

Cabinet

Date: Wednesday, 8th November, 2017

Time: 4.00 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

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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 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

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Cabinet - Wednesday, 8th November, 2017

in the Council Chamber - Guildhall, Bath

A G E N D A

1. WELCOME AND INTRODUCTIONS

2. EMERGENCY EVACUATION PROCEDURE

The Chair will draw attention to the emergency evacuation procedure as set out 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 - 16)

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 17 - 18)

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

12. ADOPTION OF THE SUPPLEMENTARY PLANNING DOCUMENT ON HOUSES IN MULTIPLE OCCUPATION IN BATH (Pages 19 - 50)

Bath has seen a significant increase in and concentrations of Houses in Multiple Occupation (HMOs) and private rented property over the last 10-15 years, with HMOs now being common residences for students, young people and others. The original SPD, providing the planning framework to assess planning applications for a change of use from dwelling house (use class C3) to HMOs (use class C4), was adopted in July 2013. Following a review of the performance of the original SPD including the evidence update and targeted engagement, revisions to the SPD are proposed.

13. AMENDMENTS TO THE B&NES LOCAL DEVELOPMENT SCHEME (Pages 51 - 96)

This report recommends amendments to the Bath & North East Somerset Local Development Scheme (LDS) in order to update the Council's priorities for the preparation of Planning Policy documents for the period 2017-2020.

14. B&NES COMMUNITY INFRASTRUCTURE LEVY (CIL) SPENDING ARRANGEMENTS 2018/19 (Pages 97 - 102)

This report proposes changes to the arrangements for agreeing how B&NES Community Infrastructure Levy (CIL) income is spent.

15. COUNCIL AND CCG INTEGRATION- NEXT STEPS (Pages 103 - 118)

The purpose of this report is to describe, and seek agreement in principle, on the proposed future governance requirements for an integrated commissioning arrangement between B&NES Council and BaNES Clinical Commissioning Group (CCG).

16. TREASURY MANAGEMENT MONITORING REPORT TO 30TH SEPTEMBER 2017 (Pages 119 - 134)

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 six months of 2017/18.

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

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BATH AND NORTH EAST SOMERSET

CABINET

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

Wednesday, 11th October, 2017

Present:

Councillor Tim Warren	Leader of the Council and Conservative Group Leader
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
Councillor Mark Shelford	Cabinet Member for Transport and Environment

111 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting.

112 EMERGENCY EVACUATION PROCEDURE

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

113 APOLOGIES FOR ABSENCE

Councillors Vic Pritchard and Charles Gerrish had sent their apologies for this meeting.

114 DECLARATIONS OF INTEREST

Councillor Paul May declared an 'Other' interest as he was non-Executive Member of the Sirona Board.

Maria Lucas (Monitoring Officer) granted a dispensation in relation to Councillor May's interest on the Sirona Board.

115 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was none.

116 QUESTIONS FROM PUBLIC AND COUNCILLORS

There were 14 questions from Councillors and 28 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]

117 STATEMENTS, DEPUTATIONS OR PETITIONS FROM PUBLIC OR COUNCILLORS

David Redgewell read out the statement (*available on the Minute Book at Democratic Services*) where he expressed his concern about the lack of 17 officers at WECA which would affect the delivery of major projects.

Caroline Ambrose addressed the Cabinet by expressing her concern that the public had been given only two options in terms of the consultation on Bath Central Library. Caroline Ambrose also said that despite the fact that the library would stay at the Podium, the Council had decided to downsize the space. Caroline Ambrose concluded that there was no robust evidence that co-location between the library and One Stop Shop would work and there was no library in England that had had successful integration of those two services.

Councillor Joe Rayment addressed the Cabinet on the following issues:

Bath Central Library – Councillor Rayment felt that the Podium location for the library and One Stop Shop had been positive though the co-location for those two services had been based on cuts and not to enhance services. Councillor Rayment expressed his concern that One Stop Shop users would not be able to reach services as new location was further away from the bus and train station.

Modern Libraries (Community Library Approach) – Councillor Rayment felt that the press release should have said more about the cuts in this service/area. Councillor Rayment expressed his concern that the Community Library proposal would expect from volunteers to do the same job as paid staff and felt that this would not be sustainable approach.

Medium Term Financial Strategy - Councillor Rayment felt that the Cabinet should have asked the Government for more funding in order to provide essential services for their residents. Councillor Rayment felt that cuts in funding to the Council were quite severe.

118 MINUTES OF PREVIOUS CABINET MEETING

RESOLVED that the minutes of the meeting held on Wednesday 19th July 2017 be confirmed as a correct record and signed by the Chair.

119 CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

There were none.

120 MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES

There were none.

121 SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING

The Cabinet agreed to note the report.

122 MODERN LIBRARIES BATH - CONSULTATION OUTCOMES AND PROPOSALS

Councillor Richard Samuel said that although he had shown support for protection of the library, he was concerned that detailed cost of the project could not be produced by the Council. Councillor Samuel felt that integration of library and One Stop Shop (OSS) at the Podium may be the least desirable option. Councillor Samuel asked the Cabinet to hold tight control on the cost and for full transparency with this project.

Councillor Paul Crossley said that current OSS space at Lewis House had been refurbished not so long ago and the OSS had been successful due to its space and its proximity to bus and train station. Councillor Crossley felt that there was no reason for co-location and asked for a cost associated to the project and whether the police would use the new premises.

Councillor Dine Romero expressed her concern over the project's direction and delivery and requested more clarity on agreement between Waitrose and the Council. Councillor Romero also asked the Cabinet to pause the project and asked for new evidence on the co-location arrangements.

Councillor Patrick Anketell-Jones welcomed the proposal by saying that the Podium had had cultural and social intensity, and having a library and OSS there would work. Councillor Anketell-Jones also said that exhibition space at the library should be retained.

Councillor Karen Warrington said that the aim was 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 could access support, knowledge, culture and events to help them reach their full potential. The integration of services was 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. The chosen option at the Podium had had an indicative capital cost of £2.8m for Bath (the overall Modern Libraries programme including option 4 was estimated to cost £3.6m). The net savings were estimated to be £393k per annum for Bath (the overall Modern Libraries programme was expected to save a net £798k per annum). The consultation had commenced on 20th July 2017 and had closed on 15th September 2017. The consultation document had been available on the council's website and in print at all libraries and OSS's. The results of the consultation had showed that nearly 92% of respondents had opted for the Podium as their preferred location for the combined library and One Stop Shop. Councillor Warrington also added that there had been successful integration in Cardiff and Newcastle.

Councillor Karen Warrington moved the recommendations.

Councillor Mark Shelford seconded the motion by welcoming that the Council would save the library and integrate services to create a space where all members of the community could read, connect, learn and get help.

The rest of the Cabinet also welcomed the motion where they believed that by bringing the two services together residents and library users in Bath would continue to receive a modern comprehensive and efficient library service with potential to add more flexible space to increase the service offering.

RESOLVED (unanimously) that the Cabinet agreed to:

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

123 MODERN LIBRARIES - COMMUNITY LIBRARY APPROACH

Councillor Dine Romero expressed her concerns to budget cuts and how unprecedented financial challenges on required annual efficiency saving of £800,000 by 2020 to be realised through the whole programme would impact on libraries. Councillor Romero asked the Cabinet to pause and re-think before making a final decision on this matter.

Councillor Richard Samuel said that the current administration had decided to exercise whole sale privatisation of branch libraries. Councillor Samuel also said that amateur volunteers would replace paid professionals, that other options in the report had been dismissed and that the whole process had been poorly thought out which would lead to further protest from the community.

Councillor Will Sandry expressed his concerns with the proposal and approach as presented in the report, and felt that branch libraries had an important role for the communities in deprived areas.

Councillor Paul Crossley asked the Cabinet to review their decision on this matter. Councillor Crossley reminded the meeting that previous administration had decided to leave mobile libraries in service as they were of benefit to hard to reach communities and elderly people.

Councillor Karen Warrington said that the Council had 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 and this report had focused on the investment in and delivery of the Community Library Programme to be funded by £275,000 capital which would include a grant fund for the community and other supporting resources. The Council would not reduce the available Library service but rather ensure that residents and library users would continue to receive the comprehensive and efficient library service they already enjoy. However, the Council

would need to take a strategic, long-term approach to transforming the library service and by adopting this new community approach, this strengthened the resilience of our communities as well as ensuring efficiencies.

Councillor Karen Warrington moved the recommendations.

Councillor Paul Myers seconded the motion by saying that the Council would need to make savings and that the community model had been successful in Bath and North East Somerset as it was in other areas.

The rest of the Cabinet welcomed the motion by saying that the Community Run Libraries approach in each locality would be the subject of further discussions with the Area Forums, building on the progress so far that had seen significant interest in some communities wanting a more tailored library provision locally.

Councillor Tim Warren said that there was no mention in the report on closing mobile libraries and that he did not see any issues in engaging volunteers to work in libraries.

RESOLVED (unanimously) that the Cabinet agreed to:

- 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) Approve the release of Capital in the sum of £275,000 to invest in and support our new approach to Community Run Libraries.

124 MEDIUM TERM FINANCIAL STRATEGY

Councillor Richard Samuel said that, in his opinion, Council's finances were out of control. The expenditure had not been managed and funding had been wasted on some projects that didn't go ahead. There was very little evidence that the Council had presented current financial situation to the Government. Councillor Samuel also said that there was little evidence how business rates scheme would work in this authority. Councillor Samuel urged the Cabinet to put Council's finances back on track.

Councillor Dine Romero said that the current administration was in favour of austerity. Councillor Romero urged the Leader of the Council to communicate with the Government and ask for additional funding for more vulnerable in our community. Councillor Romero felt that the budget for 2018 would be to the detriment of the people of Bath and North East Somerset. In Councillor Romero's view Social Care and Children Services seem to head towards cliff edge.

Councillor Tim Warren said that the Council had received unprecedented reductions in funding and was facing difficult decisions about which services it could provide, as well as to what standard it could continue to provide them. Over the last few years it had been very successful in achieving efficiency savings and increasing commercial income but a 'step change' was now required given the scale of net savings it needed to find. The new Strategy had outlined 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.

Councillor Tim Warren moved the recommendations.

Councillor Paul May seconded the motion by saying that the Cabinet had conducted a serious review after the last Local Elections. The Strategy explained the financial context and the targets, as well as the financing mechanisms available to the Council. This strategy had not detailed how individual savings would be made nor how categories of additional income would be achieved. Nevertheless, it had described the scope of the work required, and taking place, to meet these targets together with some of the anticipated impacts.

RESOLVED (unanimously) that the Cabinet agreed to:

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

125 REVENUE & CAPITAL BUDGET MONITORING, CASH LIMITS AND VIREMENTS – APRIL TO JULY 2017

Councillor Richard Samuel said that the Council had used £1,349m of both the Social Care Reserve and the Care Act Reserve to bolster the Adult Social Care overspend, and said that money should be added to the total overspend.

Councillor Will Sandry expressed his concerns for the tragic position that the Council and its residents were, and felt that the current financial position was down to austerity. Councillor Sandry questioned the impact of Virgin Care on Council's costs.

At this point of the meeting Councillor Paul May said that he wasn't aware that Virgin Care would be debated under this agenda item so he declared an 'Other' interest as he was non-Executive Member of the Sirona Board.

Maria Lucas (Monitoring Officer) granted a dispensation in relation to Councillor May's interest on the Sirona Board. *(The dispensation granted by the Monitoring Officer is available on the Minute Book at Democratic Services).*

Councillor Tim Warren said that the Social Care Reserve and the Care Act Reserve were there to be used to partially mitigate the Adult Social Care revenue budget position.

Councillor Tim Warren also said that this report had presented the financial monitoring information for the Authority as a whole for the financial year 2017/18 to the end of August 2017. For revenue budgets which were forecast to be overspent, the Divisional Directors were expected to seek compensating savings to try and bring budgets back to balance. Appendix 1 of the report had highlighted any significant areas of forecast over and under spends in revenue budgets. Appendix 2 had outlined 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 was an overspend of £5,125,000 which equates to 1.64% of gross budgeted spend (excluding Schools).

Councillor Tim Warren moved the recommendations.

Councillor Paul May seconded the motion by saying that the Council had done a lot of work to make required savings. Councillor May recognised current forecast service pressures on Adult and Children Services and said that the use of reserves was justified in short term.

RESOLVED (unanimously) that the Cabinet agreed to:

- 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) This year's revenue budget position as shown in Appendix 2 is noted.
- 3) The actions agreed by Strategic Directors in paragraph 5.4 are noted.
- 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.
- 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.
- 6) The revenue virements listed for approval in Appendix 4(i) are agreed.
- 7) The changes in the capital programme listed in Appendix 5(i) are noted.

126 TREASURY MANAGEMENT MONITORING REPORT TO 30TH JUNE 2017

Councillor Tim Warren said that this was a routine report which sets out the satisfactory position of the Council. Councillor Warren highlighted that 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.

Councillor Tim Warren moved the recommendations.

Councillor Paul May seconded the motion by saying that investments returns continue to be ahead of the benchmark rate.

RESOLVED (unanimously) that the Cabinet agreed:

- 1) The Treasury Management Report to 30th June 2017, prepared in accordance with the CIPFA Treasury Code of Practice, is noted
- 2) The Treasury Management Indicators to 30th June 2017 are noted.

127 PROPOSED PUBLIC SPACE PROTECTION ORDER TO RESTRICT ALCOHOL CONSUMPTION IN PUBLIC SPACES IN BATH

Councillor Paul Crossley welcomed the Public Space Protection Orders for Bath and Midsomer Norton and highlighted importance of using these Orders with common sense.

Councillor Bob Goodman said that the Anti-social Behaviour, Crime and Policing Act 2014 had 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.

Statutory Guidance had stated that PSPOs were intended to deal with a particular nuisance or problem in an area that was detrimental to the local community's quality

of life, by imposing conditions on the use of that area which would apply to everyone. Under the transitional arrangements for the Act, the existing DPPOs would continue to be valid for a period of three years and were treated as if they are PSPOs. However, they would lapse on October 20th 2017 unless extended as PSPOs under the Act. A PSPO could be made where the Council was satisfied that the legal test was met. Councillor Goodman concluded by saying that residents had supported introduction of PSPOs.

Councillor Bob Goodman moved the recommendations.

Councillor Mark Shelford seconded the motion.

RESOLVED (unanimously) that the Cabinet agreed to:

- 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) 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
- 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
- 4) Request the Head of Legal Services or an authorised signatory on her behalf to sign and seal the Bath City Order
- 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
- 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
- 7) Thank those who were involved in the consultation process and publicise the outcomes of the consultation.

128 PROPOSED PUBLIC SPACE PROTECTION ORDER TO RESTRICT ALCOHOL CONSUMPTION IN PUBLIC SPACES IN MIDSOMER NORTON

Councillor Bob Goodman said that it was clear from this review that the Designated Public Protection Order had been seen as successful and there was an appetite for its provisions to be continued through a Public Space Protection Order.

Councillor Bob Goodman moved the recommendations.

Councillor Paul Myers seconded the motion by saying that the introduction of both a DPPO and street marshals, had seen a 13% reduction in crime, a 17% fall in anti-social behaviour and had seen the community engaged in this issue.

RESOLVED (unanimously) that the Cabinet agreed to:

- 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) 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
- 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

- 4) Request the Head of Legal Services or an authorised signatory on her behalf to sign and seal the Midsomer Norton Order
- 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
- 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
- 7) Thank those who were involved in the consultation process, and in particular Midsomer Norton Town Council, and publicise the outcomes of the consultation
- 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.

The meeting ended at 1.50 pm

Chair _____

Date Confirmed and Signed _____

Prepared by Democratic Services

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Bath & North East Somerset Council

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

published 2-Oct-17 to 30-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

Adoption of the Public Protection and Health Improvement Enforcement Policy

The Council's Public Protection and Health Improvement policy has been reviewed to ensure that it is relevant and up to date. Following recent changes in legislation the Enforcement policy has been reviewed and updated.

Decision Maker: Cabinet Member - Development and Neighbourhoods

Decision published: 19/10/2017

Effective from: 27/10/2017

Decision:

The Cabinet Member agrees to the adoption of the amended Enforcement policy. **Lead officer:** Suzanne McCutcheon

RULE 16 - Public Realm Safety

Release of provisionally approved capital to support the planned public realm works and related activity to further enhance security.

Decision Maker: Cabinet Member - Finance and Efficiency

Decision published: 12/10/2017

Effective from: 11/10/2017

Decision:

The Cabinet Members agree to:

- 1) Approve £200K of provisionally approved capital to be fully approved for this and related purposes subject to further delegated officer decisions to be carried out in consultation with the relevant cabinet member(s)
- 2) Note that up to £50K of revenue budget contingency may in addition be required to fund revenue project costs.

Lead officer: Ian Savigar

Digital By Choice

Release some of the provisionally approved capital to pump prime building of some solutions and to support business case development for this programme, which will deliver £3m annual revenue savings

Decision Maker: Cabinet Member - Finance and Efficiency

Decision published: 11/10/2017

Effective from: 19/10/2017

Decision:

The Cabinet Member for Finance and Efficiency approves the release of £0.5m of the £5m capital provisionally approved for the Digital by Choice programme.

Wards affected: (All Wards);

Lead officer: Angela Parratt

Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	8 th November 2017	EXECUTIVE FORWARD PLAN REFERENCE:
		E2994
TITLE:	Adoption of Revised Supplementary Planning Document on Houses in Multiple Occupation in Bath	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix A – Revised SPD on Houses in Multiple Occupation Appendix B – HMO 10% concentration area Appendix C- Consultation Report		

1 THE ISSUE

- 1.1 Bath has seen a significant increase in and concentrations of Houses in Multiple Occupation (HMOs) and private rented property over the last 10-15 years, with HMOs now being common residences for students, young people and others. The original SPD, providing the planning framework to assess planning applications for a change of use from dwelling house (use class C3) to HMOs (use class C4), was adopted in July 2013. Following a review of the performance of the original SPD including the evidence update and targeted engagement, revisions to the SPD are proposed.

2 RECOMMENDATION

The Cabinet agree that:

- 2.1 The Houses in Multiple Occupation in Bath: Supplementary Planning Document (Appendix A) is adopted to supplement the Bath & North East Somerset Placemaking Plan, especially Policy H2; and
- 2.2 Responsibility is delegated to the Divisional Director for Development, in conjunction with the Cabinet Member for Development and Neighbourhood, to make final graphic and minor textual amendments prior to adoption of the Houses in Multiple Occupation in Bath Supplementary Planning Document.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The review of the SPD is expected to cost £2000 during 2017/18 which will be funded by the LDF Budget. Introduction of the Article 4 Direction was accompanied by financial support of an additional post to cover the extra workload which is not covered by planning fees.
- 3.2 The revised SPD with a sandwich policy and the threshold test (lower to 10% from 25%) may lead to more appeals, however the costs and resources need to be met by the existing budget. The current Government consultation on New Homes Bonus is considering reducing New Homes Bonus for successful appeals from next year. However, the appeal does have to be successful for there to be any impact.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The National Planning Policy Framework (NPPF) sets out the Government's planning policy approach to achieving sustainable development. While it does not make specific reference to student accommodation, key policy principles set out in the document are relevant. In particular, paragraph 50 of the NPPF states that local planning authorities should 'plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community'.
- 4.2 The Planning Practice Guidance provides more explicit reference to accommodating the housing needs of students. In particular, Paragraph: 021 Reference ID: 2a-021-20160401 suggests that authorities should:
 - Plan for sufficient student accommodation, of different types (e.g. communal halls of residence, self-contained dwellings, on- and off-campus).
 - Consider how the provision of more dedicated student accommodation may impact on the wider private rented sector.
 - Engage with universities and other higher educational establishments to better understand the requirements of their students.
- 4.3 Paragraph: 038, Reference ID: 3-038-20140306 states that student housing can be counted towards the housing requirement 'based on the amount of accommodation it releases in the housing market'.
- 4.4 Houses in Multiple Occupation (HMOs) can be defined as houses with three or more people from two or more households living together in a residence. HMOs are an important part of the local housing market, particularly within Bath providing affordable accommodation for students, professionals and migrant workers among others.
- 4.5 In light of concerns about the high concentrations of HMOs on the social balance and housing mix of parts of the City, the Council implemented an Article 4 Direction for the City which withdrew the Permitted Development Right to convert a dwelling house (Use Class C3) to a HMO (Use Classes C4 and Sui Generis) within the City of Bath. The Article 4 covers small HMOs because large HMOs already require planning permission. The Council also adopted the HMO SPD in July 2013 to provide the policy framework to assess planning applications now

required by the Article 4 Direction. The aim of the SPD is to avoid further high concentrations of HMOs developing in the City.

The current SPD approach

4.6 Applications for the change of use from C3 dwellings to C4 or sui generis will not be permitted where;

- Stage 1 Test: The application property is within or less than 50 metres from a Census Output Area in which HMO properties represent more than 25% of households; and
- Stage 2 Test: HMO properties represent more than 25% of households within a 100 meter radius of the application property.

HMO changes from July 2013

4.7 Since the introduction of the Article 4 Direction to March 2017, there have been 168 planning applications for change of use to HMOs. 157 applications have been granted planning permission and 11 of the applications have been refused. Five of the eight refused applications were refused directly because they were contrary to the SPD.

4.8 It is worth noting that there is anecdotal evidence that prospective HMO landlords are deterred from pursuing a HMO development in areas which would fail the threshold test.

4.9 Monitoring shows that applications for HMOs are dispersed across the city, particularly to the south of the city, the city centre and along London Road to the East.

4.10 In principle, SPDs should not be subject to the Strategic Environmental Assessment Directive or require a Sustainability Appraisal because they should not introduce new policies/proposals or modify planning documents which have already been subject to sustainability appraisal. The Placemaking Plan Policy H2 (the parent policy for the SPD) was subject to the SA/SEA, but it is good practice to conduct a screening exercise to determine the extent to which the policy has environmental effects. The screening was undertaken as part of the SPD review. Overall, it is considered that the HMO SPD will not give rise to significant environmental effects. It is therefore considered that a Strategic Environmental Assessment is not required for the proposed Houses in Multiple Occupation Supplementary Planning Document. The screening report is included as a background paper.

4.11 An Equality Impact Assessment (EqIA) has been completed for the Draft SPD. The report is included as a background paper below. The main conclusions of the assessments can be summarised as follows:

- Potential negative impacts of a more dispersed set of students or young professionals over a larger area could lead to feelings of isolation. However, there are still areas with good public transport links available to facilitate further HMOs which give opportunities for these people to live in the areas with good accessibility.

- May push up rental prices in some areas (particularly Oldfield Park, Westmoreland and Widcombe area) often occupied by young people including young professionals and students. Potential changes will be monitored as set out within the SPD.
- No impact/potential impact has been identified for people of different religious/faith groups.

5 THE REPORT

Background

- 5.1 In light of concerns about the high concentrations of HMOs on the social balance and housing mix of parts of the city the Council implemented an Article 4 Direction for the city which removed permitted development rights to convert residential properties to small HMOs. The conversion of large HMOs also requires a planning permission. The HMO SPD was adopted in July 2013 providing the planning framework to assess planning applications for a change of use from dwelling house (use class C3) to HMOs (use class C4 and Sui Generis).
- 5.2 The SPD has been operating for over four years and the Council appointed ARUP to undertake a review of the existing HMO SPD to assess the performance of the SPD and investigate various policy options to address the existing challenges of HMOs using case studies of policies implemented in other local authorities. As part of the review, a stakeholder workshop was arranged. Full report can be accessed from;
http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Planning-Policy/HMOs/hmo_spd_review_and_options_analysis_april_2017.pdf
- 5.3 The Arup report suggested various options with pros and cons. Following the Arup report, the Council undertook an additional targeted engagement with stakeholders to seek views on potential options in April. The informal consultation paper with specific questions can be accessed from;
http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Planning-Policy/HMOs/hmo_spd_review_informal_consultation_paper_april_2017.pdf

Proposed changes to the SPD

- 5.4 In light of the results of the public consultation, the updated evidence and the need for a precautionary approach taking into account the available data and to create awareness of the impact of high concentrations of HMOs, the Council is proposing amendments to the SPD as below. The key changes are to introduce a sandwich policy as the Criteria 1 test, then apply the threshold test (lower to 10% from 25%) as the Criteria 2 test.
- 5.5 The area with 10% HMO concentration is shown in Appendix B. The area covers largely the wards of Westmoreland, Oldfield and Widcombe and a part of Walcot. Even though the 10% threshold seems low, it is considered that this cautious threshold still allows further HMOs in the wider area providing a variety of housing mix while encouraging a mixed and balanced community in Bath.

Proposed SPD approach

Applications for the change of use from C3 Dwellings to C4 or Sui Generis (Houses in Multiple Occupation) will not be permitted where;

Criteria 1:

It would result in any residential property (C3 use) being 'sandwiched' between two HMOs; or

Criteria 2:

Stage 1 The application property is within or less than 50 meters from a Census Output Area in which HMO properties represent more than 10% of Households; and;

Stage 2 HMO properties represent more than 10% of households within a 100 meter radius of the application property.

- 5.6 It is worth noting that the HMO percentage update is now taking place quarterly rather than twice a year as stated in the original SPD to allow the determination of planning applications to be more accurate reflecting HMO changes.

6 CONSULTATION COMMENTS

- 6.1 A total of 341 comments were received during the consultation period on the Draft SPD, respondents had the option of submitting representations either online via the Council website, e-mail or post. The key summary issues raised and recommended responses are included in the Consultation Report (Appendix C). The full comments received are included in the Consultation Statement Appendix 2-4 which are accessible as background evidence.

Data issues

- 6.2 Data: Not all non-licensable HMOs outside the additional licensing area (Oldfield, Westmoreland, Widcombe (north) and areas of Bathwick, Lyncombe, Southdown and Twerton) are represented in the existing data, resulting in a potential underestimated figure of total HMOs within Bath. Ensuring all 'hidden' HMOs are identified is a challenge for future data collection. Some HMOs have also reverted to C3 residential but are still registered as HMOs. The Council is continually working to improve the evidence base.

Additional Licensing

- 6.11 The additional licensing scheme primarily covers Westmoreland, Widcombe and Oldfield Wards. All HMOs in the scheme have been inspected and any required improvement measures have been progressed with the licence holders. The scheme was considered to have resulted in additional protection of over 4,000 of Bath's tenants. There are approx. 460 mandatory licensed HMOs and 1,020 additional licensed properties in the District.

7 RATIONALE

- 7.1 The SPD has been in operation for four years and is scheduled in the Local Development Scheme for review this year. The purpose of the HMO SPD is to avoid high concentrations of HMOs in any one part of the City in the interests of encouraging a balanced housing mix across the City.

- 7.2 The recommended revision to the SPD addresses concerns raised through the Review and is considered to be the most effective approach to continue to achieve the objective of the SPD.

8 OTHER OPTIONS CONSIDERED

- 8.1 Applying a threshold for Purpose Built Student Accommodation (PBSA) and setting design criteria for PBSA were considered but not taken forward through this SPD review. The HMO SPD supplements the Placemaking Plan Policy H2 which provides the policy guidance on a change of use from Residential (use class C3) to HMOs. Therefore the SPD cannot expand the remit given by the parent policy.
- 8.2 It is also considered that PBSA requires more strategic planning informed by better understanding of the universities' aspirations and requirements. Therefore it is more appropriately considered through the new Local Plan. Preparation of the new Local Plan has recently commenced.

9 CONSULTATION

- 9.1 Ward Councillor; Cabinet members; Parish Council; Town Council; Staff; Other B&NES Services; Local Residents; Section 151 Finance Officer; Monitoring Officer.

10 RISK MANAGEMENT

- 10.1 Data management: Not all non-licensable HMOs outside the additional licensing area are represented in the existing data, resulting in a potential underestimated figure of total HMOs within Bath. Ensuring all 'hidden' HMOs are identified is a challenge for future data collection. Some HMOs have also reverted to C3 residential but are still registered as HMOs.
- 10.2 The House Condition Survey (Housing Census modelling study) has been commissioned by Housing Services and the data is due later in the year. Potential changes in the Mandatory Licensing scheme consulted upon in 2015 are also expected within the next 12 months and these will help improve the data sets. However, detailed collection and verification of the number and location of HMOs would be likely to be a costly and time-consuming exercise, requiring extensive street by street survey. However the limitations of the data should be noted and have been taken into account in the analysis and recommendation.
- 10.3 It is considered that the above recommendations comply with the Human Rights Act 1998.

Contact person	<i>Simon De Beer- Planning Policy & Environment Manager</i>
Background papers	<i>HMO SPD Consultation Comments received (Consultation Report Appendix 1, 2, 3, 4 and 5)</i> <i>Equalities Impact Assessment of Draft SPD</i> <i>Draft Strategic Environmental Assessment Screening Report of Draft SPD</i>

	<p><i>Arup Report</i></p> <p>http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Planning-Policy/HMOs/hmo_spd_review_and_options_analysis_april_2017.pdf</p> <p><i>Placemaking Plan “Student Numbers and Accommodation Requirements in Bath (May 2016)</i></p> <p><i>B&NES Core Strategy 2014</i></p> <p><i>B&NES Placemaking Plan 2017</i></p>
<p>Please contact the report author if you need to access this report in an alternative format</p>	

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Houses in Multiple Occupation in Bath

Page 27

Draft Supplementary
Planning Document

Draft Paper November 2017



For more information on *Houses in Multiple Occupation in Bath* please contact the Planning Policy team at:

planning_policy@bathnes.gov.uk

This document can also be viewed on our website: **www.bathnes.gov.uk/hmo**

Houses in Multiple Occupation in Bath can be made available in a range of languages, large print, Braille, on tape, electronic and accessible formats by contacting Planning Policy on:

Telephone: 01225 477548

Fax: 01225 394199

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Contents

1.0	Introduction	3
1.1	Purpose	3
1.2	Scope	3
1.3	Policy Context	3
2.0	Background	5
2.1	What is an HMO?	5
2.2	Context	5
3.0	Supplementary Policy	7
4.0	Assessment for Planning Applications	8
4.1	Criteria 1 Sandwich Policy	8
4.2	Criteria 2 Stage 1	9
4.3	Criteria 2 Stage 2	11
5.0	Monitoring	12
6.0	Submission Requirements for Applicants	12
7.0	Other Considerations	12

1.0
Introduction

1.1
Purpose

This Supplementary Planning Document (SPD) accompanies Placemaking Plan Policy H2 and sets out Bath & North East Somerset Council’s approach to the distribution and dispersal of Houses in Multiple Occupation.

It aims to encourage a sustainable community in Bath, by encouraging an appropriately balanced housing mix across Bath, supporting a wide variety of households in all areas.

The SPD does this by setting out criteria for assessing planning applications required by the introduction of an Article 4 Direction for the change of use from dwellinghouses (Use Class C3) to Houses in Multiple Occupation (Use Classes C4 and Sui Generis) across the entire City of Bath.

The Houses in Multiple Occupation in Bath SPD alongside the Article 4 and Additional Licensing were adopted in July 2013. A threshold approach was introduced to determine planning applications for new HMOs. The review of the performance of the original SPD was undertaken and this SPD reflects more up-to-date evidence and comments received through the reviewing process. The main changes in this revised SPD are to apply a 10% threshold rather than 25% and to introduce a sandwich policy to address the issue where a residential

property is sandwiched between two HMOs.

It is important to note that planning applications are assessed against national and local planning policy and all other material considerations. Requiring an application to be submitted does not mean that all will be refused; rather it allows the Council to assess each case against agreed criteria before making a decision

1.2
Scope

A Supplementary Planning Document (SPD) is intended to provide further detail supporting policies in the Development Plan. It does not have Development Plan status, but it will be afforded significant weight as a material planning consideration in the determination of planning applications. The provisions of any SPD cannot, therefore, be regarded as prescriptive but they can provide a powerful indicative tool in the interpretation and application of the policy.

This document does this by setting out key decision making criteria for determining the following types of planning application:

- Applications for a change of use from a C3 (dwellinghouse) to C4 HMO where permitted development rights have been withdrawn via an Article 4 Direction covering the entire City of Bath (see map 1)
- Applications for change of use to large

HMOs of more than 6 people, where there is a material change of use.

1.3
Policy Context

National

The National Planning Policy Framework sets out a need to provide a mix of housing supply to provide for current and future generations and to “create sustainable, inclusive and mixed communities”.

Local

This SPD supplements Placemaking Plan Policy H2, which is set out below. Also of key relevance are Core Strategy Policies CP10 (Housing Mix) and B1 (Bath Spatial Strategy).

POLICY H2: Houses in Multiple Occupation

District-wide a change of use from residential (C3) to a large HMO (Sui Generis use class) will require planning permission. In Bath, a change of use from residential to a small HMO (C4) will also require planning permission as there is a City-wide Article 4 Direction in place. The following criteria will be considered when determining these applications:

- i If the site is within Bath, and within an area with an high concentration of existing HMO (as defined in the Houses in Multiple Occupation in Bath Supplementary Planning Document, or successor document), further changes of use to HMO use will not be supported as they will be contrary to supporting a balanced community;

- ii The HMO use is incompatible with the character and amenity of established adjacent uses;
- iii The HMO use significantly harms the amenity of adjoining residents through a loss of privacy, visual and noise intrusion;
- iv The HMO use creates a severe transport impact;
- v The HMO use results in the unacceptable loss of accommodation in a locality, in terms of mix, size and type;
- vi The development prejudices the continued commercial use of ground/ lower floors.



2.0 Background

2.1 What is an HMO?

Houses in Multiple Occupation (HMOs) can be defined as houses with three or more people from two or more families living together in a residence.

Under the Housing Act 2004¹ a House in Multiple Occupation (HMO) is defined as a building or part of a building (e.g. a flat):

- which is occupied by more than one household and in which more than one household shares an amenity (or the building lacks an amenity) such as a bathroom, toilet or cooking facilities; or,
- which is occupied by more than one household and which is a converted building which does not entirely comprise self-contained flats (whether or not there is also a sharing or lack of amenities); or
- which comprises entirely of converted self-contained flats and the standard of conversion does not meet, at a minimum, that required by the 1991 Building Regulation and more than one third of the flats are occupied under short tenancies.

And the households comprise:

- families (including single persons and co-habiting couples (whether or not of the opposite sex); or
- any other relationship that may be prescribed by regulations, such as domestic staff or fostering or carer arrangements.

In 2010, the legislative planning framework for Houses in Multiple Occupation (HMOs) changed significantly with the introduction of a new planning Use Class (C4); an HMO with between three and six people. This change aligns the Use Classes Order with the definition of a HMO within the Housing Act 2004.

In accordance with Schedule 14 of the Housing Act 2004, properties that contain the owner-occupier and up to two lodgers do not constitute HMOs. To classify as an HMO, a property does not need to be converted or adapted in any way.

In order to assess a planning application all properties with extant planning permissions for HMOs are classified as HMOs even the changes have not taken place.

Flow chart 1 overleaf, sets out the process for determining whether or not your house qualifies as an HMO.

2.2 Context

The private rented housing market in Bath is complex, and there is a diverse demand for flexible housing. HMOs are occupied by a wide range of groups including young professionals, students, immigrants, asylum seekers, those on housing benefit and contract workers. HMOs therefore have an important role to play in Bath's economy. HMOs have traditionally been more concentrated in certain areas of the city, particularly in the wards of Oldfield, Westmoreland and Widcombe.

The combination of an Article 4 Direction and this SPD will manage the future growth and distribution of HMOs across the City, with the aim of creating more balanced communities.

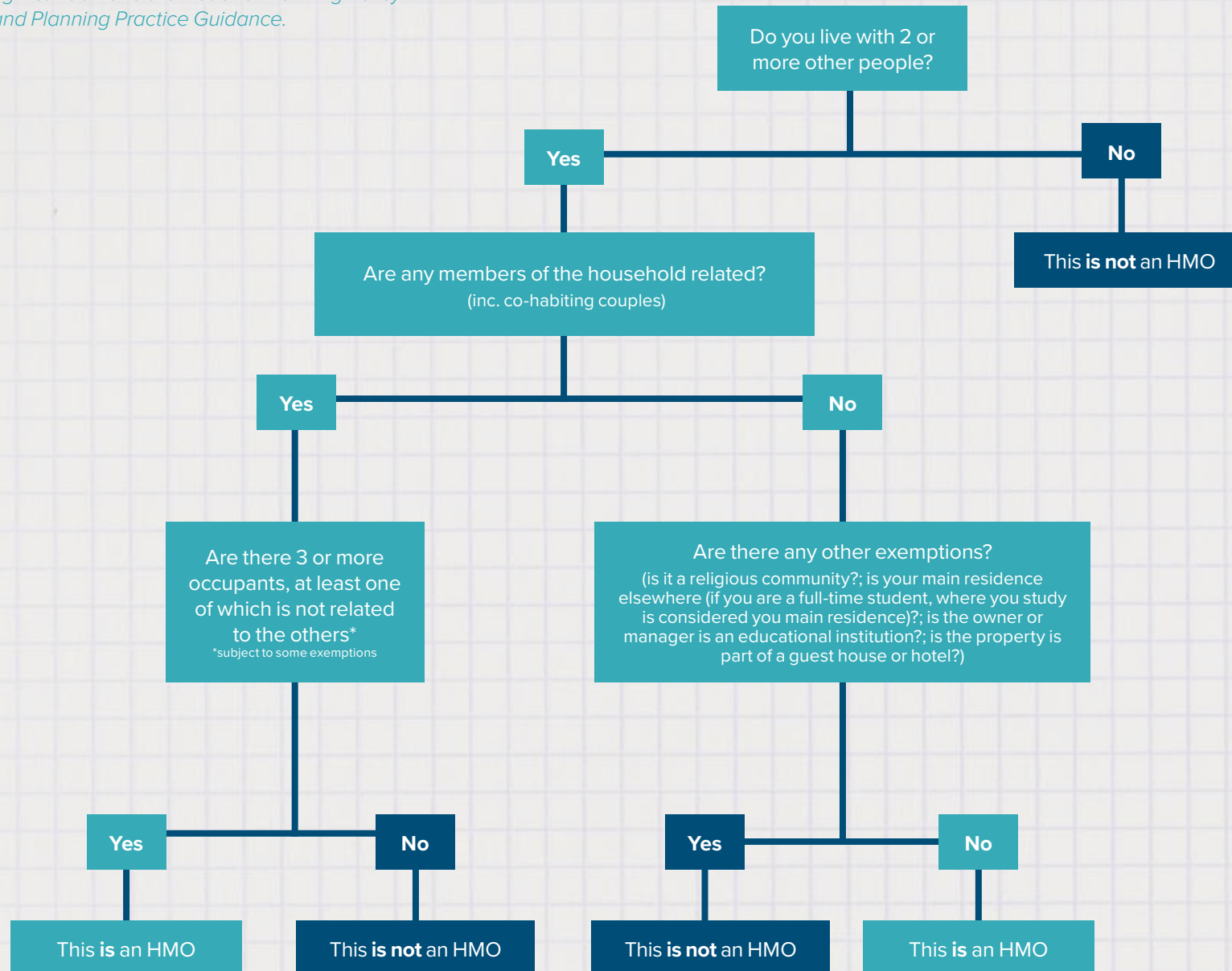


¹ Housing Act 2004, Part 254,
<http://www.legislation.gov.uk/ukpga/2004/34/section/254>

Flow Chart 1

Do you live in an HMO?

This is a guide only. For a legal definition of HMOs, please refer to the Housing Act 2004 and the National Planning Policy Framework and Planning Practice Guidance.



3.0

Supplementary Policy

Applications for the change of use from C3 dwellings to C4 or sui generis (Houses in Multiple Occupancy) will not be permitted where:

Criterion 1

It would result in any residential property (C3 use) being 'sandwiched' between two HMOs; or

Criterion 2

Stage 1 Test: The application property is within or less than 50 metres from a Census Output Area in which HMO properties represent more than 10% of households; and

Stage 2 Test: HMO properties represent more than 10% of households within a 100 metre radius of the application property.

HMOs will be defined as falling within one or more of the following categories:

- Recorded on B&NES Housing team's database as a licensed HMO;
- A property benefiting from C4 or sui generis HMO planning consent;
- Any other properties held on B&NES Housing team's database as HMOs; and
- Council tax exempt student properties.

Since the adoption of the HMO SPD, an issue has been identified with residential properties being sandwiched and the potential impact on neighboring properties.

Criteria 1 aims to prevent the potential for negative impacts upon an existing dwelling due to this sandwiching effect. It also aims to ensure that there is balance at street level.

A threshold of 10% has been proposed, based on a number of factors including local evidence (such as the statistics below), a consideration of the suitability of the housing stock and public transport corridors and existing levels of HMOs. The 10% threshold will be applied to include the entire city boundary.

Criteria 2 Stage 1 test ensures that potential applicants are given an early indication of whether their application is likely to be successful, without the need for more detailed analysis.

Criteria 2 Stage 2 test ensures a fair policy across the city, ensuring that the application site forms the centre point. A 100m radius has been set, which represents approximately a two minute walk, or your immediate neighbourhood. The following data will be used to map the areas with over 10% HMOs:

- Licensed HMOs – records from the Council's housing team of those properties requiring an HMO licence will be utilised.

This will cover both mandatory (those properties that are three storeys or over and are occupied by five or more persons) and additional licensing;

- Properties benefiting from C4 or sui generis HMO planning consent – in addition to those properties already identified as having HMO permission, where planning permission is given for a change of use to C4 HMO or;

- A certificate of lawful development issued for existing HMOs this will be recorded in the future to build up a clearer picture of HMO properties;

- Council tax exempt student properties; and

- Properties known to the Council to be HMOs – this can be established through site visits undertaken by the Council's Housing or Planning Enforcement team in response to complaints for example.

These data sets will be used to calculate the proportion of HMOs as a percentage of all households.

It is considered that these sources will provide the best approach to identifying the numbers and location of HMOs in an area, although it is accepted that it may not be possible to identify all properties of this type. There may be exiting HMOs which are occupied but unknown to the Council. In particular, on 6th April 2010 the Uses Classes Order introduced a class of HMOs

to reclassify C3 dwellings to either the new C3 or C4 classes. The reclassification of existing dwellings to C4 use did not require planning permission and therefore will not be registered on the Council's register of planning application. Planning permission was not required to convert from C3 to C4 under permitted development rights until the Article 4 Direction came into effect on 1st July 2013.

The data will be analysed to avoid double counting, for example, identifying where a property may be listed as a licensed HMO and have sui generis HMO planning consent.

Data will be updated on a quarterly basis to ensure that changes of over time are captured and that the latest data can be used in determining a planning application.

For Larger Houses in Multiple Occupation, an increase in the number of occupants of a dwelling house above six people is identified as a change of use as defined by the Use Class Order; therefore it is likely that planning permission will be required.

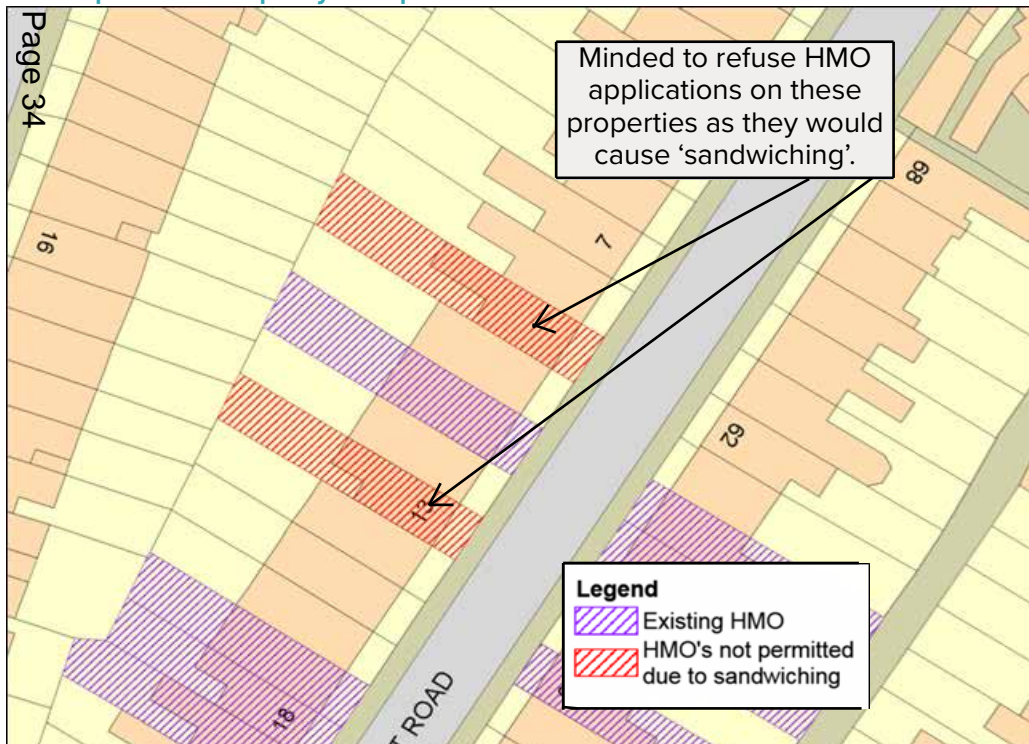
4.0 Assessment for Planning Applications

4.1 Criteria 1 Sandwich policy

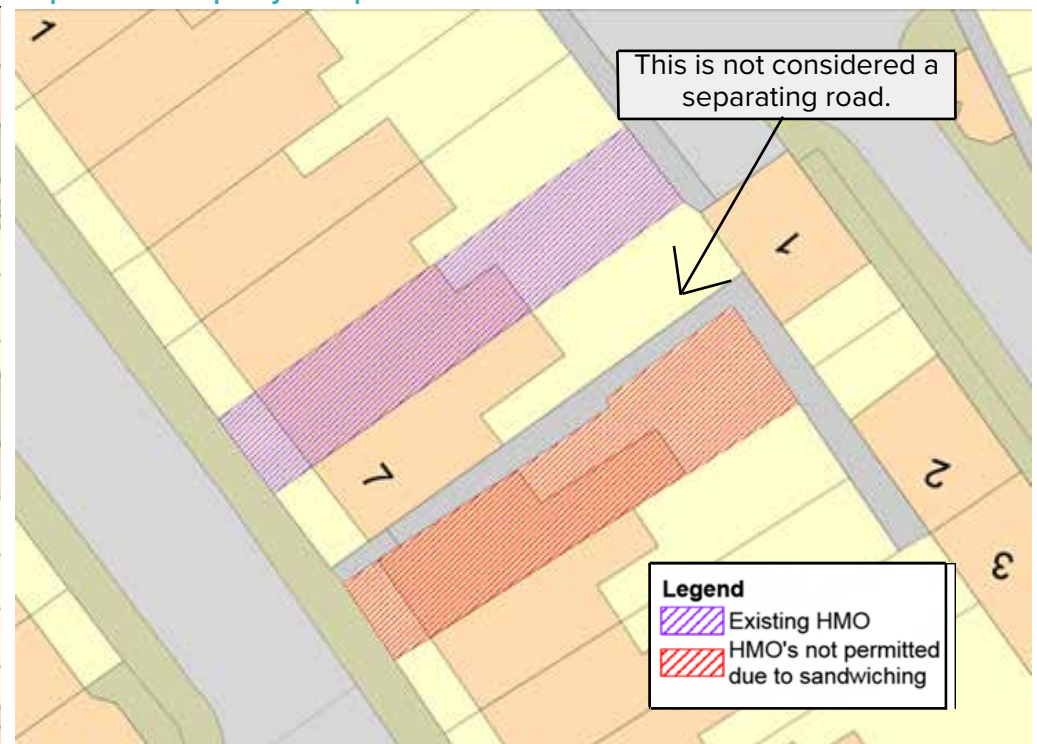
Planning permission would not be granted where the introduction of new HMO would result in an existing residential property (C3) being sandwiched by any adjoining HMOs on both sides, see worked example 1 below.

Subdivided units will be considered on a case by case basis.

Map 2 Sandwich policy example 1



Map 3 Sandwich policy example 2



4.0

Assessment for Planning Applications

4.2

Criteria 2 Stage 1

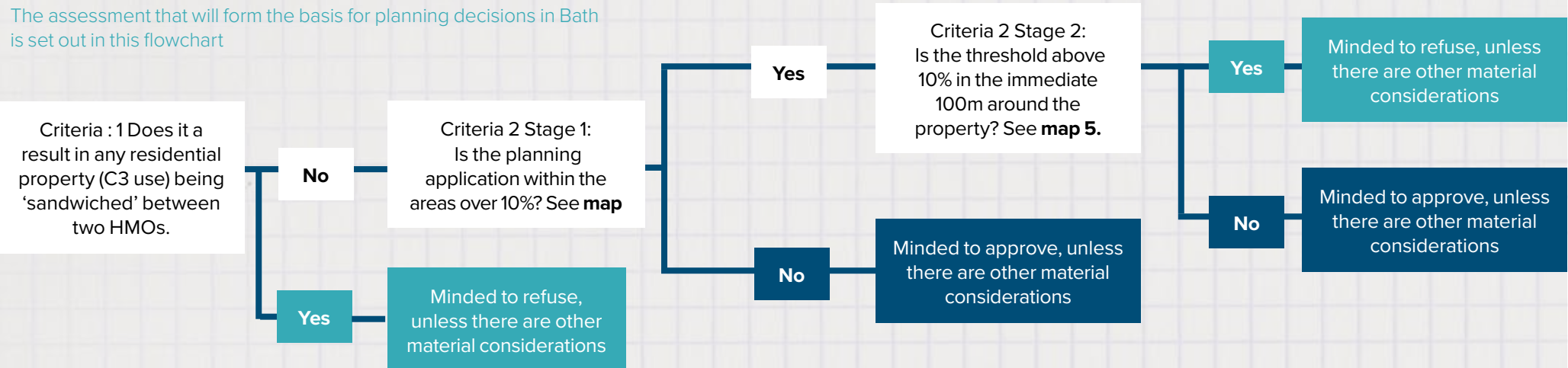
This stage will simply assess whether or not the application is within any of the areas identified on the publicly available HMO density map.

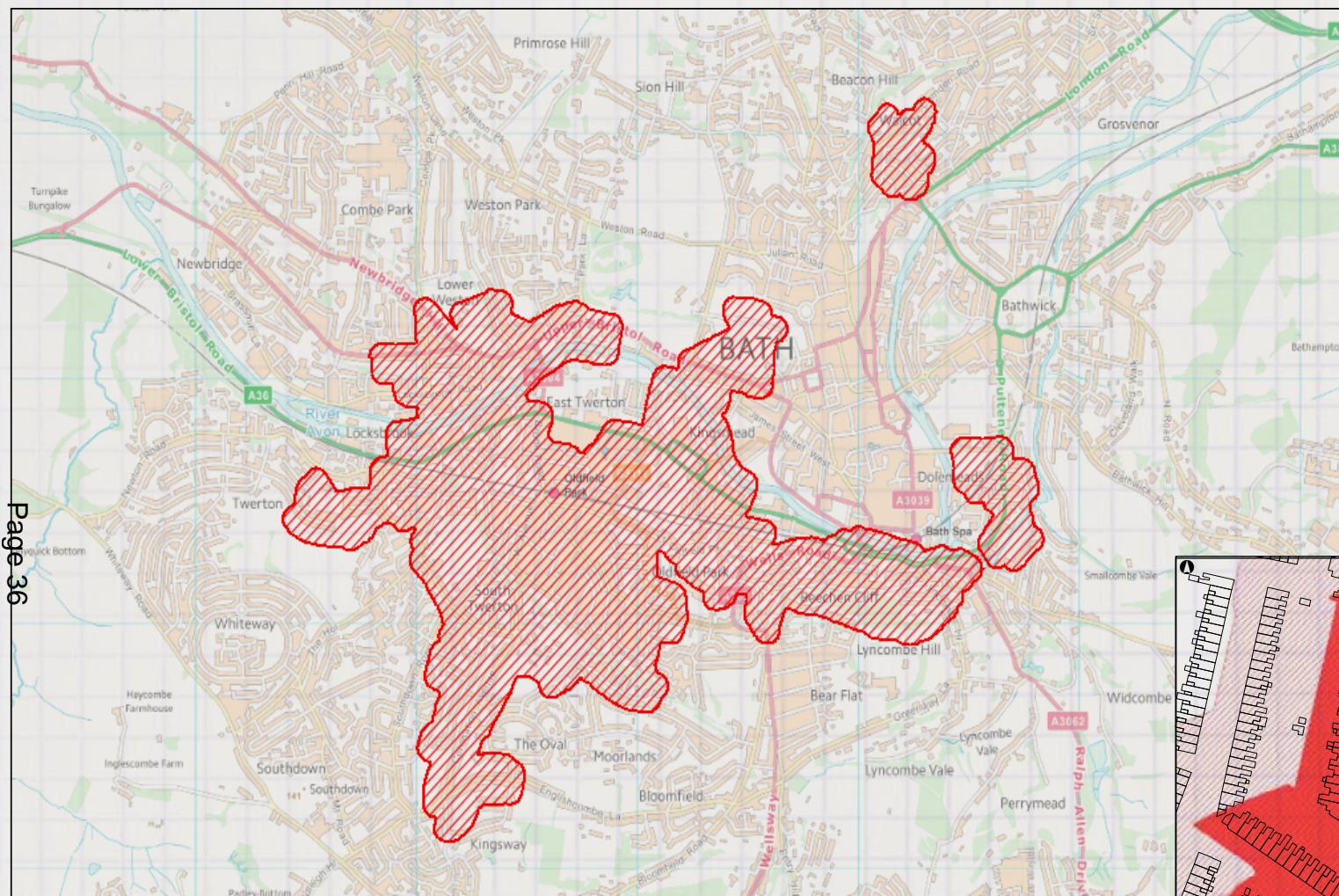
The HMO density map will show which Census Output Areas (COA) across the City are currently at or above the 10% threshold. A COA includes an average of approximately 125 households and is defined by the Office for National Statistics (ONS).

This can be seen to represent a “home-patch” as defined in Shaping Neighbourhoods: A guide for health, sustainability and vitality (Barton et al, 2003). In order to ensure that properties that may be surrounded by a high concentration of HMOs (but that lie just outside the relevant Census Output Area) are not excluded from the assessment, a buffer of 50m has been applied to the COAs with over 10% HMOs, an example can be seen in map 4a.


Flow Chart 2

The assessment that will form the basis for planning decisions in Bath is set out in this flowchart






Legend


 Areas with over 10% HMOs (April 2017)

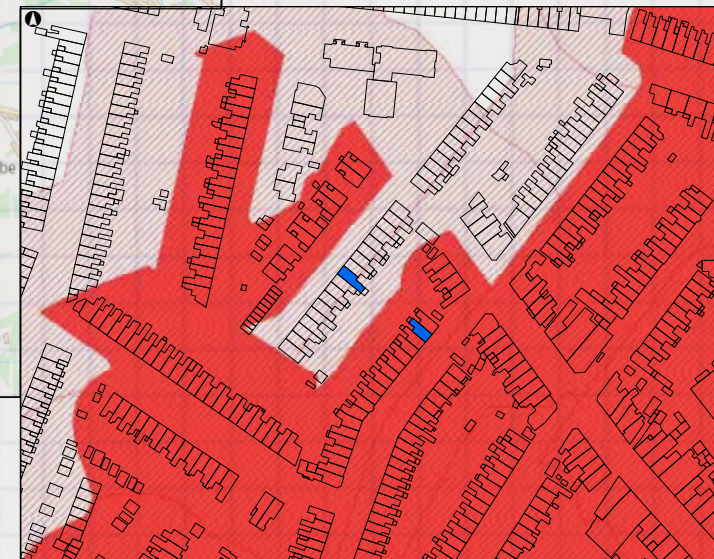
Map 4a

Close up inset to show how Map 4 is made up of the Census Output Area plus a 50m buffer. Example properties both within the red areas on Map 4 are shown in blue.

Inset Legend

Example properties 

COAs with >10% HMO 



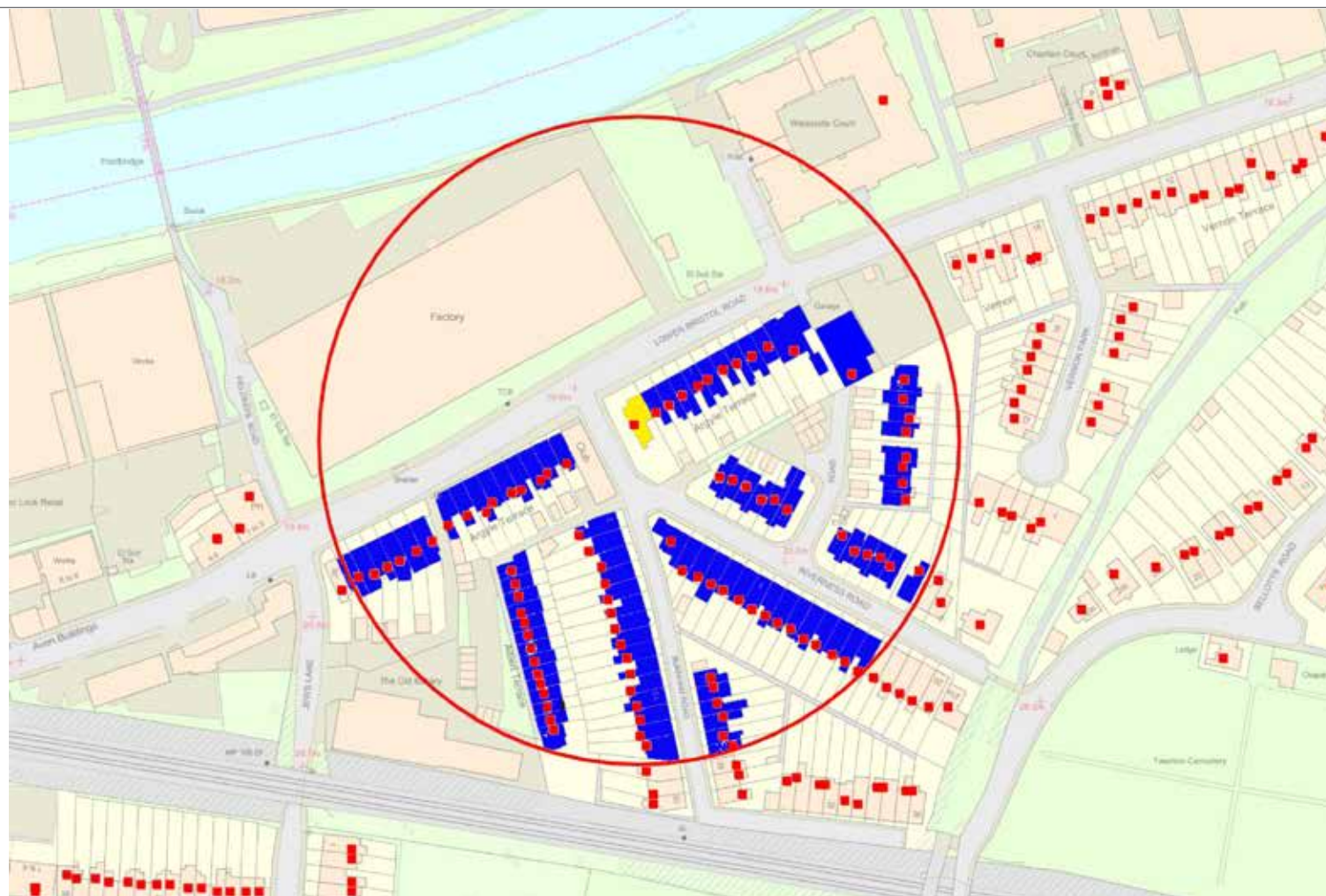
Assessment for Planning Applications

Criteria 2 Stage 2

The 100m radius of the application property is calculated using a buffer zone surrounding the application property from a central point in the property, as defined by the Local Land and Property Gazetteer (LLPG). For properties on the edge of the 100 metre radius buffer zone; they will be included only if their central point (as defined by LLPG) is within the buffer zone. This is demonstrated in map 5.

Map 5

Criteria 2 Stage 2 Example Assessment



5.0 Monitoring

Changes in HMO numbers will be continually monitored and maps will be updated on a quarterly basis, which will identify any changes in the HMO density in “hot-spot” areas (as defined in Criteria 2).

A key aspect of monitoring will be to look at possible displacement effects within or beyond the highly concentrated areas. It is possible, that there will be some displacement to other parts of the city of Bath.

6.0 Submission Requirements for Applicants

The Local Planning Authority is not currently able to charge a planning application fee for a change of use application from a Dwellinghouse (C3) to a House in Multiple Occupation (C4). For a change of use application the normal 8 week determination period will apply, and the following will be required:

- Application Form
- Block plan of the site (e.g. at a scale of 1:100 or 1:200) showing any site boundaries and any car parking (if on site)
- Existing and proposed floor plan
- Waste and recycling
- Bicycle parking

•Drying space

In some cases specific additional requirements may be triggered as a result of assessing your application.

NB Where building work and/or development that requires planning permission is also proposed to be undertaken, normal submission requirements for a planning application apply and a standard fee will be charged.

For more detail about submitting planning applications see our website www.bathnes.gov.uk

7.0 Other considerations

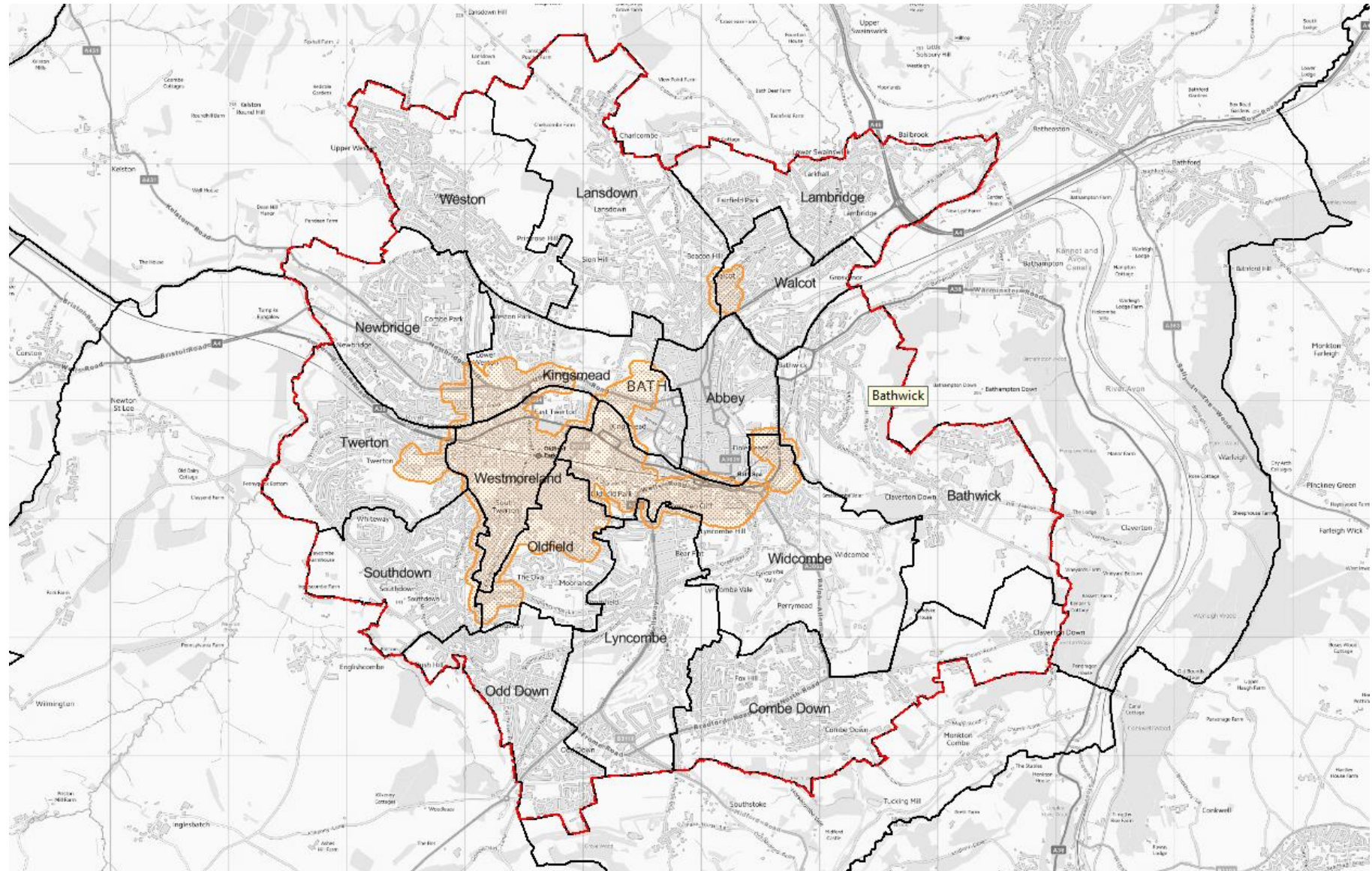
The Council also operates licencing schemes for HMOs in Bath. In addition to the current Mandatory HMO licensing, the Council has introduced an Additional Licensing scheme in Oldfield, Westmoreland, Widcombe (north and areas of Bathwick, Lyncombe, Southdown and Twerton on the 1st January 2014).

For more informaton, see www.bathnes.gov.uk/hmo



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Appendix B 10% HMO Concentration in Bath

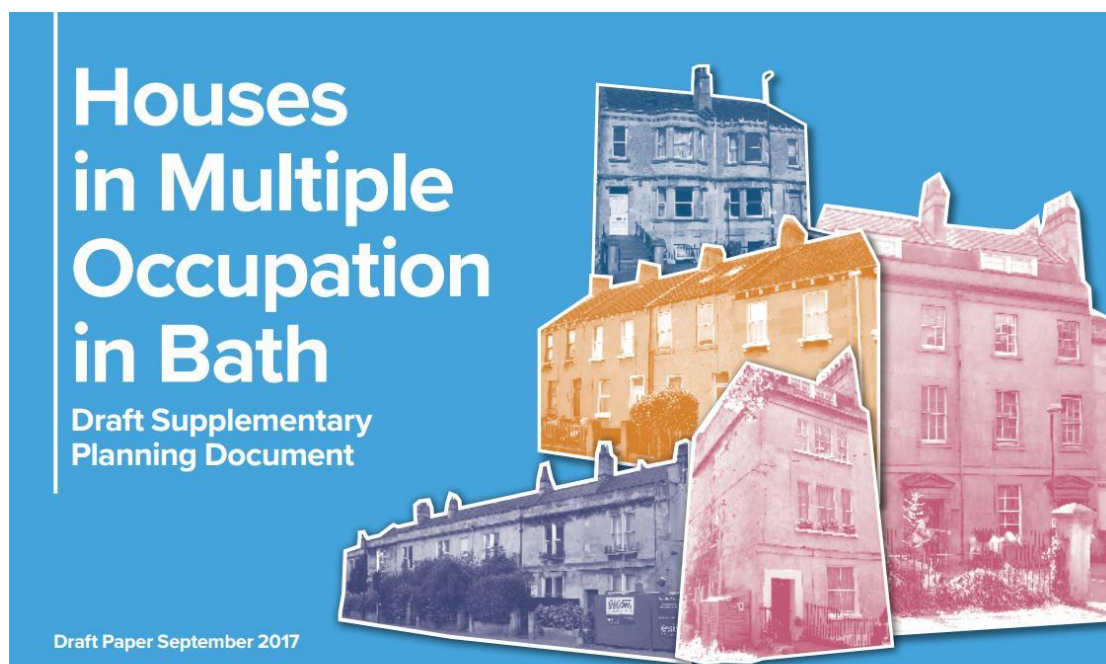


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**Bath & North East
Somerset Council**

Draft Houses in Multiple Occupation in Bath Supplementary Planning Document Consultation Report

November 2017



**Bath & North East
Somerset Council**

Contents page

Section	Title	Pages
1	Statement of Compliance with the Neighbourhood Planning Protocol	2
2	Earlier consultation	2
3	Committee Meetings	3
4	Public Consultation	4
5	Summary of responses to the consultation and Council response to key issues raised	4

Appendix 1-5 Draft SPD consultation responses in full

1. Statement of Compliance of overall consultation with the Neighbourhood Planning Protocol

- 1.1 In line with the SCI, a formal 6 weeks consultation was undertaken and a full schedule of comments together with a consultation report and statement of compliance is included here.
- 1.2 The key target groups focused on in this consultation were residents of Bath, in particular within the wards of Oldfield, Westmoreland and Widcombe. In addition additional efforts to communicate with Bath's universities, Student Unions, estate agents and landlords were undertaken including the workshop and targeted informational consultation (see below).

2. Earlier Consultation

- 2.1 Prior to the consultation on the draft Houses in Multiple Occupation SPD (4th September to 13th October) two previous stages of consultation were undertaken. These are summarised in **Table 1** below.

Table 1: Summary of earlier consultation

Stakeholder workshop -	<p>Early Stage consultation workshop with key stakeholders to explore options in relation to managing the growth in HMOs (14th November 2016).</p> <p>The workshop established that there is broad support from stakeholders in Bath for a reduction in the 25% HMO threshold set by the current SPD. It also drew attention to the difficulties in accurately capturing the distribution and demand for HMOs to inform such policy. Finally, the workshop presented a range of other policy interventions that could be considered as part of a future strategy for HMOs in Bath.</p> <p>Full details of the consultation workshop are included in the Arup report (April 2017).</p>
Informal Consultation	<p>The Arup Report was sent to all stakeholders invited to the workshop along with specific questions regarding the threshold and introduction of the sandwich policy. The informal consultation document was put on the Council website for wider consultation between 25th April – 15th May 2017</p> <ul style="list-style-type: none"> • A majority (98%) of consultees supported that the current threshold should be reduced, of which 49% supported to reduce down to 10% threshold. • Local residents also raised concern that areas have lost their community feel due to the influx of residents living in HMOs (in particular Oldfield Park). • The current 25% threshold has inevitably created increased demand from HMO investors in the borders around the current Stage 1 area (HMO over 25% area) which is adversely affecting the balance of the community in these areas. A number of consultees raised concern about noise, rubbish, parking and untreated gardens by absent landlords, it was felt that these properties bring the attractiveness of an

	<p>area and community feel down.</p> <ul style="list-style-type: none"> • Landlords with a HMO permits should be responsible for not only the upkeep of the house but also ensuring that tenants uphold community standards for rubbish and recycling. Landlords should be fined where this does not happen. • Many HMO properties are inhabited by students and this results in dwellings remaining empty for months at a time, additionally many students spend a few years living in an area and don't contribute to the local community. • The general consensus is that the city should have a reduced threshold, as a result this would encourage a much greater spread of HMOs across the city, resulting in less 'studentification' in specific areas, and appropriately balanced and mixed local communities. • 28 agreed with the introduction of the sandwich policy. Those who agreed with the sandwich policy stated that continuous terrace of HMOs exacerbates negative social situations for residents and can leave residents feeling isolated. It was suggested that if a property has a HMO at either side then a family would not be interested in purchasing the property and it would only appeal to a landlord. HMO sandwich policy should be introduced in the interests of keeping streets and neighbourhoods more balanced. • 5 disagreed with the introduction of the sandwich policy. Main reasons against the policy was that it was a 'knee jerk' reaction to the problems associated with student properties. It would be impossible to implement, put neighbour against neighbour, unduly restrictive to HMOs, serve as a barrier and the policy would push HMOs to the outskirts. • 11 consultees were supportive of applying threshold to Purpose Built Student Accommodation (PBSA) Limit PBSA development within areas of current high HMO density. PBSAs in these areas do not decrease the number of existing HMOs, they simply add to the problems already experienced. Many of the issues around community feel resulting from a high proportion of HMO's would still be present from PBSA. • Some support on including design criteria to control PBSA development • 2 consultees were supportive of Street level thresholds (assess HMO % within 100 meters of street length either side of the application site instead of the current two stage approach).
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3. Committee Meetings

- 3.1 The issue of planning controls for HMOs in Bath was considered at the Policy Development & Scrutiny Panel on 4th July 2017. All of the minutes can be found on the democratic services webpage
<https://democracy.bathnes.gov.uk/documents/s47142/HMO.pdf>

4. Public consultation on the Draft SPD

- 4.1 A public consultation on the draft SPD was held between 4th September and 13th October 2017. During this period the following activities were undertaken:
- A notification letter with information about the consultation was sent by email.
 - A series of press releases were issued which were picked up in local media.
 - A specific webpage was set up to include a copy of the draft SPD, how to comment and details about the consultation events as well as other information including Frequently Asked Questions. www.bathnes.gov.uk/hmo
 - Hard copies of the Supplementary Planning Document and details of the consultation were made available in all libraries and the Council's one stop shop in Bath.

5. Summary of responses to the consultation and Council response to key issues raised

- 5.1 A total of 341 comments were received during the consultation period, respondents had the option of submitting representations either online form via the Council website, e-mail or post.

Table 2 No. of responses

	No. of responses	
Online or e-mail	207	Appendix 1
Paper comments	134	Appendix 2 - 5
Total	341	

Table 3 Type of respondent

Type of respondent	No. of responses
Residents Groups/Associations	3
Local residents	325
Landlords/Landlord Association	3
Universities /University Unions	4
Councillors, Parish Councils and Political Groups	5
Community Groups	1
Total	341

- 5.2 The key issues raised in the consultation comments and the Council's response to these issues are summarised in Table 5. A full record of the consultation comments received is included as Appendix 1-4 to this report.

Table 4 Consultation Responses

Questions asked through the draft SPD consultation	Agree	Disagree
Question 1 Do you agree with the general approach of the SPD to manage the concentration of HMOs in parts in Bath?	286 (84%)	53 (16%)
Question 2 Do you agree with the Sandwich Policy proposed in the draft SPD?	287(84%)	48(14%)
Question 3 Do you agree with lowering the HMO threshold to 10% from 25%?	282 (83%)	52(15%)
Question 4 Any other comments		

Table 5: Summary of key issues raised

Key Comments and Issues	Discussion and Recommendations
<p>Overall approach The area affected by the combined effect of 10% threshold and sandwich policy becomes unacceptably large driving HMOs to areas with poor public transport. (inc. Bath University Student Union and Bath Spa University Student Union)</p>	<p>The aims of the SPD is to encourage a sustainable community in Bath, by encouraging an appropriately balanced housing mix across Bath, supporting a wide variety of households in all areas. Public transport should be available to all residents not just HMO residents. Also there are still some areas relatively well served by public transport outside the HMO 10% threshold area.</p> <p>Recommendation No change</p>
<p>Overall approach Universities and students are a very important part of the Bath community. The proposed approach will make it even harder for students to find accommodation. HMOs present an important component of the student housing market. (inc. Bath Spa University, Bath University Student Union and Bath Spa University Student Union)</p>	<p>HMO residents and students are a very important part of the Bath community, but the Policy is seeking to achieve & retain balanced communities. It is acknowledged that restricting future growth of HMOs may have an impact on the availability and cost of rental properties, but this needs to be considered in a wider context and the substantial number of existing HMOs which will not be affected by the SPD. Therefore the Council is reviewing the strategic approach to manage universities' growth and accommodation requirements through the new Local Plan process.</p> <p>Recommendation No change</p>
<p>Overall approach Keep family housing together to create a stronger community and allow other areas to have more HMOs to create hubs of similar people.</p> <p>It makes it difficult to sell properties in the 10% area. The Article 4 would prevent home owners getting the best value for their property and would increase the cost of renting.</p>	<p>The aims of the SPD is to encourage a sustainable community in Bath, by encouraging an appropriately balanced housing mix across Bath, supporting a wide variety of households in all areas.</p> <p>Recommendation No change</p>
<p>Overall approach Universities' growth should be capped.</p>	<p>The Council is engaging with Bath' universities and the issue regarding the relationship between universities' growth and accommodation requirements will be considered through the new Local Plan process.</p> <p>Recommendation No change</p>
<p>Overall approach The revised SPD will not address issues of HMOs or stop permanent residents</p>	<p>The SPD cannot be applied retrospectively to remove extant planning permissions. Some amenity issues from HMOs such as noise or waste</p>

leaving affected areas.	<p>management should be dealt with through Licensing and working closely with the universities' Accommodation Department.</p> <p>Recommendation No change</p>
<p>Overall approach Rather than reducing HMOs, standards and management of HMOs should be improved and putting more onus on landlords working with the Student Community Partnership (inc. Bath University Student Union)</p>	<p>The Planning Team is working closely with the Licensing Team to improve the flow of information and ensure both teams are aware of the approach taken on issues and any changes proposed.</p> <p>Recommendation No change</p>
<p>Sandwich Policy The proposed sandwich policy will limit the number of existing and future HMOs and unduly restrictive. The appropriateness of the use can be considered through the planning application process. (inc. Bath Spa University)</p>	<p>Over 80% of respondents supported the sandwich policy based on reasons including;</p> <ul style="list-style-type: none"> • Maintaining affordable family homes and owner occupiers in Bath. • Protecting the areas where many residents draw support from friends, families and neighbours in the communities. • Protecting community feel and atmosphere. <p>The new policy will manage the number of future HMOs but cannot be applied retrospectively.</p> <p>Recommendation No change</p>
<p>Sandwich Policy Sandwiching should be extended to flats. Residents should not be sandwiched between 2 floors of HMOs or between HMOs on each side of their flats.</p>	<p>The potential impact to be sandwiched in flats is understood. This will be dealt with on a case by case basis in applying the SPD.</p> <p>Recommendation No change</p>
<p>10% Threshold Proposed 10 % threshold included in the SPD is too low or too late. Current 25% provides a good balance</p> <ul style="list-style-type: none"> • Restricting the number of HMOs will make the housing situation worse impacting young people, students, key workers. This only benefits landlords enabling them to set higher rent levels. • Severe impact on people who cannot afford to buy their own properties or to pay higher rent. • The flexibility and affordability of HMOs benefits the local economy and should be recognised. 	<p>Over 80% of respondents supported the proposal to lower the threshold from current 25% based on reasons including;</p> <ul style="list-style-type: none"> • the high percentage of HMOs would result in the loss of affordable family homes within the city and decrease in owner occupiers. • helping prevent both the loss of community mix/feel and more unbalanced communities forming with seasonal residents living in the area. • reducing pressure on street parking. <p>It is acknowledged that there will be continued demand for HMO accommodation in the city. The revised SPD does not prevent new HMOs where the local area is below the 10% threshold, even</p>

<ul style="list-style-type: none"> Some streets are already at over 50% concentration, and this does not help these areas. Concern that changes to the approach would make housing issues worse as there is a need for affordable housing such as bedsits and it is important that occupiers on low incomes are in accessible locations in and near the city centre <p>(inc. Bath Spa University, Bath University, Bath Spa University Student Union and Bath University Student Union)</p>	<p>within individual wards that are above the threshold. There is a need for a range of HMO accommodation to fulfil a variety of roles and a more even distribution within local areas.</p> <p>Recommendation No change</p>
<p>10% Threshold Need to take into account PBSAs as part of the assessment due to their impact on the demographics of an area and its character.</p> <p>Population density should be considered in addition to the number of HMOs. No consideration of the size of residential to HMO conversion. i.e. whether the HMO is a small 2 bedroom flat or a large HMO with 6-8 people.</p>	<p>The threshold approach assesses the residential properties in the immediate surroundings of the application site in order to prevent the loss of family homes.</p> <p>The HMO SPD is supplementing Placemaking Plan H2 which deals with a change of use from dwellinghouse (use class C3) to HMO (use class C4) and does not apply to the PBSAs.</p> <p>Through the preparation of the new Local Plan the Council is currently reviewing its strategic planning policy for addressing the academic space and student accommodation requirements. The issue regarding the provision of PBSAs will be considered through this new Local Plan process.</p> <p>Recommendation No change</p>
<p>10% Threshold Proposed 10% threshold without alternative accommodation will have significant adverse impact.</p> <ul style="list-style-type: none"> Rather than restricting HMOs, the emphasis should be reducing the demand for HMOs working with the universities and RUH. Need to build more Purpose Built Student accommodation Affordability of PBSA is a major issue. More cluster type accommodation should be built rather than expensive studio type accommodation. <p>(inc, Bath University, Bath Spa University,</p>	<p>It is acknowledged that the right type of PBSA with competitive rental level as an alternative to HMOs would help to take the pressure off the general housing market. The issue regarding the provision of PBSAs and appropriate policy approach will be considered through the new Local Plan process.</p> <p>Recommendation No change</p>

Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING	8 th November 2017	
TITLE:	B&NES Local Development Scheme 2017 - 2020	EXECUTIVE FORWARD PLAN REFERENCE:
		E3006
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Attachment 1: 2017 - 2020 Local Development Scheme		

1 THE ISSUE

- 1.1 This report recommends amendments to the Bath & North East Somerset Local Development Scheme (LDS) in order to update the Council's priorities for the preparation of Planning Policy documents for the period 2017-2020.

2 RECOMMENDATION

- 2.1 That the Cabinet agree:

- (1) With the revised LDS 2017 – 2020 in Appendix 1,
- (2) To delegate authority to the Divisional Director for Development, in consultation with the Cabinet Member for Development and Neighbourhoods to make minor amendments to the LDS for clarity and to correct errors,
- (3) That the revised LDS in Appendix 1 will be effective from 10th December 2017

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The Council's planning framework is critical to the delivery of a range of corporate objectives and its preparation also relies on evidence and strategies prepared by a number of other Services. Review of the LDS therefore entails the involvement of other services in order to ensure a co-ordinated approach.

- 3.2 The programme proposed in Appendix 1 can be undertaken within the existing LDF base budget and the arrangements for the preparation of the West of England Joint Spatial Plan. Preparation of any additional policy documents or accelerated preparation of those identified would require additional funding. In particular, the scope and extent of work on bringing forward a more robust policy framework for the new Strategic Development Locations in the Joint Spatial Plan will be dependent on securing national funding.
- 3.4 Approval of the LDS assists with the efficient operation of Development Management, limiting the costs associated with speculative planning applications and to resist expensive planning appeals.
- 3.5 Planning policies impact on Council activities that incur costs and generate incomes. This includes preparation of Neighbourhood Plans, which currently attract specific grant on implementation and impact the level of CIL devolved to Parishes and charges that are raised for licences of Houses in Multiple Occupation. The costs and incomes of the associated services are managed within those separate budget areas

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The Planning and Compulsory Purchase Act 2004 as amended by the Localism Act 2011, requires all local planning authorities to prepare and maintain a Local Development Scheme (LDS). The LDS is a programme for the production of Statutory Planning Documents that the Council is preparing, or intends to prepare. The LDS should be kept up-to-date and was last reviewed in May 2016.
- 4.2 The process for the preparation of statutory policy documents is regulated by statute, covering matters such as publication, consultation, scope and content of plans, public examinations and adoption. These requirements will be reflected in the revised LDS in the individual plan programmes which are summarised in Appendix 1. In light of the plan-led nature of the planning system, it is essential that any corporate objectives relating to development and the use of land are developed through statutory planning documents and not as informal masterplans or other documents.
- 4.3 The Planning Acts require that planning decisions must be determined in accordance with Development Plan Documents and Neighbourhoods Plans unless material considerations indicate otherwise.

5 THE REPORT

- 5.1 The LDS sets out the timetable for the preparation of the Council's planning policy documents over the next three years. The proposed changes to the LDS are summarised in appendix 1. The LDS was document last reviewed in 2016 and needs amendment.
- 5.2 The key elements of the policy framework in the revised LDS are listed below. The documents in the LDS help to deliver corporate objectives particularly:
- A stronger economy and growth (providing new homes and jobs, improving transport & creating cleaner, greener and healthier communities)
 - A focus on prevention (greater choice and independence for older people and investing in young people)

- A new relationship with customers (putting residents first)
- An efficient business

5.3 The key elements of and changes to the LDS are;

Development Plan Documents (DPDs)

- Incorporation of the new milestones for the preparation of the West of England Joint Spatial Plan
- Amendments to the programme for the preparation of the B&NES Local Plan to reflect changes to the JSP programme
- A revised programme for the review of the West of England Joint Waste Core Strategy
- A revised programme for the preparation of the Travellers Sites Plan
- The Policies Map

Supplementary Planning Documents (SPDs)

5.4 The Development Plan will also be supplemented by Supplementary Planning Documents where required. In light of the Council's resource constraints, SPDs will be progressed if essential for Council's objectives. The LDS review includes the following Supplementary Planning Document work;

- Old Mills Enterprise Zone SPD
- Amendments to the HMO SPD
- A Design SPD for Bath
- A more detailed policy framework/ design Code SPDs for North Keynsham and Whitchurch Strategic Development Locations
- the Houses in Multiple Occupation SPD (reviewed)
- the Design SPD.

Neighbourhood Development Plans (NDPs)

5.5 Ongoing support will be given to the preparation of Neighbourhood Plans, particularly those which are seeking to deliver development.

Other documents

5.6 In addition to Development Plan Documents the Council's policy framework includes the CIL Charging Schedule, which will be reviewed and will help to deliver funding of infrastructure provision.

- Preparation of an Article 4 Direction to cover the loss of Offices to residential uses
- A review of the B&NES CIL spend protocol;
- The implications of the Authority Monitoring Report for policymaking
- Updates to the B&NES Infrastructure Delivery Plan

6 RATIONALE

6.1 The LDS sets out a programme of the planning policy documents to be prepared by the Council. The production of the plans set out in the LDS are those which

are needed to ensure that the Council has an up-to-date policy framework to meet statutory requirements, to meet the needs of the Development Management function and to deliver the Council's corporate objectives.

7 OTHER OPTIONS CONSIDERED

- 7.1 None. Preparation and maintenance of an LDS is a statutory requirement. In light of current resource constraints, the scope of the LDS is limited to essential work requirements to meet statutory requirements and corporate objectives.

8 CONSULTATION

- 8.1 The Council's Monitoring Officer and Section 151 Officer have had the opportunity to input to this report and have cleared it for publication.
- 8.2 There is no requirement to consult on the preparation of the LDS although the Plans within the LDS have statutory public engagement requirements. These are evidenced by the Statements of Consultation prepared for each Plan.
- 8.3 In making the above recommendations, officers have had regard to the Equality Act 2010 and the Human Rights Act 1998.

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 persons	<i>Simon De Beer 01225 477616, Richard Daone 01225 477546</i>
Background papers	<i>The Planning and Compulsory Purchase Act 2004 as amended by the Localism Act 2011</i>
Please contact the report author if you need to access this report in an alternative format	

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

LOCAL DEVELOPMENT SCHEME

2017 - 2020

CONTENTS

1. INTRODUCTION	1
2. LOCAL DEVELOPMENT FRAMEWORK PRODUCTION 2017-2020	7
3. THE EVIDENCE BASE	14
4. PRODUCTION ARRANGEMENTS FOR THE LOCAL DEVELOPMENT SCHEME	15
5. LOCAL DEVELOPMENT DOCUMENT PROFILES	20
APPENDIX A - Natural Environment and Urban Design Evidence and Strategies	28
APPENDIX B - Status of Current SPGs and SPDs	29
APPENDIX C - Glossary of Terms	31

1. INTRODUCTION

The Local Development Scheme

- 1.1 The Planning and Compulsory Purchase Act 2004 as amended by the Localism Act 2011, requires all local planning authorities to prepare and maintain a Local Development Scheme (LDS). The LDS is a timetable for the production of the Local Plan, Development Plan Documents and Supplementary Planning Documents that the Council is preparing, or intends to prepare. These documents are known collectively as Local Development Documents (LDDs). It is the starting point for residents and stakeholders to find out what planning policies relate to their area and how these will be reviewed.
- 1.2 The LDS should be kept up-to-date and was last reviewed in December 2016. To cover the period 2017 -2020, the amendments comprising this version of Local Development Scheme were agreed on xx November 2017.
- 1.3 The Local Development Scheme came into effect on **xx September 2017**.

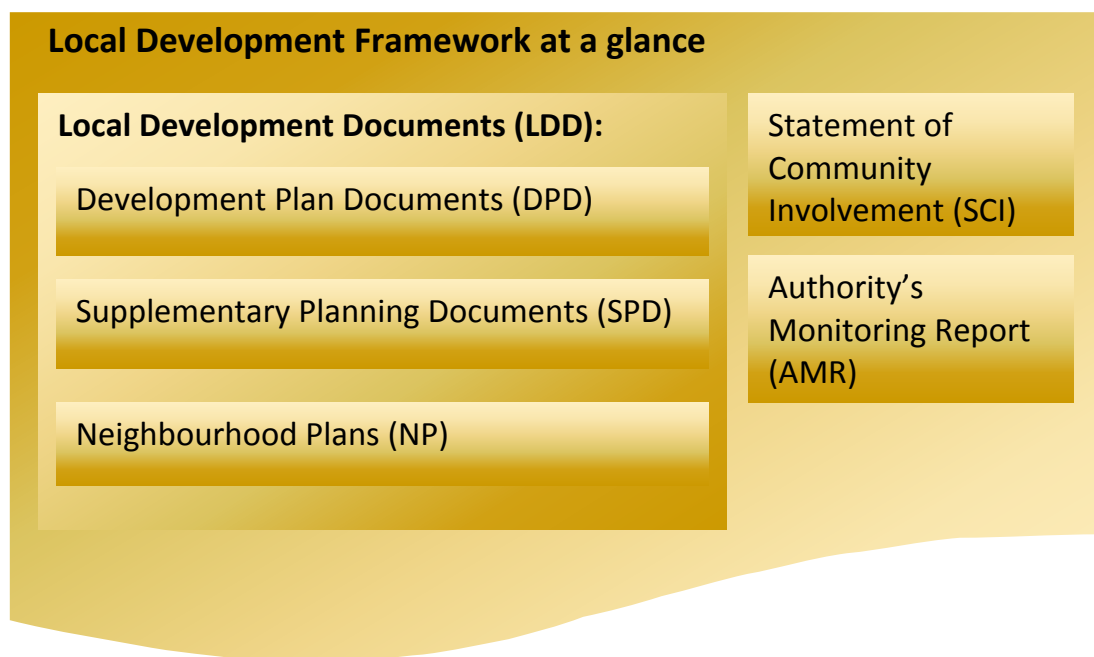
A Glossary of terms used in this document is set out at **Appendix C**

Local Development Framework

- 1.4 The Local Development Framework comprises a portfolio of locally prepared planning documents (Local Development Documents). It also includes related documents such as the Authority's Monitoring Report (AMR) and the Statement of Community Involvement (SCI).
- 1.5 Local Development Documents (LDD) include:

Development Plan Documents (DPD). These set out policies and proposals and have development plan status and therefore have full weight in the determination of planning applications (see paragraph 1.7). They will be subject to community involvement and Sustainability Appraisal/Strategic Environmental Assessment throughout their preparation and will be subject to independent examination. They include Local Plans and Neighbourhood Plans. The Policies Map should illustrate geographically the Local Plan policies.

Supplementary Planning Documents (SPD): Supplementary Planning Documents do not have statutory Development Plan status but are useful in providing more detailed guidance and support for policies and proposals in Development Plan Documents. They are quicker to prepare as they are not subject to independent examination. Whilst they constitute a material consideration in the determination of planning applications they cannot be used to formulate planning policy or designate sites. They will however be subject to community involvement and where appropriate Sustainability Appraisal during preparation.



The Development Plan for Bath & North East Somerset

- 1.6 Section 38(6) of the Planning and Compensation Act stipulates that planning applications must be determined in accordance with the Development Plan unless material considerations indicate otherwise. This gives considerable weight to Development Plan Documents.
- 1.7 With the adoption of the Core Strategy in July 2014 and recent adoption of the Placemaking Plan in July 2017 the Development Plan for Bath and North East Somerset comprises:

The B&NES Development Plan October 2016

Bath & North East Somerset Core Strategy adopted July 2014	The Core Strategy sets out the policy framework for the location and level of new housing and other development and includes four Strategic Site Allocations. It forms Part 1 of the Local Plan 2011 - 2029.
Bath & North East Somerset Placemaking Plan adopted July 2017: Adopted Placemaking Plan <ul style="list-style-type: none"> - Volume 1 - District-wide Strategy and Policies - Volume 2 - Bath - Volume 3 - Keynsham - Volume 4 - Somer Valley - Volume 5 - Rural Areas - Volume 6 - Appendices 	The Placemaking Plan complements the Council's Core Strategy and forms Part 2 of the Local Plan 2011 - 2029. It is a six volume document focussed on creating the conditions for better places, and on providing greater clarity to enable the right developments to be delivered. It allocates a range of sites for development for a variety of uses; facilitates the delivery of key sites with planning requirements; sets out development management policies which will be used to determine planning applications; and safeguards and enhances the quality and diversity of places in Bath and North East Somerset. Some policies in the Placemaking Plan under the Town & Country Planning Regulations 2012 8(5).
Bath & North East Somerset saved Local Plan (2007) Policies: <ul style="list-style-type: none"> - Policy GDS.1 Site allocations and development requirements (policy framework) - Policy GDS.1/K2: South West 	Four part implemented sites allocations and their respective development requirements have not been replaced by the Core Strategy or the Placemaking Plan and therefore remain 'saved'. This is to ensure the remaining development of each site takes place in accordance with the site requirements. These policies are reproduced in full in Volume 6 of the Placemaking Plan (Appendix 1, Table 2)

B&NES Local Development Scheme 2017 - 2020

<ul style="list-style-type: none"> Keynsham (site) – Policy GDS.1/NR2: Radstock Railway Land (site) – Policy GDS.1/V3: Paulton Printing Factory (site) – Policy GDS.1/V8: Former Radford Retail System's Site, Chew Stoke (site) 	
Joint Waste Core Strategy DPD (JWCS) adopted March 2011	<p>The JWCS sets out the waste planning strategy for the West of England, addressing the planning aspects of the waste hierarchy promoting waste minimisation, recycling/ composting, recovery and disposal.</p>
The Policies Map (previously known as the Proposals Map)	<p>This illustrates all the allocations and designations set out in the DPDs. It will be revised as each new DPD is adopted where there are allocations or designations. The existing Local Plan Policies Map will be amended to give geographical expression to the Core Strategy and the Placemaking Plan. Proposed amendments to the Policies Map will be publicised alongside the appropriate DPD.</p>
Neighbourhood Plans	<p>Six Neighbourhood Plans have been made and form part of the Development Plan; Chew Valley, Clutton, Englishcombe, Freshford & Limpley Stoke, Publow & Pensford and Stowey Sutton.</p>

1.9 In addition to the six made (adopted) Neighbourhood Plans in B&NES there are a number of neighbourhood plans currently under preparation (see para 2.10). However to date there are no Neighbourhood Development Orders.

1.10 Emerging DPDs will carry weight as set out in the NPPF.

Other related planning documents

1.11 Other key planning related documents the Council is required to produce are a Statement of Community Involvement, a Monitoring Report and a Policies Map as explained below.

1.12 The **Neighbourhood Planning Protocol (NPP)** was adopted in September 2012 and sets out how the following new mechanisms will operate:

- Neighbourhood Fora,
- Neighbourhood Referenda
- Neighbourhood Development Orders
- Community Right to Build

1.13 The NPP also incorporates a review of the Council's **Statement of Community Involvement (SCI)** adopted in 2007. The SCI helps to ensure that the Council is in a position to respond to the Localism agenda efficiently and coherently. This will enable communities to understand the range of opportunities to interact with and take an active role in planning in their locality.

1.14 A minor review of the NPP was undertaken in October 2014 to ensure the information is factually correct and up to date and any anomalies rectified.

1.15 The **Authority's Monitoring Report (AMR)** assesses whether plan production is on target and the extent to which policies in local development documents are being implemented. It monitors key data such as housing completions, growth in office space and losses in industrial space. It will also monitor CIL once finalised. The AMR is based upon the period 1st April to 31st March each year.

Bath & North East Somerset's Local Development Framework in 2017

Development Plan for B&NES

Local Development Documents Current

Development Plan Documents

- Core Strategy (2014)
- Placemaking Plan (2017)
- Saved policies from the Local Plan (2007)
- Joint Waste Core Strategy (2011)
- B&NES Policies Map

Supplementary Planning Documents

See Annex A for full list

Other documents

- Authority's Monitoring Report
- Neighbourhood Planning Protocol
(includes the Council's Statement of Community Involvement)

Local Development Documents Under preparation

Development Plan Documents

- West of England Joint Spatial Plan
- Local Plan 2016 - 2036 (incorporating the review of the Core Strategy)
- Travellers' Sites Plan
- Neighbourhood Plans

Supplementary Planning Documents

- Planning Obligations SPD
- Locally Listed Heritage Assets SPD
- Design Guide SPD
- Somer Valley Enterprise Park SPD

Other documents

- Community Infrastructure Levy

2. LOCAL DEVELOPMENT FRAMEWORK PRODUCTION 2017 - 2020

Progress

Development Plan Documents

- 2.1 The **Core Strategy** (adopted July 2014) sets out the long term strategic planning framework for Bath & North East Somerset and includes a spatial vision and spatial objectives looking ahead to 2029. The Core Strategy forms **Part 1 of the Local Plan 2011 - 2029** to comply with the NPPF requirement to produce a Local Plan (see below regarding the review of the Core Strategy).
- 2.2 The **Placemaking Plan** complements the Core Strategy and forms **Part 2 of the Local Plan 2011 - 2029**. The Placemaking Plan identifies development site allocations, reviews designations and makes changes to and introduces new Development Management policies. It sets out the development parameters for site allocations in the context of their surroundings. The Placemaking Plan was formally **adopted on 13 July 2017**.
- 2.3 Preparation of the **West of England Joint Spatial Plan (JSP)** by the four West of England Authorities is on target. The JSP will provide a formal coordinated strategic context to inform UA local plan reviews. It will identify: the overall quantum of housing and jobs needed in the Wider Bristol and Bath Housing Market Areas to 2036; the overall spatial strategy for accommodating homes and employment land across the sub-region including strategic locations; and the strategic infrastructure necessary to deliver the spatial strategy for the West of England. Joint studies have been procured to support this process. Consultation on the Publication Draft JSP will commence in November 2017.
- 2.4 The Core Strategy partial review was previously scheduled to be undertaken in conjunction with the preparation of JSP with a routine full review in 2019, five years after its adoption. The Core Strategy review has now been incorporated into the preparation of the **new Local Plan 2016 - 2036**. The timetable for the preparation of the new Local Plan has been amended to align closely with that of the JSP but allowing for key JSP milestones to be achieved in order to avoid

abortive work. This approach allows B&NES to align with the other UAs and review the B&NES SHMA now instead of 2019 as part of the JSP. The preparation of the new Local Plan is also the mechanism by which the Core Strategy and Placemaking Plan will be formally combined into one Development Plan Document. The scope of the new Local Plan is likely to be restricted to the following issues:

- Revised housing and jobs requirement for B&NES for the period 2016 to 2036, including affordable housing based on an updated SHMA
- Formal allocation of sites in the strategic locations included in the JSP to meet identified development needs, setting development and infrastructure requirements
- Establish a strategy for and identify any other sources of housing land supply not identified in the JSP to meet identified development needs
- Affordable housing policies
- Revised five-year Housing Land Requirement assessment
- Inclusion of new policies or amendments to existing policies arising from the above; or from new legislation or from any other significant changes in circumstances and evidence to ensure that the plan is up-to-date

2.5 This may have implications for some policies in the Placemaking Plan necessitating their early review. It is intended that the Regulation 18 stage will take place over an extended period to include three periods of consultation. The first will be run concurrently with the conclusion of the JSP Pre-Submission Draft focussing on the strategic issues and framework for the District. The second stage will focus more on detail and policy implications on a place basis and include district-wide (development management) policies. The third stage will set out the Council's preferred strategy.

2.6 The LDF documents are supported by an **Infrastructure Delivery Plan** to ensure the strategic proposals are deliverable and aligned with infrastructure needs. Linked to this is the revised Planning Obligations SPD. The Core Strategy and the Placemaking Plan will both need to be underpinned by the **Community Infrastructure Levy (CIL)** to address infrastructure funding issues and ensure growth happens in a planned way.

- 2.7 The **Joint Waste Core Strategy** was adopted by the West of England Unitary Authorities in 2011 and, in conjunction with adjoining UAs, consideration is being given to its review during the LDS period.
- 2.8 The **Travellers' Sites Plan** (formerly Gypsies, Travellers and Travelling Showpeople Site Allocations DPD) reached Preferred Options consultation stage in July 2012. Further progress has been affected by a number of factors including further site assessment work needed, the requirement to work jointly with adjoining authorities (Duty to Cooperate) to ensure that all non-Green Belt options are fully explored. In addition, the 2012 accommodation needs assessment for B&NES is out of date and needs reviewing in the light of the Housing & Planning Act 2016 (s124); the changes in the definition of 'traveller' in the revised 'Planning Policy for Traveller Sites' (August 2015); and the fact that a number of sites have recently been granted planning permission for traveller use. An updated evidence base will give a more accurate assessment of the need in B&NES. The revised timetable is set out in the Document profiles on page 17.
- 2.9 The Localism Act introduces **Neighbourhood Plans**. These are being prepared by neighbourhood forums under the auspices of the Local Authority and once 'made' they will form part of the Development Plan. To facilitate this process, the Council has introduced a **Neighbourhood Planning Protocol 'My Neighbourhood' (NPP)** which incorporates the Statement of Community Involvement. The Government is currently funding Neighbourhood Planning support. Between April 2015 and March 2018 *Locality* in partnership with *Planning Aid England* and other partners will deliver the national support package for Neighbourhood Planning.
- 2.10 The current position on Neighbourhood Plans (NPs) within Bath and North East Somerset Council is summarised below:
- **Chew Valley, Clutton, Englishcombe, Freshford & Limpley Stoke, Publow & Pensford and Stowey Sutton NPs** have been 'made' (or adopted).
 - **Whitchurch** has submitted its Draft Plans to B&NES with the examination and referendum is scheduled for November 2017.
 - **Stanton Drew and Westfield Parish Councils and Midsomer Norton Town Council** are currently working on their options and Draft Neighbourhood Plans and are expecting to formally submit their

Neighbourhood Plans to B&NES with examinations and referendums being held 2017/2018.

- **Timsbury and Batheaston Parish Councils and Keynsham Town Council** are currently collating the evidence base for their Plans by holding consultation events and sending out questionnaires. The next stages will be for the parishes to start developing planning policies.
- **High Littleton & Hallatrow Parish Council and Paulton Parish Council** are now designated Neighbourhood Planning Areas and are in the throes of launching the process.
- **Bathampton and Claverton Parish Councils** have recently applied for designation as a Neighbourhood Planning Area.

Supplementary Planning Documents

- 2.11 The **Planning Obligations SPD** is a key document in setting out a coordinated approach to securing contributions from development. It is a 'living document' and will be reviewed from time to time to take account of new information. In order to ensure that it is aligned with up-to-date policy, especially the Core Strategy and Placemaking Plan, it has been revised together with the new Community Infrastructure Levy (CIL). The CIL and revised Planning Obligations SPD came into effect on 6th April 2015. This SPD supersedes the Planning Obligations SPD published in 2009 and also Appendix C of the Bath Western Riverside SPD (March 2008, as updated in July 2014).
- 2.12 The **Energy Efficiency and Renewable Energy Guidance for Listed Buildings and Undesignated Historic Buildings** was adopted in September 2013 as an Appendix to the Sustainable Construction and Retrofitting SPD for use determining Listed Building Consent and Planning Applications. This guidance will be reviewed to reflect any future guidance from Historic England as necessary.
- 2.13 Work is progressing on the **Locally Listed Heritage Assets SPD** with the programme adjusted in order to take account of Historic England's Guidance on Locally Listed Heritage Assets. The timescale for its production is set out in the summary timetable on page 19.

- 2.14 The **Houses in Multiple Occupation SPD** has been reviewed and consultation on the Draft SPD finished in October 2017 and will be recommended for adoption by Council in November 2017.
- 2.15 **A Design Guide SPD** will be prepared to guide new development in Bath & North East Somerset and it is intended that this will incorporate the existing Building Heights Study. It will supplement the design policies in the Placemaking Plan. Preparation of this SPD will help to provide greater certainty in the development process and ensure the Council can effectively and efficiently determine planning applications.
- 2.16 Work will commence on a **SPD for the Somer Valley Enterprise Park** during the first part of 2018. This will set out more detailed guidance in respect of delivering development of the site allocated at Old Mills in the Placemaking Plan (SSV9). Preparation of this SPD is being resourced through Somer Valley Enterprise Zone implementation funding.
- 2.17 The Strategic development Locations (SDLs) emerging from the JSP will also require a more detailed policy framework and evidence base to feed into the New Local Plan work
- 2.18 Other SPDs will be prepared depending on their urgency and as resources permit - see Part 2 of this document: Supplementary Planning Documents (page 24).

Other related planning documents

- 2.19 The Council has prepared a **Community Infrastructure Levy (CIL)**. The CIL came into effect on 6th April 2015. It enables the Council to raise funds from new development in order to fund the timely delivery of infrastructure. Preparation of a CIL requires an adopted Core Strategy and it includes a charging schedule and a spending regime based on development proposals in the LDF. Its preparation entailed viability assessments so as not to inhibit development and input from stakeholders. The Infrastructure Delivery Programme will need to be kept up-to-date. The Localism Act requires the allocation of a proportion of CIL revenues raised back to neighbourhoods where development takes place. CIL Strategic Spending Protocol is due to be reviewed during the latter part of 2017.
- 2.20 Work undertaken so far on the Core Strategy, the Placemaking Plan, the Joint Spatial Plan and with the local community, along with the requirements arising from the NPPF, has stressed the importance of ensuring a sufficient **environmental evidence base**. The 2011 Natural

Environment White Paper and work with West of England Nature Partnership also require the preparation of environmental strategies which will be a material consideration in plan preparation and planning decisions and provide the necessary evidence for plan-making. This includes a Trees and Woodland Strategy and Landscape Character Assessments. These are described in more detail in **Appendix A**.

- 2.21 Although only the work essential to the preparation of the key Development Plan Documents and CIL will be prioritized for the duration of this LDS, there may be scope to initiate some of environmental strategies, in connection with corporate and national priorities
- 2.22 There are 35 conservation areas in the District but only 13 of these have up to date conservation area character appraisals. Only the Keynsham Conservation Area currently has a character appraisal and management plan (adopted December 2016). However, preparation of an appraisal provides the scope to address management opportunities.
- 2.23 The deficiency of not having a character appraisal for Bath Conservation Area was highlighted by the Inspector at the Core Strategy examination. This has begun to be addressed by preparing a framework for a character appraisal for Bath. Characterisation of 6 character areas has been completed in draft and the project to complete the remaining character areas and the character appraisal as a whole is being planned, together with a programme of public consultation. It is likely that a number of further character areas will be addressed in 2017/18.
- 2.24 Work continues on character appraisals for the rural areas, for Englishcombe and Newton St Lowe when some initial work has been done by students. This work is scheduled to be developed in-house during 2017/18. Corston Parish Council is also seeking a character appraisal for Corston Conservation Area and provides the opportunity to continue to pilot a community engagement approach with Corston during 2017/18. Draft character appraisals for Midsomer Norton, Saltford and Queen Charlton were completed during 2016/17 and public consultation on these ended in July 2017. Character appraisals for other rural areas will be undertaken based on development pressure and local demand.
- 2.25 Generally, skills exist in-house for undertaking conservation area character appraisals, however internal resources are limited. As with

Englishcombe and Newton St Lowe above, there is the potential to engage students from educational establishments in the development of appraisals; this approach was used for the recent development of the Hinton Blewett appraisal (2014).

- 2.26 Progress on the delivery of conservation area appraisals is dependent on funding – consultant engagement, graphic design and printing (if hard copy is needed). In respect of previous appraisals some funding has been available from parish councils.
- 2.27 In December 2015, the Council published Bath Conservation Area Design and Conservation Guidance (to supplement Placemaking Plan Policy D9) to cover commercial signage and tables and chairs on the highway. This was formally adopted in July 2016.

LDD Content and Key Milestones

- 2.28 The **LDS Summary timetable** setting out an overview of the programme and key milestones for the production of Bath & North East Somerset Local Development Framework is set out after the risk assessment table following para 4.9 and provides a schedule of the LDDs to be prepared during the next 4 years. This is followed by the individual profiles for each LDD.

3. THE EVIDENCE BASE

3.1 The strategies, policies and proposals in the Local Development Documents must be founded on a robust evidence base. A considerable amount of data is available at national and regional level. A number of bespoke studies have been prepared to inform the preparation of its Local Development Framework and other Council strategies. There are also opportunities for the Council to improve its data collection and management strategies. The full Evidence Base informing the Local Development Framework is listed on and is accessible via the Council's website. The evidence base covers a range of subjects including those listed below:

- Economic (including Economic Development Needs Assessment)
- Strategic Housing Market Assessment (SHMA)
- Flood Risk
- Housing (including the Housing and Economic Land Availability Assessment or HELAA)
- Infrastructure Delivery Programme
- Recreation, Cultural and Services
- Retail
- Sustainability
- Transport
- Urban Design
- Landscape
- Heritage
- Nature conservation
- Waste
- Green Infrastructure Strategy
- Green Spaces Strategy
- Building Heights Study

3.2 Other studies not covered by the categories above can be found on the Council's website: <http://www.bathnes.gov.uk/services/planning-and-building-control/planning-policy/evidence-base>. These include a comprehensive suite of evidence underpinning the Core Strategy, Placemaking Plan and the emerging Joint Spatial Plan for the West of England.

4. PRODUCTION ARRANGEMENTS FOR THE LOCAL DEVELOPMENT FRAMEWORK

Sustainability Appraisal and Strategic Environmental Assessment

- 4.1 The development of DPDs and SPDs in the Bath & North East Somerset Local Development Framework will be informed by Sustainability Appraisal. Sustainability Appraisal is an iterative process through which the economic, social and environmental effects of a plan under preparation are assessed. It incorporates the requirements of Strategic Environmental Assessment (SEA) as required by EU SEA Directive 2001/42 on the Assessment of certain Plans and Programmes on the Environment. The appraisal process will draw heavily on the evidence base.
- 4.2 In order to protect the integrity of European sites, Local Authorities are obliged to carry out Appropriate Assessment (AA) as a part of the planning process under the Habitats Directive. AA has been and will continue to be carried out in conjunction with the SA as recommended by the Guidance.

Review and Monitoring

- 4.3 Review and monitoring are crucial to the successful delivery of the spatial vision and objectives of the LDF and will be undertaken on a continuous pro-active basis. The **Authority's Monitoring Report** is prepared for each financial year (see also paragraph 1.15). It has a dual purpose which is to:
- monitor progress of preparation of planning documents against agreed milestones in the LDS
 - assess the implementation of DPD policies against targets which will influence policy review and other decisions

Resources and Arrangements for Production

- 4.4 The Planning Service co-ordinates the preparation of Local Development Documents in liaison with other relevant Services across the Council. The document profiles (page 17 onwards) outline the responsibilities for document preparation.

Joint Working

4.5 Bath & North East Somerset Council works jointly with Bristol, North Somerset and South Gloucestershire Unitary Authorities (UAs) on sub-regional planning and cross boundary issues. Section 110 of the Localism Act sets out a new **‘duty to co-operate’**. In addition to the other West of England UAs referred to above the Council engages actively with the neighbouring authorities of Mendip District Council, Somerset County Council and Wiltshire Council on strategic issues. The **‘duty to co-operate’** applies to all local planning authorities and a number of other public bodies including:

- Environment Agency
- Historic England
- Natural England
- Civil Aviation Authority
- Homes and Communities Agency
- Primary Care Trusts
- Office of the Rail Regulator
- Highways Agency
- Integrated Transport Authorities
- Highways Authorities

4.6 These bodies are required to cooperate with Councils on issues of common concern to develop sound Development Plans. The West of England UAs maintain a Duty to Co-operate schedule to record key co-operation activities.

4.7 The authorities are also working with business leaders as part of the Local Enterprise Partnership (LEP) for the West of England. The LEP does not have a direct role in spatial planning but there is a need for co-ordination in activities. Similarly the Council is committed to working collaboratively with the West of England Nature Partnership (WENP) which accords with advice in the NPPF.

Member Arrangements and the LDF

4.8 A bespoke Local Development Framework Steering Group guides the production of the Council planning policies and advises the Cabinet Member for Development. Decisions on DPDs are made by Full Council in accordance with the Council constitution and other LDDs are agreed as appropriate.

Risk Assessment

- 4.9 It is often difficult to anticipate all potential risks which could affect the Local Development Framework programme. There are a number of factors that could affect the Council's ability to deliver the Local Development Framework in accordance with the programme outlined for each of the LDD Profiles. Actions to manage these risks have been identified.

Area of Risk	Likelihood/Impact	Mitigation Measures
Programme slippage	<p>Medium/High</p> <p>Failure to meet the key milestones for LDDs in the LDS is detrimental to the reputation of the local planning authority. Absence of up to date Development Plan likely to lead to unplanned developments across the district. The deadlines for preparing the Local Development Framework are very challenging given the greater emphasis on community consultation.</p> <p>High risk</p> <p>Political process lead to delays</p>	<p>Ensure that progress is carefully monitored and that priority is given to achieving the key milestones set out in the LDS.</p> <p>Allow for contingency in the programmes.</p> <p>Use efficient project management.</p> <p>Ensure elected members are properly briefed throughout the plan preparation process including through the LDF Steering Group.</p>
Adequate staff resources	<p>Low/Medium</p> <p>Should cuts to local government funding together with the current restructuring of Council Services impact on the Planning Services, the potential loss of experienced staff would impact on the preparation of LDDs and heightens the risk of programme slippage.</p>	<p>Ensure that sufficient staff resources with the necessary experience and expertise are available for the production of LDDs.</p> <p>Consider seconding staff from other Services in the Council and/or joint working with neighbouring authorities.</p> <p>Subject to the availability of financial resources, employ temporary staff or consultants.</p>
Financial resources	<p>Medium/High</p> <p>It is important that there are sufficient financial resources available to prepare LDDs, including for consultants (where necessary), to secure and maintain robust</p>	<p>Ensure the LDS influences budgetary decisions to ensure sufficient resources are in place including a suitable level of contingency. However cuts to local</p>

	evidence base, community consultation and engagement, and for the Examination process in the case of DPDs.	government funding are outside the Council's direct control.
Competing work priorities	Medium/High The Policy Team is involved in a wide range of spatial policy work. Planning applications for major unplanned developments are resource-heavy. There is a risk that the Team's work is diverted from plan making by other unforeseen work pressures such as involvement in planning appeal inquiries, regeneration projects and responding to consultation on emerging Government policies.	Ensure that progress on the Local Development Framework remains a high priority and at certain times other work will have to take a much lower priority. Consideration may then need to be given to outsourcing work to prevent delays in progress.
Evidence base	Low/Medium Lack of an up -to date evidence base will affect the soundness of a DPD	Maintain a proportionate and up to date evidence base. Ensure all policies and proposals can be fully justified with evidence.
Level of public interest in plan making	Medium/High Historically the level of public interest in LDDs has been high during previous consultations and engagement exercises. An unanticipated high level of responses could result in a delay in the programme.	Ensure that resources are in place at appropriate times to ensure representations are dealt with promptly and efficiently.
Neighbourhood Planning	Medium/High An additional stress on staff resources is the requirements to provide professional and technical advice to support Parish and Town Councils in progressing Neighbourhood Plans.	Maintain close liaison with Parish and Town Councils to monitor the scale of work required. Consider to what extent neighbourhood planning aspirations can be delivered through LDDs to reduce costs

BATH & NORTH EAST SOMERSET LOCAL DEVELOPMENT SCHEME 2017 - 2020

DOCUMENT	2017				2018								2020							
	2019																			
	jun	jul	aug	sep	oct	nov	dec	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	jan
	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	jan	feb	mar	apr	may	jun	jul	aug	jan
Development Plan Document																				

Page 75

Placemaking Plan DPD				Rt	A															
WoE Joint Spatial Plan DPD									P				S				H			Rt
A																				
New B&NES Local Plan DPD									O											P
S																				
						H			Rt		A									

LDS SUMMARY TIMETABLE

Policies Map R	M		R		M			R	M
Joint Waste Core Strategy DPD					R				
Travellers' Sites Plan DPD Rt	O				D		S		H
Supplementary Planning Documents		A							
Design Guide SPD		A		C		O	C		O
Houses in Multiple Occupation SPD				O		A			
Somer Valley Enterprise Park SPD				A			C		O

LDS SUMMARY TIMETABLE

Infrastructure Delivery Programme review	<input type="checkbox"/>	P	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	P	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	P	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	P	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>										

Authority Monitoring Report	P	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	P	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	P	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	P	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	P	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	P	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	P
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	P													

Neighbourhood Development Plans	Ongoing statutory support														<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>										

Page 78

Article 4 Direction on loss of office space

Neighbourhood Planning Protocol (SCI)
R

C	Commencement															H	Hearings
							M										
O	Options (Reg 18 for DPDs)																
Inspector's Report										D						Publish document	Rt

LDS SUMMARY TIMETABLE

P Publication Plan (Reg 19)
Adoption/Approval

R

Review

A

S Submit Plan (Reg 22)



Ongoing

LDS SUMMARY TIMETABLE

BATH & NORTH EAST SOMERSET LOCAL DEVELOPMENT SCHEME 2017 - 2020

DOCUMENT	2017					2018					2019					2020																
	jun	jul	aug	sep	oct	nov	dec	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	
Development Plan Documenmts																																
Placemaking Plan DPD	Rt	A																														
WoE Joint Spatial Plan DPD						P		S				H		Rt	A																	
New B&NES Local Plan DPD							O							P		S		H		Rt	A											
Policies Map		M				R				M					R	M	R										M					
Joint Waste Core Strategy DPD								R																								
Travellers' Sites Plan DPD																	O										D		S	H	Rt	A
Supplementary Planning Documents																																
Design Guide SPD											C					O						A										
Houses in Multiple Occupation SPD					O	A																										
Somer Valley Enterprise Park SPD										C						O						A										
Planning Obligations SPD Review						R											R															
Locally Listed Buildings SPD								O	A																							
SDL SPDs							C				O																A					
Other SPDs	Progress as resources permit																															
Other Policy Documents																																
CIL Spend Protocol							R																									
CIL Charging Schedule								R																				R				
Infrastructure Delivery Programme review		P	.	.	.	.	.	.	.	.	.	P	.	.	.	.	.	.	.	.	.	.	P	.	.	.	.	.	.	.	.	.
Authority's Monitoring Report		P	.	.	.	.	.	P	.	.	.	.	P	.	.	.	.	.	P	.	.	.	.	.	P	.	.	.	.	.	.	P
Neighbourhood Development Plans	Ongoing statutory support																															
Article 4 Dir. Loss of office space																																
Neighbourhood Planning Protocol (SCI)																R																

C	Commencement	H	Hearings	M	Policies Map changes published
O	Options (Reg 18 for DPDs)	Rt	Inspector's Report	D	Publish document
P	Publication Plan (Reg 19)	A	Adoption/Approval	R	Review
S	Submit Plan (Reg 22)			.	Ongoing

LOCAL DEVELOPMENT DOCUMENT PROFILES

5. LOCAL DEVELOPMENT DOCUMENT PROFILES

PART 1: DEVELOPMENT PLAN DOCUMENTS

WEST OF ENGLAND JOINT SPATIAL PLAN	
Role and Content	Identifies the housing requirement for the Wider Bristol Housing Market Area (HMA) and the Bath HMA, identifies the broad locations to meet housing and employment land needs and the infrastructure required to deliver the growth.
Status	Development Plan Document
Geographic Coverage	B&NES, Bristol, North Somerset, South Gloucestershire
TIMETABLE & MILESTONES The planned milestones for the Joint Spatial Plan (JPS) are set out below. The review of the B&NES Core Strategy to be undertaken through the preparation of the new B&NES Local Plan 2016 - 2036 in conjunction with other West of England authorities reviews will be informed by work on the West of England JPS.	
JSP Pre-Commencement Document consultation	December 2014 - March 2015
JSP Issues and Options consultation (Reg 18)	November 2015 - January 2016
JSP Draft Plan options consultation (Reg 18)	October - November 2016
Publish Pre-Submission Draft JSP (Reg 19) and draft SA report for consultation	November 2017 - January 2018
Submission of JSP to Secretary of State (Reg 22) with final SA Report	March 2018
Examination Hearings Period	July 2018
Adoption	December 2018
ARRANGEMENTS FOR PRODUCTION	
Resources required and management arrangements	Co-ordination with other West of England Authorities of Bristol, North Somerset and South Gloucestershire Councils through the Planning, Housing and Communities Board and the Joint Transport Board. Supporting evidence prepared corporately. LDF Budget. This work will require additional funding for the years 2016/17 and 2017/18 which will be managed through one-off revenue budget requests. Staff resources of the Planning Policy teams working jointly across the 4 UAs.
Key Evidence:	SHLAA, HELAA, EDNA, Infrastructure & Viability studies, FRA, Environmental Assessments, Sustainability Appraisals.
Community/ stakeholder involvement	In accordance with Regulations 18 and 19 of the Town and County Planning (Local Planning) (England) Regulations 2012 and the Neighbourhood Planning Protocol
POST-PRODUCTION	
Monitoring & Review	Outputs incorporated in the B&NES Local Plan 2016 - 2036 and monitored via the AMR.

LOCAL DEVELOPMENT DOCUMENT PROFILES

LOCAL PLAN 2016 - 2036		
Role and Content	The new Local Plan for B&NES sets out the spatial vision, spatial objectives, core policies and a delivery strategy for the development of the district and framework for development management. It will be underpinned by an Infrastructure Delivery Plan to ensure a deliverable strategy. Preparation of the new Local Plan will incorporate a review the Core Strategy which will be undertaken in conjunction with other West of England authorities’ reviews will be informed by work on the West of England JSP.	
Status	Development Plan Document	
Geographic Coverage	District wide	
TIMETABLE & MILESTONES		
Commencement	Dec 2016	
Issues and Options consultation (Reg 18)	November 2017 - May 2018	
Publication Draft (Reg 19) and draft SA report for consultation	October 2018	
Submission of to Secretary of State (Reg 22) with final SA Report	January 2019	
Examination Hearings Period	April 2019	
Adoption	September 2019	
ARRANGEMENTS FOR PRODUCTION		
Resources required and management arrangements	Planning Policy Team, LDF Budget & LDF Governance arrangements	
Key Evidence:	SHMA, HELAA, student accommodation requirements, employment growth & land supply, infrastructure & viability studies, Flood Risk Assessments, Environmental Assessments, Sustainability Appraisals.	
Community/ stakeholder involvement	In accordance with Regulations 18 and 19 of the Town and County Planning (Local Planning) (England) Regulations 2012 and the Neighbourhood Planning Protocol	
POST-PRODUCTION		
Monitoring & Review	The implementation of the objectives and policies of the Local Plan will be monitored as part of the AMR as set out in the submission Local Plan.	

LOCAL DEVELOPMENT DOCUMENT PROFILES

TRAVELLERS' SITES PLAN	
Role and Content	Allocate specific sites to meet the accommodation needs of the travelling community
Status	Development Plan Document
Chain of conformity	National Policy, Core Strategy
Geographic Coverage	District-wide
TIMETABLE & MILESTONES	
Commencement and early stakeholder and community engagement in document preparation	July 2009
Publication of issues and alternative options for consultation (Reg 25) ¹	November 2011 – January 2012 (Issues & Options - call for sites and site assessment criteria)
Publication of preferred options for consultation (Reg 18)	June – July 2012 (alternative and preferred sites)
Publication of revised set of site options for consultation	January/February 2019
Publication and public participation on draft DPD (Reg 19) and draft SA report	September/October 2019
Submission to Secretary of State (Reg 22) with final SA Report	February 2020
Commencement of Hearings	May 2020
Receipt of Inspector's report	August 2020
Adoption and publication	November 2020
ARRANGEMENTS FOR PRODUCTION	
Resources required and management arrangements	Prepared by Planning Services in collaboration with other relevant Council Service areas, external authorities service providers and specialist consultant advisors as required. Key stages to be agreed at Cabinet and Council. The Policies Map will be revised accordingly. Cost to be shared between the Services.
Community and stakeholder involvement	In accordance with Regulations 18 and 19 of the Town and County Planning (Local Planning) (England) Regulations 2012 and the Neighbourhood Planning Protocol
POST-PRODUCTION	
Monitoring & Review	The DPD will be monitored as part of the AMR and will be reviewed if the monitoring highlights such a need.

¹ Prepared under the Town and County Planning (Local Development) (England) (Amendment) Regulations 2008 until March 2012.

LOCAL DEVELOPMENT DOCUMENT PROFILES

PART 2: SUPPLEMENTARY PLANNING DOCUMENTS (SPD)

Currently work is programmed for four SPDs in the first part of the LDS period. These are listed below and the broad programme for preparation is shown on the summary diagram on page 17.

- Review of the Planning Obligations SPD linked to the review of the Community Infrastructure Levy.
- Design Guide SPD for new development in Bath & North East Somerset. This will incorporate the existing Building Heights Study.
- Locally Listed Heritage Assets SPD.
- Somer Valley Enterprise Park SPD.
- *The Bath HMO SPD has been reviewed and will be recommended for adoption by Council in November 2017.*
- In order to implement JSP proposals, the preparation of SPDs for the Strategic Development Locations at North Keynsham and Whitchurch will be an integral part of the work on the New Local Plan. The scope of these SPDs will depend on the resources available through funding bids and will provide the more detailed policy framework and design codes needed to ensure high quality new development.
- An Article 4 Direction to address the impact of the loss of office space in Bath is also being progressed

Other SPDs will be prepared depending on their urgency and where resources permit including the following.

- A review of the Energy Efficiency and Renewable Energy Guidance for Listed Buildings and Undesignated Historic Buildings (Appendix to the Sustainable Construction and Retrofitting SPD) may be necessary should updated advice be published by Historic England in the LDS period.
- A review of the 'Existing dwellings in the Green Belt SPD' adopted in 2008 to bring it into line with the NPPF and provide further information, guidance and interpretation to planning policy relating to existing buildings in the Green Belt.

LOCAL DEVELOPMENT DOCUMENT PROFILES

PART 3: OTHER LOCAL DEVELOPMENT DOCUMENTS

POLICIES MAP	
Role and Content	The Policies Map identifies site-specific proposals, designations, and locations and areas to which specific policies in other DPDs apply on an Ordnance Survey base map and will include inset maps. This map evolves with each Development Plan Document.
Status	Development Plan Document
Conformity	Conformity with other Development Plan Documents (DPDs).
Geographic Coverage	District-wide
TIMETABLE & MILESTONES	
The production of the Policies Map is dependent on the timetable of DPDs which require the geographical expression of location of site-specific proposals and area based policies and will be updated as DPDs are adopted.	
ARRANGEMENTS FOR PRODUCTION	
Resources required and management arrangements	Prepared by Planning Services with Corporate GIS and technical support. Preparation of printed versions and interactive electronic versions will be outsourced as required. Key stages to be agreed at Cabinet and Council.
Community and stakeholder involvement	In accordance with Regulations 18 and 19 of the Town and County Planning (Local Planning) (England) Regulations 2012 and the Neighbourhood Planning Protocol.
POST-PRODUCTION	
Monitoring & Review	An amendment to the Policies Map is contingent on the outcome of the monitoring and review of DPDs.

LOCAL DEVELOPMENT DOCUMENT PROFILES

NEIGHBOURHOOD PLANNING PROTOCOL (incorporating the Statement of Community Involvement)	
Role and Content	The SCI sets out how the community, stakeholders and interested parties are involved in the production of plans and proposals for the District and the determination of planning applications. The NPP reflects the localism agenda and sets out the engagement processes, guidance for the establishment of Neighbourhood Fora, preparation of Neighbourhood Plans and Neighbourhood Development Orders.
Status	LDD
Chain of conformity	Must at least meet the minimum requirements set out in the Town and Country Planning (Local Development) (England) (Amendment) Regulations 2008. The SCI has regard to the Council's corporate communication strategy.
Geographic Coverage	Whole District
TIMETABLE & MILESTONES	
Addendum published alongside adopted SCI as required	
Revisions to the SCI finalised and agreed by Council	
ARRANGEMENTS FOR PRODUCTION	
Resources required and management arrangements	Prepared by Planning service in conjunction with Policy & Partnerships Team and in consultation with Member portfolio holder. Agreed by the Council/Cabinet.
Community and stakeholder involvement	Fundamental revisions to the SCI will entail community engagement.
POST-PRODUCTION	
Monitoring & Review	To be reviewed on an ongoing basis in response to problems or successes consulting on LDDs or planning applications and as part of the AMR and changes in government legislation

LOCAL DEVELOPMENT DOCUMENT PROFILES

COMMUNITY INFRASTRUCTURE LEVY (CIL)	
Role and Content	The CIL is a levy on new development to fund the timely delivery of infrastructure needed to support development.
Status	Local Development Document
Chain of conformity	Core Strategy; Infrastructure Delivery Programme (IDP)
Geographic Coverage	Whole District
TIMETABLE & MILESTONES FOR ANNUAL REVIEW	
Update and publish B&NES IDP.	By 30 th June annually
Service / Infrastructure Providers to submit the CIL Bid forms	From 1 st to 31 st July annually
Assess the CIL Bid forms and prepare a summary report	August annually
Prepare a draft Spending Priority Programme	August/September annually
Finalise the draft Spending Priority Programme and make an recommendation to the Cabinet	October/November annually
CIL Spending Priority Programme agreed	December annually
ARRANGEMENTS FOR PRODUCTION	
Resources required and management arrangements	<p>Charging schedule and a spending regime based on development proposals in the LDF, viability assessments & the Infrastructure Delivery Programme to be prepared by the Planning & Transport Service in conjunction with other Council services. This will be overseen by the LDF Steering Group with decisions made by Cabinet/Council. The work will be co-ordinated by the Officer Development Co-ordination Group with input from external developers/stakeholders as required.</p> <p>Other key tasks are:</p> <ul style="list-style-type: none"> – Clarifying the proportion to be allocated back to neighbourhoods – Establish enforcement arrangements/penalisation for non-payment
Community and stakeholder involvement	Community engagement was undertaken in preparation of charging schedule, spending regime and neighbourhood element in accordance with the Neighbourhood Planning Protocol.
POST-PRODUCTION	
Implementation	<p>B&NES, as both the charging and collecting authority will issue a liability notice on grant of planning permission. The levy is paid on commencement of and during development.</p> <p>Establish collection arrangements</p>
Monitoring and Review	A report on the levy raised and what it is spent on will be included in the AMR.

LOCAL DEVELOPMENT DOCUMENT PROFILES

CONSERVATION AREA CHARACTER APPRAISALS	
Role and Content	<p>Local planning authorities are obliged to designate as conservation areas any parts of their own area that are of special architectural or historic interest, the character and appearance of which it is desirable to preserve or enhance. Local planning authorities also have a duty to review past designations from time to time to determine if any further parts of their area should be conservation areas.</p> <p>Conservation area designation introduces a general control over the demolition of unlisted buildings and provides a basis for planning policies whose objective is to conserve all aspects of character or appearance, including landscape and public spaces, that define an area's special interest.</p> <p>There are 35 conservation areas in the District but only 13 of these have up to date conservation area character appraisals. None at present have management plans, but preparation of an appraisal provides the scope to address management opportunities.</p>
Geographic Coverage	District-wide conservation areas
TIMETABLE & MILESTONES	
<p>The production of the conservation area character appraisals outside Bath is to be planned alongside resources available, development pressure and local demand.</p> <p>Bath Conservation Area character appraisal is planned to be progressed during 2017-18.</p>	
ARRANGEMENTS FOR PRODUCTION	
Resources required and management arrangements	Prepared by Planning and Conservation team with consultants. Preparation of printed versions and interactive electronic versions will be outsourced as required. Key stages to be agreed at Cabinet and Council.
Community and stakeholder involvement	In accordance with Regulations 18 and 19 of the Town and County Planning (Local Planning) (England) Regulations 2012 and the Neighbourhood Planning Protocol.
POST-PRODUCTION	
Monitoring & Review	All progress relating to implementation will be reported in the AMR.

Natural Environment Evidence and Strategies

1. The West of England Nature Partnership (WENP) launched in June 2013 is one of 47 Local Nature Partnerships given statutory status by Defra. The WENP will develop and advocate an investment strategy for the natural environment of the West of England that provides a range of essential services to support economic development and public health. The WENP aims to provide coherent and cohesive representation of a range of stakeholders concerned for the natural environment and work in partnership with economic development agencies, health authorities and other statutory bodies to create a truly joined up approach in the West of England. The National Planning Policy Framework (NPPF) states that local planning authorities should work collaboratively with Local Nature Partnerships.

Landscape

2. One of the core principles the NPPF is that planning should recognise the intrinsic character and beauty of the countryside. Landscape Character Assessment is the tool that informs judgements on the value of landscapes and should be undertaken at a scale appropriate to local and neighbourhood plan-making. The rural character assessment of the District was carried out in 2003 and an assessment of Bath was carried out in 2005 as a precursor to more detailed Conservation Appraisals across Bath which are still pending, and are dependent on available resources.
3. The District is vulnerable to impacts on the landscape and visual character because the existing character assessments carried out to current methodologies to accord with government policy. A District landscape character assessment carried out in partnership between the Council, and parishes and local communities is needed. This will inform planning decisions and will help to provide the context for other related assessments including local planning initiatives such as Neighbourhood Plans where these are undertaken.

Trees and Woodland Strategy

4. The need for a tree and woodland strategy has been identified through a number of related studies (Public Realm and Movement Strategy, Green Space Strategy, Green Infrastructure Strategy etc.). This is especially relevant with the high level of public interest in this area following the governments proposed sell off of the public forestry estate and the risks of significant landscape scale tree loss through ash die-back and other tree related disease. The objective is to produce, adopt and implement a collaborative strategy for protecting, developing and managing a thriving, benefit-generating treescape which is in tune with local needs and aspirations.

Ecology

5. In 2011 Government published a Natural Environment White Paper setting out its goals and vision for the natural environment followed later that year by Biodiversity 2020 Government's biodiversity strategy. The NPPF sets out the requirement to map ecological corridors and also to be able to respond to biodiversity offsetting. There is a need for the council to review/consider these needs and set out its approach, this should ideally be done to tie in with the plan review.

Current Supplementary Planning Documents and Guidance

Agricultural Building Design Guidelines for the Mendip Hills AONB (published 2001, revised 2013).
Archaeology in Bath & North East Somerset SPG (May 2004) and Archaeology in Bath SPG (May 2004)
Bath City-wide Character Appraisal (August 2005)
Bath Conservation Area Design and Conservation - Commercial signage and tables and chairs on the highway (July 2016)
Bath Western Riverside SPD (March 2008)
Existing Dwellings in the Green Belt SPD (October 2008)
Guidelines for Horse-related Development for the Mendip Hills AONB (published 2004, revised 2012)
Houses in Multiple Occupation in Bath SPD with Article 4 Direction for HMO in Bath (June 2013)
Planning Obligations SPD (April 2015)
Retrofitting & Sustainable Construction SPD (February 2013)
Rural Landscapes of Bath & North East Somerset: A Landscape Character Assessment (February 2003)
Streetscape Manual SPD (April 2005)
Walcot Street Works (1997), Cherishing Outdoor Places (1994), and External Building Materials Local Design Guide
City of Bath World Heritage Site Setting SPD (August 2013)
<p>Conservation Area Appraisals</p> <p>The Council has a number of Conservation Areas, the following of which are SPD or a material consideration</p> <ul style="list-style-type: none"> – Chew Magna Conservation Area Statement (2003) – Claverton Conservation Area Appraisal (2007) – Combe Hay Conservation Area Appraisal (July 2014)

- [Hinton Blewett Conservation Area Appraisal](#) (July 2014)
- [Freshford and Sharpstone Conservation Area Appraisal](#) (2007)
- [Keynsham Conservation Areas Appraisal and Management Plan](#) (December 2016)
- [Midsomer Norton and Welton Conservation Area Statement](#) (2004)
- [Paulton Conservation Area Statement](#) (2003)
- [Pensford Conservation Area Appraisal](#) (2008)
- [Radstock Conservation Area Appraisal](#) (1999)
- [South Stoke Conservation Area Appraisal](#) (March 2014)
- [Wellow Conservation Area Appraisal](#) (2007)
- [Woollard Conservation Area Appraisal](#) (2008)

Village Design Statements

- [Bathford Village Design Statement](#) (2005)
- [Chew Magna Village Design Statement](#) (2006)
- [Hallatrow & High Littleton Design Statement](#) (2003)
- [Larkhall Character Statement and Development Principles](#) (1998)
- [Paulton Village Design Statement](#) (2003)
- [Peasedown St. John Village Statement](#) (2001)

GLOSSARY OF TERMS

- AMR** The **Authority's Monitoring Report** will assess the implementation of the Local Development Scheme and the extent to which policies in Local Development Documents are being successfully implemented. Previously known as an Annual Monitoring Report.
- CS** **Core Strategy:** sets out the long-term spatial vision for the local planning authority area, the spatial objectives and a strategic policy framework to deliver that vision. The Core Strategy will have the status of a *Development Plan Document* and will form Part 1 of the new style Local Plan.
- DP** **Development Plan:** as set out in Section 38(6) of the Act, an authority's development plan consists of the relevant *Development Plan Documents* contained within its *Local Development Framework*.
- DPD** **Development Plan Document:** spatial planning documents that are subject to independent examination will form the *Development Plan*. They can include a *Core Strategy*, *Site Specific Allocations of land*, and *Area Action Plans* (where needed). Other Development Plan Documents, including generic Development Control Policies, can be produced. They will all be shown geographically on an *adopted Policies Map*.
- FRA** **Flood Risk Assessment:** an assessment of the risk of flooding from all flooding sources, identifying flood mitigation measures to reduce the impact of flooding to the site and surrounding area and recommendations on actions to be taken before and during a flood.
- LDF** **Local Development Framework:** the name for the portfolio of *Local Development Documents*. It consists of *Development Plan Documents*, *Supplementary Planning Documents*, a *Statement of Community Involvement*, the *Local Development Scheme* and *Annual Monitoring Reports*. Together these documents will provide the framework for delivering the spatial planning strategy for a local authority area.
- LDD** **Local Development Document:** the collective term for Development Plan Documents, Supplementary Planning Documents and the Neighbourhood Planning Protocol.
- LDS** **Local Development Scheme:** sets out the programme for preparing *Local Development Documents*.
- LEP** **Local Enterprise Partnerships:** locally-owned partnerships between local authorities and businesses and play a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs.
- NPP** **Neighbourhood Planning Protocol:** sets out mechanisms for:
- Neighbourhood Fora

- Neighbourhood Referenda
- Neighbourhood Development Orders
- Community Right to Build

This includes a review of the Council's Statement of Community Involvement.

NPPF **National Planning Policy Framework** sets out the Government's planning policies for England and how these are expected to be implemented. It replaces all previous planning policy guidance notes and planning policy statements.

PMP **Placemaking Plan:** a Development Plan Document being prepared to complement the strategic framework in the Core Strategy by setting out detailed development principles for identified sites and other policies for managing development across Bath & North East Somerset. It will form Part 2 of the new style Local Plan.

Policies Map: previously referred to as the **Proposals Map** and illustrates geographically the policies and proposals in the Development Plan Documents (DPD) on an Ordnance Survey map. Inset Maps show policies and proposals for specific parts of the district. It will need to be revised each time a new DPD is adopted.

Saved policies or plans: existing adopted development plans are saved for three years from the date of commencement of *the Act*. Any policies in old style development plans adopted after commencement of the Act will become saved policies for three years from their adoption or approval.

SA **Sustainability Appraisal:** tool for appraising policies to ensure they reflect sustainable development objectives. Sustainability Appraisals are required in the Act to be undertaken for all local development documents.

SEA **Strategic environmental assessment:** a generic term used to describe environmental assessment as applied to policies, plans and programmes. The European 'SEA Directive' (2001/42/EC) requires a formal 'environmental assessment of certain plans and programmes, including those in the field of planning and land use'.

SPD **Supplementary Planning Document:** provide supplementary information in respect of the policies in *Development Plan Documents*. They do not form part of the Development Plan and are not subject to independent Examination.

This document can be made available in a range of community languages, large print, Braille, on tape, electronic and accessible formats from the Planning Policy Team Tel (01225 477548) Fax (01225 477617), Minicom (01225 477535).

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Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING DATE	8th November 2017	EXECUTIVE FORWARD PLAN REFERENCE:
		E3007
TITLE:	Community Infrastructure Levy (CIL) spending arrangements	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Attachment 1: B&NES CIL Spend Protocol 2015		

1 THE ISSUE

- 1.1 This report proposes changes to the arrangements for agreeing how CIL income is spent

2 RECOMMENDATION

- 2.1 That the Cabinet agrees the revised B&NES CIL Spend Protocol in Attachment 1 to this report

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 CIL is in effect tax on new development and will therefore have indirect implications on the value of land and development proposals, although is not intended to be a policy tool.
- 3.2 The costs of managing CIL are met from existing budget arrangements.
- 3.3 CIL income to the Council varies depending on the level of development but has been increasing since the B&NES CIL was agreed in 2015.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The Community Infrastructure Levy (CIL) came into effect in B&NES on 6th April 2015 following adoption of the CIL Charging Schedule by Council on 17 February 2015.
- 4.2 CIL largely replaces Section.106 contributions as developer-provided funding for infrastructure projects. Only Affordable Housing and site-specific requirements

are now covered by s.106 obligations. Education, highways and other strategic schemes can be funded by CIL unless they entail on-site provision.

- 4.3 Based on the Core Strategy/Placemaking Plan growth trajectory, the forecast CIL income from housing development over the next 5 years is expected to be around £13,300,000. However, this is an estimate and depends on the actual rate of development.
- 4.4 CIL must be spent on the provision, improvement, replacement, operation or maintenance of infrastructure needed to support the development of the area. It is intended to focus on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies unless they will be made more severe by new development. The definition allows the levy to be used to fund a very broad range of facilities such as play areas, parks and green spaces, cultural and sports facilities, academies and free schools, district heating schemes and police stations and other community safety facilities. The levy may not be used to fund affordable housing.
- 4.5 The types of infrastructure that CIL can be used for must be included in the Council's Regulation 123 List in order to avoid charging developers for both CIL and S.106 contributions for the same infrastructure items.
- 4.6 All of the CIL collected will be used to support infrastructure for the communities within the District and to support the growth plans in the Core Strategy / Placemaking Plan. The apportionment of the CIL income is as outlined below.
- 4.7 **Local Funds:** A proportion of CIL generated in an area must be passed directly to local communities. This is 15% (with a cap of up to £100 per Council tax dwelling per annum) or 25% in parishes with adopted Neighbourhood Plans.
- 4.8 **Strategic Funds:** The majority of the CIL receipts will be allocated by B&NES as guided by CIL Strategic Spend Protocol.
- 4.9 **Administration Costs:** Up to 5% of CIL receipts will be used within Planning Services for the costs associated with monitoring, managing and collection of CIL required by the CIL regulations.

5 THE REPORT

CIL Income

- 5.1 The forecast CIL income is set out in the tables below (NB Totals may be affected by rounding up)

The Strategic CIL component spend

- 5.2 The Infrastructure Delivery Plan (IDP) is being revised and updated to provide a clearer basis to formulate a medium term programme of spend aligned with corporate priorities, other funding sources and the capital programme. This will enable a co-ordinated approach to infrastructure provision. The IDP will therefore need to be updated at least annually with the input of internal and external infrastructure providers in order to ensure decisions are based on up-to-date information.

Table 1: CIL income Forecast to 2021 (£)

	16/17	17/18	18/19	19/20	20/21
Strategic	1,236,800	3,080,800	2,888,800	2,173,600	1,108,000
Local	231,900	577,650	541,650	407,550	207,750
Total	1,468,700	3,658,450	3,430,300	2,581,150	1,315,750

- 5.3 The proposed revised CIL Spend Protocol is set out in Attachment 1.
- 5.4 Unlike s.106 contributions, CIL should be seen as a tax on development and does not need to be spent where it is generated (other than the local component – see below). However, CIL is not additional income but entails funding for infrastructure that was formerly secured via S.106 developer contributions. It is therefore essential that CIL income is not dissipated on a variety of small, non-critical projects but is focused on a coherent programme of investment to provide the infrastructure needed to support the Council's growth ambitions. Otherwise, the Council will need to fund this infrastructure directly from its own resources. It is the role of the local CIL income to fund locally important schemes. This longer term approach may require holding back CIL funds in some years for spend in subsequent years.

The Local CIL component spend

- 5.5 The Regulations provide a wider definition of how the local funds may be used, in that the local proportion of funds must be used 'to support the development of the local area by funding;
- (a) the provision, improvement, replacement, operation or maintenance of infrastructure; or
 - (b) anything else that is concerned with addressing the demands that development places on an area.'
- 5.6 Local Funds are passed from B&NES to the Parish/town Councils twice a year on 28th April and 28th October. Parish/Town Councils are required to provide an audit/report to B&NES Council on the amount of CIL received, spent and details of projects CIL funds have been spent on by 30th April. An Advisory Note is currently being prepared to assist Town and Parish Councils with the use and administration of CIL. Ward Members will be kept up-to-date by the Planning Service on the amount of CIL generated and the decisions on spend.
- 5.7 Investigations are underway on the scope to proactively support parishes in their processes for deciding local spend priorities and the implementation procedures.
- 5.8 In Bath, which is unparished, CIL spend decisions will be made by Cabinet with the advice of the Bath City Forum.

Monitoring

- 5.9 Details of CIL charges, receipts and spending will be monitored and audited by B&NES. The Council will include in its Annual Monitoring Report the amount of CIL that has been received, spent (and on what) and remains in the fund in the reporting year, 'April to March'.

6 RATIONALE

- 6.1 The rationale for setting out and updating the CIL spend arrangements is to ensure an effective and transparent process that meets legislative requirements and corporate priorities.

7 OTHER OPTIONS CONSIDERED

- 7.1 The use of CIL income is regulated by national policy. The Council is not obliged to have a Spend Protocol in place but it is considered that such a Protocol provides clarity, transparent and helps to ensure the most effective use of CIL funds.

8 CONSULTATION

- 8.1 Legal and Finance officers were consulted in the preparation of this report and other Council services have been consulted in the preparation of the CIL Spend Protocol.

9 RISK MANAGEMENT

- 9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.
- 9.2 In making the above recommendation, officers have had regard to the Equality Act 2010 and the Human Rights Act 1998.

Contact person	<i>Simon de Beer 01225, 477616</i>
Background papers	<i>B&NES CIL Charging Schedule</i> <i>B&NES Regulation 123 List</i> <i>B&NES Infrastructure Delivery Plan.</i> <i>B&NES Core Strategy</i> <i>B&NES Place-making Plan</i> <i>B&NES Authority Monitoring Report</i>
Please contact the report author if you need to access this report in an alternative format	

ATTACHMENT 1: PROPOSED REVISED B&NES CIL SPEND PROTOCOL

Stage	Date	Task
1. Evidence Gathering		
a.	April to June	<p>Update the B&NES Infrastructure Delivery Plan (IDP) to identify critical infrastructure requirements, costs, timing and funding gaps and to align with the Capital Programme. This entails liaison with;</p> <ul style="list-style-type: none"> • Internal services • External infrastructure providers • Parishes/Towns • Bath City Forum • Cabinet Members & Ward Members
2. Prioritising		
a	July to Aug	Initial identification of investment priorities through the internal cross service working (Development Co-ordination Group). Ascertain scope to align strategic and local CIL
b	Sept to Oct	Prepare/review a draft 3 to 5-year CIL Spend Programme aligned with the Council's capital programme in liaison with Cabinet.
3. Decision-making		
a	Nov	CIL Spending Programme to be considered by Cabinet
b	Dec to Feb	Proposals incorporated in Council Budget setting process including Scrutiny Panels
4. Implementation		
a	Ongoing	Disbursement of funds and monitoring CIL spend to inform the review of the Spend Priority Plan.
b	Annually	Record CIL spend annually in the AMR (Authority Monitoring Report)

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Bath & North East Somerset Council		
MEETING:	Cabinet	
MEETING DATE:	08 November 2017	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3010
TITLE:	B&NES Council and BaNES CCG Integration	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
<ul style="list-style-type: none">• Appendix 1: Current governance model to support Joint commissioning• Appendix 2: Proposed new Governance arrangements to support Integrated Health and Care Commissioning		

1 THE ISSUE

- 1.1 The purpose of this report is to describe, and seek agreement in principle, on the proposed future governance requirements for an integrated commissioning arrangement between B&NES Council and BaNES Clinical Commissioning Group (CCG).

2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 Support the development of stronger integrated arrangements between the Council and CCG and approve further work to develop the governance proposals so that they can be taken forward to the full Council meeting in May 2018;
- 2.2 Delegate to the Strategic Director for People and Communities to set up shadow arrangements in January 2018 in consultation with the Cabinet Members;
- 2.3 Support the resource request to develop the integration proposal to the next stage.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

3.1 The integration programme can be described as a number of phases which will have an impact in the rest of the financial year 2017/18 and then in the full financial year 2018/19. The summary below shows the estimated total resource requirement for both years, based on current assessment of the likely work required.

3.2 Summary of estimated costs to support integration project

Costs	2017/18 (Remaining)	2018/19
Programme Director	£20,968 (Dec to end March 18)	£37,964
Communications Support and Staff Engagement	£20k (assume 5 months expenditure)	£25,200
Admin Support	£5,262	£12,631
Organisational Development	£5,000	£5,000
Finance	£7,000	£7,000
Legal Advice	£10,000	£15,000
Total	£68,230	£102,979

3.3 The Programme Director will be employed on a part-time basis for four months in 2017/18 and 8 months in 2018/19. This post will be a 12 month fixed term appointment to deliver the integration programme, anticipating that thereafter the new arrangements will have become embedded within structures and resources.

3.4 The Communications Support and staff engagement cost includes a series of staff focus groups during 2017/18 to explore current beliefs and opportunities around integration, temporary additional communications capacity and the production of supporting information.

3.5 It is proposed that the source of funding for 2017/18 be the Better Care Fund allocation for “strategic support” and utilisation of an uncommitted budget in the year. The integration programme is aligned with the purpose of this scheme and consistent with the guidance on use of the BCF, which is intended as an enabler of health and social care integration as described elsewhere in this report. The source of funding for 2018/19 will be confirmed as part of the Council and CCG’s usual budget setting processes and is likely, again, to be the BCF.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 Both organisations need to be aware of options for delegated decision making. Guidance on governance for Sustainability and Transformation Partnerships published in June 2017 advises that Clinical Commissioning Groups are able to create joint committees with local authority commissioners, where each organisation nominates its representative member(s). This committee cannot cover certain core functions and the example given in the guidance is that it could not cover CCG core functions such as audit. It could, however, have a specific focus, that is *integrated commissioning*. There would be joint decision making between the organisations but statutory responsibility for decisions will still lie with the individual sovereign organisations.
- 4.2 The use of Section 75 enables NHS bodies and local authorities to create pooled budgets using contributions from their individual organisations. However, Section 75 does not allow for all health and social care services to be included within a joint fund. Whilst local authorities can delegate a broad range of their services, the legislation sets out some detailed exclusions. Other arrangements can be established to compliment Section 75 arrangements.
- 4.3 Further work is required to identify the most appropriate arrangements locally, informed by specialist legal advice before establishing shadow arrangements and seeking full approval to any proposed changes in May 2018.

5 THE REPORT

Introduction

- 5.1 The overarching aim of this report is to describe the role the two key organisations, B&NES Council and BaNES CCG, could play in leading the extension and enhancement of integrated commissioning for the benefit of the population of Bath and North East Somerset and to create a more sustainable approach to the commissioning and provision of Health and Care going forward.
- 5.2 The Council and CCG each has its own constitution and separate accountabilities but has a common interest in the health and wellbeing of local people. There is now an opportunity to strengthen existing joint arrangements to achieve the level and pace of service change and integration needed to meet current and future challenges. This will enable both organisations to provide the seamless health and care which residents need and to meet the sustainability challenge faced by both organisations.
- 5.3 The current governance structures require changes for both organisations to be able to implement the necessary changes jointly and at pace. National direction, such as The Integration and Better Care Fund Policy Framework 2017, requires integration between health and care services. Success measures for such are being developed nationally and the Care Quality Commission has the remit to carry out targeted reviews, particularly in relation to integrated arrangements to avoid hospital admission and reduce Delayed Transfers of Care from hospital into community settings.

5.4 The Council and CCG can be informed and reassured by the work that is being undertaken elsewhere around the country to deliver further integration between Health and Social Care. Similar models to those proposed through this report can be seen in varying stages of development in Somerset, Southampton and North East Lincolnshire.

Background to and history of integration in B&NES

5.5 The Government is clear within the Better Care Fund Policy Framework for 2017-19 that people need health, social care, housing and other public services to work seamlessly together to delivery better quality care. More joined up services help improve the health and care of local populations and may make more efficient use of available resources.

5.6 B&NES Council and the local NHS have a long history of constructive joint working. Joint health and social care structures have been in place in B&NES since 2009, with commissioning arrangements implemented in that year and provider arrangements consolidated by the creation of an integrated health and social care provider in 2011. This was supported by a formal Partnership Agreement that described how the then Primary Care Trust (PCT) and Council would work together to deliver improved outcomes for the population.

5.7 Joint financial arrangements, primarily pooled budgets, were implemented alongside the original joint structures and have expanded and developed since. Following NHS reconfiguration, the CCG and Council reconfirmed their commitment to joint working and agreed a Joint Working Framework. The commissioning arrangements were reviewed and redesigned in 2013 in response to the creation of the CCG and the reaffirmation of the commitment by both CCG and Council to joint working and to the integrated commissioning and provision of services.

5.8 A Partnership Board for Health and Wellbeing (the precursor to the current Health and Wellbeing Board) was established in 2008 to oversee, monitor and make recommendations in respect of the development of strategy and performance management of adult health and social care, children's health and social care and public health.

5.9 In B&NES, the journey towards closer integration is set out within the your care your way programme. The two organisations worked in strategic partnership over a two year period (2014 to 2016) to review community health and care services through "Your Care Your Way". Through a process of extensive engagement with a wide range of partners, including service users, carers, staff and provider organisations this review helped to set out a future vision for health and care services and supported the delivery of services better co-ordinated around the individual to ensure the right care is offered at the right time and in the right place. The review also supported the development of outcomes based commissioning based on those outcomes that are most important to the people and communities of Bath and North East Somerset and against which success can be measured.

Current arrangements

- 5.10 Established under the Health and Social Care Act 2012, the B&NES Health and Wellbeing Board is the overarching strategic forum where key partners with a role in the health and wellbeing agenda come together to improve local health and wellbeing. The Board is responsible for having oversight of the health and care system and for setting the strategic direction for meeting local health needs. The Board has adopted co-chairing arrangements between the Council and CCG, recognising the value and importance of the shared ambition between these two organisations in promoting good health and wellbeing. These arrangements seek to facilitate real and clear joint ownership for the whole health and care system.
- 5.11 The Health and Wellbeing Select Committee is responsible for scrutinising the planning, provision and operation of local health and care services and for holding local health organisations to account when they make significant decisions about the future of health care provision in B&NES.
- 5.12 As described in paragraph 5.7, currently the commitment to and arrangements under which the BaNES CCG and B&NES Council work together are described in the Joint Working Framework (April 2013). This document sets out aspirations around common goals and shared working practices. The partnership arrangements are underpinned by formal Section 75 and section 10 pooled budget agreements.
- 5.13 The operation of joint working arrangements including the operation of pooled funds and the exercise of functions by either body on behalf of the partner body, is overseen by a Joint Committee for the Oversight of Joint Working. As illustrated in Appendix 1, in October 2014 the Joint Commissioning Committee replaced the previous structure in October 2014, further strengthening governance of our joint commissioning arrangements. The Committee consists of senior managers from BaNES CCG and B&NES Council, and clinical representatives. The overall role of the group is to develop the overarching vision of joint working, review joint strategies, plans, performance and risk and develop integrated commissioning of adult health and social care and children's health services. JCC is a sub-committee of the CCG Board.
- 5.14 Under these arrangements the CCG and Council currently commission a range of community health and care services together and to strengthen these arrangements a number of commissioners are jointly funded by, and are accountable to, both organisations including in relation to the Better Care Fund Plan, for Mental Health, Learning Disabilities and Children's services. There is also a joint finance lead to support joint commissioning and the management of associated pooled budgets. However both organisations believe that there is a clear opportunity to go beyond the existing joint arrangements to create a single commissioning function in B&NES.

Proposed arrangements

- 5.15 As part of the programme of work to develop the proposed integrated commissioning model a review of the current governance arrangements has been undertaken and further detailed work will continue in the coming weeks. This work includes a review of and revisions to financial reporting, oversight and assurance of pooled funding arrangements, in the context of a significantly expanded Better Care Fund pooled budget as well as the proposed further integration of Council/CCG commissioning arrangements considered in this report.
- 5.16 The intent is to seek to develop a model which would ensure that future arrangements are fit for purpose, sustainable and able to respond effectively to emerging issues and pressures across health and social care. The model is outlined in Appendix 2. In summary the broad principles of such a model would include:
- The two statutory organisations will still exist – BaNES CCG and B&NES Council will continue to remain responsible for and will retain statutory governance and assurance mechanisms. There is not a new organisation being created, instead a new Governance model and ultimately a new leadership and integrated commissioning structure is being proposed which is capable of providing the mechanisms within which the two statutory organisations continue to meet their obligations through extended joint working and financial arrangements;
 - The Health and Wellbeing Board and Health and Wellbeing Select Committee will continue to operate as described in the current arrangements;
 - The model will have an assumption that this is a “partnership of equals” and this will be reflected in design and detail;
 - The decisions and functions that will be delegated will be determined by appropriate decision making bodies of the two organisations which will remain responsible for the delivery of all statutory responsibilities;
 - The proposed Governance arrangements will operate in Shadow form from January 2018 until such a time that they have been reviewed and evaluated and can then be formalised within refreshed section 75/section 10 arrangements;
 - The new model must be capable of adding value: it will need to work differently to better shape and manage pooling of responsibilities, budgets and resource and the harnessing of greater commission power. Importantly it will need to reduce, not add to the burden, in terms of governance, process and delivery;
 - There will be a need to understand how the new model will connect and work with the wider system leadership at local, regional and national level;
 - Creating a united commissioning “voice” for Bath and North East Somerset during the current wide scale system reform is seen as the best route to ensure our local interests are best represented and protected.

5.17 Whilst the broad framework, accountabilities and responsibilities are described within this initial model, if approved, much more detailed work will be required to test out and map the full set of governance arrangements.

5.18 In looking at the detail of the proposed structure there are a number of key changes proposed:

- The introduction of an Integrated Health and Care Board to make decisions on behalf of the Council and CCG on agreed functions relating to health and care with the explicit aim of improving outcomes through a unified approach to health and care planning and funding. This Board will have delegated powers from the Council and the CCG Board to make decisions on behalf of the Council and CCG on certain functions related to health and care commissioning. The Board will be accountable for effective collaboration, assurance, oversight and good governance across the integrated commissioning arrangements for health and care between the Council and CCG. This would demonstrate a genuine commitment to joint working and establish a body constituted with executive powers jointly accountable to Cabinet and CCG Board. This change will enable greater transparency as meetings will be held in public and reduce complexity in decision making; The Integrated Clinical Executive Group is a new group which will mirror some of the responsibilities of the current Joint Commissioning Committee (JCC) and as a result JCC would cease to operate.
- The Council and CCG will each nominate an agreed and equal number of members and/or senior officers with appropriate delegations with decision making powers as described through the Terms of Reference from their respective governing body;
- The proposal is that there will be delegated decision making to individual members of the Board;
- A newly established Integrated Commissioning Committee will operationally deliver the requirements of the Integrated Health and Care Board.

Benefits of proposed further integration

5.19 Benefits of proposed further integration include the following:

- Integrated commissioning arrangements enables achievement of a single vision and shared focus on prevention and early intervention and community solutions to promote independence and a shared commitment to achieve improved health and wellbeing outcomes and reducing health inequalities for the people of B&NES.
- The ability to share risks and benefits associated with the pooling of resources and delivery of the shared vision.
- The opportunity to share information results in more intelligent commissioning and the development of more innovative solutions to meet people's needs.

- Integrated commissioning enables the effective use of pooled resources, including funding, to ensure the individual's whole needs are at the centre of decision making, resulting in improved outcomes and the ability to target resources to the most effective place in the system to meet need. This avoids potential wasted resource and sub-optimal outcomes.
- It is not always clear to the public which organisation is responsible for the services that they need. Integration of commissioning arrangements between the Council and CCG will mean that it is less important for people in need of health and care advice, support or assistance to know which organisation to refer to as holding the statutory responsibility for meeting their need, as whichever entry point they use, the system will be able to support them to the right point.
- By working more closely together to achieve a single vision the CCG and Council would be better able to influence the way that health and care services are delivered for the population through a stronger voice at local, regional and national level.
- There is the opportunity for greater synergy between the adults and children's agenda where transitions can be managed more effectively.
- Providers will benefit from a single commissioning and contracting process for the services commissioned by the Council and CCG.
- More integrated commissioning helps identify gaps in provision as well as overlaps and duplication enabling the development and delivery of seamless pathways from prevention to specialist and acute care and through all life stages.
- Reduced bureaucracy, timely decision-making, ability to identify opportunities to develop shared support and "back-office" functions are all potential benefits of further integration between the Council and CCG.

Next steps

- 5.20 If agreed, the proposed governance structure set out in this report would be the subject of further detailed work, including on Terms of Reference for the Integrated Health and Care Board and Integrated Commissioning Committee, with a view to proceeding in shadow form with the new arrangements from January 2018 and agreement by Council in May 2018.
- 5.21 The proposals set out represent a natural development of the current joint working arrangements with the aim of further improving outcomes for the local population. These proposals may result in resource reallocation and, possibly, one off costs but also the potential for efficiencies which will help support the longer-term sustainability and resilience of the Council and CCG in meeting their respective statutory responsibilities and those of the local health and care economy.

- 5.22 Once the proposed governance structure is in place in shadow form the next phase will be the options appraisal to look at the optimum organisational model to deliver a B&NES Health and Care Integrated Commissioning Function. This is broadly shown diagrammatically in Appendix 2. Through these commissioning functions and associated teams and individuals from the CCG and Council (People and Communities Directorate) will come together to deliver integrated commissioning as recommended by the Integrated Health and Care Board to the Council and CCG Governing Bodies and implemented by the Integrated Commissioning Committee.
- 5.23 Subsequent phases will look to bring in the broader determinants of health and wellbeing in terms of the other services provided or commissioned by other Council Directorates such as housing, education and leisure facilities as well as the potential for integration of other functions, for example shared back-office services.

Communications and Engagement

- 5.24 A communications and engagement plan is being developed for key stakeholders to set out the proposals in further detail, highlight the benefits of the proposed model and clarify how key stakeholders can be engaged in future phases. All communications will be jointly undertaken by both the CCG and Council.

6 RATIONALE

- 6.1 The proposals set out in this report represent a natural next step in the development of the partnership between the Council and CCG and reflect both national and local strategic direction. At a time of significant challenge, there is the opportunity to achieve a range of benefits from further extending and expanding the Council and CCG's integrated commissioning arrangement, including improved health and wellbeing outcomes for the people of Bath and North East Somerset and longer-term sustainability.

7 OTHER OPTIONS CONSIDERED

- 7.1 The risks and benefits of not progressing with the expansion and extension of integrated commissioning have been considered. However, whilst the current joint working arrangements have delivered benefits they are highly unlikely to enable and support achievement of the range of benefits set out in paragraph 5.17, particularly in the context of the financial challenges facing both the Council and the CCG.
- 7.2 The risks and benefits of full integration have also been considered. However, taking the recommended approach will enable and support further testing and evaluation of the risks and benefits at each stage. Also, the current legislative framework does not support the establishment of a new legal entity.

8 CONSULTATION

- 8.1 To date there has been no formal consultation.

8.2 A wide range of officers from both the Council and CCG are actively engaged in developing the proposed integrated commissioning model, including subject matter experts from finance, governance, commissioning and organisational development. Proposals are the subject of more detailed reports to be presented to both Council Cabinet and CCG Board in November. Informal briefings have been given to Council Cabinet, CCG Board, Council Strategic Management Team, CCG Executive Team and Council/CCG Joint Commissioning Committee.

9 RISK MANAGEMENT

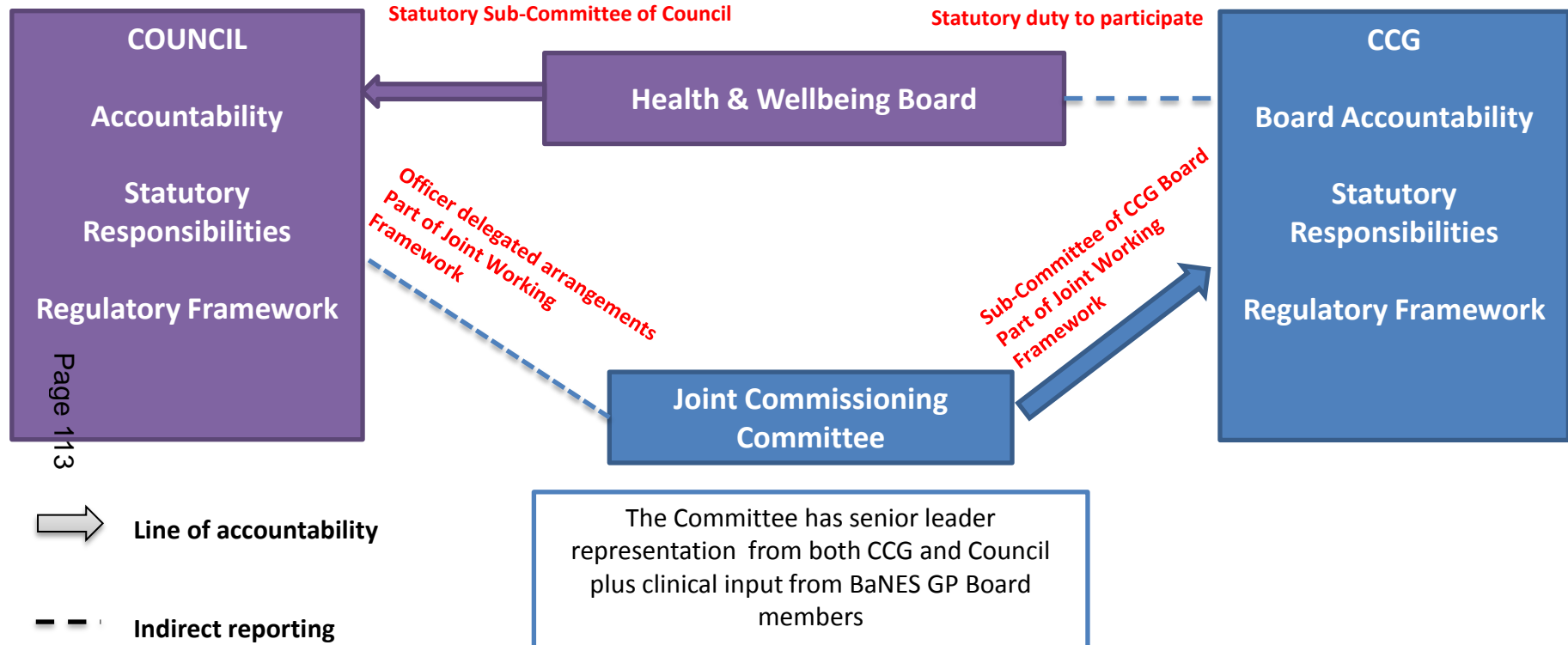
9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

9.2 Creation of the new proposed governance structure will include robust risk management and reporting arrangements.

Contact person	<i>Jane Shayler, Telephone 01225 396120</i>
Background papers	
Please contact the report author if you need to access this report in an alternative format	

Current Model of Integrated Working

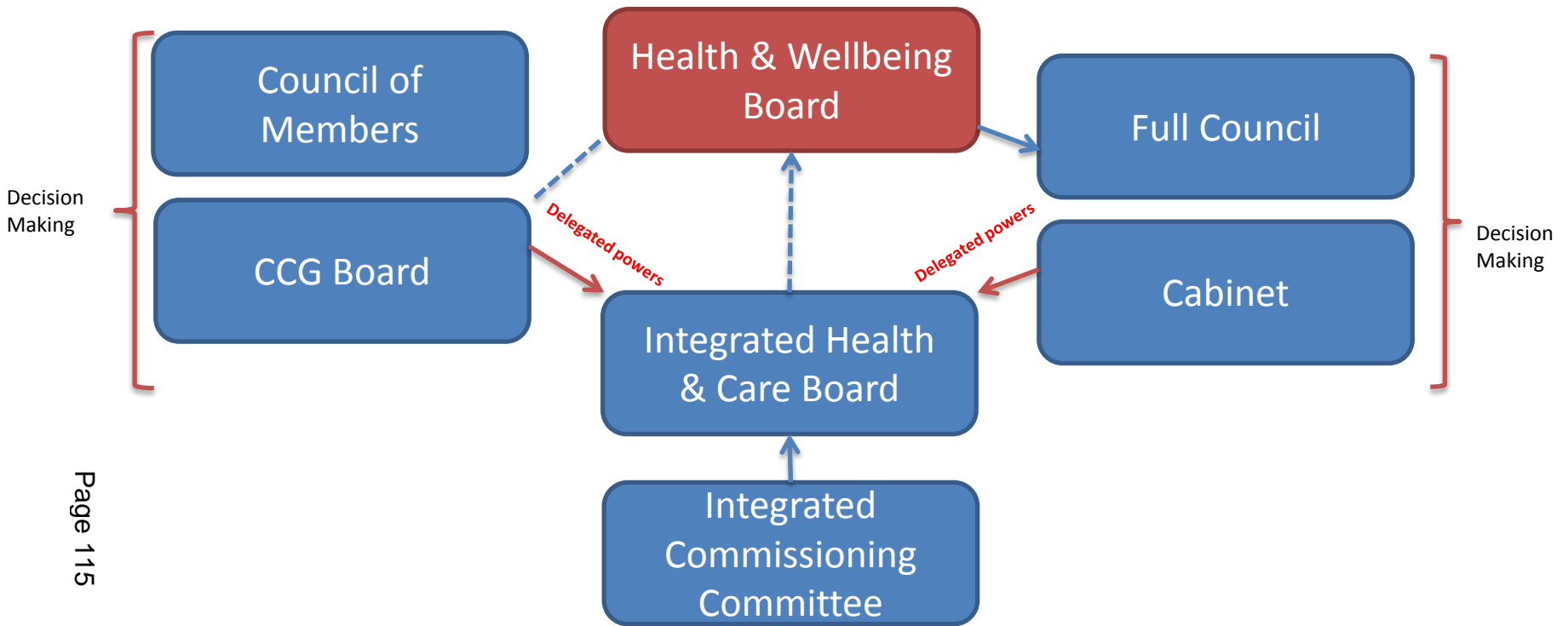
Appendix 1



Scrutiny

The scrutiny committees (including the Health Select Committee) would remain unchanged. Scrutiny committees have statutory powers to scrutinise external bodies. Commissioners and providers have a duty to consult on significant changes to service provision which the scrutiny committees review/assess

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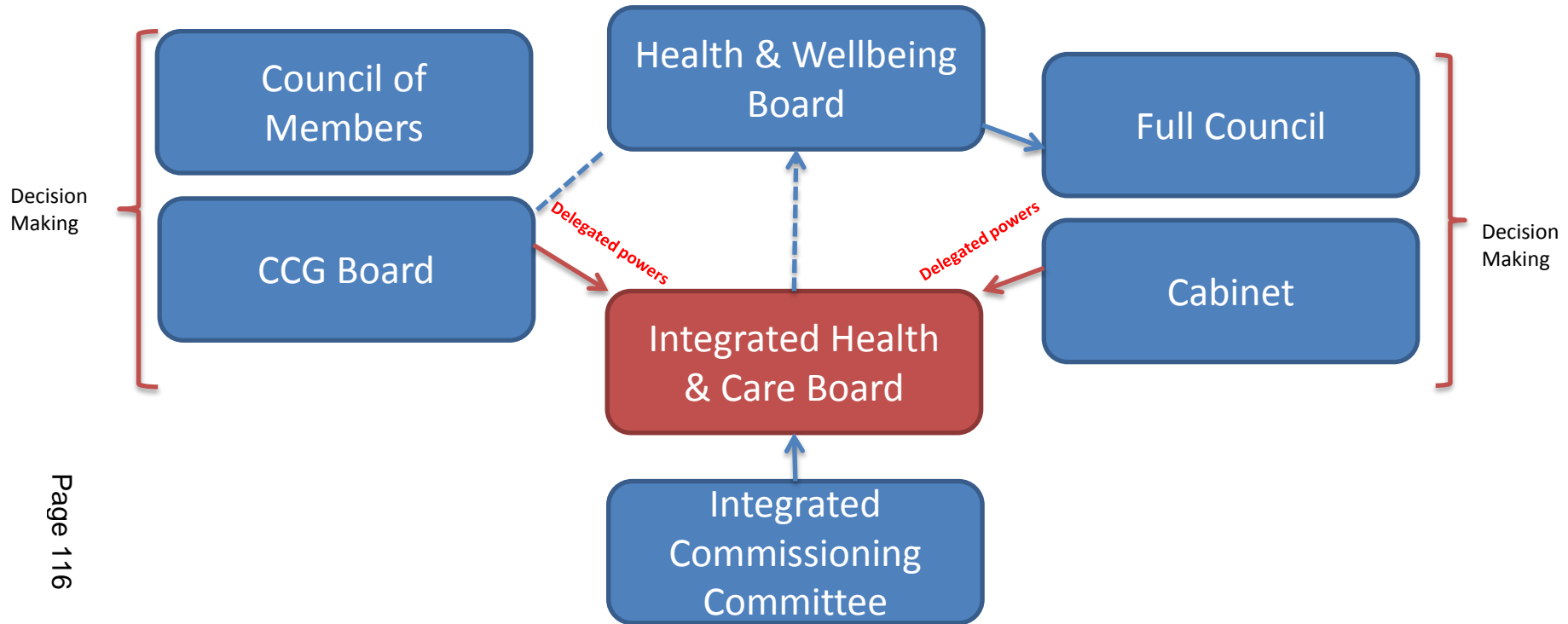


Health & Wellbeing Board - a high level strategic group with responsibility for the longer term view e.g 10 years

The Health & Wellbeing Board is a formal committee of the local authority charged with promoting greater integration and partnership between bodies from the NHS, public health and local government. It has a statutory duty, with clinical commissioning groups (CCGs), to **produce a joint strategic needs assessment** and a **joint health and wellbeing strategy** for their local population. It also has **oversight and sign off of the Better Care Fund Plan**.

The board has very limited formal powers. It is constituted as a partnership forum rather than an executive decision-making body.

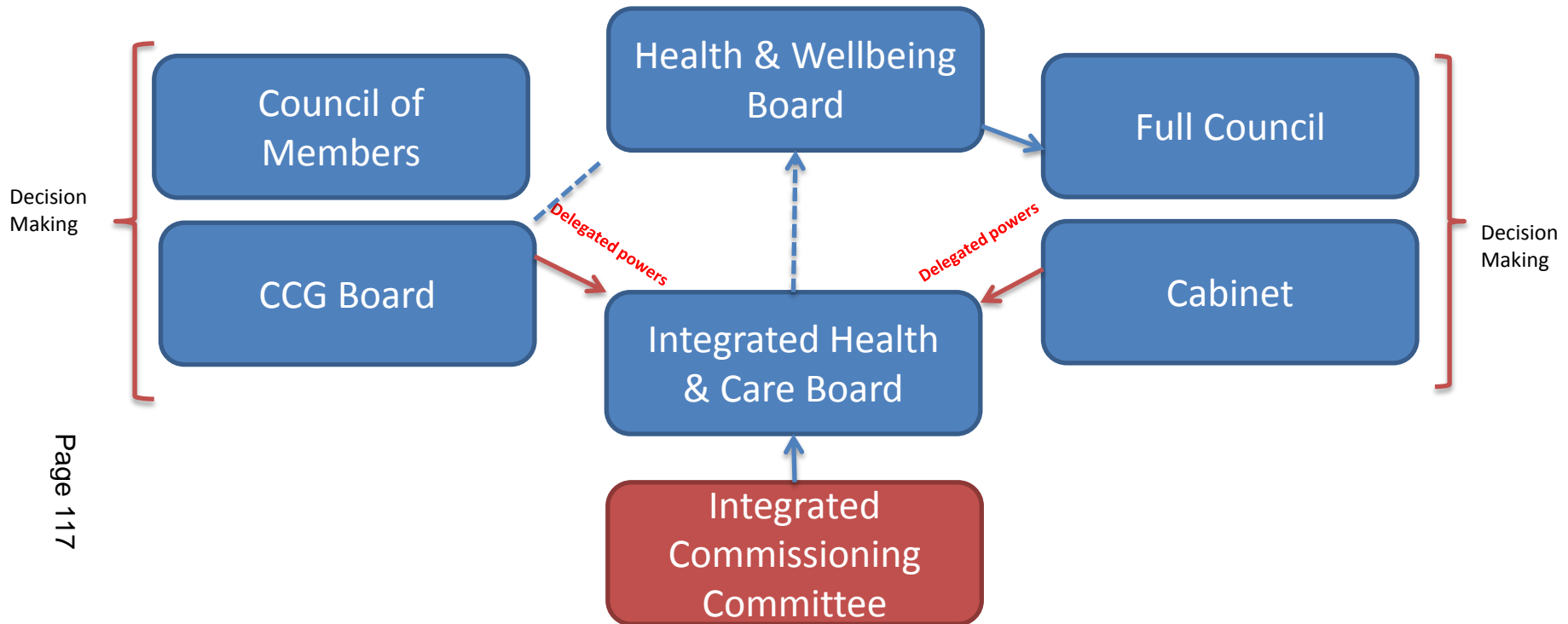
Proposed Governance Arrangements



Integrated Health & Care Board – an executive decision making body with both senior Council and CCG member representation for medium term view e.g. 5 years

The Integrated Health & Care Board will act as the single health and wellbeing commissioning body for Bath and North East Somerset. The main purpose is for transparency of joint decision making for health and care across the council and CCG. The Board will be accountable to both the CCG Board and Council Cabinet and will be responsible for **developing joint commissioning strategies** within the overall direction set by the health and wellbeing board; **implementing commissioning plans; operation of the section 75 partnership; overseeing individual schemes and service contracts, and would "hold" accountability for all pooled resources.**

Proposed Governance Arrangements



Integrated Commissioning Committee – an operational delivery group primarily working within the current year time horizon

The Integrated Commissioning Committee is a new group which will mirror some of the responsibilities of the current Joint Commissioning Committee (JCC) and will be responsible for the **operational delivery** of agreed strategy, with input from a clinical perspective. The group will have both CCG and Council members including clinical representation. As a result JCC would cease to operate.

Integrated Health & Care Commissioning - Responsibilities

Health & Wellbeing Board

COUNCIL

Accountability
Statutory Responsibilities
Regulatory Framework

CCG

Board Accountability
Statutory Responsibilities
Regulatory Framework

Sovereignty of organisations remains the same

- No formal delegation of statutory duties **but** use of a legal framework to pool resources to a far greater extent
- Integration and co-location of CCG and Council officer workforce continues
- Joint decision making through a formal joint structure with democratic and clinical involvement
- Health and Wellbeing Board continues to fulfil statutory duties in relation to JSNA and setting the strategic direction through the Health and Wellbeing Strategy

Bath & North East Somerset Council		
MEETING:	Cabinet	
MEETING DATE:	8 November 2017	
TITLE:	Treasury Management Monitoring Report to 30 th September 2017	EXECUTIVE FORWARD PLAN REFERENCE: E E2979
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 – Performance Against Prudential Indicators		
Appendix 2 – The Council’s Investment Position at 30 th September 2017		
Appendix 3 – Average monthly rate of return for 1 st 6 months of 2017/18		
Appendix 4 – The Council’s External Borrowing Position at 30 th September 2017		
Appendix 5 – Arlingclose’s Economic & Market Review Q2 of 2017/18		
Appendix 6 – Interest & Capital Financing Budget Monitoring 2017/18		
Appendix 7 – Summary Guide to Credit Ratings		

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 six months of 2017/18.

2 RECOMMENDATION

The Cabinet agrees that:

- 2.1 the Treasury Management Report to 30th September 2017, prepared in accordance with the CIPFA Treasury Code of Practice, is noted
- 2.2 the Treasury Management Indicators to 30th September 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 six months of 2017/18 is 0.26%, which is 0.10% 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 September 2017 is given in **Appendix 2**. The balance of deposits as at 30th June 2017 and 30th September 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 Local Growth Fund. This function has now transferred to the West of England Combined Authority (WECA) and all balances also transferred.
- 5.5 Gross interest earned on investments for the first six months totalled £44k. Net interest, after deduction of amounts due to Schools, Local Growth Fund and other internal balances, is £31k. **Appendix 3** details the investment performance, showing the average rate of interest earned over this period was 0.26%, which was 0.10% above the benchmark rate of average 7 day LIBID +0.05% (0.16%).

Summary of Borrowings

- 5.6 The Council's external borrowing as at 30th September 2017 totalled £167.5million and is detailed in Appendix 4. £9.5m of new borrowing was arranged during the quarter to the fund the acquisition of an investment property, being £7m long term PWLB annuity borrowing and £2.5m at 0.41% for 12 months pending capital receipt.
- 5.7 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.
- 5.8 The CFR represents the underlying need to borrow and the difference from the current borrowing of £167.5m, represents re-investment of internal balances of reserves, reducing the in-year borrowing costs in excess of the potential investment returns. Therefore, in-year use of reserves will lead to higher borrowing.
- 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 5.6.

5.10 The borrowing portfolio as at 30th September 2017 is shown in **Appendix 4**.

Strategic & Tactical Decisions

5.11 As shown in the charts at **Appendix 2**, the investment portfolio has been mainly diversified across Money Market Funds and Local Authorities. The Council uses AAA rated Money Market funds to maintain very short term liquidity and has £18.3M as at 30th September 2017.

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

5.13 The Council's current average investment return is in broadly line with the budgeted level of 0.30%.

Future Strategic & Tactical Issues

5.14 Our treasury management advisors economic and market review for the second quarter 2017/18 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 September "Mid Year Report 2017/18" their view is that, whilst the Bank of England MPC has changed its 'rhetoric' recently, they are not 'convinced the UK outlook justifies' a rate increase 'at this stage'. We are aware the MPC will be meeting on 2nd November and will be monitoring the outcome.

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.

Budget Implications

5.17 A breakdown of the revenue budget for interest and capital financing and the forecast year end position based on the period April to September is included in **Appendix 6** and shows that the forecast is on target

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

6 RATIONALE

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

7 OTHER OPTIONS CONSIDERED

7.1 None.

8 CONSULTATION

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

8.2 Consultation was carried out via e-mail.

9 RISK MANAGEMENT

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

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

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

Contact person	<i>Giles Oliver - 01225 477022; Andrew Stanton - 01225 477209</i> Gary_Adams@bathnes.gov.uk ; Andrew_Stanton@bathnes.gov.uk ;
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 September 2017
	£'000	£'000
Borrowing	338,000	167,555
Other long term liabilities	2,000	0
Cumulative Total	340,000	167,555

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 September 2017
	£'000	£'000
Borrowing	306,000	167,555
Other long term liabilities	2,000	0
Cumulative Total	308,000	167,555

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.

	2017/18 Prudential Indicator	Actual as at 30th September 2017
	£'000	£'000
Fixed interest rate exposure	306,000	147,555*

* 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 September 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 September 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 September 2017
	%	%	%
Under 12 months	50	Nil	25.4*
12 months and within 24 months	75	Nil	0
24 months and within 5 years	75	Nil	6.0
5 years and within 10 years	100	Nil	0
10 years and above	100	Nil	68.6

* 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 September 2017
	Rating	Rating
Minimum Portfolio Average Credit Rating	A-	AAA-

APPENDIX 2

The Council's Investment position at 30th September 2017

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

As per Weekly	Balance at 30 th September 2017
	£'000's
Notice (instant access funds)	18,980
1 month to 3 months	10,000
Over 3 months	0
Total	28,980

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

	Balance at 30 th September 2017
	£'000's
B&NES Council	24,147
Schools	4,833
Total	28,980

The Council had a total average net positive balance of £33.902m during the period April 2017 to September 2017.

Chart 1: Council Investments as at 30th September 2017 (£28.980m)

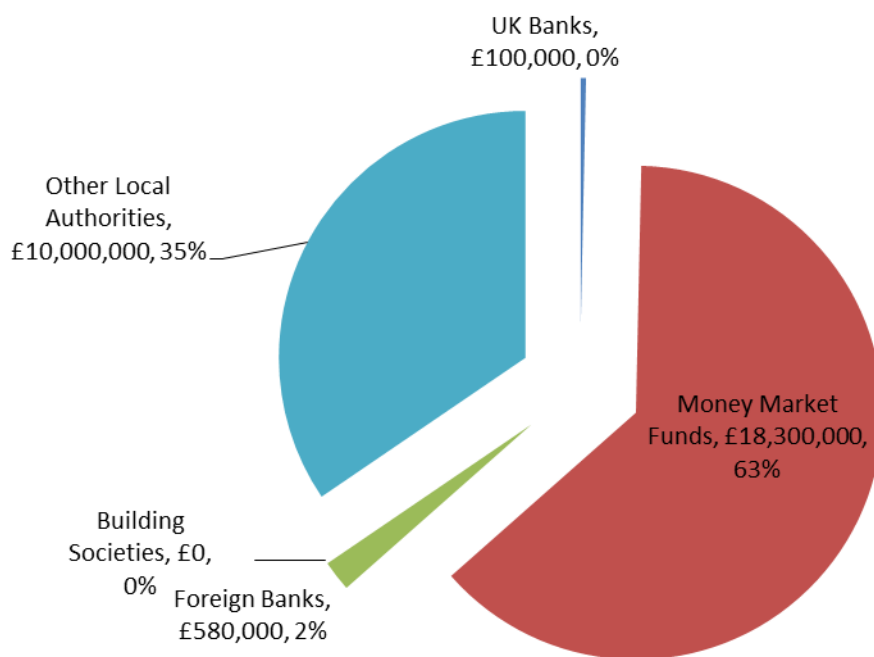


Chart 2: Council Investments as at 30th June 2017 (£28.7m)

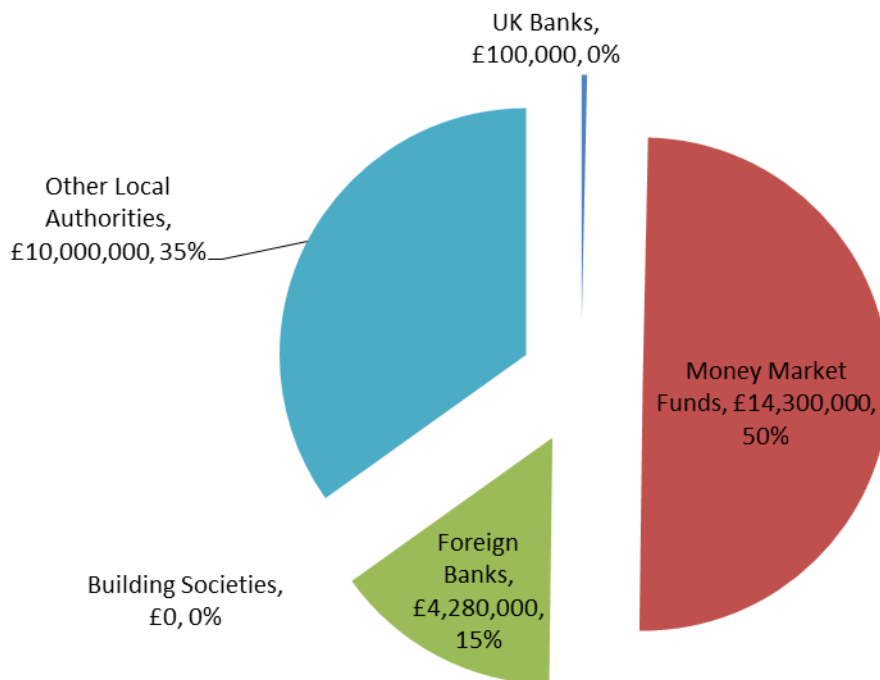


Chart 3: Council Investments per lowest equivalent Long Term credit rating (£28.980m) 30th September

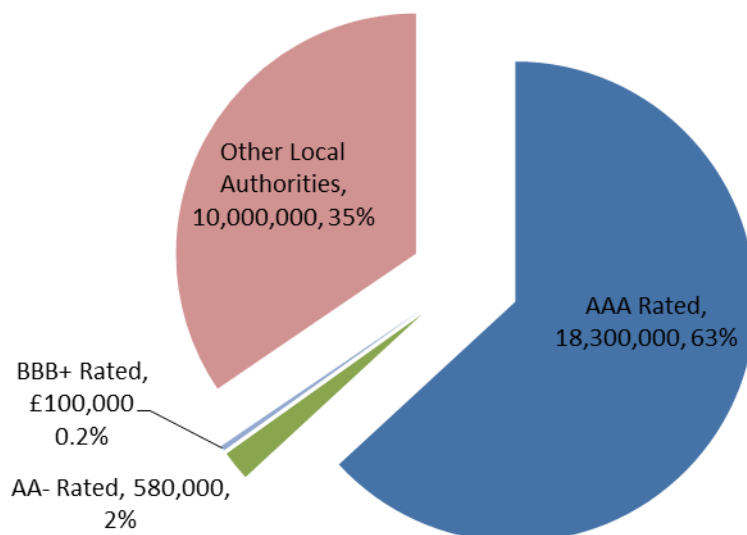
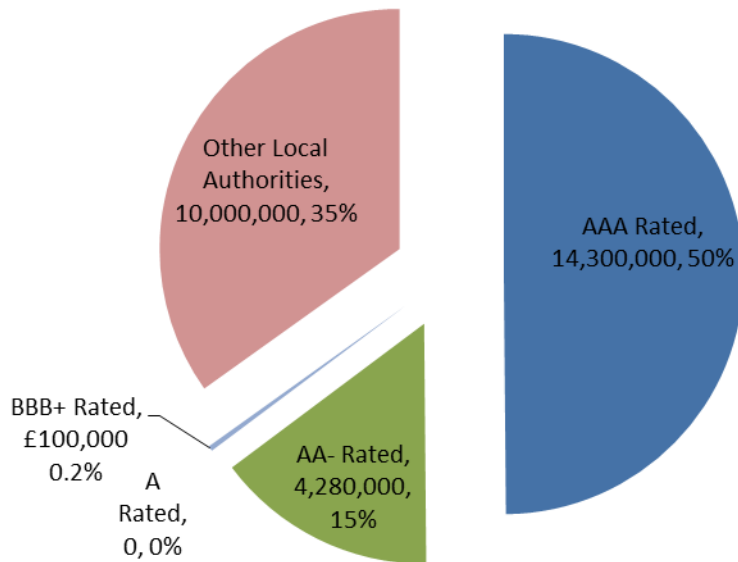


Chart 4: Council Investments per lowest equivalent Long Term credit rating (£28.7m) 30th June 2017



APPENDIX 3

Average rate of return on investments for 2017/18

	April %	May %	June %	July %	Aug %	Sept %	Average for Period
Average rate of interest earned	0.34%	0.24%	0.24%	0.22%	0.24%	0.24%	0.26%
Benchmark = Average 7 Day LIBID rate +0.05% (source: Arlingclose)	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%
Difference %	0.18%	0.08%	0.08%	0.06%	0.08%	0.08%	+0.10%

APPENDIX 4

Councils External Borrowing at 30th September 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	9,828,688	24/02/17	15/02/41	2.28%
PWLB	9,880,109	04/04/17	15/02/42	2.26%
PWLB	8,372,424	08/05/17	15/02/42	2.25%
PWLB	7,000,000	10/08/17	10/04/67	2.26%
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	145,055,396			
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%
PCC for Hampshire	2,500,000	28/07/17	27/07/18	.41%
TOTAL	167,555,396			

*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 September 2017 (provided by Arlingclose)

Economic backdrop: Commodity prices fluctuated over the period with oil falling below \$45 a barrel before inching back up to \$58 a barrel. UK Consumer Price Inflation (CPI) index rose with the data print for August showing CPI at 2.9%, its highest since June 2013 as the fall in the value of sterling following the June 2016 referendum result continued to feed through into higher import prices. The new inflation measure CPIH, which includes owner occupiers' housing costs, was at 2.7%.

The unemployment rate fell to 4.3%, its lowest since May 1975, but the squeeze on consumers intensified as average earnings grew at 2.5%, below the rate of inflation. Economic activity expanded at a much slower pace as evidenced by Q1 and Q2 GDP growth of 0.2% and 0.3% respectively. With the dominant services sector accounting for 79% of GDP, the strength of consumer spending remains vital to growth, but with household savings falling and real wage growth negative, there are concerns that these will be a constraint on economic activity in the second half of calendar 2017.

The Bank of England made no change to monetary policy at its meetings in the first half of the financial year. The vote to keep Bank Rate at 0.25% narrowed to 5-3 in June highlighting that some MPC members were more concerned about rising inflation than the risks to growth. Although at September's meeting the Committee voted 7-2 in favour of keeping Bank Rate unchanged, the MPC changed their rhetoric, implying a rise in Bank Rate in "the coming months". The Council's treasury advisor Arlingclose is not convinced the UK's economic outlook justifies such a move at this stage, but the Bank's interpretation of the data seems to have shifted.

In contrast, near-term global growth prospects improved. The US Federal Reserve 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, despite US inflation hitting a soft patch with core CPI at 1.7%, a further similar increase is expected in its December 2017 meeting. The Fed also announced confirmed that it would be starting a reversal of its vast Quantitative Easing programme and reduce the \$4.2 trillion of bonds it acquired by initially cutting the amount it reinvests by \$10bn a month.

Geopolitical tensions escalated in August as the US and North Korea exchanged escalating verbal threats over reports about enhancements in North Korea's missile programme. The provocation from both sides helped wipe off nearly \$1 trillion from global equity markets but benefited safe-haven assets such as gold, the US dollar and the Japanese yen. Tensions remained high, with North Korea's threat to fire missiles towards the US naval base in Guam, its recent missile tests over Japan and a further testing of its latent nuclear capabilities.

Prime Minister Theresa May called an unscheduled General Election in June, to resolve uncertainty but the surprise result has led to a minority Conservative government in coalition with the Democratic Unionist Party. This clearly results in an enhanced level of

political uncertainty. Although the potential for a so-called hard Brexit is diminished, lack of clarity over future trading partnerships, in particular future customs agreements with the rest of the EU block, is denting business sentiment and investment. The reaction from the markets on the UK election's outcome was fairly muted, business confidence now hinges on the progress (or not) on Brexit negotiations, the ultimate 'divorce bill' for the exit and whether new trade treaties and customs arrangements are successfully concluded to the UK's benefit.

In the face of a struggling economy and Brexit-related uncertainty, Arlingclose expects the Bank of England to take only a very measured approach to any monetary policy tightening, any increase will be gradual and limited as the interest rate backdrop will have to provide substantial support to the UK economy through the Brexit transition.

Financial markets: Gilt yields displayed significant volatility over the six-month period with the appearing change in sentiment in the Bank of England's outlook for interest rates, the push-pull from expectations of tapering of Quantitative Easing (QE) in the US and Europe and from geopolitical tensions, which also had an impact. The yield on the 5-year gilts fell to 0.35% in mid-June, but then rose to 0.80% by the end of September. The 10-year gilts similarly rose from their lows of 0.93% to 1.38% at the end of the quarter, and those on 20-year gilts from 1.62% to 1.94%.

The FTSE 100 nevertheless powered away reaching a record high of 7548 in May but dropped back to 7377 at the end of September. Money markets rates have remained low: 1-month, 3-month and 12-month LIBID rates have averaged 0.25%, 0.30% and 0.65% over the period from January to 21st September.

Credit background: UK bank credit default swaps 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. The significant change was the downgrade by Moody's to the UK sovereign rating in September from Aa1 to Aa2 which resulted in subsequent downgrades to sub-sovereign entities including local authorities. 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, placed Lloyds Bank's A1 rating on review for upgrade, revised the outlook of Santander UK plc, and Nationwide and Coventry building societies from negative to stable but downgraded the long-term rating of Leeds BS from A2 to A3.

S&P also revised Nordea Bank's outlook to stable from negative, whilst affirming their long-term rating at AA-. The agency also upgraded the long-term rating of ING Bank from A to A+.

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 unsecured investments with Bank of Scotland, HSBC Bank and Lloyds Bank from 13 months to 6 months as until banks' new structures are finally determined and published, the different credit risks of the 'retail' and 'investment' banks cannot be known for certain.

The new EU regulations for Money Market Funds were finally approved and published in July and existing funds will have to be compliant by no later than 21st January 2019. The key features include Low Volatility NAV (LVNAV) Money Market Funds which will be permitted to maintain a constant dealing NAV, providing they meet strict new criteria and minimum liquidity requirements. MMFs will not be prohibited from having an external fund rating (as had been suggested in draft regulations). Arlingclose expects most of the short-term MMFs it recommends to convert to the LVNAV structure and awaits confirmation from each fund.

Regulatory Updates : MiFID II: Local authorities are currently treated by regulated financial services firms as professional clients who can "opt down" to be treated as retail clients instead. But from 3rd January 2018, as a result of the second Markets in Financial Instruments Directive (MiFID II), local authorities will be treated as retail clients who can "opt up" to be professional clients, providing that they meet certain criteria. Regulated financial services firms include banks, brokers, advisers, fund managers and custodians, but only where they are selling, arranging, advising or managing designated investments. In order to opt up to professional, the authority must have an investment balance of at least £10 million and the person authorised to make investment decisions on behalf of the authority must have at least one year's relevant professional experience. In addition, the firm must assess that that person has the expertise, experience and knowledge to make investment decisions and understand the risks involved.

The main additional protection for retail clients is a duty on the firm to ensure that the investment is "suitable" for the client. However, local authorities are not protected by the Financial Services Compensation Scheme nor are they eligible to complain to the Financial Ombudsman Service whether they are retail or professional clients. It is also likely that retail clients will face an increased cost and potentially restricted access to certain products including money market funds, pooled funds, treasury bills, bonds, shares and to financial advice. The Authority has declined to opt down to retail client status in the past as the costs were thought to outweigh the benefits.

The Council meets the conditions to opt up to professional status and intends to do so in order to maintain its current MiFID status.

CIPFA Consultation on Prudential and Treasury Management Codes: In February 2017 CIPFA canvassed views on the relevance, adoption and practical application of the Treasury Management and Prudential Codes and after reviewing responses launched a further consultation on changes to the codes in August with a deadline for responses of 30th September 2017.

The proposed changes to the Prudential Code include the production of a new high-level Capital Strategy report to full council which will cover the basics of the capital programme and treasury management. The prudential indicators for capital expenditure and the authorised borrowing limit would be included in this report but other indicators may be delegated to another committee. There are plans to drop certain prudential indicators, however local indicators are recommended for ring fenced funds (including the HRA) and for group accounts. Other proposed changes include applying the principles of the Code to subsidiaries.

Proposed changes to the Treasury Management Code include the potential for non-treasury investments such as commercial investments in properties in the definition of “investments” as well as loans made or shares brought for service purposes. Another proposed change is the inclusion of financial guarantees as instruments requiring risk management and addressed within the Treasury Management Strategy. There are also plans to drop or alter some of the current treasury management indicators.

CIPFA intends to publish the two revised Codes towards the end of 2017 for implementation in 2018/19, although CIPFA plans to put transitional arrangements in place for reports that are required to be approved before the start of the 2018/19 financial year. The Department of Communities and Local Government (DCLG) and CIPFA wish to have a more rigorous framework in place for the treatment of commercial investments as soon as is practical. It is understood that DCLG will be revising its Investment Guidance (and its MRP guidance) for local authorities in England; however there have been no discussions with the devolved administrations yet.

Outlook for the remainder of 2017/18

The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. Both consumer and business confidence remain subdued. Household consumption growth, the driver of UK GDP growth, has softened following a contraction in real wages. Savings rates are at an all-time low and real earnings growth (i.e after inflation) struggles in the face of higher inflation.

The Bank of England's Monetary Policy Committee has changed its rhetoric, implying a rise in Bank Rate in "the coming months". Arlingclose is not convinced the UK's economic outlook justifies such a move at this stage, but the Bank's interpretation of the data seems to have shifted.

This decision is still very data dependant and Arlingclose is, for now, maintaining its central case for Bank Rate at 0.25% whilst introducing near-term upside risks to the forecast as shown below. Arlingclose's central case is for gilt yields to remain broadly stable in the across the medium term, but there may be near term volatility due to shifts in interest rate expectations.

APPENDIX 6

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

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