

Democratic Services

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Date: 12 January 2016
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To: All Members of the Resources Policy Development and Scrutiny Panel

Councillor Sarah Bevan
Councillor Bob Goodman
Councillor Christopher Pearce
Councillor Jasper Martin Becker
Councillor Colin Barrett
Councillor Chris Dando
Councillor Andrew Furse

Chief Executive and other appropriate officers
Press and Public

Dear Member

Resources Policy Development and Scrutiny Panel: Wednesday, 20th January, 2016

You are invited to attend a meeting of the **Resources Policy Development and Scrutiny Panel**, to be held on **Wednesday, 20th January, 2016 at 4.30 pm** in the **Council Chamber - Guildhall, Bath**.

The agenda is set out overleaf.

Yours sincerely

Michaela Gay
for Chief Executive

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

This Agenda and all accompanying reports are printed on recycled paper

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 Michaela Gay who is available by telephoning Bath 01225 394411 or by calling at the Guildhall Bath (during normal office hours).
- 2. 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. Advance notice is required not less than two full working days before the meeting (this means that for meetings held on Wednesdays notice must be received in Democratic Services by 4.30pm the previous Friday)

The public may also ask a question to which a written answer will be given. Questions must be submitted in writing to Democratic Services at least two full working days in advance of the meeting (this means that for meetings held on Wednesdays, notice must be received in Democratic Services by 4.30pm the previous Friday). If an answer cannot be prepared in time for the meeting it will be sent out within five days afterwards. Further details of the scheme can be obtained by contacting Michaela Gay as above.

- 3. Details of Decisions taken at this meeting** can be found in the minutes which will be published as soon as possible after the meeting, and also circulated with the agenda for the next meeting. In the meantime details can be obtained by contacting Michaela Gay as above.

Appendices to reports 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' Rooms.

- 4. 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.

- 5. Attendance Register:** Members should sign the Register which will be circulated at the meeting.

6. THE APPENDED SUPPORTING DOCUMENTS ARE IDENTIFIED BY AGENDA ITEM NUMBER.

7. 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.

Resources Policy Development and Scrutiny Panel - Wednesday, 20th January, 2016

at 4.30 pm in the Council Chamber - Guildhall, Bath

A G E N D A

1. WELCOME AND INTRODUCTIONS

2. EMERGENCY EVACUATION PROCEDURE

The Chair will draw attention to the emergency evacuation procedure as set out under Note 6.

3. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

4. 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 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.

5. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

6. ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

At the time of publication no notifications had been received.

7. MINUTES (Pages 7 - 12)

8. COUNCIL TAX AND BUSINESS RATE LIABILITY FOR STUDENT ACCOMMODATION (Pages 13 - 18)

A report is attached on Council Tax and Business Rate Liability for Student Accommodation.

9. COMMERCIAL ESTATE (Pages 19 - 34)

The slides are attached on the presentation on 'Commercial Estate'.

10. WEST OF ENGLAND DEVOLUTION UPDATE (Pages 35 - 44)

The slides are attached for the presentation on 'West of England Devolution Update'.

11. CABINET MEMBER UPDATE

The Cabinet Member will update the panel on any relevant issues. Panel members may ask questions

12. PANEL WORKPLAN (Pages 45 - 48)

This report presents the latest workplan for the Panel. Any suggestions for further items or amendments to the current programme will be logged and scheduled in consultation with the Panel's Chair and supporting officers.

The Committee Administrator for this meeting is Michaela Gay who can be contacted on 01225 394411.

(a)

(b)

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BATH AND NORTH EAST SOMERSET

RESOURCES POLICY DEVELOPMENT AND SCRUTINY PANEL

Wednesday, 25th November, 2015

Present:- Councillors Sarah Bevan (Chair), Bob Goodman (Vice-Chair), Jasper Becker, Colin Barrett, Chris Dando and Andrew Furse

24 WELCOME AND INTRODUCTIONS

The Chairman welcomed everyone to the meeting.

25 EMERGENCY EVACUATION PROCEDURE

The Chairman drew attention to the emergency evacuation procedure.

26 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Councillor Christopher Pearce sent his apologies and was substituted by Councillor Michael Norton.

27 DECLARATIONS OF INTEREST

There were none.

28 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

29 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

Councillor Sarah Bevan read two statements on behalf of Councillor Karen Walker on the following issues:

- Capital Funding for a proposed roundabout in Peasedown St John (Bath Road A367)
- Capital Funding for a Car Park on Peasedown St John Recreation Ground.

(Copies of these statements are appended to these minutes and are available from Democratic Services)

It was agreed that the Panel note the statements.

Andrew Pate, Strategic Director for Resources stated that the relevant Panel for these issues would be the Communities, Transport and Environment PDS Panel.

Councillor Gerrish, Cabinet Member for Efficiency and Resources commented that the Council could not build a Car Park on the Recreation Ground unless the owners are sympathetic to this. On the first statement, he commented that this should be referred to Councillor Clarke, Cabinet Member for Transport.

30 MINUTES

The Panel confirmed the minutes of the previous meeting as a true record and they were duly signed by the Chair.

Councillor Barrett noted the item on consultants on the future workplan and asked for an answer to be given to his question 'How much money in the last financial year 2014/15 was spent on agency staff and how much up to the current time'. The Strategic Director for Resources agreed that he would work with Councillor Gerrish (Cabinet Member for Efficiency and Resources) to find out this information and make it available to Councillor Barrett.

31 DIRECTORATE PLAN FOR RESOURCES

The Strategic Director for Resources, Andrew Pate introduced the Directorate Plan. He informed the Panel that representatives from the Resources Department are present at the meeting to answer questions and he highlighted the key documents in the plan. He explained that Appendix 4 contained the detail on any financial changes.

The Divisional Director for Finance, Tim Richens explained that the Government spending review had been announced today and he would be going through the details in the next few days. He explained that some assumptions had to be made in the papers and also that these documents contain a one year budget plan with a direction of travel for future years.

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

Councillor Barrett asked if there is a timescale to report back on each area so that members can monitor the targets. The Cabinet Member explained that a quarterly report on performance against the budget is produced and taken to the Cabinet. There was some discussion around the Panel viewing the budget monitoring reports, the officer explained that the reports are in the public domain and accessible to Panel members. The Strategic Director explained that the information could be shared with the Panel but it would be after it had been considered by the Cabinet, it could be left up to the Chair if it is put on the next available meeting for the Panel.

Following a question from Councillor Becker, the Cabinet Member explained that a quarterly report is a snapshot at a certain date whereas a budget is an average over 12 months.

Councillor Becker asked if members will be briefed on any changes brought about by the changes in Local Government and funding from the Government. The Divisional Director stated that he would be in a position to brief members in the new year.

Councillor Andy Furse asked for further explanation on the following issues in Appendix 1:

- Page 21 'Continue to invest in sustainable energy initiatives...'
- Page 22 'Align school meals service with changing needs of schools ...'
- Page 23 'Explore further opportunities to collaborate better with other public sector partners'.

The Cabinet Member explained that the authority will continue to support sustainable energy initiatives where other projects come forward.

The Strategic Director explained that regarding school meals, the demand from schools changes which is adapted to. Regarding Community Meals, he explained the potential impact of 'Your Care Your Way'. He explained that VAT has now been levied on this service.

The Divisional Director for Strategy and Performance explained that there are many examples of collaboration with other authorities such as in adoption and fostering services. The Cabinet Member added that he has met with Wiltshire and will be meeting with North Somerset in January. He also mentioned that there is an example of collaboration on a large scale around Community Health and Social Care and the Pension Service is across the whole South West.

Appendix 4

Councillor Goodman asked if the amount shown for the Property Company (p33) is for planned conversions. The Strategic Director explained that all the details of the Property Company would be in a detailed report for the Cabinet next week.

Councillor Barrett asked if this company would work alongside Curo. The Cabinet Member explained that Curo is social housing and the proposed Property Company would be concerned with flats above shops in the commercial estate and there would be the potential for new housing developments on Council land where this is in line with planning policy. Councillor Barrett asked if the Property Company will be outsourced, the Cabinet Member replied that an outside agency will manage the day to day lettings and maintenance the Company.

Councillor Dando asked if he could view a template for business cases anywhere. The Divisional Director for Finance commented that there is a template and that the Property Company business case (discussed above) would be available in the papers for the Cabinet meeting next week.

Councillor Dando asked if risk mitigation is considered as part of completing the business case, the Divisional Director explained that yes it is, the Treasury Better Business Case Model has been adopted. He further explained that each business case would be held by the relevant project and can be requested as a background paper.

Councillor Furse commented that bringing properties back in to use is good but maybe some over the shop properties could be brought onto the market for key workers as full market rent may outprice service professionals. The Cabinet Member stated that the Council must assess the type of demand further down the line and this point can be taken into account then. The Strategic Director explained that if the Property Company built housing in the future, the normal affordable housing policy would apply.

Councillor Furse pointed to the 2nd bullet on page 35 regarding service recharges, he stated that it is implied that the current borrowing approach is wrong. The Divisional Director explained that 'service supported borrowing' was a policy in the past but times are different (eg. current low interest rates) and a different climate must be recognised.

In response to a query from Councillor Barrett, the Divisional Director for Customer Services, Ian Savigar explained that Universal Credit will replace housing benefit and there will be funding for the associated administration costs.

Councillor Becker asked if the current low interest rates benefit the Council. The Cabinet Member explained that where the Council seeks to borrow to invest – low rates are beneficial. There is a small return on large balances though so the Council has used its own money to fund some projects. If the rates rise, the Treasury Management Team to deal with buffering the effects of this. He added that a Treasury Management report would be coming to the Council meeting in December 2015.

32 BATH AND NORTH EAST SOMERSET COUNCIL CORPORATE STRATEGY 2016-20

Strategy and Plan Manager, Helen Edelstyn introduced the report. She explained that this document would help to inform the financial plan. The Strategic Director further explained that this document has been approved by the Cabinet but is still a draft that will go to Council to set the context for the budget.

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

Councillor Furse explained his concern about the Council being a 'business' as this implies making a profit whereas he feels the Council should also be concerned with community need and there should be a priority to consider 'value' rather than 'profit'. The Strategic Director explained that not all businesses are designed to make a profit, the Council is concerned with being 'business like' and efficient and if there is a return then that can be used for community benefit – that is the objective.

Councillor Barrett asked if this Panel should look at all of the Business Cases. The Divisional Director for Strategy and Performance explained that the Panel can request more details on specific items to be brought to the January meeting but there are a lot of Business Cases so all of them could not come to the Panel.

33 PERFORMANCE MANAGEMENT

The Strategic Performance Manager, Steve Harman introduced the report. He explained that the statutory code recommends an annual report should be published (the report is available on the website and hard copies have been sent to members). He explained that it is intended that regular performance report be brought to the Cabinet and this Panel from next April.

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

Councillor Barrett asked that some comparisons to the national average be shown. The officer explained that there are some comparisons to national data and where possible this is shown.

Councillor Furse congratulated officers on the overall performance. He added a word of caution regarding overpopulation of the Roman Baths.

Councillor Becker asked where the statistics come from, the officer explained that some are gathered locally and some from the Office of National Statistics.

34 CABINET MEMBER UPDATE

The Cabinet Member for Efficiency and Resources, Charles Gerrish updated members that he had been attending all PDS Panel meetings, attending budget fairs and meeting with officers to be briefed on the Directorate Plans.

35 PANEL WORKPLAN

The Panel noted the workplan items.

The meeting ended at 6.00 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services

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Resources PDS Panel 20th January 2016

Liability to Council Tax and Business Rates for Student Accommodation

Report Prepared by: Ian Savigar, Divisional Director Customer Services

Contact: 01225 477327

Background

This report focuses on the financial and legal requirements for Council Tax and National Non Domestic rates as they currently apply to Student related accommodation.

This issue was first raised at a full Council Meeting in November 2014, when a motion was proposed by the Independent Group whilst Council considered the approval of the Council Tax Support Scheme and Tax base calculations for the year 2015/16. A copy of the Motion is reproduced at **Appendix 1**.

This has now been deferred to the Resources PDS Panel to consider the issues and discuss what actions may need to be taken.

Classification of properties between Domestic & Commercial

- The Valuation Office Agency (VOA) is an executive Agency of HM Revenue And Customs and they have the responsibility for valuing properties for the purposes of council tax (domestic properties) and non-domestic rates (commercial properties).
- The VOA is governed by legislation which dictates the classification of a particular property and whether it ultimately attracts a liability for Council Tax or Business rates. The key to whether a property is deemed domestic or commercial relies on the definition of a dwelling as defined within Section 3 of the Local Government Finance Act 1992
- A dwelling is referenced from the now repealed General Rate Act 1967 in which it is defined as a hereditament which is used wholly for the purposes of a private dwelling or private dwellings.
- The Valuation Office Agency has determined that student accommodation is a residential dwelling, and is entered onto the council tax valuation lists accordingly.
- Any household that consists solely of full-time students (that is students studying for at least 21 hours each week for a calendar or academic year) is exempt from paying council tax.

Council Funding

- Up to 2013/14, the Local Government Funding system did recognise, to a degree, the exemption of student dwellings from paying Council Tax via a “resource equalisation” adjustment mechanism.
- In simple terms, an authority with lots of student exemptions would have a lower Council Tax base and therefore generate lower Council Tax income from which to fund services, so this would be “equalised” through higher government grant funding.
- By way of illustration, based on 2,833 dwellings occupied as student HMO’s, assuming these were all Band C rated properties for Council Tax purposes, The Council could have been receiving around £3m in Council Tax if these were not treated as exempt dwellings. The government grant calculations are extremely complex and it is no longer possible to track through specific elements of funding.
- The grant position was effectively fixed in 2013/14 following changes to the Local Funding System and the element of “resource equalisation” will not be updated until government undertakes the next “reset”, currently planned for 2020. Therefore the Council’s general grant funding will continue to reduce in line with government spending reductions. Following the latest budget statement RSG is being eroded even quicker than originally envisaged and there will be a large reliance on National Non Domestic Rate funding to cover local expenditure requirements.

New purpose built Student Accommodation does count towards the New Homes Bonus payments. The government is currently consulting on the future of the NHB with a proposed reduction of £800m (over half) nationally starting from 2017/18. The “introduction” section of the consultation document linked below provides some more detail:-

New Homes Bonus Consultation:

[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/487095/151217 - nhb draft condoc published version.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/487095/151217_-_nhb_draft_condoc_published_version.pdf)

Changes in Legislation

- Any change in the position highlighted above in respect of Council Tax and Business Rates chargeable on Student Accommodation would require Government to agree to amend the relevant legislation.

There may be an opportunity to review this through devolution conversations.

Relevant Housing Statistics (*As provided Nov 2014*)

- Within B&NES there are around 6,310 HMOs (B&NES House Condition Survey 2012)

- Research indicates that within Bath 2,833 dwellings are occupied as student HMOs, housing around 11,300 students. This figure excludes purpose built accommodation & on-campus provision. (B&NES Local Plan: Student Numbers & Accommodation Requirements 2011-2029)
- 7% of the city stock is estimated to be occupied as student HMOs which is significantly higher than most other towns/cities. (B&NES Local Plan: Student Numbers & Accommodation Requirements 2011-2029)
- The Universities housing needs are forecast to grow by 3,200 by 2021 and stabilise thereafter to 2029. Most of this demand will be met by purpose built accommodation & on-campus provision.
- Article 4 Planning Directive introduced to mitigate against the concentration of HMOs being experience in some areas & additional HMO licensing introduced to improve housing conditions within the sector.

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Motion from the Independent Group

To be moved by Cllr June Player

This Council notes:

- Research indicates that within Bath 2,833 dwellings are occupied as student HMOs, thus housing around 11,300 students, many of which are suitable for occupation as family dwellings. This figure excludes purpose built accommodation & on-campus provision which contain hundreds of units of accommodation within the City. (B&NES Local Plan: Student Numbers & Accommodation Requirements 2011-2029)
- Both of these markets have expanded and are very lucrative private student lettings.
- 7% of Bath's dwellings is estimated to be occupied as student HMOs, which is significantly higher than most other towns/cities. (B&NES Local Plan: Student Numbers & Accommodation Requirements 2011-2029)
- Many family homes have been converted which have priced out other buyers and has diminished the 'normal' housing stock in the City.
- These properties currently pay –
No Council Tax or
No Business Rates
- Following changes to the Local Government Funding system, introduced in 2013/14, there will no longer be additional Government Grant funding for future increases in HMO/purpose built Student accommodation numbers. In fact this Government grant to Councils is already being reduced and will continue to be so. This is a situation that is likely to continue until Government is able to balance its books.
- The Universities housing needs are forecast to grow by 3,200 by 2021 and stabilise thereafter to 2029.
- From our two Universities in 2014/15 we have approx. 16,300 students who need accommodation within our area. (68.4% of total enrolment).
- As the number of HMOs/purpose built student accommodation expand every year, the residents and businesses of B&NES are having to subsidise these lucrative private sector 'businesses'.
- The land used for student purpose built blocks is land that could have been used for employment land/much needed houses, both of which would generate an income to the Council for services.

The time has come for this situation to be reviewed. Whether Council Tax, Business Rates or both should be applied is open to debate. But, somewhere, a contribution to the services that are received should be made by students and/or property owners.

Local Residents, Local Businesses and Local Councils are unable to continue to subsidise these HMOs or purpose built student blocks.

The Council resolves to:

- Ask our two MPs to lobby their parties in Government for changes in the current legislation.
- Write to Central Government to have the legislation changed.
- Write to all other University Cities asking them to lobby their MPs for changes in the legislation as they too are being affected in the same way as B&NES.

Resources Policy Development & Scrutiny Panel

20 January 2016

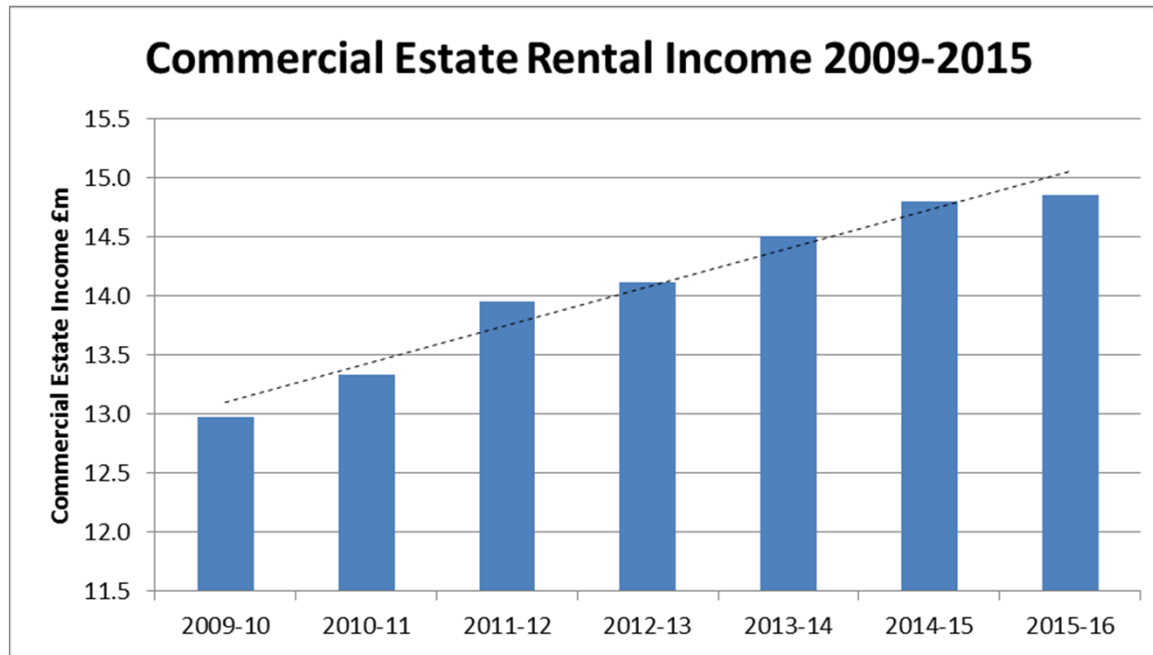
Approach to the management and investment strategy of the Commercial Estate

Commercial Estate

Comprising approximately 220 assets:

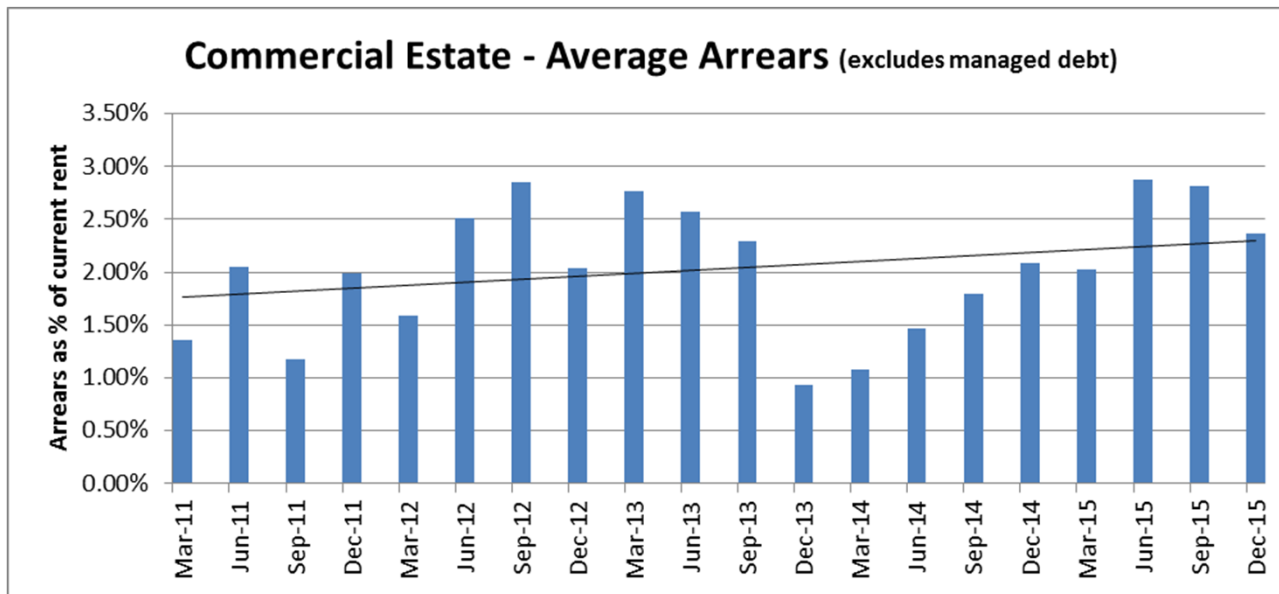
- » Asset value of £210 million
- » Generating a rental income in excess of £14.5 million per annum in 2014/15
- » Forecasted to generate £14.85 million in 2015/16
- » Retail, commercial, industrial & leisure properties located primarily in Bath City Centre
- » Returning a gross yield of 6.9% in 14/15

Gross rental income over the last six years



Rent arrears

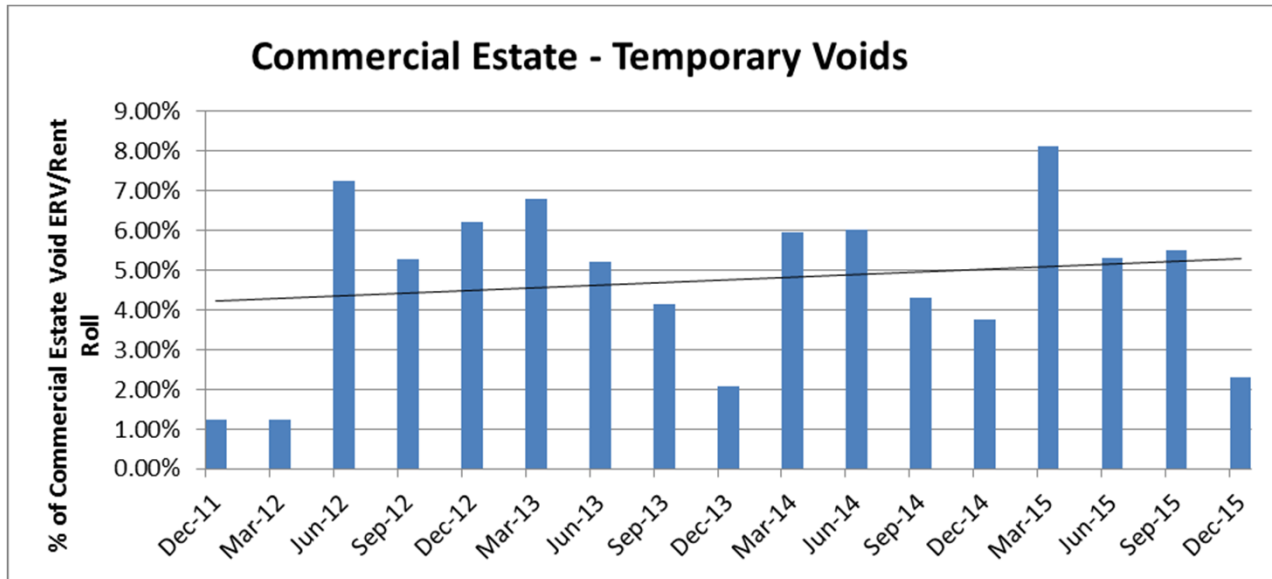
The trend line shows the average for the period from December 2011 to December 2015 years at around 2.1%. Similar sized estates in the private sector have targets of long term debt in excess of 5%.



Voids

BNPPRE Retail Focus for Q2 2015/16 reported that the All UK trend is currently at 13%. Spring Board Retail Intelligence reported the national town centre vacancy rate in the UK was 9.1% in January 2016.

The trend line for B&NES shows an average at around 4.9% over the four year period December 2011-2015.



Growth of secure net income

This essentially involves the challenge of existing assets to justify their retention, re-investment or disposal and an acquisition strategy that targets the growth of secure net income.

Asset management plans

- » Retention of and engagement with key tenants
- » Target specific areas of the estate – to exploit opportunities for premium receipts at limited loss of rent as well as those where significant rental growth may be stimulated by active management
- » Understand growth potential and risk profile of assets within target areas
- » Identify underperforming assets
- » To inform lease restructuring decisions

Acquisition and restructures

In the last 3 years the Council has acquired:

- » 47 Milsom Street – FH purchased, £4.9m, NIY 4.75%, Rent £246,750 p.a
- » Jolly's - £3.85m, restructure resulting in increase in rent of £415,000 p.a
- » Seven dials – LLH purchased, £8m, NIY 6.64%, Rent £588,800 p.a

These acquisitions were funded through borrowing

Acquisition and restructures – future approach

- » Identifying the assets to acquire
- » A balancing act between investment risk and security of income
- » Aim to spread different levels of risk and security across the entire portfolio
- » Reducing exposure to retail sector
- » Previous acquisition funded through borrowing through PWLB

Funding options of future acquisitions and restructures

- » As PWLB rates increase however this will limit the nature of investment assets available through borrowing.
- » Therefore long term borrowing will only be used to fund acquisitions where the return is higher than the borrowing costs or as a short term bridge.
- » The alternative will use ring fenced capital receipts from disposals of underperforming and surplus commercial assets to fund certain acquisitions or to pay down existing borrowing.

Cost of managing the Commercial Estate

- » Staff budget for L&T function -
 - £395,000 per annum in 2015/16
 - £428,000 per annum in 2010/11
- » Staff resources as at 2015/16 equate to 2.66% of the total rent roll.
- » Traditionally estate management costs roughly 5% of rent roll, exclusive of transactional work.

Cost of managing the Commercial Estate

Staff resource within the L&T function

- » Head of Service
- » Team Manager
- » Senior Estates Surveyor
- » Estates Surveyors x 4
- » Estates Technicians x 3
- » Technical Estates Officer

Managing approximately 1,100 individual leasehold interests.

Critical partner

When compared with the private sector providers, Property Services produces upper quartile performance statistics in respect of its income generation and its void and debt management.

In order to enhance and maintain this position Property Services has appointed BNP Paribas Real Estate to act as its critical adviser.

Critical partner

Work with BNP has been focussed on four key areas:

- » Challenge the status quo ensuring industry best practice.
- » Composition of the investment portfolio
- » Understanding and mitigating the risk of the retail focus
- » Assist in the Development of an investment strategy based on the development of AMP's to support an acquisition and disposal programme in pursuance of the growth of secure net income.

Critical partner

Comments from BNP:

‘Underlying growth in net income [*from the commercial estate*] over the three years to 2013 had outperformed the Investment Property Databank index.’

‘The overall running costs of the commercial estate appeared competitive when compared to the limited market data available to us.’

(Extracts from a letter to B&NES from BNP Paribas Real Estate dated 19/01/16)

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Bath & North East Somerset

West of England Devolution Proposition
Members Briefing
20th January 2016



Bath and North East Somerset – *The place to live, work and visit*

Devolution

“The transfer or delegation of power to a lower level, especially by central government to local or regional administration”



The West of England Proposition

*'A prosperous economy with a rising
quality of life for all'*



Bath and North East Somerset – *The place to live, work and visit*

The West of England



Regional Strengths

- WoE generates some £28bn in economic output
- Strong historic performance:
 - Highest GVA growth rate 1997-2013
 - Demonstrated above average UK productivity
 - Home to a highly skilled / creative workforce
 - Highest population growth rate between the last 2 censuses



Regional Challenges

- **Funding** continues to decrease
- **Post recession growth** has slowed to below national average
- **Productivity**, whilst higher than the national average, has not grown in line with the rest of the UK
- **Infrastructure deficit** – including transport and housing affordability – is threatening to hold back growth
- **Population growth**
- **Some areas with high deprivation**, coupled with issues of skills attainment and access to employment



Objectives

The West of England's overall objective is one of sustainable
Economic growth and high quality of life

- £1bn infrastructure fund with (payment –by-results (PbR) deal)
- Devolved powers to maximise the impact of this investment
- 5% uplift in the economy in terms of both productivity and jobs



The proposition

Place

- Tackle the infrastructure deficit (£1bn Fund)
 - Transport
 - Housing
- Potential to deliver a 5% improvement in the economy
- Payment by results deal

People

- Infrastructure alone is not enough
- Joined up approach to:
 - Tackle inequalities
 - Reduce worklessness
 - Enhance fairness
 - Create opportunity for all

Governance

- A Combined Authority would be sufficient to deliver a joined up, devolved employment and skills programme
- A directly elected mayor requested by Government to provide democratic accountability for Payment-by-Results; Planning; Transport; Housing; and Supplemental Business Rates.
- WoE governance review is already underway



Next steps

- WoE has made significant progress to build consensus
- Ministerial meetings to agree on principles of deal February and March
- Co-design of detail with HMT officials, especially around how to prioritise Joint Spatial Plan & Joint Transport Plan project on economic grounds



RESOURCES PDS FORWARD PLAN

This Forward Plan lists all the items coming to the Panel over the next few months.

Inevitably, some of the published information may change; Government guidance recognises that the plan is a best assessment, at the time of publication, of anticipated decision making. The online Forward Plan is updated regularly and can be seen on the Council's website at:

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<http://democracy.bathnes.gov.uk/mgPlansHome.aspx?bcr=1>

The Forward Plan demonstrates the Council's commitment to openness and participation in decision making. It assists the Panel in planning their input to policy formulation and development, and in reviewing the work of the Cabinet.

Should you wish to make representations, please contact the report author or Michaela Gay, Democratic Services (01225 394411). A formal agenda will be issued 5 clear working days before the meeting.

Agenda papers can be inspected on the Council's website and at the Guildhall (Bath), Hollies (Midsomer Norton), Civic Centre (Keynsham) and at Bath Central, Keynsham and Midsomer Norton public libraries.

Ref Date	Decision Maker/s	Title	Report Author Contact	Strategic Director Lead
20TH JANUARY 2016				
20 Jan 2016	Resources PDS	Council Tax and Business Rate Liability for Student Accommodation (referred by Council)	Ian Savigar Tel: 01225 477327	Strategic Director - Resources
20 Jan 2016	Resources PDS	Commercial Estate	Richard Long, Derek Quilter Tel: 01225 477075, Tel: 01225 477739	Strategic Director - Resources
Page 46 20 Jan 2016	Resources PDS	West of England Devolution Update	David Trethewey Tel: 01225 396353	Strategic Director - Resources
8TH FEBRUARY 2016				
8 Feb 2016 10 Feb 2016 16 Feb 2016 E2800	Resources PDS Cabinet Council	Budget and Council Tax 2016/17 and Medium Term Financial Plan 2016/17 to 2019/20	Tim Richens Gary Adams Tel: 01225 477468 Tel: 01225 477107	Strategic Director - Resources
16TH MARCH 2016				
16 Mar 2016	Resources PDS	Council Connect	Ian Savigar Tel: 01225 477327	Strategic Director - Resources

Ref Date	Decision Maker/s	Title	Report Author Contact	Strategic Director Lead
16 Mar 2016	Resources PDS	Welfare Reform - Universal Credit and Council Tax Support	Ian Savigar Tel: 01225 477327	Strategic Director - Resources
16 Mar 2016	Resources PDS	City Deal and Devolution	Tim Richens Tel: 01225 477468	Strategic Director - Resources
18TH MAY 2016				
18 May 2016	Resources PDS	Pensions Board	Tony Bartlett Tel: 01225 477302	Strategic Director - Resources
18 May 2016	Resources PDS	Business Rate Retention - Impact of Government Changes	Tim Richens Tel: 01225 477468	Strategic Director - Resources
18 May 2016	Resources PDS	Digital Strategy	Angela Parratt Tel: 01225 396576	Strategic Director - Resources
13TH JULY 2016				
13 Jul 2016	Resources PDS	Use of Consultants and Agency Staff - Update on Task and Finish Group	Richard Howroyd Tel: 01225 477334	Strategic Director - Resources
13 Jul 2016	Resources PDS	Procurement Strategy - Think Local	Richard Howroyd Tel: 01225 477334	Strategic Director - Resources
14TH SEPTEMBER 2016				

Ref Date	Decision Maker/s	Title	Report Author Contact	Strategic Director Lead
14 Sep 2016	Resources PDS	Communications	Jonathan Mercer, David Trethewey Tel: 01225 477449, Tel: 01225 396353	Strategic Director - Resources
ITEMS TO BE SCHEDULED				
	Resources PDS	Training and Development	William Harding, David Trethewey Tel: 01225 477203, Tel: 01225 396353	Strategic Director - Resources
	Resources PDS	Equalities and Performance Impacts of Strategic Spending Review	David Trethewey Tel: 01225 396353	Strategic Director - Resources
Page 48 The Forward Plan is administered by DEMOCRATIC SERVICES : Michaela Gay 01225 394411 Democratic_Services@bathnes.gov.uk				