

Cabinet

Date: Wednesday, 10th July, 2019
Time: 6.30 pm
Venue: Council Chamber - Guildhall, Bath

Agenda

To: All Members of the Cabinet

Councillor Dine Romero (Council Leader and Liberal Democrat Group Leader), Councillor Rob Appleyard (Cabinet Member for Adult Services), Councillor Tim Ball (Cabinet Member for Housing, Planning, and Economic Development), Councillor Neil Butters (Cabinet Member for Transport Services), Councillor Paul Crossley (Cabinet Member for Community Services), Councillor Kevin Guy (Cabinet Member for Children's Services), Councillor Richard Samuel (Deputy Council Leader and Cabinet Member for Resources), Councillor Sarah Warren (Cabinet Member for Climate Emergency and Neighbourhood Services), Councillor David Wood (Cabinet Member for Climate Emergency and Neighbourhood Services) and Councillor Joanna Wright (Cabinet Member for Transport Services)

Chief Executive and other appropriate officers
Press and Public

The agenda is set out overleaf.



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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. We request that those filming/recording meetings avoid filming public seating areas, children, vulnerable people etc; however, the Council cannot guarantee this will happen.

The Council will broadcast the images and sounds 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

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

Cabinet - Wednesday, 10th July, 2019

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. CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

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

9. MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES

This is a standing agenda item (Constitution rule 14, part 4D – Executive Procedure Rules) for matters referred by Policy Development and Scrutiny bodies. The Chair of the relevant PDS Panel will have the right to attend and to introduce the Panel's recommendations to Cabinet.

10. SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING (Pages 5 - 14)

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

11. REVENUE AND CAPITAL OUTTURN 2018/19 (Pages 15 - 52)

This report presents the revenue and capital outturn for 2018/19, highlighting a net revenue over budget position of £0.92m.

12. TREASURY MANAGEMENT OUTURN REPORT (Pages 53 - 68)

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 for 2018/19.

13. YOUTH JUSTICE PLAN (Pages 69 - 96)

The Local Authority has a statutory duty, in consultation with named legal partners Health, Police and Probation, to produce an annual Youth Justice Plan. The Plan sets out how services are to be organised and funded and what functions they will carry out to prevent youth offending and re-offending across Bath and North East Somerset.

14. RULE 15 LOAN REQUEST FROM BATH FESTIVALS (Pages 97 - 104)

Bath Festivals has approached the Council for a loan of £75,000 to enable them to continue to implement their new business plan and continue to operate.

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

Bath & North East Somerset Council

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

published 25-Jan-2019 to 1-Jul-2019

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>

West of England Waste Treatment procurement outcomes - approval to award contract

Following a competitive procurement process under EU regulations, the West of England Waste Partnership is now in a position to award the waste treatment contract which is to come into effect 1st April 2020 when the current contract expires. Approval is now required for the contract to be awarded.

Decision Maker: Cabinet Member for Climate Emergency and Neighbourhood Services

Decision published: 04/06/2019

Effective from: 03/06/2019

Decision:

The Cabinet Member agrees that:

The Council enter into three contracts as a party to the West of England Waste Partnership (the Partnership), for the provision of residual waste treatment from April 2020.

Lot 1 – Residual waste

- a) A Contract with Viridor Waste Management Limited for treatment of up to 120,000 tonnes of residual waste across the partnership;
- b) A Contract with SUEZ Recycling and Recovery UK Limited for treatment of up to 50,000 tonnes of residual waste across the partnership; and

Lot 2 – Bulky Waste, a Contract with ETM Recycling Limited for treatment of up to 45,500 tonnes of bulky residual waste across the partnership.

Delegates Authority to the Director of Environment to negotiate and enter into all necessary legal agreement relating to the operation of the Contracts including an Inter-Authority Agreement to deal with tonnages, extensions and termination.

Lead officer: Sarah Alder

Future management of Moorland Road Library building

The proposal to lease the current branch library building to Moorland Road Community Library charity. This forms part of the Modern Libraries programme.

Decision Maker: Cabinet Member - Finance and Efficiency

Decision published: 07/05/2019

Effective from: 15/05/2019

Decision:

The Cabinet Members agree to :-

- Delegate to the Head of Estates authority to complete the disposal of Moorland Road Library into a final lease with Moorland Road Community Library in line with the Heads of Terms attached.
- Abate the rent to a peppercorn subject to the Moorland Road Community Library satisfying the Council that they will use the premises for the purposes set out in their Business Plan.

Lead officer: Tracey Long

The Former Radstock Infants School – Payment of tax liabilities arising from a property transaction and authority to dispose of asset

Authority is required to market the former Radstock Infants School and pay capital gains tax.

Decision Maker: Cabinet Member - Finance and Efficiency

Decision published: 16/04/2019

Effective from: 26/04/2019

Decision:

The Cabinet Member agrees to :

- a) Authorise a disposal of the subject property on the open market on behalf of the trustees.
- b) Authorise payment of a tax bill to HMRC.

Lead officer: Hayley Ponsford

B&NES Local Development Scheme Review

The B&NES Local Development Scheme needs to be reviewed in order to update the programme for the preparation of planning policy documents.

Decision Maker: Cabinet Member - Development and Neighbourhoods

Decision published: 15/04/2019

Effective from: 25/04/2019

Decision:

The Cabinet Member agrees:

- a) The revised Bath & North East Somerset Local Development Scheme 2019 – 2021 as set out in Appendix 1 to the Single Member Decision Report, subject to a minor amendment in respect of the West of England Joint Spatial Plan programme to reflect latest information on the Examination hearings timetable; and
- b) That it should come into effect following the expiry of the decision call-in period

Lead officer: Simon De Beer

Appointment of Directors to the Board of ADL

To agree the appointment of a non executive chair and non executive director to the Board of Aequus Developments Limited and to determine the remuneration for these roles.

Decision Maker: Leader of the Council

Decision published: 01/04/2019

Effective from: 01/04/2019

Decision:

The Leader, as shareholder on behalf of the Council, agreed for Aequus Developments Limited to:

- 1) Appoint Charles Gerrish to be the non executive chair of Aequus Developments Limited with effect from 7 May 2019.
- 2) Appoint Les Kew to be a non executive director of Aequus Developments Limited with effect from 7 May 2019.
- 3) Agree the remuneration for the roles of non executive chair and all non executive directors at £10,000 and £4,000 respectively.

Lead officer: Michael Hewitt

Public Protection Fees and charges

To obtain agreement to the fees and charges for specified services provided within Public Protection, in line with proposals agreed in the February 2019 budget setting by Full Council.

Decision Maker: Cabinet Member - Development and Neighbourhoods

Decision published: 01/04/2019

Effective from: 09/04/2019

Decision:

The Cabinet Member agrees:

- 1) Formal adoption of the new fees and charges for Public Protection and that these are to be implemented in April 2019 to minimise the loss of potential income to the Authority.

2) That delegated authority be given to the Head of Building Control and Public Protection to agree fees and charges (where in accordance with the financial plan) which vary from the standard inflation clause, if the cost base changes or new services are introduced and that this can be done throughout the year if external factors influence the cost base significantly throughout the financial year.

Lead officer: Cathryn Brown

Future management of Radstock Library Building

The proposal is to lease the current Library building to Radstock Town Council. This forms part of the Modern Libraries programme.

Decision Maker: Cabinet Member - Finance and Efficiency

Decision published: 25/03/2019

Effective from: 02/04/2019

Decision:

The Cabinet Members agree to:

- Delegate to the Head of Estates to complete the disposal of the Radstock Library premises into a final lease with Radstock Town Council in line with the draft Heads of Terms attached, subject to financial review.
- Abate the rent to a peppercorn subject to the Radstock Town Council satisfying the Council that they will use the premises for the purposes set out in their draft Business Plan.

Lead officer: Tracey Long

Confirmation of the Article 4 Direction on conversion offices to residential in Bath City Centre

This report recommends confirming a previously made non-immediate Article 4 Direction to restrict Permitted Development Rights (PDR) on the Change of Use from Office to Residential uses in parts of central Bath. If confirmed, the Article 4 Direction will be effective from May 24th 2019.

Decision Maker: Leader of the Council

Decision published: 18/03/2019

Effective from: 26/03/2019

Decision:

The Cabinet Member agrees that Bath & North East Somerset Council confirms and brings into force the non-immediate Article 4 Direction dated 28th February 2018, the effect of which is to withdraw Permitted Development Rights for the change of use from office (Class B1) to residential uses (Class C3) in those parts of central Bath shown in the Direction.

Lead officer: Simon De Beer

Voluntary sector funding for provision of community transport services 2019-20

To award grants to voluntary sector groups to maintain provision of community transport in 2019-20.

Decision Maker: Cabinet Member - Transport and Environment

Decision published: 14/03/2019

Effective from: 22/03/2019

Decision:

The Cabinet Member agrees that, under authority delegated by the West of England Combined Authority (WECA), the funding proposals in Appendix 2 of the Report be approved and implemented.

Lead officer: Andy Strong

Fees and Charges 2019/20 - Highways and Traffic

The purpose of the report is to obtain agreement to the fees and charges for specified services provided within the Highways and Traffic Service.

Decision Maker: Cabinet Member - Transport and Environment

Decision published: 14/03/2019

Effective from: 22/03/2019

Decision:

The Cabinet Member agrees that:

1. The recommendation for the new fees, charges and commuted sums for relevant services - as proposed in Appendix 1 and 2
2. That these are to be implemented on 1st April 2018.
3. That delegated authority be given to the Highways and Traffic Group Manager in consultation with the Cabinet Member for Transport to agree fees and charges which vary from the standard inflation clause, if the cost base changes or new services are introduced, and that this can be done at 6 month intervals if external factors influence the cost base significantly throughout the financial year

Lead officer: Gary Peacock

School Term and Holiday Dates 2020-21

To agree the recommended school holiday dates for the 2020-21 academic year.

Decision Maker: Cabinet Member - Children and Young People

Decision published: 13/03/2019

Effective from: 21/03/2019

Decision:

The Cabinet Member agrees that:-

- 1) To note that Multi Academy Trusts, Academies, Foundation, Free Schools and Voluntary Aided Schools have the power to determine their own term and holiday dates.
- 2) In order to maximise consistency of dates for the benefit of children and their parents, to recommend to all schools the Council's preferred calendar of School Term and Holiday dates for the academic year 2020-21 based on a 195 day calendar, as set out in Appendix A.

Lead officer: Kevin Amos

Capital approval for Waste & ES Depots relocation project - development and planning stages

The report will recommend draw-down from the existing provisional allocation in the capital programme for the Waste and Environmental Services depots project, in order to progress through the feasibility, appraisal and detailed design stages to planning applications and consents, in 2019/20 and 2020/21.

Decision Maker: Cabinet Member - Finance and Efficiency

Decision published: 04/03/2019

Effective from: 12/03/2019

Decision:

The Cabinet Members agree to fully approve £1.9m from the provisional capital budget to progress development and feasibility work through to planning applications for the relocation of the waste, recycling and transfer station operations from the Midland Road site, and allowing vacant possession to follow.

And the authority is delegated to the Director of Environment in consultation with the Leader, Chief Executive, the Council's S.151 Officer and Monitoring Officer to take all necessary acts to finalise and complete the Council's Accelerated Construction grant funding offer with Homes England.

Lead officer: Carol Maclellan

Planning Obligations Supplementary Planning Document (SPD) amendment and related Community Infrastructure Levy Regulation 123 List amendment relating to new development green space requirements

To make a minor amendment to the SPD to better facilitate the delivery of public open space.

Decision Maker: Cabinet Member - Development and Neighbourhoods

Decision published: 04/03/2019

Effective from: 12/03/2019

Decision:

The Cabinet Member agrees the Planning Obligations SPD draft amendments for consultation with stakeholders for a six week period from 14 March 2019 to 25th April 2019 relating to S106 green space obligations, and updated costs for tree replacement.

The Cabinet Member agrees the Regulation 123 draft amendments for consultation with stakeholders from 14 March 2019 to 25th April 2019 relating to off-site green space requirements.

Lead officer: Simon De Beer

Mendip Hills Area of Outstanding Natural Beauty (AONB) Management Plan 2019 - 2024 and Cotswolds AONB Management Plan 2018-2023

To consider the request of the Mendip Hills AONB Partnership to adopt the Mendip Hills AONB Management Plan and consider the request of the Cotswold Conservation Board to endorse their AONB Management Plan.

Decision Maker: Cabinet Member - Development and Neighbourhoods

Decision published: 27/02/2019

Effective from: 07/03/2019

Decision:

The Cabinet Member agrees that B&NES:

- i) Adopt the Mendip Hills AONB Management Plan 2019 – 2024 as the basis for safeguarding and managing the unique beauty and distinctive character of the AONB.
- ii) Do not endorse the Cotswold AONB Management Plan 2018-2023 at this time given that the Management Plan's stated ambition to promote the case to be designated as England's next National Park has not been properly assessed and is not adequately justified.

Lead officer: Simon De Beer

RULE 15 Acquisition of income generating investment to incorporate within the Commercial Estate to move to full approval from provisional

This report sets out the terms of the proposed acquisition of income generating investment property to move to full budget approval from provisional budget approval.

Decision Maker: Leader of the Council

Decision published: 18/02/2019

Effective from: 18/02/2019

Decision:

The Cabinet Members agree:

- 1.1 The acquisition of an investment property which is in line with MHCLG guidelines as it is within the Bath and North East Somerset boundary; and
- 1.2 Capital expenditure on the acquisition of the property and any necessary adjustments to the 2018/2019 capital budget to reflect this approval.

Lead officer: Richard Long

Housing Services Decent Homes Policy Update

The changes to the Policy are intended to improve support for Disabled Facilities Grants applicants, improve access to health related urgent repair grants, and encourage the use of low cost loans through Wessex Resolutions. The grants and loans are intended to promote health and independent living by helping with home adaptations, making homes safer and warmer and carrying out essential repairs. The Empty Property Loans are intended to support owners of Empty Properties by helping with bringing them back in to use.

Decision Maker: Cabinet Member - Economic and Community Regeneration

Decision published: 12/02/2019

Effective from: 20/02/2019

Decision:

The Cabinet Member agrees that the amended Decent Homes Policy be formally adopted.

Lead officer: Chris Mordaunt

Aequus Construction Limited - Approval of Development Proposal

To seek shareholder approval for the provision of funding for Aequus Construction Limited to deliver a housing development scheme in Bath.

Decision Maker: Leader of the Council

Decision published: 04/02/2019

Effective from: 31/01/2019

Decision:

Approval to progress the purchase and development of the Sladebrook Road site.

Lead officer: Michael Hewitt

Homesearch Allocation Scheme Update

The Homesearch Policy is the document that articulates how the Council prioritises and allocates social housing to those on the waiting list. This update provides a

range of amendments to the scheme following recent legislative changes and designed to improve the operation of the scheme.

Decision Maker: Cabinet Member - Economic and Community Regeneration

Decision published: 04/02/2019

Effective from: 12/02/2019

Decision:

The Cabinet Member agrees to adopt the amended allocation scheme, known as the Homesearch Allocation Scheme 2019.

Lead officer: Graham Sabourn

Care homes recommissioning and procurement strategy

Commissioners have developed a new commissioning approach to purchasing residential and nursing care home placements that is consistent with the Council's published commissioning intentions for care homes.

Decision Maker: Cabinet Member - Adult Care, Health and Wellbeing

Decision published: 30/01/2019

Effective from: 07/02/2019

Decision:

The Cabinet Member agrees to:

- 1) Give an approval to officers to develop the procurement strategy & documentation and undertake procurement processes for both the initial and longer term objectives of the project.
- 2) Delegate authority for the outcome of procurement processes and any subsequent contract award decisions, to the Director of Integrated Health & Care Commissioning, subject to Joint Commissioning Committee reviewing detail of the proposed framework prior to procurement.

Lead officer: Vincent Edwards

Neighbourhood CIL for Bath - Approval of the fourth round of project recommendations

This report sets out the recommendations from the Bath City Forum relating to the fourth allocation of funding to eight projects from Bath's "neighbourhood portion" of the Community Infrastructure Levy.

Decision Maker: Cabinet Member - Development and Neighbourhoods

Decision published: 29/01/2019

Effective from: 06/02/2019

Decision:

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

- £2,450 allocation from the Bath CIL neighbourhood portion for Bathwick St Mary School Road Safety Application BA047
- £41,076 allocation from the Bath CIL neighbourhood portion for Sydney Gardens Improvements Application BA050
- £15,000 allocation from the Bath CIL neighbourhood portion for SCP Administration CIL Application BA054
- £18,000 allocation from the Bath CIL neighbourhood portion for Moorland Road Library CIL Application BA052

Lead officer: Mark Hayward

Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING DATE:	10 July 2019	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3073
TITLE:	Revenue & Capital Outturn 2018/19	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1: Detailed Revenue Budget Outturn		
Appendices 2(i) & 2(ii): Proposed Revenue Virements & Revised Revenue Cash Limits 2018/19		
Appendix 3: Detailed Capital Variance & Rephasing Requests 2018/19		
Appendices 4(i) & 4(ii): Capital Virements & Capital Programme by Portfolio 2018/19		

1 THE ISSUE

- 1.1 The report presents the revenue and capital outturn for 2018/19, highlighting a net revenue over budget position of £0.92m. The position has vastly improved through actions including a recruitment freeze that have been implemented during the financial year. The improvement has continued since the last report, which forecast an over budget position of £3.21m based on monitoring for the year to December 2018, mainly due to improvements in income generation within Heritage Services, and a reduction in capital financing costs arising from the review of the capital programme and rephasing of capital projects.
- 1.2 The report refers to the request to write-off revenue over budgets where recovery in future years would have an adverse impact on continuing service delivery. Given the overall position no carry forwards have been put forward for approval. It is proposed that the over budget position is funded through the Revenue Budget Contingency Reserve set up for this purpose. Provision of £1.6m was made as part of the 2019/20 budget to ensure the reserve was sufficient to meet future budget risks.
- 1.3 The report also refers to requests to re-phase specific capital budget items to 2019/20 and to remove net capital underspends.

2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 Note the revenue budget outturn over budget position of £0.92m for 2018/19 and the use of Revenue Budget Contingency to fund the overall shortfall;
- 2.2 Note that no carry forward requests are being put forward for approval;
- 2.3 Approve that all over budgets are written-off as an exception to the Budget Management Rules for 2018/19.
- 2.4 Note the revenue virements for 2018/19 reported for information in Appendix 2(i)
- 2.5 Note the reserve positions and the use of flexible capital receipts shown in paragraphs 3.14-3.16;
- 2.6 Note the outturn position of the 2018/19 capital programme in paragraph 3.22, and the funding outlined in paragraph 3.24;
- 2.7 Approve the capital rephasing and write-off of net underspends as listed in Appendix 3. This reflects the outturn spend position on projects against final budgets as detailed in Appendix 4(ii).

3 THE REPORT

- 3.1 This report provides information about the Council's financial performance against its revenue and capital budgets in 2018/19.

Revenue Budgets

- 3.2 The report identifies that after allowing for carry forwards, the Council was over budget by £0.92m, which to give some context, represents 0.34% of gross budgeted spend excluding schools. The table below shows the overall position by portfolio:-

Portfolio	Revised Budget £'m	Outturn £'m	Variance £'m
Leader	2.283	2.295	0.012
Finance & Efficiency	(0.369)	(0.311)	0.058
Transformation & Customer Services	5.825	6.085	0.260
Adult Care, Health & Wellbeing	61.718	60.738	(0.980)
Children & Young People	29.200	30.961	1.761
Development & Neighbourhoods	19.171	19.219	0.048
Economic & Community Regeneration	(4.920)	(5.970)	(1.050)

Portfolio	Revised Budget £'m	Outturn £'m	Variance £'m
Transport & Environment	(1.374)	(0.561)	0.813
Total	111.533	112.456	0.923

3.3 The main areas of over/under budget are as follows:-

Adult Care, Health & Wellbeing – £0.983m under budget mainly due to favourable variances in purchasing budgets for Older People, Physically Disabled and Learning Difficulties client groups, additional income from client contributions and delays in projects funded by the Better Care fund offsetting pressures in the purchasing budgets in Mental Health client group and delays in savings delivered.

Children & Young People - £1.761m over budget due to pressures from placement costs due to complexity of needs and increased risk, higher costs for Parent and Baby units, increased use of Special Guardianship and pressures from the Disabled Children's service provision offset by some under budget positions with-in Children centres and other minor variances.

Economy & Community Regeneration - £1.050m under budget from favourable positions within Heritage services from additional income, salary under budget and expenditure below anticipated levels, Housing services due to income over achievement and savings across staffing and other expenditure as well as other minor favourable variances.

Transport & Environment - £0.813m over budget pressures due to unachieved Transport Savings, previously identified concessionary fares budget gap, rent arrears and unachieved income offset by temporary staffing vacancies.

Finance & Efficiency - £0.058m under budget. This position includes £0.886m over budget position within Commercial Estate due to timing of new acquisitions later than anticipated. This is offset by budget underspends within Capital Financing and Corporate budgets as well as other minor variances within the portfolio.

3.4 Further detail of outturn budget variances is attached at Appendix 1.

Carry Forward Requests

3.5 No carry forward have been put forward for approval.

Mitigations

3.6 The over budget position of £0.92m has been mitigated and financed through release of the Revenue Budget Contingency Reserve. Provision was made as part of budget setting in 2019/20 to add £1.6m to the reserve in 2019/20 to ensure that £2.0m was provided to meet new budget risks.

3.7 It is recommended that all over budgets are written off as an exception to the Budget Management Scheme Rules to retain budget stability in 2019/20.

3.8 The ongoing implications arising from the year end have been analysed and it can be confirmed that the majority of these have been factored into the 2019/20 budget. A number of areas will need close monitoring in 2019/20, a review of the 2019/20 April – May forecast indicates :-

- Children's Services remain at risk, the 2019/20 budget has been increased to fund the increased recurring costs experienced in 2018/19, however the current forecast has indicated additional high cost health and social care placements funded by the Council and Clinical Commissioning Group.
- Commercial Estate income continues to be impacted by difficulties within the retail sector.
- The Roman Baths had a positive Easter and strong performance continued through May half-term across all sites.

These will be examined as part of the budget monitoring process, including appropriate mitigating actions.

Delivery of Savings

3.9 The 2018/19 approved budget included the requirement for the delivery of £16.99m of savings. The final outturn position included achievement of £13.58m or 80% of the savings target compared to 82% delivered in 2017/18. Savings items that are no longer deliverable in 2018/19 have been reviewed alongside other recurring budget pressures and have been incorporated into the financial planning assumptions for the 2019/20 budget. It is expected that delayed savings totalling £3.4m will be delivered in 2019/20.

Schools

3.10 The Overall Dedicated Schools Grant for 2018/19 was £135.60m, however of this sum £84.63m was returned to the DFE to be allocated to academies, £20.75m was allocated to schools through funding formula, with the remaining £30.23m retained by the LA to support Special Educational Needs, central expenditure and Early Years.

3.11 The centrally held elements of the Dedicated Schools Grant (DSG) were over budget and required £2.22m of the £2.30m allocated within the revenue budget to support Special Educational Needs expenditure. For 2019-20 the £2.3m is placed in a contingency reserve that may be utilised to fund any overspends at year end once all other options including underspends within other DSG Blocks and the contribution from schools have been utilised.

3.12 Schools balances reduced by £730k to £388k at the year-end, this is mainly due to schools transferring their balances once they converted to academies. The remaining schools have increased their balances overall by £92k. These are closely monitored by Schools Forum which has adopted an excessive balances policy in line with continued DFE best practise guidance. All schools with balances deemed to be excessive are challenged to explain their position. Most large balances are retained as part of plans for capital projects in schools.

Public Health

3.13 The Public Health budget is currently ringfenced. The year-end outturn was a £0.022m over budget position mainly due to activity driven expenditure from commissioned services. This has been funded from the Public Health Grant balances held in reserve to leave £0.608m remaining as at the 31st March 2019. Budgets have been adjusted to reflect the transfer to reserves.

Reserves and Flexible Capital Receipts

3.14 The year-end position of earmarked reserves is as follows:-

Council's Earmarked Reserves	£'m
<i>Corporate Earmarked Reserves</i>	
Insurance Fund	1.864
Capital Financing Reserve	7.611
Revenue Budget Contingency*	1.457
Transformation Investment Reserve	2.149
Business Rates Reserve	2.602
City Deal Smoothing Reserve	1.234
Restructuring & Severance Reserve	2.183
Financial Planning and Smoothing Reserve	6.437
Invest to Save Reserve	1.256
Public Health Grant Reserve	0.608
Community Empowerment Fund	0.324
Revenue Grants Unapplied	1.221
Revenue Funding of Capital Reserve	0.285
Other	0.323
<i>Sub Total</i>	29.554
Schools Balances	0.388
Service Specific Reserves	2.708
General Service Reserves	3.528
<i>Total Earmarked Reserves</i>	36.178
* Balance excludes any allocations previously agreed from the Revenue Budget Contingency but not yet spent, and the £1.6m transfer into the reserve approved as part of the 2019/20 Budget Report	

3.15 The year-end position of non-earmarked reserves was £12.3m in line with the risk assessed requirements of a range of £11.9m to £13.1m.

Flexible Use of Capital Receipts

3.16 Council approved a revised Efficiency Strategy in February 2019 as part of the 2019/20 budget. This enables the authority to utilise capital receipts for once-off spend such as severance costs that result in the delivery of ongoing savings. Flexible capital receipts of £3.45m were utilised in 2018/19 taking the total used to £6.58m and it is estimated that this spend will contribute to the release of ongoing

revenue savings of £13.37m by 2020/21. Further details of spend and savings are shown in the following table.

Category	Spend			Savings			
	2017/18 £m	2018/19 £m	Total £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Restructuring & Severance Costs	3.124	3.045	6.169	0.102	2.658	5.053	5.241
Procurement, Commissioning and other service redesign	0.000	0.408	0.408	0.000	3.425	6.126	8.126
Total	3.124	3.453	6.577	0.102	6.083	11.179	13.367

Council Tax, Business Rates and Collection Fund

3.17 The final outturn position on the Council Tax Collection Fund was a surplus of £0.691m for the Council's share, this represents a 0.8% variance against target income. The reason for the surplus is mainly due to the number of chargeable dwellings being slightly higher than forecast. For 2018/19, the tax base included an adjustment of £8.9m for the estimated costs of the Local Council Tax Support Scheme and the outturn position is in line with this amount.

3.18 The collection rate for Council Tax was 98.22% (98.12% 2017/18).

3.19 The year-end position for the Council's share of Business Rate income relating to 2018/19 is £0.502m higher than estimated, which benefits the Collection Fund. The overall Collection Fund position, including the positive element relating to the 2017/18 outturn, is a surplus of £0.760m. The main factors impacting on Business Rates outturn position are the one-off benefits arising from a number of business rates appeals being withdrawn in the final quarter, and a lower bad debt provision requirement partly offset by higher than forecast empty property and small business rate reliefs. The Council holds a Business Rates Reserve to ensure that the General Fund is not adversely impacted in any one year. Following outturn transfers, the balance of the Business Rate Reserve was £2.6m as at the 31st March 2019. The collection rate for Non Domestic Rates was 98.61% (98.84% 2017/18).

3.20 The following table shows the overall estimated position, for which provision was made in the 2019/20 Budget Report, and the actual outturn position for the Council share of the Collection Fund for 2018/19. These figures exclude preceptor and central government shares:-

	Estimated Surplus/ (Deficit) £'m	Actual Surplus/ (Deficit) £'m	Difference £'m
Council Tax	0.713	0.691	(0.022)
Business Rates	(0.274)	0.760	1.034
Total	0.439	1.451	1.012

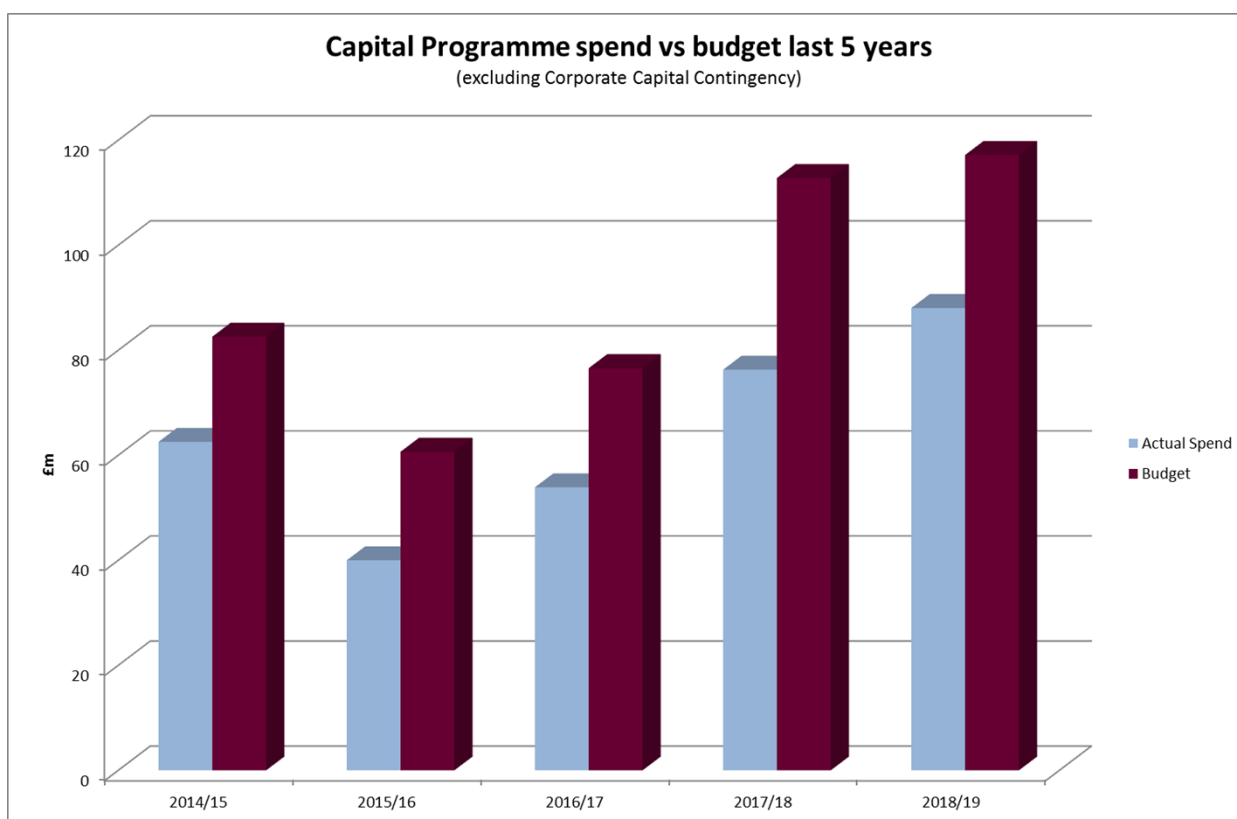
3.21 At an overall level the outturn position on the Collection Fund improved by £1.012m over the estimated position and this difference will be taken into consideration when estimated the closing 2019/20 Collection Fund position as part of the 2020/21 Budget process.

Capital Programme

3.22 The capital spend in 2018/19 was £88.043m (75%) against a budget of £117.185m giving a variance of £29.142m, primarily reflecting the delivery time to complete projects moving into future financial periods.

Portfolio Summary	2018/2019 Outturn Position			
	Capital Budget £'m	Outturn £'m	Variance £'m	Rephasing to 2019/20 Requested £'m
Development & Neighbourhoods	14.933	12.987	(1.946)	1.891
Economic & Community Regeneration	22.331	10.665	(11.666)	11.624
Transport & Environment	14.953	12.521	(2.432)	2.428
Children & Young People	10.582	6.440	(4.142)	4.142
Adult Care, Health & Wellbeing	0.756	0.323	(0.433)	0.433
Finance & Efficiency	52.790	44.546	(8.245)	8.245
Transformation & Customer Services	0.840	0.560	(0.279)	0.279
TOTAL	117.185	88.043	(29.142)	29.042

3.23 Of this variance, £29.042m is requested for carry forward to 2019/20 to cover re-phased costs of capital projects. The detailed outturn position and re-phasing of each individual project is attached at Appendix 3. The delivery of the capital spend compared to budget over the last five years is shown in the following graph:



3.24 The funding of the capital programme for 2018/19 is as follows:-

	£'m
Total Capital Spending:	88.043
Funded by:	
Capital Receipts	4.159
Capital Grants	21.181
3 rd Party Receipts (inc S106 & CIL)	3.697
Revenue	0.134
Prudential Borrowing (Implied Need)	58.872
Total	88.043

3.25 The Council's provisional Capital Financing Requirement (CFR) as at 31st March 2019 is £300.7 million. This represents the Council's requirement to borrow to finance capital expenditure, and demonstrates that total borrowing of £226.1 million remains well below this requirement as at 31st March 2019. This illustrates the extent to which the Council is currently cash-flowing capital projects in line with the Treasury Management Strategy.

4 STATUTORY CONSIDERATIONS

4.1 The annual Medium Term Financial Strategy and planning process allocates resources across services with alignment of these resources towards the Council's corporate priorities. This report monitors how the Council has performed against the budget and Capital Programme set in February 2018.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 These are contained throughout the report and appendices.

6 RISK MANAGEMENT

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

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

7 CLIMATE CHANGE

7.1 This is an information only report about the Council's financial performance against budgets set for 2018/19, it therefore does not include any decisions that have a direct impact on Climate Change.

8 OTHER OPTIONS CONSIDERED

8.1 The option to carry forward over budgeted spend could be considered which would mean that services would have to make up any deficits in 2019/20 with a considerable impact on service delivery especially in Children's Services.

9 CONSULTATION

9.1 Consultation has been carried out with the Cabinet Member for Resources, Corporate Directors/Directors, Section 151 Finance Officer, Chief Executive and Monitoring Officer.

9.2 The provisional outturn position has been discussed at Senior Management Team and Directors' Group in May.

Contact person	Donna Parham – 01225 477468; Gary Adams – 01225 477107; Andy Rothery – 01225 47103; Donna_Parham@bathnes.gov.uk Gary_Adams@bathnes.gov.uk ; Andy_Rothery@bathnes.gov.uk
Background papers	2018/19 Budget Monitoring reports to the Cabinet; Revenue and Capital Budget Setting reports, Budget Management Scheme
Please contact the report author if you need to access this report in an alternative format	

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APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	YEAR END ACTUAL			DIRECTOR NARRATIVE
	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget

Detailed Analysis of Budgets for the Leader

Council Solicitor & Democratic Services	2,283	2,295	12	The variance is related to the phasing of the proposed savings with planned implementation in 2019/20 offset by additional income and other service underspends.
Leader Total	2,283	2,295	12	

Detailed Analysis of Budgets for Finance and Efficiency

Page 25 Information Technology	4,654	4,500	(154)	Budget variances including salary underspend relating to on-going recruitment, reduction in borrowing charges following amended phasing of IT investment projects during the year, underspend on Infrastructure budgets relating to telephones, data lines, software support, server maintenance and additional fees & charges. Additional one-off income from providing services to other organisations.
Property Services	2,118	2,191	73	Additional security staff at the Guildhall. This is an insurance requirement. There is also a shortfall in recoveries from projects due to income generating staff being diverted to non recoverable activities.
Corporate Estate Including R&M	2,278	2,259	(19)	Increased corporate estate holding costs offset by additional income and lower than anticipated R&M spend
Traded Services	216	485	269	Shortfall in income within Print Services due to decreasing demand, but desire to keep team to manage print requirements for the local elections in May 2019. Under recovery of income in Catering prior to service closure in August 2018.
Finance	2,271	2,308	37	Delay in achievement of management savings (£93k) mitigated by service underspends and agreed service recharges and recovery from reserves

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	YEAR END ACTUAL			DIRECTOR NARRATIVE
	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget
Risk & Assurance Services	1,154	1,079	(75)	One West underspend (£32k) due to increased income opportunities; not be wholly sustainable in 2019-20. Materially mitigated by a revised staffing structure. Forecast underspend will not now be transferred to Audit Partnership Reserve. Procurement overspend £9k results from additional resource to drive through Council's overall Procurement savings. Forecast reflects Centralised Stationery saving to offset pressure in achieving Agency levy
Human Resources	1,097	951	(146)	Favourable forecast due to some temporary staffing vacancies (about to be filled) and reduction in staffing contracted hours. HR and Finance have now rebased the budget to reflect the recent HR restructure.
HSC / Council Tax Benefits Subsidy	(195)	(254)	(59)	
Capital Financing / Interest	3,716	2,974	(741)	Underspend mainly due to lower than forecast borrowing cost arising from revision to capital spending profiles and the removal of some schemes following the capital programme review that was undertaken during the year.
Unfunded Pensions	1,679	1,564	(116)	Lower than forecast costs in respect of historic pensions liabilities.
Corporate Budgets including Capital, Audit and Bank Charges	(7,473)	(7,776)	(303)	Main variances relate to £155k underspend on pension deficit contribution reflecting transfer of academies, £120k additional income from Spa profit share agreement, £30k underspend on Apprenticeship Levy payments due to reduced paybill, and £30k underspend in bank charges. These are partially offset by a £45k pressure on E-transaction costs due to increased volumes and removal of charges for payments by credit card following changes to legislation.
Magistrates	17	11	(5)	
Coroners	305	297	(7)	
Environment Agency	231	229	(2)	
West of England Combined Authority Levy	3,873	4,011	138	Increase in Levy charge to reflect actual 2017/18 outturn costs of concessionary fares

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	YEAR END ACTUAL			DIRECTOR NARRATIVE
	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget
Property Rechargeable Works		55	55	Accounting error at 2017-18 year end. Debtors schedule entered but no income due
Commercial Estate	(16,293)	(15,407)	886	In line with changes to statutory guidance, a review of further acquisitions was undertaken. As a result several planned purchases did not proceed, however the consequential reduction in targeted revenue was partially offset by lower in year borrowing costs on previous acquisitions
Strategic Director - Resources	432	299	(134)	Release of management savings
Corporate Items	(309)	(165)	144	Process now in place for holding posts, however we need to adopt a simple way of capturing the corresponding savings.
People Services	309	285	(25)	Forecast underspend due to managed salary saving
Housing Delivery Vehicle	(450)	(205)	245	ADL transfers are progressing steadily. Cashlimit is behind budget due to slippage on some complex development sites resulting in delays to transfers to ADL. 2019/20 is expected to show progress as sales at Riverside View in Keynsham commence
Finance and Efficiency Total	(369)	(311)	58	

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	YEAR END ACTUAL			DIRECTOR NARRATIVE Notes on main areas of variance to budget
	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	

Detailed Analysis of Budgets for Adult Care Health and Wellbeing

CRC & Community Equipment contracts	6,557	6,604	47	Variance relates to nursing and is covered by FNC income collected .
Adults Substance Misuse (DAT)	513	513		On budget. Service in process of being restructured within Public Health management.to be introduced from April 2019
Adults & Older People-Mental Health Commissioning	9,858	10,518	660	£660k over budget, Staff vacancies are partially mitigating the over spend across all purchase care areas.
Supporting People & Communities Commissioning	1,104	1,098	(6)	Salary savings and changes in Community Meal provision.
Adult Care Commissioning	784	934	150	Staff savings and other service savings will be achieved; mitigating additional temporary managerial resource
Older People & Physically Disabled Purchasing	13,298	13,121	(176)	£447k Underspend is a result of reduction in purchased care expenditure versus budget, with a positive underlying shift in spend towards Homecare from Residential and nursing, due to keeping more people at home.
CRC's and Extra Care	(1,733)	(2,270)	(537)	£537k additional income above budget target.
Learning Disabilities Commissioning	16,983	16,910	(73)	At outturn, an underspend was seen on the pooled budget spend and this reflects the council share in line with the S75 agreement and percentage split contained within (23.36% CCG/76.64% LA). This reflects the continued management of costs pressures seen within the pool throughout 2018/19.

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

	YEAR END ACTUAL			DIRECTOR NARRATIVE
REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget
Physical Disability, Hearing & Vision	4,601	4,326	(275)	Reduction in forecast spend due to the impact reclassification of people based on needs, mainly into Mental Health.
Public Health	(96)	(95)	1	No variances identified; service fully identified and delivered all in year management savings.
Better Care Fund	8,401	7,727	(673)	Due to delays in projects within the BCF it has been identified that £804k can be released in year for the protection of social care. This is non recurrent for 2018-19 only
Safeguarding, MCA and DOLS support	1,247	1,150	(98)	Salary savings in Safeguarding Adults teams delivered in excess of management savings target.
Community Equipment	203	203	()	The final pool budget is reported as balanced.
Adult Care Health and Wellbeing Total	61,718	60,738	(980)	

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	YEAR END ACTUAL			DIRECTOR NARRATIVE
	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget

Detailed Analysis of Budgets for Children & Young People

Children, Young People & Families Page 30	15,195	16,917	1,723	The Key budgets (placements & adoption) over budget £91k, (in addition to in year £860k virement). Rise in placement costs relate to increase in complexity of need, including risks associated with very young children, as well as adolescent placements due to exploitation and risk of offending. Parent and baby unit higher costs due to significant rise in court applications for very young children, as well as the complex needs and/or high risks. Increased use of Special Guardianship placements provide a cost avoidance for both in house fostering and independent sector placements. Disabled children's provision over budget £423k, (increase in demand for family support/packages of care). These children have complex needs linked to disability, although this has led to increased spend, this has enabled the majority of these children to remain at home in their families and communities, and not come into care. Inter-agency adoption fees over budget £281k. The Children in Need and ART client budgets are over budget by £275k, this is due to package costs. Legal costs for court processes have outstripped budget by £196k. Directorate savings targets not achievable over budget £285k. Cases with no recourse to public funds are over budget by £79k. Children Leaving Care over budget £33k, (demand). Youth Offending Service over budget £21k.
Learning & Inclusion	3,208	3,109	(99)	The changes made to the Children Centre service has resulted in a under budget year end position of £131k, due to vacancies and cost control. CHIF costs were under budget by £35k due to less demand than anticipated. Children missing education ended over budget by £73k, this was due to a contribution not being transferred into this service area from another Children's Service area in error.

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

	YEAR END ACTUAL			DIRECTOR NARRATIVE
REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget
Health, Commissioning & Planning	8,220	8,408	187	The Home to school Transport budget has overspent in 2018-19 mainly due to the increasing demands of SEND pupils. This overspend amounted to £643k. The Education service team budgets (including School Improvement, finance, governors support) have saved £418k and a further one off saving from income and grants has saved £92k.
Schools Budgets	(438)	(438)		Schools Budgets are allocated to each school through a funding formula and any under or overspend is carried forward in the schools accounts
Integrated Commissioning - CYP	2,290	2,227	(63)	Net staffing underspend due to Director change and backfill arrangements.
Safeguarding - CYP	725	738	13	Cash limit overall balances as Local Safeguarding Children's Board operates on a multi agency pooled basis; any surplus is retained within this arrangement
Children & Young People Total	29,200	30,961	1,761	

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	YEAR END ACTUAL			DIRECTOR NARRATIVE
	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget

Detailed Analysis of Budgets for Development & Neighbourhoods

Building Control & Land Charges	(55)	(11)	44	Unachievable savings target of £68k aligned with Water Monitoring, offset by one-off savings and other minor variances
Place Overheads	57	57	()	All budgets vired out, residual costs covered by reserves
Public Protection & Health Improvement - Regulatory & Active Lifestyles	1,438	1,376	(63)	£87k Casino income now confirmed and included in forecast plus small underspends across all budgets identified
Public Protection & Health Improvement - Leisure	879	879		On budget
Community Safety	41	44	3	
Neighbourhoods & Environment - Waste & Fleet Services	14,655	14,655		Recovery plans for previous adverse forecast are delivering savings in non-essential spend by delaying projects, combined with a significant reduction in waste disposal tonnages and an increase in recycle.
Neighbourhoods & Environment - Parks & Bereavement Services	1,125	1,222	97	A restructuring of service supported borrowing and the appointment of a permanent Bereavement Services Manager in Q4 will ensure that these variances are not repeated.
Development Management	1,030	997	(34)	Review of income and salary budgets has resulted in them being set more realistically next year so these variances should not be repeated.
Development & Neighbourhoods	19,171	19,219	48	

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	YEAR END ACTUAL			DIRECTOR NARRATIVE
	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget

Detailed Analysis of Budgets for Economic & Community Regeneration

Heritage	(7,782)	(8,538)	(755)	<p>The total budget overachievement of £755k is mainly driven by the following:</p> <ul style="list-style-type: none"> - Admission income £170k (1%) - Staff cost underspend £150k (3%) - Contingency released £140k (47%) - Supplies and Services £130k (9%) - Backdated rent £100k - Investment £86k (6%) - Debt Charges £50k (9%) - Adverse catering concession income (£115k) (14%)
Housing	1,124	906	(218)	<p>£60k favourable from Supported Lodgings u/spends from salaries, supplies & services and additional income along with £123k from Housing Options & Homeseach staff u/spends and overachievement of income. An o/spend in central housing costs due to parking expenditure miscoding not able to be reclaimed and minor changes totals £32k adverse. The H.M.O licensing team has an amount set aside of £52k for corporate overheads. £10k minor changes elsewhere make up the total underspend for Housing.</p>
Project Delivery	79	79		
Regeneration	353	327	(26)	£20k salary savings and £13k OHs recharged on Capital income plus other small variance
Economy and Culture	1,154	1,112	(41)	The cessation of the Arts Service has resulted in a £101k underspend within Economy and Culture. This has been off-set by overspends in other areas.
World Heritage	153	143	(10)	On budget
Economic & Community	(4,920)	(5,970)	(1,050)	

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	YEAR END ACTUAL			DIRECTOR NARRATIVE
	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget

Detailed Analysis of Budgets for Transformation & Customer Services

Customer Services	2,279	2,378	99	CCTV income target not achieved. A review of CCTV provision has commenced. Slight underachievement of management savings offset by £90k additional income from DWP and £60k release of bad debt provision no longer needed.
Libraries & Information	1,433	1,495	62	
Page 31 Strategy & Performance	2,199	2,288	90	This saving will not be achieved in 2019/20. This is due to the scope of the work being reduced and redefined from when the original target was agreed. This work is now being consumed into the larger "Improving how we work" project and will be reviewed during 2019/20 once phases 2 and 3 of the consolidation commence. Phase 1 of the project commenced in April 2019
Registrars Service	(86)	(76)	10	
Transformation & Customer	5,825	6,085	260	

APPENDIX 1 - Financial Monitoring Statement (Revenue): All Portfolios at Cashlimit level

REVENUE SPENDING For the Period APRIL 2018 to MARCH 2019	YEAR END ACTUAL			DIRECTOR NARRATIVE
	Annual Current Budget £000	Net Actual £000	Outturn Variance Over / (Under) £000	Notes on main areas of variance to budget

Detailed Analysis of Budgets for Transport & Environment

Highways & Traffic Management	6,920	6,901	(19)	There are two unachieved savings targets £145k carried forward from 2017/18 and current year target of £125k. There are also budget pressures in this service area as a result of service growth including increased energy costs, deferred restructuring and the need to use consultants in hard to recruit areas (transport planning). We have continued to review the highway maintenance and transportation programme to defer work and this is helping to mitigate some of these pressures.
Transport & Parking Services - Parking	(7,521)	(7,470)	51	Revised income targets are challenging and possible behaviour change may be contributing towards drop in income. PCN income reduced. Snow event caused a larger than anticipated drop in income, partially offset by staff savings and a reduction in spend.
Transport & Parking Services - Public & Passenger Transport	(773)	8	781	Savings achieved, however demand growth off-set savings due to an increase in SEND transport costs (£409k). Baseline budget gap for concessionary fares (£176k) and baseline budget gap on income (£130k). Budget growth agreed for 19/20 to address these issues.
Transport & Environment Total	(1,374)	(561)	813	
Council Total	111,533	112,456	923	

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2018/19 Revenue Virements for Approval

Appendix 2 (i)

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

2018/19 Revenue Virements for Information

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

The following virements have either been previously approved, are technical in nature or are below limits within BMS that require approval, and therefore are reported for information only.

INFO 18#48	Waste Service Redesign	Finance & Efficiency	Corporate Budgets incl. Capital, Audit & Bank Charges		608,241	Development & Neighbourhoods	Neighbourhoods & Environment - Waste & Fleet Services		608,241	Transfer of Corporately held budget for Waste Service Redesign to match spending in service.	Budget virement is on-going.
INFO 18#49	Children's Services Budget Savings	Children & Young People	Inclusion & Prevention		113,457	Children & Young People	Education Transformation		104,767	Realignment of Children's Services savings target budgets following achieved savings.	Budget virement is on-going.
						Finance & Efficiency	Corporate Budgets incl. Capital, Audit & Bank Charges		8,690		
INFO 18#50	Home Improvement Agency	Adult Care, Health & Wellbeing	Adult Services		39,195	Economic & Community Regeneration	Housing		39,195	Re-alignment of budget following transfer of responsibility of some aspects of HIA care & repair from Adult Services to Housing.	Budget virement is on-going.
INFO 18#51	Apprenticeship Levy	Finance & Efficiency	Human Resources		25,000	Transformation & Customer Services	Strategy & Performance		25,000	Transfer of Apprenticeship Levy savings target from Strategy & Performance to Human Resources, to align to where the Apprenticeship Levy income is received & managed.	Budget virement is on-going.
INFO 18#52	Adult Social Care Training	Adult Care, Health & Wellbeing	Adult Services		22,000	Transformation & Customer Services	Strategy & Performance		22,000	Establishment of funding stream within Business Intelligence relating to specific Adult Social Care training resource.	Budget virement is on-going.

2018/19 Revenue Virements for Information

<u>REF NO</u>	<u>REASON / EXPLANATION</u>	<u>CABINET MEMBER</u>	<u>TRANSFER FROM</u>	<u>Income</u>	<u>Expenditure</u>	<u>CABINET MEMBER</u>	<u>TRANSFER TO</u>	<u>Income</u>	<u>Expenditure</u>	<u>DESCRIPTION</u>	<u>ONGOING EFFECTS</u>
			<u>CASHLIM</u>	<u>(£'s)</u>	<u>(£'s)</u>		<u>CASHLIM</u>	<u>(£'s)</u>	<u>(£'s)</u>		
INFO 18#53	Public Arts Maintenance	Economic & Community Regeneration	Economy & Culture		7,483	Economic & Community Regeneration	Regeneration		7,483	Transfer of budget for maintenance & cleaning of public arts assets following the cessation of Arts Development.	Budget virement is on-going.
INFO 18#54	Adult Social Care Management Savings	Adult Care, Health & Wellbeing	Adult Substance Misuse (Drug Action Team)		21,800	Adult Care, Health & Wellbeing	Adult Services		21,800	Distribution of Adult Social Care management savings target to individual Adult Social Care cash limits.	Budget virement is on-going.
INFO 18#55	Virgin Care Property Estate Budget	Finance & Efficiency	Corporate Estate Including R&M		200,560	Adult Care, Health & Wellbeing	Adult Services		235,833	Transfer of budget to Adult Services in order to fund payment to Virgin Care, for their 2017/18 property charges that were in excess of contractual capped amount.	Budget virement is one-off.
		Children & Young People	Inclusion & Prevention		35,273						
INFO 18#56	Severance Reserve Drawdown	Finance & Efficiency	Balances (Severance Reserve)		44,182	Economic & Community Regeneration	Economy & Culture		44,182	Drawdown from Severance & Restructuring Reserve to fund 2018/19 associated expenditure.	Budget virement is one-off.

2018/19 Revenue Virements for Information

REF NO	REASON / EXPLANATION	CABINET MEMBER	TRANSFER FROM CASHLIM	Income (£'s)	Expenditure (£'s)	CABINET MEMBER	TRANSFER TO CASHLIM	Income (£'s)	Expenditure (£'s)	DESCRIPTION	ONGOING EFFECTS
INFO 18#57	Smoothing Drawdown	Finance & Efficiency	Balances (Financial Planning Reserve)		493,071	Finance & Efficiency	Finance		142,330	Management Savings Smoothing drawdown from Financial Planning Reserve.	Budget virement is one off.
							Property Services		86,709		
						Children & Young People	Education Transformation		112,746		
							Children, Young People & Families		26,369		
						Development & Neighbourhoods	Place Overheads		57,368		
							Neighbourhoods & Environment - Parks & Bereavement Services		26,838		
						Transport & Environment	Transport & Parking Services - Parking		28,253		
							Transport & Parking Services - Public & Passenger Transport		12,458		
INFO 18#58	Transformation Investment Reserve Drawdowns	Finance & Efficiency	Balances (Transformation Investment Reserve)		231,416	Finance & Efficiency	Finance		48,138	Approved Drawdowns from Transformation Investment Reserve.	Budget virement is one off.
						Transformation & Customer Services	Strategy & Performance		23,172		
						Children & Young People	Inclusion & Prevention		2,607		
							Education Transformation		44,730		
						Development & Neighbourhoods	Neighbourhoods & Environment - Parks & Bereavement Services		12,181		
						Economic & Community Regeneration	Regeneration		100,588		

2018/19 Revenue Virements for Information

REF NO	REASON / EXPLANATION	CABINET MEMBER	TRANSFER FROM CASHLIM	Income (£'s)	Expenditure (£'s)	CABINET MEMBER	TRANSFER TO CASHLIM	Income (£'s)	Expenditure (£'s)	DESCRIPTION	ONGOING EFFECTS
INFO 18#59	VAT Reserve Drawdown	Finance & Efficiency	Balances (Earmarked Reserve)		50,000	Finance & Efficiency	Finance		50,000	Drawdown of funding from VAT Reserve.	Budget virement is one-off.
INFO 18#60	Bath Quays South Invest to Save	Finance & Efficiency	Balances (Earmarked Reserve)		95,337	Finance & Efficiency	Commercial Estate		95,337	Drawdown of funding from Invest to Save Reserve.	Budget virement is one-off.
INFO 18#61	Business Rates Reserve Transfer	Finance & Efficiency	Corporate Budgets incl. Capital, Audit & Bank Charges		155,000	Finance & Efficiency	Balances (Earmarked Reserve)		155,000	Transfer to Business Rates Reserve	Budget virement is one-off.
INFO 18#62	VAT Reserve Transfer	Finance & Efficiency	Corporate Budgets incl. Capital, Audit & Bank Charges	185,504		Finance & Efficiency	Balances (Earmarked Reserve)		185,504	Transfer to VAT Reserve	Budget virement is one-off.
INFO 18#63	Waste Reprovision Reserve Transfer	Finance & Efficiency	Corporate Budgets incl. Capital, Audit & Bank Charges		771,759	Finance & Efficiency	Balances (Earmarked Reserve)		771,759	Transfer to Waste Reprovision Reserve	Budget virement is one-off.
INFO 18#64	Capital Financing	Finance & Efficiency	Capital Financing / Interest		1,752,517	Finance & Efficiency	Balances (Earmarked Reserve)		1,752,517	Transfer to Capital Financing Reserve	Budget virement is one-off.
INFO 18#65	Public Health Reserve	Finance & Efficiency	Balances (Earmarked Reserve)		21,586	Adult Care, Health & Wellbeing	Public Health		21,586	Drawdown of funding from Public Health Reserve.	Budget virement is one-off.
INFO 18#66	Adult Care Reserve	Adult Care, Health & Wellbeing	Adult Services		400,000	Finance & Efficiency	Balances (Earmarked Reserve)		400,000	Transfer to Adult Care Reserve	Budget virement is one-off.
INFO 18#67	Leisure Contract Invest to Save	Finance & Efficiency	Balances (Earmarked Reserve)		219,879	Development & Neighbourhoods	Public Protection & Health Improvement - Leisure		219,879	Drawdown of funding from Invest To Save Reserve.	Budget virement is one-off.
INFO 18#68	Combe Down Stone Mine 100 Year Grant Reserve Drawdown	Finance & Efficiency	Balances (Earmarked Reserve)		78,804	Economic & Community Regeneration	Project Delivery		78,804	Drawdown of funding from Combe Down Stone Mine Reserve.	Budget virement is one-off.

2018/19 Revenue Virements for Information

<u>REF NO</u>	<u>REASON / EXPLANATION</u>	<u>CABINET MEMBER</u>	<u>TRANSFER FROM</u>	<u>Income</u>	<u>Expenditure</u>	<u>CABINET MEMBER</u>	<u>TRANSFER TO</u>	<u>Income</u>	<u>Expenditure</u>	<u>DESCRIPTION</u>	<u>ONGOING EFFECTS</u>
			<u>CASHLIM</u>	<u>(£'s)</u>	<u>(£'s)</u>		<u>CASHLIM</u>	<u>(£'s)</u>	<u>(£'s)</u>		
INFO 18#69	WECA Supported Buses	Transport & Environment	Transport & Parking Services - Public & Passenger Transport	150,000		Finance & Efficiency	Balances (Earmarked Reserve)		150,000	Transfer to WECA Supported Buses Contribution Reserve	Budget virement is one-off.
INFO 18#70	Revenue Grants Reserve	Finance & Efficiency	Corporate Budgets incl. Capital, Audit & Bank Charges	462,583		Finance & Efficiency	Balances (Earmarked Reserve)		462,583	Transfer to Unused Revenue Grants Reserve	Budget virement is one-off.
INFO 18#71	Schools' Reserve Transfer	Finance & Efficiency	Balances (Earmarked Reserve)		729,592	Children & Young People	Schools Budgets		729,592	Drawdown of funding from Schools' Balances.	Budget virement is one-off.
INFO 18#72	DSG Re-Profiling	Children & Young People	Inclusion & Prevention		9,402,844	Children & Young People	Education Transformation		114,088,250	Re-Profiling of cash limits within Education to reflect the actual services' DSG spend in 2018/19.	Budget virement is one-off.
			Schools' Budgets		104,685,406						
OVERALL TOTALS				798,087	120,703,361			0	121,501,448		
					121,501,448				121,501,448		

Approved Schemes - Detailed Capital Variance and Re-phasing Requests 2018/19

Project Title	2018/19 Budget	Outturn	Variance	Re-phase Request
	£'000	£'000	£'000	£'000
<u>Finance & Efficiency</u>				
Workplaces Programme Delivery	78	24	53	53
Keynsham Regeneration & New Build	835	7	827	827
Corporate Estate Planned Maintenance	2,306	1,709	597	597
Disposals Programme (Minor)	33	211	-178	-178
Commercial Estate Investment Fund 16/17	296	30	266	266
Commercial Estate Investment 17/18	31,102	31,076	26	26
Equality Act Works	274	50	224	224
Roseberry Place	32	3	29	29
IT Asset Refresh (Servers and Network)	130	539	-409	-409
IT Asset Refresh	502	0	502	502
Corporate Capital Contingency	1,906	0	1,906	1,906
Bathampton Farmhouse	40	1	39	39
Cleveland Pools	107	51	55	55
Housing Delivery Vehicle	1,612	275	1,337	1,337
Property Company Investment	8,107	6,754	1,353	1,353
Agresso System Development & 5.6 Upgrade	20	3	18	18
Income Systems Upgrade & Associated Works	15	0	15	15
Flexible Use of Capital Receipts	4,794	3,453	1,341	1,341
City Centre Protection Measures	53	15	38	38
Digital Programme	324	255	68	68
Civica Income Management System Developments	0	15	-15	-15
Measurement Surveying	75	75	0	0
BTP Transitional Funding	150	0	150	150
	52,790	44,546	8,245	8,245
<u>Transformation & Customer Services</u>				
Energy at Home	2	2	-0	0
Warmth & Health Homes Programme	27	27	0	0
Modern Libraries & Workplaces	722	460	262	262
Communications Hub (Microwave Link)	89	71	18	18
	840	560	279	279
<u>Adult Care, Health & Wellbeing</u>				
Adult Social Care Database Replacement	223	41	183	183
Community Resource Centre Capital Investment	533	283	250	250
	756	323	433	433
<u>Children & Young People</u>				
Schools' Capital Maintenance Schemes	2,336	1,023	1,313	1,313
Basic Need - School Improvement/Expansion	6,595	4,137	2,457	2,457
Youth Projects	45	29	16	16
Children's Centre Capital Schemes	411	391	19	19
Children's Education Management System	450	241	209	209
Special Education Needs & Disability (SEND) Education Provision Loan	450	339	111	111
First Steps Moorlands Redevelopment - Section 106 Contribution	79	79	0	0
Alternative Education - Refurbishment & Equipment	216	200	16	16
	10,582	6,440	4,142	4,142
<u>Economic & Community Regeneration</u>				
Heritage Infrastructure Development	81	81	-0	0
BWR - Council Project Team	190	116	75	75
BWR - Affordable Housing	-1	0	-1	0
BWR - Infrastructure	955	1,105	-151	-151
NRR Infrastructure	122	7	115	115
Enterprise Area - Flood Mitigation Phase 1	760	423	337	337
BWR - Relocation of Gas Holders	2,056	350	1,706	1,706
Disabled Facilities Grant	1,348	1,290	58	0
River Corridor & ROSPA Safety Works	68	54	14	14
Digital B&NES	345	124	221	221
Somer Valley Business Centre	2	17	-15	0
Affordable Housing	534	236	298	298
PRMP Pattern Book	5	0	5	5
Bath Quays South	7,613	3,971	3,642	3,642
Bath Quays North	4,226	1,944	2,282	2,282
Radstock and Westfield Implementation Plan	40	-0	40	40

Approved Schemes - Detailed Capital Variance and Re-phasing Requests 2018/19

Project Title	2018/19 Budget	Outturn	Variance	Re-phase Request
	£'000	£'000	£'000	£'000
South Road Car Park	13	13	0	0
Roman Baths Archway Centre	100	34	66	66
Saw Close Development Works	317	244	72	72
Heritage: Victoria Art Gallery Air Conditioning	138	2	136	136
Bath Quays Bridge & Linking Infrastructure	606	279	327	327
Pioneer Office Investment Block (Quays) – LGF Funded	434	35	398	398
New Enterprise Zone – Infrastructure Plan	120	1	119	119
Radstock Healthy Living Centre	1,905	0	1,905	1,905
Keynsham High Street - Public Realm	170	213	-43	-43
Midsomer Norton Public Realm	35	6	29	29
North Keynsham SDL	150	120	30	30
	22,331	10,665	11,666	11,624
<u>Development & Neighbourhoods</u>				
Beechen Cliff Woodland & Other Open Spaces Improvements	59	20	40	40
Neighbourhoods - Bin and Bench Replacement	100	66	34	34
Alice Park - Skate Park	126	1	125	125
Play Equipment	145	59	86	86
Waste Re-provision Feasibility Work	16	-1	18	18
Environmental Protection Vehicles	32	22	10	10
Sydney Gardens	212	177	35	35
Bath Leisure Centre Refurbishment	2,134	2,195	-61	-61
Parade Gardens Infrastructure for Business Development	12	2	10	10
Leisure - Council Client / Contingency	941	257	684	684
Bath Recreation Ground Trust - Leisure	731	265	466	466
Parks Service Schemes	178	46	132	132
Waste Project - Relocation of Cleansing	0	97	-96	-96
Waste Operations - Relocation	5,371	4,058	1,313	1,313
Environmental Neighbourhood Services Vehicle Replacement Programme	1,760	416	1,343	1,343
Parks s106 Capital projects: Bloomfield Green Open	135	40	96	96
Parks Equipment	42	33	8	8
Parks Action Response Work	56	0	56	0
Leisure Facility Modernisation - Keynsham Sports Centre	2,586	5,105	-2,519	-2,519
Leisure Bath - Car Park	103	43	60	60
Repair Ponds at Royal Victoria Park	3	4	-0	0
Parade Gardens Café Acquisition	88	78	10	10
Parks and Bereavement Infrastructure	59	0	59	59
Neighbourhoods CCTV	44	6	38	38
	14,933	12,987	1,946	1,891
<u>Transport & Environment</u>				
Bath Transport Package - Main Scheme	1,842	82	1,760	1,760
Transport Improvement Programme	3,338	3,176	162	162
Bus Lane Camera Replacement	40	40	0	0
Highways Maintenance Programme	7,841	7,784	56	56
Passenger Transport Vehicles	79	39	40	40
Parking - Vehicle Replacement Programme	25	0	25	25
Street Lighting - LED Replacement Programme	185	185	-0	-0
Keynsham Town Centre One Way System	13	13	0	0
Bath Cycle Action Plan - Bath Quays Scheme	15	11	3	3
CCAF2 Cycle Parking	-0	1	-1	-1
Kingsmead Square Improvements	7	7	0	0
Dorchester Street, Traffic Review	72	18	54	54
Somerdale Bridge, Keynsham – Initial Options Study	11	-1	11	11
London Road Modification	49	110	-61	-61
York Street Infrastructure Works	510	617	-107	-107
Office for Low Emission Vehicles (OLEV) Bid	132	62	70	70
A37 to A362 Improvements to Access Somer Valley Enterprise Zone	368	96	272	272
Hicks Gate Roundabout Improvement	201	58	143	143
Pay & Display Machines - New Coin Acceptance	13	13	-0	0
Parking - Radio System Replacement	24	24	0	0
Parking Enforcement Hand Held Computer Terminal Replacement	50	50	-0	0
Body Worn Video Cameras for Civil Enforcement Officers	20	20	0	0
Highways Schemes (CIL)	50	50	0	0
Replacement Mopeds for Outer Area Parking Enforcement	39	40	-1	0
Better Bus Fund	32	29	3	0
	14,953	12,521	2,432	2,428
TOTAL CAPITAL SCHEME BUDGET	117,185	88,043	29,142	29,042

Capital Virements - Additions & Reductions 2018/2019
Appendix 4 (i)

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP17#067-2018	Various	Various	-1,067,358		Various		-1,067,358	Schemes removed from 2018/2019 Capital Review; approved by Cabinet 18 December 2018
CAP17#068-2018	Farnborough Primary	Grant	-80,579		Children's Services		-80,579	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project.
CAP17#069-2018	First Steps Moorlands Re-Development	Grant	-49		Children's Services		-49	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project.
CAP17#070-2018	Whitchurch Primary	Grant	4,800		Children's Services		4,800	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project.
CAP17#071-2018	Castle Primary	Grant	1,400		Children's Services		1,400	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project.
CAP17#072-2018	Newbridge Primary	Grant	10,800		Children's Services		10,800	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project.
CAP17#073-2018	Radstock Healthy Living Centre	Third Party Contribution	150,000		Economy & Growth		150,000	Technical Adjustment - agreed by Director of Finance. Uplift of the scheme from contingency budget
CAP17#074-2018	Disabled Facilities Grant	Grant	138,733		Economy & Growth		138,733	Technical Adjustment - agreed by Director of Finance. Additional grant funding from the Ministry of Housing, Communities and Local Government
CAP17#075-2018	Parks & Beareavement Services Infrastructure	Corporate Supported Borrowing	36,000		Environment		36,000	ODD 1688 - Parade Gardens - Electricity Supply Upgrade
CAP17#076-2018	Parks & Beareavement Services Infrastructure	Corporate Supported Borrowing	23,000		Environment		23,000	ODD 1688 - Royal Victoria Park - Security Measures
CAP17#077-2018	St Gregory's Post 16 Block	Grant	1,125		Children's Services		1,125	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project.
CAP17#078-2018	Broadlands Primary	Revenue	-6,276		Children's Services		-6,276	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project.
CAP17#079-2018	Bath Quays South	Grant	3,906,000		Economy & Growth		3,906,000	SMD E3085 - to approve the provisional Commercial Estate Investment budget in respect of the BQS office development scheme
CAP17#080-2018	Sydney Gardens Round 2	Grant, S106, 3rd Party Contributions and Corporate Supported Borrowing	46,000		Environment		46,000	ODD 1188 - Sydney Gardens Round 2
CAP17#081-2018	Neighbourhoods CCTV equipment	SSB	44,000		Environment		44,000	ODD 1171 - CCTV installation and renewal at Ashmead Road Recycling Depot and Haycombe Cemetery
CAP17#082-2018	Various	Various	-47,812,680		Various		-47,812,680	2018/2019 In Year re-phasing; approved by Cabinet 06 February 2019
CAP17#083-2018	Bristol Airport / Chew Valley	S106	40,000		Environment		40,000	Technical Adjustment - agreed by Director of Finance. Traffic survey
CAP17#084-2018	Moorlands Infants	Grant	5,800		Children's Services		5,800	Technical Adjustment - agreed by Director of Finance. Re-alignment of Schools' Capital project with adjustment to the original funding source
CAP17#085-2018	IT Asset Refresh - Servers and Network	Third Party Contribution	26,420		Partnership & Corporate Services		26,420	Technical Adjustment - agreed by Director of Finance. CCTV relocation
CAP17#086-2018	Cotswold Way - Drainage and Surface Treatment	Contribution	1,800		Environment		1,800	Technical Adjustment - agreed by Director of Finance. Improvement works on the Cotswold Way National Trail

Capital Virements - Additions & Reductions 2018/2019
Appendix 4 (i)

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP17#087-2018	Transport Improvement Programme - Employer Grants	Grant	-5,052		Environment		-5,052	Technical Adjustment - agreed by Director of Finance. Budget re-alignment to allow for reduction of LGF Grant
CAP17#088-2018	Capital Contingency	Capital Contingency	43,199		Corporate		43,199	Technical Adjustment - agreed by Director of Finance. To re-instate the budget relating to the Big Belly Bins scheme following revenue savings
CAP17#089-2018	Sydney Gardens - Development Scheme	Corporate Supported Borrowing	-183,962		Environment		-183,962	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed scheme with adjustment to original funding source
CAP17#090-2018	Bath Quays North	Grant	74,000		Economy & Growth		74,000	Technical Adjustment agreed by Director of Finance. To transfer budget from Provisional to Fully Approved
CAP17#091-2018	North Keynsham SDL	Corporate Supported Borrowing	150,000		Economy & Growth		150,000	Technical Adjustment - agreed by Director of Finance. To progress land assembly in North Keynsham in order to facilitate strategic growth
CAP17#092-2018	Kings Bath Conservation (Heritage Infrastructure Development)	Service Supported Borrowing	81,329		Economy & Growth		81,329	Technical Adjustment - agreed by Director of Finance. To correct 2018/2019 Capital Review; approved by Cabinet 18 December 2018
CAP17#093-2018	Weston Lock Acquisition	Service Supported Borrowing	18,930,000		Economy & Growth		18,930,000	SMD E3134 - to approve the acquisition of income generating investment to incorporate within the Commercial Estate
OVERALL TOTALS			-25,441,552	0		0	-25,441,552	
				-25,441,552			-25,441,552	

Capital Virements - Additions & Reductions Future Years
Appendix 4 (i)

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP18#010-FY	2018/2019 In Year Re-phasing	Various	47,812,680		Various		47,812,680	2018/2019 In Year re-phasing; approved by Cabinet 06 February 2019
CAP18#011-FY	Future Years Budgets	Various	54,747,000		Various		54,747,000	Future Years budgets; approved by Cabinet 06 February 2019
CAP18#012-FY	Whitchurch Primary	Grant	132,000		Children's Services		132,000	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project with adjustment to the original funding source
CAP18#013-FY	Castle Primary	Grant	38,600		Children's Services		38,600	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project with adjustment to the original funding source
CAP18#014-FY	Newbridge Primary	Grant	296,400		Children's Services		296,400	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project with adjustment to the original funding source
CAP18#015-FY	Vehicle Replacements - Highways Winter Gritters	Service Supported Borrowing	1,025,000		Environment		1,025,000	SMD E3112 - to approve the Highways Winter Service Fleet Procurement budget
CAP18#016-FY	Sydney Gardens Round 2	Grant, S106, 3rd Party Contributions and Corporate Supported Borrowing	3,262,000		Environment		3,262,000	ODD 1188 - Sydney Gardens Round 2

Capital Virements - Additions & Reductions 2018/2019

Appendix 4 (i)

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP18#017-FY	Capital Contra	N/A	40,000		Environment		40,000	Technical Adjustment - agreed by Director of Finance. Capital contra correction
CAP18#018-FY	Bath Quays South	Grant	8,000		Economy & Growth		8,000	Technical Adjustment - agreed by Director of Finance. 2019/2020 budget correction
CAP18#019-FY	Bath Quays Bridge & Linking Infrastructure	Grant	1,002,000		Economy & Growth		1,002,000	Technical Adjustment - agreed by Director of Finance. 2019/2020 budget correction
CAP18#020-FY	Workplaces Delivery	Capital Receipts	73,000		Economy & Growth		73,000	Technical Adjustment - agreed by Director of Finance. To correct 2018/2019 In Year Re-phasing; approved by Cabinet 06 February 2019
CAP18#021-FY	Clutton Primary	S106	89,435		Children's Services		89,435	ODD 1217 - to approve projects to enable the increase of pupil numbers
CAP18#022-FY	Hayesfield Girls School	CIL	388,000		Children's Services		388,000	ODD 1219 - to approve projects to enable the increase of pupil numbers
CAP18#023-FY	Peasedown St John	Grant/CIL/S106	2,830,865		Children's Services		2,830,865	ODD 1211 - to approve projects to enable the increase of pupil numbers
CAP18#024-FY	Ralph Allen Secondary	Grant/CIL	2,250,000		Children's Services		2,250,000	ODD 1210 - to approve projects to enable the increase of pupil numbers
CAP18#025-FY	Waste and Environmental Services Depots Relocation	SSB	1,900,000		Environment		1,900,000	SMD E3131 - to approve the development and planning stages for the Waste and Environmental Services depots relocation project
CAP18#026-FY	IT Asset Refresh - Servers and Network	Contribution	23,580		Economy & Growth		23,580	Technical Adjustment - agreed by Director of Finance. CCTV relocation
OVERALL TOTALS			115,918,560	0		0	115,918,560	
				115,918,560			115,918,560	

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2018/2019			
CAPITAL SCHEME	Revised Budget After February 2019 Cabinet	Approvals to Outturn	Budget at Outturn
	£'000	£'000	£'000
<u>Finance & Efficiency</u>			
Workplaces Programme Delivery	78		78
Keynsham Regeneration & New Build	835		835
Corporate Estate Planned Maintenance	2,311	-5	2,306
Disposals Programme (Minor)	33		33
Commercial Estate Investment Fund 16/17	296		296
Commercial Estate Investment 17/18	12,172	18,930	31,102
Equality Act Works	274		274
Roseberry Place	32		32
IT Asset Refresh (Servers and Network)	104	26	130
IT Asset Refresh	502		502
Corporate Capital Contingency	1,895	11	1,906
Bathampton Farmhouse	40		40
Cleveland Pools	107		107
Housing Delivery Vehicle	1,612		1,612
Property Company Investment	8,107		8,107
Agresso System Development & 5.6 Upgrade	20		20
Income Systems Upgrade & Associated Works	15		15
Flexible Use of Capital Receipts	6,085	-1,291	4,794
City Centre Protection Measures	53		53
Digital Programme	324		324
Measurement Surveying	75		75
BTP Transitional Funding	150		150
	35,119	17,672	52,790
<u>Transformation & Customer Services</u>			
Energy at Home	2		2
Warmth & Health Homes Programme	27		27
Modern Libraries & Workplaces	714	8	722
Communications Hub (Microwave Link)	89		89
	832	8	840
<u>Adult Care, Health & Wellbeing</u>			
Adult Social Care Database Replacement	223		223
Community Resource Centre Capital Investment	533		533
	756	0	756
<u>Children & Young People</u>			
Schools' Capital Maintenance Schemes	1,595	741	2,336
Basic Need - School Improvement/Expansion	7,399	-804	6,595
Youth Projects	45		45
Children's Centre Capital Schemes	411		411
Children's Education Management System	450		450
Special Education Needs & Disability (SEND) Education Provision Loan	450		450
First Steps Moorlands Redevelopment - Section 106 Contribution	79		79
Alternative Education - Refurbishment & Equipment	216		216
	10,645	-63	10,582
<u>Economic & Community Regeneration</u>			

CAPITAL SCHEME	2018/2019		
	Revised Budget After February 2019 Cabinet	Approvals to Outturn	Budget at Outturn
	£'000	£'000	£'000
Heritage Infrastructure Development	-0	81	81
BWR - Council Project Team	190		190
BWR - Affordable Housing	-1		-1
BWR - Infrastructure	955		955
NRR Infrastructure	122		122
Enterprise Area - Flood Mitigation Phase 1	760		760
BWR - Relocation of Gas Holders	2,056		2,056
Disabled Facilities Grant	1,209	139	1,348
River Corridor & ROSPA Safety Works	68		68
Digital B&NES	345		345
Somer Valley Business Centre	2		2
Affordable Housing	534		534
PRMP Pattern Book	5		5
City Information Scheme Corporate Project	-0		-0
Bath Quays South	23,196	-15,583	7,613
Bath Quays North	4,152	74	4,226
Radstock and Westfield Implementation Plan	40		40
South Road Car Park	9	4	13
Roman Baths Archway Centre	100		100
Saw Close Development Works	317		317
Heritage: Victoria Art Gallery Air Conditioning	138		138
Bath Quays Bridge & Linking Infrastructure	3,527	-2,921	606
Pioneer Office Investment Block (Quays) – LGF Funded	434		434
New Enterprise Zone – Infrastructure Plan	120		120
Radstock Healthy Living Centre	1,755	150	1,905
Keynsham High Street - Public Realm	170		170
Midsomer Norton Public Realm	35		35
North Keynsham SDL	0	150	150
	40,237	-17,906	22,331
<u>Development & Neighbourhoods</u>			
Beechen Cliff Woodland & Other Open Spaces Improvements	59		59
Neighbourhoods - Bin and Bench Replacement	68	32	100
Alice Park - Skate Park	126		126
Play Equipment	145		145
Waste Re-provision Feasibility Work	16		16
Environmental Protection Vehicles	26	6	32
Sydney Gardens	350	-138	212
Bath Leisure Centre Refurbishment	2,134		2,134
Parade Gardens Infrastructure for Business Development	12		12
Leisure - Council Client / Contingency	998	-57	941
Bath Recreation Ground Trust - Leisure	731		731
Parks Service Schemes	178		178
Waste Project - Relocation of Cleansing	200	-200	0
Waste Operations - Relocation	5,235	136	5,371
Environmental Neighbourhood Services Vehicle Replacement Programme	1,734	26	1,760
Parks s106 Capital projects: Bloomfield Green Open	131	5	135
Parks Equipment	42		42
Parks Action Response Work	56		56
Leisure Facility Modernisation - Keynsham Sports Centre	4,395	-1,809	2,586
Leisure Bath - Car Park	46	57	103
Repair Ponds at Royal Victoria Park	3		3
Parade Gardens Café Acquisition	88		88
Parks and Bereavement Infrastructure	0	59	59
Neighbourhoods CCTV	0	44	44
	16,772	-1,839	14,933

2018/2019			
CAPITAL SCHEME	Revised Budget After February 2019 Cabinet	Approvals to Outturn	Budget at Outturn
	£'000	£'000	£'000
<u>Transport & Environment</u>			
Bath Transport Package - Main Scheme	1,842		1,842
Transport Improvement Programme	3,333	5	3,338
Bus Lane Camera Replacement	40		40
Highways Maintenance Programme	7,841		7,841
Passenger Transport Vehicles	79		79
Parking - Vehicle Replacement Programme	25		25
Street Lighting - LED Replacement Programme	185		185
Keynsham Town Centre One Way System	13		13
Bath Cycle Action Plan - Bath Quays Scheme	15		15
CCAF2 Cycle Parking	-1	1	-0
Kingsmead Square Improvements	7		7
Dorchester Street, Traffic Review	72		72
Somerdale Bridge, Keynsham – Initial Options Study	11		11
London Road Modification	49		49
York Street Infrastructure Works	510		510
Office for Low Emission Vehicles (OLEV) Bid	107	24	132
A37 to A362 Improvements to Access Somer Valley Enterprise Zone	368		368
Hicks Gate Roundabout Improvement	201		201
Pay & Display Machines - New Coin Acceptance	13		13
Parking - Radio System Replacement	24		24
Parking Enforcement Hand Held Computer Terminal Replacement	50		50
Body Worn Video Cameras for Civil Enforcement Officers	20		20
Highways Schemes (CIL)	50		50
Replacement Mopeds for Outer Area Parking Enforcement	39		39
Better Bus Fund	0	32	32
	14,891	62	14,953
TOTAL CAPITAL SCHEME BUDGET	119,251	-2,067	117,185
<u>Sources of Funding (£'000)</u>			
EU/Government Grant	24,193	-8,803	15,389
Revenue	308	82	390
Other Council Support including Borrowing and Capital Receipts	85,013	5,242	90,255
S106 Contribution	2,493	921	3,414
CIL Contribution	2,301	314	2,615
Other 3rd Party	4,943	178	5,122
Total Sources of Funding (£'000)	119,251	-2,067	117,185

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Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING DATE:	10 July 2019	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3119
TITLE:	Treasury Management Outturn Report 2018/19	
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 31 st March 2019		
Appendix 3 – Average monthly rate of return for 2018/19		
Appendix 4 – The Council’s External Borrowing Position at 31 st March 2019		
Appendix 5 – Arlingclose’s Economic & Market Review Q4 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 for 2018/19.

2 RECOMMENDATION

The Cabinet agrees that;

- 2.1 The Treasury Management Report to 31st March 2019, prepared in accordance with the CIPFA Treasury Code of Practice, is noted.**
- 2.2 The Treasury Management Indicators to 31st March 2019 are noted.**

3 THE REPORT

Summary

- 3.1 The average rate of investment return for the 2018/19 is 0.73%, which is 0.17% above the benchmark rate.
- 3.2 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

- 3.3 The Council's investment position as at 31st March 2019 is given in **Appendix 2**. The balance of deposits as at 31st December 2018 and 31st March 2019 are also set out in the pie charts in this appendix.
- 3.4 Gross interest earned on investments totalled £329k. **Appendix 3** details the investment performance, showing the average rate of interest earned over this period was 0.73%, which was 0.17% above the benchmark rate of average 7 day LIBID +0.05% (0.56%).

Summary of Borrowings

- 3.5 The Council's external borrowing as at 31st March 2018 totalled £226.1 million and is detailed in Appendix 4. PWLB annuity borrowing for £20million was arranged during the final quarter to maintain appropriate cashflow balances, in particular reflecting an investment property purchase.
- 3.6 The Council's Capital Financing Requirement (CFR) as at 31st March 2019 was £300.7 million. 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.
- 3.7 The CFR represents the underlying need to borrow and the difference from the current borrowing of £226.1 million, represents re-investment of the internal balances of reserves, reducing the in-year borrowing costs in excess of the potential investment returns.
- 3.8 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 2019 apportioned to Bath & North East Somerset Council is £11.9m. 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.
- 3.9 The borrowing portfolio as at 31st March 2019 is shown in **Appendix 4**.

Strategic & Tactical Decisions

- 3.10 As shown in the charts at **Appendix 2**, the investment portfolio is diversified across Money Market Funds, highly rated UK and Foreign Banks and a UK Building Society. The Council uses AAA rated Money Market funds to

maintain very short term liquidity and had overall investments of £39.7m invested as at 31st March 2019

3.11 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.

3.12 The Council's average investment return is above the budgeted level of 0.45%.

Future Strategic & Tactical Issues

3.13 Our treasury management advisors economic and market review for the fourth quarter 2018/19 is included in **Appendix 5**.

3.14 With GDP Growth rising to 0.6% in the third calendar quarter from 0.4% in the second, the fourth quarter economic growth slowed to 0.2% with weaker expansion in production, construction and services dragging on overall activity. Annual GDP growth at 1.4% continues to remain below trend. Following the Bank of England's decision to increase Bank Rate to 0.75% in August 2018, no further changes to monetary policy have been made since.

3.15 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.

3.16 The borrowing that has taken place in 2018/19 is therefore driven by a need to maintain an appropriate working cash balance rather than any immediate changes to interest rates.

Budget Implications

3.17 A breakdown of the revenue budget showing interest and capital financing and the year end position based on the period April to March is included in **Appendix 6**. An overall underspend of £741k is reported towards the Council's net revenue outturn, mainly related to the re-phasing of capital spend leading to lower than forecast borrowing costs and minimum revenue provision (MRP) requirement. (Overall Outturn is reported elsewhere on the Agenda). This is partly offset by lower internal income related to service charges for funding debt costs in relation to the re-phased capital projects.

4 STATUTORY CONSIDERATIONS

4.1 This report is for information only.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

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

6 RISK MANAGEMENT

- 6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.
- 6.2 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.
- 6.3 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.
- 6.4 In addition, the Council maintain a risk register for Treasury Management activities, which is regularly reviewed and updated where applicable during the year.

7 CLIMATE CHANGE

- 7.1 This is a technical report for information only and does not directly link to climate change policy.

8 OTHER OPTIONS CONSIDERED

- 8.1 None

9 CONSULTATION

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

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 31st March 2019
	£'000	£'000
Borrowing	434,000	226,125
Other long term liabilities	2,000	0
Cumulative Total	436,000	226,125

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 31st March 2019
	£'000	£'000
Borrowing	403,000	226,125
Other long term liabilities	2,000	0
Cumulative Total	405,000	226,125

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 31st March 2019
	£'000	£'000
Fixed interest rate exposure	403,000	206,125*

* 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 31st March 2019
	£'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 31st March 2019
	£'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 31st March 2019
	%	%	%
Under 12 months	50	Nil	13.3*
12 months and within 24 months	75	Nil	0
24 months and within 5 years	75	Nil	0
5 years and within 10 years	100	Nil	0
10 years and above	100	Nil	86.7

* 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 31st March 2019
	Rating	Rating
Minimum Portfolio Average Credit Rating	A-	AA

APPENDIX 2

March

The Council's Investment position at 31st March 2019

The term of investments is as follows:

Term Remaining as at 31st March 2019	Balance at 31st March 2019
	£'000's
Notice (instant access funds)	14,720
Up to 1 month	
1 month to 3 months	10,000
Over 3 months	15,000
Total	39,720

The investment figure is made up as follows:

	Balance at 31st March 2019
	£'000's
B&NES Council	35,966
Schools	3,754
Total	39,720

The Council had a total average net positive balance of £45.1m during the period April 2018 to March 2018.

Chart 1: Council Investments as at 31st March 2019 (£39.7m)

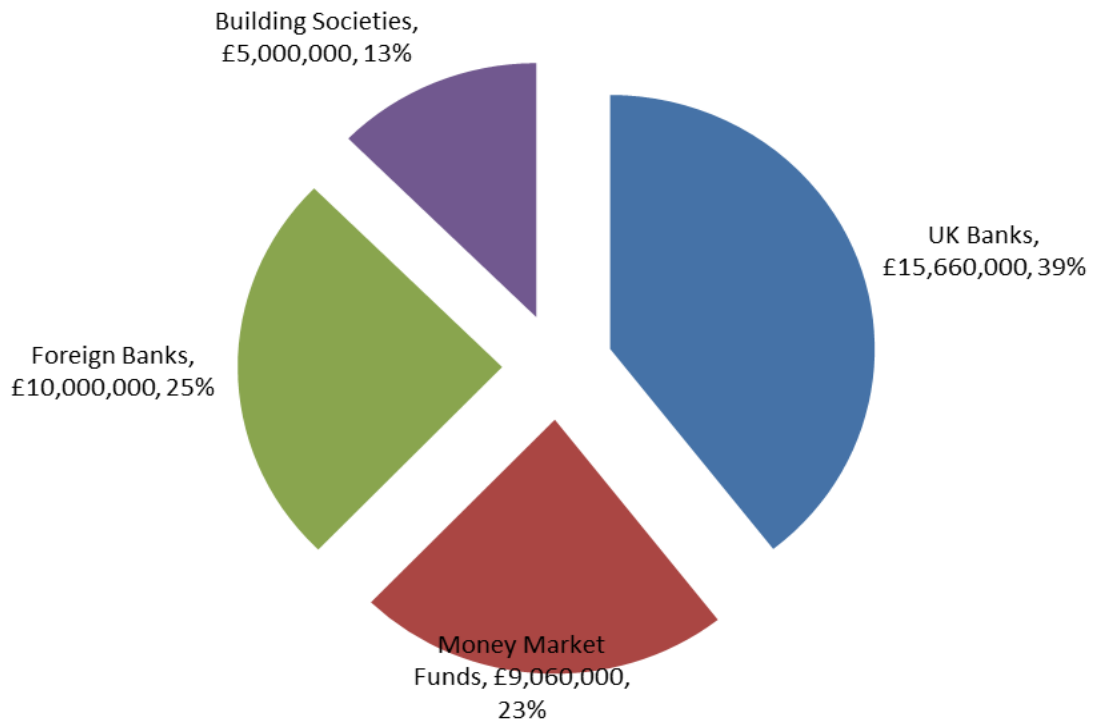


Chart 2: Council Investments as at 31st December 2018 (£53.2m)

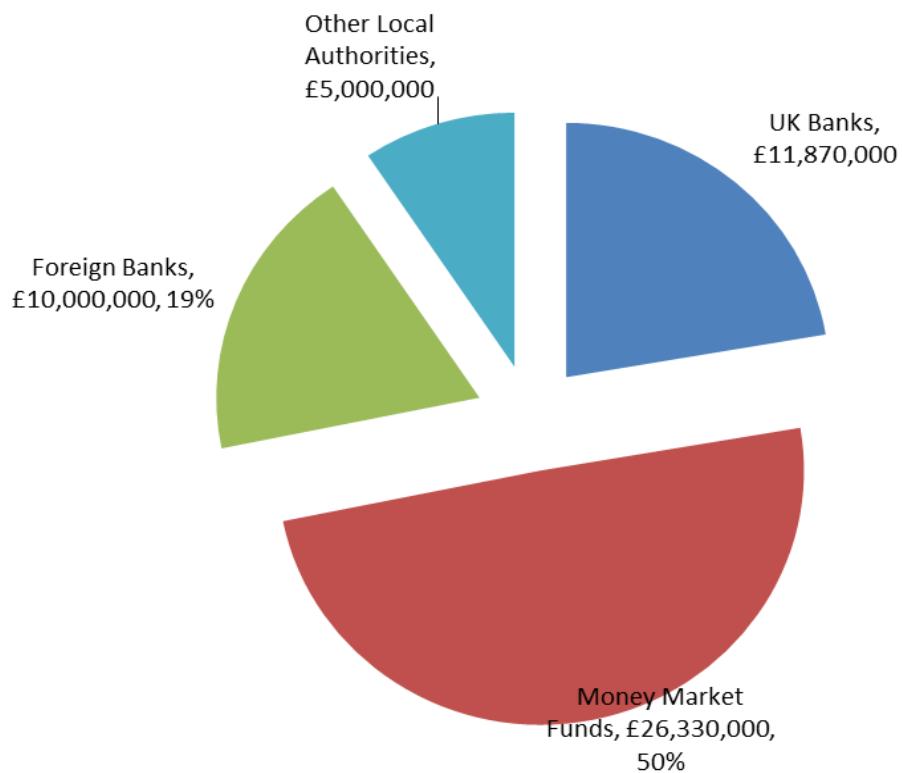


Chart 3: Council Investments per lowest equivalent Long Term credit rating (£39.7m) 31th March 2019

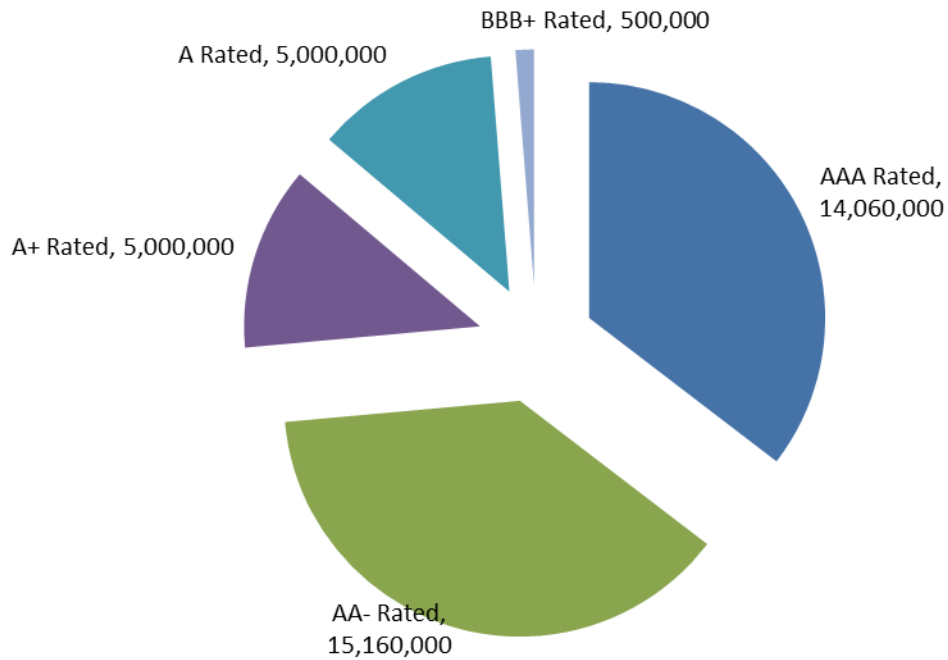
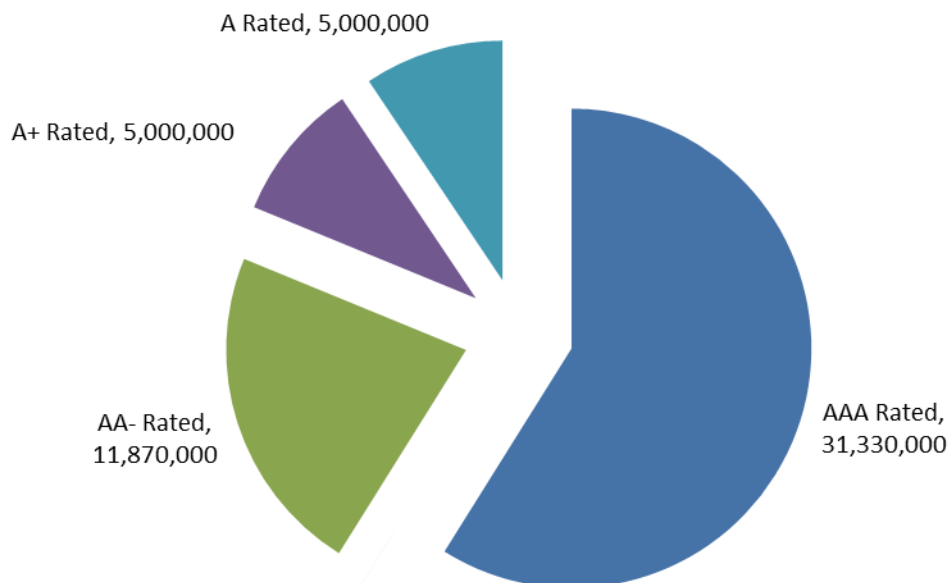


Chart 4: Council Investments per lowest equivalent Long Term credit rating (£53.2m) 31th December 2018



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

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

	Oct %	Nov %	Dec %	Jan %	Feb %	Mar %	Average for Period
Average rate of interest earned	0.75%	0.82%	0.81%	0.82%	0.84%	0.83%	0.73%
Benchmark = Average 7 Day LIBID rate +0.05% (source: Arlingclose)	0.63%	0.64%	0.63%	0.63%	0.62%	0.62%	0.56%
Performance against Benchmark %	+0.12%	+0.16%	+0.18%	+0.19%	+0.22%	+0.21%	+0.17%

APPENDIX 4
Councils External Borrowing at 31st March 2019

Borrowing	Amount (£)	Start	Maturity Date	Interest Rate
LONG TERM				
PWLB	10,000,000	15/10/04	15/10/34	4.75%
PWLB	5,000,000	12/05/10	15/08/35	4.55%
PWLB	5,000,000	12/05/10	15/02/60	4.53%
PWLB	5,000,000	05/08/11	15/02/31	4.86%
PWLB	10,000,000	05/08/11	15/08/29	4.80%
PWLB	15,000,000	05/08/11	15/02/61	4.96%
PWLB	5,300,000	29/01/15	08/04/34	2.62%
PWLB	5,000,000	29/01/15	08/10/64	2.92%
PWLB	18,485,552	20/06/16	20/06/41	2.36%
PWLB	9,302,947	24/02/17	16/02/40	2.28%
PWLB	9,390,197	04/04/17	16/02/43	2.26%
PWLB	7,981,019	08/05/17	15/02/42	2.25%
PWLB	6,896,403	10/08/17	10/04/67	2.64%
PWLB	9,702,041	13/12/17	10/10/42	2.35%
PWLB	9,708,599	06/03/18	10/10/42	2.52%
PWLB	9,777,159	06/03/18	10/10/47	2.62%
PWLB	9,853,265	10/09/18	20/07/43	2.42%
PWLB	9,852,481	06/12/18	20/06/43	2.38%
PWLB	9,950,587	12/12/18	20/06/68	2.59%
PWLB	4,924,955	13/12/18	20/06/43	2.35%
PWLB	20,000,000	11/02/19	11/02/68	2.52%
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	226,125,204			

*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 March 2019

Economic background:

After spiking at over \$85/barrel in October 2018, oil prices fell back sharply by the end of the year, declining to just over \$50 in late December before steadily climbing toward \$70 in April 2019. UK Consumer Price Inflation (CPI) for February 2019 was up 1.9% year/year, just above the consensus forecast but broadly in line with the Bank of England's February Inflation Report. The most recent labour market data for the three months to January 2019 showed the unemployment rate fell to a new low 3.9% while the employment rate of 76.1% was the highest on record. The 3-month average annual growth rate for pay excluding bonuses was 3.4% as wages continue to rise steadily and provide some upward pressure on general inflation. Once adjusted for inflation, real wages were up 1.4%.

After rising to 0.6% in the third calendar quarter from 0.4% in the second, fourth quarter economic growth slowed to 0.2% as weaker expansion in production, construction and services dragged on overall activity. Annual GDP growth at 1.4% continues to remain below trend. Following the Bank of England's decision to increase Bank Rate to 0.75% in August, no changes to monetary policy have been made since.

The US Federal Reserve continued its tightening bias throughout 2018, pushing rates to the 2.25%-2.50% range in December. However, a recent softening in US data caused the Fed to signal a pause in hiking interest rates at the last Federal Open Market Committee (FOMC) meeting in March.

With the 29th March 2019, the original EU 'exit day' now been and gone, having failed to pass a number of meaningful votes in Parliament, including shooting down Theresa May's deal for the third time, MPs voted by a majority of one (313 to 312) to force the prime minister to ask for an extension to the Brexit process beyond 12th April in order to avoid a no-deal scenario. Recent talks between the Conservative and Labour parties to try to reach common ground on a deal which may pass a vote by MPs did not yield any positive results. The EU have granted an extension to 31st October and its leaders have been clear that the terms of the deal are not up for further negotiation. The ongoing uncertainty continues to weigh on sterling and UK markets.

While the domestic focus has been on Brexit's potential impact on the UK economy, globally the first quarter of 2019 has been overshadowed by a gathering level of broader based economic uncertainty. The US continues to be set on a path of protectionist trade policies and tensions with China in particular, but with the potential for this to spill over into wider trade relationships, most notably with EU. The EU itself appeared to be show signs of a rapid slowdown in economic growth with the major engines of its economy, Germany and France, both suffering misfires from downturns in manufacturing alongside continued domestic/populist unrest in France. The International Monetary Fund downgraded its forecasts for global economic growth in 2019 and beyond as a consequence.

Financial markets: December was a month to forget in terms of performance of riskier asset classes, most notably equities. The FTSE 100 (a good indicator of global corporate sentiment) returned -8.8% assuming dividends were reinvested; in pure price terms it fell around 13%. However, since the beginning of 2019 markets have rallied, and the FTSE 100 and FTSE All share indices were both around 10% higher than at the end of 2018.

Gilt yields continued to display significant volatility over the period on the back of ongoing economic and political uncertainty in the UK and Europe. After rising in October, gilts

regained their safe-haven status throughout December and into the new year - the 5-year benchmark gilt yield fell as low as 0.80% and there were similar falls in the 10-year and 20-year gilts over the same period dropping from 1.73% to 1.08% and from 1.90% to 1.55%. The increase in Bank Rate pushed up money markets rates over the year and 1-month, 3-month and 12-month LIBID (London Interbank Bid) rates averaged 0.53%, 0.67% and 0.94% respectively over the period.

Recent activity in the bond markets and PWLB interest rates highlight that weaker economic growth is not just a UK phenomenon but a global risk. During March the US yield curve inverted (10-year Treasury yields were lower than US 3 month money market rates) and German 10-year Bund yields turned negative. The drivers are a significant shift in global economic growth prospects and subsequent official interest rate expectations given its impact on inflation expectations. Further to this is world trade growth which collapsed at the end of 2018 falling by 1.8% year-on-year. A large proportion of this downturn in trade can be ascribed to the ongoing trade tensions between the US and China which despite some moderation in January does suggest that the International Monetary Fund's (IMF) and Organisation for Economic Co-Operation & Development's (OECD) forecasts for global growth in 2019 of 3.5% might need to be revised downwards.

Credit background:

Credit Default Swap (CDS) spreads drifted up towards the end of 2018 on the back of Brexit uncertainty before declining again in 2019 and continuing to remain low in historical terms. After hitting around 129 basis points in December 2018, the spread on non-ringfenced bank NatWest Markets plc fell back to around 96bps at the end of March, while for the ringfenced entity, National Westminster Bank plc, the CDS spread held relatively steady around 40bps. The other main UK banks, as yet not separated into ringfenced and non-ringfenced from a CDS perspective, traded between 33 and 79bps at the end of the period.

The ringfencing of the big four UK banks (Barclays, Bank of Scotland/Lloyds, HSBC and RBS/Natwest Bank plc) transferred their business lines into retail (ringfenced) and investment banking (non-ringfenced) entities.

In February, Fitch put the UK AA sovereign long-term rating on Rating Watch Negative as a result of Brexit uncertainty, following this move with the same treatment for UK banks and a number of government-related entities.

There were minimal other credit rating changes during the period. Moody's revised the outlook on Santander UK to positive from stable to reflect the bank's expected issuance plans which will provide additional protection for the its senior unsecured debt and deposits.

APPENDIX 6

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

April to March 2019	YEAR END POSITION			ADV/FAV
	Budgeted Spend or (Income) £'000	Actual Spend or (Income) £'000	Actual over or (under) spend £'000	
Interest & Capital Financing				
- Debt Costs	7,647	6,340	(1,307)	FAV
- Internal Repayment of Loan Charges	(10,998)	(9,400)	1,597	ADV
- Ex Avon Debt Costs	1,140	1,143	3	ADV
- Minimum Revenue Provision (MRP)	6,230	5,267	(963)	FAV
- Interest on Balances	(304)	(375)	(71)	FAV
Total	2,974	3716	(741)	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	Cabinet	
MEETING DATE:	10 July 2019	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3145
TITLE:	Youth Justice Plan 2019-20	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Youth Justice Plan 2019-20		

1 THE ISSUE

- 1.1 The Local Authority has a statutory duty, in consultation with named legal partners Health, Police and Probation, to produce an annual Youth Justice Plan. The Plan sets out how services are to be organised and funded and what functions they will carry out to prevent youth offending and re-offending across Bath and North East Somerset.

2 RECOMMENDATION

The Cabinet is asked to:

- 2.1 Agree the Youth Justice Plan fulfils the requirements of the Crime and Disorder Act 1998 and can be submitted to the Youth Justice Board for England and Wales;
- 2.2 Adopt the Youth Justice Plan as part of the Council's Policy and Budget Framework that can be accommodated within the Council budget;
- 2.3 Note that the Youth Offending Service Management Board is responsible for ensuring delivery and ask the relevant Development and Scrutiny Panel to oversee performance.

3 THE REPORT

- 3.1 The principal, statutory aim of the youth justice system is to prevent youth offending by 10-17 year olds. The Youth Justice Plan reviews the latest performance indicators and context for work with young people at risk of offending and re-offending and sets out how services will be resourced and delivered in 2019-20;
- 3.2 Actions in the work plan will help to make Bath and North East Somerset a safer place and support young people work towards crime-free lives with better prospects for the future;
- 3.3 The Youth Justice Plan 2019-20 is attached as an appendix to this report.

4 STATUTORY CONSIDERATIONS

- 4.1 Preparation of a Youth Justice Plan is required under Section 40 of the Crime and Disorder Act 1998. The national Youth Justice Board for England and Wales has published guidelines for its completion and requires it to be submitted by 5 August 2019.
- 4.2 All work with young people at risk of offending or re-offending takes full account of their status as children before their status as potential offenders and prioritises safeguarding them within their communities as well as in their family settings.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 The Council is the lead partner in the multi-agency arrangements to prevent youth offending, working closely with Police, Probation and Health Services. All partners have statutory responsibilities to participate in the resourcing of the Youth Offending Service and are maintaining their current level of support. The Council makes the greatest contribution in terms of staff, cash and additional support, including office accommodation and financial and human resources support services. In 2019-20, the Council is contributing £454,515 towards a total budget of £806,433, most of which pays for staff salaries. This contribution is within the existing Council approved budget.
- 5.2 The work of the Service also depends on a core national grant from the Ministry of Justice, via the Youth Justice Board. For the year ahead, this amount reduces by 0.94% to £179,629. The Ministry of Justice also delegates funding towards the costs of remand places for young people; this year, the contribution is £3,513. The Police and Crime Commissioner's direct contribution remains £10,217 and NHS England is now funding a seconded Child and Adolescent Mental Health post at £40,000 through a Health and Justice grant. All remaining costs are met by the statutory partners;
- 5.3 Submission of a Youth Justice Plan and quarterly data returns are both conditions for receipt of the Youth Justice Board grant.

6 RISK MANAGEMENT

- 6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance. This is incorporated into the Youth Justice Plan itself.

7 CLIMATE CHANGE

- 7.1 A number of young people who work with the Youth Offending Service undertake community reparation projects to help develop their understanding of the harm they have caused others and to make indirect amends. These projects include working with the Council Parks Department and community organisations to improve the environment and animal welfare. Projects change over time but currently include the National Trust Rainbow Woods, Bath Cats and Dogs Home, Julian House Build a Bike, Genesis Furniture Project, PEOPLE charity shop, Radstock Swallow Café, Chew Magna Community Farm and Bath City Farm.

7 OTHER OPTIONS CONSIDERED

- 7.1 None

8 CONSULTATION

- 8.1 This report has been drawn to the attention of the S151 Officer and Monitoring Officer;
- 8.2 The Youth Justice Plan draws on feedback from young people who have worked with the Youth Offending Service over the last 12 months;
- 8.3 Governance has been reviewed with the Local Safeguarding Children Board and the Responsible Authorities Group. Performance and the new work plan have been discussed with the Youth Offending Service Management Board, the Custody Review Panel, the Youth Crime Prevention Board and members of the Youth Offending Service itself.

Contact person	Sally Churchyard, Head of Young People's Prevention Services Office: 01225 396926
Background papers	Youth Justice Plan 2018-19
Please contact the report author if you need to access this report in an alternative format	

Bath and North East Somerset Youth Justice Plan 2019 – 2020



Working in partnership to prevent youth offending

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1. Introduction

Youth Offending Services and the partners they work with have a statutory responsibility to prevent offending by children and young people aged 10-17 years. This Plan has been written in accordance with Section 40 of the Crime and Disorder Act 1998 and national guidance from the Youth Justice Board and sets out how services to prevent youth offending will be provided and funded in 2019-20. It will be submitted to the Youth Justice Board and published in accordance with the directions of the Secretary of State.

Ambition for young people at risk of offending and re-offending

Locally, the Service seeks to improve outcomes in accordance with the ambition set out in the Children and Young People's Plan 2018-21:

We want all children and young people to enjoy childhood and to be well prepared for adult life and parents to take responsibility for [for](#) understanding and meeting their children's needs, enjoying their childhood with them and preparing them for adult life.

The local outcomes children and young people will also reduce the likelihood of offending and re-offending:

- Page 75
- Children and young people are safe;
 - Children and young people are healthy;
 - Children and young people have fair life chances;
 - Children and young people are engaged citizens in their own community.

Responding to Youth Offending

Criminal justice and other agencies share the responsibility for working to prevent youth offending and keeping young people and the wider public safe. Youth Offending Services carry particular responsibilities for assessing and working with young people to address a range of needs linked to their risk of offending. Professionals from Police, Health, Social Care, Education and the National Probation Service help make up the multi-agency Youth Offending Service and work in an integrated way alongside other specialists. They have key statutory functions, including the assessment and supervision of young people aged 10-17 subject to Out-of-Court Disposals and community and custodial Court Orders, giving victims a voice, enabling those who have offended to make amends for the harm they have caused and strengthening parenting skills. This work is supplemented by a prevention service, Compass, which works with children aged 8-17 years who are at high risk of offending and with their families.

2. Review of last year including performance

2.1 Summary

The Youth Offending Service has seen a number of developments and successes this year:

- Significant reduction in custodial sentencing - just one sentence compared with nine in the previous year. It is anticipated that this marks a return to a more usual pattern of low custodial sentencing in Bath and North East Somerset;
- Continued reduction in young people offending and entering the youth justice system for the first time;
- Staff training and readiness to commence the enhanced case management, trauma-informed pilot. The training was extended to partner agencies, with a total of 49 people trained from Social Care, Police and the voluntary sector and a follow-up day included representation from the Management Board, Forensic Child and Adult Mental Health Service and the Court;
- Staff have been trained in, and now use, AMBIT, an approach to understanding the behaviour and needs of traumatised young people;
- A review has been undertaken of Compass, the early intervention part of the Service that works with those at risk of offending;
- Led in the development of the local Youth @ Risk Strategy and associated protocols for Missing Children, Radicalisation, Harmful Sexual Behaviour and Serious Youth Violence;
- Revised the process for Out of Court Disposals
- The number of reparation projects has increased, giving young people more opportunities to make amends for their offending;
- The Service has consolidated its practice with Return Home Interviews, undertaken with children and young people who have returned from being missing, and more have been completed;
- Two Integrated Working Officers joined the Service to support work with volunteers and Return Home Interviews and bringing with them responsibilities for Early Help Assessments across the children's workforce. This diversification into wider early help work strengthens links with partner agencies;
- Health provision has been consolidated within the Youth Offending Service, with more internal referrals made in the past year. Early identification of need has enabled this provision to be extended to younger siblings of those known to the Youth Offending Service;
- More parenting programmes have been offered, with positive feedback from parents/carers;
- The Service has re-located to work alongside the rest of children's services in Keynsham and has opened a new reporting office for young people in central Bath.

The work of the Service was acknowledged in the recent positive SEND Inspection and it has been actively involved in preparations for a Joint Targeted Area Inspection as well as for its own anticipated Inspection of Youth Offending Services.

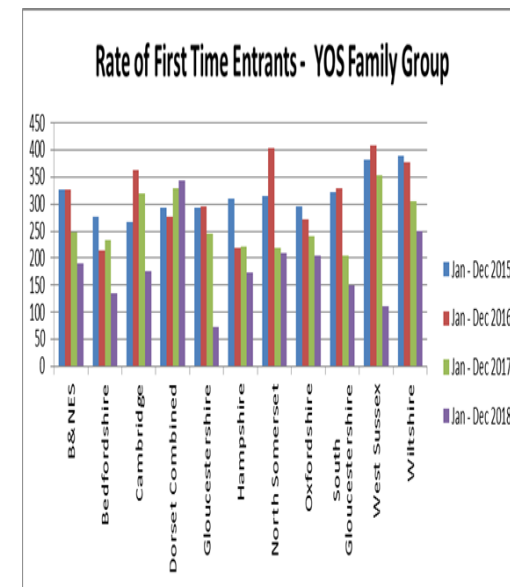
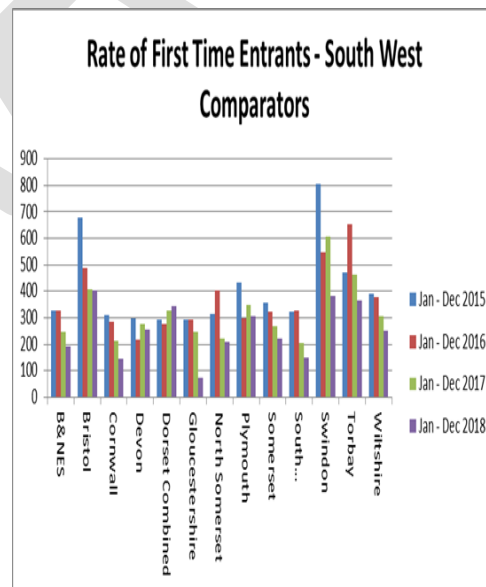
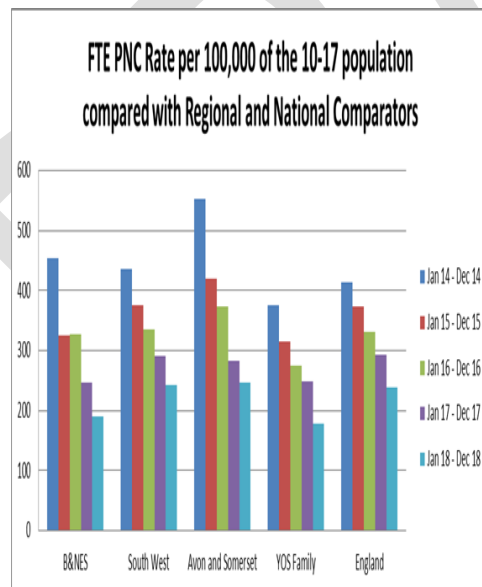
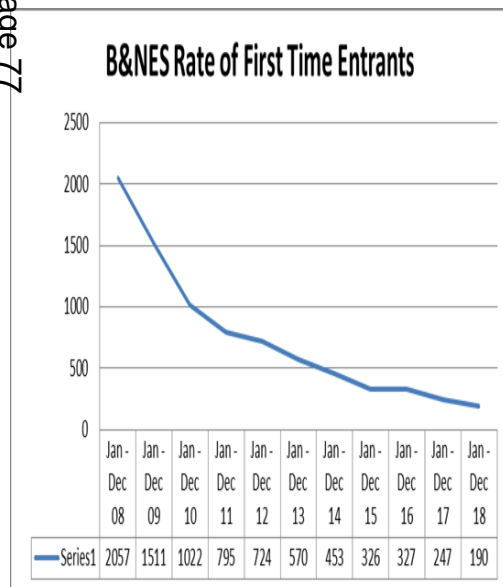
2.2 Performance

The partnership's statutory duty to prevent offending by young people is measured by three indicators, focusing on young people who enter the youth justice system for the first time, the rate of sentencing to custody and the rate of re-offending.

2.2.1 First Time Entrants

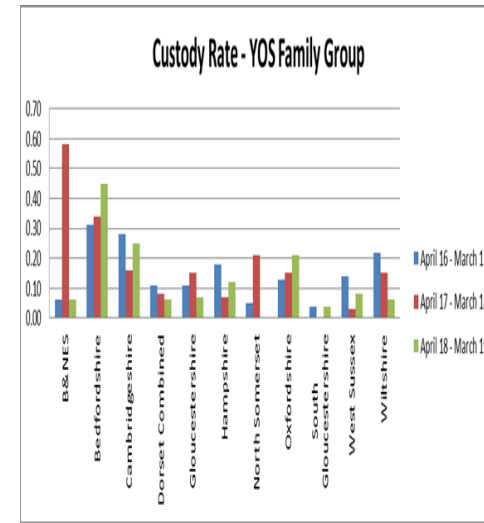
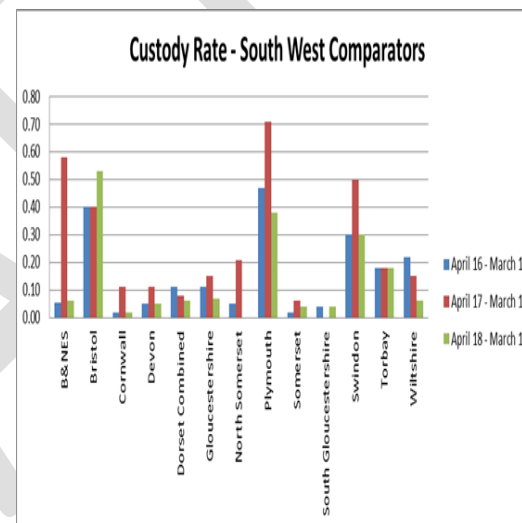
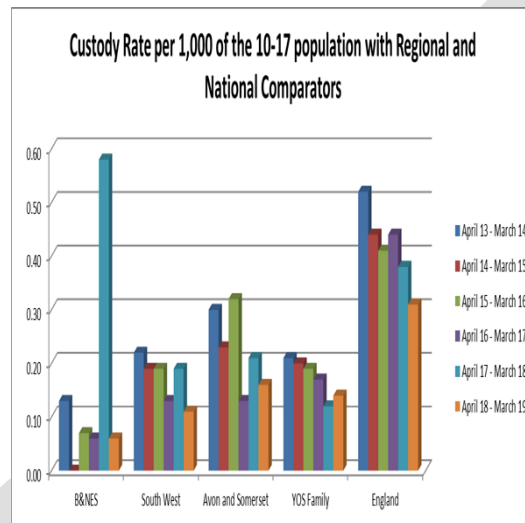
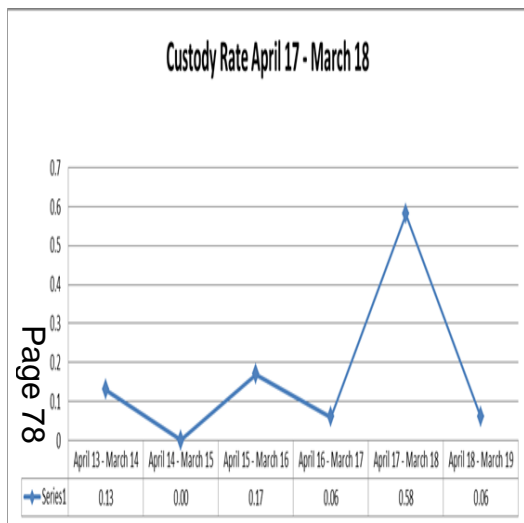
This indicator is the number of young people aged 10-17 who received either a Caution, Conditional Caution or Conviction without ever having received one of these disposals before, shown as a rate per 100,000 young people in the general population. Information is taken from the Police National Computer and is based on the geographical area where offences took place. The latest data available is for January to December 2018 compared with January to December 2017 during which time the local rate of first time entrants reduced significantly from 266 to 190 per 100,000 and reduced from the baseline by -28.5%.

This is a better improvement than most comparators and reflects well on the effectiveness of early help work, including Compass. The multi-agency Youth Crime Prevention Board meets twice per year and continues to scrutinise local first time entrants' data to inform targeting of resources and sharing of effective practice.



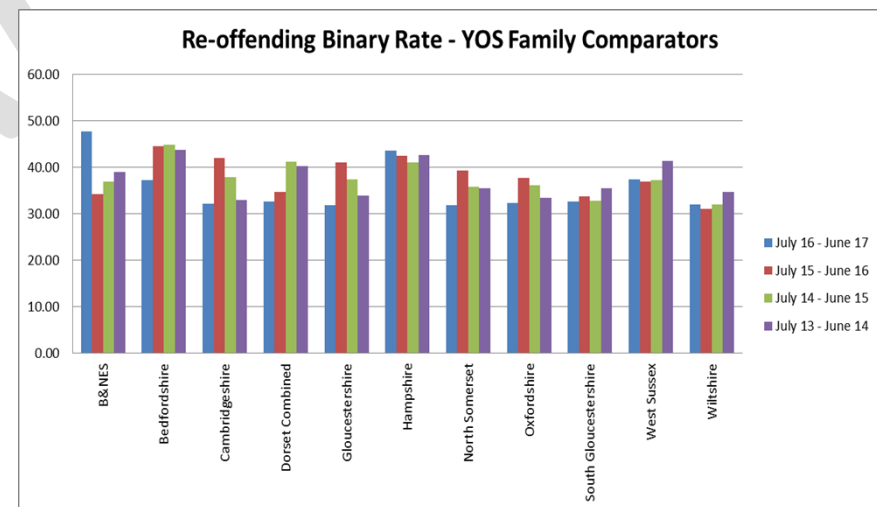
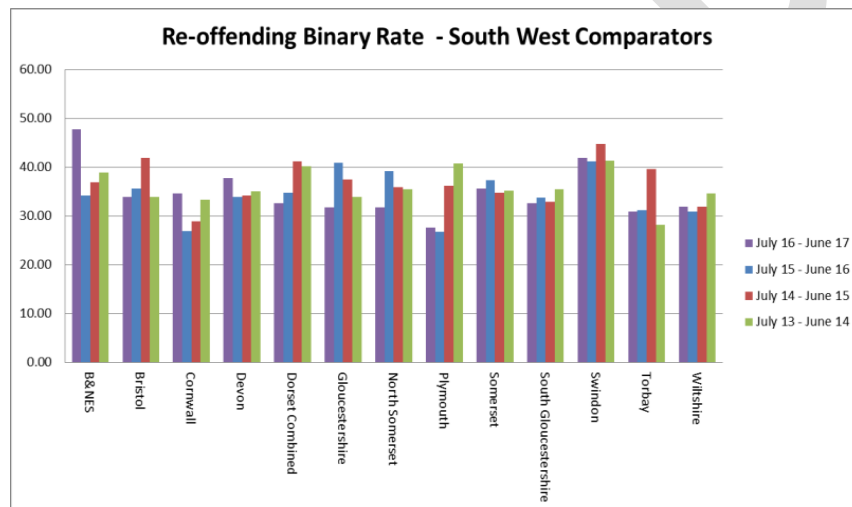
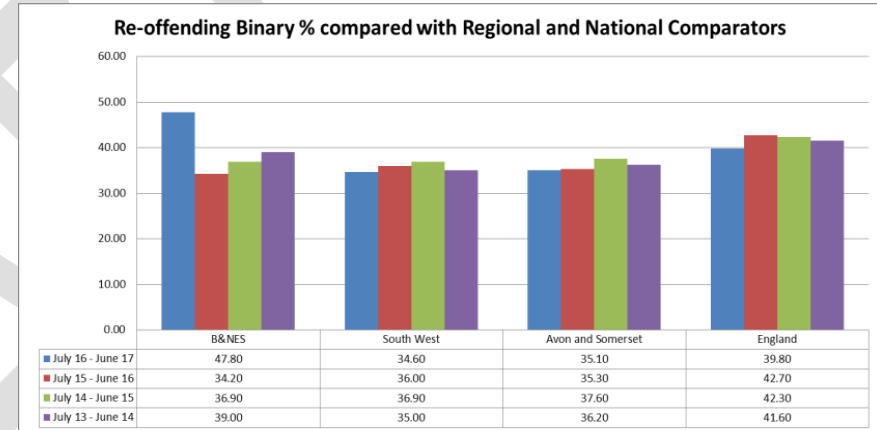
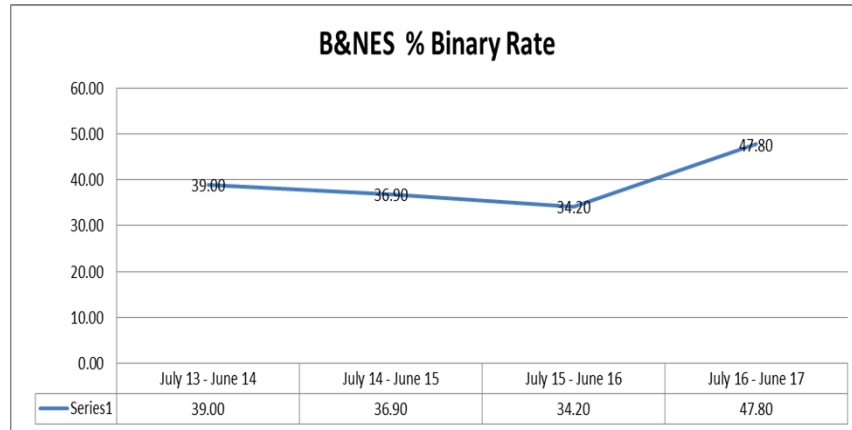
2.2.2. Custody

The indicator is the number of custodial sentences passed by the Courts, presented as a rate per 1000 young people aged 10-17 in the local general population. The latest published data set for the financial year 2018 – 19 compared with 2017 – 18 shows a significant reduction in the custody rate from 0.58 to 0.06. This relates to 1 custodial sentence in the period, compared with 9 in the previous year. The rate restores local performance to its longstanding low rate and is better than all comparator group averages. The Custody Review Panel continues to oversee young people at risk of custody and put together strong proposals for community sentencing wherever it is considered safe to do so .



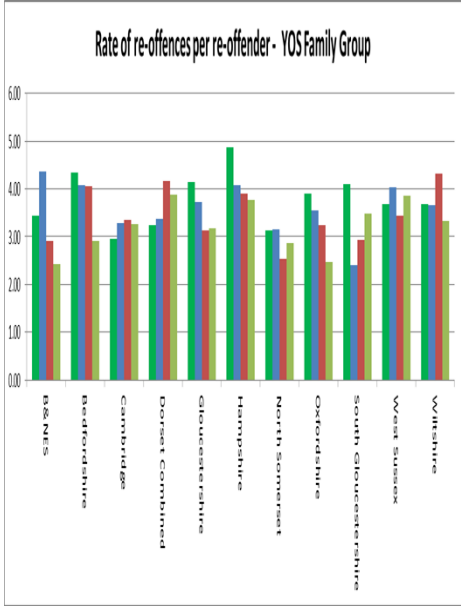
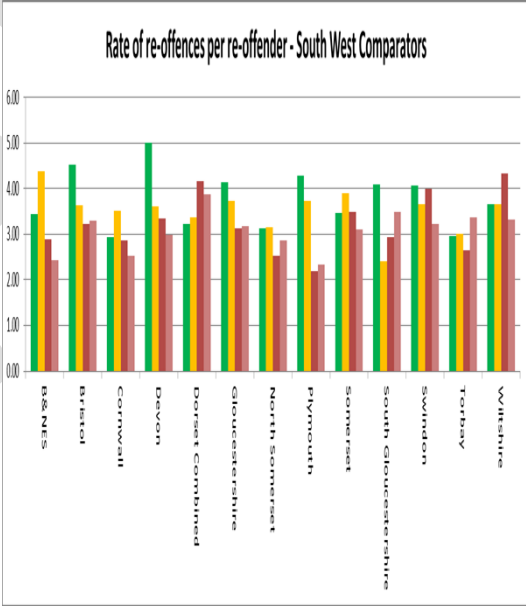
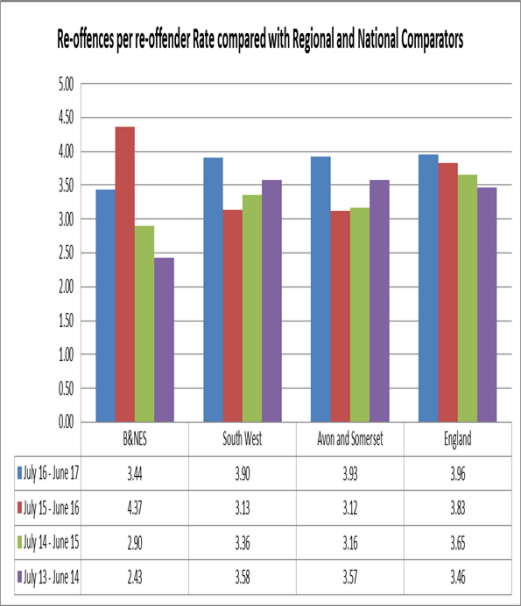
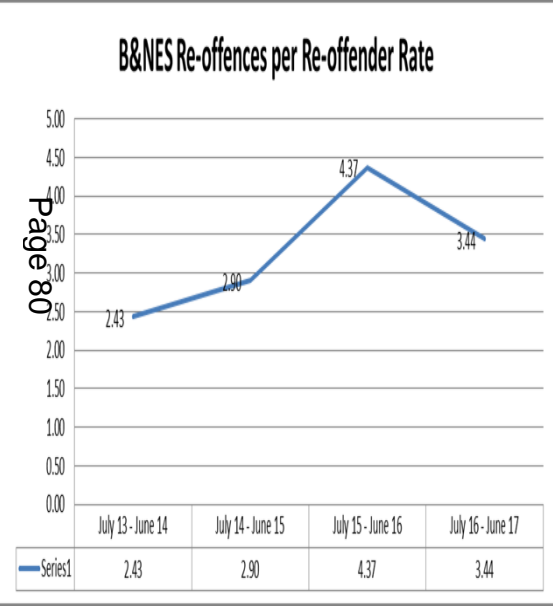
2.2.3 Re-offending

This is measured in two ways. The first is a binary rate, the overall percentage of young people in an identified cohort who re-offend within 12 months and receive a Caution or Conviction. In the most recent aggregated 12 month cohort for July 2016 to June 2017, 32 of the 67 (47.8%) re-offended, an increase of 13.6% on the July 2015 – June 2016 cohort of whom 27 out of 79 (34.2%) re-offended. The earlier performance was better than Avon and Somerset, regional and national averages but the most recent rate is higher than all comparators.



The second way in which re-offending is measured is by the rate of new offences committed by the smaller group of young people within each cohort who do re-offend. The 27 young people in the July 2015- June 2016 who re-offended committed 118 new offences, an average of 4.37 each; by comparison, the 32 young people in the 2016 –17 cohort who re-offended committed a total of 110 new offences, an average of 3.44 each. The equivalent data for all comparator group averages increased, with B&NES having a reduction of 21.3% and the lowest rate.

The data therefore shows a mixed picture; even though the overall rate of re-offending increased, the rate of offences committed per young person who re-offended reduced and overall, fewer new offences were committed by young people in the youth justice system. The Youth Offending Service is considering whether to resume use of the YJB re-offending toolkit to improve understanding of the re-offending rate. The commencement of the Enhanced Case Management pilot, together with a wider commitment to incorporate trauma-informed practice into its work may lead to medium-term improvements in re-offending



3. Young People's Voice

The Service has been taking another look at how it involves the young people it is working with in reviewing and influencing the development of services. Through surveys and focus groups it is clear that young people recognise the benefits of working with the Youth Offending Service, with the value of relationships, education support and reparation featuring highly.

... support and help young offenders in not offending

Giving me a second chance

Controlling my behaviour

Insight into law helped me to understand as a victim

Only thing that helped me was the education stuff, helping me with my college application

Done good for my education

The worker being funny and friendly and not always talking about bad stuff

Told me information I didn't know

Having people to talk to

Reparation, because it made me realise that actions have consequences and that I didn't want to waste time as I would rather be

Talking with the nurse helps all the

YOS are good when you are in Court with them

Dealing with conflict

In a way, they have helped me get my job. My worker helped me get my CV

Help to get accommodation which has helped to organise my life

YOS makes me think before I do stuff like when I am in town and not joining in with fights

I've stopped hanging round with the same people and getting in trouble

Young people have also highlighted areas to work on, some of which have been incorporated into the work plan for the year ahead:

There should be more working in groups. Of course people would have to be chosen carefully so they don't kick off.

... doing things with the worker - activities rather than just talking

Don't like filling in work sheets

Working with animals can help you think about the importance of not hurting people and things

We meet with each other in groups anyway so YOS should work with groups

It feels too much like school

Don't like reading so much stuff

Helping us to get our lives together

Need to help kids put themselves in others' shoes (victims)

Vary reparation sessions, do more things in the local community

The offences we are working on happened too long ago to remember them

(I don't like) the worker trying to catch you out by asking questions about what you and your friends did on the weekend or asking who you are with all the time

The 'payback' aspect of reparation doesn't really get through to us

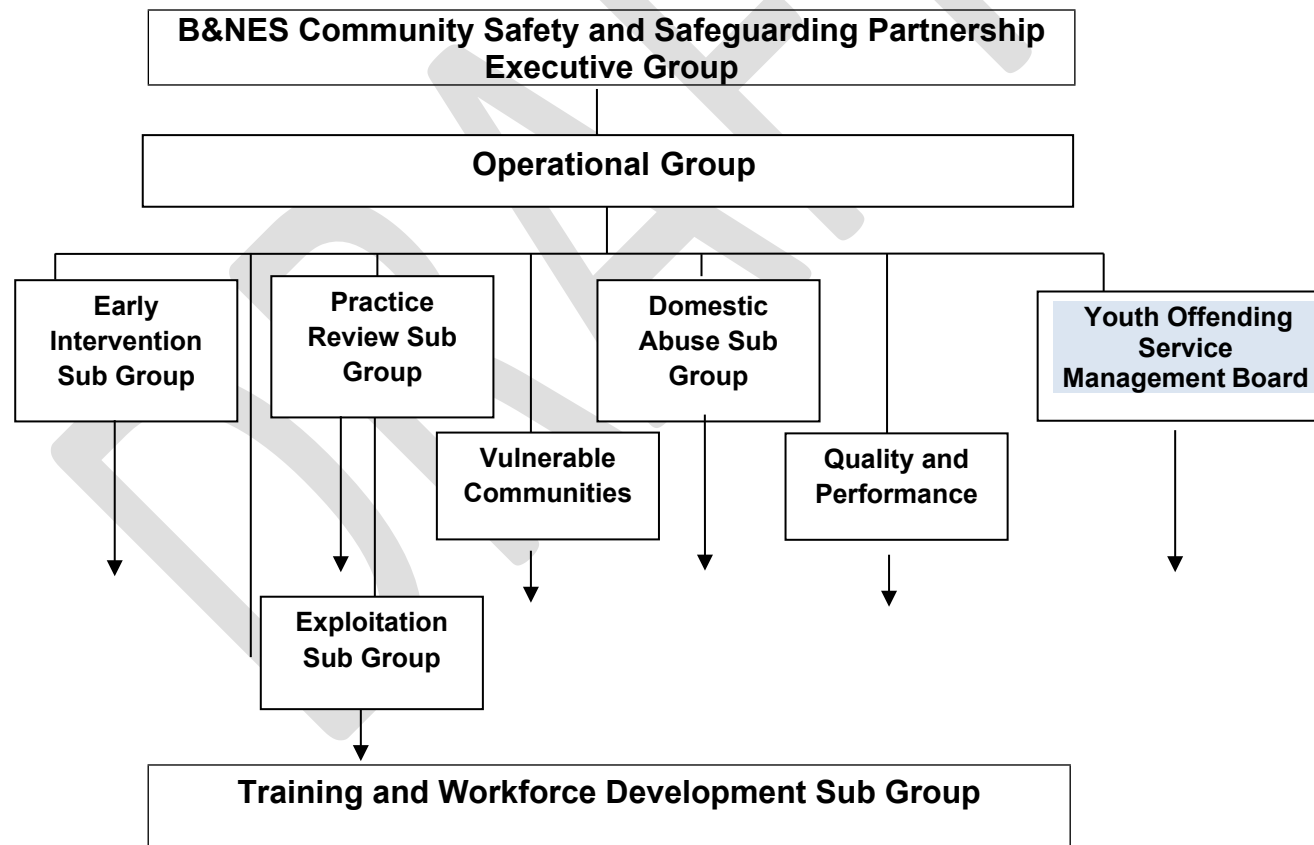
4. Governance and Partnership Arrangements

4.1 Youth Offending Service Management Board

The Board holds four business meetings and a development meeting each year, to oversee the budget, performance, National Standards compliance and service delivery. It has recently reviewed its effectiveness using a self-assessment tool based on Inspection guidance and has updated the arrangements set out in its Terms of Reference and Partnership Agreement. All statutory partners are represented and have substitutes but a more formal link is needed with the Clinical Governance Group. The Youth Court is represented for the first time.

Name	Agency represented (subject to local Partnership Agreement)	Comments
Mary Kearney Knowles	Director, Children, Young People and Families Service	Statutory member/chair
Elizabeth Spencer	Assistant Chief Officer, South West South Central, National Probation Service	Statutory member
Steve Kendall	Police District Commander, Avon and Somerset Constabulary	Statutory member
Christopher Wilford	Head of Education Inclusion Service, Bath and North East Somerset Council	
Jane Davis	Bath College	
Val Scrase	Head of Operations, Wiltshire and B&NES Children's Community Services, Virgin	
James Fortune	Clinical Director, Children & Young People, Oxford Health NHS Foundation Trust	
Kevin Guy	Lead Member for Children, Bath and North East Somerset Council	
Sally Churchyard	Head of Young People's Prevention Service, B&NES	Service Manager
Martyn Russell	Magistrate, Youth Bench	
Marc Hole	Avon and Somerset Police and Crime Commissioner's Office	Annual attendance
Graham Sabourn	Head of Housing, B&NES	Attendance as required

There has been a wider review of safeguarding arrangements to reduce duplication and release capacity for addressing areas of common interest and statutory requirement, including domestic abuse, serious violence, modern slavery and addressing radicalisation. The new arrangements, expected to be implemented by December 2019 will also create efficient, integrated governance arrangements. The Youth Offending Service Management Board will become one of eight sub-groups of the new Community Safety and Safeguarding Partnership Operational Group and its chair will represent the board on the operational Group as shown in the diagram below. It will also report to the Health and Wellbeing Board. Any serious incidents affecting young people known to the Youth Offending Service will be referred to the Quality and Performance sub group. The Board will continue to operate with two multi-agency sub-groups for Youth Crime Prevention and Custody Review, each linked with a performance indicator.



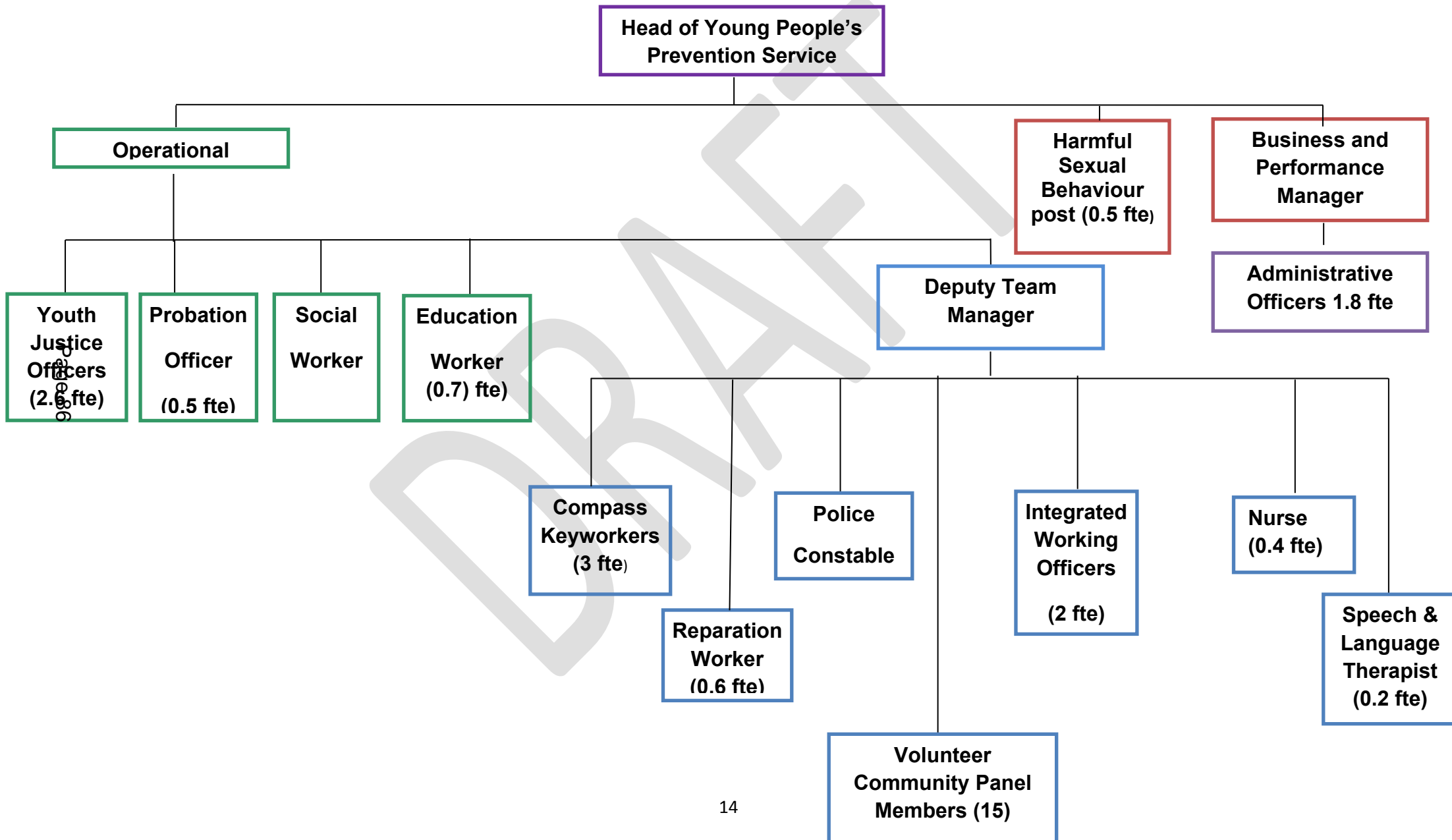
5. Resources

5.1 Budget summary

Most partner contributions remain constant, with a small Council increase (+ £6,320) and a small core YJB grant reduction (-£2,068).

Source	Pooled budget £	Staffing costs £	Other costs £	Comments	Total £
Avon and Somerset Police	5,000	41,236	0	Full-time Police Constable plus in-kind use of Police National Computer	46,236
National Probation Service	5,000	21,689	0	0.5 fte Probation Officer	26,689
Bath and North East Somerset Council	18,685	399,593	36,237	Office bases, Financial and Human Resources services	454,515
Bath and North East Somerset Clinical Commissioning Group	14,885	31,109	0	0.4 fte Nurse. Speech and Language Therapy is delivered separately	45,994
NHS England	N/A	40,000	0	Specialist Harmful Sexual Behaviour Consultant (secondment from CAMHS)	40,000
Avon and Somerset Police and Crime Commissioner	N/A	10,217	0	Contributes to Compass. Another £7,902 goes towards substance misuse services	10,217
Youth Justice Board for England and Wales	N/A	142,353	39,916	Core grant goes directly to the Youth Offending Service	179,269
Youth Custody Service	N/A	0	3,523	Remand bed grant goes directly to the Youth Offending Service	3,523
Total	43,570	686,197	76,676		806,443

5.2 Youth Offending Service Organisational Chart



5.3 Youth Offending Service Staff by Gender and Ethnicity (based on census 2001 categories):

At the time of preparing this Plan, the Service was fully staffed with a stable staff team. During the year ahead, there will be another recruitment round for new volunteer Referral Order Panel Members.

Including volunteers, the overall staff make-up of the Service is 74% female and 10.2% from ethnic minority backgrounds. However, there are no practitioners from ethnic minority backgrounds.

	Strategic Manager		Team Manager		Practitioner		Administrator		Sessional		Student		Volunteers		Total	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
Asian or Asian British														1		1
Black or Black British																
Mixed														1		1
Chinese or Other													1	1		2
White or White British		1	1	1	3	15		3					5	6		35
Preferred not to say																
Total		1	1	1	3	15		3					6	9		39

6. Risks to future delivery against youth justice outcomes

The following risks have been identified for delivery of the Youth Justice Plan and the statutory purpose of preventing youth offending.

Risk	Impact	Likelihood	Actions to reduce/manage the risk
Exploitation of young people, including into offending	High	High	The Service is actively involved in implementation of the Youth @Risk Strategy which includes a commitment to the use of contextualised approaches to keeping young people safe and to disruption of those who groom and exploit them.
More serious youth offending, including serious violence	High	High	A small number of young people, often those who are being exploited, are at risk of committing violent and drug dealing offences. Those who carry knives are at heightened risk of committing serious violent offences. The Service is leading the development of a local Protocol to address this issue at all levels and will introduce new ways of working with young people. Participation in the enhanced case management pilot also presents opportunities for more structured, trauma recovery, work.
Increase in Looked After Children offending	High	Medium	Looked After Children are more vulnerable to being groomed into offending and their circumstances sometimes make it harder for them to stop offending. They will be a priority for the initiatives outlined above.
Increase in ethnic minority background disproportionality	High	Medium	Whilst numbers are low, young people from ethnic minority backgrounds are over-represented in the youth justice system. This has been flagged as a work stream for the Early Help Board.
Insufficient readiness for Inspection	High	Low	The Youth Offending management and team are actively preparing for Inspection, using the national framework. It is a standing item at Management Board.
Not able to deliver the Work Plan	High	Low	Regular review in management meetings and Management Board oversight and the Council's Scrutiny arrangements will hold everyone to account and provide support in progressing this.
Maintaining staff continuity	Medium	Medium	The relatively small Service is particularly vulnerable to fluctuations in staffing levels when people leave or are Sick. Commitment to staff well-being and provision of good quality Supervision and training maintain its reputation and help to attract good candidates.
Maintaining two office bases	Medium	Medium	Use of the central Bath reporting office depends on having two staff available for cover and is linked with staffing levels. This is kept under careful review.

7. Youth Justice Work Plan 2019-2020

These are the main areas of development for the year ahead and are reflected in staff members' individual action plans

a. Prevent Offending			
Actions	Benefit or Impact	Timescale	Owner
1. Launch new Compass model (ensuring it addresses the needs of young people from ethnic minority backgrounds and Looked after Children)	Children at risk of offending receive a more tailored approach to meeting their needs	September 2019	Deputy Team Manager
2. Work with partner agencies to develop a 'problem profile' for serious violence	Clear understanding of issue locally and specific plan to address risks	December 2019	Head of Service
3. Develop and commence serious youth violence programme (ensuring it addresses the needs of young people from ethnic minority backgrounds and Looked after Children)	Children in Year 5/6 at risk benefit from a targeted early help programme based on evidence-informed risk factors and interventions	December 2019	Head of Service
4. Work with Police to develop knife crime diversion and other initiatives	Consolidate practice in the Out of Court Disposal Panel and ensure that evidence informed interventions are offered	December 2019	Operational Manager
5. Recruit addition Champions across the workforce for children affected by parental imprisonment and ensure there are sufficient monitoring arrangements.	Identify and address the needs of children and families and reduce the risk of offending	December 2019	Head of Service
6. Develop use of the Learning for Work initiative	Support 16-17 year olds with little positive experience of learning to prepare for work	March 2020	Education Worker
7. Promote awareness, deliver training and develop Harmful Sexual Behaviour prevention.	Early help support is available for young people and their parents/carers and staff feel more confident to address this need.	March 2020	Harmful Sexual Behaviour Lead

b. Reduce Re-Offending

Actions	Benefit or Impact	Timescale	Owner
1. Re-introduce use of the YJB re-offending toolkit or equivalent	Improve local understanding of patterns of re-offending and identify areas of practice to improve	December 2019	Business and Performance Manager
2. Commence Enhanced Case Management pilot	Test out a new way of working with prolifically re-offending young people who have experienced trauma	September 2019	Operational Manager
3. Work with young people to propose how to make interventions more activity-based and explore possibilities for more group work (action in response to young people's feedback)	Improved engagement with young people leading to more successful completions and better outcomes.	December 2019	Youth Justice Officers
4. Work with young people to review how reparation is explained and evaluated (action in response to young people's feedback)	Young people have greater understanding of the purpose of reparation	December 2019	Reparation Worker
5. Support the development of information sharing arrangements for young people at risk of exploitation and ensure that those at risk of serious violence are also identified and assessed	Reduction in exploitation and serious youth violence	December 2019	Head of Service
6. Introduce trauma-informed approaches to working with young people across the Service	Apply learning about young people's experience of trauma wherever relevant	March 2020	Operational Manager

c. Reduce Rate of Custody

Actions	Intended Impact	Timescale	Owner
1. Support launch of Youth @ Risk Strategy and Serious Youth Violence Protocol	Ensure that exploited children receive the support they need to be safe and that a 'child first' approach is taken wherever possible, also incorporating contextualised safeguarding	September 2019	Head of Service
2. Develop initiatives to reduce offending by Looked After Children	No Looked After Children sentenced to custody	December 2019	Deputy Team Manager
3. Incorporate the views of children in custody (and those transferring back into the community) into the development of services for them	Ensure that the most vulnerable young people are safe and have tailored support as they return to the community	December 2019	Operational Manager
4. Ensure that parents/carers of young people at risk of custody are offered parenting support	Partnership in preventing offending	March 2020	Operational Manager

d. Strengthen Governance and Workforce

Actions	Intended Impact	Timescale	Owner
1. Review content and presentation of Management Board data	Ensure reports provide necessary assurance, generate challenge and support service improvement	September 2019	Business & Performance Manager
2. Review statutory partner arrangements	Ensure that all statutory partners are represented at an appropriate level on the Management Board	September 2019	Chair of the Management Board
3. Establish regular Youth Offending Service Management Board reporting to the Health and	Ensure agreed governance and align the work of preventing youth offending with health initiatives	September 2019	Chair of the YOS Management Board

Wellbeing Board			
4. Ensure the Service and the Management Board are prepared for Inspection	Readiness to show the Service and Partnership at their best	December 2019	Head of Service
5. Complete baseline assessments and implement new National Standards	Readiness for self-assessment	March 2020	Operational Manager
6. Recruit a new cohort of volunteer Panel Members	Ensuring continuity of Panel	March 2020	Integrated Working Officers

8. Approval and Sign Off

This Plan has been approved by the Chair and members of the Youth Offending Service Management Board in June 2019 and has been signed off by the statutory partners below:

Partner Organisation	Name of Chief Officer	Signature	Date
Local Authority	Ashley Ayre, Chief Executive		
Local Authority (Health and Education)	Mike Bowden, Corporate Director, People and Communities Department		
Local Authority (Social Care)	Mary Kearney-Knowles, Director Children, and Young People Service		
Avon and Somerset Constabulary (Police)	Steve Kendall, District Commander		
South West South Central Division, National Probation Service (Probation)	Elizabeth Spencer, Assistant Chief Officer		

9. Glossary

‘Child first’ approach	A principle endorsed in the new National Standards that clarifies that young people who offend are to be treated as children first and offenders second
Compass	A local youth crime prevention initiative for 8-17 year olds, managed within the Youth Offending Service and working with children, young people and their families on a voluntary basis to address risks of offending
Contextualised safeguarding	Emerging practice that takes full account of the nature of risk to young people outside their family environment and seeks to keep them safe from exploitation
Custody Review Panel	A sub group of the Youth Offending Service Management Board that meets quarterly to address the local custody rate by undertaking multi-agency audits and promoting awareness of the use of custody for young people as a safeguarding issue. (a sub group of the Youth Offending Service Management Board)
Enhanced Case Management pilot	A YJB funded initiative across B&NES, North Somerset, Bristol and South Gloucestershire and building on a previous pilot in Wales, to incorporate trauma-informed approaches into statutory youth justice work. A Clinical Psychologist will oversee the development of interventions that take full account of what has happened to young people.
Early Help	Support for young people and their families before difficulties become entrenched
Harmful Sexual Behaviour	Sexual behaviours expressed by children that are developmentally inappropriate, may be harmful towards self or others, and/or be abusive towards another child, young person or adult
Learning for Work	City of Bath College funded project led by Youth Connect to support young people who have previously found it difficult to engage in learning, to prepare for work by undertaking individual placements and receiving bespoke support.
National Standards	Minimum standards for the youth justice system, published by the YJB
Reparation	Making amends to someone harmed. This can be doing something of direct benefit to the victim of an offence or could be undertaking work that benefits the wider community, ideally suggested by the victim. Examples include working for Bath City Farm, the National Trust, Bath Cat and Dogs’ Home and the Swallow Café in Radstock.
Restorative Justice	A range of approaches to resolving a situation where harm, often an offence, has been caused. It focuses on victim satisfaction, offering a range of services by which the victim can gain an understanding of the offence, have a chance

	to be fully heard, and agree to or even participate in any suitable reparation.
Serious Youth Violence	Drawing on the national Serious Violence Strategy (April 2018), this is youth violence caused through the spread of exploitation linked to drug dealing through ‘county lines.’ Young people can be groomed into this activity and sometimes go on to groom and exploit others. Serious youth violence can include homicide, robbery, violence against the person and possession of drugs and/or weapons, particularly knives.
Trauma informed practice	Factors in some young people’s lives that combine to reduce the likelihood of life turning out well for them (including experience of abuse, neglect, parental mental health, domestic violence, parental imprisonment etc.). Young people with four or more of these factors may benefit from work to address the trauma they have experienced
YOS Family Group/Comparators	The Youth Justice Board has developed sets of Local Authorities linked through common demographics and other characteristics to compare performance with. Bath and North East Somerset’s ‘family’ for youth offending includes Gloucestershire, Wiltshire, Cambridgeshire, Bedfordshire, Oxfordshire, West Sussex, Hampshire, North Somerset, Dorset Combined Authority and South Gloucestershire
Youth Crime Prevention Board	A sub group of the Youth Offending Service Management Board that meets twice each year to oversee work to reduce the rate of first time entrants by analysing first time entrants’ data, identifying areas of concern and sharing good practice.
Youth Justice Board or YJB	The Youth Justice Board for England and Wales is responsible for overseeing the youth justice system, including performance monitoring, providing advice and disseminating good practice. It receives and endorses Youth Justice Plans and issues the Youth Justice Grant on behalf of the Ministry of Justice.

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Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING/ DECISION DATE:	10 th July 2019	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3146
TITLE:	RULE 15 Loan Request from Bath Festivals	
WARD:	All	
LIKELY TO BE TAKEN IN EXEMPT SESSION		
List of attachments to this report:		
Attachments – Appendix 1 EXEMPT due to commercial sensitivity		

1 THE ISSUE

- 1.1 Bath Festivals has approached the Council for a loan of £75,000 to enable them to continue to implement their new business plan and continue to operate. The organisation needs to raise £300,000 of which it has pledged for £210,000 through a Charitable Investment Bond. plus an offer of a loan of £25,000 from a Charitable Trust but only if Bath and North East Somerset Council agrees a £75,000 loan. Following an assessment of their financial position, the Council's Director of Finance has outlined that a more sustainable way forward would be to offer a one-off grant with conditions to support the group through the next three years. The conditions would enable B&NES to assist with improving the Festival's forward programming.

2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 Approve a conditional once-off grant of £75,000 to Bath Festivals from the Revenue Budget Contingency to ensure that the Council can assist with improving the community reach and accessibility for residents of the Bath Festivals Programme, as well as the profitability of the programme.
- 2.2 The conditions to be agreed by the Chief Executive, in consultation with the Leader of the Council.

3 THE REPORT

3.1 Bath Festivals have been actively promoting and running music and literary events. This year the following events have taken place or are planned:-

- (1) The Bath Festival
- (2) The Children's Literature Festival
- (3) Creative learning opportunities for children

3.2 Unfortunately their financial position has been deteriorating over the last few years and Bath Festivals intend to implement a revised three year business plan, which will include adding additional skills to the board, building corporate sponsors, and reviewing pricing. The Charity also decided to raise £300,000 through a three year Charity Investment Bond, which returns the capital sum plus 3% per annum rolled up interest to investors at the end of three years. Bath Festivals have raised £210,000 of this to date but there remains a £90,000 shortfall. Bath Festivals has asked the Council to invest £75,000 in the Bond with a further £25,000 being funded from a Charitable Trust but only if the Council provides the £75,000.

3.3 On assessing the financial position of the organisation, the Director of Finance has advised that a grant with conditions would be more appropriate. In discussions with the Leader of the Council and The Portfolio Holder for Resources the following conditions have been proposed:-

- 1) The Trust improves the community reach and accessibility for residents particularly in respect of concessions related to ticketing and choices of venues
- 2) A requirement that a Bath and North East Somerset Councillor is added to the board to be nominated by the Leader of Council.
- 3) The financial position has not deteriorated further than that outlined in this report;
- 4) The other pledges are received as set out in this report;
- 5) Bath Festivals reviews its staffing levels to minimise costs;
- 6) Bath Festivals to support the Council in taking action in support of the Plastic Free BathNES Pledge and the Climate Emergency resolution in events and festivals over the next year;
- 7) No bonus payments are made to Bath Festival staff;
- 8) Bath Festivals engages proactively with a Council commissioned review of Council funded destination services in B&NES, that will lead to the implementation of streamlined governance, reduced back office costs and improved marketing by events and destination management companies in the Bath area (e.g. Bath BID, Visit Bath)

4 RATIONALE

- 4.1 As described in the report the Council has received a loan request from Bath Festivals to enable the organisation to continue to operate. This report considers the response to that request.

Council Constitution Urgency Rule 15 has been used for this report due to the urgency of decision to support Bath Festivals as closure would be disadvantageous to residents across the district.

5 STATUTORY CONSIDERATIONS

- 5.1 All statutory considerations have been met.

6 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 6.1 The Revenue Budget Contingency has been set up to support any in-year unforeseen budget pressures during the financial year. The Reserve currently has an unallocated sum of £3.0m. The Council is facing severe financial pressures and this Contingency sum will be required for any undeliverable savings as well as pressures that may lead to budget shortfalls in year. Key current risks are currently the demand pressures within Children's Services and the pressure mainly in the retail sector affecting Commercial Estates.

7 RISK MANAGEMENT

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

8 CLIMATE CHANGE

- 8.1 One of the conditions of the grant is for Bath Festivals to Support the Council in taking action in support of the Plastic Free BathNES Pledge and the Climate Emergency resolution in events and festivals over the next year.

9 OTHER OPTIONS CONSIDERED

- 9.1 The Council could provide the loan of £75,000 but would need to consider whether it would be prudent and or legal to do so. The Council could do nothing as there is no current policy to give either loans or grants of this kind. Bath Festivals have been clear that they are highly unlikely to continue without this support while their new business plan is put in place, which would mean the cessation of festival activities.

10 CONSULTATION

- 10.1 The section 151 officer, Monitoring Officer and Chief Executive have reviewed the options available.

Contact person	<i>Donna Parham – Director of Finance (01225) 477468 donna_parham@bathnes.gov.uk</i> <i>John Wilkinson – Director of Economy and Growth (01225) 396593 john_wilkinson@bathnes.gov.uk</i>
Background papers	<i>None</i>
Please contact the report author if you need to access this report in an alternative format	

Access to Information Arrangements

Exclusion of access by the public to Council meetings

Information Compliance Ref: LGA 992/19
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Meeting / Decision: Cabinet

Date: 10 th July 2019

Author: Donna Parham

Report Title: Loan Request from Bath Festivals
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Exempt Appendix 1 – Financial Information
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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)
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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 Officer wishes to consider a matter with press and public excluded, they must be satisfied on two matters.

Firstly, they 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:

3. 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 parties if disclosed at this time. The exempt appendix also includes observations and opinions 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 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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