

Democratic Services

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To: All Members of the Council

Chief Executive and other appropriate officers
Press and Public

Dear Member

Council: Tuesday, 16th February, 2016

You are invited to attend a meeting of the **Council** to be held on **Tuesday, 16th February, 2016** at **6.30 pm** in the **Council Chamber - Guildhall, Bath.**

The agenda is set out overleaf.

Refreshments will be available for Councillors from 5pm in the Aix-en-Provence Room (next to the Banqueting Room) on Floor 1.

Yours sincerely

Jo Morrison
Democratic Services Manager
for Chief Executive

Please note the following arrangements for pre-group meetings:

Conservative	Brunswick Room, Ground Floor
Liberal Democrat	Kaposvar Room, Floor 1
Labour	Labour Group Room, Floor 2
Independent & Village Voice	Independent Group room, Floor 2
Green	Green Group room, Floor 2

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

NOTES:

1. **Inspection of Papers:** Any person wishing to inspect minutes, reports, or a list of the background papers relating to any item on this Agenda should contact Jo Morrison who is available by telephoning Bath 01225 394358.
2. **Details of decisions taken at this meeting** can be found in the minutes which will be circulated with the agenda for the next meeting. In the meantime, details can be obtained by contacting as above. Papers are available for inspection as follows:

Public Access points:- Reception: Civic Centre - Keynsham, Guildhall - Bath, The Hollies - Midsomer Norton. Bath Central and Midsomer Norton public libraries.

For Councillors and officers, papers may be inspected via Political Group Research Assistants and Group Rooms/Members' Libraries.

3. **Recording at Meetings:-**

The Openness of Local Government Bodies Regulations 2014 now allows filming and recording by anyone attending a meeting. This is not within the Council's control.

Some of our meetings are webcast. At the start of the meeting, the Chair will confirm if all or part of the meeting is to be filmed. If you would prefer not to be filmed for the webcast, please make yourself known to the camera operators.

To comply with the Data Protection Act 1998, we require the consent of parents or guardians before filming children or young people. For more information, please speak to the camera operator

The Council will broadcast the images and sound live via the internet www.bathnes.gov.uk/webcast An archived recording of the proceedings will also be available for viewing after the meeting. The Council may also use the images/sound recordings on its social media site or share with other organisations, such as broadcasters.

4. **Spokespersons:** The Political Group Spokespersons for the Council are the Group Leaders, who are Councillors Tim Warren (Conservative Group), Dine Romero (Liberal Democrat Group), Robin Moss (Labour Group), Sarah Bevan (Independent & Village Voice Group) and Jonathan Carr (Green Group)
5. **Attendance Register:** Members should sign the Register, which will be circulated at the meeting.
6. **Public Speaking at Meetings:** The Council has a scheme to encourage the public to make their views known at meetings. They may make a statement relevant to what the meeting has power to do. They may also present a petition or a deputation on behalf of a group. They may also ask a question to which a written answer will be given. **Advance notice is required not less than two full working days before the meeting. This means that for meetings held on Thursdays notice must be received in Democratic Services by 5.00pm the previous Monday.** Further details of the scheme can be obtained by contacting Jo Morrison as above.
7. THE APPENDED SUPPORTING DOCUMENTS ARE IDENTIFIED BY AGENDA ITEM NUMBER.

8. Emergency Evacuation Procedure

When the continuous alarm sounds, you must evacuate the building by one of the designated exits and proceed to the named assembly point. The designated exits are sign-posted.

Arrangements are in place for the safe evacuation of disabled people.

9. **Presentation of reports:** Officers of the Council will not normally introduce their reports unless requested by the meeting to do so. Officers may need to advise the meeting of new information arising since the agenda was sent out.

AGENDA

1. EMERGENCY EVACUATION PROCEDURE

The Chairman will draw attention to the emergency evacuation procedure as set out under Note 8.

2. APOLOGIES FOR ABSENCE

3. DECLARATIONS OF INTEREST

At this point in the meeting declarations of interest are received from Members in any of the agenda items under consideration at the meeting. Members are asked to complete the green interest forms circulated to groups in their pre-meetings (which will be announced at the Council Meeting) to indicate:

(a) The agenda item number in which they have an interest to declare.

(b) The nature of their interest.

(c) Whether their interest is **a disclosable pecuniary interest** or an **other interest**, (as defined in Part 2, A and B of the Code of Conduct and Rules for Registration of Interests)

Any Member who needs to clarify any matters relating to the declaration of interests is recommended to seek advice from the Council's Monitoring Officer or a member of his staff before the meeting to expedite dealing with the item during the meeting.

4. ANNOUNCEMENTS FROM THE CHAIRMAN OF THE COUNCIL OR FROM THE CHIEF EXECUTIVE

These are matters of information for Members of the Council. No decisions will be required arising from the announcements.

5. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

If there is any urgent business arising since the formal agenda was published, the Chairman will announce this and give reasons why he has agreed to consider it at this meeting. In making his decision, the Chairman will, where practicable, have consulted with the Leaders of the Political Groups. Any documentation on urgent business will be circulated at the meeting, if not made available previously.

6. MINUTES - 12TH NOVEMBER 2015 & 17TH DECEMBER 2015 (Pages 7 - 20)

Minutes of 12th November 2015 and 17th December 2015 to be confirmed as a correct record and signed by the Chair(man)

7. QUESTIONS, STATEMENTS, PETITIONS AND DEPUTATIONS FROM THE PUBLIC

The Democratic Services Manager will announce any submissions received. The Council will be invited to decide what action it wishes to take, if any, on the matters raised in these submissions. As the questions received and the answers given will be circulated in written form there is no requirement for them to be read out at the meeting. The questions and answers will be published with the draft minutes.

8. BATH AND NORTH EAST SOMERSET COUNCIL CORPORATE STRATEGY 2016-20 (Pages 21 - 52)

This report presents the Bath and North East Somerset Council Corporate Strategy 2016-20 for adoption. The Corporate Strategy has been shaped by and will deliver the 'Putting Residents First' manifesto commitments. The priorities in this Strategy will provide context to and guide Council activity and budget planning over the next four years.

9. BUDGET AND COUNCIL TAX 2016/17 AND FINANCIAL OUTLOOK 2016/17 TO 2019/20 (Pages 53 - 172)

This report presents the Cabinet's revenue and capital budgets for the 2016/17 financial year together with a proposal for a Council Tax level for 2016/17.

10. TREASURY MANAGEMENT STRATEGY STATEMENT & INVESTMENT STRATEGY 2016/17 (Pages 173 - 198)

This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance in setting out its Treasury Strategy for borrowing, and preparing an Annual Investment Strategy, setting out the Council's policies for managing its investments.

11. DESIGNATION OF CHAIRMAN DESIGNATE FOR 2016/17 (Pages 199 - 202)

The purpose of this report is to invite the Council to name a Councillor as Chair(man) of the Council (Designate) for the next Council Year beginning in May 2016. The Council, at its Annual Meeting on 12th May 2016, will still be required formally to elect a Councillor to be the Chair(man) of the Council for the forthcoming Council Year.

The Committee Administrator for this meeting is Jo Morrison who can be contacted on 01225 394358.

Protocol for Decision-making

Guidance for Members when making decisions

When making decisions, the Cabinet/Committee must ensure it has regard only to relevant considerations and disregards those that are not material.

The Cabinet/Committee must ensure that it bears in mind the following legal duties when making its decisions:

- Equalities considerations
- Risk Management considerations
- Crime and Disorder considerations
- Sustainability considerations
- Natural Environment considerations
- Planning Act 2008 considerations
- Human Rights Act 1998 considerations
- Children Act 2004 considerations
- Public Health & Inequalities considerations

Whilst it is the responsibility of the report author and the Council's Monitoring Officer and Chief Financial Officer to assess the applicability of the legal requirements, decision makers should ensure they are satisfied that the information presented to them is consistent with and takes due regard of them.

BATH AND NORTH EAST SOMERSET COUNCIL

MINUTES OF COUNCIL MEETING

Thursday, 12th November, 2015

Present:- **Councillors** Patrick Anketell-Jones, Rob Appleyard, Tim Ball, Colin Barrett, Cherry Beath, Jasper Becker, Sarah Bevan, Lisa Brett, John Bull, Neil Butters, Jonathan Carr, Anthony Clarke, Matt Cochrane, Paul Crossley, Chris Dando, Fiona Darey, Matthew Davies, Sally Davis, Douglas Deacon, Emma Dixon, Michael Evans, Andrew Furse, Charles Gerrish, Ian Gilchrist, Bob Goodman, Francine Haerberling, Alan Hale, Liz Hardman, Donal Hassett, Steve Hedges, Deirdre Horstmann, Eleanor Jackson, Steve Jeffries, Les Kew, Marie Longstaff, Barry Macrae, Paul May, Alison Millar, Robin Moss, Paul Myers, Michael Norton, Lisa O'Brien, Bryan Organ, Lin Patterson, June Player, Christopher Pearce, Vic Pritchard, Joe Rayment, Liz Richardson, Caroline Roberts, Nigel Roberts, Dine Romero, Will Sandry, Mark Shelford, Brian Simmons, Peter Turner, David Veale, Martin Veal, Karen Walker, Geoff Ward, Tim Warren, Karen Warrington and Chris Watt

Apologies for absence: **Councillors** Colin Blackburn and Shaun McGall

53 EMERGENCY EVACUATION PROCEDURE

The Chairman drew attention to the emergency evacuation procedure, as set out on the agenda.

54 DECLARATIONS OF INTEREST

The Chairman announced an interest on behalf of the Chief Executive and the Monitoring Officer in Appendix 2 (Scale of Fees) of agenda item 14 (Proposals for a Directly Elected Mayor) and explained that they would leave the meeting if this item needed to be discussed.

The Monitoring Officer declared a dispensation, in accordance with the Localism Act 2011, for all Councillors who would have a disclosable pecuniary interest by living near a proposed Park & Ride site.

55 MINUTES - 10TH SEPTEMBER AND 16TH SEPTEMBER 2015

On a motion from Councillor Eleanor Jackson, seconded by Councillor Dine Romero, it was

RESOLVED that the minutes of the meeting of 10th September be confirmed as a correct record and signed by the Chairman;

and then on a further motion from Councillor Tim Warren and seconded by Councillor Jonathan Carr, it was

RESOLVED that the minutes of the meeting of 16th September be confirmed as a correct record and signed by the Chairman.

56 ANNOUNCEMENTS FROM THE CHAIRMAN OF THE COUNCIL OR FROM THE CHIEF EXECUTIVE

The Chairman made the customary housekeeping announcements regarding the webcast, mobile phones and meeting procedures.

He congratulated Councillor Shaun McGall on his recent wedding.

He invited the Chief Executive to update Council about the latest situation with Syrian Refugees.

57 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There were no items of urgent business.

58 QUESTIONS, STATEMENTS, PETITIONS AND DEPUTATIONS FROM THE PUBLIC

The Chairman made reference to the Public Questions document which had been circulated to the meeting.

Joy Burt made a statement and handed in a petition of over 400 signatures calling for a ceiling on student numbers in the world heritage city of Bath.

Mr Ellis made a brief statement and handed in a petition of over 300 signatures concerning traffic problems on the Wellsway in Keynsham.

Jane Fox, on behalf of Tom Moat, made a statement supporting the continuation of the Duke of Edinburgh scheme and objecting to the changes proposed to the funding. In response to a question from Councillor Michael Evans about whether Ms Fox was aware that Academies are responsible for their own funding, she explained she was aware, but that take up was still far higher in private schools than in state schools which made it exclusive and more difficult to deliver. In response to a question from Councillor Lisa Brett about the effect on smaller charities, Ms Fox responded that the changes to funding would make it very difficult for smaller groups to deliver. Councillor Jackson expressed concern and queried whether the programme delivered through the Radstock Youth Centre would be affected, Ms Fox confirmed that it would apply to the Youth Centre who would need to provide the £1100 per annum and take on the additional workload.

Giles Denning made a statement supporting the Duke of Edinburgh scheme. In response to a question from Councillor Michael Evans about whether Mr Denning was aware that he was working with officers to alleviate the cuts and it looked likely they would be able to continue with licensing and possibly other arrangements, Mr Denning said that he was not aware.

Nigel Whitfield, a volunteer Duke of Edinburgh Leader, made a statement about the benefits of open award centres.

Jemma Rowlandson made a statement also in support of open award centres, explaining that she had recently achieved her Gold Duke of Edinburgh award at one

such centre. In response to a question from Councillor Lisa Brett about whether she felt volunteers at open award centres would have the confidence to deliver the programme without the backing of the Local Authority, Ms Rowlandson responded that she felt it was important to have Local Authority support and backing.

Nigel Sherwin made a statement about cycling on the London Road and the Gateway scheme, Bath. A full copy of his statement is linked to the minutes online. In response to a question from Councillor Lin Patterson about whether his views had support of others, Mr Sherwin responded that over 1200 people had signed a petition when it was originally proposed, and all the cycling clubs avoid the London Road when possible although there isn't really an alternative route.

Bryn Jones, Chair of Transition Larkhall, made a statement, a copy of which is linked to the online minutes, suggesting measures to reduce congestion and poor air quality on the A4/London Road into Bath. In response to a question from Councillor Lin Patterson about whether there was popular support for these measures, Mr Jones responded that there were a number of supporters who have said they would cycle more if it was safer.

Adam Reynolds, Chair of Cycle Bath, made a statement, a copy of which is linked to the online minutes, about safer cycle routes to schools. In response to a question from Councillor Lin Patterson about whether the principles of the Larkhall Safer Routes to Schools programme were compatible with safer cycle routes, Mr Reynolds responded that segregated space was needed for different road users, not shared space.

David Redgewell made a statement on behalf of the various transport groups he represents proposing support for option B and the need to integrate with the MetroWest project. A copy of David's statement is attached to the online minutes. In response to a question from Councillor Jonathan Carr about whether Mr Redgewell had seen evidence that the Administration were making progress with these issues, he responded that, through the joint Authority processes, there were making progress with MetroWest and starting to make progress on Bus Quality partnerships. In response to a question from Councillor Dine Romero about whether, if finances weren't an issue, they would support any other sites, Mr Redgewell responded that the reality was that of the sites offered, option B was the best one as it had a rail option and was the best point of integration.

The following members of the public were all speaking about the Park & Ride issue. Statements that have been provided are attached to the minutes;

David Dixon, Jan Attah, Mr Peter Martin, Arwin & Amelie from Batheaston Primary School, Tom Boden (National Trust), Caitlin Poole, Susanne Hagen, Derek Greener, Irene Greener, Sian James, Christopher Atchison, Caroline Kay (Bath Preservation Trust), Andrew Lea, David Dunlop (London Road & Snowhill partnership), George Riley (Batheaston Parish Council), Patrick Rotheram (Vineyard Residents' Association), Andrew Mercer, Bethany Hunger, Cheryl Nield de Crespo, Selma Crespo Nield, Robin Kerr (FOBRA Chairman), Mrs Bailhache, Henrietta Sherwin (Avonside CPRE), Mark Stephens, Catherine Gregory, Catherine Simpson, Maddy Donoghue, Lisa Brown, Louise Hidalgo, Carole Bond, Emma Adams, Martin Harman, Annie Kilmington, Steve Horler, Grace Deathridge, Dorian Baker, Henry

Brown, Alison Smith, Christine Boyd, Siân Hunger, John Richards, Sally Rothwell, Moira Brennan (Chairman Bathampton PC), Mark Stephens (also reading statement from Derek Redding), Lucien Stephens, Sharon Collins, Nick Cooper, Ian Perkins (TARA and City Centre Action group), Maria Naughton, Rory Geldard, Stuart Feasey, Graham Feasey, David Batho, Steven Robinson, Mark Magri-Overend, Judy Klinpikuln, Jane Natt, Bob Gore, Hannah Hyam, Peter Wardle, Jeff Owen, Caroline Cooper, Nick Cooper, Judy Bailey, Alexis Pavlou, Fiona Powell, Mark Millar.

59 CONSULTATION ON PROPOSALS FOR A PARK & RIDE EAST OF BATH

Following submissions from over 80 members of the public about this issue, the Council considered the submissions to them and the report outlining the issues raised to date through the consultation process on proposals for a Park and Ride facility to the east of Bath.

On a motion from Councillor Tim Warren, seconded by Councillor Anthony Clarke, it was

RESOLVED

1. To note the officer report, including the evidence of need and the results of the consultation.
2. To reaffirm its commitment to delivering an East of Bath Park & Ride as part of an integrated transport strategy which also includes improvements to local rail services through the MetroWest project, investment in safe walking and cycling routes, support for local bus services, and progress towards an East of Bath link-road.
3. To ask that the cross-party Local Development Framework Steering Group review all the options for the location of an East of Bath Park & Ride prior to Cabinet selecting a preferred site early next year, giving due consideration to the following:
 - The responses received to the East of Bath Park & Ride consultation;
 - The feasibility and deliverability of each site option;
 - The costs associated with each site option;
 - The transport benefits of each site option;
 - The visual impact of each site option.
4. That, in addition, Cabinet and officers are also asked to give consideration to:
 - Measures to reduce the number of high-polluting vehicles entering Bath, such as a Low Emission Zone, alongside the delivery of the Park & Ride;

- Measures to ensure the protection of bus services to the villages east of Bath alongside the delivery of the Park & Ride;
 - Measures to mitigate any visual and environmental impacts of the Park & Ride, whichever site is ultimately selected, including looking at 'best practice' examples from elsewhere in the country and abroad.
 - The potential of providing a shuttle-bus service from the new Park & Ride to the RUH.
5. To ask that Cabinet and officers continue to engage with the Parish Councils and communities on the East of Bath on the proposals for a Park & Ride, and that once a site has been selected and more detailed proposals produced, further public engagement is undertaken as part of the planning process.
 6. That, alongside plans for an East of Bath Park & Ride, Cabinet is asked to develop a fully costed business case for an East of Bath link-road and continues efforts to work alongside our local MPs, neighbouring authorities, Highways England, the West of England Local Enterprise Partnership and the Department for Transport to lobby for the necessary funding to deliver this project; and
 7. To call for the Communities, Transport and Environment Policy Development & Scrutiny Panel to undertake an open and transparent public scrutiny, examining a wide range of integrated transport solutions for the East of Bath.

[Notes;

- 1 *During debate, an unsuccessful amendment was moved by Councillor John Bull and seconded by Councillor Neil Butters, covering much of the wording above, but without a specific commitment to an east of Bath Park & Ride, nor the involvement of the LDF Steering Group. This was not carried after a named vote with 24 Councillors voting in favour, 35 against and 3 abstentions as follows;*
In favour: Councillors Rob Appleyard, Tim Ball, Cherry Beath, Lisa Brett, John Bull, Neil Butters, Jonathan Carr, Paul Crossley, Chris Dando, Douglas Deacon, Andrew Furse, Ian Gilchrist, Liz Hardman, Steve Hedges, Eleanor Jackson, Alison Millar, Robin Moss, Lin Patterson, June Player, Joe Rayment, Caroline Roberts, Nigel Roberts, Dine Romero, Will Sandry.
Against: Councillors Patrick Anketell-Jones, Colin Barrett, Jasper Becker, Anthony Clarke, Matt Cochrane, Fiona Darey, Matthew Davies, Sally Davis, Emma Dixon, Michael Evans, Bob Goodman, Francine Haerberling, Alan Hale, Donal Hassett, Deirdre Horstmann, Steve Jefferies, Les Kew, Marie Longstaff, Barry Macrae, Paul May, Paul Myers, Michael Norton, Lisa O'Brien, Bryan Organ, Christopher Pearce, Vic Pritchard, Liz Richardson, Mark Shelford, Brian Simmons, Peter Turner, Martin Veale, David Veale, Tim Warren, Karen Warrington, Chris Watt.
Abstentions: Councillors Sarah Bevan, Karen Walker, Geoff Ward.
- 2 *The successful resolution above was passed on a named vote with 34 Councillors voting in favour, 26 against and 2 abstentions as follows;*
In favour: Councillors Patrick Anketell-Jones, Colin Barrett, Jasper Becker, Anthony Clarke, Matt Cochrane, Fiona Darey, Matthew Davies, Sally Davis, Emma Dixon, Michael Evans, Bob Goodman, Francine Haerberling, Alan Hale, Donal Hassett, Deirdre Horstmann, Steve Jefferies, Les Kew, Marie Longstaff, Barry Macrae, Paul May, Paul Myers, Michael Norton, Lisa O'Brien, Bryan Organ,

Christopher Pearce, Vic Pritchard, Liz Richardson, Mark Shelford, Brian Simmons, Peter Turner, David Veale, Tim Warren, Karen Warrington, Chris Watt.
Against: Councillors Rob Appleyard, Tim Ball, Cherry Beath, Lisa Brett, John Bull, Neil Butters, Jonathan Carr, Paul Crossley, Chris Dando, Douglas Deacon, Andrew Furse, Ian Gilchrist, Liz Hardman, Steve Hedges, Eleanor Jackson, Alison Millar, Robin Moss, Lin Patterson, June Player, Joe Rayment, Caroline Roberts, Nigel Roberts, Dine Romero, Will Sandry, Martin Veal, Geoff Ward.
Abstentions: Councillors Sarah Bevan, Karen Walker

3 Resolution 7 above was originally part of the joint amendment and accepted into the successful motion by the mover and seconder of the substantive motion.

60 REFERENDUM ON PROPOSAL FOR BATH & NORTH EAST SOMERSET COUNCIL TO OPERATE A DIRECTLY ELECTED MAYOR AND CABINET EXECUTIVE INSTEAD OF A LEADER AND CABINET EXECUTIVE MODEL

Following adjournment of the meeting, this item was deferred until the next meeting to take place on December 17th 2015.

61 BATH & NORTH EAST SOMERSET LOCAL DEVELOPMENT SCHEME 2015-2019

Following adjournment of the meeting, this item was deferred until the next meeting to take place on December 17th 2015.

62 THE LOCAL COUNCIL TAX SUPPORT SCHEME (LCTS) 2016-17

Following adjournment of the meeting, this item was deferred until the next meeting to take place on December 17th 2015.

63 PARISH COUNCILS: LOCAL COUNCIL TAX SUPPORT SCHEME GRANT

Following adjournment of the meeting, this item was deferred until the next meeting to take place on December 17th 2015.

64 REVIEW OF THE COUNCIL'S STATEMENT OF PRINCIPLES UNDER THE GAMBLING ACT 2005

Following adjournment of the meeting, this item was deferred until the next meeting to take place on December 17th 2015.

65 REQUEST BY DUNKERTON PARISH COUNCIL TO CHANGE ITS NAME TO DUNKERTON AND TUNLEY PARISH COUNCIL

Following adjournment of the meeting, this item was deferred until the next meeting to take place on December 17th 2015.

66 REQUIRED AND PROPOSED AMENDMENTS TO THE CONSTITUTION

Following adjournment of the meeting, this item was deferred until the next meeting to take place on December 17th 2015.

67 TREASURY MANAGEMENT MONITORING REPORT TO 30TH SEPTEMBER 2015

Following adjournment of the meeting, this item was deferred until the next meeting to take place on December 17th 2015.

68 MOTION FROM THE LABOUR GROUP - TRADE UNION BILL

Following adjournment of the meeting, this item was deferred until the next meeting to take place on December 17th 2015.

69 QUESTIONS, STATEMENTS, PETITIONS AND DEPUTATIONS FROM COUNCILLORS

Following adjournment of the meeting, a statement from Councillor Will Sandry on Moorland Road was deferred until the next meeting to take place on December 17th 2015.

The meeting ended at 12:05midnight

Chairman

Date Confirmed and Signed

Prepared by Democratic Services

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BATH AND NORTH EAST SOMERSET COUNCIL

MINUTES OF COUNCIL MEETING

Thursday, 17th December, 2015

Present:- **Councillors** Patrick Anketell-Jones, Rob Appleyard, Tim Ball, Colin Barrett, Jasper Becker, Sarah Bevan, Colin Blackburn, Lisa Brett, John Bull, Neil Butters, Anthony Clarke, Matt Cochrane, Paul Crossley, Chris Dando, Fiona Darey, Matthew Davies, Emma Dixon, Michael Evans, Andrew Furse, Charles Gerrish, Ian Gilchrist, Bob Goodman, Francine Haerberling, Alan Hale, Liz Hardman, Donal Hassett, Steve Hedges, Deirdre Horstmann, Eleanor Jackson, Steve Jeffries, Les Kew, Marie Longstaff, Barry Macrae, Alison Millar, Robin Moss, Paul Myers, Michael Norton, Bryan Organ, Lin Patterson, June Player, Christopher Pearce, Vic Pritchard, Joe Rayment, Liz Richardson, Caroline Roberts, Nigel Roberts, Dine Romero, Will Sandry, Mark Shelford, Brian Simmons, Peter Turner, David Veale, Martin Veal and Tim Warren

Apologies for absence: **Councillors** Cherry Beath, Jonathan Carr, Sally Davis, Douglas Deacon, Paul May, Shaun McGall, Lisa O'Brien, Karen Walker, Geoff Ward, Karen Warrington and Chris Watt

70 EMERGENCY EVACUATION PROCEDURE

The Chairman drew attention to the emergency evacuation procedure, as set out on the agenda.

71 ANNOUNCEMENTS FROM THE CHAIRMAN OF THE COUNCIL OR FROM THE CHIEF EXECUTIVE

The Chairman made the customary housekeeping announcements regarding the webcast, mobile phones and meeting procedures.

Declarations of interests had been registered on the Trade Union motion from Councillors John Bull, Anthony Clarke, Chris Dando, Liz Hardman, Eleanor Jackson, Joe Rayment, Nigel Roberts. The Monitoring Officer issued a dispensation so that all Councillors could take part in the debate.

The Chairman announced the following dates for civic events in 2016;

- Charity Gala – 6th February
- Civic Reception at Roman Baths – 8th March
- Parish & Town Councillors Reception – 20th April
- Reception for School Governors – 6th May

72 REFERENDUM ON PROPOSAL FOR BATH & NORTH EAST SOMERSET COUNCIL TO OPERATE A DIRECTLY ELECTED MAYOR AND CABINET EXECUTIVE INSTEAD OF A LEADER AND CABINET EXECUTIVE MODEL

The Council considered a report, deferred from 12th November meeting, setting out arrangements for the process required by legislation following receipt of a valid petition requesting a referendum on a move to a Directly Elected Mayor and Cabinet

Executive form of governance. The report also made proposals for operating this type of governance model, and made reference to fees payable.

On a motion from Councillor Tim Warren, seconded by Councillor Francine Haeberling, it was

RESOLVED

1. To note the position concerning the receipt of a valid petition as set out in paragraph 5.1 of the report;
2. For the purposes of the publication of a notice required by Regulations 17(1) and (2), to approve the proposals set out in Appendix One on the operation of a Directly Elected Mayor and Cabinet Executive Model arrangements, should this model be implemented following a referendum;
3. To approve the proposals for seeking recommendations of the Independent Remuneration Panel in the event of a vote in favour of a directly elected mayor in the referendum, as set out in paragraph 5.7 of the report; and
4. To approve the fees as out in Appendix two of the report.

[Note: The motion was carried with 41 Councillors voting in favour, 0 against and 13 abstentions.]

73 BATH & NORTH EAST SOMERSET LOCAL DEVELOPMENT SCHEME 2015-2019

The Council considered a report, deferred from the meeting on 12th November, seeking agreement to the revised Bath & North East Somerset Local Development Scheme in order to establish the priorities for the preparation of Planning Policy documents for the period 2015-2019.

On a motion from Councillor Liz Richardson, seconded by Councillor Bob Goodman, it was

RESOLVED

1. To agree the Local Development Scheme in Annex 1 as the effective Local Development Scheme for Bath & North East Somerset for 2015-2019;
2. To delegate authority to the Divisional Director for Development, in consultation with the Cabinet Member for Homes and Planning, to make minor amendments to the Local Development Scheme before publication; and
3. That the Bath & North East Somerset Local Development Scheme 2015-2019 should be effective from 20th November 2015.

[Note: The above motion was carried with 41 Councillors voting in favour, 0 against and 13 abstentions]

74 THE LOCAL COUNCIL TAX SUPPORT SCHEME (LCTS) 2016-17

The Council considered a report, deferred from the meeting on 12th November, proposing a continuation of the Local Council Tax Support scheme (LCTS) into its fourth year, with the policy to incorporate uprating of national personal allowances and benefits as necessary.

On a motion from Councillor Charles Gerrish, seconded by Councillor Paul Myers, it was unanimously

RESOLVED

1. To approve delegated authority for the Lead Cabinet Member for Finance and Efficiency and the Section 151 Officer of Bath & North East Somerset Council to agree that there are no changes to the existing Council Tax Support Scheme for 2016-17, other than the application of national uprating adjustments and technical changes to ensure legal compliance as soon as practical; and
2. To approve work to design an even more simplified scheme from April 2017-18 (which could enable greater use of digital channels for those claimants who can and choose to use them, and reduced complexity for both customers and personnel involved in delivering the support).

75 PARISH COUNCILS: LOCAL COUNCIL TAX SUPPORT SCHEME GRANT

The Council considered a report, deferred from the meeting of 12th November, proposing reductions and then phasing out of the level of grant paid in light of the reductions to core funding received from central government.

On a motion from Councillor Charles Gerrish, seconded by Councillor Paul Myers, it was

RESOLVED

1. To approve the 2016/17 Parish Local Council Tax Support Scheme grants as set out in Appendix 1 to the report; and
2. To approve the proposal to phase out the remaining grant from 2017/18 onwards as set out in Appendix 1 of the report, subject to confirmation of the Council's financial planning assumptions in the Local Government Finance Settlement.

[Note: The above motion was passed with 41 Councillors voting in favour, 13 against and 0 abstentions.]

76 REQUEST BY DUNKERTON PARISH COUNCIL TO CHANGE ITS NAME TO DUNKERTON AND TUNLEY PARISH COUNCIL

The Council considered a report, deferred from the Council meeting on 12th November, concerning a request from Dunkerton Parish Council to change its name.

On a motion from Councillor David Veale, seconded by Councillor Les Kew, it was unanimously

RESOLVED to note the receipt of the request from Dunkerton Parish Council to change its name and agree to the making and publication of a Notice under Section 75 of the Local Government Act 1972 to change the name of Dunkerton Parish Council to Dunkerton and Tunley Parish Council.

77 TREASURY MANAGEMENT MONITORING REPORT TO 30TH SEPTEMBER 2015

The Council considered a report, deferred from the November Council meeting, giving details of performance against the Council's Treasury Management Strategy and Annual Investment Plan 2015/16 for the first six months of 2015/16.

On a motion from Councillor Charles Gerrish, seconded by Councillor Tim Warren, it was unanimously

RESOLVED

1. To note the Treasury Management report to 30th September 2015, prepared in accordance with the CIPFA Treasury Code of Practice; and
2. To note the Treasury Management Indicators to 30th September 2015.

78 REVIEW OF THE COUNCIL'S STATEMENT OF PRINCIPLES UNDER THE GAMBLING ACT 2005

The Council considered a report, deferred from 12th November, requiring the Council, as licensing authority to review its Statement of Principles.

On a motion from Councillor Paul Myers, seconded by Councillor Martin Veal, it was

RESOLVED to adopt the Statement of Principles provided in Annex B to the report, having had regard to the responses received following the public consultation exercise, as recommended by the Licensing Committee.

[Note: The above resolution was passed with 46 Councillors voting in favour, 5 against and 2 absentions.]

79 REQUIRED AND PROPOSED AMENDMENTS TO THE CONSTITUTION

The Council considered a report, deferred from the meeting on 12th November, concerning various amendments to the Constitution.

On a motion from Councillor Tim Warren, seconded by Councillor Charles Gerrish, it was

RESOLVED

1. That the amendments to the Council's Constitution as set out in Appendices 1 to 6 to the report be approved; and
2. That the business of the February 2016 Council meeting focuses on budget items only (with discretion to the Chairman to add urgent items to the agenda) and members of the public wishing to speak are limited to items relevant to the budget and for 90 minutes only, with written notification submitted prior to the meeting and the Chairman to ensure a full range of budget issues are covered.

[Notes:

1. *During the debate, an amendment was moved by Councillor Dine Romero, seconded by Councillor Alison Millar, to approve appendices 1 to 6 but refer all remaining items back to the Constitution Working group. This motion was lost with 14 Councillors voting in favour, 40 against and 0 abstentions.*
2. *The wording underlined in resolution 2 above was proposed by Councillor Robin Moss and accepted into the substantive motion by the mover and seconder.*
3. *The successful resolution above was carried unanimously.*
4. *During the debate, a short adjournment was called to enable clarification on the wording of Councillor Robin Moss' amendment.]*

80 MOTION FROM THE LABOUR GROUP - TRADE UNION BILL

A motion was moved by Councillor Robin Moss, seconded by Councillor Joe Rayment, regarding the Trade Union Bill.

Following a vote, this motion was not carried.

[Note: The motion was lost, with 22 Councillors voting in favour, 31 against and 1 abstention.]

81 QUESTIONS, STATEMENTS, PETITIONS AND DEPUTATIONS FROM COUNCILLORS

Councillor Will Sandry had withdrawn his statement, originally registered for 12th November, so there were no items from Councillors.

The meeting ended at 8.20 pm

Chairman

Date Confirmed and Signed

Prepared by Democratic Services

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Bath & North East Somerset Council	
MEETING:	Council
MEETING DATE:	16 th February 2016
TITLE:	Bath and North East Somerset Council Corporate Strategy 2016-20
WARD:	All
AN OPEN PUBLIC ITEM	
List of attachments to this report:	
Appendix 1: Bath and North East Somerset Council Corporate Strategy 2016-20	

1 THE ISSUE

- 1.1 This report presents the Bath and North East Somerset Council Corporate Strategy 2016-20 for adoption. The Corporate Strategy has been shaped by and will deliver the 'Putting Residents First' manifesto commitments. The priorities in this Strategy will provide context to and guide Council activity and budget planning over the next four years.

2 RECOMMENDATION

Council is asked to:

- 2.1 Adopt the Bath and North East Somerset Council Corporate Strategy 2016-20

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The Corporate Strategy provides the context for the council budget process and has been a key consideration in the allocation of Council resources.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The Corporate Strategy is the Council's overarching strategic plan and forms a key part of the Policy and Budget Framework in the Council's constitution. It is not a legal requirement to produce a Corporate Strategy; however, it is an essential communication tool and will provide a clear framework for officers and members to work within. It will outline the key priorities of the Council and help to guide decisions around investment and projects.

5 THE REPORT

- 5.1 Attached is the Council's draft Corporate Strategy 2016-2020. It sets out the 2020 beautifully inventive vision and our direction of travel over the next 4 years. The Corporate Strategy has been shaped by and will deliver the 'Putting Residents First' manifesto commitments.

- 5.2 Once agreed by Council, the Corporate Strategy will become the overarching framework for Council business until 2020. It will also frame our financial strategy over the same period.
- 5.3 The Corporate Strategy is not intended to capture everything that the Council does nor does it include the detail of our work and projects. That is the role of the Directorate and Team plans which will flow from the Corporate Strategy.
- 5.4 The Corporate Strategy will be performance managed against the outcomes in the Directorate Plans. This corporate approach to performance management will enable us to understand how we are delivering on the manifesto commitments.

6 RATIONALE

- 6.1 The Corporate Strategy will help to communicate the corporate priorities of the Council and frames our financial strategy over the same period. It will bring together our 2020 vision and the key political commitments agreed by Cabinet – further developing the corporate narrative and articulating our strategic direction for the future through four corporate priorities.

7 OTHER OPTIONS CONSIDERED

- 7.1 None.

8 CONSULTATION

- 8.1 The Strategy builds on our 2020 vision which was developed in consultation with the Council, NHS, police, local business, fire service and the voluntary sector. The four priorities set out in the Strategy are shaped by and build on the key areas of focus adopted by Cabinet at their meeting on 8 July 2015.
- 8.2 The draft Corporate Strategy was agreed by Cabinet on 4 November 2015 and presented for consideration at the Resources Policy Development and Scrutiny Panel on 25 November 2015.

9 RISK MANAGEMENT

- 9.1 A risk assessment related to the issue and recommendations will be undertaken, in compliance with the Council's decision making risk management guidance.

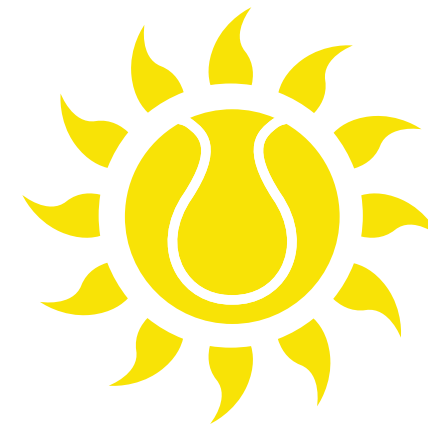
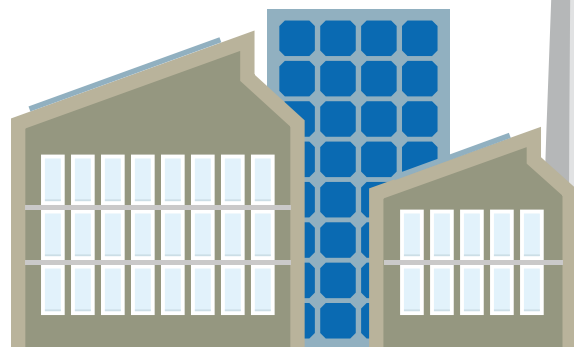
Contact person	Helen Edelstyn (01225 477951)
Background papers	<ul style="list-style-type: none"> Cabinet report in July 2015: Cabinet Aims and Priorities - http://democracy.bathnes.gov.uk/documents/s36705/E2776%20Cabinet%20Priorities.pdf Cabinet report in November 2015: Draft B&NES Corporate Strategy 2016-2020 https://democracy.bathnes.gov.uk/documents/s38764/E2779%20Corporate%20Strategy%20cover%20report.pdf
Please contact the report author if you need to access this report in an alternative format	

Bath and North East Somerset Corporate Strategy 2016-2020

2020 Vision

'Bath and North East Somerset will be internationally renowned as a beautifully inventive and entrepreneurial 21st century place with a strong social purpose and a spirit of wellbeing, where everyone is invited to think big – a 'connected' area ready to create an extraordinary legacy for future generations.'

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Bath and North East Somerset is a beautiful and historic place at the heart of South West England, and in the spring of 2015 I had the privilege of being elected Leader of the Council.

I believe that we need a financially sustainable, well run Council. Our residents deserve it, so that they have the best opportunities for themselves and their families; and so that we create an extraordinary legacy for future generations.

Over the next four years I want to lead an area where there is good quality housing that local people can afford, where our roads, cycle and pedestrian routes help people to 'get moving', where health is better and older people can live safe independent lives, where educational attainment is good for all of our children and young people and where we produce steady improvements in economic growth generating more jobs for local people.

To achieve these aspirations, I set out 3 aims and 6 areas in our manifesto 'Putting Residents First' that I would like the Council to focus on over the next four years. These are:

Aims:

- A Council which is efficient and well-run
- A Council which invests in the future
- A Council which puts the interests of residents first

6 areas of focus:

- Tackle wasteful spending
- Improve local transport
- New homes and jobs
- Invest in our young people
- Cleaner, greener and healthier communities
- Greater choice and independence for older people

You will see references to these areas throughout this Corporate Strategy and the Directorate delivery plans that flow from it.

However, like most Councils throughout the country, we face an unprecedented financial challenge. Reduced funding from central government coupled with increasing demand for many services means that we need to transform the way we deliver some services, whilst holding on to our commitment to excellence.

I am fully committed to addressing the challenges we face. Together with my Cabinet, I remain ambitious about the promises we have made. We will continue to do more for less and look for innovative ways of investing in the things that matter most to our residents.

Alongside senior Council officers, I have agreed the priorities for the next four years and we are passionately behind them. We have a great opportunity to get this right and this Corporate Strategy sets out how.

Cllr Tim Warren

Leader of Bath and North East Somerset Council



“Our ambition is a council which is efficient and well run, invests in the future and puts the interests of residents first in everything it does.”

With a gross budget of over £320m and around 2,500 employees, Bath and North East Somerset Council provides and commissions hundreds of services to local residents from social care to street cleaning. It serves a part of the west of England stretching from Bath to the Chew Valley, and covering both urban and rural neighbourhoods.

Over the past four years we have seen significant change – population growth, new legislation and a reducing budget have all meant changes to the way we work and deliver services. Not only have we adapted well; we have been innovative and made progress too, ensuring that we deliver high quality services that matter most to our local communities. 66% of the population are satisfied with the way we run things (up 16% since 2011).

Page 25 We have seen public health responsibilities successfully transfer to the council and welcomed the opportunity for greater local leadership and involvement in public health programmes. We have also built on our strong history of partnership between the Council and NHS which has led to the integration of many local health and social care services.

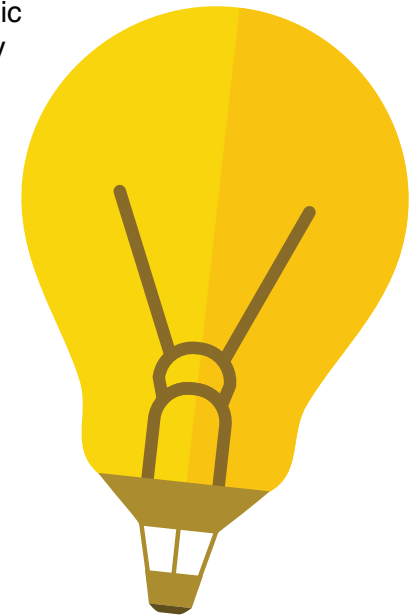
We have made important changes to the way we work as an organisation. Our One Stop Shops give residents the option of face-to-face contact with a wide range of services, including housing advice and the police. We are also beginning to embrace digital media seen through our new and improved website, use of Twitter and webcasting; helping people engage with the decisions we make.

Importantly, we have been able to make significant savings of £32m through developing these efficiencies and new ways of working. This is making a real difference and is helping us to protect front-line services which residents have told us matter most to them.

There is further change to come. Our population continues to grow, the money we receive from central Government will continue to decrease and we will need to respond to Government on issues such as devolution and housing growth.

There will be less public money to deliver public services and so we need to make every penny count. These challenging times will require reforms to services and strong Council leadership to bring partners together to deliver new and innovative ways of doing things that also save us money.

“We have a great opportunity to shape ourselves for the future – to deliver our ambitious vision for Bath and North East Somerset through building on our successes and delivering new and innovative ways of doing things.”



Fortunately there is consensus in Bath and North East Somerset on what a better future should be. The purpose of this document is to explain our future agenda so that we can make our case to local people and Government. It will set out how investment in our vision and priorities will help us drive the improvements we would like to make. We know, as a Council, we need to focus on the following areas over the next four years:

- A strong economy and growth
- A focus on prevention
- A new relationship with customers and communities
- An efficient business

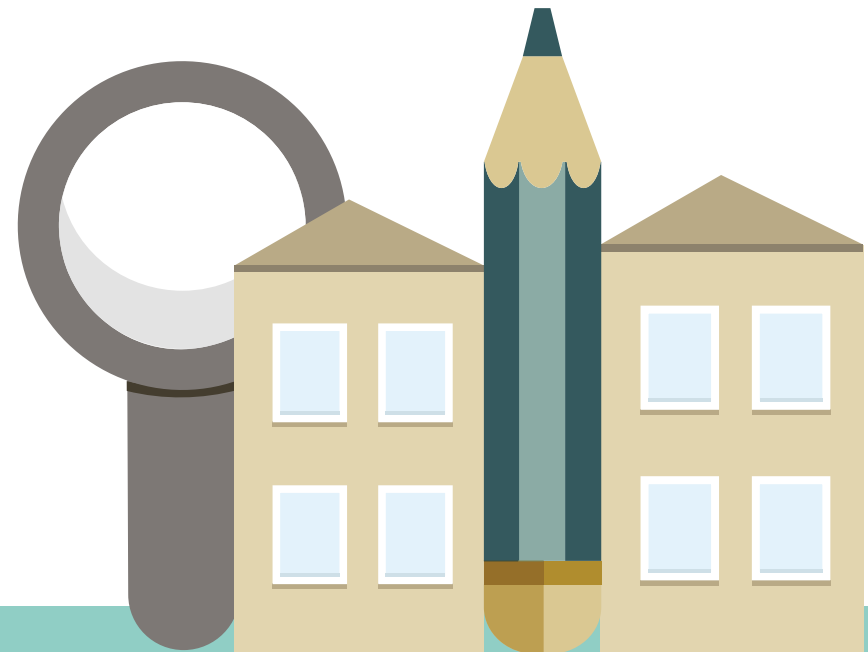
Page 20
This will allow us to shape our business so that we are able to deliver the Cabinet's 6 manifesto commitments: tackling wasteful spending, new homes and jobs, improve local transport, investing in young people, cleaner, green and healthier communities and independence for older people.

If we get this right, not only will we be able to continue to provide exemplary public services for local people but we can help our partners to do likewise. We have a great opportunity to build on our progress and deliver our 2020 vision for the area.

Jo Farrar

Chief Executive of Bath and North East Somerset Council

“The purpose of this document is to explain our future agenda so that we can make our case to local people and Government. It will set out how investment in our vision and priorities will help us drive the improvements we would like to make.”



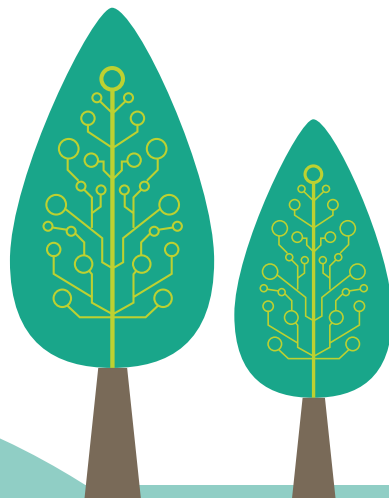
2020 vision

‘Bath and North East Somerset will be internationally renowned as a beautifully inventive and entrepreneurial 21st century place with a strong social purpose and a spirit of wellbeing, where everyone is invited to think big – a ‘connected’ area ready to create an extraordinary legacy for future generations’

The Bath and North East Somerset 2020 vision sets out our aspirations for the future including good health and wellbeing, economic growth, financial sustainability, an effective transport system and an efficient, well run Council. The vision was developed in partnership with the NHS, police, local business, education, the fire service and the voluntary sector. The purpose of this document is to set out how the Council will play its part.

The Strategy is not intended to capture everything that the Council does. Nor is it a blueprint detailing precisely how we will go about delivering our work and projects. That is the role of more detailed work plans that flow from and into this document. But it does set out the Councils key priorities and programmes over the medium term.

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Structure

The Strategy is structured by four sections:

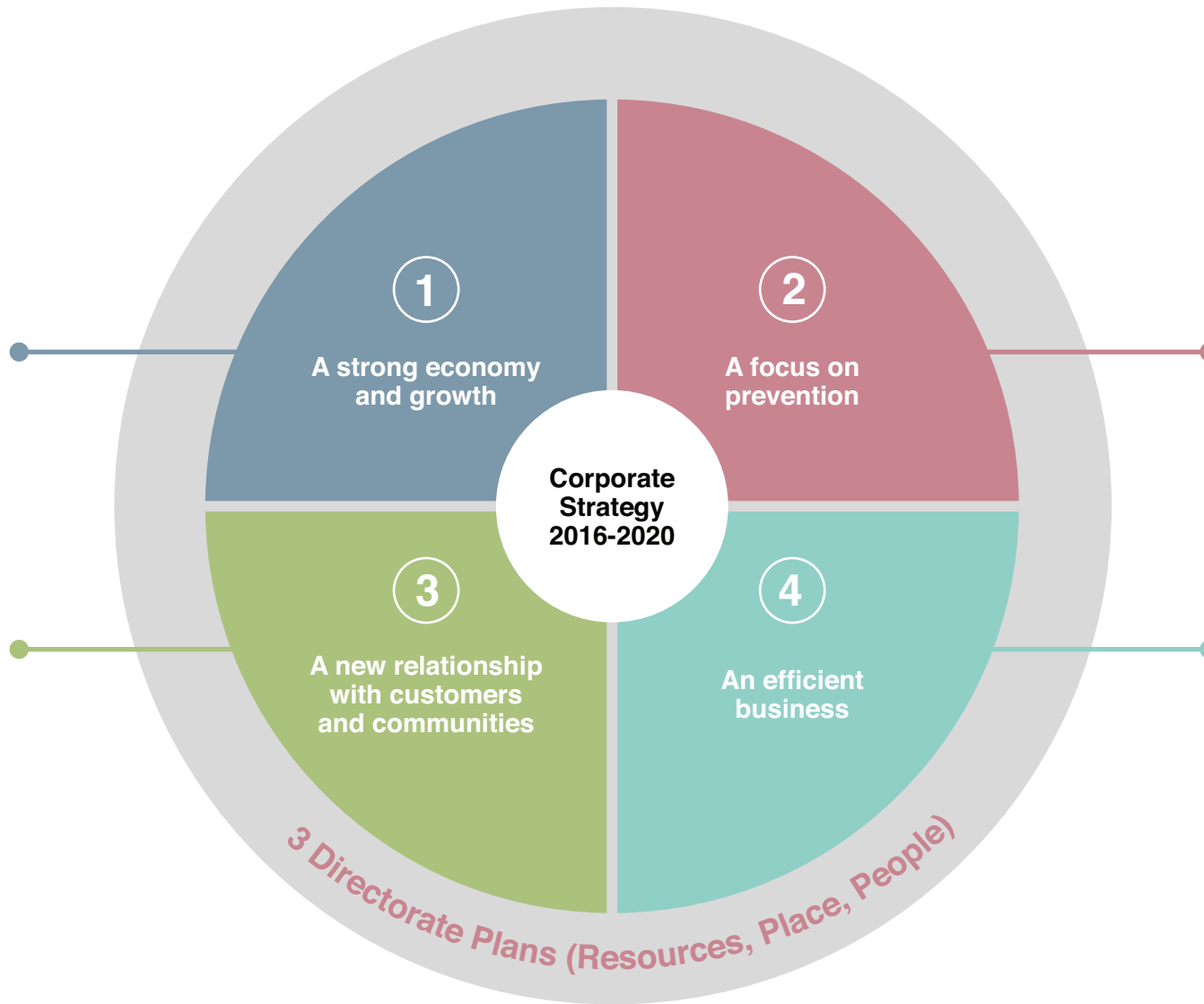
- 1 The case for change
- 2 Our future agenda
- 3 Creating the future
- 4 Our financial strategy, 2016 - 2019



Corporate Strategy Priorities

- Improve transport.
- New homes and jobs.
- Cleaner, greener and healthier communities.

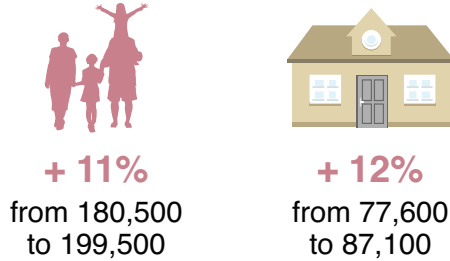
- Putting residents first in everything we do.



- Greater choice and independence for older people.
- Investing in our young people.

- Tackling wasteful spending.

Between 2014 and 2024 our area will grow both in population and in housing terms...



90% are satisfied with the area as a place to live.



65% are satisfied with how the council runs things.



1 in 5 residents want to transact with us online. Less than 100 do now.

9,000 more jobs in the Bath City enterprise area by 2030

1,238 Technical & scientific professional businesses. Largest sector in the area

10,000 more users of local railway stations between 1991 and 2011



Page 29

Thousands

“Beautifully Inventive”

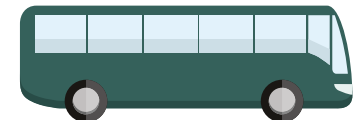
Around **8/10** residents would like to be **more involved** in local decision making.

Life expectancy is high compared to national and regional rates.



But... life expectancy gaps of over 8 years (and increasing) exist for men living in different parts of B&NES.

Just 5 stops on a local bus route.



We are already efficient, already saving £32m since 2011... but we need to find a further £43m by 2020.

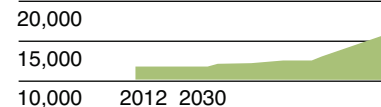


By 2020, summers could be 25% drier and winters 16% wetter.

We have already seen three major landslips in three years.



Amongst our most vulnerable children, **7 out of 10** have families which experience: domestic abuse, mental-ill health, or substance misuse or a combination of the three.



By 2030 **5,000** more people aged 65+ will be unable to manage at least one self-care activity on their own.



The case for change

Over the past four years we have made progress and responded well to change. We are a national leader in the integration of health and social care services for both adults and children and our relationship with the NHS continues to grow. Educational outcomes are good at every level and local unemployment is low at less than 5%. Our Connecting Families programme, working with vulnerable families, is one of the most successful in the country and the Roman Baths is one of the top most visited heritage sites in the UK.

We have significantly reduced the amount of money we spend. £32m has been saved through efficiencies and changing the way we work, whilst overall satisfaction rates with the Council have gone up.

Page 31 Despite this, the landscape for public services will continue to change. Over the next four years we will need to adapt to a growing local population, even less public money and new legislation that will change the way we deliver some services. At the same time we will need to do even more, with less, to deliver excellent local services.

“We need to invest in our transport infrastructure to cut traffic, improve public transport and get Bath and North East Somerset moving.”

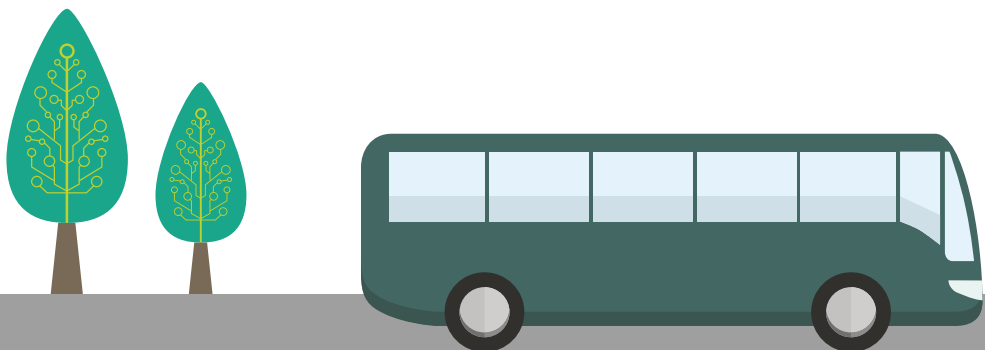
Changing local population

Our population continues to grow. In the next 4 years there will be 10,950 more people living in Bath and North East Somerset. There will be an additional 2,807 residents aged 65 and over, and 469 more young people (aged 15-24); in part due to the expansion of our 2 renowned universities.

Population growth is positive, but brings with it some particular challenges. From an economic perspective, population growth is generally good news where it increases the productive capacity of the local economy. It also improves tax revenues and helps to balance an aging population. However it will put pressure on existing infrastructure such as transport, housing and school places.

As the number of people aged over 65 increases, the rates and complexity of more acute conditions including heart disease and dementia also rises. This will mean that we will need to think differently about how we provide some services, especially adult health and social care, in order to help people to continue to live independent and fulfilled lives.

The UK performs poorly on several health conditions compared to our European peers including coronary heart disease, stroke and lung cancer. Whilst rates of some of these are comparatively low in Bath and North East Somerset, we can still do more to tackle the underlying risk factors of these conditions and help people to be healthy by stopping smoking, being more active, drinking less alcohol and managing diet and weight.



Transport

Despite improvements in the last few years, there are still challenges facing Bath and North East Somerset and its transport system. Many of our roads, particularly within Bath, market towns and villages, were not designed for the volume and size of vehicles we see today. In addition, parts of the area suffer from poor air quality caused by too much congestion. There is a need to improve our local transport system so that people can get around safely be it on foot or by bike, car, bus or train.

Healthy lifestyles

Inequality exists in Bath and North East Somerset. Needs assessments show that inequalities exist in different geographical areas, communities, social and economic groups in Bath and North East Somerset; life expectancy for men varies by 9 years along the stops of the 20C bus route in Bath. People living in Twerton have a lower life expectancy than those who live just five bus stops away. There is also a difference in educational attainment between our more disadvantaged and affluent pupils and we need to do more to narrow this.

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Finance

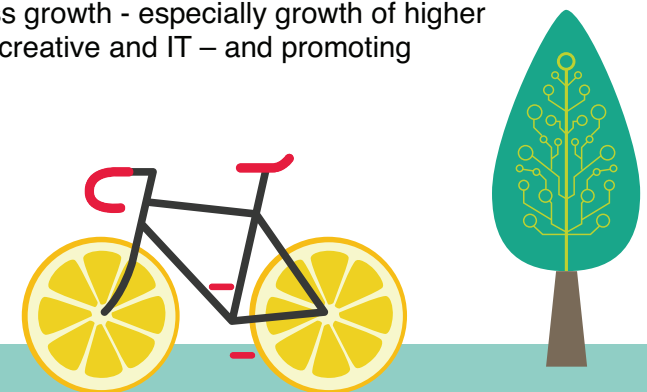
There are likely to be long term pressures on public sector spending until at least 2020. The medium term financial plan to 2015/16 delivered £32m savings but it is estimated at least a further £43m will need to be found in the next four years.

To meet this challenge, we will need to continue to change the way we work including reducing our office space, targeting our services to those most in need and exploring new ways of delivering services including shared and commercial services.

The economy

The Bath and North East Somerset economy has made good progress since the 2008 economic downturn. Local unemployment is low and our workforce is skilled and knowledgeable. However, our economy is not as productive as it could be. Average productivity per employee is £41,600 compared to £42,400 nationally. This not only means that we earn less, but we also bring less money into our local economy.

Raising our business productivity is key to increasing our wages and improving our standard of living. For this reason, our focus over the next four years will be to boost high-skilled, better paid jobs by actively promoting business growth - especially growth of higher value businesses such as creative and IT – and promoting training and development.



Legislation

Legislative reform – such as the Care Act (which seeks to give people a greater say over their own care) and the Children’s and Families Act (which aims to improve services for vulnerable children and families) – will change the way we think about and deliver some services. Ongoing changes in the education landscape following the Academies Act will also mean that we need to continue to change the way we work with schools.

In addition, the Government continues to consider further devolution to local Councils. The devolution of greater powers, which may include aspects of transport, housing and finance, presents us with opportunities. We will need to ensure that we negotiate with Government to get the best deal for Bath and North East Somerset.

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Climate change

Climate change poses significant challenges for the area. Changing weather patterns, severe weather events and pressures around energy supply mean that we will need to consider different choices in how we live our lives.

Making homes more energy efficient and investing in local renewable energy is important to achieving our carbon reduction target and to tackling fuel poverty. Our challenge is to help local people and communities reduce carbon emissions and promote more environmentally-sustainable lifestyles.

The rest of this Corporate Strategy sets out our response to this change and what the future will look like.

“We are committed to addressing both the causes and effects of climate change in Bath and North East Somerset.”





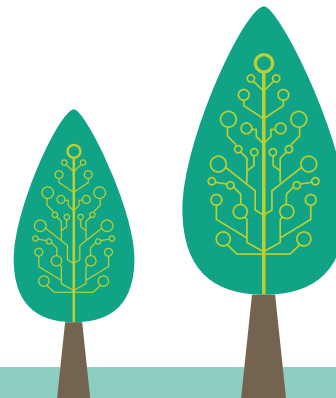
Our future agenda

The changes that we face mean that we need to continue to work differently to be financially sustainable and deliver high quality services into the future.

We have made good progress. We are building an organisation of talented and committed staff - that have embraced change and saved us money - whilst continuing to deliver excellent local services. This has put us in a good position to lead further innovation and to negotiate with Government on matters such as devolution which can bring economic, political and social benefits to local communities. We have already secured the City Deal which will allow us – and our regional partners – to keep 100% of business rate growth.

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However, we have not fully harnessed our potential. There is still more we can do to help people to live well (preventing ill-health), to support and grow local businesses, to involve people in new ways of delivering local services and to create an efficient business. These four areas form our priorities as we move towards our 2020 vision.



A strong economy and growth

Our economic strategy, developed in partnership with education and local business, sets out the steps we need to take to create the right conditions for local economic growth. Our approach will be to regenerate business districts, create new modern office space, support the transition to a low carbon economy, work with others to address the issues of worklessness and open up opportunities for local residents who find the greatest difficulty in entering the labour market.

Working in partnership with the West of England Local Enterprise Partnership (LEP) our underlying ambition is to foster growth and to increase the number of local jobs by around 10,500 and homes by around 13,000 by 2030. This will require a focus on protecting manufacturing, whilst increasing employment in certain sectors such as creative and digital.

We will seek to raise our business productivity and increase our below average earnings by focusing on a number of local business strengths such as creative industries, professional financial and business services, information technology and software development, tourism, retail, health and wellbeing and environmental and low carbon.

Our growth in some of these areas has been strong (this includes our information and communication, creative and digital, environmental and low carbon industries). We need to continue to support this growth by creating the conditions that meet business needs, from sustainable low carbon office space to new homes and good schools, as these have the potential to turn our economy around.

The development of Bath City Riverside Enterprise Area will be one of our biggest opportunities to create the right conditions for business growth in the City's centre. It has the potential to accommodate up to 9,000 new jobs and 3,400 homes.

New employment will focus on Bath's business strengths including the creative industries and software development. Overall the Enterprise Area has the potential to increase the value of the Bath economy by £620m.

A recent survey of businesses found that one of their top priorities was access to a superfast broadband connection. This is particularly important for growth in information and communications, creative and digital sectors. We are working to make sure that the whole of Bath and North East Somerset is well connected as well as leading a programme to deliver ultra-fast broadband in Bath City Riverside Enterprise Area and the City Centre.

Bath is also a World Heritage Site, an international tourist destination and a regional shopping centre. Tourists currently spend £375m a year in Bath, supporting 8,700 local jobs. A strong visitor economy is a part of the wider Bath economy and to the continuing success of a broad and diverse retail sector. We will continue to invest in the Roman Baths to ensure it continues to be a top tourist destination in the UK, World Heritage Site and Educational Centre of excellence with Lottery funding.

“We will build on our economic strengths and realise the potential of the Bath City Riverside Area to establish Bath and North East Somerset as a world-class 21st century centre of imagination and inventiveness.”

A strong economy and growth (cont.)

Whilst Bath is the economic driver for the area, the market towns of Keynsham and the Somer Valley also make a significant contribution with 16,600 jobs, just over 20% of total employment. Recent factory closures including Cadbury in Keynsham have led to job losses. However, investment in regeneration schemes such as Keynsham and Radstock town centres is supporting recovery. The redevelopment of Keynsham civic centre has provided new modern office space, community facilities and retail space.

If Bath and North East Somerset is to continue to grow and compete successfully in the regional economy, we have to develop a local workforce equipped with the range of skills needed to support local business growth.

It is difficult for adults with lower level qualifications to improve this later in life, so it is crucial to get it right first time. We are working with schools to improve careers advice and guidance, employability and vocational training, entrepreneurship and self-employment. We are also using our position to encourage the higher education sector to work with businesses, to help our talented young people stay in the area and find local jobs.

Addressing low skills levels, confidence and work readiness is an important part of tackling worklessness. We are developing a package of engagement and support to help people enter training or work.

As the economy and population grow, the demand for housing and other community facilities, such as schools and GP surgeries, will increase too. House prices in Bath and North East Somerset are already higher than the national average and a housing shortage will push up prices and rents making it even more unaffordable for some.

New homes and community facilities must be built to meet our growing housing need for all parts of the local population. Our Core Strategy sets out a plan for 13,000 new homes by 2029, as well as a commitment to high quality local environments and a good quality of life for all.

We will also need a transport system that connects people to jobs and allows people, goods and services to move easily within and throughout Bath and North East Somerset. We are developing a suite of Transport Strategies to ensure that we meet these growth needs; our plans include improvements to walking (we would like to make Bath one of the UKs most walkable cities), the expansion of Bath's Park and Ride sites, managing congestion by investing in roads and traffic management, providing better cycling options and supporting major improvements in the rail network through both the electrification programme and the Metro West scheme.

If we can achieve this economic growth we estimate we will increase the value of the Bath and North East Somerset economy by £3 billion.



A focus on prevention

Over the next four years we will increasingly need to invest in a range of new approaches that enable people to live well and independently, that are personalised and support choice, that help people to be safe and that prevent or delay the onset of ill health. We will also need to act to address the impacts of climate change.

For many years the focus has been on caring for people when they are ill rather than on keeping them healthy. Changes in our local population – people are living longer with more complex conditions, some of which are avoidable – means that this is no longer financially sustainable. We need to rebalance our health and social care services by helping people to be healthier for longer and avoid or delay the onset of disease. This approach is key to ensuring our services can respond well to our aging population.

We are starting to make the shift towards a more preventative, person centred approach that helps people to help themselves. We are investing in care models that support people to be more informed and involved in their own care. Our 'Wellbeing College', which supports mental wellbeing, is a good example of this.

We will continue to proactively lead the integration of local health and social care services. This will reduce service fragmentation, simplify access and referral routes and support better outcomes.

We will continue to work to reduce rates of coronary heart disease, stroke and lung cancers by helping people to make healthy lifestyle choices. Our Fit for Life Strategy support this through investment in good quality sports and leisure facilities such as the major refurbishment of Bath Sports and Leisure Centre and new facilities planned for Keynsham.

As our population continues to both grow and age, we will re-shape services to enable older people to continue to live well. This will include supporting local health and social care providers to develop new services that address the changing needs of our population.

Keeping children and adults safe from harm will continue to be central to our vision. In partnership with the police and NHS and other local partners we will ensure that our response to safeguarding remains strong and effective.

We will continue to invest in our Connecting Families programme, our response to troubled families. This programme has received national praise for its work to support families improve their overall life chances.

Access to education can be a transforming experience, supporting employment and a route out of poverty. We will continue to support and challenge all schools to ensure that every child and young person receives a high quality education. Ambition for all children from the academically most able to those with special educational needs (SEN) and disabilities is key to achieving the best outcomes and preparing them for civic and working life.

If we can continue to help people to live well, we will strengthen the long term financial sustainability of our services, which in time will reduce or stabilise the demand on more costly interventions.

“We will support people to live well, be healthy and remain independent for longer – keeping people out of hospital and making our area a great place to walk, cycle and be active.”

A new relationship with customers and communities

We want to make sure that residents' views and needs are at the heart of everything that we do. Sometimes in the past we have delivered services with limited engagement with local people. We want to change this. Over the next four years we will do even more to deliver good value services at the standards local residents expect and we will be clear about what we can and cannot provide.

There are many different ways that we engage with local residents, groups and businesses to understand what they expect and need from us. This includes service specific consultations, conversations with ward Councillors and surveys reaching out to all of our communities.

The responses that we get and the things that people tell us help to shape and improve the way services are delivered.

Through our Connecting Communities programme we are working with the Police, housing providers, the NHS and Parish Councils so that we have 'one conversation' about the things that matter most to local people. It also helps us to work together and develop a joined up response, tailor-made to meet the needs of the local community.

Community Forums have been set up in the Somer Valley, Keynsham, the Chew Valley and Bathavon under the Connecting Communities programme. In the autumn of 2015 we launched the Bath City Forum; this has meant that for the first time the whole of Bath and North East Somerset has a clear, common engagement framework at the local level.



A new relationship with customers and communities (cont.)

Local residents, businesses and voluntary groups often have an incredible amount of energy and capacity to get involved in shaping and improving their local communities. Nearly nine out of ten people want to help out more in their local area and we can already see examples of this through initiatives such as our network of snow wardens, community involvement in libraries and a programme our children and young people are undertaking to tackle homophobia, biphobia and transphobia. We need to build on this enthusiasm and commitment for community volunteering and support more residents to get involved.

Page 40 We want to make it simpler for residents to access the information they need and transact with the Council 24 hours a day, 7 days a week. We are beginning to do this. We have made a range of Council services available online including payments, service reporting and feedback. We will continue to invest in digital technology, making even more services online.

Face to face contact will continue to be delivered through our innovative One Stop Shops. These spaces will enable local residents to engage with a range of different services, from the Council's housing advice service to the local police. We are also harnessing the opportunities of modern technologies such as Twitter, online consultations and webcasting of Council meetings to improve the transparency of the decisions we make.

By strengthening our focus on residents and using their insight to develop and deliver improvements, we will in turn provide good value services at the standards people expect. Effective community engagement has never been more important.



“The needs of our local residents should be central to everything we are doing as an organisation.”

An efficient business

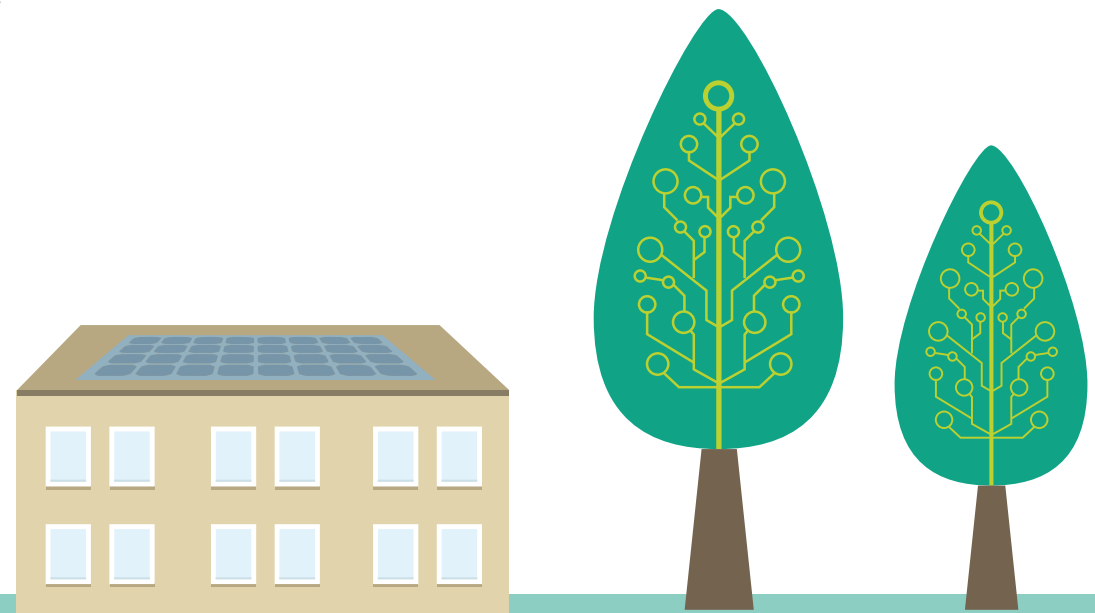
Over the last four years we have reduced the amount of money we spend. We have saved on expensive office space, launched new corporate initiatives which are improving the way we work and adapted well to the challenge of increased demand for services in the context of reducing budgets.

Yet we still need to do more to deliver the savings required. This includes learning, where relevant, from the private sector and looking for new and innovative ways to increase our income. We are already considering the potential of new business initiatives such as a property development company to deliver housing and buying additional commercial estate that will bring in extra revenue.

We are reviewing the way we do things so that we make the most of new technologies, learn from the best and listen to the ideas from our staff and residents about where we can work differently and more efficiently. A good example of this is a project looking into how we can deliver a better energy deal for communities and businesses in the area; this should help reduce energy costs for residents, keep the energy business local, and promote renewable energy whilst generating revenue as well.

We face a significant financial challenge during the next four years and we will be working proactively to maximise these efficiencies and business opportunities ahead of reductions to Council services. We will do all of this whilst retaining our core values as a council - committed to protecting the most vulnerable and delivering quality services for our local residents across Bath and North East Somerset.

“We face significant change in the years ahead and we need to plan proactively to protect the services that matter most to our local residents and to make the most of new opportunities and ways of doing things.”



An efficient business (cont.)

Our One Council approach is already acting as an important catalyst for the changes we need to make and is a core part of the way we operate. It reflects our approach towards us working together better as a single organisation, so that we are less focused on individual service areas, to a more integrated structure which enables us to share, support and learn from each other as well as deliver a seamless service to our local residents.

The One Council approach nurtures creativity and innovation through schemes such as the 10-in-100 programme. This programme supports staff to solve problems and improve the way we work and deliver services. We are also continuing to change the way we work through our Workplaces programme. This programme is reducing office accommodation and investing in technology which will enable us to work better and more efficiently. In turn this will reduce the overall amount of money we spend.

We know that we cannot deliver our 2020 vision in isolation and that we need to make the most of our position as a strong local leader to bring our partners – new and established – together and build on our good foundations. We are developing an active and committed Public Services Board, a local partnership of key public sector leaders, which is working towards a One Public Sector approach, and delivering demonstrable benefits for Bath and North East Somerset.

If we can transform the way we work internally to create efficiencies and provide strong local leadership with our partners to encourage collaboration, the result will be a far better future for Bath and North East Somerset.



“If we can transform the way we work internally to create efficiencies and provide strong local leadership with our partners to encourage collaboration, the result will be a far better future for Bath and North East Somerset.”



Creating our future

The Council is organised into three Directorates: People and Communities, Place and Resources. This section sets out some of the things the Directorates are doing to deliver our 2020 vision.

A strong economy and growth

We will:

- Deliver the Bath City Riverside Enterprise Area Masterplan including the generation of 1650 jobs and 920 homes.
- Continue to deliver Placemaking Plan proposals for Keynsham including the delivery of employment space, housing sites and other town developments.
- Manage the City Deal on behalf of the West of England, which is allowing us to keep 100% of growth in business rates in the Enterprise Area.
- Continue to roll out Broadband across the district.
- Deliver the Core Strategy targets for jobs and infrastructure for Bath and North East Somerset, including the delivery of 3,600 new homes by 2019/20.
- Improve transport through the delivery of transport strategies for Keynsham, Chew and Somer Valleys.
- Collaborate with the 3 West of England Unitary Authorities to develop further devolution proposals designed to stimulate economic growth and provision of housing.
- Adopt the Travellers' Sites Plan by 2019.
- Complete the marketing and letting of the new retail units in the Keynsham Civic Centre development which is acting as a catalyst for confidence and further development in the area.
- Continue to challenge and support schools to promote progression and attainment and ensure that young people leave education with an aptitude for study and training and with good employability skills.
- Continue our nationally recognised Connecting Families programme to support workless families to gain training and employment with a view to permanent entry to the employment market.
- Continue to target those young people most at risk of becoming NEET so that we support them into education, training or employment and prevent long term unemployment and dependency.
- Continue to secure education, training and employment opportunities for our Care Leavers so that we maintain good outcomes into adulthood.
- Commission specialist skills and employment support for those adults less able to access the employment market due to ill health or disability.
- Prepare and adopt the Joint Spatial Plan in partnership with the other West of England authorities.

A focus on prevention

We will:

- Continue to challenge learning settings to promote educational excellence for all children.
- Continue the development of our Local Safeguarding Children's Board and children's safeguarding functions so that we have robust and effective systems in place to protect children.
- Review our services for children and young people most likely to become Looked After particularly those aged 12-15 years to improve outcomes.
- Implement a new, fully integrated Community Services model for community health and care services across Bath and North East Somerset resulting from the Your Care Your Way consultation with communities, partners and providers.
- Develop and implement an Older People Five Year Strategy which goes beyond health, care and housing to encompass all of the services which impact upon older people's lives.
- Re-provide a Bath and North East Somerset Mental Health Unit which combines specialist acute mental health, dementia assessment and treatment wards so that we develop a provision which is "future-proofed" and able to deliver high quality in-patient care for acute mental illness and dementia.
- Continue the development of our Local Safeguarding Adults Board and our adult safeguarding functions so that we have robust effective systems in place to protect adults.
- Continue to work closely with the Department for Work and Pensions (DWP) on welfare reform and provide free access to the internet and training in libraries.
- Continue to work with the Police on local community safety initiatives.
- Support the financial aspects of the Care Act and the Your Care Your Way programme especially provision of financial support and implementation of new ICT.
- Continue to invest in sustainable energy initiatives including Energy at Home to provide insulation and energy saving measures (partly funded by Government grant) plus sustainable energy projects in partnership with Bath & West Community Energy.

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A focus on prevention (cont.)

We will:

- Inform local planning policy on sustainability issues, develop a new sustainability strategy and possibly create a local energy tariff. Also reduce energy use in council buildings and reduce staff travel by embedding flexible working practices.
- Carry out the One Council Reviews programme in collaboration with the relevant service and department, using “lean systems thinking” principles, which encourage prevention of demand plus a greater focus on priorities, and introducing a digital approach with customer self-service wherever this makes sense.
- Continue to operate the emergency planning service and integrate even more strongly with the Police who will use the control room plus locate their front of office staff in the Council One Stop Shops.
- Work with partners to develop and support sustainable and affordable housing solutions for those who are homeless or in need and deliver 720 affordable homes by March 2019.
- Improve air quality through the development of air quality action plans for Keynsham, Saltford and Bath by March 2016.
- Achieve a 1% year on year increase in participation in physical activity through the delivery of the ‘Fit for Life’ Active Living Strategy.
- Enhance our leisure facilities with a new leisure provider improving Bath’s leisure centre by December 2017 and a new centre for Keynsham by March 2019.

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A new relationship with customers and communities

We will:

- Lead the Connecting Communities initiative which is helping services to focus on what communities most need, partnership working with parishes, but also enabling communities to do more for themselves.
- Provide advice and information through an integrated approach using the One Stop Shops and libraries.
- Continue to support community asset transfers where this can be achieved without excessive cost to the Council and where community benefits clearly arise.
- Review the local Council Tax support scheme for 2017/18 to achieve greater simplicity, better targeting of support, and alignment with changes arising from Welfare Reform.
- Continue to develop feedback and engagement systems with service users so that the voice of children, young people, adults and families influences our practice and provision.
- Review children's social care services to determine if we can develop new models of working which build upon our success in Connecting Families, strengthen early help and reduce reliance on "statutorily-based" interventions.
- Continue to develop Personalisation, Person-Centred planning and personal budgets to enable individuals and families to take control of their health and care.
- Deliver the Bath and North East Somerset Waste and the West of England Waste Strategies, including the redesign of the waste collection service by November 2017.
- Work with Parish Council's communities and key partners to deliver and adopt Neighbourhood Plans by December 2015 and Placemaking Plans by December 2016.



An efficient business

We will:

- Reduce net budgets by at least a further 15% and wherever possible this will be achieved through additional income or efficiencies that don't adversely affect the quality of support services or front line services.
- Push for greater income generating initiatives to achieve savings, such as through the commercial estate, sustainable energy initiatives, and through the creation of a new property company to deliver housing.
- Review commissioning intentions across the Council to identify opportunities to focus on key objectives and achieve economies.
- Carry out the One Council Reviews programme which encourage prevention of customer demand and a greater focus on priorities.
- Introduce a digital approach with customer self-service wherever this makes sense.
- Explore further opportunities to collaborate better with other public sector partners.



Key performance indicators and milestones will be set out within more detailed Directorate Plans. We will use these indicators and milestones to track the delivery of our 2020 vision.



Four year financial strategy

The Council's service intentions are set out in Directorate Plans. These are primarily focused on budget delivery for the 2016/17 financial year.

The local government funding settlement for 2016/17 provided figures for one year, with indicative allocations for 2017/18 to 2019/20. These show continuing reductions in the Council's core grant funding during this period.

The settlement came with a number of associated changes and challenges, in addition to the impact on the core grant, including:

- Ongoing reductions to public health and education support grant.
- A proposal for Government to offer a guaranteed "minimum" funding Settlement in exchange for Council's providing 4-year efficiency plans. The specific details of this have yet to be provided by Government.
- A consultation on the future of the New Homes Bonus, as substantial changes are considered to reduce this funding stream by over 50% by the end of the spending review period.
- The implementation of the Business Rates Revaluation from April 2017 – this should be neutral across the country as a whole but there will be regional and even local impacts, including likely appeals from local businesses on any changes.
- A consultation during 2016 on Government proposals to provide for 100% locally retained business rates scheme. This will have substantial implications for local government funding and Government has indicated this will be accompanied by an updated needs assessment of local government funding and transfer of additional unfunded responsibilities from Government.
- Expansion of the Better Care Fund, including an additional £1.5bn of national funding between 2017/18 to 2019/20. The distribution of this funding and any service or outcome delivery requirements accompanying this have not yet been set out.

We cannot be certain about local government funding from 2017/2018 onwards, although we can expect the scale of the financial challenge facing the Council to continue right through to 2019/20 and potentially beyond.



Four year financial strategy

Whilst the scale and speed of funding reductions will vary depending on the outcome of these national proposals, there are also a number of factors which we can identify that will impact on local government funding going forwards:

- The ongoing impact of changes in our population for adult social care.
- The likelihood of increasing pay inflation (direct and indirect).
- The potential impact of changes to interest rates and the revenue cost of meeting the Council's full borrowing requirement.
- The level of inflationary cost pressures arising on Council services.

The financial planning work undertaken indicates the total scale of the financial challenge for the spending review period from 2016/17 to 2019/20 requires the Council to deliver savings or additional income of £43m over this 4 year period.

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The strategic review process has identified a range of options to deliver savings and generate additional income covering over the full spending review period. These pick up on the four key priorities of this Corporate Strategy.

A number of these options have already been included in the proposed budget for 2016/17 and are set out in more detail within the Directorate Plans. Where appropriate, particularly for income generating projects, these extend to the full 4-year period to 2019/20.

Further consideration of the full range of strategic review options will be brought forward as part of the budget development for 2017/18 and beyond, including the potential for a full three-year budget for the period 2017/18 to 2019/20 as greater clarity is provided on the Government's funding plans for local councils.



Bath & North East
Somerset Council

Bath and North East Somerset Corporate Strategy 2016-2020

Bath & North East Somerset Council	
MEETING:	Council
MEETING DATE:	16 February 2016
TITLE:	Budget and Council Tax 2016/17 and Financial Outlook 2016/17 to 2019/20
WARD:	All
AN OPEN PUBLIC ITEM	
<p>List of attachments to this report:</p> <p>Appendix 1 – Budget Aims and Ambitions</p> <p>Appendix 2 – The Budget and Council Tax Proposal of the Cabinet 2016/17. This comprises a covering document, plus 4 Annexes</p> <p>Annex 1 Draft Base Revenue Budget 2016/17 – individual service cash limits</p> <p>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</p> <p>Annex 3 Draft Capital Programme 2016/17-2020/21 including other emerging projects and programmes on an indicative basis - items shown for provisional approval.</p> <p>Annex 3i Highways Maintenance Programme 2016/17</p> <p>Annex 3ii Transport Improvement Programme 2016/17</p> <p>Annex 3iii Schools Planned Maintenance Programme 2016/17</p> <p>Annex 3iv Corporate Estate Planned Maintenance Programme 2016/17</p> <p>Annex 4 Minimum Revenue Provision (MRP) Policy</p> <p>Appendix 3 – 2016/17 Budget - Saving Details</p> <p>Appendix 4 - Budget Setting Process – Advice of the Monitoring Officer</p> <p>Appendix 5 – Council Pay Policy Statement</p> <p>Appendix 6 – Equality Analysis on Budget Proposals</p> <p>Appendix 7 –Formal Council Tax Setting Resolutions (incorporating precepts from Parishes, Fire & Police) – TO FOLLOW</p>	

1 THE ISSUE

- 1.1 This report presents the Cabinet's revenue and capital budgets for the 2016/17 financial year together with a proposal for a Council Tax level for 2016/17.

2 RECOMMENDATION

2.1 That the Council approve:

- a) The General Fund net revenue budget for 2016/17 of £115.729m and the associated Council Tax increase of 1.25% plus a further 2% for Adult Social Care, as set out in Appendix 2.
- b) That no Special Expenses be charged other than Town and Parish Council precepts for 2016/17.
- c) The adequacy of reserves at Appendix 2 Table 10 with a risk-assessed level of £10.5m.
- d) The individual service cash limits for 2016/17 summarised at Appendix 2 Table 6 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 Finance & Efficiency 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 £58.213m for 2016/17 and notes items for provisional approval in 2016/17 and the programme for 2017/18 to 2020/21 as shown at Appendix 2, Annex 3 including the planned sources of funding .
- b) delegates implementation, subject to consultation where appropriate, of the capital programmes set out in Annex 3i to Annex 3iv to the relevant Strategic Director in Consultation with the appropriate Cabinet Member.
- c) approves all other delegations as set out in the budget report.

d) approves the Minimum Revenue Provision Policy as shown at Appendix 2, Annex 4

e) approves the Capital Prudential Indicators as set out in Appendix 2 Table 8.

2.5 That the Council agree the Council's proposed pay policy statement, including the provision in respect of minimum pay rates in 2016/17 as set out at Appendix 5 delegating implementation arrangements to the Employment Committee where appropriate.

2.6 That the Council notes the issues raised in Appendix 6 and agree that the proposals in the budget properly reflect the Council's duties under the Equalities Act 2010.

2.7 That the Council approves the technical resolutions that are derived from the budget report, and all figures in that report, including the precepts for towns, parishes and other precepting bodies as set out in Appendix 7.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

3.1 The resource implications are contained within the body of the report.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

4.1 The Council is committed to ensuring that our financial decisions and the budgetary processes are subject to proportionate equality analysis.

4.2 Bath & North East Somerset Council can demonstrate that it has taken due regard for equality in its decisions by carrying out equality analysis. Thus the Council has a record of the equality considerations, which including the actions that would help to avoid or mitigate any negative impacts on people of particular protected groups.

4.3 Our decisions are supported by a strong evidence base (through effective use of equality mapping and Joint Strategic Needs Assessment) which help to make our decision-making processes more transparent. Further equality analysis can be undertaken as new information is made available.

4.4 When a budget proposal has implications for people covered by the Equality Act 2010, equality analysis must be carried out and the results considered before decisions are taken on the proposal. The decision maker must assure themselves that they are fully appraised of the equality implications of the decision proposed and should not assume the proposal must be approved. The report should contain a summary of the key findings from the equality analysis and actions that can be taken to remove or minimise any potential adverse impacts.

4.5 An Equality Analysis on budget proposals is included in Appendix 6.

4.6 Other issues considered 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.

5 THE REPORT

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

- Its medium term financial planning assumptions which set the basis for the draft budget proposal for 2016/17.
- Its draft budget proposal for 2016/17 (Appendix 2). This provides the detail of the first year of the Directorate Plans and recommends revenue and capital budgets for 2016/17, together with capital commitments for future years, and recommends a level of Council Tax for 2016/17.

5.2 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 £1.8m or 1.5% decrease in the non-schools budget to £115.729m
- An increase in the DSG estimated at £2.5m with total funding of £122.7m (including academies). The majority of the additional funding relates to the additional resources provided to accommodate increased pupil numbers in our schools. Taking account of this, the overall total represents a cash freeze per pupil compared to the previous year.
- An increase in the Council's level of Council Tax, comprising a 2% Adult Social care precept and a 1.25% general increase in order to avoid cuts to frontline services. This excludes Police, Fire and Parish precepts.
- These budget proposals are set out in detail at Appendix 2.

5.3 It is important to be clear on the process to be followed in setting the 2016/17 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.

5.4 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 16th February and any decision having to be deferred until the reserve date on 25th February. This includes potential delays to the Council Tax billing process.

5.5 The Council is required under the provisions of the Localism Act 2011 and associated statutory guidance to publish an annual statement of its policies relating to the pay of its direct workforce, in particular its 'Chief Officers' and 'lowest paid employees'. 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 ahead.

5.6 Appendix 5 sets out for Council approval the draft Pay Policy Statement for 2016/17.

6 RATIONALE

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

6.2 The Council's Section 151 Officer is the Divisional Director – Business Support. 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.

7 OTHER OPTIONS CONSIDERED

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

8 CONSULTATION

8.1 Meetings have been and will continue to be held with staff, trades unions and other stakeholders during the development of Directorate Plans which have fed into this budget. This has included five budget engagement meetings across the area hosted by the Connecting Communities Area Forums (Bath, Bathavon, Chew Valley, Keynsham and Somer Valley), enabling cross service consideration of the range of proposals by a range of stakeholders.

8.2 Representatives of the business community were engaged in these consultations as part of the Budget Engagement meetings.

8.3 Comments received from consultation, including the Area Forums, Policy Development and Scrutiny Panels and Trade Unions have been provided for consideration by the Cabinet.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

9.2 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.

Contact person	Tim Richens, Divisional Director – Business Support (01225) 477468
Background papers	Directorate Plan reports to Policy Development & Scrutiny Panels during November 2015. Consultation Response Summary – Report to Resources PDS 8 th February 2016 Financial Settlement 2016/17 and future years, CLG website
Please contact the report author if you need to access this report in an alternative format	

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APPENDIX 1

Budget Aims and Ambitions

Bath and North East Somerset Council, in partnership with other local public sector agencies has developed an ambitious 2020 vision for the area. This vision, sets out the Councils overarching aspirations for the future.

‘Bath and North East Somerset will be internationally renowned as a beautifully inventive and entrepreneurial 21st century place with a strong social purpose and a spirit of wellbeing, where everyone is invited to think big – a ‘connected’ area ready to create an extraordinary legacy for future generations’

From this, the Cabinet have identified three core aims and six key priorities for the Council to focus on:

Core Aims:

Ensuring the Council:

- Is efficient and well run;
- Invests in the future of the area; and
- Puts the interests of residents first

Key Priorities:

- Tackling waste and increasing efficiency
- Improving transport
- Delivering new homes and jobs
- Investing in young people
- Supporting cleaner, greener and healthier communities
- Promoting choice and independence for older people.

These areas will guide Council activity and budget planning over the next year; ensuring that resources are allocated in a robust and sustainable manner and enable the Council to invest in the things that matter most to local people.

Below are some examples of how the budget will deliver the Cabinet’s commitments:

Tackling waste and increasing efficiency

- Delivering internal organizational savings and improving financial efficiencies to produce over £5 million worth of efficiency savings.
- Exploring more opportunities for sharing services and collaborating with other organisations, including health, other public services and local authorities.
- Generating over £3 million of new income in 2016/17 by innovative means, such as:
 - More weddings and events in a variety of local places
 - Growing income from the Council’s commercial estate
 - Growing the visitor economy, with more markets, pop-ups and events

APPENDIX 1

- Developing the CCTV service to operate on a more commercial footing
- Increasing income from our Heritage estate and assets

Improving local transport

- Funding to support the implementation of Transport Strategies for Bath, Keynsham, Chew and Somer Valleys in order to tackle congestion and improve local transport;
- Investing an additional £500k in highway maintenance, over and above the £3.6 million granted by Government, in order to better maintain the condition of our local roads;
- Continued support of local buses, including additional investment through the Better Bus Fund;
- Increasing cycling opportunities and encouraging participation;
- Support for phase 1 of the MetroWest project to enable more frequent local rail services to Keynsham and Bath.

Delivering new homes and jobs

- Investing more than £3.2 million in new affordable housing schemes throughout the area, including support for extra-care housing and a shared-housing initiative for young people, as well as affordable housing schemes in rural and urban areas;
- Improving connectivity through continued support for rural broadband and investing £2.25 million investment in the Digital B&NES project to enable the provision of ultra and superfast broadband to local businesses;
- Supporting local traders through investment in improved Wayfinding;
- Up to a £30 million investment to support Bath Quays delivery, enabling the creation of thousands of local jobs whilst optimising a return for the Council;

Investing in our young people

- Protection for front-line children and youth services including children's centres, child protection services and schools.
- Providing £200k to improve and expand facilities at Riverside Youth Hub.
- Investing over £6 million in new and improved school buildings in order to modernise facilities for local school children and support parental choice;
- Providing £150k to upgrade and modernise children's play areas throughout the district.

Supporting cleaner, greener and healthier communities

- Protecting front line environmental services including street cleansing, with no further public toilet closures;
- Providing £60k to tackle the urban gull problem and enable the delivery of the new Gull Strategy;
- Investing in new leisure facilities in Bath and Keynsham to support an increase in participation in physical activities;
- Providing £50k to upgrade and replace old and damaged litter bins and benches.

APPENDIX 1

Promoting greater choice and independence for older people

- Protecting front-line adult health and social care services with additional funding enabled through the new Social Care precept.
- Investing over £1 million in Disabled Facilities Grants to enable home adaptations that support greater independence for elderly and vulnerable residents;
- Protection of funding for advice services delivered by the local Citizens Advice Bureau.

Further details on the context and strategic drivers of the budget are set out in the Council's Corporate Strategy 2016-2020. This strategy sets the Council's direction of travel over the next four years enabling it to shape its business so that it is able to deliver the Cabinets manifesto commitments in 2016/17.

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THE BUDGET PROPOSAL OF THE CABINET 2016/2017

Budget Headline

The proposed Budget for 2016/17 is the first to be prepared following the announcement by Government of the Comprehensive Spending Review for 2016/17 to 2019/20 and the resulting challenging Local Government Finance Settlement for the same period.

The Budget focusses on protecting high priority frontline services, delivering important manifesto commitments, growing income and further increasing the efficiency of Council services.

As part of the Local Government Finance Settlement, the Government recognised the acute financial challenges facing Adult Social Care services and have therefore proposed the introduction of a specific Adult Social Care council tax precept. Therefore, in order to protect frontline adult social care services, this specific council tax precept of 2% is included in our proposed Budget.

Whilst significant savings and additional income generation proposals totalling £11.7m are included in our proposed Budget, we are also recommending that Council Tax is increased by 1.25% in 2016/17 in order to avoid cuts to frontline services. The proposed band D Council Tax for Bath & North East Somerset Council next year is £1,240.90 (£1,201.85 in 15/16).

The proposed net revenue budget for Bath & North East Somerset Council next year, 2016/17, is £115.729m, a net cash decrease of £1.787m on the previous year. This includes the impact of significant reductions in government funding amounting to 17.7% for 2016/2017.

The Budget Context

The most recent Government Spending Review, announced in December 2016 confirms that financial challenge facing local government will continue to 2019/20 at least. The represents a full decade of sustained funding reductions which will fundamentally have changed the way in which the Council is actually funded for providing public services. Indeed by 2019/20 we now anticipate our core Government grant funding to be almost completely wiped out.

Since 2011/2012 the reduction in Government Grant Funding has averaged over 10% per annum resulting in over £30M of savings and additional income generation over the last three years alone.

Table 1: Reduction in Government Grant Funding 2011/12 to 2015/16

	2011/12	2012/13	2013/14	2014/15	2015/16
Actual B&NES Funding Reduction	-13.5%	-8.3%	-9.4%	-9.6%	-13.7%

The Council had anticipated that local government funding would continue to be squeezed for the next four year period and that 2016/17 would be particularly challenging. This early financial planning identified that further grant funding reductions of up to 10% per year could potentially be expected which, together with anticipated cost and demographic pressures would require up to £38m in additional savings and income generation over the next four year period.

The provisional Local Government Finance Settlement was announced on 17th December 2015 and included firm figures for 2016/17 and indicative figures for a further 3 years to the end of the Spending Review period.

The Settlement was far worse than the Council had anticipated with annual cash reductions to grants exceeding the anticipated 10% per annum reductions. The decreases in funding for 2016/17 and 2017/18 are particularly large and result in an additional £3.6M of grant reductions for 2016/17 and £9.1M over the 4 year period. Further details of the grant changes are set out in Table 2 below.

The key basis of this disappointing Settlement was a change made by the Government to the allocation and distribution of the grant reductions across local government, moving from the flat rate reductions applied to all councils over the previous 4 years, to an approach based on a Council's overall funding including Council Tax and New Homes Bonus. This gives rise to a huge variation in grant reductions across the country from as little as -0.6% to -32%. A significant number of authorities, including the Council Leader have raised concerns over this approach with the Local Government Minister.

Table 2: Reduction in Government Grant Funding 2016/17 to 2019/20

	2016/17	2017/18	2018/19	2019/20
Actual B&NES Funding Reduction	-17.7%	-15.9%	-10.6%	-11.7%

In financial terms, the Settlement has increased the saving and additional income required to at least £43M over the four year period broken down as follows:

Table 3: Estimated Budget Shortfall 2016/17 to 2019/20

	2016/17	2017/18	2018/19	2019/20
Council Savings and Income Target	£12M	£11M	£12M	£8M

Also within the Settlement the Government have made a number of further provisions and funding changes as follows:-

- A provision for Adult Social Care (ASC) authorities to make a specific ASC Council Tax increase of up to 2% to be spent specifically on ASC cost pressures.
- There is no continuance of government grant incentives for general council tax freeze funding, and the general council tax referendum limit remains at 2% (this excludes the ASC Council Tax increase).
- The in-year reductions to Public Health Funding in 2015/16 have been made permanent, together with on-going cash reductions of up to 2.6% per annum. Final funding settlements for Public Health Grant have yet to be announced but we have anticipated an overall 7.4% reduction for 2016/17.
- Education Support Grant is to reduce by 75% over the 4 year period to 2019/20 with a 19% reduction in 2016/17.
- A consultation on future changes to the New Homes Bonus scheme was launched as part of the Settlement the Government seeks to reduce this funding stream by over 50% from 2017/18.
- A future consultation on the introduction of a 100% Local Business Rate Retention scheme was confirmed for summer 2016 as the Government confirmed intentions to introduce this by 2019/20.
- An additional £1.5bn of funding for the Better Care Fund was announced, starting from 2017/18 over a 3 year period. No specific details of the level or conditions for this funding have been provided to date.
- The Government have offered local authorities the opportunity to agree a minimum 4-year funding Settlement offer subject to the agreement of a local efficiency plan. Further details of this have yet to be provided, including the requirements for such an efficiency plan.

Taking account of the Settlement, the Budget proposal outlines savings and additional income totalling £12M for 2016/2017.

The Council has a prudent level of reserves and can use these to support and smooth the effects of policy changes and additional financial challenges, particularly recognising the ongoing reductions in Council funding to 2019/20 and beyond.

The future indicative figures provided as part of the Settlement through to 2019/20 show a tough set of financial targets that will need to be met in order to deliver balanced Budget proposals for future years. It will become increasingly difficult to meet the challenge without significant changes and redesign of Council services over this 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 2016/2017. Annex 1 provides the breakdown of the Budget for 2016/2017.

Section 2 sets out the position regarding future years 2017/18 to 2019/20.

Section 3 sets out the recommended capital programme for 2016/2017 including the indicative capital programme through to 2020/2021. 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 2016/2017.

Table 4: Summary Net Revenue Budget and Capital Programme 2016/17

	2016/17
Revenue Budget Funding:	£m
Council Tax	77.847
Revenue Support Grant	14.423
Retained Business Rates (after tariff)	22.509
Reserves & Collection Fund	0.951
Total Funding	115.729
Net Revenue Budget Spend	115.729
Capital Programme – for approval	58.213
Capital Programme - for provisional approval (subject to)	53.246

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

Section 1 – The Revenue Budget for 2016/2017

The Budget Proposal

Each Directorate of the Council prepared a detailed Directorate Plan covering the 2016/17 Financial Year with some specific directions of travel for the following 3 years to 2019/20. These plans were reported to the relevant Policy and Development Scrutiny (PDS) Panel throughout November 2015.

The Directorate Plans set out the specific service and resource requirements for 2016/2017. Feedback from the individual PDS panels, the five Budget Fairs which were this year held as part of the Community Forums, trade unions and other stakeholders has been considered by the Cabinet in arriving at the proposed Budget for 2016/2017.

Subsequent to this, a number of further amendments were needed to the Directorate Plans to allow for the significant impact of the Local Government Finance Settlement received on 17th December 2015. These amendments were set out at the Resources PDS Panel on 8th February 2016 which included an open invitation to all members of the Council.

All of the detailed proposals for additional resources, savings and additional income to support this balanced Budget proposal are further summarised in the Service Impact Statements set out at Appendix 3 to this report.

The proposed Budget recognises the very difficult financial challenge facing the whole of the public sector and the increasing need to prioritise resources. The Cabinet have identified three core aims as a focus to ensure the Council:

- Is efficient and well run;
- Invests in the future of the area; and
- Puts the interests of residents first

In order to present proposals for a balanced budget in 2016/2017, the Cabinet have examined a range of options as part of its spending review of the Council. This has included consideration of proposals provided by Management, as part of the ongoing Strategic Review to generate the additional savings or income to address the Budget gap.

The Strategic Review covered the four strategic priorities of the Council as set out in the Corporate Strategy as follows:

- **A strong economy and growth**
- **A focus on prevention**
- **A new relationship with customers and communities**
- **An efficient business**

The Review considered spending across the Council to ensure efficiency savings and income generation opportunities are maximised ahead of reductions to Council services. The outputs from this review are reflected in the Directorate Plans and those which form part of the Budget proposal for 2016/17 are set out at Appendix 3.

Corporate Assumptions

The assumptions which underpin the 2016/2017 Budget are set out below:

- An estimated pay increase of 1% from 1 April 2016 which covers the period until 31 March 2017 (this also provides for some additional provision for lowest pay spine points).
- National changes to the employers national insurance rates – increasing by 3% from 1 April 2016 for earnings from £8K to £43K with an estimate annual cost to the Council of £1.3M per annum.
- Continued low rates of interest of under 0.5% per annum for treasury management cash investments. The Council will maintain a minimum cash policy.
- Balanced budgets are achieved for 2015/2016 with no new 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
- That capital funding is provided as far as possible from Capital Receipts and internal cash flow. New borrowing will be kept to a minimum subject to market conditions and the overriding need to meet cash outflows.
- Fees and charges set by statute will be calculated in accordance with defined calculations under statutory guidance.
- The level of discretionary fees and charges are delegated to Officers, in consultation with the relevant Cabinet member and, will generally increase in line with the increase in the costs of the relevant service.
- No general increases are proposed to Car Parking Charges during 2016/2017, with the exception of changes to charges for car parking season tickets as set out in Appendix 3.
- Park and Ride Charges – charges are now set by the operator within agreed contractual limits.

Government Grant Funding

The provisional Local Government Finance Settlement was announced on 17 December 2015 and included firm figures for 2016/17 and indicative figures for a further 3 years to the end of the Spending Review period.

This showed the Council's funding baseline for 2016/2017 reducing by 17.7% which represented a reduction of £7.8M in cash terms, this was significantly worse than the financial planning assumptions which had allowed for a reduction of around 10%. Over the four year period the settlement was £9.1M worse than the medium term financial plan assumptions.

The main factor in the worse than expected position reflects a change in the Government's method for allocating the grant reductions between Councils. The Provisional Settlement, without any prior consultation, took into account income raised

from Council Tax and New Homes Bonus when distributing grant reductions. This has varying impacts on different Council's with those which had higher Council Tax bases (like Bath & North East Somerset Council) receiving a higher level of reduction in Settlement Funding Assessment (Revenue Support Grant & Retained Business Rates Baseline).

The funding baseline itself takes account of the start-up funding baseline for the Localised Business Rate element so the overall reductions in Revenue Support Grant (RSG) equate to far larger percentages (35.5% for 2016/17). In reality, reductions to RSG will look increasingly large in percentage terms as the Government seeks to take the cash reductions from an increasingly reducing pot of RSG funding with the Council's indicative RSG reduced to just £0.5m by 2019/20.

This settlement confirms that B&NES Council will remain one of the lowest funded unitary authorities, in fact the Council has the 9th lowest core spending power per dwelling when comparing all Unitary Authorities for 2016/2017.

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 £5.199m for 2016/2017. This is the sixth year for funding for New Homes Bonus and includes an additional £1.490m for 2016/2017. This funding is un-ring-fenced and is currently fully allocated as part of the overall revenue Budget supporting all Council services. The government is currently consulting on the future of the New Homes Bonus scheme with a proposed reduction of £800m (over half) nationally starting from 2017/2018.

The Settlement did not include any provision of funding to support Council Tax freezes, as had been the case in previous years. Prior years Council Tax Freeze Grants have been transferred into core grant funding and are being reduced in line with the reductions set out above.

Retained Local Business Rates

The 2016/2017 financial year will be the fourth year of operation of the retained local business rate shares although only two years (2013/14 & 2014/15) has been fully completed at this point.

As part of the Spending Review 2016 and the Settlement, the Government has signaled its intention to extend the current retained local business rates into a 100% local retention scheme by 2019/20. Whilst there are no direct changes for 2016/17, the Government will be issuing a consultation document on this during 2016. The Council, with all the WoE authorities, has sought assurance from Government that the proposed changes will not adversely impact on our existing City Deal arrangements where 100% of business rates are already retained for the Economic Development Fund.

The Budget proposal also reflects the continuation of the Somerset Business Rates Pool; consisting of Somerset County Council, Bath & North East Somerset (B&NES) and North Somerset Unitary councils, Mendip, Sedgemoor and South Somerset District councils, and Taunton Deane Borough Council. Using forecasts for business rates income based on 2016/17 estimates, the forecast gains from pooling are anticipated as being £2.3m for across the pool with the forecast gain for the Council being £350k.

As part of the proposed Budget, reasonable assumptions have been made for likely future Business Rate income, together with specific proposals as part of the Strategic Review to generate further income. Any surplus or deficit on the Business Rate Collection Fund will be transferred to an earmarked reserve for consideration as part of the Business Rates calculations for 2017/2018.

The West of England City Deal arrangements have no impact on retained local business rates as the pooling arrangements include a “no worse off” provision. The City Deal also sits alongside the Somerset Business Rates Pool so the two financial arrangements operate completely separately and have no impact on each other.

Business Rates form an increasingly large proportion of the Councils core income and this will increasingly be the case as we seek to grow this income stream and Government seeks to use this in the determination of future grant funding. Significant changes to this income stream propose a key risk for the Council going forward and the national revaluation to be undertaken during 2016 for a 2017 implementation will need to be carefully monitored and considered.

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 2015/2016 is complicated by the conversion of several schools to academies, and the transfer of additional funding for new studio schools into the DSG from other funding routes. The overall increase in the DSG is estimated for 2016/2017 at £2.53m with total funding of £122.73m. The majority of the additional funding relates to the additional resources provided to accommodate increased pupil numbers in our schools. Taking account of this, the overall total represents a cash freeze per pupil compared to the previous year.

The Pupil Premium, paid to schools to supports pupils from deprived backgrounds has also had a cash freeze attached to its funding rates. This means that all school funding has been contained at the same funding rates as 2015-16. The financial pressures on schools including pay awards, NI changes and Superannuation charge increases will have to be found by schools through efficiency gains.

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 £49.25m in 2016/2017 leaving £73.48m payable to the Council.

This recoupment by the DFE is based on 10 secondary, 3 special, 11 primary and 3 Studio academies in 2016/2017. These school numbers include 5 primary school anticipated to convert to academies on 1st April 2016. 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 changes proposed to the Education Services Grant (ESG) which provides 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.

The DFE have informed the Local Authority of a planned reduction and a phasing out of this element of Local Authority and school funding. In 2016-17 the reduction planned for B&NES amounts to 243k and has been incorporated into the overall funding set out in the Local Authority budget.

Adult Social Care

As set out above, the Government announced the provision within the Local Government Finance Settlement for Adult Social Care (ASC) authorities to apply a specific increase in local council tax rates of up to 2% from 2016/17 to specifically meet ASC costs pressures.

Whilst some of these costs pressures facing ASC have been identified by the Council as part of the financial planning processes, a number of additional costs pressures have emerged over recent months including:

- Financial pressures from providers, a number of whom have already written to notify of intended fee increases
- The full impact of Government's national living wage
- Increasing demand and demographic pressures
- The reallocation of Government Care Act grant funding

Taking account of these pressures, the Budget proposal includes the provision for the full increase of 2% in the Council Tax to meet these ASC cost pressures. This will raise approximately an additional £1.5M which will be passed directly to the ASC Budget on the basis that service works to ensure costs pressures are contained within this provision.

This new Government flexibility for a specific ASC Council Tax increase comes with a range of certification requirements to ensure the funding raised is spent on ASC and effectively ring-fences the ASC Budget within the Council.

The Better Care Fund

The Better Care Fund is providing a significant incentive to support the integration of health and social care, requiring Clinical Commissioning Groups and Local Authorities to pool budgets and agree an integrated spending plan. Greater integration is seen as a potential way to use resources more efficiently, in particular by reducing avoidable hospital admissions and facilitating early discharge.

In 2016/2017 nationally the fund increases from the £3.8bn in 2015/16 to a mandated minimum of £3.9bn, the local flexibility to pool more than the mandatory amount will remain. From 2017/2018 the government will make funding available incrementally to Local Authorities, worth £1.5bn by 2019/2020.

Changes to the Better Care Fund in 2016/2017 include a more streamlined approach to planning and assurance; this includes redirecting the £1bn payment for performance framework to fund NHS commissioned out-of-hospital services which may include a wide range of services including social care. There is also a requirement to develop a clear, focused action plan for managing delayed transfers of care (DTOC), including locally agreed targets.

The 2016/2017 Budget proposal incorporates the following financial provisions for the Better Care Fund:-

- Revenue funding transferred from B&NES CCG for Council commissioned Better Care Fund schemes will remain consistent with the 2015/2016 allocation of £8.4m.
- £540k of funding related to the payment for performance in 2015/16 will be reviewed against locally priorities in funding out-of-hospital services in line with the requirements in the Better Care Fund 2016/2017 planning guidance.

To access the fund the Health and Wellbeing Board will jointly agree plans for how the money will be spent with sign off by the relevant Council and B&NES CCG groups.

Beyond 2016/2017, the Spending Review sets out an ambitious plan so that by 2020 health and social care are integrated across the country. Every part of the country must have a plan for this in 2017, implemented by 2020. The Council and the B&NES CCG are already well advanced with this integration.

Areas will be able to graduate from the existing Better Care Fund programme management once they can demonstrate that they have moved beyond its requirements. Further details will be set out in guidance during 2016.

Resource Allocation including Recurring and One-Off Funding

The Cabinet has considered the allocation of recurring and one-off funding to meet resourcing priorities. This recurring or one-off funding 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 savings proposals
- Adjustments to corporate finance items
- Calculation of the Council Tax Base
- Calculation of the Retained Local Business Rates
- One-off funding provisions and variations, for example the council tax collection fund surplus (or deficit).

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

On-going Resourcing Allocations - £Nil

No specific allocations of on-going funding have been made within the Budget proposal for new revenue Budget statutory or policy service commitments.

A number of cost, demand and legislative pressures have been recognised within the Budget Proposal as summarised in Table 5 of this Appendix.

One-off Funding Allocations - £2.34M

These following allocations are to be made from the anticipated Council Tax Collection Fund Surplus (£753K) together with a draw down from the Financial Planning Reserve (£33K):

- £60K to provide funding to progress the Council's proposed gull strategy for 2016/17
- £25K to meet the implementation costs of the Council's proposed approach to a permit scheme for advertising board enforcement.
- £8K as a contribution towards the provision of the Duke of Edinburgh Award Scheme for Keynsham and Bath
- £23K to continue to support the delivery of the "Wheels for All" programme for 2016/17.
- £63K to provide up to 6 months funding to support the development of a self-funding and sustainable approach to the freight consolidation service in the Council's area.
- £120K in total for 2016/17 and 2017/18 to meet the Council's contribution to external costs for professional advice and support in respect of the WoE Joint Spatial Plan (amount conditional upon all WoE authority contributions).
- £100K to support the redesign work for the Waste Service including external professional advice and support.
- £200K to provide for a range of cycling and related events and activities across B&NES. This figure may be supplemented and offset by potential sponsorship of the events and activities.
- £80K to provide for the costs of a parking and highways implementation study in support of the Keynsham Transport Strategy. This figure is a maximum amount subject to detailed specification to be agreed for the study.
- £107K to provide for a one-year extension to the adults advice and information commission to align this contracted service with the recommissioning work for Your Care Your Way.

The following one-off allocations for 2015/16 are to be funded directly with allocations from the Council's Financial Planning Reserve totalling up to £1.555M:

- £195K to provide a further one-year of supplementary for funding for the Human Resources Team to support the ongoing service transformation of the Council, specifically the HR advisory and management support. The ongoing provision will be mainstreamed as part of a restructure and redesign of the HR service within the Council during 2016.
- £180K to meet the costs for a Mayoral referendum as a result of a qualifying petition having been received by the Council. A further £180K will be required to meet the costs for a Mayoral referendum in the event of a vote in favour of an elected Mayor for the Council.
- Up to £200K to support the development of proposals to implement the provisionally agreed Enterprise Zone extension site for the existing Bath Enterprise Area (EA) and an extension site in the Somer Valley.
- Up to £300K to support the development of proposals for Phase 2 delivery of Bath Western Riverside and the Enterprise Area.
- Up to £250K to meet the Council's share of external support, advisory and economic modelling costs incurred in relation to development of the Devolution Deal proposals for the West of England. A further sum of up to £250K is included for development of legal, financial and bid preparation costs in the event this is progressed to a final deal with HM Government (further details are set out in the specific paragraph below).

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 Finance & Efficiency, 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.

West of England Devolution

A Devolution Bid is being developed by the 4 Unitary Authorities in the West of England. The bid includes the potential for a Combined Authority to take on additional commissioning and funding powers, including a new Payment By Results (PBR) West of England infrastructure investment programme. The latter would require the Council to underwrite further borrowing for infrastructure investment on the basis this would be funded via additional future government grants, should specific economic growth (GVA) targets be met.

The detail of any deal is subject to negotiation and is intended to be developed over the next 6 months. There are two potential key risks for the Council. Firstly, that should targets not be achieved, government grants may not be received in full, secondly that

the interest payments linked to the borrowing or additional minimum revenue provision may require additional sources of funds.

As part of the detailed work still to be undertaken underwriting responsibilities need to be determined, together with how interest costs are to fall within the PBR grant, or are to be funded through other funding streams. Based on theoretical modelling completed to date, assuming investment and borrowing levels are proportionate to population, annual financing costs could equate at their peak to £5M to this Council. An allowance has been made in the Budget proposals for one-off costs.

This will help ensure any Devolution Deal that is completed is robust and carries the minimum level of local authority risk. This work will in any case help the West of England attract Government funding with the aspiration being £1Bn of additional funds over 20 years through the Devolution Deal. This aspiration is roughly in line with some other City Region Deals elsewhere in the country.

The risks will be mitigated through funds being set aside this year to develop robust modelling for the deal, together with the necessary due diligence that will be required, before any final deal could eventually be considered by Council later this year. No other financial assumptions have been made in the council Budget or financial plans around the future funding of a combined authority or deal, over and above the current financing arrangements for the West of England.

Council Tax

The Local Government Financial Settlement included provisions for Councils to:

- Provide for a specific Council Tax increase of up to 2% to be ring-fenced for the additional cost and demand pressures facing the Adult Social Care service. This provision includes a number of specific certification requirements to ensure all such funds raised are spent on delivering Adult Social Care services.
- A further general Council Tax increase of up to 2% beyond which a specific local referendum on Council Tax increases would be required.

There were no provisions within the Settlement for the Government to provide grant funding support for council tax freezes, as had been the case in previous years.

The Government Settlement figures assumed Councils would exercise these options in full for the period of the Spending Review.

The proposed Council Budget provides for the following:

- **In order to protect frontline Adult Social Care services, a specific council tax increase of 2%.**
- **A general council tax increase of 1.25% in 2016/17 in order to avoid cuts to frontline services.**

The proposed band D Council Tax for Bath & North East Somerset Council next year is £1,240.90 (£1,201.85 for 2015/16).

Revenue Budget Proposal – The Headline Numbers

The proposed revenue budget for 2016/2017 represents:

- A net £1.8m or 1.5% decrease in the non-schools budget.
- An increase in the DSG estimated at £2.5m with total funding of £122.7m (including academies). The majority of the additional funding relates to the additional resources provided to accommodate increased pupil numbers in our schools. Taking account of this, the overall total represents a cash freeze per pupil compared to the previous year.
- An increase of 3.25% in the Council's level of Council Tax, comprising a 2% Adult Social Care precept and a 1.25% general increase in order to avoid cuts to frontline services. This excludes Police, Fire and Parish precepts.

We are recommending a net revenue budget for 2016/2017 of £115.729m. Table 5 below, and Annex 1 to this Appendix, show the build-up of the recommended 2016/2017 revenue budget, compared to the rolled forward base budget from the current year.

Table 5: High Level Build-up of the 2016/2017 Budget (detail in Annex 1)

Description	£'000
Total Base Budget rolled forward – 2016/2017 (after removal of one-off items in 2015/2016 Budget)	117,517
One-off Allocations	726
Contractual and Unavoidable Inflation	1,938
New Legislation / Government Initiatives	2,529
Increased Service Volumes	3,736
Other / Technical (Including Capital Financing)	991
Total including Growth	127,437
Efficiency Savings	5,328
Refinancing	1,571
Growth Avoidance	1,013
Increases in Income from fees, charges and other grants	3,024
Service Redesign	772
Total Savings	11,708
Recommended Net Revenue Budget 2016/2017	115,729

In recommending the overall revenue budget to the Council, this also includes the individual service cash limits for 2016/2017. These are shown in **Annex 1** to this Appendix. Table 6 shows the resource allocation for 2016/2017 by service area.

Table 6: Resource Allocation 2016/2017

SERVICE AREA	2016/2017		
	GROWTH (£M)	SAVINGS (£M)	CASH LIMIT (£M)
Adult Social Care	4,232	2,209	58,572
Children's Services	1,841	733	23,918
Place	2,092	3,525	23,368
Resources & Support Services	1,230	2,710	8,791
Corporate & Agency	525	2,531	1,081
Totals	9,920	11,708	115,729

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

Section 2 – Future Years 2017/18 to 2019/20

The current Directorate Plans were primarily constructed to cover the 2016/17 financial year with some future direction of travel in line with the specific budget priorities and the Council's Corporate Strategy.

The Settlement for 2016/17 provided definitive figures for one year only with indicative allocations for 2017/18 to 2019/20. The implications derived from these indicative figures for the Council show continuing significant reductions in the Council's core grant funding during this period. The Settlement also came with a number of further changes to local government finance during this period including:-

- Ongoing reductions to Public Health and Education Support Grant funding in addition to core grant reductions.
- A proposal for Government to offer a guaranteed "minimum" future funding settlement in exchange for Council's providing 4-year efficiency plans. The specific details of this have yet to be provided by Government.
- A consultation on the future of the New Homes Bonus, as substantial changes are considered to reduce this funding stream by up to 60% by the end of the Spending Review period.
- The implementation of the Business Rates Revaluation from April 2017 – this should be neutral across the country as a whole but there will be regional and even local impacts, including likely appeals from local businesses on any changes.
- A consultation during 2016 on Government proposals to provide for 100% locally retained business rates scheme. This will have substantial implications for local government funding and Government has indicated this will be accompanied by an updated needs assessment of local government funding and, a transfer of additional unfunded responsibilities from Government.
- Expansion of the Better Care Fund, including an additional £1.5bn of national funding between 2017/18 to 2019/20. The distribution of this funding and any service or outcome delivery requirements accompanying this have not yet been set out.

In light of these changes and the significant funding reductions already announced, we cannot be certain about local government funding from 2017/2018 onwards although we can expect the scale of the financial challenge facing the Council to continue right through to 2019/20 and potentially beyond.

Whilst the scale and speed of funding reductions will vary depending on the outcome of these national changes, there are also a number of factors which we can identify that will impact on local government funding going forwards:

- The ongoing impact of demographic changes for Adult Social Care.

- The likelihood of increasing pay inflation (direct and indirect).
- The potential impact of changes to interest rates and the revenue cost of meeting the Council's full borrowing requirement.
- The level of inflationary cost pressures arising on Council services.

Given the scale of savings already achieved and those outlined in the Budget proposal for 2016/17, it is likely that future savings will require prioritised changes to, and redesign of Council services.

The Financial Planning work undertaken indicates the remaining future scale of the financial challenge for remainder of the Spending Review Period from 2017/18 to 2019/20 requires the Council to deliver savings or additional income of £31M over this 3 year period.

The Spending Review process, which includes the Strategic Review already undertaken by Management, has identified a range of options to deliver savings and generate additional income covering the full Spending Review period. These pick up on the 4 key themes of the Council's Corporate Strategy :-

- Customer and Community
- Prevention
- Growth
- Generating Revenue / Making the Finances Work

A number of these options have already been included in the proposed Budget for 2016/17 and set out in more detail within the Directorate Plans. Where appropriate, particularly for income generating projects, these extend to the full 4 year period to 2019/20.

Further consideration of the full range of Spending Review options will be brought forward as part of the Budget development for 2017/18 and beyond, including the potential for a full three-year Budget for the period 2017/18 to 2019/20 as greater clarity is provided on the Government's funding plans for local councils.

Section 3 – The Capital Budget for 2016/2017

Introduction

The Cabinet's proposals for the Council's capital programme are limited to a number of specific new additions to the existing approved programme full details of which are set out in this Section.

This Capital programme proposals:

- 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.
- Provides capital funding to support specific projects which generate new and additional new income for the Council as set out in specific business cases. The borrowing costs associated with these projects are anticipated to be more fully covered by the income generated.
- Recognises that careful consideration has been made by Officers and Members regarding future commitments and the direction of this programme.

The intention remains 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 wherever possible. 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 were shaped by a Property Review of proposals for development of Council owned sites. These projected receipts are kept under regular review to ensure the latest position is reflected in budget planning and all existing and future projected capital receipts will be utilised to support the general financing of the Council's Approved Capital Programme.

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 Executive 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.

Recommended Programme for 2016/2017

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 2016/2017, comprising both the programme for Full Approval of £58.213m and a programme for Provisional Approval (subject to) of £53.246m, as shown in Table 7 below. This table also shows the indicative capital programme and funding at summary level for 2016/2017 to 2020/2021. **Annex 3** shows the total capital programme for 2016/2017 to 2020/2021 in more detail.

Table 7: Summary Capital Programme and Financing 2016/17 - 2020/21

For Approval

Capital Scheme	Budget 2016/2017 £'000	Budget 2017/2018 £'000	Budget 2018/2019 £'000	Budget 2019/2020 £'000	Budget 2020/2021 £'000	Total £'000
Place People & Communities	26,829	8,136	2,635	0	0	37,600
Resources	9,601	2,046	258	0	0	11,905
Corporate Capital Contingency	20,569	3,590	6,158	5,394	190	35,901
	1,215	0	0	0	0	1,215
Total	58,213	13,772	9,051	5,394	190	86,620

For Provisional Approval (Subject to)

Capital Scheme	Budget 2016/2017 £'000	Budget 2017/2018 £'000	Budget 2018/2019 £'000	Budget 2019/2020 £'000	Budget 2020/2021 £'000	Total £'000
Place People & Communities	39,587	51,851	34,574	11,757	1,549	139,318
Resources	5,978	3,039	0	0	0	9,017
	7,681	7,385	7,307	2,307	0	24,680
Total	53,246	62,275	41,881	14,064	1,549	173,015

Grand Total	111,460	76,047	50,932	19,458	1,739	259,636
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Funded By

Financing	Budget 2016/2017 £'000	Budget 2017/2018 £'000	Budget 2018/2019 £'000	Budget 2019/2020 £'000	Budget 2020/2021 £'000	Total £'000
Grant Capital	27,801	14,714	5,766	4,959	148	53,388
Receipts/RTB	8,508	10,444	0	2,800	0	21,752
Revenue	977	1,113	1,068	1,068	635	4,861
Borrowing	71,522	45,924	42,736	10,481	956	171,619
3rd Party (inc S106)	2,652	3,852	1,362	150	0	8,016
Total	111,460	76,047	50,932	19,458	1,739	259,636

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

Funding

The revenue budget for 2016/2017 provides for the revenue consequences of the Council borrowing in support of capital expenditure where appropriate.

A desire to minimise the planned levels of external borrowing continues to be 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 achievement of £21.752m of capital receipts over the five year period 2016/17 to 2020/21.

This prudent assumption recognises the difficulty in accurately projecting the actual level of capital receipts over longer-term periods, which will ultimately be dependent on the specific proposals for individual sites in the future.

New Schemes within the Capital Programme**PLACE****Environmental Services****Highways Maintenance Programme for Full Approval of £3.645m**

The Highways Structural Maintenance budget is included for Full Approval at £3.645m. This is funded by Government Grant through the DfT, £3.457m of which relates to the main part of the maintenance block settlement and £188k is the incentivised element of the same funding block.

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.

The proposed programme of work will help address the backlog of maintenance and improve the condition of the highway network, reducing the whole life costs of maintaining roads through earlier intervention.

It is proposed to enhance the quality of substandard footways in the district. This project supports the key objective of encouraging walking as sustainable travel and by resurfacing footways at the optimum time the council is saving the costs of more expensive and disruptive repair works.

A detailed list of schemes, attached at Annex 3(i), will be subject to consultation with cabinet and ward members. Any amendments to the programme will be approved by the Divisional Director for Environmental Services in consultation with the Cabinet Member for Transport.

Highways and Infrastructure Priority Capital Maintenance for Provisional Approval of £500k

An additional sum for the Highways and Infrastructure Maintenance Programme to that outlined above which will further address the list of capital maintenance priorities. This may include supporting works funded with contributions from local parish councils. Further detailed proposals to be brought forward for Full Approval.

Transport Improvement Programme for Full Approval of £1.890m

The Transport Improvement Schemes budget is included at £1.890m for Full Approval funded from £1.163m of Integrated Transport Block Government Grant, £480k of Local Growth Fund, £60k of Better Bus Area Funding and £186.8k of s106 funds.

The 2016/2017 proposals focus on supporting the five objectives identified in the West of England Joint Local Transport Plan:

- Reducing Carbon Emissions
- Supporting Economic Growth
- Promoting Accessibility
- Contributing to better safety, security and health
- Improving quality of life & a healthy natural environment.
-

Proposals provide measures which improve;

- access to local transport;
- pedestrian and walking facilities;
- cycling provision;
- congestion & traffic management;
- safer routes to school; and
- road safety.

A detailed list of schemes, attached at Annex 3(ii), will be subject to consultation with cabinet and ward members and the general public where appropriate. Any amendments to the programme will be approved by the Divisional Director for Environmental Services in consultation with the Cabinet Member for Transport.

Street Lighting - LED Replacement Programme for Full Approval of £3.034m (links to Strategic Plan saving)

To extend the conversion of street lighting units to LEDs in residential areas and introduce dimming technology, in line with Council Policy approved in 2012, to reduce energy consumption and maintenance costs. Expected savings are £331K p.a. before borrowing costs, giving rise to on-going net savings of £101K p.a. It reduces the Council's energy costs and carbon consumption helping achieve both the Council's environmental and Strategic Plan targets. Any amendments to the programme will be approved by the Divisional Director for Environmental Services in consultation with the Cabinet Member for Transport.

Neighbourhoods - Bin and Bench Replacement for Full Approval of £50k

This funding will continue the work of improving the street scene within Bath & North East Somerset Council by upgrading and replacing of old and damaged litter bins and benches across Bath and North East Somerset. The prioritisation for replacement will be driven from the recently completed condition survey of the assets.

Neighbourhoods - Vehicles for Full Approval of £692k

This rolling replacement programme covers vehicles for Parks (£235k), Cleansing (£273k), Environmental Protection (£14k) and Waste (£170k).

Play Equipment for Full Approval of £150k

This funding will continue the improved standard of replacement and regeneration of play areas, in consultation with local members and communities, which has been seen in the last few years. The replacement and improvement of play equipment supports the Council's Green Space Strategy, Play Policy and Play Strategy.

Parade Gardens Infrastructure for Business Development for Full Approval of £32k (for income generating)

This project will deliver infrastructure improvements in Parade Gardens designed to attract more paying visitors to the site and will support the Council's objective of creating neighbourhoods where people are proud to live.

Park and Ride East of Bath for Provisional Approval of £9.7m

The creation of a new Park & Ride east of Bath was included for Provisional Approval in the 2015/16 Budget Report at £4.7m. This did not include site acquisition costs. Consultations on suitable locations have been undertaken including a number of the sites that are not in the Council's ownership. If any of these are chosen there will be additional costs although the exact value needs to be established; an indicative increase to the Provisional budget is shown.

Road Safety Initiatives for Provisional Approval of £125k

Avon and Somerset Police carry out speed enforcement operations and some offending drivers are offered attendance at a speed awareness courses in lieu of a fine and licence points. The income from course fees is shared with B&NES Council for investment in road safety initiatives which could include traffic calming, Safer Routes to School schemes, and speed enforcement measures. Funds are ring-fenced in accordance with the written agreement between both parties.

Better Bus Fund 2017/18 for Provisional Approval of £70k

This is to improve the punctuality of bus services in key areas in Bath based on specific schemes identified in the grant funding bid assembled from suggestions by bus operators.

Transport Strategic Review Items for Provisional Approval of £550k

This includes capital funding to support the four transport strategies for Bath, Keynsham, Somer Valley and Chew Valley as well as funding to enable transport improvements on footpaths, roads, traffic lights etc to compliment delivery of the transport proposals within the Place Directorate Plan.

Pay & Display Machines - New Coin Acceptance for Provisional Approval of £100k

This will provide funding in order to upgrade internal counting mechanisms in the Authority's pay and display machines to enable the use of new £1 and £2 coins being introduced by the Royal Mint in 2016/17.

Waste Infrastructure & Service Works for Provisional Approval of £26.853m

This is the cost of the capital works required to relocate and implement service redesign works for the Waste Services provided by the Council.

The project will contribute to Council priorities across a range of areas including:

- Core Strategy housing delivery
- Regeneration and the Enterprise Area delivery
- Sustainability and carbon management
- Protecting frontline services
- Increasing recycling
- Reducing waste to landfill
- Improving street cleanliness and reducing litter arising from waste collection
- Improving customer service and satisfaction by providing modern purpose built facilities

The capital works in the first year of this project are not impacted by decisions around the service delivery model and may include land acquisition for a replacement Waste Transfer Station & Refuse Collection depot, early

development costs for the site and the relocation of the outer Bath Cleansing depot, as well as further progressing the design for a replacement recycling centre for Bath.

Decisions around the service delivery model will only influence the 2017/18 onward element of this capital item. This is subject to full business case, which will be developed to inform decisions to be taken regarding the service delivery model being taken forward.

Office for Low Emission Vehicles (OLEV) Bid for Provisional Approval of £1.449m

This project forms part of the successful funding bid entered into by the West of England Partnership for 'Go Ultra Low West' to the Office for Low Emission Vehicles in October 2015.

This is also subject to full business case and robust inter-authority arrangements for implementation.

The submission covers 2016 to 2021 and incorporates funding of approximately £1.5 million for B&NES that will cover a wide variety of emission efficient incentives and assets including further electric vehicle charging infrastructure and contributions to existing capital programme purchases to enable purchase of UAs ultra-low emission vehicles (ULEVs).

Keynsham Leisure Centre - Land Assembly for Provisional Approval of £2.5m

As part of the GLL leisure contract the Council is required to provide a clean and serviced site for the re-provision of a new leisure facility in Keynsham. This budget would include land costs, CPO costs, demolition, highways works & service upgrades.

Community Regeneration

Roman Baths Archway Centre for Full Approval of £5.317m

The Archway Centre will provide a new Roman Baths Learning Centre and World Heritage Centre in York Street / Swallow Street, conserve Grade II listed buildings and in-situ Roman remains and extend public access to hitherto unseen parts of the Roman Baths. The project is the subject of a Round 2 bid to Heritage Lottery Fund in 2016.

Heritage Infrastructure Development for Full Approval of £100k (for income generation)

The Heritage Infrastructure Development Programme is a rolling programme of projects to invest in the Roman Baths and Pump Room buildings, facilities and 'visitor experience'. The projects currently planned for 2016/17 include the King's Bath conservation, lighting improvements, together with the tanking and fitting out of two vaults beneath Stall Street, as carried out for the East Baths. Any amendments to this programme will be approved by the Strategic Director for Place in consultation with the Cabinet Member for Sustainable Development.

Victoria Art Gallery Air Conditioning for Full Approval of £150k (for income generation)

The air conditioning system in the lower gallery of the Victoria Art Gallery is unreliable and our technical specialists have advised its replacement. Art works need stable levels of humidity, with temporary exhibitions hosted in this gallery generating direct income in excess of £100k p.a, as well as supporting income in other attractions. Borrowing costs are provided for within the Heritage Services Business Plan for 2016-2021.

Roman Baths: Infrastructure for Provisional Approval of £500K (for income generating)

The Heritage Services Business Plan 2016-2021 provides for the continuation of an annual programme of works at a value of £100k to £200k in each future year of the programme to include heat recovery from the spa water and conservation of the ancient monument.

Disabled Facilities Grant for Full Approval of £1.002m

This is the mandatory grant service administered for eligible applicants that satisfy the following criteria:

- it is a necessary and appropriate home adaptation to enable them access to and use of their home;
- the required adaptation is reasonable and practical; and
- it meets the requirements of a test of resources.

The assessment of need is carried out by Sirona's Occupational Therapy service, whilst the grant scheme is administered by Housing. The scheme allows an eligible applicant to continue to live independently in their own home by providing a range of buildings adaptations and/or specialist items of equipment.

Affordable Housing for Provisional Approval of £3.275m

This capital supports the Council's strategic aim of delivering Affordable Housing and is funded through existing sources of funding including the application of Affordable Housing Revenue Reserve and s106s receipts.

Key projects expected to come forward in the near future include: 72 units of Extra-care housing; 20 bed shared housing initiative for young people; and a rural affordable housing scheme. Other schemes will be considered on a case by case basis as they are brought forward, this could include the development at Foxhill.

As schemes come forward they will be subject to business case and approved, along with the application of funding, by the Divisional Director Community Regeneration in consultation with Cabinet Member for Homes and Planning.

Sawclose Pedestrian Highway Space for Provisional Approval of £2.05m

The project will deliver a shared space environment, with improvements to the public highway and footways to Saw Close. It will also complete the Saw Close Development public Realm works, with the Developer delivering further public realm within the confines of its Property Boundary. These improvements will link up with the shared space scheme in Seven Dials and enhance the surrounding public space to recent Council freehold acquisition in the area.

Radstock Pedestrian Bridge for Provisional Approval of £174k

This project will deliver the construction of a pedestrian footbridge linking the new housing development in Radstock to St Nicholas Primary School.

River Corridor Fund for Provisional Approval of £150k

Partnership working through the Strategic River Group has delivered a programme of works of over £700k including £222k external match over 3 years. A Waterspace Strategy will determine future years' priorities for the River Corridor Fund, further details of which will be set out for future full approval.

Wayfinding and Public Realm for Provisional Approval of £100k

A review of wayfinding and public realm across the city centre is currently underway. It is likely to conclude on priority areas where wayfinding and the urban environment could be improved to support local businesses, encourage retail spend, enhance quality of visitor experience and connect areas together in a more coherent way. The priorities suggested here are for Walcott, Widcombe and the river pathway. The delivery solution would be agreed through consultation with local Members, traders and residents.

Keynsham Town Centre for Provisional Approval of £200k

The Keynsham Transport Strategy and Draft Placemaking Plan recommend developing a scheme for making Keynsham High Street one way. Funds are required to develop a temporary trial with monitoring and evaluation and potentially to design an “oven ready” scheme for funding bids. Consultation and stakeholder engagement would be necessary to define a solution which is deliverable in transport terms and well supported by Members, residents and the business community.

Digital B&NES for Provisional Approval of £2.25m

This project is to maximise on the extensive fibre network within the City of Bath to enable provision of ultra and superfast broadband connectivity for the greater socio-economic and e-government benefit of citizens, businesses, the public sector and tourists in Bath while spearheading the connection of all residents and businesses including: schools, hospitals, hotels, malls, shops, restaurants and clinics throughout the city.

It is subject to the consideration of a robust business case.

Bath Quays Delivery for Provisional Approval of £30m

This provisional item, funded by Service Supported Borrowing, is in addition to the EDF funded Infrastructure elements of the Bath Quays development already in the capital programme. It contributes to the delivery of a mix of office, residential, parking and associated infrastructure, in particular a Council delivered investment block.

This further capital investment is to increase the net return of the development. The business case continues to be developed and further refined in order to optimise this return.

In addition to this Council funded item, grant funding to support the Bath Quays delivery is being sought through the Local Growth Fund (£10m).

Bath Quays Bridge & Linking Infrastructure for Provisional Approval of £3.137m

This will be spent on a new river crossing at the Bath Quays to link the Green Park Road on the north side to the Newark Works buildings on the south. Works will include connecting links. This is funded by capital grant from the Cycle City Ambition Fund.

PEOPLE AND COMMUNITIES

Children & Young People

Youth Services Capital Investment

Riverside Youth Hub Development for Full Approval of £200k

A previous bid for lottery match-funding for the development of shared community facilities on the London Road, including the replacement the Riverside Youth Hub, for which provisional funding approval had been given was unsuccessful.

An allocation of £200k is now proposed as an alternative scheme to improve provision by refurbishing the current building. This proposal will make it safer, more flexible and give better energy efficiency.

The centre will be used by the Council's Youth Connect Service and a number of community groups. Improvements will include changing a store room into a workshop, adding a sheltered area at the back of the building, opening up the garden area, building a pontoon for better river access for kayaking, improving the music studio, painting and decorating throughout, including some new flooring, suspended ceilings and improved access signage and lighting.

Schools Capital Investments

Overview

The Council retains responsibility for capital funding of existing schools (excluding academies) and for the expansion of school places at all schools, including academies.

Schools capital grant funding £6.694m in 2016/17 and £3.039m in 2017/18 has been confirmed by the Education Funding Agency (EFA) for Basic Need to support the provision of additional pupil places where there is population growth. An allocation for Capital Maintenance has yet to be announced, but an indicative figure of £1.5m is assumed.

2016/17 Basic Need Schemes

Our increased level of Basic Need grant funding reflects the growing number of additional places required as identified in the School Organisation Plan and annual School Places Return (SCAP). The funding is to provide the projected number of places that will be needed by September 2018. The allocation is non ring-fenced to enable the Council to fulfil its statutory duties in ensuring sufficient school places. There are no revenue implications for the Council arising from the expansion of schools as these will be met by the Dedicated Schools Grant (DSG).

The Council has a statutory duty to provide sufficient school places for every child resident in the Local Authority who requires a place with Projects identified in line with these responsibilities. The key priority for investment is the need to provide additional primary pupil places driven both by underlying population growth and new housing. Funding has been provided for places required within the next two years and a number of schools have been identified where capacity will be required.

This list is not exhaustive as factors such as the need to revise projections as a result of updated information on births and resident population particularly when most primary schools are full or filling, may mean even small numbers of additional pupils can trigger the need for additional classrooms. Other factors such as changes to the timescales of new housing delivery or a free school being approved can increase or reduce the need to add capacity.

Basic Need (BN) has been allocated for 2016/17 for the following schemes (noting that the New Ensleigh School has been previously approved with a sum of £1.25m from 2016/17 BN funding within a total project budget of £4m).

Basic Need has been allocated for 2016/17 to the following schemes.

St Mary's Primary School, Writhlington for Full Approval of £700k

Final phase of expansion adding two general teaching classrooms to increase the Published Admission Number (PAN) to 210 from September 2017. It is expected the Council will receive a Section 106 contribution of £176k which will reduce the amount funded from BN.

Farmborough Primary School for Full Approval of £714k

To provide additional accommodation to meet an increase in PAN from 20 to 25 with effect from September 2016. The scheme will also address a number of condition related issues which will be undertaken as part of the works.

Saltford Primary School for Full Approval of £1.425m

In April 2014 Cabinet approved £400,000 for the provision of two additional classrooms to enable the permanent expansion of the school due to increasing pupil numbers in the area. Subsequently, four temporary classrooms at the school have been undermined by significant badger activity. These classrooms require urgent replacement. The project will replace the four poor condition buildings and add two new classrooms as part of a traditional permanent build 6 classroom block. £240k of the original budget remains and will be added to the £1.425m to meet the total scheme budget costs of £1.665m

Schools Capital Maintenance Programme 2016/17 for Full Approval of £1.389m

In recent years allocations from the Department for Education (DfE) for Capital Maintenance funding have been made on the basis of one year allocations. This funding is non ring-fenced grant funding to address the worst building condition issues at schools. To date the funding allocations have not been announced for 2016/17 but are expected to be made by the DfE in late January 2016.

In 2016/17 it is proposed to allocate £455K for the replacement of assets at St Michael's and Chandag Infant school and £434k for schemes at 10 schools where the condition surveys show the most urgent need for repair. These are detailed in Annex 3(iii). These schemes will cover a range of projects such as, replacement of heating systems, windows and health and safety. At some schools more than one scheme will be undertaken to address condition issues. In the event of the funding allocations being reduced in 2016/17 it is proposed the number of schemes may need to be reduced to reflect the amount of funding available.

This figure is lower than in previous years as it addresses only the most urgent condition issues whilst keeping funding aside for larger emerging schemes (see emergency works below).

A budget for minor works and Disability Discrimination Act (DDA) works of £250k is proposed to address smaller condition issues such as replacement heating controls and obsolete distribution boards. This funding will be used to address ad hoc condition and health and safety issues as they arise throughout the year. Additionally, this budget can be accessed to address future DDA adaptations at school sites.

It is recommended that a £250k emergency works budget is allocated to meet larger unforeseen issues if they occur throughout the year. A recent example of this being the need to replace buildings at St Michaels Junior

It is proposed that delegated authority for approval of individual Minor Works/DDA and Emergency Works schemes within the totals above is given to the Director for Children & Young People – Strategy & Commissioning in consultation with the Cabinet Member for Children's Services.

The balance of the estimated funding available for this year of £111k is to be held provisionally at this time, the value to be confirmed once the grant notification has been received.

The Schools capital maintenance team maintain a rolling list of capital works required, this funding will be used to work through these projects as they are fully reviewed and prioritised. Timing of the work on these projects will be reliant on resources available to cost and prioritise these projects and so may slip into future years as has occurred previously.

School Basic Need Schemes Unallocated for Provisional Approval of £2.605m

There are a number of housing developments where Section 106 contributions have been agreed that will provide funding to extend existing schools and meet future basic need requirements. In some circumstances, there may be additional basic need pressures in the local area and Council funding may be required to address the additional accommodation needs. In particular there will be a requirement to provide a bulge class in September 2016 in the Keynsham area which may require some capital funding.

RESOURCES & SUPPORT SERVICES SCHEMES

Property Maintenance and Equality Act Works for Full Approval of £1.457m

Capital Planned Maintenance and Equality Act works will be undertaken on the Council Corporate Estate. Annex 3(iv) provides the detailed plan for 2016/2017, with prioritisation informed by full condition surveys. Any amendments to the programme will be approved by the Strategic Director for Resources in consultation with the Cabinet Member for Resources.

Commercial Estate Investment for Provisional Approval of £15m (for income generation)

Active management of the commercial estate will seek external investment opportunities on the open market for acquisition. Acquisitions will be funded from borrowing, which as borrowing costs increase may limit the type and nature of investments available.

Initiatives will also facilitate the pursuance of development and reinvestment opportunities within the existing commercial estate ranging from lease restructuring, to asset enhancement exploiting returns from assets by activities such as the separation of retail and residential elements within buildings to transfer the latter into the proposed LHDV. Where assets are assessed as underperforming assets these may be proposed for disposal.

Investments will require a full business case before proceeding.

Property Company Investment for Full Approval of £20m (for income generation)

A Council owned local housing delivery vehicle to: deliver the development of market housing / to hold, manage and operate market housing / to sell market housing / to provide other market housing related activity / to deliver and manage other commercial and property development.

Allocation of this funding will be in accordance with the specific process and delegations included within the report to Cabinet dated 3 December 2015.

Print Services - Equipment Investment for Provisional Approval of £300k
(for income generation)

Investment in lithographic print equipment and a letter inserter to enable Print Services to offer the full range of services to the Council. This will also enable the co-location of Print Services and Post to take advantage of Print to Post capabilities to achieve cost reductions in postage. Print/Post Services would also be able to offer services to other public sector organisations (such as the CCG, hospitals and GPs) mailing services.

Energy Services Investment for Provisional Approval of £3m

Council investment in renewable energy generation and infrastructure, in order to support the Council's delivery of Core Strategy Policy 'CP3' and generate a return on investment, in projects which will also deliver other community benefits.

Communications Hub for Provisional Approval of £176k

Proposal for £100k to support investment in CCTV infrastructure to support the diversification of the service. (The initial investment of £40k is in the connection with Keynsham so that it uses up to date and reliable digital infrastructure. The further £60k is for similar investment in infrastructure or cameras that may be required but will be dependent on business cases and as such is provisional). Further £76k of S106 funding to install CCTV cameras at Oldfield Park Railway station and make improvements to CCTV camera provision for passengers at Keynsham Railway Station.

EMERGING CAPITAL SCHMES

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

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

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

Enterprise Zone

B&NES were successful in securing provisional Enterprise Zone (EZ) status the existing Bath Enterprise Area (EA) and an extension site in the Somer Valley.

Recognising current workloads officers are exploring options for funding resources necessary to deliver the additional workload a EZ brings. At present it is expected that most logical route would appear to be to seek funding via the Regional Infrastructure Fund (RIF) for the identified resources with the current RIF headroom being between £3-£4m. Whilst the expectation is that RIF should be repaid, this could be funded through the retained rates generated for the new EZ. This is the model used for the existing Bristol EZ Infrastructure Programme (RIF repaid by the Economic Development Fund (EDF)).

The other option would be to seek funding through the EDF although as the programme is oversubscribed this could only be accommodated through substitution (as resolved by the West of England Strategic Leaders' Board (SLB)).

Any capital works proposed for this area will require robust business case to be put forward.

Bath Western Riverside Phase II

Bath Riverside (BWR) has now established itself delivering a strong foundation for growth within the Enterprise area and a vibrant new community within Bath is emerging. With completion of the first phase (813 homes) now likely ahead of programme in 2018/19 and gas holder decommissioning and demolition complete, the project can plan to continue delivery across the entire site, including the current waste site. This will deliver the primary school, 1200+ new homes and commercial space.

In order to realise full regeneration in line with the Core Strategy, further significant capital investment may be required to support project partners in delivering comprehensive regeneration, some or all of which may be met through external sources.

Link Road east of Bath

The Council aims to develop proposals to remove through traffic from the city. This work will continue with discussions with Wiltshire, Highways England and the DfT. The objective will be to develop these options for inclusion in Highways England's next funding programme.

Roman Baths Refurbishment & Development

The Heritage Business plan envisages the need to update, refurbish and improve the Roman Baths from 2019/20 to enable continued strong visitor numbers.

Funding will be through borrowing afforded by the revenue streams and is subject to the consideration of a robust business case.

New School Provision and Existing School Expansions from Future Housing Development

It is expected that up to six new primary schools will be required to meet future housing development by 2029. Of these schools, three will be delivered by the housing developers and three are likely to be delivered by the Council. Two of the schools, Ensleigh and Somerdale are in the process of being delivered for September 2017 opening.

The following table provides information on development sites where agreement has been reached or discussions are ongoing to deliver new schools or expand existing schools.

Development Name	Developer	Provision to be delivered by Developer	Anticipated opening/completion date.	Approximate Funding Shortfall
Foxhill	Curo	A new one form entry primary school, delivered on site	September 2018	To be delivered by developer
Bath Western Riverside - Crest	Crest	A new one form entry primary school, delivered on site	Not yet determined	To be delivered by developer
Bath Western Riverside - Other	Multiple	A new one form entry primary school	Not yet determined	Unknown

APPENDIX 2

Keynsham East & South West	Multiple	A new one form entry primary school, delivered on site	Post Sept 2018	£1.4m plus land contribution
Whitchurch	Multiple	Extension of Whitchurch Primary School	Post September 2017	Unknown
MOD Warminster Road	Unknown	Expansion of Bathwick St Mary Primary School	Not yet determined	£1.1m
Odd Down (Sulis Down)	Unknown	Expansion of St Martins Garden Primary	Not yet determined	Unknown
Radstock Railway Line	Linden Homes	Expansion of St Nicholas Primary School	Not yet determined	£2.5m

The longer term provision of additional places or new schools at other development sites will need further consideration by the Council. At this point in time no, agreements have been made as to when this new provision might be required but it may have an impact on future Capital budgets if any shortfalls in funding are identified.

Furthermore, the future programme will be dependent on a range of assumptions, including a Free School being delivered in the Somer Valley area with capital funding directly from the DfE.

Minimum Revenue Provision (MRP) Policy

The Council is required to make revenue provision to repay capital spend that is financed by borrowing (either supported or unsupported). This is called the Minimum Revenue Provision (MRP). The Department of Communities & Local Government has issued regulations that require full Council to approve a MRP Policy in advance each year. The policy defines how the Council will make a prudent minimum revenue provision for all new unsupported borrowing. The Council is recommended to approve the statement in Annex 4 which is unchanged from last year.

Prudential Indicators

The prudential framework for local authority capital investment was introduced through the Local Government Act 2003. The key objectives of the Prudential Code are to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable. The Capital Prudential Indicators are shown in Table 8 below.

Table 8: Capital Prudential Indicators.

PRUDENTIAL INDICATOR	2014/15 Actual	2015/16 Probable Outturn	2016/17	2017/18	2018/19
Estimate of Capital Expenditure (£'000s)					
Actual/estimates of capital expenditure	62,560	64,123	111,460	76,047	50,932
Net Increase in council tax (band D per annum) Figures in £'s (not £'000's)					
The implied estimate of incremental impact of the new capital investment decisions on the council tax			£3.22	£6.96	£30.88*
Cumulative totals:			£3.22	£6.96	£41.07*
Capital Financing as % of Net Revenue Stream					
Actual/estimates of the ratio of financing costs to net revenue stream			11.82%	16.11%	18.96%
<i>Memo: estimates of the ratio of financing cost to gross revenue stream</i>			4.32%	5.71%	6.62%
Borrowing Limits (£m)					
Operational boundary – borrowing			£229m	£268m	£300m
Operational boundary – other long-term liabilities			£2m	£2m	£2m
Operational boundary - total			£231m	£270m	£302m
Authorised limit - borrowing			£266m	£302m	£333m
Authorised limit – other long-term liabilities			£2m	£2m	£2m
Authorised limit - total			£268m	£304m	£335m
Capital Financing Requirement (£'000s) (as at 31 March)					
Actual/estimate of capital financing requirement	177,384	200,353	265,531	301,739	333,311

*These are indicative figures only awaiting detailed proposals for financing of the waste capital project.

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.

Section 4 – Revenue & Capital Reserves and Contingencies

Significant Earmarked Reserves

In developing the proposed Budget for 2016/2017 all the Council's earmarked reserves have been routinely reviewed and the related potential liabilities assessed to establish the future requirements for each of the reserves.

Key requirements for earmarked reserves 2016/2017 and beyond will continue to be the funding for a significant transformation programme for Council services. This will include specific resourcing proposals as part of Strategic Review projects together with support to recognise the timescales to fully implement delivery and related reorganisation and severance costs.

The proposals for significant earmarked reserves are as follows:-

The Revenue Budget Contingency – This reserve has been utilised during 2015/16 to meet a range of in-year pressures and priorities. It is proposed to ensure this reserve is topped up to a minimum level of £1M for 2016/2017. The Revenue Budget Contingency continue to be made available for allocation to meet new and emerging priorities of the Council during the financial year, including the management of the Budget Outturn.

Financial Planning Reserve – this reserve supports the future medium term financial planning of the Council. The reserve will generally be allocated as part of the Budget process each year to support the specific medium term financial proposals and priorities of the Council. As a general principle, this reserve will be used to support the transition to the delivery of future identified savings, as opposed to supporting ongoing revenue expenditure. During 2016/2017 a number of key allocations are proposed:-

- Up to £1.587M to fund the specific one-off resource allocations proposed for 2016/2017 in this Budget.
- Up to £1.300M to support the implementation of the Management and Service Review Savings.

The Transformation Investment Reserve – will support the development and progression of a significant transformation programme to redesign and reshape a range of services to recognise the future shape of the Council. These changes primarily support the implementation of approved Strategic Review projects supporting the 4 key themes of the Council's Corporate Strategy to deliver ongoing savings and generate additional income.

This reserve will be committed to meet the costs associated with these changes over the next three to four years and allocations will be subject to the approval of the Chief Executive in consultation with the Cabinet member for Resources and the S151 Officer.

The Restructuring and Severance Reserve – the significant financial challenge facing the Council will lead to some reductions in staffing number as savings and efficiencies are delivered.

It is estimated that this reserve will be available to help meet these costs, 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 within the overall scale of anticipated staffing reductions.

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

The uncommitted balance of this reserve will be made fully available to fund affordable housing developments including those set out in the Capital Programme.

All service based Earmarked Reserves are anticipated to be fully committed although a further detailed review of these will be undertaken as part of the 2017/18 Budget process.

Business Rate Reserve

This reserve manages the variations, commitments and liabilities against the Business Rate Collection Fund including the impact of business rate appeals. Projections for the use of this reserve are based upon the estimated impact of future appeals.

Workplaces Invest to Save

As part of the Budget proposals for 2016/17, the earmarked reserves will be used to repay the Invest to Save funding utilised by the Workplaces Project, immediately allowing the full saving to support the Council's Budget Savings required.

Table 9 below, sets out the projected level of the significant earmarked reserves taking account of anticipated commitments.

Table 9: Projected Significant Earmarked Reserves

	Revenue Budget Contingency	Transformation Investment Reserve	Restructuring & Severance Reserve	Business Rate Reserve	Affordable Housing Reserve	Financial Planning Reserve
	£'000	£'000	£'000	£'000	£'000	£'000
Estimated Reserves @ 1st April 2016	680	2,185	4,500	1,444	2,735	5,839
Reallocation of Reserves	320	1,000	-2,000	520	0	-1,250
Allocation in 2016/2017	0	-1,800	-2,400	-1,363	-285	-2,827
Balance C/F	1,000	1,385	100	601	2,450	1,762
Allocation in 2017/2018	0	-985	-50	0	-635	-60
Balance C/F	1,000	405	50	601	1,815	1,702
Allocation in 2018/2019	0	-350	-50	0	-590	TBC
Balance C/F	1,000	50	Nil (est)	601	1,225	Nil (est)

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 – Business Support are an integral part of our budget recommendations. This sets an unearmarked reserves target of £10.5 million based on a financial risk assessment and in the context of the "one-off" funding proposals contained within this Budget proposal.

Table 10 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 – assumes full repayment of the reserves in 2016/17 from Earmarked Reserves as set out above.
- The Leisure Contract - an allocation of up to £2.1m to cover the smoothing of Council and contractor costs in the first 6 years with this being repaid over a period of up to 10 years.

This actual level of unearmarked reserves will also depend on the Outturn position for 2015/2016 and on future decisions by the Cabinet about any overspends. The figures are therefore only an estimate at this stage and are without prejudice to future Cabinet decisions.

Budget Report 2015/16 - Contingent Liabilities

Asbestos Related Claim

In September 2014 the Council received a letter from Curo Places Limited identifying a potential claim relating to the presence of asbestos within the housing stock that was transferred to Curo Places Limited (formerly Somer Community Housing Trust Limited) in March 1999.

On receiving the letter the Council and Curo entered into discussions relating to the basis of the claim and the liability for the treatment of asbestos. Much of the claim related to future liabilities. As part of these discussions the Council has been working with Curo on ways of mitigating future costs relating to the management of asbestos within their housing stock.

Following a number of meetings Curo have agreed in principle to a commercial settlement which will be completed by the end of Q1 16/17. The settlement will not have any impact on the Council's reserves or Budget.

Locally Retained Business Rates

A letter has recently been sent to a number of local billing authorities, including the Council, by a national Property Agent acting on behalf of a number of NHS Foundation Trusts and NHS Trusts requesting mandatory business rate relief.

This is a complex legal matter at this stage the Council would not accept any such request for mandatory relief. Further guidance has been requested from the Department for Communities and Local Government on this matter and the Local Government Association are coordinating with the local authorities concerned.

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 10 below.

Table 10: Projected Non-Earmarked Revenue Reserves

	2016/17 £'000	2017/18 £'000	2018/19 £'000
Estimated Reserves @ 1st April each year	8,369	9,487	9,370
2015/2016 Projected Outturn Underspending	-	-	-
Projected Invest to Save Movements	+1,118	-117	-464
Estimated Reserves @ 31st March each year	9,487	9,370	8,906

Based on anticipated invest to save commitments associated with the Leisure Contract, it is currently forecast that the Non-Earmarked Reserves will begin to be repaid in 2023/24 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 Finance & Efficiency 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.

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 in accordance with good project management practise to meet unavoidable and unforeseen costs;

Secondly, the capital programme includes a funded corporate risk contingency which will be maintained at £2m.

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.

Governance

The Council is requested to confirm 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 Finance & Efficiency and the Chief Executive.

Section 5 – Council Tax

This section shows the implications of the recommended revenue budget for Council Tax levels for 2016/2017.

There were no provisions within the Settlement for the Government to provide grant funding support for council tax freezes, as had been the case in previous years. The proposed Council Budget provides for the following:

- In order to protect frontline Adult Social Care services, a specific council tax increase of 2%.
- A general council tax increase of 1.25% in 2016/17 in order to avoid cuts to frontline services.

The proposed band D Council Tax for Bath & North East Somerset Council next year is £1,240.90 (£1,201.85 for 2015/16). Table 11 explains the calculation of this figure:

Table 11: Council Tax 2016/17 for Bath & North East Somerset Council Services

Description	Amount	Comments
Recommended Net Revenue Budget	£115,729k	See Annex 1
Less grant, retained business rates, reserves and estimate of Collection Fund surplus	£37,882k	See Annex 1 Sources of Funding
To be funded by Council Tax	£77,847k	
Tax base (Band D properties equivalent)	62,734.60	Approved by the Section 151 Officer in December 2015
Recommended Council Tax at Band D for 2016/17	£1,240.90	
2015/16 Council Tax Band D	£1,201.85	
Recommended Increase	£39.05	3.25% increase
<i>The increase comprises:</i>		
<i>Adult Social Care Precept</i>	<i>£24.03</i>	<i>2.00% increase</i>
<i>General Fund Precept</i>	<i>£15.02</i>	<i>1.25% increase</i>

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's current budget proposals include a planned increase in Council Tax of 1.99% for 2016/17. The Final budget and precept proposal will be presented to the Police and Crime Panel at their meeting on 8th February 2016.

The Avon Fire Authority at its meeting on 18th December 2015 agreed to consult on the following two budget options:

- Option 1 – a 2% increase in Council Tax
- Option 2 – a Council Tax freeze

The Fire Authority will meet on 5th February 2016 to finalise its budget and set its Council Tax and precepts for 2016/2017.

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 12 sets out the composite Council Tax likely to be charged:

Table 12: Potential Total Council Tax 2016/17 (Band D)

Council Tax charges (Band D) made by	Charge made now 2015/16 £	Proposed Charge 2016/17 £	% Change
Bath and North East Somerset Council	1,201.85	1,240.90	3.25% (£39.05 at Band D)
Avon and Somerset Police	174.78	TBC	Final Decision to be taken on 8 th February 2016.
Avon Fire & Rescue	66.60	TBC	Final decision to be taken on 5 th February 2016
Total excluding parishes	1,443.23	TBC	
Parishes (average)	35.99	TBC	Not known at time of writing
Total	1,479.22	TBC	The 2016/17 figure will depend on decisions taken by the Police, Fire and Parish/Town Councils

The precepts required by Parishes, Fire and Police will form part of the Council Tax setting resolution at Council on 16th February 2016, and so the necessary updated information will be set out in the report.

Special Expenses

As part of the 2015/2016 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 2016/2017 budget.

Portfolio Cash Limits 2016/17 - Revenue Budgets

APPENDIX 2 ANNEX 1

CABINET PORTFOLIO	Service	Current 2015/16 Cash Limits £'000	Removal of One-offs (including one-off virements in 2015/16) £'000	2016/17 Base Budget £'000	MTSRP Growth £'000	MTSRP Savings £'000	Total 2016/17 Budget Changes £'000	2016/17 Proposed Budget £'000
Leader	Council Solicitor & Democratic Services	2,702	(220)	2,482	75	(51)	24	2,507
	Improvement & Performance	2,861	(256)	2,605	63		63	2,668
	PORTFOLIO SUB TOTAL	5,563	(476)	5,087	138	(51)	87	5,174
	Finance	2,161		2,161	150	(25)	125	2,285
	People Services	513		513	14		14	527
	Risk & Assurance Services	1,008	(164)	844	25	(70)	(45)	799
	Council's Retained ICT Budgets	4,350	(115)	4,235	145	(380)	(235)	3,999
	Customer Services	2,402		2,402	250	(120)	130	2,532
	Human Resources	529		529	60		60	588
	Property Services	3,084	(58)	3,026	124	(280)	(156)	2,870
	Corporate Estate Including R&M	4,140	258	4,398	175	(680)	(505)	3,893
	Commercial Estate	(14,276)		(14,276)		(450)	(450)	(14,726)
	Traded Services	5		5	67		67	73
	Strategic Director - Resources	45		45	3	(654)	(651)	(605)
Corporate items (Procurement)	(200)		(200)				(200)	
Hsg / Council Tax Benefits Subsidy	(195)		(195)				(195)	
Capital Financing / Interest	3,008		3,008				3,008	
Unfunded Pensions	1,679		1,679				1,679	
Corporate Budgets incl. Capital, Audit & Bank Charges	1,496	72	1,568	522	(1,041)	(519)	1,049	
New Homes Bonus Grant	(3,709)		(3,709)		(1,490)	(1,490)	(5,199)	
Magistrates	17		17				17	
Coroners	305		305				305	
Environment Agency	219		219	3		3	222	
PORTFOLIO SUB TOTAL	6,582	(7)	6,575	1,538	(5,190)	(3,652)	2,922	
Adult Services	62,406	(6,408)	55,998	3,447	(1,413)	2,034	58,032	
Adult Substance Misuse (Drug Action Team)	550		550	7	(18)	(11)	540	
Public Health				778	(778)			
PORTFOLIO SUB TOTAL	62,956	(6,408)	56,549	4,232	(2,209)	2,023	58,572	
Children, Young People & Families	12,136		12,136	612	(169)	443	12,579	
Learning & Inclusion	15,801	(121)	15,680	228	(162)	67	15,747	
Health, Commissioning & Planning	(108,504)	(5,924)	(108,504)	1,001	(402)	598	(107,906)	
Schools Budget	109,422		103,498				103,498	
PORTFOLIO SUB TOTAL	28,855	(6,045)	22,810	1,841	(733)	1,108	23,918	
Development Management	1,747	(124)	1,623	171	(66)	105	1,728	
Building Control & Land Charges	354	(14)	340	41	(89)	(48)	292	
Housing	1,654		1,654	53	(218)	(165)	1,489	
PORTFOLIO SUB TOTAL	3,755	(138)	3,617	265	(373)	(108)	3,509	
Economy & Culture	1,782	(126)	1,656	20	(476)	(456)	1,199	
World Heritage	159		159	3		3	162	
Heritage including Archives	(4,995)	(36)	(5,031)		(500)	(500)	(5,531)	
Project Delivery	49		49	16		16	64	
Regeneration, Skills & Employment	240	25	264	96	(12)	85	349	

Portfolio Cash Limits 2016/17 - Revenue Budgets

APPENDIX 2 ANNEX 1

CABINET PORTFOLIO	Service	Current 2015/16 Cash Limits		Removal of One-offs (including one-off virements in 2015/16)	2016/17 Base Budget		MTSRP Growth	MTSRP Savings	Total 2016/17 Budget Changes	2016/17 Proposed Budget
		£'000	£'000		£'000	£'000				
	PORTFOLIO SUB TOTAL	(2,765)	(138)	(2,903)	134	(988)	(853)	(3,756)		
	Place - Overheads	242		242	249	(944)	(695)	(453)		
	Public Protection & Health Improvement - Regulatory	1,269		1,269	129	(105)	24	1,293		
	Neighbourhoods & Environment - Waste & Fleet Services	14,808	(1,245)	13,562	395	(76)	319	13,881		
	Neighbourhoods & Environment - Parks & Bereavement Services	1,925		1,925	90	(112)	(22)	1,903		
	Libraries & Information	1,646		1,646	64		64	1,711		
	Public Protection & Health Improvement - Active Leisure	1,065	(100)	965	399	(50)	349	1,314		
	PORTFOLIO SUB TOTAL	20,955	(1,345)	19,610	1,325	(1,287)	38	19,648		
	Transport - Planning & Policy	672		672	90		90	761		
	Highways & Traffic Management	7,789		7,789	222	(158)	64	7,853		
	Transport & Parking Services - Parking	(6,663)		(6,663)	86	(38)	48	(6,615)		
	Transport & Parking Services - Public & Passenger Transport	4,376		4,376	49	(682)	(633)	3,743		
	PORTFOLIO SUB TOTAL	6,173		6,173	447	(878)	(431)	5,742		
	NET BUDGET	132,074	(14,557)	117,517	9,920	(11,708)	(1,787)	115,729		

Sources of Funding

Council Tax	74,455			74,455				77,847
Revenue Support Grant	20,504			20,504			(6,082)	14,423
Retained Business Rates	21,744			21,744				22,509
Collection Fund Deficit (-) or Surplus (+)	1,578	(1,578)					(385)	(385)
Council Tax Freeze Grant	813			813				
Balances	12,979	(12,979)						1,336
Total	132,074	(14,557)		117,517			(1,787)	115,729

Council Tax - Calculation

Council Tax Debit £'000	74,455			77,847
Taxbase (No. of Band D equivalent properties)	61950.62			62734.60
Band D Charge £	£1,201.85			£1,240.90
%age Increase	0.00%			3.25%

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.

Report of the Chief Finance officer and Divisional Director – Business Support:

I have examined the budget proposals contained in this report, and believe that the spending, income and service delivery proposals are achievable in terms of the requirement to set a balanced budget for 2016/2017.

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 is the reserve planned to fall below the risk assessed minimum level.
- This Budget is for a one-year period only with further work required to develop a robust medium term financial plan.
- 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 currently produced monthly.
- Delivery of Strategic Review savings will be monitored regularly by the Strategic Management Team and the Cabinet.

- A specific process is being developed to support the identification and delivery of the proposed Management and Service Review Savings
- Provision for inflation and demographic changes continue to be challenging and will require the focus on commissioning and procurement to be maintained to help ensure they are fully delivered.
- The new and additional income targets assumed within the Budget proposals will increase the overall risk to the budget should they not be fully achieved.
- Retained local business rates have been budgeted at prudent levels allowing for anticipated appeals and collection risks.
- 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.

As part of the financial management and monitoring processes of the Council it will continue to be necessary to give a high priority to the monitoring and review of the savings delivery plans within each service area.

The significant commitment in the capital programme for 2016/2017 will require sound monitoring, review and programming of schemes for projects to meet delivery and funding expectations. Where projects form part of partnership arrangements, satisfactory partnership governance processes 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 2016/17 recurring budget contains no reliance on the use of unearmarked reserves although some of these reserves (above a minimum level) will continue to 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 to at least the minimum level 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 2016/2017 with a minimum level of £6M, excluding earmarked reserves.

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

- Understand that this Budget proposal represents the first year of a challenging Spending Review period to 2019/20 and that detailed financial plans will need to be considered during 2016/17 to facilitate the delivery of balanced budgets in future financial years.
- 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 minimum 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 years 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 due consideration to the prevailing market conditions and the need to optimise value over the medium term.
- The Cabinet Members, Strategic Directors and budget holders achieve their cash limits for 2015/16.

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.
- Member scrutiny of the Directorate Plans.

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 future financial planning period to reflect the challenging financial position of the public sector. This will include the on-going development of risk assessed budget monitoring and enhancements to processes for monitoring implementation and delivery of savings.

Robustness of Estimates

The 2016/17 Budget and the supporting Directorate Plans continue to link financial resources to corporate priorities and risks. The delivery of the savings and income targets in the 2016/17 financial year remain challenging and have presented some complex and difficult choices for the Council:

- To realise ongoing efficiencies.
- To allocate appropriate financial resources to meet new obligations and increased demand.
- 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.
- To manage risks and impacts appropriately.

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 reducing Government Grant funding
- National changes to taxation and employer costs
- Changing statutory service and operating requirements
- The on-going impact of welfare and benefits reforms
- 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

The assumptions used for the 2016/17 Budget period will require the forecasts for future years to be reviewed in light of actual circumstances. This will be undertaken in the new financial year as part of the more detailed work required to prepare a new medium term financial plan covering the next 3 year period 2017/18 to 2019/20.

Given all these factors I, as the Council's Section 151 Officer, consider the estimates for 2016/17 to be sufficiently robust, and the reserves adequate, to be recommended for approval by the Council.

It remains likely that further service improvement and reasonable Council Tax levels, will only be achievable in the medium term 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 Divisional Directors 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.

The West of England Local Enterprise Partnership

The Council acts as the Accountable Body for the West of England LEP for a range of capital and revenue funding streams to support infrastructure, skills and economic development across the sub-region.

In fulfilling this role, the Council acts as “agent” for the LEP with governance through a “one front door” process and approval of funding decisions made by the Strategic Leaders Board.

The Capital Programme does not include any projects for the WoE LEP unless they relate specifically to funding for capital schemes to be delivered directly by this Council following approval of the Strategic Leaders Board.

Estimated Available Revenue Reserves

Earmarked Revenue Reserves

The Council's earmarked revenue reserves have been reviewed as part of the 2016/2017 Budget proposal and are generally committed either directly or as a contingency provision 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 proposal as set out in Appendix 2.

Table: Projected Non-Earmarked Revenue Reserves

	2016/17 £'000	2017/18 £'000	2018/19 £'000
Estimated Reserves @ 1st April each year	8,369	9,487	9,370
2015/2016 Projected Overtturn Underspending	-	-	-
Projected Invest to Save Movements	+1,118	-117	-464
Estimated Reserves @ 31st March each year	9,487	9,370	8,906

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 medium term financial planning. Clearly, as circumstances change, the currently recommended level of reserves can be expected to change.

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-to-day 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 should restore unearmarked reserves to at least their minimum level within a period of 3 years in the event they are used to meet any risks that crystallise.**

Capital Programme - 2016/2017 - 2020/2021															APPENDIX 2 ANNEX 3
Project Title	PY Spend pre 2015/2016	Forecast Outturn 2015/2016	Actual / Projected Spend pre 2016/2017	Projected Re-phasing from 2015/2016 to 2016/2017 and Future Years	Budget Required 2016/2017	Total Budget 2016/2017	Total Budget 2017/2018	Total Budget 2018/2019	Total Budget 2019/2020	Total Budget 2020/2021	Total Cost 5 Years	Total 5 Year Funding			Comments
												Overall Project Total	Borrowing/ Capital Receipts	Grants/ External Funding	
PLACE	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Environmental Services															
Full Approval															
Highways Maintenance Programme 16/17	0	0	0	0	3,645	3,645	0	0	0	0	3,645	3,645	0	3,645	Proposed for full approval
Transport Improvement Programme 16/17	0	0	0	0	1,890	1,890	0	0	0	0	1,890	1,890	0	1,890	Proposed for full approval
Kennet & Avon Tow Path & Cycle Parking	0	695	695	0	48	48	0	0	0	0	48	743	0	48	For Information - Prior Full approval
Saltford Station - reopening feasibility work	0	100	100	0	150	150	0	0	0	0	150	250	150	0	For Information - Prior Full approval
Street Lighting - LED Replacement Programme	0	0	0	0	2,140	2,140	894	0	0	0	3,034	3,034	3,034	0	Proposed for full approval
Parking - Vehicle Replacement Programme	0	15	15	0	0	0	85	0	0	0	85	100	85	0	For Information - Prior Full approval
Neighbourhoods - Bin and Bench Replacement	82	68	150	0	50	50	0	0	0	0	50	200	50	0	Proposed for full approval
Neighbourhoods - Vehicles	273	380	653	0	692	692	0	0	0	0	692	1,345	692	0	Proposed for full approval
Parks Vehicles	0	156	156	11	0	11	0	0	0	0	11	167	11	0	For Information - Prior Full approval
Allotments	51	10	61	40	0	40	0	0	0	0	40	101	40	0	For Information - Prior Full approval
Beechen Cliff Woodland & Other Open Spaces Improvements	312	58	370	0	40	40	40	50	0	0	130	500	130	0	For Information - Prior Full approval
Play Equipment	453	146	599	0	150	150	0	0	0	0	150	749	150	0	Proposed for full approval
Parade Gardens Infrastructure for Business Development	0	0	0	0	32	32	0	0	0	0	32	32	32	0	Proposed for full approval
Bath Leisure Centre Refurbishment	0	500	500	0	5,000	5,000	2,135	0	0	0	7,135	7,635	7,135	0	For Information - Prior Full approval
Leisure - Council Client / Contingency	0	350	350	0	1,000	1,000	650	0	0	0	1,650	2,000	1,650	0	For Information - Prior Full approval
Bath Recreation Ground Trust - Leisure	0	0	0	0	500	500	500	1,000	0	0	2,000	2,000	2,000	0	For Information - Prior Full approval
Subtotal Full	1,171	2,478	3,649	51	15,337	15,388	4,304	1,050	0	0	20,742	24,391	15,159	5,583	
Provisional Approval															
Highways & Infrastructure Priority Capital Maintenance	0	0	0	0	500	500	0	0	0	0	500	500	500	0	For information - future years
Highways Maintenance Programme 17/18 onwards	0	0	0	0	0	0	3,352	3,034	3,034	0	9,420	9,420	0	9,420	For information - future years
Transport Improvement Programme 17/18 onwards	0	0	0	0	0	0	1,163	1,163	1,163	0	3,489	3,489	0	3,489	For information - future years
A36 Tower Bristol Road Bus Lane	0	250	250	0	250	250	1,000	1,500	0	0	2,750	3,000	2,750	0	Detailed project plan awaited
Bus Lane Camera Replacement	0	0	0	0	0	0	300	0	0	0	300	300	300	0	For information - future years
Great Western Mainline Electrification	0	500	500	0	1,000	1,000	0	0	0	0	1,000	1,500	700	300	Detailed project plan awaited
Park and Ride East of Bath - Site Dependent Costs					5,000	5,000									
Park and Ride East of Bath - Main Works	0	0	0	0	4,700	4,700	0	0	0	0	4,700	4,700	4,700	0	Detailed project plan awaited
Road Safety Initiatives	0	0	0	0	125	125	0	0	0	0	125	125	125	0	Detailed project plan awaited
Parking - Radio System Replacement	0	0	0	0	45	45	0	0	0	0	45	45	45	0	Detailed project plan awaited
Parking - Pay & Display Replacement Programme	0	0	0	0	50	50	350	0	0	0	400	400	400	0	Detailed project plan awaited
Parking - Enforcement Hand Held Computer Terminal Replacement	0	0	0	0	80	80	0	0	0	0	80	80	80	0	Detailed project plan awaited
Passenger Transport Vehicles	0	280	280	0	160	160	480	460	0	0	1,100	1,380	1,100	0	Detailed project plan awaited
Better Bus Fund	0	0	0	0	0	0	70	0	0	0	70	70	0	70	For information - future years
Transport Strategic Review Items	0	0	0	0	150	150	200	200	0	0	550	550	175	375	Detailed project plan awaited
Pay & Display Machines - New Coin Acceptance	0	0	0	0	100	100	0	0	0	0	100	100	100	0	Detailed project plan awaited
Waste Infrastructure & Service Works	0	0	0	0	3,620	3,620	18,838	3,999	130	266	26,853	26,853	26,853	0	Detailed project plan awaited
Neighbourhood Services - Vehicles	0	0	0	0	0	0	586	46	0	0	632	632	632	0	For information - future years
Office for Low Emission Vehicles (OLEV)	0	0	0	0	178	178	304	609	210	148	1,449	1,449	0	1,449	Detailed project plan awaited
Leisure facility modernisation - Keynsham Sports Centre	0	0	0	0	0	0	1,000	5,416	0	0	6,416	6,416	6,416	0	Detailed project plan awaited
Keynsham Leisure Centre - Land Assembly	0	0	0	0	2,500	2,500	0	0	0	0	2,500	2,500	2,500	0	Detailed project plan awaited
Subtotal Provisional	0	1,030	1,030	0	18,458	18,458	27,643	16,427	4,537	414	67,479	68,509	52,376	15,103	
Sub Total - Environmental Services	1,171	3,508	4,679	51	33,795	33,846	31,947	17,477	4,537	414	88,221	92,900	67,535	20,686	

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												Overall Project Total	Borrowing/ Capital Receipts	Grants/ External Funding	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Community Regeneration															
Full Approval															
Visitor & Till Management System	86	0	86	0	0	0	100	0	0	0	100	186	100	0	For Information - Prior Full approval
Roman Baths Development: East Baths Development	0	250	250	0	500	500	0	0	0	0	500	750	500	0	For Information - Prior Full approval
Heritage Infrastructure Development	802	100	902	0	100	100	0	0	0	0	100	1,002	100	0	Proposed for full approval
Heritage: Victoria Art Gallery Air Conditioning	0	0	0	0	150	150	0	0	0	0	150	150	150	0	Proposed for full approval
Roman Baths Archway Centre	0	0	0	0	0	0	3,732	1,585	0	0	5,317	5,317	1,000	4,317	Proposed for full approval
Disabled Facilities Grant 16/17	886	1,494	2,380	0	1,002	1,002	0	0	0	0	1,002	3,382	0	1,002	Proposed for full approval
Affordable Housing	311	894	1,205	407	0	407	0	0	0	0	407	1,612	407	0	For Information - Prior Full approval
BWR - Affordable Housing	5,671	779	6,450	0	450	450	0	0	0	0	450	6,900	-365	815	For Information - Prior Full approval
BWR - Infrastructure	4,767	1,046	5,813	1,687	0	1,687	0	0	0	0	1,687	7,500	1,687	0	For Information - Prior Full approval
BWR - Relocation of Gas Holders	1,365	874	2,239	1,861	0	1,861	0	0	0	0	1,861	4,100	0	1,861	For Information - Prior Full approval
BWRE/Green Park	0	1	1	149	0	149	0	0	0	0	149	150	149	0	For Information - Prior Full approval
Public Realm-Pattern Book	270	20	290	55	0	55	0	0	0	0	55	345	55	0	For Information - Prior Full approval
Public Realm-Team Costs	107	15	121	5	0	5	0	0	0	0	5	126	5	0	For Information - Prior Full approval
Public Realm - City Information Scheme	1,277	0	1,277	123	0	123	0	0	0	0	123	1,400	123	0	For Information - Prior Full approval
Enterprise Area - Flood Mitigation Phase 1	766	1,165	1,931	4,290	0	4,290	0	0	0	0	4,290	6,221	0	4,290	For Information - Prior Full approval
River Corridor & RoSPA safety works	298	350	648	171	0	171	0	0	0	0	171	819	171	0	For Information - Prior Full approval
Cattlemarket/Cornmarket	47	30	77	21	0	21	0	0	0	0	21	98	21	0	For Information - Prior Full approval
Digital B&NES	12	938	950	0	90	90	0	0	0	0	90	1,040	90	0	For Information - Prior Full approval
Somer Valley Business Centres	12	50	62	63	0	63	0	0	0	0	63	125	63	0	For Information - Prior Full approval
Radstock and Westfield Implementation Plan	0	15	15	85	0	85	0	0	0	0	85	100	85	0	For Information - Prior Full approval
Sawclose Development Works	0	80	80	20	0	20	0	0	0	0	20	100	20	0	For Information - Prior Full approval
Somer Road Car Park	0	-0	-0	155	0	155	0	0	0	0	155	155	155	0	For Information - Prior Full approval
Magers Street	0	0	0	57	0	57	0	0	0	0	57	57	57	0	For Information - Prior Full approval
Subtotal Full	16,675	8,102	24,777	9,149	2,292	11,441	3,832	1,585	0	0	16,858	41,635	4,573	12,285	
Provisional Approval															
Heritage Infrastructure Development 17/18 onwards	0	0	0	0	0	0	200	100	200	0	500	500	500	0	For information - future years
Disabled Facilities Grant 17/18 onwards	0	0	0	0	0	0	1,180	1,180	1,180	0	3,540	3,540	0	3,540	For information - future years
Affordable Housing	0	0	0	0	730	730	730	590	590	635	3,275	3,275	0	3,275	Detailed project plan awaited
Public Realm Improvements Programme	0	0	0	113	0	113	0	0	0	0	113	113	113	0	Detailed project plan awaited
Innovation Quay - EDF Enabling Infrastructure	0	0	0	3,100	10,500	13,600	7,500	4,000	0	0	25,100	25,100	25,100	0	Detailed project plan awaited
Somer Valley Business Centres	0	0	0	1,200	0	1,200	0	0	0	0	1,200	1,200	750	450	Detailed project plan awaited
Radstock and Westfield Implementation Plan	0	0	0	50	0	50	0	0	0	0	50	50	50	0	Detailed project plan awaited
Sawclose Pedestrian Highway Space	0	0	0	199	26	225	1,798	27	0	0	2,050	2,050	599	1,451	Detailed project plan awaited
Radstock Pedestrian Bridge	0	0	0	0	174	174	0	0	0	0	174	174	0	174	Detailed project plan awaited
River Corridor Fund	0	0	0	0	150	150	0	0	0	0	150	150	150	0	Detailed project plan awaited
Wayfinding and Public Realm Improvements	0	0	0	0	100	100	0	0	0	0	100	100	100	0	Detailed project plan awaited
Keysham Town Centre	0	0	0	0	200	200	0	0	0	0	200	200	200	0	Detailed project plan awaited
Digital B&NES	0	0	0	0	2,250	2,250	0	0	0	0	2,250	2,250	2,250	0	Detailed project plan awaited
Bath Quays Delivery	0	0	0	0	2,000	2,000	10,000	12,250	5,250	500	30,000	30,000	30,000	0	Detailed project plan awaited
Bath Quays Bridge & Linking Infrastructure	0	0	0	0	337	337	2,800	0	0	0	3,137	3,137	0	3,137	Detailed project plan awaited
Subtotal Provisional	0	0	0	4,662	16,467	21,129	24,208	18,147	7,220	1,135	71,839	71,839	59,812	12,027	
Sub Total - Community Regeneration	16,675	8,102	24,777	13,811	18,759	32,570	28,040	19,732	7,220	1,135	88,697	113,474	64,385	24,312	
TOTAL PLACE	17,847	11,610	29,457	13,862	52,554	66,416	59,987	37,209	11,757	1,549	176,918	206,374	131,920	44,998	

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												Overall Project Total	Borrowing/ Capital Receipts	Grants/ External Funding	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
PEOPLE & COMMUNITIES															
Adult Care															
Full Approval															
Adult Social Care Database replacement	9	670	679	263	0	263	0	0	0	0	263	942	0	263	For Information - Prior Full approval
Subtotal Full	9	670	679	263	0	263	0	0	0	0	263	942	0	263	
Provisional Approval															
PSS Grant Unallocated	0	0	0	0	798	798	0	0	0	0	798	798	0	798	Detailed project plan awaited
Subtotal Provisional	0	0	0	0	798	798	0	0	0	0	798	798	0	798	
Sub Total - Adult Care	9	670	679	263	798	1,061	0	0	0	0	1,061	1,741	0	1,061	
Children and Young People															
Full Approval															
Riverside Youth Hub Development	0	0	0	200	0	200	0	0	0	0	200	200	200	0	Proposed for full approval
Enisleigh - New Primary School	13	626	639	0	2,112	2,112	1,016	258	0	0	3,386	4,025	0	3,386	For Information - Prior Full approval
St Mary's Writhlington Replace Classrooms (BN)	1	113	115	0	340	340	360	0	0	0	700	815	0	700	Proposed for full approval
Farmborough Primary School (BN)	0	0	0	0	714	714	0	0	0	0	714	714	0	714	Proposed for full approval
Salford Primary School - (BN)	125	317	442	0	820	820	605	0	0	0	1,425	1,867	0	1,425	Proposed for full approval
Schools Capital Maintenance Programme	1,055	2,023	3,077	0	934	934	0	0	0	0	934	4,011	0	934	Proposed for full approval
Chandag Infants School Production Kitchen	61	29	90	0	170	170	0	0	0	0	170	260	0	170	Proposed for full approval
St Michaels Junior School Replace Temporary Building	0	0	0	0	285	285	0	0	0	0	285	285	0	285	Proposed for full approval
Schools Devolved Capital	305	1,630	1,935	0	328	328	0	0	0	0	328	2,263	0	328	Proposed for Full Approval – subject to confirmation of grant funding
Schools Energy Invest to Save Fund	60	500	560	230	0	230	0	0	0	0	230	790	0	230	For Information - Prior Full approval
Client Data System for Children's Social Services	56	557	613	87	0	87	0	0	0	0	87	700	0	87	For Information - Prior Full approval
Caslee Primary School - Basic Need	475	42	517	283	444	727	0	0	0	0	727	1,244	0	727	For Information - Prior Full approval
Westfield Primary School - Basic Need	0	0	0	113	0	113	0	0	0	0	113	113	0	113	For Information - Prior Full approval
Paulton Junior School - Basic Need	4	124	129	1,209	400	1,609	65	0	0	0	1,674	1,803	0	1,674	For Information - Prior Full approval
Bishop Sutton Primary School - Basic Need	90	1,225	1,315	267	402	669	0	0	0	0	669	1,984	0	669	For Information - Prior Full approval
Subtotal Full	2,246	7,187	9,433	2,389	6,949	9,338	2,046	258	0	0	11,642	21,074	200	11,442	
Provisional Approval															
Schools Capital Maintenance Grant Unallocated 15/16	0	382	382	567	0	567	0	0	0	0	567	949	0	567	Detailed project plan awaited
Schools Basic Need Grant Unallocated 15/16	0	0	0	1,822	0	1,822	0	0	0	0	1,822	1,823	0	1,822	Detailed project plan awaited
Children's Centre Capital Schemes	0	0	0	75	0	75	0	0	0	0	75	75	0	75	Detailed project plan awaited
Schools Basic Need Grant Unallocated 16/17	0	0	0	0	2,605	2,605	0	0	0	0	2,605	2,605	0	2,605	Detailed project plan awaited
Schools Capital Maintenance Grant 16/17	0	0	0	0	111	111	0	0	0	0	111	111	0	111	Detailed project plan awaited
Schools Basic Need Grant 17/18	0	0	0	0	0	0	3,039	0	0	0	3,039	3,039	0	3,039	For information - future years
Subtotal Provisional	0	383	383	2,464	2,716	5,180	3,039	0	0	0	8,219	8,602	0	8,219	
Sub Total - Children's Services	2,246	7,569	9,815	4,853	9,665	14,518	5,085	258	0	0	19,861	29,676	200	19,661	
TOTAL PEOPLE & COMMUNITIES	2,255	8,239	10,495	5,116	10,463	15,579	5,085	258	0	0	20,922	31,417	200	20,722	

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												Overall Project Total	Borrowing/ Capital Receipts	Grants/ External Funding	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
RESOURCES SERVICES															
Property															
Full Approval															
Workplaces Programme Delivery	4,746	1,398	6,143	352	0	352	0	0	0	0	352	6,495	352	0	For Information - Prior Full approval
Keynsham Regeneration & New Build	29,511	2,831	32,341	1,472	0	1,472	0	0	0	0	1,472	33,813	1,472	0	For Information - Prior Full approval
Lewis House (Inc Comms Hub & OSS)	5,481	236	5,716	158	0	158	0	0	0	0	158	5,874	158	0	For Information - Prior Full approval
Corporate Estate Planned Maintenance	680	1,864	2,544	144	1,357	1,501	0	0	0	0	1,501	4,045	1,501	0	Proposed for full approval
Disposals Programme (Minor)	102	50	152	119	0	119	0	0	0	0	119	271	119	0	For Information - Prior Full approval
Grand Parade & Undercroft	410	100	510	4,780	0	4,780	0	0	0	0	4,780	5,290	4,780	0	For Information - Prior Full approval
Equality Act Works	285	1,037	1,322	0	100	100	0	0	0	0	100	1,422	100	0	Proposed for full approval
Roseberry Place	4	48	52	0	10	10	0	0	0	0	10	62	10	0	For Information - Prior Full approval
1 - 3 James Street West	31	126	157	0	15	15	0	0	0	0	15	172	15	0	For Information - Prior Full approval
Cleveland Pools	100	0	100	100	0	100	0	0	0	0	100	200	100	0	For Information - Prior Full approval
Acquisitions - Future Revenue Generation	0	654	654	5,882	0	5,882	0	0	0	0	5,882	6,536	5,882	0	For Information - Prior Full approval
Property Company Investment	0	0	0	0	4,893	4,893	3,500	6,023	5,394	190	20,000	20,000	20,000	0	Proposed for Full Approval per delegated process
Subtotal Full	41,349	8,343	49,692	13,007	6,375	19,382	3,500	6,023	5,394	190	34,489	84,181	34,489	0	
Provisional Approval															
Corporate Estate Planned Maintenance	0	0	0	0	0	0	1,357	1,357	1,357	0	4,071	4,071	4,071	0	For information - future years
Equality Act Works	0	0	0	0	0	0	100	100	100	0	300	300	300	0	For information - future years
Commercial Estate Investment	0	0	0	0	5,000	5,000	5,000	5,000	0	0	15,000	15,000	15,000	0	Business Case and detailed project plan required
Prior Services - Equipment Investment	0	0	0	0	300	300	0	0	0	0	300	300	300	0	Business Case and detailed project plan required
Disposals Programme (Minor)	0	0	0	0	100	100	100	100	100	0	400	400	400	0	For information - future years
Subtotal Provisional	0	0	0	0	5,400	5,400	6,557	6,557	1,557	0	20,071	20,071	20,071	0	
Sub Total - Property	41,349	8,343	49,692	13,007	11,775	24,782	10,057	12,580	6,951	190	54,560	104,252	54,560	0	
Strategy & Performance															
Full Approval															
LAA Performance Reward Grant	237	0	237	171	0	171	0	0	0	0	171	408	0	171	For Information - Prior Full approval
Energy at Home	30	377	406	398	0	398	0	0	0	0	398	804	0	398	For Information - Prior Full approval
Subtotal Full	267	377	644	569	0	569	0	0	0	0	569	1,212	0	569	
Provisional Approval															
Green Investment & Job Opportunities Fund	0	0	0	500	0	500	0	0	0	0	500	500	500	0	Detailed project plan awaited
Energy Services Investment	0	0	0	0	750	750	750	750	750	0	3,000	3,000	3,000	0	Detailed project plan awaited
Children's Education Management System	0	0	0	750	0	750	0	0	0	0	750	750	750	0	Detailed project plan awaited
Subtotal Provisional	0	0	0	1,250	750	2,000	750	750	750	0	4,250	4,250	4,250	0	
Sub Total - Strategy & Performance	267	377	644	1,819	750	2,569	750	750	750	0	4,819	5,462	4,250	569	
Business Support															
Full Approval															
Desktop As a Service - VDI Technology	717	124	841	142	0	142	90	135	0	0	367	1,207	367	0	For Information - Prior Full approval
Customer Services System	724	96	821	254	0	254	0	0	0	0	254	1,075	254	0	For Information - Prior Full approval
IT Asset Refresh (Servers and Network)	193	167	360	179	0	179	0	0	0	0	179	540	179	0	For Information - Prior Full approval
Windows 7 Upgrade	334	24	358	42	0	42	0	0	0	0	42	400	42	0	For Information - Prior Full approval
Subtotal Full	1,968	412	2,379	618	0	618	90	135	0	0	843	3,222	843	0	
Provisional Approval															
Agresso System Development & 5.6 Upgrade	0	20	20	65	0	65	58	0	0	0	123	143	123	0	Detailed project plan awaited
Communications Hub	0	0	0	0	156	156	20	0	0	0	176	176	100	76	Detailed project plan awaited
Civica Income Management System Developments	0	0	0	60	0	60	0	0	0	0	60	60	60	0	Detailed project plan awaited
Subtotal Provisional	0	20	20	125	156	281	78	0	0	0	359	379	283	76	
Sub Total - Business Support	1,968	432	2,399	743	156	899	168	135	0	0	1,202	3,601	1,126	76	
TOTAL - RESOURCES	43,583	9,151	52,735	15,569	12,681	28,250	10,975	13,465	7,701	190	60,581	113,315	59,936	645	
Corporate Capital Contingency	0	785	785	0	1,215	1,215	0	0	0	0	1,215	2,000	1,215	0	For Information - Prior Full approval
GRAND TOTAL	63,685	29,786	93,471	34,547	76,913	111,460	76,047	50,932	19,458	1,739	259,636	353,107	193,271	66,365	

Highways Maintenance Capital Planned Maintenance Programme 2016/2017

Programme	Project	Value
<u>Street Lighting Programme</u>	Stirtingale Road, Bath	£11,500
	Ambleside Road, Bath	£10,350
	Elliston Drive, Bath	£6,900
	Bloomfield Drive, Bath	£18,400
	Somerdale Avenue, Bath	£10,350
	Weatherly Avenue, Bath	£5,100
	Bloomfield Rise, Bath	£10,350
	Audley Park Road, Bath	£16,100
	Sheridan Road, Bath	£18,400
	Garrick Road, Bath	£13,800
	Morris Lane, Bathford	£16,250
	Queens Road, Keynsham	£27,500
	Walnut Walk, Keynsham	£6,250
	Coronation Avenue, Keynsham	£15,000
	Claverton Road, Saltford	£8,750
	Tyning Road, Saltford	£7,500
	Trenchard Road, Saltford	£11,250
	St Johns Road, Timsbury	£11,250
	A362 Main Street, Farrington Gurney	£25,000
	Rotcombe Lane, High Littleton	£11,250
	Clapton Road, Midsomer Norton	£5,000
	Waterford Park, Westfield	£20,000
Longfellow Road, Westfield	£13,750	
Sub Total	£300,000	
<u>Highway Structures Programme</u>	Cleveland Bridge, Walcot - Feasibility & Design	£70,000
	Camden Crescent, Bath - Arch Repairs Phase 1 Construction	£175,000
	B3130 Belluton Narrows, Pensford - Bank Stabilisation Construction	£100,000
	Claverton Street Subway Improvement - Design & Construction	£225,000
	Structures Inspection Remedial Works Programme	£100,000
	Structures Assessment Programme	£75,000
Sub Total	£745,000	
<u>Highway Drainage Programme</u>	Moorledge Road, Chew Magna	£30,000
	Innox Lane, Upper Swainswick	£40,000
	West Harptree Phase 3	£30,000
Sub Total	£100,000	
<u>Carriageway Resurfacing & Major Re-Construction</u>	A431 Newbridge Hill, Newbridge	£200,000
	Charlcombe Lane, Charlcombe	£75,000
	A39 Wells Road, Corston	£225,000
	A4 Upper Bristol Road, Bath	£250,000
	A367 Wells Road Phase 1, Westfield	£100,000
	A37 New Road & Publow Lane, Pensford	£200,000
	Queen Street, Bath	£50,000
	North Parade, Bath	£300,000
	Manvers Street, Bath - Feasibility/Design & Patching	£50,000
	Sub Total	£1,450,000
<u>Carriageway Surface Dressing</u>	A39 Wells Road, Corston	£56,066
	B3355 Paulton Road, Hallatrow	£27,987
	Claverton Down Road, Claverton	£47,717
	Stockwood Lane, Stockwood	£46,691
	Wilmington Hill, Newton St Loe	£12,139
	Colliers Lane, Newton St Loe	£34,400
Sub Total	£225,000	
<u>Carriageway Micro Asphalt Surfacing</u>	Eastover Grove, Odd Down	£5,505
	Vernham Grove, Odd Down	£13,142
	Odins Road, Odd Down	£8,879
	Shickle Grove, Odd Down	£8,124
	Wansdyke Road, Odd Down	£11,758

Highways Maintenance Capital Planned Maintenance Programme 2016/2017

Programme	Project	Value
	Clare Gardens, Odd Down	£4,489
	Colbourne Road, Odd Down	£3,409
<u>Carriageway Micro Asphalt Surfacing (Cont.)</u>	Barrow Road, Odd Down	£7,072
	Green Park, Bath, Combe Down	£9,168
	Drake Avenue, Combe Down	£10,714
	Hadley Road, Combe Down	£4,750
	Trinity Road, Combe Down	£14,123
	Cleevedale Road, Combe Down	£4,905
	Tynning Road, Combe Down	£9,641
	Church Road, Combe Down	£26,714
	Lytton Grove, Keynsham	£7,693
	Turner Close, Keynsham	£3,289
	Hillside Road, Midsomer Norton	£3,564
	Hillside Crescent, Midsomer Norton	£12,118
	Hillside Avenue, Midsomer Norton	£22,557
	Elm Tree Ave, Radstock	£8,794
	Glebelands, Radstock	£17,856
	Eastover Road, High Littleton	£23,912
	Plumptre Road, Paulton	£16,042
	Southlands Drive, Timsbury	£15,238
	Main Street, Farrington Gurney	£25,972
	Richmond Road, Lansdown	£16,071
	Church Street, Pensford	£9,503
	Sub Total	£325,000
<u>Footway Programme</u>	Paving Programme	£100,000
	Asphalt Concrete Programme	£75,000
	Slurry Sealing Programme	£75,000
	Sub Total	£250,000
<u>Other Programmes</u>	Planned Patching Programme	£200,000
	Planned Road Marking Improvement Programme	£50,000
	Sub Total	£250,000
	OVERALL 2016/17 TOTAL	£3,645,000

Transport Improvement Programme 2016/2017
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Programme	Project	Value
<u>Local Safety Schemes</u>	Anti-Skid Surfacing	£10,000
	Accident investigation and prevention (AIP) & scheme design	£20,000
	Hinton Charterhouse - feasibility study	£5,000
	A37 Farrington Gurney - Speed limit and a vehicle activated sign	£23,000
	Bannerdown Road - Footway provision	£40,000
	Kilkenny Lane - 30 mph speed limit	£20,000
	Gloucester Road - 40 mph speed limit	£5,000
	Box Road, Bathford - 40 down to 30 mph and street lighting	£20,000
	Ubley Village safety improvements (106 funded)	£23,000
	Braysdown Lane & Crown Road Peasedown safety improvements	£4,000
	Marksbury Safety Improvements	£65,000
	Victoria Bridge TRO	£5,000
	Sub Total	£240,000
<u>Public Transport</u>	Improvements to bus stops	£10,000
	Sub Total	£10,000
<u>Managing Congestion</u>	A367 Odd Down Improvements	£30,000
	Two Headed Man junction assessment and ducting improvement	£15,000
	A368/A39 Marksbury Junction assessment	£8,000
	Review of Residents Parking Zones	£60,000
	Getting About Bath Pedestrian Improvements	£70,000
	Parking Schemes TRO	£45,000
	Peasedown junction upgrade (106 funded £15kc/o)	£30,000
	Hallatrow roundabout 106 Funded	£117,000
	Marlborough Buildings - Roundabout study	£10,000
	De cluttering and route review	£80,000
	A37 / Woollard Lane assessment (106 Funded)	£10,100
	Sub Total	£475,100
<u>Safer Routes to Schools</u>	Strategic Review Safe Routes to school	£75,000
	Lower Oldfield Park Haysfield School, Zebra crossing and pedestrian improvements	£35,000
<u>Cycle Schemes</u>	Sub Total	£110,000
	Cycle parking	£5,000
	Sub Total	£5,000
<u>Pedestrian Schemes</u>	Aids to mobility	£20,000
	Public Rights of Way	£70,000
	Shophouse Road - Central Island	£6,000
	Southdown Road - Pedestrian improvement	£10,000
	The Hill, Freshford footway - feasibility	£5,000
	Tunley Overdale - footway	£104,000
	Argyle Street footway works	£36,000
	Bathwick Street, Toucan crossing assessment	£5,000
	Sub Total	£256,000
<u>Traffic Management Schemes</u>	Widcombe Hill	£10,000
	Deadmill Lane	£10,000
	Greenway Lane Bath	£10,000
	Paulton Feasibility (106 funded)	£6,700
	Whiteway Road signing up grade	£7,000
	Keynsham Scheme Review	£25,000
	20 mph review Outside schools	£25,000
	Pensford A37	£20,000
	Churchill Gyrotory	£5,000
	Morris Lane	£5,000
	London Road	£5,000
	Sub Total	£128,700
<u>Miscellaneous</u>	JLTP Monitoring, Equipment and NHT survey	£35,000
	WoE Contribution	£15,000
	Programme Management	£50,000

Transport Improvement Programme 2016/2017
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Programme	Project	Value
	Stage 3/Safety Audit	£25,000
	Sub Total	£125,000
<u>Local Growth Fund Schemes</u>	Bus stop Lay by Windsor Bridge	£160,000
	Weston Village to City Centre Cycle improvements	£80,000
	Salford to Keynsham shared use path	£85,000
	Broadland school cycle link	£55,000
	Improvements to Salford Pedestrian Crossing	£45,000
	Bus shelter improvements 20a	£55,000
	Sub Total	£480,000
<u>Better Bus Area Fund Schemes</u>	Scheme Design Bus priority	£30,000
	A367 Odd Down	£30,000
	Sub Total	£60,000
	OVERALL 2016/17 TOTAL	£1,889,800

Schools Capital Planned Maintenance Programme 2016/2017
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School	Project	Value
St Michael's Junior School	The replacement of two poor condition Pratten buildings due to health and safety issues. Allocation is for removal of existing buildings, site works and providing a new 2 classrooms closer to the main school building.	£285,000
Chandag Infant School	Conversion from servery to provide a full production kitchen.	£170,000
	Sub Total - Improvements (*)	£455,000
Newbridge Primary	Phase 2 re-roofing works to main building	£65,000
Chandag Infant School	Replace old obsolete fan convactor heaters	£50,000
Chew Valley School	Replace high level warm air heating with high level gas heating in sports hall.	£50,000
Peasedown St John Primary School	Works to fire doors including overhaul of seals, replacement doors and appropriate signage	£45,000
Westfield Primary School	Replace remaining timber windows to classroom areas and external timber doors throughout	£40,000
St Martins Garden Primary School	Supply and fit 90ltr wall mounted domestic hot water heater to serve areas cut off from the main supply because of leaks	£23,000
Chandag Infant School	Upgrade main electrical incoming supplies to site	£12,000
Farmborough Primary School	Install emergency lighting and signage	£12,000
Chandag Infant School	Fire risk assessment and works to emergency lighting	£11,000
Castle Primary School	Replace obsolete control panels in Northwest plant room	£10,200
St Philips Primary	Replace domestic hot water heater and install anti scale device	£9,000
Ubley Primary School	Replace obsolete control panel and controllers for boiler	£6,600
	Fees	£50,070
	Contingency	£50,070
	Sub Total - Specific Repairs	£433,940
Minor Works/DDA	This budget will address smaller condition issues such as replacement heating controls and obsolete distribution boards as well as ad hoc condition and health and safety issues as they arise throughout the year. Additionally, the will contribute where the need for DDA adaptations arises at school sites.	£250,000
Emergency Works	A £250k emergency works budget is allocated to meet larger unforeseen issues as they occur throughout the year and is consistent with previous years plans.	£250,000
	Overall SCPM Total	£1,388,940

(*) Proposed projects are in line with the intended purpose of DfE capital maintenance funding and are priorities to ensure schools remain open and operational, with statutory duties met and longer term strategic planning embedded

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Corporate Estate Planned Maintenance Programme 2016/2017

Business Unit	Project	Value
Hollies MSN	Repair replace lead parapet gutter and repair outlets / hoppers to either end. Replace /Provide liquid plastic waterproofing to gutters	£69,602
Avon Street Car Park	Concrete Repairs	£46,400
Charlotte Street Car Park	Removal of car park attendants hut, Resurface main parking CP 2 in condition phases	£104,170
Brougham Hayes - Car park	Very Poor Condition - resurface required.	£51,042
Manvers Street Car park	Resurfacing	£58,000
Station Road Car Park	Demolition of shed	£4,060
Midland Road Depot	Block 7 - Concrete Floor repairs - £77,090.00	£178,640
	Sweeper Waste Bin - Refurbishment - £11,500.00	
	Adjacent block 7 - Resurfacing - £8,050.00	
Midland Road Civic Amenity Site	Reception Hall - Resurfacing of waiting area - £25,000.00	
	Lower Yard - Concrete Yard Resurfacing - £57,000.00	
Welton Transfer Station	Concrete Floor Resurfacing	£11,600
Parade Gardens	Full Refurbishment	£29,000
Hedgemoor Park	Boundary Wall rebuilding, Bandstand Refurbishment & Fountain	£64,960
RVP Park	Kemble Vase £5,00.00	£40,600
	Pond lining & Aerators £35,600.00	
Lansdown playing Fields (North)	Full Refurbishment	£174,000
Riverside Youth Hub	Resurfacing of external ball court	£20,700
Odd Down CC	Resurfacing of outdoor court	£8,932
Radstock YC	Upgrade to Kitchen facility, Youth have secured £10,000 from s.106 money to remove walls within the kitchen and make it more open plan, this R&M money is to be used for the upgrade of the kitchen itself.	£22,040
Fairfield House	Roofing works	£58,000
Haydon File Store	New intruder alarm	£4,566
Denmark Road - Parking Area	Rebuild of the face of wall.	£8,702
117 Newbridge Hill	Rewire property and upgrade WPD supply	£34,800
Various	Removal From Schools in order for them to have local controls of their heating	£29,000
Sydney Gardens	Tennis Court resurfacing & markings	£27,840
Abbey Chambers	External Refurbishment to windows/doors/roof & stone repairs	£29,000
12 Charlotte St	Replacement of Lantern lights	£14,268
Various	Subsequent works following Street Lighting Surveys - for street lights not on the adopted highway	£23,200
Laura Place Fountain	Cost to replace cable and associated trenching & refurbishment of stonework	£25,521
Haycombe Cemetery	Gravel Paths & Resurface of access roads to mess & stores block 002	£25,520

Corporate Estate Planned Maintenance Programme 2016/2017

Business Unit	Project	Value
Bathwick Burial Ground (West Side)	Rebuild Various Boundary Walls	£23,201
St Mary the Virgin Burial Ground (East side)	Rebuild Various Boundary Walls, new handrails	£31,089
Abbey Bath - Closed Burial Ground	Evidence of infestation	£8,701
Harpree	Replace defective timbers & check structural integrity, Full refurbishment	£23,200
	Contingency	£106,646
Total		£1,357,000

Equalities Act Works 2016/2017

Business Unit	Project	Value
Alexander Park	Equalities Audit & subsequent works	£2,530
Brassmill Lane	Equalities Audit & subsequent works	£2,530
Burnt House Road	Equalities Audit & subsequent works	£2,530
Calton Road	Equalities Audit & subsequent works	£2,530
Claverton Road (Saltford)	Equalities Audit & subsequent works	£2,530
Corston View	Equalities Audit & subsequent works	£2,530
Dorset Close	Equalities Audit & subsequent works	£2,530
Hedgemoad Park	Equalities Audit & subsequent works	£2,530
Hillcrest	Equalities Audit & subsequent works	£2,530
Innox Park	Equalities Audit & subsequent works	£2,530
Loxton Drive	Equalities Audit & subsequent works	£2,530
Moorfields (Sandpits)	Equalities Audit & subsequent works	£2,530
Moorlands (Rec)	Equalities Audit & subsequent works	£2,530
Mount Road	Equalities Audit & subsequent works	£2,530
Newbridge	Equalities Audit & subsequent works	£2,530
Parry Close	Equalities Audit & subsequent works	£2,530
Pennyquick	Equalities Audit & subsequent works	£2,530
RVP Park	Equalities Audit & subsequent works	£2,530
St Saviours	Equalities Audit & subsequent works	£2,530
Spencer Drive	Equalities Audit & subsequent works	£2,530
Sydney Gardens	Equalities Audit & subsequent works	£2,530
Widcombe	Equalities Audit & subsequent works	£2,530
Magdalene Gardens:	Equalities audit and then undertake required and reasonable works to the area.	£19,780
The Guildhall	Replacement hearing loop for equality compliance	£3,680
	Contingency	£20,880
Total		£100,000

Council MRP Policy

Bath and North East Somerset will make a prudent minimum revenue provision for all new unsupported borrowing from 1st 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 1st 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.

g) In respect of loans to third parties supported by borrowing, where these are treated as capital expenditure, and contractual terms are in place to secure repayment over a period not exceeding the life of the asset, the Council will not charge MRP on the related expenditure.

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APPENDIX 3 – 2016/17 BUDGET – SAVING DETAILS

PLACE

16/17 Saving £000	How to be achieved?	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery	Additional Info (incl PD&S Panel feedback)
Efficiency Savings						
50	Repatriating DCLG Homelessness Prevention Fund	L	None	None	Some reduction in externally commissioned services, in part off-set by in-house initiatives.	None
25	In-house Improvement Agency	L	None	None	Increased use of internal resources to support DFG applications	None
35	Reducing Housing Renewal Budget	M	None	None	None - Proposal reflects demand seen in recent years.	None
23	Administration across Community Regeneration	L	1	None	Consolidation of administration support to service.	None
83	Street Lighting and LED replacement	L	None	Conversion of units to efficient LEDs & introduction of dimming technology.	Energy savings through more efficient lighting and more reliable lanterns.	Full business case in development.
11	Stop Printing & Posting Applications for Parish Consultations	L	Save 0.2 of a post	None	Less paper based working improves flexible working of the service.	Communication with Parishes and Town Councils required.
114	Public Transport Concessionary Fares – reduced journeys arising from national changes	L	None	None	None	None
16	Regularise year round opening hours for recycling centres	L	None	Sites will open Saturday 9am-3.45pm and 9am-1pm Sunday	Reduced recycling centre availability for residents.	None

16/17 Saving £000	How to be achieved?	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery	Additional Info (incl PD&S Panel feedback)
10	Centralise Place Directorate business services (e.g. stationary budgets, room hire, hospitality)	L	None	None	Centralised ordering at individual service level to generate efficiencies.	None
20	Bring water monitoring in-house, now possible to do this work internally as expertise is available	M	None	None	None	Need to assess risk.
45	Joint working opportunities with NS in relation to Animal Health/Trading Standards / Food Safety	L	2	None	Reduced Services and response times	None
10	Recycle Street Sweepings by tendering new contract	L	None	None	None	None
610	Place - General	M	None	None	None	Based on the projected 2015/2016 Outturn Budget, a range of potential budget underspends and additional income has been identified. These have been incorporated generally into the budget position for 2016/2017.
934	Place – Management & Service Reviews	M	20-25 Existing HR policies to be used to design the reviews in service areas which have potential to save.	None	Management, staffing and efficiency review to further rationalise staff structures and maximise efficiencies.	Builds on recent efficiency reviews and restructures. Will not be complete until mid-year so service impacts not fully assessed but aim is they will be minimised. Necessitated by the adverse Government financial settlement.
1,986	Sub Total – Efficiency Savings					

16/17 Saving £000	How to be achieved?	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery	Additional Info (incl PD&S Panel feedback)
Income Generating Opportunities						
300	Visitor economy, markets, pop ups and events	L	None	None	Greater integrated working across the Council and partners, including development of an events strategy.	Full business case required.
100	Digital B&NES	L	None	Implement WIFI and upgrade fibre switches.	Improved district WIFI connectivity and service sustainability through income generation.	Full business case required.
7.5	Film Office Option	H	0	None	Improve service sustainability and commercial focus.	Full business case required.
350	Heritage Services business plan alignment	H	None	None	Alignment to approved business plan.	Business plan to be taken to February Cabinet.
7.5	Increase Home Search Marketing Fees	L	None	Website upgrade	Improve service sustainability.	Formal decision on charges required.
50	Increase income from weddings in parks	L	late/weekend working	Facilities improvements.	Improved promotion of open spaces and increased commercial focus in service.	Full business case required.
25	Know your Neighbourhood – Neighbourhood Planning Support.	L	N/A	None	Increased quality and support to Neighbourhood Plans would further enhance the relationships with communities and parishes.	None
13	Pre-App Review and Redesign	L	N/A	None	Improved efficiency and visibility of information, advice and planning submissions.	None

16/17 Saving £000	How to be achieved?	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery	Additional Info (incl PD&S Panel feedback)
17	Know your Place – Training & Knowledge Provider	L	N/A	None	Raise the profile of the planning department expertise and knowledge and raise the profile of Bath as a centre for learning in town planning and architecture.	None
9	Building Control Working Initiative with N Somerset	L	None	None	Improve joint working arrangements.	None
30	Spring Water	L	None	None	Increased commercial focus.	None
37.5	Realign Parking charge streams for Season tickets, coning and outer Area Traders Fee with 10% increase for 2016/17.	L	None	None	Could result in less take up of season ticket use, however would expect that to be met by increase in day ticket use.	None
25	Academies to provide for School crossing Patrols to ensure they are self-funded by the end of 4 years in line with Government expectation for Schools to move to academies in that time.	L	None	None	Academies charged for services in line with current Council policy.	None
30	Commercialise GIS to take on external work	M	None	None	New external service provision.	Full business case required.
12	Bereavement Services income target increase	L	None	None	Reduced free provision of fresh flowers and greater sales.	None
1013.5	Sub Total – Income Generating Opportunities					
Refinancing						
0	Sub Total – Refinancing					
Growth Avoidance						
0	Sub Total – Growth Avoidance					

16/17 Saving £000	How to be achieved?	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery	Additional Info (incl PD&S Panel feedback)
Service Redesign						
57	Arts Development	H	TBC	None	Greater focus on higher impact initiatives through the Cultural Investment Board, leveraging more investment into B&NES.	Links to creative strategy.
50	Events Grants	L	None	None	Focus on cross-working with partners to support events in alternative ways.	None
50	Bereavement Services - future operating model	L	TBC – subject to outcome of service review underway.	Facility improvements.	Improve service resilience.	Full business case required.
368	Transport – delivering differently	M	1 or 2 in Transport	Infrastructure improvements to facilitate delivery changes.	Service delivery model for areas within transport to be reviewed.	Full business case required.
525	Sub Total – Service Redesign					
3,524.5	TOTAL SAVINGS					

PEOPLE & COMMUNITIES

16/17 Saving £000	How to be achieved?	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery	Additional Info (incl PD&S Panel feedback)
Efficiency Savings						
450	Substance Misuse – commission a more time limited, focused service that concentrates on people with more complex needs and/or people eligible for a statutory service.	M	Indirect 10-15	None	<p>A more targeted service will mean reduced access to specialist substance misuse services for people with lower level, less complex needs. Every effort will be made to minimise the impact on these service users through continued investment in preventative and early- intervention services, including those funded from the Supporting People & Communities programme.</p>	<p>The two providers, DHI and SDAS (part of AWP), are working closely with commissioning managers from the Council /CCG to help shape the service redesign to achieve savings with the least adverse impact possible through the following cost saving measures:</p> <ul style="list-style-type: none"> • Co-location of services/offices • Reduction in tiers of management • Increases in community detox rather than residential rehabilitation (evidence suggests community detox, which is less costly, is likely to be more successful). • Greater emphasis on group/peer support sessions rather than 1-1 • Ensuring smaller teams of staff have a greater skill mix • Increased use of/and links to mutual aid groups, peer mentors and volunteers.
200	Sirona Care & Health Contract – ensure that adult social care services are as effective as possible and represent best value and are fit for the future.	M	Possible indirect – in Sirona	None	There will be greater emphasis on evidence based prevention, early intervention and self-care. Practitioners will use their professional judgment to	The approach to delivering this saving is being formed by a review of adult services by an independent organisation, PeopleToo, which has considerable experience of

16/17 Saving £000	How to be achieved?	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery	Additional Info (incl PD&S Panel feedback)
					<p>balance the needs of individual people against what is both affordable and sustainable. This may mean, in some instances, that a more limited range of choices are available to an individual.</p> <p>A programme of training and development for practitioners and commissioners, which will enable them to put in place personalised services, based upon outcomes rather than “inputs” or “outputs” achieving both improved outcomes for individuals and, also, better value for money.</p> <p>The information available, including via the Council's website will be further enhanced to ensure that whenever possible and appropriate people can access information about services available without the need for a full assessment under the Care Act, thus reducing the numbers requiring assessments of need or finances.</p>	<p>working with commissioners and providers of integrated health and social care services to improve value. PeopleToo will assist both Sirona and commissioning staff with local analysis and learning from other areas.</p>

16/17 Saving £000	How to be achieved?	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery	Additional Info (incl PD&S Panel feedback)
200	Sheltered Housing Support Service (Branded) – negotiation of revised specification to improve service user outcomes and secure better value for money	M	Possible indirect – in Curo	None	We will specify a more focused service with revised service user outcomes which may mean reduced access for some people. Those with higher levels of need will be able to access other services evidenced to be delivering good outcomes for older people (also funded by the Council) including the Independent Living Service, which is also provided by Curo.	This change to the specification for the service and reduced contract value has been informed by the findings of the most recent contract review and, also, from enhanced contract performance management arrangements put in place following the contract review, which have included an in-depth review of the outcomes being delivered to individuals receiving the service.
50	Sexual health portfolio – combination of negotiation of payment for, and some reduction in, service provision	L	Indirect – in provider organisations	None	Reduced availability of Chlamydia screening would not impact on a clinician's decision to offer a Chlamydia test when clinically necessary. Negotiating a reduced payment schedule to general practices, pharmacies and the Contraception and Sexual Health Service could result in some reduction in service delivery, although we will work to ensure that the population most at risk are protected. Ending public health funding to the HIV support service is likely to mean that the service will no longer be commissioned in BaNES. Some level of	Changes may have minor impact on the delivery of the public health/council's sexual health strategy and action plan. Potential reputational risk to Council as it had previously signed up to the national 'Halve it' campaign aimed at reducing the number of people diagnosed late with HIV.

16/17 Saving £000	How to be achieved?	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery	Additional Info (incl PD&S Panel feedback)
					support for people affected by HIV will remain available through other routes.	
261	Health Improvement Programmes	M	Possible 6 or 7 and others in Sirona	None	<p>A more targeted stop smoking service will result in reduced capacity for direct work, and less provision of training and QA of services. Changes to Passport to Health are likely to result in increased overall volume but loss of Community Activator and group-based work. Other changes to physical activity resource will result in reduced activity in cycling development. Children's play services will be more targeted. "Feel Good Foods" work for adults with learning disabilities will end. School CPD training (teachers and school nurses) will end in 2017-18. There will be no further support re School Food Plans and the 'Eat out Eat well' scheme closed. A reduction in Health Development capacity will result in less training, awareness raising and campaigns</p>	

16/17 Saving £000	How to be achieved?	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery	Additional Info (incl PD&S Panel feedback)
10	Prioritisation and efficiency within the public health intelligence work	L	None	None	Commissioning Support Unit intelligence Minimal loss of access to data – can be mitigated.	Potential difficulties in accessing data which therefore need extra item or money spent on other routes.
524	People & Communities - Management & Service Review Savings	M	10-15 Existing HR policies to be used to design the reviews in service areas which have potential to save	none	Management, staffing and efficiency review to further rationalise staff structures and maximise efficiencies	Builds on recent efficiency reviews and restructures Will not be complete until mid-year so service impacts not fully assessed but aim is they will be minimised Necessitated by the adverse Government financial settlement
3	Remodelling of public mental health programme spend	L	None	None	None	No anticipated impacts.
1,698	Sub Total – Efficiency Savings					
Income Generating Opportunities						
0	Sub Total – Income Generating Opportunities					

16/17 Saving £000	How to be achieved?	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery	Additional Info (incl PD&S Panel feedback)
Refinancing						
0	Sub Total – Refinancing					
Growth Avoidance						
333	Adult Social Care Demographic Growth – Older People over 65	M	None	None	This saving will be achieved through a variety of measures aimed at managing the impact and demands arising from demographic change within all service user groups (mental health, older people, including those with mental health needs, people with physical disabilities, people, people with learning disabilities). Measures will include all those set out above under the Sirona specific saving. Additionally, fees will be restructured for care homes to better reflect complexity and acuity of individual need rather than notional 'service users groupings' such as "Older Person", "Adult with a Learning	As with the Sirona specific saving, the approach to delivering this saving is being formed by a review of adult services by an independent organisation, PeopleToo, which has considerable experience of working with commissioners and providers of integrated health and social care services to improve value. PeopleToo will assist both Sirona and commissioning staff with local analysis and learning from other areas.
190	Adult Social Care Demographic Growth – Mental Health over 65	M	None	None		
348	Adult Social Care Demographic Growth – Learning Disabilities	M	None	None		
75	Adult Social Care Demographic Growth – Mental Health Adults of Working Age	M	None	None		
46	Adult Social Care Demographic Growth – People with Physical Disabilities	M	None	None		
21	Adult Social Care Demographic Growth – Social Work & Safeguarding Activity (Sirona Contract)	M	None	None		

16/17 Saving £000	How to be achieved?	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery	Additional Info (incl PD&S Panel feedback)
					Disability". This move to a "banded" fee structure, which is already being introduced in some other areas, will both more appropriately reflect individual need and, also, the true cost of meeting those needs.	
1,013	Sub Total – Growth Avoidance					
Service Redesign						
50	Schools Capital Team technical funding change	L	None	None	Marginal restriction on capital available for school expansions	Recharge officer time against capital projects
29	Music Service remodelling	L	Small reduction in casual posts through natural wastage	None	Some changes to balance of one-to-one versus ensemble activities. Some increases in fees.	Remodelling of the way the music service operates to make it more self-sustaining and reduce reliance on Council revenue funding.
22	Health lives, healthy people: community small grants scheme	L	None	None	Healthy lives, healthy people: community small grants scheme Small impact on services as grants were very small and were never core funding.	
30	Reduction in funding for School Improvement	L	C0.5FTE	None	Loss of capacity/resources to support schools to improve.	Continued evolution of peer support between schools, support from Teaching School and academies sourcing support within multi-academy trusts.

16/17 Saving £000	How to be achieved?	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery	Additional Info (incl PD&S Panel feedback)
100	Re-shape Family Information Service/combine with One Stop Shop delivery	M	c.5 FTE	None	Work across Directorates to combine services providing information for the public and re-shape how these are delivered including further 'channel-shift; to self-service. Specialist Family Information Service combined with One Stop Shop service. More information delivered through web-based/self-service channels and less by direct one-to-one contact.	Some impacts for general public, particularly new residents and those with life journey information needs.
231	Sub Total – Service Redesign					
2,942	TOTAL SAVINGS					

RESOURCES

16/17 Saving £000	How to be achieved?	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery	Additional Info (incl PD&S Panel feedback)
Efficiency Savings						
100	Property Services Staffing Review	L	2-3	None	Reduction in resources available for Capital projects but better integration Community Regeneration team	
100	Overhead charge to capital projects	M	None	None	None	None
50	Surplus Corporate Estate	H	None	Surplus property may be sold to the Property Company for redevelopment subject to Council approvals on a case by case basis	None as only surplus property will be considered	None
70	Payment By Results Project with Connecting Families	M	None	None	Better integration between benefits and connecting families teams and proactive approach to obtain DWP funding as the move to universal credits takes place	
280	IT Services – Core Efficiency Programme	M	1-3	None	Reflects final stages of staff restricting linked to more efficient insourced ICT service	

16/17 Saving £000	How to be achieved?	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery	Additional Info (incl PD&S Panel feedback)
330	Resources- General	L	None	None	None	Based on the projected 2015/2016 Outturn Budget, a range of potential budget underspends and additional income has been identified. These have been incorporated generally into the budget position for 2016/2017.
25	Phasing out of Cheques & Cash Handling, working with One Stop Shops to facilitate the process	M	TBC – subject to service review	none	Savings in transaction costs as these forms of payment are actively discouraged	Exceptions will be made for Car parks and schools in 16/17.
705	Resources- Management & Service Reviews	M	15-20 Existing HR policies to be used to design the reviews in service areas which have potential to save	none	Management, staffing and efficiency review to further rationalise staff structures and maximise efficiencies	Builds on recent efficiency reviews and restructures Will not be complete until mid-year so service impacts not fully assessed but aim is they will be minimised
75	Housing development company	M	Property Company to be supported by existing B&NES officers and external specialist resources. No new posts to be created.	Potential sale of surplus assets to the Property Company for redevelopment	The Property Company to deliver housing will also need to comply with Council policies for the creation of affordable homes arising from planning policy for new developments, and aspects of the company operations will need to be in partnership with expert agents and advisers.	Necessitated by the adverse Government financial settlement
1,660	Sub Total – Efficiency Savings					
Income Generating Opportunities						

16/17 Saving £000	How to be achieved?	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery	Additional Info (incl PD&S Panel feedback)
250	Additional commercial estate investment	H	None	Requires additional capital funding for new acquisitions. All subject to detailed business cases and Council approvals	New high returning assets to be added to the commercial estate. Builds on recent more proactive approach	None
125	Commercial estate rent reviews	H	None	None	Reflects normal policy for reviews	None
50	Comms Hub/CCTV Income Generation	M	None	none	More proactive approach to income generation making most of the new facilities	
20	Internal Audit Partnership Development	L	None	none	Builds on new shared service arrangements	
520	Sub Total – Income Generating Opportunities					
Refinancing						
530	Refinancing workplaces "invest to save"	L	None		Simply involves using one off reserves to repay the invest to save element to enable the ongoing savings to take effect now	
530	Sub Total – Refinancing					
Growth Avoidance						
0	Sub Total – Growth Avoidance					
Service Redesign						
0	Sub Total – Service Redesign					
2,710	TOTAL SAVINGS					

CORPORATE ITEMS

16/17 Saving £000	How to be achieved?	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery	Additional Info (incl PD&S Panel feedback)
Efficiency Savings						
0	Sub Total – Efficiency Savings					
Income Generating Opportunities						
1,490	New Homes Bonus increase	L	None	None	None	
1,490	Sub Total – Income Generating Opportunities					
Refinancing						
1,000	Service Supported Borrowing - Refinancing	M	None	None	None	To end the current service supported borrowing process and replace with Corporate Borrowing process linked to business case and bidding process. Removal and centralisation of appropriate Service Supported Borrowing budgets.
41	Parish Grants – Local Council Tax Support Scheme - Reductions	L	None	None	Reduced grants in line with reduced funding received by the Council	Approved at Council meeting on 17 th December 2015
1,041	Sub Total – Refinancing					
Growth Avoidance						
0	Sub Total – Growth Avoidance					
Service Redesign						
0	Sub Total – Service Redesign					
2,531	TOTAL SAVINGS					
11,708	OVERALL SAVINGS					

BUDGET SETTING PROCESS – ADVICE OF THE MONITORING OFFICER

PROCESS

1. It is important to be clear on the process to be followed in setting the 2016/17 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 for the Council meeting on 16th February 2016. 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. If a significant proposal is accepted on a vote at Council (from those proposals notified at the Cabinet meeting) this stands as a formal objection within the terms of the law and will be referred to the Leader for him to secure consideration by the Cabinet and report back to the Council meeting on 25th February 2016.

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 2016/17. That budget will include within it the overall proposed Council cash limits for 2016/17 including the provision for inflation, the proposed use of balances in the 2016/17 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 2016/17 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 (25th February 2016), 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 25th February 2016 may also compromise the Council's ability to meet current billing deadlines, and there is a serious risk billing will also be delayed with negative cash flow impacts.
12. The final Council Tax set will encompass all parish and police and fire precepts (that is the money we collect on behalf of the parishes, fire and police and pay to them).

Maria Lucas

Head of Legal & Democratic Services (Monitoring Officer)

Pay Policy Statement 2016 -17

Purpose and scope

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

Definitions

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

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

Statutory Chief Officers (see also annex 1) are:

- Chief Executive, as 'Head of Paid Service'
- Strategic Director – People & Communities, as 'Director of Children's Services' and 'Director of Adult Social Services'
- Director of Public Health
- Head of – Legal & Democratic Services as 'Monitoring Officer'
- Divisional Director –Business Support, 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 direct to/or are accountable to a statutory or non-statutory Chief Officer in respect of all or most of their duties.

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

General principles & practice

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

Principles:

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

Practice:

3.3 Basic pay is determined through

- The job role and its 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 *and is benchmarked* against similar posts in other authorities.
- The outcome of reviews into the local pay and grading structures are determined within the terms of this policy and the Council's constitutional arrangements.

Note: This excludes apprentices, interns and trainees, who are paid less to reflect the nature of the training and development role.

3.4 Pay on appointment

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

3.5 Pay review dates

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

3.6 Honoraria & other allowances

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

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

- The Council retains sufficient flexibility in its response to the re-employment of former local government employees to enable it to respond appropriately to the particular circumstances. It ensures that an open and fair selection process takes place before any appointment is confirmed. 'Merit' is the sole criteria for engagement.
- If the Council were to re-employ a previous local government employee who had received a redundancy or severance package on leaving, or who was in receipt of a pension covered by the Redundancy Payments (Continuity of Employment in Local Government Modification) Order 1999, known as the Modification Order) (with the same or another authority), then the Council's policy is to ensure that the rules of the Modification Order are applied. The Council will keep these provisions of its policy under review to ensure compliance with any legislative changes which come into force during the course of the year.

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

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

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 in 2007. In order to put its commitment to equal pay into practice, the Council:

- regularly reviews its pay grade and rates for all current staff and starting pay for new staff in line with Equality and Human Rights Commission guidance and the Council's Equality policy.
- informs employees of how these practices work and how their own pay is arrived at.
- provides training and guidance for managers and supervisory staff involved in decisions about pay and benefits.
- regularly monitors pay and grading data and statistics
- will publish pay equality data as statutorily required

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 conjunction with senior managers, as appropriate) has an on-going responsibility to review pay levels across the Council and highlight any potential anomalies.

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

Pensions

- 6.1 Subject to the provisions of the relevant scheme, all directly employed staff who are the subject of this policy and are otherwise eligible are enrolled into a contributory statutory pension scheme. They may choose to opt out of membership. The Council has determined its policy in respect of discretionary provisions available within the relevant scheme in accordance with statutory requirements. This statement is available on the Avon Pension Fund Web site www.avonpensionfund.org.uk/employers/discretionarypolicies
- 6.2 The Council has in place a policy for flexible retirement which is specifically authorised by statute whereby individual staff, with employer approval, may draw their pension and continue in employment at a lower pay grade/ working 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 for the most senior officers as set out in the Annex 1.
- 7.2 Any increases in pay rates will normally be in line with those negotiated nationally by Joint Negotiating Committees (JNC's) for Chief Executives and Chief Officers respectively. The pay policy, whilst agreed in advance of the financial year to which it relates, can be amended during the course of the year to incorporate a pay award negotiated nationally or for other reasons.
- 7.3 Where there is a pay range for a job the Council's adopted aim is to offer an appointment to the minimum point of the appropriate salary band. In order to secure the services of the best candidate it may be necessary to offer a higher amount. In these circumstances approval by the employing Director or members of the appointing Member committee as appropriate, in consultation with the Head of 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. Any increase is paid from 1 April subject to 12 months service in that pay band and the maximum not being exceeded.
- 7.5 This is no provision for the Council to pay any bonuses, charges, fees or allowances, benefits in kind to senior employees or any other employees other than relocation allowances and expenses necessarily incurred in the performance of their duties. This provision is kept under review
- 7.6 Other conditions of service are those determined nationally by the JNC's specifically for these appointments or, as locally determined for all other Council staff.

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

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

- 8.1 The grading structure and pay line determine the salaries of the highest and lowest paid Council employees. The Council's highest paid employee is its Chief Executive (see Annex 1). The lowest salary offered for substantive, full time employment in 2016-17 will be determined subject to the outcome of national negotiations within the National Joint Council for Local Government Services taking account of UK rates published by the Living Wage Foundation and the National Living Wage.
- 8.2 The ratio between the highest paid salary and the median salary for the whole of the Council workforce (£21,530.00) is 1:7. It does not currently have a policy of maintaining or reaching a specific ratio of pay multiple between the Chief Executive and that of the median earner.

Publication

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

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. Tel: 01225 477203

SENIOR MANAGEMENT PAY & GRADING

BAND	MIN/MID/MAX POINTS	Composition, Terms & Conditions
CHIEF EXECUTIVE & HEAD OF PAID SERVICE		
Band 1	Fixed/Spot	<ul style="list-style-type: none"> - 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 - No variable element within the remuneration package. - All other conditions in accordance with overall Council pay policy.
STRATEGIC DIRECTORS		
Band 2	Fixed/Spot	<ul style="list-style-type: none"> • People & Communities [statutory roles for Children's & Adult Services] (PC) • Place (P) • Resources (R) - 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 - No variable element within the remuneration package. - All other conditions in accordance with overall Council pay policy.

BAND	MIN/MID/MAX POINTS	Composition, Terms & Conditions	
DIVISIONAL DIRECTORS/Heads of Service			
Band 4	Minimum	£93,705	<ul style="list-style-type: none"> • CYP Strategy and Commissioning (PC) • Adult Care and Health Strategy Commissioning (PC) • Business Support (R) [S151 Officer] • Property & Project Delivery (R) • Environmental Services (P)
	Middle	£96,463	
	Maximum	£99,220	
NHS	Fixed	£90,263	<ul style="list-style-type: none"> - Director of Public Health Part of the transfer of Public Health Services to Local Government & paid in accordance with NHS senior consultant rates with other statutory related protections
Band 5	Minimum	£82,621	<ul style="list-style-type: none"> • CYP Specialist Services (PC) • Strategy and Performance (R) • Risk & Assurance (R) • Legal & Democratic [Monitoring Officer] • Development (P) • Community Regeneration (P) • Customer Services (R)
	Middle	£85,438	
	Maximum	£88,198	
Band 6	Minimum	£70,254	<ul style="list-style-type: none"> • Not allocated to any postholder in current leadership group
	Middle	£72,957	
	Maximum	£75,657	

Notes:

- 'Band 3' is not currently in use
- 'NHS' relates only to the Public Health statutory transfer provisions

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Appendix 6

Equality analysis on budget proposals, January 2016

1. Introduction and legal background

This appendix outlines how the impact(s) of the Council's budget proposals have been fully considered from an equalities perspective within the People & Communities Directorate Plan, the Place Directorate Plan and the Resources Directorate Plan. Budget proposals in each of the Directorates have been considered individually and alongside each other in order to identify and mitigate any unexpected or unintentional cumulative impacts.

The Equality Act 2010 makes it unlawful to discriminate against an individual because of certain personal characteristics ('protected characteristics'). The law also requires that equality issues are considered as part of decision making and where reductions or closures are proposed. In B&NES Council, proportionate 'equality analysis' is carried out to demonstrate that the Council is meeting its legal duties to pay 'due regard' to equality.

2. Actions so far

Potential equality impacts were initially identified through templates where budget proposals from all three Directorates were set out. The initial proposals set the high level intentions, with the finer detail expected as the proposals developed. The initial proposals did identify if service redesign was proposed and, where enough data was available, the cumulative impact upon different groups. These templates were presented to Elected Members during September 2015, and requests for further working up of many of the proposals/ business ideas was requested.

Now that the above mentioned budget proposals have been worked up into more specific plans, detailed equality analysis has been carried out on the areas which are likely to have an impact upon customers and staff in respect of one or more protected characteristics. This includes likely adverse impacts (and associated mitigations where possible), and also positive impacts.

3. Directorate Proposals

Across the Council, every attempt has been made to achieve efficiencies without service cuts or through disproportionate increases in charges. It should also be noted that the Council's Human Resources policies already ensure there is proper consultation and consideration of staffing matters and that employment-related equality issues are fully taken into account.

In the sections that follow, budget proposals from each of the three directorates are listed where equality analysis has been undertaken, with a summary of the key issues emerging.

4. People & Communities Directorate - equality analysis

Equality analysis has been undertaken on the following:

1. Adult Social Care Placements & Packages Inflation
2. Adult Social Care Social Work and Safeguarding Activity
3. Adult Social Care Older people over 65
4. Adult Social Care Mental Health Over 65
5. Adult Social Care Learning Disabilities
6. Adult Social Care SC People with Physical Disabilities
7. ASC Mental Health in Adults of Working Age
8. Sirona Care and Health Contract review
9. Sheltered Housing Support Service (Banded)
10. Substance Misuse provider organisations
11. Healthy Lives, Healthy People Community Grants Scheme
12. Health Improvement Programmes
13. Prioritisation and efficiency within the public health intelligence work
14. Sexual Health Portfolio
15. School Improvement redesign
16. Redesign of Family Information Service/One Stop Shop delivery
17. Schools Capital Team
18. The Music Service redesign

5. Key issues emerging within People & Communities equality analysis

5.1 A focus on prevention

a. Adult Social Care proposals include managing demands arising due to demographic change within Mental Health (adults of working age); Mental Health (over 65); older people over 65; People with learning disabilities; and people with physical disabilities. To achieve this there will be a greater emphasis on evidenced based prevention, early intervention and self-care. Practitioners will use their professional judgment to put in place personalised services, based upon outcomes rather than “inputs” or “outputs”. This will involve balancing the needs of individual people against what is both affordable and also sustainable. This may mean, in some instances, that a more limited range of choices are available to an individual, with adverse impacts for service users (older people, disabled people and carers). This could lead to increased challenge, including possible legal challenge.

5.2 A new relationship with customers

a. In respect of the **SEN Transport budget**, independent travel (with appropriate support) will be promoted where possible, with transport provided to meet the needs of those who are unable to travel independently. Parents and carers may be anxious that support they are currently receiving will simply be cut. This is not planned, and support will be reviewed and discussed fully with parents and carers, to ensure full

consideration of the family's needs are taken into account. This proposal aims to ensure the greatest amount of support is given to those who need it most. Specialist consultancy advice will help us to undertake wider consultation on this proposal, and will ensure that the needs of disabled young people and their parents/carers are taken into account (across all impairments whether these are physical, mental or sensory). Alternative options, such as mileage allowances for parents/carers or a move to community transport (where appropriate) may be more beneficial than current arrangements. Any new arrangements set up will need to be risk assessed in relation to road safety and also in relation to any other risk such as bullying.

5.3 An efficient business

a. Reviewing the **Sirona Care and Health Contract** will ensure that adult social care services are as effective as possible and represent best value and fit for the future. This approach will be informed by a review of adult social care services by an independent organisation PeopleToo, which has considerable experience of working with commissioners and providers of integrated health and social care services to improve value. PeopleToo will assist both Sirona and commissioning staff with learning from other areas on what works. This proposal is very closely linked to the Your Care, Your Way Community Services review and redesign.

b. The **Adult Social Care Placements and Packages inflation** proposal means that fees will be restructured for care homes to better reflect complexity and acuity of individual rather than notional 'service users groupings' such as "Older Person", "Adult with a Learning Disability". This move to a "banded" fee structure will more appropriately reflect individual need and the true cost of meeting those needs. There is a risk that providers might seek to reduce staffing costs by recruiting less experienced and/or trained/qualified staff, including from overseas, potentially with limited English, which could then result in a decline in service quality or safety. Close monitoring of care home quality and safety as part of existing quality assurance and safeguarding processes will mitigate this risk.

c. Reviewing the **Sheltered Housing Support Service (Banded)** contract will help to improve service user outcomes and secure better value for money. A more focused service with revised service user outcomes may mean reduced access to this service for some older people (the majority of users), and, possibly, a very small number of younger disabled people. However, this potential adverse impact will be mitigated by the following. Firstly, there is little evidence that service users are currently enjoying a benefit from receiving the service over and above that achieved by occupancy of sheltered housing. Secondly, the service will continue with a revised specification. Thirdly, those with higher levels of need will be able to access other services evidenced to be delivering good outcomes for older people (also funded by the Council), including the Independent Living Service.

d. **Substance Misuse** services will be redesigned through the commissioning of more time focused services that concentrate on people with more complex needs

and/or people eligible for a statutory service. Service users most likely to be affected include people with alcohol/drug addiction, those with lower level mental health need (i.e. those who do not currently meet the criteria for statutory services provision), carers, homeless people and young people). The two providers, DHI and SDAS (part of AWP) have been working closely with commissioning managers from the Council/CCG to help shape the service redesign with the least adverse impact possible through the following measures which include: co-location of services/offices; reduction in tiers of management; increases in community detox rather than residential rehabilitation (evidence suggests community detox, which is less costly, is likely to be more successful); greater emphasis on group/peer support sessions rather than 1-1; and ensuring smaller teams of staff have a greater skill mix.

e. There will be efficiencies within **public health intelligence work**. The contract with the Commissioning Support Unit will be ended. However, the majority of services will be provided by other contracts.

f. The proposal to reduce commissioned preventative services across a range of **public health improvement programmes** will have impacts across a number of protected characteristics. These programmes tend to target/be taken up by some of our most vulnerable communities, from our most deprived areas. There are attempts to target support to where it is needed most (for example, passport to health will be more targeted to benefit people in the most deprived wards and older people, along with promoting mental wellbeing; the smoking service will move towards a more targeted service focusing resources on those most in need). There are potential adverse impacts upon people with learning disabilities. For example, the '*Feel Good foods*' programme: given that people with Learning disabilities are at greater risk of becoming overweight/obese – (and there is a gap in current service provision for this group), this will need to be mitigated by being embedded into future specification for day services. There is also potential for reduction in cycling for disabled children and adults in relation to the Wheels for All funding. However, attempts are being made to set up an externally provided core service and to develop a sustainable future for the project. The PSHE training programme element may mean that young people have less awareness in relation to sexual health and drug taking – which could result in more young people presenting to sexual health and drug services. The significant reduction in the scope and scale of play services for children means that there will no longer be a universal offer, but instead will be available to a reduced number of targeted families. In mitigation, training on active play is being provided through the Director of Public Health Award.

g. **Sexual health preventative and treatment services** will be redesigned by ending contracts, reducing contract values and changing service specifications. This will have a number of impacts. The equality analysis that has been carried out so far has outlined the potential barriers that reconfiguring any service has upon hard to reach groups or groups that for any reason may find it harder to access centralised services. These considerations include additional impacts on women (because for women to have the same control over their fertility they need to have access to a

greater variety of contraception methods when compared to men). The withdrawal of some sexual health services may have a disproportionate impact on predominantly high frequency male users of the service (e.g. MSM). For some BME people, and for people from particular faith groups, there may be additional barriers if there is a move away from anonymous screening which may not be available through GP accessed services. It should be noted that B&NES LA has a legal mandate to commission comprehensive, open access, confidential sexual health services that are available to all people who are present in the area (whether resident in that area or not). Any reconfiguration of services will ensure this mandate is met. Once detailed proposals have been agreed with our service providers a fuller equality analysis can be undertaken.

h. Public Health has given Quartet notice of their intention to cease funding (£20K per annum) the **Healthy Lives, Healthy People's grant scheme**. The scheme awards small grants to community projects that aim to reduce health inequalities, improve health and mental wellbeing across B&NES and reduce loneliness and isolation. The scheme encourages applications from vulnerable groups including disabled people (particularly those with poor mental health, carers and Gypsy/ travellers. In mitigation of the loss of this scheme, grants available were small and time limited. Groups can still apply for Supporting Communities funds provided by the Council where these relate to mental health and directly to Quartet who are able to advice on alternative opportunities.

i. Redesigning services providing information for the public, specifically by **combining the specialist Family Information Service with the One Stop Shop** service may mean less opportunity for one-to-one contact between officers and customers – particularly parents and carers who currently access the FIS. However, this can be mitigated by having information available through web-based and other channels in line with Customer First principles and as part of a combined One Stop Shop.

j. The proposal to make changes to the **Schools Capital Team** will maximise the opportunities to charge the relevant costs of officer time within the team to specific capital projects, resulting in a saving of approximately £50,000 out of a budget of several million. Disabled access improvements will still be prioritised, even with slightly less in the budget.

k. The **Music Service redesign** proposal will involve a reorganisation in ways of working (including efficiencies in invoicing, and generating extra income from training staff in schools). There will also be an increase in fees, which may mean that some schools and lower income families may feel they can no longer afford music tuition. In mitigation, ensemble work/group lessons are cheaper to run, and could provide a more affordable option. Schools could also use pupil premium funds to support music lessons.

6. Place Directorate – Equality analysis

Equality analysis has been undertaken on the following:

1. Arts Development Grants reductions
2. Film Office review
3. Developing the Digital and WiFi network
4. Improving the visitor economy (markets/pop ups and events)
5. Homeless Prevention Fund (repatriation to support existing Housing services)
6. Homeseach scheme income fees and charges
7. Reducing the Housing Renewal budget
8. Disabled facilities grant service (bringing it in house)
9. Consolidation of administrative functions across Community Regeneration
10. Bath Quays Development
11. Passenger transportation Services review
12. Public Transport concessionary fares
13. SEN Home to school transport
14. School crossing patrols
15. Reviewing parking charges
16. Development of Parks as Wedding locations
17. Bereavement Services review
18. Bereavement Services income generation
19. Recycling Centres opening hours
20. Recycling street sweepings
21. Neighbourhood planning support
22. Ceasing printing and posting applications for parish consultations
23. Improved/increased pre application review service for Planning Services
24. Public Protection and Health Improvement Service redesign
25. Bringing water monitoring in-house
26. Centralising the Place Directorate business services

7. Key issues emerging within Place equality analysis

7.1 A strong economy and growth

a. **Bath Quays North development** is a flagship employment destination for Bath which will improve our economy, and bring employment opportunities and the potential for increased skills and salary levels – which will be of benefit to all economically active people locally. The project will involve improvements to the environment (e.g. improved disabled access to the river frontage through widened footways), and also improvements in terms of security and personal safety (through the Secure by Design standard and Park Mark).

There are a number of safety issues, particularly in relation to young adults and the student population, which are being considered as a central focus of this project due to the tragic river deaths in Bath over recent years. The design of play areas will need to take account of the proximity of the river and associated safety issues. In addition, vehicular and pedestrian ‘shared space’ is part of the design and there may be conflicts over potential barriers and access issues for people with visual

impairment. Consultation with local groups such as Deaf Plus Vision Plus will take place to ensure the use of appropriate materials and also that layouts are arranged to minimise risks. Where risks cannot be mitigated, there will always be the option to segregate vehicles and pedestrians.

b. The **reduction in Arts Grants** means that less applications will be successful. In mitigation, Bath and North East Somerset Council has developed a creative and cultural strategy with the arts and cultural community and established a Cultural Investment Board. These provide an opportunity for organisations to work together with major funders to deliver joint projects where appropriate. Whilst there are no specific equality implications within this proposal, it links to broader economic development strategies as the funding provided helps create and maintain a cultural and creative heritage locally.

7.2 A new relationship with customers and communities

a. The proposed changes to the **opening hours of our Recycling Centres** will ensure consistency throughout the year. Whilst there are potential impacts on age, disability and residents with particular working patterns, these impacts will be mitigated by the continuation of assisted collections and/or additional assistance at our recycling centres for disabled people, and a clear communication strategy regarding changes to opening hours to avoid unnecessary travel. There will need to be a clear and comprehensive communications plan once the decisions have been made. This will be available in a variety of formats to meet the needs of disabled people and those who have English as an additional language. We will continue to do targeted campaign work with the transient student population to ensure the services are publicised and understood

b. The **Strategic Transport Review** proposal (including Supported Buses and Community Transport) has the aim of meeting customer needs whilst making more use of community transport options to make the services more efficient. Even though only small numbers of people are likely to be affected in the event of a withdrawal of a Supported Bus service, it is acknowledged that there may be additional adverse impact upon disabled passengers, older passengers and young people.

c. In respect of the **SEN Transport budget**, independent travel (with appropriate support) will be promoted where possible, with transport provided to meet the needs of those who are unable to travel independently. Parents and carers may be anxious that support they are currently receiving will simply be cut. This is not planned, and support will be reviewed and discussed fully with parents and carers, to ensure full consideration of the family's needs are taken into account. This proposal aims to ensure the greatest amount of support is given to those who need it most. Specialist consultancy advice will help us to undertake wider consultation on this proposal, and will ensure that the needs of disabled young people and their parents/carers are taken into account (across all impairments whether these are physical, mental or sensory).

Alternative options, such as mileage allowances for parents/carers or a move to community transport (where appropriate) may be more beneficial than current arrangements. Any new arrangements set up will need to be risk assessed in relation to road safety and also in relation to any other risk such as bullying.

d. The proposal relating to the **provision of school crossing patrols** for Academies will have little or no impact should an Academy pay the Council to continue the service, or replace the Council provided crossing patrol with one of their own staff members (e.g. a caretaker). The Council can provide training and possibly some equipment to support this approach. Another possible mitigation could be for the Council to provide alternative infrastructure to provide schools with crossing facilities. Infrastructure improvements would benefit other users at all times of the day, particularly disabled people with mobility or sensory impairments. In addition, the Council's Educational Road Safety service could also help young people to manage road safety risks, and 'Safer Routes to School' and crossing infrastructure near schools could be prioritised in the highways capital programme. In taking forward this proposal, consideration will be given to the potential impacts upon the safety of children and young people, and the possible knock on effects of an increase in traffic congestion near schools (if parents/carers decide it is no longer safe for their child to walk to school).

e. Continued support for the **neighbourhood planning process** will help people in local communities to have more influence over their local surroundings. Plans will be focused on improvements and local development such as community buildings, community facilities and play areas. Officers can give advice throughout the plan making process on how to overcome physical barriers in relation to disabled access (e.g. lack of dropped curb provision, pavement widths, avoiding stepped access or offering alternative access) and also on other considerations relating to safety and security (such as street lighting and the layout of public spaces and squares).

f. Through improvements to the **pre-planning support process**, officers can ensure that full consideration is given to improving disabled access, and also consider issues relating to safety and security.

7.3 An efficient business

a. The proposal to **cease printing and posting applications for parish consultations** will bring all of our processes into a fully digital consultation model. For many disabled people, the move towards electronic communication makes access to the planning process more accessible, as documentation can be accessed for a variety of places (home, libraries, Council offices). Some older people may be less used to electronic information. However, we can offer support with this, and can also make paper copies available on request if there is no other option available. As currently, officers can take extra time to explain planning documentation if needed. The Local Plan (or excerpts from it) can be made available in a variety of different formats on request.

- b. Allocating a proportion of the **DCLG Homelessness Prevention Fund** in a different way will have a limited impact for an external provider: a disproportionate number of service users are men, who may be impacted upon by this reduction in support. However it is anticipated that this limited shortfall will be met through their fundraising and charitable work. As a Council we still continue to run a range of services to this sector including the Homefinder's Scheme which provides financial assistance to our clients seeking private rented sector accommodation.
- c. The proposal in relation to **Disabled Facilities Grant** means that smaller scale jobs will be dealt with/administered in-house. This will increase continuity for clients and fits well with our 'One Stop Shop' model. Larger, more complex builds will still be dealt with by Care and Repair.
- d. As there has been a historic underspend, there are no anticipated adverse impacts from the proposal to **reduce the housing renewal budget** for loans provided for essential improvements for people on low income, older people, disabled people and otherwise vulnerable owner-occupiers.
- e. Plans to develop the visitor economy, through **markets and pop up events**, brings with it opportunities for a wide range of events (such as 'continental markets') that offer opportunities for a diverse range of products to meet diverse community/visitor interests. The experience gained from the running of the Bath Christmas Market will help to ensure that disabled access throughout B&NES during events will be maintained (e.g. not obstructing dropped curbs, ensuring hazards on pavements are kept to a minimum).
- f. The proposals to generate more income through the **Film Office** and through the development of **parks as wedding locations** will be undertaken in a way that ensures disabled access issues are considered. Clear and accessible information will need to be made available to the public about park spaces and venue accessibility. The Film Office will continue to use its existing experience and expertise to ensure that full consideration is given to issues of disabled access when filming is taking place.
- g. We will explore service delivery options for the Council's **Bereavement Services**, and this will involve a programme of consultation with service users as part of the decision making process. The review may bring increased training/development and career opportunities for staff, and any contracted services with external providers will meet the Council's equality standards. It is anticipated that we will be able to improve facilities for disabled service users with increased investment. Bereavement services have developed excellent practice in relation to meeting different cultural and faith requirements, and this will continue as part of any new arrangements.
- h. The **Public Protection and Health Improvement** proposal will involve the service redesign of a number of functions, some of which could include joint working with North Somerset Council. In any service redesign, we will continue to prioritise high risk businesses and activities along with our most vulnerable customers who are most in need. There will also be opportunities for us to develop a new relationship

with our customers through the increased use of technology where possible and to further develop business support in order to generate income.

i. The proposal to review **Parking charges** links to our Joint Local Transport Plan (two of the key aims of which are encouraging sustainable travel and easing congestion). There are no identified impacts relating to protected characteristics, but it is likely that if charges were to increase this could have a small impact upon people who are on a low income. However, in mitigation, there are options to pay for shorter duration season tickets (e.g. one month at a time) which still offer a discount on the standard daily charge.

8. Resources directorate - equality analysis

Equality analysis has been undertaken on the following:

1. Developing a new housing company
2. Energy initiatives
3. Welfare support and connecting families - payments by results (*pending*)
4. ICT resources/staffing structure
5. The phasing out of cash and cheque payments

9. Issues arising from Resources equality analysis

9.1 A focus on prevention

a. The proposal to develop a **local energy supply tariff** has the potential to reduce energy costs for everyone, and to get a better deal for those currently paying the highest costs who are on the lowest incomes. This proposal would specifically help people who are currently unable to access the lowest cost tariffs (as they are only available to people with direct debit payment facilities). Disabled people and older people are more likely to fall into the fuel poverty category, and would also therefore be likely to benefit from this proposal.

b. The energy services programme relating to **policy loan investments in renewable energy** or sustainable local energy infrastructure will not only meet various carbon reduction initiatives, but will also bring about local economic benefits and health and wellbeing improvements. It is expected that each project will benefit every community member, as they will contribute to making local communities more sustainable and resilient.

9.2 A new relationship with customers and communities

a. Aligning the **Welfare Support and Connecting Families** programme and developing payment by results for DWP support will bring with it wider community benefits, through the support offered to vulnerable families and individuals with complex needs. A 'payment by results' approach will enable the measurement of

tangible outcomes, including benefits to the family/individual, the community and public services. The anticipated benefits to the community include reductions in anti-social behaviour and crime, and the creation of stronger and more sustainable communities.

9.3 An efficient business

a. The creation of a **new property company** to provide market rate housing to rent on council land, vacant accommodation above shops and housing returned to the Council via the housing transfer agreement with Curo, will enhance equality in respect of disabled access (as housing will be designed to comply with Equality Act requirements). The property company will also need to comply with the Council's policies for the creation of affordable homes.

b. The proposal to **reduce ICT staff resources** following the creation of new staffing structures will improve customer access to services (e.g. through more self-service options, speedier access and response times). This will be delivered by our increasingly 'digital' workforce, with different devices to enable more efficient working. As is the case at the moment, suppliers will be asked to find solutions on a case by case basis where there are particular disability access requirements for members of staff. Alternative options will be considered, depending upon the needs of individual staff members.

c. The **phasing out of cash and cheque payments** may have particular impacts upon some older people who are less familiar with, or have limited access to, web based payment options. Similarly there could be difficulties for some people on low incomes who do not have access to appropriate banking facilities to set up direct debits etc. To mitigate this, staff and partners in our One Stop Shops will provide additional support during the transition period to those customers facing difficulties in order to help them find workable solutions.

10. Cumulative impacts and recommendations

The overarching themes contained within this report relate to the following five main areas:

10.1 The need to consider cumulative impact. A number of the proposals within the People & Communities Directorate Plan contain potential adverse impacts upon disabled people (e.g. health improvement programme proposals, Adult Social Care proposals, SEN transport proposals, Healthy Lives, Healthy People's grant scheme). These same proposals also contain potential adverse impact upon people who are on a low income, or who live in some of our most deprived communities. Whilst considerations of socio-economic status are not a requirement of the Equality Act public sector duty, the 'narrowing the gap' agenda remains a key focus for the Council and partners. Whilst there are a number of opportunities being taken to

advance equality for disabled people within the Place proposals (e.g. in relation to improved physical access), there is the potential for an increased/cumulative impact upon disabled people in relation to Supported buses and SEN transport. It will be important to ensure that these proposals are considered alongside each other as further details are developed (and within any consultation), in order to identify the specific details of cumulative impact upon some of our most vulnerable communities.

10.2 Inclusive consultation. Where consultation is arranged as part of taking any of these proposals forward, it is vital that a diverse range of people take part to ensure that any additional equality impacts are highlighted and addressed. A variety of methods should be used to access consultees, and the Equalities Team can advise on this and also on how to access participants from groups representing different equality strands. The [Independent Equalities Advisory Group](#) can also provide further guidance on likely impacts, and ways of mitigating these.

10.3 Clear communication. Wherever it is planned to introduce changes, it is important to ensure that the communication and publicity strategies are accessible to disabled people (i.e. those with visual impairments, or learning disabilities etc.) and also those for whom English is an additional language. The Council has commissioned Language Empire to assist with [Interpreting and Translation](#) where necessary.

10.4 Workforce training and development. A number of the proposals contained within this report hinge upon the ability of officers to recognise opportunities where it is possible to further advance equality (for example, to improve disabled access to facilities/services). It is also important that officers are aware of and sensitive to the particular needs of different groups of people. Equalities training is available as part of the Corporate Training offer, and bespoke training can also be arranged by the Council's Equalities Team.

10.5 Commissioning specifications. Where proposals include commissioning or recommissioning external providers, detailed equalities requirements should be built into contract specifications. This will ensure that best practice relating to equality in delivery of services is continued and improved upon when delivered by external partners.

11. Further information

For further details of the equality analysis undertaken on these budget proposals please contact Louise Murphy, Corporate Equality Officer
Louise_murphy@bathnes.gov.uk; or email equality@bathnes.gov.uk;

Bath & North East Somerset Council	
MEETING:	Council
MEETING DATE:	16th February 2016
TITLE:	Treasury Management Strategy Statement and Investment Strategy 2016/17
WARD:	All
AN OPEN PUBLIC ITEM	
<p>List of attachments to this report: Appendix 1 - Treasury Management Strategy 2016/17 Appendix 2 - Investment Strategy 2016/17 Appendix 3 - Authorised Lending List</p>	

1 THE ISSUE

- 1.1 In February 2012, the Council adopted the revised CIPFA Treasury Management in Public services Code of Practice 2011 Edition, which requires the Council to approve a Treasury Management Strategy before the start of each financial year and for this to be scrutinised by an individual / group of individuals or committee.
- 1.2 In addition, the Department for Communities and Local Government (CLG) issued revised guidance on local authority investments in March 2010 that requires the Council to approve an investment strategy before the start of each financial year.
- 1.3 This report fulfils the Council’s legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance.

2 RECOMMENDATION

The Council agrees to:

- 2.1 approve the actions proposed within the Treasury Management Strategy Statement (Appendix 1).
- 2.2 approve the Investment Strategy as detailed in Appendix 2.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The resource implications are included in the report and appendices.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 These are detailed in paragraphs 1.1 – 1.3 above.

5 THE REPORT

Background

- 5.1 The Local Government Act 2003 requires the Council to ‘have regard to’ the Prudential Code and to set Treasury Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable.
- 5.2 The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Investment Strategy; this sets out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 5.3 The suggested strategy for 2016/17 in respect of the following aspects of the treasury management function is based on the Treasury Officers’ views on interest rates, supplemented with leading market forecasts provided by the Council’s treasury advisor.

The strategy covers:

•	Treasury limits in force which will limit the treasury risk and activities of the Council;
•	Treasury Management Indicators;
•	The current treasury position;
•	The borrowing requirement;
•	Prospects for interest rates;
•	The borrowing strategy;
•	The investment strategy.

5.4 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby the impact on the revenue budget from: -

- 1. increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
- 2. any increases in running costs from new capital projects , and
- 3. increases in the Minimum Revenue Provision for capital expenditure

are limited to a level which is affordable within the projected income of the Council for the foreseeable future.

5.5 The revised CIPFA Treasury Management in Public services Code of Practice 2011 Edition, adopted by Council in February 2012, requires the Treasury Management Strategy and policies to be scrutinised by an individual / group of individuals or committee, and the Corporate Audit Committee have been nominated by Council to carry out this function, and the report was on the agenda for the 4th February 2016 meeting.

2016/17 Treasury Management & Investment Strategy

- 5.6 The Strategy Statement for 2015/16 set Treasury Indicators for 2015/16 – 2017/18, which included a total borrowing requirement at the end of 2015/16 of £184 million. At the end of December 2015, external borrowing was at £108.3 million, which may increase before the end of the 2015/16 financial year should a review of the daily cashflow highlight additional liquidity funding is required.
- 5.7 The proposed Treasury Management Strategy is attached as Appendix 1 and includes the Treasury Management Indicators required by the Treasury Management Code.
- 5.8 The proposed investment strategy recognises the Council’s position as accountable body for West of England funds, including Regional Infrastructure Fund and Local Growth Fund.
- 5.9 Although the indicators provide for a maximum level of total borrowing, this should by no means be taken as a recommended level of borrowing as each year affordability needs to be taken into account together with other changes in circumstances, for example revenue pressures, levels and timing of capital receipts, changes to capital projects spend profiles, and levels of internal cash balances.
- 5.10 The budget report, which is also on the agenda, includes appropriate provision for the revenue costs of the capital programme in accordance with this Treasury Management Strategy.
- 5.11 Appendix 1 also details the Council’s current portfolio position as at 31st December 2015, which shows after the netting off of the £45.5 million investments, the Council’s net debt position was £62.8 million.
- 5.12 The 2016/17 Investment Strategy is attached at Appendix 2. This sets ‘outer limits’ for treasury management operations. While the strategy uses credit ratings in a “mechanistic” way to rule out counterparties, in operating within the policy Officers complement this with the use of other financial information when making investment decisions, for example Credit Default Swap (CDS) prices, Individual Ratings, and the financial press. This has been the case in recent years, which protected the Council against losses of investment in Icelandic banks.
- 5.13 The Counterparty listing in Appendix 3 includes credit ratings from three agencies, as well as a sovereign rating for each country. Counterparties who now meet the minimum criteria as recommended in Appendix 2 as at 31st December 2015 are included in the listing in Appendix 3.
- 5.14 Interest rate forecasts from the Council’s Treasury advisors are included in Appendix 1.

6 RATIONALE

- 6.1 This report is a statutory requirement.

7 OTHER OPTIONS CONSIDERED

- 7.1 None.

8 CONSULTATION

8.1 Consultation has been carried out with the Cabinet Member for Finance & Efficiency, Section 151 Finance Officer and Monitoring Officer.

8.2 Consultation was carried out via e-mail.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

9.2 The Council's lending & borrowing list is regularly reviewed during the financial year and credit ratings are monitored throughout the year. All lending/borrowing transactions are within approved limits and with approved institutions. Investment & Borrowing advice is provided by our Treasury Management consultants Arlingclose.

9.3 The 2011 edition of the CIPFA Treasury Management in the Public Services: Code of Practice requires the Council nominate a committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies. The Corporate Audit Committee carry out this scrutiny.

9.4 In addition, the Council maintain a risk register for Treasury Management activities, which is regularly reviewed and updated where applicable during the year.

Contact person	<i>Tim Richens - 01225 477468 ; Jamie Whittard - 01225 477213</i> Tim_Richens@bathnes.gov.uk Jamie_Whittard@bathnes.gov.uk
Background papers	<i>2015/16 Treasury Management & Investment Strategy</i>
Please contact the report author if you need to access this report in an alternative format	

APPENDIX 1

TREASURY MANAGEMENT STRATEGY – 2016/2017

Introduction

In February 2012 the Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice Fully Revised 2011 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year.

In addition, the Department for Communities and Local Government (CLG) issued revised guidance on local authority investments in March 2010 that requires the Council to approve an investment strategy before the start of each financial year.

This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Guidance.

The Authority has substantial amounts of borrowing and lending, and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

Treasury Borrowing Limits for 2016/17 to 2018/19

It is a statutory duty under s.3 of the Local Government Act 2003, and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. This amount is termed the 'Affordable Borrowing Limit'.

The Council must have regard to the Prudential Code when setting the Affordable Borrowing Limit. The Code requires an authority to ensure that its total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax levels is 'acceptable'.

The Affordable Borrowing Limit must include all planned capital investment to be financed by external borrowing and any other forms of liability, such as credit arrangements. The Affordable Borrowing Limit is to be set on a rolling basis for the forthcoming year and two successive financial years.

Treasury Management Indicators for 2016/17 – 2018/19

The Council measures and manages its exposures to treasury management risks using the following indicators. The council is asked to approve the following indicators:

Security: average credit rating

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the weighted average credit rating of its investment portfolio. Unrated investments are assigned a score based on their perceived risk.

	2016/17
Minimum Portfolio average credit rating	A-

Interest rate exposures

This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as an amount of net principal borrowed will be:

	2016/17	2017/18	2018/19
Upper limit on fixed interest rate exposures	£229m	£268m	£300m
Upper limit on variable interest rate exposures	£141m	£180m	£212m

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Maturity structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower
Under 12 months	50%	0%
12 months and within 24 months	75%	0%
24 months and within five years	75%	0%
Five years and within 10 years	100%	0%
10 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal sums invested for periods longer than 364 days

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the proportion of total long-term principal sum invested to final maturities over 364 days will be:

	2016/17	2017/18	2018/19
Limit on proportion of principal invested over 364 days	£50m	£50m	£50m

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 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 approach to use internal cash-flow and future capital receipts as the preferred financing method for the capital programme.

	2016/17	2017/18	2018/19
Operational boundary – borrowing	£229m	£268m	£300m
Operational boundary – other long-term liabilities	<u>£2m</u>	<u>£2m</u>	<u>£2m</u>
Operational boundary – TOTAL	£231m	£270m	£302m
Authorised limit – borrowing	£266m	£302m	£333m
Authorised limit – other long-term liabilities	<u>£2m</u>	<u>£2m</u>	<u>£2m</u>
Authorised limit – TOTAL	£268m	£304m	£335m

External Context & Prospects for Interest Rates (Arlingclose Ltd)

The Council has appointed Arlingclose as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following section gives their commentary on the economic context and views on the prospects for future interest rates.

Economic background: Domestic demand has grown robustly, supported by sustained real income growth and a gradual decline in private sector savings. Low oil and commodity prices were a notable feature of 2015, and contributed to annual CPI inflation falling to 0.1% in November. Wages are growing at 2.4% a year, and the unemployment rate has dropped to 5.2%. Mortgage approvals have risen to over 70,000 a month and price annual house price growth is around 4.5%. These factors have boosted consumer confidence, helping to underpin retail spending and hence GDP growth, which was 2.1% a year in the third quarter of 2015. Although speeches by the Bank of England's Monetary Policy Committee (MPC) members sent signals that some were willing to countenance higher interest rates, the MPC held policy rates at 0.5% for the 82nd consecutive month at its meeting in December 2015. Quantitative easing (QE) has been maintained at £375bn since July 2012.

The outcome of the UK general election, which was largely fought over the parties' approach to dealing with the deficit in the public finances, saw some big shifts in the political landscape and put the key issue of the UK's relationship with the EU at the heart of future politics. Uncertainty over the

outcome of the forthcoming referendum could put downward pressure on UK GDP growth and interest rates.

China's growth has slowed and its economy is performing below expectations, reducing global demand for commodities and contributing to emerging market weakness. Financial markets have reacted extremely negatively on concerns that the Chinese slowdown will present a significant drag on global growth. US domestic growth has accelerated but the globally sensitive sectors of the US economy have slowed. Strong US labour market data and other economic indicators suggested recent global turbulence has not knocked the American recovery off course, although activity has weakened a little. The Federal Reserve raised policy rates at its meeting in December as expected, but accompanying statements suggested that the tightening cycle will be gradual and very much data dependent. In contrast, the European Central Bank finally embarked on QE in 2015 to counter the perils of deflation and undertook further monetary easing late in the year.

Credit outlook: The varying fortunes of different parts of the global economy are reflected in market indicators of credit risk. UK Banks operating in the Far East and parts of mainland Europe have seen their perceived risk increase, while those with a more domestic focus continue to show improvement. The sale of most of the government's stake in Lloyds and the first sale of its shares in RBS have generally been seen as credit positive.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the UK, USA and Germany. The rest of the European Union will follow suit in January 2016, while Australia and Switzerland are well advanced with their own plans. Meanwhile, changes to the UK Financial Services Compensation Scheme and similar European schemes in July 2015 mean that most private sector investors are now partially or fully exempt from contributing to a bail-in. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however remain stubbornly low.

Interest rate forecast: The Authority's treasury advisor Arlingclose projects the first 0.25% increase in UK Bank Rate in the third quarter of 2016, rising by 0.5% a year thereafter, finally settling at or below 2% several years' time. Persistently low inflation, subdued global growth and potential concerns over the UK's position in Europe mean that the risks to this forecast are weighted towards the downside.

A shallow upward path for medium term gilt yields is forecast, as continuing concerns about the Eurozone, emerging markets and other geo-political events weigh on risk appetite, while inflation expectations remain subdued. Arlingclose projects the 10 year gilt yield to rise from its current 1.8% level by around 0.3% a year. The uncertainties surrounding both the timing of UK

and US interest rate rises, and the fallout from slower Chinese growth are likely to prompt short-term volatility in gilt yields.

Arlingclose Interest Rate Forecasts

Arlingclose central interest rate forecast – December 2015

	Bank Rate	3 month LIBID	12 month LIBID	20-year gilt yield*
Q1 2016	0.50	0.60	1.20	2.50
Q2 2016	0.50	0.70	1.35	2.53
Q3 2016	0.75	0.80	1.45	2.55
Q4 2016	0.75	0.95	1.55	2.58
H1 2017	1.00	1.15	1.80	2.63
H2 2017	1.25	1.40	2.00	2.68
H1 2018	1.50	1.60	2.15	2.73
H2 2018	1.50	1.70	2.15	2.78

* The Council can currently borrow from the PWLB at 0.80% above gilt yields

The Council has budgeted for investment interest rates to remain constant at 0.45% for 2015/16 & beyond, reflecting the planned short-term duration of investments.

Local Context

Current Portfolio Position

The Council's treasury portfolio position at 31st December 2015 comprised:

	Principal	Ave. rate
	£m	%
External Borrowing		
Fixed rate funding – PWLB	60.3	4.45
Fixed rate funding – LA's	28	1.26
Variable rate funding – LOBOs	20	4.50*
Other long term liabilities	Nil	N/A
TOTAL GROSS EXTERNAL DEBT	108.3	3.63
Investments		
Short Term Investments	45.5	0.48
Long Term Investments	Nil	N/A
TOTAL INVESTMENTS**	45.5	0.48
NET DEBT	62.8	5.92

* The market loans are 'lenders options' or LOBO's. These are fixed at a relatively low rate of interest for an initial period but then revert to a higher rate of 4.5%. When the initial period is over the loans are then classed as variable, as the lender has the option to change the interest rate at 6

monthly intervals, however at this point the borrower has the option to repay the loan without penalty.

** Total Investments includes Schools balances where schools have not opted for an external bank account and cash balances related to B&NES CHC Pooled budgets.

Borrowing Strategy

As at 31st December 2015, the Council held £108.3 million of long-term loans, and we will continue to monitor appropriate opportunities for borrowing in line with the overall Capital Financing Requirement.

The Council's capital financing requirement (CFR, or underlying need to borrow) as at 31st March 2016 is expected to be £200 million, and is forecast to rise to £266 million by March 2017 as capital expenditure is incurred.

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

The maximum expected long-term borrowing requirement for 2016/17 is:

	£m
Not borrowed in previous years	92
Forecast increase in CFR	66
Loans maturing in 2016/17	18
TOTAL	176

Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2016/17 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Alternatively, the Authority may arrange forward starting loans during 2016/17, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Authority may borrow short-term loans (normally for up to one month) to cover unexpected cash flow shortages.

Sources of borrowing

The approved sources of long-term and short-term borrowing will be:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments that meets the investment criteria (this includes other local authorities)
- any other bank or building society approved by the Prudential Regulation Authority to operate in the UK
- UK public and private sector pension funds (except the Avon Pension Fund)
- Capital market bond investor
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- operating and finance leases
- hire purchase
- Private Finance Initiative
- sale and leaseback

The Authority has previously raised the majority of its long-term borrowing from the Public Works Loan Board, but it continues to investigate other sources of finance, such as local authority loans and bank loans, that may be available at more favourable rates.

LGA Bond Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities may be required to provide bond investors with a joint and several guarantee over the very small risk that other local authority borrowers default on their loans; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be subject to specific approval in accordance with the Council's appropriate delegation.

The Authority holds £20m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either

accept the new rate or to repay the loan at no additional cost. All of these LOBOS have options during 2016/17, and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so.

Short-term and variable rate loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

Debt Rescheduling

The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Some bank lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall saving or reduction in risk.

Policy on use of Financial Derivatives

Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

Derivative counterparties

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

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APPENDIX 2

INVESTMENT STRATEGY

Investment Policy

Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Investment instruments identified for use in the financial year are listed below under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

The strategy of this policy is to set outer limits for treasury management operations. In times of exceptional market uncertainty, Council Officers will operate in a more restrictive manner than the policy allows, as has been the case during recent years.

Avon Pension Fund Investments

The Council's Treasury Management team also manage the Avon Pension Fund's internally held cash on behalf of the Fund. The regulations requires that this cash is accounted for separately and needs to be invested separately from the Council's cash, and the split has been managed this way since 1st April 2010. The Fund's investment managers are responsible for the investment of cash held within their portfolios and this policy does not relate to their cash investments.

The cash balance held internally is a working balance to cover pension payments at any point in time and as a result the working balance will be c. £10 million. This working balance represents around 0.3% of the overall assets of the Fund. These investments will operate within the framework of this Investment Strategy, but the maximum counterparty limit and investment term with any counterparty are set annually by the Avon Pension Fund Committee. These limits are in addition to the Council's limits for counterparties as set out in Appendix 3.

West of England Revolving Investment Fund (RIF)

Bath and North East Somerset Council is the Accountable Body for the West of England Revolving Investment Fund, and acts as an agent holding Government grants until they are ready to be distributed to Local Authorities for infrastructure works over the coming years.

These funds are kept separate from those of the Council, and therefore do not form part of the Council's counterparty limit restrictions. The funds are invested primarily to protect the capital, and in order to achieve this high level of capital security, investments are made solely with UK Central Government and UK Local Authorities. Any interest earned on these investments is reinvested into the fund.

Local Growth Fund (LGF)

In 2016/17 the Council, acting in its capacity as Accountable Body for the West of England Local Enterprise Partnership (WoE LEP), will receive £42.407m of Local Growth Fund (LGF) from Central Government. The grant is expected to be paid as a one-off sum in early April 2016.

The Local Growth Fund was allocated through competitive bidding, following submission of a Strategic Economic Plan by the LEP outlining local priorities to maximise growth, and is part of the wave of Growth Deals negotiated with Government, which were first announced in July 2014, and expanded in January 2015. Following the recent Spending Review, the West of England has an indicative LGF allocation totalling £149.296m to 2020/21.

The LEP determines the priority infrastructure projects to receive funding, including investment in transport improvements, superfast broadband and training facilities for young people.

The first £16.600m payment of the Fund, in April 2015, was paid to the council as un-ring-fenced s31 capital grant. To maximise local flexibility, it is not tied to specific projects; areas can flex funding between individual schemes to respond to local changes.

Investments are made in line with the council's overall Treasury Management Strategy. Interest is earmarked to fund the Council's corporate support and governance costs that come with performing the Accountable Body function for the LEP.

Approved Investment Counterparties

The Council may invest its surplus funds with any of the counterparties in the following table, subject to the cash and time limits shown:

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Central Govt.	N/A	N/A	£unlimited 50 Years	N/A	N/A
AAA	£10m 5 Years	£15m 20 Years	£10m 30 Years	£10m 20 Years	£5m 20 Years
AA+	£10m 5 Years	£15m 10 Years	£10m 30 Years	£5m 10 Years	£5m 10 Years
AA	£10m 4 Years	£15m 5 Years	£10m 30 Years	£5m 5 Years	£5m 10 Years
AA-	£10m 3 Years	£15m 4 Years	£10m 30 Years	£5m 4 Years	£5m 10 Years
A+	£10m 2 Years	£15m 3 Years	£10m 30 Years	£5m 3 Years	£5m 5 Years
A	£10m 1 Year	£10m 2 Years	£10m 30 Years	£5m 2 Years	£5m 5 Years
A-	£10m 6 Months	£10m 1 Year	£10m 30 Years	£5m 1 Year	£5m 5 Years
BBB+	£5m 3 Months	£10m 6 Months	£10m 30 Years	£3m 6 months	£3m 2 Years
BBB	£5m Overnight	£5m 3 Months	N/A	N/A	N/A
None	£3m 6 Months	N/A	£10m 30 Years	£5m 1 Year	£3m 5 Years
Pooled Funds	£10m Per Fund				

The majority of the Council's investments will be made for relatively short periods and in higher credit rated investments, giving priority to security and liquidity ahead of yield. However, where the Council has identified a core cash balance that is not required for any cash outflows in the short term, these funds will be considered suitable for a wider range of investments, with a greater focus on achieving a level of investment income that can support Council services. These may include long-term investments with registered providers of social housing, small businesses or corporate bond funds where an enhanced return is paid to cover the additional risks presented. Standard risk mitigation techniques, such as wide diversification and external credit

assessments, will be employed, and no such investment will be made without a specific recommendation from the Council's treasury management adviser.

In addition, the Authority may invest with organisations and pooled funds without credit ratings, following an external credit assessment and advice from the Authority's treasury management adviser.

Banks Unsecured

Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

Current Bank Account: The Council's current accounts are held with National Westminster Bank plc (NatWest), which is close to the bottom of the above credit rating criteria. The Council will treat NatWest as "high credit quality" for the purpose of making investments that can be withdrawn on the next working day, subject to the bank maintaining a credit rating no lower than BBB-.

Banks Secured

Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government

Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates

Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent.

Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely. They will however only be made following a favourable external credit assessment and on the specific advice of the Council's treasury management adviser.

Registered Providers

Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain a high likelihood of receiving government support if needed.

Pooled Funds

Shares in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Other Organisations

The Council may also invest cash with other organisations, for example by making loans to small businesses. Because of the higher perceived risk of unrated businesses, such investments may provide considerably higher rates of return. They will however only be made following a favourable external credit assessment and on the specific advice of the Council's treasury management adviser.

Risk Assessments & Credit Ratings

The Council uses long-term credit ratings from the three main rating agencies Fitch Ratings Ltd, Moody's Investors Service Inc and Standard & Poor's Financial Services LLC to assess the risk of investment default. The lowest available credit rating will be used to determine credit quality, unless an investment-specific rating is available.

Long-term ratings are expressed on a scale from AAA (the highest quality) through to D (indicating default). Ratings of BBB- and above are described as investment grade, while ratings of BB+ and below are described as speculative grade. The Council's credit rating criteria are set to ensure that it is unlikely that the Council will hold speculative grade investments, despite the possibility of repeated downgrades.

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit

rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that an BBB+ rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

If further counterparties are identified during the year that meet the minimum credit rating criteria and conform to the other criteria set out in the Treasury Management Practice Schedules, they can be added to the lending list following the agreement of the Chief Financial Officer.

The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Foreign countries

Investments in foreign countries will be limited to those that hold a AAA or AA+ sovereign credit rating from all three major credit rating agencies, and to a maximum of £15m per country for those rated AAA and £10 million per

country for those rated AA+. There is no limit on investments in the UK, irrespective of the sovereign credit rating.

Sovereign credit rating criteria and foreign country limits will not apply to investments in multilateral development banks (e.g. the European Investment Bank and the World Bank) or other supranational organisations (e.g. the European Union).

Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Specified Investments

Specified investments are those expected to offer relatively high security and liquidity, and can be entered into with the minimum of formalities. The CLG Guidance defines specified investments as those:

- denominated in pounds sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of “high credit quality”.

The Council defines “high credit quality” organisations as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

Non-Specified Investments

Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown below.

	£m
Total long-term investments	50
Total investments without credit ratings or rated below A-	10
TOTAL	60

The time limit for long-term investments in UK Local Authorities & Local Government will be 50 years.

Long-term investments will be limited to 50% of a counterparty's limit where it meets the above credit rating criteria (except the UK Government). The combined value of short-term and long-term investments with any organisation will not exceed the limits for specified investments highlighted above.

Liquidity management

The Council regularly reviews and updates its cash flow forecasts to determine the maximum period for which funds may prudently be committed. Limits on long-term investments are set by reference to the Council's medium term financial plan, levels of reserves and cash flow forecast.

Planned investment strategy for 2016/17

Investments are made in three broad categories:

- Short-term – cash required to meet known cash outflows in the next month, plus a contingency to cover unexpected cash flows over the same period.
- Medium-term – cash required to manage the annual seasonal cash flow cycle, including amounts to cover forecast shortages, planned uses of reserves, and a longer-term contingency.
- Long-term – cash not required to meet cash flows, and used primarily to generate investment income.

Short-term funds are required to meet cash flows occurring in the next month or so, and the preservation of capital and liquidity is therefore of paramount importance. Generating investment returns is of limited concern here, although it should not be ignored. Bank deposit accounts and Money Market Funds will be the main methods used to manage short-term cash.

Medium-term funds which may be required in the next one to twelve months will be managed concentrating on security, with less importance attached to liquidity but a slightly higher emphasis on yield. The majority of investments in this period will be in the form of fixed term deposits with banks and building societies. Preference will continue to be given to investments with UK banks with approved credit ratings.

Cash that is not required to meet any liquidity need can be invested for the longer term with a greater emphasis on achieving returns that will support spending on local authority services. Decisions on making longer term investments (i.e. over 1 year) will be considered during the year after taking account of the interest rate yield curve, levels of core cash and the amount of temporary internal borrowing related to funding of capital spend. A wider range of instruments, including structured deposits, certificates of deposit,

gilts and corporate bonds may be used to diversify the portfolio. The use of external fund managers that have the skills and resources to manage the risks inherent in a portfolio of long-term investments may be considered.

The Council has already reduced its cash position to repay fixed interest debt held at higher rates. The continuing low level of short-term interest rates will mean the on-going use of internal cash resources to minimise the new borrowing. This approach will be regularly reviewed in light of market conditions and the wider economic outlook.

Review Reports

The revised CIPFA Code of Practice requires that both mid year and annual review reports on treasury activities are reported to Full Council.

Other Matters

The CLG Investment Guidance also requires the Council to note the following matters each year as part of the investment strategy:

Treasury management advisers

The Council's has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues, although responsibility for final decision making remains with the Council and its officers. The services received include:

- advice and guidance on relevant policies, strategies and reports,
- advice on investment decisions,
- notification of credit ratings and changes,
- other information on credit quality,
- advice on debt management decisions,
- accounting advice,
- reports on treasury performance,
- forecasts of interest rates, and
- training courses.

The quality of this service is monitored by officers on a regular basis, focusing on supply of relevant, accurate and timely information across the headings above.

Investment training

The needs of the Council's treasury management staff for training in investment management are assessed every year as part of the staff performance development review process, and additionally when the responsibilities of individual members of staff change.

Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

Investment of money borrowed in advance of need

The Council may, from time to time, borrow in advance of spending need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

The total amount borrowed will not exceed the 2016/17 authorised borrowing limit of £266 million. The maximum periods between borrowing and expenditure is expected to be two years, although the Council does not link particular loans with particular items of expenditure.

Proposed Counterparty List - Unsecured Bank Investments

2016/17										
CRITERIA										
Duration	Council Limit (£m)	FITCH RATINGS			Moody's Ratings		S&P Ratings			
		S/Term	L/Term	Support	S/Term	L/Term	S/Term	L/Term		
UK Banks										
	Sovereign Rating		AA+		Aa1		AAA			
Barclays Bank plc	1 Year	10	F1	A	5	P-1	A2	A-2	A	
Close Brothers Ltd	1 Year	10	F1	A	5	P-1	Aa3			
Goldman Sachs International	1 Year	10	F1	A		P-1	A1	A-1	A	
HSBC Bank plc	3 Years	10	F1+	AA-	1	P-1	Aa2	A-1+	AA-	
Lloyds Banking Group										
Lloyds Bank plc	2 Years	10	F1	A+	5	P-1	A1	A-1	A	
Bank of Scotland plc	2 Years	10	F1	A+	5	P-1	A1	A-1	A	
Royal Bank of Scotland Group										
National Westminster Bank plc	3 Months	5	F2	BBB+	5	P-2	A3	A-2	BBB+	
Royal Bank of Scotland plc	3 Months	5	F2	BBB+	5	P-2	A3	A-2	BBB+	
Santander UK plc (domiciled in UK)	1 Year	10	F1	A	2	P-1	A1	A-1	A	
Standard Chartered Bank	2 Years	10	F1	A+	5	P-1	Aa2	A-1	A+	
UK Building Societies										
Nationwide	1 Year	10	F1	A	5	P-1	A1	A-1	A	
Yorkshire	3 Months	5	F1	A	5	P-2	Baa1	-	-	
Coventry	1 Year	10	F1	A	5	P-1	A2	-	-	
Leeds	1 Year	10	F1	A	5	P-1	A2	-	-	
Foreign Banks										
Australia										
	Sovereign Rating		AAA		Aaa		AAA			
Australia & New Zealand Banking Group	3 Years	10	F1+	AA-	1	P-1	Aa2	A-1+	AA-	
Commonwealth Bank of Australia	3 Years	10	F1+	AA-	1	P-1	Aa2	A-1+	AA-	
National Australia Bank Group										
National Australia Bank Ltd	3 Years	10	F1+	AA-	1	P-1	Aa2	A-1+	AA-	
Westpac Banking Corporation	3 Years	10	F1+	AA-	1	P-1	Aa2	A-1+	AA-	
Canada										
	Sovereign Rating		AAA		Aaa		AAA			
Bank of Montreal	2 Years	10	F1+	AA-	2	P-1	Aa3	A-1	A+	
Bank of Nova Scotia	2 Years	10	F1+	AA-	2	P-1	Aa2	A-1	A+	
Canadian Imperial Bank of Commerce	2 Years	10	F1+	AA-	2	P-1	Aa3	A-1	A+	
Royal Bank of Canada	3 Years	10	F1+	AA	2	P-1	Aa3	A-1+	AA-	
Toronto-Dominion Bank	3 Years	10	F1+	AA-	2	P-1	Aa1	A-1+	AA-	
Finland										
	Sovereign Rating		AAA		Aaa		AAA			
Pohjola Bank OYJ-A SHS	2 Years	10	F1	A+	5	P-1	Aa3	A-1+	AA-	
Germany										
	Sovereign Rating		AAA		Aaa		AAA			
Deutsche Bank AG - Registered	3 Months	5	F1	A	5	P-2	A3	A-2	BBB+	
Landesbank Hessen-Thuringen	1 Year	10	F1+	A+		P-1	A1	A-1	A	
Netherlands										
	Sovereign Rating		AAA		Aaa		AAA			
Bank Nederlandse Gemeenten	5 Years	10	F1+	AA+	1	P-1	Aaa	A-1+	AAA	
Cooperatieve Centrale Raiffe	2 Years	10	F1+	AA-		P-1	Aa2	A-1	A+	
ING Bank NV	1 Year	10	F1	A	5	P-1	A1	A-1	A	
Singapore										
	Sovereign Rating		AAA		Aaa		AAA			
Development Bank of Singapore Ltd	3 Years	10	F1+	AA-	1	P-1	Aa1	A-1+	AA-	
Oversea-Chinese Banking Corp	3 Years	10	F1+	AA-	1	P-1	Aa1	A-1+	AA-	
United Overseas Bank Ltd	3 Years	10	F1+	AA-	1	P-1	Aa1	A-1+	AA-	
Sweden										
	Sovereign Rating		AAA		Aaa		AAA			
Svenska Handelsbanken	3 Years	10	F1+	AA-	2	P-1	Aa2	A-1+	AA-	
Nordea Bank NV	3 Years	10	F1+	AA-	2	P-1	Aa3	A-1+	AA-	
Switzerland										
	Sovereign Rating		AAA		Aaa		AAA			
Credit Suisse AG	1 Year	10	F1	A	5	P-1	A1	A-1	A	
USA										
	Sovereign Rating		AAA		Aaa		AAA			
J P Morgan Chase Bank NA	2 Years	10	F1+	AA-	5	P-1	Aa3	A-1	A+	
Supernational										
Council of Europe Development	5 Years	10	F1+	AA+	-	P-1	Aa1	A-1+	AA+	
European Bank for Reconstruction & Dev	5 Years	10	F1+	AAA	-	P-1	Aaa	A-1+	AAA	
European Investment Bank	5 Years	10	F1+	AAA	-	P-1	Aaa	A-1+	AAA	
Inter-American Development Bank	5 Years	10	F1+	AAA	-	P-1	Aaa	A-1+	AAA	
IBRD (World Bank)	5 Years	10	F1+	AAA	-	P-1	Aaa	A-1+	AAA	
Kreditanstalt Fuer Wiefrauf	5 Years	10	F1+	AAA	-	P-1	Aaa	A-1+	AAA	
Nordic Investment Bank	5 Years	10	-	-	-	P-1	Aaa	A-1+	AAA	

Summary Guide to Credit Ratings

Rating Details	
AAA	Highest credit quality – lowest expectation of default, which is unlikely to be adversely affected by foreseeable events.
AA	Very high credit quality - expectation of very low default risk, which is not likely to be significantly vulnerable to foreseeable events.
A	High credit quality - expectations of low default risk which may be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
BBB	Good credit quality - expectations of default risk are currently low but adverse business or economic conditions are more likely to impair this capacity.
BB	Speculative - indicates an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time.
B	Highly speculative - indicates that material default risk is present, but a limited margin of safety remains. Capacity for continued payment is vulnerable to deterioration in the business and economic environment.
CCC	Substantial credit risk - default is a real possibility.
CC	Very high levels of credit risk - default of some kind appears probable.
C	Exceptionally high levels of credit risk - default is imminent or inevitable.
RD	Restricted default - indicates an issuer that has experienced payment default on a bond, loan or other material financial obligation but which has not entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, and which has not otherwise ceased operating.
D	Default - indicate an issuer that has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business.

Bath & North East Somerset Council	
MEETING:	COUNCIL
MEETING DATE:	16 th FEBRUARY 2016
TITLE:	ANNOUNCEMENT OF CHAIR(MAN) DESIGNATE FOR 2016/17
WARD:	ALL
AN OPEN PUBLIC ITEM	
List of attachments to this report: None	

1 THE ISSUE

- 1.1 The purpose of this report is to invite the Council to name a Councillor as Chair(man) of the Council (Designate) for the next Council Year beginning in May 2016.
- 1.2 The Council, at its Annual Meeting on 12th May 2016, will still be required formally to elect a Councillor to be the Chair(man) of the Council for the forthcoming Council Year.

2 RECOMMENDATION

- 2.1 That the Council names a Councillor to be treated for forward planning purposes as Chair(man) of the Council (Designate) for the 2016/17 Council Year.

3 FINANCIAL IMPLICATIONS

3.1 There are no financial implications arising from this report.

4 CORPORATE PRIORITIES

4.1 Because of the pivotal role of the Chair(man) of the Council in the community, the nomination of the Councillor who will hold the office from May 2016 will contribute towards the achievement of the Council's vision of Bath and North East Somerset as a distinctive place with vibrant communities.

5 THE REPORT

5.1 The role of the Chair(man) of the Council has increased significantly in recent years. The number of civic engagements and requests for the presence of the Chair(man) at local events throughout the area continues to rise year on year.

5.2 In addition, the Chair(man) supports a number of awards and functions which require advance planning.

5.3 It is extremely helpful to community groups, and to the internal administration and scheduling of the Chair(man)'s functions, to have advanced confirmation of the Councillor who will hold the office from May 2016 and their preferred style of working and availability.

5.4 There is no requirement on the Council to name the intended Chair(man) in advance of the Council's Annual Meeting. The Council may prefer to leave the matter until then, when the election of Chair(man) for the year will by law be the first item of business on the agenda. The reasons for the recommended course of action are as set out in paragraphs 5.1 to 5.3 above.

6 RISK MANAGEMENT

6.1 No risk assessment related to this issue is required because the decision as to whether to make a nomination at this stage in the Council Year rests solely with the Council and does not affect the legal requirement for the Chair(man) to be elected at the Annual General Meeting in May.

7 EQUALITIES

7.1 The wide range of community groups who seek civic involvement in their activities through inviting the Chair(man) to their events will be helped in their diary planning by having a Councillor named as Chair(man) Designate at this stage. It will also assist the Councillor with his or her preparations for their year as Chair(man).

8 ISSUES TO CONSIDER IN REACHING THE DECISION

8.1 The Council's civic and corporate community interests.

9 ADVICE SOUGHT

9.1 The Chief Executive, the Monitoring Officer and the Section 151 Officer have had the opportunity to provide input to this report and have cleared it for publication.

Contact person	<i>Jo Morrison, Democratic Services Manager, telephone 01225 394358</i>
Background papers	<i>None</i>

Please contact the report author if you need to access this report in an alternative format

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