

Cabinet

Date: Wednesday, 11th October, 2017

Time: 12.00 pm

Venue: Council Chamber - Guildhall, Bath

Agenda

To: All Members of the Cabinet

Councillor Tim Warren (Leader of the Council and Conservative Group Leader), Councillor Charles Gerrish (Cabinet Member for Finance and Efficiency, Conservative Deputy Group Leader North East Somerset), Councillor Vic Pritchard (Cabinet Member for Adult Care, Health and Wellbeing), Councillor Paul Myers (Cabinet Member for Economic and Community Regeneration), Councillor Karen Warrington (Cabinet Member for Transformation and Customer Services), Councillor Paul May (Cabinet member for Children and Young People), Councillor Bob Goodman (Cabinet Member for Development and Neighbourhoods) and Councillor Mark Shelford (Cabinet Member for Transport and Environment)

Chief Executive and other appropriate officers
Press and Public

The agenda is set out overleaf.



Jack Latkovic

Democratic Services

Lewis House, Manvers Street, Bath, BA1 1JG

Telephone: 01225 39 443501225 394452

Web-site - <http://www.bathnes.gov.uk>

E-mail: Democratic_Services@bathnes.gov.uk

NOTES:

1. **Inspection of Papers:** Papers are available for inspection as follows:

Council's website: <https://democracy.bathnes.gov.uk/ieDocHome.aspx?bcr=1>

Paper copies are available for inspection at the **Public Access points:-** Reception: Civic Centre - Keynsham, Guildhall - Bath, The Hollies - Midsomer Norton. Bath Central and Midsomer Norton public libraries.

2. **Details of decisions taken at this meeting** can be found in the minutes which will be circulated with the agenda for the next meeting. In the meantime, details can be obtained by contacting as above.

3. **Recording at Meetings:-**

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

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

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

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

4. **Public Speaking at Meetings**

The Council has a scheme to encourage the public to make their views known at meetings. They may make a statement relevant to what the meeting has power to do. They may also present a petition or a deputation on behalf of a group. They may also ask a question to which a written answer will be given. **Advance notice is required not less than two full working days before the meeting. This means that for meetings held on Thursdays notice must be received in Democratic Services by 5.00pm the previous Monday.** Further details of the scheme:

<https://democracy.bathnes.gov.uk/ecCatDisplay.aspx?sch=doc&cat=12942>

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

6. **Supplementary information for meetings**

Additional information and Protocols and procedures relating to meetings

<https://democracy.bathnes.gov.uk/ecCatDisplay.aspx?sch=doc&cat=13505>

Cabinet - Wednesday, 11th October, 2017

in the Council Chamber - Guildhall, Bath

AGENDA

1. WELCOME AND INTRODUCTIONS

2. EMERGENCY EVACUATION PROCEDURE

The Chair will draw attention to the emergency evacuation procedure as set out in the Notes

3. APOLOGIES FOR ABSENCE

4. DECLARATIONS OF INTEREST

At this point in the meeting declarations of interest are received from Members in any of the agenda items under consideration at the meeting. Members are asked to indicate:

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

(b) The nature of their interest.

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

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

5. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

6. 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.

7. 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.

8. MINUTES OF PREVIOUS CABINET MEETING (Pages 7 - 12)

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

9. 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

10. 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.

11. SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING (Pages 13 - 18)

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

12. MODERN LIBRARIES BATH - CONSULTATION OUTCOMES AND PROPOSALS (Pages 19 - 38)

On the 19th July Cabinet approved a report which recommended consultation should take place on the two viable location options for a new integrated Library and One Stop Shop in Bath.

Extensive consultation was conducted via a questionnaire presented online and in paper format. The response to this consultation has now concluded and the results, including feedback from the Full Council debate and Scrutiny Panel, are summarised within this paper and at appendix A.

A final decision on the location is now required in order that the project can move into the next phase of scheme design, the estimated capital requirements for bringing this development forward need to be released from the provision identified.

13. MODERN LIBRARIES - COMMUNITY LIBRARY APPROACH (Pages 39 - 58)

The Modern Libraries Programme is seeking to deliver improved services across Bath and North East Somerset at the same time as contributing to the Council's unprecedented financial challenges. The Council is committed to an annual efficiency saving of £800,000 by 2020 to be realised through the whole programme.

Whilst there is a financial pressure, the Modern Libraries Programme seeks to develop an exciting community approach. Building on work so far, this will provide opportunities and increased investment for locally-based sustainable services across our areas tailored to local needs.

14. MEDIUM TERM FINANCIAL STRATEGY (Pages 59 - 90)

The Medium Term Financial Strategy outlines the financial context and challenges for the Council over the next five years and sets out a strategy that will be used to inform its annual budget process.

15. REVENUE & CAPITAL BUDGET MONITORING, CASH LIMITS AND VIREMENTS – APRIL TO JULY 2017 (Pages 91 - 124)

This report presents the financial monitoring information for the Authority as a whole for the financial year 2017/18 to the end of August 2017.

16. TREASURY MANAGEMENT MONITORING REPORT TO 30TH JUNE 2017 (Pages 125 - 138)

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 2017/18 for the first three months of 2017/18.

17. PROPOSED PUBLIC SPACE PROTECTION ORDER TO RESTRICT ALCOHOL CONSUMPTION IN PUBLIC SPACES IN BATH (Pages 139 - 162)

The current Designated Public Place Order (DPPO) which restricts street drinking in Bath is due to expire in October 2017. This is as a result of the introduction of Public Space Protection Orders (PSPOs) under the Anti-social Behaviour Crime and Policing Act 2014 ("the Act"). This report invites the Cabinet to determine whether, and if so in what way, to continue restrictions on street drinking in this area as a PSPO, following a consultation as required by the legislation.

18. PROPOSED PUBLIC SPACE PROTECTION ORDER TO RESTRICT ALCOHOL CONSUMPTION IN PUBLIC SPACES IN MIDSOMER NORTON (Pages 163 - 184)

The current Designated Public Place Order ("DPPO") which restricts street drinking in Midsomer Norton is due to expire in October 2017. This is as a result of the introduction of Public Space Protection Orders (PSPOs) under the Anti-Social Behaviour Crime and Policing Act 2014 ("the Act"). This report invites the Cabinet to determine whether, and if so in what way, to continue restrictions on street drinking in this area as a PSPO, following a consultation as required by the legislation.

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

This page is intentionally left blank

BATH AND NORTH EAST SOMERSET

CABINET

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

Wednesday, 19th July, 2017

Present:

Councillor Tim Warren	Leader of the Council and Conservative Group Leader
Councillor Charles Gerrish	Cabinet Member for Finance and Efficiency, Conservative Deputy Group Leader North East Somerset
Councillor Vic Pritchard	Cabinet Member for Adult Care, Health and Wellbeing
Councillor Paul Myers	Cabinet Member for Economic and Community Regeneration
Councillor Karen Warrington	Cabinet Member for Policy and Transformation
Councillor Paul May	Cabinet member for Children and Young People
Councillor Mark Shelford	Cabinet Member for Transport and Highways

97 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting. The Chair informed the meeting that Councillor Martin Veal had resigned from the post of Cabinet Member for Community Services due to personal reasons.

The Chair also welcomed the new Members of the Cabinet.

98 EMERGENCY EVACUATION PROCEDURE

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

99 APOLOGIES FOR ABSENCE

Councillor Bob Goodman has send his apologies for this meeting.

100 DECLARATIONS OF INTEREST

There were none.

101 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

The Chair informed the meeting that he had agreed to take one urgent item (Park and Ride East of Bath) at agenda item 12.

102 QUESTIONS FROM PUBLIC AND COUNCILLORS

There were 28 questions from Councillors and 5 questions from members of the public.

[Copies of the questions and responses, including supplementary questions and responses if any, have been placed on the Minute book as Appendix and are available on the Council's website.]

103 STATEMENTS, DEPUTATIONS OR PETITIONS FROM PUBLIC OR COUNCILLORS

David Redgewell read out the statement (*available on the Minute Book at Democratic Services*) where he highlighted transport issues in the West of England Combined Authority.

Dione Pemberton read out the statement (*available on the Minute Book at Democratic Services*) where she expressed her concerns against Modern Libraries options for Bath consultation.

Caroline and Kiki Ambrose read out their statements (*available on the Minute Book at Democratic Services*) where she expressed their concerns against Modern Libraries options for Bath consultation.

Gillian Kirk read out the statement (*available on the Minute Book at Democratic Services*) where she expressed her concerns against Modern Libraries options for Bath consultation.

Fiona Carne read out the statement (*available on the Minute Book at Democratic Services*) where she expressed her concerns against changes to rubbish collection.

Ben Palmer read out the statement (*available on the Minute Book at Democratic Services*) where he expressed his concerns against adoption of the HMO Policy.

104 MINUTES OF PREVIOUS CABINET MEETING

RESOLVED that the minutes of the meeting held on Wednesday 12th April 2017 be confirmed as a correct record and signed by the Chair.

105 CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

There were none.

106 MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES

There were none.

107 SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING

The Cabinet agreed to note the report.

108 PARK & RIDE EAST OF BATH

Annie Kilvington read out the statement (*available on the Minute Book at Democratic Services*) where she welcomed the report though she expressed her concerns that the report had not highlighted objections from a number of organisations and individuals.

Christine Boyd read out the statement (*available on the Minute Book at Democratic Services*) where she welcomed the report though she expressed her concerns on the lack of survey and detail of where the traffic is going and why.

Andrew Mercer read out the statement (*available on the Minute Book at Democratic Services*) where he welcomed the report though he expressed his concerns that the views of the stakeholders were not taken on board and that project planning had failed.

Nicolette Boater read out the statement (*available on the Minute Book at Democratic Services*).

Patrick Rotheram read out the statement (*available on the Minute Book at Democratic Services*) where he expressed Federation of Bath Residents' Associations concerns on the future of transport in Bath.

Councillor Andrew Furse said that, as per bullet point 2.5 of the report, there was no capital scheme attached to revenue revision and this money would need to be seen as revenue expenditure. Councillor Andrew Furse expressed his concerns that the revenue would be attached to other balances which would put the Council in difficult situation.

Councillor Richard Samuel said that he was astonished to find out that there was no survey held on asking drivers why they come to the city. Councillor Richard Samuel also said that for such expensive scheme there should be a survey on drivers' behaviours and urged the Cabinet to conduct such survey before any further plans.

Councillor Alison Millar welcomed the decision though she also expressed her concerns that there was no relevant traffic survey. Councillor Alison Millar also urged the Cabinet to enforce long term protection of that area so the residents would not get stressed out with another or similar proposal.

Councillor Geoff Ward said that he was delighted with the Cabinet decision not to go ahead with Park and Ride East of Bath. Councillor Geoff Ward recognised that this was a difficult decision and congratulated the Cabinet on it, and asked the Cabinet to enforce a long term protection of that area and give Site F under control of Parish Council.

Councillor Neil Butters said that Liberal Democrat Group was delighted with the decision not to go ahead with Park and Ride East of Bath, though years of unnecessary work put into this scheme could have been avoided long time ago. Councillor Neil Butters urged the Cabinet to listen next time what the majority of residents want.

Councillor Mark Shelford thanked everyone who addressed the Cabinet on this matter. Councillor Mark Shelford also said that he would make sure that correct data would be used for transport in Bath scheme and had stressed that it would be

absolutely fundamental for an early stakeholder engagement in the process. Road safety would be a priority for the scheme and alternative transport scheme would involve an input from the West of England Combined Authority.

Councillor Mark Shelford moved the recommendations as printed.

Councillor Tim Warren seconded the motion by thanking Councillor Mark Shelford on moving the recommendations. Councillor Tim Warren also said that a lot of work had been done since January 2017, which had been outlined in the report.

Councillor Vic Pritchard said that some people were delighted though there were some people who would be disappointed with the decision. Councillor Vic Pritchard said that the Cabinet should thank the officers on work that they had put in.

Councillor Paul May said that he was delighted that transport to school issues would be considered in the scheme.

RESOLVED (unanimously) that the Cabinet agreed to:

1.1 Cease progressing site B as a possible location for a Park & Ride site to the east of Bath for access safety reasons and because it has not been possible to negotiate the purchase of the land within a reasonable timescale; and to cease progressing site F because of potential access safety issues.

1.2 Continue to implement new opportunities emerging from the Joint Transport Plan for the West of England and new mayoral transport powers associated with the recently created West of England Combined Authority to address the transport issues facing Bath and North East Somerset to ensure that we sustain economic growth and support the provision of new homes.

1.3 To continue to investigate and implement approved schemes as identified in paragraph 4.13 of this report.

109 MODERN LIBRARIES OPTIONS FOR BATH

Councillor Dine Romero started her statement by asking the Cabinet why had already dismissed three options out of five before local residents had their say on their preferences. Councillor Dine Romero also said that the Cabinet had not explored other options to deliver £800k in savings and urged the Cabinet to pause the consultation and consider other options for the Podium library.

Councillor Richard Samuel said that two of the least desirable options had been highlighted. Councillor Richard Samuel expressed his concerns about the consultation and felt that the Council would have to borrow the money in order to achieve some savings, and urged the Cabinet to end this scheme.

Councillor Joe Rayment said that political circumstances had changed nationally and urged the Leader of the Council to ask central government for a financial support for libraries.

Councillor Tim Warren said that the Council had made provision for a capital budget of £5.953m plus £0.773m identified balances (a total of £6.726m overall) in order to

deliver the modern libraries programme with focus on the delivery of integrated Library and One Stop Shop services in Bath. The proposed scope of works for each of the two options was described within the business case. The capital costs used in the analysis were derived using standard rates and calculations were only on the assumption that all integrated services would be delivered from each site. No design had been developed at this stage. This had been done in order to assess and confirm assumptions on indicative costs and timescale. The design work would commence on the chosen option once the budget is approved later this year.

On a request from Councillor Tim Warren, Andrew Pate (Strategic Director Resources) explained that the Council was well protected under the lease, as explained in the Appendix 2 of the report.

Councillor Tim Warren moved the recommendations as printed.

Councillor Paul Myers seconded the motion by welcoming the consultation scheme which would be of the community benefit.

Councillor Charles Gerrish highlighted a success of the Keynsham Library which has integrated with One Stop Shop. Councillor Charles Gerrish also said that savings set by Library Services were integral part of the budget.

Councillor Karen Warrington said that this Cabinet had been proactive in keeping libraries open whilst other Council had had to close their libraries, and also highlighted a success of Keynsham Libraries integration with One Stop Shop.

RESOLVED (unanimously) that the Cabinet agreed to:

- 2.1 Note and be cognisant of the Business Case and the appendices, in particular the consultation proposals at appendix F (1, 2 & 3).
- 2.2 Approve the proposed consultation approach as set out in Appendix F (1, 2 & 3) in order to determine the preferred option.
- 2.3 Receive a further report in October which will include consultation findings, a further Equalities Impact Assessment of the selected option to implement and a request to approve capital funding.

110 REVENUE & CAPITAL OUTTURN 2016/17

Councillor Andrew Furse expressed his concerns that the revenue budget outturn overspend for 2016/17 was £2.221m and felt that the present performance was damaging the credibility of the Council.

Councillor Charles Gerrish said that this report had provided information about the Council's financial performance against its revenue and capital budgets in 2016/17. The report had identified that after allowing for carry forwards, the Council overspent by £2.221m, which to give some context, represents less than 1% of gross budgeted spend excluding schools. It was proposed that the overspend is funded by drawdowns from both the Revenue Budget Contingency (£1.155m) and the Adult Social Care Reserve (£1.066m). The 2016/17 revenue budget had included a

requirement for the delivery of £12.644m of savings and additional income generation of which over 90% were achieved during the year.

The ongoing implications arising from the year end position would be considered as part of the 2017/18 budget monitoring process, including appropriate mitigating actions.

The capital spend in 2016/17 was £53.910m against a budget of £78.591m giving a variance of £24.681m, primarily reflecting the delivery time to complete projects moving into future financial periods. Of this variance, £23.932m was requested for carry forward to 2017/18 to cover re-phased costs of capital projects.

Councillor Charles Gerrish moved the recommendations as printed.

Councillor Paul May seconded the motion by thanking Councillor Charles Gerrish and the officers on the report. Councillor Paul May also said that the Council was in difficult situation, with even more difficult task to achieve savings.

The rest of the Cabinet Members highlighted financial pressures within their portfolios.

RESOLVED (unanimously) that the Cabinet agreed to:

2.1 The revenue budget outturn overspend of £2.221m for 2016/17 as set out in Appendix 2 is noted.

2.2 The revenue carry forward proposals and write-off requests listed in the tables in Appendix 4 are approved.

2.3 Transfers from Earmarked Reserves to fund the revenue overspend are agreed as set out in Appendix 1 paragraph 1.8.

2.4 The revenue virements for 2016/17 reported for information in Appendix 6(i) are noted.

2.5 The resulting reserves position shown in Appendix 1 paragraph 1.10 is noted and that unearmarked reserves remain at the target level of £13.5m (excluding Invest to Save drawdowns).

2.6 The provisional outturn of the 2016/17 capital programme in Appendix 7, and the funding as laid out in the table in Appendix 1 Paragraph 1.20, is noted.

2.7 The capital rephasing and write-off of net underspends as listed in Appendix 8 are approved. This reflects the outturn spend position on projects against final budgets as detailed in Appendix 9.

2.8 The adjustments to the 2016/17 to 2021/22 capital programme as recorded in Appendix 10, and the final capital programme for 2016/17 in Appendix 9 are noted.

The meeting ended at 5.50 pm

Chair _____

Date Confirmed and Signed _____

Prepared by Democratic Services

Bath & North East Somerset Council

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

published 11-Jul-17 to 1-Oct-2017

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>

Future management of outlying Bright Start Children Centre Service Buildings

The Bright Start Children Centre Service is remodelling to develop a sustainable programme within its current budget whilst minimising impact on children and families that are most in need.

Decision Maker: Cabinet Member - Finance and Efficiency

Decision published: 28/09/2017

Effective from: 06/10/2017

Decision:

The Cabinet Members agree that:

The four buildings included within the report (Weston Children's Centre, Chew Valley Children's Centre, Midsomer Norton Children's Centre, Paulton Children's Centre and the Annex building on the Castle Primary School site) are leased to community organisation to ensure and promote more effective use-age by the respective community groups.

Lead officer: Richard Baldwin

Approval of capital expenditure to build a skatepark in the East of Bath

Full approval is sought by the Alice Park Trust Sub-Committee to spend the £97k provisionally allocated within the Council's capital programme to build a skatepark in Alice Park, with any surplus to be put towards wider park improvements.

Decision Maker: Cabinet Member - Finance and Efficiency

Decision published: 19/09/2017

Effective from: 27/09/2017

Decision:

The Cabinet Member for Development & Neighbourhoods and the Cabinet Member for Finance and Efficiency fully approve the capital budget totalling £97K for the development of a skate park at Alice Park, and for further capital improvements in the park's facilities if this can be accommodated within the allocated budget.

Lead officer: Carol Maclellan

A4 London Road Redevelopment Works - Experimental Traffic Regulation Orders

This report considers Experimental Traffic Regulation Orders (“ETROs”) primarily in relation to parking and loading for the A4 London Road Development Works scheme.

Decision Maker: Cabinet Member - Transport and Environment

Decision published: 13/09/2017

Effective from: 21/09/2017

Decision:

The Cabinet Member agrees:-

1. that the Experimental Traffic Regulation Order (ETRO) for the parking and loading is made permanent;
2. to authorise the implementation of a new permanent TRO for the cycle lane (as was previously advertised and consulted upon in the cycle lane ETRO).

Lead officer: Simon Thomas

Swainswick C.E. Primary School - Replace Modular Buildings

Requesting approval and authorisation to proceed with a schools capital project to replace two poor condition modular buildings with two new build permanent classrooms.

Decision Maker: Cabinet Member - Finance and Efficiency

Decision published: 12/09/2017

Effective from: 20/09/2017

Decision:

The Cabinet Members agree to spend £723,000 2017-18 Schools Capital Maintenance Grant to replace two modular buildings with two new classrooms and toilet facilities at Swainswick C.E Primary School.

Lead officer: Anne Leach

Amendments to the Supplementary Planning Document on Houses in Multiple Occupation in Bath

Amendments are proposed to the Supplementary Planning Document on Houses in Multiple Occupation in Bath.

Decision Maker: Cabinet Member - Development and Neighbourhoods

Decision published: 21/08/2017

Effective from: 30/08/2017

Decision:

The Cabinet Member agrees that:

- the amended draft Houses in Multiple Occupation in Bath: Supplementary Planning Document for public consultation;

- that responsibility is delegated to the Divisional Director for Development, in conjunction with the Cabinet Member for Development, to make final graphic and minor textual amendments prior to publication of the Draft Houses in Multiple Occupation in Bath Supplementary Planning Document;

The Cabinet Member notes:

- the Equalities Impact Assessment and the draft Strategic Environmental Assessment Scoping Report.

Lead officer: Simon De Beer

Commercial Estate Investment in the Bath Quays South Office Development

Commercial Estate Investment in Office development as part of wider Bath Quays South regeneration to deliver new office accommodation, diversifying the commercial estate and sources of income for the Council.

Decision Maker: Cabinet Member - Finance and Efficiency

Decision published: 21/08/2017

Effective from: 30/08/2017

Decision:

The Cabinet Members agree to fully approve £16.2M of the provisionally approved 2017/18 and 2018/19 capital budget for Commercial Estate investment.

Lead officer: Richard Long

Further amendment to the Non Domestic Rates Discretionary Relief Policy

An amendment to the Non Domestic Rates Discretionary Relief Policy which will allow the council to award relief under Section 47 of the Local Government Finance Act 1988 to ratepayers affected by the 2017 Business Rates revaluation.

Decision Maker: Cabinet Member - Finance and Efficiency

Decision published: 21/08/2017

Effective from: 30/08/2017

Decision:

The Cabinet Member approves the proposal relating to the reliefs in the document E2985 – Appendix 1 – draft Appendix D to Discretionary rates relief Policy – Revaluation Support.

Lead officer: Ian Savigar

Fees and Charges 2017/18 - Highways and Traffic

Approval is sought to the fees and charges for specified services provided within Highways and Traffic in line with proposals agreed in the February 2017 budget setting by Full Council.

Decision Maker: Cabinet Member - Transport and Environment

Decision published: 08/08/2017

Effective from: 16/08/2017

Decision:

The Cabinet Member agrees the new fees and charges for relevant services – as proposed in Appendix 1 of the report.

These are to be implemented from 1 August 2017.

Delegated authority be given to the Highways and Traffic Group Manager in consultation with the Cabinet Member for Transport to agree fees and charges which vary from the standard inflation clause, if the cost base changes or new services are introduced, and that this can be done at 6 month intervals if external factors influence the cost base significantly throughout the financial year.

Lead officer: Gary Peacock

Midsomer Norton Library

Proposal to relocate MSN Library into The Hollies OSS to support an integrated service model.

Decision Maker: Leader of the Council

Decision published: 01/08/2017

Effective from: 10/08/2017

Decision:

The Cabinet Members agree with the creation of a combined Library and One Stop Shop in The Hollies, Midsomer Norton as set out in the report and that an options appraisal on the future of the vacated library premises on the High Street should be undertaken.

Lead officer: Ian Savigar

RULE 15 Acquisition of an income generating office investment

This report sets out the terms of the proposed acquisition of an income generating office investment property.

The decision is being made in accordance with Rule 15 of the Council's constitution. It would generally to be an ordinary single member decision but to enable the transaction to complete successfully it is necessary to use of the Council's urgency procedure.

The urgency arises as a result of the seller of the property demanding that the Council exchanges contracts and completes the transactions within a very short timescale. The acquisition will be subject to appropriate due diligence for a transaction of this nature.

Decision Maker: Leader of the Council

Decision published: 24/07/2017

Effective from: 24/07/2017

Decision:

The Cabinet Members approve:

- 1.1 The acquisition of an office investment property; and
- 1.2 Capital expenditure on the acquisition of the property and any necessary adjustments to the 2017/2018 capital budget to reflect this approval.

Lead officer: Richard Long

This page is intentionally left blank

Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	11 October 2017	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2999
TITLE:	Modern Libraries Bath – Consultation outcomes and proposals	
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report:</p> <ul style="list-style-type: none"> Appendix A – Consultation findings Appendix B – Approach to design engagement 		

1 THE ISSUE

- 1.1 On the 19th July Cabinet approved a report which recommended consultation should take place on the two viable location options for a new integrated Library and One Stop Shop in Bath.
- 1.2 Extensive consultation was conducted via a questionnaire presented online and in paper format. The response to this consultation has now concluded and the results, including feedback from the Full Council debate and Scrutiny Panel, are summarised within this paper and at appendix A.
- 1.3 A final decision on the location is now required in order that the project can move into the next phase of scheme design, the estimated capital requirements for bringing this development forward need to be released from the provision identified.

2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 Note the outcome of the consultation.
- 2.2 Approve The Podium as the chosen site for the central Bath integrated Library & One Stop Shop.
- 2.3 Fully approve capital spending of £330K for the next phase of the project.

- 2.4 Agree that the next phase will involve appointment of architects and a positive programme of user and partner engagement to enable detailed designs and costings, as set out in appendix B.
- 2.5 Note that once detailed costings have been produced, and final designs established, the total requirement for capital funding will be confirmed and relevant approvals obtained.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The Council has made provision for a capital budget of £5.953m plus £0.971m identified balances (a total of £6.924m overall) in order to deliver the modern libraries programme, this report focuses on the delivery of integrated Library and OSS services in Bath and the chosen option for development.
- 3.2 The proposed scope of works for the chosen option is described within the business case which was submitted to the Cabinet on the 19th July. Layouts for the space have not been developed at this stage, the design work will commence once the budget for the next phase is approved. The budget to implement the works will be drawn down once a detailed cost plan is prepared and the required permissions are in place.
- 3.3 The chosen option (4) at The Podium has an indicative capital cost of £2.8m for Bath (the overall Modern Libraries programme including option 4 is estimated to cost £3.6m). The net savings are estimated to be £393k per annum for Bath (the overall Modern Libraries programme is expected to save a net £798k per annum).
- 3.4 Option 4 allowed for some works to be undertaken at Lewis House comprising of the refurbishment of the vacated ground floor.
- 3.5 The cost of professional and other fees, site investigations and minor enabling works to deliver the next phase of the project is estimated to cost £330k and this sum is requested from the capital budget provision.
- 3.6 Total capital spend to date on this part of the wider programme amounts to £322k, this approval will take total capital spend to £652k. Although it is deemed unlikely, should the wider project not ultimately progress there would be a risk of revenue reversion on these costs.
- 3.7 The implications for both Library and OSS staff are that the services will operate together with integrated procedures and processes, professional skills and subject specialisms will be maintained. There are no plans to make any redundancies as savings will be achieved by staff turnover and this organisational change will contribute to the overall programme savings target of £800k by 2020.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The Cabinet paper in July and the associated business case set out the Council's position with regards to the requirements under the Public Libraries

and Museums Act 1964. In summary, we are not planning on closing or diminishing the Library Service in any way, by bringing the two services together we believe that residents and library users in Bath will continue to receive a modern comprehensive and efficient library service with potential to add more flexible space to increase the service offering.

- 4.2 The Department for Culture Media and Sport continue to be informed and updated on the proposals.

5 THE REPORT

- 5.1 The report in July and the accompanying business case set out the proposals for a combined service and Cabinet agreed to proceed with public consultation on the two viable options – The Podium and Lewis House.
- 5.2 Our aim is to integrate library and customer services in Bath to reach out to more people from all ages and backgrounds – providing a place where everyone in the community can access support, knowledge, culture and events to help them reach their full potential. The integration of services is both physical and cultural, with library and customer services coming together to share the same space, facilities and support, to meet the changing needs of their customers.
- 5.3 The consultation commenced on 20th July and closed on 15th September 2017. The consultation document has been available on the council's website and in print at all libraries and OSS's. Posters advertising the consultation were placed in GP surgeries, leisure centres, and Children's Centres. There has also been media coverage and advertising (direct by email and posters) as well as mediated support from partners and staff in various locations for those with difficulties in completing the form or for hard to reach groups.
- 5.4 The results of the consultation show that nearly 92% of respondents opted for the Podium as their preferred location for the combined library and one stop shop. This preference was echoed across nearly all demographic and user groups recorded. There was a lower response rate from regular OSS users and of those responses there was a preference for Lewis House but not by a significant margin. The consultation results are attached at appendix A.
- 5.5 In addition to the public consultation described in the body of this report we have also engaged with our partner agencies and with staff during the consultation period. Key partners that deliver services from the OSS currently had a preference for Lewis House but they recognised the need for flexibility and the value of an integrated service so would be happy to accept either location and would welcome the opportunity to work with us to ensure the chosen location delivers the best possible outcomes for their clients and the wider community.
- 5.4 In the light of the consultation findings, we are recommending to Members that The Podium site is developed for the new modern integrated service.
- 5.5 This development is a unique opportunity to create a vibrant, bespoke space that will address issues identified in the business case of accessibility and inclusion, visibility and connectivity, flexibility and adaptability – a space where all members of the community can read, connect, learn and get help.

- 5.6 As part of the consultation and in accordance with our EIA we asked several questions regarding people's personal circumstances in order to ensure we reached a wide cross-section of the public and potential interested parties. We also asked for people interested in the design of the new facility to put their names forward to have discussions with the Council and its appointed design team to help shape the design to deliver a combined and modernised One Stop Shop and Library service. Proposals for how this will be managed are set out in appendix B.
- 5.7 The outline timetable in the business case was used to calculate the required savings by 2020. Delays will have implications for achieving these savings. A detailed project plan, including consideration of implications for continuing library operations during construction will be developed during the next phase of the project for which budget approval is sought. The next phase includes briefing, engagement and design works up to tender stage and it is anticipated that this will take place between November 2017 and May 2018.

6 RATIONALE

- 6.1 As described in the July report, integrating the Library and OSS in Bath allows us to deliver our strategic objectives at the same time as meeting the financial challenges we face.

7 OTHER OPTIONS CONSIDERED

- 7.1 In Section 7 of the July report and in detail in the accompanying business case we described the alternative options for achieving the objectives set out. Having completed the consultation on the two viable options we are ready to recommend a site for the new service and to progress into design and delivery.
- 7.2 The other viable option was to locate both services in Lewis House. The Council has no preference for either site and the consultation material reflected this. This option was preferred by the partner organisations that currently operate from Lewis House but these parties considered the benefits of co-locating services outweighed the location. This, together with the balance of public opinion, is the basis for the selection of The Podium and the recommendation in this report.

8 CONSULTATION

- 8.1 Targeted communications about the consultation went via email to schools, an inter-agency contact list held by the communities team (600 recipients) and via a number of networks, e.g. the Children's and Young Peoples Network, Health Watch, Voluntary Sector Network and the Council's equalities networks. There was significant social media activity to raise awareness of the consultation.
- 8.2 The public have had the opportunity to engage with the Council at its Full Council meeting and at the Community, Transport and Environment Scrutiny panel during the consultation period. All points raised have been incorporated

into the consultation analysis to inform the decision on location and the next steps in the process.

8.3 The section 151 officer, finance and property officers have been involved with the options appraisal and cost models contained in the business case. They have reviewed and approved this report and its recommendations.

8.4 It should be noted that this report recommends further engagement during the design phase to ensure it meets a wide range of customer needs.

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. A table of key risks is included within the July business case.

Contact person	<i>Ian Savigar, Divisional Director Customer Services: Tel 01225 477327</i>
Background papers	Equalities Impact Assessment dated September 2017 (to be published on Bath NES website) Cabinet report, associated papers and Minutes from 19 th July 2017 (available on Bath NES website)
Please contact the report author if you need to access this report in an alternative format	

This page is intentionally left blank

Appendix A

Consultation on the location of a combined Library and One Stop Shop in Bath - Results

Following the report to cabinet on 19th July a consultation was undertaken through the council’s online consultation system between 20th July and 15th September. The questionnaire was open for all people to respond online and additional outreach was conducted at youth centres and one stop shops. Paper copies of the survey were circulated to libraries and one stop shops across the district and the results were input manually.

The results were broken down by key user groups, as determined in the Libraries Needs Assessment:

- Regular users of libraries and one stop shops
- People with dependent children
- People with long-term health conditions
- People from different socio-economic backgrounds (determined through the indices of multiple deprivation)

and other demographic characteristics.

Part 1 – Location preference

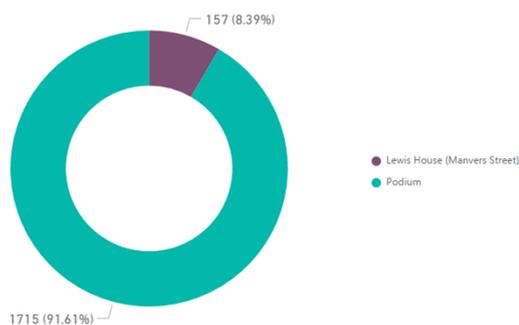
The overall results are shown below:

Bath Modern Library Consultation July-September 2017 Analysis

There were **1891** responses to this consultation

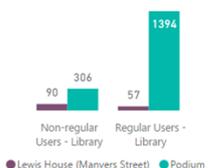
Overall preference

Preference for the location of a combined Library & One Stop Shop service in Bath

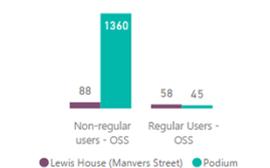


Preference by key groups

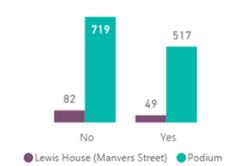
Preference by usage - Library



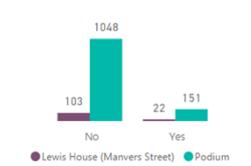
Preference by usage - One Stop Shop



Preference by dependent children



Preference by long-term condition



Preference by deprivation (1= least deprived)



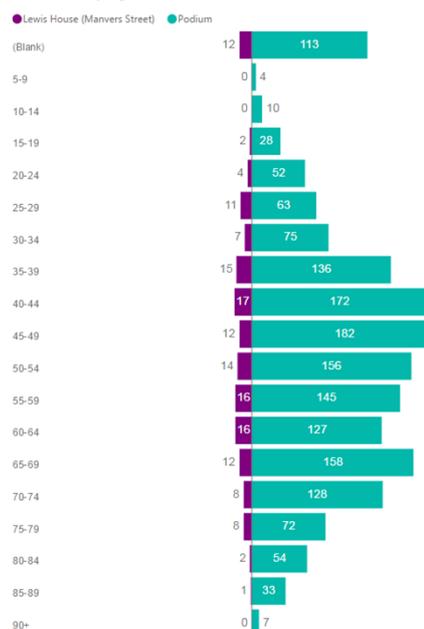
Nearly 92% of respondents opted for the Podium as a location for the combined library and one stop shop.

The analysis also examined the results by protected characteristics as defined in the equalities act, the results by these groups are provided overleaf.

Preference by other demographic groups



Preference by Age



The preference for the podium is echoed across nearly all demographic and user groups recorded with only the small number of existing One Stop Shop users preferring the Lewis House site.

Substantial engagement was undertaken to increase survey turnout amongst key groups, including where there was a lower response rate from regular OSS users who had no preference for either site.

Part 2 – Free Text Analysis.

In addition, a free text option was provided for respondents to identify their reasoning for selection of their preferred site.

Responses were categorised and refined to determine overall themes. This document summarises responses to the free text question included in the questionnaire - “Please could you indicate why you have chosen your preference” in response to choosing between The Podium and Lewis House as the site for the new integrated Library and One Stop Shop service (OSS). Detail of the categories and descriptive quotes are provided in Appendix 1.

A single respondent can provide multiple reasons for their preference (or none), the number of unique comments do not equal the number of respondents.

1. The Podium

Of the **1,715** respondents choosing this option, **3,893** comments/reasons for this preference were recorded.

The following themes were identified:

1. Accessibility, space and atmosphere
2. Location and amenities

3. Financial savings
4. Concerns about Lewis House
5. Integration of Library and OSS
6. Other comments

2. Lewis House

Of the **157** respondents choosing this option, **218** comments/reasons for this preference were recorded.

The following themes were identified:

1. Location and amenities
2. Accessibility, space and atmosphere
3. Financial savings
4. Integration of Library and OSS
5. Other comments

Part 3 – Partner feedback

In parallel with the public consultation, the views of our key partners that deliver services alongside the Council have been sought.

The general view was that accessibility – both in terms of transport links and ground floor access – was an important factor to their clients and that Lewis House better addresses those needs. However, the benefits of co-location were also recognised as important and they are keen to work with the Council to implement whichever decision is reached for the overall benefit of their services to local residents.

Further, they considered it vital the current facilities and good services delivered by the One Stop Shop are maintained and, when integrated services are delivered there is a positive atmosphere within the space. Services need to be accessible to all of the community and the integration of services will continue to make it easier for partners to signpost their clients to a wider range of services delivered all under one roof.

All acknowledged they are keen to see libraries develop, and want to see a wider range of customers using the libraries. By increasing accessibility to the resources that the library has available it was agreed by all that their clients could benefit from the integration of the two services and the opportunities this offers.

“We are very committed to the principle of co-location in One Stop Shops Whichever location is chosen, we would be very keen to be involved in the design and layout of the service area. Our experience at Keynsham and in Bath has shown us that where we meet with clients is very important.”

Part 4 – Full Council and Scrutiny Panel feedback

The debate at Full Council identified issues under the following themes:-

The Council needs to ensure any decision is based on evidence based consultation and detailed understanding of needs and impacts.

The council has carried out a comprehensive needs assessment and this was presented as a background document to the July Cabinet report. It has constantly appraised the Department of Culture, Media and Sport of its proposals and taken appropriate legal advice.

Evidence shows a declining use of traditional library service and an increasing need for integrated services.

The design phase will continue to build on the evidence from the needs assessment and, by involving a cross section of the community in the process, will ensure that the new Modern Library space takes into account needs and impacts.

Throughout the process the council continues to review its Equality Impact Assessment of the programme.

Has the Council looked at creative ways of securing Funding?

At the time when Innovation Funds were available the Council was not in a position to make an appropriate bid. However, as the design phase of this project takes place the Council will seek to access grant funding as and when applicable.

The Council hasn't shared operational plans or how savings will be delivered.

The Council has set out its operational plan in the business case that was presented with the cabinet report in July.

It has made clear that the overall programme will deliver net savings of £800,000 this will predominantly be through a reduction in staffing levels across the whole of the customer services department and through the alignment and improvement of working processes. These savings will be achieved by bringing together integrated One Stop Shops in Keynsham, Midsomer Norton and Bath ensuring the sustainability of both services.

Will there be professional staff and how will you manage the additional pressure staff are facing?

This is the first major review of Library services for many years and therefore it is important that staff are involved in the consultation process, it is equally important that One Stop Shop staff are also involved and our engagement plans will ensure this happens.

In addition staff consultation is ongoing with regard to changes in job descriptions and roles and this is being supported by the appropriate training. Many staff actually view this as a real opportunity.

Reviews of operating procedures are helping staff to improve the ways in which they work.

We will need to maintain a specialist approach across all services including professional librarians but there are also many tasks which can be performed in a more generic way and these will save time and improve the customer experience.

Volunteers can't perform many tasks due to Data Protection issues but they are useful in delivering outreach services!

We are looking at new ways of working and increasing self-serve solutions for which volunteers can be successfully employed and we will certainly be looking to continue to use volunteers to support both day to day functions and outreach support.

There was a request not to choose Lewis House as the new Venue

Whilst there is clear public support for the Podium site, there were a number of comments which highlighted why Lewis House may be a better location.

The report sets out the decision and this has now been ruled out although some of the issues raised could have been resolved through the engagement and design process.

The Community, Transport and Environment Scrutiny Panel raised questions under the following themes:

What is the objective of the proposal – savings or improved services?

The objective is to deliver both. Our aim is to integrate library and customer services in Bath to reach out to more people from all ages and backgrounds – providing a place where everyone in the community can access support, knowledge, culture and events to help them reach their full potential. Across the whole programme, refocussing resources and improving business processes will improve services and deliver the required savings.

Are other consultees aware of the Keynsham model for combined services?

The Keynsham model was cited in the July Cabinet paper and business case.

Issues of design – meeting rooms, customer experience, easy access to books, disabled access.

This development is an opportunity to create a vibrant, bespoke space that will address issues identified in the business, by the public and in building surveys. The design phase will take these issues into account.

Appendix 1 – Detailed Free Text Response Category Descriptions and representative quotes.

1. The Podium

1.1 Accessibility, space and atmosphere

This category includes preferences based on the ease of access to the Podium, layout/design of the building, space available and aesthetic appeal of the building. This category accounts for 1,765 responses. These can be summarised as:

428 respondents commented on available floor space in the Podium

- Available space being larger than the alternative available at Lewis House
- More space being available for physical books
- More space for movement and browsing

“Space for books to be handled. Space for students to work. Recently I saw about 40 Students working there.”

416 respondents felt that the Podium has good accessibility

- Multiple means of entry
- Lift from car park
- Space between aisles
- Covers disability, mobility impairment and access for children and buggies

“The Podium site has excellent accessibility, especially for wheelchair users, the elderly and people with small children, who live outside town where there are no bus links, forcing them to use cars. Having the car park with a lift up to the library is a huge plus for these people”

327 respondents commented that the Podium is a pleasant building and atmosphere

- Light and airy feel
- Aesthetic design favourable to Lewis House
- Good lighting
- A comfortable space with a good layout conducive to reading and studying

“The Podium provides a bright, open plan space with a relaxed feel”

“I love the huge open space and good lighting. It's a space that feels comfortable safe and welcoming”

272 respondents cited the Podium as being purpose-built to be a library and that it works well as it is currently

- Specific comments regarding the Podium being designed and built to be a library
- General comments about the Podium being the most appropriate venue and resistance to change at this point

“Keep the library where it is. It's purpose built, works well so I see no reason to change it”

“Don't see the point in moving a popular service from a building that is ideal as it is”

221 respondents preferred the single floor layout of the Podium

- These are specific mentions of a single-floor space being a benefit
- As well as multiple floors being a negative aspect to Lewis House

- This is seen as impacting accessibility
- A number of parents would not feel comfortable being on a different floor to their children

“Adult/children’s library on different floors not conducive for family use”

“Better access for all and ease to move from one section to another rather than need to go to a different floor”

101 respondents cited the availability of community space

- Multipurpose space available for special events and groups

“exhibition space which can also be used as library space or for events and activities”

“contains function rooms/exhibition space which benefit local community groups”

1.2 Location and Amenities

This category covers comments regarding the position of the library, convenience and proximity to other local amenities. It accounts for 1,293 comments and can be summarised as:

850 respondents (the largest group in the consultation) felt that The Podium was the preferred physical location for the library

- Town centre location
- Proximity to shops and café’s
- Easy to combine trips into Bath with library visits
- A number of respondents said it was simply closer for them to get to

“Bath Library is historically and culturally as important as Bath Abbey and the Guildhall and needs to be situated in the very centre of the city”

“Centrally located - it’s not called Bath Central Library for nothing”

220 respondents cited the car park at the Podium as a benefit

- On-site parking with lift access to library
- Seen as having greater availability than Manvers Street car park with no need to cross road

“The podium has a car park which I can use to get there easily with very little walking, as I am disabled and unable to walk very far”

“There is no free or simple parking at Manvers St”

144 respondents gave the presence of Waitrose as a reason for preferring the Podium

- Ability to combine library visit with shopping on-site
- Waitrose café and free coffee

“More people visit Waitrose on a daily basis & can easily combine that trip with a visit to the library, than visit the One Shop”

79 respondents felt the transport links to the Podium were an important benefit

- Multiple bus stops/routes in vicinity

“Very convenient for bus transport”

1.3 Financial savings

This category covers comments where cost savings were given as a reason for preferring the Podium. This accounts for 293 comments and can be summarised as:

293 respondents felt the financial situation was better with the Podium option

- Short-term saving of not having to move the larger library site to the OSS
- The cheaper option according to provided business case

“Taken purely fiscally, the Podium offers the best option for the Council according to the Council's comparison of the two viable options”

1.4 Concerns about Lewis House

This category covers comments where respondents have chosen the Podium as their preferred location and cited specific concerns about the proposed accommodations and suitability of Lewis House. This accounts for 196 comments and can be summarised as:

156 respondents felt that Lewis House is an unsuitable location for a library

- The aesthetic of Lewis House as a building
- Manvers Street as an environment; including heavy traffic, pollution, small pavements and busy pedestrian traffic due to commuters/tourists
- Association with benefits office
- Location by Southgate and train station

“Lewis House is an ugly and unwelcoming looking building that will put people off using library facilities. Despite its proximity to rail and bus links it is hidden away behind Southgate”

“Lewis House is in horrible part of Bath - constant traffic queues outside and a pavement full of disorientated tourists. I associate the building, and the area, with benefits and poverty”

40 respondents cited lack of available space at Lewis House

“The plans and layout given in the previous attempt to move the library showed very clearly that there would not be enough space at Lewis House to provide the kind of library service I would want to use”

1.5 Integration of Library and One Stop Shop

Although not specifically asked for in the question, a number of respondents provided unsolicited feedback regarding the plan to integrate these 2 services. This accounts for 150 comments and can be summarised as:

139 respondents were opposed to the plan to integrate the library and OSS

“I want the library to remain in the Podium and other options considered for the one stop shop. They are two different services entirely”

11 respondents were in favour of integration

"I think it's a great idea to combine the two facilities"

1.6 Other comments

This category covers comments where respondents have made other suggestions or comments unrelated to the primary question of location preference, or taken the opportunity to express dissatisfaction with the consultation specifically or the Council in general. It accounts for 196 comments and can be summarised as:

52 respondents commented on awareness and familiarity with the existing services and concerns that changing this may impact usage

"Because it's the library I have taken all my children to. It's what we are used to and it's comfortable"

46 respondents had specific issues with the consultation itself

- A number felt the issue of integration should have been asked over preference for location
- Others took issue with the number of demographic questions asked

"I had no choice. We want a separate library but you did [not] offer that option"

"I fail to see why all these questions are relevant with regard to a One Stop Shop/Library"

35 respondents had concerns about risks associated with OSS customers or others near Lewis House

"I don't want my children being near Julian house- there are too many issues around there"

"Opposite all the homeless drunks as on Manvers street"

32 respondents made specific complaints about the council or other services

"This is just an attempt to cut the service"

31 respondents commented specifically on the importance of trained librarians

"Librarians are highly-trained. It isn't appropriate to de-skill them and combine their duties with other totally unrelated functions"

2. Lewis House

2.1 Location and amenities

This category covers comments regarding the position of the library, convenience and proximity to other local amenities. It accounts for 103 comments and can be summarised as:

52 respondents cited the proximity to public transport as a benefit to the Lewis House location

- Train and Bus station
- Taxi rank

“Conveniently near bus station and train station so easy to get to the venue”

38 respondents felt the location of Lewis House was preferable

“Central, near bus station & train station. Perfect location”

12 respondents made reference to the availability of parking at Lewis House

“Easier parking and transport links. No shared location with a supermarket”

2.2 Accessibility, space and atmosphere

This category includes preferences based on the ease of access to Lewis House, layout/design of the building, space available and aesthetic appeal of the building. This category accounts for 38 responses. These can be summarised as:

28 respondents felt Lewis House has good accessibility

- Ground floor entrance
- Disabled toilets on all floors
- Lifts
- Ramps

“Lewis house is easier to get to for wheelchairs”

A small number of other responses (each less than 5 responses) were received which fit in this category, including 5 responses citing the **size** as preferable at Lewis House and 4 stating Lewis House is a **pleasant building**.

“Lewis House is a bright friendly office with an entrance at street level”

2.3 Financial savings

This category covers comments where cost savings were given as a reason for preferring Lewis House. This accounts for 34 comments and can be summarised as:

34 respondents felt the financial situation was better with the Lewis House option

- The Council owns the building so long-term rental savings
- No risk of lease being revoked

“it will save costs in the long term due to rental of building. Makes it more sustainable to combine services”

2.4 Integration of library and One Stop Shop

Although not specifically asked for in the question, a number of respondents provided unsolicited feedback regarding the plan to integrate these 2 services. This accounts for 30 comments and can be summarised as:

29 respondents who commented on integrating the services were in favour and 1 was opposed

2.5 Other comments

This category covers comments where respondents have made other suggestions or comments unrelated to the primary question of location preference, or taken the opportunity to express dissatisfaction with the consultation specifically or the Council in general. It accounts for 13 comments and can be summarised as:

9 respondents commented on awareness and familiarity with the existing services

“the one stop shop is already there and people are aware of how to access the services that operate out of the building”

A very small number of other comments were received which did not fit into other categories, including 2 complaints about the content of the consultation, 1 a general complaint about the Council and 1 concerned about risks associated with mixing OSS and library customers.

“I am a frequent visitor to the One Stop Shop in Bath and I have experienced some difficult customers there. I am concerned how easily they could be extradited from the Podium”

This page is intentionally left blank

Bath Library

Approach to Design Engagement

Background

Local people have been asked to complete a survey on the future location of the Council’s combined Library and One Stop Shop Service. As part of that survey expressions of interest were invited from the community to help shape and design the new facility during the next stage of the project. The proposal is that a selection of those respondents representing different groups in the community will be invited to take part in the design process with the architectural team.

The Survey responses and expressions of interest

Of the 1891 respondents 604 expressed an interest in being a part of the next stage in the process (responding either ‘yes’ or ‘Not sure, contact me later in the year’). We have identified several key groups that represent a cross section of the communities that responded and other interested parties (some respondents might be members of more than one group):

	Group
1	Regular Library Users
2	Regular OSS Users
3	Families with children
4	People (inc. children) with disabilities
5	Younger people (age 14-21)
6	Campaigning Group
7	Staff
8	Partner organisations

The Approach

- Selection of representatives from the expressions of interest in each group will be carried out using standard research methodology. Ideal group size will be 10-12 people. Where a group may be under-represented we will seek to supplement numbers from existing networks such as disability forums, youth groups, etc.

- Where possible and appropriate the sessions will be held in the Podium so that the spaces can be visualised. The sessions will be facilitated by the appointed architects with Bath NES staff in support. The outline programme indicates that the sessions are likely to take place between November 2017 and February 2018.
- Initially 2 phases of meetings are proposed with each group where attendees will actively be involved in design using prepared materials and aids to the discussions:
 1. Concept – the spaces in scope, understanding the must haves, importance/value of different public spaces, scale of spaces.
 2. Development of detail – adjacencies, shared areas, degrees of separation required, proportions of space, design details/preferences.
- There will be the opportunity for all participants to feedback on the sessions and at the end of the process to capture and share what was discussed.
- It may not be possible to satisfy all wishes but, where compromise is required, the rationale for those decisions will be shared.

Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	11 October 2017	EXECUTIVE FORWARD PLAN REFERENCE:
		E3000
TITLE:	Modern Libraries Programme - Community Library approach	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
APPENDIX A – Current library provision and use		
APPENDIX B – New Delivery model and support framework		

1 THE ISSUE

- 1.1 The Modern Libraries Programme is seeking to deliver improved services across Bath and North East Somerset at the same time as contributing to the Council's unprecedented financial challenges. The Council is committed to an annual efficiency saving of £800,000 by 2020 to be realised through the whole programme.
- 1.2 Whilst there is a financial pressure, the Modern Libraries Programme seeks to develop an exciting community approach. Building on work so far, this will provide opportunities and increased investment for locally-based sustainable services across our areas tailored to local needs.

2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 Adopt the new approach to delivering Community Run Library services in Bath and North East Somerset as set out in Appendix B as part of the overall Modern Libraries programme.
- 2.2 Approve the release of Capital in the sum of £275,000 to invest in and support our new approach to Community Run Libraries.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The Council has made provision for a capital budget of £5.953m plus £0.971m identified balances (a total of £6.924m overall) in order to deliver the modern libraries programme, this report focuses on the investment in and delivery of the Community Library Programme to be funded by £275,000 capital which will include a grant fund for the community and other supporting resources.
- 3.2 As part of the overall Modern Libraries Programme staffing levels will be reduced through staff turnover. Further development of the Community Run Libraries approach is key to enabling this and the corresponding investment in the programme is intended to mitigate any adverse effects of the reduction. There are no plans to make any redundancies and overall the transformation of the whole service, including the expansion of Community Run Libraries, will contribute to the overall programme savings target of £800k by 2020.
- 3.3 A total of £87,000 is currently spent on the rent, rates and utility bills each year for the Council managed branch libraries as well as the running costs of the mobile vehicle. The balance of the savings identified for the programme will be met through releasing the majority of these expenditures plus a proportion of savings in management and staffing costs across the whole service area.
- 3.4 Leases and tenancy agreements relating to the buildings may need to be reassigned, sub-let or existing agreements surrendered depending on break clauses. Consideration will also be given to potential Community Asset Transfer of existing branch provision facilities, depending on local circumstances.
- 3.5 Professional and other council support that is available for Community Run Libraries is set out in Appendix B

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 Under the Public Libraries and Museums Act 1964, local councils in England have a statutory duty to provide a 'comprehensive and efficient' library service for all people working, living or studying full-time in the area who want to make use of it.
- 4.2 We are not planning on reducing the Library service available but rather we will ensure that residents and library users will continue to receive the comprehensive and efficient library service they already enjoy. The Council, however, needs to take a strategic, long-term approach to transforming the library service and by adopting this new community approach, we will also strengthen the resilience of our communities as well as ensuring efficiencies. Any decisions taken will be based on an assessment of need, and future

library provision will be actively managed with the community and library professionals.

5 THE REPORT

- 5.1 The Council currently manages 3 “core” libraries - in Midsomer Norton, Keynsham and Bath. These are planned to be integrated with One Stop Shop services and a report on the Bath core library and One Stop Shop is contained elsewhere on this agenda. The Council’s core library staff resources are also supporting its 5 ‘branch’ libraries with varying opening hours, at Paulton, Weston, Saltford, Moorland Rd and Radstock. These core and branch libraries are complemented by a single mobile vehicle and additional home and community-based options (<http://www.bathnes.gov.uk/services/libraries-and-archives/access-all>).
- 5.2 Library usage is declining, especially within areas with a greater density of low income households where we would wish to see an increase. Rural areas have a lower proportion of registered users and no area has greater than 16% of the population using a library.
- 5.3 Visitor numbers are in single figures at the majority of mobile library stops, so this makes this a particularly costly service per capita. In addition, the short stopping times and infrequent visits from the mobile vehicle are not conducive to support local activities and engagement.
- 5.4 Given these challenges, a new approach is required that is better tailored to local needs, makes best use of our local assets and encourages greater local ownership and therefore potentially more use from the community. The aim of this approach is that by 2020 library provision in the community with the exception of the core Library One Stop Shops in Bath, Midsomer Norton and Keynsham will be provided through Community Run Libraries and strengthened home and community-based options including the [Home Library Service](#) (link from Bath NES website address at para. 5.1). We will build on our relationships with residential homes, voluntary groups such as village agents and Age UK, as well as working with Virgin Care on new models of delivery including social prescribing.
- 5.5 This approach will see significant investment to enable local community groups (to include town and parish councils as well as voluntary organisations) to deliver local library services tailored to their community needs. Groups would become responsible for running costs, staff or volunteer management and appropriate IT. However, they would be offered a package of professional support from the Council including stock, volunteer training and networking.
- 5.6 There will also be access to a start-up fund (The Community Library Fund) of up to £5000 per scheme, further details of which will be widely publicised. In order to add to this fund and promote sustainability, local groups aiming to

run Community Libraries will be provided with additional help including support to access to alternative funding sources such as Crowdfunding.

5.7 The Community Run Libraries approach in each locality will be the subject of further discussions with the Area Forums, building on the progress so far that has seen significant interest in some communities wanting a more tailored library provision locally. For example work with parishes and communities from the Chew Valley, Timsbury, Stowey Sutton, Farmborough, Mulberry Park, Radstock and Paulton is already developing ideas for various Community Run provisions that will encourage and extend the use of libraries across the area. These range from utilising existing local community spaces, a school library or transferring the management of a branch library to a 'click and collect' facility in a village shop.

5.8 The Council will work with the Area Forums and their wide range of partners to support and champion local Community Library provision and be open to a range of opportunities. For example we would envisage local groups receiving support to ease the transition from current branch libraries to Community Run Libraries as this takes time. This is set out in more detail in Appendix B.

5.9 This overall approach will help deliver the following community benefits as supporting our outcomes identified in our Strategic Framework:

- Creating stronger more resilient communities by taking ownership of providing a library provision more tailored to local needs to encourage and extend their community's access to books and literature or online resources, improving literacy and digital skills.
- Potentially creating a new space or invigorating an existing space, to bring people together for a wider breadth of services and local fun, educational, social community events and activities which can build community cohesion as well as giving people the opportunity to enjoy themselves.
- Providing a local safe place to go to meet others, study or a gateway for physical and digital health information or support as a non-clinical space where health and wellbeing groups could work with the community in a trusted and non-threatening venue. Supporting people in self-care and in the self-management of long-term conditions and reduce social isolation.
- Supporting local economic growth and prosperity by providing the resources and support to encourage people back to work and business start-up.

5.10 In recent years, the Council has tested this approach in local communities by developing a number of 'Community Run Libraries'. These libraries are independently run by local community groups and have proved popular locally. There are currently 4 of these 'Community Run Libraries', all different but tailored to their locality, at the "Hub in the Pub" at Chew Stoke, the New Oriel Hall in Larkhall, Combe Hay and at Southside Youth Hub.

6 RATIONALE

6.1 As described in the July Modern Libraries report, integrating the core libraries and considering a new approach to delivery for our communities, allows us to deliver our strategic objectives, continue to provide a comprehensive and efficient library service whilst at the same time meeting the financial challenges we face.

7 OTHER OPTIONS CONSIDERED

7.1 Nationally, local authorities are considering a wide range of options for delivering community library services. The Council does not want to close libraries or reduce services, so considered all of the models as part of a desktop review, to assess both their suitability and potential to deliver the service in line with available resources:

- Local authority-run – library services maintained and either unstaffed i.e. self-serve only (OpenPlus) or staffed by council personnel.
- Commissioned – library services outsourced or contracted to a third-party organisation.
- Outsourced – library service outsourced to another local authority. These are known as ‘shared services’ and involve outsourcing the whole library service or specific functions.
- Community run with local authority support – this includes models where the council transfers either the management of both the library asset (building and infrastructure) and the management or just the management of a library to an existing or new community organisation.

7.2 Each model has its pros and cons but moving to a blended approach of local authority-run and a new Community Run delivery provision with local authority support would enable the efficiencies to be made and deliver a better solution for the communities in many instances.

7.3 National best practice demonstrates that by working with community groups themselves to develop an appropriate delivery offer for their community and offering the right package of support ensures longer term sustainability and a more tailored service for the community. Transitioning to this approach will take time and support and relies on community commitment and often an increased use of volunteers.

7.4 This approach combined with existing benefits of joint procurement from working collaboratively with other authorities as part of the LibrariesWest consortium for book stock and the library management systems and co-

location with our One Stop Shops provides opportunities for increased access to services and overall reduced costs.

8 CONSULTATION

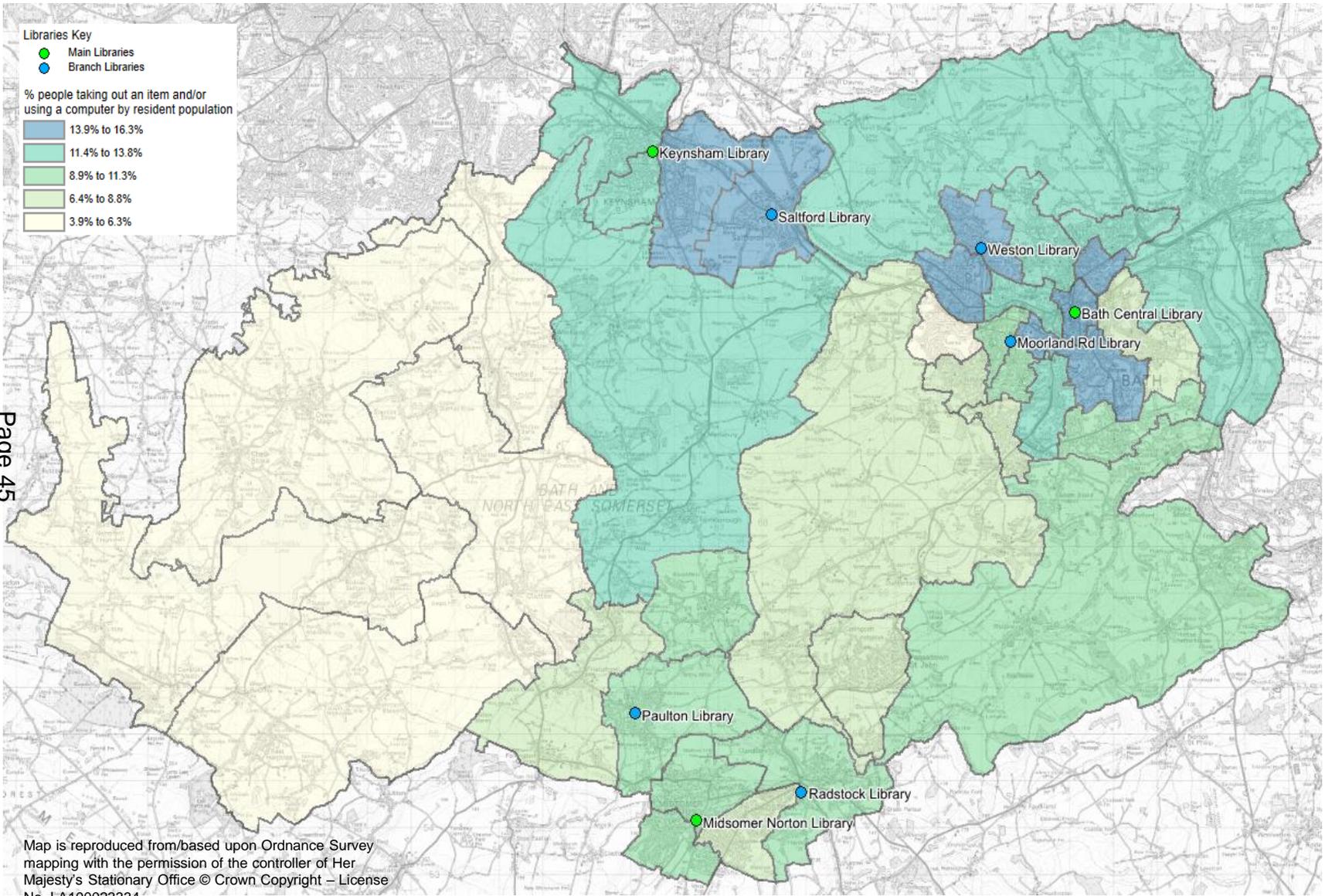
- 8.1 Public meetings have been held in the localities setting out the strategic aims through the Area Forums and further meetings are planned for the autumn cycle.
- 8.2 Following the Area Forums a series of informal engagement meetings have been held with various community groups including local parish, community and local interest groups supported by the Council's Community Engagement Team.
- 8.3 Councils are encouraged to provide Department for Culture Media and Sport with advance notice of proposals to change library service provision to assist the Libraries Minister in carrying out their statutory superintendence role - ensuring that councils are fulfilling their legal duties. In this case the Council has been in communication with the Department about its overall strategy which aligns in many ways with the "Ambition for Public Libraries in England 2016 to 2021" paper, we have also sent details of these proposals to the Department and will continue to be in communication with the Department with further developments.
- 8.4 The s151 and monitoring officer have had opportunity to review and input into this report.

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.

Contact person	<i>Ian Savigar, Divisional Director Customer Services: Tel 01225 477327</i>
Background papers	Equalities Impact Assessment (will be published on the Bath NES website)
Please contact the report author if you need to access this report in an alternative format	

B&NES library locations and % registered users by ward



Map is reproduced from/based upon Ordnance Survey mapping with the permission of the controller of Her Majesty's Stationary Office © Crown Copyright – License No. LA100023334

Bath City



Three Council run Libraries:
Bath Central, Weston & Moorland Road

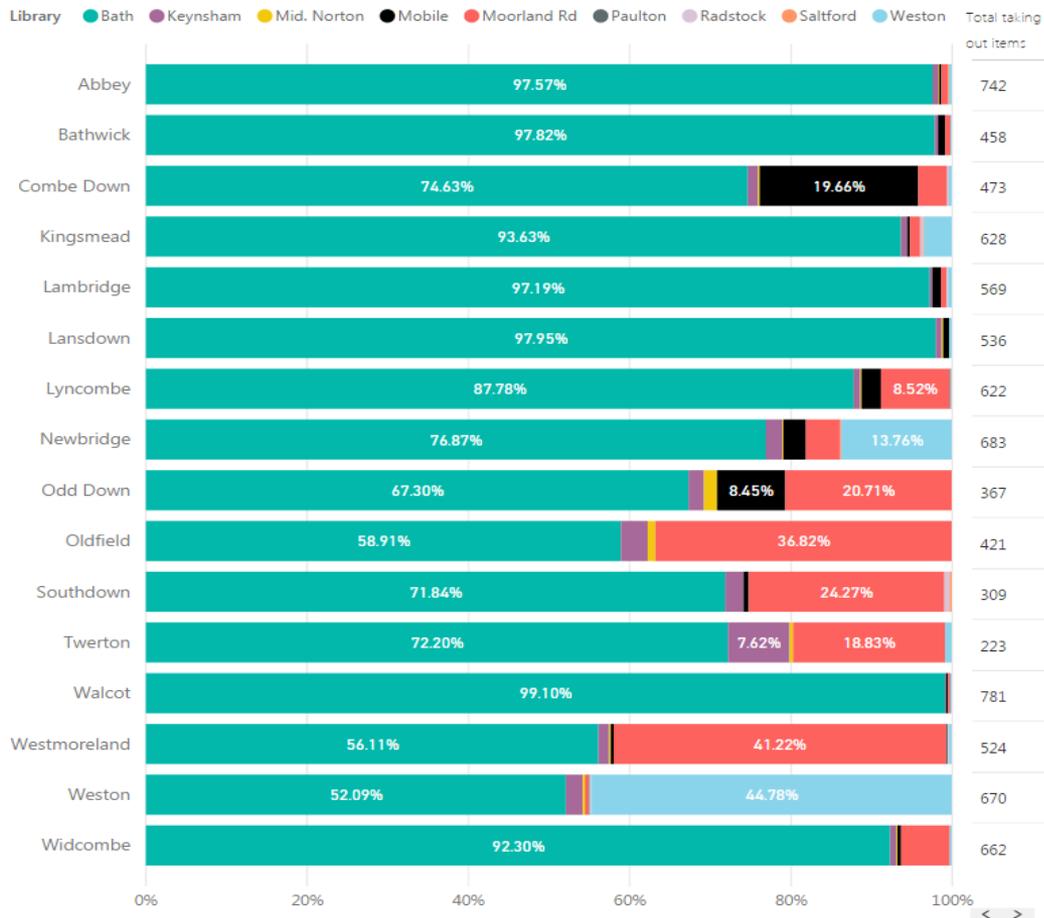


Two Community Libraries: New Oriel Hall, Larkhall & Southside Youth Hub



The Mobile Library visits Combe Down, Odd Down & Newbridge

Bath



Source: Library Management System. LibrariesWest users with a Bath and North East Somerset postcode who have taken out at least one item in the period.

The data has been aggregated to ward and analysed by library of issue as a % of all issues for that ward to provide a standardised comparison. NB: The consequence of this is that someone who uses multiple libraries will be double-counted.

The data included in this analysis is extracted from 01/06/2016 to 28/02/2017 to provide consistency with the Library Needs Assessment published in June 2017

Bathavon

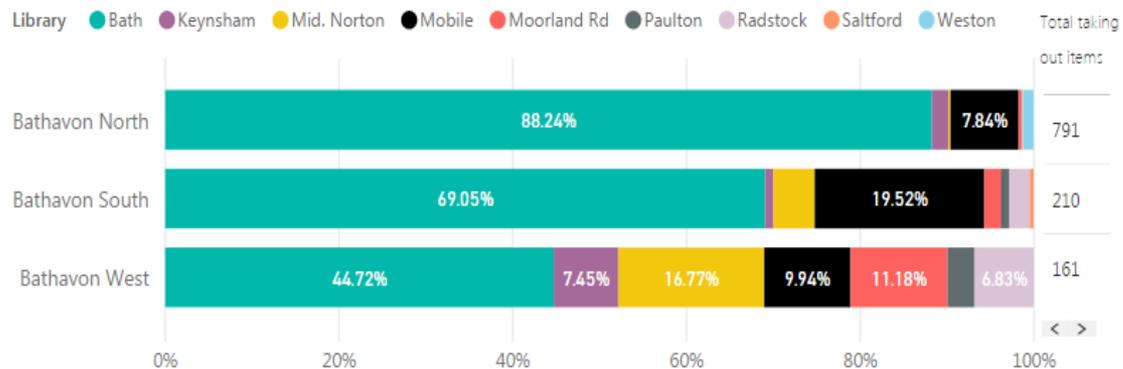


One Community Library
at Combe Hay Parish
Church



The Mobile Library visits Batheaston,
Bathford, Newton St. Loe, Bathampton,
Wellow, Hinton Charterhouse,
Freshford, Priston & Tunley

Bathavon



Main Library use by Ward (% of users)

Source: Library Management System. LibrariesWest users with a Bath and North East Somerset postcode who have taken out at least one item in the period.

The data has been aggregated to ward and analysed by library of issue as a % of all issues for that ward to provide a standardised comparison. NB: The consequence of this is that someone who uses multiple libraries will be double-counted.

The data included in this analysis is extracted from 01/06/2016 to 28/02/2017 to provide consistency with the Library Needs Assessment published in June 2017

Keynsham

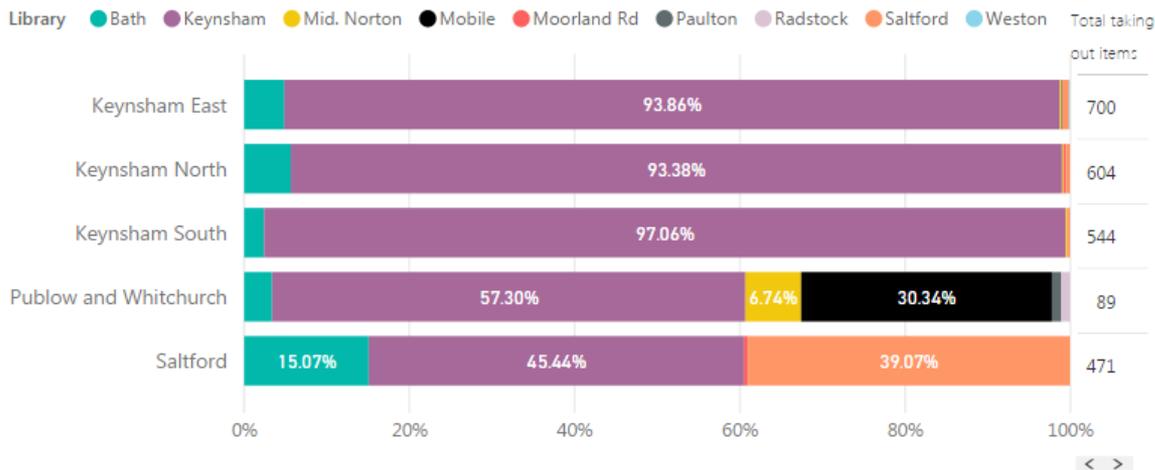


Two Council run Libraries:
Keynsham & Saltford



The Mobile Library visits
Chewton Keynsham, Marksbury,
Compton Dando & Farmborough

Keynsham



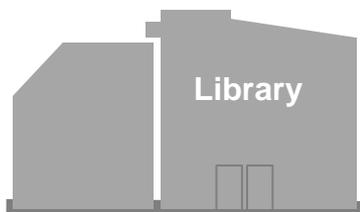
Main Library use by Ward (% of users)

Source: Library Management System. LibrariesWest users with a Bath and North East Somerset postcode who have taken out at least one item in the period.

The data has been aggregated to ward and analysed by library of issue as a % of all issues for that ward to provide a standardised comparison. NB: The consequence of this is that someone who uses multiple libraries will be double-counted.

The data included in this analysis is extracted from 01/06/2016 to 28/02/2017 to provide consistency with the Library Needs Assessment published in June 2017

Somer Valley

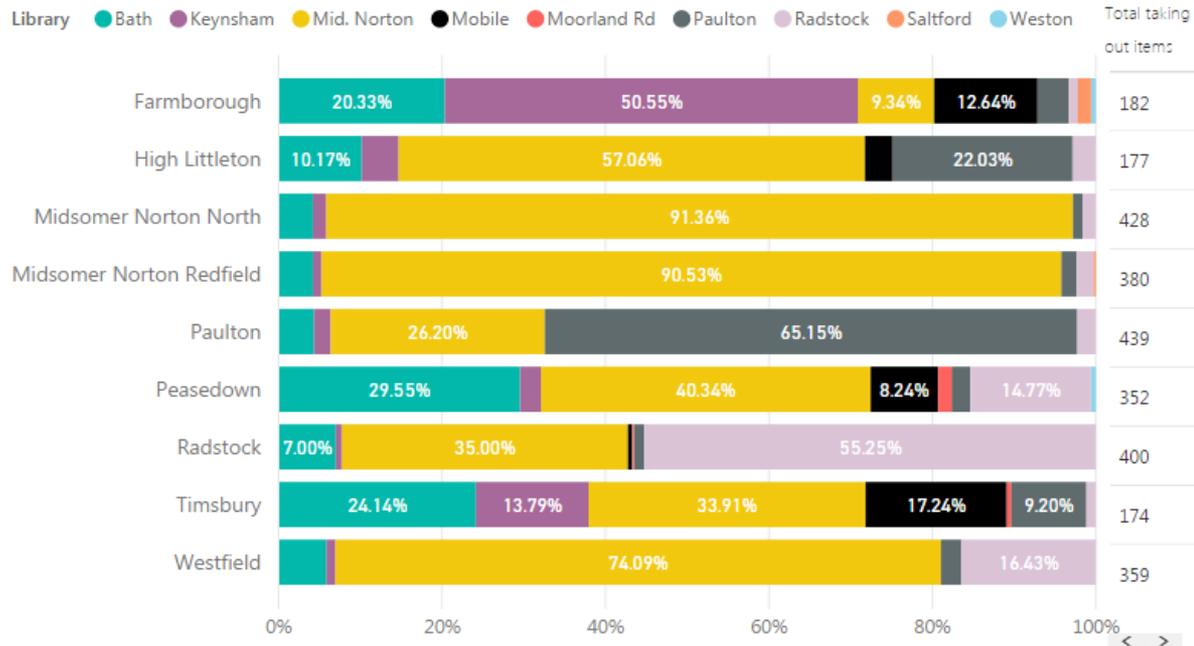


Three Council run Libraries:
Midsomer Norton,
Radstock & Paulton



The Mobile Library visits
Timsbury, Camerton, Peasedown
St. John, Farrington Gurney, High
Littleton
& Writhlington

Somer Valley



Main Library use by Ward (% of users)

Source: Library Management System. LibrariesWest users with a Bath and North East Somerset postcode who have taken out at least one item in the period.

The data has been aggregated to ward and analysed by library of issue as a % of all issues for that ward to provide a standardised comparison. NB: The consequence of this is that someone who uses multiple libraries will be double-counted.

The data included in this analysis is extracted from 01/06/2016 to 28/02/2017 to provide consistency with the Library Needs Assessment published in June 2017

Chew Valley

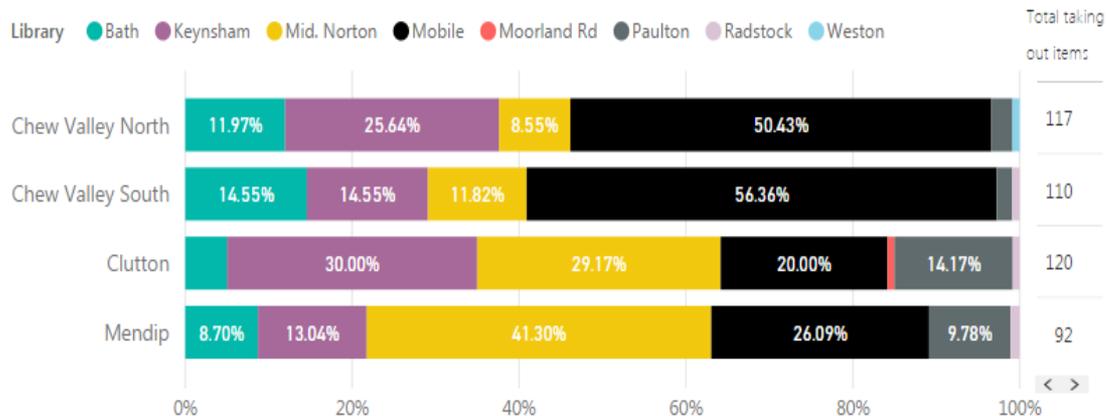


One Community Library at The Stoke Inn, Chew Stoke



The Mobile Library visits Bishop Sutton, Norton Malreward, Stanton Drew, Chew Magna, Pensford, Cameley, Temple Cloud, Clutton, Chew Stoke, West Harptree, East Harptree, Compton Martin, Ubley & Hinton Blewett

Chew Valley



Main Library use by Ward (% of users)

Source: Library Management System. LibrariesWest users with a Bath and North East Somerset postcode who have taken out at least one item in the period.

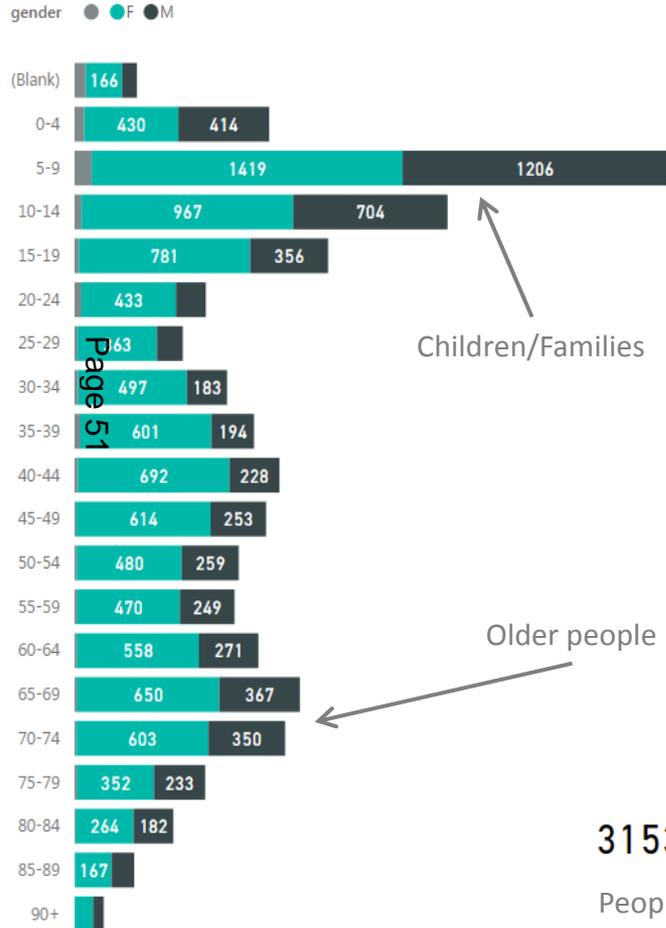
The data has been aggregated to ward and analysed by library of issue as a % of all issues for that ward to provide a standardised comparison. NB: The consequence of this is that someone who uses multiple libraries will be double-counted.

The data included in this analysis is extracted from 01/06/2016 to 28/02/2017 to provide consistency with the Library Needs Assessment published in June 2017

Registered User demographics

Between 01 June and 28 Feb there were **256K** items taken out by **18K** people from All

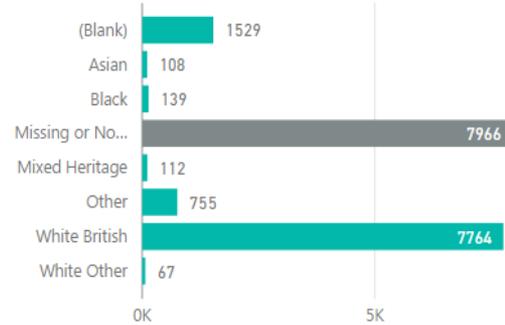
Users taking out items - Age and Sex



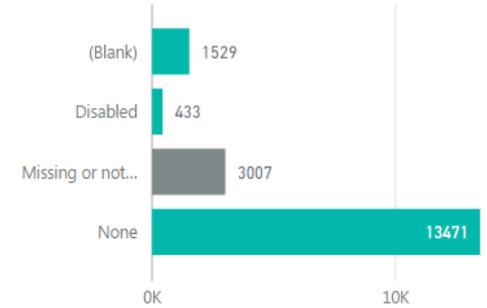
Children/Families

Older people

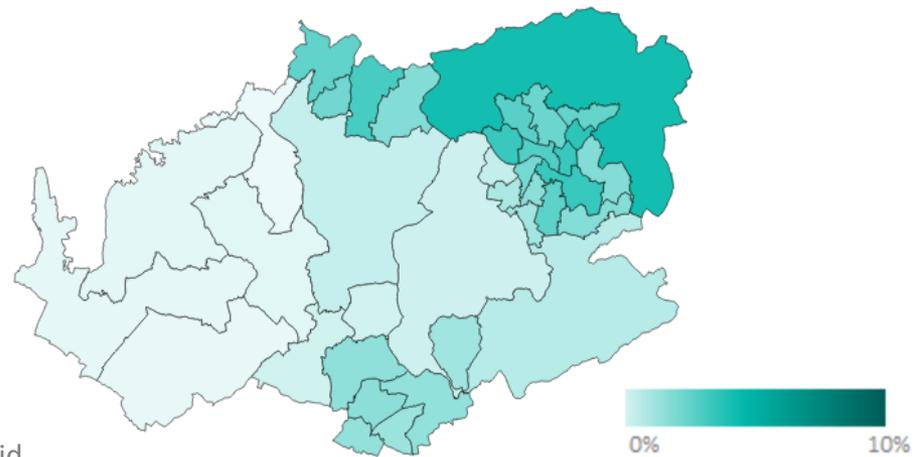
Users taking out items - Ethnicity



Users taking out items - Disability



Users taking out items - % by ward

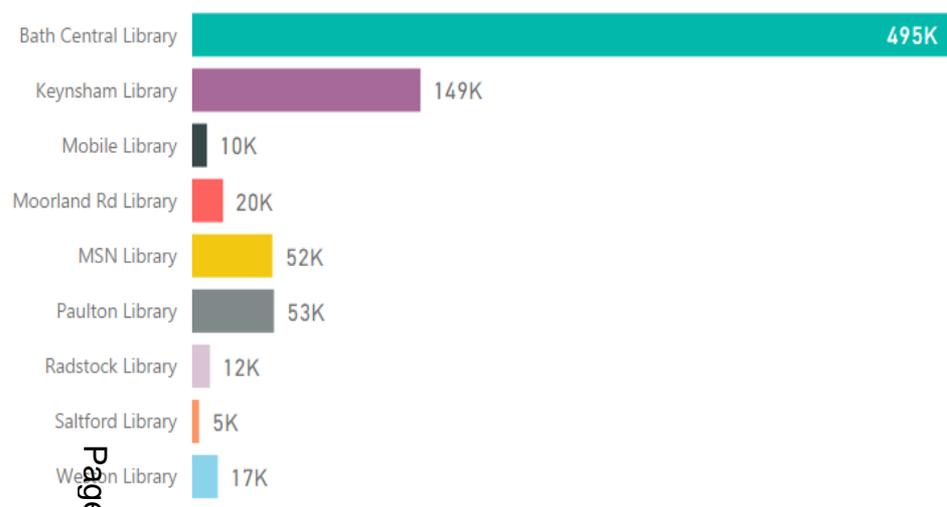


3153

People were not resident in B&NES, or did not have a valid postcode for analysis

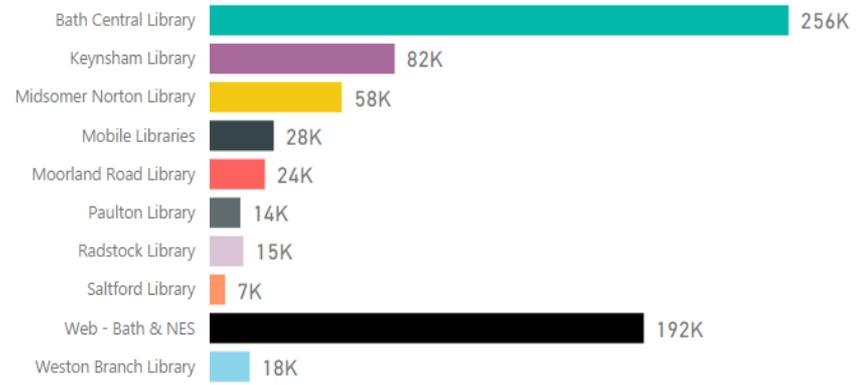
2016 Activity Snapshot

Footfall 2016 Calendar Year

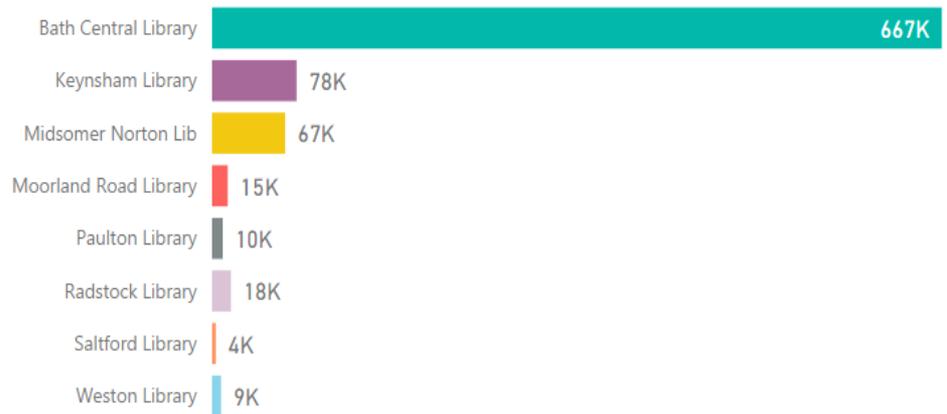


Page 52

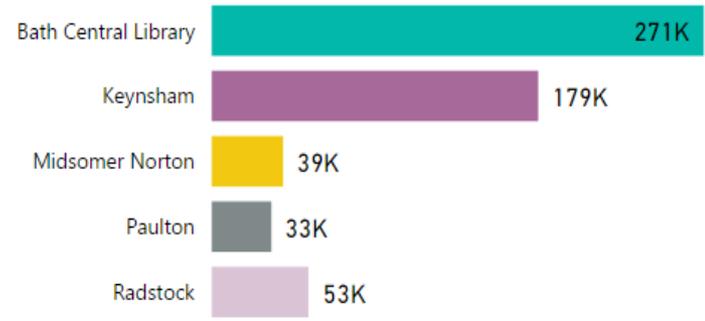
Issues 2016 financial year



Computer reservations 2016 Calendar Year



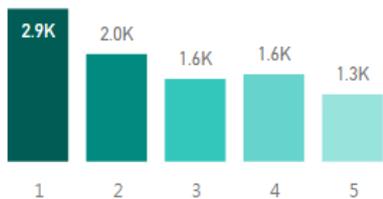
Projected unique wi-fi devices 16/17



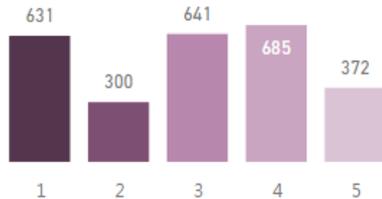
No. registered users by Deprivation

(IMD quintile 5 = most deprived)

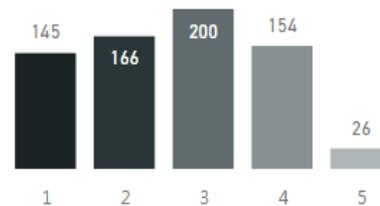
Bath



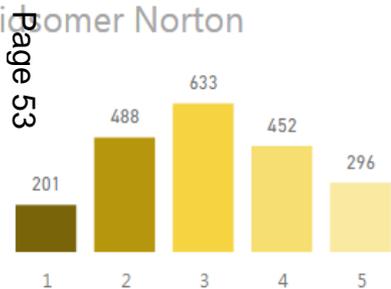
Keynsham



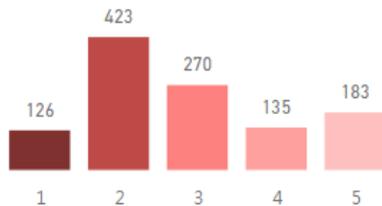
Mobile



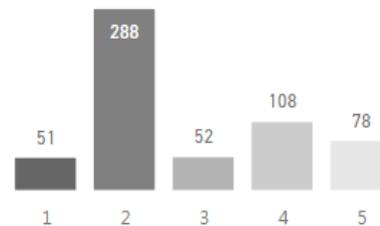
Milcomer Norton



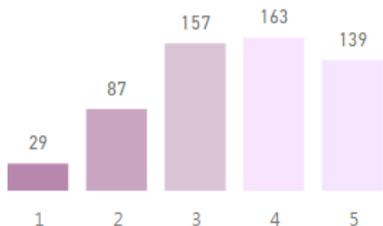
Moorland Rd.



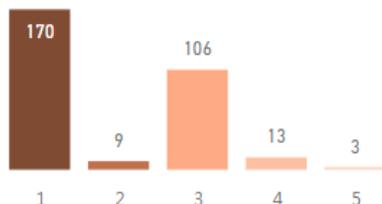
Paulton



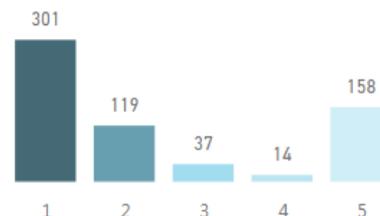
Radstock



Saltford



Weston



Page 53

This page is intentionally left blank



New Service Model

Core Library Services

By 2020, it is anticipated that there will be three core council run libraries in our main population centres. These will be located with other Council Services and our partners.

Bath One Stop Shop & Library

Keynsham One Stop Shop & Library

Midsomer Norton One Stop Shop & Library

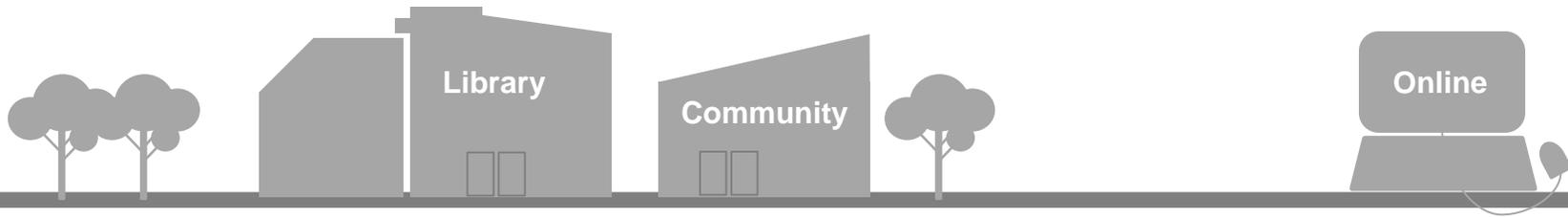
Community Run Libraries

There will be opportunities to develop Independent Community Run Libraries.

Some existing Branch Libraries may transition from Local Authority management to be managed by the local community with a view to becoming Independent Community Run Libraries.

We will offer support to communities, key organisations and stakeholders expressing an interest in making this transition or providing new library services based on their local conversations and identified need.

We will offer a package of professional and funding support.



Community Run Library Model

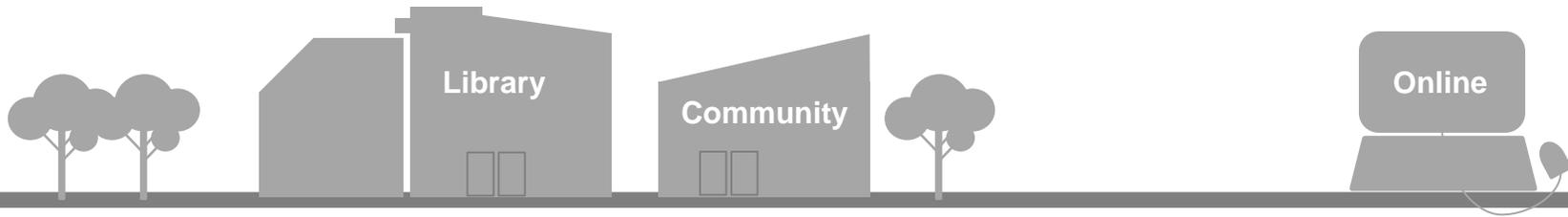
Page 56

Authority Transition Community Run Library Model (for initial period 1 year)

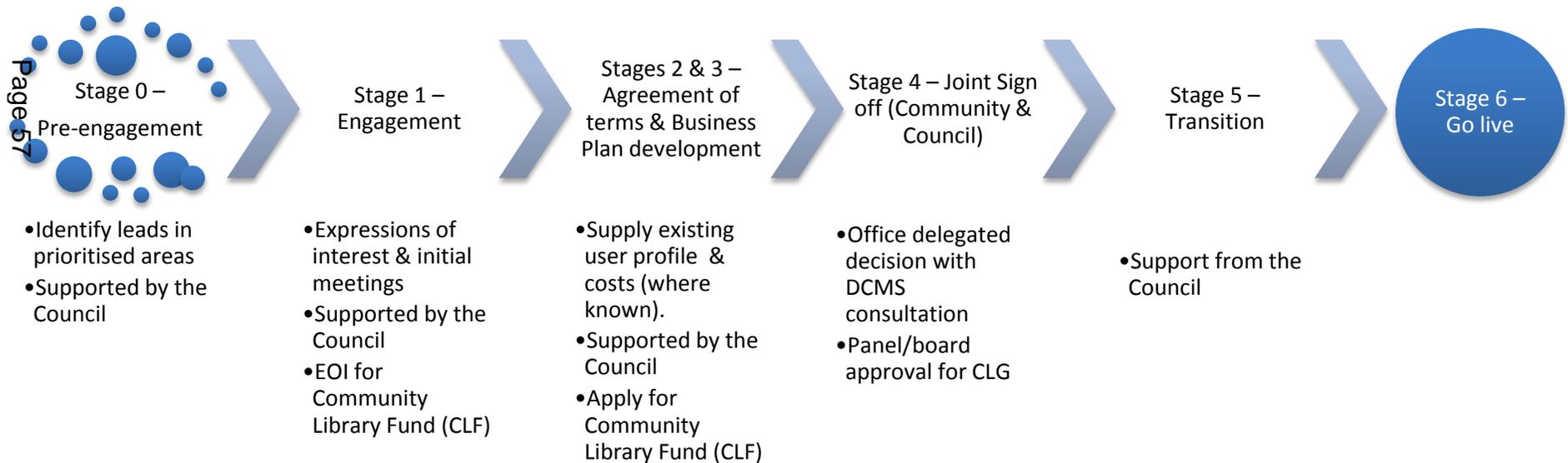
- Running and staffing costs all funded by local group
- Catalogue book stock and professional support provided by B&NES
- IT equipment, Kiosks and support/maintenance provision provided and funded by B&NES
- All loan related fees, fines and charges income retained by B&NES
- Continue to be part of LibrariesWest Consortium stock/reservations/rules and reservations network
- Only suitable for existing branch libraries
- Eligible for one off Community Library Start Up Grant (at this stage or when move to Independent)

Independent Community Run Library Model

- Running and staffing costs all funded by local group
- Book/issues and membership rules (including fees and charges) determined at local level
- IT equipment/support and maintenance, Wi-Fi, printing and any other systems funded by local group
- Income from local sales & services retained by local grp
- B&NES identified rotated stock (removed from central catalogue) plus any local sourced stock
- Professional support from B&NES available through networking and training events
- Eligible for one off Community Library Start Up Grant
- Click and collect point for core Library stock on LibrariesWest Consortium system



Process for developing Community Run Libraries



This page is intentionally left blank

Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	11th October 2017	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3003
TITLE:	Medium Term Financial Strategy	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Medium Term Financial Strategy		
Appendix A – Efficiency Strategy		

1 THE ISSUE

- 1.1 The Medium Term Financial Strategy outlines the financial context and challenges for the Council over the next five years and sets out a strategy that will be used to inform its annual budget process.

2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 Approve the attached Medium Term Financial Strategy and the recommendations outlined in that strategy;
- 2.2 Recommend approval of the Efficiency Strategy to Council.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The resource implications are outlined within the Medium Term Financial Strategy attached to this report.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The strategy as outlined is part of the preparation for budget and Council Tax setting for 2018/19 that will be considered by this Council in February 2018.

Equality analysis will be carried out on specific budget proposals as part of that process.

5 THE REPORT

5.1 The Medium Term Financial Strategy outlines estimates of the future financial position of the Council. The Strategy as attached outlines a five year projection split between the next two years, where funding is more certain, plus a further three years to assist with longer term financial planning.

5.2 This Council, along with all local authorities, has received unprecedented reductions in funding and is facing difficult decisions about which services it can provide, as well as to what standard it can continue to provide them. Over the last few years it has been very successful in achieving efficiency savings and increasing commercial income but a 'step change' is now required given the scale of net savings it needs to find.

5.3 The new Strategy outlines the key areas of focus to balance the budget over the next five years including a review of its priorities to ensure a sustainable financial future.

6 RATIONALE

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

7 OTHER OPTIONS CONSIDERED

7.1 The supporting paper outlines other options for balancing future budgets.

8 CONSULTATION

8.1 A consultation plan is being prepared to ensure stakeholder engagement for the strategy, followed by consultation on individual budget proposals with a wide range of stakeholders before the budget is considered for approval in February 2018. The consultation will include the November Community Forums and, in advance of those meetings, a special meeting of PDS Resources to which all elected members of the Council will be invited.

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.

Contact person	<i>Donna Parham, Divisional Director – Business Support (01225) 477468</i>
Background papers	<i>Budget and Council Tax 2017/18 and Financial Outlook 2017/18 to 2019/20 – Council agenda February 2017</i> <i>Financial Settlement papers – Gov. website.</i>

Please contact the report author if you need to access this report in an alternative format

This page is intentionally left blank

Bath & North East Somerset - Medium Term Financial Strategy 2018/19- 2022/23

1. Purpose of the Strategy

This Medium Term Financial Strategy (MTFS) provides a framework for budget setting. It explains the financial context and the targets, as well as the financing mechanisms available to the Council.

This strategy does not detail how individual savings will be made, nor how categories of additional income will be achieved. Nevertheless it describes the scope of the work required, and taking place, to meet these targets together with some of the anticipated impacts

The focus is on the next two years, as there is significant uncertainty about the following three, mainly because the national approach to funding local government remains under review.

This strategy also provides the background for budget consultation due to take place this autumn.

2. Expected Outcomes from the Strategy

The objective of this document is to set the context to enable a budget setting and financial planning process that will deliver a balanced budget for the next five years, but with the focus on the next two years.

A balanced budget means that balances or reserves are not used to meet on-going expenditure commitments. B&NES will look to ensure sound plans are in place to balance the budget over the medium to longer term rather than year to year balancing.

The financial strategy needs to integrate with and support the corporate strategy for the Council. This is under review and will be updated alongside budget setting.

The unprecedented scale of the financial challenge, the additional demands on the Council especially for social care, and the scope to use new ways of working notably digital communications, all indicate the need for different ways of working and greater prioritisation of activity and spend. For some services, a different relationship with customers and communities may also be needed. These issues will be addressed as part of the planned update of the Council's corporate strategy.

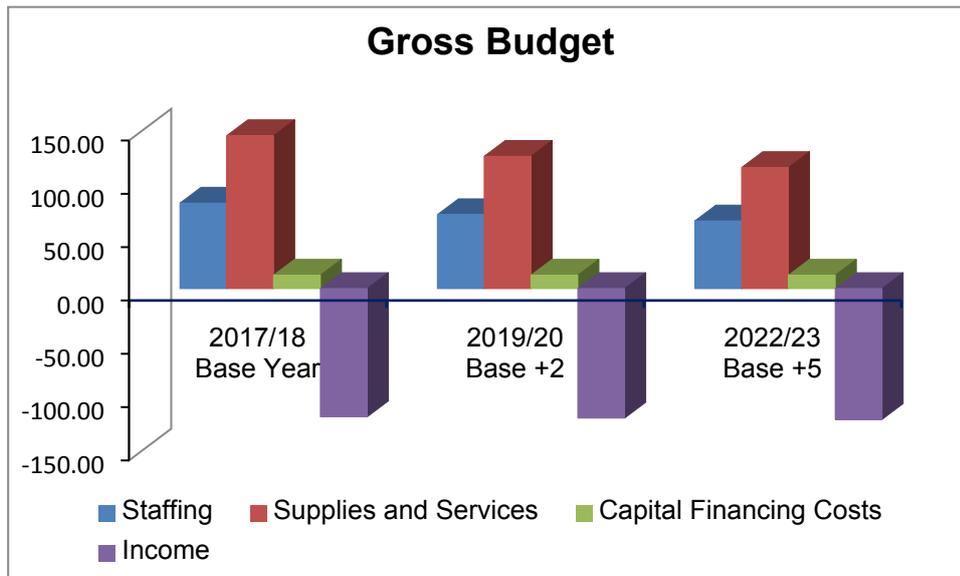
3. Executive Summary and Recommendations from the Strategy for Consideration

The Council previously identified that around £49m savings would need to be found by 2019/20 and Directorate plans were put in place to deliver them. The delivery of the majority of those savings are well underway however, reductions in funding as well as greater demand for services especially in Adult and Children's Services has meant that the Council has had to refresh its medium term plans and look further ahead. Therefore this strategy spans five years the next two years with some certainty around Government funding plus a further three year horizon to aid longer term planning. Current estimates show that the Council will need to find a further £34.19m in savings over the next five years. This is in addition to the savings already planned to be delivered of £14.8m in 2018/19 and 2019/20. In essence the Council will need to reduce net spend by approximately 43% (14% of gross spend) over the next five years.

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

- To review Council priorities to understand scope for further savings;
- To maximise income opportunities;
- To review the scope for shared services and rightsizing taking into account the planned business model for B&NES;
- To target capital spend to priority areas;
- To maximise contract savings;
- To manage demand where possible and the processes around demand in those high demand services.

Ensuring that B&NES has clear affordable priorities going forward will ensure that there will be continued capacity to deliver those priorities. The following shows an example of the scale of the reductions required over the next five years even if the strategy is successful and includes an increase in income, with equally shared % savings from supplies and services and staffing (13.5% over the first two years followed by a further 7% by 2022/23):-



If we are not successful in delivering the new approach outlined savings will still need to be found adversely impacting on capacity to deliver services across the board.

In the shorter term the profile of the savings shows a requirement of £16.16m over the next two years (£12.77m in 2018/19 followed by £3.39m in 2019/20) if the savings already identified can be delivered. To ensure that there is sufficient time to consider and implement savings as well as the future operating model for B&NES the strategy is dependent on a number of recommendations being agreed for it to be successful. These are as follows:-

- Appropriate transformation and ICT spend are capitalised or funded through capital receipts flexibility to free up revenue reserves (current estimates are that approximately £3.0m could be funded in this way);
- The reserves review in this Strategy is implemented and the transfers outlined in part 12 of this report are implemented to phase and smooth savings;
- Capital receipts already factored in to financing the capital programme and spend transferred are replaced by borrowing;
- Capital receipts are utilised through flexibility to fund costs that result in ongoing savings where appropriate (target estimated at £10m over the next two years);
- Greater targeting of capital spend is agreed to be proportionate to financial and staffing capacity with limited financing available each year for priority schemes that require borrowing.

The current budget gap does not include any increases in Council Tax – an increase of 2% per annum reduces the overall five year gap by £8m.

As part of delivering this strategy plans are being put in place to engage with all elected members, partners and the public as part of the budget process for 18/19 and the following years.

4. Introduction

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

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

Three Directorate Plans were developed as part of that strategy and set out both the strategic and financial ambitions of each Directorate and how the Corporate Strategy commitments would be delivered. It was estimated that the scale of the financial challenge over the 4-year period covering 2016/17 to 2019/20 that the likely savings, or additional income required, would be around £49m The Council has made good progress in identifying many of the savings required including:-

- A root and branch spending review aimed at cutting waste and increasing efficiency;
- Growing income opportunities through investment in property, housing, and the economy;
- Finding smarter ways of working, reducing office costs and overheads;
- Working closely with neighbouring authorities to share services;
- Bringing services together such as the library and customer services to save £800k per annum and securing the future of both services;
- Supporting the West of England Combined authority means the region will benefit from £1bn investment for transport, infrastructure, and job creation;
- Raising more income from tourism, property, heritage, and film services.

However, due to financial, social, and economic pressures more saving will need to be found. Inevitably, this will mean making tough choices over what services

B&NES can provide and how services can be delivered with our local community groups, parishes and the voluntary sector playing an increasingly important role.

5. The Current Financial Position

2016/17 Outturn

The 2016/17 outturn reported an overspend position of £2m to Cabinet in July 2017 as follows:-

Directorate	2016/17 Budget £m	2016/17 Actual Outturn £'m	2016/17 Variation £m
Place	24.361	24.018	-0.343
People and Communities	87.062	90.524	3.462
Resources	10.543	11.182	0.639
Corporate	1.306	-0.420	-1.726
Total	123.272	125.304	2.032

(note the figures outlined above exclude carry forwards)

Budget 2017/18

The 2017/18 net budget of £112.9m was approved by Council in February 2017. Budget monitoring to the end of August showed an expected overspend of £5.1m against the revised budget of £115.2m (including carry forwards) as shown below:-

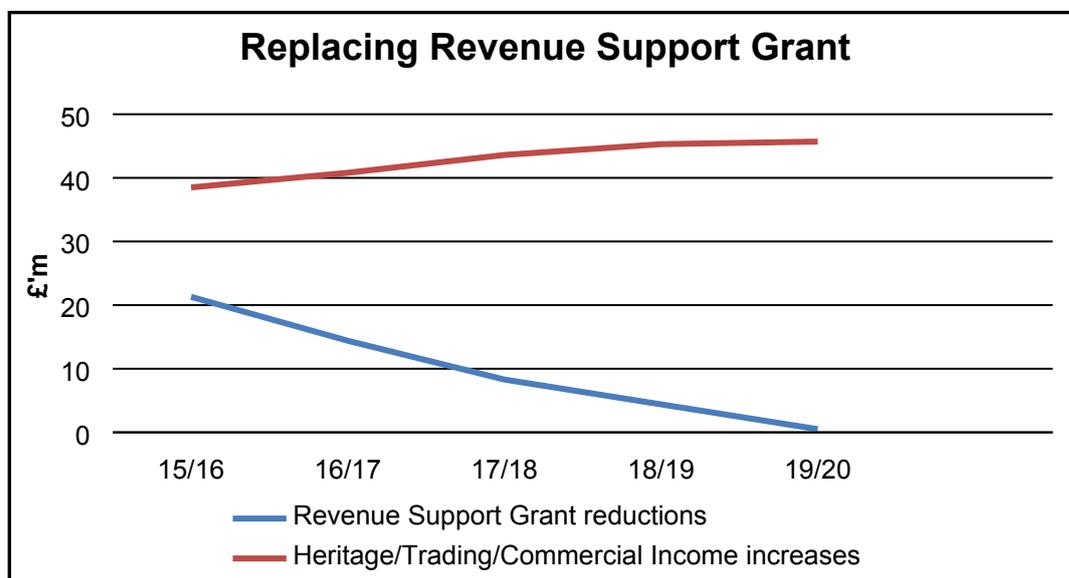
Directorate	2017/18 Budget £m	2017/18 Expected Outturn £'m	2017/18 Variation £m
Place	16.824	16.450	-0.374
People and Communities	86.545	90.565	4.020
Resources	7.790	8.970	1.180
Corporate	4.075	4.374	0.299
Total	115.234	120.359	5.125

(Note the higher budget in Corporate is due to the WECA levy)

The figures show an upturn on the demand and financial pressures especially in the Adults and Children’s services. There are a number of management actions and mitigations in place to reduce this over the remainder of the year including reviewing all vacancies, holding vacancies vacant for at least three months, a buying leave option for staff, and reviewing all contract spend over £10k.

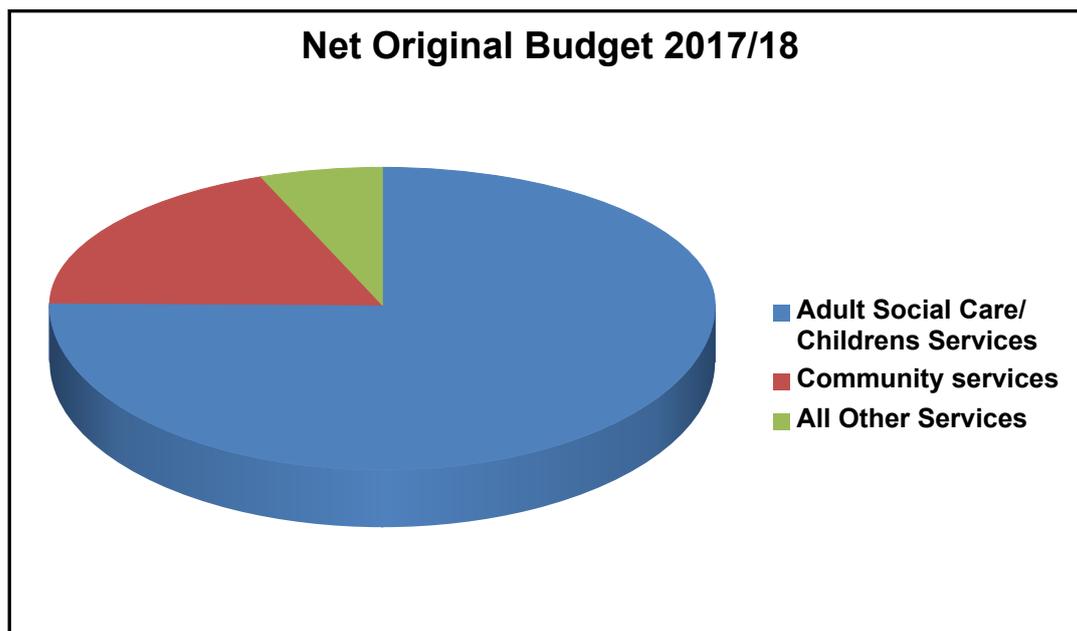
Analysis of Current Position

Local Government has suffered from continued reductions in funding – even reviewing Revenue Support Grant since 2013/14 it shows the grant declining from £21.3m to completely being removed in 2020/21. The authority has increased its commercial and trading activities to meet some of the reductions in Revenue Support Grant as follows:-



Current forecasts show that B&NES will have replaced around 35% of the reduction in grant from heritage, trading, and commercial income activities by 2019/20.

In addition to the cuts in grants demand in line with other authorities and a growing population has increased for Adult Social Care and Children’s Services. Spend within the People and Communities Directorate is expected to exceed the budget provision from the £3.462m in 2016/17 to £4.020m in 2017/18. Although steps are being taken to manage the increase the MTFS does reflect some of these additional pressures going forward into 2018/19. In 2015/16 around £0.66 in each £1 was spent on Adult Social Care and Children’s Services and this is expected to increase to £0.80 in every £1 if current pressures continue. The following chart shows the breakdown of the 2017/18 budget as set:-



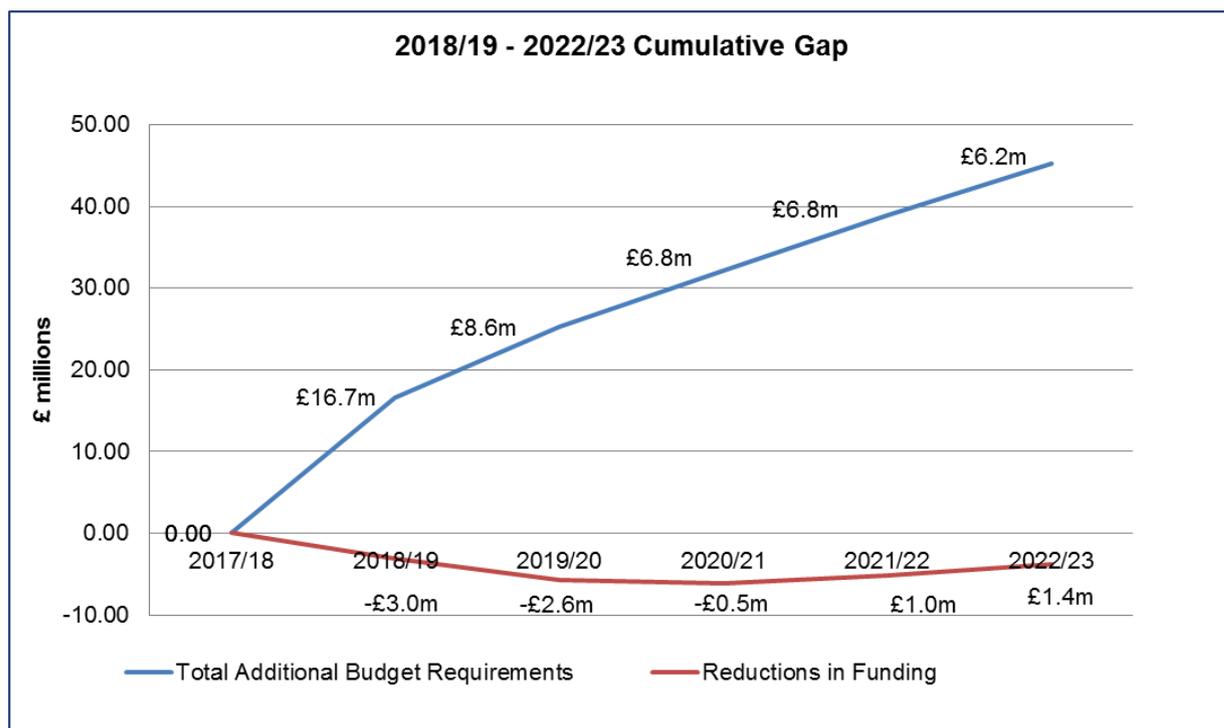
6. Financial Outlook

Currently the MTFs shows a projected budget gap for each year of the plan as follows:-

Indicative Budget Forecast	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Estimated Base Budget	112.90	129.56	138.17	145.00	151.83	158.07
Estimated Funding	-112.90	-109.86	-107.21	-106.73	-107.68	-109.08
Cumulative Funding Gap	-	19.70	30.96	38.27	44.15	48.99
Annual Funding Gap	-	19.70	11.26	7.31	5.88	4.84

Note – the figures do not include current savings plans

The funding gap over the medium term can be analysed further to identify additional pressures on expenditure and the impact of funding reductions in income as follows:-



Indicative Budget Forecast

The detail of the budget gap is shown in the table below and outlines additional cost pressures and reduced funding:-

MTFP - 5 Year Estimate of Budget Shortfall	2018/19	2019/20	Total 2 Year	2020/21	2021/22	2022/23	Total 5 Year
	£m	£m		£m	£m	£m	
Pay inflation	1.20	1.20	2.40	1.20	1.20	1.20	6.00
National living wage impact	0.17	0.18	0.35	0.19	0.20	0.21	0.95
Pension Contributions	0.60	0.60	1.20	0.60	0.60	0.60	3.00
Demographic and contract inflation	3.43	3.43	6.86	3.43	3.43	3.42	17.14
Budget Pressures from 17/18	7.72	0.30	8.02	0.30	0.30	0.30	8.92
Provision for amber rated planned savings	0.64	0.80	1.44	-	-	-	1.44
Provision for use of Capital Receipts flexibility	0.47	0.09	0.56	0.01	0.01	-	0.58
Provision for new capital schemes	0.50	0.50	1.00	0.50	0.50	0.50	2.50
Borrowing costs of current capital programme	-	1.20	1.20	0.60	0.60	-	2.40
Revenue costs of capital- previously	1.93	0.31	2.24	-	-	-	2.24

agreed schemes							
Total Additional Budget Requirements	16.66	8.61	25.27	6.83	6.84	6.23	45.17
Changes in External Funding							
Increase in Council Tax Base	-0.76	-0.76	-1.52	-0.76	-0.76	-0.76	-3.80
Increase in Council Tax %	-	-	-	-	-	-	-
Revenue Support Grant	3.88	3.90	7.78	0.49	0.00	0.00	8.27
Business Rate Retention (inflation)	-0.91	-0.90	-1.81	-0.62	-0.63	-0.64	-3.70
Business Rate Retention - base reset	-	-	-	0.78	-	-	0.78
Public Health Grant Reduction	0.28	0.27	0.55	-	-	-	0.55
New Homes Bonus	0.55	0.14	0.69	0.59	0.44	0.00	1.72
Reductions in Funding	3.04	2.65	5.69	0.48	-0.95	-1.40	3.82
Overall budget and funding gap	19.70	11.26	30.96	7.31	5.89	4.83	48.99
Savings already planned	6.93	7.87	14.80	-	-	-	14.80
Additional Savings to Find	12.77	3.39	16.16	7.31	5.89	4.83	34.19

The forecast includes the following cost pressures and assumptions:-

- **Pension Costs** – Estimated 1% increase per annum;
- **Service Demand Pressures** – the strategy assumes that demand especially within Adults and Children’s Social Care remain at mid-year estimates in 2017/18.
- **Interest Rates** - Continued very low rates of interest of under 0.3% per annum for treasury management cash investments. The Council will maintain a minimum cash policy;
- **Inflation** – CPI projections for the coming years are expected to be 2.6% in 2018/19, 2.2% in 19/20 and 1.9% thereafter. However it is expected that services will continue to absorb all but a limited amount based on specific service circumstances and contractual commitments;
- **Capital Spending** – an allowance has been made to fund a minimal number of new schemes;
- **Borrowing** – the strategy introduces longer term borrowing costs into the MTFS to free up revenue reserves however the authority will continue to

optimise the use of cash balances subject to market conditions and the overriding need to meet cash outflows;

- **Partnerships** - That WECA and the CCG have a neutral impact on the Council's finances.

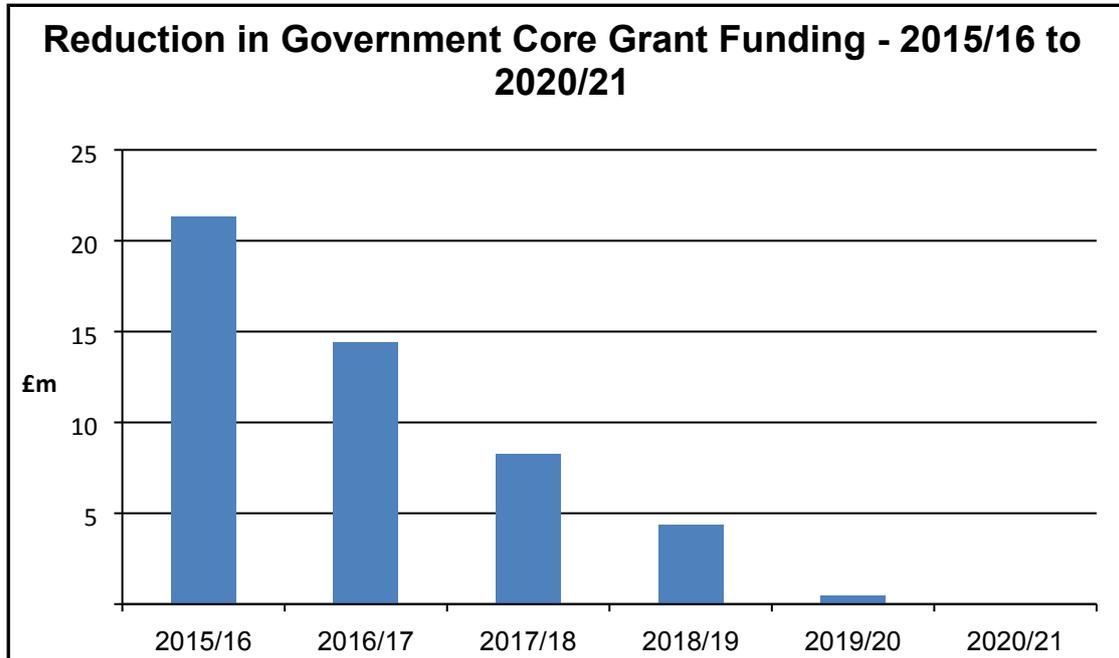
7. Outlook for Government Grant Funding

During 2016, the Council provided an Efficiency Plan submission to the Government as part of a national scheme, to secure the basis of a 4-year financial Settlement through to 2019/20. This was agreed by the Government and provides some protection to the Council against any additional funding reductions in revenue support grant over this period.

The Government released a consultation paper on the 14th September 2017 outlining its intention to continue with the methodology around the 4-year financial settlement. The possible impact on various grants are outlined under those grant headings below.

Revenue Support Grant

The strategy assumes that the 4-year settlement will continue to 2019/20 and then further reductions of £0.49m in 2020/21 will to remove any remaining RSG (note the remaining RSG has been rolled into the 100% Business Rate Pilot).



New Homes Bonus

The 2017/18 Settlement announced changes to the funding arrangement for the New Homes Bonus. The strategy assumes a reduction in the number of years for which the payments are made to 4 years in 2018/19 and for the remainder of the plan. The figures also assume that the national housing growth baseline

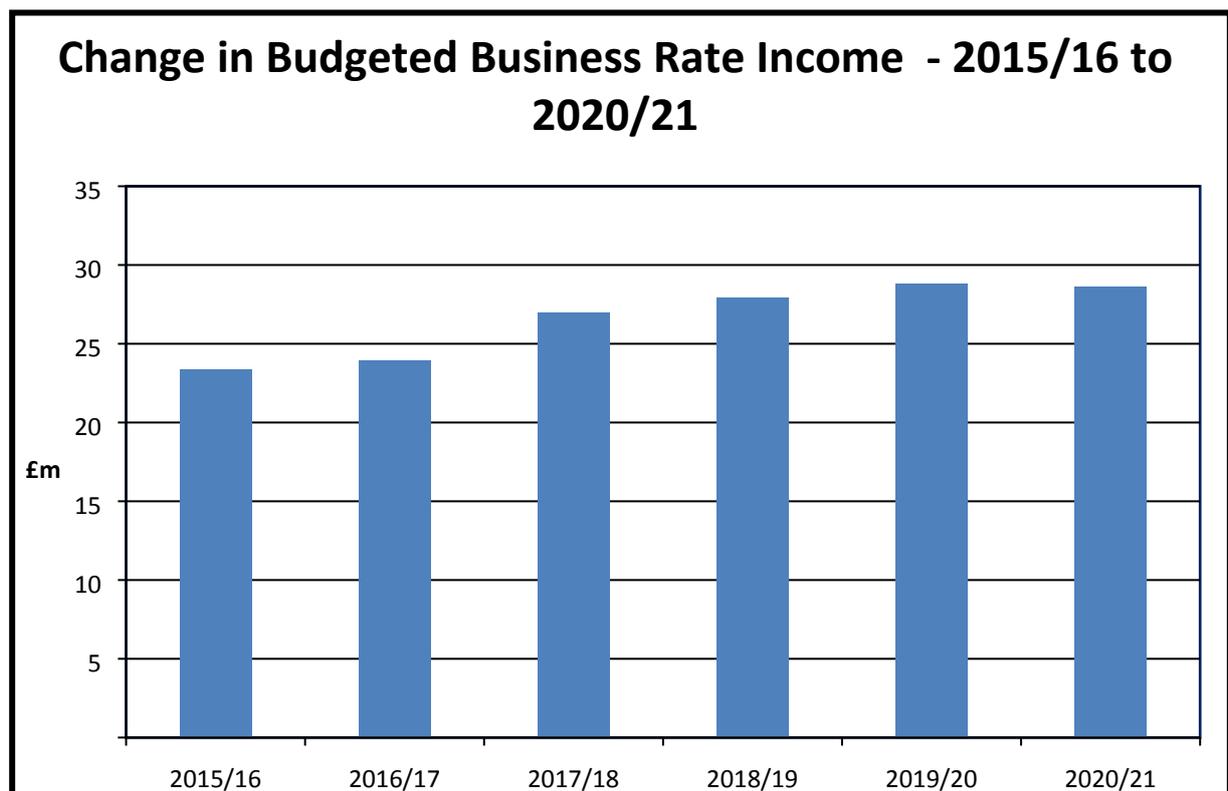
adjustment remains at 0.4%. The current consultation paper does not suggest amending these at this time unless there is significant and unexpected housing growth.

The current Consultation paper for the 2018/19 settlement outlines a number of ways to reduce the bonus for successful planning appeals. An initial assessment has shown that this will not have a material impact on B&NES based on previous appeals.

The Government intends taking this further in 2019/20 possibly linking the bonus to the housing delivery test or the standard approach to local housing need. A further consultation will be made prior to implementation.

Retained Local Business Rates – 100% Business Rate Retention Pilot

In 2016 the Government announced that it was introducing pilot schemes for 100% business rate retention from 2017/18 in advance of a national scheme later in the parliament. The Government has since sent out a prospectus asking for further pilots to come forward however, the offer is limited to one year. The consultation paper also outlines the Government's intention for the current pilots including the West of England pilot to continue into 2018/19.



(Note – the chart shows budgeted income rather than actual which is at risk from appeals etc.)

The estimated benefit of £2.5m per annum for this Council was factored into the Budget in 2017/18. The current consultation does not include an update or

proposals on the Fairer Funding Review nor for permanent proposals for 100% business rate retention (although the request for further pilots is a positive sign). The strategy assumes that this benefit will remain in place over the five year period. If the authority returns to 50% retention, it is currently estimated that a further £3.9m will be added to the gap if this was to occur in 2020/21 once forecast increases have been factored in. The strategy also assumes that a baseline reset will occur in 2020/21.

As part of the proposed Budget, reasonable assumptions have been made for likely levels of future Business Rate income, together with specific provisions for appeals and growth. Any surplus or deficit on the Business Rate Collection Fund will be transferred to an *earmarked reserve for consideration as part of the Business Rates calculations for future years*.

Schools Funding

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

As schools convert to academies the DFE take back the element of DSG payable to the local authority in order to make payments direct to the academies. It is estimated that 75% of schools will have converted to academies by September 2018 and that all schools will develop plans to convert in the coming years. With the introduction of the National Funding Formula for schools the DSG for schools will be ring-fenced for schools from 2018-19 making the LA responsible for the demographic pressures being observed in the SEND / High Needs element of the DSG. The pressures currently being observed amount to £2.3 m and this pressure has been incorporated in the demographic pressures in this report.

Adult Social Care Support Grant

The Government distributed £240m of savings from New Homes Bonus nationally to authorities responsible for Adult Social Care. For the Council this resulted in a one-off amount in 2017/2018 of £733k. The current consultation paper is silent on further distribution and therefore no further grant has been factored into the MTFS.

Better Care Fund

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

The Council and CCG's Better Care Fund has a minimum CCG funding contribution of £11.4m in 2018/19; this is a 1.9% increase from 2017/18. The Council's contribution for joint commissioned services is £8.78m.

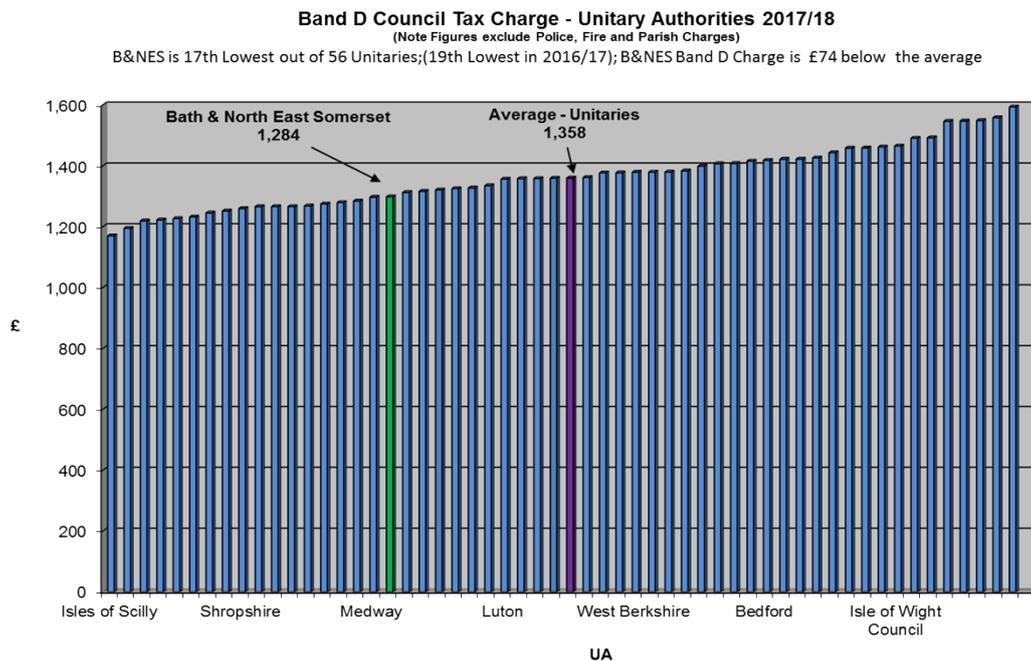
In addition funding for adult social care was announced in the 2017 budget with local allocations of one-off funding of £2.064m in 2018/19 and £1.029m in 2019/20, this funding is pre-committed through the 2017/18 Better Care Fund plan and is helping to protect current Social Care spending levels and meet the national conditions for the BCF plan including improving delayed transfers of care (DTC) performance.

From 2018/19 the government will make funding available incrementally to Local Authorities, £825m in 2018/19 and £1.5bn in 2019/20. For the Council, indicative allocations of the funding are £1.4m in 2018/19 and up to £3m in 2019/20 which is offset against demographic pressures.

8. Council Tax

Comparison of 2017/18 Council Tax

The chart below shows how B&NES compares (17th lowest out of 56 authorities) to all other unitary authorities:-

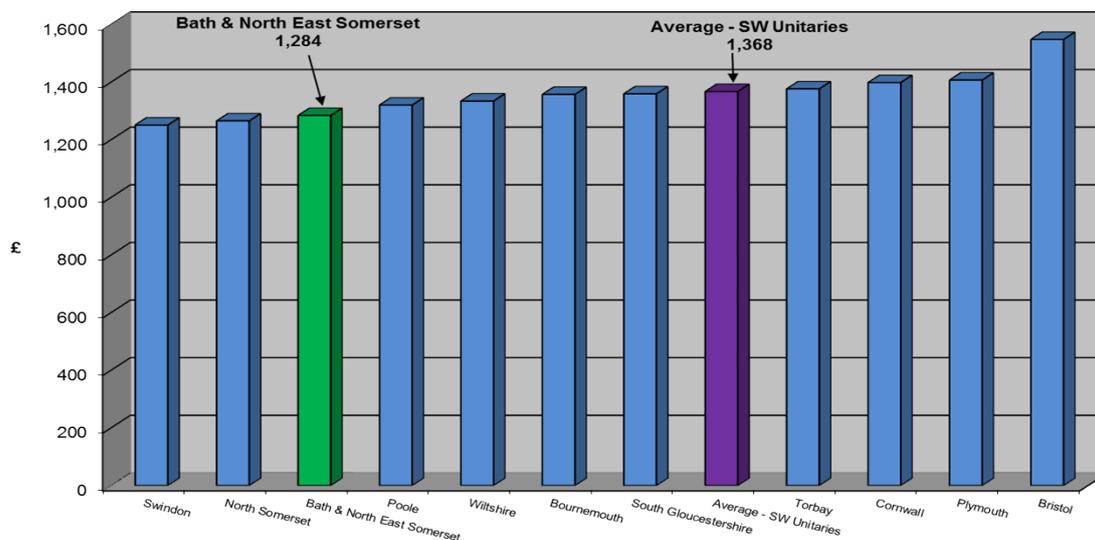


If we then compare with unitary authorities in the South West B&NES has the third lowest Band D council tax within the group:-

Band D Council Tax Charge - South West Unitaries 2017/18

(Note: Figures exclude Police, Fire and Parish Charges)

B&NES is 3rd Lowest out of the 11 Unitaries (no change from 2016/17); B&NES Band D Charge is £84 below the average



Adult Social Care Precept

The Government has recognised some of the pressures facing Adult Social Care (ASC) authorities, providing for a continuation for a specific increase in the local council tax precept ringfenced to ASC. B&NES approved an increase of 2% in 2017/18 and the strategy currently estimates a further 2% increase in 2018/19 and 2019/20 to meet the increasing financial pressures on this service.

There is a further flexibility to increase 2018/19 by 3% which would bring forward an additional £0.8m (£2.4m in total) to meet the immediate financial need with a reduced increase of 1% 2019/20.

These costs pressures facing ASC have been identified by the Council as part of the financial planning process, and include:

- The ongoing impact of Government's national living wage and other wage pressures such as "sleep in" care;
- An increasingly challenged care market, struggling to recruit and retain staff, which is impacting on the quality and availability of care home placements, which, in turn is increasing the fee levels it is necessary to pay to secure placements; and
- Increasing demand and demographic pressures including Learning Disabilities care placements transitioning into working age;
- Transitional costs for the mobilisation and service transformation through the *your care, your way* contract;

Council Tax Precept

The current funding gap in the MTFS assumes **no increase** in council tax. Any increase would need to take into consideration the Government's referendum principles which are currently based on the requirement to hold a referendum for increases above 2%. An increase of 2% per annum would raise an additional £1.6m per annum and an ongoing £8m by 2022/23. The table below shows the impact on the funding gap if an additional 1% increase for Adult Social Care and the maximum 2% for Council Tax were to be implemented:-

Indicative Budget Forecast	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Annual Funding Gap	19.70	11.26	7.31	5.88	4.84	48.99
Planned Savings	-6.93	-7.87				-14.80
Further Savings to Find	12.77	3.39	7.31	5.88	4.84	34.19
Adult Social Care precept (3% then 1%)	-0.80	0.80	-			-
Income from a 2% increase in Council Tax	-1.60	-1.60	-1.60	-1.60	-1.60	-8.00
Annual Funding Gap	10.37	2.59	5.71	4.28	3.24	26.19

The Government has factored a 2% increase into each authority's "Spending Power" and funding figures.

9. Strategy for Savings

Current estimates are that £34.19m savings will be required over the next five years (if council tax is not increased other than for Adult Social Care). This is based on the assumption that the savings already approved of £14.8m can be delivered within the next two years.

The profile of savings shows that £16.16m will be required - £12.77m in 2018/19 followed by £3.39m in 2019/20. This strategy aims to smooth the savings required to increase the time needed for assessment and consultation of those savings plans.

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

- **Priority based resourcing** to develop options to reduce spend by:-
 - "Do better" – maintaining performance whilst reducing spend;
 - "Do differently" – reducing spend through a different delivery model;
 - "Do less" – reduce or stop the service.

- **Maximising commercial income;**

Review all income streams to:-

- Increase discretionary charges where appropriate;
- Ensure statutory charges are based on full cost recovery.

- **Shared services where appropriate/ right sizing:-**

- Review shared service opportunities (years 3 to 5) with the CCG, WECA, and other local authorities;
- Assess future staffing and management requirements to deliver the new delivery model.

- **Targeted capital spend:-**

- Ensure that capital spend is approved using the new approach outlined under Capital Programme below.

- **Managing Demand (and the processes surrounding demand)**

- E.g. signposting and investing in self-help and early intervention to reduce demand on specialist roles.

- **Contract Savings**

- Where efficiencies can be delivered.

In addition to this all Directorates may be asked to put forward proposals for a percentage reduction across the board to ensure that target savings can be met.

Capital Programme

A review of the capital programme is being carried out as part of preparing next year's budget with the following objectives:-

- To ease staffing capacity issues;
- Ease financial pressures;
- Review financial and delivery risks

The review outlined further recommendations for the current and future capital programme with the following principles requiring consideration:-

- All existing schemes to be reviewed and simplified, reduced, paused or stopped as necessary;

- Minimise new schemes except those that meet corporate priorities; and;
- Create additional income or savings;
- Address a statutory or health and safety imperative;
- Replace obsolete or inefficient assets/equipment;
- Part of a high priority government funded programme or WoE programme.

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

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

Items for **Provisional Approval** will require further Officer and Member scrutiny, including a formal Executive decision for Full Approval. The budget numbers for schemes shown for Provisional Approval are therefore included on an indicative basis, and as an aid to planning.

Capital Risk Contingency

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

- Individual major projects within the capital programme hold their own contingency in accordance with good project management practise to meet unavoidable and unforeseen costs;
- The capital programme includes a funded corporate risk contingency which will be maintained at £2m;
- The corporate risk assessment on which the general reserves target is based includes an element in the context of the capital programme based on the risks of the current programme.

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

Minimum Revenue Provision (MRP) Policy

The Council is required to make revenue provision to repay capital spend that is financed by borrowing (either supported or unsupported). This is called the Minimum Revenue Provision (MRP). The Department of Communities & Local Government has issued regulations that require full Council to approve a MRP Policy in advance each year, or if revisions are proposed during the year they should be put to the Council at that time. The policy was updated in February 2017 and there are currently no revisions proposed.

10. Releasing Capital Receipts to Fund Savings Projects

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

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

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

The Strategy should list each project that plans to make use of the capital receipts flexibility and that on a project by project basis details of the expected savings/service transformation are provided. The Strategy should report the impact on the local authority's Prudential Indicators for the forthcoming and subsequent years.

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

11. Funding Capital Investment

The current capital programme was approved in February 2017 and is funded as follows:-

	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Financing	£m	£m	£m	£m	£m	£m
Grant	40.742	16.269	5.357	5.906	5.758	74.032
Capital Receipts/RTB	9.993	6.590	0.590	0.635	0.605	18.413
Revenue	2.281	-	-	-	-	2.281
Borrowing (see note)	119.848	51.610	19.806	12.560	13.031	216.855
3 rd Party (inc S106/CIL)	9.803	5.375	0.519	0.188	0.180	16.065
Total	182.667	79.844	26.272	19.289	19.574	327.646
Provision for New Schemes		5.000	5.000	5.000	5.000	20.000
Revised Total	182.667	84.844	31.272	24.289	24.574	347.646

(Note that of the total borrowing £105m is linked to investments that will provide an income stream to the Council)

If the new approach to the capital programme is agreed less funding will be required.

As capital receipts will be used flexibly an adjustment has been made to the MTFS to replace some of the capital receipts funding of approximately £7m to borrowing of the £10m target. The current programme will continue to be reviewed to ease this financial impact.

The intention is to take a measured approach between borrowing in the current market climate and the utilisation of internal cash flow wherever possible. Borrowing has been factored into the strategy to ensure that the authority can meet its future borrowing obligations as well as taking advantage of current low interest rates. The decision on the timing of new borrowing will still be driven by market factors, particularly movements in interest rates to provide overall value for money to the Council

12. Earmarked and Non-Earmarked Reserves

Earmarked Reserves are set aside for specific purposes whereas Non-Earmarked Reserves are retained to meet unforeseen risks. A regular review of financial risks to assess the optimum levels of balances and reserves will be reported to members annually. This ensures that the authority has sufficient funds to meet its

key financial risks. The strategy remains that balances remain at a level that covers these key risks.

The current strategy for Non-Earmarked Reserves remains unchanged and will continue to be based on a financial risk assessment. The current target is to retain £13.5m of Non-Earmarked reserves. As this reserve is expected to reduce below this level but remain above the minimum £7.5m the reserve will be reviewed as part of the budget process to ensure it meets key financial risks.

A review has taken place of key reserves as part of the overall MTFs to assist with medium to long-term financial planning and to smooth the impact of the quantum of savings required in each year. The management of these reserves is fundamental to the delivery of this strategy. The following table shows each of those key reserves and the recommended future balance as at the beginning of the 2018/19 financial year and use:

Specific Reserve	Balance As at 31/7/17 £'m	Estimated Balance 31/3/18 £'m	Transfers Required by 31/3/18 £'m	Required Balance 1/4/18 £'m	Use of Reserve and Recommendation
Revenue Budget Contingency	2.4	0	1.5	1.5	Contingency for in-year mitigation and once-off issues – will need replenishing to meet risks in 2018/19 as the current sum may be required to meet 2017/18 overspend
Transformation Investment Reserve	4.6	2.9	-2.5	0.4	Either capitalise expenditure or fund from flexible capital receipts. Retain funds cover commitments that do not meet the criteria
Restructuring & Severance Reserve	2.5	2.5	0.5	3.0	Use capital receipts flexibility for redundancies in 2017/18 and 2018/19 but will need top up funding for 2019/20
Affordable Housing Reserve	3.0	3.0	-3.0	-	Transfer to Revenue Budget Contingency Reserve and replace with

					Capital regional funding or through increasing RTB receipts
Financial Planning Reserve	2.0	1.0	4.6	5.6	Can utilise in 2018/19 but may require further smoothing in 2019/20
Tax and Liabilities Reserve	0.6	0.6	-0.6	-	Assess as a risk for Non earmarked balances
ICT Reserve	1.7	1.7	-0.5	1.2	Fund from capital or flexible receipts

An estimate of the key reserves has then been made for future years using capital receipts flexibility mainly to fund restructuring and severance costs in 2017/18 and 2018/19.

	Estimated Balance 1/4/18 £'m	Estimated Balance 31/3/19 £'m	Estimated Balance 31/3/20 £'m	Estimated Balance 31/3/21 £'m	Estimated Balance 31/3/22 £'m
Revenue Budget Contingency	1.5	1.5	1.5	1.5	1.5
Financial Planning Reserve	5.6	1.7	1.0	0.5	-
Transformation Investment Reserve	0.4	0.1	-	-	-
Restructuring & Severance Reserve	3.0	3.0	-	-	-

Using Reserves to Smooth Savings Targets

The strategy requires flexibility around capitalising costs and the flexible use of capital receipts to fund redundancy, transformation, and ICT costs where appropriate to free up reserves.

If we take two scenarios - no increases in council tax:-

MTFP - 5 Year Estimate of Budget Shortfall	2018/19	2019/20	Total 2 Year	2020/21	2021/22	2022/23	Total 5 Year
	£m	£m		£m	£m	£m	
Additional Savings to Find	12.77	3.39	16.16	7.31	5.89	4.83	34.19
Use of reserves	-4.69		-4.69				-4.69
Savings to be carried forward from previous year		4.69	4.69				4.69
Savings Delivered	8.08	8.08	16.16	7.31	5.89	4.83	34.19

The table shows the use of reserves to smooth the budget over the next two year period of the strategy. This would ensure that there was sufficient time to put the savings in place during 2018/19 and 2019/20.

The following illustrates the financial picture if Council Tax were to be increased to the referendum limit:-

MTFP - 5 Year Estimate of Budget Shortfall	2018/19	2019/20	Total 2 Year	2020/21	2021/22	2022/23	Total 5 Year
	£m	£m		£m	£m	£m	
Additional Savings to Find	12.77	3.39	16.16	7.31	5.89	4.83	34.19
Council Tax Increases of 2% per annum	-1.60	-1.60	-3.20	-1.60	-1.60	-1.60	-8.00
ASC precept 3% 18/19 1% 19/20	-0.80	0.80	-				-
Savings Required	10.37	2.59	12.96	5.71	4.29	3.23	26.19
Use of reserves	-3.89		-3.89				-3.89
Savings to be carried forward from previous year		3.89	3.89				3.89
Savings Delivered	6.48	6.48	12.96	5.71	4.29	3.23	26.19

Using the same principles the target over the next two years would reduce and therefore would not require the same level of reserves.

13. Reviewing the Strategy

This strategy will naturally span the life of the Council Plan but will be reviewed annually to take into account changes within and external to the organisation. In more uncertain times the strategy will be reviewed more frequently.

14. Public/Stakeholder Consultation

Planned public consultation will take place in November 2017 and January 2018.

Planned scrutiny of the MTFs through the Policy Development and Scrutiny Panel is planned for November 2017 with savings being scrutinized in January 2018.

15. Risks to the Medium Term Financial Strategy

The Strategy and Plan make regular risk predictions. The key risks to the plan are currently seen as:

Risk	Likelihood	Impact	Risk Management
Further demands on service continue to escalate beyond current estimates	Possible	High	Ongoing monitoring of spend and controls. Ensure reserves are sufficient to manage in-year pressures
Pay awards will be higher than estimated	Possible	Medium	Ensure sufficient reserves are in place
Interest rates reduce further impacting on investment income	Unlikely	Low	A very prudent view has been taken within the MTFP and cash is being utilised for purchase of assets while rates are low
Interest rates increase	Likely	Medium	A reserve is available for borrowing to manage market risk and has also been factored into the longer-term MTFs
Volatility and uncertainty around business rates	Likely	High	Ensure business rate income and appeals are monitored and that specific reserve is sufficient to manage in-year volatility
The Business Rates 100% pilot ceases	Possible	High	Will need to monitor closely a return to 49% retention in 2020/21 adds an estimated £3.9m pressure
Anticipated savings not delivered	Possible	High	Ensure delivery plans are monitored and continue to assess on a regular basis. Ensure Budget Contingency Reserve sufficient to meet in-year issues.
Capital projects not delivered resulting in revenue reversion costs or liabilities from underwriting agreements	Likely	High	The Council has a number of projects within this category. These risks will continue to be monitored and reported. Ensure that revenue reserves are sufficient to meet these risks. The new capital programme methodology looks to de-risk projects wherever possible.
Changes to	Likely	High	Need to monitor and continue to

Government Policy that affects future funding			highlight impact
Economic downturn impacts on commercial income	Possible	High	Portfolio has been diversified to manage some of this risk
Brexit risks	Likely	Medium	Need to continue to highlight the demand pressures to central Government regarding Adult Social Care and Children's Services. Need to monitor any economic impact.
Funding pressures through WECA, CCG and other partners	Possible	Medium	Ensure good communication links with partner organisations
The additional income from Heritage may not be sustained	Possible	Medium	Continue to monitor income levels

The key risks will continue to be monitored throughout the budget setting process and subsequently outlined in each budget setting report to Council. A senior officer is identified to monitor and manage that risk and updates will be reported through regular budget monitoring to Cabinet.

16. Next Steps and Timetable for 2018/19 Budget Setting

The next steps will be to request Council to approve the Efficiency Strategy to utilize capital receipts. The outline timetable following this will be:-

- Prioritisation exercise mid-October;
- MTFs with savings themes presented to Cabinet in October;
- Scrutiny arrangements in place for November and January;
- Public engagement in November and January;
- Cabinet and Council approve budget in February.

1. Flexible Use of Capital Receipts

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

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

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

The requirement the strategy should list each project that plans to make use of the capital receipts flexibility and that on a project by project basis details of the expected savings/service transformation are provided. A link has been provided to those projects in section 2 of this report. The Strategy should report the impact on the local authority's Prudential Indicators for the forthcoming and subsequent years.

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

2. Savings Projects Which Meet the Criteria

The flexibility is currently only available for 2017/18 and 2018/19 and therefore will be utilised to fund the once-off revenue costs such as redundancy and legal costs allowable under the criteria to achieve the Directorate Savings Plans agreed as part of the 2017/18 budget link: <https://democracy.bathnes.gov.uk/documents/g4630/Public%20reports%20pack%2014th-Feb-2017%2018.30%20Council.pdf?T=10> Appendix 3. This will release once-off budgets and reserves such as the Transformation Reserve to fund other costs that do not meet the criteria.

3. The Capital Receipts to be Used this Purpose

Capital receipts from the disposal of property, plant, and equipment received in the years in which the flexibility is offered can be used for this purpose. Right to Buy Receipts are excluded. The remaining flexibility spans the remainder of 2017/18 and 2018/19 only.

Individual receipts have not been listed but the target range for financial planning purposes is between £7m and £10m of receipts to be available for use. This will impact on the amount of borrowing required and has been factored into this strategy.

It is proposed that the decision for the use of each receipt is delegated to the S151 Officer unless it results in an unplanned impact on the overall budget for 2017/18 or 2018/19.

4. Impact on B&NES' Prudential Indicators

If the Council utilises this flexibility it impacts on the level of capital receipts that can be utilised to fund the capital programme. If it is assumed that B&NES utilises £7m receipts already factored in to finance the capital

programme plus a further £3m of new receipts. The impact on the Council's Prudential Indicators can be demonstrated as follows:-

Current Indicators Excluding Flexible Use

PRUDENTIAL INDICATOR	2018/19	2019/20	2020/21
Estimate of Capital Expenditure (£'000s)			
Estimates of capital expenditure	182,667	79,844	26,272
Net Increase in council tax (band D per annum) Figures in £'s (not £'000's) Note 1			
The implied estimate of incremental impact of the new capital investment decisions on the council tax	£3.02	£1.86	£0.51
Cumulative totals:	£3.02	£4.88	£5.39
Capital Financing as % of Net Revenue Stream			
Estimates of the ratio of financing costs to net revenue stream	11.05%	16.53%	18.91%
<i>Memo: estimates of the ratio of financing cost to gross revenue stream</i>	<i>3.72%</i>	<i>5.38%</i>	<i>6.17%</i>
Borrowing Limits (£m)			
Operational boundary – borrowing	£306m	£350m	£361m
Operational boundary – other long-term liabilities	£2m	£2m	£2m
Operational boundary - total	£308m	£352m	£363m
Authorised limit - borrowing	£338m	£382m	£3.92m
Authorised limit – other long-term liabilities	£2m	£2m	£2m
Authorised limit – total	£340m	£384m	£394m
Capital Financing Requirement (£'000s) (as at 31 March)			
Estimate of capital financing requirement	338,311	381,541	391,669

1. This is an indicator of affordability that shows the implied impact of capital investment decisions on Council Tax levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the proposed capital programme.
2. The figures show borrowing limits but it is important to note that the Council is utilising cash flow efficiency wherever possible.
3. £105m of borrowing is linked to investments that provide an ongoing income stream to the Council

Indicators if £10m of flexible Capital Receipts are used:-

PRUDENTIAL INDICATOR	2018/19	2019/20	2020/21
Estimate of Capital Expenditure (£'000s)			
Estimates of capital expenditure	187,667	84,844	26,272
Net Increase in council tax (band D per annum) Figures in £'s (not £'000's)			
The implied estimate of incremental impact of the new capital investment decisions on the council tax	£4.19	£4.56	£1.36
Cumulative totals:	£4.19	£8.75	£10.11
Capital Financing as % of Net Revenue Stream			
Estimates of the ratio of financing costs to net revenue stream	11.11%	16.72%	19.14%
<i>Memo: estimates of the ratio of financing cost to gross revenue stream</i>	3.74%	5.46%	6.26%
Borrowing Limits (£m)			
Operational boundary – borrowing	£311m	£357m	£368m
Operational boundary – other long-term liabilities	£2m	£2m	£2m
Operational boundary - total	£313m	£359m	£370m
Authorised limit - borrowing	£343m	£389m	£399m
Authorised limit – other long-term liabilities	£2m	£2m	£2m
Authorised limit – total	£345m	£391m	£401m
Capital Financing Requirement (£'000s) (as at 31 March)			
Estimate of capital financing requirement	343,311	388,469	398,493

1. The Capital Programme will continue to be reviewed to minimise the impact on Prudential Indicators. A further report will be made updating the indicators in February 2018.

Bath & North East Somerset Council		
MEETING:	Cabinet	
MEETING DATE:	11th October 2017	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2977
TITLE:	Revenue and Capital Budget Monitoring, Cash Limits and Virements – April 2017 to August 2017	
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report</p> <p>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 2017/18 Appendices 5(i) & 5(ii): Capital Virements & Capital Programme by Portfolio 2017/18</p>		

1 THE ISSUE

1.1 This report presents the financial monitoring information for the Authority as a whole for the financial year 2017/18 to the end of August 2017.

2 RECOMMENDATION

The Cabinet agrees 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 actions agreed by Strategic Directors in paragraph 5.4 are noted.

2.4 The mitigations that will be required paragraph 5.5, if the overspend cannot be reduced by the end of the financial year, are noted.

2.5 The capital expenditure position for the Council in the financial year to the end of August and the year end projections detailed in Appendix 3 of this report are noted.

2.6 The revenue virements listed for approval in Appendix 4(i) are agreed.

2.7 The changes in the capital programme listed in Appendix 5(i) 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 2017 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 2017/18 financial year to the end of August 2017 by Cabinet Portfolio. The current forecast outturn position is for an overspend of £5,125,000 which equates to 1.64% of gross budgeted spend (excluding Schools).

5.4 The financial strategy, which is on this same agenda, has been produced in response to a request from SMT and Cabinet about how to address these pressures. In the meantime one off use of reserves and capitalisation of some transformation spend will be needed. Options to more closely control spend on demand led budgets such as adult social care will need further review. Although actions are being taken to limit spend in the current financial year, a more strategic response is needed and this will be a key part of the budget process for 2018/19.

Strategic Directors have also agreed measures to reduce and mitigate the overspend, including :-

- Reviewing all vacancies to hold or remove;
- Introducing a three month turnover saving before a vacancy can be filled;
- Buying leave option for staff;
- Bringing forward planned savings;
- Regular monthly updates to the Transformation Group;
- Reviewing all income streams;
- Reviewing all spend above £10k.

5.5 In addition specific measures have been agreed within Adult Social Care:-

- Additional capacity for project management, transformation, and contract management;
- Improvements to the IT system in processing and reporting;
- Approval panels set up for care packages;
- Support planning and brokerage of placements.

5.6 Most mitigations have been included within budgets – the remaining mitigations can be made but this will mainly have an impact on the level of one-off reserves. The Medium Term Financial Strategy outlines that these reserves can be replenished through the use of flexible capital receipts for specific expenditure such as transformation.

5.7 The required level of non-earmarked reserves to meet key corporate financial risks is £13.5m with a minimum level of £7.5m. Reducing levels to £11.7m¹, although above the minimum amount, will require actions to replenish the £0.681m as part of the Medium Term Financial Strategy.

5.8 The forecast outturn position includes the requirement for the delivery of £14.546m savings as part of the approved budget for 2017/18, a significant element of which has been confirmed as delivered.

5.9 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.

5.10 In their 2016/17 Audit findings Report, Grant Thornton commented in their Value for Money findings that it is clear that the Council is considering the alternatives available to it to secure the financial position in the medium long term, and also commented that it was clear that the Council has undertaken a significant amount of work to prepare a robust Medium Term Financial Plan , although this needs updating.

5.11 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.

5.12 Appendix 3 outlines the current position for the 2017/18 Capital budget of £120.589m (excluding contingency, prior to Full Council decisions on 14th September 2017), with a current forecast spend of £120.376m, which is £0.2m less than the budget.

5.13 Previously approved changes to the capital programme are listed in Appendix 5(i), while Appendix 5(ii) provides the updated capital programme allocated by Portfolio.

¹ This projected level includes agreed Invest to Save drawdowns which are repayable in future years
Printed on recycled paper

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>Donna Parham - 01225 477468 ; Jamie Whittard - 01225 477213</i> Donna_Parham@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	

REVENUE BUDGET MONITORING APRIL 2017 TO AUGUST 2017

- 1.1 Appendix 2 outlines the Council's current financial position for the 2017/18 financial year to the end of August 2017 by Cabinet Portfolio. The Appendix shows the current forecast **year-end** position is an overspend of £5,125,000, or 1.64% of the gross expenditure budget (excluding Schools).
- 1.2 The financial strategy, which is on this same agenda, has been produced in response to a request from SMT and Cabinet about how to address these pressures. In the meantime one off use of reserves and capitalisation of some transformation spend will be needed. Options to more closely control spend on demand led budgets such as adult social care will need further review. Although actions are being taken to limit spend in the current financial year, a more strategic response is needed and this will be a key part of the budget process for 2018/19.

Strategic Directors have also agreed measures to reduce and mitigate the overspend as follows including:-

- Reviewing all vacancies to hold or remove;
- Introducing a three month turnover saving before a vacancy can be filled;
- Buying leave option for staff;
- Bringing forward planned savings;
- Regular monthly updates to the Transformation Group;
- Reviewing all income streams;
- Reviewing all spend above £10k.

1.3 In addition specific measures have been agreed within Adult Social Care:-

- Additional capacity for project management, transformation, and contract management;
- Improvements to the IT system in processing and reporting;
- Approval panels set up for care packages;
- Support planning and brokerage of placements.

- 1.4 The forecast outturn position includes the requirement for the delivery of £14.546m savings as part of the approved budget for 2017/18, a significant element of which has been confirmed as delivered.
- 1.5 Most mitigations have been included within budgets as Managers are managing overspends as much as possible within their budget areas. The remaining mitigations, if further savings cannot be found, will be made as follows and will have an impact on the level of one-off reserves:-

Mitigation	Amount £'million
Release 2017/18 Government Transition Grant Funding	£0.930
Release Strategic Risk Provision Budget	£0.510
Clearance of historic suspense account	£0.689
Business Rate Revaluation Provision for Impact on B&NES properties	£0.380
Utilise remaining Revenue Budget Contingency Reserve	£1.935
General Fund Non-earmarked Reserves	£0.681
Total	£5.125

- 1.6 The required level of non-earmarked reserves to meet key corporate financial risks is £13.5m with a minimum level of £7.5m. Reducing levels to £11.7m¹, although above the minimum amount, will require actions to replenish the £0.681m as part of the Medium Term Financial Strategy.
- 1.7 The levels of Council earmarked reserves are under review to ensure appropriate levels are provided for through the development of the Medium Term Financial Strategy. This can be done through the flexible capital receipts which can be used for specific expenditure such as transformation to replenish other reserves.
- 1.8 Within the current £5,125,000 forecast overspend figure, there are areas of over and under spending which are detailed below, along with any planned service actions being taken to reduce projected overspends.

¹ This projected level includes agreed Invest to Save drawdowns which are repayable in future years

1.9 The Portfolios reported below do not yet reflect the recent changes to Cabinet Portfolio responsibilities, which includes splitting the Waste & Fleet Service to report separately to Development & Neighbourhoods and Transport & Environment respectively, separating Revenues & Benefits from the rest of Customer Services to report separately to Finance & Efficiency and Transformation & Customer Services, and transferring Leisure Services and Parks & Bereavement Services from Transport & Environment to Development & Neighbourhoods. Work is currently being undertaken to split these budgets to reflect the new Portfolio structure, and the new will be included in the next Cabinet report.

1.10 **Leader's Portfolio – forecast £41,000 overspend**

There are small areas of overspending in both Strategy & Performance and Legal & Democratic Services, with reviews being carried out in order to bring the spending back to budget.

1.11 **Finance & Efficiency Portfolio – forecast £1,399,000 overspend**

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

Support Services: There is a £1,099,000 overspend forecast across Support Services.

Within Business Support's £211,000 forecast overspend, Information Technology is forecasted as on target, with pressures of £199,000 as a result of the loss of income from Sirona being funded from the IT reserve in 2017/18, the ongoing pressure is being addressed in the 2018/19 budget setting. Strategic Review savings targets of £150,000 across Finance and People Services have not currently been achieved, but are anticipated to be delivered following restructures, and Finance also has a £75,000 pressure due to the loss of West of England Combined Authority income for secondments.

Property & Project Delivery is forecasting a £79,000 underspend. There is a one-off underspend in Commercial Estate of £250,000 arising from reduced acquisition first-year borrowing costs. This is partially used to off-set the £114,000 delayed income for the Housing Delivery Vehicle, due to the slippage in the commencement of development sites, and also the £104,000 overspend forecast in Traded Services due to delayed print & post review, one-off backdated Business Rates and Catering Services cost pressures.

The net spending in Human Resources is exceeding the estimates by £661,000 for a combination of reasons. The three main reasons are:-

- The necessary planned reduction in school support to enable the remaining minority of non-academy schools, still using the service, to buy from elsewhere. This is a one-off cost of transition.
- Part of the service had been funded through corporate reserves and these have now been removed. There have also been ongoing HR service efficiency targets.

- The remaining element is due to demand exceeding the budget as the Council changes. To help offset this a new structure will combine People Services and HR Services. These will improve the use of manager and staff self-service through the Trent system which is being upgraded by the supplier to be more intuitive.

The HR Service together with People Services is now in the latter stages of a major review with budgets being zero based and rebuilt by the end of this financial year. These changes will improve affordability but also enable the service to access flexible support for the Councils significant demands over the next few years.

Within the Portfolio, there is also £248,000 of management savings across Support Services which have yet to be delivered.

Council Cross-cutting Savings: £632,000 overspend due to further procurement savings targets and underspend rebasing across the Council which are currently yet to be achieved.

Corporate costs: £332,000 forecast underspend, as a result of one-off Banking Contract rebate plus reduced banking costs for a year, amounting to £80,000, and £150,000 of unidentified historic income. In addition, there are several other small underspends forecast including Parish Grant payments, unfunded pensions costs and external audit costs.

1.12 **Policy & Transformation Portfolio – forecast £39,000 overspend**

Libraries have achieved £60,000 of the £100,000 savings target due to salary savings from vacant posts. The remainder of this target within the service is currently a pressure for 2017/18.

1.13 **Adult Care, Health & Wellbeing Portfolio – forecast £2,179,000 overspend**

The Adult Social Care revenue budget has a current forecast service pressure of £3,528,000 but this position can be partially mitigated by fully drawing down the remaining balance, £1,349,000 of both the Social Care Reserve and the Care Act Reserve this is in line with anticipated use, giving a net service pressure of £2,179,000. Inflationary pressures arising from factors including implementation of the National Living Wage / Sleep-in Cover, and a lack of resilience in the care home market leading to a shortfall in supply, continue to be a challenge, with the latter having been exacerbated by recent care home closures and the full-year effect of closures in 2016/17.

Adult Social Care spend also continues to be subject to pressures arising from demographic change with increasing levels of complexity and acuity of need impacting on the cost of individual packages of care/placements despite enhanced control measures.

In 2017/18, changes in NHS arrangements in relation to Funded Nursing Care (FNC) and Continuing Healthcare (CHC), including changes to eligibility and assessment processes by the Clinical Commissioning Group (CCG), appear to

have impacted on the Council's costs for some care home placements. A more detailed review with the CCG of FNC and CHC arrangements, systems and processes will help us to fully understand these factors and any ongoing financial implications.

1.14 Children & Young People Portfolio – forecast £1,840,000 overspend

The forecast overspend within this Portfolio is due to a number of demand-driven pressures. Children's Social Care Placement costs are forecast to overspend by £1,630,000 due to the significant increase in expenditure for supporting individual children, in particular the support for residential placements, support for fostered (including independent fostering) and court directed parent and baby placements, along with direct payments for disabled children.

In addition, there is also a forecast overspend of £200,000 for Home to School Transport due to pressures on Special Educational Needs (SEN) transport, as well as demand levels for Mainstream Home to School Transport. Demand has increased as a result of legislative change in recent years, as well as high demand from outside the area for places in local Special Schools. This is making the placement of pupils locally increasingly difficult, and therefore it is necessary 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. The strategic review of transport will address the transport costs, but will take time to introduce. This forecast includes anticipated savings from the Strategic Review Processes "Apply For It", which went live September 2017. The forecast does not include changes to routes for the 2017/18 academic year, the cost of which will not be known until the end of September.

1.15 Economic & Community Regeneration Portfolio – forecast £961,000 underspend

Visitor numbers to the Roman Baths have increased by 7.5% compared to the previous year, which has led to Heritage Services forecasting £1,463,000 above the net income target. Within Economy & Culture, there is a £503,000 overspend forecast owing to £400,000 Strategic Review income targets for visitor economy, markets and events not being achieved, along with £83,000 unachieved Strategic Review Savings target in relation to Bath Tourism Plus in connection with the Christmas Market projections.

1.16 Development Portfolio – forecast £28,000 overspend

There are small overspends forecast in several areas of Planning Development and Building Control & Land Charges, such as £12,000 increased advertising and legal fees for Planning Development.

1.17 **Transport & Highways Portfolio – forecast £629,000 overspend**

There is a £224,000 overspend forecast in Highways & Traffic Management, with £205,000 due to Highway Development roles being covered by consultants owing to the difficulties in recruiting these specialist roles. A restructure is being developed to create some career-graded posts in this team to encourage applicants. Also, the £125,000 savings anticipated from the Highways Maintenance contract rationalisation have not been achieved. These overspends are partially offset by vacant post salary savings.

There is a £140,000 corporate pressure on the Leisure budget arising from unbudgeted costs of holding the Riverside building in Keynsham due to legal delays in the transfer of ownership.

Within Waste & Fleet Services, there is a £126,000 overspend forecast in Cleansing, owing to one-off costs for the relocation to Locksbrook Road and operational overspends including fuel and fleet costs, as well as ongoing budget pressures in Fleet Management and Waste.

Public Transport is forecasting a one-off £200,000 overspend in concessionary fares due to delays in finalising the 2016/17 outstanding payments. There is a risk that an additional budget pressure of £200,000 could materialise as a result of the 2017/18 levy payment to the West of England Combined Authority.

The overspends within this Portfolio are partially mitigated by a net forecast underspend in Parking Services of £132,000, where parking income is £319,000 above target and £227,000 of staffing vacancy are being off-set against delayed Strategic Review savings and bus lane enforcement income shortfalls.

CAPITAL BUDGET MONITORING – APRIL 2017 TO AUGUST 2017

- 2.1 The 2017/18 Capital Programme approved by Council in February 2017 was £56.083m. In addition, provisional capital projects of £42.576m have now been approved, and re-phasing of £23.930m was identified in the 2016/17 Outturn Cabinet Report on 19 July 2017.
- 2.2 A review of capital schemes is being carried out and the capital programme for 2018/19 onwards will be updated as part of the budget process.

Progressing Capital Projects Updates

- 2.3 **Transport Improvement Programme** – The Programme is progressing well, with multiple schemes in design and consultation. Schemes include improvements to increase the capacity of the Two Headed Man (A39) Junction this Autumn by the provision of an additional lane. Key issues on the Feasibility of Trams for Bath are also being identified.
- 2.4 **Highways Maintenance Programme** – Schemes progressing to programme. This includes the A4 Keynsham Bypass where in addition to the £500,000 of approved programme, a joint grant allocation of £2m has been secured from the Central Government with Bristol City Council. It is anticipated that Phase 1, critical works which include the Broadmead Lane Roundabout, will commence this Autumn, and Phase 2, the bulk of the works including resurfacing, will be completed by in Summer 2018.
- 2.5 **East of Bath Transportation** - The Cabinet has adopted a new approach to address the issues of traffic and transport in Bath, particularly to the east of the city, and has announced that a Park & Ride will not go ahead on either sites west and east of Mill Lane due to access safety reasons. The Council will continue to seek and implement new opportunities and new mayoral transport powers associated with the recently created West of England Combined Authority.
- 2.6 **Bath Transport Package: Main Works** – Most works have been completed, with all remaining items all due to finish in 2017/18
- 2.7 **Waste Projects including Infrastructure Relocation** – On-site construction for the relocation of the Outer Bath Street Cleansing Team to an operational base on Locksbrook Road started in August 2017, with completion late Autumn. Further options for the relocation of Refuse and Recycling collection operations, Commercial Waste Service and Waste Transfer Station are being developed.
- 2.8 **Bath Leisure Centre Refurbishment** – The first package of works of the development are now open to the public (the sports hall, new fitness suite and new studios) and work is nearing completion on Package 2A (delivering trampoline park, ten pin bowling, soft play, martial arts studio and party rooms), which are due to be opened to the public in September 2017. The next phase of development, including swimming pool improvements, has also commenced.

- 2.9 **Keynsham Leisure Centre** – The scheme proposals have received planning permission, and interior designs are finalised with budget approved. The project is being delivered in conjunction with the residential refurbishment of Riverside, and a contractor has been appointed with works anticipated to commence in Autumn 2017, for completion in 2019.
- 2.10 **Affordable Housing** – Platform for Life, a shared housing project for young people is acquiring 2 houses and delivering 8 units, is well progressed and due to complete this year. Hanover Extra Care is due to start on site in October 2017 and 5 rural units in Bathampton are expected to complete in quarter 4. All financial arrangements in place to begin to fund HOLD (Home Ownership for People with Long-Term Disabilities) for shared ownership purchases. English Rural is also due to start on site to secure units in the Old Rectory, Chew Stoke in early 2018.
- 2.11 **Digital B&NES** - Public Wi-Fi in Bath City Centre tender has been awarded, with planning permission for the network granted. Installation will start in October 2017, with the aim to go live before Christmas. There is a wait on the Connecting Devon and Somerset Partnership board to provide the coverage areas and timelines on the phase 2 of the project. The Government has announced they want B&NES to be part of national Gigabit voucher scheme pilot.
- 2.12 **RIF Project: Bath Quays Waterside (Innovation Quay)** - Hard landscaping to the north river bank is progressing well with paths, steps and walls nearing completion. Tree planting is complete, and planting of shrubs and wildflowers underway, with grass seeding to follow. The lower towpath has re-opened and will remain open while river railings along this section are replaced in September 2017. Landscaping in the area of Bath Quays Bridge will be undertaken as a second landscaping phase after installation of the bridge, currently envisaged in 2018. Raising the river walls on the south bank continues to progress and is expected to be completed immanently. Work to realign the riverside path on the southern boundary of Green Park is substantially complete, with some planting remaining.
- 2.13 **Bath Quays North** – An OJEU (Official Journal of the European Union) procurement process to select a development partner for the Bath Quays North site went live via the Supplying the South West portal in July 2017. A successful launch event for potential developers was held at the Gainsborough Hotel in Bath on 20th July 2017, which confirmed strong market interest in the development opportunity, followed by further event in London on 10th August 2017 for interested parties who were unable to attend in July. The deadline for initial Expressions of Interest was 12th September 2017, and 14 were received.
- The Bath Quays North design masterplan is being refined following feedback on initial proposals submitted to the Council's Planning Department and an on-going stakeholder consultation. The target date for submission of an outline planning application is this Autumn.
- 2.14 **Bath Quays South** – Funding is now in place to progress the delivery of BWS. EDF grant funding has been secured for the enabling infrastructure and Commercial Estate investment for the offices. Planning consent was obtained in March 2017 and construction is due to commence of site in Autumn 2018.

Letting agents have been appointed to identify occupier interest for the Bath Quays South office building. The initial market feedback has been positive and it is expected that works will commence on site with enabling, demolition and remediation later in the Autumn.

- 2.15 **Bath Quays Bridge** – Planning consent was obtained in March 2017. Detailed design is underway and works will be tendered in October 2017. The off-site manufacture will commence in 2018 for completion later in that year.
- 2.16 **Schools Capital Maintenance Programme** – The 2017/18 Schools Capital Maintenance Programme includes a £500,000 element for Emergency Works, Disability Discrimination Act compliance and other Minor Works schemes. The remaining budget has been allocated to a larger scheme at Swainswick Primary School, to replace poor condition classrooms and provide new toilet facilities.
- 2.17 **Paulton Junior School** – Works are complete on the 4 classroom block and hall. The buildings have been handed over to the school and a small number of external works are being finalised.
- 2.18 **Saltford Primary** – Expansion of accommodation and replacement of poor condition temporary buildings, where the new buildings were complete for September 2017 and are being transferred to the Wellsway Multi Academy Trust.
- 2.19 **Longvernal Primary School** – Internal remodelling to provide a bulge class for September 2017 admissions is now complete.
- 2.20 **St Saviour's Junior School** – Internal remodelling and external works to provide a bulge class for September 2017 admissions are now complete.
- 2.21 **St Mary's Primary School, Writhlington** – Expansion of accommodation to provide additional school places was completed during Summer 2017, ready for September 2017 admissions.
- 2.22 **Castle Primary School** – Phase 4 expansion works currently in progress to deliver additional accommodation to expand the school from 210 to 420 places.
- 2.23 **Ensleigh – New Primary School** - The buildings are complete and were handed over to the Comenius Trust, the new school sponsor, during the Summer. The school was opened and operational at the beginning of September 2017, ready to accept the new pupils.
- 2.24 **Roman Baths Archway Project** - This £5Million project will be funded by a Council capital contribution of £1Million, together with a Heritage Lottery Fund (HLF) grant of £3.4 million, and other fundraising. One key project dependency is the completion of the works to York Street, where although not expected to impact the timetable, some re-scheduling is required with some preliminary work being brought forward to facilitate this.
- 2.25 **Grand Parade & Undercroft** – Planning consent has been approved and all options associated with the scheme are being reviewed.

This page is intentionally left blank

Portfolio Summary Monitor REVENUE SPENDING For the Period APRIL 2017 to AUGUST 2017	CURRENT YEAR 2017/18 FORECAST OUTTURN					ADVERSE / FAVOURABLE
	Forecast Gross Expenditure	Forecast Gross Income	Net Forecast Actual	Annual Current Budget	Forecast over or (under) spend	
	£'000	£'000	£'000	£'000	£'000	
Leader	5,942	(680)	5,262	5,221	41	ADV
Finance & Efficiency	110,959	(104,536)	6,422	5,023	1,399	ADV
Policy & Transformation	1,845	(186)	1,659	1,620	39	ADV
Adult Care, Health & Wellbeing	134,592	(72,864)	61,727	59,548	2,179	ADV
Children & Young People	166,342	(137,504)	28,838	26,997	1,840	ADV
Economic & Community Regeneration	19,218	(23,827)	(4,609)	(3,648)	(961)	FAV
Development	7,805	(4,017)	3,788	3,761	28	ADV
Transport & Highways	47,592	(30,322)	17,271	16,712	559	ADV
TOTAL COUNCIL	494,294	(373,935)	120,359	115,234	5,125	ADV

This page is intentionally left blank

Portfolio Summary Monitor Capital Monitor April 2017 to August 2017	CURRENT YEAR 2017/18 FORECAST OUTTURN		
	Forecast Actual Expenditure	Annual Current Budget	Forecast In-Year Variance
	£'000	£'000	£'000
Leader	209	209	0
Finance & Efficiency	47,102	47,102	0
Policy & Transformation	0	0	0
Adult Care, Health & Wellbeing	1,447	1,447	0
Children & Young People	13,014	13,227	(213)
Economic & Community Regeneration	21,028	21,028	0
Development	14	14	0
Transport & Highways	39,562	39,562	0
TOTAL COUNCIL	122,375	122,589	(213)

This page is intentionally left blank

2017/18 Revenue Virements for Approval

<u>REF NO</u>	<u>REASON / EXPLANATION</u>	<u>CABINET MEMBER</u>	<u>TRANSFER FROM</u>	<u>Income</u>	<u>Expenditure</u>	<u>CABINET MEMBER</u>	<u>TRANSFER TO</u>	<u>Income</u>	<u>Expenditure</u>	<u>DESCRIPTION</u>	<u>ONGOING EFFECTS</u>
			<u>CASHLIM</u>	<u>(£'s)</u>	<u>(£'s)</u>		<u>CASHLIM</u>	<u>(£'s)</u>	<u>(£'s)</u>		
The following virements are reported for approval under the Budget Management Scheme rules.											
LOG 17#01	Ward Member Initiatives	Leader	Strategy & Performance		195,000	Finance & Efficiency	Corporate items (Savings)		195,000	Removal of on-going revenue budget for "Ward Member Initiatives" as part of the underspends review for 2016/17 financial year. Future bids for Ward Member initiatives projects would be funded from Council reserves.	Budget virement is on-going.
OVERALL TOTALS				0	195,000			0	195,000		
					195,000				195,000		

2017/18 Revenue Virements for Information

<u>REF NO</u>	<u>REASON / EXPLANATION</u>	<u>CABINET MEMBER</u>	<u>TRANSFER FROM</u>	<u>Income</u>	<u>Expenditure</u>	<u>CABINET MEMBER</u>	<u>TRANSFER TO</u>	<u>Income</u>	<u>Expenditure</u>	<u>DESCRIPTION</u>	<u>ONGOING EFFECTS</u>
			<u>CASHLIM</u>	<u>(£'s)</u>	<u>(£'s)</u>		<u>CASHLIM</u>	<u>(£'s)</u>	<u>(£'s)</u>		

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 17#00	Cabinet Portfolio Realignment	Community Services	Various		20,120,364	Transport & Highways	Various		16,790,398	Realignment of Cash Limits between Portfolios following Cabinet Portfolio restructure.	Budget virement is on-going.
						Development			Public Protection & Health Improvement - Regulatory & Active Lifestyles		
		Homes & Planning	Housing		1,101,598	Policy & Transformation	Libraries & Information	1,528,723			
						Economic & Community Regeneration	Housing	1,101,598			
Page 119 INFO 17#01	Education Services Grant Reduction	Finance & Efficiency	Corporate Budgets incl. Capital, Audit & Bank Charges		21,156	Children & Young People	Health, Commissioning & Planning		21,156	Transfer of corporately held contingency budget for the impact of reduction in Education Services Grant (ESG) in relation to schools transferring to Academies. This relates to non-school services funded by the ESG.	Budget virement is on-going.
INFO 17#02	E Transaction Costs	Finance & Efficiency	Finance		72,171	Finance & Efficiency	Corporate Budgets incl. Capital, Audit & Bank Charges		72,171	Transfer of budget held for expenditure accepting credit card payments. This virement is moving this budget into the Corporate bank charges budget.	Budget virement is on-going.
INFO 17#03	Place Savings Targets	Economic & Community Regeneration	Economy & Culture		10,000	Transport & Highways	Place - Overheads		74,494	Strategic Director's re-allocation of the Place savings target to individual services within the Place Directorate.	Budget virement is on-going.
		Transport & Highways	Highways & Traffic Management		64,494						

2017/18 Revenue Virements for Information

REF NO	REASON / EXPLANATION	CABINET MEMBER	TRANSFER FROM		Income (£'s)	Expenditure (£'s)	CABINET MEMBER	TRANSFER TO		Income (£'s)	Expenditure (£'s)	DESCRIPTION	ONGOING EFFECTS
			CASHLIM					CASHLIM					
INFO 17#04	Audit West Rent	Finance & Efficiency	Risk & Assurance			33,000	Finance & Efficiency	Commercial Estate		33,000		Transfer of budget to Commercial Estate to cover rent of office space by Audit West.	Budget virement is on-going.
INFO 17#05	Community Safety	Leader	Strategy & Performance			20,500	Finance & Efficiency	Customer Services			36,000	Transfer of Community Safety budgets relating to administration and taxi marshals to support the Business Improvement District.	Budget virement is on-going.
		Economic & Community Regeneration	Economy & Culture			15,500							
INFO 17#06	Public Transport WoECA Contribution	Transport & Highways	Transport & Parking Services - Public & Passenger Transport			4,210,514	Finance & Efficiency	West of England Combined Authority Levy			4,210,514	Transfer of budgets to reflect the establishment of the West of England Levy for Transport functions.	Budget virement is on-going.
INFO 17#07	Loan & Mortgage Administration Software	Economic & Community Regeneration	Housing			7,185	Finance & Efficiency	Finance			7,185	Transfer of budget for Loan & Mortgage administration software, which will now be the responsibility of finance.	Budget virement is on-going.
INFO 17#08	Finance Recharge Budget	Economic & Community Regeneration	Housing			41,094	Finance & Efficiency	Finance			41,094	Removal of Finance recharge budget to housing, along with the abolition of the actual recharges. This will result in a nil impact for both services.	Budget virement is on-going.
INFO 17#09	Digital Transformation Programme	Finance & Efficiency	Customer Services			86,170	Finance & Efficiency	Information Technology			86,170	Transfer for budget for two posts, where staff are temporarily moving from Customer Services for 12 months to work on the Digital Transformation Project.	Budget virement is one-off.
INFO 17#10	Registrars Printing	Finance & Efficiency	Customer Services			2,786	Finance & Efficiency	Information Technology			2,786	Transfer of Registrars' budget for printing, following their inclusion in the Council's Managed Print Service (MPS).	Budget virement is on-going.

2017/18 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 17#11	Place Savings Target Correction	Economic & Community Regeneration	Housing		7,500	Development	Building Control & Land Charges		7,500	Correction to previously mis-allocated savings target within the Place Directorate.	Budget virement is on-going.
INFO 17#12	Staff Training	Economic & Community Regeneration	Economy & Culture		100	Economic & Community Regeneration	World Heritage		100	Transfer of staff training & Development budget following the transfer of staff between services.	Budget virement is on-going.
INFO 17#13	Guildhall Events	Finance & Efficiency	Corporate Estate Including R&M	22,474		Finance & Efficiency	Property Services		22,474	Creation of additional income target for Guildhall events, to be used to fund Building Services Officer.	Budget virement is on-going.
Page 112 INFO 17#14	Systems Team - iTrent	Finance & Efficiency	People Services		41,952	Finance & Efficiency	Finance		41,952	Following the restructure of the Systems Team, work on the iTrent Payroll system has moved to the team. This virement reflects the post that has moved with the responsibility.	Budget virement is on-going.
INFO 17#15	People Services / Human Resources Savings Target	Finance & Efficiency	Human Resources		50,000	Finance & Efficiency	People Services		50,000	Reallocation of 50% of the £100,000 savings target incorrectly allocated to People Services. This splits the target 50/50 between People Services & Human Resources.	Budget virement is on-going.
INFO 17#16	Education Services Grant Reduction	Finance & Efficiency	Corporate Budgets incl. Capital, Audit & Bank Charges		46,317	Children & Young People	Health, Commissioning & Planning		46,317	Additional transfer of corporately held contingency budget for the impact of reduction in Education Services Grant (ESG) in relation to schools transferring to Academies. This relates to non-school services funded by the ESG. This is the additional amount required from 2017/18 onwards.	Budget virement is on-going.
INFO 17#17	DSG Reserves Transfers	Finance & Efficiency	Balances & Reserves		2,014,096	Children & Young People	Schools Budgets		2,014,096	Transfer from reserves to reflect automatic carry forward of year end DSG underspend.	Budget virement is one-off.

2017/18 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 17#18	Revenue Grants Unapplied	Finance & Efficiency	Balances & Reserves		143,081	Transport & Highways	Neighbourhoods & Environment - Waste & Fleet Services		143,081	Technical accounting adjustment to fully recognise unconditional revenue grants fully in year of receipt.	Budget virement is one-off.
INFO 17#19	2016/17 Revenue Carry Forwards	Finance & Efficiency	Balances & Reserves		188,300	Leader	Strategy & Performance		7,000	Carry forwards from 2016/17 underspends, as approved by July'17 Cabinet in Outturn report.	Budget virement is one-off.
						Development	Development Management		129,300		
						Economic & Community Regeneration	Economy & Culture		30,000		
						Transport & Highways	Neighbourhoods & Environment - Waste & Fleet Services		22,000		
INFO 17#20	Schools' Finance Support Unit & Strategic Teams	Children & Young People	Health, Commissioning & Planning	277,969		Finance & Efficiency	Finance	277,969	This is the virement to transfer the responsibility of the income generated from the Schools Finance Support Unit and the Schools Strategic Team into People and Communities, in accordance with the Finance restructure.	Budget virement is ongoing.	
INFO 17#21	Special Educational Needs Partnership Team	Children & Young People	Health, Commissioning & Planning		91,321	Policy & Transformation	Libraries & Information		91,321	The transfer of the responsibility of the SEND Partnership Team to Libraries & Information, for impartiality of advice.	Budget virement is ongoing.
INFO 17#22	Children's Safeguarding Teams	Children & Young People	Children, Young People & Families		59,733	Children & Young People	Health, Commissioning & Planning		59,733	Realignment of staffing budgets for the Safeguarding Teams within Children's Services, to reflect the management of the budgets.	Budget virement is ongoing.
INFO 17#23	Transport Strategic Review Savings	Children & Young People	Health, Commissioning & Planning		162,000	Transport & Highways	Transport & Parking Services - Public & Passenger Transport		162,000	Allocation of "A to B" Transport Strategic Review Savings to Home to School Transport.	Budget virement is ongoing.
OVERALL TOTALS				300,443	28,610,932			310,969	28,600,406		28,911,375

This page is intentionally left blank

Portfolio Cash Limits 2017/18 - Revenue Budgets

Appendix 4(ii)

Cabinet Portfolio		Service	2017/18 Approved Budget £'000	Technical Adjustments, below BMS limits or already agreed - shown for information £'000	Total Virements for Approval £'000	Oct'17 Revised Cash Limits £'000
Leader	1053	Council Solicitor & Democratic Services	2,484			2,484
	1045	Strategy & Performance	2,751	(14)	(195)	2,543
		PORTFOLIO SUB TOTAL	5,235	(14)	(195)	5,026
Finance & Efficiency	1040	Finance	2,248	296		2,544
	1097	People Services	447	8		455
	1042	Risk & Assurance Services	1,034	(33)		1,001
	1032	Information Technology	4,587	89		4,676
	1014	Customer Services	2,904	(53)		2,851
	1047	Human Resources	460	(50)		410
	1037	Property Services	2,503	22		2,526
	1038	Corporate Estate Including R&M	2,293	(22)		2,271
	1081	Commercial Estate	(15,738)	33		(15,705)
	1039	Traded Services	170			170
	1095	Strategic Director - Resources	(54)			(54)
	1096	Corporate items (Savings)	(938)		195	(743)
	1054	Hsg / Council Tax Benefits Subsidy	(195)			(195)
	1055	Capital Financing / Interest	4,130			4,130
	1056	Unfunded Pensions	1,679			1,679
	1057	Corporate Budgets incl. Capital, Audit & Bank Charges New Homes Bonus Grant	(235) (5,325)	5		(231) (5,325)
	1058	Magistrates	17			17
1059	Coroners	305			305	
1060	Environment Agency	226			226	
1061	West of England Combined Authority Levy		4,211		4,211	
		PORTFOLIO SUB TOTAL	518	4,505	195	5,218
Adult Care, Health & Wellbeing	1027+1071+1072+107	Adult Services	59,013			59,013
	1036	Adult Substance Misuse (Drug Action Team)	535			535
		PORTFOLIO SUB TOTAL	59,548			59,548
Children & Young People	1076	Children, Young People & Families	13,282	(60)		13,223
	1077	Learning & Inclusion	15,929			15,929
	1078	Health, Commissioning & Planning	(107,424)	(404)		(107,828)
	1079	Schools Budget	103,498	2,014		105,512
		PORTFOLIO SUB TOTAL	25,285	1,550		26,835
Development	1106	Development Management	1,613	129		1,743
	1005	Building Control & Land Charges	209	8		217
	1013	Public Protection & Health Improvement - Regulatory & Active Lifestyles		1,801		1,801
		Housing	1,102	(1,102)		
		PORTFOLIO SUB TOTAL	2,924	836		3,761
Economic & Community Regeneration	1108	Economy & Culture	987	4		991
	1109	World Heritage	156			156
	1018	Heritage	(6,075)			(6,075)
	1029	Housing		1,046		1,046
	1052	Regeneration, Skills & Employment	233			233
		PORTFOLIO SUB TOTAL	(4,699)	1,050		(3,648)

Portfolio Cash Limits 2017/18 - Revenue Budgets

Appendix 4(ii)

Cabinet Portfolio	Service	2017/18 Approved Budget £'000	Technical Adjustments, below BMS limits or already agreed - shown for information £'000	Total Virements for Approval £'000	Oct'17 Revised Cash Limits £'000
Community Services	Place - Overheads	487	(487)		
	Public Protection & Health Improvement - Regulatory & Active Lifestyles	1,801	(1,801)		
	Neighbourhoods & Environment - Waste & Fleet Services	14,120	(14,120)		
	Neighbourhoods & Environment - Parks & Bereavement Services	1,501	(1,501)		
	Libraries & Information	1,529	(1,529)		
	Public Protection & Health Improvement - Leisure	683	(683)		
	PORTFOLIO SUB TOTAL	20,120	(20,120)		
Transport & Highways	1006 Highways & Traffic Management	7,408	(64)		7,344
	1101 Neighbourhoods & Environment - Waste & Fleet Services		14,285		14,285
	1102 Neighbourhoods & Environment - Parks & Bereavement Services		1,501		1,501
	1019 Public Protection & Health Improvement - Leisure		683		683
	1008 Place - Overheads		561		561
	1103 Transport & Parking Services - Parking	(6,883)			(6,883)
	1104 Transport & Parking Services - Public & Passenger Transport	3,432	(4,049)		(617)
	PORTFOLIO SUB TOTAL	3,957	12,917		16,874
Policy & Transformation	1015 Libraries & Information		1,620		1,620
	PORTFOLIO SUB TOTAL		1,620		1,620
	NET BUDGET	112,889	2,345		115,234

Sources of Funding

Council Tax	82,192			82,192
Retained Business Rates	31,279			31,279
Collection Fund Deficit (-) or Surplus (+)	(1,379)			(1,379)
Balances	797	2,345		3,142
Total	112,889	2,345		115,234

Capital Virements - Additions & Reductions 2017/2018

Appendix 5 (i)

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes	Month
17-18 Base Budget			56,082,691			56,082,691		Base Budgets approved Feb 2017 by Cabinet	
CAP17#001-2017	Speed Enforcement Cameras	SSB/Revenue	70,000		Place- Environmental Services		70,000	Full approval of Speed Enforcement Cameras 17/18 scheme. Approved by Single Member Decision E2926	
CAP17#002-2017	Affordable Housing	Corporate Supported Borrowing	1,630,352		Place - Community Regeneration		1,630,352	Allocation of provisional budget. Approved by Officer Decision 2/11/16	
CAP17#003-2017	Housing Delivery Vehicle	Capital receipts	461,000		Resources - Property Services		461,000	Create budget for ADL disposals funded from capital receipts. Approved by Officer Decision 31/3/17	
CAP17#004-2017	Freshford Primary Enhancements	Section 106	32,429		People and Communities- Children's Services		32,429	E2965 SMD fully approved expand and enhance current education facilities at Freshford Primary School	
CAP17#005-2017	St Nicholas Primary - Feasibility Study Expansion	Grant	85,000		People and Communities- Children's Services		85,000	Comprises i) E2965 Approval Expansion Works to provide additional classroom. ii) Technical Adjustment - Approved by Strategic Director, People and Communities Aug 17, reflects complex feasibility study and need to incorporate Flood Risk Assessment and include Design and Engineering Consultancy Fees iii) Technical Adjustment - Approved by Strategic Director, People and Communities Apr 17 additional funds required to expand.	
CAP17#006-2017	Schools Minor Works and DDA Schemes	Grant	250,000		People and Communities- Children's Services		250,000	Code correction from Planned Maintenance to DDA and Emergency Works.	
CAP17#007-2017	Schools Capital Maintenance Programme	Grant	-230,000		People and Communities- Children's Services		-230,000	Comprises i) Technical Adjustment - agreed by Strategic Director Resources July 17 to convert Broadlands Primary building to enable use for Primary Alternative Education provision from September & ii) Technical Adjustment - agreed by Strategic Director, People and Communities Apr 17. Increased funding enabling full feasibility study of Swainwick Primary Temp Buildings, including surveys and costs less iii) £250K Code correction from Planned Maintenance to DDA and Emergency Works. Less iv) Technical Adjustment - approved by Strategic Director People and Communities. Transfer of funding to St Gregs, 6th form enabling emergency landscaping works that are required to meet planning permission	
CAP17#008-2017	Basic Needs Feasibility / Option Appraisal	Grant/S106	30,000		People and Communities- Children's Services		30,000	E2965 Fully approved Section 106 Funding for Longvernal Primary School to provide bulge classes less £40K transfers re Basic Needs Feasibility Grant Funding comprised of i) St Nicholas Primary (#002-2017 above) ii) Swainwick Primary Temp Buildings (#004-2017 above)	
CAP17#009-2017	St Gregs, St Marks 6th Form	Grant	35,000		People and Communities- Children's Services		35,000	Technical Adjustment - Approved by Strategic Director, People and Communities. Emergency landscaping works required to meet planning permission.	
CAP17#010-2017	Whitchurch Primary Expansion	Grant/Section 106	1,309,000		People and Communities- Children's Services		1,309,000	E2956 SMD fully approved £1309K of provisionally approved Basic Need Grant capital for Basic Need scheme	
CAP17#011-2017	Castle Primary- Phase 4 New Build Feasibility	Basic Needs Grant/Section 106	2,556,000		People and Communities- Children's Services		2,556,000	E2930 SMD now obtained of provisionally approved funding to expand Castle Primary school	
CAP17#012-2017	St Saviours Junior School	Grant/Section 106	165,000		People and Communities- Children's Services		165,000	E2929 SMD fully approved to remodel existing accommodation to provide a bulge class for pupils transferring through from St Saviours Infant School	

CAP17#013-2017	Children's Education Management System	Service Supported Borrowing	820,000		People and Communities- Children's Services		820,000	E2948 SMD fully approved to enable a different IT solution for Education and Early Years aiding school place planning for SEND, statutory reporting, strategic transport review as well as the preparation for OFSTED inspections.
CAP17#014-2017	Drugs and Alcohol Recovery House Public Health Grant	Grant	750,000		People and Communities- Adult Social Care		750,000	E2954 SMD full approval of the Public Health England grant capital funding for the purchase of the drug and alcohol recovery house.
CAP17#015-2017	Community Resource Centre Capital Investment	Grant	700,000		People and Communities- Adult Social Care		700,000	E2886 SMD fully approved funding to develop 3 Community Resource Centres in B&NES providing residential care beds.
CAP17#016-2017	Leisure Bath - Car Park Bath £150K/Odd Down £50K	CIL	200,000		Place- Environmental Services		200,000	E2942 SMD fully approved £200K of provisionally approved CIL Leisure budget.
CAP17#017-2017	Litter Bin Replacement Programme	Service Supported Borrowing	25,000		Place- Environmental Services		25,000	E2941 SMD enabling the upgrade and replacement of old litter bin stock, continuing improvement works to the street scene.
CAP17#018-2017	Parks Equipment	Service Supported Borrowing	41,000		Place- Environmental Services		41,000	E2941 SMD approved Parks Equipment first year of a 3 year End -of-Life Asset replacement programme this entails essential maintenance of equipment.
CAP17#019-2017	Leisure facility modernisation - Keynsham Sports Centre	Service Supported Borrowing/Capital Receipts	2,600,000		Place- Environmental Services		2,600,000	E2942 SMD fully approved part of a larger scheme to redevelop the whole Keynsham Riverside site making the expansion and refurbishment of the existing leisure centre a viable option.
CAP17#020-2017	Parks Action Response Work	Section 106	236,000		Place- Environmental Services		236,000	E2941 SMD fully approved Parks Action Response scheme budget -
CAP17#021-2017	Parks Section 106 Capital projects	Section 106	289,000		Place- Environmental Services		289,000	E2931 SMD fully approved S106 developer contributions funding.
CAP17#022-2017	Parks Play Equipment	Corporate Supported Borrowing	278,000		Place- Environmental Services		278,000	E2932 SMD fully approved £289K provisional Corporate Supported Borrowing for Play equipment
CAP17#023-2017	Sydney Gardens: a 21st Century Pleasure Gardens	Grant- Heritage Lottery Funded	270,000		Place- Environmental Services		270,000	E2941 SMD fully approved £270K of provisionally approved budget. Sydney Gardens Heritage Lottery Funded programme of improvements
CAP17#024-2017	Environmental Neighbourhood Services Vehicle Replacement Programme	Service Supported Borrowing	715,000		Place- Environmental Services		715,000	E2941 SMD fully approved £715K of provisional environmental services waste replacement budget.
CAP17#025-2017	Waste Operations Relocation	Service Supported Borrowing	8,743,000		Place- Environmental Services		8,743,000	SMD full approval for E2940, E2928, E2921 & E2941 of provisionally approved budgets for Waste Redesign. .
CAP17#026-2017	Transport Improvement Programme	S106	-50,000		Place- Environmental Services		-50,000	Technical Adjustment. Divisional Director Environmental Services approval re transfer of Writhlington Speed Camera budget (externally funded) to specialist speed camera project. (Block Scheme- Delegated Authority)
CAP17#027-2017	Highways Maintenance Programme	Section 106/Grant	35,000		Place- Environmental Services		35,000	Comprised of 1) £20K Section 106- Technical Adjustment - approved Cabinet Member for Transport (6/6/17). Drawdown from 12/0-2626/FUL-University of Bath GTA Building. Design and Construction of Off Road shared Pedestrian/Cycle Path at Claverton Down 2) £15K Grant- Technical Adjustment. LGF grant value approved for £515k- £15K in excess of original £500K budget estimate set in February. Therefore need to increase budget by £15k - all externally funded by grant.
CAP17#028-2017	Dorchester Street, Traffic Review	Corporate Supported Borrowing	100,000		Place- Environmental Services		100,000	E2960 SMD fully approved £100K of provisionally approved Corporate Supported Borrowing in order to investigate and develop traffic improvements. Implement improvements that can be funded within available budget in order to increase resilience and traffic flow in this busy city centre road
CAP17#029-2017	Park and Ride East of Bath Project Development	Corporate Supported Borrowing	500,000		Place- Environmental Services		500,000	E2861 Cabinet decision to release additional £500K Corporate Supported Borrowing funding to deliver next steps of project
CAP17#030-2017	Kingsmead Square Improvements	Corporate Supported Borrowing	10,000		Place- Environmental Services		10,000	E2961 SMD fully approved £10K of provisionally approved Corporate Supported Borrowing enabling a feasibility study to be undertaken for Kingsmead Square.

CAP17#031-2017	London Road Modification	Corporate Supported Borrowing	200,000		Place- Environmental Services		200,000	E2957. SMD fully approved £200K of provisionally approved budget in order to resolve any violations introduced via experimental Traffic Regulations Orders and also to enable improvements works
CAP17#032-2017	Somerdale Bridge- Initial Options Study	Section 106	70,000		Place- Environmental Services		70,000	E2959 SMD fully approved £70K of provisionally approved budget enabling a feasibility study to be undertaken.
CAP17#033-2017	HMB- National Productivity Investment Fund	Grant	788,000		Place- Environmental Services		788,000	E2969 SMD fully approved £788K of provisionally approved grant funding from the Department for Transport (DfT) National Productivity Investment Fund. Funding to be added to existing Structural Maintenance and Transport Improvement programmes of work.
CAP17#034-2017	Disabled Facilities Grant 2016/2017	Grant	50,000		Place- Environmental Services		50,000	Technical Adjustment reflecting Department for Communities and Local Government (DCLG) grant funding determination higher than anticipated. (Ring fenced)
CAP17#035-2017	Department of Health Grant: Assistive Technology	Grant	46,800		Resource- Business Support		46,800	DDG approval 2/5/17, Officer Delegated Decisions taken 11/5/17. 1 year of Grant Funding received from the Department of Health Housing and Technology Fund. MoU signed with Department of Health under Housing and Assistive Technology Fund for the delivery of packages of assistive technology to a minimum of 39 people with Learning Disabilities in 2017-2018.
CAP17#036-2017	Income Upgrade and Associated Works	Corporate Supported Borrowing	45,000		Resource- Business Support		45,000	E2963 SMD fully approved £45K of provisionally approved Corporate Supported Borrowing funding enabling the upgrade of the Council's income systems in accordance with enhanced national security standards.
CAP17#037-2017	Acquisitions- Future Revenue Generation	Service Supported Borrowing	18,720,000		Resources- Property		18,720,000	E2953: SMD fully approved £9,600K of provisionally approved property acquisition budget to acquire Westingham Way, Melksham E2964: Fully approved £9,120K (via Rule16 Constitution) of provisionally approved property acquisitions budget to acquire 930 Aztec West, Bristol
CAP17#038-2017	Rephasing (See 2016-2017)	Various 17/18 Budgets	23,930,377		Various 17/18 Budgets		23,930,377	17-18 Capital Carry Forwards approved by Cabinet July 2017
OVERALL TOTALS			122,588,649				0 122,588,649	
			122,588,649				122,588,649	

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
17-18 Base Budget	2017/2018 Future Year Base Budget Upload		10,010,000				10,010,000	Future Years Budgets approved Feb 2017 by Cabinet
CAP17#001-FY	Parks Equipment	Service Supported Borrowing	41,000		Place- Environmental Services		41,000	E2941 SMD approved Parks Equipment 2nd year of a 3 year End -of-Life Asset replacement programme this entails essential maintenance of equipment.
CAP17#002-FY	Parks Equipment	Service Supported Borrowing	41,000		Place- Environmental Services		41,000	E2941 SMD approved Parks Equipment 3rd year of a 3 year End -of-Life Asset replacement programme this entails essential maintenance of equipment.
			10,092,000	0		0	10,092,000	
			10,092,000				-10,092,000	

This page is intentionally left blank

CAPITAL SCHEME	2017/18			
	Total Approved Budget 2017/2018 £'000	Re-phasing Request at July 2017 Cabinet £'000	Approvals to September 2017 Cabinet £'000	Budget at September 2017 Cabinet £'000
Leader				
Energy at Home	0	4	0	4
Warmth & Health Homes Programme	0	43	0	43
LAA Performance Reward Grant	87	75	0	162
	87	122	0	209
Finance & Efficiency				
Workplaces Programme Delivery	160	477	0	637
Keynsham Regeneration & New Build	31	1,228	0	1,259
Lewis House (Inc Comms Hub & OSS)	0	0	0	0
The Hollies	0	25	0	25
Corporate Estate Planned Maintenance	1,357	1,011	0	2,368
Disposals Programme (Minor)	127	17	0	144
Commercial Estate Investment Fund	300	35	0	335
Saw Close Development	40	7	0	47
Grand Parade & Undercroft	4,774	31	0	4,805
Equality Act Works	150	311	0	461
Roseberry Place	28	3	0	31
1 - 3 James Street West	0	115	0	115
7 - 9 Lower Borough Walls	19	4	0	23
Englishcombe Lane	0	0	0	0
Corporate Capital Contingency	0	2,000	0	2,000
Bathampton Farmhouse	0	40	0	40
Housing Delivery Vehicle	0	670	461	1,131
Property Company Investment	12,500	1,283	153	13,936
Westgate Street 30-35 Acquisition	0	0	0	0
Acquisitions - Future Revenue Generation	0	194	18,720	18,914
Income systems upgrade & associated works	0	0	45	45
Department of Health Grant: Assistive Technology	0	0	47	47
Cleveland Pools	0	100	0	100
Desktop As a Service - VDI Technology	193	40	0	233
Customer Services System	215	-20	0	195
IT Asset Refresh (Servers and Network)	0	109	0	109
Agresso System Development & 5.6 Upgrade	103	0	0	103
	19,997	7,679	19,426	47,102
Policy & Transformation				
Modern Libraries & Workplaces	0	0	0	0
	0	0	0	0
Adult Care, Health & Wellbeing				
Adult Social Care Database replacement	0	-3	0	-3
Community Resource Centre Capital investment	0	0	700	700
Drugs and Alcohol Recovery House Public Health Grant	0	0	750	750
	0	-3	1,450	1,447
Children & Young People				
Schools Capital Maintenance Programme	500	838	-230	1,108
Schools Devolved Capital	328	840	0	1,168
Weston All Saints Primary - Basic Need	0	117	0	117
Castle Primary - Basic Need	58	239	-70	227
St Saviour's Junior - Basic Need	0	8	0	8
Salford Primary - Basic Need	966	113	0	1,079
Short Breaks for Disabled Children	0	20	0	20
School Energy Invest to Save Fund	230	-17	0	213
Early Years - 2yr Olds Funding / S106	0	2	0	2
Basic Needs Feasibility / Option Appraisal	250	37	30	317
Schools LA Contribution to Capital / Private Capital / Seed Challenge / Travel Plans	0	103	0	103
Paulton Junior School - Basic Need	196	308	0	504
Youth Projects	0	48	0	48
Client Data System for Children's Social Services	0	2	0	2
Bishop Sutton Primary School - Basic Need	45	159	0	204

St Mary's Writhlington Replace Classroom Block	518	9	0	527
Chandag Infants UIFSM	0	85	0	85
Schools Minor Works and DDA Schemes	0	190	250	440
Westfield Primary School - Basic Need	0	113	0	113
St John's School Keynsham classroom refurbishment	0	5	0	5
Children's Centre Capital Schemes	0	6	0	6
Oldfield Park Junior School - Basic Need	0	112	0	112
Farmborough Primary BN Feasibility Study	0	103	0	103
St Marys Writhlington BN Feasibility Study	0	-7	0	-7
Whitchurch Primary BN Feasibility Study	0	7	0	7
Ensleigh - New Primary School Feasibility Study	1,080	50	0	1,130
MOD Foxhill Mulberry Park - New School Feasibility Study	0	9	0	9
Bathwick St Mary New School Expansion	0	9	0	9
East Harptree - DDA BN Feasibility Study	0	0	0	0
Bathampton School Basic Needs	0	15	0	15
St Michaels Junior School Pratten Building Feasibility Study	0	-1	0	-1
Keynsham East New School Feasibility Study - Cost	0	5	0	5
Farmborough Primary - Basic Need	0	0	0	0
St Michaels Junior School Replace temporary building	35	0	0	35
Riverside Youth Hub Development	0	95	0	95
St Keyna Basic Need Feasibility Study	0	19	0	19
Somerdale New School Feasibility Costs	0	4	0	4
Ubley Primary Basic Needs	0	323	0	323
Castle Primary - Phase 4 New Build Feasibility	0	-35	2,626	2,591
St Nicholas Primary - SEN Breakout Unit	0	0	0	0
St Nicholas Primary - Feasibility Study Expansion	0	0	85	85
St Saviour's Junior - Bulge Year Feasibility Study	0	12	0	12
St Gregs, St Marks 6th Form	0	41	35	76
St Saviour's Junior bulge class	0	0	165	165
Freshford Primary Enhancements	0	0	32	32
Children's Education Management System	0	0	820	820
Whitchurch Primary expansion	0	0	1,309	1,309
Children's Services Capital Schemes	0	-17	0	-17
	4,206	3,969	5,052	13,227
<u>Economic & Community Regeneration</u>				
Heritage Infrastructure Development	0	94	0	94
Pump Room Electrical Distribution	0	0	0	0
Roman Baths Archway Centre	3,659	26	0	3,685
BWR - Council Project Team	40	-48	0	-8
BWR - Affordable Housing	212	0	0	212
BWR - Infrastructure	1,550	0	0	1,550
NRR Infrastructure	0	116	0	116
London Road Regeneration	0	-49	0	-49
Enterprise Area - Flood Mitigation Phase 1	0	919	0	1,013
BWR - Relocation of Gas Holders	1,678	370	0	2,048
River Corridor & ROSPA safety works	122	152	0	274
Digital B&NES	0	23	0	23
Somer Valley Business Centre	63	-14	0	49
Bath Quays South	0	198	0	198
Bath Quays North	0	-40	0	-40
Bath Quays Bridge & Linking Infrastructure	1,892	823	0	2,715
Innovation Quay - Economic Development Funding Enabling Infrastructure	0	0	0	0
Bath Quays Delivery (in addition to EDF Funding in existing programme above)	3,808	-44	0	3,764
Cattlemarket/Cornmarket	0	22	0	22
BWRE/Green Park	122	25	0	147
Radstock and Westfield Implementation Plan	76	-10	0	66
Roman Baths Development: East Baths Development	0	-39	0	-39
South Road Car Park	147	-4	0	143
Manvers Street	57	0	0	57
Saw Close Development Works	1,605	-42	0	1,563
Heritage: Victoria Art Gallery Air Conditioning	0	141	0	141
Visitor & Till Management System	100	0	0	100
PRMP Northumberland Place	10	0	0	10
PRMP Pattern Book	61	-3	0	58
PRMP Team Costs	10	-5	0	5
City Information Scheme Corporate Project	118	-64	0	54
Affordable Housing	0	270	1,630	1,901
Disabled Facilities Grant	1,100	6	50	1,156
	16,523	2,824	1,680	21,028

Development				
Environmental Protection Vehicles	0	14	0	14
	0	14	0	14
Transport & Highways				
Bath Transport Package - Main Scheme	0	2,800	0	2,800
Batheaston Bridge	0	4	0	4
MetroWest - the Greater Bristol Metro Project	0	0	0	0
Transport Improvement Programme	2,249	629	-50	2,827
Cycle City Ambition	0	33	0	33
Victoria Bridge	0	28	0	28
Highways Maintenance Programme	3,938	362	35	4,335
Park and Ride East of Bath Project Development	0	-25	500	475
Riverside Path, Bath	0	0	0	0
Parking - Vehicle Replacement Programme	85	15	0	100
Pay & Display Machines - New Coin Acceptance	0	0	0	0
Passenger Transport Vehicles	360	100	0	460
Salford Station - reopening feasibility work	250	0	0	250
Better Bus Fund	0	34	0	34
Kennet & Avon Tow Path & Cycle Parking	0	30	0	30
Street Lighting - LED Replacement Programme	894	-146	0	748
Keynsham Town Centre one way system	67	80	0	147
Bath Cycle Action Plan - Bath Quays Scheme	0	42	0	42
Speed Enforcement Cameras	0	49	70	119
Bus Lane Camera Replacement	300	0	0	300
Somerdale Bridge, Keynsham – Initial Options Study	0	0	70	70
Dorchester Street, Traffic Review	0	0	100	100
London Road Modification	0	0	200	200
HMB - National Productivity Investment Fund (NPIF)	0	0	788	788
Kingsmead Square Improvements	0	0	10	10
Vehicle Replacement: Neighbourhoods	0	212	0	212
Waste Vehicles	0	130	0	130
Allotments	0	10	0	10
Beechen Cliff Woodland & Other Open Spaces Improvements	40	42	0	82
Leisure Dilapidations	0	0	0	0
Neighbourhoods - Bin and Bench Replacement	0	6	0	6
Play Equipment	0	42	0	42
Waste Re-provision feasibility work	220	84	0	304
Waste Project - relocation of cleansing	342	131	0	473
Waste Operations - Relocation	0	3,205	8,743	11,948
Litter Bin Replacement Programme	0	0	25	25
Cleansing Vehicles	0	265	0	265
Sydney Gardens	0	246	0	246
Sydney Gardens: a 21st Century Pleasure Gardens	0	0	270	270
Parks Vehicles	0	0	0	0
Bath Leisure Centre Refurbishment	4,262	743	0	5,005
Parade Gardens Infrastructure for Business Development	0	14	0	14
Leisure - Council Client / Contingency	1,763	-369	0	1,394
Leisure facility modernisation - Keynsham Sports Centre	0	0	2,600	2,600
Bath Recreation Ground Trust - Leisure	500	10	0	510
Keynsham Leisure Centre - Land Assembly	0	227	-153	74
Leisure Bath - Car Park	0	0	200	200
Parks Service Schemes	0	291	0	291
Parks s106 Capital projects	0	0	289	289
Environmental Neighbourhood Services Vehicle Replacement Programme	0	0	715	715
Parks Equipment	0	0	41	41
Parks Play Equipment	0	0	278	278
Parks Action Response Work	0	0	236	236
	15,270	9,325	14,967	39,562
TOTAL CAPITAL SCHEME BUDGET	56,083	23,930	42,576	122,589
Sources of Funding (£'000)				
EU/Government Grant	15,342	4,766	5,838	25,947
Revenue	331	22	50	403
Other Council Support including Borrowing and Capital Receipts	36,278	17,771	34,673	88,722
s106 Contribution	446	1,224	2,014	3,683
Other 3rd Party	3,686	148	0	3,834
Total Sources of Funding (£'000)	56,083	23,930	42,576	122,589

This page is intentionally left blank

Bath & North East Somerset Council		
MEETING:	Cabinet	
MEETING DATE:	11th October 2017	
TITLE:	Treasury Management Monitoring Report to 30th June 2017	EXECUTIVE FORWARD PLAN REFERENCE: E 2983
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 June 2017 Appendix 3 – Average monthly rate of return for 1st 3 months of 2017/18 Appendix 4 – The Council’s External Borrowing Position at 30th June 2017 Appendix 5 – Arlingclose’s Economic & Market Review Q1 of 2017/18 Appendix 6 – Interest & Capital Financing Budget Monitoring 2017/18 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 2017/18 for the first three months of 2017/18.

2 RECOMMENDATION

The Cabinet agrees that:

- 2.1 the Treasury Management Report to 30th June 2017, prepared in accordance with the CIPFA Treasury Code of Practice, is noted
- 2.2 the Treasury Management Indicators to 30th June 2017 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 three months of 2017/18 is 0.28%, which is 0.12% above the benchmark rate.
- 5.2 The Council's Prudential Indicators for 2017/18 were agreed by Council in February 2017 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 June 2017 is given in **Appendix 2**. The balance of deposits as at 31st March 2017 and 30th June 2017 are also set out in the pie charts in this appendix.
- 5.4 The Council was 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. This function has now transferred to the West of England Combined Authority (WECA) and balances transferred over as investments reached maturity in this quarter, with the exception of £5.0 million representing one investment yet to reach maturity. These funds are invested separately from the Council's cash balances and are therefore excluded from all figures given in this report.
- 5.5 The Council has also ceased to act as Accountable Body for the West of England Local Enterprise Partnership (WoE LEP). In 2016/17 42.407m of Local Growth Fund (LGF) grant was received from Central Government following submission of its Strategic Economic Plan. This sum, prior to distribution, was 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, albeit these were reduced to zero over the first quarter, with the final unallocated grant balance of £1.8m paid to WECA on 29th June 2017.
- 5.6 Gross interest earned on investments for the first three months totalled £38k. Net interest, after deduction of amounts due to Local Growth Fund and other internal balances, is £26k. **Appendix 3** details the investment performance, showing the average rate of interest earned over this period was 0.28%, which was 0.12% above the benchmark rate of average 7 day LIBID +0.05% (0.16%).

Summary of Borrowings

- 5.7 The Council's external borrowing as at 30th June 2017 totalled £158.5 million and is detailed in Appendix 4. £18.5m of new PWLB annuity borrowing was arranged during the quarter to the fund the acquisition of investment property. Further funds of £16.0m were borrowed for 12 months for cashflow, (as per 5.8 below), £6m at 0.49% with 0.1% brokerage fee and £10m direct at 0.55%.

5.8 The Council's Capital Financing Requirement (CFR) as at 31st March 2017 was £200.1 million with a projected total of £338 million by the end of 2017/18 based on the capital programme approved at February 2017 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 2017 apportioned to Bath & North East Somerset Council is £12.86m. 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 June 2017 is shown in **Appendix 4**.

Strategic & Tactical Decisions

5.11 As shown in the charts at **Appendix 2**, The Council mainly uses AAA rated Money Market funds to maintain very short term liquidity. The Council has £14.3M invested in Money Market Funds as at 30th June 2017. The investment portfolio also includes investments with Local Authorities and very highly rated Foreign Banks.

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 average investment return is broadly in line to the budgeted level of 0.30%.

Future Strategic & Tactical Issues

5.14 Our treasury management advisors economic and market review for the first 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 Q3 2020, with the risks to this forecast remain weighted to the downside. In their June "Economic and Interest Rate Forecast Report" their view is the UK is heading for a soft patch or recession, but the likely depth of this should be more limited than the last as the global backdrop, whilst moribund, is not as desperate as at the end of the last decade.

5.16 The benefits of the Council's current policy of internal borrowing are monitored regularly against the likelihood that long term borrowing rates are forecast to rise in future years. The focus remains on the rate of increase and the medium-term peak.

5.17 The borrowing that has taken place in 2017/18 is therefore likely to be driven by a need to maintain an appropriate working cash balance rather than any immediate changes to interest rates.

Budget Implications

5.18 A breakdown of the revenue budget for interest and capital financing and the forecast year end position based on the period April to June is included in **Appendix 6**. This is currently forecast to be on target for 2017/18.

5.19 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 Finance & Efficiency, 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>Gary Adams - 01225 477107 ; Giles Oliver - 01225 477209 Gary_Adams@bathnes.gov.uk ; Giles Oliver@bathnes.gov.uk</i>
Background papers	<i>2017/18 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.

	2017/18 Prudential Indicator	Actual as at 30th June 2017
	£'000	£'000
Borrowing	338,000	158,504
Other long term liabilities	2,000	0
Cumulative Total	340,000	158,504

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.

	2017/18 Prudential Indicator	Actual as at 30th June 2017
	£'000	£'000
Borrowing	306,000	158,504
Other long term liabilities	2,000	0
Cumulative Total	308,000	158,504

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.

	2017/1 Prudential Indicator	Actual as at 30th June 2017
	£'000	£'000
Fixed interest rate exposure	306,000	138,504*

* 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.

	2017/18 Prudential Indicator	Actual as at 30th June 2017
	£'000	£'000
Variable interest rate exposure	206,000	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.

	2017/18 Prudential Indicator	Actual as at 30th June 2017
	£'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 June 2017
	%	%	%
Under 12 months	50	Nil	25*
12 months and within 24 months	75	Nil	0
24 months and within 5 years	75	Nil	6
5 years and within 10 years	100	Nil	0
10 years and above	100	Nil	69

* 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**.

	2017/18 Prudential Indicator	Actual as at 30th June 2017
	Rating	Rating
Minimum Portfolio Average Credit Rating	A-	AAA-

APPENDIX 2

The Council's Investment position at 30th June 2017

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

As per Weekly	Balance at 30th June 2017
	£'000's
Notice (instant access funds)	18,680
Up to 1 month	-
1 month to 3 months	5,000
Over 3 months	5,000
Total	28,680

The investment figure of £28.7 million is made up as follows:

	Balance at 30th June 2017
	£'000's
B&NES Council	24,012
Schools	4,668
Total	28,680

The Council had a total average net positive balance of £37.107m during the period April 2017 to June 2017.

Chart 1: Council Investments as at 30th June 2017 (£28.7m)

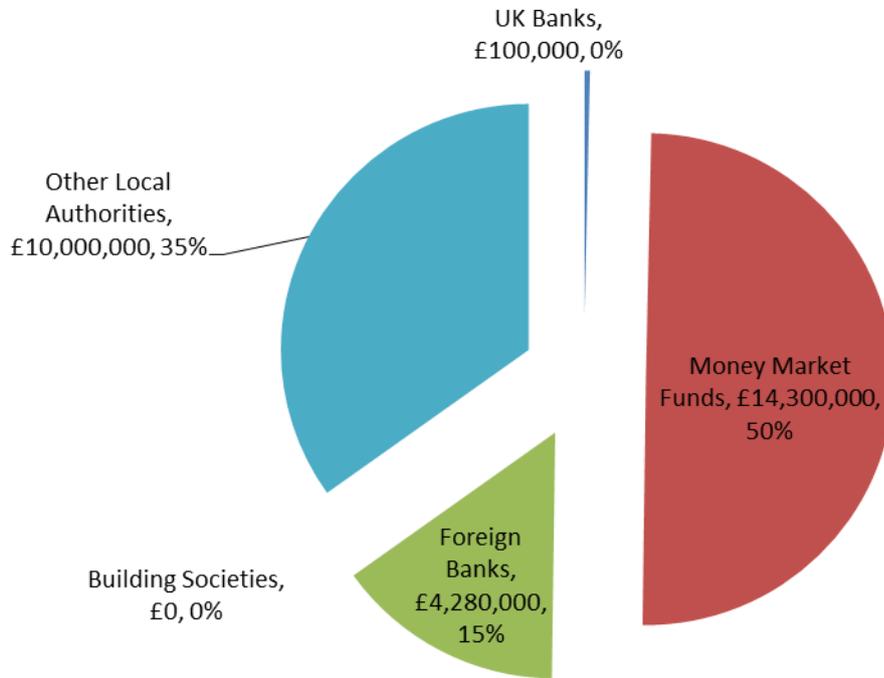


Chart 2: Council Investments as at 31st March 2017 (£38.9m)

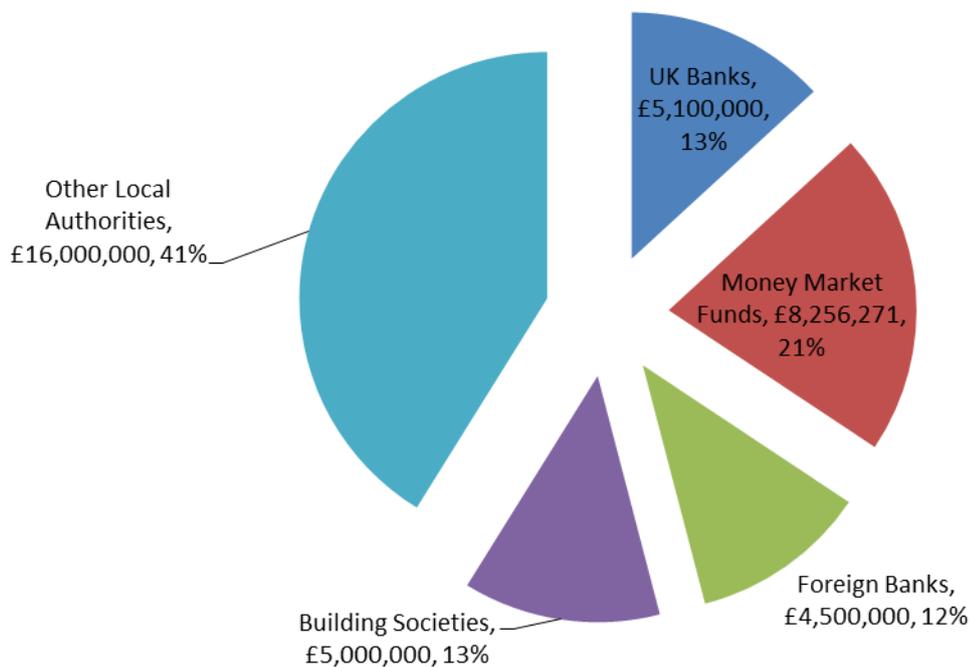


Chart 3: Council Investments per lowest equivalent Long Term credit rating (£28.7m) 30th June 2017

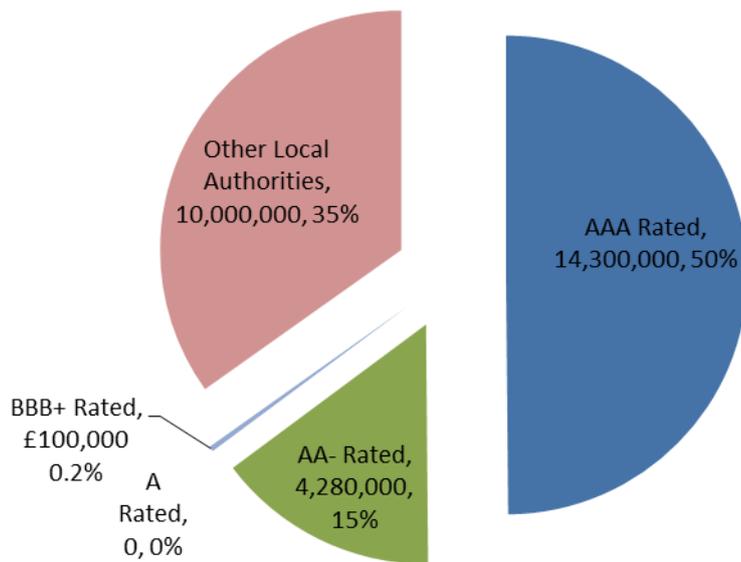
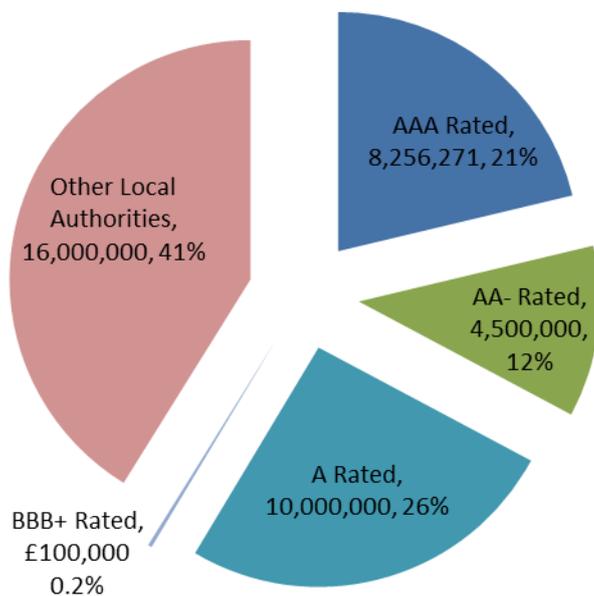


Chart 4: Council Investments per lowest equivalent Long Term credit rating (£38.9m) 31st March 2017



APPENDIX 3**Average rate of return on investments for 2017/18.**

	April %	May %	June %	Average for Period
Average rate of interest earned	0.34%	0.24%	0.24%	0.28%
Benchmark = Average 7 Day LIBID rate +0.05% (source: Arlingclose)	0.16%	0.16%	0.16%	0.16%
Performance against Benchmark %	+0.18%	+0.08%	+0.08%	+0.12%

APPENDIX 4**Councils External Borrowing at 30th June 2017**

	Amount (£)	Start Date	Maturity Date	Interest Rate
LONG TERM				
PWLB	10,000,000	15/10/04	15/10/34	4.75%
PWLB	5,000,000	12/05/10	15/08/35	4.55%
PWLB	5,000,000	12/05/10	15/02/60	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	08/04/34	2.62%
PWLB	5,000,000	29/01/15	08/10/64	2.92%
PWLB	19,704,175	20/06/16	20/06/41	2.36%
PWLB	10,000,000	24/02/17	15/02/41	2.28%
PWLB	10,000,000	04/04/17	15/02/42	2.26%
PWLB	8,500,000	08/05/17	15/02/42	2.25%
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%
Gloucestershire County Council	5,000,000	25/11/14	19/12/19	2.05%
Gloucestershire County Council	5,000,000	19/12/14	19/12/19	2.05%
Total	138,504,175			
TEMPORARY				
East Dorset DC	2,000,000	20/03/17	19/03/18	0.50%
Christchurch Borough Council	2,000,000	20/03/17	19/03/18	0.50%
Tameside Metropolitan	6,000,000	25/04/17	20/04/18	0.49%
West of England Combined Authority	10,000,000	25/04/17	24/04/18	0.55%
TOTAL	158,504,175			

*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 April to June 2017 (provided by Arlingclose)

Commodity prices slid back during the quarter with oil falling below \$50 a barrel. The primary factor in the oil price fall was oversupply and a lack of belief in OPEC's (Organisation of Petroleum Exporting Countries) ability to deliver on agreed production caps of members.

UK Consumer Price Inflation (CPI) index rose over the quarter and the data print for May showed CPI at 2.9%, its highest since June 2013. The effect of the fall in fuel prices was offset by rises in a number of other categories in the CPI 'basket' as the fall in the value of sterling following June 2016's referendum result continued to feed through into higher import prices. The most recent labour market data for April 2017 showed that the unemployment rate at 4.6% remained at its lowest since July 1975 but that the squeeze on real wages (i.e. after inflation) is intensifying and resulting in negative real wage growth. Q1 GDP data released in April and revised in May showed economic activity growing at a much slower pace of 0.2%. However recent surveys indicate that the slowdown in the first quarter is being viewed as an anomaly and that Q2 GDP could rebound. Understandably, the Bank of England made no change to monetary policy at its meeting on 15th June.

Having raised rates in March, the US Federal Reserve made no change to monetary policy at the conclusion of its meeting in May. The recent weakness witnessed in the first print of Q1 US GDP was noted in the accompanying statement but the Fed viewed this as a transitory issue and was of the view that the GDP path and household spending would recover during 2017. The US Federal Reserve then increased its target range of official interest rates in June for the second time in 2017 by 25bps (basis points) to between 1% and 1.25% and a further similar increase is expected during the second half of 2017.

Prime Minister Theresa May called an unscheduled General Election in June, to resolve uncertainty and in the hope of gaining an enhanced mandate to enter the forthcoming Brexit negotiations. The surprise result has led to a minority Conservative government in a confidence and supply arrangement with the Democratic Unionist Party. This political impasse clearly results in an enhanced level of political uncertainty, however the potential for a so-called hard Brexit is now diminished, reducing the associated economic headwinds for the UK economy from a 'no deal' or otherwise unfavourable trade agreement.

The reaction from the markets on the election's outcome has been fairly muted, business confidence now hinges on the progress (or not) on Brexit negotiations, whether new trade treaties and arrangements are successfully concluded and whether or not the UK continues to remain part of the EU customs union post the country's exit from the EU.

In the face of this uncertainty, Arlingclose expects the Bank of England will look through periods of high inflation and maintain its low-for-longer stance on policy interest rates for an extended period.

In financial markets, gilt yields displayed some volatility with a marked uptick in late June. This was largely due to the expectation of tapering of Quantitative Easing (QE) in the US and Europe, which also had an impact on gilts. The yield on the 5 year benchmark gilt rose from 0.56% to 0.69% during the quarter, that on the 10-year gilt rose from 1.06% to 1.26% and the yield on the 20-year gilt rose from 1.65% to 1.78%.

The FTSE 100 reached a record high of 7548 in May but dropped off slightly towards the end of the quarter. The FTSE-250 and FTSE All Share indices also rose, the All Share index closing at 4002 at the end of June. Money markets rates have remained low: 1-month, 3-month and 12-month LIBID rates have averaged 0.25%, 0.33% and 0.66% in the quarter respectively.

Counterparty Update

UK bank credit default swaps have continued their downward trend, reaching three year lows by the end of June. Bank share prices have not moved in any particular pattern. There were a few credit rating changes during the quarter. Moody's downgraded Standard Chartered Bank's long-term rating to A1 from Aa3 on the expectation that the bank's profitability will be lower following management's efforts to de-risk their balance sheet. The agency also affirmed Royal Bank of Scotland's and NatWest's long-term ratings at Baa1. Moody's downgraded the major Canadian banks' long-term ratings on the agency's expectation of a more challenging operating environment for the banks for the remainder of 2017 and beyond, that could lead to a deterioration in the banks' asset quality and increase their sensitivity to external shocks. Moody's downgraded the ratings of the large Australian banks to Aa3 from Aa2 reflecting the agency's view of the rising risks from the banks' exposure to the Australian housing market and the elevated proportion of lending to residential property investors.

Ring-fencing, which requires the larger UK banks to separate their core retail banking activity from the rest of their business, is expected to be implemented within the next year. In May, following Arlingclose's advice, the Authority reduced the maximum duration of its deposits at Bank of Scotland, HSBC Bank and Lloyds Bank from 13 months to 6 months as there is some uncertainty surrounding which banking entities the Authority will be dealing with once ring-fencing is implemented. Even where there has been a level of clarity provided regarding where local authority customers will sit within the proposed new legal structures of the banks, it is not yet known what the balance sheet structures of those banks will be.

S&P also revised Nordea Banks outlook to stable from negative, whilst affirming their long-term rating at AA-. The outlook revision reflects Nordea's geographic diversification and strong financials.

APPENDIX 6

Interest & Capital Financing Costs – Budget Monitoring 2017/18 (Apr to June)

April to June 2017	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	6,194	6194	0	
- Internal Repayment of Loan Charges	-8,391	-8,391	0	
- Ex Avon Debt Costs	1,190	1,190	0	
- Minimum Revenue Provision (MRP)	5,278	5,278	0	
- Interest on Balances	-141	-141	0	
Sub Total - Capital Financing	4,130	4,130	0	

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.

Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING	11 October 2017	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3008
TITLE:	Proposed Public Space Protection Order to restrict alcohol consumption in public spaces in Bath	
WARD:	All wards in Bath	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
<ol style="list-style-type: none"> 1. Report on consultation on draft Public Space Protection Order for Bath 2. Proposed Order, Bath (map attached) 		

1 THE ISSUE

1.1 The current Designated Public Place Order (DPPO) which restricts street drinking in Bath is due to expire in October 2017. This is as a result of the introduction of Public Space Protection Orders (PSPOs) under the Anti-social Behaviour Crime and Policing Act 2014 (“the Act”). This report invites the Cabinet to determine whether, and if so in what way, to continue restrictions on street drinking in this area as a PSPO, following a consultation as required by the legislation.

2 RECOMMENDATION

The Cabinet is asked to:

- 2.1 Consider the outcomes of the consultation on a Public Space Protection Order to restrict street drinking in Bath, as set out in Appendix 1
- 2.2 Consider the legal criteria for adopting PSPOs, as set out in Paragraph 4 of this report, and particularly the test set out in paragraph 4.1
- 2.3 In the light of 2.1. and 2.2 above make the Bath City Order as set out in Appendix 2 of the report
- 2.4 Request the Head of Legal Services or an authorised signatory on her behalf to sign and seal the Bath City Order

- 2.5 Request the Divisional Director for Strategy and Performance to undertake further work to update signage and other statutory publicity relating to any agreed Order and ensure the impact of the PSPOs is kept under review
- 2.6 Request the Community Safety Partnership to receive regular monitoring reports on the impact of the PSPO, including equalities impacts, and updates on support and treatment available for people who misuse alcohol including street drinkers
- 2.7 Thank those who were involved in the consultation process and publicise the outcomes of the consultation.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The legal costs of preparing any agreed Order will be met from within existing budgets. Subject to Cabinet agreeing any Order, further work will be undertaken on updating any required statutory signage and additional publicity relating to the Order. Wherever possible this will be sought from within existing budgets with funds also sought from external sources and partners.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

The Legal Test

- 4.1 The legal test which must be satisfied in order for a PSPO to be made can be found at section 59 of the Act. The Council needs to be satisfied on reasonable grounds that two conditions are met:

(1) The first condition is that:

(a) activities carried on in a public place within the authority's area have had a detrimental effect on the quality of life of those in the locality, or

(b) it is likely that activities will be carried on in a public place within that area and that they will have such an effect.

(2) The second condition is that the effect, or likely effect, of the activities –

(a) is, or is likely to be, of a persistent or continuing nature,

(b) is, or is likely to be, such as to make the activities unreasonable, and

(c) justifies the restrictions imposed by the notice.

- 4.2 "Public place" is defined in section 74(1) of the Act as "any place to which the public or any section of the public has access, on payment or otherwise, as of right or by virtue of express or implied permission."

4.3 A legal challenge to a PSPO must be made to the High Court within 6 weeks of being made and can only be made by an individual who lives in, regularly works in or visits the restricted area. A PSPO can remain in force for up to a maximum of three years and should be reviewed before expiry in order to determine whether or not it should be extended.

Premises to which an alcohol prohibition does not apply

4.4 Section 62 of the Act prescribes premises to which alcohol prohibition does not apply as:

(1)(a) premises (other than council-operated licensed premises) authorised by a premises licence to be used for the supply of alcohol;

(b) premises authorised by a club premises certificate to be used by the club for the supply of alcohol;

(c) a place within the curtilage of premises within paragraph (a) or (b);

(d) premises which by virtue of Part 5 of the Licensing Act 2003 may at the relevant time be used for the supply of alcohol or which, by virtue of that Part, could have been so used within 30 minutes before that time;

(e) a place where facilities or activities relating to the sale or consumption of alcohol are at the relevant time permitted by virtue of a permission granted under section 115E of the Highways Act 1980 (highway-related uses).

4.5 A prohibition in a public spaces protection order on consuming alcohol also does not apply to council-operated licensed premises –

(a) when the premises are being used for the supply of alcohol, or

(b) within 30 minutes after the end of a period during which the premises have been used for supply of alcohol.

Consultation requirements

4.6 Under Section 72 of the Act, Councils must consult with the Chief Officer of Police, local policing body (in this case the PCC), community representatives it thinks appropriate to consult and the owner or occupier of the land within the restricted area.

4.7 The requirement to consult with the owner or occupier of land within the proposed restricted area does not apply to land that is owned and occupied by the local authority; and applies only if, or to the extent that, it is reasonably practicable to consult the owner or occupier of the land.

Equalities and convention rights

- 4.8 Equalities impacts were sought through the consultation process the outcomes of which are summarised in Appendix One. An Equalities Analysis has been prepared. A number of positive impacts for equalities groups were identified as arising from a PSPO, particularly where this reduces the fear of crime and anti-social behaviour. The Analysis also identified the potential for differential impacts from the use of discretionary powers for enforcement of the PSPO. Through the consultation, it was identified that some young people have concerns about the way that the PSPO would be implemented. To address this, it is proposed that more information be provided about the PSPO and how it will be applied, and that appropriate training be provided to those responsible for enforcing the PSPO, noting that equality and diversity is a core part of training for Police officers. It is recommended also that monitoring data be recorded and reported.
- 4.9 The Council must have particular regard to the rights of freedom of expression and freedom of assembly and association set out in articles 10 and 11 of the Convention for the Protection of Human Rights and Fundamental Freedoms when deciding whether to make, extend, vary or discharge a PSPO and what it should include, if appropriate.
- 4.10 Article 10 protects the right to freedom of expression but this is a qualified right which may be interfered with if such interference is in accordance with the law and necessary in a democratic society, in the interests of national security, territorial integrity or public safety, for the prevention of disorder or crime, for the protection of health or morals, for the protection of the reputation or rights of others, for preventing the disclosure of information received in confidence, or for maintaining the authority or impartiality.
- 4.11 Article 11 protects the right to freedom of assembly and association but this is a qualified right which may be interfered with if such interference is in accordance with the law and is necessary in a democratic society in the interests of national security or public safety, for the prevention of disorder or crime, for the protection of health or morals or for the protection of the rights and freedoms of others. This article shall not prevent the imposition of lawful restrictions on the exercise of these rights by members of the armed forces, of the police or the administration of the State.
- 4.12 It is considered that any infringement of these Convention rights through the making of the proposed PSPO would be properly regulated by the law including the Act and is necessary in a democratic society. Any such infringement would be in the promotion of a legitimate aim namely, for the prevention or disorder or crime, for the protection of the rights and freedoms of others.

5 THE REPORT

Background

- 5.1 The Criminal Justice and Police Act 2001 gave the Police the power to seize and dispose of alcohol if they believed someone is, has or is about to consume it in a designated public place. Failure to comply with the Police request was made an arrestable offence and punishable by a fine. Councils were given the power to “designate” areas where they were satisfied that nuisance or annoyance to members of the public or a section of the public, or disorder, had been associated with consumption of alcohol in that place.
- 5.2 The Council in 2004 agreed the Alcohol Consumption in Designated Public Places (Bath) Order under the 2001 Act. This came into effect on 23rd April 2004 and “designated” the whole of the City of Bath (i.e., all “public places” in the unparished area). The introduction of the DPPO followed public consultation and use of information and data provided by the Police and was designed in particular to avoid displacement from just focusing on one location. At this stage, the Council did not agree to designate any additional public places outside of the City. It should be noted that the 2004 DPPO applies to the City as a whole with the intention of reducing the potential for displacement, following responses to consultation and the views of the Police.
- 5.3 DPPO powers do not apply to any premises which are licensed for the consumption of alcohol. This includes areas outside licensed premises where permission has been given under the Highways Act for consumption of alcohol purchased in that premises. The Police also have separate powers to deal with misuse of alcohol involving under-18s and to take action when an offence is committed which may be alcohol related.

The Act

- 5.4 The Anti-social Behaviour, Crime and Policing Act 2014 made a number of changes to the law on anti-social behaviour. A key change was the introduction of Public Space Protection Orders (PSPOs) to replace Designated Public Place Orders.
- 5.5 Statutory Guidance states that PSPOs are intended to deal with a particular nuisance or problem in an area that is detrimental to the local community’s quality of life, by imposing conditions on the use of that area which apply to everyone. Under the transitional arrangements for the Act, the existing DPPOs continue to be valid for a period of three years and are treated as if they are PSPOs. However, they will lapse on October 20th 2017 unless extended as PSPOs under the Act. A PSPO can be made where the Council is satisfied that the legal test is met in 4.1 above.

Review and Consultation

5.6 In the light of the Act, an initial review of the operation of the Bath DPPO took place to assess whether to consult on extending it as a PSPO with approximately equivalent effect under the new legislation. This initial assessment included whether the new legal test could potentially be met. This highlighted that:

- A first-year review of the Bath DPPO carried out in 2005 identified a reduction in the amount of street drinking in Bath City Centre which could be attributed to the introduction of the DPPO. A report to the Council's Housing and Community Safety Overview and Scrutiny Panel highlighted that prior to the Order being introduced there were high levels of street drinking in Bath city centre, with street drinkers congregating particularly in public areas such as car parks. Police reported that the introduction of the Order had been successful both during the daytime and night-time, with daytime "hotspot" areas dramatically reduced. The Order also had a positive impact on the night-time economy reducing the level of street drinking particularly at the central taxi rank at Orange Grove. The Panel also heard that the introduction of Taxi Marshals assisted in this. Subsequently, the Taxi Marshals have been incorporated into the BID's co-ordinated night marshalling system. Reports confirm that these benefits continue to accrue from the Order, with members of the public being informed about the DPPO and voluntarily handing over bottles and glasses of alcohol.
- Whilst comparable data over the full lifetime of the Bath DPPO are not available from the Police, there continued to be support from the Police for restrictions on street drinking in Bath through the new PSPO process.

5.7 It was clear from this review that there remained significant concerns relating to street drinking and consequential anti-social behaviour and these issues continue to be raised by local businesses and residents. Given this and the legal requirements to consult under the Act set out in 4.6 and 4.7 above, a single member decision was made (E2918) to undertake a consultation process on extending and continuing the existing DPPO, in effect, as a PSPO. The decision also incorporated a consultation on a PSPO to continue to restrict street drinking in Midsomer Norton, as reported elsewhere on this agenda. The proposal for Bath subject to consultation was to replace the existing DPPO with a PSPO as far as possible on a 'like-for-like' basis, with regard to both the geographical scope of the areas and the framing of the orders themselves. In summary the formal consultation proposals were:

- To "mirror" the previous DPPO regime, following national guidance, by only making it an offence to fail to comply with a request to cease drinking or surrender alcohol in a restricted area. This contrasts with other PSPOs where generally the offence is triggered by a person doing anything that is prohibited by the PSPO without reasonable excuse. In addition, a person guilty of an

offence arising from breach of a PSPO would normally be liable on summary conviction to a fine not exceeding level 3 (£1000) on the standard scale. However, breaches relating to alcohol consumption are liable on summary conviction to a fine not exceeding level 2 (£500) on the standard scale. Depending on the behaviour in question, the enforcing officer could decide that a fixed penalty notice (FPN) would be the most appropriate sanction.

- To “mirror” the previous geographical scope of the existing DPPO – i.e., the whole of the City of Bath. To reflect the new Act, the PSPO would apply to all “public spaces” within the boundary line set out in the proposals. Public spaces are defined in the legislation as those to which “the public or any section of the public has access, on payment or otherwise, as of right or by virtue of express or implied permission”. This means the proposed PSPO would include public car parks and public parks as well as other public spaces such as streets.

Consultation Feedback

5.8 114 responses were received in response to the consultation. A breakdown of responses is contained in Appendix 1 of the report and a summary of key points is set out below:

- 59% of respondents agreed that a PSPO to control drinking in Bath was a good idea, with 40% not, and with no response from 1%
- 56% of respondents agreed with the PSPO’s proposed area, with 40% not, and with no response from 4%
- 54% agreed with the wording of the proposed PSPO, with 43% not and no response from 3%
- The overwhelming majority of respondents to the consultation were Bath residents and/or worked in the City.
- 59% of respondents have been affected by street drinking in the area, with 39% not and with no response from 2%

5.9 Of those who *agreed with the idea* of a PSPO in Bath, key points made in favour were:

- Alcohol consumption in public spaces can lead to anti-social behaviour and can be perceived as threatening
- The restrictions would reduce issues such as littering, the danger of broken bottles and noise, street urination and vandalism
- Alcohol consumption should take place within regulated licensed premises
- It would encourage a more measured approach to alcohol consumption

- It would discourage people from taking alcohol across venues

5.10 Of those who *disagreed with the idea* of a PSPO in Bath, key points made against were:

- The PSPO as currently drafted is too restrictive- it would restrict (for example) consuming alcohol in a park as part of a picnic or other social gatherings
- Existing legislation is sufficient to deal with issues of drunkenness in a public place and anti-social behaviour: the problem is one of enforcement of existing laws, not the need for new rules
- Those who are causing the nuisance will not abide by the PSPO
- This is an intrusion into personal freedom: we should trust people to consume alcohol responsibly
- Street drinking is not an important area of concern in the City

5.11 Of those who disagreed with the *specific area suggested* for the PSPO, the main alternative suggested was to focus on the city centre, or to areas where the issue is seen as a bigger problem rather than the City as a whole, which was seen as too large and area. Some respondents proposed that specific types of public space (e.g. “parks” or “social gathering spaces” be specifically excluded). It was also put forward that the University grounds be excluded.

5.12 Of those who disagreed with the *specific wording* of the proposed PSPO, key points made were:

- The Order should be clearer as to what precisely is illegal
- The Order is too restrictive and should be a discretionary power which only applies where there is unruly behaviour, noise or other nuisance
- The Order should allow exceptions for reasonable consumption, and with food
- The Order relies too much on the judgment of the “authorised officer”
- The Order should include also outside licensed spaces including pubs and restaurants (although other responses support alcohol consumption outside licensed premises)

5.13 Other key points made by respondents included:

- The PSPO will only work if there is effective enforcement including for repeat offences
- Persons other than police officers should be authorised to enforce any PSPO

- Street drinkers and people who misuse alcohol need proper resources, support and help
- There needs to be effective publicity and signage for any Order
- Much of the disorder caused by alcohol consumption is as a result of those entering licensed premises

Police response to consultation

5.14 The Police have responded to the consultation and this response is summarised below:

- Broadly the powers conferred under the existing DPPO are used on a daily basis by the Police and are considered by officers as an essential tool in which street crime and disorder can be managed. They provide a daily opportunity to engage with street drinkers, and to intervene at an early stage.
- The Police acknowledge concerns raised that these powers would potentially have a wider community impact, particularly on those consuming alcohol in outside areas such as parks. National Guidance issued in support of the implementation of DPPOs made it clear that this was a discretionary power, and not to be used to disrupt peaceful activities. The advice given was not to challenge those persons consuming alcohol where that individual is not causing a problem, or likely to cause a problem.
- The Police therefore suggest that any future PSPOs relating to alcohol consumption in public spaces should make it clear to both officers and members of the public the intentions of the orders. The Police's suggested revised wording, as set out below with their proposed additions to the current draft Order in bold, would prohibit:

Any person from having in their possession, care or control in any Public Place within the restricted area alcohol where that person-

- i. Is or has been consuming alcohol in any Public Place in the Restricted Area, or
- ii. Intends to consume alcohol in any Public Place in the Restricted Area, and
- iii. **Is behaving in a way likely to cause, or where the authorised officer reasonably suspects will lead to, harassment, alarm or distress, or crime or disorder in the Restricted Area**

Key Considerations

5.15 To make any Order, the Council needs to be satisfied on reasonable grounds that the following two conditions are met:

(1) The first condition is that:

(a) activities carried on in a public place within the authority's area have had a detrimental effect on the quality of life of those in the locality, or

(b) it is likely that activities will be carried on in a public place within that area and that they will have such an effect.

(2) The second condition is that the effect, or likely effect, of the activities –

(a) is, or is likely to be, of a persistent or continuing nature,

(b) is, or is likely to be, such as to make the activities unreasonable, and

(c) justifies the restrictions imposed by the notice.

5.16 Evidence from the consultation demonstrates that alcohol consumption has had a detrimental effect on the quality of life of people in the City. These have included:

- Congregations of street drinking in the city centre, particularly Kingsmead Square, causing disturbance and verbal abuse.
- Loud and aggressive behaviour at the Westgate buildings bus stop
- Drunken fights and foul language
- Rowdy groups moving from bar to bar, being noisy and intimidating
- Empty beer cans thrown into hedges and littering of glass bottles
- Noise and litter close to residential dwellings

5.17 A number of respondents have made the case for a PSPO that is more restricted to specific areas of the city, for example the city centre. However, other areas across the City are also referred to in the consultation responses as having been impacted by street drinking, including the river footpath, the canal towpath, the London Road, the Green between Crescent Lane, and Oldfield Park.

5.18 Even where there have not been reported incidents and impacts, the potential for “displacement” means that it is likely that such activities may take place in public spaces (such as parks) outside of the city centre, however defined. This was the rationale for the initial Bath City DPPO.

5.19 It is also clear that these activities are likely to be persistent and continuing. Of the 39% of respondents affected by street drinking in the area, 14% have been affected once a month, 17% once a week and 6% daily.

5.20 It is considered, therefore, that the findings of the consultation and other evidence provide reasonable grounds for the Council to be satisfied that the Legal Test in section 59 of the Act for a PSPO covering Bath City has been met.

5.21 A key question raised by the consultation is whether section 59(2) (c) of the Act referring to the need to justify “the restrictions imposed by the notice” is met – ie, whether the proposed restrictions subject to the consultation are justified in relation to the impacts on the community identified in the previous tests. A number of consultees who opposed the PSPO proposal have set out their reasons as being that the wording is too restrictive, that there should not be a “blanket ban”, and that this should provide a discretionary power for Police only to use where there is unruly behaviour, or where this is impacting on others.

5.22 Given the Police response above, which makes a number of similar points, it is therefore recommended that revised wording for the prohibition in the PSPO in Bath be adopted, when compared to the proposal set out in the consultation. This would prohibit any person from having in their possession, care or control in any Public Place within the Restricted Area alcohol where that person-

- i. is or has been consuming alcohol in any Public Place in the Restricted Area,
or
- ii. intends to consume alcohol in any Public Place in the Restricted Area; and
- iii. is behaving in a way that is, or is likely to cause, harassment, alarm, distress,
crime or disorder

5.23 This revised wording draws on the Police response above and reflects both consultation feedback and that the purpose of any PSPO should be to restrict behaviour which is detrimental to the local quality of life rather than restrict alcohol consumption which is not having such an impact. A revised draft Order reflecting this is attached at Appendix 2.

6 RATIONALE

6.1 The outcomes of the consultation broadly support the continuation of restrictions on street drinking in the areas as set out, but also reflect concern that the powers used must be proportionate and used to address to alcohol consumption which causes, or is likely to cause, harassment, alarm or distress. This is reflected in the recommendation and allows Avon and Somerset Police to have continuity of enforcement powers with regard to street drinking. The report sets out how the recommendations meet the legal tests required.

7 OTHER OPTIONS CONSIDERED

- A. Take no action. This option would mean that the existing DPPO would not be replaced by a PSPO in October 2017, and would lapse. This would result in reduced enforcement powers for Avon and Somerset Police to tackle anti-social behaviour.
- B. Extend the scope of the PSPO to include new activities and/or wholly new geographical areas. This is not currently proposed. Any further proposals would be considered on their merits and would be subject to statutory tests and consultation.

8 CONSULTATION

8.1 A 12 week formal consultation period ran from 23rd May 2017 to 15th August 2017. It included:

- An online questionnaire including links to the proposal and background information
- A Press Release, circulated to a wide range of stakeholders, and subsequent press coverage
- Communications targeting specific organisations including the Business Improvement District and residents associations
- Bringing the consultation to the attention of Bath City Forum at its meeting of 24th July 2017
- Publicity about the consultation in *Together* magazine, which is circulated to all households in Bath and North East Somerset.

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.

Contact person	<i>Andy Thomas 01225 394322</i> <i>Andy_thomas@bathnes.gov.uk</i>
Background papers	<u>Existing Designated Public Places Order, Bath</u> Prohibitions on the consumption of alcohol in public places in Bath and Midsomer Norton and the implications of the Anti Social Behaviour, Crime & Policing Act 2014 (E 2918).
Please contact the report author if you need to access this report in an alternative format	

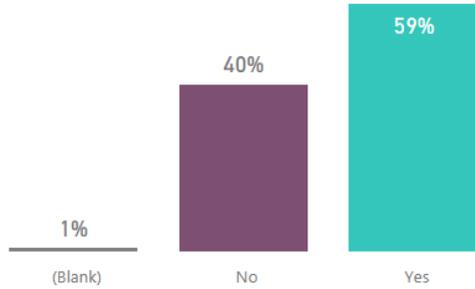
This page is intentionally left blank

APPENDIX ONE

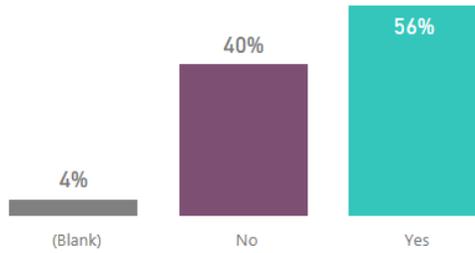
PSPO Public Alcohol Consumption Consultation Analysis

- Location
- Select All
 - Bath
 - MSN

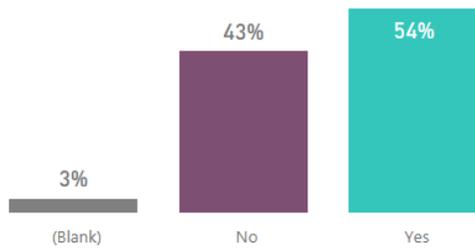
Do you agree that a Public Space Protection Order is a good idea?



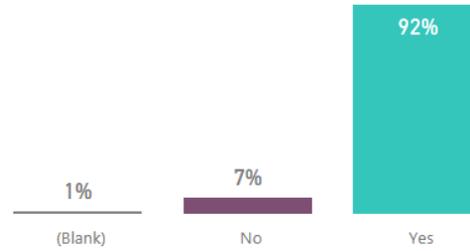
Do you agree with the PSPO area?



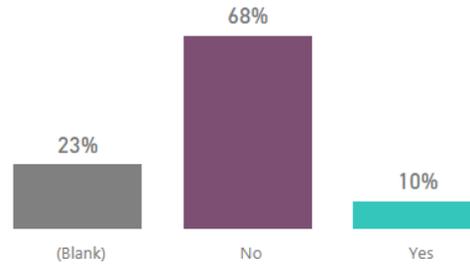
Do you agree with the wording?



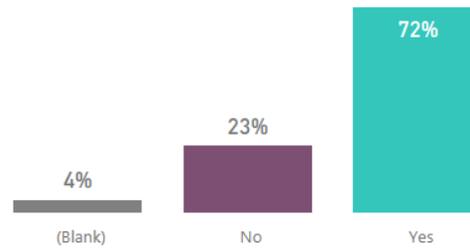
Are you a resident?



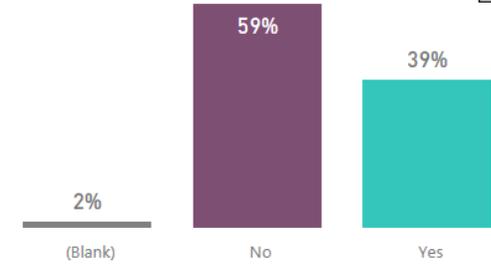
Are you a visitor?



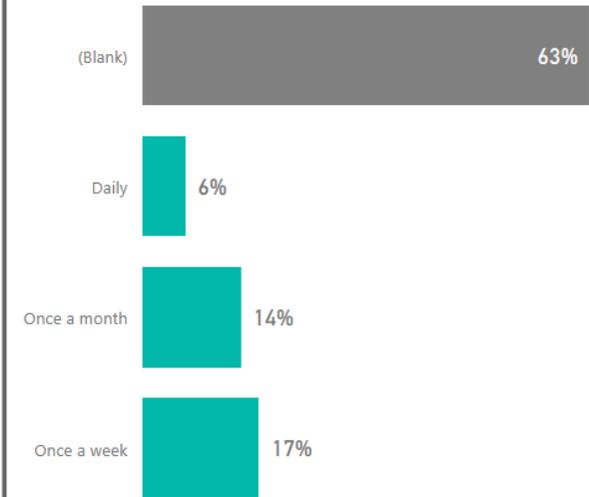
Do you work in the area?



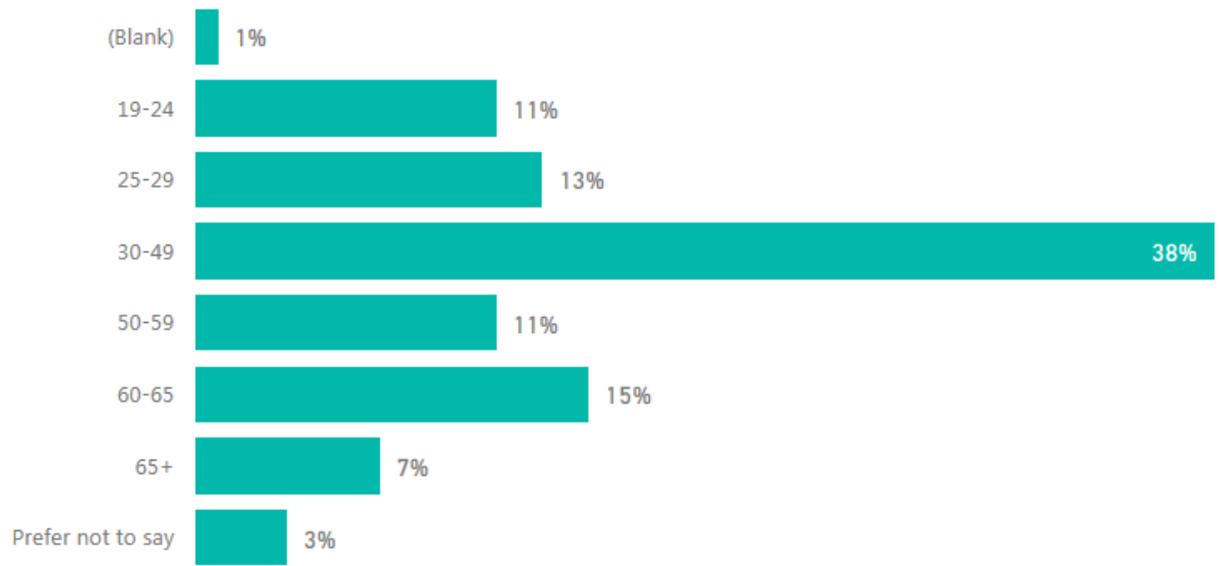
Have you been affected by street drinking in the area?



If so, how frequently?

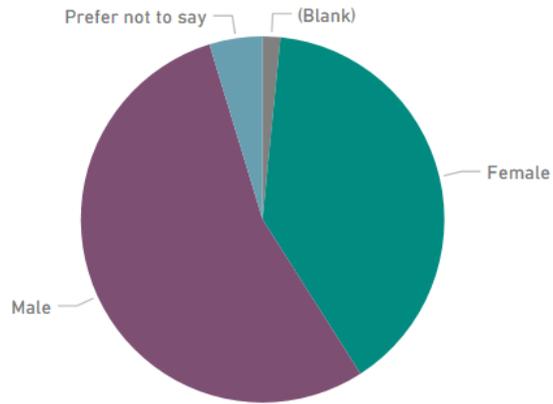


Bath respondents age range



“Affected differently” responses- Bath and Midsomer Norton consultations

How do you define your gender?



Respondents were also asked if they felt they would be affected differently by the PSPO due to their individual characteristics;

9 respondents felt they would be affected differently due to their **age**

3 respondents felt they would be affected differently due to their **gender**

1 respondent felt they would be affected differently due to their **disability**

6 respondents felt they would be affected differently for **other reasons**

This page is intentionally left blank

ANTI-SOCIAL BEHAVIOUR CRIME AND POLICING ACT 2014

**THE ANTI-SOCIAL BEHAVIOUR CRIME AND POLICING ACT 2014
(PUBLICATION OF PUBLIC SPACES PROTECTION ORDERS) REGULATIONS
2014**

**BATH AND NORTH EAST SOMERSET COUNCIL (PROHIBITION ON THE
CONSUMPTION OF ALCOHOL) PUBLIC SPACES PROTECTION ORDER (BATH
CITY NO. 1 OF 2017)) (“The Order”)**

Notice is hereby given that Bath and North East Somerset Council (“the Council”) in exercise of its powers and being satisfied that the conditions set out in section 59 Anti-social Behaviour Crime and Policing Act 2014 (“the Act”) are met, makes the following Public Spaces Protection Order (“PSPO”) in relation to the Public Places in Bath City as shown outlined in red in the Schedule (“the Restricted Area”) to this Order.

This Order may be cited as the Bath and North East Somerset Council (Prohibition on the Consumption of Alcohol Public Spaces Protection Order (Bath City No. 1 of 2017)) and comes into force on 20 October 2017. This Order will have effect for a period of 3 years, until 19 October 2020.

Pursuant to section 74(1) of the Act Public Place is defined as “any place to which the public or any section of the public has access, on payment or otherwise, as of right or by virtue of express or implied permission”. The plural of Public Place namely “Public Places” has the same definition.

The Council is satisfied on reasonable grounds that:

- (a) the consumption of alcohol (“the Activity”) carried on in a Public Place within the authority’s area has had a detrimental effect on the quality of life of those in the locality, or
- (b) it is likely that the Activity will be carried on in a Public Place within that area and that it will have such an effect.

The Council is further satisfied that the effect, or likely effect, of the Activity–

- a) is, or is likely to be, of a persistent or continuing nature,

- (b) is, or is likely to be, such as to make the Activity unreasonable, and
- (c) justifies the restrictions imposed by the notice.

For the purposes of the following prohibitions and requirements an “Authorised Officer” is any Police Officer, Police Community Support Officer, or person authorised for the purposes of the Act by the Council.

The following prohibitions and requirements apply to all persons at all times unless one of the Exceptions applies.

Therefore, having consulted as required by section 72, the Council under section 59(4) **prohibits (the Prohibition):**

(1)

- a) Any person from having in their possession, care or control in any Public Place within the Restricted Area alcohol where that person-
 - i. is or has been consuming alcohol in any Public Place in the Restricted Area, or
 - ii. intends to consume alcohol in any Public Place in the Restricted Area; and
 - iii. is behaving in a way that is, or it likely to cause, harassment, alarm, distress, crime or disorder.

And **requires:**

(2)

- a) Any person not to consume in any Public Place within the Restricted Area, in breach of the Prohibition, alcohol or anything which the Authorised Officer reasonably believes to be alcohol.
- b) Any person to surrender to an Authorised Officer on request anything in their possession which is, or which the Authorised Officer reasonably believes to be,

alcohol or a container for alcohol. An Authorised Officer may dispose of anything surrendered under (2)(b) in whatever way he or she thinks appropriate.

Pursuant to section 63 of the Act, where an Authorised Officer requires that a person complies with 2(a) or (b) or both and the person fails to do so without reasonable excuse, that person shall be committing a criminal offence and is liable on summary conviction to a fine not exceeding level 2 on the standard scale.

Pursuant to section 68 of the Act an Authorised Officer may issue a fixed penalty notice to anyone he or she has reason to believe has committed an offence under section 63 in relation to this Order.

EXCEPTIONS TO THE TERMS OF THIS ORDER

Section 62 Anti-social Behaviour Crime and Policing Act 2014

Premises etc to which alcohol prohibition does not apply

(1) A prohibition in a public spaces protection order on consuming alcohol does not apply to—

- (a) premises (other than council-operated licensed premises) authorised by a premises licence to be used for the supply of alcohol;
- (b) premises authorised by a club premises certificate to be used by the club for the supply of alcohol;
- (c) a place within the curtilage of premises within paragraph (a) or (b);
- (d) premises which by virtue of Part 5 of the Licensing Act 2003 may at the relevant time be used for the supply of alcohol or which, by virtue of that Part, could have been so used within the 30 minutes before that time;
- (e) a place where facilities or activities relating to the sale or consumption of alcohol are at the relevant time permitted by virtue of a permission granted under section 115E of the Highways Act 1980 (highway-related uses).

(2) A prohibition in a public spaces protection order on consuming alcohol does not apply to council-operated licensed premises—

(a) when the premises are being used for the supply of alcohol, or

(b) within 30 minutes after the end of a period during which the premises have been used for the supply of alcohol.

(3) In this section—

“club premises certificate” has the meaning given by section 60 of the Licensing Act 2003;

“premises licence” has the meaning given by section 11 of that Act;

“supply of alcohol” has the meaning given by section 14 of that Act.

(4) For the purposes of this section, premises are “council-operated licensed premises” if they are authorised by a premises licence to be used for the supply of alcohol and—

(a) the licence is held by a local authority in whose area the premises (or part of the premises) are situated, or

(b) the licence is held by another person but the premises are occupied by a local authority or are managed by or on behalf of a local authority.

Schedule: Map

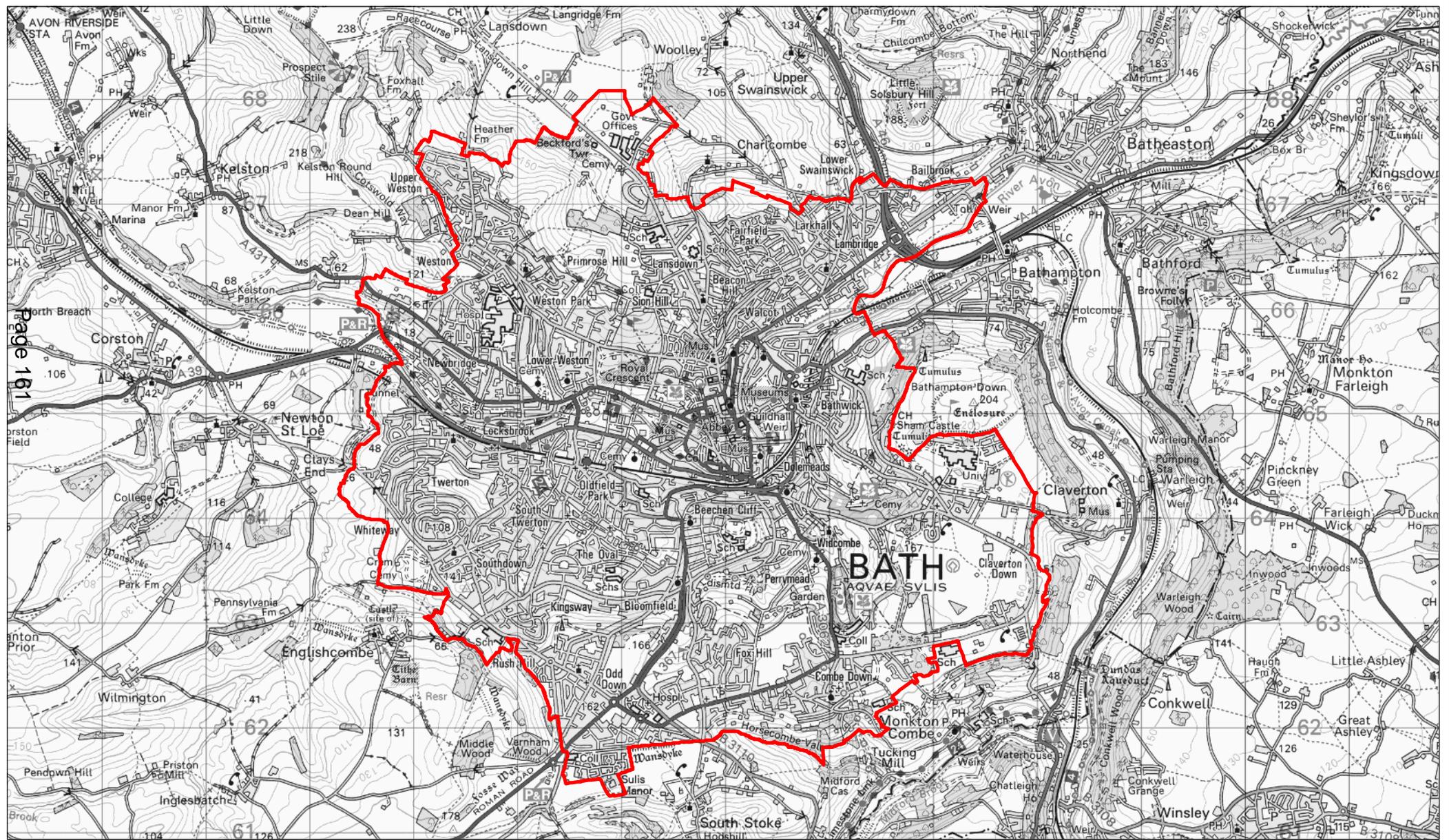
Bath City

Compiled by MRL on 17 March 2017

Scale 1:50000



Bath & North East Somerset Council
Lewis House
Manvers Street
Bath BA1 1JG
Tel 01225 477000



Page 161

This page is intentionally left blank

Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING	11 October 2017	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3009
TITLE:	Proposed Public Space Protection Orders to restrict alcohol consumption in public spaces in Midsomer Norton	
WARD:	Midsomer Norton Redfield and Midsomer Norton North wards	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
<ol style="list-style-type: none"> 1. Report on consultation on draft Public Space Protection Order for Midsomer Norton 2. Proposed Order, Midsomer Norton (map attached) 		

1 THE ISSUE

- 1.1 The current Designated Public Place Order (“DPPO”) which restricts street drinking in Midsomer Norton is due to expire in October 2017. This is as a result of the introduction of Public Space Protection Orders (PSPOs) under the Anti-Social Behaviour Crime and Policing Act 2014 (“the Act”). This report invites the Cabinet to determine whether, and if so in what way, to continue restrictions on street drinking in this area as a PSPO, following a consultation as required by the legislation.

2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 Consider the outcomes of the consultation on the Public Space Protection Order to restrict street drinking in Midsomer Norton, as set out in Appendix 1
- 2.2 Consider the legal criteria for adopting a PSPO, as set out in Paragraph 4 of this report, and particularly the test set out in paragraph 4.1
- 2.3 In the light of 2.1. and 2.2 above make the Midsomer Norton Order as set out in Appendix 2 of the report

- 2.4 Request the Head of Legal Services or an authorised signatory on her behalf to sign and seal the Midsomer Norton Order
- 2.5 Request the Divisional Director for Strategy and Performance to undertake further work to update signage and other publicity relating to any agreed Order and ensure the impact of the PSPO is kept under review
- 2.6 Request the Community Safety Partnership to receive regular monitoring reports on the impact of the PSPO, including equalities impacts and updates on support available for people with alcohol problems including street drinkers
- 2.7 Thank those who were involved in the consultation process, and in particular Midsomer Norton Town Council, and publicise the outcomes of the consultation
- 2.8 Undertake consultation under Section 72 of the Anti-social Behaviour Crime and Policing Act 2014 on extending the PSPO recommended in 2.3 to the areas identified in paragraph 5.11, and prepare a report to Cabinet with recommendations following this consultation.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The legal costs of preparing any agreed Order will be met from within existing budgets. Subject to Cabinet agreeing any Order, further work will be undertaken on updating any required signage and additional publicity relating to the Order. Wherever possible this will be sought from within existing budgets with funds also sought from external sources and partners. Signage for the existing DPPO has been funded from Midsomer Norton Town Council.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

The legal test

- 4.1 The legal test which must be satisfied in order for a PSPO to be made can be found at section 59 of the Act. The Council needs to be satisfied on reasonable grounds that two conditions are met:

(1) The first condition is that:

(a) activities carried on in a public place within the authority's area have had a detrimental effect on the quality of life of those in the locality, or

(b) it is likely that activities will be carried on in a public place within that area and that they will have such an effect.

(2) The second condition is that the effect, or likely effect, of the activities –

(a) is, or is likely to be, of a persistent or continuing nature,

(b) is, or is likely to be, such as to make the activities unreasonable, and

(c) justifies the restrictions imposed by the notice.

4.2 “Public place” is defined in section 74(1) of the Act as “any place to which the public or any section of the public has access, on payment or otherwise, as of right or by virtue of express or implied permission.”

4.3 A legal challenge to a PSPO must be made to the High Court within 6 weeks of being made and can only be made by an individual who lives in, regularly works in or visits the restricted area. A PSPO can remain in force for up to a maximum of three years and should be reviewed before expiry in order to determine whether or not it should be extended.

Premises to which an alcohol prohibition does not apply

4.4 Section 62 of the Act prescribes premises to which alcohol prohibition does not apply as:

(1)(a) premises (other than council-operated licensed premises) authorised by a premises licence to be used for the supply of alcohol;

(b) premises authorised by a club premises certificate to be used by the club for the supply of alcohol;

(c) a place within the curtilage of premises within paragraph (a) or (b);

(d) premises which by virtue of Part 5 of the Licensing Act 2003 may at the relevant time be used for the supply of alcohol or which, by virtue of that Part, could have been so used within 30 minutes before that time;

(e) a place where facilities or activities relating to the sale or consumption of alcohol are at the relevant time permitted by virtue of a permission granted under section 115E of the Highways Act 1980 (highway-related uses).

4.5 A prohibition in a public spaces protection order on consuming alcohol also does not apply to council-operated licensed premises –

(a) when the premises are being used for the supply of alcohol, or

(b) within 30 minutes after the end of a period during which the premises have been used for supply of alcohol.

Consultation requirements

4.6 Under Section 72 of the Act, Councils must consult with the Chief Officer of Police, local policing body (in this case the PCC), community representatives

it thinks appropriate to consult and the owner or occupier of the land within the restricted area.

- 4.7 The requirement to consult with the owner or occupier of land within the proposed area does not apply to land that is owned and occupied by the local authority; and applies only if, or to the extent that, it is reasonably practicable to consult the owner or occupier of the land.

Equalities and convention rights

- 4.8 Equalities impacts were sought through the consultation process the outcomes of which are summarised in Appendix One. An Equalities Analysis has been prepared. A number of positive impacts for equalities groups were identified as arising from a PSPO, particularly where this reduces the fear of crime and anti-social behaviour. The Analysis also identified the potential for differential impacts from the use of discretionary powers for enforcement of the PSPO. Through the consultation, it was identified that some young people have concerns about the way that the PSPO would be implemented. To address this, it is proposed that more information be provided about the PSPO and how it will be applied, and that appropriate training be provided to those responsible for enforcing the PSPO, noting that equality and diversity is a core part of training for Police officers. It is recommended also that monitoring data be recorded and reported.
- 4.9 The Council must have particular regard to the rights of freedom of expression and freedom of assembly and association set out in articles 10 and 11 of the Convention for the Protection of Human Rights and Fundamental Freedoms when deciding whether to make, extend, vary or discharge a PSPO and what it should include, if appropriate.
- 4.10 Article 10 protects the right to freedom of expression but this is a qualified right which may be interfered with if such interference is in accordance with the law and necessary in a democratic society, in the interests of national security, territorial integrity or public safety, for the prevention of disorder or crime, for the protection of health or morals, for the protection of the reputation or rights of others, for preventing the disclosure of information received in confidence, or for maintaining the authority or impartiality.
- 4.11 Article 11 protects the right to freedom of assembly and association but this is a qualified right which may be interfered with if such interference is in accordance with the law and is necessary in a democratic society in the interests of national security or public safety, for the prevention of disorder or crime, for the protection of health or morals or for the protection of the rights and freedoms of others. This article shall not prevent the imposition of lawful restrictions on the exercise of these rights by members of the armed forces, of the police or the administration of the State.

4.12 It is considered that any infringement of these Convention rights through the making of the proposed PSPO would be properly regulated by the law including the Act and is necessary in a democratic society. Any such infringement would be in the promotion of a legitimate aim namely, for the prevention or disorder or crime, for the protection of the rights and freedoms of others.

5 THE REPORT

Background

5.1 The Criminal Justice and Police Act 2001 gave the Police the power to seize and dispose of alcohol if they believed someone is, has or is about to consume it in a designated public place. Failure to comply with the Police request was made an arrestable offence and punishable by a fine. Councils were given the power to “designate” areas where they were satisfied that nuisance or annoyance to members of the public or a section of the public, or disorder, had been associated with consumption of alcohol in that place.

5.2 In 2013 a Designated Public Places Order was agreed which “designated” specific areas within Midsomer Norton town centre under this legislation. This followed consultation and was linked to a wider initiative to reduce the impact of street drinking within the town centre, working with the town council through a Community Alcohol Partnership.

5.3 DPPO powers do not apply to any premises which are licensed for the consumption of alcohol. This includes areas outside licensed premises where permission has been given under the Highways Act for consumption of alcohol purchased in that premises. The Police also have separate powers to deal with misuse of alcohol involving under-18s and to take action when an offence is committed which may be alcohol related.

The Act

5.4 The Anti-social Behaviour, Crime and Policing Act 2014 made a number of changes to the law on anti-social behaviour. A key change was the introduction of Public Space Protection Orders (PSPOs) to replace Designated Public Place Orders.

5.5 Statutory Guidance states that PSPOs are intended to deal with a particular nuisance or problem in an area that is detrimental to the local community’s quality of life, by imposing conditions on the use of that area which apply to everyone. Under the transitional arrangements for the Act, the existing DPPOs continue to be valid for a period of three years and are treated as if they are PSPOs. However, they will lapse on October 20th 2017 unless extended as PSPOs under the Act. A PSPO can be made where the Council is satisfied that the legal test is met in 4.1 above.

Review and Consultation

5.6 In the light of the Act, an initial review of the operation of the Midsomer Norton DPPO took place to assess whether to consult on extending it as a PSPO with approximately equivalent effect under the new legislation, and potentially meet the new legal test. This highlighted that the Community Alcohol Partnership in Midsomer Norton, which saw the introduction of both a DPPO and street marshals, saw a 13% reduction in crime and a 17% fall in anti-social behaviour.

5.7 It was clear from this review that the DPPO had been seen as successful and there was an appetite for its provisions to be continued through a PSPO. There also remained significant concerns in Midsomer Norton relating to street drinking and consequential anti-social behaviour. Given this and the legal requirements to consult under the Act set out in 4.6 and 4.7 above, a single member decision was made (E2918) to undertake a consultation process on extending and continuing the existing DPPO, in effect, as a PSPO. The decision also incorporated a consultation on a PSPO to continue to restrict street drinking in Bath, as reported elsewhere on this agenda. The proposal for Midsomer Norton subject to consultation was to replace the existing DPPO with a PSPOs as far as possible on a 'like-for-like' basis, in the following way:

- To “mirror” the previous DPPO regime, following national guidance, by only making it an offence to fail to comply with a request to cease drinking or surrender alcohol in a restricted area. This contrasts with other PSPOs where generally the offence is triggered by a person doing anything that is prohibited by the PSPO without reasonable excuse. In addition, a person guilty of an offence arising from breach of a PSPO would normally be liable on summary conviction to a fine not exceeding level 3 (£1000) on the standard scale. However, breaches relating to alcohol consumption are liable on summary conviction to a fine not exceeding level 2 (£500) on the standard scale. Depending on the behaviour in question, the enforcing officer could decide that a fixed penalty notice (FPN) would be the most appropriate sanction.
- To “mirror” the previous geographical scope of the existing DPPO (ie, a specific area of Midsomer Norton town centre) but with the addition, following a proposal from Midsomer Norton Town Council, of the Midsomer Norton Town Park. To reflect the new Act, the PSPOs would apply to all “public spaces” within the boundary line set out in the proposals. Public spaces are defined in the legislation as those to which “the public or any section of the public has access, on payment or otherwise, as of right or by virtue of express or implied permission”. This means the proposed PSPO would include public car parks and public parks as well as other public spaces such as streets.

Consultation Feedback

5.8 13 responses were received in response to the consultation. A full breakdown is set out in Appendix 1 of the report. A summary of key points is set out below:

- 75% of respondents agreed that a PSPO to control drinking in Midsomer Norton was a good idea, with 25% disagreeing
- 50% of respondents agreed with the PSPO's proposed area, with 50% disagreeing
- 67% agreed with the wording of the proposed PSPO, with 25% not and no response from 15%
- The overwhelming majority of respondents to the consultation were local residents and/or worked in the area
- 58% have been affected by street drinking in the area, with 42% not

5.9 Of those who agreed with the idea of a PSPO in Midsomer Norton the key points made in favour was that the existing DPPO has significantly improved the centre of Midsomer Norton, particularly in the evenings.

5.10 Of those who disagreed with the idea of a PSPO in Midsomer Norton, key points made against were:

- The DPPO and street marshals have been over restrictive and removing these restrictions will drive up trade
- These restrictions only push problems further out from the centre
- The focus should be on underage drinking.

5.11 Of those who disagreed with the specific area suggested, the following suggestions were made:

- The boundary of the restricted area should follow the line of St Chad's Avenue taking in the Chad's well area, left along Ivy walk and left down the footpath into Primrose Lane and Excelsior Terrace
- The restricted area should include the area around the Crossways and Midsomer Norton Cricket club as both of these venues regularly contribute to the problems of anti social behaviour in the community by their customers
- Silver Street Nature reserve should be added to the restricted area as there have been alcohol-related issues including anti social behaviour and litter
- The lower part of the Pit Road should be included within the restricted area.

5.12 The Street Pastors in a written response note the addition of the town park into the PSPO area and state that they would not currently patrol this area as it is remote from where alcohol is mainly consumed.

5.13 No respondents made any suggestions to the specific wording in the PSPO but there was an additional suggestion made that street marshals should also be authorised to enforce the PSPO. A clear theme from the consultation is that the focus on street drinking in Midsomer Norton has been the night time economy, and this has been tackled through partnership working with groups such as the street pastors and street marshals.

Police response to consultation

5.14 The Police have responded to the consultation and this response is summarised below:

- Broadly the powers conferred under the existing DPPOs are used on a daily basis by the Police and are considered by officers as an essential tool in which street crime and disorder can be managed. They provide a daily opportunity to engage with street drinkers, and to intervene at an early stage.
- The Police acknowledge concerns raised that these powers would potentially have a wider community impact, particularly on those consuming alcohol in outside areas such as parks. National Guidance issued in support of the implementation of DPPOs made it clear that this was a discretionary power, and not to be used to disrupt peaceful activities. The advice given was not to challenge those persons consuming alcohol where that individual is not causing a problem, or likely to cause a problem.
- The Police therefore suggest that any future PSPOs relating to alcohol consumption in public spaces should make it clear to both officers and members of the public the intentions of the orders. The Police's suggested revised wording, as set out below, (with the Police's proposed additions to the current draft Order in bold) would prohibit:

Any person from having in their possession, care or control in any Public Place within the restricted area alcohol where that person-

- i. Is or has been consuming alcohol in any Public Place in the Restricted Area, or
- ii. Intends to consume alcohol in any Public Place in the Restricted Area, and
- iii. **Is behaving in a way likely to cause, or where the authorised officer reasonably suspects will lead to, harassment, alarm or distress, or crime or disorder in the Restricted Area**

Key Considerations

5.15 To make any Order, the Council needs to be satisfied on reasonable grounds that the following two conditions are met:

(1) The first condition is that:

(a) activities carried on in a public place within the authority's area have had a detrimental effect on the quality of life of those in the locality, or

(b) it is likely that activities will be carried on in a public place within that area and that they will have such an effect.

(2) The second condition is that the effect, or likely effect, of the activities –

(a) is, or is likely to be, of a persistent or continuing nature,

(b) is, or is likely to be, such as to make the activities unreasonable, and

(c) justifies the restrictions imposed by the notice.

5.16 It is clear from the consultation that tests (1) and (2) (a) and (b) are met. 62% of respondents have been affected by street drinking in the area and the Street Pastors report that, despite the reductions in street drinking as a result of the DPPO, there continues to be alcohol-related anti social behaviour adjacent to or at places where retail alcohol can be consumed within the PSPO area.

5.17 However, as with the Bath consultation, a key question raised by the consultation is whether Test 2 (c) is met and whether the proposed restrictions subject to the consultation are justified in relation to the impacts on the community identified in the previous tests. Given the Police response above, it is recommended that revised wording for the prohibition in the PSPO in Midsomer Norton be adopted, when compared to the proposal set out in the consultation. This would prohibit any person from having in their possession, care or control in any Public Place within the Restricted Area alcohol where that person-

- i. is or has been consuming alcohol in any Public Place in the Restricted Area,
or
- ii. intends to consume alcohol in any Public Place in the Restricted Area; and
- iii. is behaving in a way that is, or is likely to cause, harassment, alarm, distress, crime or disorder

5.18 This revised wording draws on the Police response above and reflects both consultation feedback and that the purpose of the PSPO is to restrict behaviour which is detrimental to the local quality of life. A revised draft Order reflecting this is attached at Appendix 2.

5.19 A number of issues have been raised about the proposed boundaries of the PSPO, as set out in 5.11 above. In relation to the proposal to extend the restricted area to include the Town Park, included within the consultation proposal, the Street Pastors highlighted that they would not currently patrol the area as it is remote from areas where alcohol is consumed. However, Midsomer Norton Town Council have highlighted that they wish to see the inclusion of the town park area within the PSPO for the following reasons:

- a) There have been numerous issues with anti-social behaviour in Gullock Tynning including alcohol related issues and that;
- b) The area within the Park is intended for recreational use as part of the “recreation strip” along Gullock Tynning, which would see future events etc. being held

5.20 Given this response from the Town Council, it is recommended that the Town Park area be included in the restricted area, as set out in the consultation proposal.

5.21 In relation to the proposals for additional areas to be included in the PSPO, these were not included in the consultation proposal and it is therefore recommended that a consultation be carried out as required under the Act as to whether these should be added to the recommended restricted area. A further report with recommendations will be prepared for Cabinet following this consultation.

6 RATIONALE

6.1 The outcomes of the consultation broadly support the continuation of restrictions on street drinking in the areas as set out, (and with the addition of the areas specified), but also reflect concern that the powers used must be to be proportionate and used to address to alcohol consumption which causes, or is likely to cause, harassment, alarm or distress. This is reflected in the recommendation and allows Avon and Somerset Police to have continuity of enforcement powers with regard to street drinking. The report sets out how the recommendations meet the legal tests required and recommends that consultation take place on suggested additions to the PSPO restricted area.

7 OTHER OPTIONS CONSIDERED

- A. Take no action. This option would mean that the existing DPPO would not be replaced by a PSPO in October 2017, and they would lapse. This would result in reduced enforcement powers for Avon and Somerset Police.
- B. Extend the scope of the PSPOs to include new activities and/or wholly new geographical areas. This is not currently proposed. Any further proposals

would be considered on their merits and would be subject to statutory tests and consultation.

8 CONSULTATION

8.1 A 12- week formal consultation period ran from 23rd May 2017 to 15th August 2017. It included:

- An online questionnaire including links to the proposal and background information
- Communications to specific organisations, including Midsomer Norton Town Council who also passed on invitations to respond to the consultation
- A Press Release and subsequent press coverage
- Publicity about the consultation in *Together* magazine, which is circulated to all households in Bath and North East Somerset

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.

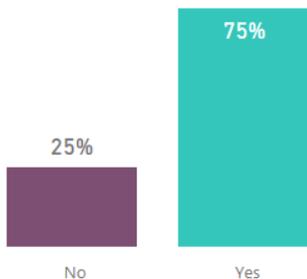
Contact person	<i>Andy Thomas, 01224 394322</i> Andy_thomas@bathnes.gov.uk
Background papers	<u>Existing Designated Public Place Order, Midsomer Norton and Map</u> Prohibitions on the consumption of alcohol in public places in Bath and Midsomer Norton and the implications of the Anti Social Behaviour, Crime & Policing Act 2014 (E 2918)
Please contact the report author if you need to access this report in an alternative format	

This page is intentionally left blank

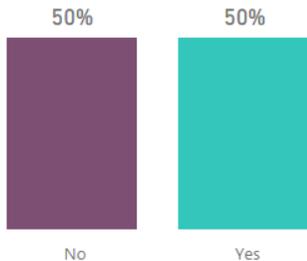
Location

- Select All
- Bath
- MSN

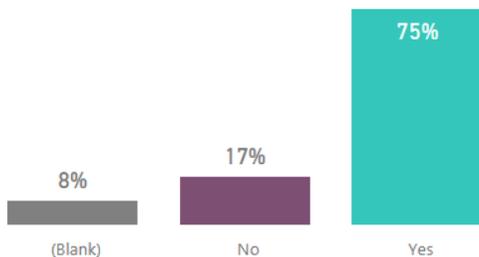
Do you agree that a Public Space Protection Order is a good idea?



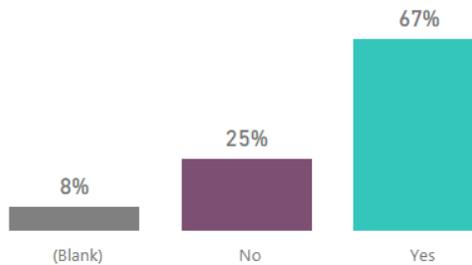
Do you agree with the PSPO area?



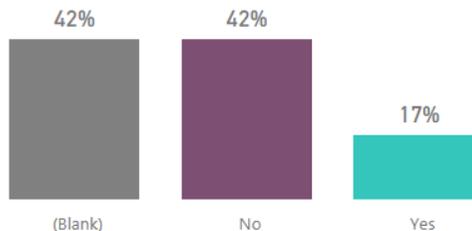
Do you agree with the wording?



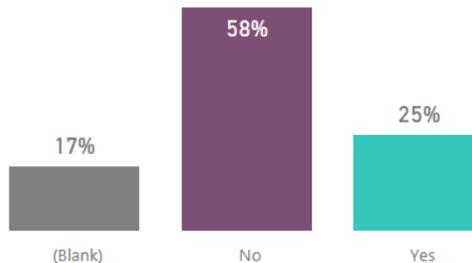
Are you a resident?



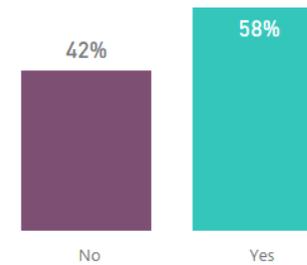
Are you a visitor?



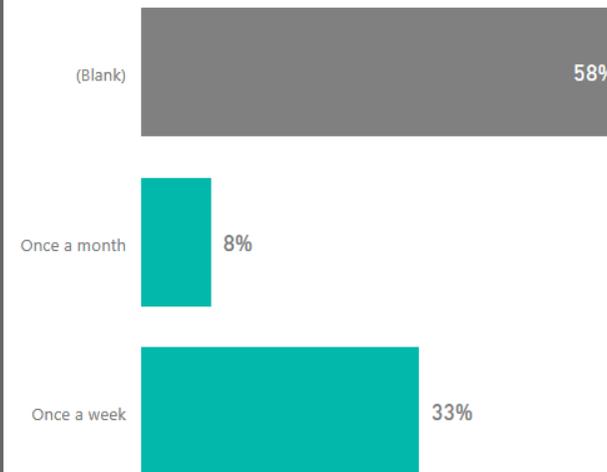
Do you work in the area?



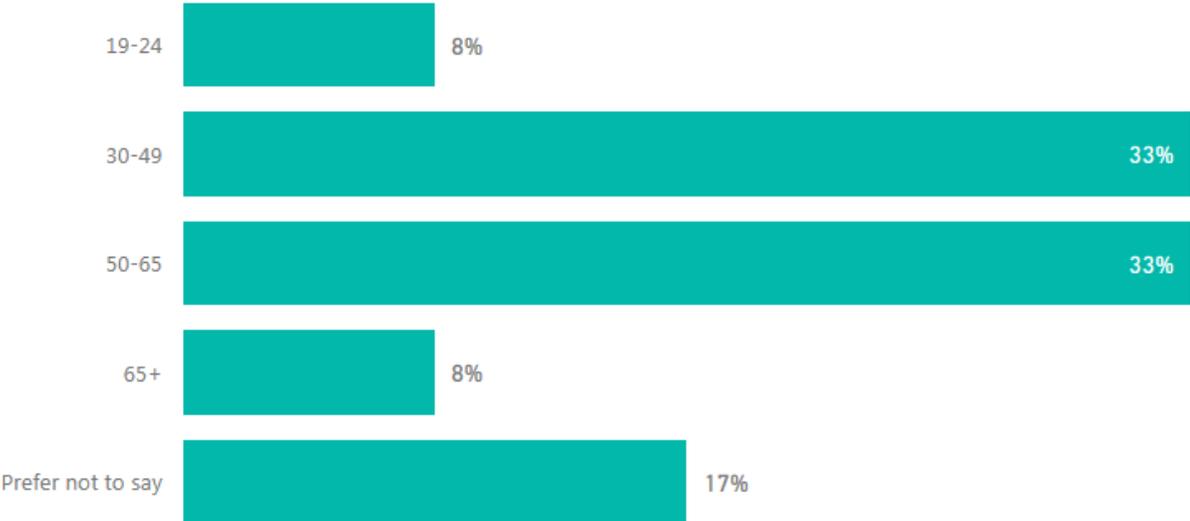
Have you been affected by street drinking in the area?



If so, how frequently?

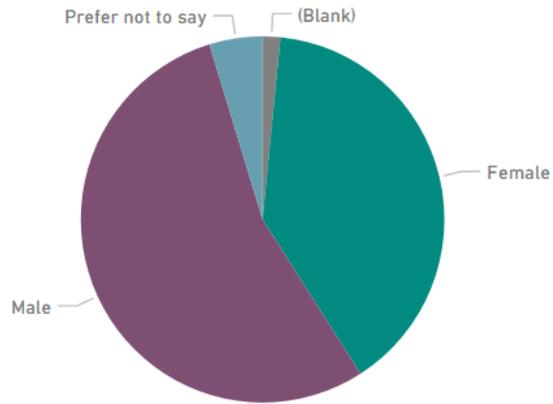


Midsomer Norton respondents age range



"Affected differently" responses- Bath and Midsomer Norton consultations

How do you define your gender?



Respondents were also asked if they felt they would be affected differently by the PSPO due to their individual characteristics;

9 respondents felt they would be affected differently due to their **age**

3 respondents felt they would be affected differently due to their **gender**

1 respondent felt they would be affected differently due to their **disability**

6 respondents felt they would be affected differently for **other reasons**

This page is intentionally left blank

APPENDIX 2: Draft Public Spaces Protection Order 2017

ANTI-SOCIAL BEHAVIOUR CRIME AND POLICING ACT 2014

**THE ANTI-SOCIAL BEHAVIOUR CRIME AND POLICING ACT 2014
(PUBLICATION OF PUBLIC SPACES PROTECTION ORDERS) REGULATIONS
2014**

**BATH AND NORTH EAST SOMERSET COUNCIL (PROHIBITION ON THE
CONSUMPTION OF ALCOHOL) PUBLIC SPACES PROTECTION ORDER
(MIDSOMER NORTON NO. 1 OF 2017)) (“The Order”)**

Notice is hereby given that Bath and North East Somerset Council (“the Council”) in exercise of its powers and being satisfied that the conditions set out in section 59 Anti-social Behaviour Crime and Policing Act 2014 (“the Act”) are met, makes the following Public Spaces Protection Order (“PSPO”) in relation to the Public Places in Midsomer Norton as shown outlined in red in the Schedule (“the Restricted Area”) to this Order.

This Order may be cited as the Bath and North East Somerset Council (Prohibition on the Consumption of Alcohol Public Spaces Protection Order (Midsomer Norton No. 1 of 2017)) and comes into force on 20 October 2017. This Order will have effect for a period of 3 years, until 19 October 2020.

Pursuant to section 74(1) of the Act Public Place is defined as “any place to which the public or any section of the public has access, on payment or otherwise, as of right or by virtue of express or implied permission”. The plural of Public Place namely “Public Places” has the same definition.

The Council is satisfied on reasonable grounds that:

- (a) the consumption of alcohol (“the Activity”) carried on in a Public Place within the authority’s area has had a detrimental effect on the quality of life of those in the locality, or
- (b) it is likely that the Activity will be carried on in a Public Place within that area and that it will have such an effect.

The Council is further satisfied that the effect, or likely effect, of the Activity–

- a) is, or is likely to be, of a persistent or continuing nature,

- (b) is, or is likely to be, such as to make the Activity unreasonable, and
- (c) justifies the restrictions imposed by the notice.

For the purposes of the following prohibitions and requirements an “Authorised Officer” is any Police Officer, Police Community Support Officer, or person authorised for the purposes of the Act by the Council.

The following prohibitions and requirements apply to all persons at all times unless one of the Exceptions applies.

Therefore, having consulted as required by section 72, the Council under section 59(4) **prohibits (the Prohibition):**

(1)

- a) Any person from having in their possession, care or control in any Public Place within the Restricted Area alcohol where that person-
 - i. is or has been consuming alcohol in any Public Place in the Restricted Area, or
 - ii. intends to consume alcohol in any Public Place in the Restricted Area; and
 - iii. is behaving in a way that is, or it likely to cause, harassment, alarm, distress, crime or disorder.

And **requires:**

(2)

- a) Any person not to consume in any Public Place within the Restricted Area, in breach of the Prohibition, alcohol or anything which the Authorised Officer reasonably believes to be alcohol.
- b) Any person to surrender to an Authorised Officer on request anything in their possession which is, or which the Authorised Officer reasonably believes to

be, alcohol or a container for alcohol. An Authorised Officer may dispose of anything surrendered under (2)(b) in whatever way he or she thinks appropriate.

Pursuant to section 63 of the Act, where an Authorised Officer requires that a person complies with 2(a) or (b) or both and the person fails to do so without reasonable excuse, that person shall be committing a criminal offence and is liable on summary conviction to a fine not exceeding level 2 on the standard scale.

Pursuant to section 68 of the Act an Authorised Officer may issue a fixed penalty notice to anyone he or she has reason to believe has committed an offence under section 63 in relation to this Order.

EXCEPTIONS TO THE TERMS OF THIS ORDER

Section 62 Anti-social Behaviour Crime and Policing Act 2014

Premises etc to which alcohol prohibition does not apply

(1) A prohibition in a public spaces protection order on consuming alcohol does not apply to—

- (a) premises (other than council-operated licensed premises) authorised by a premises licence to be used for the supply of alcohol;
- (b) premises authorised by a club premises certificate to be used by the club for the supply of alcohol;
- (c) a place within the curtilage of premises within paragraph (a) or (b);
- (d) premises which by virtue of Part 5 of the Licensing Act 2003 may at the relevant time be used for the supply of alcohol or which, by virtue of that Part, could have been so used within the 30 minutes before that time;
- (e) a place where facilities or activities relating to the sale or consumption of alcohol are at the relevant time permitted by virtue of a permission granted under section 115E of the Highways Act 1980 (highway-related uses).

(2) A prohibition in a public spaces protection order on consuming alcohol does not apply to council-operated licensed premises—

(a) when the premises are being used for the supply of alcohol, or

(b) within 30 minutes after the end of a period during which the premises have been used for the supply of alcohol.

(3) In this section—

“club premises certificate” has the meaning given by section 60 of the Licensing Act 2003;

“premises licence” has the meaning given by section 11 of that Act;

“supply of alcohol” has the meaning given by section 14 of that Act.

(4) For the purposes of this section, premises are “council-operated licensed premises” if they are authorised by a premises licence to be used for the supply of alcohol and—

(a) the licence is held by a local authority in whose area the premises (or part of the premises) are situated, or

(b) the licence is held by another person but the premises are occupied by a local authority or are managed by or on behalf of a local authority.

Schedule: Map

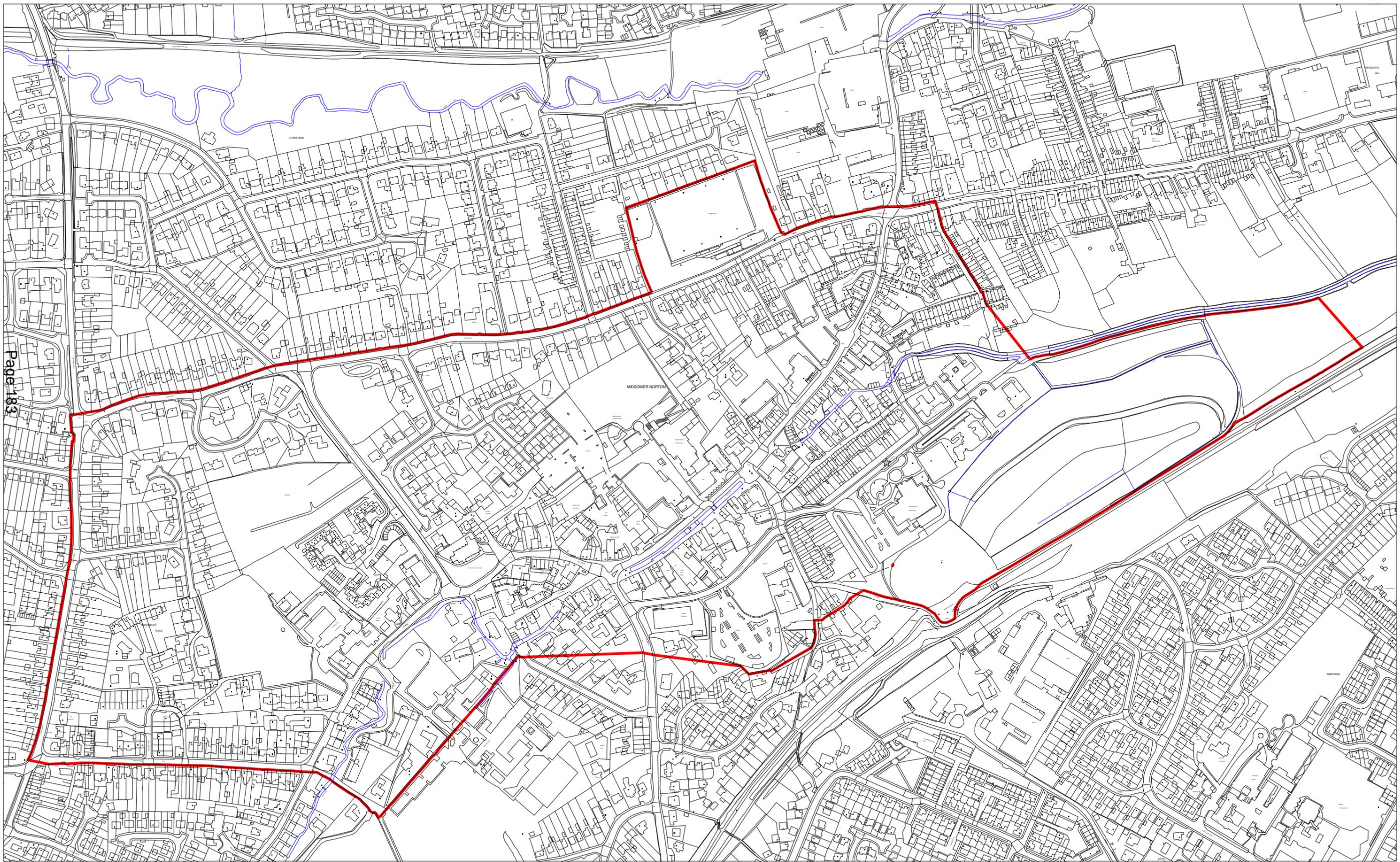
Schedule: Draft Proposed Public Spaces Protection Order for Midsomer Norton

Compiled by MRL on 7 April 2017

Scale 1:4200



Bath & North East Somerset Council
Lewis House
Manvers Street,
Bath BA1 1JG
Tel 01225 477000



Page 183

This page is intentionally left blank