fees per bin in line with neighbouring authorities  | Minimal  |  |
| 563                    | 75                     | 40                     | <b>Sub Total – Additional Income</b> |                 |                                  |   |  |  |
| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                     | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery   | Additional Information (Inc. PDSP<br>Feedback) |
| 245                    | 255                    | 0                      |                                      | Up to 10 ftes   |                                  | Libraries & Information - To prioritise the retention of our eight Library branches we propose to deliver the service differently in the future with support from our emerging Community Library Programme. | Involves non replacement of one mobile library ( estimated cost of replacement c.£90,000)<br><br>Fewer visits and for less time at stop-offs by the one remaining Mobile Library – this will be offset by the development of our Community Library Programme to provide services in communities without a library branch; restructuring of service; reduction in materials, and some PC's and services.<br><br>Consultation last year indicated how strongly people felt about provision of library branches and willingness to be involved in shaping their local library service |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|---|---|--|
| 200                    | 200                    | 200                    |                  | 0.5 fte         |                                  | Destination Management - Reduction in subsidy for significant elements of activity, combined with increased Spa income and reduced water monitoring costs   | Includes continued growth in Spa income, combined with reduced water monitoring costs; significant reduction in support for Destination Marketing phased over years 2 & 3 alongside action to increase external finance; reduced project budgets for World Heritage site management; deletion of residual budget for support to Future Bath Plus.<br>Managed reduction in Council direct subsidy for destination marketing activity alongside action to increase external finance   |  |
| 263                    | 0                      | 0                      |                  | up to 5.5 ftes  |                                  | Public Protection (Food Safety and Standards, Environment al Monitoring & Licensing, Health and Safety, Trading Standards) - consolidate services, review elements for delivery with a view to minimising service provided. | Restructure / reduction in service offer. Services will be at statutory minimum. Likely cessation of business support model with reduction in informal approach to securing compliance at a time of increasing business numbers.<br>Reduction in enforcement. Cessation of routine sampling. Reduction in partnership working. Possible delays in response to corporate deadlines and complaint/service request response times.<br><br>Risk of challenge due to failure to deliver statutory services.<br>Reputational issues - service reductions - failure to meet expectations. Significant organisational change and development requiring project work to support change in working methods and consultation / redundancy processes. |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff   | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|---|----------------------------------|---|---|--|
| 0                      | 31                     | 0                      |                  | 1 fte plus some<br>redeployment<br>anticipated within<br>service area |                                  | Neighbourhoods Services - reduce<br>Environmental Protection services,<br>cease in-house plant production,<br>reduce parks maintenance and<br>planting.   | Revised pest control service to move<br>from Radstock Rd depot and free up<br>space (store relocated to RVP). No<br>requirement for biomass boiler in<br>RVP nursery. Saving in RVP energy<br>consumption (gas) and therefore<br>reduction in carbon. Significant<br>change in Pest Control Service with<br>reduced staffing and offer focussed<br>around providing means-tested<br>service for people in need (Year 1).<br>Parks management streamlined to<br>improve coordination, efficiency and<br>effectiveness and reduce costs (Year<br>1). RVP Nursery will not close but<br>savings made through stopping costs<br>of heating greenhouses, procuring<br>plants externally, reducing volume of<br>planting and reducing staff within<br>Parks service (Year 2). Cleansing<br>service will continue to look for<br>efficiencies, more effective ways of<br>working and service standards (Year<br>1 onwards). Significant organisational<br>change and development to achieve<br>proposed savings whilst ensuring<br>service continuity. |  |
| 0                      | 0                      | 100                    |                  | up to 3 ftes  |                                  | Planning Policy & Environment teams<br>- Reduction in level of spending<br>within Planning Policy and<br>Environment teams to be achieved<br>after the major elements of Planning<br>Policy are completed, including core<br>strategy, gypsy & travellers DPD,<br>Placemaking and CIL | Assumes reduction in Planning Policy<br>work once these workstreams are<br>complete. Rated as M rather than L<br>because political priorities keep<br>changing  |  |
| 0                      | 120                    | 0                      |                  | up to 2 ftes and<br>agency staff                                      |                                  |   | 15 public conveniences to be closed<br>and re-invest some of the proceeds<br>to improve the remainder of Council-<br>run toilets. This will allow the public<br>convenience budget to focus on the<br>remainder to a higher standard than<br>people currently experience.   |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|--|---|--|
|                        |                        |                        |                  |                 |                                  | Public Conveniences - Reprioritise our spend on public conveniences to improve quality standards and service to the public | <p>Currently provide 29 public conveniences in total.</p> <p>Better facilities for residents, visitors, and workers.</p> <p>Fewer Council-run toilets will be offset by the existing provision of non-Council toilets in places like Bath city centre, including SouthGate shopping centre and the new toilets agreed through the planning process at the Railway Vaults</p> <p>Maintenance of remaining facilities transferred to other organisations where possible. Service is non-statutory but affects residents, tourists, visitors, mobile workers. Possible impacts across the equalities range but elderly and disabled particularly depending on the location of the toilets we may sell. Proposal would retain key Parks/Green space sites where no viable alternative provision (in shops, cafes, bars, Council facilities) and build in higher cleansing standard at remaining sites.</p> <p>Provision Strategy for Public Toilets (2011) to be reviewed/revised to reflect changes and increased need for delivery of the other strands - e.g. co-location in Council buildings, private sector developments, community led support, concession and property lease agreements.<br/>Note: concurrent tendering exercise in progress. Savings assumed all from yr 2 but could be delayed.<br/>Service likely to stagnate and unable to improve if decision left in limbo.</p> |  |
| 50                     | 0                      | 0                      |                  | up to 5 ftes    |                                  | Waste - 2 recycling centres to be closed 2.5 days each in mid-week.  | Increased fly tipping; capacity issues at existing sites when open.<br>Significant reduction in customer service  |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                          | Impact on staff           | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|---|---------------------------|----------------------------------|--|---|--|
| 0                      | 20                     | 0                      |   | nil                       |                                  | Transfer allotment management to user groups (i.e. provide them but do not manage them)  | Possible asset transfer. Move away from dependency on Council managed sites. Risks of dispute and of low take-up  |  |
| 0                      | 10                     | 0                      |   | nil                       |                                  | Stop maintaining bowls at Sydney Gardens   | Possible asset transfer. There is currently over-provision of bowls facilities in Bath. Can offer facilities elsewhere  |  |
| 758                    | 636                    | 300                    | <b>Sub Total – Reduced Service Levels</b> |                           |                                  |  |   |  |
| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                          | Impact on staff           | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
| 102                    | 0                      | 0                      |   | nil                       |                                  | Sports Development & Active Lifestyles; No longer provide Sky Ride and Wheels for All; at least one voluntary organisation would be at risk if grants are eliminated; Less funds available to finance one off issues within Leisure. Proposals impact across the Sports Development and Active Leisure service | No direct impact. Highly successful events will not take place (Sky Ride and Wheels for All); at least one voluntary organisation would be at risk if grants are eliminated; Less funds available to finance one off issues within Leisure. Proposals impact across the Sports Development and Active Leisure service |  |
| 10                     | 30                     | 0                      |   | 2 ftes                    |                                  | Cease pest control service (extra reduction beyond that proposed above)  | Reputational risk through failure to properly discharge statutory duty - although private sector providers of pest control are available and some services could be recommended by us. Statutory obligations remain   |  |
| 20                     | 0                      | 0                      |   | possibly reduced overtime |                                  | Waste - stop collecting "missed bins" except where this is the fault of the service.   | Increased complaints. Save staff and fuel costs. Most bins are not "missed" due to service errors   |  |
| 0                      | 30                     | 0                      |   | possibly reduced overtime |                                  | Waste - cease 5 bank holiday refuse collections except Xmas / New Year   | Increased complaints due to changes. Recycling collections not affected. Net saving through reduction in premium rates / extra time off.  |  |
| 132                    | 60                     | 0                      | <b>Sub Total – Discontinued Services</b>  |                           |                                  |  |   |  |
| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                          | Impact on staff           | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
| 400                    | 0                      | 0                      |   | nil                       |                                  | Weekly Collections Fund  | subject to announcement by end October 2012   |  |
| 400                    | 0                      | 0                      | <b>Sub Total</b>                          |                           |                                  |  |   |  |
| 2,978                  | 1,831                  | 956                    | <b>TOTAL SAVINGS</b>                      |                           |                                  |  |   |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved | Impact to Service Delivery | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|---------------------------|----------------------------|--|
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|---------------------------|----------------------------|--|

**RESOURCES**

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|---|---|--|
| 250                    | 500                    | 150                    |                  |                 |                                  | <p><b>ICT - Corporate</b></p> <p>Rationalisation of systems, improved procurement &amp; implementation of new ICT Strategy plus consolidation of budgets.</p> <p>This saving will apply across all departments and so is described as <b>corporate</b> even though will be led in the Resources Department.</p> <p>New centralised or federated staffing model required</p> | <p>This saving is the balance remaining Delivery is dependent upon ICT transferring in-house on 1 August 2013 &amp; then centralisation and rationalisation of all ICT spend from 1 April 2013.</p> <p>Reduced spend on ICT will mean ICT will be provided strictly to meet priority business needs</p> <p>Staffing impacts cannot be assessed until the service has returned in house.</p> <p>The effective completion of this programme requires continued investment in the change from the relevant reserve and links to the various items in the capital programme.</p> <p>Link to Sirona ICT strategy to be evaluated</p> |  |
| 73                     | 27                     |                        |                  | 3 P2P<br>1 BFS  |                                  | <p><b>Finance</b></p> <p>Business &amp; Financial Services: P2P</p> <p>Rationalising procure to pay (P2P) and income systems in finance either using centralised or federated staffing model</p>  | <p>£60K Change target relating directly to Resources procure to pay and £40K similar target for consolidation of income functions across the Council including from rationalising cash income system &amp; systems, which support web based payments facility.</p> <p>The effective completion of this programme requires continued investment in the change from the relevant reserve.</p> <p>P2P will deliver further savings within Place (£92k) and People &amp; Communities (£65k) which will require staff restructuring &amp; consolidation within these Directorates</p>  |  |



| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery   | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|--|--|--|
|                        |                        | 170                    |                  | 3               |                                  | <p><b>Customer Services</b></p> <p>Business Development</p> <p>Stopping the business development service once the new way of working has been fully rolled out in 2015/16.</p> | <p>This is a year 3 savings from simply stopping a service development function on the basis it will have become business as usual - The Business Development team in Customer Services supports the customer services change programme – removing this team will mean the programme comes to an end in 15/16 – the schedule suggests a one off source of resources in 15/16 may be needed to sustain the programme through that year and then stop.</p>               |  |
|                        |                        | 100                    |                  | 5               |                                  | <p><b>HR &amp; Payroll</b> – delivery model</p> <p>New methods with less date inputting and more self service.</p>   | <p>New model for HR/Payroll service delivery agreed, consistent with future function and size of the Council. Currently subject to finalising the business case.</p> <p>Savings are dependent upon insourcing of transactional and payroll functions from Mouchel and new software platform to support manager / employee self-service.</p> <p>Full implementation will take 2 years. Benefits will also include accurate &amp; up-to-date management information.</p> |  |
| 250                    | 250                    |                        |                  |                 |                                  | <p><b>Management Structure</b></p> <p>Resources Department management structure to be reviewed</p>   | <p>Consultation on a new management structure will start at the beginning of 2013.</p> <p>Following agreement of principles a more streamlined structure will be phased in.</p> <p>Staff impact to be assessed. Savings include related support.</p> <p>Relates to assumed overheads of current contract</p> <p>Staff impact to be assessed.</p>   |  |
| 100                    | 100                    |                        |                  |                 |                                  | <p><b>ICT</b></p> <p>In-sourcing of ICT function</p>   |  |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                            | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|---|-----------------|----------------------------------|--|---|--|
| 155                    | 6                      | 17                     |   | 6               |                                  | <b>Customer Services</b><br>New standardised and simplified customer contact arrangements              | To be delivered as per Release 1 of customer services change plan.<br>Face to face customer service options retained but self serve and web improved. Also affects e billing and document management,   |  |
| 21                     | 44                     |                        |   |                 |                                  | <b>Improvement &amp; Performance</b><br>Web site administration efficiencies                           | New open systems Drupal web site to require less resources to maintain.<br>No further staff impact expected   |  |
| 377                    | 230                    |                        |   | 20              |                                  | <b>Property</b><br>Property Services - Reduction in staffing levels to facilitate 20% reduction target | Some mitigation may be achieved by splitting the delivery and commissioning roles and combining some of delivery with project delivery elsewhere in the Council.<br>A less responsive service will result including ability to take forward development opportunities unless one off development budgets can be identified. The rolling development fund helps with this but will need to be topped up from time to time. |  |
| 10                     | 20                     | 20                     |   | 3               |                                  | <b>Property</b><br>Print procurement and delivery efficiencies.  | <i>Business to be run at scaled back level to test viability of this approach.</i><br><i>For more specialist work a new framework contract procured through the procurement partnership will be available.</i>  |  |
| <b>1236</b>            | <b>1177</b>            | <b>457</b>             | <b>Sub Total – Change Programme Savings</b> |                 |                                  |  |   |  |
| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                            | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
| 100                    | 200                    |                        |   |                 |                                  | <b>Transformation</b><br>Removal of recurring budget   | Gradual removal of all project budgets much of which is spent on lean systems thinking reviews, project support to Council services and ICT projects. Replacement with one off funding from reserves as required.   |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|---|---|--|
| 500                    |                        |                        |                  |                 |                                  | <p><b>Policy &amp; Partnerships</b></p> <p><b>Travel Plan – Corporate</b></p> <p>Review of business travel &amp; reimbursement arrangements</p> <p>This saving will apply across all departments and so is described as <b>corporate</b> even though will be led in the Resources Department.</p> | <p>The Corporate Travel Plan together with the Workplaces project are intended to support changes in the business travel practices of staff reducing journeys and carbon emissions.</p> <p>Managers are currently assessing the impact on service delivery although no adverse impact is anticipated based on experience in other authorities.</p> <p>The saving arises from introducing HMRC travel rates and associated changes to mileage allowances but is subject to consultation.</p> |  |
|                        | 200                    |                        |                  |                 |                                  | <p>Policy, Performance &amp; <b>Administration</b> in Resources Department</p> <p>Consolidation of support areas across Resources including democratic meetings support, aspects of information management, performance management and reporting.</p>   | <p>Review to primarily affect democratic services, policy and partnerships plus improvement and performance to integrate functions and reduce systems and processes.</p> <p>Staff impacts unknown at this stage but assumption made based on level of saving</p> <p>There may be some corporate aspects to this review and potential links to the Resources management review.</p>  |  |
|                        |                        |                        |                  |                 |                                  | <p><b>Property</b></p> <p>Consolidation of <b>capital programme</b> support, property &amp; project management.</p>   | <p>There are distributed arrangements in place that could be combined to achieve savings from the management of capital schemes and project delivery.</p> <p>A split of some commissioning roles from project delivery and support is also appropriate in aspects of property and project delivery.</p>   |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|---|---|--|
|                        |                        |                        |                  |                 |                                  |   | This will potentially link with the Resources management review and in addition there will be corporate aspects to this review.<br>Staff impact to be assessed.   |  |
|                        | 50                     |                        |                  |                 |                                  | <b>Audit Risk &amp; Assurance</b><br><br>Consolidation of <b>Procurement &amp; Commissioning</b> Support across the Council to increase resilience and sustain acceptable level of capacity and skills. | Similar to the above but in respect of commissioning and procurement support. Scope to centralise or federate staff plus potential links to the Resources management review.<br><br>Staff impact to be assessed.  |  |
|                        | 25                     |                        |                  |                 |                                  | <b>Audit Risk &amp; Assurance</b><br><br><b>Information Governance</b><br>Rationalisation with ICT Service  | Similar to the above but in respect of ICT & Information Governance roles following in sourcing of IT contract. Potential links to the Resources management review<br><br>Staff impact to be assessed.  |  |
| 29                     | 16                     | 6                      |                  |                 |                                  | <b>Property</b><br>Corporate Estate – efficiencies  | Reductions in corporate estate budgets to deal with one off work.<br>No direct staff impact.<br><br>The main savings relate to workplaces and have already been accounted for as part of that project.<br><br>Separate savings relate to R&M for which see below.                                   |  |
| 75                     | 75                     |                        |                  | 4               |                                  | <b>Legal &amp; Democratic</b>   | A 15% cut in legal support (split over 2 years) that will require clearer prioritisation of support based on impact and risk as assessed by the Council on a corporate basis. Any substantial legal challenges will need to be funded from project budgets or Council central contingency reserves. |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery   | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|---|--|--|
|                        |                        |                        |                  |                 |                                  | Reduced structure for Legal Services  | Shared working on specialist aspects of the service with other authorities to be accelerated to see if further efficiencies can be found.  |  |
|                        |                        | 200                    |                  | 3               |                                  | <b>Finance</b><br>More savings in management of finance to reduce the service to a core service | This level of savings will need to be measured carefully.<br>As with legal and HR the risk is that the services will start to decline below acceptable levels and in this case qualification of accounts becomes a risk.<br>To mitigate this, a very effective risk based approach will be needed.<br>All other support services will be assessed to ensure no one service is disproportionately affected in year 3. Metrics and benchmarking will be important. |  |
|                        | 25                     |                        |                  |                 |                                  | <b>Property</b><br><b>Cleaning</b><br>Reduction in Cleaning spec across corporate offices       | A slightly reduced cleaning specification, which could start to impact noticeably on building cleanliness - so will be kept under review especially in busy areas and busy building with flexible office space. This represents a 20 % reduction.  |  |
| 100                    |                        |                        |                  |                 |                                  | <b>Resources</b><br><b>Project Support</b><br>Removal of Resources Change<br>Project funding    | There is now no funding available to support 'one-off' change projects within Resources  |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|--|---|--|
| 7                      |                        |                        |                  |                 |                                  | <p><b>Customer Services</b></p> <p><b>Shop mobility</b><br/>Maintain Shopmobility service through current Customer Services team and greater use of volunteers</p>   | Option to fully remove the service has previously been considered and savings are now available as a result of absorbing workload within Customer Services team and co-location within One Stop Shop.   |  |
| 1,700                  |                        |                        |                  |                 |                                  | <p><b>Finance</b></p> <p><b>Investment interest, Capital &amp; debt costs – Corporate</b></p> <p>This saving will apply across all departments and so is described as <b>corporate</b> even though will be led in the Resources Department</p> | <p>Review of long term capital financing and financing reserves.</p> <p>The saving reflects the approach now inherent in the treasury management strategy and the capital programme financing arrangements.</p> <p>No provision required for rising interest costs as loans will be at fixed rates but opportunity cost of cash flow funding may become more expensive over time which has not been allowed for.</p> <p>The figure also includes £200,000 for carbon tax and this is no longer required as it has been possible to charge schools appropriately and the rates are slightly better than expected. A further £100,000 relates to saving in external audit fee following the abolition of the Audit Commission and appointment of Grant Thornton as external auditors.</p> <p>No direct staff or service impacts</p> |  |
|                        | 500                    | 500                    |                  | n/a             |                                  | <b>Policy &amp; Partnerships + Property</b>  | Review of use of Council owned assets based in communities to see which ones might be better run by the communities themselves, also which should be consolidated and which sold off. Also affected by the new statutory 'right to bid'.  |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                                     | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|--|-----------------|----------------------------------|---|---|--|
| 2,536                  | 1,091                  | 706                    | <b>Sub Total – Other Cashable Efficiency Savings</b> |                 |                                  | <b>Community Use of Assets –<br/>Corporate</b><br><br>This saving will apply across all departments and so is described as <b>corporate</b> even though will be led in the Resources Department                                     | There is a risk that aspects of this saving might be double counted with savings elsewhere in medium term plans but this will not be evident until the review progresses.<br><br>The review does not include the Councils main offices, which have been reviewed and are being rationalised as part of the workplaces programme. The savings from this have already been accounted for.   |  |
| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                                     | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
| 550                    | 250                    | 200                    |  | n/a             |                                  | <b>Property</b><br><br><b>Commercial Estate</b><br><br>Increased revenue income through investment in Commercial properties.<br><br>The Council as a whole benefits from the income in this estate, which presently is a net £1.3M. | This arises from the potential to invest in properties with secure returns that exceed those available through usual treasury management opportunities.<br><br>The acquisitions need to be linked to the enhancement of the Council's estate and to therefore achieve wider property objectives.<br><br>One example of such an acquisition has already been achieved in the current financial year and represents an early move towards this target. A more diversified property portfolio and support for regeneration are possible additional benefits.<br><br>Over the next three years, the capital borrowed to fund the acquisitions is intended to be repaid using new capital receipts to be generated from lease restructuring which has no significant impact upon existing revenue streams. |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                     | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|--------------------------------------|-----------------|----------------------------------|---|---|--|
| 19                     | 29                     | 62                     |                                      | n/a             |                                  | <b>Improvement &amp; Performance - corporate</b><br><b>Additional Advertising income</b><br>This saving will apply across all departments and so is described as <b>corporate</b> even though will be led in the Resources Department | Income to be generated through increased advertising using the Council's web site and other means such as bus stops, traffic islands, and events.   |  |
|                        | 500                    | 500                    |                                      | n/a             |                                  | <b>Finance - corporate</b><br><b>Tourism Levy</b><br>This saving is described as <b>corporate</b> and will be led in the Resources Department   | There is potential to introduce some form of tourism levy so that the Council's day-to-day investment in tourism and visitors can continue to be supported.<br>Any such levy would be subject to widespread consultation and appropriate due diligence. |  |
|                        | 500                    | 250                    |                                      |                 |                                  | <b>Finance - corporate</b><br><b>Trading Opportunities</b><br>This saving will affect a number of departments, is described as <b>corporate</b> and will be led in the Resources Department   | The Council has a number of trading partners and the aspiration is to review those relationships to assess the potential to increase Council income.<br>These reviews will initially need to be treated as commercially sensitive.                      |  |
| <b>569</b>             | <b>1,279</b>           | <b>1,012</b>           | <b>Sub Total – Additional Income</b> |                 |                                  |   |   |  |
| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                     | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|                        |                        |                        |                                      |                 |                                  | <b>Customer Services</b>  | The new local Council Tax Support scheme (formerly Council Tax benefits) is being introduced in a way that will offset the 20% reduction in Government funding for working age claimants. Pensioners are protected.                                     |  |



| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|--|---|--|
|                        |                        |                        |                  |                 |                                  | <b>Council Tax Support Scheme</b>  | This major change therefore shows as a nil net cost.<br><br>Dues to the timetable for billing and tax base setting this change is to be considered by the November meeting of Council and in advance of budget setting.   |  |
|                        |                        |                        |                  |                 |                                  | <b>Customer Services</b><br><br><b>Housing Benefits to Universal Credits</b> | To try to avoid the reduction in access to face-to-face advice the Council is participating in as a pilot for the Department of Work & Pensions (DWP) and attracting funding for that purpose.<br><br>The new system will be gradually introduced between October 2013 and 2017.<br><br>The Council will cease to provide the service as the caseload migrates to the DWP but may be able to provide a local front office service if the pilot is successful.<br><br>The financial arrangements for such a service are not yet clear and there will be implications for the voluntary sector who already provide advice claimants as well as money advice.<br><br>A nil net cost has been assumed. There are about 10-15 staff that work in this area (HE) and their roles will potentially transfer or disappear over time, subject to the above.<br><br>HB Admin Government grant equates to the cost of running the existing service. The benefits are currently funded by Government subsidy except for approximately £300K. This relates to complex subsidy rules and certain risk that remain with the Council. It is assumed that this will still be needed in future when Universal Credits are implemented as a means of funding a front office service. |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|---|---|--|
| 60                     | 20                     | 45                     |                  |                 |                                  | <p><b>Policy &amp; Partnerships</b></p> <p>Partnership Delivery</p> <p>Commissioned services and local events budgets</p> | <p>Savings relate to</p> <p>1 Removal of dedicated budgets for local initiatives and events. Currently £19k used to complement local projects, including Christmas events and some co-ordination of local partnership activity. Budget has been reduced over the years and communities have been assisted in obtaining funding from other sources such as Ward Councillors Initiative</p> <p>2 Savings from Christmas lighting budget in first year leading to ending of this budget at end of current contract. Budget currently £81k will reduce by £11k in year one, Year 2 and 3 savings assume that we have been able to generate income to fund any Christmas lights and or the level of provision has been reduced or efficiencies made</p> <p>3 Saving from community safety budgets which will be achieved through continuing the change programme the Partnership began last year in the light of the advent of PCCs. Saving proposed £30k from a £40k budget set up in the 2012/13 budget to provide some flexibility in the transitional period</p> <p>These savings coupled with savings delivered in 2012/3 leaves the service commissioning in 2013/14, local Healthwatch (new statutory responsibility) £72k, the reducing Christmas lights budget £70k, a contract on Voluntary and Community Sector support £65k, Street Marshalls work with the BID £21k, the Councils contribution to the Student Community Partnership £18k and some capacity to support some work with Equalities groups £40k</p> |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                          | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|---|-----------------|----------------------------------|---|---|--|
| 35                     |                        |                        |   | 1               |                                  | <b>Legal &amp; Democratic</b><br><br>Efficiency measures within Democratic Services | The savings will be achieved through a series of efficiency measures within Democratic Services. The level of Oversight and Scrutiny and democratic accountability will be protected  |  |
| 344                    | 85                     |                        |   |                 |                                  | <b>Property</b><br><br><b>Repairs and Maintenance</b><br>Reductions in R&M budgets  | A significant reduction in the budget of about 20%, which will mean that the already highly prioritised approach will be restricted further. Condition of assets will need to be monitored. Rationalisation and renewal of corporate estate, especially, offices will help. |  |
| <b>439</b>             | <b>105</b>             | <b>45</b>              | <b>Sub Total – Reduced Service Levels</b> |                 |                                  |   |   |  |
| <b>4,780</b>           | <b>3,652</b>           | <b>2,220</b>           | <b>TOTAL SAVINGS</b>                      |                 |                                  |   |   |  |

| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved | Impact to Service Delivery | Additional Information (Inc. PDSP<br>Feedback) |
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|---------------------------|----------------------------|--|
|------------------------|------------------------|------------------------|------------------|-----------------|----------------------------------|---------------------------|----------------------------|--|

**REGENERATION, SKILLS & MAJOR PROJECTS**

|                        |                        |                        |  |                          |                                  |  |   |  |
|------------------------|------------------------|------------------------|--|--------------------------|----------------------------------|--|---|--|
| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                                     | Impact on staff          | Impact on Assets<br>and Property | How saving to be achieved  | Impact to Service Delivery  | Additional Information (Inc. PDSP<br>Feedback) |
| 212                    | 0                      | 0                      | L  | 3 posts to be<br>deleted | none                             | All Directorate - Management<br>Structure Changes across<br>directorate, including DD level, 3rd<br>tier and DMP division. | No impact as saving achieved by<br>change in Strategic reporting and<br>management input in line with<br>Council policy of moving to 3<br>Directorates. |  |
| 212                    | 0                      | 0                      | <b>Sub Total – Other Cashable Efficiency Savings</b> |                          |                                  |  |   |  |
| 212                    | 0                      | 0                      | <b>TOTAL SAVINGS</b>                                 |                          |                                  |  |   |  |

**CORPORATE**

|                        |                        |                        |  |                 |                                  |   |                            |  |
|------------------------|------------------------|------------------------|--|-----------------|----------------------------------|---|----------------------------|--|
| 2013-14 Saving<br>£000 | 2014-15 Saving<br>£000 | 2015-16 Saving<br>£000 | Risk to Delivery                                     | Impact on staff | Impact on Assets<br>and Property | How saving to be achieved   | Impact to Service Delivery | Additional Information (Inc. PDSP<br>Feedback) |
| 170                    | 0                      | 0                      | L  | Nil             | none                             | Removal of remaining budget set<br>aside to cover reductions resulting<br>from central educational services<br>funding changes (LACSEG) | No impact                  |  |
| 170                    | 0                      | 0                      | <b>Sub Total – Other Cashable Efficiency Savings</b> |                 |                                  |   |                            |  |
| 759                    | 700                    | 700                    | L  | Nil             | none                             | New Homes Bonus grant income  | No impact                  |  |
| 759                    | 700                    | 700                    | <b>Sub Total – Additional Income</b>                 |                 |                                  |   |                            |  |
| 929                    | 700                    | 700                    | <b>TOTAL SAVINGS</b>                                 |                 |                                  |   |                            |  |
| 11,630                 | 8,428                  | 7,289                  | <b>OVERALL SAVINGS</b>                               |                 |                                  |   |                            |  |

## COMMUNITY ASSETS TRANSFER PROGRAMME

### 1 CONTEXT

1.1 The challenging financial situation increasingly requires the Council to use to the full the assets available to help communities tackle the local issues of importance to them.

1.2 Since the publication of the Quirk report in 2007, councils and central government have seen greater community involvement in community assets and buildings as potentially delivering some or all of the following benefits:

(1) **Better community outcomes**- by releasing an organisation from its liabilities to the Council it can grow its work in the community. The Quirk Review noted that the crucial driver for asset transfer is not the disposal of assets per se but the empowerment of communities; any approach to community assets must therefore be seen in the context of the Council's aim to be an open and engaging Council that empowers communities and works in partnership with a range of public, private and voluntary organisations.

(2) **Better Value for Money** – cutting costs through new, localised ways of working and involvement of volunteers as well as drawing in more resources, for example from parish councils.

(3) **Greater support for our voluntary and community sector**- with opportunities for long-term planning by the community organisation involved in the building, including the ability to draw down external investment as well as greater freedom to tailor services to need. This support for local community organisations is urgent in the current climate and can make a real difference to long-run viability.

1.3 The new Community Right to Bid provides an additional focus for involvement in community assets, including those not in Council ownership.

### 2 COMMUNITY ASSETS IN BATH AND NORTH EAST SOMERSET: SUGGESTED APPROACH

2.1 It is proposed that a programme begin of transferring Council community based assets and services to voluntary groups and parish councils, beginning with a series of "Quick Wins" alongside the development of a more detailed framework and criteria. "Transfer" is defined as "passing ownership or management of a building or piece of land from a public sector body to a third sector organisation". This may or may not involve transfer of the freehold and the most appropriate arrangements will be put in place depending on the nature of the asset and organisation concerned and the outcomes to be achieved.

### 3 COMMUNITY ASSET TRANSFER- “QUICK WINS”

3.1 To make progress on this issue, the Council will initially focus on finalising proposals for asset transfer where discussions are already well- advanced. These are set out in Table 1(below) and reflect the diversity of community organisations delivering services in our area, both in terms of structure and of the types of outcomes being achieved. However, each of these schemes has been built around:

- (1) An appropriate, not-for-profit legal entity, and governance structure to ensure effective management of the asset
- (2) Alignment between the work and objects of the organisations and the Council’s own Corporate Plan objectives.
- (3) Opportunities for enhancing the capacity of local voluntary and community organisations and empowering them to deliver their objects

3.2 As asset transfer terms are finalised with these organisations, the Council will also put in place arrangements to ensure that the wider community interest is safeguarded and that the overall objectives agreed will continue to be delivered in the longer term. The Council will consider impacts on its overall priority of enabling groups to grow their services in the community as well as the overall financial implications of proposals. The learning from this work will be used to develop the wider criteria for Community Asset Transfer set out in 4 below.

### 4 DEVELOPING CRITERIA FOR ASSET TRANSFER

4.1 As well as progressing the “Quick Wins” identified in Table 1, the Council wishes to develop a wider offer to voluntary and community groups and parish councils in relation to community assets. A report will be brought to Cabinet recommending the process and criteria for this, building on experience from the work on the “Quick Wins”. It is expected that this report will be built around the following key principles

- (1) **Listening-** an open and transparent invitation to voluntary/community organisations and parish councils to propose changes to arrangements relating to community assets
- (2) **Prioritising-** being clear about the types of assets which will be considered for transfer
- (3) **Joining-Up-** checking the impact of proposals on other plans for assets, bringing services together to reduce costs and duplication where possible
- (4) **Working With You-** engaging constructively on proposals and encouraging phased approaches where practical

(5) **Sharing Ideas-** learning from successful schemes

- 4.2 In response to requests arising from this process, the Council will make positive suggestions including the potential for a phased approach and providing appropriate support to local groups.
- 4.3 Further work will be undertaken on more detailed criteria but the tests to be adopted will be proportionate to the degree of change in the relationship being proposed and the benefits to the community. The criteria will include appropriate safeguards to ensure that any asset is used in accordance with the objects agreed in any leasing arrangement, to ensure effective governance and to address any financial and value for money implications.
- 4.4 The Resources Policy Development and Scrutiny Panel intends to undertake a review of the Council's approach to community assets and a report is being presented to its meeting of March 18<sup>th</sup>. This will be linked to the proposals for policy development set out in this Appendix.

**5 LINK WITH MEDIUM TERM SERVICE AND RESOURCE PLANNING**

- 5.1 The Council and its partners hold a significant numbers of assets across our area. It is proposed that further work be undertaken to identify where costs can be reduced by removing duplication, for example, through colocation of services. The Council has in its Resources MTSRP a proposal to save £500k in 14/15 and an additional £500k in 15/16 through reviewing the use of Council owned assets. An analysis of 90 Council community assets suggests a total running cost of £7.5m, although since this includes service assets such as library and leisure facilities it is important to avoid double-counting.
- 5.2 Again, this work will be linked to the work being undertaken by the Resources Policy Development and Scrutiny Panel.

**Table 1 - “Quick Wins”**

NOTE: All proposals below will contribute to the following outcomes through the process of asset transfer:

- Where local people actively lead the delivery of improvements in their community
- Where decisions are made as locally as possible
- Where there is easy access to public services and local amenities
- People have developed their skills and used them to improve their community

| <b>Asset</b>                                     | <b>Summary of outcomes provided by the organisation</b>  | <b>Corporate Plan Outcomes directly delivered</b>  |
|--|--|--|
| Percy Community Centre – New King Street, Bath   | A well-maintained, accessible community resource for other voluntary sector and community groups and to support the economic activities of individuals with a range of services. The Centre now has over 50,000 users a year and hosts a regular schedule of around 25 different activities each week.   | <ul style="list-style-type: none"> <li>• The people most in need are supported to live full active lives</li> <li>• Children and young people enjoy their childhood and are prepared for adult life</li> <li>• There are activities and opportunities to help young people to make a positive difference to their lives and communities</li> <li>• Everyone has the opportunity to participate in sports, leisure and cultural activities</li> <li>• Reduced inequality between communities across Bath &amp; North East Somerset</li> </ul> |
| Chapel Arts Centre, St James Memorial Hall, Bath | A community & culturally based arts centre presenting a wide range of the performing arts, including music), theatre, dance, comedy, film, mime, poetry and multimedia   | <ul style="list-style-type: none"> <li>• Everyone has the opportunity to participate in sports, leisure and cultural activities</li> </ul>   |
| Whisty Community Centre, Stoneable Rd            | The Whisty community Association provides community facilities and services tailored to meet local needs in Whitelands Springfield and Tynning. It works with statutory authorities, schools, colleges and voluntary organisations to improve the quality of life of the inhabitants of the WHISTY area. Services available include a pre-school playgroup and parent toddler group. | <ul style="list-style-type: none"> <li>• The people most in need are supported to live full active lives.</li> <li>• Children and young people enjoy their childhood and are prepared for adult life</li> <li>• Everyone has the opportunity to participate in sports, leisure and cultural activities</li> <li>• Reduced inequality between communities across Bath &amp; North East Somerset</li> </ul>  |



|   |  |  |
|---|--|--|
| <p>Fairfield House, Bath</p>              | <p>The Friends of Haile Selassie I Fairfield House has been established with clear objects relating to respecting and preserving its heritage and its legacy for the older people of Bath as for different community groups intended by HIM Haile Selassie 1 bequest as well as developing Fairfield House as a sacred space. It is in the process of preparing an appropriate legal entity and Business Plan.</p> | <ul style="list-style-type: none"> <li>● The people most in need are supported to live full active lives.</li> <li>● Older people are supported to live independently</li> <li>● Everyone has the opportunity to participate in sports, leisure and cultural activities</li> </ul>   |
| <p>Midsomer Norton Railway Station</p>    | <p>The Somerset &amp; Dorset Railway Heritage Trust operates a heritage railway from its station at Midsomer Norton and is currently extending its operation.</p>  | <ul style="list-style-type: none"> <li>● There are activities and opportunities to help young people to make a positive difference to their lives and communities.</li> <li>● Everyone has the opportunity to participate in sports, leisure and cultural activities</li> </ul>  |
| <p>YMCA Broad St, Bath</p>                | <p>Bath YMCA is an autonomous charity that affiliates to YMCA England. It has its own board of management made up of representatives from local communities. As well as accommodation, the organisation provides a wide range of other services including breakfast clubs, after school clubs, childcare and youth projects.</p>   | <ul style="list-style-type: none"> <li>● The people most in need are supported to live full active lives</li> <li>● Children and young people enjoy their childhood and are prepared for adult life</li> <li>● There are activities and opportunities to help young people to make a positive difference to their lives and communities</li> <li>● Everyone has the opportunity to participate in sports, leisure and cultural activities</li> </ul> |
| <p>Genesis Trust, James St West, Bath</p> | <p>A charity in Bath that currently runs a range of to help the homeless and vulnerable in the city. These include a furniture project, Foodbank and the Street Pastors scheme.</p>  | <ul style="list-style-type: none"> <li>● The people most in need are supported to live full active lives.</li> <li>● Where people feel safe</li> <li>● Reduced inequality between communities across Bath &amp; North East Somerset</li> </ul>   |

|  |   |  |
|--|---|--|
| <p>Scouts,<br/>Kelston Rd</p>                                      | <p>The aim of The Scout Association is to "promote the development of young people in achieving their full physical, intellectual, social and spiritual potential, as individuals, as responsible citizens and as members of their local, national and international communities". It achieves this through a programme of activities for young people from the ages of 6 to 25.</p>  | <ul style="list-style-type: none"> <li>● The people most in need are supported to live full active lives</li> <li>● Children and young people enjoy their childhood and are prepared for adult life</li> <li>● There are activities and opportunities to help young people to make a positive difference to their lives and communities</li> <li>● Everyone has the opportunity to participate in sports, leisure and cultural activities</li> </ul> |
| <p>Beacon<br/>Hall/Beacon<br/>Field,<br/>Peasedown St<br/>John</p> | <p>This purpose-built Hall and nearby children's play area, were provided for the village of Peasedown St John as a result of the construction of over 1000 new homes in the village. The site of the Hall and its surrounding gardens, Beacon Field and car park is now leased to Peasedown St John Parish Council by Bath &amp; North East Somerset Council.</p> <p>This will bring benefits to the Hall and the management of the adjacent space.</p>                | <ul style="list-style-type: none"> <li>● The people most in need are supported to live full active lives</li> <li>● Children and young people enjoy their childhood and are prepared for adult life</li> <li>● Everyone has the opportunity to participate in sports, leisure and cultural activities</li> <li>● Clean streets and open spaces</li> </ul>  |
| <p>Midsomer<br/>Norton Town<br/>Trust</p>                          | <p>A new Midsomer Norton Town Trust has been established to hold the leases for buildings in trust for the town, be responsible for maintaining the fabric of the buildings and to develop a capital sinking fund over time to cover the cost of repairs. The 11 Town Councillors will be the trustees. The Midsomer Norton Community Trust will be a Community Interest Company responsible for running the Town Hall and Orchard Hall buildings on a daily basis.</p> | <ul style="list-style-type: none"> <li>● Clean streets and open spaces</li> <li>● The quality of the environment is maintained or enhanced</li> </ul>  |

## Policy Context to the Budget 2013/2014

### Context to our plans

Bath & North East Somerset Council (B&NES) strives to deliver excellent services to local people and make our area *the* place to live, invest, and visit in the UK. We are committed through our strategies to making this happen.

The environment in which we are working has changed and we are now facing new challenges from cuts to public sector funding, new legislation and shifts in our local population numbers and profiles.

Using a comprehensive evidence base, called the Joint Strategic Needs Assessment, we are ensuring that we have a good understanding of the challenges facing us and the needs of local people. This understanding is shaping our strategies and the way we deliver front line services.

Our strategies and plans describe how we will be investing in the future with projects to promote new jobs and homes, keeping Council Tax bills as low as possible and protecting high priority frontline services, whilst ensuring that our most vulnerable residents are given the support that they need.

### What our plans say

Our Corporate Plan sets out the Councils vision for the area. This vision puts people first and communities at the heart of everything we do, and is framed around 3 objectives: *Promoting independence and positive lives for everyone (quality of life); Creating neighbourhoods where people are proud to live (people); Building a strong economy.* The Plan goes on to describe how we will make this vision a reality, whilst making the most of our resources. Our Corporate Plan 2012 – 2015 can be found at [www.bathnes.gov.uk/services/your-council-and-democracy/policies-and-plans/corporate-plan](http://www.bathnes.gov.uk/services/your-council-and-democracy/policies-and-plans/corporate-plan)

Our Sustainable Community Strategy (SCS) builds on our vision for the area and sets out the commitment from the wider B&NES partnership. It seeks to ensure that public services in B&NES are coordinated, and that our themed multi-agency partnerships such as the Health and Wellbeing Board and the Economic Partnership are joining up on key issues such as unemployment, skills and education.

We are in the process of reviewing the Sustainable Community Strategy to make sure that it is up to date and relevant; a new version of the SCS is expected in spring 2013. The B&NES Public Services Board is leading the development of the SCS. This Board is chaired by Paul Crossley, leader of the Council, and includes chief officers from B&NES public sector agencies including the police, fire and rescue, housing and health.

Engagement with local people and communities is an important part of our strategy and service design process and our new Local Engagement Framework is helping us to develop a coordinated, transparent and efficient way of engaging. This new approach will help us to reduce duplication, whilst making the most of new ways of working.

The following paragraphs summarise some of the key challenges identified in the Joint Strategic Needs Assessment and priorities of our Corporate Plan and Sustainable Community Strategy.

### **Population change: Aging population**

The number of older people is growing. Statistical projections suggest that this will continue and that by 2026, people over 75 will have increased by 40%, representing 11% of the total population. This will create challenges in services such as social care, health and housing.

Responding to this population change is a priority of our Health and Wellbeing Board and through the Joint Health and Wellbeing Strategy the Board has been planning how to meet the needs of our older population. Our commitment is to provide good quality services for older people that include choice, dignity and the respect to make their own decisions, as well as assistance to live independently.

### **Population change: School age population**

The number of school age children is growing and, combined with new housing and families moving into the area, we will need to provide more primary school places. We have embarked upon an investment programme and new school places are proposed in north Bath, Paulton, Peasedown and Keynsham to meet this demand.

New housing developments are being considered in Bath Western Riverside, Bath and Somerdale Keynsham which will create additional demand on schools. We are planning for this now, including the need for new schools. We will continue to invest in children and schools ensuring that we continue to create a learning environment that is nurturing, safe and sets high expectations.

### **Promoting new jobs**

We want to do more to support local people into work. Investing in economic growth to create new jobs, new homes and new opportunities for our residents is a crucial part of our local plans and our developing Economic Strategy will further outline this commitment.

### **Climate change**

Climate change poses significant challenges for the area and we need to move towards a more sustainable future. Our Environmental Sustainability and Climate Change Strategy outlines our approach to achieving this including how we are working with the community to reduce our carbon consumption by 45 per cent by 2026, through a range of programmes that promote resource efficiency.

### **Connecting families**

The government estimates that there are more than 200 families living within B&NES which have complex needs. These families experience five or more of the following problems; unemployment, poor quality or overcrowded housing, no parent has any qualifications, mental ill-health, longstanding limiting illness, disability or infirmity, low income, or unable to afford food and clothing items. This is not acceptable, and we are

working to ensure that these families enjoy the same quality of life experienced by others, through our Connecting Families programme.

### **Reducing health inequalities**

Despite relatively low levels of social inequality, there are small geographical areas that experience issues. Social inequality has a significant relationship with a wide range of health and social care needs including life expectancy and long term conditions. In partnership with the B&NES Clinical Commissioning Group we will seek to reduce these inequalities through our Joint Health and Wellbeing Strategy.

### **Legislative changes**

There have been many changes in legislation in recent years and these represent significant shifts to the way we work and how we deliver services.

The **Academies Act** has affected the way we manage and fund our schools. We have responded well to this change and are working collaboratively with our new academies to ensure that every child receives a high standard of education.

In response to the **Localism Act**, the Council is considering a range of mechanisms which will facilitate greater community involvement in the planning of local services, such as neighbourhood plans, a new local engagement framework and the new community rights to buy and challenge.

We have established a new Health and Wellbeing Board, which was a requirement of the **Health and Social Care Act**. This Board gives us a greater say in the way health services are delivered, and increases the opportunity for greater integration between health and social care. The overall aim of the Board is to improve health and wellbeing and reduce health inequalities.

Forthcoming changes to **state welfare provision** will impact on people and families within our communities. We are putting mechanisms in place now to support people impacted by this change. We are also working with the new **Police and Crime Commissioner** to ensure community safety initiatives in B&NES continue to receive investment and that crime remains low.

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## City Region Deal – Growth Incentive Background

### Background

- 1 This note provides context for the budget and medium term plans. The impact does not start until 2014/15. Key decisions are not required until June and July 2013. At this stage the information is just for noting as it provides important context for the medium term plans especially intended investment in regeneration.
- 2 The City Deal offers potential additional financial benefits and investment as a result of a commitment to Growth. Extensive preparatory work is taking place to enable options to be put before councils. At this stage each of the 4 West of England Unitary Councils and Government have agreed in principle only.
- 3 The City Region Deal is an agreement between Government, the West of England authorities and the West of England Local Enterprise Partnership giving increased local financial flexibility and freedoms in exchange for a focussed programme of investment to enable the region to achieve its full economic growth potential.
- 4 The City Region Deal is made up of five key elements, most of these have already been agreed by the respective councils. The five elements are:
  - A Growth Incentive Proposition
  - A Transport Devolution Agreement
  - A People and Skills Programme
  - A City Growth Hub
  - A Bristol Public Property Board (Bristol City Council Only)
- 5 This briefing note focuses on the first of these, the Growth Incentive proposition, which is still under development and negotiation between the partners and Government. It is intended that these negotiations will be completed by Easter, enabling formal decisions to be taken by each Council in July, with implementation starting from April 2014. Given the significant nature of this element of the deal approval will be required by Full Council.
- 6 The Growth Incentive deal will support the strategic objective of delivering accelerated economic growth by establishing and delivering a £1bn Economic Development Fund which will be targeted to projects that will maximise economic returns. It will also be used to manage local demographic and service pressures arising from economic growth. This proposition will be key to the delivery of some of the other elements of the City Region Deal (e.g. transport).
- 7 The deal looks to enable the four West of England Councils to keep a larger proportion of their business rates growth locally than would otherwise be the case (rather than passing this money back into the

national system) over the next 25 years. In return, the Authorities will agree to pool this additional business rate income, and invest it in part to support the £1 billion Economic Development Fund referenced above, and also in supporting any extra demographic pressures each council may face.

**What does the Growth Incentive Deal mean in practice?**

- 8 The new Local Government Finance system sees the launch from 2013/14 of the Business Rates Retention scheme as the principal form of local government funding. A council's overall funding will be dependent on it being able to meet its baseline level of business rate generation in any year. However, over and above this, councils will be able to keep up to c50% of any additional business rates they generate until the next national 'reset' date (currently 2020 then every 10 years), less where relevant for some council's the payment of a 'Levy'.
- 9 The Growth Incentive proposition seeks a 'licensed exemption' from certain elements of the national local government finance system (notably the 50% share, levy, and reset) for any growth delivered across the 5 West of England Enterprise Areas. The 5 Enterprise areas are:
  - Avonmouth/Sevenside
  - Bath
  - Weston Junction 21
  - Filton
  - Emersons Green
- 10 In practice this would mean any growth in business rate income across these enterprise areas from April 2014 would wholly be kept by the West of England for the next 25 years. For these areas the respective councils would not be required to pass back into the national system the 50%, would get to keep all growth for the full 25 years (not lose it at each national reset), and where relevant would not need to pay a Levy. The council's would however agree to pool this element of the business rates. It is important to note that this is only in respect of the Growth in business rates in these areas, any current business rates income being collected would still be subject to the national system.
- 11 Whilst detailed financial modelling work is currently still being undertaken, and therefore any figures should be treated with extreme caution, this could mean up to an additional £0.5 billion of income including the Enterprise Zone could be retained for investment within the West of England rather than being lost into a national system. This is clearly cumulative over 25 years, and builds more quickly in the latter years.
- 12 As referenced above, the income from the enterprise areas would need to be pooled across the 4 Unitary Councils into one business rates pool. The income from the Bristol Temple Gate Enterprise Zone would then be added alongside this pool to create a substantial investment pot.



- 13 The four councils would then, in consultation with the Local Enterprise Partnership, agree how this total pot, as outlined in 10 above, would be invested. It would have three primary calls upon it.
- To make sure, as far as is reasonably and practically possible, that no individual council is worse off under the growth incentive deal than they would be had it not taken place. To meet the costs of operating the pool and the growth incentive proposition.
  - To invest in the £1 billion Economic Development Fund, and through it unlocking the infrastructure investment required to generate additional economic growth.
  - To support each council's budget in meeting some of the additional demographical pressures growth may bring with it.
- 14 The exact list of investment to be delivered through the Economic Development Fund (EDF) and supported by the business rates pool is still under consideration, and is likely to evolve over time. This will be determined through the Local Enterprise Partnership following engagement and agreement with each of the Local Authorities. As the investment into the EDF will not be possible in the first place unless the business rates have either been generated (or there is a high likelihood they will be in the future), schemes supported by the pool and approved through the EDF are likely to be prioritised on the basis of:
- Critical infrastructure which unlocks enterprise sites which are entirely dependent on growth incentive funding.
  - Bringing EA/EZ infrastructure schemes that are already funded forward in the programme to generate economic growth and business rates earlier in the cycle than would otherwise have been the case.
  - Other infrastructure schemes within the EA/EZ areas which demonstrate a positive impact on the economy and business rates.
  - Other economic development schemes within or outside the EA/EZ areas.
- 15 Whilst detailed financial modelling is still underway, the above programme does generate the option of borrowing in advance of business rate take to pump prime and release the investment in sites earlier than would otherwise have been the case. If this scenario is followed each council will want to assure itself of the potential financial risks (and rewards) this generates. This is likely to require each Local Authority being responsible for underwriting its own borrowing so that no Local Authority is responsible for another Council's borrowing, despite the pooling of extra business rates income should that income not be sufficient to meet the costs of repayment. The opportunities and parameters around this will be further developed over the next few months.

## Conclusions

- 16 The Growth Incentive Proposal brings with it significant opportunity to secure additional funds for the West of England. Equally these opportunities do not come without risk. Much work is still required before final proposals can be put before members for decision in July. This will require significant negotiation not only between the unitary councils and the LEP, but also with central government.
- 17 A robust project governance structure is in place to ensure the project delivers to time and also negotiates the best possible deal for the West of England. More detailed proposals will be available for consultation in good time to enable firm recommendations are made during June for final decision by each Council in July.

**MEDIUM TERM SERVICE & RESOURCE PLANS – 2013/14 to 2015/2016****FINANCIAL PLANNING ASSUMPTIONS****1. Context – The Financial Challenge**

The Council's Budget for 2013/2014 presents a full and detailed Medium Term Service and Resource Plan for the three-year period from 2013/2014 through to 2015/2016. This enables the Council to take a planned and structured approach to meet the significant financial challenge facing local government.

2013/2014 represents the third year of financial planning prepared in the context of the Government's Comprehensive Spending Review (CSR) announced in October 2010. This CSR included a deficit reduction programme with 24% cuts to local authority spending spread over the four year period from 2011/2012 to 2014/2015.

However as we approach the next Comprehensive Spending Review in 2013 it is clear that the reductions set out in the previous CSR are not sufficient to meet the Government targets to reduce the fiscal deficit, as the on-going impact of economic uncertainty both across Europe and indeed worldwide, means the UK economy continues to fall short of previous expectations.

The financial implications for the Council over the next two years (2013/14 and 2014/15) were set out in the Provisional Local Government Financial Settlement announced on 19th December 2012. This showed that over the case CSR period, the Council will see a 40% reduction in government funding.

This overall position is further complicated by a range of significant changes impacting on local Government Finance as set out below.

- The needs based Formula Grant funding system (the Four Block Model) for local government is being replaced by a combination of localised Business Rates and a top up grant to be known as Revenue Support Grant.
- The new Localised Business Rates (National Non Domestic Rates) will provide for the Council to retain up to 49% of local business rates going forwards to incentivise growth. The Council will also share the financial impact of non-payment, business contraction/cessation and business rate appeals. There will be a safety net where business rates decrease by 7.5% or more. This system will be reset from time to time to allow an element of rebalancing – the first such reset being scheduled for no earlier than 2020.
- The new Revenue Support Grant uses a baseline needs assessment for 2013/2014 and has been set broadly at a level to cover the gap between baseline funding need and the initial share of local business rates. The RSG will then be reduced to reflect Government savings requirements from 2013/2014 onwards.
- Responsibility for setting Council Tax Benefit passes to local authorities from 2013/2014 in the form of the new Local Council Tax Support Scheme. At the same time the funding from Government will be

reduced by 10% resulting in a shortfall of around £1.5M, which to be met from adjustments to the new scheme as approved by the Council in November 2012. The elderly and most vulnerable claimants will be protected.

- Anticipated reforms to the Planning System to provide for full cost recovery did not progress as expected. Some fee increases are being permitted and factored into the MTSRP, but this falls far short of the anticipated levels that had been factored into the base budgets.
- Public health responsibility and related services will pass to the Council from April 2013, together with an appropriate budget transfer from the PCT. It is assumed the grant received will fully cover all related costs of this service.
- The full implementation of planned changes to Government Funding for LEA and Academies through the Education Services Grant. The resulting reductions in funding in excess of current levels of spending have been factored into the current MTSRP although this will become increasingly challenging as more schools move to become Academies.
- Early years funding for 2 year olds will move from the LEA into the Dedicated Schools Grant which is primarily a technical change however the a significant element of the remaining funding for Early Years within LEA's has been held back by the DfE This reduction in funding is reflected in the MTSRP.

These issues are reflected within the Medium Term Service and Resource Planning process for 2013/2014 to 2015/2016 to the extent the impacts can be reasonably anticipated.

There are also a range of service specific cost pressures including impacts of national policy changes. The most significant of these include:

- Rising elderly population placing significant demands on Adult Social Care and Health services.
- Increased demand for Children's care services.
- Contractual inflationary costs particularly for care placements and external service contracts.
- Local impacts of the economic downturn and increasing competition e.g. car parking income.

Taking account of the known and anticipated reductions in government grant funding and the pressures outlined above, it is estimated that at least £30m of budget savings are required over the period 2013/2014 to 2015/2016.

## **2. The Budget approach for 2013/2014 to 2015/2016**

The sound financial management of the Council over the years means it is in a better position than many other councils to face the continuing financial challenges arising as a result of the national economic situation.

The Council Budget covers the period from 2013/2014 to 2015/2016, recognising the very difficult financial challenge now facing the whole of the

public sector and the increasing need to prioritise resources. The following principles have been used to support this:

- Protecting frontline services;
- No increases in Council Tax;
- Investing in homes and jobs for local people.

There are no longer the available resources to deliver the full range of services that have been provided in the past. New legislation and demographic changes similarly demand clear prioritisation and new approaches. This increasingly means difficult choices.

The development of the Budget has moved away from setting targets and budget top slices based on historic spending to an approach more focussed on prioritisation supported where appropriate by zero based budgeting. This approach has included: -

- Ensuring only essential cost pressures are taken into consideration, challenging all proposals for inflationary increases and additional spending.
- A continued focus on achieving efficiency savings within and across service areas.
- Maximising savings achieved through the continued development of the Change Programme with projects like Customer Services and Procure to Pay.
- Seeking to increase income from new and existing sources. Developing and investing in a diversified income base to help protect the Council from reductions in Government funding.
- Minimising costs of borrowing utilising Council cash flow balances where appropriate to provide funding for capital projects.
- Exploring opportunities to support Communities to enable them to be more resilient and self-sustaining.
- Making better use of Council Assets, particularly council land and property, to reduce running costs and provide capital receipts.
- Where Government is cutting its grants to local authorities, or other external sources of funding are being reduced, these savings requirements may need to be passed on to the relevant service.

The scale of the projected savings required over the next three years, is such that the Council will need to prioritise services and whilst every effort has been made to protect essential frontline services for local people, this will inevitably lead to reductions in service areas which are considered a lower priority.

The proposals put forward in the MTSRP's provide for a balanced budget in 2013/2014 with 2014/2015 and 2015/2016 subject to government funding announcements and potential new spending pressures. These future years will also be dependent upon improvements to the global and national economy and whilst these MTSRP's proposals go some way to addressing the financial challenge in these years, it is likely that further savings will be required.

### 3. Council Tax

Council tax levels have now been frozen since 2010/2011, supported by Council Tax Support Grants from the Government. The Council Tax Support Grant for 2011/12 is now part of the baseline funding calculation for government grant, whereas the Council Tax Support Grant for 2012/2013 was a one off grant. Each of these grants was conditional on a Council Tax freeze in the respective financial years.

As part of the Provisional Local Government Finance Settlement on 19<sup>th</sup> December 2012, the Government confirmed the provision of grant funding to support to councils who freeze their Council Tax for next year (2013/2014) at the current level (i.e. a zero increase). The grant is equivalent to a 1% increase in Council Tax (approximately £740K) and has been confirmed as forming part of the future baseline funding calculation for those councils that accept and meet the conditions of the grant.

This Settlement also confirmed that Council Tax increases over 2% would trigger the legislative requirements for a local referendum on the proposed Council Tax increase.

The Council Budget provides for the acceptance of the Government Council Tax Freeze Grant and provides for a zero increase in Council Tax for 2013/2014.

### 4. Government Grants

The Council received approximately £41m in formula grant from the Government in the last financial year which, was distributed using a complex needs based formula known as the Four Block Model. This formula includes significant weightings attached to deprivation based indicators across a range of specific service blocks

This needs based formula has been replaced from 2013/2014 as part of the Local Government Resource Review. This formula is currently being updated in order to arrive at a baseline funding level for local authorities. This will be used as the starting point for the new system – beyond this point funding needs will only be considered on a periodic basis to reset funding for local authorities. The first such reset will not be until 2020

The Government originally set out its plans for tackling the significant budget deficit, in the Comprehensive Spending Review on 20<sup>th</sup> October 2010. This deficit reduction programme indicated 24% cuts to local authority spending over the Spending Review period from 2011/2012 to 2014/2015 with a significant element front loaded to the first two years.

The provisional Local Government Finance Settlement announced in December 2012 showed the Council's funding baseline for 2013/2014 reducing by a further 9.7% and then by a further 8.7% in 2014/2015. This equates to a 40% reduction in funding for the Council, well in excess of the average set out in the CSR.

The funding baseline itself has been reset to take account of the start-up funding baseline for the new Localised Business Rate element. This Business Rate baseline position is fixed and only uprated in line with inflation for at least seven years.

The Government's Autumn Statement in December 2012 reflected the on-going market concerns surrounding the national debt position of the UK and a number of Eurozone countries. In particular the statement confirmed the need for public sector spending deficit reduction measures to continue beyond at least until 2018. The Statement also confirmed a ceiling on public sector pay of 1% per annum for the next two years.

The grant funding baseline has also been updated to remove the funding for LEA services which will now be paid directly to the LEA and Academies as the Education Services Grant (ESG) on a per pupil basis. We had anticipated this adjustment although the rate of schools transferring to Academies (particularly secondary schools) does present a funding challenge for the Council.

The New Homes Bonus Scheme which provides funding for new homes brought into use and included in the Council Tax Base, was confirmed at a total of £1.977m for 2013/2014. This is the third year for funding for New Homes Bonus and includes an additional £0.759m for 2013/2014. The New Homes Bonus scheme runs for 6 years from the year of initial allocation. This funding is un-ring-fenced and available for allocation as part of the overall revenue budget.

The Final Local Government Finance Settlement is expected at the end of January 2013 and any significant changes to the previous announcement will be highlighted.

### **5. Business Rates**

From 2013/2014 the new arrangements for funding of local government will provide for up to a maximum of 49% to be retained locally.

The actual amount to be retained is dependent upon a number of factors including a start-up baseline assessment, a top-up or tariff payment subject to the level of the baseline and a levy on future growth to support a national safety net.

The setting of the baseline is key and for the Council and original budget planning reflected the Government proposal to use a historic 5 year average for this purpose. A late change in this baseline calculation by the Government to move to a 2 year average, effectively increases the Council's annual tariff payment to the Government by over £1M.

Based upon this the Council will retain 49% of the Business Rates less a tariff payment of £9.468m to the government using the initial baseline. Going forwards 49% of all future growth in business rates will be retained by the Council less a levy payment of 31p in the £ to provide for a national safety net.

Under this system the Council benefits from new growth but also bears 49% of the cost of reductions in business rates from for example, appeals, business closures or relocations, charitable reliefs etc. A national safety net will be provided where business rates reduce by over 7.5%, equivalent to approximately £2M for the Council.

No specific provision for growth has been made for 2013/2014 reflecting that fact that for this Council the initial years of this new system will be very challenging as some large business closures will impact on the Business Rates collected, particularly MOD sites and Somerdale.

As part of the proposed Budget, reasonable assumptions have been made for likely future Business Rates although given these new arrangements have not been tested and current economic conditions continue to be challenging, there remain a significant risk associated with future receipts.

The Council has been seeking further changes to some elements of the new system, including the baseline calculation and the treatment of historic appeals, which may provide some flexibility in the overall Business Rates Collection Fund going forwards. It is anticipated that the outcome of this will be made clear in the Final Settlement announcement.

### **6. Medium Term Service and Resource Plans**

The Medium Term Service and Resource Plans cover the financial planning period from 2013/2014 through to 2015/2016 and have been prepared by each service area to reflect the details of the specific proposed savings to ensure the Council is in a position to consider a balanced Budget for 2013/2014 and as close to balance as possible at this stage for the entire 3 year period.

As set out in Section 2, the process was based on prioritisation of savings in order to meet the projected need to find £30M of spending reductions over the next three years.

At this stage, that there is insufficient information available to fully identify future funding pressures including new government requirements, future demand changes and emerging issues. It is therefore expected that the requirements for savings in future years may increase.

Given the scale of efficiency savings already achieved and those already planned within the MTSRP's, it is likely that any further savings will require additional changes or reductions to Council services. A rigorous process will therefore continue to be applied to the budget and medium term financial planning process to enable resources to be prioritised between service areas.

### **7. Reserves**

The Budget provides for the Council's General Fund Balances to be maintained at a risk assessed minimum level of £10.5m.

There are no assumptions to change this position going forwards and the risk assessed levels will be reviewed as part of the final Budget proposal in Feb 2013.



A range of Earmarked Reserves are maintained by the Council for specific purposes. The likely commitments against each of these reserves will be regularly reviewed as part of the on-going monitoring and development of the Budget across the medium term service and resource planning period.

The Council's reserves position remains relatively strong and continues to provide some flexibility to support the Budget over the medium term, particularly to facilitate timing and implementation of recurring savings.

Any proposed use of reserves will recognise that they can only be used once, and will take account of the overarching principle of not using reserves to provide support for recurring budget pressures.

### 8. Pensions

The most recent actuarial review as at 31 March 2010 concluded a number of positive factors which did not require any significant variation in the Council's employers contribution level overall. These factors included:-

- The Avon Pension Fund investments have performed relatively well albeit since that review investments generally have been volatile and affected by poor stock market performance.
- The Government has switched the rate for future pensions increases from the Retail Price Index (RPI) to the historically lower measure of the Consumer Price Index (CPI).
- A national review of public sector pensions schemes is being undertaken by the Government (the Hutton Review).

The outcome of this actuarial review has been factored into the Budget plans and whilst no change was provided for in terms of the overall contribution level for the Council, the implications of a reducing workforce has required a further adjustment by the Council Budget in 2013/2014 to maintain this neutral cash position going forwards.

Work is currently underway on the next Actuarial Valuation due as at 31 March 2013. This valuation will take into account the national changes to the Local Government Pension Scheme from 1 April 2014 reflecting changes to the benefits structure of the scheme (from final salary to career average) and employee contribution rates which are expected to help reduce the cost of the scheme.

The actual implications of this review is likely to lead to changes in employer contribution rates from 2014/2015 but in recognition of the points above, a small 0.5% increase has been factored in from this point.

### 9. Pay

Discussions are currently taking place nationally between the Employee and Employer representatives regarding the potential pay award offer for 2013.

Provision has been made within the MTSRP for a small increase (1%) in line with national government expectations for a public sector pay in 2013/2014. Similar provisions have been made for 2014/15 and 2015/16.

**10. Other Assumptions**

Some of the other key assumptions used in the development of the medium term plans include:

- A contractual inflation target of 2% has been provided for each year throughout the period where it is deemed essential, except in the case of Adult Social Care costs where the provision for inflation has been set at 1.75%. No further inflation has been provided for general supplies and services.
- Balanced budgets are delivered for 2012/2013 - there is no provision for overspending.
- Interest earnings on the Council's cash balances are based on a 0.75% return – this will be reviewed in line with the Council's Treasury Management Strategy.

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

1. It is important to be clear on the process to be followed in setting the 2013/14 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 Strategic / Divisional Directors beforehand.
5. The Cabinet will formulate a budget proposal and Council Tax recommendation to the Council meeting on 19th February 2013. 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, of course, 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. However if a significant proposal is accepted on a vote at Council, from those 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 28th February 2013.
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 2013/14. That budget will include within it the overall proposed Council cash limits for 2013/14 including the provision for inflation, the proposed use of balances in the 2013/14 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 2013/14 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 (28th February), 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 28th February will also compromise the Council's ability to meet current billing deadlines, and there is a serious risk billing will be delayed also 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).

**Vernon Hitchman**  
**Divisional Director – Legal & Democratic Services (Monitoring Officer)**

## 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 for the financial year 2013-14.
- 1.2 The policy 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 under section 40 of the Localism Act (February 2012) together with the Code of Recommended Practice for Local Authorities on Data Transparency (September 2011).
- 1.3 The policy must articulate the Council's own policies towards a range of issues relating to the 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.
- 1.4 The 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 to both 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 will be 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 must be approved by Full Council.
- 1.7 The Council will publish the statement on its 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 are:

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

Non Statutory Chief Officers are:

- Strategic Director – Place
- Strategic Director – Resources

Other Directors/Heads of Service are:

- Senior managers who report director to/or are accountable to a statutory or non-statutory Chief Officer in respect of all or most of their duties.

**2.3 'Lowest paid employee'** refers to those employees refers to those employees in substantive full time employment currently earning £12,145.00 gross per annum. This is the lowest scale point in the council's grading structure and has been assess through the Council's job Evaluation scheme as having the least amount of complexity and responsibility.

## General principles & practice

### 3.1 Principles:

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, processes and systems meet legislative requirements and to actively work towards reducing any unjustified gender pay gaps
- ❖ To ensure that our 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 be clear about how we recognise and reward 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.
- ❖ Any pay structure must be affordable to introduce and maintain.
- ❖ To aim to retain a core set of benefits for all employees.

### Practice:

### 3.2 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 the Hay Group, is affordable and offers recruitment and retention incentive. This is kept under review.
- 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 trainees, apprentices and interns who are paid less to reflect the nature of the training and development role.*

### **3.3 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.

### **3.4 Pay review dates**

- Grade progression (i.e. movement from a lower to a higher salary scale point (scp) within a grade) takes place on 1<sup>st</sup> April of each year until the highest scp is reached.
- Grade progression is subject to satisfactory performance (and may be withheld if performance has been 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 negotiation framework, it will be implemented with effect from 1st April of the appropriate year. If 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.

### **3.5 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 managers in connection with their role or pattern of hours they work in accordance with National or local collective agreements.

### **3.6 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.

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.

### **3.7 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 employed through personal service companies 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 code of practice and require prior approval by the Strategic Director for the service area.

## **Equal pay**

4.1 The Council is committed to the principle of equal pay for all posts of the same size and value and implemented the national 'single status agreement with effect from 1 April 2007. In order to put its commitment to equal pay into practice the Council:

- reviews regularly its pay grade and rates for all current staff and starting pay for new staff in line with Equality and Human Rights Commission guidance in line with 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.

## **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 Human Resources Service (in partnership with senior managers, as appropriate) has an on-going responsibility to review pay levels across the Council and highlight any potential anomalies.

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 Human Resources.



## Pensions

- 6.1 Subject to the provisions of the relevant scheme, all directly employed staff who are the subject of this policy are able to join a contributory statutory pension scheme.
- 6.2 The Council is required to set out its policies relating to discretionary payments, severance packages, employment of staff in receipt of pension and re-engagement of former staff under contracts for services. 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 shorter 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 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 place for the most senior officers as set out in the Annex 1.
- 7.2 Any increases in pay rates will 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 Human Resources, 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 Strategic Director, as appropriate (in consultation with the Group Leader(s)). 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 expenses necessarily incurred in the performance of their duties.

- 7.6 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.
- 7.7 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.
- 7.8 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 is currently £12,145.00 per annum (i.e. the lowest scale point (SCP) within the grading structure).
- 8.2 Following advice in 'Openness and Accountability in Local Pay: Guidance under section 40 of the Localism Act' and in accordance with the Code of Recommended Practice for Local Authorities on Data Transparency the Council publishes the ratio between the highest paid salary and the median salary for the whole of its workforce on its public website. It does not currently have a policy of maintaining or reaching a specific ratio of pay multiple between the Chief Executive and that of its 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.

## **Implementing a new organisational model for the Council**

- 10.1 The Council is in the process of implementing different senior management arrangements to support a new organisational model based upon principles and a general approach agreed on 16 November 2010.

10.2 In order to recruit to the new Strategic Director roles, it has been necessary to determine the level of remuneration and conditions of employment using the general senior pay policy practice and principles set out above. Rates of pay have been established taking the advice of independent analysts and the Hay data base and are as set out below and will be effective from 1 April 2013. Work will continue during the coming year to complete the senior management structures below Strategic Director level. The remuneration for other posts in the new senior management arrangements will be determined within the terms of this policy and the Council's constitutional arrangements.

## **Further information**

For further information on the Council's pay policy please contact the Council's Human Resource Service email [human\\_resources@bathnes.gov.uk](mailto:human_resources@bathnes.gov.uk). Tel: 01225 477203

**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 £145,000 to £155,000 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>STRATEGIC DIRECTORS</b>                        |                    |  |   |
| <b>Band 2</b>                                     | Fixed/Spot         | <ul style="list-style-type: none"> <li>• People &amp; Communities [statutory roles for Children's &amp; Adult Services] (PC)</li> <li>• Place (P)</li> <li>• Resources (R)</li> <li>- A fixed salary within the range £115,000 to £130,000 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>DIVISIONAL DIRECTORS/Heads of Service</b>      |                    |  |   |
| BAND  | MIN/MID/MAX POINTS | COMPOSITION  |   |
| <b>Band 4</b>                                     | Minimum            | £91,869  | <ul style="list-style-type: none"> <li>• Safeguarding, Social Care and Family Services (PC)</li> <li>• Learning and Inclusion Service (PC)</li> <li>• Planning &amp; Transport Development (P)</li> <li>• Finance [S.151 Officer] (R)</li> <li>• Property &amp; Facilities [Chief Property Officer] (R)</li> <li>• Legal &amp; Democratic [Monitoring Officer]</li> </ul>                             |
|   | Middle             | £94,572  |   |
|   | Maximum            | £97,275  |   |
| <b>Band 5</b>                                     | Minimum            | £81,063  | <ul style="list-style-type: none"> <li>• Non-Acute Health, Social Care &amp; Housing (PC)</li> <li>• Service Development (PC))</li> <li>• Skills and Employability (P)</li> <li>• Environmental Services (P)</li> <li>• Tourism, Leisure &amp; Culture (P) [Vacant]</li> <li>• Policy &amp; Partnership (R)</li> <li>• Improvement &amp; Performance (R)</li> <li>• Project Management (R)</li> </ul> |
|   | Middle             | £83,763  |   |
|   | Maximum            | £86,469  |   |
| <b>Band 6</b>                                     | Minimum            | £70,254  | <ul style="list-style-type: none"> <li>• Customer Services Revenues &amp; Benefits (R)</li> <li>• Risk &amp; Assurance (R)</li> <li>• Transformation (R)</li> <li>• Human Resources(R)</li> </ul>   |
|   | Middle             | £72,957  |   |
|   | Maximum            | £75,657  |   |

**Notes:**

- Details at 31 March 2013
- Band 3 is not currently in use
- There has been no annual pay award to any of this staff group since April 2008, for other staff since 2009