

Democratic Services

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Date: 7th November 2016
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To: All Members of the Cabinet

Councillor Tim Warren	Leader of the Council and Conservative Group Leader
Councillor Liz Richardson	Cabinet Member for Homes and Planning
Councillor Patrick Anketell-Jones	Cabinet Member for Economic Development, Conservative Deputy Group Leader Bath
Councillor Charles Gerrish	Cabinet Member for Finance and Efficiency, Conservative Deputy Group Leader North East Somerset
Councillor Vic Pritchard	Cabinet Member for Adult Social Care and Health
Councillor Anthony Clarke	Cabinet Member for Transport
Councillor Martin Veal	Cabinet Member for Community Services
Councillor Michael Evans	Cabinet Member for Children's Services
Councillor Paul Myers	Cabinet Member for Policy, Localism & Partnerships

Chief Executive and other appropriate officers
Press and Public

Dear Member

Cabinet: Monday, 14th November, 2016

You are invited to attend a meeting of the **Cabinet**, to be held on **Monday, 14th November, 2016** at **2.00 pm** in the **Council Chamber - Guildhall, Bath**.

The agenda is set out overleaf.

Yours sincerely

Jack Latkovic
for Chief Executive

The decisions taken at this meeting of the Cabinet are subject to the Council's call-in procedures. Within 5 clear working days of publication of decisions, at least 10 Councillors may signify in writing to the Chief Executive their wish for a decision to be called-in for review. If a decision is not called-in, it will be implemented after the expiry of the 5 clear working day period.

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 Jack Latkovic who is available by telephoning Bath 01225 394452 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 normally be received in Democratic Services by 4.30pm the previous Friday but Bank Holidays will cause this to be brought forward).

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 normally be received in Democratic Services by 4.30pm the previous Friday but Bank Holidays will cause this to be brought forward). 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 Jack Latkovic 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 Jack Latkovic 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.

8. Officer Support to the Cabinet

Cabinet meetings will be supported by the Senior Management Team.

9. Recorded votes

A recorded vote will be taken only when requested by a member of Cabinet.

Cabinet - Monday, 14th November, 2016

in the Council Chamber - Guildhall, Bath

A G E N D A

1. WELCOME AND INTRODUCTIONS
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 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. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR
5. QUESTIONS FROM PUBLIC AND COUNCILLORS

Questions submitted before the deadline will receive a reply from an appropriate Cabinet member or a promise to respond within 5 days of the meeting. Councillors may ask one supplementary question for each question they submitted, up to a maximum of two per Councillor.

6. STATEMENTS, DEPUTATIONS OR PETITIONS FROM PUBLIC OR COUNCILLORS

Councillors and members of the public may register their intention to make a statement if they notify the subject matter of their statement before the deadline. Statements are limited to 3 minutes each. The speaker may then be asked by Cabinet members to answer factual questions arising out of their statement.

7. MINUTES OF PREVIOUS CABINET MEETING (Pages 9 - 14)

To be confirmed as a correct record and signed by the Chair

8. CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

This is a standard agenda item, to cover any reports originally placed on the Weekly list for single Member decision making, which have subsequently been the subject of a Cabinet Member requisition to the full Cabinet, under the Council's procedural rules

9. MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES

This is a standing agenda item (Constitution rule 14, part 4D – Executive Procedure Rules) for matters referred by Policy Development and Scrutiny bodies. The Chair of

the relevant PDS Panel will have the right to attend and to introduce the Panel's recommendations to Cabinet.

10. SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING (Pages 15 - 26)

A list of Cabinet Single Member decisions taken and published since the last Cabinet meeting to note (no debate).

11. CONSIDERATION OF THE ESTABLISHMENT OF THE WEST OF ENGLAND COMBINED AUTHORITY (Pages 27 - 72)

At its meeting of 29th June 2016, Cabinet resolved to proceed with the next stage of the Devolution Deal announced in March 2016. As part of that decision Cabinet approved the Governance Scheme for public consultation.

Cabinet also resolved to:

“d) Authorise the Chief Executive to subsequently submit to the Secretary of State;

- i. the Governance Scheme;
- ii. the consultation responses received (or an appropriate summary); and
- iii. any further consultation response that the Council itself may wish to make to the Secretary of State for the Department of Communities and Local Government;

e) Authorise the Chief Executive to make any minor amendments or corrections to the governance scheme to enable publication of the scheme for public consultation.

f) Refer any resulting Order to Cabinet for approval.”

This report now provides Cabinet with an update of the actions taken since the 29th June, and asks Cabinet to consider the following recommendations.

12. ENGLISHCOMBE NEIGHBOURHOOD DEVELOPMENT PLAN (Pages 73 - 76)

Following the successful examination and referendum, this report seeks to make and bring into force the Englishcombe Neighbourhood Plan, so that it will be used by the Local Planning Authority to help determine planning applications within the Neighbourhood Area.

13. REVENUE & CAPITAL BUDGET MONITORING, CASH LIMITS AND VIREMENTS – APRIL TO SEPTEMBER 2016 (Pages 77 - 106)

This report presents the financial monitoring information for the Authority as a whole for the financial year 2016/17 to the end of September 2016.

14. TREASURY MANAGEMENT MONITORING REPORT TO 30TH SEPTEMBER 2016 (Pages 107 - 136)

In February 2012 the Council adopted the 2011 edition of the CIPFA Treasury Management in the Public Services: Code of Practice, which requires the Council to approve a Treasury Management Strategy before the start of each financial year, review performance during the year, and approve an annual report after the end of each financial year.

This report gives details of performance against the Council's Treasury Management Strategy and Annual Investment Plan 2016/17 for the first six months of 2016/17.

The Committee Administrator for this meeting is Jack Latkovic who can be contacted on 01225 394452.

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.

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BATH AND NORTH EAST SOMERSET

CABINET

These minutes are draft until confirmed as a correct record at the next meeting.

Wednesday, 19th October, 2016

Present:

Councillor Tim Warren	Leader of the Council and Conservative Group Leader
Councillor Liz Richardson	Cabinet Member for Homes and Planning
Councillor Patrick Anketell-Jones	Cabinet Member for Economic Development, Conservative Deputy Group Leader Bath
Councillor Charles Gerrish	Cabinet Member for Finance and Efficiency, Conservative Deputy Group Leader North East Somerset
Councillor Vic Pritchard	Cabinet Member for Adult Social Care and Health
Councillor Anthony Clarke	Cabinet Member for Transport
Councillor Martin Veal	Cabinet Member for Community Services
Councillor Michael Evans	Cabinet Member for Children's Services
Councillor Paul Myers	Cabinet Member for Policy, Localism & Partnerships

38 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting.

39 EMERGENCY EVACUATION PROCEDURE

The Senior Democratic Services Officer drew attention to the evacuation procedure as set out in the Agenda.

40 APOLOGIES FOR ABSENCE

There were no apologies for absence.

41 DECLARATIONS OF INTEREST

There were none.

42 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was none.

43 MINUTES OF PREVIOUS CABINET MEETING

RESOLVED that the minutes of the meeting held on Wednesday 7th September 2016 be confirmed as a correct record and signed by the Chair.

44 STATEMENTS, DEPUTATIONS OR PETITIONS FROM PUBLIC OR COUNCILLORS

Christine Boyd in a statement [*a copy of which is available at Democratic Services Minute Book and on the Council's website*] urged the Cabinet to approve the documents for consultation subject to officers making a minor amendment, as outlined in her statement.

Andrew Mercer in a statement [*a copy of which is available at Democratic Services Minute Book and on the Council's website*] urged the Cabinet not to rush in making the decision on Park and Ride.

Vicky Drew in a statement [*a copy of which is available at Democratic Services Minute Book and on the Council's website*] asked the Cabinet to consider all aspects, and the potential impacts before finalising contract with Virgin Healthcare.

Note: Councillor Paul May left the room before Vicky Drew read out her statement and returned when the statement was finished.

Councillor Eleanor Jackson in a statement [*a copy of which is available at Democratic Services Minute Book and on the Council's website*] said that Westfield Parish Council had supported strategic planning, though they had had concerns that important employment sites have been designated for housing. Councillor Jackson also said that the improvement of strategic transport corridors for the benefit of employment in the area must be adhered to; no development should take place in Westfield until there were substantial improvements of A367; and the railway line Radstock-Westbury-Frome should be restored.

Councillor Dine Romero welcomed that the West of England Partnership would carry out consultation, and asked for an assurance that statements read at this meeting would be considered as early responses to the consultation. Councillor Romero said that Liberal Democrats had expressed their concerns about any plans for Green Belt within the heritage site; that plans for Bathampton Meadows Park and Ride would not make any difference to the amount of traffic and levels of pollution in the city; that the Council would need to work closely with neighbouring authorities, especially with Wiltshire, to address existing problems in Bath; focus on integrated transport scheme which would not depend solemnly on car usage; concerns over proposed bypass and support for train station in Saltford; and concerns that report had had little about Somer Valley.

Councillor Tim Ball said that the failure to manage the Bristol housing situation had had an impact on Whitchurch. Councillor Ball urged the Cabinet to hold on to our Core Strategy and added that too much additional housing was likely to make people leave the area.

Councillor Will Sandry in a statement [*a copy of which is available at Democratic Services Minute Book and on the Council's website*] said that there was everything to welcome about a public consultation, and the residents of Bath and North East Somerset should be encouraged to respond.

Councillor Andrew Furse expressed his concerns that the Spatial Plan focuses on the existing economic areas and the A4 corridor. Councillor Furse felt that there was a significant risk that leave Radstock/Westfield/MSN would be left behind. The area already had had 2500 houses planned in the Core Strategy, and this spatial plan which was looking forward over 20 years, should be the mechanism used to improve jobs and economics of this area by building infrastructure to enable growth and opportunity. The infrastructure should include improved road links as well as reopening the Radstock to Frome rail link.

Councillor Cherry Beath said that the Council must make sure to have balanced communities and to continue to develop employment sites across the area. Councillor Beath also said that the Council should protect Green Belt and resist providing a solution to the housing problems from Bristol.

Councillor Paul May in a statement *[a copy of which is available at Democratic Services Minute Book and on the Council's website]* said that the Cabinet would probably have to approve the JSP moving to full consultation. However, the Cabinet should record their own reservation on the gap between the JSP and the Transport Vision in relation to the proposals in Whitchurch village (identified as suitable for an additional 3500 houses and a park and ride). Councillor May felt that this was unrealistic proposal and that he would be campaigning strongly against these proposals during the consultation period and beyond.

David Redgewell in a statement *[a copy of which is available at Democratic Services Minute Book and on the Council's website]* expressed concerns from South West Transport Network.

45 WEST OF ENGLAND JOINT SPATIAL PLAN AND TRANSPORT STUDY - EMERGING SPATIAL STRATEGY AND BATH & NORTH EAST SOMERSET CORE STRATEGY REVIEW

Councillor Liz Richardson said that this report would trigger three key policy elements:

- Consultation on an important high-level cross-authority spatial document “towards the emerging Spatial strategy”;
- Consultation on Council’s Core Strategy review commencement document;
- Adjustments to the Council’s local development scheme, to ensure timetables were adjusted to reflect the timescales attached and modifications required as a result of work on these documents.

This report asks the Cabinet to endorse the proposal to agree that these documents are released into a consultation process. This would enable people across the West of England (WoE) to have a further say on the West of England Joint Spatial Plan (JSP) and Joint Transport Study (JTS), when the next phase of the consultation opens on 7th November 2016. Those responses would be welcome information to

help shape this into a draft document next year. The four West of England Councils - North Somerset, Bristol City, South Gloucestershire and Bath and North East Somerset – had signed a commitment to work together in March 2014, as a result of a need to demonstrate A Duty to Co-operate – based on legislation introduced in the 2011 Localism Act.

Councillor Liz Richardson concluded her statement by saying that no decisions had been made at this stage, and she urged all the communities and stakeholders across the West of England to engage in the consultation which would start on 7th November 2016.

Councillor Liz Richardson moved the recommendations.

Councillor Anthony Clarke seconded the motion by saying that the Council, and the whole region, would need to think on transport issues now, and no housing or economic development should go ahead before an adequate infrastructure is in place. Councillor Clarke stressed the importance of planning and transport departments working together and also said that this Council would work with neighbouring authorities (Wiltshire and Somerset) and not only with the WoE region. This was a high-level document which should give an overall approach on what the Council, and the region, aspire to achieve. Councillor Clarke concluded his statement by saying that this was not the final document and urged everyone to respond to the consultation.

Councillor Patrick Anketell-Jones said that this document had represented 20 years of progress and this would be transformative period for WoE. This document would be an important part in developing the economy across the region. Councillor Anketell-Jones highlighted growing importance of Keynsham, links to Bath and importance of consultation responses on Green Belt issues.

Councillor Charles Gerrish said that this document had reflected all of the hard work that Council's planning team had undertaken over years. This document also recognises the importance of the definition of Green Belt. Councillor Gerrish also said that the infrastructure should be put in place first before any development takes place. Councillor Gerrish expressed his concerns about the vision for transport and urged the public to respond to the consultation. Councillor Gerrish concluded by expressing his concern that the document did not address aging population considering that the document mainly highlighted the need for walking and cycling.

Councillor Martin Veal said that he had fully endorsed and supported public consultation on this Study as a must to invest in infrastructure and observe and protect the Green Belt, and he supported comments from Cllr Gerrish and asked all officers to make a concerted effort to engage the majority of residents throughout the West of England, rather than be over-influenced by the easy access of lobby groups. Councillor Veal supported this document in principle, but challenged some of its assumptions, and asked for even-handed consultation and an in-depth look at proposals through the scrutiny process. Councillor Veal concluded his statement by saying that he supported promotion of walking and cycling, but he would want to see evidence that reflects the views of the many car drivers, many of whom must use their vehicles to access services, such as medical care, and to traverse the Towns and Cities and the wider area out of necessity.

Councillor Michael Evans also supported the need for a full consultation and highlighted more emphasis on highways.

Councillor Vic Pritchard said that this was not a complete document and that the transport report was in its infancy. Councillor Pritchard also expressed his concern on Saltford bypass and urged the residents to fully engage in the consultation.

Councillor Tim Warren said that the Council would be responding to the needs of our growing population and on increasing demands for homes and jobs. Councillor Warren also agreed that no development should take place before an adequate infrastructure is put in place. This next phase in the consultation would give local residents a further say on the West of England Joint Spatial Plan and Joint Transport Study. Councillor Warren concluded his statement by encouraging people to get involved and make their views known from 7th November 2016.

RESOLVED (unanimously) that the Cabinet endorsed:

- (1) The “Towards the Emerging Spatial Strategy” and the “West of England Transport Vision” document for the public consultation on the Joint Spatial Plan and Joint Transport Study commencing on 7 November 2016;
- (2) The Core Strategy Review commencement document for public consultation commencing on 7 November 2016;
- (3) The amendments proposed to the B&NES Local Development Scheme which will need to be agreed by Full Council in due course.

The meeting ended at 7.15 pm

Chair _____

Date Confirmed and Signed _____

Prepared by Democratic Services

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Bath & North East Somerset Council

Cabinet Single-Member Decisions and Responses to Recommendations from PDS Panels

published 27-Aug-16 to 3-Nov-16

Further details of each decision can be seen on the Council's Single-member Decision Register at <http://democracy.bathnes.gov.uk/mgDelegatedDecisions.aspx?&dm=3>

Adoption of the Public Protection and Health Improvement Enforcement Policy

The Public Protection and Health Improvement Enforcement Policy has been reviewed and updated to ensure that it is relevant and up to date.

Decision Maker: Cabinet Member - Community Services

Decision published: 01/11/2016

Effective from: 09/11/2016

Decision:

The Cabinet Member agrees to the adoption of the amended Enforcement policy.

Lead officer: Suzanne McCutcheon

Whitchurch Primary Land Purchase for Expansion

Approval to proceed to purchase land adjacent to Whitchurch Primary. Whitchurch Primary is to expand by 105 places to accommodate pupils from housing development in the area. In order to expand a piece of adjacent land needs to be purchased.

Decision Maker: Cabinet Member - Children's Services

Decision published: 31/10/2016

Effective from: 08/11/2016

Decision:

The Cabinet Member agrees to approve a capital budget of £30,000 from S106 developer contributions received to purchase the land from the Whitchurch Royal British Legion.

Lead officer: Anne Leach

RULE 16 - Property acquisition - Bath

The capital programme for 2016/17 currently has £5.9m fully approved and a further £5m provisionally approved for property acquisitions. This report seeks to move an

element of the £5m provisionally approved budget to a full approval in order to fully fund an acquisition of a property interest in Bath.

The decision is urgent as a result of the owner of the property requiring a completion date within 10 working days of exchanging Heads of Terms which were agreed on 12 October 2016. Appropriate due diligence will be undertaken prior to completion.

Decision Maker: Cabinet Member - Finance and Efficiency

Decision published: 27/10/2016

Effective from: 26/10/2016

Decision:

The Cabinet Member agrees that £1,861,650 of the £5million funding provisionally approved by Council in February 2016 for property acquisition be fully approved.

Lead officer: Richard Long

Decision to participate in a 100% Business Rates Retention Pilot commencing 1 April 2017

The Government is introducing pilot schemes in 2017/18 in advance of full 100% business rate retention later in the parliament. Only authorities with signed devolution deals are eligible to be in a pilot: the pilot for the West of England would therefore include B&NES, Bristol and South Gloucestershire. The 100% pilot would give the West of England authorities the opportunity to retain 100% of any business rates growth over the next two to three years, with no downside financial risk. It also gives the West of England authorities the opportunity to help shape the national scheme.

Decision Maker: Cabinet Member - Finance and Efficiency

Decision published: 17/10/2016

Effective from: 25/10/2016

Decision:

The Cabinet Member agrees that:

- (i) B&NES joins a 100% business rate retention pilot with Bristol and South Gloucestershire in 2017/18, subject to the final ratification of the Order for the West of England Devolution Deal.
- (ii) The principles of the 100% business rate retention pilot proposed by the Department for Communities and Local Government (DCLG) on the basis that the pilot will not leave any of the pilot authorities in the West of England any worse-off in financial terms.
- (iii) The final decision on the terms of the pilot following DCLG issuing a detailed proposal later in October 2016 be delegated to the Council's Chief Financial Officer in consultation with the Cabinet Member for Finance & Efficiency.

(iv) The funding streams that are proposed for the 100% business rate retention pilot, as set out in the supporting report, are approved.

(v) Agreement on the terms of a Memorandum of Understanding governing the redistribution scheme to ensure that no individual Authority can receive less than it would have done under the existing 50% scheme be delegated to the Council's Chief Financial Officer.

Lead officer: Tim Richens

River Corridor Fund 2016-17

Within the Council Budget approved on 16th February 2016, a capital fund of £150,000 was provisionally allocated for the River Corridor Fund 2016-17.

In order to bring forward the River Corridor Fund it is necessary to draw down against the allocated £150,000 capital funding.

Decision Maker: Cabinet Member - Homes and Planning

Decision published: 10/10/2016

Effective from: 18/10/2016

Decision:

The Cabinet Members agree that £80,000 of the provisional allocation of £150,000 within the 2016/17 capital programme be allocated to three specific river corridor projects:

- a. Up to £10,000 for a feasibility/viability assessment for mooring Investment on Council owned land, including Pulteney Moorings;
- b. £50,000 on Strategic Flooding Project: to provide essential partner match funding towards Environment Agency Strategic Outline Business Case for major repair of Twerton gates (maintain current standard) and explore and implement improvement options at Pulteney gate; and
- c. £20,000 on a Bat Habitat Strategy for River Corridor Development Sites (Bath Enterprise Area: Bath Quays).

Lead officer: Tim Hewitt

Housing Services Temporary Accommodation Placement Policy

This policy articulates how temporary accommodation is supplied and allocated in order to meet our statutory duties to eligible homeless households.

Decision Maker: Cabinet Member - Homes and Planning

Decision published: 30/09/2016

Effective from: 08/10/2016

Decision:

The Cabinet Member agrees that the Temporary Accommodation (TA) Placement Policy is adopted.

Lead officer: Sue Wordsworth

Saw Close Public Realm Improvements

Saw Close Public Realm.

Decision Maker: Cabinet Member - Transport

Decision published: 29/09/2016

Effective from: 07/10/2016

Decision:

The Cabinet Member agrees that the provisionally approved budget of £2.05m be given Full Approval to complete the design and deliver the Saw Close Public Realm project.

Lead officer: Tim Hewitt

Green Investment and Jobs Fund: Investment in Old Mill Hotel Hydro

The Green Investment & Jobs Fund (£1m) was approved by Council in February 2014, as 'Investment of a policy loan in local renewable energy projects to further a range of Council policy objectives, whilst generating a source of income for the Council and contributing to the creation of 'green' jobs.'

Decision Maker: Leader of the Council

Decision published: 19/09/2016

Effective from: 27/09/2016

Decision:

The Cabinet Members agree to the Council making a policy loan of £130,000 from the Green Investment & Jobs Fund to Bath & West Community Energy's Bathampton Old Mill Hotel Hydro project.

Lead officer: Jane Wildblood

Housing Services Reconnection Policy

The policy aims to help rough sleepers off the streets quickly. It sets out how we reconnect rough sleepers without a local connection by helping them to return home with an offer of accommodation and support. Rough sleepers with a connection to Bath and North East Somerset are helped to find housing and support within our district.

Decision Maker: Cabinet Member - Homes and Planning

Decision published: 06/09/2016

Effective from: 14/09/2016

Decision:

The Cabinet Member agreed that the revised Housing Services Reconnection Policy is adopted.

Lead officer: Sue Wordsworth

South West Outer Area, Bath TRO

Consideration of responses to public consultation.

Decision Maker: Cabinet Member - Transport

Decision published: 30/08/2016

Effective from: 07/09/2016

Decision:

The Cabinet Member AGREES that the proposals be implemented, modified or withdrawn as below:

1.1 Restrictions as detailed on plan A11 and A12.

Roads affected: Sheridan Road, Poolemead Road, Shaws Way, and Cameley Green

Restriction: Proposed No Waiting At Any Time markings

Recommendation: That the proposals are implemented as the Council received no objections to the implementation of these restrictions. These restrictions have been requested by the local Councillors, as parking in these locations obstructs visibility and access. It is therefore recommended that these proposed No Waiting At Any Time markings are implemented.

1.2 Restrictions as detailed on plan B11.

Roads affected: Cleeve Green

Restriction: Proposed No Waiting At Any Time markings

Recommendation: That the proposals are implemented as the Council received no objections to the implementation of these restrictions. These restrictions have been requested by the local Councillors, as parking in these locations obstructs visibility and access. It is therefore recommended that these proposed No Waiting At Any Time markings are implemented

1.3 Restrictions as detailed on plan D12.

Roads affected: Millmead Road, South Avenue, and Mayfield Road

Restriction: Proposed No Waiting At Any Time markings

Recommendation: That the proposals are implemented as the Council received no objections to the implementation of these restrictions. These restrictions have been requested by the local Councillors, as parking in these locations obstructs visibility and access. It is therefore recommended that these proposed No Waiting At Any Time markings are implemented

1.4 Restrictions as detailed on plan D13.

Roads affected: Victoria Close, Dartmouth Avenue, and Lymore Gardens

Restriction: Proposed No Waiting At Any Time markings

Recommendation: That the proposals are implemented as the Council received no objections to the implementation of these restrictions. These restrictions have been

requested by the local Councillors, as parking in these locations obstructs visibility and access. It is therefore recommended that these proposed No Waiting At Any Time markings are implemented

1.5 Restrictions as detailed on plan D18.

Roads affected: Barrow Road and Frome Road.

Restriction: Proposed No Waiting At Any Time markings

Recommendation: That the proposals are implemented as the Council received no objections to the implementation of these restrictions. These restrictions have been requested by the local Councillors, as parking in these locations obstructs visibility and access. It is therefore recommended that these proposed No Waiting At Any Time markings are implemented

1.6 Restrictions as detailed on plan D16.

Roads affected: Stirlingale Road.

Restriction: Proposed No Waiting At Any Time markings

Recommendation: That the proposals are implemented as the Council received no objections to the implementation of these restrictions. These restrictions have been requested by the local Councillors, as parking in these locations obstructs visibility and access. It is therefore recommended that these proposed No Waiting At Any Time markings are implemented

1.7 Restrictions as detailed on plan E14.

Roads affected: Cotsworld Road

Restriction: Proposed No Waiting At Any Time markings

Recommendation: That the proposals are implemented as the Council received no objections to the implementation of these restrictions. These restrictions have been requested by the local Councillors, as parking in these locations obstructs visibility and access. It is therefore recommended that these proposed No Waiting At Any Time markings are implemented

1.8 Restrictions as detailed on plan E14.

Roads affected: Oldfield Lane.

Restriction: Proposed No Stopping, Mon – Fri, 8am – 6pm on School Entrance Markings.

Recommendation: That the proposals are implemented as the Council received no objections to the implementation of these restrictions. These restrictions have been requested by the local Councillors, as parking in these locations obstructs visibility and creates a safety concern for children leaving and arriving at the school entrance. The current No Parking Between 8am – 6pm restriction still allows people to drop off and pick up in this location. This is considered to be unsafe. It is therefore recommended that these proposed No Stopping, Mon – Fri, 8am – 6pm on School Entrance Markings are implemented.

1.9 Restrictions as detailed on plan F16.

Roads affected: Bloomfield Road and Englishcombe Lane

Restriction: Proposed No Waiting At Any Time markings.

Recommendation: That the proposals are implemented as the Council received no objections to the implementation of these restrictions and 1 comment of support. These restrictions have been requested by the local Councillors, as parking in these locations obstructs visibility and access. It is therefore recommended that these proposed No Waiting At Any Time markings are implemented

1.10 Restrictions as detailed on plan D11.

Roads affected: Burnham Road and Lower Bristol Road

Restriction: Proposed No Waiting At Any Time markings.

Recommendation: That the proposals are implemented as the Council received no objections to the implementation of these restrictions. These restrictions have been requested by the local Councillors, as parking in these locations obstructs visibility and access. It is therefore recommended that these proposed No Waiting At Any Time markings are implemented.

1.11 Restrictions as detailed on plan D11.

Roads affected: Bellotts Road.

Restriction: Proposed No Waiting At Any Time markings and No Waiting Between Mon – Sat, 7am – 6pm markings

Recommendation: That the proposals are implemented as the Council received no objections to the implementation of these restrictions. These restrictions have been requested by the local Councillors, as parking in these locations obstructs access. It is therefore recommended that these proposed restrictions are implemented.

1.12 Restrictions as detailed on plan E11.

Roads affected: South View Road, Caledonian Road, Denmark Road, and Stuart Place

Restriction: Proposed No Waiting At Any Time markings.

Recommendation: That the proposals are implemented as the Council received only 1 objection to the implementation of these restrictions and 1 comment of support in part. It was felt that the additional No Waiting At Any Time markings would further restrict the valuable and limited on-street parking availability in the area and lead to the migration of parking issues. These restrictions have been requested by the local Councillors, and approved by the area safety engineer as parking in these locations obstructs visibility and access. It is therefore recommended that these proposed No Waiting At Any Time markings are implemented.

1.13 Restrictions as detailed on plan E13.

Roads affected: Third Avenue and Second Avenue

Restriction: Proposed No Waiting At Any Time markings

Recommendation: That the proposals are implemented. The Council received 2 objections to the implementation of these restrictions based on the limited available on-street parking stock and the pressures on local residents and the lack of current enforcement. These restrictions have been requested however by the local Councillors and agreed by the area safety engineer, as parking in these locations

obstructs access. It is therefore recommended that these proposed restrictions are implemented.

1.14 Restrictions as detailed on plan E15.

Roads affected: Moorfields Road (eastern end)

Restriction: Proposed No Waiting At Any Time markings

Recommendation: That the proposals are withdrawn. The Council received 3 objections to the implementation of these restrictions based on the limited available on-street parking stock and the pressures on local residents and no comments of support. It is therefore recommended that these proposed restrictions are not implemented.

1.15 Restrictions as detailed on plan D15, D14, and E15.

Roads affected: The Oval, Oak Avenue, Englishcombe Lane, Acacia Grove, Ash Grove, Chestnut Grove, Cedar Grove, Beech Grove, Moorfield Road, Hazel Grove, and Monksdale Road.

Restriction: Proposed No Waiting At Any Time markings

Recommendation: That the proposals are modified. The Council received 4 objections to the implementation of these restrictions based on the limited available on-street parking stock and the pressures on local residents and no comments of support. These restrictions however have been requested by the local Councillors, as parking in these locations obstructs visibility and access. It is therefore recommended that these proposed restrictions are implemented in part around the junctions only of The Oval with Monksdale Road, Hazel Grove, Ash Grove, Chestnut Grove, Acacia Grove, Oak Avenue, Cedar Grove, Moorfield Road, and Beech Grove and Oak Avenue with Englishcombe Lane, to improve access and visibility for emergency and refuse vehicles.

1.16 Restrictions as detailed on plan F13 and F14.

Roads affected: Bloomfield Avenue and Oldfield Road.

Restriction: Proposed No Waiting At Any Time markings and No Waiting Between Mon – Fri, 8am – 6pm.

Recommendation: That the proposals are modified. The Council received 4 objections to the implementation of these restrictions based on the limited available on-street parking stock and the pressures on local residents and 4 comments of support in part. A wish to include further restrictions on the opposite side of the highway was expressed but only those restrictions recommended can be considered. Additional restrictions must be considered through a further consultation process. These restrictions have been requested by the local Councillors, as parking in these locations obstructs visibility and access. It is therefore recommended that these proposed restrictions are implemented in part. It is recommended that the No Waiting At Any Time markings around the junction of Oldfield Road and Bloomfield Avenue are implemented to improve access and visibility for emergency and refuse vehicles. It is also recommended that the proposed No Waiting At Any Time markings on the north west and north east corners of Bloomfield Avenue as

indicated on the plans F13 and F14 are implemented to improve access and visibility for emergency and refuse vehicles. It is also recommended that the No Waiting Between Mon-Fri, 8am-6pm on the western side of Bloomfield Avenue outside property number 42 is implemented as parking on both sides of this section of highway during peak periods causes an obstruction. It is recommended that the other two proposed sections of No Waiting Between Times markings are not implemented at this time due to the limited available on-street parking stock and objections from local residents.

Lead officer: Kris Gardom

South East Outer Area, Bath TRO

Consideration of responses to public consultation.

Decision Maker: Cabinet Member - Transport

Decision published: 30/08/2016

Effective from: 07/09/2016

Decision:

The Cabinet Member AGREES that the proposals be implemented, modified or withdrawn as below:

1.1 Restrictions as detailed on plan G13 and H13.

Roads affected: Calton Gardens

Restriction: Proposed No Waiting At Any Time markings

Recommendation: That the proposals are withdrawn as the Council received 37 objections to the implementation of these restrictions and no comments of support. It is therefore recommended that these proposed No Waiting At Any Time markings are not implemented at this time.

1.2 Restrictions as detailed on plan H17.

Roads affected: Meare Road and Queen's Drive

Restriction: Proposed No Waiting At Any Time markings

Recommendation: That the proposals are implemented as the Council received only 1 objection to the implementation of these restrictions, however these proposals were requested by Local Councillors to improve access and visibility for emergency and refuse vehicles around this junction It is therefore recommended that these proposed No Waiting At Any Time markings are implemented.

1.3 Restrictions as detailed on plan I19.

Roads affected: Combe Road Close

Restriction: Proposed No Waiting At Any Time markings

Recommendation: That the proposals are withdrawn as the Council received 5 objections to the implementation of these restrictions and only 1 comment of support. As on-street parking stock is limited in this area and due to the lack of local support

on this small cul-de sac it is recommended that these restrictions are not implemented at this time.

1.4 Restrictions as detailed on plan J18.

Roads affected: Church Road

Restriction: Proposed No Waiting At Any Time markings

Recommendation: That the proposals are implemented as the Council received 1 objection and 1 comment of support to the implementation of these restrictions. These proposals were requested by the local councillor to improve manoeuvrability for vehicles within the turning head at the end of Church Road by upgrading the existing advisory white keep clear markings into enforceable No Waiting At Any Time markings.

1.5 Restrictions as detailed on plan J17.

Roads affected: Claverton Down Road

Restriction: Proposed No Stopping on School Entrance Markings, Mon – Fri, 8am – 6pm

Recommendation: That the proposals are implemented as the Council received no objections and 1 comment of support in part to the implementation of these restrictions. These proposals were requested by the local councillor to improve accessibility and visibility when entering and exiting the school grounds onto the busy Claverton Down Road.

1.6 Restrictions as detailed on plan I12.

Roads affected: Pulteney Road

Restriction: Proposed No Waiting At Any Time markings

Recommendation: That the proposals are implemented as the Council received no objections to the implementation of these restrictions and these proposals were requested by the local councillor to improve visibility on this section of highway.

1.7 Restrictions as detailed on plan J11.

Roads affected: Bathwick Hill

Restriction: Proposed extension of Residents Parking Zone A, Mon - Sat, 8am – 6pm and 4 hours Limited Parking No Return within 1 hour.

Recommendation: That the proposals are withdrawn. The Council received 3 objections, 2 comments of support and 2 comments of support in part. After a full consultation process in excess of 50% of the total number of residents of the streets directly affected must be in favour of the proposals to ensure a clear majority are in favour due to the restrictive and fiscal impact of a scheme. Therefore as the Council did not receive an over whelming majority in favour, it is recommended that Resident Parking Zone A is not extended at this time. It is also recommended that the 4 hour limited waiting restriction is not implemented as without the Resident Parking element this would have a direct impact on local residents.

1.8 Restrictions as detailed on plan K17, M17, M16, and L17.

Roads affected: Claverton Down Road

Restriction: Proposed No Waiting At Any Time markings

Recommendation: That the proposals are implemented as the Council received no objections to the implementation of these restrictions and 1 comment of support and 2 comments of support in part. The managers of open access countryside wanted it noted that they do feel the restrictions will create an issue for local residents and the general public who wish to access the Claverton Down countryside. These proposals however were requested by the local councillor and our Traffic & Safety Engineer. It is therefore recommended that these proposed restrictions are implemented.

1.9 Restrictions as detailed on plan H14.

Roads affected: Lyncombe Hill

Restriction: Proposed No Waiting At Any Time markings

Recommendation: That the proposals are implemented. The Council received 5 objections to the implementation of these restrictions, however these proposals have been approved by the Local Councillor and the area Traffic & Safety Engineer. A proposal was put forward in a previous TRO to remove the whole parking bay (2 cars length). It was considered that parking in this location does act as a traffic calming measure and it was therefore recommended by the Safety Engineer that at least one space should remain. The new proposals were drafted recommending the removal of one space only. As parking in this location obstructs the safe access of vehicles to and from the adjacent property, it is recommended that the proposal to remove one Resident Parking space and replacement with No Waiting At Any Time markings is implemented.

1.10 Restrictions as detailed on plan E19 and F19

Roads affected: Kempthorne Lane

Restriction: Proposed No Waiting At Any Time markings

Recommendation: That the proposals are withdrawn as the Council received 16 objections to the implementation of these restrictions and 1 comment of support in part. A number of the comments received said that the restrictions did not go far enough to tackle obstruction and access issues. There were also concerns that parking would migrate into Clara Cross Lane and that any proposals should consider this section of the highway too. It is therefore recommended that these proposals are withdrawn at this time and that new proposals and further consultation with residents is carried out.

Lead officer: Kris Gardom

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Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	14 November 2016	EXECUTIVE FORWARD PLAN REFERENCE:
		E2909
TITLE:	Consideration of the establishment of the West of England Combined Authority	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		

1 THE ISSUE

1.1 At its meeting of 29th June 2016, Cabinet resolved to proceed with the next stage of the Devolution Deal announced in March 2016. As part of that decision Cabinet approved the Governance Scheme for public consultation.

1.2 Cabinet also resolved to:

- “d) Authorise the Chief Executive to subsequently submit to the Secretary of State;
 - i. the Governance Scheme;
 - ii. the consultation responses received (or an appropriate summary); and
 - iii. any further consultation response that the Council itself may wish to make to the Secretary of State for the Department of Communities and Local Government;
- e) Authorise the Chief Executive to make any minor amendments or corrections to the governance scheme to enable publication of the scheme for public consultation.
- f) Refer any resulting Order to Cabinet for approval.”

1.3 This report now provides Cabinet with an update of the actions taken since the 29th June, and asks Cabinet to consider the following recommendations.

2 RECOMMENDATION

The Cabinet is asked to:

- 2.1 Note the Summary of Consultation Responses Report and the Representations submitted to the Secretary of State;
- 2.2 Subject to the safeguard in recommendation 2.4 below, to give consent to the establishment of the West of England Combined Authority
- 2.3 Appoint the Leader of the Council as this Council's Member of West of England Combined Authority,
- 2.4 Delegate to the Chief Executive, in consultation with the Leader of the Council, authority to take all decisions, to make all necessary appointments, arrangements and provide written confirmation to the Secretary of State consenting to the making of the Order creating a West of England Combined Authority.
- 2.5 Delegate authority to the Monitoring officer to make all consequential amendments to the Constitution

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The financial implications were previously set out in detail as part of the Cabinet Report dated 29th June 2016, specifically at Appendix 6

<http://modern.gov/documents/g4841/Public%20reports%20pack%2029th-Jun-2016%2015.30%20Cabinet.pdf?T=10>

- 3.2 The financial implications are largely unchanged from the position presented there, with the exceptions set out below. The impact of the treatment of specific highways and transport powers is as follows:
- 3.3 Highways – no statutory highway authority functions will now be conferred on the WECA and as such no apportionment of existing revenue funding will be required.
- 3.4 Transport – the DCLG has indicated that, in line with the Scheme, the WECA will be designated as the Transport Authority with:
 - joint powers in respect of passenger transport in areas other than integrated transport areas and passenger transport areas (socially necessary bus services) for subsidised buses including community transport;
 - the delivery and operation of bus lanes/gates remaining with the constituent Councils; and
 - the WECA being responsible for Concessionary Fares.
- 3.5 Arrangements will need to be made by the WECA for the delivery of the relevant functions, most likely by way of commissioning or delegation back to the relevant constituent council. The WECA will levy appropriately for the

costs of these services and no net additional costs are anticipated to those currently incurred by the individual councils.

- 3.6 Borrowing – final details have yet to be confirmed by DCLG although it is anticipated that borrowing may initially be limited to Transport capital schemes, specific borrowing limits may be applied to MCAs. It is anticipated that the draft Order will confirm that any borrowing proposals will be subject to unanimous agreement by the WECA.
- 3.7 Levying Arrangements – it is understood that transitional arrangements will be put in place to ensure any initial levy for powers transferring to the WECA (e.g. transport) will not impact on the constituent councils' calculations for council tax referendum limits.
- 3.8 In addition to the provisions within the original deal, the Government is introducing pilot schemes for 100% business rate retention in 2017/18 in advance of a national scheme later in the parliament. Only authorities with signed devolution deals are eligible to be in a pilot: the pilot for the West of England would therefore include B&NES, Bristol and South Gloucestershire.
- 3.9 The 100% pilot will give the three authorities the opportunity to retain 100% of any business rates growth over the next two to three years, with no downside financial risk when compared to remaining in the national system. It also gives the three authorities the opportunity to help shape the national scheme. Based on the budgeted level of business rates income in 2016/17, this will deliver a significant benefit.
- 3.10 The pilot will run until the national 100% retention scheme is introduced in either 2019/20 or 2020/21. The Pilot will include the rolling in of the Revenue Support Grant for the three councils with the WECA receiving a share of the business rates to reflect the rolling in of the DfT Integrated Transport Block and Highways Maintenance Capital Grants; this is expected to be 5%.
- 3.11 As part of the Local Government Finance Settlement for 2016/17, the Government included plans to provide Local Authorities a 4 year financial settlement. This is subject to individual councils submitting a fully approved Efficiency Plan covering this period. Subsequent to this the Secretary of State agreed as part of the West of England Devolution Deal, a lighter touch approach to the Efficiency Plan requirements for the three authorities.
- 3.12 Each of the three authorities made the appropriate light touch submissions to the DCLG to meet the 14th October 2016 deadline. DCLG subsequently advised that the approval of Efficiency Plans announcement is anticipated in November 2016.
- 3.13 DCLG has clarified that Mayoral Election Costs should initially be met by the three authorities and will then be fully recharged to the WECA. The WECA will be able to meet these costs from the revenue element of the gainshare funding.
- 3.14 There are no personnel implications that arise directly from this report.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The legal implications were set out in the report of 29th June 2016. Each stage of establishment of the WECA is subject to statutory process. Details of the process to be followed by the Secretary of State are set out at paragraph 5 below.
- 4.2 In addition to the Order establishing the WECA, there will be a number of associated generic orders; these will relate to all authorities seeking devolution deals. The generic orders relate to Finance, Overview and Scrutiny, Audit and Election arrangements. It is not anticipated that these Orders will require separate consents from the Council
- 4.3 As referred to at 5.14 below, members will be provided with details of the latest draft order and any relevant update report, prior to the meeting
- 4.4 The consent of the Cabinet is required to the matters set out in this report so as to enable the Secretary of State to make an Order to establish the West of England Combined Authority.
- 4.5 All 3 Council's must agree to the establishment of the WECA on the 14 November to enable Parliament to meet the statutory timetable to establish the WECA by 1 April 2017. Accordingly, the call-in exception (Rule 5) set out in the Constitution at Part 4 D 1 therefore applies and the usual call in rules do not apply(see para 5.17 below).

5 THE REPORT

- 5.1 Consultation on the Scheme for the WECA ran for six weeks between 4th July and 15th August 2016. The consultation was undertaken in accordance with the methodology approved on 29th June. The purpose of the consultation was to seek views from the public on the establishment of a WECA as a means of exercising devolved powers from Government. Responses were sought from as wide and diverse an audience as possible – using Plain English and various communication and engagement methods to achieve this.
- 5.2 Consultees including residents, businesses, voluntary and community organisations, and other stakeholders were invited to participate through a range of mechanisms. Responses were received online, on paper and in some cases sent directly to government. Information and surveys were made available across the region.
- 5.3 A high level summary of the responses received is set out below:
 - 2,011 individual residents, businesses, voluntary and community organisations and other stakeholders participated in a survey
 - 14 organisations and individuals provided a response by email.
 - 471 responses were received from Bath and North East Somerset,
 - 685 from Bristol and
 - 531 from South Gloucestershire.
 - 66 responses were received from 13 other local authority areas

258 had missing or incomplete postcodes.

5.4 The majority of respondents (55%) expressed support for the WECA. There were differences in views in the different council areas.

Bath and North East Somerset: 44% Agreed and 45% Disagreed

South Gloucestershire: 50% Agreed and 37% Disagreed

Bristol 70% Agreed and 20% Disagreed.

5.5 There were also clear differences in views with age, with younger respondents more likely to be in favour of proposals compared to older people.

5.6 In response to whether a Mayor would provide increased accountability and transparency for decisions affecting the region:

47% of respondents Agreed, 38% Disagreed and 14% were Unsure

5.7 There was more support for transport and housing proposals compared to adult education and business proposals, although the shift in views was due to respondents being unsure rather than disagreeing with business and adult education proposals.

5.8 Following the close of the consultation a report summarising the outcome of the consultation responses was prepared. In addition a Representation made on behalf of the WECA Authorities was also prepared. In accordance with the resolution of the Council, both documents were submitted to the Secretary of State. The submission can be viewed in full at:

<http://www.westofenglanddevolution.co.uk/>.

5.9 The Secretary of State must take account of the consultation responses in determining whether the proposed scheme meets the statutory tests, and thus proceed to lay the draft Order before Parliament with the intention of making an Order establishing the WECA.

The Statutory Test

5.10 Having considered the Scheme and the responses to the public consultation, the Secretary of State must consider whether the statutory tests have been met. The tests are:

- i) whether the establishment of a combined authority for the area is likely to improve the exercise of statutory functions
- ii) the constituent authorities consent to the establishment of a combined authority

5.11 The governance review was included as Appendix 2 to the June 2016 report. It concluded that a combined authority would improve the exercise of statutory functions

- 5.12 If the Secretary of State is satisfied that the statutory tests have been met, he can proceed to lay an Order before Parliament. In making the Order, the Secretary of State must have regard to the Scheme as submitted by the Constituent authorities and should not deviate from the Scheme without good reason.
- 5.13 It is understood that the Secretary of State has reached the conclusion that the Scheme does meet the statutory tests. Officers have been advised that the Order will reflect the Scheme subject to a table, which will be circulated prior to the meeting and will highlight any final variations.
- 5.14 Members will be provided with details of the latest draft Order prior to the meeting along with any relevant update to this report.

Parliamentary Process

- 5.15 In the event the Councils approve the terms of the WECA, and resolve to continue to proceed with the devolution deal, the Secretary of State will be required to lay before Parliament:
- i) a draft statutory instrument containing the draft Order
 - ii) a report explaining the effect of the draft Order and why the Secretary of State considers it appropriate to make the Order.
- 5.16 The report must include details of the consultations, representations and any other evidence or contextual information the Secretary of State has considered.
- 5.17 The Parliamentary timetable indicates that the draft statutory instrument and report of the Secretary of State will be laid before Parliament by 24th November 2016. Once a draft statutory instrument is laid before Parliament, there is no opportunity for it to be further amended
- 5.18 It is anticipated that the Parliamentary process will be concluded by the Christmas recess, allowing the Order establishing the WECA to be made prior to Christmas, and the election for the directly elected Mayor will be held on 4th May 2017

6 RATIONALE

- 6.1 The outcome of the public consultation across the region broadly supported the creation of the WECA and it is understood that the Secretary of State is of the opinion:

“that the order is likely to improve the exercise of statutory functions in the area of the proposed combined authority and has regard to the need to reflect the identities and interests of the local communities and to secure effective and convenient local government”.

7 OTHER OPTIONS CONSIDERED

- 7.1 None

8 CONSULTATION

- 8.1 As set out above the Governance Scheme was subject to six weeks statutory public consultation, details of which have been reported to the Secretary of State and in the event the Secretary of State lays the draft Order before Parliament, his accompanying report will contain details of the consultations taken into account.
- 8.2 The Council has assessed its obligations in relation to the public sector equalities duty under section 149 of the Equality Act 2010 (PSED) and has concluded that the immediate decision primarily relates to the potential establishment of a different form of governance rather than decisions that could be deemed to impact on the rights of groups or individuals with a protected characteristic or others protected under the PSED.
- 8.3 However in undertaking the public consultation the councils were conscious of the PSED. The report of 29th June approved a consultation methodology that took full account of the PSED. The consultation was undertaken in accordance with the approved methodology. A working Equalities Impact Assessment has been established for the devolution project as a whole and this will be updated at each stage of the process to ensure that actions taken are relevant to the specific stages.
- 8.4 The Order for the establishment of the WECA will ensure that it is subject to the PSED. The WECA itself when established will be bound by the PSED as a body exercising public functions and will therefore be under an obligation to have regard to it when exercising its function

9 RISK MANAGEMENT

A risk assessment related to the issues and recommendations in this report has been undertaken. The key risk is that if no Order is made, no Combined Authority will be established.

Contact person	David Trethewey, Divisional Director Strategy and Performance
Background papers	Risk register Council Report 269 June 2016 Consultation response report and representations made on behalf of the WECA Authorities
Please contact the report author if you need to access this report in an alternative format	

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Bath & North East Somerset Council

MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	14 November 2016	EXECUTIVE FORWARD PLAN REFERENCE:
TITLE:	AGENDA ITEM 11 UPDATE TO THE CABINET REPORT Consideration of the Establishment of the West of England Combined Authority	
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report:</p> <p>Appendix A Draft Order</p> <p>Appendix B Table of Changes to the Governance Scheme</p>		

1 THE ISSUE

- 1.1 To provide members with an update of the information received from DCLG following the publication of the Cabinet Agenda.
- 1.2 The background to this item is set out in the report included at Agenda item 11, ("the Principal Report") and in the reports to Cabinet & Council of 29th June 2016. Since publication of the Cabinet agenda, DCLG has provided the Councils with a draft of the Statutory Instrument ("the Draft Order") which will, if made, establish the West of England Combined Authority ("WECA").(Appendix A).

2 AMENDED RECOMMENDATION

The Cabinet :

- 2.1 Notes the Summary of Consultation Responses report, and the Representations submitted to the Secretary of State
- 2.2 Notes the principles in the Governance Scheme are delivered subject to the variations detailed in Appendix B

- 2.3 Subject to the safeguard in recommendation 2.5 below gives consent to the establishment of the West of England Combined Authority
- 2.4 Appoints the Leader of the Council as this Council's Member of West of England Combined Authority
- 2.5 Delegates to the Chief Executive, in consultation with the Leader of Council, the authority to take all decisions, to make all necessary appointments, arrangements and provide written confirmation to the Secretary of State consenting to the making of the Order creating a West of England Combined Authority,
- 2.6 Delegates authority to the Monitoring Officer to make all consequential amendments to the Constitution

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 There are as set out in the principal report at paragraph 3. An amendment is required to the principal report at paragraph 3.4 1st bullet point; the wording should read:

“Joint powers in respect of passenger transport in areas other than integrated transport areas and passenger transport areas (socially necessary bus services)”

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 These are as set out in the principal report at paragraph 4

5 THE REPORT

- 5.1 The draft Order has been provided on the basis that it remains subject to amendment while it continues to go through the relevant Parliamentary processes. The final form of the Order will be settled at the time it is laid before Parliament after which it cannot be amended. It is anticipated that the Order will be laid in the week commencing 21st November 2016.
- 5.2 Officers have considered the Draft Order and are satisfied that it reflects the intention of the Councils as set out in the Governance Scheme, subject to the variations detailed in Appendix B to this Update Report.
- 5.3 Officers will continue to liaise with DCLG to identify points of clarification. However it is expected that the Order when laid will reflect the terms of this draft Order.

6 RATIONALE

- 6.1 The Draft Order now provided by DCLG reflects the terms of the Governance Scheme as approved by Council and Cabinet in June 2016. The changes detailed in Appendix B are considered to be consistent with the principles established by the Scheme.

6.2. In the event Cabinet resolves to adopt the recommendations set out above, the DCLG will write to the Council to request formal written consent on behalf of the Council to the making of the Order establishing the WECA. Officers will provide any necessary advice to the Chief Executive and Leader prior to the formal giving of consent on behalf of the Council.

7 OTHER OPTIONS CONSIDERED

7.1 None

8 CONSULTATION

8.1 The Consultations undertaken are as set out in the principal report at paragraph 8

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. The key risk is that if no order is made, no Combined Authority will be established

Contact person	David Trethewey, Divisional Director Strategy and Performance
Background papers	None.
Please contact the report author if you need to access this report in an alternative format	

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Draft Order laid before Parliament under section 117(2) of the Local Democracy, Economic Development and Construction Act 2009, for approval by resolution of each House of Parliament.

D R A F T S T A T U T O R Y I N S T R U M E N T S

2016 No.

LOCAL GOVERNMENT, ENGLAND

TRANSPORT, ENGLAND

The West of England Combined Authority Order 2016

Made - - - -

Coming into force in accordance with article 1

This Order is made in exercise of the powers conferred by sections 103 to 105, 105A, 107A, 107D, 107E, 114 and 117 of, and paragraph 3 of Schedule 5A to and paragraph 3 of Schedule 5B to, the Local Democracy, Economic Development and Construction Act 2009(a) (“the 2009 Act”).

The Secretary of State, having regard to a scheme prepared and published under section 109 of the 2009 Act considers that—

- (a) the making of this Order is likely to improve the exercise of statutory functions in the area to which this Order relates, and
- (b) any consultation required by section 110(2) of the 2009 Act has been carried out.

The Secretary of State is satisfied that the area to which this Order relates meets the conditions set out in section 103 of the 2009 Act.

In making this Order, the Secretary of State has had regard to the need to reflect the identities and interests of local communities, and to the need to secure effective and convenient local government.

In accordance with sections 105(3A), 104(10) and 105B(2)(b) of the 2009 Act the councils for the local government areas of Bath and North East Somerset, Bristol City and South Gloucestershire have consented to the making of this Order.

(a) 2009 c. 20. Section 103 was amended by sections 12 and 14 of the Cities and Local Government Devolution Act 2016 (c. 1). Section 104 was amended by sections 8 and 14 of, and Schedule 5 to, the Cities and Local Government Devolution Act 2016. Section 105 was amended by sections 6, 9 and 14 of the Cities and Local Government Devolution Act 2016. Section 105A was inserted by section 7 of the Cities and Local Government Devolution Act 2016. Section 107A was inserted by section 2 of the Cities and Local Government Devolution Act 2016. Sections 107D and 107E were inserted by section 4 of the Cities and Local Government Devolution Act 2016. Section 114 was amended by Schedule 5 to the Cities and Local Government Devolution Act 2016. Section 117(2), (2A) and (3) was substituted by section 13 of the Localism Act 2011 (c. 20) and amended by paragraph 24 of Schedule 5 to the Cities and Local Government Devolution Act 2016. Schedule 5A was inserted by Schedule 3 to the Cities and Local Government Devolution Act 2016. Schedule 5B was inserted by Schedule 2 to the Cities and Local Government Devolution Act 2016.

(b) Section 105B was inserted by section 7 of the Cities and Local Government Devolution Act 2016.

In accordance with section 105B(9) of the 2009 Act the Secretary of State has laid before Parliament a report explaining the effect of this Order and why the Secretary of State considers it appropriate to make this Order.

A draft of this instrument has been laid before, and approved by a resolution of, each House of Parliament pursuant to section 117(2) of the 2009 Act.

PART 1

General

Citation and commencement

- 2.**—(1) This Order may be cited as the West of England Combined Authority Order 2016.
(2) This Order shall come into force as provided for in the following paragraphs.
(3) Parts 1, 2, 3, 6 and 8 shall come into force on either—
(a) 1st February 2017, or
(b) if the Order is made on or after 1st February 2017, on the day after the day on which the Order is made.
(4) Parts 5 and 7 shall come into force on 8th May 2017.
(5) Part 4 shall come into force on 8th May 2018.

Interpretation

3. In this Order—

“the 1980 Act” means the Highways Act 1980(**a**);

“the 1989 Act” means the Local Government and Housing Act 1989(**b**);

“the 1990 Act” means the Town and Country Planning Act 1990(**c**);

“the 1999 Act” means the Greater London Authority Act 1999(**d**);

“the 2003 Act” means the Local Government Act 2003(**e**);

“the 2004 Act” means the Planning and Compulsory Purchase Act 2004(**f**);

“the 2008 Order” means the Town and Country Planning (Mayor of London) Order 2008(**g**);

“the 2009 Act” means the Local Democracy, Economic Development and Construction Act 2009;

“the 2011 Act” means the Localism Act 2011(**h**);

“the Area” means the area of the Combined Authority;

“the Combined Authority” means the West of England Combined Authority as constituted by article 2;

“constituent councils” means the councils for the local government areas of Bath and North East Somerset, Bristol City and South Gloucestershire; and

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- (a) 1980 c.66.
(b) 1989 c.42.
(c) 1990 c.8.
(d) 1999 c.29.
(e) 2003 c.26.
(f) 2004 c.5.
(g) S.I. 2008/580.
(h) 2011 c.20.

“Corporation” means a corporation established by the Secretary of State in accordance with the provisions in section 198 of the 2011 Act following the designation of an area of land by the Combined Authority; and

“the Mayor” means the Mayor for the Combined Authority as provided for by article 6 except where there is a reference to the Mayor of London.

PART 2

Establishment of a combined authority for West of England; election of the Mayor; funding

Establishment

4.—(1) There is established a combined authority for the areas of the constituent councils.

(2) The combined authority is to be a body corporate and is to be known as the West of England Combined Authority.

(3) The functions of the Combined Authority are those functions conferred or imposed upon it by this Order or by any other enactment (whenever passed or made), or as may be delegated to it by or under this Order or any other enactment (whenever passed or made).

Constitution

5. Schedule 1 (which makes provision about the constitution of the Combined Authority) has effect.

Mayor

6.—(1) There is to be a Mayor for the area of the Combined Authority.

(2) The first election for the return of a Mayor is to take place on 4th May 2017.

(3) Subsequent elections for the return of a Mayor for the area shall take place in every fourth year thereafter on the same day as the ordinary day of election.

(4) The term of office of the Mayor returned at an election for the return of a Mayor for the area—

- (a) begins with the fourth day after the day of the poll at the election for the return of a Mayor for the area, and
- (b) ends with the third day after the day of the poll at the next election for the return of a Mayor for the area.

Funding

7.—(1) The constituent councils must ensure that the costs of the Combined Authority reasonably attributable to the Combined Authority’s exercise of the functions mentioned in articles 20, 21, 26 and 27 are met.

(2) The amount payable by each of the constituent councils is to be determined by apportioning the costs of the Combined Authority referred to in paragraph (1) are met is to be determined by apportioning such costs between the constituent councils in such proportions as they may agree or, in default of such agreement, in proportion to the total resident population of the GMCA which resides in that council at the relevant date as estimated by the Statistics Board(a).

(a) Section 25 of the Statistics and Registration Service Act 2007 (c. 18) provides that the Statistics Board is responsible for the functions in section 19 of the Registration Service Act 1953 (c. 37).

(3) The functions mentioned in articles 8, 9 and 10 may be funded out of the levy issued by the Combined Authority to the constituent councils under section 74 of the Local Government Finance Act 1988 and in accordance with the Transport Levying Bodies Regulations 1992(a).

(4) The constituent councils and the Mayor must ensure that the costs of the Mayor reasonably attributable to the exercise of the functions specified in articles 11, 14 and 24 are met, to the extent that the Mayor has not decided to meet these costs from other resources available to the Combined Authority.

(5) Any precept issued under regulations made under section 40 of the Local Government Finance Act 1992(b) is to be disregarded for the purposes of paragraph (4).

PART 3

Transport

Power to pay grant

8.—(1) The functions of a Minister of the Crown contained in section 31 of the 2003 Act (power to pay grant) are functions of the Combined Authority that are exercisable in relation to the Area.

(2) The functions are exercisable by the Combined Authority concurrently with a Minister of the Crown.

(3) Paragraph (4) applies where, in exercising functions under paragraph (1), the Combined Authority determines an amount of grant to be paid towards expenditure incurred or to be incurred by a constituent council in relation to the exercise of its highways functions.

(4) In determining that amount, the Combined Authority must have regard to the desirability of ensuring that the council has sufficient funds to facilitate the effective discharge of those functions.

(5) In complying with paragraph (4), the Combined Authority must take into account—

- (a) any other sources of funding available to the council for expenditure incurred or to be incurred in relation to the exercise of its highways functions; and
- (b) the most recent determination by the Secretary of State of an amount of grant paid to the council for those purposes.

(6) For the purposes of the exercise by the Combined Authority of the functions specified in paragraph (1), section 31 of the 2003 Act has effect as if—

- (a) in subsection (1)—
 - (i) for “A Minister of the Crown” there were substituted “The Combined Authority”,
 - (ii) for “local authority in England and Wales” there were substituted “constituent council”,
- (b) subsection (2) were omitted;
- (c) in subsections (3) and (4), for the “the person paying it” there were substituted “the Combined Authority”;
- (d) subsection (6) were omitted.

(7) In this article “highways function” means the functions which are exercisable by a constituent council (in whatever capacity) in relation to the highways for which they are the highway authority.

(a) S.I. 1992/2789, amended by S.I. 2012/213 and S.I. 2015/27.

(b) c. 14. Section 40 was amended by section 83 of the Greater London Authority Act 1999, section 79 of and paragraph 7 of Schedule 17 to the Localism Act 2011 and section 5 of the Cities and Local Government Devolution Act 2016.

(8) The exercise by the Combined Authority of the function specified in paragraph (1) requires a unanimous vote in favour by all members of the Combined Authority appointed by the constituent councils, or substitute members acting in place of those members, to be carried at a meeting of the Combined Authority.

Local Transport

9.—(1) Subject to paragraph (2), the following are exercisable by the Combined Authority in relation to the Area—

- (a) the functions of the constituent councils contained in Parts 4 (local passenger transport services) and 5 (financial provisions) of the Transport Act 1985(a); and
- (b) the functions of the constituent councils as local transport authorities contained in Part 2 (local transport) of the 2000 Act.

(2) Functions which are exercisable by the constituent councils and contained in regulations made under section 144 of the 2000 Act (civil penalties for bus lane enforcement) are not exercisable by the Combined Authority.

(3) Subject to paragraph (4), the functions mentioned in paragraph (1) are exercisable by the Combined Authority instead of by the constituent councils.

(4) The functions contained in sections 63 (functions of local councils with respect to passenger transport in areas other than integrated transport areas and passenger transport areas) and 64 (consultation and publicity with respect to policies as to services) are exercisable by the Combined Authority jointly with the constituent councils.

Agreements between authorities and improvement of highways

10.—(1) The functions of the constituent councils contained in section 6(b) of the 1980 Act (powers to enter into agreements with the Minister or strategic highways companies relating to the exercise of functions with respect to trunk roads etc) are exercisable by the Combined Authority in relation to the Area.

(2) The functions of the constituent councils as local highway authorities contained in section 8(c) of the 1980 Act (power to enter into agreements with local highway authorities and strategic highways companies for the doing of certain works) are exercisable by the Combined Authority in relation to the Area.

(3) The functions mentioned in paragraphs (1) and (2) are exercisable by the Combined Authority concurrently with the constituent councils.

(4) In this article “local highway authority” has the meaning given by section 329(1) of the 1980 Act.

(a) 1985 c.67.

(b) Section 6 was amended by section 8 of, and paragraph 4 of Schedule 4 to, the Local Government Act 1985 (c.51), section 22 of, and paragraph 2 of Schedule 7 to, the Local Government (Wales) Act 1994 (c.19), section 1 of, and paragraph 7 of Schedule 1 to, the Infrastructure Act 2015 (c.7), and S.I. 1995/1986.

(c) Section 8 was amended by section 22 of, and paragraph 3 of Schedule 7 to, the Local Government (Wales) Act 1994, section 8 of, and paragraph 5 of Schedule 4 to, the Local Government Act 1985, and section 1 of, and paragraph 8 of Schedule 1 to, the Infrastructure Act 2015.

PART 4

Planning

Spatial development strategy

11.—(1) The Combined Authority shall have, in relation to the Area, functions corresponding to the functions in the 1999 Act, specified in paragraph (2), that the Mayor of London has in relation to Greater London.

(2) The functions in the 1999 Act are—

- (a) section 334 (the spatial development strategy);
- (b) section 335 (public participation)(a);
- (c) section 336 (withdrawal);
- (d) section 337 (publication)(b);
- (e) section 338 (examination in public)(c);
- (f) section 339 (review of matters affecting the strategy);
- (g) section 340 (reviews of the strategy);
- (h) section 341 (alteration or replacement)(d);
- (i) section 342 (matters to which the Mayor is to have regard);
- (j) section 346 (monitoring and data collection)(e); and
- (k) section 348 (mayor's functions as to planning around Greater London).

(3) The exercise of the functions corresponding to the functions in sections 335 (public participation), 336 (withdrawal), 337 (publication) and 341 (alteration or replacement) of the 1999 Act by the Combined Authority requires a unanimous vote in favour by all members of the Combined Authority, or substitute members acting in place of those members, to be carried at a meeting of the Combined Authority.

Adaptation of enactments in consequence of article 11

12.—(1) This article has effect in consequence of article 11(1).

(2) Part 8 of the 1999 Act applies in relation to the preparation and publication of a spatial development strategy by the Combined Authority as it applies in relation to the preparation and publication of a spatial development strategy by the Mayor of London, with the modifications made by Part 1 of Schedule 2.

(3) Sections 343 (regulations) and 420 of the 1999 Act (orders and regulations) apply in relation to the functions of the Secretary of State to make regulations by statutory instrument with respect to all or any of the following —

- (a) the form and content of the spatial development strategy published by the Combined Authority;
- (b) the documents (if any) the Secretary of State requires to accompany the spatial development strategy published by the Combined Authority;

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- (a) Section 335 was amended by section 29(1) and (2) of the Greater London Authority Act 2007 (c. 24) and section 228(2)(a), (b) and (c) and 237 of, and Part 33 of Schedule 25 to the Localism Act 2011 (c. 20).
 - (b) Section 337 was amended by section 118(2) of, and paragraph 22(1), and (2)(b) and (c) of Schedule 7 to, the 2004 Act and sections 109(7) and 237 of, and paragraphs 3 and 4 of Schedule 8 and Part 16 of Schedule 25 to, the Localism Act 2011.
 - (c) Section 338 was amended by section 48(1) of, and paragraph 52 of Schedule 8 to, the Tribunals, Courts and Enforcement Act 2007 (c. 15) and article 2(2) of, and paragraph 19 of the Schedule to, S.I. 2013/2042.
 - (d) Section 341 was amended by section 118(2) of and, paragraph 22(1) and (3) of Schedule 7 to, the 2004 Act, Section 85(1) of, and paragraphs 9 and 10 of Schedule 5 to, the 2009 Act (c. 20) and sections 109(7) and 237 of, and paragraphs 3 and 5(a) and (b) of Schedule 8 and Part 16 of Schedule 25 to, the Localism Act 2011.
 - (e) Section 446 was amended by section 118(2) of, and paragraph 23(1) and (4) of Schedule 27 to, the 2004 Act.

- (c) the procedure to be followed by the Combined Authority in connection with the preparation, withdrawal, publication, making, review, alteration or replacement of the spatial development strategy, or in connection with any review under section 339 as modified by Part 1 of Schedule 2; and
- (d) the procedure to be followed at an examination in public examining matters affecting the consideration of the spatial development strategy,

as they apply in relation to the functions of the Secretary of State to make such regulations in relation to the spatial development strategy published by the Mayor of London.

- (4) Subject to paragraph (6) and to Schedule 1, in any enactment (whenever passed or made)—
 - (a) any reference to a spatial development strategy, or
 - (b) any reference which falls to be read as a reference to a spatial development strategy,

is to be treated as including a reference to a strategy prepared and published in accordance with the function conferred by article 3(1).

(5) Sections 19 (preparation of local development documents), 24 (conformity with regional strategy), 37 (interpretation), 38 (development plan) and 113 (validity of strategies, plans and documents) of the 2004 Act^(a) apply in relation to the preparation and publication of a spatial development strategy by the Combined Authority as they apply in relation to the preparation and publication of a spatial development strategy by the Mayor of London, with the modifications made by Part 2 of Schedule 2.

- (6) Paragraph (4) does not apply to—
 - (a) section 41 of the 1999 Act (general duties of the Mayor in relation to his strategies)^(b);
 - (b) section 356A of the 1999 Act (London Waste and Recycling Board)^(c);
 - (c) section 10 of the London Olympic Games and Paralympic Games Act 2006^(d); and
 - (d) the Town and Country Planning (London Spatial Development Strategy) Regulations 2000^(e).

Planning applications of potential strategic importance

13.—(1) The Combined Authority shall have, in relation to the Area, functions corresponding to the following functions that the Mayor of London has in relation to Greater London—

- (a) section 2A of the 1990 Act (the Mayor of London: applications of potential strategic importance);
- (b) section 2B of the 1990 Act (section 2A: supplementary provisions);
- (c) section 2C of the 1990 Act (matters reserved for subsequent approval);
- (d) section 2E of the 1990 Act (section 2A and planning obligations under section 106);
- (e) section 2F of the 1990 Act (representation hearings);
- (f) section 74 of the 1990 Act (directions etc. as to method of dealing with applications); and

(a) Section 19 was amended by sections 180 and 182 of the Planning Act 2008 (c. 29); section 85 of, and paragraph 14 of Schedule 5 to, the 2009 Act; and section 100 of the Deregulation Act 2015 (c. 20). Section 24 was amended by sections 85 and 146 of, and paragraph 15 of Schedule 5 and paragraph 1 of Schedule 7 to, the 2009 Act; section 222 of, and paragraph 55 of Schedule 22 to, the Localism Act 2011. Section 37 was amended by section 180 of the Planning Act 2008; section 56 of, and paragraph 81 of Schedule 8 to, the 2008 Act; section 85 of, and paragraph 174 of Schedule 5 to, the 2009 Act; section 222 of, and paragraph 56 of Schedule 22 to, the Localism Act 2011. Section 38 was amended by section 180 of the Planning Act 2008; section 82 of the 2009 Act; sections 109 and 116 of, and paragraph 13 of Schedule 8 and paragraph 6 of Schedule 9 to, the Localism Act 2011. Section 113 was amended by section 185 of the Planning Act 2008; section 85 of, and paragraph 19 of Schedule 5 to, the 2009 Act; and by section 91 of, and paragraph 8 of Schedule 16 to, the Criminal Justice and Courts Act 2015 (c. 2).

(b) Section 41 was amended by sections 24, 28 and 41 of the Greater London Authority Act 2007; and sections 192, 225, 227 and 237 of and paragraph 2 of Schedule 23 and paragraph 1 of Schedule 25 to the Localism Act 2011.

(c) Section 356A was inserted by section 38 of the Greater London Authority Act 2007 and amended by sections 225 of, and paragraph 6 of Schedule 23 to, the Localism Act 2011.

(d) 2006 c. 12. Section 10 was amended by section 195 of, and paragraph 9 of Schedule 20 to, the Localism Act 2011.

(e) S.I. 2000/1491.

(g) the 2008 Order.

(2) Sections 2A, 2B, 2C, 2D, 2E and 2F of the 1990 Act apply in relation to the consideration of applications of potential strategic importance by the Combined Authority as they apply in relation to the consideration of applications of potential strategic importance by the Combined Authority.

(3) In section 2A(3)(a) of the 1990 Act as applied by paragraph (2) the references to “Great London” are to be read as references to “the Area”.

(4) The provisions in section 333 of the 1990 Act (orders and regulations) apply in relation to the power of the Secretary of State to make orders under sections 2A and 2F of that Act, by statutory instrument, prescribing the circumstances in which, and the conditions subject to which, the Combined Authority may give a direction under section 2A and provision in relating to public admission to representation hearings and public access to documents, etc at such hearings under section 2F of that Act, as it applies in relation to the power of the Secretary of State to make orders under sections 2A and 2F of that Act, by statutory instrument, prescribing the circumstances in which, and the conditions subject to which, the Mayor of London may give a direction under section 2F of that Act and provision in relating to public admission to representation hearings and public access to documents, etc at such hearings under section 2F of that Act.

(5) The provisions in the 2008 Order apply in relation to the Combined Authority’s power to direct that applications for planning permission of potential strategic importance (“PSI applications”) must be determined by the Combined Authority in place of the local planning authority as they apply in relation to the Mayor of London’s power to direct that PSI applications must be determined by the Mayor of London in place of the local planning authority.

(6) The 2008 Order shall have effect as if—

- (a) for every reference to “the Mayor” there were substituted “the Combined Authority”,
- (b) in regulation 6—
 - (i) for every reference to “Greater London” is to be read as a reference to “the Area”,
 - (ii) in sub-paragraph (2)(a) for “the Greater London Authority” there were substituted “the Combined Authority”, and
- (c) sub-paragraphs (2)(c) and (f) were omitted.

PART 5

Mayoral Development Corporations

Conferral of functions on the Combined Authority

14.—(1) The Combined Authority shall have in relation to the Area functions corresponding to the functions contained in the provisions in the 1999 Act, that the Mayor of London has in relation to Greater London, and which are specified in Schedule 3.

(2) The exercise of the functions corresponding to the functions contained in section 197 (designation of Mayoral development areas) and 202 (functions in relation to Town and Country Planning) of the 2011 Act requires the consent of all members of the Combined Authority appointed by the constituent councils whose council area contains any part of the area to be designated as a mayoral development area, or substitute members acting in place of those members, to be provided at a meeting of the Combined Authority.

(3) Anything which, immediately before the commencement date specified in article 2, is in the process of being done by or in relation to the Combined Authority for the purposes of or in connection with the functions mentioned in article 14(1) and Schedule 3 may be continued by or in relation to the Combined Authority.

Application of provisions in the 2011 Act

15.—(1) Chapter 2 of Part 8 (Mayoral development corporations) of, and Schedule 21 (Mayoral development corporations) to, the 2011 Act apply to the Combined Authority and a Corporation as they apply in relation to the Mayor of London and a Mayoral development corporation respectively, with the modifications made by Schedule 4.

(2) Subject to paragraph (6), in any enactment passed or made on or before the date on which this Order is made—

- (a) any reference to a Mayoral development corporation, or
- (b) any reference which falls to be read as a reference to a Mayoral development corporation,

is to be treated as including a reference to a Corporation.

(3) Paragraph 9 of Schedule 24 to the 2011 Act (transfers under scheme under section 200(1) or (4) or 216(1)) applies in relation to—

- (a) any property, rights or liabilities transferred to or from a Corporation in accordance with a transfer scheme, or
- (b) anything done for the purposes of, or in relation to, or in consequence of, the transfer of any property, rights or liabilities to or from a Corporation in accordance with such a transfer scheme,

as it applies in relation to a Mayoral development corporation.

(4) The provisions in section 235 of the 2011 Act (orders and regulations) apply in relation to—

- (a) the power of a Minister of the Crown to make an order under section 198(2) (mayoral development corporations: establishment) and 200(6) (transfers of property etc to a Mayoral development corporation) of that Act; and
- (b) the power of the Treasury to make regulations under paragraph 9(2) of Schedule 24 to that Act,

by statutory instrument in relation to the establishment of a Corporation and a transfer of land to or from a Corporation as they apply in relation to the establishment of a Mayoral development corporation and a transfer of land to or from a Mayoral development corporation.

(5) In this article “transfer scheme” means a transfer scheme under section 200(1) or (4) or 216(1) of the 2011 Act.

(6) Paragraph (2) does not apply to—

- (a) paragraph 9(8)(a) of Schedule 2 to the Channel Tunnel Rail Link Act 1996(a);
- (b) section 31(1A) of the 1999 Act(b);
- (c) section 38 of the 1999 Act(c);
- (d) section 60A(3) of the 1999 Act(d);
- (e) section 68(6) of the 1999 Act(e);
- (f) Section 73 of the 1999 Act(f);
- (g) 424 of the 1999 Act(a);

(a) 1996 c 61. Paragraph 9(8) of Schedule 2 was amended by paragraph 43 of Schedule 22 to the 2011 Act.

(b) Section 31 was amended by section 186 of, and paragraphs 44 and 45 of Schedule 22 and Parts 31 and 32 of Schedule 25 to, the 2011 Act, section 33 of the Infrastructure Act 2015 (c. 7) and article 2 of S.I. 2012/1530.

(c) Section 38 was amended by paragraphs 36 and 37 of Schedule 19, paragraphs 4 and 5 of Schedule 20, paragraphs 44 and 46 of Schedule 22 and Part 32 of Schedule 25 to, the 2011 Act, section 28 of the Growth and Infrastructure Act 2013 (c. 27) and article 2 of S.I. 2012/1530.

(d) Section 60A was inserted by section 4 of the Greater London Authority Act 2007 (c. 24) and amended by section 224 of the Planning Act 2008 (c. 29), section 20 of the Police Reform and Social Responsibility Act 2011 (c. 13), paragraphs 44 and 47 of Schedule 22 and Part 32 of Schedule 25 to the 2011 Act and articles 1, 2 and 36 of S.I. 2008/2038.

(e) Section 68 was amended by paragraphs 44 and 48 of Schedule 22 and Part 32 of Schedule 25 to the 2011 Act.

(f) Section 73 was amended by sections 7 and 9 of, and Schedule 2 to, the Greater London Authority Act 2007, paragraph 16 of Part 2 of Schedule 12 to the Local Government and Public Involvement in Health Act 2007 (c. 28), paragraphs 36 and 38 of Schedule 19, Paragraphs 44 and 49 of Schedule 22 Part 32 of Schedule 25 to the 2009 Act and paragraphs 1 and 5 of Part 1 to the Schedule in S.I. 2000/1435.

(h) section 24(4) of the 2004 Act^(b); and
paragraph 8(8)(a) of Schedule 2 to the Crossrail Act 2008^(c).

Incidental provisions

16. The following provisions of the 1989 Act shall apply as if a Corporation were a local authority.—

- (a) section 1^(d)(disqualification and political restriction of certain officers and staff), and
- (b) sections 2 and 3A^(e)(politically restricted posts and exemptions from restriction) so far as they have effect for the purposes of that section.

17. Section 5^(f) of the 1989 Act (designation and reports of monitoring officer) shall apply in relation to the Combined Authority as if a Corporation were a committee of the Authority.

18.—(1) Section 32 of the 2003 Act applies in relation to expenditure of a Corporation as it applies to expenditure of a functional body.

(2) In Section 32 of the 2003 Act, as applied by paragraph (1)—

- (a) references to a functional body are to be read as references to a Corporation;
- (b) references to the Greater London Authority are to be read as references to the Combined Authority; and
- (c) the reference to the Mayor of London is to be read as a reference to the Mayor.

Transitional provisions

19.—(1) Until the commencement of article 14(1) the functions corresponding to the functions contained in section 197 (designation of Mayoral development areas) of the 2011 Act, that the Mayor of London has in relation to Greater London, conferred by article 14, shall be exercised only by the chair of the Combined Authority.

(2) Before the chair of the Combined Authority designates an area of land, under functions corresponding to the functions contained in the section 197 of the 2011 Act, that the Mayor of London has in relation to Greater London, the chairman must refer the proposal to one of the Combined Authority's overview and scrutiny committees^(g).

(3) Before an area of land is designated as a Mayoral development area the chairman of the Combined Authority must have regard to any reports or recommendations made by any of the Combined Authority's overview and scrutiny committees on the proposed designation.

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- (a) Section 424 was amended by section 1159 of the Companies Act 2006 (c. 46), sections 11, 12, 21, 22 of the Greater London Authority Act 2007, section 3 of the Police Reform and Social Responsibility Act 2011 and paragraphs 44 and 52 of Schedule 22 and Part 32 of Schedule 25 to the 2011 Act.
 - (b) Section 24 was amended by paragraphs 54 and 55 of Schedule 22 to the Localism Act 2011.
 - (c) 2008 c. 18. Paragraph 8 of Schedule 2 to the Crossrail Act 2008 was amended by paragraph 58 of Schedule 22 to the Localism Act 2011.
 - (d) Section 1 was amended by section 80 of the Local Government Act 1972 (1972 c. 70), Part 3 of Schedule 1 to the House of Commons Disqualification Act 1975 (1975 c. 24) and paragraphs 199 and 200 of Part 2 of Schedule 16 to the Police Reform and Social Responsibility Act 2011 (2011 c. 13).
 - (e) Section 3A was inserted by section 202(2) of the Local Government and Public Involvement in Health Act 2007 (2007 c. 28) and amended by Part 1 of Schedule 7 to the Local Democracy, Economic Development and Construction Act 2009 and paragraph 4 of Part 1 of Schedule 25 to the Localism Act 2011.
 - (f) Section 5 was amended by Part 1 of Schedule 4 to the Police and Magistrates Courts Act 1994 (1994 c. 29), paragraph 1 of Schedule 7 to the Police Act 1996 (1996 c. 16), section 132 of the Greater London Authority Act 1999, paragraph 24 of Schedule 5 to the Local Government Act 2000 (2000 c. 22), paragraph 14 of Part 2 to Schedule 12 and Part 14 of Schedule 18 to the Local Government and Public Involvement in Health Act 2007, paragraphs 12 and 13 of Schedule 14 and Part 4 of Schedule 22 to the Marine and Coastal Access Act 2009 (2009 c. 23), paragraphs 199 and 202 of Part 3 of Schedule 16 to the Police Reform and Social Responsibility Act 2011 (2011 c. 13) and SI 2001/2237 articles 1(2), 2(1) and 23(1)(a) to (f).
 - (g) Paragraph 1 of Schedule 5A to the 2009 Act provides that a combined authority must arrange for the appointment by the authority of one or more committees of the authority to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the authority. Paragraph 1(2)(c) of Schedule 5A provides that the combined authority's arrangements must ensure that the combined authority's overview and scrutiny committee has power (or its overview and scrutiny committees) have power between them to make reports or recommendations to the authority on matters that affect the authority's area or the inhabitants of the area.

PART 6

Housing and regeneration

Conferral of functions corresponding to functions that the HCA has in relation to the Area

20.—(1) The functions of the HCA which are specified in the following provisions of the 2008 Act are to be functions of the Combined Authority that are exercisable in relation to the Area—

- (a) section 5 (powers to provide housing or other land);
- (b) section 6 (powers for regeneration, development or effective use of land);
- (c) section 7 (powers in relation to infrastructure);
- (d) section 8 (powers to deal with land etc);
- (e) section 9 (acquisition of land);
- (f) section 10 (restrictions on disposal of land);
- (g) section 11 (main powers in relation to acquired land)(a);
- (h) section 12 (powers in relation to, and for, statutory undertakers);
- (i) paragraphs 19 and 20 of Schedule 3 (powers in relation to burial grounds and consecrated land etc.); and
- (j) paragraphs 1, 2, 3, 4, 6, 10 and 20 of Schedule 4 (extinguishment or removal powers for the HCA).

(2) The Combined Authority is to exercise the functions contained in the provisions specified in paragraph (2) for the purposes of or for purposes incidental to the following objects—

- (a) to improve the supply and quality of housing in the Area,
 - (b) to secure the regeneration or development of land or infrastructure in the Area,
 - (c) to support in other ways the creation, regeneration or development of communities in the Area or their continued well-being, and
 - (d) to contribute to the achievement of sustainable development and good design in the Area,
- with a view to meeting the needs of people living in the Area.

(3) The functions contained in the provisions specified in paragraph (2) are—

- (a) exercisable concurrently with the HCA, and
- (b) subject to Schedules 2 and 3 to the 2008 Act.

(4) In paragraph (3) “good design” and “needs” have the meanings given by section 2(2) of the 2008 Act and the reference to improving the supply of housing includes a reference to improving the supply of particular kinds of housing.

(5) Section 23(3) of the Land Compensation Act 1961(b) (compensation where planning decision made after acquisition) applies in relation to an acquisition by the Combined Authority as it applies to the HCA.

Acquisition and appropriation of land for planning and public purposes

21.—(1) The functions of the constituent councils specified in the following provisions as applied by article 23(2) to (6) are exercisable by the Combined Authority in relation to the Area—

- (a) section 226 of the 1990 Act (compulsory acquisition of land for development and other planning purposes)(a);

(a) Section 11 was amended by section 32(1) and (2) of the Infrastructure Act 2015 (c. 7).

(b) 1961 c. 33. Section 23 was amended by section 66 of, and paragraph 1 of Schedule 14 to, the Planning and Compensation Act 1991 (c. 34), sections 181 and 187 of, and paragraph 1 of Schedule 22 to, the Leasehold Reform, Housing and Urban Development Act 1993 (c. 28) and by section 56 of, and paragraph 2 of Schedule 8 to, the 2008 Act (c. 17).

- (b) section 227 of the 1990 Act (acquisition of land by agreement);
 - (c) section 229 of the 1990 Act (appropriation of land forming part of common, etc);
 - (d) section 230(1)(a) of the 1990 Act (acquisition of land for purposes of exchange);
 - (e) section 232 of the 1990 Act (appropriation of land held for planning purposes);
 - (f) section 233 of the 1990 Act (disposal by local authorities of land held for planning purposes)(b);
 - (g) section 235 of the 1990 Act (development of land held for planning purposes);
 - (h) section 236 of the 1990 Act (extinguishment of rights over land compulsorily acquired)(c);
 - (i) section 237 of the 1990 Act (power to override easements and other rights)(d);
 - (j) section 238 of the 1990 Act (use and development of consecrated land);
 - (k) section 239 of the 1990 Act (use and development of burial grounds);
 - (l) section 241 of the 1990 Act (use and development of open spaces);
 - (m) section 17 of the 1985 Act (acquisition of land for housing purposes)(e); and
 - (n) section 18 of the 1985 Act (duties with respect to buildings acquired for housing purposes).
- (2) The functions are exercisable concurrently with the constituent councils.

Condition on the exercise of the functions conferred by articles 20 and 21

22.—(1) — The exercise by the Combined Authority of the functions specified in articles 20 and 21 require a unanimous vote in favour by all members of the Combined Authority appointed by the constituent councils, or substitute members acting in place of those members, to be carried at a meeting of the Combined Authority.

(2) The exercise of the functions in section 17 of the 1985 Act (insofar as this function is exercised for the compulsory purchase of land), section 9(2) of the 2008 Act and section 226 of the 1990 Act by the Combined Authority requires the consent of —

- (a) all members of the Combined Authority appointed by the constituent councils whose area contains any part of the land subject to the proposed compulsory acquisition, or
- (b) substitute members acting in place of those members,

to be provided at a meeting of the Combined Authority.

Application of provisions of the 1985 Act, the 1990 Act and the 2008 Act

23.—(1) This article has effect in consequence of articles 20 and 21.

(2) The provisions set out in section 17 of the 1985 Act (acquisition of land for housing purposes) apply to the Combined Authority as they apply to a constituent council.

(3) For the purposes of article 6(1)(m) and (n) the Combined Authority is to be treated as a local housing authority for the Area(f).

(4) Part 9 of the 1990 Act (acquisition and appropriation of land for planning purposes, etc) applies in relation to the Combined Authority and land which has been vested in or acquired by

(a) Section 226 was amended by sections 79, 99 and 120 of, and paragraph 3 of Schedule 3 and paragraph 1 of Schedule 9 to, the 2004 Act.

(b) Section 233 was amended by section 8 of the Growth and Infrastructure Act 2013 (c. 27).

(c) Section 236 was amended by section 406 of, and paragraph 103 of Schedule 17 to, the Communications Act 2003 (c. 21).

(d) Section 237 was amended by section 406 of, and paragraph 103 of Schedule 17 to, the Communications Act 2003 and by section 194 of, and paragraph 4 of Schedule 9 to, the Planning Act 2008.

(e) Section 17 was amended by section 222 of, and paragraph 24 of Schedule 18 to, the Housing Act 1996 (c. 52).

(f) In section 1 of the 1985 Act “local housing authority” means a district council, a London borough council, the Common Council of the City of London, a Welsh county council or county borough council or the Council of the Isles of Scilly.

the Combined Authority for planning and public purposes as it applies to a constituent council and land vested in or acquired by a constituent council for planning and public purposes.

(5) Chapters 1 and 2 of Part 1 of the 2008 Act apply in relation to the powers of the Combined Authority to acquire land for housing and infrastructure under the functions specified in article 5(2) and land acquired by the Combined Authority under those functions as they apply to the HCA and land acquired by the HCA with the modifications made by Parts 1 and 2 of Schedule 4.

(6) Parts 1 and 2 of Schedule 5 set out how the provisions in the 2008 Act as modified by paragraph (5) apply.

PART 7

Functions of the Combined Authority exercisable only by the Mayor; political advisers

General functions of the Combined Authority exercisable only by the Mayor

24.—(1) The functions(a) of the Combined Authority in the following enactments are general functions exercisable only by the Mayor—

- (a) sections 334 to 342 and 346 of the 1999 Act;
- (b) sections 2A to 2F of the 1990 Act;
- (c) section 31 of the 2003 Act (power to pay grant);
- (d) sections 108 (local transport plans), 109 (further provision about plans: England) and 112 (plans and strategies: supplementary) of the 2000 Act(b); and
- (e) the functions specified in Schedule 3.

(2) For the purposes of the exercise of the general functions mentioned in paragraph (1)(b)—

- (a) the Mayor must consult the Combined Authority before exercising these functions;
- (b) the Mayor may do anything that the Combined Authority may do under Chapter 1 of Part 1 of the 2011 Act.

(3) The following mayoral decisions will require the consent of the Combined Authority member of the constituent council in whose area the decision will apply:

- (a) the designation of any area of land as a mayoral development area leading to the establishment, by Order, of a mayoral development corporation;
- (b) the compulsory purchase of land or buildings by the Mayor;
- (c) any decision that could lead to a financial liability falling directly upon that constituent Council;
- (d) the designation of any area as a Clean Air Zone; and
- (e) such other matters as may be contained in the Combined Authority constitution and agreed with the Mayor.

(4) The exercise by the Combined Authority of the function specified in paragraph (1)(d) requires a unanimous vote in favour by all members of the Combined Authority appointed by the

(a) Section 107D(2) of the 2009 Act provides that in Part 6 of that Act references to “general functions”, in relation to a Mayor for the area of a combined authority, are to any functions exercisable by the Mayor other than PCC functions.

(b) Section 108 was amended by paragraph 2 of the Schedule to the Transport (Wales) Act 2006 (c.5), the Local Transport Act 2008 (c.26), sections 7 to 9, paragraphs 41 and 42 of Schedule 4 and Part 1 of Schedule 7, and the Local Democracy, Economic Development and Constructions Act 2009 (c.20), paragraph 96 of Schedule 6. Section 109 was amended by paragraph 3 of the Schedule to the Transport (Wales) Act 2006, the Local Transport Act 2000, section 9, and the Local Democracy, Economic Development and Constructions Act 2009 (c.20), paragraph 97 of Schedule 6. Section 112 was amended by the Local Transport Act 2008, sections 10 and 11 and Part 1 of Schedule 7, and the Equality Act 2010, paragraph 48 of Schedule 26.

constituent councils, or substitute members acting in place of those members, to be carried at a meeting of the Combined Authority.

Political advisers

25.—(1) The Mayor may appoint one person as the Mayor’s political adviser.

(2) Any appointment of a member of staff under paragraph (1) is an appointment as an employee of the Combined Authority.

(3) No appointment of a member of staff under paragraph (1) shall extend beyond—

- (a) the term of office for which the Mayor who made the appointment was elected; or
- (b) where the Mayor who appointed the political adviser ceases to be the Mayor before the end of the term of office for which the Mayor was elected, the date on which the Mayor ceases to hold that office.

(4) A member of staff under paragraph (1) is to be regarded for the purposes of Part 1 of the 1989 Act (political restriction of officers and staff) as holding a politically restricted post under a local authority.

(5) Subject to paragraph (6), section 9(1), (8), (9) and (11) of the 1989 Act(a)(assistants for political groups), shall apply in relation to the appointment of a member of staff under paragraph (1) as if—

- (i) any appointment to that post were the appointment of a person in pursuance of that section; and
- (ii) the Combined Authority were a relevant authority for the purposes of that section.

(6) Subsection (3) of section 9 of the 1989 Act shall apply in relation to the appointment of a member of staff under paragraph (1) as if the words “and that the appointment terminates” to the end of that subsection were omitted.

PART 8

Additional functions

General power of competence

26. Chapter 1 of Part 1 of the 2011 Act has effect in relation to a combined authority specified in the order as it has effect in relation to a local authority(b).

Economic development and regeneration functions

27.—(1) The functions of the constituent councils set out in Schedule 6 are exercisable by the Combined Authority in relation to its area.

(2) The functions are exercisable concurrently with the constituent councils.

(3) Any requirement in any enactment for a constituent council to exercise such a function may be fulfilled by the exercise of that function by the Combined Authority.

Incidental provisions

28. The following provisions shall have effect as if the Combined Authority were a local authority for the purposes of those provisions—

-
- (a) Section 9 was amended by sections 61 and 204 of, and paragraph 2 of Schedule 2 to, the Local Government and Public Involvement in Health Act 2007 (c. 28) and by S.I. 2001/2237.
 - (b) Section 113D of the 2009 Act as inserted by section 10 of the Cities and Local Government Devolution Act 2016 enables the Secretary of State by order to confer the General Power of Competence, found in Chapter 1 of Part 1 of the Localism Act 2011, on a combined authority.

- (a) section 113 of the Local Government Act 1972(a) (power to place staff at the disposal of other local authorities);
- (b) section 142(2) of the Local Government Act 1972(b) (power to arrange for publication of information etc relating to the functions of the authority); and
- (c) section 222 of the Local Government Act 1972(c) (power to prosecute and defend legal proceedings).

29.—(1) The Combined Authority shall have the power to exercise any of the functions described in subsection (1)(a) and (b) of section 88 of the Local Government Act 1985(d) (research and collection of information) whether or not a scheme is made under that section.

(2) For the purposes of paragraph (1) of this article, paragraphs (a) and (b) of section 88(1) of the Local Government Act 1985 have effect as if a reference to “that area” were a reference to the Area.

30. Section 13 of the Local Government and Housing Act 1989(e)(voting rights of members of certain committees) has effect in relation to the Combined Authority as if—

- (a) in subsection (4) after paragraph (h) there were inserted—
 - “(i) subject to subsection (4A), a committee appointed by the West of England Combined Authority;”; and
- (b) after subsection (4) there were inserted—
 - “(4A) A person who is a member of a committee falling within paragraph (i) of subsection (4) or a sub-committee appointed by such a committee shall for all purposes be treated as a non-voting member of that committee or sub-committee unless that person is a member of one of the constituent councils as defined by article 2 of the West of England Combined Authority Order 2016.”

31. In Part 2 of Schedule 3 (pension funds) to the Local Government Pension Scheme Regulations 2013(f) in the table insert at the end—

“An employee of the West of England Combined Authority established by the West of England Combined Authority Order 2016	Bath and North East Somerset Council”
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Signed by authority of the Secretary of State for Communities and Local Government

Name
Parliamentary Under Secretary of State
Department for Communities and Local Government

Date _____

- (a) 1972 c. 70. Section 113 was amended by paragraph 151 of Schedule 4 to the National Health Service Reorganisation Act 1973 (c. 32); by section 66(1) of and paragraph 13 of Schedule 9 to the National Health Service and Community Care Act 1990 (c. 19); by paragraph 18 of Schedule 4 to the Health and Social Care (Community Health and Standards) Act 2003 (c. 43); by paragraph 51(a) of Schedule 1 to the National Health Service (Consequential Provisions) Act 2006 (c. 43); by paragraph 17 of Schedule 5, paragraph 3 of Schedule 7, and paragraph 3 of Schedule 17 to Health and Social Care Act 2012 (c. 7); by S.I. 2000/90; by S.I. 2002/2469; and by S.I. 2007/961.
- (b) Section 142 was amended by the Local Government Act 1986 (c. 10), section 3(1)(a); there are other amendments which are not relevant to this instrument.
- (c) To which there are amendments not relevant to this instrument.
- (d) 1985 c. 51.
- (e) 1989 c. 42. Section 13 was amended by paragraph 1 of Schedule 21(II) and paragraph 96 of Schedule 37(I) to the Education Act 1993 (c. 35); by paragraph 36 of Schedule 4(I) and by paragraph 1 of Schedule 9(I) to the Police and Magistrates’ Courts Act 1994 (c. 29); by paragraph 1 of Schedule 24 to the Environment Act 1995 (c. 25); by paragraph 96 of Schedule 37(I) and by paragraph 1 of Schedule 38(I) to the Education Act 1996 (c. 56); by paragraph 22 of Schedule 30 to the School Standards and Framework Act 1998 (c. 31); by paragraph 1 of Schedule 5(4) to the Children Act 2004 (c. 31); by paragraph 81 of Schedule 6 to the Local Democracy, Economic Development and Construction Act 2009; by paragraph 14 of Schedule 14 and by paragraph 1 of Schedule 22(4) to the Marine and Coastal Access Act 2009 (c. 23); by paragraph 15 of Schedule 8 to the Public Service Pensions Act 2013 (c. 25); by S.I. 2001/1517; and by S.I. 2010/1158.
- (f) S.I. 2013/2356. Schedule 3 was amended by regulations 31 and 32 of the Local Government Pension Scheme (Amendment) Regulations 2015/755.

SCHEDULE 1

Article 5

Constitution

Membership

1.—(1) Each constituent council must appoint one of its elected members to be a member of the Combined Authority.

(2) Each constituent council must appoint two of its elected members to act as a member of the Combined Authority in the absence of the member appointed under sub-paragraph (1) (“the substitute member”).

(3) A person ceases to be a member or substitute member of the Combined Authority if they cease to be a member of the constituent council that appointed them.

(4) A person may resign as a member or substitute member of the Combined Authority by written notice served on the proper officer of the constituent council that appointed them, and the resignation takes effect on receipt of the notice by the proper officer of the council.

(5) Where a member or substitute member of the Combined Authority’s appointment ceases by virtue of sub-paragraph (3) or (4) the constituent council that made the appointment must, as soon as practicable, give written notice of that fact to the Combined Authority and appoint another of its elected members in that person’s place.

(6) A constituent council may at any time terminate the appointment of a member or substitute member appointed by it to the Combined Authority and appoint another one of its elected members in that person’s place.

(7) Where a constituent council exercises its power under sub-paragraph (6), it must give written notice of the new appointment and the termination of the previous appointment to the Combined Authority and the new appointment shall take effect and the previous appointment terminate at the end of fourteen days from the date on which the notice is given or such longer period not exceeding one month as is specified in the notice.

Chair and vice-chair

2.—(1) The Combined Authority must appoint a chair from among its members and the appointment is to be the first business transacted after the appointment of members of the Combined Authority, at the first meeting of the Combined Authority.

(2) A person ceases to be chair of the Combined Authority if they cease to be a member of the Combined Authority.

(3) If a vacancy arises in the office of chair, an appointment to fill the vacancy is to be made at the next ordinary meeting of the Combined Authority, or, if that meeting is to be held within 14 days of the vacancy arising, at the meeting following that meeting.

(4) The chair of the Combined Authority ceases to hold office on 7 May 2017.

(5) The position of chair of the Combined Authority is abolished with effect from 8 May 2017.

3.—(1) The Combined Authority must in each year appoint a vice-chair from among its members and the appointments and the order of rotation of the vice-chair are to be the first business transacted after the appointment of members of the Combined Authority and the chair of the Combined Authority, at the first meeting of the Combined Authority, and in subsequent years at the annual meeting of the Combined Authority.

(2) A person ceases to be vice-chair of the Combined Authority if they cease to be a member of the Combined Authority.

(3) If a vacancy arises in the office of vice-chair, an appointment to fill the vacancy is to be made at the next ordinary meeting of the Combined Authority, or, if that meeting is to be held within 14 days of the vacancy arising, at the meeting following that meeting.

(4) The vice-chair of the Combined Authority ceases to hold office on 7 May 2017.

(5) The position of vice-chair of the Combined Authority is abolished with effect from 8 May 2017

Proceedings

4.—(1) Subject to the following sub-paragraphs, any questions that are to be decided by the Combined Authority are to be decided by a majority of the members including the Mayor, if the Mayor is in post, or the deputy Mayor acting in place of the Mayor, if the deputy Mayor is in post, and substitute members, acting in place of members, present and voting on that question at a meeting of the Combined Authority.

(2) Subject to paragraphs 2(4) and (5), 3(4) and (5) and to sub-paragraph (3), no business is to be transacted at a meeting of the Combined Authority unless at least two members, including the Chair or substitute members, appointed by the constituent councils are present at the meeting.

(3) If the Mayor is in post, no business is to be transacted at a meeting of the Combined Authority unless at least two members are present at the meeting, and such members include—

- (a) the Mayor, or the deputy Mayor acting in place of the Mayor, if the deputy Mayor is in post, and
- (b) at least six members appointed by the constituent councils or substitute members.

(4) Each member, or substitute member acting in that member's place, is to have one vote and no member or substitute member is to have a casting vote.

(5) Decisions must be carried by a majority of the Mayor and members appointed by the constituent councils, or substitute members acting in place of those members, present and voting on that question.

(6) If a vote is tied on any matter it is deemed not to have been carried.

(7) A decision on a question relating to the following matters require a unanimous vote in favour at a full meeting of the Combined Authority by the Mayor and all members appointed by the constituent councils, or substitute members acting in place of those members, present and voting on that question to be carried—

- (a) approval of the Combined Authority's Constitution and standing orders and any amendments; and
- (b) adoption of a joint spatial plan.

(8) A decision on a question relating to the following matters require a unanimous vote in favour at a full meeting of the Combined Authority by all members appointed by the constituent councils, or substitute members acting in place of those members, present and voting on that question to be carried

- (a) approval of borrowing limits; and
- (b) treasury management strategy including reserves, investment strategy, borrowing and budget of the Combined Authority including the amount of any expenses to be met by the constituent councils.

(9) A decision on a question relating to the exercise of the functions of the Combined Authority requires a vote in favour at a full meeting of the Combined Authority, save for—

- (a) where responsibility for the exercise of the function has been delegated in accordance with the Constitution of the Combined Authority (and which may include delegation of such powers and functions of the Mayoral Combined Authority to sub-committees or to officers as the Mayoral Combined Authority considers appropriate; and

- (b) matters which fall to be considered by the Combined Authority's overview and scrutiny committee and audit committee(a).

(10) The proceedings of the Combined Authority are not invalidated by any vacancy among its members or substitute members or by any defect in the appointment or qualifications of any member or substitute member.

Committees

5.—(1) An overview and scrutiny committee appointed by the Combined Authority may not include any substitute member of the Combined Authority.

(2) No business is to be transacted at a meeting of the overview and scrutiny committee unless at least two members from at least three constituent councils are present at the meeting.

(3) The Combined Authority must appoint an appropriate person(b) who is a member of one of the constituent councils to be the chair of the overview and scrutiny committee appointed by the Combined Authority.

Records

6.—(1) The Combined Authority must make arrangements for the names of members and substitute members present at any meeting to be recorded.

(2) Minutes of the proceedings of a meeting of the Combined Authority, or any committee or sub-committee of the Combined Authority, are to be kept in such form as the Combined Authority may determine.

(3) Any such minutes are to be signed at the same or next suitable meeting of the Combined Authority, committee or sub-committee as the case may be, by the person presiding at that meeting.

(4) Any minute purporting to be signed as mentioned in sub-paragraph (3) is to be received in evidence without further proof.

(5) Until the contrary is proved, a meeting of the Combined Authority, committee or sub-committee, a minute of whose proceedings has been signed in accordance with this paragraph, is deemed to have been duly convened and held, and all the members and substitute members present at the meeting are deemed to have been duly qualified.

(6) For the purposes of sub-paragraph (3) the next suitable meeting is the next following meeting or, where standing orders made by the Combined Authority provide for another meeting of the authority, committee or sub-committee, to be regarded as suitable, either the next following meeting or that other meeting.

Standing orders

7. The Combined Authority may make standing orders for the regulation of its proceedings and business and may vary or revoke any such orders.

Remuneration

8.—(1) Save as provided for in paragraph (2), no remuneration is to be payable by the Combined Authority to its members other than allowances for travel and subsistence.

(2) The Combined Authority may only pay an allowance to the Mayor or to a member or substitute member of the Combined Authority if—

- (a) the Combined Authority has considered a report published by an independent remuneration panel established by one or more of the constituent councils under

(a) Paragraphs 1(1) and 4(1) of Schedule 5A to the 2009 Act require a combined authority to arrange for the appointment of one or more overview and scrutiny committees and for the appointment of an audit committee.

(b) See paragraph 3(5) of Schedule 5A to the 2009 Act.

- regulation 20 of the Local Authorities (Members' Allowances) (England) Regulations 2003(a) which contains recommendations for such an allowance; and
- (b) the allowance paid by the Combined Authority does not exceed the amount specified in the recommendation made by the independent remuneration panel.

SCHEDULE 2

Article 9

Spatial development strategy

PART 1

Modification of the application of Part 8 of the 1999 Act

- 1.—(1) Part 8 of the 1999 Act is modified in accordance with the following provisions.
- (2) Part 8 of the 1999 Act shall have effect as if—
- (a) sections 344, 345 and 349 were omitted;
 - (b) for every reference to—
 - (i) “Greater London” there were a reference to “West of England”;
 - (ii) “the Mayor” there were a reference to “the Combined Authority”;
 - (iii) “he” there were a reference to “the Combined Authority”, save for section 337(6) (publication);
 - (iv) “under section 343” there were substituted “relating to the Combined Authority under section 343”.
- (3) Section 334 of the 1999 Act (the spatial development strategy) shall have effect as if—
- (a) in subsection (3) for “his” there were substituted “its”;
 - (b) for subsection (4) there were substituted—

“(4) The spatial development strategy must include statements dealing with the general spatial development aspects of such of the Combined Authority’s other policies or proposals as involve considerations of spatial development.”.
- (4) Section 335 of the 1999 Act (public participation) shall have effect as if—
- (a) in subsection (2)(a) for “his” there were substituted “its”;
 - (b) subsection (3)(aa) were omitted;
 - (c) in subsection (3)(b), for “London borough council” there were substituted “constituent council”;
 - (d) in subsection (4), for the words after “include” to the end of the subsection there were substituted—

“—

 - (a) voluntary bodies some or all of whose activities benefit the whole or part of West of England;
 - (b) bodies which represent the interests of different racial, ethnic or national groups in West of England;
 - (c) bodies which represent the interests of different religious groups in West of England; and
 - (d) bodies which represent the interests of different persons carrying on business in West of England.”;

(a) S.I. 2003/1021

(e) for subsection (8) there were substituted—

“(8) In this section “the prescribed period” means such period as may be prescribed by, or determined in accordance with, regulations relating to the Combined Authority made under section 343 below.”.

(5) Section 336 of the 1999 Act (withdrawal) shall have effect as if —

(a) in subsection (3)—

(i) paragraph (a) were omitted; and

(ii) paragraph (b) were omitted.

(6) Section 338 of the 1999 Act (examination in public) shall have effect as if for “Authority” there were substituted “the Mayor of West of England”.

(7) Section 339 (review of matters affecting the strategy) shall have effect as if in subsection (2) for “his” there were substituted “its”.

(8) Section 342 of the 1999 Act (matters to which the Mayor is to have regard) shall have effect as if—

(a) for subsection (1) there were substituted—

“(1) In exercising its functions under the preceding provisions of this Part, the Combined Authority shall have regard to—

(a) the National Planning Policy Framework;

(b) the effect that the proposed spatial development strategy or revision would have on—

(i) the health of persons in West of England;

(ii) health inequalities between persons living in West of England;

(iii) the achievement of sustainable development in the United Kingdom;

(iv) climate change and the consequences of climate change;

(v) the need to ensure that the strategy is consistent with national policies and the EU obligations of the United Kingdom; and

(c) such other matters as the Secretary of State may prescribe.”.

(b) subsection (2) were omitted.

(9) Section 344 of the 1999 Act (amendments of the Town and Country Planning Act 1990) shall have effect as if it were omitted.

(10) Section 345 of the 1999 Act (Town and Country Planning Act 1990: costs of appeals) shall have effect as if it were omitted.

(11) Section 347 of the 1999 Act (functional bodies to have regard to the strategy), shall have effect as if there were substituted—

“Constituent councils to have regard to the strategy

347.

In exercising any function, each of the constituent councils and the Combined Authority shall have regard to the spatial development strategy, but this is without prejudice to section 24 of the Planning and Compulsory Purchase Act 2004 as modified by Part 2 of Schedule 1 to the West of England Combined Authority (Functions and Amendment) Order 2016 (which requires certain documents of a constituent council to be in general conformity with the strategy).”.

(12) Section 348 of the 1999 Act (Mayor’s functions as to planning around Greater London) shall have effect as if—

(a) in subsections (1), (2) and (3) for “his” there were substituted “its”;

- (b) in subsection (3), for “London borough councils” there were substituted “constituent councils”; and
 - (c) in subsection (4), for “Authority” there were substituted “Combined Authority”.
- (13) Section 349 of the 1999 Act (abolition of joint planning committee for Greater London) shall have effect as if it were omitted.
- (14) Section 350 of the 1999 Act (interpretation of Part VIII) shall have effect as if —
- (a) the following definitions were inserted, in the appropriate places—
 - ““constituent councils” means the metropolitan district councils for the local government areas of Bath and North East Somerset, Bristol City and South Gloucestershire;
 - “the Combined Authority” means the West of England Combined Authority;
 - “West of England” means the area of the Combined Authority;
 - “Mayor of West of England” is the person elected to the position established by article 3 of the West of England Combined Authority (Election of Mayor with Police and Crime Commissioner Functions) Order 2016;” and
 - (b) subsection (2) were omitted.

PART 2

Modification of the application of the 2004 Act

2.—(1) Sections 19, 24, 37, 38 and 113 of the 2004 Act are modified in accordance with the following provisions.

(2) Section 19 of the 2004 Act (preparation of local development documents), shall have effect as if for subsection (2)(c) there were substituted—

“(c) the spatial development strategy if the authority is a constituent council of the Combined Authority or if any of the authority’s area adjoins West of England;”.

(3) In section 24 of the 2004 Act (conformity with regional strategy) shall have effect as if—

(a) for subsection (1)(b) there were substituted—

“(b) the spatial development strategy if the authority is a constituent council of the Combined Authority.”;

(b) after subsection (4) there were inserted—

“(4A) A local planning authority which is a constituent council of the Combined Authority—

- (a) must request the opinion in writing of the Combined Authority as to the general conformity of a development plan document with the spatial development strategy;
- (b) may request the opinion in writing of the Combined Authority as to the general conformity of any other local development document with the spatial development strategy.”;

(c) after subsection (5) there were inserted—

“(5A) The Combined Authority may give an opinion as to the general conformity of a local development document with the spatial development strategy irrespective of whether a request is made under subsection (4A).”; and

(d) in subsection (7) for “Mayor” there were substituted “Mayor of West of England”.

(4) Section 37 of the 2004 Act (interpretation) shall have effect as if after subsection (6A)(a), there were inserted—

(a) Section 37(6A) was inserted by section 85 of, and paragraph 17 of Schedule 5 to, the 2009 Act.

“(6B) In relation to the Combined Authority, in this section—

“constituent council” means one of the metropolitan district councils for the local government areas of Bath and North East Somerset, Bristol City and South Gloucestershire;

“Combined Authority” is the West of England Combined Authority established by the West of England Combined Authority Order 2016;

“West of England” is the area of the Combined Authority as specified in article 4 of the West of England Combined Authority Order 2016;

“Mayor of West of England” is the person elected to the position established by article 6 of the West of England Combined Authority Order 2016; and

“spatial development strategy”, in relation to the Combined Authority, means a strategy established by the Combined Authority in exercise of powers under article 11 of the West of England Combined Authority Order 2016.”.

(5) Section 38 of the 2004 Act (development plan) shall have effect as if—

(a) after subsection (2) there were inserted—

“(2A) For the purposes of any area in the West of England the development plan is—

- (a) the spatial development strategy;
- (b) the development plan documents (taken as a whole) which have been adopted or approved in relation to that area; and
- (c) the neighbourhood development plans which have been made in relation to that area.”;

(b) after subsection (10) there were inserted—

“(11) In this section—

“Combined Authority” is the West of England Combined Authority established by the West of England Combined Authority Order 2016; and

“West of England” is the area of the Combined Authority as specified in article 4 of the West of England Combined Authority Order 2016;

“spatial development strategy”, in relation to the Combined Authority, means a strategy established by the Combined Authority in exercise of powers under article 11 of the West of England Combined Authority Order 2016.”.

(6) Section 113 of the 2004 Act (validity of strategies, plans and documents) shall have effect as if—

(a) in subsection (1), after “the Mayor of London’s”, there were inserted “or the Combined Authority’s”;

(b) in subsection (11)(e), after “the Mayor of London”, there were inserted “or the Combined Authority”;

(c) after subsection (12), there were inserted—

“(13) In this section “Combined Authority” is the West of England Combined Authority established by the West of England Combined Authority Order 2016.”.

SCHEDULE 3

Article 14

Conferral of functions on the Combined Authority corresponding to functions contained in provisions in the 1999 Act exercised by the Mayor of London in relation to Greater London

1. The Combined Authority is to have in relation to its area functions, corresponding to the functions contained in the following provisions, in the 2011 Act, that the Mayor of London has in relation to Greater London —

- (a) section 197 (designation of Mayoral development areas);
- (b) section 199 (exclusion of land from Mayoral development areas);
- (c) section 200 (transfers of property etc to a Mayoral development corporation);
- (d) section 202 (functions in relation to Town and Country Planning);
- (e) section 204 (removal or restriction of planning functions);
- (f) section 214 (powers in relation to discretionary relief from non-domestic rates);
- (g) section 215 (reviews);
- (h) section 216 (transfers of property, rights and liabilities);
- (i) section 217 (dissolution: final steps);
- (j) section 219 (guidance);
- (k) section 220 (directions by the Mayor)
- (l) section 221 (consents);
- (m) paragraph 1 of Schedule 21 (membership);
- (n) paragraph 2 of Schedule 21 (terms of appointment of members);
- (o) paragraph 3 of Schedule 21 (staff);
- (p) paragraph 4 of Schedule 21 (remuneration etc: members and staff);
- (q) paragraph 6 of Schedule 21 (committees); and
- (r) Paragraph 8 of Schedule 21 (proceedings and meetings).

SCHEDULE 4

Article 15

PART 1

Modification of Part 8 of the 2011 Act

- 2.—(1) Part 8 of the 2011 Act is modified in accordance with the following provisions.
- (2) Section 196 of the 2011 Act is to be read as if ““the Mayor” means the Mayor of London” is omitted.
- (3) Sections 196 to 222 of the 2011 Act shall have effect as if for every reference to—
- (a) “the Assembly” there were substituted references to “the Combined Authority”;
 - (b) “the Greater London Authority” there were substituted a reference to “the Combined Authority”;
 - (c) “the London Assembly” there were substituted a reference to “the Combined Authority”; and
 - (d) “the Mayor” there were substituted a reference to “the Combined Authority”.
- (4) Section 197 of the 2011 Act (designation of Mayoral development areas) shall have effect as if—
- (a) in subsection (1) for “Greater London” there were substituted “the area of the Combined Authority”;
 - (b) in subsection (3)—
 - (i) in paragraph (a) for “any one or more of the Greater London Authority’s principal purposes” there were substituted “economic development and regeneration in the area of the Combined Authority(a)”, and

(a) Article 27 of, and Schedule 6 to, the West of England Combined Authority Order 2016 confer on the Combined Authority functions exercisable for the purpose of economic development and regeneration.

- (ii) in paragraph (d) the references to “the London Assembly or” were omitted and for “subsection (4)(d), (e), (f) or (g)” there were substituted “subsection 4(d) and (e)”;
 - (c) in subsection (4)—
 - (i) paragraph (a) is omitted,
 - (ii) paragraph (b) is omitted,
 - (iii) in paragraph (d) for “each London borough council whose borough” there were substituted a reference to “each district council or county council wholly or partly in the combined authority’s area”,
 - (iv) paragraphs (f) and (g) are omitted; and
 - (d) subsection (7) were omitted.
- (5) Section 200 of the 2011 Act (transfers of property etc to a Mayoral development corporation) shall have effect as if—
- (a) in subsection (3)—
 - (i) in paragraph (a), for “a London borough council” there were substituted a reference to “a district council or county council wholly or partly in the combined authority’s area”,
 - (ii) paragraph (b) is omitted,
 - (iii) in paragraphs (d) and (e), for “in Greater London” there were substituted a reference to “in the area of the Combined Authority”,
 - (iv) paragraph (f) is omitted,
 - (v) paragraph (g) is omitted,
 - (vi) paragraph (h) is omitted, and
 - (vii) paragraph (k) is omitted;
 - (b) in subsection (4) paragraph (b) is omitted;
 - (c) subsection (7) is omitted;
 - (d) subsection (8) is omitted; and
 - (e) in subsection (10) the definitions of a “functional body” and “public authority” are omitted.
- (6) Section 201 of the 2011 Act (object and powers) shall have effect as if subsection (8)(b) were omitted.
- (7) Section 202 of the 2011 Act (functions in relation to Town and Country planning) shall have effect as if in the definition of “affected authority” in subsection (7) “, (f) or (g)” is omitted.
- (8) Section 203 of the 2011 Act (arrangements for discharge of, or assistance with, planning functions) shall have effect as if for each reference to “a London borough council or the Common Council of the City of London” there is substituted a reference to “a district council or a county council”.
- (9) Section 207 of the 2011 Act (acquisition of land) shall have effect as if—
- (a) in subsection (2) for “in Greater London” there were substituted a reference to “in the combined authority’s area”; and
 - (b) in subsection (3) for the words “ Mayor of London” there were substituted “the Combined Authority”.
- (10) Section 214 of the 2011 Act (powers in relation to discretionary relief from non-domestic rates) shall have effect as if—
- (a) in subsection (4)(c) for “or an affected local authority” are omitted; and
 - (b) in subsection (4) the definition of “an affected local authority” was omitted.
- (11) Section 216 of the 2011 Act (transfers of property, rights and liabilities) shall have effect as if—

- (a) in subsection (2) “, (e)” were omitted; and
- (b) in subsection (4)—
 - (i) the definition of “functional body” were omitted; and
 - (ii) in the definition of “permitted recipient”—
 - (aa) paragraph (b) were omitted,
 - (bb) for “(d) a London borough council” there were substituted a reference to “a district council or county council wholly or partly within the combined authority’s area”, and
 - (cc) paragraph (e) were omitted.

PART 2

Modification of Schedule 21 to the 2011 Act

- 3.**—(1) Schedule 21 to the 2011 Act is modified in accordance with the following provisions.
- (2) Schedule 21 of the 2011 Act shall have effect as if—
- (a) in paragraph 1(1) for the reference to the Mayor of London (“the Mayor”) there were substituted a reference to the Combined Authority;
 - (b) for all subsequent references to the Mayor there were substituted a reference to the Combined Authority;
 - (c) in paragraph 1(2) for the reference to each relevant London council there were substituted a reference to each district council or county council wholly or partly in the Combined Authority’s area;
 - (d) paragraph 1(3)(a) were omitted;
 - (e) in paragraph 4(4) for the reference to the London Assembly there were substituted a reference to the Combined Authority; and
 - (f) in paragraph 10(c) “and the London Assembly” were omitted.

SCHEDULE 5

Article 23

Modification of the application of Chapters 1 and 2 of Part 1 of the 2008 Act

1.—(1) Chapters 1 and 2 of Part 1 of the 2008 Act are modified in accordance with the following provisions.

(2) Sections 5 (powers to provide housing or other land), 6 (powers for regeneration, development or effective use of land), 7 (powers in relation to infrastructure), 8 (powers to deal with land etc.), 9 (acquisition of land), 10 (restrictions on disposal of land), 11 (main powers in relation to acquired land) of, and Schedules 2 to 4 to, the 2008 Act, as applied by article 8, shall have effect as if for every reference to—

- (a) “the HCA” there were substituted a reference to “the West of England Combined Authority”;
- (b) “Part 1” of that Act there were substituted a reference to “Part 6 of the West of England Combined Authority Order 2016”;
- (c) “the HCA’s land” or land acquired or held by the HCA there were substituted a reference to “the West of England Combined Authority’s land” or land acquired or held by the West of England Combined Authority.

(3) Sections 5, 6, 8, 9 and 10 of the 2008 Act shall have effect as if for every reference to “land” there were substituted a reference to “land in the area of the West of England Combined Authority”.

(4) Section 57(1) of the 2008 Act shall have effect as if the following definition were inserted at the appropriate place—

(5) ““West of England Combined Authority” means the body corporate established by the West of England Combined Authority Order 2016;.”

(6) Part 1 of Schedule 2 to the 2008 Act (compulsory acquisition of land) shall have effect as if for every reference to “section 9” of that Act there were substituted a reference to “article 20” of this Order;

(7) Schedule 3 to the 2008 Act (main powers in relation to land acquired by the HCA) shall have effect as if for references to land which has been vested in or acquired by the HCA there were substituted references to land which has been vested in or acquired by the West of England Combined Authority.

(8) Schedule 4 to the 2008 Act (powers in relation to, and for, statutory undertakers) shall have effect as if for every reference to the HCA under Part 1 of that Act there were substituted a reference to the functions conferred on the West of England Combined Authority under article 20.

SCHEDULE 6

Article 27

1. The functions of the constituent councils under section 1 of the 2011 Act to the extent that those functions are exercisable for the purpose of economic development and regeneration.

2. The power under section 144 of the Local Government Act 1972(a) (the power to encourage visitors and provide conference and other facilities).

3. The duties under sections 15ZA, 15ZB, 15ZC, 17 and 18A(1)(b) of the Education Act 1996(b) and the power under sections 514A and 560A of that Act (duties and powers related to the provision of education and training for persons over compulsory school age).

4. The duty under section 69 of the 2009 Act (duty to prepare an assessment of economic conditions).

EXPLANATORY NOTE

(This note is not part of the Order)

This Order establishes the West of England Combined Authority.

Part 6 of the Local Democracy, Economic Development and Construction Act 2009 (“the 2009 Act”) provides for the establishment of combined authorities for the areas of two or more local authorities in England. Combined authorities are bodies corporate which may be given power to exercise specified functions in their area.

(a) Section 144 was amended by section 81 of and Schedule 2 to the Local Government (Miscellaneous Provisions) Act 1976 (c. 57); by section 194 of and Schedule 34 to the Local Government, Planning and Land Act 1980 (c. 65); and by sections 1 and 102 of and Schedule 17 to the Local Government Act 1985 (c. 51). There are other amendments which are not relevant to this instrument.

(b) 1996 c. 56. Sections 15ZA, 15ZB, 15ZC, 18A, 514A and 560A were inserted by the Apprenticeships, Skills, Children and Learning Act 2009 (c. 22), sections 41, 42, 45 to 48 and by S.I. 2010/1158. Section 15ZA was amended by paragraph 5 of Schedule 3(1) to the Children and Families Act 2014 (c. 6), by paragraph 44 of Schedule 14(2) to the Deregulation Act (c. 20) and by S.I. 2015/1852. Section 15ZC was amended by S.I. 2015/1852. Section 18A was also amended by the Education Act 2011 (c. 21), sections 30 and 82 and by paragraph 8 of Schedule 3(1) to the Children and Families Act 2014. Section 514A was amended by paragraph 50 of Schedule 3(1) to the Children and Families Act 2014. Section 560A was amended by paragraph 54 of Schedule 3(1) to the Children and Families Act 2014.

The Secretary of State may only establish a combined authority for an area where a scheme for such an authority has been published under section 109 of the 2009 Act. This Order has been made following the publication of such a scheme on June 2016 by the constituent councils whose areas together make up the area of the new combined authority. The scheme is available at: <http://www.westofenglanddevolution.co.uk/wp-content/uploads/2016/07/Scheme-for-a-Mayoral-Combined-Authority-for-the-Area-of-Bristol-Bath-North-East-Somerset-and-South-Gloucestershire-2016.pdf>.

Under sections 107A(1) and 107B(3) of the 2009 Act the Secretary of State may provide for there to be a Mayor for the area of a combined authority with the consent of the constituent councils of the combined authority (each district council or county council whose area is within the area of the combined authority) and any existing combined authority. Paragraph 3 of Schedule 5B to the 2009 Act provides that the Secretary of State may make provision for the dates on which and years in which mayoral elections for the area of a combined authority may or must take place, the intervals between elections for the return of a Mayor and the term of office of a Mayor.

Article 4 of the Order establishes the new authority, to be known as the West of England Combined Authority (“the Combined Authority”). *Article 5* of and *Schedule 1* to the Order make provision for the constitution of the Combined Authority. This is supplemental to the provision that is made by Part 1A of Schedule 12 to the Local Government Act 1972 (see paragraph (6A) of that Schedule, as amended by the 2009 Act).

Article 6 of the Order creates the position of Mayor for the area of the Combined Authority and further specifies the term of office for the Mayor, and the dates on which elections for the return of a Mayor shall take place and the intervals between elections.

Article 7 makes provision for the funding, by the constituent councils, of the costs of the Combined Authority and the elected Mayor.

Part 3 concerns the transport functions of the Combined Authority. *Articles 8 to 10* provide for the delegation of specified transport functions.

Part 4 of and *Schedule 2* to the Order confers on the Combined Authority functions corresponding to the spatial development strategy function that the Mayor of London has in relation to Greater London under section 334(1) of the Greater London Authority Act 1999, and functions that the Mayor of London has in relation to Greater London under sections 2A to 2F of the Town and Country Planning Act 1990.

Article 14 of, and *Schedule 3* to, the Order provides that the Combined Authority is to have in relation to its area functions corresponding the functions that the Mayor of London has in relation Mayoral development areas and Mayoral development corporations. It also provides that any designation of a Mayoral development area by the Combined Authority requires the consent of a member of the Combined Authority who is an elected member of a constituent council whose council area contains any part of the area to be designated as a mayoral development area.

Article 15 and *Schedule 4* applies Chapter 2 of Part 8 (Mayoral Development Corporations) of, and Schedule 21 (Mayoral Development Corporations), Schedule 22 (Mayoral Development Corporations: Consequential and Other Amendments), and paragraph 9 of Schedule 24 (transfers under scheme under section 200(1) or (4) or 216(1)) to, the Localism Act 2011 in relation to areas designated by the Combined Authority and corporations established as a consequence of such designation.

Articles 16 and *17* apply sections 1 (disqualification and political restriction of certain officers and staff), 2 and 3A (politically restricted posts and exemptions from restriction) in relation to a Mayoral development corporation established as a consequence of this Order and section 5 of the Local Government and Housing Act 1989 (designation and reports of monitoring officer) as if a mayoral development corporation established as a consequence of this Order were a committee of the authority.

Article 18 applies section 32 of the Local Government Act 2003 to ensure that a Minister of the Crown power to pay a grant under section 31(1) of the Local Government Act 2003 towards expenditure incurred or to be incurred by a Corporation.

Article 19 provides transitional arrangements for the functions to be exercised by the chairman of the Combined Authority until the Mayor is elected on 8th May 2017.

Part 6 of and *Schedule 5* to the Order confer on the GMCA functions in relation to housing and regeneration which are exercised concurrently with the Homes and Communities Agency.

Part 7 makes additional provision for the Mayor for the area of the Combined Authority. *Article 24* sets out the functions of the Combined Authority which are to be only exercisable by the Mayor, and *article 25* provides for the appointment of a political adviser to the Mayor. *Part 8* confers additional functions on the Combined Authority. *Article 26* extends to the Combined Authority the general power of competence available to the constituent councils. *Article 27* confers functions of the constituent councils relating to economic development and regeneration. These are set out in *Schedule 6* to the Order and are to be exercised concurrently with the constituent councils. *Articles 28 to 31* make some general, incidental provisions relating to the Combined Authority to enable it to carry out its functions effectively.

A full regulatory impact assessment has not been prepared as this instrument will have no impact on the costs of business or the voluntary sector.

APPENDIX B

Table of Changes from Scheme published with June Council Papers to Draft Parliamentary Order

The following table has been prepared following negotiation with Officials at HMT, DCLG and DfT. It has been prepared for publication for Cabinet/Council Meetings on 14 November 2016. It has been issued to Members at a point where the Councils have received a **draft** Order. The following is therefore based on the content of the that draft Order. A copy of the Order is attached as Appendix A

Table of Change – Position at 11 November 2016

Scheme Wording (June 2016)	Issues	Change Resolution for Parliamentary Order (November 2016)
1. MCA The MCA will come into existence on 1 April 2017.	This date would have prohibited the MCA from receipt of a Gainshare payment in the 2016/17 financial year or setting a levy to inform Council budgets.	It is proposed that the MCA will come into effect as close as possible to 1 February 2017.
2.7.2 Mayoral Term The initial term for the Combined Authority Mayor will be four years.	There was a strong challenge from Government that this should be three years as an efficiency saving with other elections. The scale and nature of those other elections was why the Councils had suggested a 4-year term.	Government have agreed with our politicians that a 4-year first term will be preferable. The position is therefore consistent with the Scheme.
1.5.1 Overview & Scrutiny Mayoral Combined Authority shall establish a Committee to exercise responsibility for the Overview and Scrutiny functions applicable to the Mayoral Combined Authority.	A generic Parliamentary Order will be legislated separately from the WoE Order to provide for the Overview and Scrutiny Requirements.	Overview and Scrutiny legislation is not established by this Parliamentary Order. We are expecting a separate Order for February 2016.
2.1.3 Local Transport Plan Mayoral functions are to include responsibility for a Local Transport Plan.	Politicians had pushed for this plan to be subject to unanimous approval alongside the JSP. Owing to the MCA becoming the Transport Authority and the Mayor taking responsibility for the single capital pot, Govt were	The LTP will be a Mayoral function requiring 2/3 voting as per the Scheme.

	insistent that the Local Transport Plan be the Mayoral function subject to Mayoral voting (2/3).	
<p>2.3.2 Transport Authority The Mayoral Combined Authority will become the Transport Authority for the region. It will be appropriate however, for certain powers conferred with that status to be devolved back to the individual Constituent Councils and exercised at the local level. It is expected that this will include, but not be limited, to the duty to support socially necessary bus services under Section 63 of the Transport Act 1985.</p>	Govt Policy is to make an MCA a Transport Authority exclusively for all transport matters. This might have included bus lane enforcement, socially necessary bus services, road pricing and concessionary travel. Politicians have pushed back on critical local issues.	<p>The Draft Order reflects our understanding that;</p> <ul style="list-style-type: none"> • Bus lane enforcement will remain exclusively with the UAs. • Functions relating to socially necessary buses are to be exercised jointly across the WoE area (i.e. between the three constituent councils, the WoECA and the mayor). This includes Park & Ride services. • Community Transport grants under Section V of the 1985 Transport Act will be exercised exclusively by the MCA (arrangements to be made with UAs). • Concessionary Travel will be exercised exclusively by the MCA (arrangements to be made with UAs).
<p>2.3.3 (and 2.3.8) Highway Authority The Mayoral Combined Authority will be the Highway Authority for the Key Route Network for the purposes of exercising the powers of the Highways Act 1980 and the relevant other primary and secondary legislation.</p>	Govt have challenged the MCA to statutorily define the KRN and take on the appropriate Highway powers but recognise that in establishing an MCA without previously having been an ITA, WoE is not in a position to implement this. A light-touch process has been agreed for Deal 1.	<p>The MCA will not be the Highway Authority for any part of the network and this will not be in the Parliamentary Order. 2.3.8 is effectively removed in its entirety.</p> <p>The MCA will have powers to enter into agreements with local highway authorities and strategic highways companies for the doing of certain works.</p> <p>A revised Order could be</p>

		considered once the CA and Mayor have set the principles of the KRN.
<p>2.3.4 Moving Traffic Offences The Mayoral Combined Authority will be granted, in respect of the Key Route Network and with the approval of the Constituent Councils, functions equivalent to those conferred upon the Mayor of London, by the Transport Act 2000.</p>	<p>Many areas are pushing for devolved powers to enforce 'moving traffic offences'. We see these as critical to successfully delivering the likes of Clean Air Zones. The Government position is that this is not being devolved anywhere now but they are open to further discussion.</p>	<p>Moving traffic offences are not included in the Parliamentary Order.</p>
<p>2.3.5 KRN & TROs The Mayoral Combined Authority will be granted powers equivalent to those contained within Part 1 of the Road Traffic Regulation Act. These powers would enable the Key Route Network to be statutorily defined and allow the KRN roads to be strategically managed and coordinated at the city-region level by the MCA on behalf of the Mayor.</p>	<p>DfT have agreed a light-touch approach to the KRN for Deal 1 and as such, this no longer needs power for Traffic Regulation Orders. The delivery function rests with the UAs.</p>	<p>This is effectively removed from the Parliamentary Order for Deal 1.</p>
<p>2.3.6 Clean Air Zones The Mayor and the Mayoral Combined Authority will have the power to create Clean Air Zones, with the affected highway authority(ies) consent.</p>	<p>The Government position on what parts of Transport Acts would transfer has been very unclear and Authorities expressed concerns about some of the powers within Part III of the Transport Act 2000 transferring to the MCA.</p>	<p>Government have clarified that Part III of the Transport Act 2000 will not transfer, so provisions for charging vehicles in Clean Air Zones will remain a function for the individual authorities.</p>
<p>2.3.7 BSOG It is proposed that powers retained by the Secretary of State for Transport to make grants to bus service operators under Section 154 of the Transport Act 2000, will be transferred, incrementally, to the Mayoral Combined Authority.</p>	<p>The MCA wanted clarification that any Bus Franchising provisions would be accompanied by the appropriate BSOG (Bus Services Operators Grant) funding.</p>	<p>DfT were challenged on what was required for the Order and advised that should a WoE Mayor make a decision to franchise commercial bus services within the CA area, DfT will work with the CA to determine an appropriate level of commercial BSOG which could be devolved to the</p>

		Mayor for inclusion in the devolved transport grant with an agreed phasing for transfer of functions.
1.4.5 Borrowing Approval of the Combined Authority's borrowing and limits, treasury management strategy including reserves, investment strategy and setting of the CA levy will require unanimous support of all constituent councils but, the Mayor will not have a vote.	We have had assurances that the levy can be agreed unanimously as per the scheme with a fall-back based on percentage of population.	The Draft Order confirms these approvals are subject to unanimous approval of the WoECA excluding the Mayor and states that the levy will be apportioned by constituent council in such proportions as they may agree or, in default of such agreement, in proportion to the total resident population of the WoECA which resides in that council at the relevant date as estimated by the Statistics Board.
3.5 Borrowing Regulations should be made pursuant to section 23 (5) of the Local Government Act 2003 to give the Mayoral Combined Authority borrowing powers for priority infrastructure projects, including but not limited to; transport, highways, housing, investment and economic regeneration, as relevant to the exercise of its functions, both mayoral and non-mayoral, within agreed limits.	We have had pushback from Govt that borrowing powers will be limited to transport.	The current national position is understood to be that borrowing powers will be restricted to transport.
2.4.4 JSP The Mayor will be given power to prepare and adopt the Joint Spatial Plan insofar as it relates to the Combined Authority Area. In order to give effect to this, the Mayor will be given powers corresponding to those given to the London Mayor pursuant to Part VIII, sections 334 to	North Somerset's withdrawal has rendered the JSP non-compatible with the MCA geography and there was no legislative provision for the JSP to be adopted (even in part) under GLAA 1999 powers, where it has been examined under T&CPA 1990 powers.	The duty for the Mayor to produce the Mayoral Spatial Strategy will be subject to a delay until May 2018. This will allow the continued development of the JSP before this duty comes into effect. Voting to publish the Spatial Strategy remains unanimous.

<p>350 of the Greater London Authority Act 1999 (the “GL Act”) with certain modifications.</p>	<p>The MCA will have a duty to deliver a Mayoral Spatial Strategy covering the MCA area.</p>	
<p>2.4.10 Call-in The Mayor will be granted certain strategic planning functions; these will include powers to prepare, submit and determine planning applications. The exercise of such functions will be confined to strategic, cross-boundary, linear infrastructure identified in the Joint Spatial Plan.</p>	<p>DCLG have confirmed that the Mayoral power to call-in a planning application will only be exercisable upon adoption of a Mayoral Spatial Strategy.</p> <p>DCLG wanted definition of ‘infrastructure’.</p>	<p>The Mayor will not be able to exercise call-in for strategic, cross-boundary, linear infrastructure until such time as the Mayoral Spatial Strategy is adopted. Councils have asked that infrastructure be defined as;</p> <ul style="list-style-type: none"> •Roads and public highway development, bridges, highway improvement works, bus lanes, rail, rapid-transit •Flood defences
<p>2.5.1 Adult Education The Mayoral Combined Authority will be given devolved powers to control the Adult Education Budget from the academic year 2018/19.</p>	<p>The devolution of AEB will be subject to a separate national Order.</p>	<p>The target for the Parliamentary Order devolving AEB is currently Easter 2017. Skills devolution does not feature within this Order.</p>
<p>2.5.3 The Mayoral Combined Authority will be granted responsibility for the Apprenticeship Grant for Employers (AGE).</p>	<p>This has commenced on the back of the Deal signed in March 2016.</p>	<p>AGE funding commenced in August 2016. The 3 Councils have received an enhanced offer reflecting their role in the Devolution Deal.</p>
<p>2.6.1 Intermediate Body the Mayoral Combined Authority will gain the powers of an Intermediate Body to select ERDF and ESF projects.</p>	<p>This matter is still being negotiated with DCLG.</p>	<p>The establishment of IB status does not require separate legislation and is not addressed in this Order.</p>

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Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	14th November 2016	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2896
TITLE:	Englishcombe Neighbourhood Development Plan	
WARD:	Bathavon West	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
<p>Appendix 1: Draft Englishcombe Neighbourhood Plan – available at: http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Planning-Policy/NPP/englishcombe_draft_np_referendum_version.pdf</p>		

1 THE ISSUE

- 1.1 Following the successful examination and referendum, this report seeks to make and bring into force the Englishcombe Neighbourhood Plan (Appendix 1), so that it will be used by the Local Planning Authority to help determine planning applications within the Neighbourhood Area.

2 RECOMMENDATION

Cabinet is asked to agree to:

- 2.1 Make and bring into force the Englishcombe Neighbourhood Development Plan, as set out in Appendix 1, as part of the Development Plan for the Englishcombe Neighbourhood Area, in accordance with Section 38A(4) of the Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011).

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The main costs of producing the Englishcombe Neighbourhood Plan related to in-kind technical support provided, plus the costs of the external examination, referendum and associated printing costs. These costs will be funded through a £20,000 Government Neighbourhood Planning Grant, which will be received by the Council by the end of the calendar year (Neighbourhood Planning Grants are paid quarterly and the next payment is expected in December 2016).
- 3.2 All other minor costs associated with supporting the preparation of the Neighbourhood Development Plan have been covered within the existing LDF budget.

- 3.3 Significant community resources have been invested into the Englishcombe Neighbourhood Plan preparation, including substantial volunteer time.
- 3.4 Once the Neighbourhood Plan is made, Englishcombe Parish Council will receive 25% of CIL payments for development within their Neighbourhood Area, in line with the CIL Regulations (rather than the typical 15%).

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The Localism Act 2011 has reformed the planning system to give local people new rights to shape the development of the communities in which they live.
- 4.2 The Act provides for a new type of community-led initiative known as a Neighbourhood Development Plan which sets out the policies on the development and use of land in a parish or 'Neighbourhood Area'.
- 4.3 The Council has a duty to assist communities in the preparation of Neighbourhood Development Plans and orders and to take a Plan through a process of examination and referendum and to bring the Neighbourhood Plan into force.
- 4.4 In line with the Neighbourhood Planning Protocol (version dated 9th September 2015) the decision to make the Plan is for the Council's Cabinet.

5 THE REPORT

- 5.1 Englishcombe Parish Council indicated that they would like to undertake a Neighbourhood Development Plan (NDP) in January 2013 and the Neighbourhood Area, the first formal stage in the process, was designated by the Council on 15th March 2013. The Plan was considered by an Independent Examiner in May 2016, who recommended that it should proceed, with modifications, to the final stage, the referendum.

Englishcombe Referendum

- 5.2 The referendum took place on the 15th September 2016. In accordance with the regulations, the question posed in the referendum was: Do you want Bath & North East Somerset Council to use the neighbourhood plan for Englishcombe to help it decide planning applications in the neighbourhood area?'
- 5.3 There was a 25.9% turnout of the overall Neighbourhood Area electorate. A majority (91%) were in favour of using the Englishcombe NDP to help decide planning applications in the Neighbourhood Area.

Compatibility with EU Legal Obligations & Human Rights

- 5.4 The Council does not have to bring the Plan into force if it is considered that the making of the Plan would breach, or be incompatible, with any EU obligations or the European Convention on Human Rights (Section 38A (6) of the Planning & Compulsory Purchase Act 2004).
- 5.5 The Independent Examiner considered this issue and concluded that, subject to the recommended modifications (all of which have been incorporated into the final draft of the Plan), the Plan would not breach or be incompatible with any EU laws or the European Convention on Human Rights. The Council's Legal Services have reviewed the Plan and concur with the examiner's view. As such, it is considered that the legal duty under s38A(4) PCPA 2004 (to make the plan as soon as is reasonably practicable after the referendum) applies in this case.

Making the Neighbourhood Plan and bringing it into force

- 5.6 In accordance with Section 38A(4) of the Planning and Compulsory Purchase Act 2004, as inserted by the Localism Act 2011, the Council has a duty to make the Englishcombe Neighbourhood Plan part of the Development Plan. The Development Plan is the framework for determining planning applications in B&NES (which currently includes the adopted Core Strategy 2014, saved policies in the B&NES Local Plan 2007 and, when adopted, the Placemaking Plan). This will mean that the Englishcombe Neighbourhood Plan will have weight in decision making and planning applications should be determined in accordance with the Neighbourhood Plan, alongside national planning policies, and other policies in the Development Plan, unless material considerations indicate otherwise.
- 5.7 It is recommended that the Council makes the Plan and brings it into force.
- 5.8 The Council must also publicise (on the web site or in any other manner to bring it to the attention of those who live, work or carry on business in the Neighbourhood Area) their decision on the Neighbourhood Plan and the reasons for that decision in a 'Decision Statement' (s38A (9) of The Planning & Compulsory Purchase Act 2004 & Regulation 19 of the Neighbourhood Planning (General) Regulations 2012). Under delegated authority the Divisional Director – Development will issue a Decision Statement. The Council must also publish where and when the Decision Statement can be inspected and send a copy to Englishcombe Parish Council. The Decision Statement will be published on the B&NES website and will be made available for inspection in the following locations:
- One Stop Shop's Reception
 - Bath Central Library
 - Englishcombe Old School Rooms, Priston Road, BA2 9DU

Call In

- 5.9 The Council has a legal duty to make the Plan and bring it into force as soon as reasonably practicable after the referendum. It is therefore considered that this decision falls within the exceptions to call in contained in rule 5 of the Call In Procedure Rules, namely, that the effect of call in would be to cause the Council to miss the statutory deadline.

6 OTHER OPTIONS CONSIDERED

- 6.1 No other options were considered given that the Council has a duty to make the Plan and bring it into force.

7 CONSULTATION

- 7.1 The Monitoring officer, Section 151 officer and Strategic Director Place have been given the opportunity to review this report and have cleared it for publication.
- 7.2 Considerable consultation has been undertaken alongside the preparation of the Plan:
- Representations were invited with regard to the designation of the neighbourhood area covering Englishcombe Parish for a 6 week period between 30 October 2015 and 14 December 2015.
 - Representations were also invited with regard to the Draft Neighbourhood Plan for a six week period from 2nd March 2016 to the 13th April 2016.
 - On 15th September 2016 the Neighbourhood Plan was subject of a community Referendum. Everyone who was registered to vote within the Parish was given the opportunity to vote on whether the Plan should be 'made' by the Council.

7.3 No additional consultation has taken place or is necessary with regard to the recommendation of this Report; at this stage the only publicity required is in line with paragraph 5.8 above.

8 RISK MANAGEMENT

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

Contact person	<i>Richard Daone 01225 477546</i>
Background papers	<p><i>My Neighbourhood: A Neighbourhood Planning Protocol for Bath & North East Somerset</i></p> <p>http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Planning-Policy/NPP/npp_my_neighbourhood_adopted_2014.pdf</p> <p><i>Englishcombe:</i></p> <p><i>Neighbourhood Plan Evidence Base and other Background documents:</i></p> <p>http://www.bathnes.gov.uk/services/planning-and-building-control/planning-policy/neighbourhood-planning-bnes/neighbourhood</p>
Please contact the report author if you need to access this report in an alternative format	

Bath & North East Somerset Council		
MEETING:	Cabinet	
MEETING DATE:	14th November 2016	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2870
TITLE:	Revenue and Capital Budget Monitoring, Cash Limits and Virements – April 2016 to September 2016	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report		
Appendix 1: Revenue & Capital Monitoring Commentary		
Appendix 2: Revenue Monitoring Statement: All Council Spending		
Appendix 3: Capital Monitoring Statement: All Council Spending		
Appendices 4(i) & 4(ii): Proposed Revenue Virements & Revised Revenue Cash Limits 2016/17		
Appendices 5(i) & 5(ii): Capital Virements & Capital Programme by Portfolio 2016/17		

1 THE ISSUE

1.1 This report presents the financial monitoring information for the Authority as a whole for the financial year 2016/17 to the end of September 2016.

2 RECOMMENDATION

The Cabinet are asked to agree that:

2.1 Strategic Directors should continue to work towards managing within budget in the current year for their respective service areas and develop an action plan of how this will be achieved, including not committing any unnecessary expenditure and stringent budgetary control.

2.2 This year's revenue budget position as shown in Appendix 2 is noted.

2.3 The capital expenditure position for the Council in the financial year to the end of September and the year end projections detailed in Appendix 3 are noted.

2.4 The revenue virements listed for approval in Appendix 4(i) are agreed, and those listed for information are noted.

2.5 The capital virements listed for approval in Appendix 5(i) are agreed, and those listed for information are noted.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

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

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

4.1 The annual medium term financial planning process allocates resources across services with alignment of these resources towards the Council's corporate priorities. This report monitors how the Council is performing against the financial targets set in February 2016 through the Budget setting process.

5 THE REPORT

5.1 The Budget Management Scheme requires that the Cabinet consider the revenue and capital monitoring position four times per year.

5.2 For revenue budgets which are forecast to be overspent, the Divisional Directors are expected to seek compensating savings to try and bring budgets back to balance.

5.3 Appendix 1 highlights any significant areas of forecast over and under spends in revenue budgets. Appendix 2 outlines the Council's current revenue financial position for the 2016/17 financial year to the end of September 2016 by Cabinet Portfolio. The current forecast outturn position is for an overspend of £941,000 which equates to 0.30% of gross budgeted spend (excluding Schools).

5.4 Strategic Directors will work to manage their budgets within the overall allocations approved by the Council, and this will include the development of appropriate mitigating actions as the financial year progresses.

5.5 The forecast outturn position includes the requirement for the delivery of £12.644m savings as part of the approved budget for 2016/17, a significant element of which has been confirmed as delivered.

5.6 The Council's financial position, along with its financial management arrangements and controls, are fundamental to continuing to plan and provide services in a managed way, particularly in light of the medium term financial challenge. Close monitoring of the financial situation provides information on new risks and pressures in service areas, and appropriate management actions are then identified and agreed to manage and mitigate those risks.

5.7 Revenue budget virements which require Cabinet approval are listed in Appendix 4(i). Technical budget adjustments are also shown in Appendix 4(i) for information purposes as required by the Budget Management Scheme.

5.8 Appendix 3 outlines the current position for the 2016/17 Capital budget of £87.602m, with a current forecast spend of £75.955m, which is £11.648m less than the budget.

5.9 Capital budget virements which require Cabinet approval are listed in Appendix 5(i). Previously approved budget adjustments are also shown in Appendix 5(i) for information purposes as required by the Budget Management Scheme, while Appendix 5(ii) provides the updated capital programme allocated by Portfolio.

6 RATIONALE

6.1 The report is presented as part of the reporting of financial management and budgetary control required by the Council.

7 OTHER OPTIONS CONSIDERED

7.1 None

8 CONSULTATION

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

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 substance of this report is part of the Council's risk management process. The key risks in the Council's budget are assessed annually by each Strategic Director, with these risks re-assessed on a monthly basis as part of the budget monitoring process.

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>Budget Management Scheme</i>
Please contact the report author if you need to access this report in an alternative format	

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REVENUE BUDGET MONITORING APRIL 2016 TO SEPTEMBER 2016

- 1.1 Appendix 2 outlines the Council's current financial position for the 2016/17 financial year to the end of September 2016 by Cabinet Portfolio. The Appendix shows the current forecast outturn position is an overspend of £941,000 or 0.30% of the gross expenditure budget (excluding Schools).
- 1.2 Strategic Directors will continue to work to manage their budgets within the overall budget allocations approved by the Council. This will include the development of appropriate mitigating actions as the financial year progresses, including not committing any unnecessary expenditure and stringent budgetary control.
- 1.3 The forecast outturn position includes the requirement for the delivery of £12.644m savings as part of the approved budget for 2016/17, a significant element of which was been confirmed as delivered.
- 1.4 Within the current £941,000 forecast overspend figure, there are areas of over and under spending which are detailed below, along with any planned management actions being taken to reduce projected overspends.
- 1.5 **Leader's Portfolio – forecast £120,000 overspend**

This forecast overspend is in Legal & Democratic Services, where the proposed service restructure in order to achieve savings targets will not be implemented until April 2017 due to external and additional unplanned work demands on the Council Solicitor, e.g. EU Referendum. Management actions have been taken to prevent further overspend, and the April 2017 restructure will deliver the full savings from 2017/18.

- 1.6 **Finance & Efficiency Portfolio – forecast £476,000 underspend**

The forecast overspend on this portfolio is made up of the following variances:

Support Services: There is a £609,000 overspend forecast across Support Services.

Customer Services are forecasting an improved position of a £327,000 overspend. The shortfall is mainly a result of reduced grant related to Universal Credit implementation, and other savings that have not been identified, as well as the income target from potentially running a "Payment by Results" pilot scheme with the Department for Works & Pensions not currently proceeding.

Within Human Resources, there is a shortfall of income from Schools following academy conversions, which have resulted in a forecast overspend of £154,000. There is also a £65,000 staffing overspend forecast in People Services, where the full efficiency savings from the new Payroll system are yet to materialise.

There is a net £55,000 forecast shortfall of budgeted income within Commercial Estate, mainly attributable to tenants in administration causing letting delays.

In addition, Traded Services are forecast to be £50,000 overspent in Print Services, with a review underway to generate efficiency savings, and £78,000 overspent in Catering, owing to an overspend in Community Meals where consultation is currently taking place for mitigating actions, and delayed food procurement savings.

Within the Portfolio, there is also £82,000 of management savings across Support Services which are yet to be identified, and £160,000 of further Procurement savings targets across the Council which are yet to be achieved.

These overspends are partially offset by underspends £269,000 in Corporate Estate, due to lower accommodation and energy costs, and £167,000 in Information Technology project budgets.

Corporate costs: £1,085,000 forecast underspend. There is additional income of £300,000 forecast from the Thermae Spa Profit Share arrangements, and a £560,000 underspend forecast in Capital Financing costs, owing to capital programme slippage delaying the need to borrow, and Minimum Revenue Provision (MRP) savings. There is also an £80,000 surplus in the budget for Education Services Grant reduction, plus several other small underspends including the Charter Trustees not taking their budgeted grant, unfunded pensions costs and a small projected surplus on the Council contribution required for historic pension deficit recovery.

1.7 Adult Social Care & Health Portfolio – forecast on target

The Adult Social Care revenue budget forecasts a balanced outturn position for 2016/2017. This position has been supported by anticipated use of the Social Care Reserve, as planned when the budget was set; this is mitigating inflationary and demographic pressures in Adult Social Care as a result of the implementation of the Living Wage and the costs associated with purchased care packages supporting complex service users in their home. The current service pressure is forecast to be £1,433,000 which will be balanced by a transfer from the Social Care Reserve. (Increased from £698,000 following further information from Service Users as to pressures).

1.8 Children's Services Portfolio – forecast £1,125,000 overspend

The forecast overspend within this Portfolio is due to a number of pressures.

Children's Social Care operational costs are forecast to overspend by £457,000 due to increased spend on court action and Child Sexual Exploitation awareness to help the safety of younger people, as well as an overspend on staffing where staffing remains at a level that ensures the safe monitoring and protection of vulnerable children whilst ensuring good outcomes, and are in line with other Local Authorities who have been commended in Ofsted inspections as providing appropriate services to vulnerable children. This area is being reviewed to identify potential mitigations.

There is also an improved position forecast of a £252,000 overspend forecast (previously £300,000 overspend) on Children's Centres and Nurseries, where although management costs have been reduced, income targets have not been

met. The provision of this will be reviewed in areas where there is a high level of alternative service delivery.

In addition, there is also a forecast overspend of £650,000 for Home to School Transport, due to pressures on Special Educational Needs (SEN) and Mainstream transport, following demand increases as a result of legislative change in recent years. Also, high demand from outside the area for places in the Council's Special Schools is making the placement of pupils locally increasingly difficult, and therefore it is required to transport pupils further distances outside of the area. Efforts are being made to extend capacity by opening SEN units within mainstream schools and Academies. There is also review of transport currently underway.

Pressures in the Safeguarding Assurance and Quality Assurance budgets have arisen from additional staffing needed to cover workload increases, including from an exceptional safeguarding investigation (which has now been concluded). Work is underway to review capacity and to explore alternative approaches to some areas of work to reduce this overspend.

1.9 Homes & Planning Portfolio – forecast £80,000 underspend

An overall underspend of £16,000 is forecast within Development, with staffing underspends and higher than budgeted pre-application planning income. Within Housing, there is a £63,000 underspend forecast, mainly due to reduced consultancy fees and additional HMO licencing income.

1.10 Economic Development Portfolio – forecast £330,000 underspend

There is a £250,000 overspend forecast in Economy & Culture, where savings attributable to a review of Destination Management and income from “Digital B&NES” have been delayed. This is offset by a £458,000 forecast over achievement of Heritage Services profit target, reflecting visitor trends remaining above the national average for visitor attractions (£254,000 from Easter 2016), and also a £101,000 underspend in Regeneration, owing to the temporary increased recharges to Capital Projects such as Bath Quays.

1.11 Community Services Portfolio – forecast £472,000 overspend

Within Waste & Fleet Services, there is a reduced forecast overspend of £258,000 (from £455,000). This includes a £164,000 adverse variance in Fleet Services, where an external review of the service is continuing with a view to further close these gaps. In addition, there is an improved forecast overspend at £112,000 (from £230,000 overspend) in Waste Treatment & Disposal, as a result of contracts requiring renegotiation and changes in the market since last renegotiated. This is partially offset by recycling contract savings, where contract deflation has been successfully negotiated.

There is also an £62,000 overspend forecast in Libraries due to savings not currently identified, although a review of this is being carried out, a £100,000 pressure in Place Overheads due to the decision to fund the 2016 Christmas light

displays, and a £53,000 shortfall in Public Protection licensing income, mainly owing to street trading in Southgate underperforming against expectations.

1.12 Transport Portfolio – forecast £105,000 overspend

The £214,000 pressure on Bus Lane Enforcement has been mitigated by higher than budgeted income from car parking and parking enforcement, as well as staffing savings in the Parking Office & Enforcement Teams, resulting in a net £59,000 underspend forecast in Transport & Parking Services. There is a £163,000 overspend forecast in Highways, predominantly due to Policy & Development where difficulties in recruiting staffing vacancies on statutory provision are being covered by agency staff.

CAPITAL BUDGET MONITORING – APRIL 2016 TO SEPTEMBER 2016

- 2.1 The approved Capital Programme for 2016/17 is currently £87.602m, and is detailed in Appendix 5(ii). Changes to the Capital Programme since September Cabinet are shown highlighted in Appendix 5(i).

Progressing Capital Projects Updates

- 2.2 **Bath Transport Package: Main Works** – The installation of variable message signs on A36, A4, A46 and A420, plus six real time information installations along Dorchester Street, will all be completed this financial year, which will complete the whole project.
- 2.3 **Transport Improvement Programme** – Multiple schemes now underway or in design and consultation, with some scheduled for progression later during 2016/17. Tunley/Overdale footway works now complete. Salford pedestrian crossings upgrades, as well as Bannerdown Road footway, are due for construction in October, and are all currently on target. Phases 2 and 3 on North Parade are due for completion end of October 2016. The additional drainage work identified will be covered by contingencies allowed for in the original £300,000 allocation, and a small saving on Phase 1.
- 2.4 **Highways Maintenance Programme** – Schemes progressing, with the programme of works agreed with contractors, including the additional grant of £176,000 and further £500,000 allocation. Surfacing and surface treatment programmes are substantially complete.
- 2.5 **Kennet & Avon Towpath** – Works covering improvements to the length, width and surface of the towpath between Sydney Gardens and Bathampton were completed in July 2016. Final project completion including seating, cycle stands and signing anticipated by end 2016/17.
- 2.6 **East of Bath Transportation** – An update report was taken to Cabinet in May 2016 which highlighted the options available for the possible location of an East of Bath Park and Ride, arising from the work done by the Local Development Framework Steering Group and the Communities Transport and Environment Policy Development & Scrutiny Panel.
- 2.7 **Waste Infrastructure Relocation** – In recent months, approval to take forward the development at Locksbrook for the relocation of the Outer Bath Street Cleansing team has been given. A Single Member Decision was approved on 13th August 2016 for the land acquisition and design development for the relocation of Refuse and Recycling collection operations, Commercial Waste Service and Waste Transfer Station. In addition, works to explore options for the Bath Recycling Centre are underway.
- 2.8 **Bath Leisure Centre Refurbishment** – The first phase of works of the development are progressing to build the new enlarged Health & Fitness Suite and refresh the remaining Sports Hall. Final costs and timescales for the remaining phases of works are being developed now. The project is anticipated to be on budget.

- 2.9 **Keynsham Leisure Centre** – The acquisition of the lease has been completed. Following both public and stakeholder consultation, a final scheme has now been submitted to the planning authority for a pre-application response. The response to this pre-application has been received, and final amendments to the scheme are under way in preparation for a planning application in October 2016. A public feedback session has taken place in Keynsham on 3rd October 2016 to present the results of the June consultation. Further work is required to identify the full financial requirements.
- 2.10 **Affordable Housing** – Extra Care Scheme at Ensleigh (Lansdown) progressing, with on-site start expected early 2017/18. 13 Rural units at Farmborough will complete Autumn 2016. 5 rural affordable housing units in Bathampton are starting on site during Autumn 2016, with completion in 2017/18. Capital funding requirements for a shared housing project for young people are being finalised, and capital funding is being identified to secure the retention of a small rural housing scheme in the Chew valley.
- 2.11 **Digital B&NES** – The Connecting Devon & Somerset broadband rollout programme is on target for the completion of phase 1 by the end of 2016. The phase 2 Invitation to Tender is now available publicly, and a contract will be awarded by December 2016. Delivery of Phase 2 of CDS is expected to commence in late Spring, early Summer 2017. Public WiFi in Bath City Centre will be considered for implementation in Spring 2017.
- 2.12 **Saw Close Regeneration** – Private casino and leisure development on site. Revolving Infrastructure Funding approved by LEP board in early January 2016 for wider public realm improvement. Site surveys have commenced, identifying potential issues with existing underground services, and designers are working up solutions to manage within budget. Engagement with local business, user groups and the public is complete.
- 2.13 **RIF Project – Destructor Bridge:** Bridge super-structure now complete, with final project completion expected in October 2016.
- 2.14 **RIF Project - Gas Holders:** Gas holder decommissioning works completed, with the holder bases remediated and removed. Phasing of final remediation and pipework rationalisation works is under review against final land assembly.
- 2.15 **RIF Project - Bath Quays Waterside (Innovation Quay):** Highway diversion completed and operational, and the north bank service diversions substantially complete. North bank archaeological investigations are complete, and ground contamination and requirement to undertake further archaeological work have extended excavation programme. The completion of works now likely to be in Quarter 1 2017
- 2.16 **Bath Quays North** – Proposals for procurement of development partner being considered with a decision by Council in 2016/17. A revised outline EDF Business Case is being prepared and submission is expected in Autumn 2016, with detailed business cases to be submitted by end of 2016/17.

- 2.17 **Bath Quays South** – Executive decision to progress direct delivery of scheme to come forward in Autumn 2016. Planning submission expected to similar timescale.
- 2.18 **Bath Quays Bridge** – Aiming towards a bridge planning application submission in parallel with the Quays development in 2016, with construction completion forecast before 2017/18 year end.
- 2.19 **Roman Baths Archway Project** – This £5 Million project will provide a new Roman Baths Learning Centre and World Heritage Centre, and extend public access for daytime visitors to previously unseen parts of the Roman Baths. The project will be funded by a Council capital contribution of up to £1Million, together with a Heritage Lottery Fund (HLF) grant of £3.4Million, other grants and fundraising. The grant application to the HLF has been approved. The Roman Baths Foundation has secured a grant of £75k for the project from the Garfield Weston Foundation and many individual and smaller donations. At this point in time further applications to grant-giving bodies are in progress as fund-raising continues for the remaining £200,000. Decisions on the outstanding applications are expected in the Autumn.
- 2.20 **Schools Capital Maintenance Programme** - The replacement of poor condition temporary buildings at St Michael's Junior School is complete, and the children moved into the new modular building at the start of the school year in September 2016. The kitchen works at Chandag Infant School are also complete, and worst condition repairs and maintenance projects are ongoing at Farmborough, Peasedown St. John, St. Philip's Odd Down, Ubley and Westfield.
- 2.21 **Saltford Primary - Basic Need** - The school converted to academy status as part of the Wellsway MAT on 1st September 2016. Mealings have been appointed as contractor for the scheme, and will start on site early October.
- 2.22 **Paulton Junior School - Basic Need** - The contractor has commenced works on site to remodel areas of the school and provide new accommodation. The additional temporary classroom space for 30 pupils has been completed, and works are ongoing to deliver the permanent block of 4 classrooms and hall extension.
- 2.23 **Ensleigh (Abbot Alphege Academy) - New Primary School** - Construction of the new school began on site in July 2016. The project is on programme to deliver the new accommodation for September 2017 admissions. Comenius Trust, the new school sponsor, is engaged in the process and the DfE have been updated on the project milestones.
- 2.24 **Adult Social Care Database replacement** - The Liquidlogic project achieved its key milestone with the system having a successful 'go-live' in September 2016. Work is continuing to identify areas for further development and enable transition of the system into business as usual from the project team.
- 2.25 **Grand Parade & Undercroft** - Planning consent has been approved. The project team are updating the business plan based on the current rental forecast to determine the most viable way to progress this scheme. All options will be considered.

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Portfolio Summary Monitor	CURRENT YEAR 2016/17 FORECAST OUTTURN					ADVERSE / FAVOURABLE
	Forecast Gross Expenditure	Forecast Gross Income	Net Forecast Actual	Annual Current Budget	Forecast over or (under) spend	
REVENUE SPENDING For the Period APRIL 2016 to SEPTEMBER 2016	£'000	£'000	£'000	£'000	£'000	
Leader	6,200	(627)	5,573	5,453	120	ADV
Finance & Efficiency	108,203	(104,723)	3,480	3,957	(476)	FAV
Adult Social Care & Health	103,306	(45,396)	57,910	57,905	5	ADV
Children's Services	156,287	(126,343)	29,944	28,819	1,125	ADV
Homes & Planning	6,784	(3,492)	3,292	3,372	(80)	FAV
Economic Development	16,978	(21,222)	(4,243)	(3,913)	(330)	FAV
Community Services	31,572	(10,489)	21,083	20,611	472	ADV
Transport	26,162	(20,427)	5,735	5,630	105	ADV
TOTAL COUNCIL	455,493	(332,719)	122,774	121,833	941	ADV

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Portfolio Summary Monitor Capital Monitor Apr 2016/17 - Sep 2016/17	CURRENT YEAR 2016/17 FORECAST OUTTURN		
	Forecast Actual Expenditure	Annual Current Budget	Forecast In-Year Variance
	£'000	£'000	£'000
Leader	899	899	0
Finance & Efficiency	23,104	25,100	(1,996)
Adult Social Care & Health	1,639	1,598	41
Children's Services	13,583	13,583	1
Homes & Planning	759	759	()
Economic Development	8,539	13,015	(4,476)
Community Services	12,652	16,091	(3,439)
Transport	14,779	16,557	(1,778)
TOTAL COUNCIL	75,955	87,602	(11,648)

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2016/17 Revenue Virements for Approval

REF NO	REASON / EXPLANATION	CABINET MEMBER	TRANSFER FROM		CABINET MEMBER	TRANSFER TO		DESCRIPTION	ONGOING EFFECTS
			CASHLIM	(£'s)		CASHLIM	(£'s)		
The following virements are reported for approval under the Budget Management Scheme rules.									
OVERALL TOTALS				0	0		0	0	

2016/17 Revenue Virements for Information

REF NO	REASON / EXPLANATION	CABINET MEMBER	TRANSFER FROM		CABINET MEMBER	TRANSFER TO		DESCRIPTION	ONGOING EFFECTS
			CASHLIM	(£'s)		CASHLIM	(£'s)		
The following virements have either been previously approved, are technical in nature or are below limits within BMS that require approval, and therefore are reported for information only.									

INFO 16#25	Workplaces	Finance & Efficiency	Corporate Estate Including R&M		62,255	Finance & Efficiency	Property Services		62,255	Adjustments between Corporate Estate Budgets and Property Services to reflect Workplaces programme.	Budget virement is on-going.
Page 33 INFO 16#26	Dartmouth Avenue	Finance & Efficiency	Commercial Estate	121,000		Finance & Efficiency	Corporate Estate Including R&M		121,000	Correction of budget for Dartmouth Avenue, which was incorrectly classified as Corporate Estate instead of Commercial.	Budget virement is on-going.
INFO 16#27	Lewis House Charges	Finance & Efficiency	Corporate Estate Including R&M		125,086	Finance & Efficiency	Property Services		25,086	Removal of budget for Commercial Estate Income for ground floor of Lewis House, plus realignment of salary budget.	Budget virement is on-going.
							Commercial Estate	100,000			
INFO 16#28	Property & Project Delivery Restructure	Finance & Efficiency	Property Services		100,000	Finance & Efficiency	Corporate Estate Including R&M		100,000	Allocation of savings target within Property & Project Delivery following restructure.	Budget virement is on-going.

2016/17 Revenue Virements for Information

REF NO	REASON / EXPLANATION	CABINET MEMBER	TRANSFER FROM	Income	Expenditure	CABINET MEMBER	TRANSFER TO	Income	Expenditure	DESCRIPTION	ONGOING EFFECTS
			CASHLIM	(£'s)	(£'s)	CASHLIM	(£'s)	(£'s)			
INFO 16#29	Centralisation of I.T. budgets	Children's Services	Learning & Inclusion		2,554	Finance & Efficiency	Council's Retained ICT Budgets		3,154	This is integration of staff from functioning Council devolved I.T. teams to create one central Council I.T. service. These are some smaller budgets which have since been identified for centralisation.	Budget virement is on- going.
		Community Services	Neighbourhoods & Environment - Parks & Bereavement Services		600						
INFO 16#30	Royal Victoria Park Parking Charges	Transport	Highways & Traffic Management		40,000	Transport	Transport & Parking Services - Parking	40,000		A reduction in the parking income budget following the changes to charges in Royal Victoria Park, to be funded by savings in street lighting costs, as approved by Portfolio Holder.	Budget virement is on- going.
INFO 16#31	Local Safeguarding Children Board	Children's Services	Children, Young People & Families		29,298	Children's Services	Health, Commissioning & Planning		29,298	Move of staffing budget to follow the transfer in management of the Local Safeguarding Children Board function.	Budget virement is on- going.
INFO 16#32	Property & Project Delivery Savings	Economic Development	Project Delivery		81,575	Finance & Efficiency	Property Services		10,356	Following the latest staffing restructure within Property and Project Delivery to meet savings targets, budgets have been realigned to reflect this. Several income budgets have been transferred to the cash limits where they will be met. In some cases the original savings targets were posted against the incorrect cash limits.	Budget virement is on- going.
							Corporate Estate Including R&M		71,219		
INFO 16#33	Education Services Grant Reduction	Finance & Efficiency	Corporate Budgets incl. Capital, Audit & Bank Charges		13,537	Children's Services	Health, Commissioning & Planning		13,537	Transfer of corporately held budget for the reduction in Education Services Grant in relation to schools transferring to Academies. (Repeat of INFO 15#36 - Outturn Report - July'16 Cabinet)	Budget virement is on- going.

2016/17 Revenue Virements for Information

REF NO	REASON / EXPLANATION	CABINET MEMBER	TRANSFER FROM	Income	Expenditure	CABINET MEMBER	TRANSFER TO	Income	Expenditure	DESCRIPTION	ONGOING EFFECTS
				(£'s)	(£'s)		CASHLIM	(£'s)	(£'s)		
INFO 16#34	Human Resources Officer	Leader	Strategy & Performance		24,085	Finance & Efficiency	Human Resources		24,085	Transfer of responsibility for managing Human Resources officer post from Strategy & Performance to Human Resources, to reflect actual reporting structure.	Budget virement is on- going.
INFO 16#35	Lower Pay Scale Pay Award	Finance & Efficiency	Corporate Budgets incl. Capital, Audit & Bank Charges	69,698	Leader	Various		239	Allocation to individual services of Corporately held budget for April 2016 pay award in excess of 1% for SCP's 11-16.	Budget virement is on- going.	
					Finance & Efficiency	Various		37,832			
					Adult Social Care & Health	Adult Services		286			
					Children's Services	Various		2,153			
					Economic Development	Economy & Culture		106			
					Community Services	Various		13,424			
					Transport	Various		15,658			
OVERALL TOTALS				121,000	548,688			140,000	529,688		
					669,688				669,688		

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Portfolio Cash Limits 2016/17 - Revenue Budgets

Appendix 4(ii)

CABINET PORTFOLIO	Service	Sep'16 Approved Cash Limits £'000	Technical Adjustments, below BMS limits or already agreed - shown for information £'000	Total Virements for Approval £'000	Nov'16 Revised Cash Limits £'000
Leader	Council Solicitor & Democratic Services	2,550			2,550
	Strategy & Performance	2,903	(24)		2,880
	PORTFOLIO SUB TOTAL	5,453	(24)		5,430
Finance & Efficiency	Finance	2,230			2,230
	People Services	527	1		527
	Risk & Assurance Services	1,015	1		1,016
	Council's Retained ICT Budgets	4,564	3		4,567
	Customer Services	2,772	1		2,773
	Human Resources	417	24		441
	Property Services	2,509	(2)		2,507
	Corporate Estate Including R&M	4,012	105		4,117
	Commercial Estate	(14,954)	(21)		(14,975)
	Traded Services	23	35		58
	Strategic Director - Resources	110			110
	Corporate items (Management Savings)	(150)			(150)
	Hsg / Council Tax Benefits Subsidy	(195)			(195)
	Capital Financing / Interest	3,008			3,008
	Unfunded Pensions	1,679			1,679
	Corporate Budgets incl. Capital, Audit & Bank Charges	962	(83)		879
	New Homes Bonus Grant	(5,199)			(5,199)
	Magistrates	17			17
	Coroners	305			305
	Environment Agency	222			222
	PORTFOLIO SUB TOTAL	3,872	63		3,935
Adult Social Care & Health	Adult Services	57,366			57,366
	Adult Substance Misuse (Drug Action Team)	539			539
	PORTFOLIO SUB TOTAL	57,905			57,906
Children's Services	Children, Young People & Families	12,608	(29)		12,579
	Learning & Inclusion	15,832	(1)		15,831
	Health, Commissioning & Planning	(108,156)	43		(108,113)
	Schools Budget	108,537			108,537
	PORTFOLIO SUB TOTAL	28,821	13		28,834
Homes & Planning	Development Management	1,740			1,740
	Building Control & Land Charges	220			220
	Housing	1,383			1,383
	PORTFOLIO SUB TOTAL	3,343			3,343
Economic Development	Economy & Culture	1,307			1,307
	World Heritage	147			147
	Heritage	(5,685)			(5,685)
	Project Delivery	82	(82)		
	Regeneration, Skills & Employment	317			317
	PORTFOLIO SUB TOTAL	(3,832)	(81)		(3,913)

Portfolio Cash Limits 2016/17 - Revenue Budgets
Appendix 4(ii)

CABINET PORTFOLIO	Service	Sep'16 Approved Cash Limits £'000	Technical Adjustments, below BMS limits or already agreed - shown for information £'000	Total Virements for Approval £'000	Nov'16 Revised Cash Limits £'000
Community Services	Place Overheads	329			329
	Public Protection & Health Improvement - Regulatory & Active Lifestyles	1,880			1,880
	Neighbourhoods & Environment - Waste & Fleet Services	14,385	11		14,395
	Neighbourhoods & Environment - Parks & Bereavement Services	1,781	1		1,782
	Libraries & Information	1,566	1		1,567
	Public Protection & Health Improvement - Leisure	670			670
	PORTFOLIO SUB TOTAL	20,611	13		20,624
Transport	Transport - Planning & Policy				
	Highways & Traffic Management	8,569	(38)		8,531
	Transport & Parking Services - Parking	(6,648)	44		(6,603)
	Transport & Parking Services - Public & Passenger Transport	3,738	9		3,747
	PORTFOLIO SUB TOTAL	5,659	16		5,675
	NET BUDGET	121,833			121,833
Sources of Funding					

Council Tax	77,847			77,847
Revenue Support Grant*	14,423			14,423
Retained Business Rates	22,509			22,509
Collection Fund Deficit (-) or Surplus (+)	(385)			(385)
Balances	7,440			7,440
Total	121,833			121,833

2016/17 Capital Virements for Approval

Appendix 5 (i)

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP16#065-2016	Rossiter Road	Government Grant	40,000		Place - Environmental Services		40,000	Minor completion costs

2016/17 Capital Virements - Additions & Reductions for Information

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP16#032-2016	Adult Social Care Database replacement	Government Grant	306,832		People & Communities - Adult Services		306,832	Increased costs due to delay in implementation and variations/enhancements to specification. Approved by Technical Adjustment Aug 16
CAP16#033-2016	St Gregs, St Marks 6th Form	Government Grant	-23,645		People & Communities - Children's Services		-23,645	Balance of underspend on St Gregory's Post 16 Block to Feasibility Studies Budget. Approved by Technical Adjustment Aug 16
CAP16#034-2016	Weston All Saints Primary - Basic Need	Government Grant	-10,516		People & Communities - Children's Services		-10,516	Underspend on WASPS BN scheme returned to Feasibility Studies Budget. Approved by Technical Adjustment Aug 16
CAP16#035-2016	Basic Needs Feasibility / Option Appraisal	Government Grant	69,161		People & Communities - Children's Services		69,161	Underspend on St Gregs, Weston All Saints, Somerdale and Keynsham returned to Feasibility Studies budget. Approved by Technical Adjustment Aug 16
CAP16#036-2016	Schools Minor Works and DDA Schemes	Government Grant	-25,000		People & Communities - Children's Services		-25,000	Allocation of Minor Works/DDA Budget to Project. Approved by Technical Adjustment Aug 16
CAP16#037-2016	East Harptree - DDA BN Feasibility Study	Government Grant	25,000		People & Communities - Children's Services		25,000	Allocation of Minor Works/DDA Budget to Project. Approved by Technical Adjustment Aug 16
CAP16#038-2016	Farnborough Primary BN Feasibility Study	Government Grant	7,000		People & Communities - Children's Services		7,000	Agreed contribution from School's DFC allocation towards Basic Need scheme. Approved by Technical Adjustment Aug 16
CAP16#039-2016	Schools Devolved Capital	Government Grant	-7,000		People & Communities - Children's Services		-7,000	Agreed contribution from School's DFC allocation towards Basic Need scheme. Approved by Technical Adjustment Aug 16
CAP16#040-2016	Keynsham East New School Feasibility Study - Cost	Government Grant	-15,000		People & Communities - Children's Services		-15,000	Return part of Schools Basic Need Feasibility Studies allocation as not required. Approved by Technical Adjustment Aug 16
CAP16#041-2016	Somerdale New School Feasibility Costs	Government Grant	-20,000		People & Communities - Children's Services		-20,000	Return part of Schools Basic Need Feasibility Studies allocation as not required. Approved by Technical Adjustment Aug 16
CAP16#042-2016	St Nicholas Primary - Feasibility Study Expansion	Government Grant	15,000		People & Communities - Children's Services		15,000	Allocation of Schools Basic Need Feasibility Studies to individual scheme. Approved by Technical Adjustment Aug 16
CAP16#043-2016	Basic Needs Feasibility / Option Appraisal	Government Grant	-15,000		People & Communities - Children's Services		-15,000	Allocation of Schools Basic Need Feasibility Studies to individual scheme. Approved by Technical Adjustment Aug 16
CAP16#044-2016	St Saviour's Junior - Bulge Year Feasibility Study	Government Grant	15,000		People & Communities - Children's Services		15,000	Allocation of Schools Basic Need Feasibility Studies to individual scheme. Approved by Technical Adjustment Aug 16
CAP16#045-2016	Basic Needs Feasibility / Option Appraisal	Government Grant	-15,000		People & Communities - Children's Services		-15,000	Allocation of Schools Basic Need Feasibility Studies to individual scheme. Approved by Technical Adjustment Aug 16

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP16#046-2016	Neighbourhoods - Vehicles	Service Supported Borrowing	-96,000		Place - Environmental Services		-96,000	Realignment of budgets between Neighbourhoods Vehicle schemes. Approved by Technical Adjustment Aug 16
CAP16#047-2016	Cleansing Vehicles	Service Supported Borrowing	96,000		Place - Environmental Services		96,000	Realignment of budgets between Neighbourhoods Vehicle schemes. Approved by Technical Adjustment Aug 16
CAP16#048-2016	BWR - Affordable Housing	3rd Party Contribution	1,104		Place - Community Regeneration		1,104	Budget tidy of roundings to align to project total
CAP16#049-2016	BWR - Infrastructure	Corporate Supported Borrowing	1,147		Place - Community Regeneration		1,147	Budget tidy of roundings to align to project total
CAP16#050-2016	Waste Operations - Relocation	Service Supported Borrowing	3,148,000		Place - Environmental Services		3,148,000	Cabinet report E2891 approves the final balance of provisional capital of £2,758 for 16/17 Waste Infrastructure as well as a budget uplift of £490k, £3,148k funded by Service Supported Borrowing as in the original PID
CAP16#051-2016	Waste Operations - Relocation	Corporate Supported Borrowing	100,000		Place - Environmental Services		100,000	Cabinet report E2891 approves the final balance of provisional capital of £2,758 for 16/17 Waste Infrastructure as well as a budget uplift of £490k, £100k funded by Corporate Supported Borrowing as in the original PID
CAP16#052-2016	Keynsham Leisure Centre - Land Assembly	Service Supported Borrowing	2,500,000		Place - Environmental Services		2,500,000	Budget of £2.5m approved per SMD E2854 (May 2016)
CAP16#053-2016	Keynsham Town Centre	Corporate Supported Borrowing	200,000		Place - Environmental Services		200,000	£200,000 provision approval in the 2016/17 budget be given full approval to develop and implement a temporary one way trial scheme for Keynsham High Street. Approved by SMD E2839 Aug 16
CAP16#054-2016	Rossiter Road	Government Grant	-105,000		Place - Environmental Services		-105,000	Overspend funding by Transport Improvement Block awaiting approval
CAP16#055-2016	Transport Improvement Programme	Government Grant	105,000		Place - Environmental Services		105,000	Funding of Rossiter Road awaiting approval
CAP16#056-2016	Transport Improvement Programme	S106 Contribution	5,205		Place - Environmental Services		5,205	Existing scheme where S106 deposit increases funding towards scheme , increasing the Transport Improvement Programme, authorisations by Cllr Clarke & Martin Shields held on file. Approved by Technical Adjustment Sept 16
CAP16#057-2016	Parks Service Schemes	S106 Contribution	78,000		Place - Environmental Services		78,000	Increase the S106 capital funded schemes through TA to undertake work at Sullis Meadows & Keynsham Path, as agreed at DDG 13/09/2016. Approved by Technical Adjustment Sept 16
CAP16#058-2016	Schools Capital Maintenance Programme	Government Grant	-160,000		People & Communities - Children's Services		-160,000	Use of underspend on Schools Capital Planned Maintenance to fund additional Salford Primary School costs. Approved by Technical Adjustment Sept 16
CAP16#059-2016	Salford Primary - Basic Need	Government Grant	160,000		People & Communities - Children's Services		160,000	Use of underspend on Schools Capital Planned Maintenance to fund additional Salford Primary School costs. Approved by Technical Adjustment Sept 16
CAP16#060-2016	Bath Quays Bridge & Linking Infrastructure	Government Grant	1,088,121		Place - Community Regeneration		1,088,121	CCAF2 grant as approved by CAF Board. Approved by SMD E2838 June 2016

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP16#061-2016	Minor Disposal - Englishcombe Lane	Revenue	400		Resources - Property Services		400	Minor adjustment to match budget to exact amount of expenditure. Approved by Technical Adjustment Sept 16
CAP16#062-2016	Minor Disposal - Keynsham K2 Charlton Road	Revenue	145		Resources - Property Services		145	Minor adjustment to match budget to exact amount of expenditure. Approved by Technical Adjustment Sept 16
CAP16#063-2016	Basic Needs Feasibility / Option Appraisal	Government Grant	-15,000		People & Communities - Children's Services		-15,000	Allocation of Schools Basic Need Feasibility Studies £250k to individual scheme. Approved by Technical Adjustment Sept 16
CAP16#064-2016	Whitchurch Primary BN Feasibility Study	Government Grant	15,000		People & Communities - Children's Services		15,000	Allocation of Schools Basic Need Feasibility Studies £250k to individual scheme. Approved by Technical Adjustment Sept 16
OVERALL TOTALS			7,428,955	0		0	7,428,955	
				7,428,955			-7,428,955	

Capital Virements - Additions & Reductions Future Years

Appendix 5 (i)

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP16#004-FY	Bath Quays Bridge	Government Grant	1,891,879		Place - Community Regeneration		1,891,879	CCAF2 grant as approved by CAF Board. Approved by SMD E2838 June 2016
OVERALL TOTALS			1,891,879	0		0	1,891,879	
				1,891,879			-1,891,879	

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	Budget at September 2016 Cabinet	Approvals to November 2016 Cabinet	Budget at November 2016 Cabinet
CAPITAL SCHEME	£'000	£'000	£'000
Transport			
Bath Transport Package - Main Scheme	4,650	0	4,650
Rossiter Road	104	-104	0
Batheaston Bridge	1	0	1
MetroWest - the Greater Bristol Metro Project	-3	0	-3
Transport Improvement Programme	2,624	110	2,734
Cycle City Ambition	51	0	51
Victoria Bridge	31	0	31
2 Tunnels Northern Link Cycle Scheme	0	0	0
2 Tunnels	0	0	0
A431 Kelston Road Stabilisation	292	0	292
Highways Maintenance Programme	5,418	0	5,418
Park and Ride East of Bath Project Development	106	0	106
Riverside Path, Bath	-22	0	-22
Parking - Vehicle Replacement Programme	15	0	15
Salford Station - reopening feasibility work	250	0	250
Better Bus Fund	51	0	51
Kennet & Avon Tow Path & Cycle Parking	643	0	643
Street Lighting - LED Replacement Programme	2,140	0	2,140
Keysham Town Centre one way system	0	200	200
	16,352	205	16,557
Community Services			
Vehicle Replacement: Neighbourhoods	788	-96	692
Allotments	45	0	45
Beechen Cliff Woodland & Other Open Spaces Improvements	80	0	80
Leisure Dilapidations	581	0	581
Neighbourhoods - Bin and Bench Replacement	58	0	58
Play Equipment	174	0	174
Great Dell Walkway	3	0	3
Public WC Conversions	6	0	6
Waste Re-provision feasibility work	353	0	353
Waste Project - relocation of cleansing	542	3,248	3,790
Haycombe Improvements	19	0	19
Cleansing Vehicles	26	96	122
Sydney Gardens	311	0	311
Parks Vehicles	41	0	41
Bath Leisure Centre Refurbishment	5,127	0	5,127
Parade Gardens Infrastructure for Business Development	32	0	32
Leisure - Council Client / Contingency	1,313	0	1,313
Bath Recreation Ground Trust - Leisure	500	0	500
Keynsham Leisure Centre - Land Assembly	0	2,500	2,500
Parks Service Schemes	267	78	345
	10,265	5,826	16,091
Economic Development			
Odd Down Playing Fields Development	-20	0	-20
Temple Precinct	16	0	16
Heritage Infrastructure Development	194	0	194
BWR - Council Project Team	141	0	141
BWR - Affordable Housing	211	1	212
BWR - Infrastructure	1,549	1	1,550
NRR Infrastructure	303	0	303
London Road Regeneration	30	0	30
Enterprise Area - Flood Mitigation Phase 1	4,300	0	4,300
BWR - Relocation of Gas Holders	1,668	0	1,668
River Corridor & ROSPA safety works	280	0	280
Digital B&NES	781	0	781
Somer Valley Business Centre	99	0	99
Radstock Regeneration	0	0	0
Bath Quays South	265	0	265
Bath Quays North	139	0	139
Bath Quays Bridge & Linking Infrastructure	0	1,088	1,088
Energy at Home	392	0	392
Cattlemarket/Cornmarket	22	0	22
BWRE/Green Park	147	0	147
Radstock and Westfield Implementation Plan	92	0	92
Cleveland Pools	100	0	100

	Budget at September 2016 Cabinet	Approvals to November 2016 Cabinet	Budget at November 2016 Cabinet
CAPITAL SCHEME	£'000	£'000	£'000
Roman Baths Development: East Baths Development	652	0	652
South Road Car Park	155	0	155
Manvers Street	57	0	57
Saw Close Development Works	39	0	39
Heritage: Victoria Art Gallery Air Conditioning	150	0	150
Warmth & Health Homes Programme	163	0	163
	11,925	1,090	13,015
<u>Children's Services</u>			
Schools Capital Maintenance Programme	1,465	-160	1,305
Schools Devolved Capital	1,450	-7	1,443
Weston All Saints Primary - Basic Need	100	-11	90
Castle Primary - Basic Need	700	0	700
St Saviour's Junior - Basic Need	54	0	54
Salford Primary - Basic Need	1,051	160	1,211
Short Breaks for Disabled Children	22	0	22
School Energy Invest to Save Fund	230	0	230
Early Years - 2yr Olds Funding / S106	2	0	2
Basic Needs Feasibility / Option Appraisal	2	24	26
Schools LA Contribution to Capital	150	0	150
Paulton Junior School - Basic Need	1,628	0	1,628
Youth Projects	48	0	48
Peasedown St John Primary	20	0	20
Client Data System for Children's Social Services	149	0	149
Bishop Sutton Primary School - Basic Need	720	0	720
St Mary's Writhlington Replace Classroom Block	355	0	355
Chandag Infants UJFSM	210	0	210
Schools Minor Works and DDA Schemes	180	-25	155
Westfield Primary School - Basic Need	113	0	113
St John's School Keynsham classroom refurbishment	59	0	59
Children's Centre Capital Schemes	30	0	30
Oldfield Park Junior School - Basic Need	129	0	129
Farmborough Primary BN Feasibility Study	24	7	31
St Marys Writhlington BN Feasibility Study	-25	0	-25
Whitchurch Primary BN Feasibility Study	2	15	17
Ensleigh - New Primary School Feasibility Study	2,564	0	2,564
MOD Foxhill Mulberry Park - New School Feasibility Study	19	0	19
Bathwick St Mary New School Expansion	19	0	19
East Harptree - DDA BN Feasibility Study	3	25	28
Bathampton School Basic Needs	15	0	15
St Michaels Junior School Pratten Building Feasibility Study	6	0	6
Keynsham East New School Feasibility Study - Cost	20	-15	5
Farmborough Primary - Basic Need	714	0	714
St Michaels Junior School Replace temporary building	285	0	285
Riverside Youth Hub Development	200	0	200
St Keyna Basic Need Feasibility Study	451	0	451
Somerdale New School Feasibility Costs	24	-20	4
Ubley Primary Basic Needs	329	0	329
Castle Primary - Phase 4 New Build Feasibility	20	0	20
St Nicholas Primary - SEN Breakout Unit	20	0	20
St Nicholas Primary - Feasibility Study Expansion	0	15	15
St Saviour's Junior - Bulge Year Feasibility Study	0	15	15
St Gregs, St Marks 6th Form	24	-24	0
	13,583	0	13,583
<u>Finance & Efficiency</u>			
Workplaces Programme Delivery	1,509	-15	1,493
Keynsham Regeneration & New Build	2,168	0	2,168
Lewis House (Inc Comms Hub & OSS)	3	28	30
The Hollies	39	-13	26
Corporate Estate Planned Maintenance	2,005	0	2,005
Disposals Programme (Minor)	167	0	167
Commercial Estate Investment Fund	350	0	350
Saw Close Development	57	0	57
Grand Parade & Undercroft	4,824	0	4,824
Equality Act Works	515	0	515
Roseberry Place	48	0	48
1 - 3 James Street West	130	0	130
7 - 9 Lower Borough Walls	39	0	39
Englishcombe Lane	-0	0	0
Key Disposal - Keynsham K2 Charlton Road	0	0	1
Corporate Capital Contingency	2,000	0	2,000
PRMP Northumberland Place	10	0	10

	Budget at September 2016 Cabinet	Approvals to November 2016 Cabinet	Budget at November 2016 Cabinet
CAPITAL SCHEME	£'000	£'000	£'000
PRMP Pattern Book	66	0	66
PRMP Team Costs	10	0	10
City Information Scheme Corporate Project	119	0	119
Victoria Hall	4	0	4
Bathampton Farmhouse	40	0	40
Housing Delivery Vehicle	224	0	224
Property Company Investment	4,893	0	4,893
Acquisitions - Future Revenue Generation	5,881	0	5,881
	25,099	1	25,100
Leader			
Desktop As a Service - VDI Technology	203	0	203
Customer Services System	215	0	215
IT Asset Refresh (Servers and Network)	220	0	220
LAA Performance Reward Grant	162	0	162
Windows 7 Upgrade	9	0	9
New Customer Payments & Library Kiosks	5	0	5
Agresso System Development & 5.6 Upgrade	85	0	85
	899	0	899
Homes and Planning			
Affordable Housing	759	0	759
	759	0	759
Adult Social Care & Housing			
Disabled Facilities Grant	1,002	0	1,002
Adult Social Care Database replacement	289	307	596
	1,291	307	1,598
TOTAL CAPITAL SCHEME BUDGET	80,173	7,429	87,602
Sources of Funding (£'000)			
EU/Government Grant	23,855	1,394	25,249
Revenue	1,463	1	1,463
Other Council Support including Borrowing and Capital Receipts	51,330	5,949	57,279
s106 Contribution	3,052	84	3,137
Other 3rd Party	474	1	475
Total Sources of Funding (£'000)	80,173	7,429	87,602

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Bath & North East Somerset Council		
MEETING:	Cabinet	
MEETING DATE:	14th November 2016	
TITLE:	Treasury Management Monitoring Report to 30th September 2016	EXECUTIVE FORWARD PLAN REFERENCE: E 2867
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report:</p> <p>Appendix 1 – Performance Against Prudential Indicators Appendix 2 – The Council’s Investment Position at 30th September 2016 Appendix 3 – Average monthly rate of return for 1st 6 months of 2016/17 Appendix 4 – The Council’s External Borrowing Position at 30th September 2016 Appendix 5 – Arlingclose’s Economic & Market Review Q2 of 2016/17 Appendix 6 – Interest & Capital Financing Budget Monitoring 2016/17 Appendix 7 – Summary Guide to Credit Ratings</p>		

1 THE ISSUE

- 1.1 In February 2012 the Council adopted the 2011 edition of the CIPFA Treasury Management in the Public Services: Code of Practice, which requires the Council to approve a Treasury Management Strategy before the start of each financial year, review performance during the year, and approve an annual report after the end of each financial year.
- 1.2 This report gives details of performance against the Council’s Treasury Management Strategy and Annual Investment Plan 2016/17 for the first six months of 2016/17.

2 RECOMMENDATION

The Cabinet are asked to agree that:

- 2.1 the Treasury Management Report to 30th September 2016, prepared in accordance with the CIPFA Treasury Code of Practice, is noted
- 2.2 the Treasury Management Indicators to 30th September 2016 are noted.

3 RESOURCE IMPLICATIONS

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

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

4.1 This report is for information only.

5 THE REPORT

Summary

5.1 The average rate of investment return for the first six months of 2016/17 is 0.50%, which is 0.13% above the benchmark rate.

5.2 The Council's Prudential Indicators for 2016/17 were agreed by Council in February 2016 and performance against the key indicators is shown in **Appendix 1**. All indicators are within target levels.

Summary of Returns

5.3 The Council's investment position as at 30th September 2016 is given in **Appendix 2**. The balance of deposits as at 30th June 2016 and 30th September 2016 are also set out in the pie charts in this appendix.

5.4 The Council is the accountable body for the West of England Revolving Investment Fund (RIF) and received grant funding of £57 million at the end of the 2011/12 financial year, the value of the fund as at 30th September 2016 is £30.7 million. The Council acts as an agent and holds these funds until they are allocated in the form of repayable grants to the constituent Local Authorities to meet approved infrastructure costs. These funds are invested separately from the Council's cash balances they are therefore excluded from all figures given in this report.

5.5 The Council also continues to act as Accountable Body for the West of England Local Enterprise Partnership (WoE LEP). In 2016/17 it has received £42.407m of Local Growth Fund (LGF) from Central Government following submission of its Strategic Economic Plan. This sum, prior to distribution, is being invested in line with the Council's overall Treasury Management Strategy, with the interest earmarked to fund support and governance costs. The balances related to the LGF are included in the figures given in this report.

5.6 Gross interest earned on investments for the first six months totalled £223k. Net interest, after deduction of amounts due to Schools, Local Growth Fund and other internal balances, is £107k. **Appendix 3** details the investment performance, showing the average rate of interest earned over this period was 0.50%, which was 0.11% above the benchmark rate of average 7 day LIBID +0.05% (0.39%).

Summary of Borrowings

5.7 No new borrowing has taken place in the three months to 30th September 2016. The Council repaid £5m during the quarter reducing the current borrowing to £128.3M.

5.8 The Council's Capital Financing Requirement (CFR) as at 31st March 2016 was £182.5 million with a projected total of £266 million by the end of 2016/17 based on the capital programme approved at February 2016 Council. This represents the Council's underlying need to borrow to finance capital expenditure, and

demonstrates that the borrowing taken to date relates to funding historical capital spend.

5.9 Following Local Government Reorganisation in 1996, Avon County Council's residual debt is administered by Bristol City Council. All successor Unitary Authorities make an annual contribution to principal and interest repayment, for which there is a provision in the Council's revenue budget. The amount of residual debt outstanding as at 31st March 2016 apportioned to Bath & North East Somerset Council is £13.40m. Since this borrowing is managed by an external body and treated in the Council's Statement of Accounts as a deferred liability, it is not included in the borrowing figures referred to in paragraph 5.7.

5.10 The borrowing portfolio as at 30th September 2016 is shown in **Appendix 4**.

Strategic & Tactical Decisions

5.11 As shown in the charts at **Appendix 2**, the investment portfolio has been diversified across UK Banks and Building Societies, Local Authorities and very highly rated Foreign Banks. The Council also uses AAA rated Money Market funds to maintain very short term liquidity. The Council has £18.7M invested in Money Market Funds as at 30th September 2016.

5.12 The Council does not hold any direct investments with banks in countries within the Eurozone reflecting both on the underlying debt issues in some Eurozone countries and the low levels of interest rates. The Council's investment counterparty list does not currently include any banks from Portugal, Ireland, Greece, Spain and Italy.

5.13 The Council's current average investment return is in broadly line with the budgeted level of 0.45%.

Future Strategic & Tactical Issues

5.14 Our treasury management advisors economic and market review for the second quarter 2016/17 is included in **Appendix 5**.

5.15 The Bank of England base rate was reduced to 0.25% on 4th August 2016. In the opinion of the Council's treasury advisors there is unlikely to be a rate rise until Q2 2018.

5.16 These lower rates reinforce the benefits of the Council's current policy of internal borrowing (although could adverse impact elsewhere including pension liabilities), and this continues to be monitored regularly against the likelihood that long term borrowing rates are forecast to rise in future years. The focus is now on the rate of increase and the medium-term peak and, in this respect, the current forecast remains that rates will rise slowly and to a lower level than in the past.

Budget Implications

5.17 A breakdown of the revenue budget for interest and capital financing and the forecast year end position based on the period April to September is included in **Appendix 6** and shows a forecast underspend of 560,000 reflecting savings from capital programme slippage delaying the need to borrow and a lower Minimum Revenue Provision (MRP) requirement

5.18 This position will be kept under review during the remainder of the year, taking into account the Council's cash-flow position and the timing of any new borrowing required.

6 RATIONALE

6.1 The Prudential Code and CIPFA's Code of Practice on Treasury Management requires regular monitoring and reporting of Treasury Management activities.

7 OTHER OPTIONS CONSIDERED

7.1 None.

8 CONSULTATION

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

8.2 Consultation was carried out via e-mail.

9 RISK MANAGEMENT

9.1 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 and Borrowing advice is provided by our Treasury Management consultants Arlingclose.

9.2 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 carries out this scrutiny.

9.3 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 ; Andrew Stanton - 01225 477209 Tim_Richens@bathnes.gov.uk ; Andrew_Stanton@bathnes.gov.uk</i>
Background papers	<i>2016/17 Treasury Management & Investment Strategy</i>
Please contact the report author if you need to access this report in an alternative format	

APPENDIX 1

Performance against Treasury Management Indicators agreed in Treasury Management Strategy Statement

1. Authorised limit for external debt

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

	2016/17 Prudential Indicator	Actual as at 30th September 2016
	£'000	£'000
Borrowing	266,000	128,300
Other long term liabilities	2,000	0
Cumulative Total	268,000	128,300

2. Operational limit for external debt

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.

	2016/17 Prudential Indicator	Actual as at 30th September 2016
	£'000	£'000
Borrowing	229,000	128,300
Other long term liabilities	2,000	0
Cumulative Total	231,000	128,300

3. Upper limit for fixed interest rate exposure

This is the maximum amount of total borrowing which can be at fixed interest rate, less any investments for a period greater than 12 months which has a fixed interest rate.

	2016/17 Prudential Indicator	Actual as at 30th September 2016
	£'000	£'000
Fixed interest rate exposure	229,000	108,300*

* The £20m of LOBO's are quoted as variable rate in this analysis as the Lender has the option to change the rate at 6 monthly intervals (the Council has the option to repay the loan should the Lender exercise this option to increase the rate).

4. Upper limit for variable interest rate exposure

While fixed rate borrowing contributes significantly to reducing uncertainty surrounding interest rate changes, the pursuit of optimum performance levels may justify keeping flexibility through the use of variable interest rates. This is the maximum amount of total borrowing which can be at variable interest rates.

	2016/17 Prudential Indicator	Actual as at 30th September 2016
	£'000	£'000
Variable interest rate exposure	141,000	20,000

5. Upper limit for total principal sums invested for over 364 days

This is the maximum amount of total investments which can be over 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.

	2016/17 Prudential Indicator	Actual as at 30th September 2016
	£'000	£'000
Investments over 364 days	50,000	0

6. Maturity Structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk.

	Upper Limit	Lower Limit	Actual as at 30th September 2016
	%	%	%
Under 12 months	50	Nil	30*
12 months and within 24 months	75	Nil	0
24 months and within 5 years	75	Nil	8
5 years and within 10 years	100	Nil	0
10 years and above	100	Nil	62

* The CIPFA Treasury management Code now requires the prudential indicator relating to Maturity of Fixed Rate Borrowing to reference the maturity of LOBO loans to the earliest date on which the lender can require payment, i.e. the next call date (which are at 6 monthly intervals for the £20m of LOBO's). However, the Council would only consider repaying these loans if the Lenders exercised their options to alter the interest rate.

7. 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. A summary guide to credit ratings is set out at **Appendix 7**.

	2016/17 Prudential Indicator	Actual as at 30th September 2016
	Rating	Rating
Minimum Portfolio Average Credit Rating	A-	AA+

APPENDIX 2

The Council's Investment position at 30th September 2016

The term of investments, from the original date of the deal, are as follows:

As per Weekly	Balance at 30th September 2016
	£'000's
Notice (instant access funds)	26,744
1 month to 3 months	23,000
Over 3 months	37,000
Total	86,744

The investment figure of £96.7 million is made up as follows:

	Balance at 30th September 2016
	£'000's
B&NES Council	41,239
West Of England Growth Points	134
Local Growth Fund	39,004
Schools	6,367
Total	86,744

The Council had a total average net positive balance of £89.235m during the period April 2016 to September 2016.

Chart 1: Council Investments as at 30th September 2016 (£86.7m)

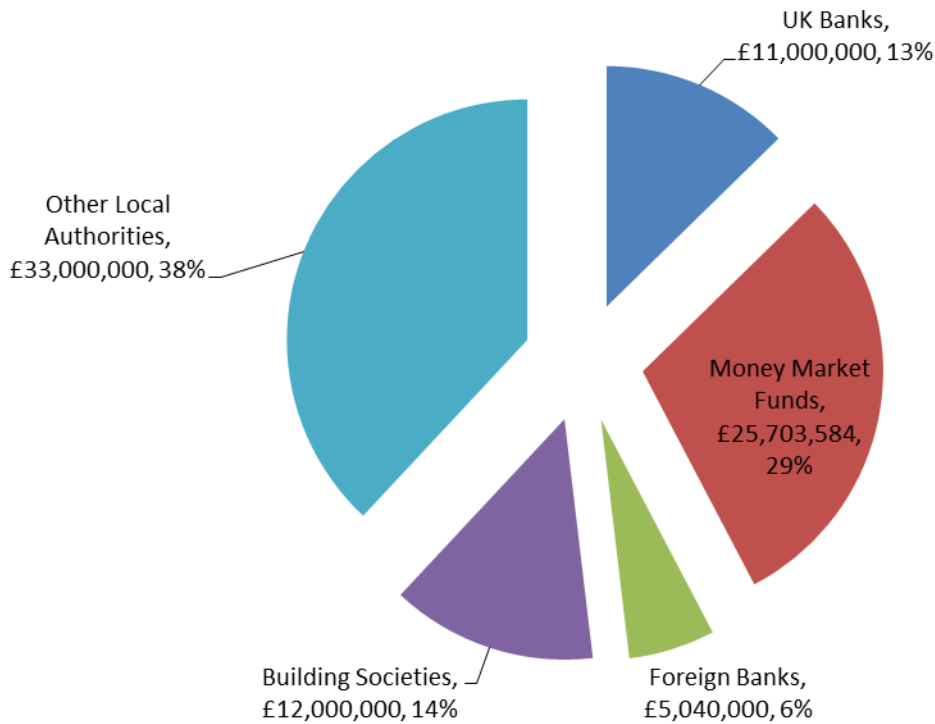


Chart 2: Council Investments as at 30th June 2016 (£93.4m)

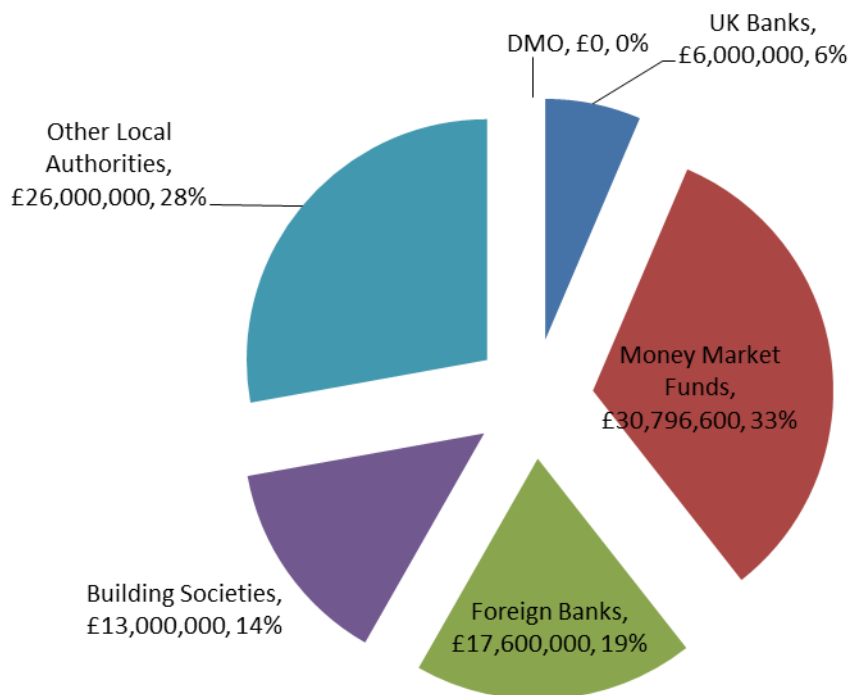


Chart 3: Council Investments per lowest equivalent Long Term credit rating (£86.7m) 30th September 2016

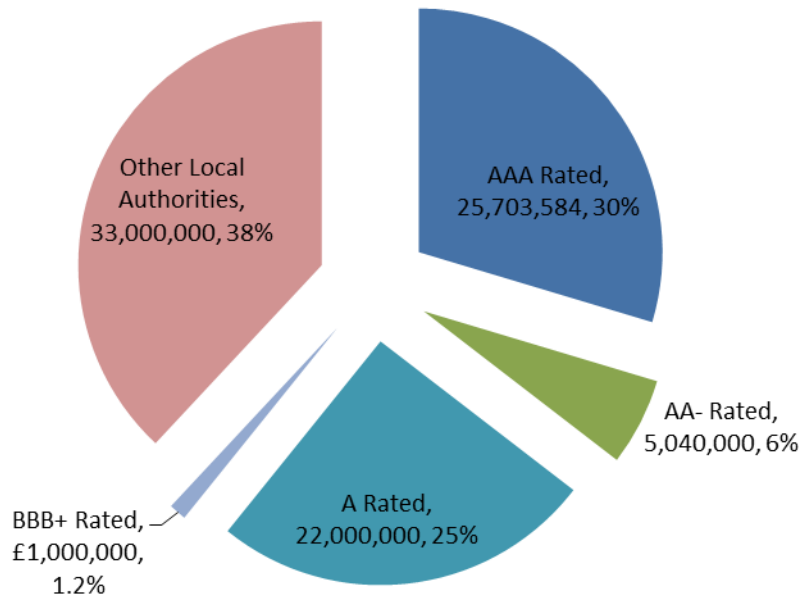
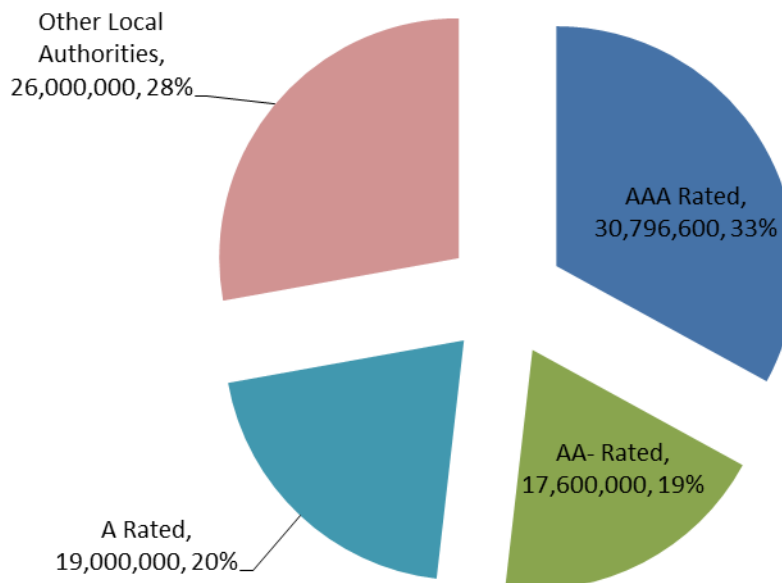


Chart 4: Council Investments per lowest equivalent Long Term credit rating (£93.4m) 30th June 2016



APPENDIX 3

Average rate of return on investments for 2015/16

	April %	May %	June %	July %	Aug %	Sept %	Average for Period
Average rate of interest earned	0.45	0.52	0.52	0.52	0.51	0.48	0.50%
Benchmark = Average 7 Day LIBID rate +0.05% (source: Arlingclose)	0.41	0.42	0.41	0.41	0.36	0.33	0.39%
Performance against Benchmark %	+0.04	+0.10	+0.11	+0.11	+0.15	+0.15	+0.11%

APPENDIX 4

Councils External Borrowing at 30th September 2016

LONG TERM	Amount	Start Date	Maturity Date	Interest Rate
PWLB	10,000,000	15/10/04	15/10/35	4.75%
PWLB	5,000,000	12/05/10	15/08/35	4.55%
PWLB	5,000,000	12/05/10	15/08/60	4.53%
PWLB	5,000,000	05/08/11	15/02/31	4.86%
PWLB	10,000,000	05/08/11	15/08/29	4.80%
PWLB	15,000,000	05/08/11	15/02/61	4.96%
PWLB	5,300,000	29/01/15	15/08/29	2.62%
PWLB	5,000,000	29/01/15	15/02/61	2.92%
PWLB	20,000,000	20/06/16	200641	2.36%
KBC Bank N.V*	5,000,000	08/10/04	08/10/54	4.50%
KBC Bank N.V*	5,000,000	08/10/04	08/10/54	4.50%
Eurohypo Bank*	10,000,000	27/04/05	27/04/55	4.50%
West Midland Police Authority	5,000,000	08/10/14	10/10/16	1.10%
Portsmouth City Council	3,000,000	15/10/14	17/10/16	1.08%
Gloucestershire County Council	5,000,000	25/11/14	25/11/19	2.05%
Gloucestershire County Council	5,000,000	19/12/14	19/12/19	2.05%
London Borough of Ealing	5,000,000	21/10/15	19/10/16	0.60%
West Midland Police Authority	5,000,000	27/11/15	25/11/16	0.62%
TOTAL	128,300,000			
TEMPORARY	Nil			
TOTAL	128,300,000			3.43%

*All LOBO's (Lender Option / Borrower Option) have reached the end of their fixed interest period and have reverted to the variable rate of 4.50%. The lender has the option to change the interest rate at 6 monthly intervals. Should the lender use the option to change the rate, then at this point the borrower has the option to repay the loan without penalty.

APPENDIX 5

Economic and market review for July to September 2016 (provided by Arlingclose)

The preliminary estimate of Q2 2016 GDP showed reasonably strong growth as the economy grew 0.7% quarter-on-quarter, as compared to 0.4% in Q1 and year/year growth running at a healthy pace of 2.2%. However the UK economic outlook changed significantly on 23rd June 2016. The surprise result of the referendum on EU membership prompted forecasters to rip up previous projections and dust off worst-case scenarios. Growth forecasts had already been downgraded as 2016 progressed, as the very existence of the referendum dampened business investment, but the crystallisation of the risks and the subsequent political turmoil prompted a sharp decline in household, business and investor sentiment.

The repercussions of this plunge in sentiment on economic growth were judged by the Bank of England to be severe, prompting the Monetary Policy Committee to initiate substantial monetary policy easing at its August meeting to mitigate the worst of the downside risks. This included a cut in Bank Rate to 0.25%, further gilt and corporate bond purchases (QE) and cheap funding for banks (Term Funding Scheme) to maintain the supply of credit to the economy. The minutes of the August meeting also suggested that many members of the Committee supported a further cut in Bank Rate to near-zero levels (the Bank, however, does not appear keen to follow peers into negative rate territory) and more QE should the economic outlook worsen.

In response to the Bank of England's policy announcement, money market rates and bond yields declined to new record lows. Since the onset of the financial crisis over eight years ago, Arlingclose's rate outlook has progressed from 'lower for longer' to 'even lower for even longer' to, now, 'even lower for the indeterminable future'.

The new members of the UK government, particularly the Prime Minister and Chancellor, are likely to follow the example set by the Bank of England. After six years of fiscal consolidation, the Autumn Statement on 23rd November is likely to witness fiscal initiatives to support economic activity and confidence, most likely infrastructure investment. Tax cuts or something similar cannot be ruled out.

Whilst the economic growth consequences of BREXIT remain speculative, there is uniformity in expectations that uncertainty over the UK's future trade relations with the EU and the rest of the world will weigh on economic activity and business investment, dampen investment intentions and tighten credit availability, prompting lower activity levels and potentially a rise in unemployment. These effects will dampen economic growth through the second half of 2016 and in 2017.

Meanwhile, inflation is expected to pick up due to a rise in import prices, dampening real wage growth and real investment returns. The August Quarterly *Inflation Report* from the

Bank of England forecasts a rise in CPI to 0.9% by the end of calendar 2016 and thereafter a rise closer to the Bank's 2% target over the coming year, as previous rises in commodity prices and the sharp depreciation in sterling begin to drive up imported material costs for companies.

The rise in inflation is highly unlikely to prompt monetary tightening by the Bank of England, with policymakers looking through import-led CPI spikes, concentrating instead on the negative effects of Brexit on economic activity and, ultimately, inflation.

Market reaction: Following the referendum result gilt yields fell sharply across the maturity spectrum on the view that Bank Rate would remain extremely low for the foreseeable future. The yield on the 10-year gilt fell from 1.37% on 23rd June to a low of 0.52% in August, a quarter of what it was at the start of 2016. The 10-year gilt yield has since risen to 0.69% at the end of September. The yield on 2- and 3-year gilts briefly dipped into negative territory intra-day on 10th August to -0.1% as prices were driven higher by the Bank of England's bond repurchase programme. However both yields have since recovered to 0.07% and 0.08% respectively. The fall in gilt yields was reflected in the fall in PWLB borrowing rates.

On the other hand, after an initial sharp drop, equity markets appeared to have shrugged off the result of the referendum and bounced back despite warnings from the IMF on the impact on growth from 'Brexit' as investors counted on QE-generated liquidity to drive risk assets.

The most noticeable fall in money market rates was for very short-dated periods (overnight to 1 month) where rates fell to between 0.1% and 0.2%

Counterparty Update : Various indicators of credit risk reacted negatively to the result of the referendum on the UK's membership of the European Union. UK bank credit default swaps saw a modest rise but bank share prices fell sharply, on average by 20%, with UK-focused banks experiencing the largest falls. Non-UK bank share prices were not immune although the fall in their share prices was less pronounced.

Fitch downgraded the UK's sovereign rating by one notch to AA from AA+, and Standard & Poor's downgraded its corresponding rating by two notches to AA from AAA. Fitch, S&P and Moody's have a negative outlook on the UK. S&P took similar actions on rail company bonds guaranteed by the UK Government. S&P also downgraded the long-term ratings of the local authorities to which it assigns ratings as well as the long-term rating of the EU from AA+ to AA, the latter on the agency's view that it lowers the union's fiscal flexibility and weakens its political cohesion.

Moody's affirmed the ratings of nine UK banks and building societies but revised the outlook to negative for those that it perceived to be exposed to a more challenging operating environment arising from the 'leave' outcome.

There was no immediate change to Arlingclose's credit advice on UK banks and building societies as a result of the referendum result. Our advisor believes there is a risk that the

uncertainty over the UK's future trading prospects will bring forward the timing of the next UK recession.

The European Banking Authority released the results of its 2016 round of stress tests on the single market's 51 largest banks after markets closed on Friday 29th July. The stress tests gave a rather limited insight into how large banks might fare under a particular economic scenario. When the tests were designed earlier this year, a 1.7% fall in GDP over three years must have seemed like an outside risk. Their base case of 5.4% growth now looks exceptionally optimistic and the stressed case could be closer to reality. No bank was said to have failed the tests. The Royal Bank of Scotland made headline news as one of the worst performers as its ratios fell by some of the largest amounts, but from a relatively high base. Barclays Bank and Deutsche Bank ended the test with Common Equity Tier 1 (CET1) ratios below the 8% threshold, and would be required to raise more capital should the stressed scenario be realised. The tests support our cautious approach on these banks.

Fitch also upgraded Svenska Handelsbanken's long-term rating from AA- to AA reflecting the agency's view that the bank's earnings and profitability will remain strong, driven by robust income generation, good cost efficiency and low loan impairments.

APPENDIX 6

Interest & Capital Financing Costs – Budget Monitoring 2016/17 (July to September)

April to June 2016	YEAR END FORECAST			ADV/FAV
	Budgeted Spend or (Income) £'000	Forecast Spend or (Income) £'000	Forecast over or (under) spend £'000	
Interest & Capital Financing				
- Debt Costs	5,403	5103	(300)	FAV
- Internal Repayment of Loan Charges	-10,671	-10,671	0	
- Ex Avon Debt Costs	1,240	1,240	0	
- Minimum Revenue Provision (MRP)	7,115	6865	(260)	FAV
- Interest on Balances	-79	-79	0	
Sub Total - Capital Financing	3,008	2,488	(560)	FAV

APPENDIX 7

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.

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APPENDIX 1

Performance against Treasury Management Indicators agreed in Treasury Management Strategy Statement

1. Authorised limit for external debt

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

	2016/17 Prudential Indicator	Actual as at 30th September 2016
	£'000	£'000
Borrowing	266,000	128,300
Other long term liabilities	2,000	0
Cumulative Total	268,000	128,300

2. Operational limit for external debt

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.

	2016/17 Prudential Indicator	Actual as at 30th September 2016
	£'000	£'000
Borrowing	229,000	128,300
Other long term liabilities	2,000	0
Cumulative Total	231,000	128,300

3. Upper limit for fixed interest rate exposure

This is the maximum amount of total borrowing which can be at fixed interest rate, less any investments for a period greater than 12 months which has a fixed interest rate.

	2016/17 Prudential	Actual as at 30th
--	---------------------------	-------------------------------------

	Indicator	September 2016
	£'000	£'000
Fixed interest rate exposure	229,000	108,300*

* The £20m of LOBO's are quoted as variable rate in this analysis as the Lender has the option to change the rate at 6 monthly intervals (the Council has the option to repay the loan should the Lender exercise this option to increase the rate).

4. Upper limit for variable interest rate exposure

While fixed rate borrowing contributes significantly to reducing uncertainty surrounding interest rate changes, the pursuit of optimum performance levels may justify keeping flexibility through the use of variable interest rates. This is the maximum amount of total borrowing which can be at variable interest rates.

	2016/17 Prudential Indicator	Actual as at 30th September 2016
	£'000	£'000
Variable interest rate exposure	141,000	20,000

5. Upper limit for total principal sums invested for over 364 days

This is the maximum amount of total investments which can be over 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.

	2016/17 Prudential Indicator	Actual as at 30th September 2016
	£'000	£'000

Investments over 364 days	50,000	0
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6. Maturity Structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk.

	Upper Limit	Lower Limit	Actual as at 30th September 2016
	%	%	%
Under 12 months	50	Nil	30*
12 months and within 24 months	75	Nil	0
24 months and within 5 years	75	Nil	8
5 years and within 10 years	100	Nil	0
10 years and above	100	Nil	62

* The CIPFA Treasury management Code now requires the prudential indicator relating to Maturity of Fixed Rate Borrowing to reference the maturity of LOBO loans to the earliest date on which the lender can require payment, i.e. the next call date (which are at 6 monthly intervals for the £20m of LOBO's). However, the Council would only consider repaying these loans if the Lenders exercised their options to alter the interest rate.

7. 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. A summary guide to credit ratings is set out at **Appendix 7**.

	2016/17 Prudential Indicator	Actual as at 30th September 2016
	Rating	Rating
Minimum Portfolio Average Credit Rating	A-	AA+

APPENDIX 2

The Council's Investment position at 30th September 2016

The term of investments, from the original date of the deal, are as follows:

As per Weekly	Balance at 30 th September 2016
	£'000's
Notice (instant access funds)	26,744
1 month to 3 months	23,000
Over 3 months	37,000
Total	86,744

The investment figure of £96.7 million is made up as follows:

	Balance at 30 th September 2016
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B&NES Council	41,239
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Total	86,744

The Council had a total average net positive balance of £89.235m during the period April 2016 to September 2016.

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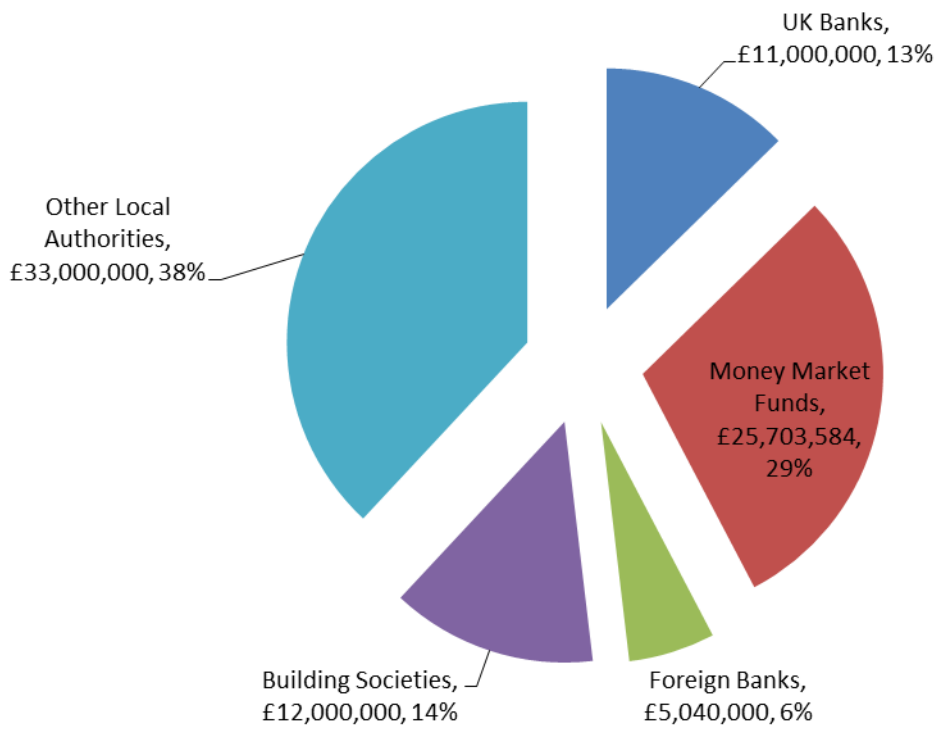


Chart 2: Council Investments as at 30th June 2016 (£93.4m)

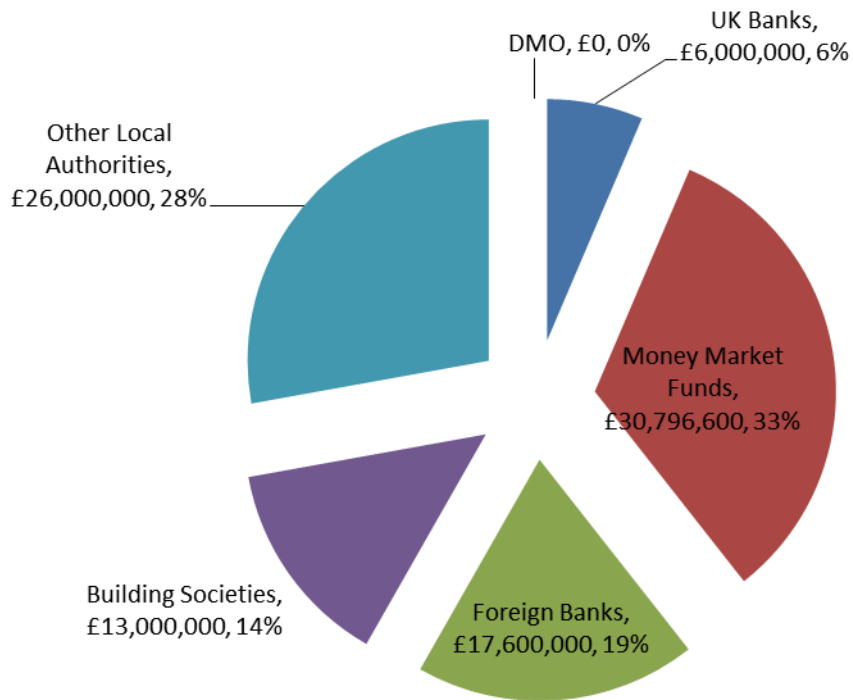


Chart 3: Council Investments per lowest equivalent Long Term credit rating (£86.7m) 30th September 2016

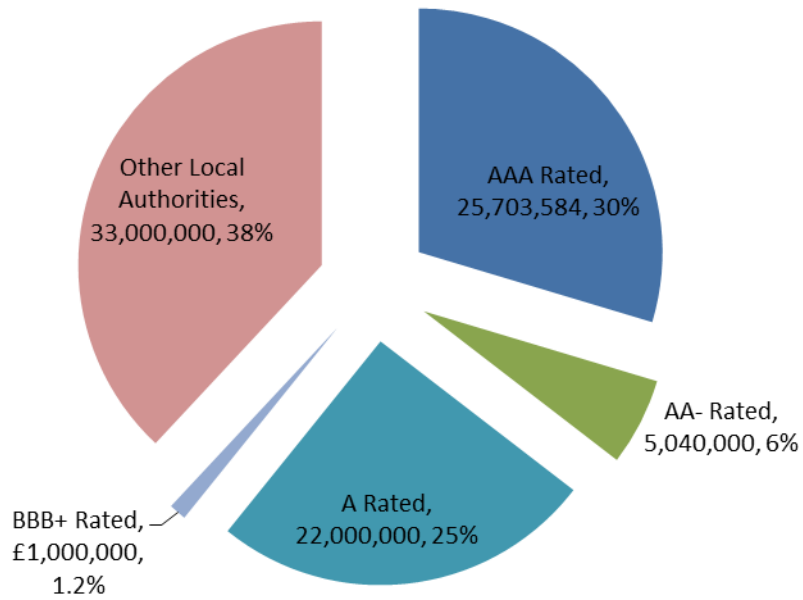
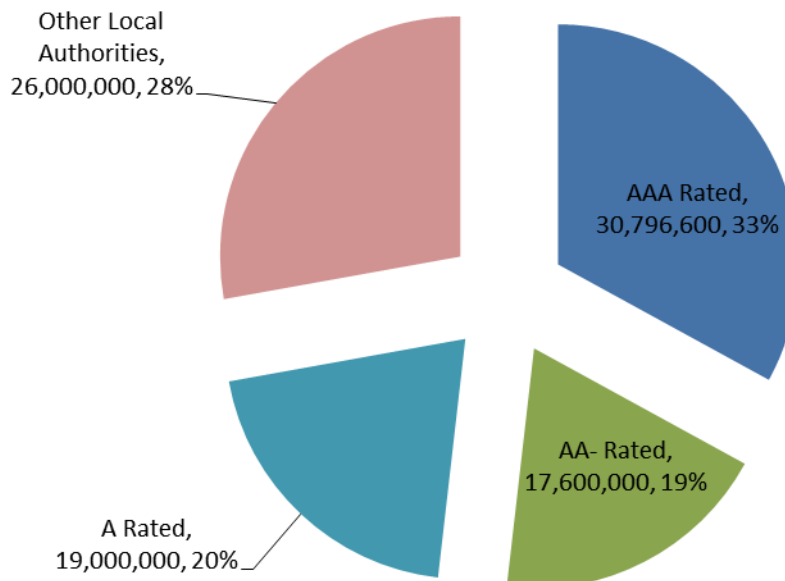


Chart 4: Council Investments per lowest equivalent Long Term credit rating (£93.4m) 30th June 2016



APPENDIX 3

Average rate of return on investments for 2015/16

	April	May	June	July	Aug	Sept	Average for Period
	%	%	%	%	%	%	
Average rate of interest earned	0.45	0.52	0.52	0.52	0.51	0.48	0.50%
Benchmark = Average 7 Day LIBID rate +0.05% (source: Arlingclose)	0.41	0.42	0.41	0.41	0.36	0.33	0.39%
Performance against Benchmark %	+0.04	+0.10	+0.11	+0.11	+0.15	+0.15	+0.11%

APPENDIX 4

Councils External Borrowing at 30th September 2016

LONG TERM	Amount	Start Date	Maturity Date	Interest Rate
PWLB	10,000,000	15/10/04	15/10/35	4.75%
PWLB	5,000,000	12/05/10	15/08/35	4.55%
PWLB	5,000,000	12/05/10	15/08/60	4.53%
PWLB	5,000,000	05/08/11	15/02/31	4.86%
PWLB	10,000,000	05/08/11	15/08/29	4.80%
PWLB	15,000,000	05/08/11	15/02/61	4.96%
PWLB	5,300,000	29/01/15	15/08/29	2.62%
PWLB	5,000,000	29/01/15	15/02/61	2.92%
PWLB	20,000,000	20/06/16	200641	2.36%
KBC Bank N.V*	5,000,000	08/10/04	08/10/54	4.50%

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Portsmouth City Council	3,000,000	15/10/14	17/10/16	1.08%
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London Borough of Ealing	5,000,000	21/10/15	19/10/16	0.60%
West Midland Police Authority	5,000,000	27/11/15	25/11/16	0.62%
TOTAL	128,300,000			
TEMPORARY	Nil			
TOTAL	128,300,000			3.43%

*All LOBO's (Lender Option / Borrower Option) have reached the end of their fixed interest period and have reverted to the variable rate of 4.50%. The lender has the option to change the interest rate at 6 monthly intervals. Should the lender use the option to change the rate, then at this point the borrower has the option to repay the loan without penalty.

APPENDIX 5

Economic and market review for July to September 2016 (provided by Arlingclose)

The preliminary estimate of Q2 2016 GDP showed reasonably strong growth as the economy grew 0.7% quarter-on-quarter, as compared to 0.4% in Q1 and year/year growth running at a healthy pace of 2.2%. However the UK economic outlook changed significantly on 23rd June 2016. The surprise result of the referendum on EU membership prompted forecasters to rip up previous projections and dust off worst-case scenarios. Growth forecasts had already been downgraded as 2016 progressed, as the very existence of the referendum dampened business investment, but the crystallisation of the risks and the subsequent political turmoil prompted a sharp decline in household, business and investor sentiment.

The repercussions of this plunge in sentiment on economic growth were judged by the Bank of England to be severe, prompting the Monetary Policy Committee to initiate substantial monetary policy easing at its August meeting to mitigate the worst of the downside risks. This included a cut in Bank Rate to 0.25%, further gilt and corporate bond purchases (QE) and cheap funding for banks (Term Funding Scheme) to maintain the supply of credit to the economy. The minutes of the August meeting also suggested that many members of the Committee supported a further cut in Bank Rate to near-zero levels (the Bank, however, does not appear keen to follow peers into negative rate territory) and more QE should the economic outlook worsen.

In response to the Bank of England's policy announcement, money market rates and bond yields declined to new record lows. Since the onset of the financial crisis over eight years ago, Arlingclose's rate outlook has progressed from 'lower for longer' to 'even lower for even longer' to, now, 'even lower for the indeterminable future'.

The new members of the UK government, particularly the Prime Minister and Chancellor, are likely to follow the example set by the Bank of England. After six years of fiscal consolidation, the Autumn Statement on 23rd November is likely to witness fiscal initiatives to support economic activity and confidence, most likely infrastructure investment. Tax cuts or something similar cannot be ruled out.

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Meanwhile, inflation is expected to pick up due to a rise in import prices, dampening real wage growth and real investment returns. The August Quarterly *Inflation Report* from the Bank of England forecasts a rise in CPI to 0.9% by the end of calendar 2016 and thereafter a rise closer to the Bank's 2% target over the coming year, as previous rises in commodity prices and the sharp depreciation in sterling begin to drive up imported material costs for companies.

The rise in inflation is highly unlikely to prompt monetary tightening by the Bank of England, with policymakers looking through import-led CPI spikes, concentrating instead on the negative effects of Brexit on economic activity and, ultimately, inflation.

Market reaction: Following the referendum result gilt yields fell sharply across the maturity spectrum on the view that Bank Rate would remain extremely low for the foreseeable future. The yield on the 10-year gilt fell from 1.37% on 23rd June to a low of 0.52% in August, a quarter of what it was at the start of 2016. The 10-year gilt yield has since risen to 0.69% at the end of September. The yield on 2- and 3-year gilts briefly dipped into negative territory intra-day on 10th August to -0.1% as prices were driven higher by the Bank of England's bond repurchase programme. However both yields have since recovered to 0.07% and 0.08% respectively. The fall in gilt yields was reflected in the fall in PWLB borrowing rates.

On the other hand, after an initial sharp drop, equity markets appeared to have shrugged off the result of the referendum and bounced back despite warnings from the IMF on the impact on growth from 'Brexit' as investors counted on QE-generated liquidity to drive risk assets.

The most noticeable fall in money market rates was for very short-dated periods (overnight to 1 month) where rates fell to between 0.1% and 0.2%

Counterparty Update : Various indicators of credit risk reacted negatively to the result of the referendum on the UK's membership of the European Union. UK bank credit default swaps saw a modest rise but bank share prices fell sharply, on average by 20%, with UK-focused banks experiencing the largest falls. Non-UK bank share prices were not immune although the fall in their share prices was less pronounced.

Fitch downgraded the UK's sovereign rating by one notch to AA from AA+, and Standard & Poor's downgraded its corresponding rating by two notches to AA from AAA. Fitch, S&P and Moody's have a negative outlook on the UK. S&P took similar actions on rail company bonds guaranteed by the UK Government. S&P also downgraded the long-term ratings of the local authorities to which it assigns ratings as well as the long-term rating of the EU from AA+ to AA, the latter on the agency's view that it lowers the union's fiscal flexibility and weakens its political cohesion.

Moody's affirmed the ratings of nine UK banks and building societies but revised the outlook to negative for those that it perceived to be exposed to a more challenging operating environment arising from the 'leave' outcome.

There was no immediate change to Arlingclose's credit advice on UK banks and building societies as a result of the referendum result. Our advisor believes there is a risk that the uncertainty over the UK's future trading prospects will bring forward the timing of the next UK recession.

The European Banking Authority released the results of its 2016 round of stress tests on the single market's 51 largest banks after markets closed on Friday 29th July. The stress tests gave a rather limited insight into how large banks might fare under a particular economic scenario. When the tests were designed earlier this year, a 1.7% fall in GDP over three years must have seemed like an outside risk. Their base case of 5.4% growth now looks exceptionally optimistic and the stressed case could be closer to reality. No bank was said to have failed the tests. The Royal Bank of Scotland made headline news as one of the worst performers as its ratios fell by some of the largest amounts, but from a relatively high base. Barclays Bank and Deutsche Bank ended the test with Common Equity Tier 1 (CET1) ratios below the 8% threshold, and would be required to raise more capital should the stressed scenario be realised. The tests support our cautious approach on these banks.

Fitch also upgraded Svenska Handelsbanken's long-term rating from AA- to AA reflecting the agency's view that the bank's earnings and profitability will remain strong, driven by robust income generation, good cost efficiency and low loan impairments.

APPENDIX 6

Interest & Capital Financing Costs – Budget Monitoring 2016/17 (July to September)

April to June 2016	YEAR END FORECAST			ADV/FAV
	Budgeted Spend or (Income)	Forecast Spend or (Income)	Forecast over or (under) spend	
	£'000	£'000	£'000	
Interest & Capital Financing				
- Debt Costs	5,403	5103	(300)	FAV
- Internal Repayment of Loan Charges	-10,671	-10,671	0	
- Ex Avon Debt Costs	1,240	1,240	0	
- Minimum Revenue Provision (MRP)	7,115	6865	(260)	FAV
- Interest on Balances	-79	-79	0	
Sub Total - Capital Financing	3,008	2,488	(560)	FAV

APPENDIX 7

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 san issuer that has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business.