

Cabinet

Date: Wednesday, 31st October, 2018

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, Conservative Deputy Group Leader Bath)

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, 31st October, 2018

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 - 14)

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 15 - 18)

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

12. WESTFIELD NEIGHBOURHOOD DEVELOPMENT PLAN (Pages 19 - 22)

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

Westfield Parish Council is the qualifying body authorised to act in relation to the Neighbourhood Plan.

13. BANES NEW LOCAL PLAN OPTIONS CONSULTATION (Pages 23 - 28)

The five year review of the adopted Core Strategy is now underway and prior to the preparation of the draft plan in 2019, a number of options for changes to policy are being considered. These need to be agreed by Cabinet for public consultation in November 2018.

14. JOINT COMMUNITY SAFETY PLAN (Pages 29 - 54)

This draft joint Community Safety Plan sets out the joint community safety work to be carried out in Bath and North East Somerset by the Community Safety Partnership and Police and Crime Commissioner over the next three years. It reflects the outcomes of the recent Council Scrutiny Inquiry Day on Community Safety, which identified in particular the benefits of partnership working and recommended that such a joint plan be progressed. The Plan addresses key issues relating to crime, disorder and anti-social behaviour in Bath and North East Somerset.

15. TREASURY MANAGEMENT 2018/19 QUARTER 2 PERFORMANCE REPORT (MID-YEAR UPDATE) (Pages 55 - 70)

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 2018/19 for the first six months of 2018/19.

16. MEDIUM TERM FINANCIAL STRATEGY (Pages 71 - 100)

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

17. THE GREAT SPAS OF EUROPE (Pages 101 - 112)

The Great Spas of Europe is a high-level, long term international partnership project. It involves a trans-national bid to the United Nations Educational Scientific and Cultural Organisation (UNESCO) seeking to inscribe Bath on the World Heritage list for a second time. If successful, this would result in Bath being an extremely rare example of a doubly-inscribed World Heritage Site with consequent significant global tourism marketing opportunities. Due to the significance of the bid, Cabinet endorsement is sought prior to the formal submission to UNESCO in January 2019.

18. STRATEGIC TRANSPORT CONSULTATION OPTIONS (Pages 113 - 118)

The five year review of the adopted Core Strategy is now underway and prior to the preparation of the draft plan in 2019, a number of options for delivering strategic transport infrastructure to facilitate the two strategic development locations in North Keynsham and Whitchurch are being considered. These need to be agreed by Cabinet for public consultation in November 2018.

19. YOUTH CONNECT PUBLIC SERVICE MUTUAL (Pages 119 - 122)

Consideration of whether a Public Service Mutual should be established for the future delivery of youth services.

20. AEQUUS - SHAREHOLDER APPROVAL OF DEVELOPMENT BUSINESS CASE PROPOSAL (Pages 123 - 156)

To approve a business case and related development loan funding for a land acquisition and housing development proposal by the Council's housing development company Aequus Construction Ltd.

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, 5th September, 2018

Present:

Councillor Tim Warren	Leader of the Council and Conservative Group Leader
Councillor Charles Gerrish	Cabinet Member for Finance and Efficiency, Conservative Deputy Group Leader North East Somerset
Councillor Vic Pritchard	Cabinet Member for Adult Care, Health and Wellbeing
Councillor Paul Myers	Cabinet Member for Economic and Community Regeneration
Councillor Karen Warrington	Cabinet Member for 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, Conservative Deputy Group Leader Bath

14 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting.

15 EMERGENCY EVACUATION PROCEDURE

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

16 APOLOGIES FOR ABSENCE

There were no apologies for absence.

The Chair informed the meeting that Councillor Mark Shelford would have to leave the meeting after the agenda item 'Sub-National Transport Bodies'.

17 DECLARATIONS OF INTEREST

Councillor Paul May declared a disclosable pecuniary interest on any matters related to Sirona as a non-executive director on the Sirona Board.

Councillor Bob Goodman declared that in the past he had dealt with licensed properties. The Monitoring Officer, Maria Lucas reported that a dispensation had been granted to Councillor Goodman so that he could speak on this issue.

18 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There were no items of urgent business.

The Chair stated that he would take item 14 'Sub National Transport Bodies' after item 11.

19 QUESTIONS FROM PUBLIC AND COUNCILLORS

There were 14 questions from Councillors and 1 question from a member of the public.

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

20 STATEMENTS, DEPUTATIONS OR PETITIONS FROM PUBLIC OR COUNCILLORS

David Redgewell made a statement on public transport, litter and graffiti issues.

Councillor Jackson made a statement regarding Westfield ward *[a copy of which is available on the Council's website]*.

21 MINUTES OF PREVIOUS CABINET MEETING

RESOLVED that the minutes of the meeting held on Wednesday 27th June 2018 be confirmed as a correct record and signed by the Chair.

22 CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

There were none.

23 MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES

There were none.

24 SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING

The Cabinet agreed to note the report.

25 SUB-NATIONAL TRANSPORT BODIES

Councillor Dine Romero made an ad-hoc statement, stating that this was yet another body for strategic oversight and asked how a combined scrutiny response will be co-ordinated.

Councillor Tim Ball made an ad-hoc statement where he stated that this seemed to be another body along with the Cabinet and WECA (West of England Combined Authority) and asked if more research was needed.

Councillor Mark Shelford moved the recommendations and stated that this was an opportunity for the authority to work collaboratively with others in the South West and that work was being done so that this authority would have the correct influence in this body. Councillor Shelford reported that Dorset was now part of the Gateway project.

Councillor Tim Warren seconded the motion and stated that authorities cannot work in silos and this would help to blur the lines and that there was a significant funding from the Government for this project.

RESOLVED (unanimously) that the Cabinet:

- 1) Approved Bath and North East Somerset Council's participation in a Shadow Sub-National Transport Body.
- 2) Agreed the Shadow Sub-National Transport Body prospectus and note the emerging transport priorities (Appendix A).
- 3) Agreed to enter into a Heads of Terms and Constitution agreement with other Transport Authorities (Appendix B).
- 4) Agreed to appoint the Cabinet Member for Transport and Environment to represent the Council on the Shadow Sub-National Transport Body's Partnership Board and for a fellow Cabinet Member to act as a nominated deputy in the absence of the Cabinet Member for Transport and Environment.
- 5) Agreed to delegate authority to the Corporate Director, in consultation with Cabinet Member for Transport and Environment, to represent the Council on the Shadow Sub-National Transport Senior Officer Group.

26 ADDITIONAL HMO LICENSING SCHEME

NOTE: Councillor Mark Shelford left the meeting at the close of the last item.

Councillor Will Sandry made an ad hoc statement where he explained that this issue had been well debated by the Planning, Housing and Economic Development Policy Development and Scrutiny Panel and that he was pleased that this scheme was being introduced. He commented that the scheme could be extended to North East Somerset.

Councillor Paul Crossley made an ad hoc statement where he explained that HMO's (along with AirB&B and others) have resulted in the loss of family housing across the authority and that a swift Government response was needed on this.

Councillor Tim Ball made an ad hoc statement where he spoke in support of the proposals and of the need to push up standards. He added that the scheme could be expanded to other areas.

Councillor Paul Myers introduced the item, he explained that this report will expand the licensing of Houses in Multiple Occupation - HMOs - to cover Bath City. Councillor Myers further explained that there are around 3 and a half thousand HMOs in the City providing valuable accommodation for almost 20,000 residents and most are an asset for the city but that evidence indicates that a significant number are of substandard condition. Councillor Myers explained that he was supporting the proposal which would mean that the Council, and more importantly tenants, would have reassurance that minimum legal standards, particularly fire safety standards, would be met; that the Council would have the contact details of the landlord or person managing the property and finally that the Council know where the HMOs were located.

Councillor Myers explained that at this stage the evidence did not support a wider scheme but this would be kept under consideration. Councillor Myers further explained that the cost of licensing would be met by charging landlords a licence fee and this impact on landlords must be weighed against the benefits to tenants - and the broader community. Councillor Myers concluded that he considered that on balance the benefits of the scheme outweigh the burdens and risks identified by the impact assessment

Councillor Paul Myers moved the recommendations.

Councillor Bob Goodman seconded the motion and stated he felt this scheme would receive support from most landlords.

Councillor May stated that Bath was a small city and this was a major issue in the community and pressure must be kept on standards.

Councillor Pritchard asked if officers could cope with the extra workload caused by the increased licensing. Councillor Myers stated that he was confident that resources were there to cover the work.

Councillor Warren supported the proposal and thanked the speakers for their support.

RESOLVED (unanimously) that the Cabinet agreed to:

- 1) Having studied the evidence base it is satisfied that there is a sufficiency of evidence to justify the new scheme which accords with the Services Regulations 2009 and that any detriment to landlords is outweighed by the benefits to tenants and the wider community, sufficient safeguards are in place to mitigate the impact on affected landlords and the proposed scheme is the least intrusive means of achieving the Council's legitimate aims.
- 2) An HMO Additional Licensing scheme, as detailed within the designation report attached in appendix 1, is introduced for a period of 5 years commencing on the 1st January 2019.
- 3) The Head of Housing undertakes the appropriate and statutory steps to enable the introduction of the proposed licensing scheme.

**27 PILOT SCHEME TO INCREASE ENFORCEMENT ACTIVITY FOR
ENVIRONMENTAL CRIME**

Councillor Richard Samuel made an ad-hoc statement where he stated that he supported action against littering but that this scheme had had mixed results in other authorities and there was no business plan or details of costings. He queried if there would be a competitive tendering process and if consultation had been carried out. He expressed his concern that vulnerable people may be targeted and asked the Cabinet to defer the item for consideration by the Communities, Transport and Environment Policy Development and Scrutiny Panel.

Councillor Tim Ball made an ad-hoc statement where he stated that he was concerned that enforcers may target the poorest communities to raise funds.

Councillor Will Sandry made an ad-hoc statement where he urged the Cabinet to put this issue to the Policy Development and Scrutiny Panel and to carry out an Equalities Impact Assessment. He shared the concerns made above that the vulnerable communities could be penalised.

Councillor Rob Appleyard made an ad-hoc statement where he supported the intention to deal with littering but was concerned that there could be a danger of alienating communities. He queried if the enforcers would have targets. He urged that education be the priority and that the issue to put to a Scrutiny Panel.

Councillor Patrick Anketell-Jones made an ad-hoc statement where he stated that feedback from his residents was supportive of the Council enforcing littering rules. He added that outsourcing a service does involve some risk and hoped enforcement would help the issue in Balance Street where fly tipping is cleared by Curo who then charge the tenants.

Councillor Robin Moss made an ad-hoc statement where he agreed that there was a need to reduce litter but that the issue should be considered by a Scrutiny Panel. He raised concerns that enforcement may be used for income generation though there may be disputes and intimidation.

Councillor Eleanor Jackson made an ad-hoc statement where she stated that there should be very close scrutiny of the contract. She commended the Cabinet Member for dealing with the fly tipping in Radstock and that the budget used for gulls should be used for an effective littering policy.

Councillor Bob Goodman introduced the item, he stated that it was a depressing motion to bring as littering should not happen and a shift in mind-set was needed so that littering is not tolerated. He explained that he would prefer that the Council could enforce this but there were financial constraints, he further explained that these proposals were cost neutral and have been through the procurement process.

Councillor Bob Goodman moved the recommendations.

Councillor Karen Warrington seconded the motion and stated that she agreed that littering, dog fouling and fly tipping were a scourge on society and have to be addressed. She also agreed that there was a need to make sure vulnerable people were not targeted and that education was important. She explained that this was a pilot scheme which would be closely monitored and which has been successful in other authorities.

Councillor Paul May stated that he supported the concept and suggested a report back in 6 months.

Councillor Charles Gerrish stated that litter on roadside verges was also an issue and that he supported the proposal with a review after 6 months.

Councillor Paul Myers stated that dog fouling can affect people's health. He added that a private business could do the job as long as the contract was well managed. He also stated that the aspiration for a clean environment was a key and that savings on litter clearing could be put towards statutory services.

Councillor Vic Pritchard stated that people could still help with litter clearance and this pilot would be ancillary to that.

Councillor Tim Warren stated that the community would be more likely to be alienated if the Council did not deal with litter issues and that if people do not litter, they would not be targeted.

Councillor Goodman stated that there would be a progress report in 6 months.

RESOLVED (unanimously) that the Cabinet agreed:

- 1) That the Group Manager for Neighbourhood Environmental Services, in consultation with the Cabinet member for Development and Neighbourhoods to enter in to a 12 month pilot scheme to increase the enforcement of environmental crime throughout the district with the following provision:
 - a) the contract is at zero cost to the council
 - b) the contract is flexible to include additional enforcement activity as deemed appropriate
 - c) the providers take a proportionate approach in accordance with the legislation
 - d) that education and awareness raising of the consequences of environmental crime are prioritised
 - e) that if successful, proposals for a more permanent arrangement are developed towards the end of the trial.

28 REVENUE & CAPITAL BUDGET MONITORING, CASH LIMITS AND VIREMENTS – APRIL TO JULY 2018

Councillor Dine Romero made an ad-hoc statement where she stated that targets were being missed and that there were unintended consequences of the actions that had been taken to make the savings and a national solution is needed.

Councillor Robin Moss made an ad-hoc statement that staff should be congratulated on the underspend in Adult Social Care.

Councillor Charles Gerrish moved the recommendations. He explained that the report was in a new format which was very clear and open. He explained that the bulk of the overspend would be met from Revenue Budget Contingency. He added that Property Services are considering two potential commercial properties which would be income generating. He further commented that a national solution to Local

Government funding is needed and that Cabinet Members will continue to work with officers to find savings.

Councillor Paul May seconded the motion, he stated that this is the most difficult financial criteria for a Council that he had ever had to work with. He thanked the officers for the clear report.

Councillor Tim Warren stated that these are financially tough times but that on the whole the authority is doing well. He thanked the officers for the hard work and clear reporting.

RESOLVED (unanimously) that the Cabinet agreed:

- 1) To note the 2018/19 forecast over budget of £2.6m (as at the end of July 2018) and the recovery plan actions outlined in Appendix 1;
- 2) To note the mitigations that will be required shown in paragraph 5.6, if the over budget position cannot be reduced by the end of the financial year
- 3) To note the capital year end forecast detailed in paragraph 5.16 of this report;
- 4) To note the revenue virements listed for information in Appendix 3(i);
- 5) To note the changes in the capital programme including capital schemes that have been agreed for full approval under delegation listed in Appendix 4(i)

29 TREASURY MANAGEMENT MONITORING REPORT TO 30TH JUNE 2018

Councillor Gerrish moved the recommendations.

Councillor Paul May seconded the motion.

RESOLVED (unanimously) that the Cabinet agreed that:

- 1) The Treasury Management Report to 30th June 2018, prepared in accordance with the CIPFA Treasury Code of Practice, is noted.
- 2) The Treasury Management Indicators to 30th June 2018 are noted.

The meeting ended at 5.45 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 24-Aug-2018 to 19-Oct-2018

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>

Bear Flat Resident Parking Scheme

In order to progress to advertising the TRO for the proposed residents parking scheme we need a Single Member Decision to do so in order that we're being consistent with our published resident Parking process for dealing with these schemes.

Decision Maker: Cabinet Member - Transport and Environment

Decision published: 12/10/2018

Effective from: 20/10/2018

Decision:

The Cabinet Member agrees that the Bear Flat Resident Parking Zone Proposal (Rev. E) is taken forward to progress through the formal Traffic Regulation Order procedure and publicly advertised.

Lead officer: Kris Gardom

Priston Village Design Statement Supplementary Planning Document

This report will seek approval of the Priston Village Design Statement as a Supplementary Planning Document.

Decision Maker: Cabinet Member - Development and Neighbourhoods

Decision published: 28/09/2018

Effective from: 06/10/2018

Decision:

The Cabinet Member agrees that the Priston Village Design Statement: Supplementary Planning Document is adopted to supplement the Bath & North East Somerset Placemaking Plan.

Lead officer: Richard Daone

Proposed Community Asset Transfer of Abbey Chambers to the Abbey Parochial Church Council

The seek approval to the transfer of a Council owned asset to the Abbey Parochial Church Council under the Community Asset Transfer policy.

Decision Maker: Cabinet Member - Finance and Efficiency

Decision published: 12/09/2018

Effective from: 20/09/2018

Decision:

The Cabinet Member agrees to:

- Delegate to the Head of Property / Corporate Property Officer authority for the completion of the disposal of the asset set out in the report into a final agreement for sale in line with the Heads of Terms attached.
- Note that the transfer of the asset will be in accordance with Heads of Terms approved by the Head of Property in compliance with statutory responsibilities under s123 Local Government Act 1972, in pursuance of the recommendations in paragraphs 2.1 of the report.

Lead officer: Richard Long

Neighbourhood CIL Funding for Bath - Third Round

The Bath City Forum requests approval for five projects that they wish to fund from the CIL Neighbourhood Funding for Bath. This request is the third round of projects that require a decision.

Decision Maker: Cabinet Member - Development and Neighbourhoods

Decision published: 11/09/2018

Effective from: 19/09/2018

Decision:

The Cabinet Member agrees that funding be provided from Neighbourhood CIL Project Funding for Bath:

- To agree a £14,400 allocation from the Bath CIL neighbourhood portion for application BA-036, a contribution towards parking improvements located at Site C, Freeview Road, Twerton Bath.
- To agree a £19,600 allocation from the Bath CIL neighbourhood portion for application BA-037, a contribution towards parking improvements located at Site E, Freeview Road, Twerton Bath.
- To agree a £6,000 allocation from the Bath CIL neighbourhood allocation for application BA-038, for new signage along the Two Tunnel Cycle Route in Bath.

- To agree a £1,455 allocation from the Bath CIL neighbourhood portion for application BA-042, for the purchase and ten years maintenance for a new bench located in Brickfields Park, Bath.
- To agree a total £31,660 allocation from the Bath CIL neighbourhood portion for application BA-041, a contribution of £18,418 towards the improvement of Combe Down Rugby Club Changing Facilities and £13,242 towards the improvements for a pathway which will link the Local School facilities to the Rugby Club.
- To agree a £19,600 allocation from the Bath CIL neighbourhood portion for application BA-031, a contribution to the refurbishment of the 21st Larkhall Scout HQ.

Lead officer: Mark Hayward

RULE 16 Acquisition of income generating investments to incorporate within the Commercial Estate to move to full approval from provisional

Acquisition of income generating investments to incorporate within the Commercial Estate to move to full approval from provisional.

Decision Maker: Leader of the Council

Decision published: 11/09/2018

Effective from: 11/09/2018

Decision:

The Cabinet Member approves:

1.1 The acquisition of two investment properties which are in accordance with external legal advice but noting that the purchase of one of the properties does not meet with MHCLG guidelines as it is outside of the Bath and North East Somerset boundary; and

1.2 Capital expenditure on the acquisition of the properties and any necessary adjustments to the 2018/2019 capital budget to reflect this approval.

Lead officer: Richard Long

Midsomer Norton - proposed package of Community Asset Transfers

The aim of the report is to secure a decision in response to a request for a transfer of a package of local assets to Midsomer Norton Town Council. The report covers the background, community benefits and key financial, legal and other consideration.

Decision Maker: Cabinet Member - Finance and Efficiency

Decision published: 06/09/2018

Effective from: 14/09/2018

Decision:**The Cabinet Member agrees to:**

- 1) Delegate to the Head of Property / Corporate Property Officer authority for the completion of the disposal of the assets set out in the report into a final agreement in line with the Heads of Terms attached.
- 2) Note that the transfer of the assets will be in accordance with Heads of Terms approved by the Head of Property in compliance with statutory responsibilities under s123 Local Government Act 1972, in pursuance of the recommendations in paragraphs 2.1 above
- 3) Note that the Corporate Capital Planned Maintenance programme includes a programme of works planned to be undertaken to Midsomer Norton Town Hall, which have a total value of £170,000. These works are more fully set out within the Appendix.

Lead officer: Richard Long

Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	31 st October 2018	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3084
TITLE:	Westfield Neighbourhood Development Plan	
WARD:	Westfield	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1: Draft Westfield Neighbourhood Plan		
NOTE: Due to its volume the Appendix is only available on Council's website by following this link:		
http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Planning-Policy/NPP/westfield_ndp_referendum_version.pdf		

1 THE ISSUE

- 1.1 Following the successful examination and referendum, this report seeks to make and bring into force the Westfield Neighbourhood Plan (Appendix 1), so that it will be used by the Local Planning Authority to help determine planning applications within the Neighbourhood Area.
- 1.2 Westfield Parish Council is the qualifying body authorised to act in relation to the Neighbourhood Plan.

2 RECOMMENDATION

Cabinet is asked to agree to:

- 2.1 Make and bring into force the Westfield Neighbourhood Development Plan, as set out in Appendix 1, as part of the Development Plan for the Westfield Neighbourhood Area, in accordance with Section 38A(4) of the Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011 and the Housing and Planning Act 2016).

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The main costs of producing the Westfield Neighbourhood Plan related to in-kind technical support provided, plus the costs of the external examination, referendum and associated printing costs. These costs will be funded through a £20,000 Government Neighbourhood Planning Grant, which will be received by the Council by the end of this financial year (Neighbourhood Planning Grants are paid quarterly and the next payment is expected in February 2019).

- 3.2 All other minor costs associated with supporting the preparation of the Neighbourhood Development Plan have been covered within the existing LDF budget.
- 3.3 Significant community resources have been invested into the Westfield Neighbourhood Plan preparation, including substantial volunteer time.
- 3.4 Once the Neighbourhood Plan is made, Westfield Parish Council will receive 25% of CIL payments for development within their Neighbourhood Area, in line with the CIL Regulations (rather than the typical 15%).

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The Localism Act 2011 has reformed the planning system to give local people new rights to shape the development of the communities in which they live.
- 4.2 The Act provides for a new type of community-led initiative known as a Neighbourhood Development Plan which sets out the policies on the development and use of land in a parish or 'Neighbourhood Area'.
- 4.3 The Council has a duty to assist communities in the preparation of Neighbourhood Development Plans and orders and to take a Plan through a process of examination and referendum and to bring the Neighbourhood Plan into force. This duty includes making the plan as soon as is reasonably practicable but in any event within 8 weeks after the referendum approving the plan has taken place.
- 4.4 In line with the Neighbourhood Planning Protocol (version dated 9th September 2015) the decision to make the Plan is for the Council's Cabinet.

5 THE REPORT

- 5.1 Westfield Parish Council indicated that they would like to undertake a Neighbourhood Development Plan (NDP) and the Neighbourhood Area, the first formal stage in the process, was designated by the Council on 3rd April 2015. The Plan was considered by an Independent Examiner in May 2018, who recommended that it should proceed, with modifications, to the final stage, the referendum.

Westfield NDP Referendum

- 5.2 The referendum took place on the 6th September 2018. In accordance with the regulations, the question posed in the referendum was: 'Do you want Bath & North East Somerset Council to use the neighbourhood plan for Westfield to help it decide planning applications in the neighbourhood area?'
- 5.3 There was a 11.45% turnout of the overall Neighbourhood Area electorate. A majority (82.5%) were in favour of using the Westfield NDP to help decide planning applications in the Neighbourhood Area.

Compatibility with EU Legal Obligations & Human Rights

- 5.4 The Council does not have to bring the Plan into force if it is considered that the making of the Plan would breach, or be incompatible, with any EU obligations or the European Convention on Human Rights (Section 38A(6) of the Planning & Compulsory Purchase Act 2004).
- 5.5 The Independent Examiner considered this issue and concluded that, subject to the recommended modifications (all of which have been incorporated into the final draft of the Plan), the Plan would not breach or be incompatible with any EU laws or the European Convention on Human Rights. The Council's Legal Services have reviewed the Plan and

concur with the examiner's view. As such, it is considered that the legal duty under Section 38A(4) Planning and Compulsory Purchase Act 2004 (to make the plan as soon as is reasonably practicable but in any event within 8 weeks after the referendum approving the plan) applies in this case.

Making the Neighbourhood Plan and bringing it into force

5.6 In accordance with Section 38A(4) of the Planning and Compulsory Purchase Act 2004, as inserted by the Localism Act 2011 and amended by the Housing Act 2016, the Council has a duty to make the Westfield Neighbourhood Plan part of the Development Plan. The Development Plan is the framework for determining planning applications in B&NES (and currently comprises the Core Strategy (2014); Placemaking Plan (2017); Saved Policy from the 2007 B&NES Local plan; the Joint Waste Core Strategy; and already made Neighbourhood Plans). This will mean that the Westfield Neighbourhood Plan will have full statutory weight in decision making and planning applications should be determined in accordance with the Neighbourhood Plan, alongside national planning policies, and other policies in the Development Plan, unless material considerations indicate otherwise.

5.7 It is recommended that the Council makes the Plan and brings it into force.

5.8 The Council must also publicise (on the web site or in any other manner to bring it to the attention of those who live, work or carry on business in the Neighbourhood Area) their decision on the Neighbourhood Plan and the reasons for that decision in a 'Decision Statement' (Section 38A(9) of The Planning & Compulsory Purchase Act 2004 & Regulation 19 of the Neighbourhood Planning (General) Regulations 2012). Under delegated authority the Divisional Director – Development will issue a Decision Statement. The Council must also publish where and when the Decision Statement can be inspected and send a copy to Westfield Parish Council. The Decision Statement will be published on the B&NES website and will be made available for inspection in the following locations:

- Bath One Stop Shop's Reception
- Bath Central Library
- Westfield Parish Council, The Oval Office, Cobblers Way, Westfield

Call In

5.9 The Council has a legal duty to make the Plan and bring it into force within 8 weeks once it has been approved at referendum. It is therefore considered that this decision falls within the exceptions to call in contained in rule 5 of the Call In Procedure Rules, namely, that the effect of call in would be to cause the Council to miss the statutory deadline.

6 OTHER OPTIONS CONSIDERED

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

7 CONSULTATION

7.1 The Monitoring officer, Section 151 officer and Corporate Director have been given the opportunity to review this report and have cleared it for publication.

7.2 Considerable consultation has been undertaken alongside the preparation of the Plan:

- Representations were invited with regard to the designation of the neighbourhood area covering Westfield for a 6 week period and the area was designated on 23rd April 2015.

- Representations were also invited with regard to the Draft Neighbourhood Plan for a six week period from 3rd April 2018 to the 15th May 2018.
 - On 6th September 2018 the Neighbourhood Plan was subject of a community Referendum. Everyone who was registered to vote within the Parish was given the opportunity to vote on whether the Plan should be 'made' by the Council.
- 7.3 No additional consultation has taken place or is necessary with regard to the recommendation of this Report; at this stage the only publicity required is in line with paragraph 5.8 above.

8 RISK MANAGEMENT

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

Contact person	<i>George Blanchard - 01225 477684 or Richard Daone 01225 477546</i>
Background papers	<p><i>My Neighbourhood: A Neighbourhood Planning Protocol for Bath & North East Somerset</i></p> <p>http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Planning-Policy/NPP/npp_my_neighbourhood_adopted_2014.pdf</p> <p><i>Westfield Neighbourhood Plan Area:</i></p> <p><i>Neighbourhood Plan Evidence Base and other Background documents:</i></p> <p>http://www.bathnes.gov.uk/services/planning-and-building-control/planning-policy/neighbourhood-planning-bnes/neighbourhood</p>
Please contact the report author if you need to access this report in an alternative format	

Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING/	31 st October 2018	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3068
TITLE:	B&NES Local Plan Options Consultation November-December 2018	
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report:</p> <p>Attachment 1: The B&NES Local Plan Options document</p> <p>NOTE: Due to its volume the attachment is only available on Council’s website by following this link:</p> <p>http://www.bathnes.gov.uk/services/planning-and-building-control/planning-policy/local-plan-2016-2036</p>		

1 THE ISSUE

- 1.1 The five year review of the adopted Core Strategy is now underway and prior to the preparation of the draft plan in 2019, a number of options for changes to policy are being considered. These need to be agreed by Cabinet for public consultation in November 2018.

2 RECOMMENDATION

2.1 The Cabinet is asked to

- (1) agree the Local Plan Options consultation document in Attachment 1 to this report for public engagement from 12th November to 21st December 2018, and
- (2) delegate authority to the Director, Development and Public Protection, to make minor changes to the document for clarification and accuracy prior to publication.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The preparation of the Local Plan is resourced through the Council's LDF budget (now reduced) and prepared by the Planning Policy Team working with other services such as Transport, Economy and Growth, Housing, Education and Recreation. The primary costs in 2019 will be the preparation of the draft plan and the examination in public.
- 3.2 The Local Plan has a direct impact on the Council's income through the level of New Homes Bonus, CIL receipts, Section 106 agreements, the level of Council Tax and Business Rates by enabling housing, business and infrastructure growth which will help continue to fund core Council services.
- 3.3 The allocation and designation of land and the identification of planning requirements also has an impact on the value of land and buildings in the district.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The Planning and Compulsory Purchase Act 2004, as amended by subsequent Acts, requires that all Local Planning Authorities prepare and maintain an up-to-date local Plan. The Content and scope of Local Plans is set by the National Planning Policy Framework (NPPF) which was revised in 2018.
- 4.2 The preparation of the plan is regulated by the Town and Country Planning (Local Planning) (England) Regulations 2012. The B&NES Local Plan is currently at Regulation 18 stage (Plan Preparation). The draft plan is due to be published in 2019 (Regulation 19) and then submitted for public examination (Regulation 22) which will include public hearings. The purpose of the examination is to ascertain whether the Plan is 'sound'. This means that the Plan is (in summary):
 - **Positively prepared** – seeks to meet the areas objectively assessed needs for development;
 - **Justified** – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;
 - **Effective** – deliverable over the plan period, and
 - **Consistent with national policy**
- 4.3 It is important that the plan is prepared with these requirements in mind. The decisions on the selection of the most appropriate strategy must also be informed by a sustainability appraisal.
- 4.4 The public sector equality duty under s149 of the Equality Act 2010 applies has being taken into account in the preparation of Plan and in the consultations. Particular requirements are set out in the Council's Statement of Community Involvement (the B&NES Neighbourhood Planning Protocol).

5 THE REPORT

- 5.1 The Planning Policy framework for B&NES is currently set out in the Core Strategy (Adopted 2014) and the Placemaking Plan (adopted 2016). These are supplemented by a number of other policy tools such as supplementary planning documents, Article 4 Directions and guidance notes. National Policy requires that Plans are reviewed at least every five years and hence the Core Strategy review is now underway.
- 5.2 The extent of this review is made more significant by the publication of the revised NPPF which changes some national policies, and the publication of the West of England Joint Spatial Plan which sets new housing and jobs targets for the district as well as a revised strategic spatial strategy. Hence the review of the Core Strategy /Placemaking Plan is being undertaken through the preparation of a new B&NES Local Plan.
- 5.3 Preparation and review of plans is governed by the Town and Country Planning Regulations. Before a draft Plan is published, LPAs are required to consider alternative options and to engage their communities and stakeholders in order to decide on the most appropriate strategy. Therefore the purpose of the consultation in November /December is to highlight the effect of the current strategy, outline the changes that have occurred since it was adopted, review the updated evidence, consider the alternatives and select the most suitable options for public consultation. The draft Plan will be prepared, taking in to account the outcome of this process.
- 5.4 The proposed Consultation document is attached. It reflects the Core Strategy/ Placemaking Plan with chapters on the District-wide strategy, Bath, Keynsham, Somer Valley, The rural areas and Development Management policies.
- 5.5 The options at this stage are for public engagement and they have no weight in the planning system. The weight to be afforded to the Plan will increase as it progresses through the plan making process.

6 RATIONALE

- 6.1 Maintenance of an up-to-date Local Plan, with at least a 5 yearly review, is a national requirement on all Local Planning Authorities. Plan preparation also requires the assessment of reasonable alternative policies and proposals before a plan is finalised. This consultation document is therefore required to meet statutory obligations on the Council.
- 6.2 The Local Plan is also a critical tool in helping the Council deliver its Corporate Priorities and objectives.

7 OTHER OPTIONS CONSIDERED

- 7.1 The Consultation sets out the policy options for public engagement. These options are subject to a sustainability appraisal to assist in selecting the preferred policy. Options are constrained by National Planning Policy, the Joint Spatial Plan and the Council's priorities.

8 CONSULTATION

- 8.1 Preparation of the options document reflects both cross-service working and an ongoing engagement with stakeholders and local communities. This includes earlier rounds of consultation such as the previous options consultation in 2017 as well as bespoke liaison with community groups and organisations. Under the Duty to Co-operate, the Council is working with 'prescribed bodies' such as adjoining Local Planning Authorities, statutory undertakers and other service providers to ensure the most appropriate and deliverable strategy is prepared.
- 8.2 The November – December consultation is part of a wider community engagement exercise entailing consultation on further Joint Spatial Plan evidence, Strategic Transport proposals, highlighting the Joint Local Transport Plan 4 (on which consultation will begin in January 2019), proposals for Keynsham High Street and proposals for the Somer Valley Enterprise Zone. There is a parallel report on this agenda setting out the Strategic Transport Options for consultation.
- 8.3 The arrangements for the consultation entail local and district wide publicity, mail outs and four staffed exhibitions around the district. This level of consultation is commensurate with the stage of the plan and available resources
- 8.4 The Council's s151 and Monitoring Officers have had opportunity to review and input into this report.

9 RISK MANAGEMENT

- 9.1 A risk assessment related to the issues and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.
- 9.2 The programme for the preparation of the draft Local Plan will need to take into account progress on the Joint Spatial Plan.

Contact person	<p><i>Lisa Bartlett Director, Development & Public Protection 01225 477550</i></p> <p><i>Simon de Beer Planning Policy & Environment Manager 01225 477616</i></p>
Background papers	<p><i>West of England Joint Spatial Plan Publication Nov 2017</i></p> <p><i>B&NES Core Strategy 2014</i></p> <p><i>B&NES Placemaking 2017</i></p> <p><i>National Planning Policy Framework</i></p> <p><i>The Local Plan Options Sustainability Appraisal 2018</i></p>
<p>Please contact the report author if you need to access this report in an alternative format</p>	

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Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	31 st October 2018	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3100
TITLE:	Joint Community Safety Plan	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Draft Joint Community Safety Plan 2018 – 2021		

1 THE ISSUE

- 1.1 This draft joint Community Safety Plan sets out the joint community safety work to be carried out in Bath and North East Somerset by the Community Safety Partnership and Police and Crime Commissioner over the next three years. It reflects the outcomes of the recent Council Scrutiny Inquiry Day on Community Safety, which identified in particular the benefits of partnership working and recommended that such a joint plan be progressed. The Plan addresses key issues relating to crime, disorder and anti-social behaviour in Bath and North East Somerset.

2 RECOMMENDATION

The Cabinet is asked;

- 2.1 To agree the Joint Plan and recommend it to full Council for adoption.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The work plan is to be completed within existing Council resources. The Council's budget contains income generation for the Communications Hub & CCTV Income of £50,000 in 2018/19 and £50,000 in 2019/20.
- 3.2 The PCC provides a grant to the council which is currently invested in a commissioned service to address domestic violence and abuse, a youth crime prevention service and young people's substance misuse service. This grant is guaranteed until 2020. Any future changes to this will have an impact on this plan.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 This report addresses the Council's duties under the Crime and Disorder Act 1998

5 THE REPORT

- 5.1 The Responsible Authorities Group, which comprises Council, Police, Curo, Avon Fire and Rescue and other agencies, and the Police and Crime Commissioner have worked closely together to prepare this document, working with a range of other partners with responsibilities in this field. As such, it reflects our shared priorities and serves as both the Community Safety Plan and the local Police & Crime Plan for Bath and North East Somerset.
- 5.2 The PCC will publish a summary leaflet for distribution. This will be one of a number of such leaflets covering all authority areas within Avon and Somerset.

6 RATIONALE

- 6.1 This report is presented to Cabinet prior to Council as it forms part of the Council's Policy and Budget Framework.

7 OTHER OPTIONS CONSIDERED

None

8 CONSULTATION

- 8.1 This report has been presented for consultation at Communities, Transport and Environment Policy Development and Scrutiny Panel; all area forums and the Independent Equality Advisory Group.

9 RISK MANAGEMENT

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

Contact person	<i>Samantha Jones 01225 396364</i>
Background papers	<i>N/A</i>
Please contact the report author if you need to access this report in an alternative format	

**Bath & North East
Somerset Council**



Joint Community Safety Plan

**Bath & North East Somerset
Community Safety Partnership
(Responsible Authorities Group)**

and

**Avon and Somerset Office of the Police and
Crime Commissioner**

2018 – 2021

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1 Joint Introduction

From Councillor Bob Goodman, Cabinet member for Neighbourhoods and Chair of Bath & North East Somerset Responsible Authorities Group and Sue Mountstevens, Police and Crime Commissioner for Avon and Somerset.

- i. The PCC and the Community Safety Partnership have a clear shared aim - to take every opportunity to protect the public and help keep us safe. Our success and that of our other partner agencies depends on dedicated teams of staff working together, whether that is to safeguard children and vulnerable people, tackle domestic abuse or address local anti-social behaviour.
- ii. For the Police, as an emergency service, this means responding efficiently and effectively to calls from the public and utilising our resources in a cost effective manner. Protecting vulnerable people and preventing and reducing crime in partnership with others is our core activity.
- iii. For the Council, this could mean anything from identifying and stopping rogue traders, catching fly-tippers or using CCTV to help the Police to identify suspects. We can only do all this effectively by working in partnership. This Plan sets out how we will protect vulnerable people, tackle crime and build strong, resilient communities. It focuses on our collective priorities where a shared vision is needed, and on the actions that we - by working together - will take to achieve the best outcomes for individuals, families and communities.
- iv. There is a lot of work to be done, but we should be proud of our achievements so far through our work together for the good of all. We should also be justly proud of the staff who work so hard to improve our quality of life and keep us safe, support victims of crime and bring those that cause us harm to justice.
- v. This joint Community Safety Plan sets out the Partnership's Community Safety objectives and planned activities for the next three years. It fulfils a specific recommendation of the recent Bath & North East Somerset Council

Scrutiny Enquiry Day on Community Safety, which identified the benefits of such a partnership approach. It identifies the key issues we will focus on as we tackle crime, disorder and anti-social behaviour in Bath and North East Somerset. The Bath and North East Somerset Responsible Authorities Group (RAG), which is our Community Safety Partnership, and the Police and Crime Commissioner (PCC), have worked closely together to prepare this document, alongside the other key partners involved in keeping us safe. As such, it reflects their shared priorities and serves as both the Community Safety Plan and the local Police & Crime Plan for Bath and North East Somerset.

- vi. The local forums are in receipt of regular reports that detail local crime and anti-social behaviour statistics. We use these reports to monitor our progress.
- vii. This plan asks for your support - because together we can keep our communities in Bath and North East Somerset safe and feeling safe

2 Bath and North East Somerset – a description

- i. Bath & North East Somerset is a diverse area which includes the World Heritage Site City of Bath as well as vibrant towns, villages and rural communities.
- ii. Generally, our communities are healthy and safe with overall levels of deprivation that are significantly below the national average. However, we have a number of communities with significant levels of deprivation, particularly in the south and southwest of Bath, in Radstock and in Keynsham. There are areas of rural isolation as well as a high and growing student population.
- iii. Our Connecting Communities programme has seen the creation of five Area Profiles for areas in Bath & North East Somerset, as below:

Bath Area Profile

Somer Valley Area Profile

Chew Valley Area Profile

Keynsham Area Profile

Bathavon Area Profile

3 Partnership Working in Bath & North East Somerset

- i. Our Community Safety Partnership is led by the Responsible Authorities Group (RAG) and comprises: Bath and North East Somerset Council; the B&NES Clinical Commissioning Group; Lighthouse, Avon & Somerset Police; the Bristol, Gloucestershire, Somerset and Wiltshire Community Rehabilitation Company Ltd; Avon Fire and Rescue Service and Curo. The Responsible Authorities Group regularly welcomes the PCC and representatives to attend and be involved in discussions and joint working.

- ii. The RAG works at a strategic level and links with a very wide range of partners and across the whole community safety field. Recent and emerging issues for the Partnership include Prevent (the aim of which is to stop people becoming terrorists or supporting terrorism), Modern Slavery and Serious and Organised Crime. The RAG monitors issues and concerns at a high level whilst delivering through thematic groups such as the Night Time Economy Group, the Task and Targeting Group (which deals with issues such as rough sleeping), the Domestic Abuse Partnership and – increasingly - our Area Forums. In the next section, we set out our joint assessment of the key community safety challenges facing our area.

4 Police and crime: local context and challenges¹

- i. Overall, our area remains a safe place but in the context of all public agencies facing immense challenges maintaining this, with rising crime trends and changing crime patterns, this puts a pressure on resources. We are required to prioritise our work according to our strategic assessment of crime and disorder in our area which is built on a range of data including recorded crime and feedback from local agencies and communities, and is set out below:
 - ii. The scale of identified vulnerability in Avon and Somerset is significant and placing increasing demand upon public sector services. Neighbourhood policing teams have an important role to play in supporting and protecting vulnerable people, through reassurance, monitoring and, where necessary, intervention, either in partnership with other agencies or as the lead agency.
- a) In 2017/18 recorded crime in B&NES rose by 3.4% compared against the previous year (397 more offences)². Reports of anti-social behaviour increased by 8.4% (310 extra reports).
 - b) Arson and theft reduced by -16% (10 offences less) and -5.9% (218 offences less).
 - c) Burglaries increased by +22.7 % (198 more offences),
 - d) Robbery increased by +32% (29 more offences).
 - e) Sexual offences increased by +25% (67 more reports) and offences involving violence rose by +7.5% (343 more reports).
 - f) Offences classed as Hate Crime rose by +20.7% (53 more offences).
 - g) Over 40,000 “requests for service” were made to the Police in the 12 months to April 2018 with customer satisfaction in the B&NES area at 77%³.

¹ Data from Avon & Somerset ‘Business Objects’

² This would appear lower than rises elsewhere in the country; recorded crime levels are linked to factors including the accuracy of recording practices which all forces are seeking to improve. Other factors are actual levels of crime and the levels of confidence victims have in reporting.

³ Data from satisfaction survey of victims of: burglary, hate crime, violent crime and ASB.

- h) Lighthouse is an integrated victim care service. It supports victims who are vulnerable, intimidated, persistently targeted or experience serious crime⁴. In 2017/18, around 21% of victims of crime and ASB who live in the BaNES area (2183 people) were assessed as eligible for enhanced victim support and referred to the service.

- i) For the calendar year 2017, there was a further small reduction in young people entering the youth justice system for the first time, continuing a long term trend. However, the reduction was at a slower rate as it included, unusually, a large cohort of young people arrested for a spate of anti-social behaviour and violence in the centre of Bath in the autumn of 2017; thirteen of these young people were charged directly to Court.

⁴ Victims are offered practical support and guided through the criminal justice process by specially-trained staff. The service includes police staff, working with independent organisations.

5 Feedback from local communities

- i. The Police provide regular policing updates to the Connecting Communities Area Forums and this allows for local concerns to be raised and projects identified. An analysis of Connecting Communities Forum reports and feedback has identified a number of differences in concerns raised across our Forum areas, and these are set out below:

1 In Bath, key issues raised included:

- a) Drug offences particularly the outcome of “Operation Hydra” (now replaced by Operation Cabbotage) which focuses on tackling the Bath drugs market.
- b) Thefts from vehicles.
- c) Street issues - including begging, street drinking and rough sleeping.
- d) Improving Police visibility, particularly in Bath city centre.

2 In Somer Valley, key issues raised included:

- a) Anti-social behaviour, particularly in Gullock Tynning in Midsomer Norton. The introduction of a dispersal zone here resulted in a significant reduction in anti-social behaviour.
- b) Speeding traffic, we work together to reduce the number of persons killed or seriously injured on our roads, using community feedback to target danger hotspots through community speedwatch, road signage, traffic speed enforcement or traffic calming measures.

3 In Chew Valley, key issues raised included:

- a) Burglary, particularly non-dwelling burglaries such as from garden sheds.
- b) Road safety, particularly on the A37. The Chew Valley Transport Strategy Delivery Plan October 2017 recommended that the programme of safety measures following the recent review of this route should be continued. Some improvements have already been implemented. Further improvements to the

junction at Farrington Gurney as part of the Somer Valley Enterprise Zone in Paulton are planned. Highways Department have commissioned a safety audit in Pensford.

4 In the Keynsham area, key issues raised included:

- a) Anti-social behaviour in the town, including setting fire to waste bins at the Memorial Park and significant issues in the area around the civic centre, was the key issue raised. This led to a special session of the Keynsham Community Forum in September 2017. The police reported to the Responsible Authority Group and subsequently to the Forum in July 2017 that during the intervening period offenders have been targeted and offences have reduced significantly through a programme focusing on concerns raised by residents including:
- Improving residents' ability to make reports – beat surgeries were set up in 4 locations including the library and café in Queens Road
 - Prevention of antisocial behaviour – police patrols targeting hotspot locations
 - Prosecution - use of the new antisocial behaviour powers one prolific young offender issued with a community protection order
 - Reassurance of the public – attendance at public meetings including quarterly Keynsham Forum meetings to report statistics and facts

6 Strategic and emerging issues across the area

- i. The Responsible Authorities Group meets quarterly and its agenda reflects the changing crime patterns and addresses local concerns. It also takes a strategic overview of the emerging priorities raised by local partners particularly those where there may be gaps or where demands are increasing due to external pressures and legislative changes. RAG then co-ordinates partnership resources to address new and emerging concerns. RAG is clear that this plan should be delivered in the context of the capacity which the various partners have to deliver.
- ii. In 2017-18, the group focused on the following key issues:
 - a) 'Street' based issues, including supporting the Task and Targeting Group to address rough sleeping and aggressive begging. Our Task and Targeting Group meets monthly to provide targeted action on rough sleeping and other related issues, supported by our Assertive Street Outreach team. Julian House provides 30 direct access hostel beds and there is a dedicated outreach worker for female rough sleepers. Our partnership with the Business Improvement District has extended city centre marshalling, and our Bath and District Crime Reduction Partnership reduces the impact of crime and anti-social behaviour on businesses particularly regarding anti-social behaviour including rough sleeping in doorways. The group was successful in receiving a grant for £300,000 to run until March 2019 to tackle rough sleeping in our area.
 - b) Domestic Abuse, particularly supporting the Independent Domestic Violence Adviser service and conducting Domestic Homicide Reviews. Our Domestic Abuse Partnership has been successful in an ambitious bid for national funding to expand our Independent Domestic Violence Advisor (IDVA) service to better deal with complex cases and provide better information and advice to help victims "navigate" through the system. The Partnership has secured long-term funding for the RUH IDVA through contributions from public health, CCG and Wiltshire Council. The RUH IDVA saw 134 referrals between April

2016 and April 2017. The IRIS project (which creates a clear referral pathway for domestic violence for GP surgeries) has seen 92% of GPs receiving training to August 2017 and there have been 270 referrals. The Partnership has also secured funding to provide 10 new beds of refuge provision.

- c) Serious and Organised Crime - establishing cross-agency links to disrupt organised crime gangs operating in our area, including Disrupt and modern slavery and people trafficking. Our multi-agency Disrupt Panel brings together Council, Police, and others to tackle serious and organised crime in our area.
- d) Protecting vulnerable people - linking with the Safeguarding Boards and focusing on hate crime.
- e) Linking with wider Avon and Somerset initiatives, such as the Avon and Somerset Reoffending Strategy.

7 What we can deliver together

- i. Historically, significant central Government funding was available to support the work of Community Safety Partnerships. However, external funding for community safety has declined significantly in recent years and the only dedicated funding of this type is now allocated by the PCC. In 2018/19, RAG received £64,589 from the PCC to support activities to address local priorities. This is an annual sum that has been provided as a three year commitment (2018/19 is year 2). This has been invested in our IDVA Domestic Abuse project, currently delivered by Southside Family Project domestic violence and abuse (DVA) commission; the Compass youth crime prevention service and the young people's substance misuse service.
- ii. Local partner organisations agree the level of resources they commit to the work of the Responsible Authorities Group against a backdrop of financial challenges for all partners. In some cases, the level of support can be quantified - for example, investment by the Council in our CCTV control room operations – and in other cases support is “mainstreamed” through the day-to-work of services such as:
 - a) The Local Safeguarding Boards for Children and Adults. Our Local Safeguarding Children Boards co-ordinates a multi-agency approach to reducing harm to vulnerable children and young people.
 - b) The multi-agency Youth Offending Service brings together staff from a range of backgrounds including Police, Health, Social Care, Education and the National Probation Service. In early 2017, the Youth Offending Service was awarded the Restorative Service Quality Mark in recognition of its work with victims.
 - c) The Council's Trading Standards team, which takes firm action against illegal businesses and those selling counterfeit and other illegal products.
 - d) The Council's Public Protection team working alongside Avon & Somerset police on tackling modern slavery and rural exploitation.

- e) Licensing and enforcement, which deal with a wide range of local concerns including fly-tipping and noise.
 - f) Our extensive network of public space CCTV cameras.
- iii. Our RAG partners such as Curo also provide significant resources to address anti-social behaviour through their specialist Tenancy Compliance and Support team. In many cases, partners also provide significant 'in kind' support and partner resources, for example in sharing data. 105 parents/carers were identified in Bath and North East Somerset experiencing all three of what is sometimes called the 'complex trio' i.e. mental ill health, domestic abuse and substance abuse. We then used this data to ensure that people were offered the support they needed.
 - iv. However, public service agencies are operating under significant financial challenges. The Council's Operational Plan 2018-19 identifies a funding gap to 2020 which has resulted in the establishment of a programme, 'Changing Together' to look at how savings can be delivered continuing to protect our most vulnerable residents. The programme also provides a framework for working with staff and our communities to establish what services should take priority (and what we can do less of), and how communities can help to manage demand.
 - v. Partner agencies are facing similar challenges and this, along with the removal of national funding directly for Community Safety Partnerships, has put increasing pressure on partners to address the assessed needs set out above. This means that we need to:
 - 1. Prioritise our resources based on **helping those who most need our help**, particularly targeting our work on helping and protecting the most vulnerable people.
 - 2. **Involve our communities more** in what we do and support them in addressing local concerns.
 - 3. **Work better together** to share resources and identify new ways of working.

8 Involving our Communities More

- i. In recent years we have provided for local community discussions on community safety to be channelled through our Connecting Communities Area Forums. The Police provide updates to the Forums on local crime patterns, receive feedback and publish up to date local priorities.
- ii. This process of working together to identify local priorities has provided a catalyst for local community action, including:
 - a) Keynsham residents came together in response to their significant concerns raised in the town about anti-social behaviour. The meetings saw Council, traders, residents, Police, and head teachers, alongside community and church groups, come together to find solutions. There was recognition at the meeting that there was no “quick fix”, but that there were many local people willing to work together, particularly on projects for young people. One church launched a young person’s café at Community@67, young people attending the café will be invited to be involved in the radio station. There are five volunteers at present, all DBS checked and with experience of working alongside young people. The scheme received £400 funding from local businesses to help support the initiative.
 - b) The formation of a new Midsomer Norton Public Safety Group. This has built on the success of our ground-breaking Community Alcohol Partnership which included the use of Street Marshalls and restrictions which allowed for the seizure of alcohol being consumed on the streets. The area has seen a significant reduction in reported violence and criminal damage since 2012.
 - c) 35 “Safe Zones” have been introduced across Keynsham, Midsomer Norton and Bath City to provide support for vulnerable people.
 - d) The establishment of Community Speedwatch schemes across the area. Bathampton Community Speedwatch is a team of around eight volunteers carrying out speed checks through the village. The Chew Valley Forum is currently identifying interest in a Community Speedwatch across the area.

9 Priority 1:

Protect the most vulnerable from harm

1 Why this is a priority

- a) Complex crimes with high levels of associated risk, such as Child Abuse, Child Sexual Exploitation (CSE), modern slavery and human trafficking, are increasing and this rise is expected to continue
- b) It is widely acknowledged that children and young people experiencing Adverse Childhood Experiences (ACES) are more likely to develop complex trio behaviours / dependencies in adulthood.
- c) The local specialist domestic abuse agency Southside, reporting through their 'Insights' data shows 69% of survivors having children in the household and 50% presenting with mental ill health. Early intervention (particularly in 'complex trio' work focussing on substance and alcohol misuse, mental ill health and domestic abuse / violence) is a key factor in reducing service dependency in later life.
- d) Hate crime reports in B&NES have increased by around 20% in the last 12 months
- e) It is believed that only 5% of mass marketing fraud is reported. It is recognised that there is significant under reporting in relation to mass marketing fraud – and that vulnerable people due to age or capacity are more likely to be targeted.

2 Key Objectives of priority 1:

- 1. Implement, monitor and evaluate our new partnership investment from the Violence Against Women and Girls Fund.
- 2. Strengthen the role of the Hate Crime and Community Cohesion Partnership
- 3. Continue to take enforcement action against scammers and rogue traders, working in partnership with the National Scams Hub.

1.	Implement, monitor and evaluate our new partnership investment from the Violence Against Women and Girls Fund.
	Between partners we will continue to Chair the Domestic Abuse Partnership and use this group to monitor the efficacy of the VAWG funding into the area.
	Continue to respond to and manage Domestic Homicide Reviews.
	Learn from the outcomes of Domestic Homicide reviews and implement changes to working practices where necessary.
	Continue to identify opportunities for longer-term funding to reduce domestic abuse and improve outcomes for survivors
	Work together with other Community Safety Partnerships in Avon and Somerset to finalise and implement the review of MARACs in a way that (1) reflects the financial challenges faced by councils and other agencies (2) mainstreams the work of MARAC and (3) improves outcomes for survivors (4) addresses perpetrators
2.	Strengthen the role and effectiveness of the Bath and North East Somerset Hate Crime and Community Cohesion Partnership. <i>The Partnership's remit is to provide an integrated, proactive approach to monitoring patterns and trends and using this challenging, influencing and championing change needed in services to tackle hate crime and incidents effectively</i>
	Between partners we will continue to administer and chair the Hate Crime Case Review Panel.
3.	Continue to take enforcement action against scammers and rogue traders, working in partnership with the National Scams Hub.
	We will advise vulnerable local residents on how to spot and report scams and rogue traders. <i>The Council, in partnership with the National Trading Standards Scams Team recently offered vulnerable residents call-blockers to prevent nuisance callers. Over an 18 month period 5,649 nuisance calls were made to ten local residents who had call blockers installed, just 11 got through.</i>

10 Priority 2:

Strengthen and improve local communities to improve outcomes for local people

1 Why this is a Priority

- a) A high proportion of people report feeling safe in their local area (88%). However, local residents say they require more 'reassurance' through visible policing.
- b) Work with our Connecting Communities Forums and our experiences in Midsomer Norton and Keynsham shows the benefits of local communities coming together to address local concerns
- c) The #NeverOK Campaign on anti-harassment and bullying shows the benefits of tapping into local networks such as our student communities.

2 Key Objectives of priority 2:

- 1. Reduce the impact that anti-social behaviour has in our communities.
- 2. Continue the commitment to support neighbourhood policing.
- 3. Strengthen the resilience of local communities.

1.	Reduce the impact that anti-social behaviour has in our communities
	Work through the Connecting Communities programme to develop partner responses to local priorities and promote community cohesion and resilience
2.	Continue the commitment to support neighbourhood policing
	Co-ordinate and administer the Night Time Economy Group to reduce impacts on local residents, and continue to undertake multi-agency enforcement visits to licensed premises to ensure they are safe and do not create nuisance.
	Continue commitment to active participation in local community forums
3.	Strengthen the resilience of local communities
	Continue to promote the “Got Ya Back” River Safety campaign with partners and students. <i>We worked with Avon Fire and Rescue to develop and install 14 robust, vandal-proof cabinets for life-saving equipment along the River Avon.</i>
	Work closely with the Student Community Partnership on a range of projects to promote safety
	Continue to develop the #NeverOK Campaign organised by the Student Community Partnership on Anti-harassment and Bullying. <i>The campaign has now been extended beyond the University of Bath to Bath Spa University and is being integrated into sports clubs and societies. The next step is to work with Bath College and Sixth Forms to involve them with the campaign</i>
	Work alongside community groups to facilitate closer working to problem solve – in partnership - local issues
	Work together on hate crime and encourage families to report concerns.

11 Priority 3:

Work together effectively to respond to community safety challenges

1 Why this is a Priority

- a) The nature of crime is changing. We need to be open to new ways of working which deliver outcomes in a smarter way, including greater working across boundaries. For example
- b) Child Sexual Exploitation continues to rise, with reports increasing over the last year. The PCC has brought together contributions from across the force area to provide specialist support to address for Child Sexual Exploitation. Our LSCB has an outcome for staff to be confident in responding appropriately to these issues. Similarly, addressing Modern Slavery also requires significant regional co-ordination and specialist support including working with organisations such as the Gangmasters Licencing Authority.
- c) The Counter Terrorism and Security Act 2015 places a duty to “have due regard to the need to prevent people from, being drawn into terrorism” It applies to a range of public bodies including colleges, universities, councils, health, probation and police. Again, local activity depends on access to regional and other intelligence. Avon and Somerset Counter Terrorism local Profile informs partners of threats, vulnerabilities and risks. Prevent is part of Contest which aims to reduce the risk to the UK from terrorism. Prevent’s aim is intercept radicalisation, to stop people becoming terrorists or supporting terrorism. “Lone Actors” present the highest threat to Avon and Somerset. We work closely to protect “crowded places” with work ongoing on designing and securing protective measures.

2 Key Objectives of priority 3:

1. Continue to actively work across the Avon & Somerset partnerships on Child Sexual Exploitation, Anti-Slavery Partnership and Modern Slavery and people trafficking.
2. Comply with legislative changes regarding responsibility for Prevent.

1.	Continue to actively work across the Avon & Somerset partnerships on Child Sexual Exploitation, Anti-Slavery Partnership and Modern Slavery and people trafficking.
	Support and enable the reporting of, discovery of, and response to, incidents of modern slavery and exploitation
	Actively participate in the Avon and Somerset Anti-Slavery Partnership and develop proportionate local initiatives across partner organisations and with services to identify and respond to incidents.
2.	Comply with legislative changes regarding responsibility for Prevent
	Meet our Prevent duties and help other partners to do so, including raising awareness of reporting method for online extremist material working with community groups to raise awareness of radicalisation and in particular the role of social media

12 Measures

- i. Indicators will be regularly reviewed in order to understand the impact of the Plan's activities, noting the challenges that present in interpreting these as measures of performance

Police recorded total crime for the B&NES area
Police recorded serious cases involving young people as victims of abuse, CSE, Modern Slavery
Police recorded hate crime
Police recorded fraud with vulnerable victims
The number of domestic abuse incidents reported to the Police
The number of domestic abuse prosecutions
Police recorded ASB
NTE incidents recorded by Police from licensed premises
Victim satisfaction
Victim outcomes following support interventions

13 Glossary

ACES	Adverse Childhood Experiences
B&NES	Bath and North East Somerset
CCG	Clinical Commissioning Group
CCTV	Closed Circuit Television
CSE	Child Sexual Exploitation
CSP	Community Safety Partnership
DVA	Domestic Abuse and Violence
IDVA	Independent Domestic Abuse Advisor
LSAB	Local Safeguarding Adults Board
LSCB	Local Safeguarding Children's Board
MARAC	Multi-Agency Risk Assessment Conference
OPCC	Office of the Police and Crime Commissioner
PCC	Police and Crime Commissioner
RAG	Responsible Authorities Group
RUH	Royal United Hospital
VAWG	Violence Against Women and Girls

14 Appendix 1

Links to Other Plans, Strategies, web pages and Partnerships

Police and Crime Commissioner [Avon and Somerset PCC](#)

Avon and Somerset Constabulary [Avon & Somerset Police](#)

Bath & North East Somerset Council [Bath and North East Somerset Council](#)

LSAB [Safeguarding Adults](#)

LSCB [Safeguarding Children](#)

Crime Prevention and Community Safety [Crime Prevention and Community Safety](#)

Youth offending [Youth Offending Service](#)

Anti-Social behaviour [Anti-social Behaviour](#)

Trading standards rogue traders [Trading Standards](#)

Children and Young People [Children and Young Peoples plan 2018-2021](#)

Reoffending Strategy [reoffending strategy avon and somerset PCC](#)

Bath & NE Somerset Youth Justice Plan [youth justice plan](#)

Anti-slavery partnership [Anti Slavery Partnership](#)

[Health and Wellbeing Strategy 2015-19](#)

[Child Sexual Exploitation Strategy](#)

Early Help Strategy [Early Help Services](#)

Prevent [Counter-terrorism strategy 2018](#)

Crowded Places [crowded places uk](#)

CTE PDS Panel Scrutiny Enquiry Day [Community Safety Inquiry Day 2018](#)

Bath & North East Somerset Council		
MEETING:	Cabinet	
MEETING DATE:	31 st October 2018	
TITLE:	Treasury Management 2018-19 Quarter 2 Performance Report (Mid Year Update)	EXECUTIVE FORWARD PLAN REFERENCE: E 3090
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 2018		
Appendix 3 – Average monthly rate of return for 1 st 6 months of 2018/19		
Appendix 4 – The Council’s External Borrowing Position at 30 th September 2018		
Appendix 5 – Arlingclose’s Economic & Market Review Q2 of 2018/19		
Appendix 6 – Interest & Capital Financing Budget Monitoring 2018/19		
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 2018/19 for the first six months of 2018/19.

2 RECOMMENDATION

The Cabinet agrees that:

- 2.1 The Treasury Management Report to 30th September 2018, prepared in accordance with the CIPFA Treasury Code of Practice, is noted
- 2.2 The Treasury Management Indicators to 30th September 2018 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 2018/19 is 0.63%, which is 0.14% above the benchmark rate.
- 5.2 The Council's Prudential Indicators for 2018/19 were agreed by Council in February 2018 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 2018 is given in **Appendix 2**. The balance of deposits as at 30th June 2018 and 30th September 2018 are also set out in the pie charts in this appendix.
- 5.4 Gross interest earned on investments for the first six months totalled £125k. **Appendix 3** details the investment performance, showing the average rate of interest earned over this period was 0.63%, which was 0.14% above the benchmark rate of average 7 day LIBID +0.05% (0.49%).

Summary of Borrowings

- 5.5 The Council's external borrowing as at 30th September 2018 totalled £182.8 million and is detailed in Appendix 4. A short term loan for £2.5 million matured during the quarter and new long term PWLB annuity borrowing for £10 million was arranged during the quarter to maintain appropriate cashflow balances.
- 5.6 The Council's Capital Financing Requirement (CFR) as at 31st March 2018 was £247.1 million with a projected total of £434 million by the end of 2018/19 based on the capital programme approved at February 2018 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.
- 5.7 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 2018 apportioned to Bath & North East Somerset Council is £12.3m. 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 5.5.

- 5.8 The borrowing portfolio as at 30th September 2018 is shown in **Appendix 4**.

Strategic & Tactical Decisions

- 5.9 As shown in the charts at **Appendix 2**, The Council mainly uses AAA rated Money Market funds to maintain very short term liquidity. The Council had £18.2 million

invested in Money Market Funds as at 30th September 2018. The investment portfolio also included investments with UK banks and very highly rated Foreign Banks.

- 5.10 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.
- 5.11 The Council's average investment return is slightly above the budgeted level of 0.45%.

Future Strategic & Tactical Issues

- 5.12 Our treasury management advisors economic and market review for the second quarter 2018/19 is included in **Appendix 5**.
- 5.13 The rebound in quarterly GDP growth in Q2 to 0.4% appeared to overturn the weakness in Q1 which was largely due to weather-related factors. However, the detail showed much of Q2 GDP growth was attributed to an increase in inventories. Year/year GDP growth at 1.2% also remains below trend. The Bank of England Monetary Policy Committee (MPC) made a unanimous decision for a rate rise of 0.25% in August, taking Bank Rate to 0.75%, but maintains expectations of a slow rise in interest rates over the forecast horizon
- 5.14 The benefits of the Council's current policy of internal borrowing are monitored regularly against the likelihood that long term borrowing rates are forecast to rise in future years. The focus remains on the rate of increase and the medium-term peak.
- 5.15 The borrowing forecast to take place in 2018/19 is likely to be driven by a need to maintain an appropriate working cash balance rather than any immediate changes to interest rates.

Budget Implications

- 5.16 A breakdown of the revenue budget showing interest and capital financing and the forecast year end position based on the period April to September is included in **Appendix 6**. The current forecast is for an underspend of £495k, mainly related to the re-phasing of capital spend, as reported in the 2017/18 outturn report, leading to lower than forecast borrowing costs and minimum revenue provision (MRP) requirement. This is partly offset by lower internal income related to service charges for funding debt costs in relation to the re-phased capital projects.
- 5.17 This position will be kept under review during the remainder of the year, taking into account the Council's cash-flow position and the timing of any new borrowing required.

6 RATIONALE

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

7 OTHER OPTIONS CONSIDERED

7.1 None.

8 CONSULTATION

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

8.2 Consultation was carried out via e-mail.

9 RISK MANAGEMENT

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

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

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

Contact person	<i>Donna Parham- 01225 477468; Giles Oliver- 01225 477209 Donna_Parham@bathnes.gov.uk ; Giles_Oliver@bathnes.gov.uk</i>
Background papers	<i>2018/19 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.

	2018/19 Prudential Indicator	Actual as at 30th September 2018
	£'000	£'000
Borrowing	434,000	182,762
Other long term liabilities	2,000	0
Cumulative Total	436,000	182,762

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.

	2018/19 Prudential Indicator	Actual as at 30th September 2018
	£'000	£'000
Borrowing	403,000	182,762
Other long term liabilities	2,000	0
Cumulative Total	405,000	182,762

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.

	2018/19 Prudential Indicator	Actual as at 30th September 2018
	£'000	£'000
Fixed interest rate exposure	403,000	162,762*

* 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.

	2018/19 Prudential Indicator	Actual as at 30th September 2018
	£'000	£'000
Variable interest rate exposure	246,000	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.

	2018/19 Prudential Indicator	Actual as at 30th September 2018
	£'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 2018
	%	%	%
Under 12 months	50	Nil	10.9*
12 months and within 24 months	75	Nil	5.5
24 months and within 5 years	75	Nil	0
5 years and within 10 years	100	Nil	0
10 years and above	100	Nil	83.6

* 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**.

	2018/19 Prudential Indicator	Actual as at 30th September 2018
	Rating	Rating
Minimum Portfolio Average Credit Rating	A-	AA

APPENDIX 2

The Council's Investment position at 30th September 2018

The term of investments is as follows:

Term Remaining as at 30th June 2018	Balance at 30th September 2018
	£'000's
Notice (instant access funds)	18,200
Up to 1 month	10,000
1 month to 3 months	0
Over 3 months	10,000
Total	38,200

The investment figure of £33.9 million is made up as follows:

	Balance at 30th September 2018
	£'000's
B&NES Council	32,961
Schools	5,239
Total	38,200

The Council had a total average net positive balance of £39.8m during the period April 2018 to September 2018.

Chart 1: Council Investments as at 30th September 2018 (£38.2m)

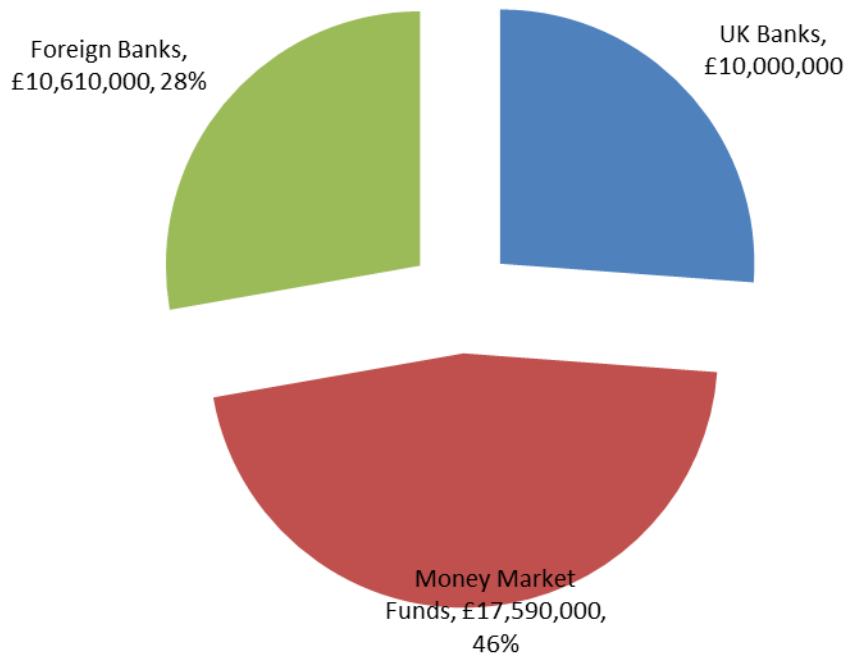


Chart 2: Council Investments as at 30th June 2018 (£33.9m)

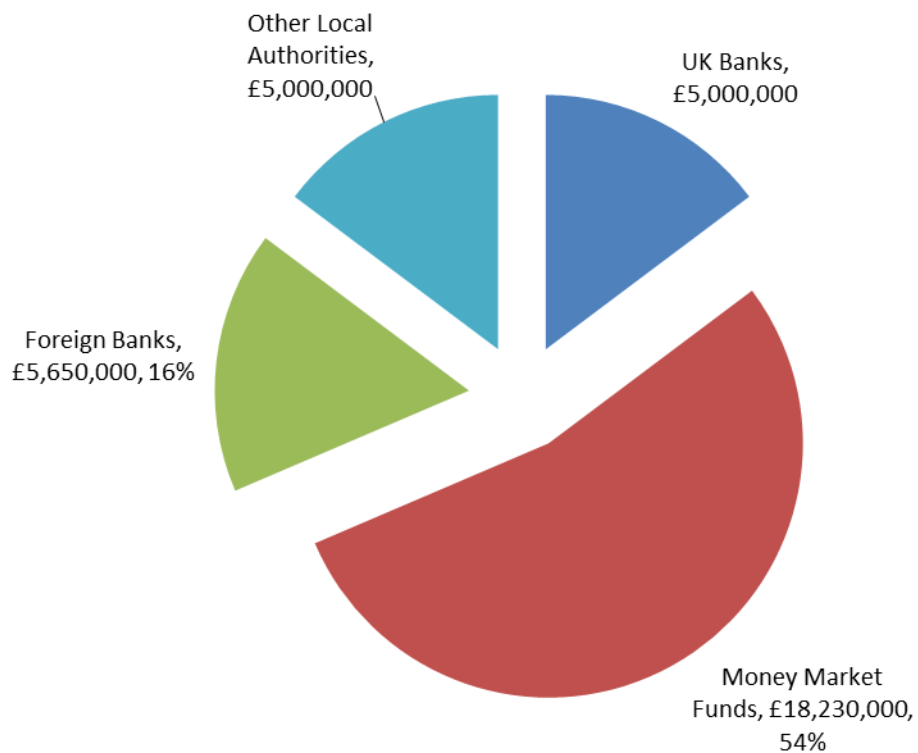


Chart 3: Council Investments per lowest equivalent Long Term credit rating (£38.2m) 30th September 2018

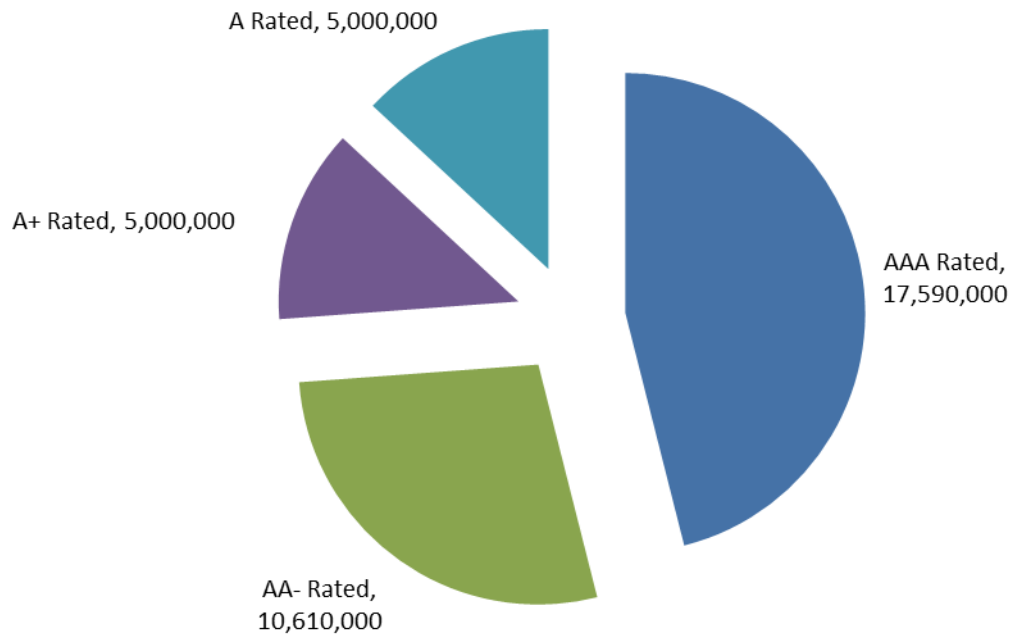
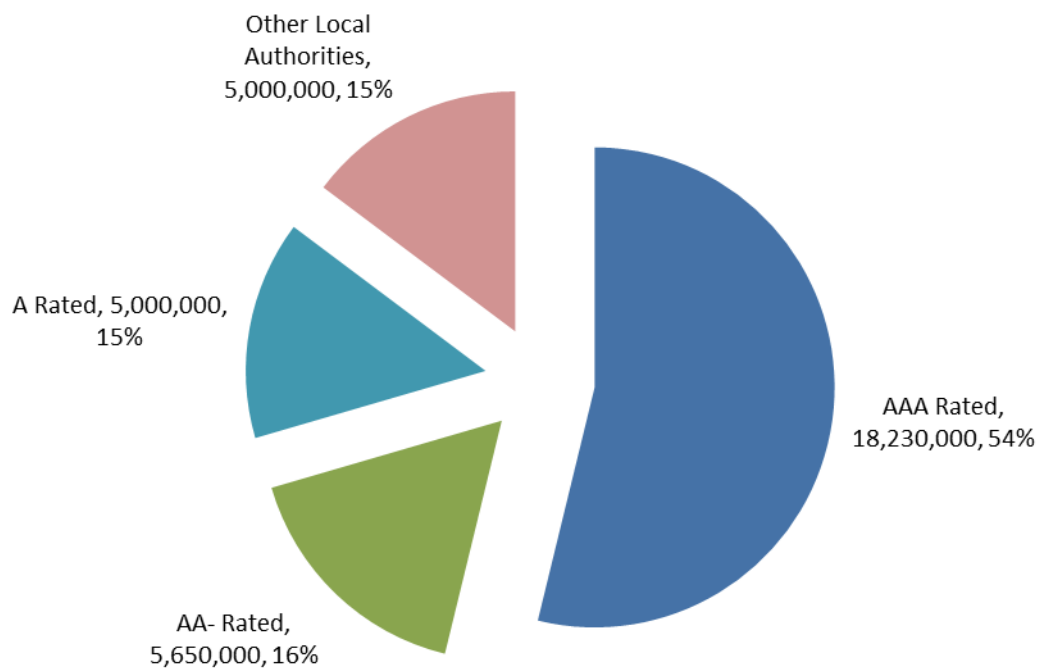


Chart 4: Council Investments per lowest equivalent Long Term credit rating (£33.9m) 30th June 2018



APPENDIX 3**Average rate of return on investments for 2018/19.**

	April %	May %	June %	July %	Aug %	Sep %	Average for Period
Average rate of interest earned	0.50%	0.60%	0.61%	0.60%	0.71%	0.74%	0.63%
Benchmark = Average 7 Day LIBID rate +0.05% (source: Arlingclose)	0.41%	0.41%	0.41%	0.41%	0.63%	0.64%	0.49%
Performance against Benchmark %	+ 0.09%	+ 0.19%	+ 0.20%	+ 0.19%	+ 0.08%	+ 0.10	+ 0.14%

APPENDIX 4**Councils External Borrowing at 30th September 2018**

Borrowing	Amount (£)	Start	Maturity DaBte	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	18,795,590	20/06/16	20/06/41	2.36%
PWLB	9,480,184	24/02/17	16/02/40	2.28%
PWLB	9,545,227	04/04/17	16/02/43	2.26%
PWLB	8,112,949	08/05/17	15/02/42	2.25%
PWLB	6,931,389	10/08/17	10/04/67	2.64%
PWLB	9,851,890	13/12/17	10/10/42	2.35%
PWLB	9,855,212	06/03/18	10/10/42	2.52%
PWLB	9,889,305	06/03/18	10/10/47	2.62%
PWLB	10,000,000	10/09/18	20/06/43	2.42%
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 C C	5,000,000	25/11/14	19/12/19	2.05%
Gloucestershire C C	5,000,000	19/12/14	19/12/19	2.05%
Overall Total	182,761,746			

*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 2018

Economic background: Oil prices rose by 23% over the six months to around \$82/barrel. UK Consumer Price Inflation (CPI) for August rose to 2.7% year/year, above the consensus forecast and that of the Bank of England's in its August Inflation Report, as the effects of sterling's large depreciation in 2016 began to fade. The most recent labour market data for July 2018 showed the unemployment rate at 4%, its lowest since 1975. The 3-month average annual growth rate for regular pay, i.e. excluding bonuses, was 2.9% providing some evidence that a shortage of workers is providing support to wages. However real wages (i.e. adjusted for inflation) grew only by 0.2%, a marginal increase unlikely to have had much effect on households.

The rebound in quarterly GDP growth in Q2 to 0.4% appeared to overturn the weakness in Q1 which was largely due to weather-related factors. However, the detail showed much of Q2 GDP growth was attributed to an increase in inventories. Year/year GDP growth at 1.2% also remains below trend. The Bank of England made no change to monetary policy at its meetings in May and June, however hawkish minutes and a 6-3 vote to maintain rates was followed by a unanimous decision for a rate rise of 0.25% in August, taking Bank Rate to 0.75%.

Having raised rates in March, the US Federal Reserve again increased its target range of official interest rates in each of June and September by 0.25% to the current 2%-2.25%. Markets now expect one further rise in 2018.

The escalating trade war between the US and China as tariffs announced by the Trump administration appeared to become an entrenched dispute, damaging not just to China but also other Asian economies in the supply chain. The fallout, combined with tighter monetary policy, risks contributing to a slowdown in global economic activity and growth in 2019.

The EU Withdrawal Bill, which repeals the European Communities Act 1972 that took the UK into the EU and enables EU law to be transferred into UK law, narrowly made it through Parliament. With just six months to go when Article 50 expires on 29th March 2019, neither the Withdrawal Agreement between the UK and the EU which will be legally binding on separation issues and the financial settlement, nor its annex which will outline the shape of their future relationship, have been finalised, extending the period of economic uncertainty.

Financial markets: Gilt yields displayed marked volatility during the period, particularly following Italy's political crisis in late May when government bond yields saw sharp moves akin to those at the height of the European financial crisis with falls in yield in safe-haven UK, German and US government bonds. Over the period, despite the volatility, the net change in gilt yields was small. The 5-year benchmark gilt only rose marginally from 1.13% to 1.16%. There was a larger increase in 10-year gilt yields from 1.37% to 1.57% and in the 20-year gilt yield from 1.74% to 1.89%. The increase in Bank Rate resulted in higher money market rates. 1-month, 3-month and 12-month LIBID rates averaged 0.56%, 0.70% and 0.95% respectively over the period.

Credit background: Reflecting its perceived higher risk, the Credit Default Swap (CDS) spread for non-ringfenced bank NatWest Markets plc rose relatively sharply over the

period to around 96bps. The CDS for the ringfenced entity, National Westminster Bank plc, has held steady below 40bps. Although the CDS of other UK banks rose marginally over the period, they continue to remain low compared to historic averages.

The ringfencing of the big four UK banks - Barclays, Bank of Scotland/Lloyds, HSBC and RBS/Natwest Bank plc – is complete, the transfer of their business lines into retail (ringfenced) and investment banking (non-ringfenced) is progressing and will need to be completed by the end of 2018.

There were a few credit rating changes during the period. Moody's downgraded Barclays Bank plc's long-term rating to A2 from A1 and NatWest Markets plc to Baa2 from A3 on its view of the credit metrics of the entities post ringfencing. Upgrades to long-term ratings included those for Royal Bank of Scotland plc, NatWest Bank and Ulster Bank to A2 from A3 by Moody's and to A- from BBB+ by both Fitch and Standard & Poor's (S&P). Lloyds Bank plc and Bank of Scotland plc were upgraded to A+ from A by S&P and to Aa3 from A1 by Moody's.

Our treasury advisor Arlingclose will henceforth provide ratings which are specific to wholesale deposits including certificates of deposit, rather than provide general issuer credit ratings. Non-preferred senior unsecured debt and senior bonds are at higher risk of bail-in than deposit products, either through contractual terms, national law, or resolution authorities' flexibility during bail-in. Arlingclose's creditworthiness advice will continue to include unsecured bank deposits and CDs but not senior unsecured bonds issued by commercial banks.

Technical Update Following consultation in 2017, CIPFA published new versions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury Management Code of Practice but has yet to publish the local authority specific Guidance Notes to the latter. In England, MHCLG published its revised Investment Guidance which came into effect from April 2018. The updated Prudential Code includes a new requirement for local authorities to provide a Capital Strategy, which is to be a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority will be producing its Capital Strategy later in 2018/19 for approval by full Council.

APPENDIX 6

Interest & Capital Financing Costs – Budget Monitoring 2018/19 (Apr to September)

April to September 2018	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	7,647	7,167	(480)	FAV
- Internal Repayment of Loan Charges	(9,245)	(8,295)	950	ADV
- Ex Avon Debt Costs	1,140	1,140	0	
- Minimum Revenue Provision (MRP)	6,230	5,270	(960)	FAV
- Interest on Balances	(304)	(309)	(5)	FAV
Sub Total - Capital Financing	5,468	4,973	(495)	FAV

APPENDIX 7

Summary Guide to Credit Ratings

Rating	Details
AAA	Highest credit quality – lowest expectation of default, which is unlikely to be adversely affected by foreseeable events.
AA	Very high credit quality - expectation of very low default risk, which is not likely to be significantly vulnerable to foreseeable events.
A	High credit quality - expectations of low default risk which may be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
BBB	Good credit quality - expectations of default risk are currently low but adverse business or economic conditions are more likely to impair this capacity.
BB	Speculative - indicates an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time.
B	Highly speculative - indicates that material default risk is present, but a limited margin of safety remains. Capacity for continued payment is vulnerable to deterioration in the business and economic environment.
CCC	Substantial credit risk - default is a real possibility.
CC	Very high levels of credit risk - default of some kind appears probable.
C	Exceptionally high levels of credit risk - default is imminent or inevitable.
RD	Restricted default - indicates an issuer that has experienced payment default on a bond, loan or other material financial obligation but which has not entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, and which has not otherwise ceased operating.
D	Default - indicates an issuer that has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business.

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Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	31 st October 2018	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3003
TITLE:	Medium Term Financial Strategy	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix A - Medium Term Financial Strategy		

1 THE ISSUE

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

2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 Approve the attached Medium Term Financial Strategy;

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

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

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The strategy as outlined is part of the preparation for budget and Council Tax setting for 2019/20 that will be considered by this Council in February 2019. Equality analysis will be carried out on specific budget proposals as part of that process.

5 THE REPORT

- 5.1 The Medium Term Financial Strategy outlines estimates of the future financial position of the Council. The Strategy as attached outlines a five year projection split between the next two years, plus a further three years to assist with longer term financial planning.
- 5.2 This Council, along with all local authorities, has received unprecedented reductions in funding and is facing difficult decisions about which services it can provide, as well as to what standard it can continue to provide them. Over the last few years it has been very successful in achieving efficiency savings and increasing commercial income but a 'step change' continues to be required given the scale of net savings it needs to find.
- 5.3 The new Strategy outlines the key areas of focus to balance the budget over the next five years including a review of its priorities to ensure a sustainable financial future.

6 RATIONALE

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

7 OTHER OPTIONS CONSIDERED

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

8 CONSULTATION

- 8.1 A consultation plan is being prepared to ensure stakeholder engagement for the strategy, and Core Service Offer followed by consultation on individual budget proposals with a wide range of stakeholders before the budget is considered for approval in February 2019. The consultation will include November/December/January Community Forums and, in advance of those meetings, a special meeting of PDS Resources to which all elected members of the Council will be invited.

9 RISK MANAGEMENT

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

Contact person	<i>Donna Parham, Director of Finance (01225) 477468</i>
Background papers	<i>Budget and Council Tax 2018/19 and Financial Outlook 2018/19 to 2022/23 – Council agenda February 2018</i> <i>Financial Settlement papers – Gov. website.</i>
Please contact the report author if you need to access this report in an alternative format	

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Bath & North East Somerset - Medium Term Financial Strategy 2019/20- 2023/24

1. Purpose of the Strategy

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

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

The focus is on the next two years for financial planning purposes, however, there is significant uncertainty beyond 2019/20 because the national approach to funding local government is currently under review. The Strategy assumes that funding constraints will continue and therefore will link to a Core Service Offer outlining the priority areas of service delivery that will be maintained.

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

2. Expected Outcomes from the Strategy

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

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

The financial strategy will integrate with and support the corporate priorities for the Council and a Core Services Offer will be finalised to deliver those priorities. The unprecedented scale of the financial challenge, the additional demands on the Council especially for social care, and the scope to use new ways of working notably digital communications, all indicate the need for different ways of working and greater prioritisation of activity and spend. For some services, a different relationship with customers and communities may also be needed.

3. Executive Summary and Recommendations from the Strategy for Consideration

This strategy spans five years although there is only certainty of the level of Government funding for next year at present. The recent consultation paper

outlined that several funding streams are being reviewed for 2020/21 these include Fairer Funding, Business Rate Retention, New Homes Bonus, and Better Care Funding and these changes pose a significant financial risk for B&NES in 2020/21.

Despite the uncertainty the Council still needs to plan its' finances for the medium to longer term and therefore the Strategy is based on best estimates at this stage. The Council has a good track record in savings delivery with £55.4m delivered between 2013/14 to 2017/18 and, a further £17m expected in this financial year – a total of £72.4m over six years. These estimates show that the Council will need to find a further £50.3m in savings over the next five years. In essence the Council will need to reduce net spend by approximately 44.5% (15.2% of gross spend) over the next five years.

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

- To review Council priorities to understand scope for further savings;
- To rationalise our corporate estate;
- To review the conditions of service of our workforce and ensure they are fit for the future;
- To review the scope for shared services;
- To review and target capital spend to priority areas and reduce the costs of funding the programme and the capacity demands for delivery;
- To review our contracts to reduce expenditure; and
- To establish a “core offer” which the council is able to sustain into the future, including through managing demand.

In the shorter term the profile of the savings shows a requirement of £29.3m over the next two years (£16.0m in 2019/20 of which there are planned savings of £9.8m, followed by £13.3m in 2020/21). To ensure that there is sufficient time to consider and implement savings as well as the future operating model for B&NES the strategy is dependent on the continued use of flexible capital receipts in 2019/20.

The current budget gap does not include any increases in Council Tax – an increase of 3% per annum reduces the overall five year gap by £14.3m. As part of delivering this strategy plans are being put in place to engage with all elected members, partners and the public as part of the budget process for 2019/20 and the following years.

4. Introduction

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

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

An Operational Plan will be developed across portfolios in 2019/20 outlining the Core Service Offer which will prioritise resources to the following:-

- Protect and care for our most vulnerable;
- Nurture our residents' health, safety, and wellbeing;
- Provide ways for everyone in the community to reach their full potential.

This will outline key targets for service provision as well as outlining proposals for budget savings. Inevitably, this will mean making tough choices over what services B&NES can provide and how services can be delivered with our local community groups, parishes and the voluntary sector playing an increasingly important role.

5. The Current Financial Position

2017/18 Outturn

The 2017/18 outturn reported an overspend position of £1.1m to Cabinet in June 2018 as follows:-

Portfolio	Original Budget £'m	Revised Budget £'m	Outturn £'m	Variance £'m
Leader	5.16	2.58	2.47	(0.11)
Finance & Efficiency	(2.38)	0.73	0.05	(0.68)

Portfolio	Original Budget £'m	Revised Budget £'m	Outturn £'m	Variance £'m
Transformation & Customer Services	4.43	7.16	6.94	(0.22)
Adult Care, Health & Wellbeing	59.55	60.51	61.66	1.15
Children & Young People	25.28	28.03	29.56	1.53
Economic & Community Regeneration	(3.60)	(4.13)	(4.77)	(0.64)
Development & Neighbourhoods	20.49	20.89	20.75	(0.14)
Transport & Environment	3.96	(0.09)	0.11	0.20
Total	112.89	115.67	116.77	1.10

(Excluding carry forwards of £155k)

Budget 2018/19

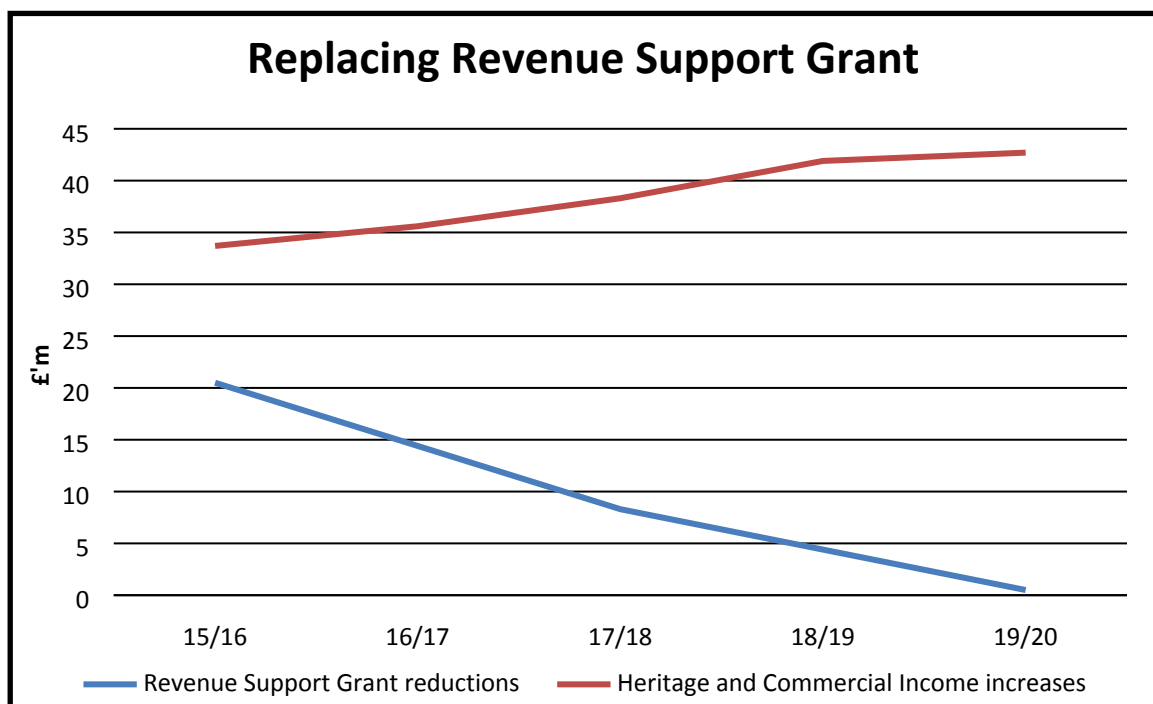
The 2018/19 net budget of £113.27m was approved by Council in February 2018. Budget monitoring to the end of July showed a projected overspend of £2.63m against the revised budget of £115.92m (including carry forwards) as shown below:-

Portfolio	Revised Budget £'m	Forecast Year End Actual £'m	Variance Over / (Under) £'m
Leader	2.28	2.41	0.13
Finance & Efficiency	3.45	4.09	0.64
Transformation & Customer Services	5.77	6.07	0.30
Adult Care, Health & Wellbeing	62.99	62.03	(0.96)
Children & Young People	27.53	28.43	0.90
Economic & Community Regeneration	(5.54)	(5.41)	0.13
Development & Neighbourhoods	18.47	19.00	0.53
Transport & Environment	(1.66)	(0.70)	0.96
Total	113.29	115.92	2.63

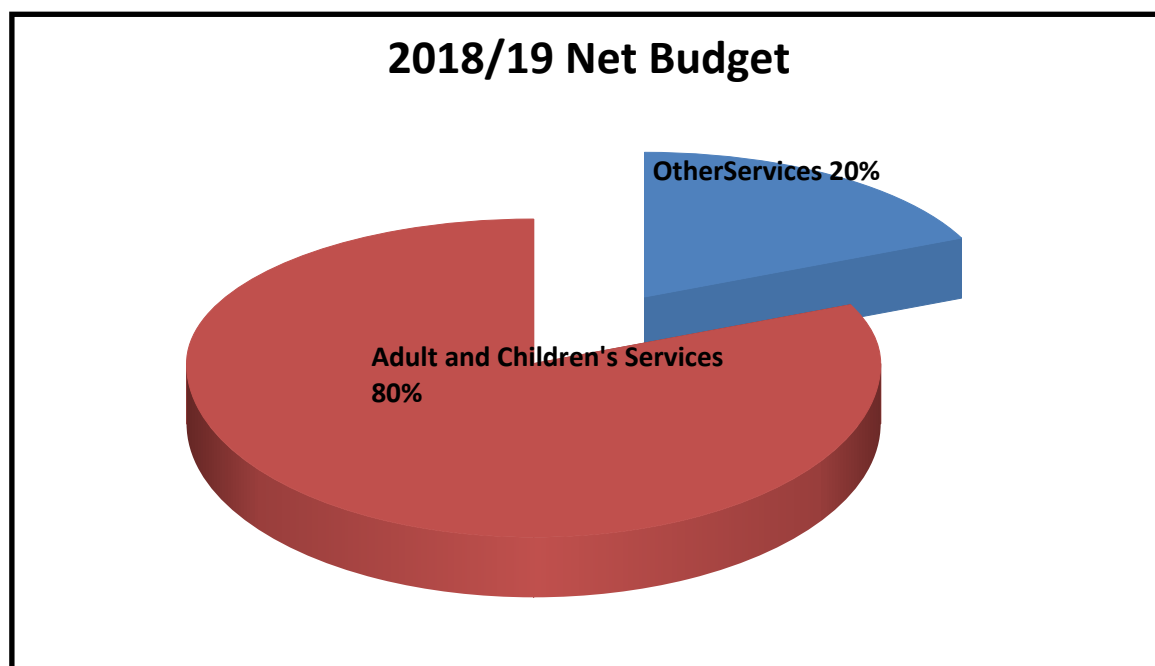
The figures show an upturn in demand and financial pressures especially in Children and Young People's services and Transport and Environment. It also highlighted that a continued focus is required to delivering the savings that were agreed as part of budget setting to bring spend back in line with the budget.

Analysis of Current Position

Local Government has suffered from continued reductions in funding – Revenue Support Grant will have reduced from £20.5m in 2015/16 to £0 by 2020/21. Current forecasts show that B&NES will have replaced around £8.8m of the reduction in grant from heritage and commercial income activities over the same time period as follows:-



Cuts in grants and increases from demand, in line with other authorities and a growing population, have created pressures for Adult Social Care and Children's Services. The budget was rebased in 2018/19 to reflect this and a net £7m was added to Adult Social Care and Children's Services. In 2015/16 around £0.66 in each £1 (net) was spent on Adult Social Care and Children's Services and this has increased to £0.80 in every £1 in 2018/19. The following chart shows the breakdown of the net 2018/19 budget as set:-



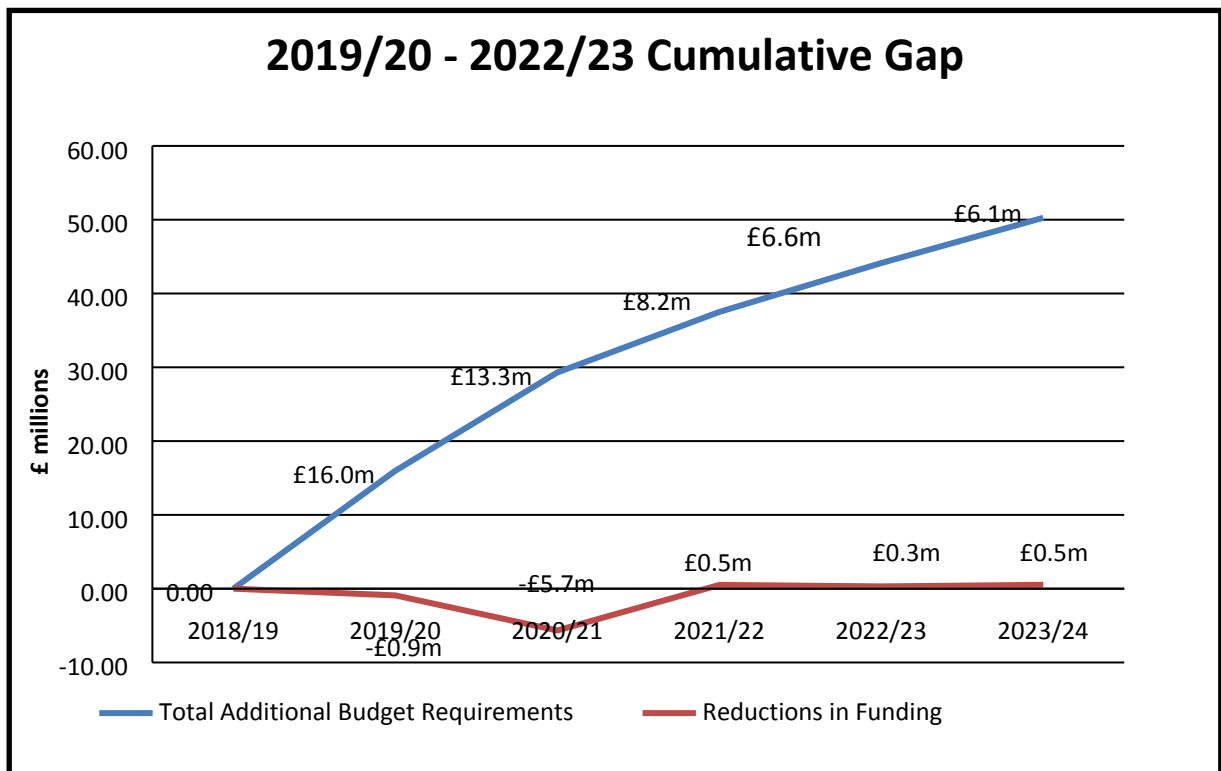
Following feedback from last year's budget engagement process, a document has been prepared which sets out how the council seeks to influence central government's policy agenda, focusing on new powers to raise revenue to create a more self-sufficient authority. This document will be presented to full Council in November 2018 and aims to ensure the authority remains sustainable without requiring additional central funding. The proposals have not been incorporated into the MTFS at this stage. It is unlikely that any changes can be implemented for 2019/20 but may be agreed in time for the 2020/21 budget.

6. Financial Outlook

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

Indicative Budget Forecast	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Estimated Base Budget	113.27	128.86	122.62	118.92	118.77	119.68
Estimated Funding	(113.27)	(112.88)	(109.30)	(110.72)	(112.14)	(113.55)
Cumulative Funding Gap	-		29.30	37.50	44.13	50.26
Annual Funding Gap	-	15.98	13.32	8.20	6.63	6.13

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



Indicative Budget Forecast

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

	2019/20	2020/21	2021/22	2022/23	2023/24
	£'m	£'m	£'m	£'m	£'m
Budget Requirement (Previous Year)	113.27	112.88	109.30	110.72	112.14
Once-Off items from previous year	-0.15	-0.45	-	-	-
Pay inflation	1.66	1.24	1.21	1.21	1.22
National living wage impact	0.18	0.19	0.20	0.21	0.22
Pension Contributions	0.05	0.61	0.61	0.61	0.61
Demographic Growth & Increase in Service Volumes	3.35	3.38	3.38	3.38	3.38

Contractual Inflation	1.52	1.54	1.49	0.53	0.42
Budget Pressures	5.81	-0.82	0.12	0.10	0.00
Provision for amber rates savings in future years	0.80	1.00	0.60	0.40	0.30
Increase(-)/ Reduction in New Homes Bonus Grant	-0.07	1.93	0.91	1.11	0.90
Reduction in Public Health Grant	0.22	-	-	-	-
Capital Financing	2.11	1.11	1.11	0.50	0.50
Increased Business Rates income (incl s31 grants)	-0.34	-	-	-	-
Once-off costs	0.45	-	-	-	-
Draft Budget Before Savings	128.86	122.62	118.92	118.77	119.68
Savings Proposals					
Agreed Savings Plans	9.83				
Further Savings Required	6.15	13.32	8.20	6.63	6.13
Budget Requirement	112.88	109.30	110.72	112.14	113.55
Funding of Budget Requirement					
Council Tax @ 0%	81.92	82.74	83.57	84.40	85.20
Adult Social Care Precept 1% in 2019/20	6.55	6.62	6.69	6.75	6.82
Business Rate Retention incl Revenue Support Grant	24.56	19.94	20.46	20.99	21.54
Business Rates Reserve	-0.60	0.00	-	-	-
Use of Financial Planning Reserve for Once-Off Costs	0.45	-	-	-	-
Funding of Budget Requirement	112.88	109.30	110.72	112.14	113.56

The forecast includes the following cost pressures and assumptions:-

- **Pension Costs** – Estimated 0.2% increase in 2019/20 and a further 1% per annum from 2019/20;
- **Interest Rates** - Continued very low rates of interest of around 1% per annum for treasury management cash investments. The Council will maintain a minimum cash policy;
- **Inflation** – CPI projections for the coming years are expected to be 2.2% in 2019/20, 2.1% in 2020/21 and 2.0% thereafter. However it is expected that services will continue to absorb all but a limited amount based on specific service circumstances and contractual commitments;
- **Capital Spending** – an allowance has been made to fund a minimal number of new schemes;
- **Borrowing** – longer term borrowing costs have been factored into the MTFS however the authority will continue to optimise the use of cash balances subject to market conditions and the overriding need to meet cash outflows;
- **Growth requests** - currently totalling £1.5m for 2019/20 and £0.3m for 2020/21 **have not yet been factored into the plan**. These will only be considered once the gap has been funded and if headroom is created.

7. Outlook for Government Grant Funding

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

In Spring 2018 the Government issued a consultation regarding future funding for Local Authorities (LA's) – The Fairer Funding Review. The review has the aim of revising and updating the distribution of funding between LA's. This review does not measure the level of funding required for Local Government as a whole its objective is purely to assess the relative needs and pressures of authorities to ensure that the distribution of funding between authorities is fair.

B&NES responded to the fair funding consultation and requested that the following areas needed to be included in any revised funding methodology:-

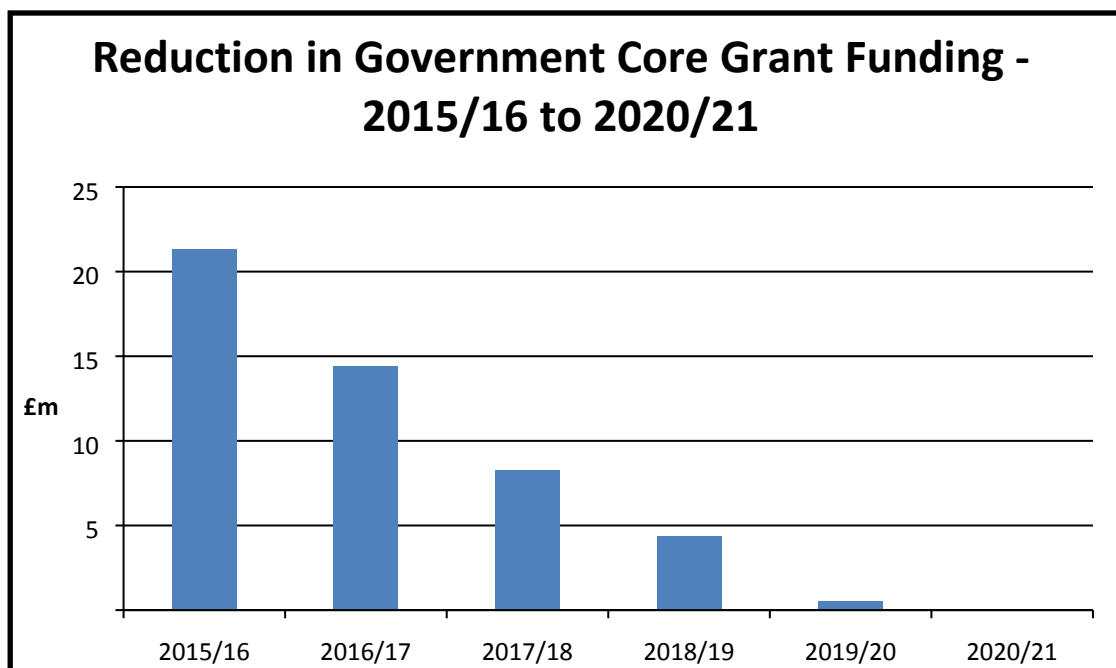
- funding for student households;
- ability to introduce a Local Tourism Levy;
- full cost recovery of planning fees;
- funding for Special Education Needs and Disability;
- charges for listed building applications;
- removal of the NDR exemption for Listed Buildings;

It is expected that the new methodology will be used to distribute funds from 2020/21 onwards. It is also expected that transition arrangements will be put in place to dampen the effect of significant distribution changes between L.As.

The Government released a consultation paper on the 24th July 2018 outlining its intention to continue with the 4-year financial settlement. The possible impacts on various grants are outlined under the grant headings below:-

Revenue Support Grant

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

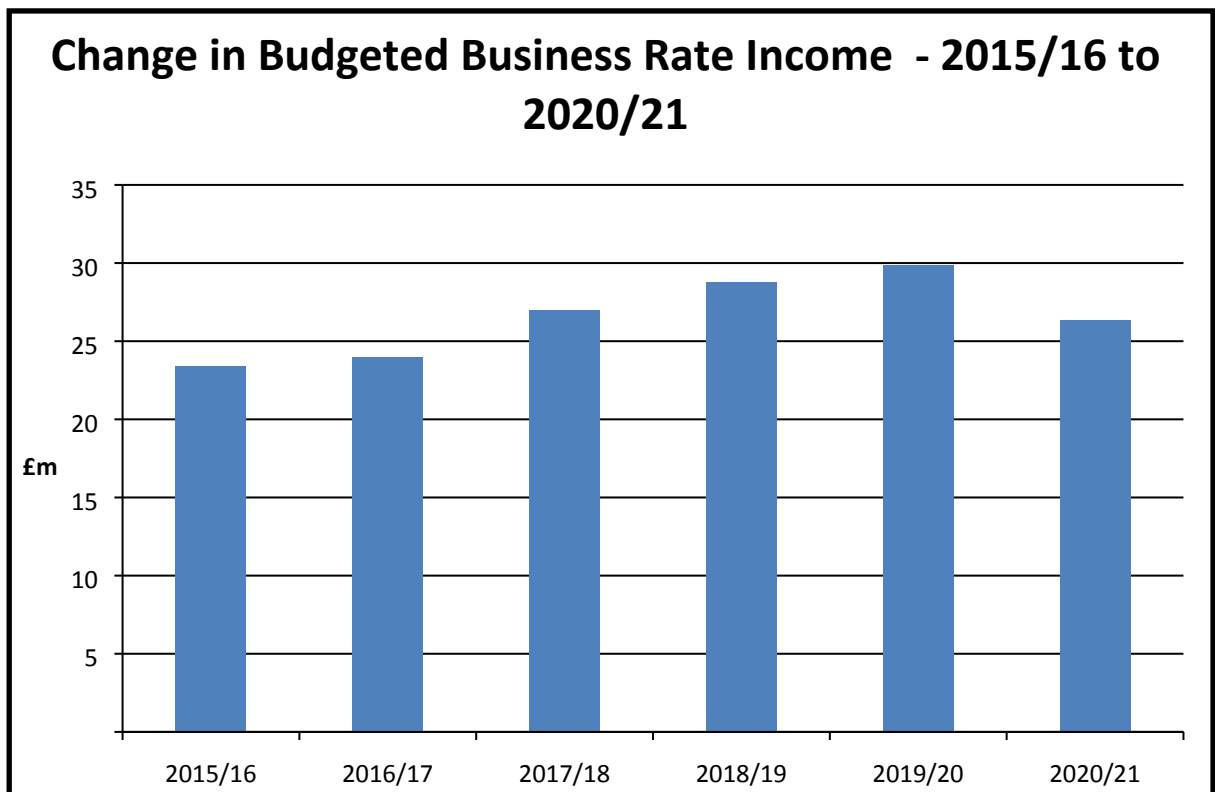


New Homes Bonus

The 2017/18 Settlement announced changes to the funding arrangement for the New Homes Bonus with the bonus reducing to 4 years in 2018/19. The current consultation paper for the 2019/20 settlement outlines that the housing growth baseline could increase thus reducing the number of homes for which the Council will receive the bonus. The consultation paper does not suggest what the increased baseline will be. Our estimations are currently based on 0.6% which would reduce the bonus by approximately £0.268m increasing the value of bonus withheld to £0.802m. The grant has been estimated at £4.86m for 2019/20. The consultation also states that New Homes Bonus will cease from 2020/21 and will be replaced with a different incentive. For financial planning purposes the grant has been phased out between 2020/21 and 2023/24.

Retained Local Business Rates – 100% Business Rate Retention Pilot

In 2016 the Government announced that it was introducing pilot schemes for 100% business rate retention from 2017/18. The current consultation paper outlines the Government's intention for the current combined authority pilots including the West of England to continue into 2019/20 with other authorities invited to present proposals for a one year 75% pilot.



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

The estimated benefit of £2.5m per annum for this Council was factored into the Budget in 2017/18. The strategy assumes that this benefit will only remain in place for 2019/20 and, as other grants will be rolled into the 75% retention model, this will result in an estimated £3.6m reduction in funding for 2020/21. The strategy also assumes that a baseline reset will occur in 2020/21.

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

Schools Funding

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

As schools convert to academies the DfE take back the element of DSG payable to the local authority in order to make payments direct to the academies. It is estimated that over 80% of schools will have converted to academies by September 2019 and that all schools will develop plans to convert in the coming years. With the introduction of the National Funding Formula (NFF) the DSG was ring-fenced for schools from 2018/19 making the LA responsible for the demographic pressures being observed in the SEND / High Needs element of the DSG. The pressure added £2.3m to the budget in 2018/19 with a further £0.3m in 2019/20 and 2020/21. Additionally the schools have contributed 0.5% (£500k) of the Schools Block Funding to support the high needs budget, these contributions are limited to 1 year under the NFF regulations and therefore further consultation is currently underway to gain the same transfer from the Schools Block in 2019-20 as occurred in 2018/19.

When schools convert to academies their reserves transfer to them and therefore school reserves have reduced significantly as a result reflecting that only 20% remain as maintained schools.

Adult Social Care Support Grant

The Council received a once-off sum of £0.46m as part of the final financial settlement for 2018/19. The Government has announced a further £240m in this financial year to help reduce winter pressures on the NHS, of this sum £730k has been allocated to B&NES. The use of the funding is aimed at reducing Delayed Transfers of Care (DTOC) and authorities will be required to meet certain conditions for its use. The current settlement consultation paper is silent on further distribution for 2019/20 and therefore no further grant has been factored into the MTFS.

Adult Social Care Green Paper

The Secretary of State recently announced that the Green Paper on Adult Social Care would be published in the autumn to align with the NHS Plan with the intention to "ensure that the care and support system is sustainable in the long term". The total funding for Adult Social Care will be determined as part of the 2019 Spending Review.

The Government recently announced an increase of £20bn in funding for the NHS by 2023. There is currently no direct evidence that funding will be redirected from Local Government at this stage but this remains a risk until plans become clearer.

Better Care Fund

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

The Council and CCG's Better Care Fund has a minimum CCG funding contribution of £11.4m in 2018/19; whilst 2019/20 allocations have not been announced it is assumed that this will continue with inflation at c1.9%. In 2018/19 £8.78m of this amount transferred to the Council for joint commissioned services and the protection of Social Care.

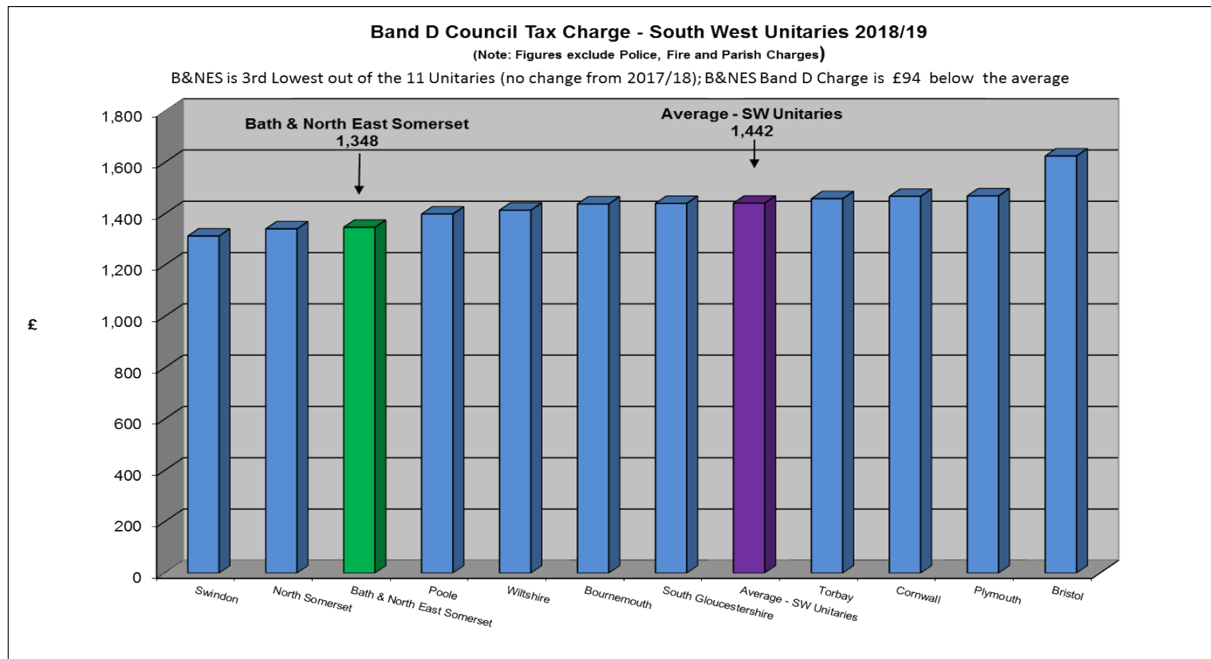
In addition to the minimum contribution the Chancellors budget announced 3 years of grant funding for adult social care from 2017. For 2019/20 the local allocations of one-off funding of £4.03m, an increase from the 2018/19 grant allocation of £0.57m this funding is pre-committed through the agreement of the Better Care Fund plan and is helping to protect current Social Care spending levels and meet the national conditions for the BCF plan including improving delayed transfers of care (DTC) performance. Whilst there have been no further funding announcements it is assumed that this level of funding will continue beyond 2019/20.

The Better Care Fund is under review and the Council and CCG's financial planning assumptions will be aligned to incorporate future years funding allocations and planning guidance when published.

8. Council Tax

Comparison of 2018/19 Council Tax

The chart below shows how B&NES compares (3rd lowest) to other South West unitary authorities:-



Adult Social Care Precept

The Government has recognised some of the pressures facing Adult Social Care (ASC) authorities, providing for a continuation for a specific increase in the local council tax precept ringfenced to ASC. B&NES approved an increase of 2% in 2017/18, and 3% in 2018/19, and the strategy currently estimates a further 1% increase in 2019/20. The current consultation paper does not outline further proposals to extend the precept beyond 2019/20 and therefore no further increases have been factored in at this time.

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

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

Council Tax Precept

The current funding gap in the MTFS assumes **no increase** in council tax. Any increase would need to take into consideration the Government's referendum principles which are currently based on the requirement to hold a referendum for increases above 3%. An increase of 3% per annum would raise an additional £2.6-£3m per annum and an ongoing £14.3m by 2023/24. The table below shows the impact on the funding gap if an additional 3% increase per annum for Council Tax were to be implemented:-

Indicative Budget Forecast	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Annual Funding Gap	15.98	13.32	8.20	6.63	6.13	50.26
Income from a 3% increase in Council Tax	(2.63)	(2.76)	(2.87)	(2.99)	(3.02)	(14.27)
Annual Funding Gap	13.35	10.56	5.33	3.64	3.11	35.99

The Government has factored 3% increases into each authority's "Spending Power" and funding figures.

Long Term Empty Properties

Properties that are empty for more than two years are currently liable for a surcharge of 50%. The Government is in the process of passing legislation to enable Local Authorities to increase this to 100% surcharge from the 1st April 2019. This premium is important as an incentive to bring back Long Term Empty properties back into use. Proposals may be brought forward for consideration when full details are known.

9. Strategy for Savings

Current estimates are that £50.3m savings will be required over the next five years (if council tax is not increased other than for Adult Social Care). This includes savings already approved.

The profile of savings shows that £29.3m will be required - £16.0m in 2019/20 followed by £13.2m in 2020/21. This strategy aims to smooth the savings required to increase the time needed for assessment and consultation of those savings plans.

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

- **Priority based resourcing** to develop options to reduce spend by:-
 - Reducing or stopping services but maintaining a Core Services Offer;
- **Maintain commercial income to;**
 - Increase discretionary charges only where appropriate;
 - Ensure statutory charges are based on full cost recovery.
- **Shared services where appropriate/ right sizing:-**
 - Review shared service opportunities with the CCG, WECA, and other local authorities;
 - Assess future staffing and management requirements through new ways of working/digital/estates to deliver the core offer.
- **Targeted capital spend:-**
 - Minimise the impact of capital spend by reviewing schemes and minimising new additions through prioritisation.
- **Managing Demand (and the processes surrounding demand)**
 - E.g. signposting and investing in self-help and early intervention to reduce demand on specialist roles.
- **Contract Savings**
 - Review of all contract spend to reduce costs.
- **Capital Programme**
 - A review of the capital programme is being carried out as part of preparing next year's budget with the following objectives:-
 - To ease staffing capacity issues;
 - Ease financial pressures
 - Ensure schemes still meet key priorities;
 - Review financial and delivery risks;

10. Capital Programme

The Prudential Code for Capital Finance in Local Authorities was updated in December 2017. The objectives of the Prudential Code are to ensure that the capital expenditure plans of local authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved.

It required authorities to look at capital expenditure and investment plans in the light of overall organisational strategy and resources and ensure that decision are made with sufficient regard to the long term financial implications and potential risks to the authority.

To ensure that the capital programme remains affordable the following approach will be taken:-

- Continue to review all existing schemes and simplify, reduce, pause or stop as necessary;
- Minimise new schemes except those that meet corporate priorities;
- Agree an affordable limit for new schemes requiring corporate borrowing;
- Ensure adequate investment in assets supporting key service provision (including meeting health and safety requirements or replace obsolete or inefficient assets/equipment);and
- Deliver or work with partners to deliver high priority government funded programmes and WoE programmes where they meet corporate priorities.

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

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

Items for **Provisional Approval** will require either a further Officer decision and in some cases a formal Executive decision for Full Approval. The budget estimates for schemes shown for Provisional Approval are therefore included on an indicative basis, and as an aid to planning.

The Capital Programme will retain narrative only reference to pipeline projects and grant funding in early stage progression. These items will require further decision to incorporate into the programme at a later date, in line with the delegations outlined in the February Budget report.

The capital programme is aligned with the Community Infrastructure Levy allocations agreed for the coming financial year.

The following shows the capital programme approved in February 2018 as part of budget setting:-

Cabinet Portfolio: Capital Schemes	Budget 2018/219 £'m	Budget 2019/20 £'m	Budget 2020/21 £'m	Budget 2021/22 £'m	Budget 2022/23 £'m	Total £'m
Development & Neighbourhoods	9.13	5.04	-	-	-	14.17
Economic & Community Regeneration	37.35	-	-	-	-	37.35
Transport & Environment	12.63	-	-	-	-	12.63
Children & Young People	7.21	-	-	-	-	7.21
Adult Care, Health & Wellbeing	0.21	-	-	-	-	0.21
Finance & Efficiency	16.53	19.23	4.00	-	-	39.76
Corporate Capital Contingency	0.05	-	-	-	-	0.05
Total	83.11	24.27	4.00	-	-	111.38

Provisional schemes:-

Cabinet Portfolio: Capital Schemes	Budget 2018/19 £'m	Budget 2019/20 £'m	Budget 2020/21 £'m	Budget 2021/22 £'m	Budget 2022/23 £'m	Total £'m
Development & Neighbourhoods	23.53	3.31	2.60	0.95	1.693	32.08
Economic & Community Regeneration	33.48	14.14	13.25	14.99	2.14	78.00
Transport & Environment	8.89	11.60	6.01	4.93	1.30	32.72

Children & Young People	10.80	2.15	-	-	-	12.95
Adult Care, Health & Wellbeing	0.10	-	-	-	-	0.10
Finance & Efficiency	54.25	5.12	2.54	2.44	2.20	66.55
Transformation & Customer Services	3.14	-	-	-	-	3.14
Total	134.19	36.31	24.40	23.31	7.33	225.55

Grand Total	217.30	60.58	28.40	23.31	7.33	336.93
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Note this does not include slippage from 2017/18 which totalled £38.5m.

The current capital programme that was approved in February 2018 was funded as follows:-

Financing	Budget 2018/19 £'m	Budget 2019/20 £'m	Budget 2020/21 £'m	Budget 2021/22 £'m	Budget 2022/23 £'m	Total £'m
Grant	43.06	9.65	6.97	6.17	3.14	68.99
Capital Receipts/RTB	9.97	16.39	0.63	0.63	0.63	28.25
Revenue	1.53	-	-	-	-	1.53
Borrowing	148.74	33.30	19.96	16.26	3.45	221.71
3rd Party (inc S106 & CIL)	14.01	1.24	0.84	0.25	0.10	16.44
Total	217.31	60.58	28.40	23.31	7.32	336.92

(Note that of the total borrowing c£135m is linked to investments that will provide an income stream to the Council)

Grants funding received as part of the 2018/19 budget from the WECA for feasibility studies and business case development for infrastructure schemes include:

- £280k A37 to A362 Improvements to access Somer Valley Enterprise Zone business case development;
- £460k Hicks Gate Roundabout improvement business case development;
- £250k East of Bath Link development support; and

- £100k Freezing Hill Lane Junction Improvement feasibility and business case development.

These are funded from the additional investment funds received by the WECA as part of the devolution arrangements and reflected accordingly with the Councils revenue and capital budget proposals.

An allocation of up to £0.5m in revenue to support new schemes has been factored into each year of the Medium Term Financial Plan. Part of the allocation for 2019/20 was earmarked in 2018/19 for schemes leaving £0.34m remaining. This enables high priority schemes to be approved as well as considering the impact on the revenue budget. A more detailed capital strategy will be presented for approval as part of the budget in February 2019.

Capital receipts will be used flexibly and further adjustments may be made as part of setting the budget for 2019/20 to replace some of the capital receipts with borrowing to ensure the first call on any receipts is to maintain flexibility within revenue. The current programme will continue to be reviewed to ease this financial impact.

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

Capital Risk Contingency

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

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

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

Minimum Revenue Provision (MRP) Policy

The Council is required to make revenue provision to repay capital spend that is financed by borrowing (either supported or unsupported). This is called the Minimum

Revenue Provision (MRP). The Department of Communities & Local Government has issued regulations that require full Council to approve a MRP Policy in advance each year, or if revisions are proposed during the year they should be put to the Council at that time. The policy was updated in February 2017 and there are currently no revisions proposed.

11. Releasing Capital Receipts to Fund Savings Projects

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

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

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

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

The strategy in future years will monitor the performance of projects approved in previous years. The Strategy does not require further amendment since being approved as part of budget setting in February 2018.

12. Earmarked and Non-Earmarked Reserves

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

The current strategy for Non-Earmarked Reserves remains unchanged and will continue to be based on a financial risk assessment. The current target is to retain Non-Earmarked reserves within the range of £11.9m to £13.1m. The reserve is currently expected to remain within this range to meet key financial risks.

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

	Unallocated Balance as at 1/4/18 £'m	Projected Use in Year £'m	Current Estimated Balance 31/3/19 £'m
Revenue Budget Contingency	2.38	1.73	0.65
Financial Planning and Smoothing Reserve	6.41	4.07	2.34
Transformation Investment Reserve	2.38	1.74	0.64
Restructuring & Severance Reserve	2.23	-	2.23

The Budget Monitoring Report presented to Cabinet in September outlined that if the estimated over budget of £2.63m were to occur then £1.73m would need to be found from the Revenue Budget Contingency Reserve. This will need monitoring closely as there will be a requirement to top up this reserve for 2019/20 to £1.5m to meet budget risks next year. This will be found from reviewing all other reserves and also the use of any once-off income such as council tax surplus (noting that there are once-off requests for £0.45m already in the plan). The remaining reserves outlined above are being utilised as planned in the 2018/19 budget.

Using Reserves to Smooth Savings Targets

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

13. Reviewing the Strategy

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

14. Public/Stakeholder Consultation

Planned public consultation will take place in November/December 2018.

Planned scrutiny of the MTFS through the Policy Development and Scrutiny Panel is planned for November 2018 with savings being scrutinized in January 2019.

15. Risks to the Medium Term Financial Strategy

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

Risk	Likelihood	Impact	Risk Management
Further demands on service continue to escalate beyond current estimates	Possible	High	Ongoing monitoring of spend and controls. Ensure reserves are sufficient to manage in-year pressures
Pay awards will be higher than estimated	Unlikely	Medium	Agreement in place for 2019/20.
Interest rates reduce further impacting on investment income	Unlikely	Low	Rates are predicted to increase rather than decrease although the impact on interest rates

			post Brexit remains a risk. A prudent view has been taken within the MTFP and cash is being utilised for purchase of assets while rates are low
Interest rates increase	Likely	Medium	A reserve is available for borrowing to manage market risk and long term borrowing costs have been factored into the longer-term MTFS
Volatility and uncertainty around business rates	Likely	High	Ensure business rate income and appeals are monitored and that specific reserve is sufficient to manage in-year volatility
The Business Rates 100% pilot ceases	Unlikely in 2019/20	High	It has been confirmed that Combined Authorities will retain 100% of business rates in 2019/20. Although possible it is unlikely that this will continue in 2020/21 and an estimated £3.9m pressure has been added to the MTFS
Anticipated savings not delivered	Possible	High	Ensure delivery plans are monitored and continue to assess on a regular basis. Ensure Budget Contingency Reserve sufficient to meet in-year issues.
Capital projects not delivered resulting in revenue reversion costs or liabilities from underwriting agreements	Likely	High	The Council has a number of projects within this category. These risks will continue to be monitored and reported. An assessment is made as part of the budget process to ensure that revenue reserves are sufficient to meet these risks. The capital programme methodology looks to de-risk projects wherever possible.
Changes to Government Policy that affects future funding	Likely	High	Need to monitor and continue to highlight impact
Economic downturn impacts on commercial income	Possible	High	Portfolio has been diversified to manage some of this risk especially within the retail sector
Brexit risks	Likely	Medium	Continue to highlight the

			<p>demand pressures to central Government regarding Adult Social Care and Children's Services.</p> <p>No additional targets for income to be added to budget for 2019/20 other than rebasing.</p> <p>Review reserves to manage any short-term impact.</p> <p>Monitor any economic impact.</p>
Funding pressures through WECA, CCG and other partners	Possible	Medium	Ensure good communication links with partner organisations
The additional income from Heritage may not be sustained	Possible	Medium	Continue to monitor income levels and impact on business plan

The key risks will continue to be monitored throughout the budget setting process and subsequently outlined in each budget setting report to Council and will be reviewed regularly, and reported through budget monitoring to Cabinet.

16. Next Steps and Timetable for 2019/20 Budget Setting

The outline timetable is as follows:-

- MTFS with savings themes presented to Cabinet in October;
- Scrutiny arrangements in place for November and January
- An engagement process on key aspects of the strategy set out in this paper- focusing on how working together with partners and the proposed" core offer will take place in November and December. This will involve four community engagement sessions hosted by the Area Forums, as follows:
 - 26 November- hosted by Chew Valley Forum (6pm- the Library, Chew Valley School
 - 29 November- hosted by Somer Valley Forum (6pm- The Town Hall, Midsomer Norton)
 - 3 December- hosted by Keynsham Area Forum (6.30- The Community Space, Keynsham)
 - 10 December- jointly hosted by Bath City Forum, Cam Valley Forum, Bathavon North Forum and 3SG (6pm- Council Chamber, Guildhall)
- Cabinet and Council approve budget in February.

Bath & North East Somerset Council		
MEETING:	Cabinet	
MEETING DATE:	31 October 2018	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3098
TITLE:	The Great Spas of Europe	
WARD:	Bath and surrounding wards	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1: Finance – Membership Costs		
Appendix 2: Main project benefits		
Appendix 3: Outstanding Universal Value of the bid		

1 THE ISSUE

- 1.1 The Great Spas of Europe is a high-level, long term international partnership project. It involves a trans-national bid to the United Nations Educational Scientific and Cultural Organisation (UNESCO) seeking to inscribe Bath on the World Heritage list for a second time. If successful, this would result in Bath being an extremely rare example of a doubly-inscribed World Heritage Site with consequent significant global tourism marketing opportunities. Due to the significance of the bid, Cabinet endorsement is sought prior to the formal submission to UNESCO in January 2019.

2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 Endorse the submission of the Great Spas of Europe nomination to UNESCO.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 No new funding is required.

- 3.2 Currently, an allocated budget covers an annual membership fee of 14,500 Euro, expert consultant advice and other costs such as travel. Following a successful nomination the membership fee would rise from 2020 (see table 1, Appendix 1) to fund a group secretariat, but this rise would be off-set by savings on expert advice which would no longer be required and all costs would remain contained within existing budgets. If the bid is unsuccessful, the Council would not need to meet the annual membership fee.

- 3.3 The network offered by the project has also allowed the Council to step away (in 2015) from membership of the Organisation of World Heritage Cities, at a saving of \$5,000 USD per year. The Council remains a member of the European Historic Thermal Towns Association (EHTTA - annual membership fee of 3,500 Euro) which can be seen to be a 'lower league' spa association. Again this membership can be examined in light of the benefits of the Great Spas bid.
- 3.4 No new staff resource requirement is envisaged. The Council already employs a full-time World Heritage Manager and a 0.5 day per week project assistant, plus it has a (funded) project underway to open a World Heritage Interpretation Centre in 2020. This existing resource and infrastructure will serve the new inscription.
- 3.5 The cost of the project, to nomination in 2019, is estimated at £210,000. The existing project budget has been in place since financial year 2013/14. This comprises of 6 years budget at £33k (= £198k) plus some incremental spend in years 2011-2013. This figure does not include officer time.
- 3.6 For context, a Price Waterhouse Cooper report of 2007, commissioned by the (then) Dept. Culture, Media and Sport, estimated the cost of making a World Heritage nomination to be £400k. At 2018 prices this is likely to be closer to £600k. The English Lake District, which was the last UK inscription in 2017, by their own calculations spent over £1m. The Council therefore has the opportunity to potentially deliver a nomination at around a third of the cost that would normally be expected.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1. UNESCO inscription has no statutory basis and is not included in UK primary legislation. It is however a 'material consideration' with regard to planning policy. It is included in the National Planning Policy Framework (2018) and a protective policy is included in the Local Plan. With regard to environmental protection (both natural and cultural), the existing World Heritage inscription focuses predominantly on archaeology and architecture. With evolved thinking, the Great Spas inscription has a higher emphasis on intangible heritage, and how people used the historic spa rather than solely on the building fabric. In practical terms this has benefits for protection. An example is in shale gas ('fracking') exploration which could potentially impact upon the Hot Springs. Given that the UK Government is responsible for, and backs this bid, it would be a strongly contradictory move for them to then sanction any actions which could negatively impact upon the water sources which their bid seeks to protect.

- 4.2 No further statutory impacts are foreseen.

5 THE REPORT

BACKGROUND

- 5.1 UNESCO World Heritage status remains the most prestigious and highly coveted accolade bestowed on any heritage site. It is an accreditation which marks that place as being of global significance. The UNESCO brand is known and respected worldwide and with an ever increasing international tourist market is a powerful marketing tool. The UNESCO application process is both rigorous and

highly selective, and competitor cities to Bath, such as York and Chester, have tried unsuccessfully to achieve this accolade.

5.2 In 2007 the Government of the Czech Republic approached UNESCO with a proposal to inscribe a spa town (Luhacovice) in recognition of the unique nature of spa settlements and the contribution they have made to European culture. This contribution is set out in Appendix 3. UNESCO accepted the idea but asked that a comparative global study of spas be undertaken in order to bring forward the best representative examples of this genre. Consequently, a conference was held in 2010 at which Bath was represented. A study group of 16 European towns emerged, including Bath. That group was reduced to 11 (following UNESCO advice) in 2016 after an independent comparative analysis of the group. Bath was one of the highest ranking spa towns in this analysis, thus demonstrating that it fully merits inclusion in the group.

5.3 The 11 partners in this bid are as below:

- Bath (UK)
- Bad Ems (Germany)
- Baden Baden (Germany)
- Bad Kissingen (Germany)
- Baden Bei Wien (Austria)
- Frantiskovy Lazne (Czech Republic)
- Karlovy Vary (Czech Republic)
- Marianske Lazne (Czech Republic)
- Montecatini Terme (Italy)
- Spa (Belgium)
- Vichy (France)

5.4 Due to the global nature of UNESCO, that organisation deals directly with governments (or 'state parties') only. In 2014 Bath secured the formal backing of the UK Government to participate in the nomination and was included on the UK Tentative List of sites (the official 'waiting list' of potential nominations). Historic England's Head of International Advice now sits with counterparts from other state parties in one of the project's management groups.

5.5 The bid contains a significant amount of material (approximately 1,000 pages) hence the decision sought to endorse the principle of submission rather than the content of the nomination document itself. The document is now ready for submission. The UNESCO annual timetable allows one opportunity for this per annum, with the next date being 31st January 2019.

5.6 Given the time-span and nature of this project, governance has predominantly been through the direct involvement of the Cabinet Portfolio Holder. The project is directed by a 'Mayor's Steering Group' (MSG), with the European Mayors generally having executive power. There have now been 17 MSG meetings (including 2 in Bath), with a Council cabinet member present at the majority of those meetings. The project was approved by the Strategic Director's Group in 2012, the Economic and Community Development Scrutiny Panel reviewed it in 2013, 14, 15, 16 and 17, and it has consistently featured in World Heritage budgets approved through the democratic process.

FORWARD TIMETABLE AND PROCESS

5.7 The nomination will be made to UNESCO (Paris) by 31 January 2019. UNESCO will then engage their international advisors, the International Commission on Monuments and Sites (ICOMOS International) to assess the bid. ICOMOS will do this throughout 2019 (including an inspection visit expected in September) and deliver a report to UNESCO by 31 January 2020. All being well, a positive recommendation will be considered and decided upon by the UNESCO World Heritage Committee at their annual meeting in June. Note that should there be any delay over (for example) calls for further information, this could delay inscription by a year.

IMPLICATIONS

5.8 The focus of this report is largely upon the benefits and costs of the bid. The primary purpose of World Heritage is however to 'protect, conserve, present and transmit' sites to future generations (as defined by the UNESCO World Heritage Convention). First and foremost this inscription is therefore a responsibility. This responsibility is one which Bath has worked with since 1987 and a second inscription would bring no new legislation or other restriction. There would therefore be no expected impact upon economic activities beyond that which has already been worked with for the last 31 years.

5.9 The proposed boundary for the second inscription would match the existing one. Bath would therefore have two over-lying nominations. The reasons for inscription would however be different (see appendix 3).

6 RATIONALE

6.1 This project offers a range of potential benefits, summarised in Appendix 2. It is good for business, reinforces the identity of Bath as a leading international spa destination and centre of heritage excellence, and realises an opportunity to gain a highly coveted and respected international inscription at a fraction of the expected cost.

6.2 Through this bid a 'top table' of elite European Spas has formed which will be officially recognised through a successful nomination. In terms of tourism management, Bath neither wishes or deserves to be outside of this elite circle, and indeed the comparative analysis process has shown that Bath is included by merit.

6.3 This initiative offers potentially powerful tourism marketing opportunities. Double nominated UNESCO World Heritage Sites are extremely rare worldwide and the marketing value of this accolade represents a significant investment in helping to ensure the long-term health of one of the district's primary industries.

6.4 As outlined in 3.4 this is a 'trans-national bid' being spearheaded by the Czech Republic. Bath therefore can reap the benefits of the inscription without incurring the costs or responsibilities of leadership. Bath already has the required management infrastructure in place, allowing realisation of benefits without the considerable costs of 'starting from scratch'.

6.5 Due to the costs associated with the bid, it is considered unlikely that the Council would start from scratch and embark on a similar project in the present economic

climate. However, given that benefits primarily accrue from a successful inscription and that the project is now very close to submission, there is little rationale in foregoing the resource already invested at this late stage. Furthermore, successfully gaining the backing of the UK Government (see 5.4) in this process should not be under-estimated, and a withdrawal at this late stage would incur reputational damage with the UK Government, UNESCO and our project partners.

7 OTHER OPTIONS CONSIDERED

- 7.1 Withdraw from the bid. Bath already has World Heritage status and does not necessarily need a second inscription. The primary reason to consider this option would be cost, but as outlined in this report the project benefits are considered to represent a sound business investment and the bulk of the cost has already been committed. As outlined above, withdrawing at this late stage would forego the investment already made, would incur reputational damage and be technically difficult. Following UK Government agreement to include the project on the UNESCO Tentative List, the government are UK project leaders and decisions such as this would technically rest with them.
- 7.2 The Council could consider pursuing a bid alone. However, the UK only submits (a maximum of) one nomination annually, and if the UK Government were the lead state party Bath would have to wait in line behind other UK sites awaiting inscription. It is unlikely that Bath would secure Government backing to do this and it could add upwards of a decade to the process.
- 7.3 The Council could consider pursuing a bid in a smaller study group. There is no evidence that this would increase the chances of success. It would negate some benefits accrued by being part of a larger network and increase the proportion of work (and funding) required from Bath.

8 CONSULTATION

- 8.1 An extensive range of public events have been held across the life of the project. No further consultation is considered necessary at this stage.

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 A favourable acceptance vote from UNESCO on the nomination cannot be guaranteed. However, the extensive project preparation has included many meetings with UNESCO and all signs are positive. The project has the official backing of the UK Government and this would not be the case if they did not feel it would succeed. Furthermore, the involvement of 7 European Governments in this bid means that considerable diplomatic influence will be brought to bear on this process.

Contact person	Tony Crouch, World Heritage Manager, 01225 477584
Background papers	None
Please contact the report author if you need to access this report in an alternative format	

APPENDIX 1: Costs of Membership

Future membership costs. Contributions are based on 3 categories of population levels. Sums shown are in Euros:

No.	Spa Town	2019	2020	2021	2022	2023	2024	2025
1	Bad Ems	6,000	6,750	6,750	7,600	7,600	10,050	12,500
2	Bad Kissingen	6,000	9,000	9,000	10,125	10,125	13,805	17,500
3	Baden-Baden	14,500	16,325	16,325	20,400	20,400	22,700	25,000
4	Baden bei Wien	6,000	9,000	9,000	10,125	10,125	13,805	17,500
5	City of Bath	14,500	16,325	16,325	20,400	20,400	22,700	25,000
6	Františkovy Lázně	6,000	6,750	6,750	7,600	7,600	10,050	12,500
7	Karlovy Vary	14,500	16,325	16,325	20,400	20,400	22,700	25,000
8	Mariánské Lázně	6,000	6,750	6,750	7,600	7,600	10,050	12,500
9	Montecatini Terme	6,000	9,000	9,000	10,125	10,125	13,805	17,500
10	Spa	6,000	6,750	6,750	7,600	7,600	10,050	12,500
11	Vichy	6,000	9,000	9,000	10,125	10,125	13,805	17,500
	Total annual budget	91,500	111,975 +12.5%	111,975	132,100 +12.5%	132,100	163,520 +32%	195,000 +23%

(It should be noted that the above table shows a commitment in principle only and recognises that local councils approve budgets on an annual basis and cannot guarantee future payments).

APPENDIX 2: Principle Benefits of the Project

Tourism Marketing. Tourism is arguably Bath and North East Somerset's biggest industry, employing 10,000 and generating £430,566,000 in total visitor spend (2016). Heritage and the hot springs are the Unique Selling Point. International competition for tourists is strong, but potential from emerging markets is also significant. UNESCO World Heritage (WH) is a global brand known to all nations. Bath would be able to be marketed as doubly-inscribed UNESCO WH Site – a claim that only a very small number of places worldwide can make. This can therefore be seen a future investment - standing still/doing nothing risks slipping down the rankings. Bath Tourism Plus market the City as a 'World Heritage Spa City' and this inscription is entirely complimentary to this.

Visitor Profile. Spa tourism attracts more affluent cultural tourists, likely to stay beyond one night. This matches the Destination Management Plan desire for greater value from tourism, not greater numbers. The network of European Spas offers scope for thematic routes between sites.

Status/Profile/Visibility. Great Spas of Europe membership marks Bath as being a progressive European city. International recognition and comparison with leading European spas boosts civic pride and business confidence, identifying Bath as an attractive, connected place to live, work and study. This complements City Identity work, and is attractive to business investment, especially amongst the creative industries.

Political leverage. Increased status and awareness of spa/spring issues lends weight to the Council's desire to address issues such as 'fracking', and to give greater protection to the water source.

Research. Much of the project research surrounding spa heritage and comparison with European Spas is new, and a largely untold side of Bath's story. This research material can be used for profile, status and tourism ends described above, plus educational work with Universities and schools. Several books have already resulted from this project, plus conferences and lectures.

Networking. The Great Spas Group provides a network of prestigious European partners (Baden Baden for example hosted the G20 economic summit in 2017). This enables the Council to potentially take advantage of any emerging European funding streams which require partners. It also strengthens ties with UNESCO and allows the Council to rationalise other networks.

Skills and knowledge. Both staff and politicians benefit from experience gained from working with European partners, developing skills needed to exploit opportunities regardless of language and cultural boundaries. Other authorities may be less experienced in such matters.

Heritage Excellence. Bath is home to leading heritage experts and this work reinforces perceptions of Bath as a centre of excellence in heritage protection.

Protection of our position. Bath fully merits inclusion in any group called Great Spas of Europe. If left outside, the perception may be of Bath as a second class resort.

APPENDIX 3: Statement of Outstanding Universal Value for the Great Spas of Europe nomination

The Great Spas of Europe is a transnational serial property of eleven spa towns located in seven European countries: Baden bei Wien (Austria); Spa (Belgium); the 'Bohemian Spa Triangle' of Karlovy Vary, Františkovy Lázně and Mariánské Lázně (Czech Republic); Vichy (France); Bad Ems, Baden-Baden and Bad Kissingen (Germany); Montecatini Terme (Italy); and City of Bath (United Kingdom).

The Great Spas of Europe provide exceptional testimony to the European spa phenomenon, a complex urban, social and cultural phenomenon that has its roots in antiquity but gained its highest expression from 1700 to the 1930s. These fashionable resorts of health, leisure and sociability were the only European settlement type to compete culturally with the great metropolises. They originated a new urban typology with a specific form, function and architecture that has no earlier parallel, gaining a distinguished place in the architectural and social history of urbanism, as well as in pioneering nascent modern tourism.

A serial nomination is necessary to capture the geographical distribution of the wide cultural diffusion of this network of water cure towns, its far-reaching territorial and historical geopolitical scale, and the diversity of spa history and style that represents the complete development of the range of both tangible and intangible 'spa' attributes, through time, that convey its overall significance. Each spa town developed around natural 'curative' geothermal and mineral springs which, depending on their variable qualities, targeted specific conditions or clusters of ailments. The springs were the catalyst for an innovative urban plan, a model of spatial organisation, built features and open spaces that exemplified process. This model was designed for a cultural practice characterised by a distinctive arrangement and itinerary that served many curative, therapeutic and social functions.

Ensembles include architectural prototypes, such as the pump rooms, drinking halls, medical treatment facilities, and colonnades and galleries designed to harness the natural mineral water resource and to allow its practical and sustainable use for bathing *and* drinking. 'Taking the waters', externally and internally, was complemented firstly by related representative meeting and assembly rooms, together with entertainment and touristic facilities such as casinos (gambling was commonly regarded as essential to prosperity), theatres, hotels and villas. Secondly all are integrated into an overall urban context that includes a carefully composed recreational environment of parks, gardens, promenades, sports facilities, woodland walks and rides. These buildings connect visually and physically with their designed picturesque setting of idealised nature.

The Great Spas of Europe mark the revival and greatest developments in the traditional medical uses of mineral spring water by Enlightenment physicians across the continent. They represent the largest, most dynamic and economically successful urban resorts, with a lavish and internationally oriented dimension. They radically changed spa treatment and made significant progress in developing scientific principles of balneology, hydrotherapy, crenotherapy and other advances in diagnostic medicine. This had a profound impact on development of the towns and their popularity and economy as well as advances in a wider personal health and wellness phenomenon.

As elite places in terms of scientific, political, social and cultural achievements, they initiated the transformation of European society through the reduction of the gap between the elite and a growing middle class. Their contribution to the development of a civil European democratic polite society is further characterised by distinctive intangible

heritage as places of major political events and of a special creative atmosphere that inspired works of high-art in music, literature and painting that are of outstanding universal significance.

The Great Spas of Europe has succeeded to maintain their original purpose and enduring atmosphere. Their management, economic and/or medical success has mitigated uncontrolled growth and environmentally damaging sprawl. They continue their sustainable function as dependable curative venues for body, mind and spirit that ensure their continued contribution to European culture, behaviour and customs.

UNESCO Criterion (ii). ***“To exhibit an important interchange of human values, over a span of time or within a cultural area of the world, on developments in architecture or technology, monumental arts, town planning or landscape design”***

The Great Spas of Europe is testimony to innovative ideas from spa towns that influenced development of modern European towns from the eighteenth century to the early twentieth century, and to the exchange of ideas and values in the development of balneology, medicine, arts and leisure activities. All this directly influenced the popularity and development of spa towns and balneology in other parts of the world.

The spa towns, centred on curative natural mineral springs, grew with targeted investment, some directly by State engagement and others by private enterprise. Spas were promoted regularly, aimed at a specific targeted clientele, and spa infrastructure was adjusted to respond to developments in medical science and advice, changing socio-economics, an increase in leisure time, and to satisfy the demand of visitors for cure and relaxation. *The Great Spas of Europe* became centres for experiment, thereby contributing to the eighteenth-century Enlightenment, and introduced radical change to the then prevailing attitude towards science, medicine, nature and art. This influenced the creation and design of new cosmopolitan spaces and buildings for meeting and communicating, and innovation of international importance. Buildings were also designed by some of the best national and international architects. The towns were designed to respect and intermingle with nature, offering places to stay and relax with health treatments available according to visitors' means and preferences. The spa culture and the pursuit of wellbeing further extend the influence of *The Great Spas of Europe* to the early development of coastal or sea-bathing, climatic and gambling resorts throughout the world.

UNESCO Criterion (iii). ***“To bear a unique or at least exceptional testimony to a cultural tradition or to a civilisation which is living or which has disappeared”***

The Great Spas of Europe bears exceptional testimony to the conscious care for human health which was developed around natural mineral springs in Europe, and to the specific cosmopolitan spa culture created by a remarkable cultural and social phenomenon which flourished from the eighteenth century to the early twentieth century; and which continues to thrive today as a living tradition. The spa towns encouraged, and became the reference for, new customs and the business of hospitality.

The defining characteristic of European spa culture centres on the regime of 'taking the cure', a combination of medical aspects (bathing, drinking, inhaling) and leisure, including entertainment and social activities (including gambling, music, dancing) as well as taking physical exercise and sport within an outdoor spa landscape. By the eighteenth century balneology had become established as a medical discipline, and *The Great Spas of Europe* were at the forefront of the development of the spa vacation with its focus on taking the waters, entertainment, leisure and recreation, at a place where the landscape

merged naturally with the picture of the town. These were resort destinations that targeted first the aristocracy, and then the growing ambitious middle classes of a group of industrialising and increasingly wealthy European nations. They were managed to provide a safe and pleasurable climate and the towns were promoted to attract visitors. They are prototypes of a nascent European tourist industry and became world-class cultural attractions. At the same time, *The Great Spas of Europe* provides important testimony to advances in medicine brought forward by spa doctors, chemists and balneologists. From the eighteenth century onwards, the spas variously pioneered the discipline of diagnoses and prescribing new kinds of cures, modern healthy diets and physical exercise.

UNESCO Criterion (iv). ***“To be an outstanding example of a type of building, architectural or technological ensemble or landscape which illustrates (a) significant stage(s) in human history”***

The Great Spas of Europe is an outstanding example of a specific urban settlement centred on natural mineral springs and devoted to health and leisure. Unlike any other type of settlement from the eighteenth century, these towns have combined architecture, progressive town planning and landscape design into the built environment both functionally, visually and economically. These spa towns, with their spa quarters and suburbs, are integrated with their surrounding landscapes, and these were managed to aid health and are still being used for exercise as part of the cure and enjoyment. Particular spa buildings of great quality determine the character of the towns, and distinguished architects designed many. These buildings served as exemplars for similar spa buildings in Europe and the world. The principal spa architecture includes ‘kurhaus’, pump rooms and drinking halls, colonnades and galleries, meeting and assembly rooms, bathing and treatment facilities, hospitals, sanatoria, casinos, concert, theatre and opera houses, shops, hotels and villas, and churches of various denominations which are set within a green environment of parks, gardens, pleasure grounds, promenades, rides and woodland walks.

UNESCO Criterion (vi).

“To be directly or tangibly associated with events or living traditions, with ideas, or with beliefs, with artistic and literary works of outstanding universal significance.”

The tangible attributes of *The Great Spas of Europe* are associated with, and directly linked to, social, political, scientific and cultural ideas and achievements that helped to shape European democratic traditions and ideals from the eighteenth century to the early twentieth century. As international meeting places and centres the towns frequently hosted gatherings of great intellects in science, the arts and humanities, and provided venues of soft diplomacy for meetings of European rulers, politicians and diplomats, national elites and international high society. They represent places of European diplomacy where many important decisions were made.

The towns abandoned existing barriers to religious and spiritual tolerance and this is demonstrated by numerous churches of different religions in all towns of the series. *The Great Spas of Europe* played the role of the “salons and summer capitals of Europe”, where the former barriers between class and gender were relaxed and a common freedom and equality characterised their progressive social climate.

These destination resorts were sources of inspiration for artistic and literary works, host to many original works conceived, performed or exhibited for the first time by composers and musicians, writers and poets, painters, sculptors and architects. *The Great Spas of Europe* initiated a transformation of society that contributed to the reduction of the gap between

the elite and a growing middle class and in a significant way contributed to the development of a civil and multi-cultural European polite society that we recognise today. Apart from the most elite of European capital cities, no other form of urban settlement provided such a range of global cultural interchange during this period.

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Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING/	31 st October 2018	EXECUTIVE FORWARD PLAN REFERENCE:
		E3102
TITLE:	B&NES Strategic Transport Options consultation Nov-Dec 2018	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Attachment 1: A4/A4174 Hicks Gate Junction Improvements Option Assessment Report Attachment 2: South East Bristol and Whitchurch Package Options Assessment Report Attachment 3: A4 Bristol to East Keynsham Corridor Study Option Assessment Report Note: Due to its volume all appendices are only available on Council’s website by following this link - http://www.bathnes.gov.uk/services/planning-and-building-control/planning-policy/local-plan-2016-2036/stategic-transport		

1 THE ISSUE

- 1.1 The five year review of the adopted Core Strategy is now underway and prior to the preparation of the draft plan in 2019, a number of options for delivering strategic transport infrastructure to facilitate the two strategic development locations in North Keynsham and Whitchurch are being considered. These need to be agreed by Cabinet for public consultation in November 2018.

2 RECOMMENDATION

- 2.1 The Cabinet is asked to
- 2.2 Agree the Strategic Transport Studies consultation documents in Attachment 1 – 3 to this report for public engagement from 12th November to 21st December 2018, and
- 2.3 Delegate authority to the Director Environmental Services to make minor changes to the document prior to publication.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The preparation of the evidence base for the Strategic Transport Options is resourced through West of England Combined Authority investment fund and prepared by our consultants Jacobs and Atkins working with other services such as Planning Policy, Economy and Growth and our colleagues in transport across the West of England.
- 3.2 The Local Plan has a direct impact on the Council's income through the level of New Homes Bonus, CIL receipts, Section 106 agreements, the level of Council Tax and Business Rates by enabling housing, business and infrastructure growth which will help continue to fund core Council services.
- 3.3 The allocation and designation of strategic transport corridors has an impact on the value of land and buildings in the district.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The Planning and Compulsory Purchase Act 2004, as amended by subsequent Acts, requires that all Local Planning Authorities prepare and maintain an up-to-date local Plan. The Content and scope of Local Plans is set by the National Planning Policy Framework which was updated in 2018
- 4.2 The Equality Act 2010 under s149 applies and will be taken into account during the consultation and throughout the plan making process.
- 4.3 The preparation of the plan is regulated by the Town and Country Planning (Local Planning) (England) Regulations 2012. The B&NES Local Plan is currently at Regulation 18 stage (Plan Preparation). The draft plan is due to be published in 2019 (Regulation 19) and then submitted for public examination (Regulation 22) which will include public hearings. The purpose of the examination is to ascertain whether the Plan is 'sound'. This means that the Plan is (in summary);
 - **Positively prepared** – seeks to meet the area's objectively assessed for development;
 - **Justified** – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;
 - **Effective** – deliverable over the plan period;; and
 - **Consistent with national policy**
- 4.3 It is important that the plan and by extension the strategic transport options is prepared with these requirements in mind. In light of the dependence of the spatial strategy on transport infrastructure, the UAs will need to have robust evidence to demonstrate effectiveness/ deliverability and to set out the alternative options considered.

5 THE REPORT

- 5.1 We have commissioned three Transport Studies to examine the transport issues and develop and assess potential interventions to support the delivery of North Keynsham Strategic Development Location and Whitchurch Strategic Development Location identified in the Joint Spatial Plan
- 5.2 The Transport Studies will be consulted on as part of a district wide consultation in conjunction with the Local Plan; the transport studies are:
- 5.3 Hicks Gate Roundabout
- 5.4 A4 to A4175 East Keynsham Corridor Study
- 5.5 South East Bristol and Whitchurch Package
- 5.6 The transport technical studies are following the DfT Transport Appraisal Process², and focus on the following aspects:
- (1) Identification of key transport challenges and transport objectives in the areas of interest;
 - (2) Identification and shortlisting of potential transport options to address the challenges and objectives;
 - (3) Concept design and initial costing of shortlisted options;
 - (4) Desk-based assessment of environmental, social and economic impacts, and value for money of the options; and
 - (5) Initial assessment of financial and delivery case of the options.
- 5.7 The work is currently at the option development and assessment stage³ in most cases, a number of options are being explored rather than a single or preferred option for each area or scheme. Further work, including public consultation, will be required to determine preferred options and to develop formal business cases for the schemes.
- 5.8 Transport scheme definition, costs and benefits will continue to evolve as part of this process.
- 5.9 These technical studies are being used to inform the development of the Local Plan.
- 5.10 Preparation and review of plans is governed by the Town and Country Planning Regulations. Before a Plan draft Plan is published, LPAs are required to consider alternative options and to engage their communities and stakeholders in order to decide on the most appropriate strategy. Therefore the purpose of the consultation in November /December is to present our Transport Studies and the options for the strategic transport infrastructure, seeks the communities view on the most appropriate option and/or any suitable

alternatives. The draft Plan will be prepared, taking in to account the outcome of this process seeking to protect and enshrine in policy the most suitable options for delivery.

5.11 The options at this stage are for public engagement only.

6 RATIONALE

6.1 Maintenance of an up-to-date Local Plan, with at least a 5 yearly review, is a statutory requirement on all Local Planning Authorities. Plan preparation also requires the assessment of reasonable alternative policies and proposals before a plan is finalised. This consultation document is therefore required to meet statutory obligations on the Council.

6.2 The Local Plan is also a critical tool in helping the Council deliver its objectives.

7 OTHER OPTIONS CONSIDERED

7.1 The Consultation sets out the options for public engagement. These options are subject to possible further technical work to assist in selecting the preferred option/route. Options are constrained by National Planning Policy, the Joint Spatial Plan, Department for Transport Guidance and the Council's objectives

8 CONSULTATION

8.1 Preparation of the Transport Studies document reflects both cross-serviced working and an ongoing engagement with our Cabinet Member.

8.2 The November –December consultation is part of a wider community engagement exercise entailing consultation on further Joint Spatial Plan evidence, Strategic Transport proposals, highlighting the Joint Local Transport Plan⁴, proposals for Keynsham High Street and proposals for the Somer Valley Enterprise Zone.

8.3 The arrangements for the consultation entail local and district wide publicity, mail outs and four staffed exhibitions around the district. The budget does not enable any further events to be held.

9 RISK MANAGEMENT

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

Contact person	<i>Claire Cornelius, Transport & Developments Manager, Highways 01225 474338</i>
Background papers	<i>West of England Joint Spatial Plan Publication Nov 2017 West of England Joint Transport Study Oct 2017</i>

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

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Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING	31 October 2018	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3105
TITLE:	Youth Connect Public Service Mutual	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: None		

1 THE ISSUE

Consideration of whether a Public Service Mutual should be established for the future delivery of youth services.

2 RECOMMENDATION

The Cabinet is asked to:

- 1.1 Confirm in principle its support for Youth Connect becoming an independent Public Service Mutual, subject to further due diligence/assurance;
- 1.2 Delegate to the Corporate Director, in consultation with Cabinet Member for Children and Young People, and the Section 151 Officer the final approval to establish the Public Service Mutual and the allocation of transitional funding to support its establishment;
- 1.3 Note that a further report may come forward for approval for funding when the “due diligence” process has been completed.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The Council budget approved in February 2017 included a saving of £500,000 from the Youth Connect Service and exploration of asset transfer of its three Youth Hubs. The budget saving has been achieved through re-structuring. A business plan for establishing a Public Service Mutual in 2019-20 was completed in September 2018. The Council and

Youth Connect are now exploring the full financial impact on both the Council and the potential Youth Connect Public Service Mutual of putting this into operation.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The services under consideration are set out in a detailed Specification and include key components of the Council's Early Help Strategy to provide support to young people who need it at the earliest opportunity, together with fulfilment of statutory responsibilities for reporting young people not in education, training and employment.
- 4.2 Government is supporting the development of Public Service Mutual as an increasingly important strand of the public service reform agenda.
- 4.3 Staff have exercised a 'right to request' consideration of a Public Service Mutual to deliver youth services, which the Council is bound to consider.

5 THE REPORT

The request is to establish a Public Service Mutual which would operate as an independent organisation and registered charity, owned by a Board of Trustees and aligned to a number of stakeholder groups, including a young people's group. It would intend to gain the core Council contract for delivery of youth services.

6 RATIONALE

The business plan sets out how the Public Service Mutual would have the opportunity to secure additional funding and grow services for young people into the future, thereby gradually becoming less dependent on core Council funding. It would enable greater flexibility in how services are delivered and a faster response to young people's emerging needs. This would strengthen the early help offer to young people in Bath and North East Somerset and reduce the likelihood of them needing to access more expensive and intrusive statutory services.

7 OTHER OPTIONS CONSIDERED

Retain an in-house service

- 7.1 The main alternative to the proposed Public Service Mutual would be for Youth Connect to continue to operate as an in-house Council service, fulfilling its internal contract to undertake statutory tracking and reporting of young people's educational, training and employment status, providing a targeted service for young people who require additional support and enabling the development of youth work within the community, including in Peasedown St John and Riverside Youth Hubs if requested. As an in-house service, it would be able to undertake some traded work with local partners, including some of the Parish Councils. The organisational

restructuring undertaken has created an organisation that could operate in this way.

- 7.2 An in house service would have more limited scope for traded work (i.e. at the margins) and much less opportunity to access other sources of funding, such as lottery grants or charitable funds, representing a lost opportunity to enhance the service offer and create a substantial body of youth service provision independent of Council funding.

Council creating a small charity

- 7.3 The risks attendant on the establishment of an independent Public Service Mutual could be mitigated by retaining an in-house Council Service for delivery of the commissioned services and creating a small charity to enable open access youth work and other services not included in the core contract to be delivered.
- 7.4 Councils establishing charities in this way need to take care to ensure their independence as the Charity Commission has previously refused to register Council-controlled organisations. A 'separated' model such as this may not enjoy the synergies possible within an integrated service, with its ready ability to support young people as their needs change and may not have sufficient infrastructure to bid for significant funding and build reserves to 'future proof' services. This option would need a full feasibility study before it could be proposed.

Procure Youth Services from an external provider

- 7.5 The Council could take the option of 'externalising' the service by commissioning an existing alternative provider to deliver it on behalf of the Council under contract. The current staff would benefit from the protections of TUPE and this route would potentially avoid any duplication of organisational infrastructure costs and might ensure that the contract sits with a more resilient provider from day 1.
- 7.6 This would require a full commissioning process, which would introduce a significant delay in seizing the opportunities described above. This route would also be likely to result in a loss of some of the commitment and goodwill of staff who have been encouraged to explore the development of the Mutual. The marginal benefits in terms of costs and risk reductions under this option should be tested as part of the assurance work proposed in this paper.

8 CONSULTATION

- 8.1 There has been extensive consultation with staff and managers over an eighteen month period about the proposals to restructure Youth Connect. For most of this period, staff and managers have also been engaged in work towards the establishment of a Public Service Mutual.

- 8.2 The plans build on consultation with young people that confirms the value they place on an organisation that can be more flexible to address their needs. Commissioners and Youth Connect have consulted with young people about the support they would like to be able to access and what they value in the services offered. There has also been specific public consultation about their use of and access to Southside Youth Hub. This highlighted a welcome for increased access for young people and communities with a range of positive ideas being put forward.
- 8.3 Community groups, included all those regularly using the three Youth Hubs, have been consulted about the future management arrangements for these buildings and have had opportunity to express and explore their interest in becoming leaseholders.

9 RISK MANAGEMENT

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

Contact person	Sally Churchyard, Head of Young People's Prevention Service
Background papers	
Please contact the report author if you need to access this report in an alternative format	

Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	31 October 2018	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3104
TITLE:	Aequus - Approval of Development Business Case Proposal	
<p>List of attachments to this report:</p> <p>Exemption Certificate - Information Compliance Ref: LGA 1785/18</p> <p>Exempt Appendix 1 - Business Case for Housing Development Proposal – Exempt information, according to the categories set out in the Local Government Act 1972 (amended Schedule 12A) - information relating to the financial or business affairs of any particular person (including the authority holding that information)</p>		

1 THE ISSUE

- 1.1 To approve a business case and related development loan funding for a land acquisition and housing development proposal by the Council's housing development company Aequus Construction Ltd.

2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 Approve (as the Shareholder) the Business Case for the proposed housing development as set out at Appendix 1.
- 2.2 Approve the loan funding of up to £2.75M from within the existing Fully Approved Capital loan funding for Aequus developments.
- 2.3 Approve that the specific details of loan funding are delegated to the Section 151 Officer in accordance with the extant Development Facility Agreement.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The specific resourcing implications are set out in the Business Case at Appendix 1, including all financial assumptions and anticipated financial returns to the Council.
- 3.2 The loan requirements as set out in the Business Case are within the existing levels Fully Approved by the Council in February 2018 and the Development Facility Agreement terms between the Council and ACL.
- 3.3 Independent advice has been obtained by the Statutory Officers from Hartnell Taylor Cook (HTC) to provide assurance that the assumptions and rationale for the Business Case are reasonable.
- 3.4 Staffing resources within ACL are subject to the transfer and employment of staff by the Company in line with the company's Remuneration Policy.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 Aequus was established by the Executive in accordance with the powers set out under S1 of the Localism Act 2011 (the general power of competence). This proposal will support the delivery of the objectives set for the Company as part of that Executive decision in December 2015.

5 THE REPORT

- 5.1 This Business Case at Appendix 1 sets out the proposal for the acquisition and development of a site in Bath. The site has the benefit of full planning approval and provides for family homes.
- 5.2 The Aequus Board has considered and approved the Business Case which has the potential to deliver in excess of a £600K revenue return for the Shareholder whilst maintaining the development pipeline and meeting the objectives set for the Company by the Council (as Shareholder).

6 RATIONALE

- 6.1 The recommendations set out in Para 2 of this report will enable the Company to continue to develop and, deliver the objectives set for it by the Council (as Shareholder). In particular the decision will enable the provision and delivery of new family homes in the City and support the delivery of the income targets set for the Company in the Council's approved Medium Term Financial Plan.

7 OTHER OPTIONS CONSIDERED

- 7.1 Aequus continues to consider a range of options to bring forward both Council and external sites for development. Business Cases will only be brought forward for consideration where a viable and deliverable scheme is possible in line with the objectives set for the company by the Council (as Shareholder).

8 CONSULTATION

- 8.1 Consultation has taken place with the Statutory Officers and the Council's Shadow Holding Company Group. Aequus officers have also spoken to one of the local the Ward Councillors regarding the proposed development which has existing full planning approval.

9 RISK MANAGEMENT

- 9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance. A full risk register related to the proposal is included within the Business Case at Appendix 1.

Contact person	<i>Tim Richens, Managing Director, Aequus Group – Tel: 01225 394367 or email: tim.richens@aequusdevelopments.co.uk</i>
Background papers	<i>None</i>
Please contact the report author if you need to access this report in an alternative format	

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Access to Information Arrangements

Exclusion of access by the public to Council meetings

Information Compliance Ref: LGA 1785/18

Meeting / Decision: Cabinet

Date: 31st October 2018

Author: Tim Richens

Report Title: Aequus - Approval of Development Business Case Proposal

List of exempt attachments to this report:

Exempt Appendix 1 - Business Case for Housing Development Proposal

The Report contains exempt information, according to the categories set out in the Local Government Act 1972 (amended Schedule 12A). The relevant exemption is set out below.

Stating the exemption:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

The public interest test has been applied, and it is concluded that the public interest in maintaining the exemption outweighs the public interest in disclosure at this time. It is therefore recommended that the Exempt Appendix be withheld from publication on the Council website. The paragraphs below set out the relevant public interest issues in this case.

PUBLIC INTEREST TEST

If the Cabinet wishes to consider a matter with press and public excluded, it must be satisfied on two matters.

Firstly, it must be satisfied that the information likely to be disclosed falls within one of the accepted categories of exempt information under the Local Government Act 1972.

The officer responsible for this item believes that this information falls within the following exemptions and this has been confirmed by the Council's Information Compliance Manager.

The following exemptions are engaged in respect to this report:

1. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Secondly, it is necessary to weigh up the arguments for and against disclosure on public interest grounds. It is considered that there is a public interest in information about property acquisition being disclosed into the public domain. Other factors in favour of disclosure include:

- furthering public understanding of the issues involved;
- furthering public participation in the public debate of issues, in that disclosure would allow a more informed debate;
- promoting accountability and transparency by the Council for the decisions it takes;

Weighed against this is the fact that the exempt appendix contains strategic and financial information which could prejudice the commercial interests of the Council if disclosed at this time. The exempt appendices also include the observations and opinions of officers regarding the proposal. It would not be in the public interest if advisors and officers could not express in confidence opinions which are in good faith and on the basis of the best information available. It is important for public authorities to have some measure of 'private thinking space', and that they are able to share important information with Elected Members tasked with representing the local community.

The Council's funds are in essence public funds and there is an obligation to obtain best value for money. Disclosure of this information would prejudice the Council's ability to ensure it obtains best value in this matter. It is in the public interest that the Council is able to deliver cost-effective solutions. This depends partly on the Council being able to protect its commercial position while the detailed terms of relevant schemes are agreed.

It is considered that the public interest is best served in this matter by not releasing this information at this time and that a significant amount of information regarding the matter has been made available on these issues – by way of the main report. Therefore it is recommended that exemption 3 applies. The Council considers that the public interest is in favour of not holding this matter in open session at this time and that any reporting on the meeting is prevented in accordance with Section 100A(5A).

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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