Bath & North East Somerset Council

Cabinet

Date: **Thursday, 13th February, 2020**
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 Guildhall - Bath.

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.

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4. **Public Speaking at Meetings**

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

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

5. Emergency Evacuation Procedure

When the continuous alarm sounds, you must evacuate the building by one of the designated exits and proceed to the named assembly point. The designated exits are signposted. Arrangements are in place for the safe evacuation of disabled people.

6. Supplementary information for meetings

Additional information and Protocols and procedures relating to meetings

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Cabinet - Thursday, 13th February, 2020

in the Council Chamber - Guildhall, Bath

A G E N D A

1. WELCOME AND INTRODUCTIONS

2. EMERGENCY EVACUATION PROCEDURE

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

3. APOLOGIES FOR ABSENCE

4. DECLARATIONS OF INTEREST

At this point in the meeting declarations of interest are received from Members in any of the agenda items under consideration at the meeting. Members are asked to indicate:
(a) The agenda item number in which they have an interest to declare.
(b) The nature of their interest.
(c) Whether their interest is ***a disclosable pecuniary interest*** *or an* ***other interest****, (as defined in Part 2, A and B of the Code of Conduct and Rules for Registration of Interests)*
Any Member who needs to clarify any matters relating to the declaration of interests is recommended to seek advice from the Council's Monitoring Officer or a member of his staff before the meeting to expedite dealing with the item during the meeting.

5. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

6. QUESTIONS FROM PUBLIC AND COUNCILLORS

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

7. STATEMENTS, DEPUTATIONS OR PETITIONS FROM PUBLIC OR COUNCILLORS

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

8. MINUTES OF PREVIOUS CABINET MEETING (Pages 7 - 18)

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

9. CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

This is a standard agenda item, to cover any reports originally placed on the Weekly

list for single Member decision making, which have subsequently been the subject of a Cabinet Member requisition to the full Cabinet, under the Council's procedural rules.

10. MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES

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

11. SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING (Pages 19 - 20)

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

12. BUDGET & COUNCIL TAX 2020/21 AND FINANCIAL OUTLOOK (Pages 21 - 290)

This report presents the revenue and capital budgets together with proposals for Council Tax and Adult Social Care Precept for 2020/21.

13. B&NES CORPORATE STRATEGY 2020-2024 (Pages 291 - 364)

The Council's Corporate Strategy will guide Council activity and budget planning over the next four years. This report invites Cabinet to recommend to Council that the Corporate Strategy and Corporate Delivery Programme as set out in Appendix One and Appendix Three be adopted.
Once adopted, the Corporate Strategy will become the overarching framework for Council activities until 2024 and will frame our financial strategy over the same period.

14. REVENUE AND CAPITAL BUDGET MONITORING, CASH LIMITS AND VIREMENTS - APRIL 2019 TO DECEMBER 2019 (Pages 365 - 400)

This report presents the financial monitoring information for the Authority as a whole for the financial year 2019/20 to the end of December 2019.

15. TREASURY MANAGEMENT 2019-20 QUARTER 3 PERFORMANCE REPORT (MID YEAR UPDATE) (Pages 401 - 416)

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 2019/20 for the first nine months of 2019/20.

16. TREASURY MANAGEMENT STRATEGY STATEMENT AND TREASURY INVESTMENT STRATEGY 2020/21 (Pages 417 - 442)

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the

Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

17. HERITAGE SERVICES REVISED BUSINESS PLAN 2020-2025 (Pages 443 - 482)

This report introduces the Heritage Services business plan update ('the Plan') for the five-year period 2020/21 to 2024/25. It sets out the business unit's strategy for delivering savings targets and increasing its financial return to the Council on an ongoing and sustainable basis. The Plan includes strategies for addressing the Climate Emergency as well as for pricing, marketing and investment in conservation, staff development and the quality of the visitor experience to achieve the ambitious targets set out in it, and an analysis of the risk involved.

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

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BATH AND NORTH EAST SOMERSET

CABINET

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

Thursday, 16th January, 2020

Present:

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
Councillor Joanna Wright	Cabinet Member for Transport Services

46 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting.

47 EMERGENCY EVACUATION PROCEDURE

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

48 APOLOGIES FOR ABSENCE

There were no apologies for absence.

49 DECLARATIONS OF INTEREST

Councillor Dine Romero declared an other interest in agenda item 18 'Decision to complete a Transfer Agreement with Aequus Companies' as she is the Council's shareholder representative for Aequus Development Limited.

50 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was none.

51 QUESTIONS FROM PUBLIC AND COUNCILLORS

There were 11 questions from Councillors and no questions from members of the public.

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

52 STATEMENTS, DEPUTATIONS OR PETITIONS FROM PUBLIC OR COUNCILLORS

Phil Harding in a statement [a copy of which is available on the Council's website and at Democratic Services] said that Saltford Parish Council and Saltford Environment Group were asking the Cabinet to implement an immediate mooring ban to protect the stability of the riverbank from further damage and the key infrastructure it protects.

Laura Darling made a statement by saying that the decision would affect her personally as a member of the boating community. Laura Darling said that she was evicted from Saltford Marina 5 years ago when she was pregnant, and that she has been looking for a safe place ever since. Laura Darling also said that she has 4-year-old son and that she was concerned that she and her family would be homeless. People would have to tie their boats to random trees if the moorings were taken away, with no access to hospitals. Laura Darling concluded her statement by saying that the boating community do take care of the environment by organising litter picking actions and that they would like to work together with the residents on this matter.

Alice Young made a statement by saying that the moorings at Mead Lane in Saltford were a vital lifeline for the boating community. Alice Young also said that she was concerned from a professional stance where these people would go if the Mead Lane Moorings are closed. Alice Young agreed with Laura Darling that people would put themselves at risk tying boats to trees in unsuitable river conditions. She also called for discussion between the boaters and residents on this matter and added that boaters would be added to the long housing list if the closure goes ahead.

Peter Denmead in a statement [a copy of which is available on the Council's website and at Democratic Services] urged the Cabinet to take immediate action now to avoid environmental risks.

53 MINUTES OF PREVIOUS CABINET MEETING

RESOLVED that the minutes of the meeting held on Thursday 7th November 2019 be confirmed as a correct record and signed by the Chair.

54 CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

There were none.

55 MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES

There were none.

56 SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING

The Cabinet agreed to note the report.

57 BATH'S CLEAN AIR PLAN- FULL BUSINESS CASE

Councillor Vic Pritchard asked for a point of clarification by saying that not so long ago it was said that vehicles which would meet the following minimum emission standards for Bath would be free of charge:

- Euro 6/VI (or newer) diesel vehicles registered from c. 2015
- Euro 4/IV (or newer) petrol vehicles registered from c.2006
- Electric vehicles
- Hybrid vehicles
- Alternatively fuelled vehicles

However, Councillor Pritchard felt that the report suggested that all car drivers would be exempt from charges. Councillor Pritchard asked which option was correct.

Councillors Sarah Warren and Richard Samuel explained that minimum emission standards would apply to all vehicles that were not private cars and motorbikes. Private cars and motorbikes would be exempt from charges.

Councillor Sarah Warren read out the following statement:

'*Today, we are discussing the Final Business Case to Government for funding for Bath's Clean Air Plan. Air pollution is one of the environmental challenges of our times. The British Heart Foundation says that living in the most polluted areas of the UK is as deadly as smoking 150 cigarettes a year, so it is absolutely vital that we reduce pollution levels here in Bath. 92% of nitrogen dioxide emissions in this city currently arise from road traffic. This Clean Air Zone proposes to provide support for local businesses to upgrade their vehicles to less polluting models, and will form the springboard for further measures aimed at giving people alternatives to the private car, and encouraging their use.*

I want to thank the council officers who have worked so hard on what I believe is one of the most challenging projects they have had to deal with. The modelling of both traffic flows and air pollution is highly technical, and at the cutting edge of current understanding, and this work has been carried out within parameters and a timescale that have been very tightly defined by Government, whilst rightly, under close scrutiny from the media and the public.

I also want to thank the public for their constructive and enthusiastic participation in our two consultation processes. They attended open events, and wrote in with their suggestions, in very large numbers. Their help has been invaluable in ironing out the unintended consequences that might have arisen, had the council gone live with earlier iterations of the proposal, and in ensuring we have the best fit scheme that we can for Bath, within the government's tight parameters.

The scheme we are proposing is a "Class C" Clean Air Zone, which will see non-compliant, highly polluting HGVs, buses, vans, and taxis charged to enter the zone. You will remember that the council previously consulted on the possibility of charging private cars, and that the majority of the record 8000 respondents expressed concern about the impact on local families of such a measure. But without charging cars, the only way that legal compliance can be achieved is to introduce so-called "traffic management" at Queen Square, so as to reduce the flow of traffic past a key pollution hotspot in Gay Street.

We recognise that this scheme may not be perfect in every regard as it goes live, and that its ability to achieve legal levels of compliance is finely poised. That's why we'll be monitoring its performance very closely from the get go, through increased data collection around both air quality and traffic flow. We'll be doing this both in those areas where we believe air quality will be improved by the scheme, and at spots where our modelling has indicated there may be a slight increase in pollution or traffic. The enhanced monitoring will mean we have a deep and improving understanding of air quality and traffic flow in the city, and on the factors that influence it, which in turn will mean that, should the scheme not be on track to deliver the benefits that the modelling has predicted, we'll know early, and we'll know what type of contingency measures need to be taken to achieve legal compliance.

I should add that the council will continue to take other measures alongside the Clean Air Zone which are focused on giving people alternatives to the car and encouraging their use. These additional measures will contribute to reducing pollution and are also in line with our climate emergency declaration and commitment to reduce individual car mileage by 25% and achieve net zero carbon emissions, by 2030.

One part of the scheme that has met with a mixed reception at consultation is the plan for Queen Square. It was a part of the scheme inherited by the current administration from the previous one, and which is required in order to allow the city to achieve legal compliance without charging cars. I acknowledge that the current scheme for Queen Square is not the outcome we would prefer to see at such an important Grade 1 listed space in the heart of our World Heritage City, and I regret that, despite very hard work by both councillors and officers, we have not been able to develop more sympathetic plans for this space in time to hit the externally set deadline for legal compliance. However, I would like to reassure the public that we regard the current proposal for Queen Square as a temporary measure until such time as nitrogen dioxide levels are legally compliant, and overall volumes of traffic on the network have been reduced. And this is where individuals can help us, too, by giving real thought to their transport choices on a daily basis and avoiding using their cars in the city centre wherever possible.

In the summer, we hope to begin consultation with the public on medium term improvements to the public realm in Queen Square, that will inform the future development of a pleasanter space, less focused around the car.

In summary, I anticipate that this scheme will effectively reduce air pollution both at key hotspots around the city, ensuring the council meets its legal obligations in relation to nitrogen dioxide levels; as well as more widely, as drivers upgrade their vehicles to less polluting models, and modify their behaviour. I view it as an important scheme to safeguard the health of our residents, and the first of a suite of measures the council will take, aimed at reducing our dependency on the motor vehicle, and at reducing both carbon emissions and other pollutants.'

Councillor Sarah Warren moved the recommendations.

Councillor Richard Samuel seconded the recommendations by saying that he had put a motion to the Council in July 2017 for the Clean Air Zone, and today the Cabinet would vote on the Final Business Case. Councillor Samuel expressed his concerns that central government has not yet paid the remaining £18.3m of the Clean Air Zone money to the Council, which could mean that the project would not go ahead unless the funding is received. The Council has sent a letter to the Secretary of State expressing its concerns with the delay in payment. Councillor Samuel concluded by saying that the Council would have to re-work the Clean Air Zone scheme if there was a lack of funding from the central government. The next phase of the scheme would be the installation of number plate recognition cameras, which was probably the most expensive part of the project.

The Chair agreed with Councillor Samuel that the Council was not in an ideal position whilst waiting for the remaining funding.

RESOLVED (unanimously) that the Cabinet agreed to:

2.1 Delegate authority to the Corporate Director of Place to formally submit to the government's Joint Air Quality Unit (JAQU) for approval: the final Full Business Case (FBC), Clean Air Fund (CAF) bid; and the Charging Order. The main FBC is attached as Appendix 1 and the full package of 2 documents have been shared with Cabinet members and are published on the Council's website.

2.2 Agree the key project programme milestones as shown in Section 3.5.

2.3 Agree the revised and final scheme boundary as shown in Appendix 2.

2.4 Note that a draft Communications Strategy has been developed to support the implementation of the scheme that integrates with the national communications campaign. This is set out in Appendix 3.

2.5 Consider the FBC Consultation Report setting out the views of the respondents to the last public consultation and analysis of these views. This is set out in Appendix 4.

2.6 Confirm the launch of the approved scheme on 4 November 2020. This is the date upon which enforcement will commence and payment must be made for entering the Clean Air Zone (CAZ) in a non-compliant vehicle or be subject to enforcement via a penalty charge notice (PCN).

2.7 Note the recommendations of the independent review which have been incorporated into the FBC.

2.8 Note the changes made by JAQU as part of the core scheme since the end of the last public consultation.

2.9 Consider the updated Equalities Impact Assessment (EqIA)shown in Appendix 5.

2.10 Note that a meeting of the Climate Emergency and Sustainability Policy Development and Scrutiny Panel took place on 13th January 2020 and any recommendations will be reported to the Cabinet Member for Climate Emergency

and Sustainability.

2.11 Delegate authority to the relevant Corporate Director and the Director of Legal and Democratic Services and the S151 Officer, in consultation with the Cabinet member for Climate Change and the Deputy Leader, the decision to agree and to enter into any relevant legal agreement to secure, the national operational agreement(s) for the operation of the Clean Air Zone.

2.12 Delegate authority to the relevant Corporate Director and the Director of Legal and Democratic Services, in consultation with the Cabinet member for Climate Change and the Deputy Leader, the decision to agree and make minor changes to the Clean Air Zone Charging Order for technical reasons before sealing.

2.13 Note that if the Council does not secure sufficient funds from DEFRA/DfT then the Council reserves the right to review the proposals as set out in this report to ensure that there is no impact on the Council's wider budget.

58 B&NES LOCAL DEVELOPMENT SCHEME REVIEW

Councillor Tim Ball introduced the report by saying that every Local Authority was required by statute to maintain Local Development Scheme (LDS), which is the programme for the preparation of planning policies that ensure that every Unitary Authority (UA) has an up-to-date planning policy framework. The withdrawal of the Joint Spatial Plan (JSP) has prompted the need for the B&NES LDS to be reviewed, and to facilitate the delivery of the Council's Corporate Strategy priorities. Whilst the LDS did not require public consultation, the LDS would entail working with local communities as part of its preparation. It would be crucial that the Council has an up-to-date planning policy framework which would enable delivery of its Corporate Strategy and its key policy objectives, particularly on the Climate and Nature emergency.

Councillor Ball also said that the report set out the key issues that the revised LDS would need to address and delegates to officers the task of preparing a Local Development Scheme to be presented to Cabinet at a subsequent meeting for adoption. The LDS would set out the scope and timetable of the new Local Plan, sub-regional working arrangements, Supplementary Planning Documents and other necessary strategies and guidance notes.

Councillor Tim Ball moved the recommendations.

Councillor Joanna Wright seconded the motion by reminding the Cabinet that the Council had declared a Climate Emergency, and that the revised LDS would be in line with its key objectives.

Councillor Paul Crossley supported the motion by adding that it would be really important for the community to understand why the Planning Department was not able to prevent loss of family homes due to the continued rise of HMOs. Family homes would need to be protected; after all they would pay Council Tax. Councillor Crossley also expressed his concern at the continued rise of Airbnb in the city and its impact on the decline in family dwellings in the city, and also that purpose-built student accommodations were used as HMOs or Airbnb. For those reasons Councillor Crossley urged the Cabinet to consider revised LDS as soon as possible.

RESOLVED (unanimously) that the Cabinet agreed to:

2.1 Agree the key priorities for the preparation and review of Planning Policies in B&NES as summarised in para 3.2 of this report, and

2.2 Delegate to the Director of Development and Public Protection (in consultation with the Cabinet Member for Housing, Planning, and Economic Development) the task of preparing a revised Local Development Scheme to reflect those priorities. The revised scheme would then be presented to Cabinet at a subsequent meeting for consideration with a view to bringing it into effect.

59 INTEGRATED TRANSPORT AUTHORITY

Councillor Paul May made an ad-hoc statement by saying that he understood the logic behind the Integrated Transport Authority (ITA). However, he was very concerned that this would bring memories of Avon County and that future decisions, and transport powers, would be centralised within WECA (West of England Combined Authority). Councillor May also said that B&NES should have control over its own issues around transport, highways, and similar.

Councillor Neil Butters said that there was no movement in WECA becoming ex Avon County.

Councillor Neil Butters introduced this report by saying that the purpose was to integrate the delivery of the transport functions certain transport powers were devolved to WECA and since 2017 these have been carried out by, B&NES, South Gloucestershire and Bristol City Council, i.e. the Unitary Authorities (UAs). In November 2018 WECA reviewed these arrangements and resolved that the delivery of the relevant transport functions should, where practical, be carried out directly by the Combined Authority (such as concessionary travel, bus service information, community transport, supported bus services). B&NES has been delivering WECA functions since 2017, in summary these were no longer Council's duties or responsibilities (with the exception of supported buses, which was a joint function). The ITA would provide greater resilience, especially as at present there were only 3.5 full time employees in the Council. No further transfer of functions would take place unless there was a robust business case that would have both management and political sign off in B&NES.

Councillor Neil Butters moved the recommendations.

Councillor Joanna Wright seconded the motion by saying that ITA was a necessity for working with other Ex Avon authorities. For example, 48% of RUH Bath patients came from outside B&NES. Councillor Wright also said that she would see this as a positive move for the region.

Councillor Paul Crossley said that he would support the motion; however, he had concern that this would lead towards a bigger 'empire'. Councillor Crossley also said that ex Avon authorities worked really well together as West of England authorities and it should have stayed that way.

Councillor Tim Ball said that he would also support this report even though he shared Councillor Crossley's concerns in terms of WECA powers. Councillor Ball also said that public transport would need ITA to resolve its issues.

Councillor Richard Samuel also supported the report adding that all meetings of WECA should be held in public, documents should be available to the public, and WECA should be accountable to its residents.

RESOLVED (unanimously) that the Cabinet agreed to:

2.1 Approve the transfer to WECA of the staff (and associated costs) to enable the direct delivery by WECA of the four core public transport functions contained in the WECA Order 2017, on the basis that there is no additional cost to this authority or loss of income

2.2 Delegate to the Director of Environment authority to progress the transfer arrangements, in consultation with the Cabinet Members for Transport.

60 MEAD LANE MOORINGS

Councillor Duncan Hounsell in a statement [a copy of which is available on the Council's website and at Democratic Services] where he urged the Cabinet to: approve a full engineering survey of the river-bank at Mead Lane to be undertaken as soon as possible, begin a consultation on alternative sites for moorings and make use of the information provided by the boating community to Lemon Gazelle as to its needs and end moorings at Mead Lane so that vital infrastructure is kept safe, so that aquatic plants grow again, wild-life thrives, bio-diversity is promoted, and that this short stretch of river-bank becomes once again an open public space for all.

Councillor Paul Crossley introduced the report by saying that the Council had responsibility to maintain the riverbank. Stabilisation works were undertaken in 2004/5 followed by mooring trial, which was set up in 2017 in response to complaints about unregulated residential moorings. An independent consultation and engagement exercise was undertaken in the Autumn of 2019 to understand the issues/concerns of various parties. During the consultation period an engineering report was highlighted by the local community (produced around 2004/5), which included statements about the suitability of this section of the riverbank for moorings. Councillor Crossley also said that the Cabinet would consider a range of matters including the views of the local community, live-aboard boaters, its' duties and responsibilities under various pieces of legislation, the content of the engineering report and availability of suitable moorings along the river. The report recommended that no long-term decision should be taken on the moorings until an up to date structure survey is undertaken.

Councillor Paul Crossley moved the revised recommendations, with recommendation 2.3 to read as: 'Remove moorings at Mead Lane with effect from 21 days after the date of this decision. Any Council enforcement action to be subject to compliance with statutory duties.'

Councillor Richard Samuel seconded the motion by agreeing with Councillor Crossley that it was a Council responsibility to maintain the riverbank. Councillor Samuel also said that the Council has duty of care not just to the boating community but also to residents. Councillor Samuel concluded his comments by saying that this

site was not designed for moorings, and that the Council would need to find capital funds for immediate support on site, pending the outcome of the survey.

Councillor Tim Ball said that Mead Lane Moorings were not proper and sustainable moorings and for those reasons there was a need for action. Nevertheless, Councillor Ball made a plea for adult and children services to work closely with the boating community and families that were on site.

Councillor Kevin Guy said that the riverbank has been significantly damaged. Councillor Guy also said that he would be speaking to the boater families whose children go to school in B&NES about next steps.

Councillor Rob Appleyard said that his focus, as Cabinet Member for Adult Services, would be on the people side. The boating community were part of the overall community and they must be involved in the consultation.

Councillor Paul Crossley added that it would be Council's imperative to work closely with the residents and boaters on this matter and involve everyone in the consultation. The Council must work with the families within boating community to support their needs.

RESOLVED (unanimously) that the Cabinet agreed to:

2.1 Request from officers to undertake a structural survey of the river bank at Mead Lane and as part of the survey consider the suitability of this land for future moorings. This request is subject to approval of the revenue budget provision by Cabinet/Council in February 2020.

2.2 Request that officers report back to Cabinet once the results of the structural survey are known, to enable Cabinet to make an informed decision on the long term use of this land

2.3 Remove moorings at Mead Lane with effect from 21 days after the date of this decision. Any Council enforcement action to be subject to compliance with statutory duties.

2.4 Request that officers undertake further analysis of residential mooring arrangements along the river, to include arrangements for boaters and their families.

Statement Cllr Hounsell

61 HOMELESSNESS & ROUGH SLEEPING STRATEGY 2019/24

Councillor Vic Pritchard made an ad-hoc statement praising the Housing Team in the Council as well as the work of the relevant agencies in the area working with homeless and rough sleepers. Councillor Pritchard said that there was still a lot of work to be done as numbers of rough sleepers and homeless people were high. Councillor Pritchard concluded his statement by asking the Cabinet to take this matter seriously and commit to this issue.

Councillor Tim Ball agreed with Councillor Vic Pritchard that the Council indeed had very effective homelessness & housing options service, as evidenced by very low

use of temporary accommodation. However, Council's aspirations were to do better, and this strategy would provide the basis for that improvement. The Strategy would seek to improve work with private rented landlords, increase the numbers of Housing First tenancies and tackle homelessness on our local waterways. In relation to rough sleepers - it was good to note that the Annual Rough Sleeper Count in November 2019 found 17 households resorting to sleeping rough, a decrease of 3 on the 2018 figure. Of the 17, only 2 were found rough sleeping on the previous annual Count. The gender split was 14 men and 3 women and were over 25. However, the Council would want to do better and a bid for MHCLG (The Ministry of Housing, Communities and Local Government) grant would reflect this.
A proposal for extension funding for rough sleeper services in 2020/21 has therefore been submitted to MHCLG for consideration. The proposal was drafted with MHCLG advisors' input, so that officers were hopeful of a positive outcome, and confirmation of the allocation would be available soon.
Cold Weather Funding was discussed with MHCLG but did not go forward as the proposal was based on provision of 'somewhere to go' during the day, filling gaps in current provision and including further support and engagement. MHCLG wanted to see priority for the Cold Weather Fund being placed on accommodation options rather than day activities, and officers were advised that it was unlikely to succeed.

Councillor Tim Ball moved the recommendations.

Councillor Dine Romero seconded the motion by thanking the Housing Team on their hard work.

Councillor Kevin Guy also supported the motion by adding that so called 'sofa surfers' should also be recognised within the strategy.

RESOLVED (unanimously) that the Cabinet:

2.1 Agreed the Homelessness & Rough Sleeping Strategy 2019/24.

62 CLAVERTON NEIGHBOURHOOD DEVELOPMENT PLAN

Councillor Vic Pritchard made an ad-hoc statement by welcoming the report, and any future Neighbourhood Development Plans (NDPs) that would come before the Cabinet to approve. Councillor Pritchard also said that all NDPs should always be taken into consideration by Planning Department during planning application process.

Councillor Tim Ball thanked Councillor Vic Pritchard for his support and acknowledged the amount of community work and effort that had gone into preparing the Neighbourhood Plan for Claverton. Councillor Ball also said that B&NES Council had also played a supporting role, providing advice and assistance to the community to help ensure the Neighbourhood Plan had appropriately addressed the key planning issues facing the parish and that it aligned with B&NES planning policies. The Neighbourhood Plan would seek to safeguard the essential character of this rural valley Parish whilst welcoming change which would improve its sustainability and enhance its assets for the benefit of the Parish. It was excellent news that the plan has passed its referendum showing the community support for the work of the Parish Council/Neighbourhood Plan group and the approach it took to addressing key planning issues

Councillor Tim Ball moved the recommendations.

Councillor Neil Butters seconded the motion by saying that the Council would support local communities planning for their areas and as it has been agreed by residents through the referendum, the Cabinet should agree to make and bring the Plan into force.

RESOLVED (unanimously) that the Cabinet agreed to:

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

63 DECISION TO COMPLETE A TRANSFER AGREEMENT WITH AEQUUS COMPANIES

The Chair informed the meeting that part of this report had been marked as confidential. However, the Cabinet would debate this matter in public without addressing any points from the confidential paper. If any of the Cabinet Members felt that they had to raise points from the confidential papers then the Chair would ask the public to vacate the meeting.

Councillor Richard Samuel introduced the report by saying that the Cabinet would be asked to agree the transfer of undertakings and staffing to Aequus Development Limited (ADL) including a pension guarantee and to agree the principles and process for transferring properties and land for development. Councillor Samuel also said that the agreement was exempt from publication as it contained information relating to the financial or business affairs of a particular person.

ADL was formed in 2016 and Aequus Construction Limited (ACL) was formed in 2017. ADL was wholly owned by B&NES (the sole shareholder) and ADL acted as the parent company of ACL. The companies were set up to manage properties for rent above the commercial estate and ACL for the development of land. The Transfer Agreement regulated the relationship between the Council and ADL/ACL for the next 10 years. This agreement could then be rolled forward on a 5-yearly basis.
The budget for income from ADL/ACL was around £1m per annum.

Councillor Richard Samuel moved the recommendations.

Councillor Paul Crossley seconded the motion by welcoming this report, and also thanked the previous administration for setting up Aequus companies.

RESOLVED (unanimously) that the Cabinet agreed to:

2.1 Authorise the Council entering into the Transfer Agreement with the Council's housing companies.

2.2 Delegate to the Director of Finance in consultation with the Corporate Director, Director of Legal and Democratic Services, and the Cabinet Member for Resources authority to make minor amendments to the Transfer Agreement, if required, and do

all acts necessary to effect the transfer of staff and resources and complete the pensions guarantee in accordance with the terms of the Transfer Agreement.

The meeting ended at 8.50 pm

Chair _____

Date Confirmed and Signed _____

Prepared by Democratic Services

Bath & North East Somerset Council

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

published 6-Jan-2020 to 3-Feb-2020

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

Introduction of a Street Works Permit Scheme

Replacing the current 'noticing' system for the management and coordination of road works with a permit scheme, to provide the Council with greater control and to enable it to be compatible with the government's new electronic system of dealing with applications to work on the highway.

Decision Maker: Cabinet Member for Transport Services

Decision published: 27/01/2020

Effective from: 04/02/2020

Decision:

The Cabinet Member agrees that:

1) A street works permit scheme should be introduced through the creation of a legal Order; and

2) New fees and charges related to the permit scheme should be introduced as shown in Table 1 of the covering report.

Wards affected: (All Wards);

Lead officer: Paul Garrod

Proposed Asset Transfer of Land at North Parade Road to the Bath Cricket Club at Less Than Best Consideration

Transfer of the embankment at North Parade Road to the Bath Cricket Club to allow access for proposed development. This is a disposal at Less than Best Consideration and a Community Asset Transfer.

Decision Maker: Cabinet Member for Resources

Decision published: 08/01/2020

Item Called In

Decision:

The Cabinet Member agrees to:

1. Delegate to the Head of Estates the authority for the completion of the transfer (as a Community Asset Transfer) of the asset at less than best consideration.

2. Note that the transfer of the asset will be in compliance with the statutory responsibilities under S123 Local Government Act 1972

Wards affected: Bathwick;

Lead officer: Hayley Ponsford

Bath & North East Somerset Council		
MEETING:	**Cabinet**	
MEETING DATE:	**13th February 2020**	EXECUTIVE FORWARD PLAN REFERENCE: E3161
TITLE:	**Budget and Council Tax 2020/21 and Financial Outlook**	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report **Annex 1: Revenue Budget 2020/21 – individual service cash limits** **Annex 2: 2020/21 to 2021/22 Budget Savings & Income Generation Proposals, priorities, one-off allocations, and pressures** **Annex 3: Equalities Impact Assessment of 2020/21 to 2021/22 Savings Proposals** **Annex 4: Efficiency Strategy** **Annex 5: Draft Capital Programme 2020/21 to 2024/25** **Annex 5 (i) New and Emerging Capital Schemes** **Annex 5 (ii): Highways Maintenance Programme** **Annex 5 (iii): Transport Improvement Programme** **Annex 5 (iv): Corporate Estate Planned Maintenance Programme** **Annex 5 (v): Community Infrastructure Levy (CIL) Allocations** **Annex 6: Capital & Investment Strategy** **Annex 7: MRP Policy** **Annex 8: Advice of Monitoring Officer on the Budget Setting Process** **Annex 9: Council Pay & Reward Policy 2020/21** **Annex 10: Adult Social Care Charging and Financial Assessment Framework** **Annex 11: Direct Payment Policy**		

1. THE ISSUE

This report presents the revenue and capital budgets together with proposals for Council Tax and Adult Social Care Precept for 2020/21.

2. RECOMMENDATIONS

2.1 The Cabinet recommends Council approves-

a) The General Fund net revenue budget for 2020/21 of **£118.25m** and the individual service cash limits for 2020/21 as outlined in Annex 1.

b) The savings and income generation plans outlined in Annex 2(i), priorities 2(ii), one-off allocations 2(iii), pressures 2(iv) in conjunction with the Equalities Impact Assessment Report in Annex 3.

c) An increase in Council Tax of 1.99% in 2020/21 (an increase of £27.88 per Band D property).

d) An increase of 1.99% to Council Tax for the Adult Social Care Precept is approved in recognition of the current demands and financial pressures on this service. This is equivalent to an increase of £27.88 on a Band D property.

e) The movement in reserves outlined in paragraph 5.5 and the adequacy of Un-earmarked Reserves at £13.5m within a risk assessed range requirement of £12.3m - £13.5m.

f) The Efficiency Strategy attached at Annex 4.

g) The Capital Programme for 2020/21 of £109.507m including new and emerging capital bids outlined in Annex 5(i), planned sources of funding in 5.7.2, and notes the programme for 2021/22 to 2024/25 and that any wholly funded projects coming forward during the year will be added to the Capital Programme in line with the Budget Management Scheme.

h) The delegation of implementation, subject to consultation where appropriate, of the capital programmes set out in Annex 5(ii) to Annex 5(iv) to the relevant Director in Consultation with the appropriate Portfolio Holder.

i) The Community Infrastructure Levy (CIL) allocations and amendments outlined in Annex 5(v).

j) The Capital & Investment Strategy attached at Annex 6.

k) The MRP Policy attached at Annex 7.

l) The Capital Prudential Indicators outlined in 5.7.8

m) The Annual Pay Policy Statement at Annex 9.

n) The Council Tax Support Scheme for 2020/21 shown in the following link: http://beta.bathnes.gov.uk/sites/default/files/2020-01/Bath%20%26%20NE%20Someset%20S13A%20202021%20v3.pdf and referred to in 5.3.4.

o) The Adult Social Care Charging and Financial Assessment Framework at Annex 10.

p) The Direct Payment Policy at Annex 11.

2.2 That the Council include in its Council Tax setting, the precepts set and approved by other bodies including the local precepts of Town Councils, Parish Councils, and Charter Trustees of the City of Bath, and those of the Fire and Police Authorities.

2.3 That Cabinet note the S151 Officer's report on the robustness of the proposed budget and the adequacy of the Council's reserves outlined in 5.6.

2.4 Authorise the Council's S151 Officer, in consultation with the Portfolio Holder for Finance and Efficiency, to make any necessary changes to the draft budget proposal for submission to Council.

3. RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

The resource implications are contained within the body of the report

4. STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSALS

A local authority has a statutory duty to set an annual budget and Council Tax. The advice of the Council's Monitoring Officer regarding the budget setting process is attached at Annex 8.

Members must have regard to the impact on specific groups in their decision making. The Equalities Team has reviewed savings plans to ensure that any impact the saving will have on diversity and equality has been assessed and to ensure that any issues are highlighted to members before a decision is made. The analysis is attached at Annex 3.

5. THE REPORT

5.1 The 2019/20 Budget Summary

The Medium-Term Financial Strategy (MTFS) was approved in September 2019 and outlined how the budget would be delivered over the medium to long-term. The MTFS for B&NES spans two years with a further three added to show the likely longer-term picture.

The Council needs to deliver a balanced budget over the term of the plan. A balanced budget means that balances or reserves are not used to meet on-going expenditure commitments. The updated Plan shows a balanced budget for 2020/21 and a projected budget gap for 2021/22 and beyond. The figures include all estimates for pay awards, pension costs, Council Tax, business rates, Government grant, and inflation. An ongoing contingency sum has been added as a budget for 2020/21.

The budget has been developed along with the Corporate Strategy to ensure that the it aligns to our key principles and commitments. A total of £2.25m has been allocated to meet new priorities as well as savings and income generation plans totalling £4.85m. Of these savings 11% are considered high risk (an improvement compared to 2019/20 of 35%).

The risks to the budget and robustness of estimates have been reviewed and as a result the sum required as a Revenue Budget contingency for 2020/21 is £2.0m as well as a requirement for un-earmarked balances to remain within the range of £12.3 to £13.5m.

Overall £4.6m have been added to reserves within this budget to add additional resilience in 2020/21.

The budget includes a recommendation that general Council Tax is increased by 1.99% in 2020/21 (an increase of £27.88 per Band D). The proposed Band D Council Tax for Bath and North East Somerset Council next year including the Adult Social Care Precept increase of 1.99% is £1,456.88 (£1,401.12 in 2019/20) an overall increase of 3.98% and £55.76 per Band D (£1.07 per week).

The proposed net revenue budget for Bath and North East Somerset for 2020/21 is £118.25m.

The proposal for fully approved capital spend in 20/21 totals £109.507m.

5.1.1 Corporate Strategy and the Councils' Priorities

The budget focusses on delivery of the new Corporate Strategy which is set within the following framework:

ONE: We have **one** overriding purpose – to improve people's lives.

This might sound simple but it brings together everything we do, from cleaning the streets to caring for our older people. It is the foundation for our strategy and we will ensure that it drives our commitments, spending and service delivery.

TWO: We have **two** core policies – **tackling the climate and nature emergency and giving people a bigger say**. These will shape **everything** we do.

THREE: To translate our purpose into commitments, we have identified **three** principles. We want to **prepare for the future, deliver for local residents and focus on prevention**.

5.2 The Revenue Budget 2020/21

5.2.1 Current Position

The expected 2019/20 year-end position at the end of December 2019 is in line with the budget set in February 2019 despite continued additional demand in Children's Services, a shortfall in income in Commercial Estate, and some delays/ non-delivery of savings targets. This is an improvement on the position at the end of September 2019 which predicted an under- budget position of £0.08m as the quarter three position reduces reliance on the Financial Planning and Smoothing Reserve.

5.2.2 The Budget and Medium-Term Financial Outlook

The budget detail, assumptions, and the future forecast is shown in the table below:

	2020/21	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m	£m
Budget Requirement (Previous Year)	**113.10**	**118.25**	**118.11**	**120.37**	**122.83**
One-Off items from previous year	-0.71	-	-	-	-
Pay inflation @2.75% 2020/21 and then 2%	2.22	1.59	1.53	1.49	1.52
Pension Contributions	-1.34	0.16	0.01	0.61	0.61
Demographic Growth & Increase in Service Volumes	2.29	2.34	1.98	1.98	1.98
Contractual Inflation	1.88	1.93	1.97	1.92	1.98
Budget Pressures / Rebasing Priorities	4.55 2.25	-0.29	0.31	-	-
Contingency Budget	1.00	0.50	-	-	-
Increase(-)/ Reduction in New Homes Bonus Grant	-0.55	3.38	0.91	1.39	-
New Homes Bonus - Replacement Grant Estimate	-	-0.81	-0.35	-0.38	-
Capital Financing	1.75	1.61	1.00	1.00	1.00
Increased Business Rates income (incl s31 grants)	-0.21	-	-	-	-
SEND Govt funding (replacement of General Fund Council funding)	-1.44	-0.86	-	-	-
Social Care settlement grant	-2.68	-	-	-	-
One-off costs	0.64	-0.54	-0.10	-	-
Draft Budget Before Savings	**122.74**	**127.25**	**125.35**	**128.39**	**129.92**
Savings Proposals					
Once-off Business Rates Grant	-0.36	-	-	-	-
Savings Plans	4.85	2.41	0.40	-	-
Estimated Savings Required		6.73	4.57	5.56	3.86
Budget Requirement	**118.25**	**118.11**	**120.37**	**122.83**	**126.06**
Funding of Budget Requirement					
Council Tax	88.83	91.67	94.61	97.63	100.75
Adult Social Care Precept 2% in 2020/21	8.61	8.70	8.78	8.87	8.96

	2020/21	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m	£m
Collection Fund Surplus (Council Tax)	0.71				
Business Rate Retention incl Revenue Support Grant and Estimated Impact of Fairer Funding	23.21	17.65	16.98	16.32	16.35
Collection Fund Surplus (NDR)	1.52				
Business Rates Reserve	-2.31				
Transfer to Un-earmarked Balances Reserve	-1.20				
Transfer to Transformation Reserve	-1.11	0.09			
Funding of Budget Requirement	**118.25**	**118.11**	**120.37**	**122.83**	**126.06**

(Note the table outlines an increase in Council Tax of 1.99% over the plan whereas the Adult Social Care Precept of 1.99% has only been applied for 2020/21)

The forecast includes the following cost pressures and assumptions-

Pay – Pay inflation has been allocated at 2.75% for 2020/21 and will be subject to the national agreement. 2% has been allocated for the remainder of the plan. The Council's Pay Policy Statement is attached at Annex 9;
Pension Costs – Have been revised in line with the recent revaluation for the next three years followed by a 1% increase per annum from 2023/24;
Service Demand Pressures – the strategy assumes that demand especially within Adults and Children's Social Care remains in line with estimates as at December 2019;
Interest Rates – Estimated average interest of 1.1% per annum for treasury management cash investments. The Council will maintain a minimum cash policy;
Inflation – CPI projections for the coming years are expected to be 2.0% in 2020/21, 2.1% in 2021/22 and 2.1% 2022/23. However, it is expected that services will continue to absorb all but a limited amount based on specific service circumstances and contractual commitments;
Capital Spending – an allowance has been made to fund borrowing costs for new schemes each year of the plan;
Borrowing – the strategy continues to factor in longer term borrowing costs into the MTFS while continuing to optimise the use of cash balances subject to market conditions and the overriding need to meet cash outflows;

Annex 1 shows the Revenue Budget Summary for 2020/21, which totals £118.25m. Once approved by Council, these represent the financial plans that the Cabinet will manage under their delegated authority and monitor in accordance with the Budget Management Scheme.

5.2.3 The Government Settlement

The Provisional Settlement was received on the 20th December 2019 but has not yet been finalised. However, it is unlikely to change substantially as some consultation was carried

out in October 2019 and therefore there is only a small chance that the figures for B&NES will change in February. The figures outlined in this report reflect the provisional figures. The final settlement details will be reflected within the report to Council if they are published before the report deadline.

- **Revenue Support Grant (RSG)**

  As a result of the delay in the Fairer Funding Review and Business Rate Retention the Council will continue to receive the RSG in 2020/21 of £0.496m (2019/20 £0.488m) for one further year before being removed in 2021/22 (Please note the remaining RSG allocated to B&NES has been rolled into the 100% Business Rate Pilot).

- **New Homes Bonus**

  The consultation paper in October 2019 outlined that changes to the funding arrangement for New Homes Bonus were likely to continue for a further year pending consultation for a replacement. The Provisional Settlement has outlined that a payment will be made of £2.039m for new housing growth over the past year, taking the total New Homes Bonus Grant to £5.688m for 2020/21. The settlement announced that the uplift for 2020/21 would only be paid for one year without the further 3 years of legacy payments which are made for growth rewarded in 2019/20 and prior years. The table below shows the likely annual remaining funding. The settlement announced that the national housing growth baseline adjustment would remain at 0.4% for 2020/21.

	Total New Homes Bonus Grant			
Payment relating to:	**2020/21 £'m**	**2021/22 £'m**	**2022/23 £'m**	**2023/24 £'m**
2020/21	2.039			
2019/20	1.392	1.392	1.392	
2018/19	0.913	0.913		
2017/18	1.344			
Total	**5.688**	**2.305**	**1.392**	**0.000**

  The MTFP also reflects an estimate of the Council's share of the nationally top-sliced funding for NHB being redistributed based on the old relative needs grant formula from 2021/22 onwards.

- **Social Care Grant**

  The December 2019 provisional settlement has confirmed a further £1bn Social Care grant funding (£2.68m) which will be combined with the continuation of the existing Social Care Support grant (£1.25m). It has also been confirmed that this will be paid in each year of the new Parliament.

- **Better Care Fund**

  The Better Care Fund is intended to incentivise the integration of health and social care, requiring Clinical Commissioning Groups (CCG) and Local Authorities to pool budgets and agree an integrated spending plan. Greater integration is seen as a potential way to

use resources more efficiently and achieve better outcomes for people, in particular by reducing avoidable hospital admissions and facilitating early discharge from hospital.

The Council & B&NES CCG Better Care fund for 2020/21 is anticipated to be £74.5m with the Council contribution of £34.0m and CCG contribution of £40.5m. In addition to the mandated financial amounts for pooling this includes Council and CCG budgets for the Joint Community Services contract with Virgin Care and associated sub-contracts. For planning purposes this assumes that the CCG contribution will increase by 5.3% in line with the previous year but this has yet to be confirmed nationally.

The Council budget assumes that the funding transfer from the estimated £12.3m NHS mandated minimum contribution will remain consistent with prior years with £9.37m transferred in 2020/21 for Council commissioned schemes under the S75 pooled budget arrangements.

The December 2019 provisional settlement has confirmed that the existing £1.837bn improved Better Care Fund social grant will continue and incorporate the £240m Winter Pressures Grant with the same distribution as 2019/20. For B&NES this will mean a continuation of £4.76m protecting the Better Care Fund schemes that have committed this funding on an annual basis.

- **Non-Domestic Rates**

It has been confirmed that the 100% Business Rate Retention Pilot will continue into 2020/21. The estimated benefit is approximately £3.8m in 2020/21 plus a further £1m from a delay in the reset to 2021/22. The plan currently assumes that this benefit will be removed as part of the review of Local Government Financing and Fairer Funding Review and that the Council will be included in the 75% Business Rate Retention Scheme.

As part of the proposed budget, reasonable assumptions have been made for likely levels of future Business Rate income, together with specific provisions for appeals and growth. Any surplus or deficit on the Business Rate Collection Fund and associated income will be transferred to or from the Business Rates Reserve for consideration as part of the Business Rates calculations for future years. This approach will include any changes that arise from the final settlement announcement relating to Business Rates, the announcement was still awaited at the time this report was finalised.

As part of the 2018 Autumn Budget Statement, the Government announced the introduction of a new relief scheme for retail premises that have a rateable value of below £51,000. Under the scheme, eligible ratepayers receive a one third discount of their chargeable amount. This relief has effect for 2019/20 and 2020/21 requiring delivery through Council's local discretionary relief powers (under s47 of the Local Government Finance Act 1988) and the Council updated its discretionary relief policy to include the new relief. The government compensates Council's for the cost of this relief through a Section 31 grant. The governments recent election manifesto included a proposal to increase the retail relief discount to 50%, further details are awaited and are likely to form part of the Chancellor's Budget announcement in March.

- **Schools Funding**

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

As schools convert to academies the DfE take back the element of DSG payable to the local authority in order to make payments direct to the academies. It is estimated that 86% of schools will have converted to academies by April 2020 and a number of other schools will develop plans to convert in the coming years.

With the introduction of the National Funding Formula for schools the DSG for schools (The Schools Block) was ring-fenced for schools from 2018/19 leaving it unclear as to which body was responsible for the demographic pressures being observed in the other Blocks, in particular the SEND / High Needs element of the DSG. The Government has just announced its' response to the DfE consultation on the matter stating that local authorities cannot support High Needs costs through their General Funds unless they obtain Secretary of State approval. In addition, it states that the local authority must carry forward the whole of the overspend to the schools budget in future years. The underlying overspend on the High Needs Block is currently forecast to be £3.1m in 2019/20.

The Government announced £700m ongoing additional funding for High Needs DSG 2020/21 and provisionally B&NES has been allocated a further £2.0m. However, this is unlikely to be sufficient to meet current demand. A further national SEND review has now been tasked with looking at how to arrive at a fair and sustainable system of high needs support for the future. Given this late response the budget allocated to support the SEND Reserve will remain at £0.86m pending further clarity around future SEND costs and funding mechanism.

Schools through the Schools Forum agreed to support the High Needs pressures to the full extent of their delegated powers with a contribution of 0.5% of the schools budget amounting to £0.55m.

5.2.4. Savings and Income Generation

Savings plans total £7.26m over the next two years with plans to deliver £4.85m in 2020/21 and a balanced budget, with a further £2.41m planned for 2021/22 leaving a gap of £6.73m. This will be reviewed early in the 2020/21 financial year to ensure that the savings can be delivered.

The proposals for savings and income generation outlined in Annex 2(i) have been linked to each of the Corporate Strategy principles and will reviewed by the Resources Scrutiny Panel on the 3rd February and feedback will be given to Cabinet as part of considering this report.

5.2.5 New Priorities – Ongoing and One-off

To ensure that the priorities within the new Corporate Strategy can be delivered headroom has been made within the budget to fund new or extend some service areas. New priority spend of £2.25m is included within Annex 2(ii) and one-off £0.64m at Annex 2(iii). These have been linked to each of the three principles within the Corporate Strategy. One-off spend has been funded from the Council Tax surplus.

5.2.7 Additional Pressures

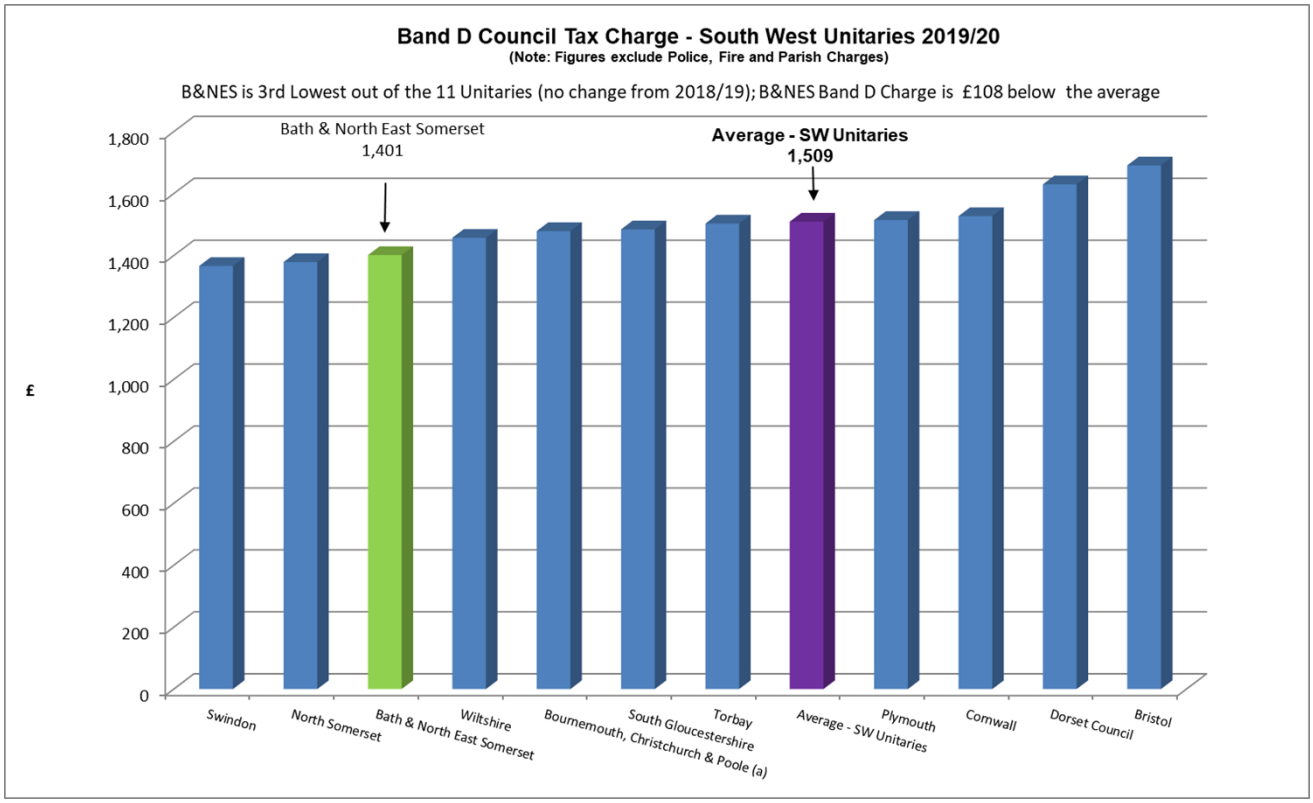
Pressures of £4.55m have been added to ensure that the budget remains robust and to add additional budgets to areas that require rebasing. This does not mean that savings cannot be found from these areas in future once savings plans are put in place but this ensures that spend and budget are aligned especially in high demand areas. Pressures are outlined in Annex 2(iv).

5.3 Council Tax

5.3.1 Band D Equivalent Council Tax

The MTFS included an assumption that general Council Tax (excluding the Adult Social Care Precept) would increase by 3% per annum over the period of the plan. The Provisional Settlement has stated a referendum cap of 2%. The proposal within this report is to increase general Council Tax by 1.99% in 2020/21. This will increase a Band D by £27.88 for 2020/21 to £1,328.16. The overall proposed Band D Council Tax for Bath and North East Somerset Council next year including the Adult Social Care Precept increase of 1.99% is £1,456.88 (£1,401.12 in 2019/20) an increase of 3.98% and £55.76 per Band D (£1.07 per week). The tax base for 2020/21 is 66,879.90, an increase of 1,192.38 (1.8%) from 2019/20.

The diagram below shows that B&NES had the third lowest Council Tax of the South West Unitary Authorities in 2019/20-



As billing authority, B&NES calculates a basic level of tax based on its own spending plans, to which is added the precepts from, Adult Social Care, Avon Fire Authority, Avon and Somerset Police Authority, and any town/parish Council. The actual total of Council Tax for Bath and North East Somerset residents will be calculated once all precepting authorities have notified B&NES of their proposals to be approved at Full Council on 25th February 2020.

5.3.2 Adult Social Care Precept

The Government in recognising the continued pressures facing Adult Social Care (ASC) authorities, has allowed for a further 1.99% increase in 2020/21 (subject to government consultation with Councils). The Council's plans include this for 2020/21 (this would increase the Adult Social Care Precept to £8.61m an increase of £1.98m from 2019/20). The Medium-Term Financial Plan assumes that this only applies to 2020/21 as the Provisional Settlement does not outline any further funding through this source.

5.3.3 Estimates for Future Years Band D Council Tax

The current Medium-Term Financial Plan has factored in an annual increase of 1.99% per annum over the period of the plan.

5.3.4 Council Tax Support

The Council Tax Support Scheme for 2020/21 was approved in November 2019 and has now been updated to reflect changes to statutory legislation and benefit rates from April 2020 – see link as follows: http://beta.bathnes.gov.uk/sites/default/files/2020-01/Bath%20%26%20NE%20Someset%20S13A%20202021%20v3.pdf. The tax base

currently assumes the same number of recipients as at the end of November 2019 will continue into 2020/21. The budget estimate is £9.6m compared to £9.2m in 2019/20.

The Revenue Support Grant passported to the Town and Parish Councils was reduced to zero in 2019/20, with the exception of Radstock where the grant will be phased out by 2021/22 to take account of their relatively higher dependency on the grant as a result of having a higher proportion of Council Tax Benefit claimants under the old scheme.

5.4 West of England Combined Authority (WECA)

In 2016, three councils in the West of England – Bath and North East Somerset, Bristol and South Gloucestershire – signed a devolution deal worth £1 billion. As a result, significant powers and funding have been transferred to the region through the new West of England Combined Authority (WECA) and West of England Mayor.

WECA has also secured the following additional investment for the region:

- £103M for transport
- £5M to trial superfast 5G networks
- £4M for the Future Bright skills programme
- £46.4M from our business rates retention*
- £3M to progress housing development and attract additional funding
- £5.7M to improve roads
- £14.7M per annum to invest in adult education
- £2.8M for a new Energy Hub and Low Carbon Fund
- £1.35M to support the region's creative sector
- £3m to run the Combined Authority

** 100% of business rates are kept in the region – 5% to WECA, 94% to Unitary Councils and 1% to fire service*

The West of England Local Industrial Strategy looks at how we need to work together to secure clean growth to benefit all residents. Launched in summer 2019, it was developed by the Combined Authority and Local Enterprise Partnership, working with council partners, central government, regional businesses and organisations.

To ensure continued success for the region, it identifies four key priorities:

- Strengthening innovation and driving productivity
- Supporting all residents to contribute to and benefit from economic success
- Providing businesses with the space, networks and skills they need to boost productivity, grow and thrive
- Investing in infrastructure that reduces energy demand, lowers carbon emissions and is resilient to the impacts of climate change.

The Budget for the WECA will be set on 31st January 2020 by the WECA Committee – at the time of writing the budget assumptions set out below are based upon the WECA Budget proposals and are subject to the outcome of the above meeting. The following elements of

the WECA Budget and medium-term financial plan have therefore been incorporated within the Council Budget proposal:

- Capital Grant payments in respect of Highways Maintenance and Transport Improvement funding will continue in line with the 4-year allocations provided indicatively by DfT covering 2017/18 to 2020/21. The total allocation for the Council in 2020/21 is £4.829m including £0.632m for the highest level of incentive grants which is automatically provided for Mayoral Combined Authority areas.

- An annual revenue transport levy has been in place for each year between the constituent Unitary Councils and WECA to reflect the cost of the core transport services of:

    - Concessionary Travel
    - Real Time Information for bus services and
    - Community Transport

    These will now be directly delivered by WECA through the Transport Integration project and include the following:

    - Bus Service Information
    - Supported Bus Services (whilst remaining a joint function)
    - TravelWest and
    - Metrobus operations

    The levy charge for 2020/21 is £4.99m. An arrangement is in place for any over or under spending by individual councils to be rectified through either an in-year repayment or a relevant adjustment made to the following year's levy.

- Within the Business Rates Collection Fund to continue to provide for an appropriate share of Business Rates to be allocated to the WECA in accordance with the 100% Business Rate Retention pilot to meet the costs of Highways Maintenance and Transport Improvement Grants (this does not impact on the Council's significant benefits from participation in the Pilot).

- Grants funding expected in 2020/21 from the WECA for feasibility studies and business case development for infrastructure schemes including:

    - A share of £3.9m to help improve the skills of up to 3,000 adults;
    - Investment of £10m in the area to establish a new Institute for Advanced Automotive Propulsion Systems;
    - Keynsham Town Centre Improvements £1.25m (LGF through the Local Enterprise Partnership)
    - Bath Quays £8.5m (LGF through the Local Enterprise Partnership)
    - £2.7m in 2020/21 for site development of the Somer Valley Enterprise Zone

- £3.3m “Love our High Street” initiative.

- These are funded from the additional investment funds received by the WECA as part of the devolution arrangements and reflected accordingly with the Councils revenue and capital budget proposals. Further bids for infrastructure funding may be made in line with the WECA Strategy and Assurance Framework and may come forward for inclusion in the capital programme in line with future delivery arrangements.

- The continuation of the reduction of £40K against the Council’s annual contribution of £150K towards the running of the LEP/WoE Office reflecting the efficiencies that have been achieved through integrating these arrangements with WECA including the accountable body role for the significant WoE Growth and City Deal funds.

The WECA is not permitted to raise a Council Tax to fund any of its activity and therefore no precept will be requested.

Full details of the WECA Budget proposals are available at www.westofengland-ca.gov.uk

5.5 Revenue Balances, Contingency & Reserves

Reserves are amounts that have been set aside from annual revenue budgets to meet specific known events that will happen in the future. An estimate of the key reserves has been made for 2020/21 and future years maintaining capital receipts flexibility mainly to fund restructuring and severance costs.

	Estimated Balance 1/4/20 £’m	**Estimated Balance 31/3/21 £’m**	**Estimated Balance 31/3/22 £’m**	**Estimated Balance 31/3/23 £’m**
Revenue Budget Contingency	2.0	2.0	2.0	2.0
Financial Planning and Smoothing Reserve	5.0	5.0	5.0	5.0
Transformation Investment Reserve	2.0	1.0	-	-
Restructuring & Severance Reserve	2.2	2.2	2.2	2.2

5.5.1 Revenue Budget Contingency

The primary purpose of this reserve is to fund in year unforeseen events, overspends, and to meet the risks of non-delivery of budget savings. Budget monitoring for the period April to December 2019 has outlined that there is no expected requirement to utilise this by year end as the budget is expected to be on target with a reduced requirement for Financial Planning and Smoothing Reserve and therefore £0.7m can be transferred into Un-earmarked Balances and maintain a £2.0m provision for 2020/21.

5.5.2 Financial Planning and Smoothing Reserve

The Financial Planning Reserve will be used to smooth the delivery of organisational change. No allocations have been planned for 2020/21 and therefore the reserve remains available for future financial planning for 2021/22 and beyond.

5.5.3 Transformation Investment Reserve

The reserve facilitates delivery of future savings by providing additional short-term capacity and specialist advice. It is expected that the remaining reserve will have reduced to £0.2m and therefore £0.7m will be transferred from Revenue Budget Contingency and £1.1m as part of budget setting which can be allocated for new initiatives.

5.5.4 Restructuring and Severance Reserve

The reserve was set up to fund severance costs and will only be utilised in future for spend that is not linked to a specific budget savings plan or where there are insufficient capital receipts to fund severance costs. The requirement for this reserve will be reviewed once the required flexible capital receipts target is reached.

5.5.5 Invest to Save Reserve

The Invest to Save Reserve was separated from Un-earmarked Reserves as part of budget setting for 2018/19. The reserve of £1.5m is utilised for new projects that make savings and repay the sum borrowed over an agreed period of time. It is currently fully committed with repayments currently expected to commence in 2022/23.

5.5.6 Reserves and Flexible Capital Receipts

Flexible capital Receipts can be used for revenue spend that results in ongoing revenue savings. Estimated usage for 2019/20 is expected to be £1.9m with the remaining £3.0m estimated for 2020/21 as outlined in the Efficiency Strategy attached at Annex 4. Currently £2.1m of capital receipts through estate assets, land holdings etc have been received by the end of December 2019 with a further £11.9m (£4.0m in 2019/20 and £7.9m in 2020/21) identified to meet requirements for flexible capital receipts or to finance the capital programme in those years.

	Actual Usage 2017/18 £'m	Actual Usage 2018/19 £'m	Estimated Usage 2019/20 £'m	Estimated Usage 2020/21 £'m	Estimated Usage 2021/22 £'m

Flexible Capital Receipts	3.1	3.5	1.9	3.0	-

5.5.7 General Fund Un-Earmarked Reserve

The General Fund Un-earmarked Reserve is retained to meet the Council's key financial risks. The risk assessment has set a range of between £12.3m and £13.5m to meet those risks. Budget Monitoring for the period April to December 2019 estimated that Un-earmarked Reserves would total £12.3m by 31st March 2020 and therefore £1.2m will be added to the reserve within the budget for 2020/21 to increase the total to £13.5m which will provide further resilience to meet those risks.

5.6 Robustness of and Risks within the Proposed Budget for 2020/21 Statutory Chief Finance Officer (CFO) Report and Advice on the Robustness of the Budget and Adequacy of Reserves and Balances

5.6.1 Introduction

The Local Government Act 2003 states that when a local authority is preparing its budget, "the Chief Finance Officer of the authority must report to it on the following matters:

(a) the robustness of the estimates made for the purposes of the calculations; and
(b) the adequacy of the proposed financial reserves."

And goes on to state that the authority "shall have regard to the report when making decisions about the calculations in connection with which it is made."

This report has been prepared by the Director of Finance to fulfil her duty and gives the required advice relating to the 2020/21 financial year including a consideration of the budget proposals and the financial risks facing the Council within this budget. Also, it identifies the Council's approach to budget risk management and assesses the particular risks associated with the 2020/21 budget to inform the advice.

5.6.2 CIPFA's Financial Resilience Index

CIPFA has published its Financial Resilience Indicators for each authority. These measure different aspects of financial indicators such as levels of reserves across each tier of local authority.

The majority of indicators show (in 2018/19) B&NES to be medium to low risk within the CIPFA family group of Unitary Authorities.

The areas highlighted as higher risk include reserve sustainability, changes in reserves, and the ratio of costs of Social Care compared to the net budget. In terms of a response to these risks:

Reserve sustainability and changes in reserves – the level of reserves have been outlined as low or mid-risk however the indicators show a higher use of reserves in 2017/18 (note these were in line with budget plans). The budget for 2019/20 recognised this and provision was made to increase reserves by £1.6m as well as the continued use of flexible capital receipts to fund the one-off costs associated with the delivery of savings. A further £4.6m has been added to reserves as part of the 2020/21 budget to ensure they remain sufficient to meet the Council's financial risks.

The high Social Care ratio in part reflects the fact that B&NES has a relatively low net budget reflecting the net income stream from Heritage and the Commercial Estate. The Council has embarked on an ambitious savings programme of service transformation in adult services, much of this integrated with local health service provision. The programme, being delivered in partnership with Virgin Care, will focus on:

- Managing the Councils budget to meet demand needs without overspending through robust needs assessment and care planning.
- Strengthen brokerage and contract monitoring to ensure payments to providers are made in a consistent and fair manner.
- Learn from our neighbours in improving services delivery whilst delivering savings.

Within Childrens Services whilst we recognise the need to provide appropriate care and placements to meet the needs of children and young people we will continue to review the models of care, opportunities to bring in external investment and good practice, and to scrutinise individual needs and placement costs in order to mitigate these financial pressures as far as possible.

5.6.3 Executive Summary of the Director of Finance (CFO) on the budget position

For 2020/21 the total gap before savings is £4.85m after the inclusion of council tax increases. The assessment of the plans to close the gap do not require funds from the Financial Planning Reserve to smooth the delivery of savings in 2020/21 as they are expected to be delivered by the 1st April. As there is no utilisation of the Financial Planning Reserve it is prudent to hold a Revenue Budget Contingency sum of £2.0m to reflect the assessed level of risk associated with delivery of the savings and further unknown pressures and demographics in 2020/21. There is an expectation however, that these will be managed within the budget envelope approved by Council.

In addition to this putting forward a balanced budget for 2020/21 additional funding has been added to reserves to increase overall resilience and reduce the Council's dependency on the flexible use of capital receipts to fund redundancies and one-off costs such as transformation to deliver the savings required.

5.6.4 Consequences of Failing to Deliver a Budget

If the Council is unable to produce a budget or a plan for reducing the budget requirement for future years or finds it cannot deliver the budget in year, the CFO (under s151 of the Local Government Act) would be required to produce a Section 114 report. (Note the conclusion under 5.6.5 of this report).

Section 114 of the Local Government Finance Act 1988 requires a report to all the authority's members to be made by the CFO, in consultation with the Council's Monitoring Officer and Head of Paid Service, if "the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure" (i.e. there is likely to be an unbalanced budget). In this event the Council must consider the report within 21 days and decide whether it agrees or disagrees with the views in the report and what action it proposes to take to bring the budget into balance. The publication of such a report starts an immediate 'prohibition period'. This means that everyone who has delegated authority to spend the Council money immediately has those powers suspended during the prohibition period, and only the CFO can authorise new commitments.

5.6.5 Report of the Director of Finance (CFO) in Respect of Statutory Duties

The Budget Report sets out the Council's financial position and budget. This is the formal report and is part of a continuum of professional advice and is the culmination of a budget process in which substantial detailed work has already been carried out with Directors, Senior Managers and their teams and Members. This section provides a summary of the conclusions which are considered in more detail within this report and its appendices.

In respect of the robustness of estimates, estimates have been prepared by Directors and their staff supported by appropriate finance staff reviewing pressures, priorities, savings, demographics, inflation and contractual obligations, and income generation. Each Director has completed a Robustness Statement outlining savings and delivery risk that have been incorporated into a corporate wide assessment. A £2.0m Budget Contingency Reserve has been allocated to mitigate unforeseen risks, and the risk of savings not being realised in 2020/21. This contingency includes a general provision as well as allowances against various specific savings and is intended to increase confidence in the deliverability of the overall budget.

The total known pressures of £4.55m have been included to ensure there should be sufficient funds to meet service demand and delivery costs as currently forecast. These have been reviewed on a regular basis by Corporate Management Team and the Directors as part of the regular budget monitoring process in 2019/20 as well as need for additional resources to deliver the new Corporate Strategy.

Given the over budget position in 2018/19 and difficulty maintain spend within budget for 2019/20, it has been critical to review those pressures as well as demographic demand and inflation (a total of £4.17m) to prepare a robust budget for 2020/21. Monitoring of the budget especially around demand pressures in Adult and Children's Services will be critical to identifying any emerging issues as quickly as possible.

A shortfall of £6.73m has been identified for 2021/22 and plans will need to be finalised as soon as possible to fund this gap.

In the context of the overall budget the financial position continues to be challenging, but the **CFO concludes that the estimates are robust**, in that they have been robustly constructed.

With regard to the adequacy of balances, a further increase of £1.2m has been made to increase the level of General Fund Un-earmarked Reserve to £13.5m (within the required range of £12.3m to £13.5m) in addition to £1.1m has been added through the budget to the Transformation Reserve and £2.3m to the Business Rates Reserve to give additional resilience.

The conclusion of the CFO is that the estimates for 2020/21 are robust and the budget is lawful, levels of balances have improved and are adequate and reasonable in meeting the Council's risks.

5.71 Capital Strategy, Programme and Capital Receipts 2020/21 to 2024/25

5.7.1 Capital & Investment Strategy

Production of a Capital and Investment Strategy was a new Government requirement for 2019/20 and is the overarching document which sets the policy framework for the development, management and monitoring of capital investment as well as lending to other organisations and commercial investments. The strategy focuses on core principles that underpin the council's capital programme, investment property, financing and the risks that will impact on the delivery of the programme and commercial estate; and the governance framework required for decision making and delivery. The Capital and Investment Strategy is attached at Annex 6.

5.7.2 Overall Capital Programme & Financing including New Capital Schemes

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

It requires authorities to assess capital expenditure and investment plans in the light of overall organisational strategy and resources and ensure that decisions are made with sufficient regard to the long-term financial implications and potential risks to the authority.

The Council follows this approach through:

- Continuing to review all existing schemes and simplify, reduce, pause or stop as necessary;
- Minimising new schemes except those that meet corporate priorities;
- Agreeing an affordable limit for new schemes requiring corporate borrowing;
- Ensuring adequate investment in assets supporting key service provision (including meeting health and safety requirements or replace obsolete or inefficient assets/equipment);and

- Delivering or working with partners to deliver high priority government funded programmes and WoE programmes where they meet corporate priorities.
-

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

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

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

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

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

A summary of the proposed capital programme and it's financing for 20120/2021 – 2024/2025 is shown below-

Capital Schemes for Approval

Cabinet Portfolio: Capital Schemes	**Budget 2020/2021 £'m**	**Budget 2021/2022 £'m**	**Budget 2022/2023 £'m**	**Budget 2023/2024 £'m**	**Budget 2024/2025 £'m**	**Total £'m**
Resources & Deputy Leader	22.538	0.121	0.110	0.670	0.000	**23.439**
Adult Services	0.388	0.000	0.000	0.000	0.000	**0.388**
Children's Services	3.667	0.047	0.000	0.000	0.000	**3.714**
Climate Emergency & Neighbourhood Services	6.595	0.000	0.000	0.000	0.000	**6.595**
Transport Services	10.548	0.110	0.000	0.000	0.000	**10.658**
Housing, Planning & Economic Development	58.208	15.112	2.071	0.131	0.000	**75.522**

Community Services	6.662	0.252	0.154	0.04	0.000	**7.116**
Corporate Capital Contingency	0.900	0.000	0.000	0.000	0.000	**0.900**
Total	**109.507**	**15.642**	**2.335**	**0.849**	**0.000**	**128.333**

Capital Schemes for Provisional Approval (Subject to)

Cabinet Portfolio: Capital Schemes	**Budget 2020/2021 £'m**	**Budget 2021/2022 £'m**	**Budget 2022/2023 £'m**	**Budget 2023/2024 £'m**	**Budget 2024/2025 £'m**	**Total £'m**
Resources & Deputy Leader	34.349	4.315	2.200	0.000	0.000	**40.864**
Children's Services	20.450	0.000	0.000	0.000	0.000	**20.450**
Climate Emergency & Neighbourhood Services	35.224	0.458	1.007	0.855	2.607	**40.151**
Transport Services	11.089	8.415	5.704	4.924	0.025	**30.157**
Housing, Planning & Economic Development	23.071	13.637	2.955	2.610	0.615	**42.888**
Community Services	2.596	2.289	1.401	0.683	0.657	**7.626**
Total	**126.779**	**29.114**	**13.267**	**9.072**	**3.904**	**182.136**

Grand Total	**236.286**	**44.756**	**15.602**	**9.921**	**3.904**	**310.469**

Funded By

Financing	**Budget 2020/2021 £'m**	**Budget 2021/2022 £'m**	**Budget 2022/2023 £'m**	**Budget 2023/2024 £'m**	**Budget 2024/2025 £'m**	**Total £'m**
Grant	86.605	20.437	6.899	6.469	1.158	**121.569**
Capital Receipts/RTB	9.593	1.410	1.685	5.700	0	**18.388**
Revenue	0.114	0.000	0.000	0.000	0.000	**0.114**
Borrowing	130.266	20.763	6.055	-3.344	2.632	**156.371**
3rd Party (inc S106 & CIL)	9.707	2.146	0.963	1.096	0.114	**14.027**
Total	**236.286**	**44.756**	**15.602**	**9.921**	**3.904**	**310.469**

Note1: The figures in the tables above include re-phasing from prior years.

Note 2: Some of the figures in the above table are affected by rounding.

Attached at Annex 5(ii) is the Highways Maintenance Programme, 5(iii) the Transport Improvement Programme, and at 5(iv) the Corporate Estates Planned Maintenance Programme for approval. Once approved implementation is delegated subject to internal authorisation of Project Initiation Documents.

5.7.3 Efficiency Strategy

Central Government outlined in December 2015 that local authorities will be able under certain circumstances to utilise capital receipts for revenue expenditure for certain purposes. This was updated in March 2016 which outlined a simpler approach to allow authorities to utilise receipts if the spend resulted in an ongoing saving. The guidance is clear however that expenditure should be once-off and the flexibility cannot be utilised for ongoing expenditure. The flexibility was due to end in March 2019, but the Government has extended this in the settlement for a further three years to March 2022.

Council approved the current Efficiency Strategy in November 2019. The Efficiency Strategy remains a key lever in funding the one-off costs to deliver savings plans. An updated Strategy is attached at Annex 4 to reflect the requirement of £3m in capital receipts to fund proposed savings plans in 2020/21. The Strategy must be approved by Full Council.

5.7.4 Review of the Capital Programme

A review of provisional schemes within the capital programme was carried out as part of preparing the budget to ensure that schemes continued to meet key priorities. The review deferred or removed £6.7m of projects resulting in revenue saving relating to those schemes which were supported by corporately funded borrowing of £0.1m. This has been reported as part of the 3rd quarter Budget Monitoring Report.

5.7.5 Capital Risk Contingency

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

- Individual major projects within the capital programme hold their own contingency in accordance with good project management practise to meet unavoidable and unforeseen costs;

- The capital programme includes a funded corporate risk contingency of £2.4m;

- The corporate risk assessment on which the general reserves target is based includes an element in the context of the capital programme based on the risks of the current programme.

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

5.7.6 Capital Invest to Save

A process for small “Invest to Save” schemes requiring capital funding is currently being investigated with proposals being brought forward once completed.

5.7.7 Minimum Revenue Provision (MRP) Policy

The Council is required to make revenue provision to repay capital spend that is financed by borrowing (either supported or unsupported). This is called the Minimum Revenue Provision (MRP). The Department of Communities & Local Government has issued regulations that require full Council to approve an MRP Policy in advance each year, or if revisions are proposed during the year they should be put to the Council at that time. The policy is attached at Annex 7.

5.7.8 Prudential Indicators

The key objectives of the Prudential Code are to ensure that capital investment plans of local authorities are affordable, prudent, and sustainable. The Capital Prudential Indicators are shown below:

Prudential Indicator	**2018/19 Actual**	**2019/20 Forecast Outturn**	**2020/21**	**2021/22**	**2022/23**
Estimate of Capital Expenditure (£'000s)					
Actual/estimates of capital expenditure	88,043	116,018	236,286	44,756	15,602
Net Increase in Council Tax (band D per annum) Figures in £'s (not £'000's)					
The implied estimate of incremental impact of the new capital investment decisions on the Council Tax			£10.60	£8.22	£0.91
Cumulative totals:			£10.60	£18.82	£19.74
Capital Financing as % of Net Revenue Stream					
Actual/estimates of the ratio of financing costs to net revenue stream			14.10%	18.49%	19.43%
Memo: estimates of the ratio of financing cost to gross revenue stream			*4.66%*	*6.11%*	*6.50%*
Borrowing Limits (£m)					
Operational boundary – borrowing			£427m	£434m	£432m
Operational boundary – other long-term liabilities			£4m	£4m	£4m
Operational boundary – total			**£431m**	**£438m**	**£436m**
Authorised limit – borrowing			£457m	£465m	£461m
Authorised limit – other long-term liabilities			£4m	£4m	£4m
Authorised limit – total			**£461m**	**£469m**	**£465m**
Capital Financing Requirement (£'000s) (as at 31 March)					
Actual/estimate of capital financing requirement	300,712	340,507	457,381	464,519	461,409

Gross Debt and the Capital Financing Requirement

In order to ensure that over the medium-term debt will only be for a capital purpose, the Council should ensure that external debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

After reviewing the capital programme and borrowing proposals, the Section 151 officer reports that the Council will continue to meet the demands of this indicator.

Borrowing limits

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

The Operational boundary for external debt (or planned borrowing level) is based on the same estimates as the authorised limit, but including an allowance for cash flow funding of specific capital schemes and without the additional headroom for unusual cash movements.

5.7.9 Community Infrastructure Levy (CIL) Spend Proposals 2020/21

The allocations proposed for CIL spend are attached in Annex 5(v) for approval. These allocations have been included in the capital programme where appropriate.

5.8 Care & Support Charging Framework and Direct Payments Policy

The Care and Support Charging and Financial assessment Framework is attached at Annex 10 and the Direct Payment Policy is attached at Annex 11. The Framework and the Policy have undergone extensive specific public consultation and a separate Equalities Impact Assessment with the results of consultation reported to the Children, Adults, Health and Well-being PDS panel in January, including the rationale for the limited changes made in the final framework document. Forecast savings of £500K are anticipated for 2020-21 through ensuring that service users claim benefits (where available) from the correct source - ie Pension Guarantee Credit will be claimed via the welfare benefit system thus reducing the need for Council funding. This has been made explicit throughout the consultation and should not impact financially on those individuals affected by this particular change. The Framework and Policy are presented here for formal approval as part of the wider budget framework.

6. RISK MANAGEMENT

A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance. The key risks to the budget are currently assessed as:

Risk	Likelihood	Impact	Risk Management

Further demands on service continue to escalate beyond current estimates	Possible	High	Ongoing regular monitoring of spend and controls with agreed actions. Ensure reserves are sufficient to manage in-year pressures
Pay awards will be higher than estimated	Unlikely	Medium	An allocation has been made for 2.75% in 2020/21 of which 0.75% will be retained centrally pending the outcome of the national agreement. This has been included in our robustness assessment of reserves for 2020/21 and would have an ongoing impact on future budgets
Interest rates reduce further impacting on investment income	Unlikely	Low	Rates are predicted to stay low over the long term although the impact on interest rates post Brexit remains a risk. A prudent view has been taken within the MTFP and cash is being utilised for purchase of assets while rates are low
Interest rates increase	Likely	Medium	It is likely that rates will stay low however the Council will need to monitor PWLB rates closely (an increase of 1% was added in October 2019) to ensure that business plans reflect this increase. A reserve is available to manage market risk and long-term borrowing costs have been factored into the longer-term MTFS
Volatility and uncertainty around business rates	Likely	High	Ensure business rate income and appeals are monitored and that specific reserve is sufficient to manage in-year volatility
The Business Rates 100% pilot ceases	Unlikely in 2020/21	High	It has been confirmed that Combined Authorities will retain 100% of business rates in 2020/21. An estimated £3.8m pressure has been added to the MTFS for 2021/22
Anticipated savings not delivered	Possible	High	Ensure delivery plans are monitored and continue to assess on a regular basis. Ensure Budget Contingency Reserve is sufficient to meet in-year issues.

Capital projects not delivered resulting in revenue reversion costs, liabilities from underwriting agreements, or missing grant deadlines	Likely	High	The Council has a few projects within this category. These risks will continue to be monitored and reported. An assessment is made as part of the budget process to ensure that revenue reserves are sufficient to meet these risks. The capital programme methodology looks to de-risk projects wherever possible. LGF funding will require close monitoring in 2020/21 as the deadline for claiming the grant is currently 31/3/21
Changes to Government Policy that affects future funding	Likely	High	Need to monitor and continue to highlight impact
Economic downturn impacts on commercial income	Possible	High	Budget has been rebased for 2020/21 and portfolio is currently under review. A reserve will be set up to smooth fluctuations.
Brexit risks	Likely	Medium	Parliament has now agreed to leave the EU on the 31st January. The risk remains as to how much progress can be made before the transition period ends on the 31st December 2020. A need to continue to highlight the demand pressures to central Government regarding Adult Social Care and Children's Services. Review reserves to manage any short-term impact. Monitor any economic impact.
Funding pressures through WECA, CCG and other partners	Possible	Medium	Ensure good communication links with partner organisations
The additional income from Heritage may not be sustained	Possible	Medium	Continue to monitor income levels and impact on business plan
Capital receipts in the areas identified are insufficient to meet flexible use target	Possible	Low	Currently £2.8m of further receipts are required to meet the flexible use target and £11.9m is expected.

The key risks will continue to be monitored and reported through regular budget monitoring to Cabinet.

In addition, this report includes the Section 151 Officer's assessment of the Robustness of Estimates and Adequacy of Reserves. This assessment includes a review of the

Directors' reviews of their budget, budget risks/sensitivities, and the Corporate Risk Register.

7 CLIMATE CHANGE

Addressing Climate Change is one of the two core policies within the new Corporate Strategy. Annex 2 links the key budget changes to each of the three principles within the policy framework.

8 OTHER OPTIONS CONSIDERED

The report and annexes also contain the other options that can be considered in making any recommendations.

9 CONSULTATION

Planned public consultation took place in November and December 2019. Planned scrutiny of the savings proposals, priorities, one-offs, pressures and capital bids took place on the 3rd February 2020 through the Resources and Policy Development and Scrutiny Panel.

Contact person	Donna Parham, Director of Finance (01225) 477468
Background papers	*February Resources PDS Panel* *CIL Infrastructure List (Reg 123 List):* http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Apply-for-Planning-Permission/bnes_reg_123.pdf *Children, Adults, Health and Well-being PDS panel in January*
Please contact the report author if you need to access this report in an alternative format	

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Portfolio Cash Limits 2020/21 - Proposed Revenue Budgets

Annex 1

CABINET PORTFOLIO	Service	Current 2019/20 Cash Limits £'000	Removal of One-offs (including one-off virements in 2019/20) £'000	2020/21 Base Budget £'000	MTFS Growth £'000	MTFS Savings £'000	Grant income items £'000	WECA ITA transfer and Levy Adjustment £'000	Total 2020/21 Budget Changes £'000	2020/21 Proposed Budget £'000
Leader	Housing Delivery Vehicle	(730)		(730)		(270)			(270)	(1,000)
	Visit Bath	367		367						367
	PORTFOLIO SUB TOTAL	**(363)**		**(363)**		**(270)**			**(270)**	**(633)**
Resources	Finance	2,588		2,588	454	(80)			374	2,963
	Risk & Assurance Services	977		977	21				21	999
	Procurement & Commissioning	218		218	5				5	223
	Revenues & Benefits	948		948	14				14	962
	Council Solicitor & Democratic Services	2,708	(345)	2,363	284	(100)			184	2,547
	Information Technology	4,925		4,925	141	(200)			(59)	4,866
	Strategy & Performance	1,464	(118)	1,346	331	(50)			281	1,628
	Human Resources	1,206		1,206	232				232	1,438
	Improving The Way We Work	(360)		(360)						(360)
	Property Services	670		670	2				2	672
	Corporate Estate Including R&M	3,650		3,650	117	(300)			(183)	3,467
	Commercial Estate	(16,224)		(16,224)	1,002				1,002	(15,221)
	Traded Services	24		24						24
	Hsg / Council Tax Benefits Subsidy	(195)		(195)						(195)
	Capital Financing / Interest	6,718		6,718	932				932	7,650
	Unfunded Pensions	1,598		1,598						1,598
	Corporate Budgets incl. Capital, Audit & Bank Charges	(3,052)	(588)	(3,640)	2,859	(400)	154	70	2,683	(957)
	New Homes Bonus Grant	(5,139)		(5,139)			(549)		(549)	(5,688)
	Magistrates	12		12						12
	Coroners	335		335						335
	Environment Agency	236		236	8				8	244
	West of England Combined Authority Levy	4,104	155	4,259				735	735	4,994
	PORTFOLIO SUB TOTAL	**7,411**	**(896)**	**6,516**	**6,401**	**(1,130)**	**(395)**	**805**	**5,682**	**12,197**
Adult Services	Adult Services	62,110		62,110	3,070	(1,910)			1,160	63,270
	Adult Substance Misuse (Drug Action Team)	514		514	()				()	513
	Public Health	(175)	1	(175)		(75)			(75)	(250)
	PORTFOLIO SUB TOTAL	**62,449**	**1**	**62,449**	**3,070**	**(1,985)**			**1,085**	**63,534**
Children's Services	Children, Young People & Families	15,855		15,855	2,950	(250)	(2,684)		16	15,871
	Integrated Commissioning - CYP	2,305		2,305	1				1	2,306
	Safeguarding - CYP	708	(1)	707	6				6	713
	Inclusion & Prevention	5,930		5,930	3		(1,441)		(1,438)	4,492
	Education Transformation	6,241		6,241	67	8			75	6,316
	Schools Budget	(2,051)		(2,051)						(2,051)
	PORTFOLIO SUB TOTAL	**28,988**	**(1)**	**28,987**	**3,027**	**(242)**	**(4,125)**		**(1,340)**	**27,647**
Climate Emergency & Neighbourhood Services	Neighbourhoods & Environment - Waste & Fleet Services	15,207	(25)	15,182	479				479	15,661
	Sustainability	285		285	388				388	673
	Environmental Monitoring (Air Pollution)	195		195	10				10	205
	PORTFOLIO SUB TOTAL	**15,687**	**(25)**	**15,662**	**876**				**876**	**16,539**

CABINET PORTFOLIO	Service	Current 2019/20 Cash Limits	Removal of One-offs (including one-off virements in 2019/20)	2020/21 Base Budget	MTFS Growth	MTFS Savings	Grant income items	WECA ITA transfer and Levy Adjustment	Total 2020/21 Budget Changes	2020/21 Proposed Budget
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Transport Services	Highways & Traffic Management	7,268	(100)	7,168	658	(150)			508	7,677
	Transport & Parking Services - Parking	(7,771)		(7,771)	52				52	(7,719)
	Transport & Parking Services - Public & Passenger Transport	55	(155)	(100)	433			(805)	(372)	(471)
	Emergency Planning	275		275	151				151	426
	PORTFOLIO SUB TOTAL	**(172)**	**(255)**	**(427)**	**1,294**	**(150)**		**(805)**	**340**	**(88)**
Housing, Planning & Economic Development	Housing	1,207		1,207	84				84	1,290
	Regeneration	289		289	36				36	325
	Development Management	1,295		1,295	175	(61)			114	1,409
	Business & Skills	442		442	4				4	446
	PORTFOLIO SUB TOTAL	**3,232**		**3,232**	**298**	**(61)**			**237**	**3,470**
Community Services	Building Control & Public Protection	825		825	54	(10)			44	868
	Heritage	(8,782)		(8,782)		(900)			(900)	(9,682)
	Health Improvement - Leisure	689		689	12				12	701
	Community Safety	41		41						41
	Neighbourhoods & Environment - Parks & Bereavement Services	1,119		1,119	162	(100)			62	1,181
	World Heritage	152		152	2				2	153
	Registrars Service	(85)		(85)	5				5	(80)
	Events & Active Lifestyles	153		153	8				8	161
	Customer Services (including Libraries)	2,222		2,222	20				20	2,242
	PORTFOLIO SUB TOTAL	**(3,668)**		**(3,668)**	**263**	**(1,010)**			**(747)**	**(4,415)**
	NET BUDGET	**113,564**	**(1,176)**	**112,388**	**15,230**	**(4,848)**	**(4,520)**		**5,863**	**118,251**

Sources of Funding

Council Tax	92,036		92,036		5,400	97,436
Retained Business Rates*	22,547		22,547		662	23,209
Collection Fund Deficit (-) or Surplus (+)	439	(439)			2,225	2,225
Reserves	(1,458)	(737)	(2,195)		(2,425)	(4,619)
Total	**113,564**	**(1,176)**	**112,388**		**5,863**	**118,251**

* 2020/21 Revenue Support Grant transferred into Retained Business Rates under the 100% Business Rate Pilot

Council Tax - Calculation

Council Tax Debit £'000	92,036	97,436
Taxbase (No. of Band D equivalent properties)	65,687.52	66,879.90
Band D Charge £	£1,401.12	£1,456.88
%age increase		3.98%

2020/21 - 2021/22 Budget Savings & Income Generation Proposals

Savings Title	How to be achieved	Portfolio Holder/ Director	20/21 Saving £000	21/22 Saving £000	2 year Savings Total	22/23 Saving £000	Risk to delivery of saving (H/M/L)	Link to Corporate Strategy Principle	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
Note: The items shaded grey are existing savings and income generation proposals from the 2019/20 budget, these have been reviewed for the 2020/21 budget report.											
Portfolio: Resources											
Efficiency Savings											
Rebasing of Corporate budgets	Review of corporate budgets to bring in line with current expenditure and future years forecast	Cllr Richard Samuel/ Donna Parham	50	5	**55**		L	N/A	None	None	No direct service change just realigning budget to actual and forecast spend levels
IT contracts and Licenses	Efficiencies in annual contract negotiations	Cllr Richard Samuel/ David Trethewey	200		**200**		L	Preparing for the Future	None	None	No direct service change just realigning budget to actual spend levels
Procurement Savings	Review of all contracts almost completed savings should occur once new contracts are in place	Cllr Richard Samuel/ Donna Parham	0	362	**362**		M/H	Preparing for the Future	None	None	New contracts should enhance service delivery
Finance – Income and Debt Transactional Services	To consolidate the approach to income collection and debt recovery services across the Council. Note already agreed at Council February 2018 and reprofiled	Cllr Richard Samuel/ Donna Parham	10		**10**		M	Preparing for the Future	None	None	Additional support will be provided to assist with delivery
Sub Total - Efficiency Savings			**260**	**367**	**627**	**0**					
Income Generating Opportunities											
City Deal Tier 3 Income	Recognition of projected Tier 3 income stream achieved from Business Rate growth in the Enterprise Area as part of the City Deal agreement.	Cllr Richard Samuel/ Donna Parham	70		**70**		L	N/A	None	None	No direct service change just realigning budget to forecast income levels
Property development company	Through the generation of income for the Council through market housing for private short-term lettings, sales, and other development activity.	Cllr Dine Romero/ Cllr Richard Samuel/ Donna Parham	270		**270**		M	Preparing for the Future	None	Release of Council land and assets for development opportunities	This Council owned company ADL is now redeveloping the former Riverside offices in Keynsham and creating a pipeline of other development sites.
Office Accommodation	As staffing levels reduce due to current financial pressures, rent out vacated office accommodation. Note already agreed at Council February 2018 but reprofiled.	Cllr Richard Samuel/ John Wilkinson	300		**300**		H	Preparing for the Future	Staff will possibly need to relocate. No staffing reductions as a direct impact of this project	Bringing current corporate office accommodation into commercial use	Enables corporate estate to continue to be used as now with 3:2 desk ratios and (flexible) smarter working but also new income from space that becomes surplus.
Sub Total - Income Generating Opportunities			**640**	**0**	**640**	**0**					
Service Redesign											
Shared legal service	Savings from sharing Legal resource and reducing external costs	Cllr Richard Samuel/ Maria Lucas	100	300	**400**	**100**	M	Preparing for the Future	It is anticipated that there will be no impact on the number of staff	None	Change to service delivery model to create and share efficiencies.
Sub Total - Service Redesign			**100**	**300**	**400**	**100**					
Resources Total			**1,000**	**667**	**1,667**	**100**					

Savings Title	How to be achieved	Portfolio Holder/ Director	20/21 Saving £000	21/22 Saving £000	2 year Savings Total	22/23 Saving £000	Risk to delivery of saving (H/M/L)	Link to Corporate Strategy Principle	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
Portfolio: Adult Services											
Efficiency Savings											
Public Health cost saving	A expenditure review has identified budget that can be released / redirected to other services	Cllr Rob Appleyard/ Bruce Laurence	25		**25**		L	Focussing on Prevention	None	None	Does not impact on existing services
Public Health cost saving	Grant used to fund activity in other services	Cllr Rob Appleyard/ Bruce Laurence	50		**50**		L	Focussing on Prevention	None	None	Does not impact on existing services
Community - Review of Care Package Delivery	Review of existing packages to identify any efficiencies	Cllr Rob Appleyard/ James Childs-Evans	43		**43**		L	Focussing on Prevention	None	None	Change to packages ensuring services users eligible needs are met.
Specialist & Complex - Purchasing efficiencies in package review	Review of existing packages to identify any efficiencies	Cllr Rob Appleyard/ Lesley Hutchinson	323	372	**695**		M	Focussing on Prevention	None	None	Change to packages ensuring services users eligible needs are met.
Specialist & Complex - Contract procurement	Review of existing packages to identify any efficiencies	Cllr Rob Appleyard/ Lesley Hutchinson	158	158	**316**		M	Focussing on Prevention	None	None	Change to packages ensuring services users eligible needs are met.
Specialist & Complex - Longer term procurement	Strategically commission and procure a range of care and support services sufficient to meet identified needs and address gaps in B&NES and provide better value for money	Cllr Rob Appleyard/ Lesley Hutchinson	120	379	**499**		M	Focussing on Prevention	None	None	Change to packages ensuring services users eligible needs are met.
Community - Contract Management Framework	Review of contract management for services	Cllr Rob Appleyard/ James Childs-Evans			**0**	338	M	Focussing on Prevention	None	None	Improved contract management.
Sub Total - Efficiency Savings			**719**	**909**	**1,628**	**338**					
Service Redesign											
All Service users	Consistent charging framework for the policy areas that the Care Act leaves for Local Authority determination.	Cllr Rob Appleyard/ Lesley Hutchinson	500		**500**		H	Focussing on Prevention	None	None	Will result in ensuring that more service users claim pension credits where applicable (offsetting Council costs) and appropriate levels of charging when self-funders ask us to provide additional discretionary support.
Homecare Review & Service redesign	Review of existing contracting arrangements and introduction of new framework arrangement for use with providers.	Cllr Rob Appleyard/ James Childs-Evans	163		**163**		M	Focussing on Prevention	None	None	Change to procurement of packages ensuring value for money and choice.
Reablement Review	Review and redesign service model. This will ensure delivery of flexible and proactive reablement, improving independence and quality of life alongside reductions in individual care and support needs.	Cllr Rob Appleyard/ James Childs-Evans	603	603	**1,206**		M	Focussing on Prevention	None	None	Change to service delivery model and contractual arrangements, ensuring all services users needs are met.
Sub Total - Service Redesign			**1,266**	**603**	**1,869**	**0**					
Adult Services Total			**1,985**	**1,512**	**3,497**	**338**					

Savings Title	How to be achieved	Portfolio Holder/ Director	20/21 Saving £000	21/22 Saving £000	2 year Savings Total	22/23 Saving £000	Risk to delivery of saving (H/M/L)	Link to Corporate Strategy Principle	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
Portfolio: Childrens Services											
Service Redesign											
Music Service	A review of the service is to be undertaken following Arts Council changes in how the service will be funded in future years. The opportunity for revenue savings is through improving the cost effectiveness of the current delivery model whilst maintaining core service provision.	Cllr Kevin Guy/ Chris Wilford	20	20	**40**		H	Focussing on Prevention	This will depend on the outcome of the review	Nil	Anticipate need to review delivery model to meet future Arts Council grant conditions. Await further advice from Arts Council.
Family Support at home for children with complex needs	Establish in-house team to reduce external/agency support costs	Cllr Kevin Guy/ Mary Kearney-Knowles	250		**250**		M	Focussing on Prevention	None anticipated	Nil	More flexible, consistent and local service delivery, offering better links to local services and reducing reliance on specialist agency staffing
Childrens Equipment	Use of Disabled Facility Grants for Equipment	Cllr Kevin Guy/ Chris Wilford	-28		**-28**		H	Focussing on Prevention	An all age Community Equipment review is currently underway to support the re-procurement of the service in 2019.		Technical change to budget, as agreed in Feb 2019. The opportunity was taken to cover this budget through capital grant for 2019/20. For 2020/21, this saving is reversed, meaning that the previous revenue budget is reinstated.
Sub Total - Service Redesign			**242**	**20**	**262**	**0**					
Childrens Services Total			**242**	**20**	**262**	**0**					
Portfolio: Climate Emergency & Neighbourhood Services											
Efficiency Savings											
Temporary reduction in CSB revenue needs	The Waste Depot project capital financing is being re-profiled and there is an opportunity to use the revenue set aside for Council Supported Borrowing (CSB) for one year only	Cllr Sarah Warren/ Cllr David Wood/ Mandy Bishop	400	-400	**0**		L	N/A	None	Funding will need to be put back into base line budget in 21/22 to address future capital financing needs	None, other than re-profiling capital investment in waste depots to 21/22
Sub Total - Efficiency Savings			**400**	**-400**	**0**	**0**					
Service Redesign											
Household Waste Recycling Centres	Review of the recycling strategy across the district which is under review in light of the closure of Midland road anticipated in 2023.	Cllr Sarah Warren/ Cllr David Wood/ Mandy Bishop	0	71	**71**		M	Focussing on Prevention	There may be an impact upon staffing numbers, exact numbers are unknown at this time	None	This will involve a review of recycling service delivery.
Sub Total - Service Redesign			**0**	**71**	**71**	**0**					
Total Climate Emergency & Neighbourhood Services			**400**	**-329**	**71**	**0**					

Savings Title	How to be achieved	Portfolio Holder/ Director	20/21 Saving £000	21/22 Saving £000	2 year Savings Total	22/23 Saving £000	Risk to delivery of saving (H/M/L)	Link to Corporate Strategy Principle	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
Portfolio: Transport Services											
Service Redesign											
Moving revenue to capital	Capitalisation of permanent pot hole repairs	Cllr Joanna Wright/ Cllr Neil Butters/ Mandy Bishop	150		**150**		M	Delivering for Local Residents	None	A reduction in annual investment in the highway network	Capitalistion of permanent highway network repairs
Core Service Redesign	Highway, Traffic, Transportation, Waste, Parks, Cemeteries and Crematorium, Leisure services will be redesigned in consultation with internal/external partners and in accordance with the council's operating model.	Cllr Joanna Wright/ Cllr Neil Butters/ Mandy Bishop	100		**100**		M	Delivering for Local Residents	Unknown at this time	Unknown at this time	These proposals will be developed during 2020 as a result of redesigning our delivery models. Likely move to greater on-line and customer self-service
Sub Total - Service Redesign			**250**	**0**	**250**	**0**					
Transport Services Total			**250**	**0**	**250**	**0**					
Portfolio: Housing, Planning & Economic Development											
Efficiency Savings											
reduction in budget	Reduction in Local Development Framework (LDF) budget	Cllr Tim Ball/ Lisa Bartlett	20		**20**		L	N/A	None	None	Future requests for policy changes will have to be prioritised
Sub Total - Efficiency Savings			**20**	**0**	**20**	**0**					
Income Generating Opportunities											
Building Control Income	Inflationary increase to building regulation charges	Cllr Paul Crossley/ Lisa Bartlett	10		**10**		L	Delivering for Local Residents	None	None	None
Spa Water	Potential income from spa water supply	Cllr Paul Crossley/ Lisa Bartlett	0	20	**20**		M	Delivering for Local Residents	None	None	None
Planning advice	Inflationary increase to discretionary charges	Cllr Tim Ball/ Lisa Bartlett	6		**6**		L	Delivering for Local Residents	None	None	None
WECA funding	Funding from WECA to cover costs associated with officer time working on projects that benefit the West of England Combined Authority area.	Cllr Tim Ball/ Lisa Bartlett	35		**35**	-35	L	Delivering for Local Residents	None	None	None
Fee increases above inflation	Fee uplifts for 21/22. Fee increases already accounted for in 20/21	Cllr Tim Ball/ Lisa Bartlett	0	20	**20**		L	Delivering for Local Residents	None	None	Service may be too costly for some users who will go elsewhere
Sub Total - Income Generating Opportunities			**51**	**40**	**91**	**-35**					
Housing, Planning & Economic Development Total			**71**	**40**	**111**	**-35**					
Portfolio: Community Services											
Income Generating Opportunities											
Heritage Services business plan	Growth in profit from heritage services over the current 2019/20 budget	Cllr Paul Crossley/ John Wilkinson	900	500	**1,400**		M	Delivering for Local Residents	None	None	Service impacts are in line with the Heritage business plan
Sub Total - Income Generating Opportunities			**900**	**500**	**1,400**	**0**					
Community Services Total			**900**	**500**	**1,400**	**0**					
OVERALL SAVINGS			**4,848**	**2,410**	**7,258**	**403**					

New Priorities							
20/21 £'000	21/22 £'000	22/23 £'000	Item	Budget	Portfolio Holder/ Director	Link to Corporate Strategy Principle	Description of Requirement (including driver)
152			Domestic Violence and Abuse service investment	Strategy & Performance	Cllr Rob Appleyard/ David Trethewey	Focussing on Prevention	This growth bid is made in the context of the ending of current funding arrangements for domestic violence and abuse (DVA) services in Bath & North East Somerset from 2020/21. The funding is required to continue to support existing service levels with tendering required to continue with commissioned services from 1st April 2020.
30			Business Reporting improvements	Strategy & Performance	Cllr Richard Samuel/ David Trethewey	Preparing for the Future	This growth bid applies for an enterprise license for the Power BI software to replace the current individual user basis. This license cost is £40k p.a. of which £10k is already met through legacy IT budgets. At present forecast user growth, the cost of providing this solution will be more expensive to the organisation on an individual license basis than through a single enterprise license by year end 19/20.
119			Corporate Services team investment	Strategy & Performance	Cllr Dine Romero/ Cllr Richard Samuel/ David Trethewey	Delivering for Local Residents	Following discussion with the council leader a significant package of improvements to how we engage and communicate with local communities has been drawn up. This may be further developed and refined but is likely to focus on: • developing our new Corporate Strategy and priorities, and engaging with the community on this, working closely also with the climate emergency programme • increasing transparency in monitoring and reporting the council's progress in delivering the corporate strategy • extending webcasting to key Planning meetings and investigate webcasting in other areas of the council's work
105			Client Finance resilience	Finance	Cllr Richard Samuel/ Donna Parham	Focussing on Prevention	This funding will enable a more responsive service to be given to social care clients, dealing with complex and sensitive financial issues in a more timely manner. Client Finance will also be more able to respond to care providers, ensuring the accuracy of costs and charges and more effectively policing commissioned packages – strengthening governance in this area overall in a bid to ensure value for money.
60			Digital Payment system costs	Finance	Cllr Richard Samuel/ Donna Parham	Preparing for the Future	The spend will enable the council to continue its digital payments service offer to customers and enable the ongoing transition to cashless transactions and greater efficiency in operational administration.
70			Income and Debt management	Finance	Cllr Richard Samuel/ Donna Parham	Preparing for the Future	This bid will enable Income services to more effectively manage client personal accounts ensuring all income is correctly allocated and debts are followed up in a more timely fashion, improving services for customers . This will result in a reduced bad debt burden for the Council releasing unnecessary provisions in future years
536	**0**	**0**		**SUB-TOTAL - RESOURCES**			
25			Housing planning officer	Planning	Cllr Paul Crossley/ Lisa Bartlett	Preparing for the Future	Review of Supplementary Planning Document in relation to retro-fitting of existing housing stock to improve energy efficiency
25			Food Inspections	Building Control & Public Protection	Cllr Paul Crossley/ Lisa Bartlett	Delivering for Local Residents	Additional staff resources will be made available to inspect food businesses to ensure that all businesses are compliant. This is an ongoing commitment in order to deliver the Council's statutory requirement to comply with the Food Law Code of Practice and meet the authorities' commitment under the Framework agreement with the Food Safety Agency (FSA)
25			Parks resources	Neighbourhoods & Environment - Parks & Bereavement Services	Cllr Paul Crossley/ Mandy Bishop	Delivering for Local Residents	Additional resources for the service to manage in-year pressures such as grass cutting or arboricultural works.
75	**0**	**0**		**SUB-TOTAL - COMMUNITY**			

New Priorities							
20/21 £'000	21/22 £'000	22/23 £'000	Item	Budget	Portfolio Holder/ Director	Link to Corporate Strategy Principle	Description of Requirement (including driver)
100			Sustainable Transport Officers	Sustainable Transport	Cllr Joanna Wright/ Cllr Neil Butters/ Mandy Bishop	Delivering for Local Residents	Additional Sustainable Transport Staffing Resource to support priority work streams.
100	**0**	**0**		**SUB-TOTAL - TRANSPORT**			
42			Empty Home review	Housing	Cllr Tim Ball/ John Wilkinson	Delivering for Local Residents	To see stronger and more widespread action on Empty Homes. The additional resources would allow us to develop the processes needed for having empty properties form part of the Councils affordable housing delivery and increase the number of cases dealt with.
25			HMO policy review	Planning	Cllr Tim Ball/ Lisa Bartlett	Delivering for Local Residents	Review of Supplementary Planning Document in relation to Houses in Multiple Occupation (HMO) to ensure communities are sustainable
67	**0**	**0**		**SUB-TOTAL - HOUSING PLANNING & ECONOMIC DEVELOPMENT**			
323	0	6	Climate Emergency team investment	Sustainability	Cllr Sarah Warren/ Cllr David Wood/ David Trethewey	Preparing for the Future	This spend is to provide essential corporate resource to run the Council's new top priority strategic work programme to enable the Council to provide the leadership to the whole of Bath and North East Somerset to achieve zero carbon by 2030, which was the commitment made in the March 2019 Climate Emergency Declaration. The programme of work is being developed in 2019-20 for delivery between 2020 and 2023. The Council's role is to provide the strategic framework for action, set the scale of ambition, convene key players from across the district, provide the action planning processes and set up and run a new B&NES Climate Emergency, Environment and Place Partnership.
100		-100	Additional street cleansing	Neighbourhoods & Environment - Parks & Bereavement Services	Cllr Sarah Warren/ Cllr David Wood/ Mandy Bishop	Delivering for Local Residents	Additional street cleansing resources to ensure our streets are clean and litter free.
140			Litter Enforcement	Neighbourhoods & Environment - Parks & Bereavement Services	Cllr Sarah Warren/ Cllr David Wood/ Mandy Bishop	Delivering for Local Residents	Additional resources within the service area to address fly tipping and other environmental crimes.
10			Air Quality Management	Neighbourhoods & Environment - Parks & Bereavement Services	Cllr Sarah Warren/ Cllr David Wood/ Lisa Bartlett	Preparing for the Future	Revenue costs to support on-going maintenance of solutions implemented to improve air quality levels where the authority has declared Air Quality Management Areas
60			Tree and Woodland Strategy	Neighbourhoods & Environment - Parks & Bereavement Services	Cllr Sarah Warren/ Cllr David Wood/ Lisa Bartlett	Preparing for the Future	To provide resources to deliver the administrations commitment to tree planting to help address the Climate and Nature Emergency.
35	-10		Mead Lane Mooring	Neighbourhoods & Environment - Parks & Bereavement Services	Cllr Sarah Warren/ Cllr David Wood/ Mandy Bishop	Delivering for Local Residents	Undertake survey work to the river bank related to the moorings as per the Cabinet Decision on 16th January 2020.
668	**-10**	**-94**		**SUB-TOTAL - CLIMATE EMERGENCY & NEIGHBOURHOOD**			

New Priorities

20/21 £'000	21/22 £'000	22/23 £'000	Item	Budget	Portfolio Holder/ Director	Link to Corporate Strategy Principle	Description of Requirement (including driver)
		400	Connecting Families	Children, Young People & Families	Cllr Kevin Guy/ Mary Kearney-Knowles	Focussing on Prevention	Connecting Families. Grant funding confirmed for 20/21 but uncertain for 21/22 and beyond. Enough grant to fund 20/21 and 21/22. From 22/23, if no national grant, will need to fund this service if it is to continue.
0	**0**	**400**		**SUB-TOTAL - CHILDREN**			
100			Increase in Mental Health team capacity	Mental Health	Cllr Rob Appleyard/ Lesley Hutchinson	Focussing on Prevention	Local Authorities must have enough statutory Approved Mental Health Professionals (AMHPs) available to provide a 24/7 service, enabling the appropriate assessment of people who may need to be detained under the mental health act. This funding will increase local AMHP capacity by 2 FTEs to help the service to manage demand, run safely and enable some resilience. It still leaves us some way short of nationally recommended staffing levels.
445	-282		Mental Capacity Act implementation	MCA / DOLS (Budget to be retained corporately - prior to any allocation to service as actual costs are firmed up)	Cllr Rob Appleyard/ Lesley Hutchinson	Focussing on Prevention	To locally embed the Mental Capacity Act into practice, ensuring that people are properly assessed to determine whether it is lawful to deprive them of their liberty. The law has been substantially changed and extended although a detailed code of practice is awaited and will inform both the ongoing capacity needed and the amount of initial work to implement the change.
53			Programme Management Officer	Commissioning	Cllr Rob Appleyard/ Lesley Hutchinson	Focussing on Prevention	To fund a Programme Management Officer to support and coordinate the extensive savings and service change programmes identified within our commissioning teams.
129			Integrated Commissioning Project Officers	Commissioning	Cllr Rob Appleyard/ Lesley Hutchinson	Focussing on Prevention	To fund two Project Officer posts providing essential capacity to support the delivery of a range of key commissioning projects for older people and for all age learning disability and mental health services
72			Strategic Development Commissioner	Commissioning	Cllr Rob Appleyard/ Lesley Hutchinson	Focussing on Prevention	To provide Strategic Development capacity to develop an all age commissioning strategy which focusses on preventing people reaching crisis, building on strengths based and asset based approach; and where people do require longer term support the strategy will ensure the focus on helping people maintain their independence and reduce the number of adults in care. There will be a significant focus on mental health support for adults and children within the strategy. The post holder will also be responsible for reviewing current market arrangements and supporting the appraisal of future service delivery options.
799	**-282**	**0**		**SUB-TOTAL - ADULT**			
2245	**-292**	**306**		**COUNCIL - TOTAL**			

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One - Off Funding Requests for Specific Projects/Events

20/21 £'000	21/22 £'000	Budget	Portfolio Holder/ Director	Link to Corporate Strategy Principle	Description of Growth (including driver)
50	100	Human Resources	Cllr Richard Samuel/ Amanda George	Preparing for the Future	The People Strategy 2020 - 2024 sets out a commitment to modernise the Council's pay and grading structure by April 2022 along with underpinning performance management targets and processes. Ensuring that we are able to attract and retain highly skilled staff (whereby pay and progression is one element of the package that we offer) is essential in enabling the Council to meet all manifesto commitments.
50	**100**	**SUB-TOTAL - RESOURCES**			
0	**0**	**SUB-TOTAL - COMMUNITY**			
250		Corporate	Cllr Dine Romero/ Will Godfrey	Preparing for the Future	One-off allocation for in-year initiatives and short term capacity
250	**0**	**SUB-TOTAL - LEADER**			
30		Housing	Cllr Tim Ball/ John Wilkinson	Delivering for Local Residents	The requested increase in funding is designed to support the research into the development of a sustainable Council House Building programme. This is the tail end of the research with £70k being secured in 2019/20.
30	**0**	**SUB-TOTAL - HOUSING PLANNING & ECONOMIC DEVELOPMENT**			
150		Highways and Traffic	Cllr Joanna Wright/ Cllr Neil Butters/ Mandy Bishop	Delivering for Local Residents	This is in addition to the growth bid for 2 full time equivalent Sustainable Transport Officers to give us capacity to progress activities at greater pace
150	**0**	**SUB-TOTAL - TRANSPORT**			
64		Sustainability	Cllr Sarah Ward/ Cllr David Wood/ David Trethewey	Preparing for the Future	One-off budget relating to the Climate Emergency team growth item.
100		Neighbourhoods & Environment - Parks & Bereavement Services	Cllr Sarah Warren/ Cllr David Wood/ Mandy Bishop	Preparing for the Future	Short term 2 full time equivalent project officer support to run multiple savings deliver/service re-design projects to delivery significant revenue savings in 20/21 and 21/22. This support is required to ensure revenue savings plans are kept on track and to support Heads/Service managers to deliver savings, required service changes, maximise income generation. Opportunities will also be identified to rationalise resources across the various place making functions
164	**0**	**SUB-TOTAL - CLIMATE EMERGENCY & NEIGHBOURHOOD**			
644	**100**	**COUNCIL - TOTAL**			

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Annex 2 (iv)

Pressures				
Budget	**Portfolio Holder/ Director**	**Link to Corporate Strategy Principle**	**Financial Requirement £'000**	**Description of Pressure**
Bus subsidies	Cllr Joanna Wright/ Cllr Neil Butters/ Mandy Bishop	Preparing for the Future	400	Base budget pressure from the continuation of supported bus routes.
Highways and Transport	Cllr Joanna Wright/ Cllr Neil Butters/ Mandy Bishop	Delivering for Local Residents	100	Reversal of winter gritting savings reduction due to risks
Emergency Planning	Cllr Joanna Wright/ Cllr Neil Butters/ Mandy Bishop	Delivering for Local Residents	150	Reversal of historic CCTV savings/income target pending wholescale review.
Highways and Transport	Cllr Joanna Wright/ Cllr Neil Butters/ Mandy Bishop	Delivering for Local Residents	185	Transport Improvement Programme - existing unfunded maintenance liabilities
Transport Total			**835**	
Children, Young People & Families	Cllr Kevin Guy/ Mary Kearney-Knowles	Focussing on Prevention	80	This pressure is due to the S17 legal duty to support children of parents who are involved in the immigration process. There is no government funding available for this duty, which due to recent case law is a rising cost year on year.
Children, Young People & Families	Cllr Kevin Guy/ Mary Kearney-Knowles	Focussing on Prevention	2,000	Budget rebasing from increase cost of supporting disabled children at home, and increased cost and numbers of children in care.
Learning & Inclusion	Cllr Kevin Guy/ Chris Wilford	Focussing on Prevention	65	2 x SEND Travel Officers, currently supported by a grant that will not reoccur. Business Case shows these post avoid significant growth of Home to School Transport costs.
Children Total			**2,145**	
Commercial Estate	Cllr Richard Samuel/ John Wilkinson	Preparing for the Future	1,000	Income budget revised in line with projected income and removal of income target from new acquisitions.
Finance	Cllr Richard Samuel/ Donna Parham	Preparing for the Future	40	Loss of WECA income for providing payroll services
Finance	Cllr Richard Samuel/ Donna Parham	Preparing for the Future	105	Budget rebasing requirement of £25k to make Finance Director 37 hours plus removal of Finance support to capital projects moved to revenue rather than financing through capital schemes.
HR	Cllr Richard Samuel/ Amanda George	Preparing for the Future	170	Undeliverable saving target after centralisation of training budgets £180k achieved from £350k target.
Legal	Cllr Richard Samuel/ Maria Lucas	Preparing for the Future	250	Base budget issues and £100k re-profiling of savings to 2020/21
Resources Total			**1,565**	
TOTAL			**4,545**	

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Equality impacts of new savings proposals for 2020/21

1. Introduction and legal background

This report outlines how the impacts of the Council's budget proposals are being considered from an equality perspective. The Equality Act 2010 makes it unlawful to discriminate against an individual because of certain personal characteristics ('protected characteristics'). The law also requires that equality issues are considered by public bodies as part of decision making, especially where services are reduced or redesigned.

Failure to undertake proportionate Equality Analysis/Equality Impact Assessment could present risks of legal challenge to the Council for failing to pay due regard to its public sector equality duty.

2. Actions so far

Each budget proposal has been set out in a Medium-Term Financial Plan (MTFP) Proposal template, with the high-level intentions outlined. The proposals describe what service redesign is being proposed and identify if there will be impacts upon residents and/or service users.

As part of the Council's equality analysis process, Directors (and their officers with delegated responsibilities) have been tasked to consider their proposals from an equality perspective. This initial 'screening' process aims to highlight if any of the proposals have the potential to have significant impacts upon service users, and if so, what actions, if any, could be taken to mitigate any unexpected or unintentional impacts. The findings of this initial screening process are contained within this report.

The finer detail of how the proposals will be implemented will follow in due course, and it is recommended that comprehensive and detailed equality analysis is carried out on some of the proposals as they are taken forward (please see text boxes following some of the proposals)**.** This will help to ensure that opportunities to enhance equality are utilised, and any possible negative impacts or barriers for particular groups are taken account of, and if possible, mitigated.

3. Policy Development and Scrutiny Panels- equalities scrutiny process

Budget proposals will be presented to Corporate Policy Development and Scrutiny Panel on 3rd February 2020.

The Corporate PDS panel is being briefed to enable them to scrutinise the proposals from an equality perspective (*see Appendix 1*).

4. Specific savings proposals

Across the Council, every attempt has been made to achieve efficiencies through service redesign, with minimum reduction in frontline services or disproportionate increases in charges.

In respect to impacts on staff, the Council's Human Resources policies and procedures ensure there is full consultation and consideration of staffing matters and that employment-related equality issues are fully considered. Therefore, the focus here is largely on impacts upon service delivery and service users. Each item is accompanied by an appropriate recommendation based on information available at time of drafting.

4.1 Resources portfolio

a). Corporate Budget rebasing. No equality issues have been identified, as this proposal involves reducing the budget to reflect the actual spending.

b). IT contracts and licenses – efficiencies in annual contract negotiations. No equality issues have been identified. Contract negotiations will not impact upon IT budgets that support IT access for service users and staff, particularly regarding disability.

c). Shared Legal Service. The proposal is for a shared legal service with a neighbouring authority providing £100k of savings in shared resources and reducing the cost of external advice. An EIA has been completed and consultation with service users will be done.

Equality considerations: how can we ensure that this change to an inhouse shared legal service will improve the service delivered to some of our most vulnerable users (e.g. children in care)?

4.2 Adult Services Portfolio

a). Public Health & Preventative Services - cost saving. There has been an underspend this year and there is now a commitment to work to the lower budget as we go forward.

Equality considerations: There will be no reduction in current services. Budgets in this area should be considered in the light of the focus on prevention within the new Corporate Strategy.

b). Public Health cost saving (grants to fund activity in other services). Inflationary increase in the public health grant has been signalled by Public Health England. (circa 50k). This could be released to fund council activities that are related to public health. No equality issues identified.

c). Adult Social Care - Community review of care package delivery

Equality considerations: equality analysis will need to be undertaken to ensure opportunities to enhance equality are taken, and to identify any particular impacts upon the quality of care for older people, disabled people and carers.

d). Adult Social Care – Homecare review and service redesign

Equality considerations: as above, equality analysis will need to be undertaken to ensure opportunities to enhance equality are taken, and to identify any particular impacts for older people, disabled people and carers and upon the quality of care.

e). Adult Social Care Specialist and Complex - purchasing efficiencies in package review

Equality considerations: as above, equality analysis will need to be undertaken to ensure opportunities to enhance equality are taken, and also to identify any particular impacts for older people disabled people and carers and upon the quality of care.

f). Adult Social Care Specialist and Complex – contract procurement

g). Adult Social Care Longer Term procurement

Equality considerations: Procurement activity carries with it important responsibilities – and opportunities – in relation to equality. It is important that officers conducting reviews of contracts are aware of the equality analysis/Equality Impact Assessment process within the Council. This will ensure that every opportunity for advancing equality is taken, and potential negative impacts are identified.

h). Adult Social Care New Charging policy. When the new policy is introduced, people will need to apply for certain benefits they are entitled to – and the council will take these into account (even if not applied for).

Full equality analysis has been undertaken on all the changes being introduced by the ASC charging policy and the consultation process. This has been used to inform the decision on any discretionary elements of the policy.

4.3 Climate Emergency and Neighbourhood Services Portfolio

a). Temporary reduction in CSB revenue needs – this will involve the waste depot project capital investment being delayed for one year. No equality issues have been identified.

4.4 Transport Services Portfolio

a). Further capitalisation of pothole repairs - Full capitalisation of permanent pot hole repairs will result in less money being spent on routine maintenance. Residual revenue funding will be prioritised on safety works.

There is no change to council policy. Disabled facilities work such as drop kerbs are funded via the Transport Improvement Grant and are therefore not impacted by these savings proposals. Also, there will be no impact upon safety of the network, as there is an asset management approach to carrying out repairs and improvements. Customer notifications and enquiries are considered as part of the asset management approach.

It is recommended that the team responsible monitor any effects that arise pre and during implementation.

4.5 Housing Planning and Economic Development Portfolio.

a). Spa water supply to Mineral water hosp. No equality issues identified

b). WECA funding: The West of England Combined Authority will contribute 35K to cover staff time. This funding will pay for existing officer time, and there are no impacts on service delivery or equalities identified.

c). Savings Reduction in budget. Reduction in Local Development Framework (LDF) budget. There will be no decisions on policy work next year, therefore there are no known potential equality impacts at this point.

d). Charges increases. There will be minor increases in charges for the following:

- Non-statutory planning advice charges for any type of development (in line with inflation)
- Discretionary charges (slightly above inflation)
- Building regulation charges (in line with inflation)

The impact of fee increases is monitored closely in order to ensure that the Local Authority maintains competitiveness with other providers (e.g. approved inspectors) and also maintains current high customer satisfaction rates.

Equality considerations: no equality impacts have been identified across the 9 protected characteristics of the Equality Act in relation to these minor increases of fees. Fee increases are mostly in line with inflation, and, planning process costs are relatively small in relation to the whole build costs of any development. Customers accessing our council services will be able to receive advice and guidance that could promote equality (e.g. on sustainable and future-proof development).

4.6 Community services

a). Heritage services business Plan: The growth in profit from heritage services over the current additional profit target for 20/21.

Equality considerations – equality analysis will be done as part of the heritage services business plan. Heritage Services (and the Roman Baths) are involved in a number of initiatives that proactively promote equality (e.g. ongoing improvements to access for people who have physical mobility problems, those with autism or dementia; and the provision of employment opportunities for young people with learning disabilities through Project Search). An important consideration is whether there be any opportunities to undertake additional equalities promotional work as a result of this proposal, or if there could be any reduction in the good practice currently in place.

4.7 New ongoing growth items

The budget proposals include growth items that will serve to promote equality. These include: investment in Domestic Violence and Abuse (DVA) services; an increase in Mental Health team capacity; a package of improvements in respect of how we engage with local communities; an Empty Home review – to bring more properties into use for those who need them and a review of our Houses of Multiple Occupation policy to ensure communities are sustainable.

5. Cumulative impacts

Budget proposals have the potential to impact on people across the full range of protected characteristics. In addition, whilst considerations of socio-economic status are not a requirement of the Equality Act public sector duty, the “narrowing the gap” agenda is an important focus for the Council and its partners. The Council’s priorities of addressing the climate emergency, delivering for residents, focusing on prevention and giving people a bigger say will continue to influence the roll out of the budget proposals. It will be important to ensure that all the equality impacts are considered alongside each other as further details are developed (and within any consultation), in order to identify the cumulative impacts. These impacts will be assessed and managed through the Council’s relevant programme and project management and other governance processes.

6. Recommendations

For each proposal that is taken forward, the following recommendations should be considered (as appropriate), to ensure that equality issues continue to be considered during the implementation stages.

a. **Full Equality Impact Assessments/equality analysis** should be carried out on all proposals where initial reviews have revealed likely impacts upon particular groups of people due to their protected characteristics. This enables the Council to demonstrate it has taken due regard to equality issues and has thoroughly considered how to uphold the requirements of the Public Sector Equality Duty. The Council's Equality Impact Assessment template can be found on the Council's EIA web pages, and support is available from the Equality Team in carrying out the assessments. Completed EIAs should be published on this web page.

b. **Inclusive consultation**. Where consultation is arranged as part of taking any of these proposals forward, it is vital that a diverse range of people are encouraged to take part. This will help highlight any additional equality impacts that may need to be addressed and mitigated where possible. A variety of methods should be used to access consultees. The Equality Team can advise on this and on how to access participants from groups representing different equality strands. The Independent Equality Advisory Group can also be used as a consultative body, and will provide further guidance on likely impacts, and ways of mitigating these.

c. **Clear and transparent communication**. Wherever it is planned to introduce changes, it is important to ensure that the communication and publicity strategies are accessible to disabled people (for example, people with visual impairment or learning disability) and those for whom English is an additional language. The Council has commissioned Oncall Interpreting services to assist with Interpreting and Translation where necessary.

d. **Incorporating equality issues within commissioning specifications**. Where proposals include commissioning or recommissioning external providers, detailed equality requirements should be built into contract specifications. This will ensure that best practice relating to equality in delivery of services is continued and improved upon when delivered by external partners.

e. **Workforce training and development**. A number of the budget proposals are dependent upon the ability of officers to recognise opportunities to advance equality (for example, within commissioning, or by targeting services towards those who are most vulnerable). It is also important that officers are aware of, and sensitive to, the particular needs of different groups of people.

Equality training is available as part of the Corporate Training programme, and bespoke training can be arranged by the Council's Equality Team.

f. **Ongoing monitoring.** Where services are subject to redesign, equality monitoring should be carried out to help identify if the service is operating as intended, if it is reaching and meeting the needs of our most vulnerable communities; and if there are any unforeseen impacts that need to be addressed. See the Council's sample equalities monitoring template for the data categories that should be used.

Appendix 1.

Briefing note for panel members on equality in financial decision making

Background

The Equality Act 2010 makes it unlawful to discriminate against an individual because of certain personal characteristics ('protected characteristics').

The law also requires that equality issues are considered by public bodies as part of decision making, especially where services are reduced or redesigned.
The Public Sector Equality Duty (PSED) requires us to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people.

The questions below are intended to assist PDS panels to scrutinise the proposals (within their remit) from an equalities perspective.

A). For each new draft proposal to be put before Cabinet in February 2019:

- Are panel members clear that this proposal has been considered from an equality perspective?
- Do we know what the impact will be on the most vulnerable people?
- Are there any potential unintended impacts or "knock-on" effects consequences - e.g. on partners, residents or other services?
- Have we consulted people and listened to what they have told us about this?
- During the implementation of the proposal – how will we continue to check for unintended effects on particular groups of people?
- Will there be room for discretion if during the implementation we discover that the change of service disproportionately disadvantages some people?
- Considering all the proposals together, what will the cumulative impact be, and will adverse impacts fall disproportionately on specific groups?

B). For any budget items agreed by Council in February 2019

- What have we learnt about equality impacts following the implementation of last years' proposals?

Bath and North East Somerset Council – Efficiency Strategy

1. Flexible Use of Capital Receipts

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

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

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

The Government announced as part of the 2018/19 Finance Settlement that the flexibility would extend to 2021/22 (a further three years).

The requirement states that the strategy should list each project that plans to make use of the capital receipts flexibility and that details of the expected savings/service transformation are provided. All uses of flexible receipts have therefore been linked to the savings plans approved as part of budget setting. The Strategy should report the impact on the local authority's Prudential Indicators for the forthcoming and subsequent years.

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

2. Savings Projects Which Meet the Criteria

Council agreed in November 2017 to utilise the flexibility to fund the once-off revenue costs such as redundancy and legal costs allowable under the criteria to achieve the Directorate Savings Plans agreed as part of the 2017/18 budget. The flexibility was linked to the following budget savings plans for 2017/18:

https://democracy.bathnes.gov.uk/documents/s45572/Budget%20Appx%203%20-%20Savings%20Details.pdf

2018/19:
https://democracy.bathnes.gov.uk/documents/s49864/Annex%202%20-%20Budget%20Savings%20Income%20Generation%20Proposals.pdf

A total of £6.6m was utilised between 2017/18 and 2018/19 mainly to fund redundancy and other one-off costs to realise on-going savings.

2019/20:
https://democracy.bathnes.gov.uk/documents/s54628/08z%20Annex%202%20-%202019-20%20Savings%20and%20Income%20Proposals.pdf

It is estimated that £1.9m will be utilised in 2019/20 in once-off costs to deliver savings. This will be reported as part of the outturn report in June/July 2020.

As the flexibility will continue beyond 2018/19 it is recommended that capital receipts will be utilised in 2020/21 to deliver the ongoing savings outlined in Annex 2(i). It is estimated that £3.0m in capital receipts will be utilised in 2020/21 for this purpose.

In summary the estimated overall level of receipts required overall has remained at the £11.5m reported in the 2019/20 strategy.

3. The Capital Receipts to be Used this Purpose

Capital receipts from the disposal of property, plant, and equipment received in the years in which the flexibility is offered can be used for this purpose. Right to Buy Receipts are excluded.

Individual receipts have not been listed but the target for financial planning purposes is for £3.0m of receipts to be available for use in 2020/21. This will impact on the amount of borrowing required and has been factored into the budget proposals as well as a target for new receipts.

It remains unchanged that the decision for the use of each receipt is delegated to the S151 Officer unless it results in an unplanned impact on the overall budget for 2020/21.

4. Impact on B&NES' Prudential Indicators

If the Council utilises this flexibility it impacts on the level of capital receipts that can be utilised to fund the capital programme. If it is assumed that B&NES has and will continue to utilise up to £11.5m of flexible receipts for once-off costs with the impact being factored into the Council's Prudential Indicators (as detailed in the Budget Report) as follows:-

Prudential Indicator	**2018/19 Actual**	**2019/20 Forecast Outturn**	**2020/21**	**2021/22**	**2022/23**
Estimate of Capital Expenditure (£'000s)					
Actual/estimates of capital expenditure	88,043	116,018	236,286	44,756	15,602
Net Increase in Council Tax (band D per annum) Figures in £'s (not £'000's)					
The implied estimate of incremental impact of the new capital investment decisions on the Council Tax (1)			£10.60	£8.22	£0.91
Cumulative totals:			£10.60	£18.82	£19.74
Capital Financing as % of Net Revenue Stream					
Actual/estimates of the ratio of financing costs			14.10%	18.49%	19.43%

to net revenue stream					
Memo: estimates of the ratio of financing cost to gross revenue stream			*4.66%*	*6.11%*	*6.50%*
Borrowing Limits (£m)					
Operational boundary – borrowing			£427m	£434m	£432m
Operational boundary – other long-term liabilities			£4m	£4m	£4m
Operational boundary – total			**£431m**	**£438m**	**£436m**
Authorised limit – borrowing			£457m	£465m	£461m
Authorised limit – other long-term liabilities			£4m	£4m	£4m
Authorised limit – total			**£461m**	**£469m**	**£465m**
Capital Financing Requirement (£'000s) (as at 31 March)					
Actual/estimate of capital financing requirement	300,712	340,507	457,381	464,519	461,409

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

Capital Programme by Portfolio - 2020/2021 - 2024/2025

ANNEX 5

Capital Scheme	PY Spend Pre 2019/2020	Forecast Outturn 2019/2020	Actual / Projected Spend Pre 2020/2021	Projected Re-Phasing from 2019/2020 to 2020/2021 and Future Years	Budget Required 2020/2021	Total Budget 2020/2021	Total Budget 2021/2022	Total Budget 2022/2023	Total Budget 2023/2024	Total Budget 2024/2025	Total Cost 5 Years	Overall Project Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Full Approval												
Resources and Deputy Leader												
Agresso System Development & Upgrade	48	32	80	63	0	63	0	0	0	0	63	143
Bath Area Forum - CIL Funded Schemes - Approved	0	0	0	196	0	196	0	0	0	0	196	196
Capital Contingency	0	1,511	1,511	0	900	900	0	0	0	0	900	2,411
Corporate Estate Planned Maintenance	0	0	0	0	3,150	3,150	0	0	0	0	3,150	3,150
Customer Payments Security and Channel Shift	0	60	60	23	50	73	71	0	0	0	144	204
Flexible Use of Capital Receipts	6,577	1,923	8,500	3,000	0	3,000	0	0	0	0	3,000	11,500
IT Asset Refresh	0	867	867	0	125	125	50	110	670	0	955	1,822
Property Company Investment	11,069	7,200	18,269	14,931	0	14,931	0	0	0	0	14,931	33,200
Property Disposals	0	586	586	100	0	100	0	0	0	0	100	686
York Street Vaults Phase 2	0	50	50	0	900	900	0	0	0	0	900	950
Subtotal Full Approval - Resources and Deputy Leader	**17,694**	**12,229**	**29,923**	**18,313**	**5,125**	**23,438**	**121**	**110**	**670**	**0**	**24,339**	**54,262**
Provisional Approval												
Resources and Deputy Leader												
Bath Area Forum - CIL Funded Schemes - Provisional	0	0	0	623	500	1,123	0	0	0	0	1,123	1,123
Commercial Estate Acquisitions	0	0	0	600	300	900	300	300	0	0	1,500	1,500
Commercial Estate Investment Fund	0	0	0	28,661	0	28,661	0	0	0	0	28,661	28,661
Commercial Estate Refurbishment Programme	0	0	0	400	0	400	0	0	0	0	400	400
Corporate Estate Planned Maintenance	0	0	0	0	0	0	1,650	1,400	0	0	3,050	3,050
IT Asset Refresh	0	0	0	0	500	500	1,500	0	0	0	2,000	2,000
Project Inception Fund	0	0	0	0	200	200	200	200	0	0	600	600
Property Disposals	0	0	0	600	300	900	300	300	0	0	1,500	1,500
Property Improvement – Bath Library	0	0	0	0	300	300	0	0	0	0	300	300
Property Improvement – Haycombe Crematorium	0	0	0	0	60	60	0	0	0	0	60	60
Property Improvement – Orange Grove Structural Works	0	0	0	0	750	750	150	0	0	0	900	900
Property Improvement – Youth Centres	0	0	0	0	325	325	215	0	0	0	540	540
Revenues & Benefits System: End of Life Replacement	0	0	0	100	0	100	0	0	0	0	100	100
Refresh of Network Switch Equipment	0	0	0	0	80	80	0	0	0	0	80	80
Voicemail Upgrade	0	0	0	0	50	50	0	0	0	0	50	50
Subtotal Provisional Approval - Resources and Deputy Leader	**0**	**0**	**0**	**30,984**	**3,365**	**34,349**	**4,315**	**2,200**	**0**	**0**	**40,864**	**40,864**

Capital Programme by Portfolio - 2020/2021 - 2024/2025

ANNEX 5

Capital Scheme	PY Spend Pre 2019/2020	Forecast Outturn 2019/2020	Actual / Projected Spend Pre 2020/2021	Projected Re-Phasing from 2019/2020 to 2020/2021 and Future Years	Budget Required 2020/2021	Total Budget 2020/2021	Total Budget 2021/2022	Total Budget 2022/2023	Total Budget 2023/2024	Total Budget 2024/2025	Total Cost 5 Years	Overall Project Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Full Approval												
Adult Services												
Adult Social Care Database Replacement	1,380	68	1,448	115	0	115	0	0	0	0	115	1,563
Community Resource Centre Capital Investment	450	5	455	245	0	245	0	0	0	0	245	700
Drugs and Alcohol Recovery House Public Health Grant	750	221	971	28	0	28	0	0	0	0	28	999
Subtotal Full Approval - Adult Services	**2,579**	**293**	**2,873**	**388**	**0**	**388**	**0**	**0**	**0**	**0**	**388**	**3,261**
Provisional Approval												
Adult Services - no schemes	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Provisional Approval - Adult Services	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Full Approval												
Children's Services												
Basic Needs - School Improvement / Expansion	0	9,057	9,057	2,584	460	3,044	47	0	0	0	3,091	12,148
Children's Education Management System	0	173	173	36	0	36	0	0	0	0	36	209
Schools' Capital Maintenance Schemes	0	1,953	1,953	500	0	500	0	0	0	0	500	2,453
Special Education Needs & Disability (SEND) Education Provision Loan	0	602	602	86	0	86	0	0	0	0	86	688
Subtotal Full Approval - Children's Services	**0**	**11,784**	**11,784**	**3,207**	**460**	**3,667**	**47**	**0**	**0**	**0**	**3,714**	**15,498**
Provisional Approval												
Children's Services												
Basic Needs - School Improvement / Expansion	0	0	0	8,788	6,578	15,366	0	0	0	0	15,366	15,366
IT Improvements at Children's Centres – Keynsham, St Martins, Radstock and Bath	0	0	0	0	30	30	0	0	0	0	30	30
Schools' Capital Maintenance Schemes	0	0	0	772	400	1,172	0	0	0	0	1,172	1,172
Schools CIL	0	0	0	362	1,110	1,472	0	0	0	0	1,472	1,472
Schools Devolved Capital	0	0	0	0	60	60	0	0	0	0	60	60
SEND Provision - Oldfield School	0	0	0	0	350	350	0	0	0	0	350	350
SEND Capital – Bath Studio School/Aspire	0	0	0	0	2,000	2,000	0	0	0	0	2,000	2,000
Subtotal Provisional Approval - Children's Services	**0**	**0**	**0**	**9,922**	**10,528**	**20,450**	**0**	**0**	**0**	**0**	**20,450**	**20,450**

Capital Programme by Portfolio - 2020/2021 - 2024/2025

ANNEX 5

Capital Scheme	PY Spend Pre 2019/2020	Forecast Outturn 2019/2020	Actual / Projected Spend Pre 2020/2021	Projected Re-Phasing from 2019/2020 to 2020/2021 and Future Years	Budget Required 2020/2021	Total Budget 2020/2021	Total Budget 2021/2022	Total Budget 2022/2023	Total Budget 2023/2024	Total Budget 2024/2025	Total Cost 5 Years	Overall Project Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Full Approval												
Climate Emergency and Neighbourhood Services												
Clean Air Zone	0	2,126	2,126	3,818	0	3,818	0	0	0	0	3,818	5,944
Environmental Protection Vehicles	48	16	64	36	0	36	0	0	0	0	36	100
Neighbourhood Services - Asset & Vehicle Replacement Programme	0	1,841	1,841	1,129	0	1,129	0	0	0	0	1,129	2,970
Waste Service Redesign	8,048	624	8,672	121	0	121	0	0	0	0	121	8,793
Waste Depot Relocation	4,009	1,407	5,416	1,141	350	1,491	0	0	0	0	1,491	6,907
Subtotal Full Approval - Climate Emergency and Neighbourhood Services	**12,105**	**6,015**	**18,120**	**6,245**	**350**	**6,595**	**0**	**0**	**0**	**0**	**6,595**	**24,715**
Provisional Approval												
Climate Emergency and Neighbourhood Services												
Air Quality Monitors	0	0	0	53	70	123	33	20	20	0	196	196
Clean Air Zone	0	0	0	0	18,320	18,320	0	0	0	0	18,320	18,320
Neighbourhood Services - Asset & Vehicle Replacement Programme	0	0	0	0	939	939	425	987	835	2,607	5,793	5,793
Waste Depot Relocation	0	0	0	15,226	616	15,842	0	0	0	0	15,842	15,842
Subtotal Provsional Approval - Climate Emergency and Neighbourhood Services	**0**	**0**	**0**	**15,279**	**19,945**	**35,224**	**458**	**1,007**	**855**	**2,607**	**40,151**	**40,151**

Capital Programme by Portfolio - 2020/2021 - 2024/2025

ANNEX 5

Capital Scheme	PY Spend Pre 2019/2020	Forecast Outturn 2019/2020	Actual / Projected Spend Pre 2020/2021	Projected Re-Phasing from 2019/2020 to 2020/2021 and Future Years	Budget Required 2020/2021	Total Budget 2020/2021	Total Budget 2021/2022	Total Budget 2022/2023	Total Budget 2023/2024	Total Budget 2024/2025	Total Cost 5 Years	Overall Project Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Full Approval												
Transport Services												
A37 to A362 Improvements to Access Somer Valley Enterprise Zone	108	165	273	10	0	10	0	0	0	0	10	283
City Centre Security	0	124	124	550	0	550	0	0	0	0	550	674
Clutton Depot Refurbishment	0	50	50	230	0	230	0	0	0	0	230	280
Hicks Gate Roundabout Improvement	59	288	347	113	0	113	0	0	0	0	113	460
Highways Maintenance Programme	0	5,155	5,155	160	5,666	5,826	0	0	0	0	5,826	10,981
London Road Modification	138	9	147	53	0	53	0	0	0	0	53	200
Office for Low Emission Vehicles (OLEV) Bid	87	242	329	242	239	481	110	0	0	0	591	920
Parking Vehicle Replacement Programme	0	17	17	67	0	67	0	0	0	0	67	84
Street Lighting LED Replacement Programme	2,654	30	2,684	350	0	350	0	0	0	0	350	3,034
Transport Improvement Programme	0	2,068	2,068	735	2,133	2,868	0	0	0	0	2,868	4,937
Subtotal Full Approval - Transport Services	**3,046**	**8,148**	**11,194**	**2,511**	**8,038**	**10,548**	**110**	**0**	**0**	**0**	**10,658**	**21,853**
Provisional Approval												
Transport Services												
City Centre Protection Measures	0	0	0	0	640	640	1,466	0	0	0	2,106	2,106
City Centre Streetscape / Security	0	0	0	250	0	250	0	0	0	0	250	250
Cleveland Bridge Refurb	0	0	0	0	3,920	3,920	0	0	0	0	3,920	3,920
Electric Vehicle Charging - Taxi's and On Street	0	0	0	0	80	80	0	0	0	0	80	80
Highways - Chew Valley Recreational Trail	0	0	0	0	1,000	1,000	0	0	0	0	1,000	1,000
Highways Maintenance Programme	0	0	0	0	0	0	3,666	3,666	3,666	0	10,998	10,998
Highways Road Salt Storage	0	0	0	0	675	675	0	0	0	0	675	675
Highways & Traffic Fleet Vehicle Renewal	0	0	0	0	150	150	0	325	0	0	475	475
Lansdown P&R Extension	0	0	0	120	120	240	0	0	0	0	240	240
Office for Low Emission Vehicles (OLEV) Bid	0	0	0	804	0	804	0	0	0	0	804	804
P&R Alligator Teeth	0	0	0	0	0	0	0	50	0	0	50	50
Parking Body Worn Video Cameras for Civil Enforcement Officers	0	0	0	0	0	0	25	0	0	25	50	50
Parking Enforcement Hand Held Computer Terminal Replacement	0	0	0	0	0	0	50	0	0	0	50	50
Parking Radio System Replacement	0	0	0	0	0	0	45	0	50	0	95	95
Passenger Transport Vehicle Replacement Programme	0	0	0	655	525	1,180	0	0	0	0	1,180	1,180
Pay & Display Replacement	0	0	0	185	100	285	0	0	0	0	285	285
Replacement Mopeds for Outer Area Parking Enforcement	0	0	0	35	0	35	0	0	45	0	80	80
Securing of Sports and Leisure Centre car park	0	0	0	0	30	30	0	0	0	0	30	30
Somerdale Bridge	0	0	0	200	1,000	1,200	1,000	0	0	0	2,200	2,200
Transportation Delivery Programme	0	0	0	0	600	600	1,000	500	0	0	2,100	2,100
Transport Improvement Programme	0	0	0	0	0	0	1,163	1,163	1,163	0	3,489	3,489
Subtotal Provisional Approval - Transport Services	**0**	**0**	**0**	**2,249**	**8,840**	**11,089**	**8,415**	**5,704**	**4,924**	**25**	**30,157**	**30,157**

Capital Programme by Portfolio - 2020/2021 - 2024/2025

ANNEX 5

Capital Scheme	PY Spend Pre 2019/2020	Forecast Outturn 2019/2020	Actual / Projected Spend Pre 2020/2021	Projected Re-Phasing from 2019/2020 to 2020/2021 and Future Years	Budget Required 2020/2021	Total Budget 2020/2021	Total Budget 2021/2022	Total Budget 2022/2023	Total Budget 2023/2024	Total Budget 2024/2025	Total Cost 5 Years	Overall Project Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Full Approval												
Housing, Planning and Economic Development												
Affordable Housing	0	498	498	692	0	692	0	0	0	0	692	1,190
Bath Quays Bridge & Linking Infrastructure	868	1,372	2,240	2,220	647	2,867	24	0	0	0	2,891	5,131
Bath Quays North	4,246	827	5,073	12,993	18,248	31,241	5,417	2,071	131	0	38,860	43,933
Bath Quays South	5,743	9,429	15,172	1,309	13,157	14,466	991	0	0	0	15,457	30,629
Bath Streetspace	0	103	103	490	0	490	0	0	0	0	490	593
BWR Phase 2	0	10,604	10,604	0	3,025	3,025	7,975	0	0	0	11,000	21,604
Disabled Facilities Grant	0	1,421	1,421	0	1,150	1,150	0	0	0	0	1,150	2,571
Innovation Quay - Strategic Flooding Solution	6,606	170	6,776	167	0	167	0	0	0	0	167	6,943
Keynsham High Street Public Realm Implementation	213	257	470	1,493	0	1,493	0	0	0	0	1,493	1,963
Midsomer Norton Public Realm	6	25	31	169	0	169	0	0	0	0	169	200
Radstock Healthy Living Centre	0	100	100	1,200	50	1,250	605	0	0	0	1,855	1,955
Somer Valley Enterprise Zone - Infrastructure	1	222	223	594	449	1,043	100	0	0	0	1,143	1,366
Waterspace	0	31	31	154	0	154	0	0	0	0	154	185
Subtotal Full Approval - Housing, Planning and Economic Development	**17,682**	**25,059**	**42,741**	**21,482**	**36,726**	**58,208**	**15,112**	**2,071**	**131**	**0**	**75,522**	**118,262**
Provisional Approval												
Housing, Planning and Economic Development												
Affordable Housing	0	0	0	585	1,500	2,085	635	635	635	0	3,990	3,990
Bath Quays Delivery	0	0	0	1,637	3,658	5,295	5,232	0	0	0	10,527	10,527
Bath Quays - Weston Island	0	0	0	100	0	100	0	0	0	0	100	100
Bath River Line	0	0	0	502	100	602	100	100	0	0	802	802
Borrowing Match Grant Programmes	0	0	0	0	150	150	150	0	0	0	300	300
BWR Phase 2	0	0	0	0	7,650	7,650	0	0	0	0	7,650	7,650
Cattlemarket	0	0	0	150	0	150	0	0	0	0	150	150
CIL - Public Realm	0	0	0	0	300	300	0	0	0	0	300	300
Digital B&NES	0	0	0	820	0	820	0	0	0	0	820	820
Disabled Facilities Grant	0	0	0	0	0	0	1,150	1,150	1,150	0	3,450	3,450
Housing Infrastructure Fund & Housing Deal	0	0	0	2,000	0	2,000	0	0	0	0	2,000	2,000
Keynsham High Street Public Realm Implementation	0	0	0	707	245	952	295	375	185	0	1,807	1,807
Somer Valley Enterprise Zone - Infrastructure	0	0	0	0	2,742	2,742	6,075	695	640	615	10,767	10,767
York Street & Swallow Street Public Realm	0	0	0	225	0	225	0	0	0	0	225	225
Subtotal Provisional Approval - Housing, Planning and Economic Development	**0**	**0**	**0**	**6,726**	**16,345**	**23,071**	**13,637**	**2,955**	**2,610**	**615**	**42,888**	**42,888**

Capital Programme by Portfolio - 2020/2021 - 2024/2025

ANNEX 5

Capital Scheme	PY Spend Pre 2019/2020	Forecast Outturn 2019/2020	Actual / Projected Spend Pre 2020/2021	Projected Re-Phasing from 2019/2020 to 2020/2021 and Future Years	Budget Required 2020/2021	Total Budget 2020/2021	Total Budget 2021/2022	Total Budget 2022/2023	Total Budget 2023/2024	Total Budget 2024/2025	Total Cost 5 Years	Overall Project Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Full Approval												
Community Services												
Alice Park - Skate Park	11	38	48	87	0	87	0	0	0	0	87	135
Bathscape	0	156	156	0	143	143	93	54	48	0	338	494
Heritage Services Energy Capture Scheme	0	50	50	300	0	300	0	0	0	0	300	350
Parade Gardens Café Acquisition	78	0	78	10	0	10	0	0	0	0	10	88
Parade Gardens Infrastructure for Business Development	23	5	28	5	0	5	0	0	0	0	5	33
Parks and Bereavement Infrastructure	0	59	59	50	0	50	0	0	0	0	50	109
Parks S106 Projects	0	290	290	292	0	292	0	0	0	0	292	582
Play Area Refurbishment / Equipment	0	503	503	15	0	15	0	0	0	0	15	518
Roman Baths Archway Centre	221	2,094	2,315	3,002	0	3,002	0	0	0	0	3,002	5,317
Sydney Gardens	277	380	657	307	2,451	2,758	159	0	0	0	2,917	3,574
Visitor & Till Management System	0	0	0	0		0	0	100	0	0	100	100
Subtotal Full Approval - Community Services	**609**	**3,575**	**4,184**	**4,068**	**2,594**	**6,662**	**252**	**154**	**48**	**0**	**7,116**	**11,301**
Provisional Approval												
Community Services												
CIL - Green Infrastructure / Recreation	0	0	0	0	300	300	0	0	0	0	300	300
Heritage Collections Centre	0	0	0	0	250	250	500	0	0	0	750	750
Heritage Infrastructure Development	0	0	0	77	300	377	325	350	0	0	1,052	1,052
Museums Acquisitions	0	0	0	5	0	5	0	0	0	0	5	5
Parks Equipment	0	0	0	83	42	125	43	45	0	0	213	213
Parks Foundation	0	0	0	50	38	88	215	108	110	114	635	635
Parks S106 Projects	0	0	0	652	529	1,181	556	566	573	543	3,419	3,419
Play Area Refurbishment / Equipment	0	0	0	0	100	100	500	332	0	0	932	932
Refurb of Roman Baths Shop	0	0	0	0	0	0	150	0	0	0	150	150
Tennis Provision - Chew Valley	0	0	0	120	0	120	0	0	0	0	120	120
Whitchurch Parks (CIL)	0	0	0	50	0	50	0	0	0	0	50	50
Subtotal Provisional Approval - Community Services	**0**	**0**	**0**	**1,037**	**1,559**	**2,596**	**2,289**	**1,401**	**683**	**657**	**7,626**	**7,626**
GRAND TOTAL	**53,716**	**67,103**	**120,819**	**122,411**	**113,875**	**236,286**	**44,756**	**15,602**	**9,921**	**3,904**	**310,469**	**431,288**

NEW SCHEMES WITHIN THE CAPITAL PROGRAMME

1. TRANSPORT SERVICES

1.1. Environmental Services

1.1.1. Highways Maintenance Programme for **Full Approval** of £3.666m in 2020/21 and **Additional Funding** for **Full Approval** of £2.0m for 2020/21.

This is funded by Department for Transport (DfT) Section 31 Capital Grants amounting to £3.666m, provided through WECA from DfT allocations. An additional £2m to supplement this is proposed, funded by Council borrowing.

This programme is a key component in achieving and maintaining our overriding purpose of improving people's lives. Improving the overall condition of the highways network serves to minimise road works with associated traffic disruption and addresses poor & visually unattractive surfaces and end of life assets. Improved street lighting in communities makes people feel more safe and happy with where they live. The transport network is crucial in achieving our principle of delivering for local residents.

This will be used to address a programme of priority works across all highway asset groups namely carriageways, footways, structures (bridges, retaining walls, embankments & culverts), drainage and electrical infrastructure as identified through on-going inspection, monitoring and evaluation.

A detailed list of schemes, attached at Annex 5 (ii), will be subject to consultation with Cabinet and Ward Members. Any amendments to the programme will be approved by the Director for Environmental Services in consultation with the Cabinet Member for Transport Services.

A DfT Pothole Action Fund grant, to be confirmed, will further extend the planned patching within the maintenance programme described above.

1.1.2. Transport Improvement Programme for **Full Approval** of £2.133m from 2020/21.

The Transport Improvement Programme budget is included for Full Approval and is funded from £1.163m of Integrated Transport Block Government Grant and £709K Community Infrastructure Levy (CIL), £211K S106 Developer Contributions and Camera £50K Safety contribution.

The programme delivers highway improvement works under the general headings of road safety, safer routes to school, pedestrians, congestion and traffic management schemes.

2020/21 proposals continue to focus on supporting the five objectives identified in the West of England Joint Local Transport Plan:

- Reducing Carbon Emissions
- Supporting Economic Growth
- Promoting Accessibility
- Contributing to better safety, security and health
- Improving quality of life & a healthy natural environment.

A detailed list of schemes, attached at Annex 5 (iii), will be subject to consultation with Cabinet and Ward Members and the general public where appropriate. Any amendments to the programme will be approved by the Director for Environmental Services in consultation with the Cabinet Member for Transport Services.

1.1.3. **Transportation Delivery Programme** for **Provisional Approval** of £600K in 2020/21 and £1.5m in future years - Funded by Corporate Supported Borrowing.

Developing sustainable transport solutions to address the Climate Emergency will meet the new Corporate Strategy Principle of Preparing for the Future. This funding will enhance the Transport Improvement Programme, seeking to reduce car usage and increasing use of sustainable transport.

A Member led Transportation Programme Board will oversee a number of work streams including rail, JLTP/local plan studies, public and passenger transport, road safety, home to school, low traffic neighbourhoods, resident parking zones, parking strategy review, East of Bath, Wiltshire Whippit, Bath Transport Plan, Infrastructure (Major) and communications.

1.1.4. **Highways - Additional Gritting Vehicle** for **Provisional Approval** of £150K in 2020/21 – Funded by Service Supported Borrowing.

An additional vehicle will be added to the new specialist gritting fleet of eight vehicles following a review of priority winter service gritting routes.

1.1.5. **Highways Road Salt Storage** for **Provisional Approval** of £675k in 2020/21 – Funded by Corporately Supported Borrowing.

The Council has assessed that it requires a further 1,000 tonnes of undercover salt storage in addition to the Salt Barn at the Clutton Highways Depot which has a capacity of 1,300 tonnes.

1.1.6. **City Centre Protection Measures** for **Provisional Approval** of £640k in 2020/21 and £1.466m in 2021/22 – Funded by Corporate Service Supported Borrowing.

To install security-rated vehicle access restrictions in York Street, Lower Borough Walls and Hot Bath Street. Sliding and rising bollards, to be operated by CCTV, along with fixed bollards at various locations.

1.1.7. Cleveland Bridge Refurbishment for **Provisional Approval** of £3.9m in 2020/21 – Funded by Government Grant.

A grant bid has been made to the DfT in respect of this scheme which is subject to confirmation. Cleveland Bridge crosses the River Avon east of the City Centre, linking the A4 London Road with the A36. A structural assessment has confirmed the need for repairs to avoid the risks of weight limits and closure.

1.1.8. Chew Valley Lake Recreational Trail for **Provisional Approval** of £1.0m in 2020/21 – Funded by government grant.

A grant bid has been made to the Rural Payments Agency for this scheme. The Chew Valley Trail will provide a walking and cycling route around part of the Chew Valley Lake linking existing sections to provide a continuous route around approximately two thirds of the lake.

1.1.9. Highways - On Street Electric Vehicle (Cars & Taxis) Charging for **Provisional Approval** of £80k in 2020/21 – Funded by Community Infrastructure Levy (CIL).

As the need for on-street charging grows, a study is underway to develop best practice for the needs of all users including pedestrians. This CIL funding will implement test sites and support further funding bids.

1.1.10. Parking Radio System Replacement for **Provisional Approval** of £50k in 2023/24 – Funded by Service Supported Borrowing.

Radios ensure the Civil Enforcement Officers have a reliable & secure method of communication with each other and the control room, in line with Operational Guidance.

1.1.11. Replacement Mopeds for Outer Area Parking Enforcement for **Provisional Approval to** move £35K from 2020/21 to 2023/24 and increase by £10K – Funded by Service Supported Borrowing.

Amend the existing replacement programme for mopeds which allow the Council's Civil Enforcement Officers to be more mobile, patrol outer areas of Bath and the rural areas that cannot receive a regular patrol on foot.

1.1.12. Securing of Sports and Leisure Centre car park for **Provisional Approval** of £30K in 2020/21 – Funded by Service Supported Borrowing.

Works to secure the covered areas of the Bath Sports and Leisure Centre car park to prevent unauthorised access and anti-social behaviour within these areas.

2. CLIMATE EMERGENCY & NEIGHBOURHOOD SERVICE

2.1 Environmental Services

2.1.1. **Neighbourhood Services Vehicle Replacement Programme** for **Provisional Approval** of £222k in 2020/21, £2.966m in future years – Funded by Service Supported Borrowing.

Replacement of end of life vehicles and additions to accommodate housing growth for the Waste, Recycling, Cleansing, Parks and Public Protection teams, subject to annual review of vehicle conditions.

2.1.2. **Clean Air Zone Works** for **Provisional Approval** of £18.320m in 2020/21 – Funded by Government Grant.

Core scheme investment in infrastructure and equipment, along with mitigation measures which include financial support for bus upgrades and commercial vehicles. For full details, refer to Cabinet Decision E3175 of 16th January 2020 on the Bath Clean Air Plan.

2.1.3. **Air Quality Management Area – Inception Work** for **Provisional Approval** of £50k for 2020/21- Funded by Corporate Supported Borrowing.

Air Quality Management Areas have been declared in Temple Cloud and Farrington Gurney under the Environment Act 1995. The Council is developing plans to mitigate the levels of nitrogen dioxide.

3. COMMUNITY SERVICES

3.1. Environmental Services

3.1.1. **Parks Foundation** for **Provisional Approval** of £38k for 2020/21 and £547k in future years – Funded by donations to the Foundation.

Following the award of funding from the National Endowment for Science Technology and the Arts (NESTA) Bristol Council has been working in partnership with B&NES to set up a Parks Foundation to serve communities in Bath and Bristol. The Foundation is tasked with both promoting volunteering and raising funds for capital projects in parks. This allocation is to enable the Council to progress capital works in parks funded through the Foundation as they are brought forward.

3.1.2. **Heritage Collections Centre** for **Provisional Approval** of £250k for 2020/21 and £500K in future years - Funded by Service Supported Borrowing.

A permanent location is required to house the Council's extensive and internationally significant museum and archive collections, which are currently stored in a range of locations around the district. The creation of a Collections Centre, either in a new or refurbished building in a single location, will enable the collections to be better cared for and allow study facilities to access the items currently not on display.

3.1.3. **Parks Play Area Refurbishment & Equipment** for **Provisional Approval** of £100k for 2020/21 and £832k in future years - Funded by Corporate Supported Borrowing.

To ensure that the Council continues to provide safe and high quality public spaces for its residents and meets it responsibilities to ensure that play areas remain safe as play equipment reaches its end of life.

3.1.4. **Parks S106 / CIL Projects** for **Provisional Approval** of £565k for 2020/21 and £2.238m in future years - Funded by Developer Contributions.

Adjustments to ongoing programme to ensure green spaces are safe and maintainable. Capital investment is required to replace and renew infrastructure (paths, benches, noticeboards etc) and to re-landscape spaces to make them more cost effective to maintain. A strategic Tree and Woodland Strategy will identify locations for tree planting across the district's parks and green spaces.

4. HOUSING, PLANNING AND ECONOMIC DEVELOPMENT

4.1. Economy & Growth

4.1.1. **Affordable Housing** for **Provisional Approval** of £865k for 2020/21 – Funded by Corporate Support Borrowing (additional to existing programme).

To support the Council's strategic aim of delivering Affordable Housing and, where required, the recovery of empty properties.

4.1.2. **Disabled Facilities Grant** for **Full Approval** of £1.15m in 2020/21 and for **Provisional Approval** of £1.15m for 2024/25 – Funded by Grant and External Contributions.

The Housing Grants, Construction & Regeneration Act 1996 places a duty on Local Housing Authorities to fund certain types of adaptations for disabled householders, subject to a financial means test. Eligible adaptations are those designed to enable freedom of movement into and around the applicant's home.

They encourage, promote and enable well-being within the home and reduce down-stream costs of acute service provision. This funding will support a demand-led programme of around 250. Disabled Facilities Grants every year in accordance with above legislation, statutory guidance and best practice.

This is for full approval of the 2020/21 allocations and provisional approval to align the future years programme with funding expectations.

This funding may be uplifted following confirmation of the 2020/21 grant allocation.

4.1.3. **Keynsham High Street** for **Provisional Approval** of £245k for 2020/21and £855k for future years. Funded by Historic England Grant.

A new phase will extend the existing public realm works to enhance the historic environment, subject to approval of future grant award. The improvements package includes: footpath decluttering, widening and resurfacing, better signage, cycling and bus stop facilities and new seating, street lights and landscape and trees.

4.1.4. **Somer Valley Enterprise Zone – Development** for **Provisional Approval** of £2.742m for 2020/21and £8.025m for future years. Funded by WECA Grant.

Subject to further WECA grant awards, this project will make an investment in infrastructure to improve viability at this strategic employment location, to include site preparation, service roads, utilities, drainage and landscaping.

4.1.5. **Radstock Healthy Living Centre** for **Full Approval** of £150k for 2020/21and £75k for future years. Funded by CIL and Corporate Supported Borrowing.

A proposal to run the library by the Radstock Town Council from its current location rather than relocating to the new building requires a funding change to replace the previously anticipated capital receipt of the library sale. £50K is also added to the project contingency.

5. CHILDREN'S SERVICES

5.1. Education Transformation

5.1.1. **Basic Need Programme** for **Provisional Approval** of £15.366m in 2020/21 – Funded by Grant.

The Council receives Basic Needs (BN) grant funding from the Department for Education (DfE) on an annual basis. The funding is allocated to support the provision of sufficient school places which is a statutory responsibility of the Council.

Following a review of the pupil number projections and assessment of future priorities for provision of sufficient places, the funding will be used to support emerging expansion schemes at primary and secondary schools.

Beyond 2020/21 the Council's School Organisation Plan will highlight any areas of basic need where additional school places may be required. At the appropriate time, feasibility studies will be required to determine the most suitable and cost-effective way to deliver the additional places required.

5.1.2. **Schools Capital Maintenance Programme and Devolved Schools Capital** for **Provisional Approval** of £400k & £60K respectively for 2020/21 – Funded by grant.

A non-ring-fenced funding allocation by Central Government to address the highest priority condition issues at schools maintained by the Council. Allocations are made by the DfE on an annual basis.

5.1.3. **Schools CIL Allocation** for **Provisional Approval** of £1.1m for 2020/21– funded by Community Infrastructure Levy.

Provision of sufficient school places from new developments to allow the Council to meet its statutory duties.

5.1.4. **SEND Capital – Bath Studio Schools / Aspire** for **Provisional Approval** of £2.0m 2020/21– Funded by Corporate Support Borrowing.

This project is to support the redevelopment of the Bath Studio School into specialist educational provision for children with autism and complex social, emotional and mental health needs. This type of provision is currently not available in the local area.

5.1.5. **SEND Capital – Oldfield School Resources Base for Provisional Approval** of £350k 2020/21– Funded by Grant.

This project reflects grant funding towards a Resource Base for children with Autism at Oldfield School in Bath.

5.1.6. **IT Improvement at Children's Centres** for **Provisional Approval** of £30K **2020/21**– Funded by Corporate Support Borrowing.

The installation of display screens in buildings to improve information sharing and provision of key public health messages with service users and reduce the need for printing to paper.

6. LEADER / DEPUTY LEADER & RESOURCES

6.1. Finance

6.1.1. **Bath Area Forum – CIL Funded Schemes** for **Provisional Approval** of £500k for 2020/21 – Funded by Bath Parish Area CIL.

The Council is required to pass 15% of CIL funds to the relevant Parish or Town Council. If there is no Parish or Town Council, the charging authority will retain the levy receipts but should engage with the communities where development has taken place, and agree with them the best way to spend the local funding. The Bath City Forum has established a process for working with the local elected Members and communities to agree recommendations on using the local portion of CIL in Bath. As the Forum has no delegated powers or budgets, any Forum recommendations would need to be determined through an appropriate Executive Council decision.

6.1.2. **Corporate Capital Contingency Addition** for **Full Approval** of £900k for 2020/21 – Funded by Capital Receipts and Corporate Supported Borrowing.

To replenish and increase contingency funds to £2.4m which is required following draw-down during the financial year 2020/2021 and revised assessment of risks on the overall programme.

6.2. Economy & Growth

6.2.1. **Corporate Estate Planned Maintenance Programme** for **Full Approval** of £3.150m (with £1.750m added to existing programme in 2020/21) and **Provisional Approval** of £250k in 2021/22 – Funded by Corporate Supported Borrowing.

Capital planned maintenance works will be undertaken on the Council's Corporate Estate. A detailed plan of priority works is shown at Annex 5 (iv). Any future amendments for 2020/2021 will be confirmed by the Director for Economy & Growth in consultation with the Cabinet member for Resources.

6.2.2. **Property Improvement – Haycombe Crematorium** for **Provisional Approval** of £60K for 2020/21– Funded by Corporate Supported Borrowing.

To make improvements to the entrance on the lower level for direct access into the crematorium.

6.2.3. **Property Improvement – Bath Library** for **Provisional Approval** of £300K for 2020/21 – Funded by Capital Receipts.

The refurbishment of Bath Library to include improvements to lighting and fixtures and fittings.

6.2.4. **Property Improvement – Youth Centres** for **Provisional Approval** of £325K for 2020/21 & £215K for 2021/22 – Funded by Corporate Supported Borrowing.

Property Improvements to Youth Centres as required to support ongoing delivery of positive activities for young people across the area.

6.2.5. **Property Improvement – Orange Grove Structural Works** for **Provisional Approval** of £750K for 2020/21 & £150K for 2021/22 – Funded by Corporate Supported Borrowing.

To address progressive structural decay to this centrally located Grade 2 listed building.

6.2.6. **York Street Vaults** for **Full Approval** of £200K – Funded by Corporate Supported Borrowing.

Further funding for works to underground vault improvement and reconstruction of the road above.

6.3. **<u>Partnership & Corporate Services</u>**

6.3.1. **IT Asset Refresh Desktop and Homeworking** for **Provisional Approval** of £500k for 2020/21 and £1.5m for 2021/22. Funded by Corporate Supported Borrowing.

Current hardware used across Council Offices is 6 years old and general technology has moved on with more suitable alternatives on the market. Improvements to home-working solution will enhance ability of staff to work flexibly, collaboratively and efficiently.

6.3.2. **IT Asset Refresh Network Equipment** for **Provisional Approval** of £80k for 2020/2021. Funded by Corporate Supported Borrowing.

Refresh network switch equipment in the four main sites to ensure continued support by the manufacturer for reliability and security.

6.3.3. **IT Asset Refresh Voicemail** for **Provisional Approval** of £50k for 2020/2021. Funded by Corporate Supported Borrowing.

An upgrade to the Council's voicemail and subsequent upgrade to the Council's telephony network for continued support for both systems.

7. EMERGING CAPITAL SCHEMES

The following schemes are not yet fully developed and outline business cases have not been produced at this stage so it is not possible to identify an appropriate provision for them within the proposed Capital Programme.

These schemes may require significant capital expenditure some or all of which may be met through external sources or the related service provider. As the specific business cases are more developed and the capital requirements are more fully understood these schemes will come forward for Council consideration and decision at that point.

The business cases will need to identify suitable capital and, if necessary, revenue funding provision at this time.

7.1 Additional West of England Combined Authority (WECA) Funded Schemes

Further schemes may be taken forward for consideration as a result of new government initiatives with available funding sources. Emerging schemes which have been successful in securing external funding will be incorporated into the Capital Programme in line with the Council's Budget Management Scheme.

This will include, but is not limited to, any potential projects that may emerge as part of the key route network and the following grant bids are either pending submission or awaiting confirmations:

- **Housing Infrastructure Fund** – This is a joint West of England project to deliver early infrastructure and enable and accelerate increased housing delivery between Bristol Temple Meads and Bath. This supports the Authority's focus on key and critical infrastructure, including the redevelopment of the Pixash Waste site and sustainable travel improvements. *Funding Stage: Outline Business case submitted to Homes England for approval, Full business case development in 2020/21.*

- **Somer Valley Enterprise Zone (SVEZ):**

  Enabling transport improvements A362 to A37

  Transport improvements required in order to enable the development of the Somer Valley Enterprise Zone, which at completion will support c.1,300 jobs. More than 70% of Somer Valley residents currently commute out of the area for work (Somer Valley Transport Strategy) and development of the SVEZ aims to address this issue in part by providing more localised employment. The scope of transport improvements required to facilitate the SVEZ will be defined as part of a Local Development Order process. The LDO will promote sustainable development of the site. *Funding stage: Feasibility & Development Capital Funding received from WECA. Somer Valley Enterprise Zone Development Full Business Case Development is in progress (including on site and highways enabling works).*

  Workspace

  Feasibility study to determine demand for workspace on the SVEZ. The workspace could form an early phase of sustainable delivery at SVEZ subject to demand and business case development. *Funding stage: B&NES/revenue reserves funding feasibility stage. Outline Business Case being developed for submission in 19/20, with Full Business Case Development taking place in 2020/21.*

- **A4 Transport Corridor, Hicks Gate** – Investment in sustainable transport infrastructure to reallocate road space in order to deliver high capacity public transport, walking and cycling improvements connecting major destinations. It will provide integration with sustainable modes such as MetroBus and Park & Ride to transform public transport across the area. *Funding Stage: Pipeline only, bid progression will require business case submission.*

- **Bath Riverline** – seeks to create a continuous cycling and walking connection between Batheaston (the eastern urban edge), Bath City Centre and Newbridge (western urban edge). It provides improved public access and green infrastructure *Funding Stage: Pipeline only, bid progression will require business case submission*.

- **Local Centres Public Realm** – 'Love High Street' project focussing on Twerton Local centre as a pilot but also developing programme for local centres. *Funding Stage: Pipeline only, bid progression will require business case submission.*

- **Midsomer Norton Public Realm** – Public Realm investment from 'Love High Street' and Historic England for Heritage funding*. Funding Stage: Pipeline only, bid progression will require business case submission*.

- **START** (formerly Working Well) – START (Science, Technology, Arts, Research, Training) is collaboration between Bath & North East Somerset Council, Bath College, University of Bath and Bath Spa University. It will support people and businesses to rapidly develop the skills needed to generate and access good jobs, increasing productivity in a digital world. *Funding stage: Outline Business Case being developed for submission in 2019/20, with Full Business Case Development taking place in 2020/21.*

- **Riverside Court and Manvers St / Weston Island** – These projects will deliver Place Making Plan objectives, including new homes, public realm and mixed development to improve the economic prosperity of the city and achieve sustainable outcomes in line with the Council's climate emergency commitments. *Funding Stage: Pipeline only, bid progression will require business case submission*.

7.2 **<u>Other Potential Schemes</u>**

- **Waste Depots.** Grant submissions are proposed to meet additional costs to existing provisional budgets in the capital programme. *Pipeline only, bid progression will require business case submission*.

- **Fashion Museum.** The Fashion Museum Bath is one of the world's top 10 fashion museums. The project aims to allow greater public access to the collection and to protect the revenue it generates. *Pipeline only, bid progression will require business case submission*.

- **Two Rivers Primary** – A new sustainable school for Keynsham. Additional funding from CIL/S106 will ensure that the DfE funded school can achieve the Passivhaus standard which will create significant environmental benefits.

2020/21 Structural Maintenance Programme	
Description	**Funding**
Highway Street Lighting Programme	
Bath	17,325
Twerton	30,123
Bathampton	15,015
High Littleton, Hallatrow and Temple Cloud	13,860
Newbridge	28,344
Combe Down	24,255
Kingsmead	31,185
Lambridge	50,289
Lansdown	34,119
Walcot	48,603
Widcombe and Lyncombe	79,162
Weston	27,720
Highway Street Lighting 20/21 Sub Total	**£400,000**
Highway Structures Programme	
Cleveland Bridge Strengthening - Construction Contribution	250,000
Camden Crescent Viaduct Refurbishment Scheme - Construction Phase 2	300,000
A4 Chew River Bridge, Keynsham - Westbound Joint Drainage Improvements	80,000
Structures Inspection Remedial Works Programme	75,000
Structures Assessment Programme	75,000
Highway Structures 20/21 Sub Total	**£780,000**
Highway Drainage Programme	
Lansdown Lane, Weston - Drainage Improvements	£32,000
Stockwood Hill, Stockwood Vale - Drainage Renewal	£38,000
Monger Lane, Paulton - Drainage Improvements	£25,000
High Street, Bathampton - Drainage Investigation and Improvements	£25,000
A4 Keynsham Bypass - (Phase 1) Drainage Improvements	£40,000
Highway Drainage 20/21 Sub Total	**£160,000**
Carriageway Resurfacing & Major Re-Construction	
Stockwood Hill, Keynsham	£79,500
Charlton Road (Phase 1 & 2), Keynsham	£226,500
Granville Road, Lansdown	£134,500
Lansdown Lane (Phase 3 & 4), Upper Weston	£137,000
Eastfield Avenue, Weston	£203,000
Woodborough Road, Radstock	£51,000
Station Road, Welton	£68,500
A37 Bristol Road , Whitchurch	£88,000
Walcot Street, Bath	£167,500
Darlington Street, Bath	£166,500
Bannerdown Road (Phase 1), Batheaston	£208,000
High Street, Bathampton	£82,500
Queens Drive, Combe Down	£101,500
Lyncombe Vale, Perrymead	£80,000
Claverton Down Road, Widcombe (Part Oakley to Copseland)	£39,000
Timsbury Road/ Bloomfiled Road, Timsbury	£155,500
Kilmersdon Road (Phase 1 & 2), Haydon	£182,500
Carriageway Resurfacing 20/21 Sub Total	**£2,171,000**
Carriageway Surface Dressing	
Staunton Lane, Whitchurch	£53,000
Walley Lane, Chew Stoke	£34,000
Wallycourt Road, Chew Stoke	£32,500
East Harptree Road, West Harptree	£73,000
Hunstrete Lane, Hunstrete	£135,000
Culverhay, Compton Dando	£25,500
A37 Bristol Road Temple Cloud	£67,000
Carriageway Surface Dressing 20/21 Sub Total	**£420,000**
Carriageway Thin Surface Treatment	
Innox Road, Twerton	£74,000
The Brow, Twerton	£24,000
Redland Park, Twerton	£37,000
Lynfield Park, Weston	£25,000
Purlewent Drive, Weston	£98,000
Richmond Place, Lansdown	£36,000
Richmond Road, Lansdown	£90,000
Morley Terrace, Radstock	£16,000
Dafford Street, Bath	£12,000

Description	Funding
Triangle West, Bath	£21,000
Ham Lane/Britten's Hill, Paulton	£112,000
Carriageway Thin Surface Treatment 20/21 Sub Total	**£545,000**
Footway Programme	
Paving Programme	£125,000
Asphalt Concrete Programme	£200,000
Slurry Sealing Programme	£75,000
Footway 20/21 Sub Total	**£400,000**
Miscellaneous	
Planned Patching Programme (*)	£615,000
Planned Road Marking Improvement Programme	£50,000
A37, Temple Cloud	£100,000
Winter Service Weather Station Renewal - Skinners Hill, Peasedown St John	£25,000
Miscellaneous 20/21 Sub Total	**£790,000**
PROGRAMME 2020/21 OVERALL TOTAL	**£5,666,000**

(*) Patching will be supplemented by Dft Pot Hole Grant yet to be confirmed

2020/21 Transport Improvement Programme	
Description	**Funding**
Local Safety Schemes	
Anti-Skid Surfacing	10,000
Delivery of AIP schemes	20,000
Accident investigation and prevention (AIP)	20,000
Route Review A368	20,000
106 Safety works Charlton Park, Keynsham	23,000
A4175 Route Review Delivery	50,000
Local Safety Schemes 20/21 Sub Total	**£143,000**
Public Transport	
Improvements to bus stops	10,000
Public Transport 20/21 Sub Total	**£10,000**
Managing Congestion	
Parking Schemes TRO	45,000
106 Safety Works Former Cadbury Factory Keynsham	28,000
Residents Parking Zones:	50,000
Managing Congestion 20/21 Sub Total	**£123,000**
Safer Routes to School	
Footway East Harptree High St	12,000
Footway High Littleton	364,000
Red Hill Camerton Footpath Feasibility	15,000
School zebra crossings- High Littleton	40,000
School street trials Twerton Infants School	20,000
Bathwick School	25,000
Safer Routes to School 20/21 Sub Total	**£476,000**
Cycle Schemes	
Cycle parking	10,000
Sydney Gardens Cycle link from Great Pultney Street to K&A towpath	50,000
Cycling and Walking Master Plan and Scheme development	150,000
106 Chew Valley Lake cycle trail	60,000
Cycle Schemes 20/21 Sub Total	**£270,000**
Pedestrian Schemes	
Aids to mobility	20,000
Public Rights of Way	70,000
Signalised pedestrian crossing Lansdown Rd	150,000
Pedestrian signal improvements - Batheaston	120,000
106 Access improvements Somerset Place Bath	12,787
106 Access Improvements Sidings, Clutton	9,375
106 Access Improvements Somerset Buildings The Paragon, Bath	7,044
Monmouth Street Footway Improving	30,000
106 Pedestrian Improvement, Gloucester Road, Bath	22,015
106 Access Improvements Entry Hill	10,100
106 Access Improvements Silver Street , Midsomer Norton	30,960
Dorchester St Pedestrian Improvements monitoring's	3,000
Lansdown Lane Pedestrian crossing works	20,000
106 Ubley footway and signing	14,000
Whitchurch Access Improvements	100,000
Somerdale Bridge	50,000
Pedestrian Schemes 20/21 Sub Total	**£669,281**
Traffic Management Schemes	
Freeview Road Parking Improvements	34,000
Weight limit/speed limit TRO & implementation	20,000
Knobsbury Lane, Writhlington speed limit review	7,000
106 Access Improvements Kingsmead, Bath	13,100
Electric Vehicle Charging	5,000
Low Traffic Neighbourhoods	200,000
106 Monitoring Weston Park East, Bath	3,000
Traffic Management Schemes 20/21 Sub Total	**£282,100**
Miscellaneous	
JLTP Monitoring, Equipment and NHT survey	15,000
Programme Management	50,000
Legacy/Remedial works - previous years schemes	25,000
Depot refurbishment	70,000
Miscellaneous 20/21 Sub Total	**£160,000**
PROGRAMME 2020/21 OVERALL TOTAL	**£2,133,381**

Description	Funding
Funding Source	**£'000**
DfT Integrated Transport Block Grant Settlement	1,163,000
Camera Safety Contribution	50,000
106 Contributions	211,000
Strategic CIL	525,381
Bath Area CIL	184,000
2020/21 OVERALL TOTAL	**£2,133,381**

2020/21 Corporate Estate Planned Maintenance Programme	
Description	**Funding(£)**
Cemeteries and Closed Burial Grounds	
Haycombe Crematorium - Refurbishment works to public areas to include improvements for disabled access from Crematorium chapel on exit, replacement of obsolete building services	205,610
Locksbrook Cemetery - Masonry repairs to chapel building	4,988
Cemeteries and Closed Burial Grounds 20/21 Sub Total	£210,598
Libraries	
Bath Central Library - Lighting replacement for energy efficiency	70,470
Radstock Library - Provision for replacement of fire alarm subject to test results	12,470
Libraries 20/21 Sub Total	£82,940
Children's Centres	
St Martin's Garden Children's Centre - Significant works required to mechanical and electrical systems and resultant remedial works to finishes	174,812
Children's Centres - Provision for refurbishment to children's centres	180,641
Children's Centres 20/21 Sub Total	£355,453
Depots and Waste	
Welton Transfer/Amenity Site - Refurbishment of dilapidated staff accommodation incl replacement of obsolete mechanical and electrical systems	59,798
Locksbrook Road Depot - Replacement fire doors	2,192
Depots and Waste 20/21 Sub Total	£61,990
Parks and Leisure	
Royal Victoria Park: The Pavilion, Nursery, Botanic Gardens and Greens - Repairs to paths, railings, roadway and drainage together with works to dilapidated operational facilities	145,000
Weston Road Approach Golf Course - Fire alarm and emergency lighting replacement	13,456
Parade Gardens - Repair and maintain the fabric of the central, high profile park which contains Grade II listed structures	32,000
Keynsham Memorial Park - Provision for significant repairs to Keynsham Memorial bridge pending receipt of structural engineers assessment and remedial works recommendations	250,000
Various properties - other misc programmes - Parks and Bereavements infrastructure repairs and replacements	137,500
Parks and Leisure 20/21 Sub Total	£577,956
Public Conveniences	
Various Properties - capital repairs / upgrades - Allowance for refurbishment of facilities where not Operator obligation	20,000
Public Conveniences 20/21 Sub Total	£20,000
Sports and Leisure	
Entry Hill Golf Course facilities - Fire alarm installation	8,120
Sports and Leisure 20/21 Sub Total	£8,120
Care Homes	
Capital repairs / upgrades - Capital works under SLA	30,000
Care Homes 20/21 Sub Total	£30,000
Operational Properties	
Fairfield House Day Centre - Replace obsolete Fire Alarm system	23,200
The Guildhall - Fire alarm and emergency lighting works, improvements to lighting for energy efficiency, and refurbishment of defined areas of public space for increased community use and income	209,068
12 Charlotte Street - Works to address DDA and safety concerns	22,500
Lewis House - Emergency lighting replacement arising from test results, with relamping to reduce energy use	69,600
7 Henrietta Street - Lease obligations for cyclical repairs	45,472
Hillside Community Centre - Energy efficiency improvements	11,368
Allotments - Replace various boundary fences and gates	5,000
Closed Burial Grounds - Provision for repairs to boundary walls	25,000
Operational Properties 20/21 Sub Total	£411,208
Multi site, multi service area programmes	
Survey programmes and capital works arising - Safety glazing, legionella risks and Radon	63,800
Capital repairs / upgrades to railings & retaining walls	40,000
Street Lighting - Upgrades to car parks and parks (energy efficiency)	85,000
Refurbishment of welfare/functional facilities to corporate facilities	66,435
Survey programmes and capital works arising - Fire doors, lifts, local heaters and heating manifolds	160,800

5 yearly electrical testing programme and remedials - Provision for upgrades required following periodic inspections	104,400
Provision for emergency lighting upgrades - Provision for upgrades required following periodic inspections	58,000
Provision for fire alarm upgrades - Provision for upgrades and 3G remote monitoring installation anticipated following periodic inspections	121,800
Provision for tree surveys and resultant works - Programme of surveys required	40,600
Statutory compliance servicing - capital works arising	110,000
Building Management System replacement - Programme of BMS replacement to address system obsolescence and improve energy efficiency	220,000
Equalities / Access	34,800
Programme Preliminaries - Term Contract prelims, portfolio management software and survey equipment	130,000
CAT Contractual maintenance liabilities - Provision for contractual maintenance liabilities for properties subject to community asset transfer	99,400
Asset Survey Programmes - Quinquennial building, non-highway bridge and vault survey programmes	121,600
Over-programming to recover in year	-64,900
Multi site, multi service area programmes	£1,391,735
Corporate Estate Planned Maintenance Programme 2020/21 OVERALL TOTAL	**3,150,000**

Community Infrastructure Levy (CIL) Allocations 2020/21

Strategic CIL income for spend in the financial year 2020/21 is forecast to be around £3,315,000. This will make an important contribution to fulfilling the Core Strategy requirement that new development must be properly aligned with infrastructure. It also makes a significant contribution to the Council's Capital programme. In addition, it is anticipated that local communities will receive an additional £75,000 of income for local spend.

CIL Spend Principles

The Council's principles underpinning the decisions on how CIL funds should be spent are;

- The CIL regulations require that CIL can only be spend on Infrastructure
- Priority is given to infrastructure in the Infrastructure Delivery Plan (IDP) which is critical to supporting planned growth;
- Spend should be aligned with the Council's capital programme;
- Decisions are made annually but based on a longer term programme of spend to ensure a co-ordinated approach;
- Spend should take account of where CIL is generated;
- Strategic and Local CIL spend should be aligned where it is beneficial.

CIL Spend priorities 2020/21

Currently, the 'Regulation 123 Statement' sets out the types of infrastructure that CIL must be used for but this will be in 2020 replaced with an Infrastructure Funding Statement (IFS). Decisions made for spend in 2020/21 are still therefore based on the Reg 123 Statement.

Based on the CIL Spend principles above and the Regulation 123 Statement categories, the infrastructure projects to be funded by CIL in 2020/21 are summarised below in Table 1 below. Some of these are ongoing commitments for previous years. In addition, CIL is in effect the transfer of income that would have been secured via s.106 contribution for infrastructure such as transport, education and recreational uses and hence these are prioritised in the CIL spend. The need to focus on Infrastructure which addresses the climate emergency concerns has been given greater priority across all the categories, so it does not appear as a separate item. A more detailed list of the particular projects is provided in Table 2.

Table 1: CIL Spend priorities 2020/21

Infrastructure Category	Amount
Flood Risk Management (Bath flood prevention Scheme)	£500,000
Education	£1,110,000
Green Infrastructure/Recreation	£120,000
Waste	£350,000
Public Realm Improvements	£300,000
Strategic Transport Infrastructure	£605,000
Health & Well Being	£150,000
TOTAL	**£3,315,000**

Table 2: CIL Spend projects 2020/21

Infrastructure Items	Allocation (£)
Flood Risk Management	**500,000**
Bath Quays Flood Prevention scheme	500,000
Education	**1,110,000**
Secondary school(s), Bath	100,000
Primary schools, Bath	330,000
Keynsham Education	100,000
Norton Hill Secondary School, Midsomer Norton	120,000
Peasedown St John Primary School	160,000
Cameley C of E Primary School, Temple Cloud expansion	300,000
Green Infrastructure/Recreation	**300,000**
Bathscape area GI improvements	25,000
Keynsham Memorial Park (Riverside)	50,000
South West Keynsham Parks & Green Spaces	70,000
Combe Down allotment expansion, Bath	20,000
Trees and Woodland Planting	75,000
Keynsham project (Fox and Hounds Lane)	10,000
Westfield Rec and Public Health project	50,000
Waste	**350,000**
Relocation of Bath Recycling Centre Facility and Environmental Services depot consolidation	350,000
Public realm	**300,000**
Midsomer Norton High Street	50,000
Keynsham High Street	250,000
Strategic Transport Infrastructure	**605,000**
Cycling and Walking Master Plan and Delivery	150,000
Traffic management, resident parking, low traffic neighbourhood and vehicle access restrictions	
Electric Vehicle charging on street	30,000
Electric Vehicle taxi charging points	50,000
Bridge over the Avon at Somerdale Keynsham	50,000
Whitchurch measures	100,000
Safe Routes to school Bathwick	25,000
Health & Well Being	**150,000**
Radstock Healthy Living Centre	150,000
TOTAL	**3,315,000**

Bath and North East Somerset Capital and Investment Strategy 2020/21

Introduction

The Government introduced a new requirement in 2019/20 for local authorities to approve a Capital and Investment Strategy. The strategy is the overarching document which sets the policy framework for the development, management and monitoring of capital investments as well as lending to other organisations and commercial investments. The strategy focuses on core principles that underpin also outlines the governance framework required for decision making and delivery.

The capital and investment strategy aligns with the principles set out in the Council's Corporate Strategy of:-

- Preparing for the future;
- Delivering for local residents;
- Focussing on prevention

The strategy is integrated with the Medium Term Financial Strategy and Treasury Management Strategy.

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Capital Expenditure

Capital expenditure occurs when the Council spends money on assets, such as property or vehicles that have a life of more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies to enable them to buy assets. The Council has limited discretion on what can be accounted for as capital expenditure, and this is outlined through its Accounting Policies which are updated and published annually as part of the Statement of Accounts.

The Council's planned capital expenditure over the 5-year period covering 2020/21 to 2024/25 is as follows:

	2020/21 Budget	**2021/22 Budget**	**2022/23 Budget**	**2023/24 Budget**	**2024/25 Budget**
	£'m	£'m	£'m	£'m	£'m
Total	**236.3**	**44.8**	**15.6**	**9.9**	**3.9**

Of this planned expenditure £63.5m is for new Capital Schemes over the 5 year period, with full details of the expenditure outlined in Annex 5 of the budget report.

As part of the approval process Directors submit Needs Assessments for consideration. These are then prioritised within the available capital financing available. Given the current constraints on local authority finances the following principles are used for the current programme as well as new schemes:-

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

Bids are reviewed by the Finance team and funding streams such as Service Supported Borrowing, Corporate Supported Borrowing, S106, CIL, WECA, capital receipts, or external grant are assessed. Portfolio Holders review the overall bids to agree priorities and overall affordability. As part of the budget process the bids are linked to the Corporate Strategy Principles and reviewed by the Resources PDS (with an invitation to all other PDS Panel members to contribute) for comment before making recommendations to Cabinet. The final capital programme is then presented to Council in February each year. The Council's Capital Programme can be found at Annex 5.

Schemes can either be classified as **Fully Approved or Provisionally Approved**. Items gaining **Full Approval** are clear to proceed to full scheme implementation and delivery, subject to appropriate project management and governance.

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

The Capital Programme will retain narrative only reference to pipeline projects and grant funding in an early stage of progression. These items will require further decision to incorporate them into the programme once finalised.

Financing the Capital programme

Capital expenditure for the council is financed through a variety of sources, typically:-

- Receipts from the sale of capital assets
- Capital grants
- External contributions such as S106 or Community Infrastructure Levy
- The use of reserves or from revenue budget contributions

Any capital expenditure not financed by the above will need to be funded by borrowing. Existing council debt is therefore the consequence of historical capital expenditure. The council can temporarily utilise other resources in lieu of external borrowing to fund capital expenditure. This is referred to as internal borrowing.

In approving the inclusion of schemes and projects within the capital programme, the council ensures all of the capital and investment plans are affordable, prudent and sustainable. In doing so the council will take into account the arrangements for the repayment of debt, through a prudent MRP policy in line with MRP guidance produced by the Ministry of Housing, Communities and Local Government.

The capital financing charges and any additional running costs arising from capital investment decisions are incorporated within the annual budget and Medium Term Financial Strategy. This enables members to consider the consequences of capital investment alongside other competing priorities for revenue funding.

Borrowing costs are allocated as either Service Supported Borrowing where the service can demonstrate that it can fund the costs of borrowing from their individual budgets or Corporate Supported Borrowing where the costs are financed centrally.

Financing of the revised capital programme is shown below:-

Source of Finance	**2020/21 Budget**	**2021/22 Budget**	**2022/23 Budget**	**2023/24 Budget**	**2024/25 Budget**
	£'m	£'m	£'m	£'m	£'m
Grant	86.6	20.4	6.9	6.5	1.2
Capital Receipts /RTB	9.6	1.4	1.7	5.7	0.0
Revenue	0.1	0.0	0.0	0.0	0.0
Borrowing	130.3	20.8	6.1	(3.3)	2.6
3rd Party (inc S106 & CIL)	9.7	2.1	1.0	1.1	0.1
Total	**236.3**	**44.8**	**15.6**	**9.9**	**3.9**

Links to Treasury Management

One of the key aims of Treasury management is to retain sufficient but not excessive cash to meet the Council's spending needs, while managing the risks involved.

The Council is continuing with an agreed strategy of utilising its cash balances rather than incurring the higher cost of long-term borrowing at present. The Council did take advantage of exceptionally low rates in 2019/20 as a measured approach to meeting its long-term borrowing requirements before the PWLB increased rates overnight by 1%. The strategy can be demonstrated through the CFR at the end of 2018/19 which was set at £300.7m which outlines the Council's underlying need to borrow compared to the actual long-term borrowing of £216.6m.

Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance and his/her team, who must act in line with the Treasury Management Strategy approved by Council. Quarterly reports on treasury management activity are presented to the Corporate Audit Committee and Cabinet. The Corporate Audit Committee is responsible for scrutinising treasury management decisions.

Loans

The council has discretion to make loans for a number of reasons, primarily for housing, economic development, and renewable energy. Current loans include:-

Table 1: Loans for service purposes in £ millions

Loan Detail	Amount Outstanding at 31st March 2018	Amount Outstanding at 31st March 2019
	£'m	£'m
Council's Housing Company	4.287	11.013
Council's Tourism Company	0.150	0.050
Bath & West Community Energy - Renewable Energy Scheme	0.121	0.115
Total	**4.558**	**11.178**

These loans are treated as capital expenditure. In making loans the council is exposing itself to the risk that the borrower defaults on repayments. The council, in making these loans, must therefore ensure they are prudent and has fully considered the risk implications, with regard to both the individual loan and that the cumulative exposure of the council is proportionate and prudent.

The council will continue to ensure that a full due diligence exercise is undertaken and adequate security is in place. The business case will balance the benefits and

risks. All loans are either agreed by Cabinet or specific delegated authority. All loans will be subject to close, regular monitoring.

Shares

The Council holds nominal shares in its own wholly owned company Aequus Developments Ltd.

Asset Management

The overriding objective of asset management within the council is to achieve a corporate portfolio of property assets that is appropriate, fit for purpose and affordable. The council's property portfolio consists of operational property, investment property and property held for specific community or regeneration purposes. The council has specific reasons for owning and retaining property:-

- Operational purposes e.g. assets that support core business and service delivery e.g. schools, office buildings.
- Investment properties held to provide a financial return to the council that support service provision.
- Parks, playgrounds and open spaces.
- Regeneration, enabling strategic place shaping and economic growth.

Asset management is an important part of the council's internal business management arrangements and is crucial to the delivery of efficient and effective services. The ongoing management and maintenance of capital assets will be considered as part of the Medium-Term Financial Strategy. The Capital Programme also includes the following for capital works on Council owned properties:

- Corporate Estate – planned capital maintenance £3.150m in 2020/21 (details in Annex 5(iv)) and £3.050m in future years.
- Commercial Estate – refurbishment programme £400k in 2020/21.

Assets will continually be reviewed for disposal or development through the Council's wholly owned companies Aequus Developments Ltd and Aequus Construction Ltd.

Commercial Activities

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines investment property as property held solely to earn rentals or for capital appreciation or both. Returns from property ownership can be both income driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth). The combination of these is a consideration in assessing the attractiveness of a property for acquisition.

In the context of the Capital and Investment Strategy, the council is using capital to invest in property to provide a positive surplus/financial return to finance Council services. The council can fund the purchase from either capital receipts or borrowing. The rental income paid by the tenant should exceed the cost of repaying the borrowed money each year. The annual surplus then supports the council's budget position, and enables the council to continue to provide services for local people.

The reasons for buying and owning property investments are primarily:-

- Financial returns to fund services to residents
- Market and economic opportunity.
- Economic development and regeneration within B&NES

Historically, property has provided strong investment returns in terms of capital growth and the generation of stable income. Property investment is not without risk as property values can fall as well as rise and changing economic conditions could cause tenants to leave with properties remaining vacant which not only reduces income but incurs additional costs such as maintenance and business rates.

The Council currently owns 323 properties held for investment purposes. The revenue income supports Council frontline services including Adult and Children's Social Care Services as follows:-

Table 2: Property held for investment purposes in £ millions

Property Type	**No of Properties as at 31/3/18**	**Value in Accounts as at 31/3/18**	**No of Properties as at 31/3/19**	**Value in Accounts as at 31/3/19**
	No.	**£'m**	**No.**	**£'m**
Retail	195	243.932	197	234.077
Offices	18	24.274	16	25.455
Licenced	18	20.779	18	20.952
Industrial	22	15.963	23	21.055
Other	66	9.972	66	10.317
Leisure	3	7.352	3	7.464
Total	**322**	**322.272**	**323**	**319.321**

In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

A fair value assessment of the Authority's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2019/20 year end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

The Authority assesses the risk of loss before entering into and whilst holding property investments by working closely with Hartnell Taylor Cook LLP (HTC) as its external commercial property adviser. In that capacity HTC advise the Council on all its commercial assets and potential acquisitions. Through HTC have access to a multi-disciplined team of property professionals to assist with all aspects of the management of the commercial portfolio, including detailed appraisal of potential acquisitions.

Advice has been sought on the appropriate level of gearing for the portfolio and how this should be benchmarked. Staying within the agreed gearing ratio will ensure the Council's portfolio is protected from the risk of fluctuations in the rates of borrowing.

New properties that are purchased will be supported by a Business Case detailing how they fit the Council's investment criteria, any associated risks and how these can be mitigated. The Council has taken legal advice from Trowers and Hamlins LLP regarding the legal powers available to the Council to acquire commercial properties outside of its geographical area.

With regards to acquisitions, where HTC introduce a property, that will be accompanied by a purchase report. Where a property is introduced by a third party, the Council would look to the introducing organisation to produce a Purchase Report but HTC will provide a commentary on that report. The report assesses the market and level of competition. The report will also consider the strength of the tenant covenant including its credit rating. In addition to the Purchase Report the Council commissions an external RICS Red Book valuation which includes a full risk assessment associated with the proposed investment

The Council will continue to invest prudently on a commercial basis within and the area surrounding B&NES to take advantage of opportunities as they present themselves, supported by a robust governance process. This will be done by:-

- focusing on secure assets let on long leases;
- Acquiring properties that create immediate income i.e. properties that are already let;
- Institutional quality assets to ensure liquidity;
- Diversifying the existing portfolio to address existing threats to the estate;
- Sensitivity analysis of changes in yield;
- Reviewing the "whole life cost" of the acquisition;

- Investment in alternative property sectors.

For each new asset the Council will review the structural and risk implications of adding the property to the portfolio. The risks associated with any new acquisition will be appraised prior to the acquisition and the Council will consider the following criteria for evaluating acquisitions:

- Location;
- Building quality;
- Quality of the income/financial strength of the tenant;
- Rental level compared to market level and potential rental growth;
- Tenant demand for property were it to fall vacant

In addition to the above considerations the Council will address the following in their appraisal of new assets. Each is a key consideration which needs to be carefully appraised when assessing the price the Council will pay to acquire the property and the income yield that will be generated. Higher yields will be generated where there is greater tenant risk and shorter unexpired terms:

For each new property a Credit Safe check will be carried out on each tenant. Credit Safe provide a rating for the covenant strength of each tenant based on their last three years financial accounts. The higher the rating the more secure the tenant and the Council will target properties where there is minimal risk of tenant default. Tenants with a low Credit Safe rating will need be carefully appraised.

The Council is aiming to maintain secure long-term income from its' property acquisitions and will target longer leases for their investments. There will be opportunities to buy properties where tenants have a shorter term to their lease expiry, perhaps 2-3 years, and these will still be considered but alongside an asset management plan detailing how the lease could be extended. Through active asset management the Council may well be able to extend the unexpired term. These assets are likely to be acquired for a higher yield initially and if the term of the lease can be extended will represent good value for the Council.

At the point of acquiring the property the passing rent will be assessed in relation to the open market rent. In some cases the rent will be reversionary and the Council will benefit from a higher level of rent at the next rent review or lease renewal. The opportunity for rental growth will be closely linked with tenant demand in the particular location. The Council will consider whether there is currently an undersupply of a certain type of property which could drive rental growth going forward, for example the industrial market which is currently enjoying solid rental growth in the south west.

The Council will consider for each property acquired whether the tenant covenant can be improved, whether the lease term can be extended or break clauses be removed and whether at rent review there could be an improvement in the rental

level. The Council will consider each property at the time of the purchase and the active asset management initiatives that could be undertaken to ensure the property will provide long term secure income in the future.

Compared with other investment types, property is a long term investment, relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. However, as part of the Council's management of assets, the portfolio is regularly reviewed to identify surplus or underperforming assets to be brought forward for disposal.

Proportionality

The Authority dependency on profit generating investment activity to deliver services is shown below:-

Table 3: Proportionality of Investments

	2017/18 Actual	**2018/19 Actual**
	£'m	**£'m**
Gross Council Expenditure	376.197	369.532
Gross Income from Investment Properties	18.184	18.957
Gross Income from Treasury Investments	0.102	0.329
Proportion of Investment Income to Overall Expenditure	**4.86%**	**5.22%**

The proportion is all investment income divided by the gross service expenditure

If budgeted income is lower or overall budgeted expenditure is higher than expected the Authority holds a Revenue Budget Contingency and Un-Earmarked Reserves to meet any in-year shortfalls. If a shortfall were to continue into the medium to longer term a pressure would be added to the Medium Term Financial Plan that would have to be found from other sources either additional income elsewhere or cuts to services.

Borrowing in Advance of Need

New Government guidance in 2018 outlined that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Authority has previously borrowed for this purpose because the acquisitions have enabled the council to vary its portfolio mix to increase diversification from retail.

In line with the Council's financial planning the income continues to be utilised to protect frontline services, including the provision of adult social care; children and environmental services pursuant to the Council's general power of competence under s.1 Localism Act 2011.

The acquisition of the properties are in pursuance of the benefits (and in particular those of an economic nature) that it will confer upon the Council and its area, in accordance with s120 of the Local Government Act 1972. The acquisitions align themselves with the Council's Investment Strategy for the Commercial Estate.

The economic benefits conferred to the Council and its area specifically include:-

- Diversification and mitigation of risk to the portfolio, in terms of location, sector and type;
- Council resourcing - the acquisitions will provide resources required to assist in the delivery of the Council frontline services, which benefits the Council and its area directly; and
- Opportunity – There are limitations in terms of demand and supply from being geographically constrained. By seeking opportunities within an appropriate drive time distance and within the LEP and other neighbouring areas, outside B&NES, provides exposure to a larger number of significant assets.

Business cases are assessed using the prevailing long-term PWLB borrowing rate. Changes in interest rates are carefully monitored and managed through Treasury Management. A Capital Financing Reserve is held to manage any in year additional borrowing costs. Income from the commercial estate is monitored monthly and the Council holds a Revenue Budget Contingency and Un-earmarked balances to meet with in-year shortfalls. Ongoing shortfalls would be reflected in the MTFS as well as a review of whether individual properties should be held or sold.

Provision for Risks Capital Bids

Each capital bid is risk assessed and a reasonable contingency sum is allocated within the project budget. In addition to this the Council sets aside a sum each year as a Capital Contingency as part of setting the budget to meet risks that require additional capital financing within the financial year. It also retains a revenue reserve to meet any unforeseen or additional revenue requirements such as additional interest or revenue reversion risks that require additional financing.

Knowledge and Skills

The council has professionally qualified staff across a range of disciplines including finance, legal and property that follow continuous professional development (CPD)

and attend courses on an ongoing basis to keep abreast of new developments and skills.

The council establishes project teams from all the professional disciplines from across the council as and when required. External professional advice is taken where required and will always be sought in consideration of any major commercial property investment decision.

Investment Indicators

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

The following indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third party loans.

Table 4: Total investment exposure in £millions

Total Investment Exposure	**31/3/18 Actual**	**31/3/19 Actual**
	£'m	**£'m**
Treasury Management Investments	37.700	39.720
Service Investments Loans	4.558	11.178
Commercial Investments - property	**322.272**	**319.322**
Total Investments	**364.530**	**370.220**
Contractual Commitments to Lend	0	0
Guarantees Issued on Loans	0	0
Total Exposure	**364.530**	**370.220**

Current Government guidance is that these indicators should include how investments are funded. Since the Authority does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, commercial investment properties shown in table 4 can be linked to the borrowing shown in the following table 5. The remainder of the Authority's investments are funded by usable reserves and income received in advance of expenditure through Treasury Management:

Table 5: Investments funded by borrowing in £millions

Investments Funded by Borrowing	**2017/18 Actual**	**2018/19 Actual**
	£'m	**£'m**
Commercial Investments - Property	47.946	78.576

The following indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred:

Table 6: Investment rate of return (net of all costs)

Investments net rate of return	**2017/18 Actual or Average Value/ Investment**	**2017/18 Actual Return**	**Rate of Return**	**2018/19 Actual or Average Value/ Investment**	**2018/19 Actual Return**	**Rate of Return**
	£'m	**£'m**	**%**	**£'m**	**£'m**	**%**
Treasury Management Investments (weighted average balance)	33.555	0.101	0.30	45.096	0.329	0.73
Service Investments: Loans (weighted average balance)	2.456	0.079	3.20	6.574	0.257	3.91
Commercial Investments: Returns on Property Compared to Income	322.272	17.305	5.37	319.322	17.704	5.54

Other investment indicators

	2017/18 Actual	***2018/19 Actual***
	%	***%***
Debt Payments to net service expenditure	*5.04*	*6.06*
Outstanding debt to net service expenditure	*164.6*	*201.1*
Commercial Investments debt compared to asset value	*14.88*	*24.61*
Net commercial income compared to net Council expenditure	*14.80*	*15.74*

Council MRP Policy – (2020/21 Policy)

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance) most recently issued in 2018.

The broad aim of the MHCLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.

- For capital expenditure incurred before 1st April 2008 MRP will be determined as the principal repayment on a 50 year annuity with an annual interest rate equal to 2% which will fully finance this element of the CFR within 50 years, incorporating an "Adjustment A" of £38.8m.

- For unsupported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate equal to the average relevant PWLB rate for the year of expenditure, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.

- For assets acquired by finance leases or the Private Finance Initiative [and for the transferred debt from Avon County Council], MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

- For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.

Capital expenditure incurred during each financial year will not be subject to a MRP charge until the following financial year or until the year after the asset becomes operational.

Using the various elements outlined in this MRP Policy the Council will calculate a gross amount that it considers prudently necessary to fund previously incurred borrowing in respect of capital expenditure. It will then decide how much of this to fund from capital receipts with the residual amount being the Council's MRP for the year.

MRP Overprovision:
The Council reviewed and revised its MRP Policy in 2016/17. For expenditure financed by unsupported borrowing incurred before April 2016, an element of MRP had already been charged on a straight-line method rather than the revised annuity method. By applying the straight-line method rather than the annuity method an "overprovision" of MRP of £3.3m was available to be drawn down to reduce the revenue MRP charges in future years covering 2016/17 to 2020/21. The following table shows the drawdowns made and the final draw down planned for 2020/21.

MRP Overprovision – draw downs	**£m**
Original Overprovision	3.3
Less amounts drawn down 2016/17 to 2019/20	(2.6)
Expected Balance 31/03/20	**0.7**
Planned draw down 2020/21	(0.7)
Forecast Balance 31/3/21	**0**

Annex 8

BUDGET SETTING PROCESS – ADVICE OF THE MONITORING OFFICER

PROCESS

1. It is important to be clear on the process to be followed in setting the 2020/21 Budget. This paper sets out the guidance provided by the Council's Monitoring Officer.

2. The Cabinet has the responsibility to prepare and propose a draft Budget to Council for its approval.

3. The Cabinet can, in its absolute discretion, receive from any political group that so wishes, an alternative budget proposal to that published in the Cabinet agenda papers. It can only consider such proposals if it is satisfied that they have been discussed with the Council's statutory officers and relevant Directors and that an impact statement from Officers about such proposals is available.

4. All proposals that the Cabinet meeting is prepared to consider will therefore be cleared with the Section 151 Officer, the Monitoring Officer, and relevant Corporate Directors and Directors beforehand.

5. The Cabinet will formulate a budget proposal and Council Tax recommendation for the Council meeting on 25th February 2020. Such budget proposal may either take the form of a composite proposal or may include agreed core proposals and options for allocating parts of the budget.

6. The Council has two options available to it at the budget setting meeting. It can object to specific parts of the proposals and if it does so, must require the Leader on behalf of Cabinet to reconsider its proposals. The Council is required to give the Cabinet the reason(s) why it considers those proposal(s) should be changed and it is then for the Cabinet to consider those proposed changes and the reasons put forward. Alternatively it is open to the Council to accept the budget in its proposed form at the meeting, in which case no further action is necessary.

7. Council may then determine the budget on the basis of the Cabinet's recommendations as set out in paragraph 5 above, plus any insignificant changes adopted as amendments at the Council meeting. The Constitution provides that the meeting itself (on advice from the Chief Executive) will decide whether any amendment to the budget proposals is of such significance as to amount to an "objection" to the budget so as to require reconsideration by the Cabinet.

8. If a significant proposal is accepted on a vote at Council (from those proposals notified at the Cabinet meeting), this stands as a formal objection within the terms of the law and will be referred to the Leader for him to secure consideration by the Cabinet and report back to the Council meeting on 5th March 2020.

9. When the Cabinet has considered the objections, it is required to put its proposals (which may or may not be revised) back to the Council Meeting. If the Cabinet does not agree with Council's views on a proposed change, it is required to state why and the Council can then take those reasons into account, along with its original thoughts as to why the change was desirable. At the meeting, it is open to Council to take such decision as it sees fit on any variation from the budget as originally proposed that has been the subject of consideration under the process outlined in paragraphs 6 to 8.

10. In setting the budget the Council is required to approve a full budget resolution including the police, fire and parish precepts and the proposed Council revenue and capital budgets for 2020/21. That budget will include within it the overall proposed Council cash limits for 2020/21 including the provision for inflation, the proposed use of balances in the 2020/21 budget (if any) and the resulting budget requirement and Council Tax for Bath and North East Somerset including any recommendations for special expenses. The Council will also approve the borrowing limits for 2020/21 and prudential indicators.

11. Legally, the Council must set a balanced budget for the forthcoming year and determine the level of Council Tax. If a budget is not set by the date of the first budget-setting meeting (25th February 2020), this will lead to a delay in billing and a loss in council tax cash flow. It is highly likely that this will also translate into a higher level of uncollectable debt and debt collection costs and in addition this will significantly impact on council tax performance indicators. A delay until 5th March 2020 will compromise the Council's ability to meet current billing deadlines, and there is a serious risk billing will also be delayed with negative cash flow impacts.

12. The final Council Tax set will encompass all parish and police and fire precepts (that is the money we collect on behalf of the parishes, fire and police and pay to them).

Maria Lucas
Director of Legal & Democratic Services (Monitoring Officer)

Bath and North East Somerset Council Pay and Reward Policy 2020/2021

Introduction

1. This document sets out the Pay and Reward Policy for Bath & North East Somerset Council (B&NES) for the period 1 April 2020 to 31 March 2021. It provides a clear and transparent policy to the public demonstrating accountability and value for money with regards to decisions on pay and reward for Council staff.

2. The Council's pay arrangements reflect the need to attract, retain and motivate skilled employees to ensure high levels of performance. The policy recognises flexibility which is essential in delivering a diverse range of services and is underpinned by principles of fairness and equality.

3. In accordance with the requirements of Section 38 of the Localism Act 2011 and of the Revised Guidance and the associated statutory guidance set out in the Openness and Accountability in Local Pay: Guidance and Supplementary Guidance under section 40 of the Localism Act (February 2012 & 2013), together with the Local Government Transparency Code 2015 from the Department for Communities and Local Government, B&NES Council is required to publish a Pay Policy Statement for each financial year detailing:

    a) The Council's definition of senior posts
    b) The Council's definition of lowest paid employees
    c) Reasons for adopting these definitions
    d) The relationship between the remuneration of senior posts and that of the lowest paid employees

4. In accordance with provisions of the Localism Act, the requirement to publish a Pay policy Statement does not extend to schools and therefore this policy does not include school based employees.

Definitions

5. The Council's senior posts are defined as:

- Chief Executive (Head of Paid Service*)
- Corporate Director – Place and Partnerships
- Corporate Director – People (Chief Education Officer*, Director of Adult Social Services*, Director of Children's Services*)
- Director of Public Health*
- Director of Finance (S151 Officer*)
- Director of Legal and Democratic Services (Monitoring Officer*)
- Director of Human Resources & Organisational Development
- Director of Economy & Growth
- Director of Development

- Director of Environment Services
- Director of Partnerships & Corporate Services
- Director of Integrated and Specialist Commissioning
- Director of Children and Young People's Services
- Director of Education, Inclusion and Children's Safeguarding

6. The Council's deputies to statutory officers are defined as:

- Director of One West
- Head of Management Accounts
- Head of Corporate Finance
- Head of Business Finance & Pensions
- Head of Procurement
- Legal Services Manager

7. The term 'lowest paid employee' refers to those employees in substantive full time employment at the lowest scale point of the Council's published pay scale.

Principles

8. Bath & North East Somerset Council values all its employees and aims to apply a consistent and fair approach to pay and benefits in line with the following principles:

- To work within financial constraints and use those limited funds in the most effective way to support the Council in the provision of quality cost effective services and its workforce needs
- To aim for consistency and fairness in the processes used to manage pay and benefits, as appropriate to service delivery and in line with its commitment to remaining within the framework of the relevant national pay and conditions agreements
- To promote an equal pay agenda by ensuring that pay and job evaluation systems and processes meet legislative requirements and to actively work towards reducing any unjustified gender pay gaps
- To ensure that pay and benefits processes and policies are transparent and accessible to all employees
- To be clear about the recognition and reward of performance, whether at whole organisation, service, team or individual level
- To support a flexible approach to the acceptance of changes to tasks, duties and responsibilities by employees and allow for flexibility between posts.
- To enable the Council to attract and retain its employees and in order to do so, respond to situations where market forces dictate the necessity to apply supplements to established salaries.
- To retain a core set of benefits for all employees.

Responsibility for pay and reward decisions

9. The Council's Pay and Reward Policy incorporates the statutory provisions of the Localism Act (2011) in relation to pay policy statements. Approval of this statement and of any amendments to it is therefore a matter for full Council and cannot be delegated to any sub-committee.

10. All policy matters relating to the Council's role as an employer including pay under section 112 of the Local Government Act, 1972 are delegated to the Employment Committee. The Restructuring Implementation Committee recommend appointments to the posts of Chief Executive (Head of Paid Service), Section 151 Officer, Monitoring Officer to the Council who determine the decision. The Head of Paid Service has delegated authority to make appointments to Corporate Director and Director posts subject to there being no objection to the appointment being lodged by a cabinet member.

11. Managers should be aware of their delegated levels of authority. Delegations for decisions on pay cannot be further delegated below these levels:

Decision	Delegated level of authority
Starting salary for Chief Executive (Head of Paid Services), Section 151 Officer and Monitoring Officer	Full Council
Starting salary for Corporate Directors and Directors	Head of Paid Service
Performance related pay increases for Chief Executives	Leader and Deputy Leader of the Council in consultation with the Director of HR&OD
Performance related progression increases for Corporate Directors and Directors	Head of Paid Service in consultation with Corporate Directors and the Director of HR&OD
Market supplements for any post of Head of Service and below	Corporate Management Team
Honorarium payments for any post	Director in consultation with Human Resources
Individual grading including regrading	Head of Service in consultation with Human Resources
Planned overtime payments	Head of Service in consultation with Human Resources

12. The Director of HR&OD is responsible for ensuring that the Council's Job Evaluation Scheme and pay processes have been applied. Human Resources is responsible for overseeing any decision on pay to ensure that they are made in accordance with the delegated authority levels and are compliant with the terms of the Pay and Reward Policy.

Basic pay

13. The job role and it's accountability in the overall context of the Council's services and responsibilities is evaluated using the HAY job evaluation scheme which is based on objective criteria and free from discriminatory bias.
14. All job roles are evaluates using this scheme including senior management appointments as well as Chief Officers and their Deputies.
15. Job roles are paid according to the terms of the relevant national agreements on pay and conditions of service.

Pay on appointment

16. Staff are normally appointed at the bottom scale point of the grade at which the post has been evaluated.
17. Managers have discretion to appoint at a higher scale point within the grade band if the appointee can demonstrate that they are currently earning more than the minimum salary for the grade or there are other extenuating circumstances such as difficulties in attracting suitable applicants.

Pay review dates

18. Grade progression (i.e. movement from a lower to a higher salary scale point (scp) within a grade where applicable) takes place on 1st April of each year until the highest scp in the grade is reached. Grade progression is subject to satisfactory performance (and may be withheld if performance is unsatisfactory) and a minimum of 6 months service in the grade.

Re-employment of former local government employees

19. The Council retains sufficient flexibility in its response to the re-employment of former local government employees to enable it to respond appropriately to the particular circumstances. It ensures that an open and fair selection process takes place before any appointment is confirmed. 'Merit' is the sole criteria for engagement.
20. The Council does not normally re-engage any B&NES employee that has taken voluntary redundancy for a period of 2 years after the date of redundancy.

Use of consultants, contractors and temporary 'agency' staff.

21. Ordinarily staff will be engaged directly by the Council as employees but on an exceptional basis, where particular circumstances deem it necessary, people may be engaged under 'contracts for services' as consultants or contractors or on an 'agency basis'. When this situation arises, the Council will give detailed prior consideration to the benefit of doing so and that the overriding need to ensure value for money is achieved. Such arrangements must be in accordance with the Council's code of practice and HMRC rules.

Equal pay

22. The Council is committed to the principle of equal pay for all posts of the same size and value and has implemented the national 'single status' agreement. In order to put its commitment to equal pay into practice, the Council:

- regularly reviews its pay grade and salaries for all current staff and starting pay for new staff in line with the Equality Act 2010, Equality and Human Rights Commission guidance and the Council's Equality policy.
- informs employees of how these practices work and how their own pay is determined.
- provides training and guidance for managers and supervisory staff involved in decisions about pay and benefits.
- regularly monitors pay and grading data and statistics
- publishes pay equality data as statutorily required

23. The Council published its 2018 Gender Pay Gap report in March 2019. The report sets out the overall difference between men and women's pay in the Council. This is known as the gender pay gap and is a measure of any difference in pay between the mean average and median earnings of men and women. This is then expressed as a percentage of male earnings. As the Council employs proportionately more women than men and with a greater number working part-time or in clerical roles, there is an overall difference or mean gender pay gap across the organisation of 6.61%.

Senior pay

24. The remuneration of the Chief Executive and senior officer appointments in the Council (see Annex 1) is set across five pay bands. Levels of pay are periodically benchmarked against similar posts in a wide range of public and not for profit sector organisations.

25. Any increases in pay rates will normally be in line with those negotiated nationally by Joint Negotiating Committees (JNCs) for Chief Executives and Chief Officers respectively. The pay policy, whilst agreed in advance of the financial year to which it relates, can be amended during the course of the year to incorporate a pay award negotiated nationally or for other reasons.

26. Where a pay band consists of a number of different salary points, any progression to the next incremental point is subject to satisfactorily meeting performance criteria agreed in advance with the Chief Executive or Corporate Director, as appropriate (in consultation with the Director of HR&OD). Any increase is paid from 1 April subject to 12 months service in that pay band and the maximum not being exceeded.

27. This is no provision for the Council to pay any bonuses, charges, fees or allowances, benefits in kind to senior employees or any other employees other than relocation allowances and expenses necessarily incurred in the performance of their duties. This provision is kept under review.

28. The Council has agreed that the Chief Executive undertakes the role of Returning Officer in respect of all elections. The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983. Whilst appointed by the Council, the role of the Returning Officer is one which involves and incurs personal responsibility and accountability and is statutorily separate from their duties as an employee of the Council. As Returning Officer, they are paid a separate allowance for each election for which they are responsible.

Pay ratios within the Council

29. The relationship between the rate of pay for the lowest paid Council employee and that of the Council's Chief Officers is determined by the processes used for determining pay and grading structures as set out in this Pay and Reward Policy.

30. The 'lowest paid' persons employed under a contract of employment with the Council are employed at spinal point 1 of the NJC payscale which is £18,065 per annum and £9.36 per hour as at 1 April 2020. The relationship between the rate of pay for the "lowest paid" employees and the Council's Chief Officers is regulated by the processes used for determining pay and grading structures as set out in this Pay and Reward Policy. The salary utilised for the Chief Officer calculations of all the pay multiple data is £99,444 and for the Chief Executive it is £147,000.

31. The Council employs apprentices who are not included within the definition of 'lowest paid employees' as they are not employed under contracts of employment.

32. As part of its commitment to pay transparency, and following the recommendations of the Hutton "Review of Fair Pay in the Public Sector" (2011), the Council publishes information on pay ratios on an annual basis. The information for 2019-2020 is as follows:

Multiple of salary	Ratio
• the multiple between the annual salary of the lowest paid Council employee and the Chief Executive (full-time equivalent basis) as a ratio	1:8
• the multiple between the annual salary of the lowest paid Council employee and the average Chief Officer (full-time equivalent basis) as a ratio	1:6
• the multiple between median earning of Council employees and the Chief Executive (full-time equivalent basis) as a ratio	1:6
• the multiple between median earning of Council employees and the average Chief Officer (full-time equivalent basis) as a ratio	1:4

33. Bath & North East Somerset Council does not currently have a policy of maintaining or reaching a specific ratio of pay multiple between the Chief Executive and that of the median earner.

Employee Benefits

34. In additional to an employee's salary, the Council offers a comprehensive range of benefits designed to enhance the work life balance of our employees. The current benefits include:

- the Local Government / Teachers'/NHS Pension Schemes as applicable
- generous annual leave entitlements in addition to bank holiday entitlement
- the option to purchase additional annual leave and/or take unpaid leave
- a wide range of learning and development opportunities
- flexible working arrangements
- employee wellbeing schemes, including access to Occupational Health and an Employee Assistance Programme through Health Assured
- childcare vouchers
- cycle-to-work scheme
- car lease scheme
- discounted gym and leisure membership
- use of the Vectis card scheme to provide retail discounts
- staff social club

Termination payments

35. Proposed voluntary redundancy or severance packages in excess of £100,000 (this threshold includes [but is not limited to] any proposals in respect of salary to be paid in lieu, redundancy compensation, pension entitlements and holiday pay as appropriate) are referred to the Restructuring Implementation Committee for consideration. This provision will be reviewed to comply with any legislative changes or pensions regulation changes.

36. Senior staff are not differentiated from other members of staff in terms of remuneration on resignation or termination. The Council's general arrangements for severance and scheme for discretionary payments apply to all employees.

Working with Trade Unions

37. The Council will endeavour to maintain a joint working approach with its recognised Trade Unions and will work closely with them on pay related matters. There has been consultation with representatives of the recognised Trade Unions during the development of this Pay and Reward Policy. Collective bargaining processes will be followed as appropriate for any proposed changes to pay and/or allowances.

Publication

38. The Council's approach to the publication of and access to information on the remuneration of Chief Officers is to include it on its public website as part of its requirements within the Accounts and Audit (England) Regulations 2011 and in accordance with the Code of Recommended Practice for Local Authorities on Data Transparency. A copy of the Pay Policy Statement is published on the Council's website: www.bathnes.gov.uk/services/jobs/

39. For further information on the Council's pay policy please contact the Council's Human Resource Service email: HR_Payroll@bathnes.gov.uk Tel: 01225 395146

Annex 1 – Senior Officer remuneration

For the purposes of this statement, senior officer means 'chief officers' as defined within S38 of the Localism Act. The posts falling within the statutory definition are set out below together with salaries effective from 1 April 2020:

Chief Executive (Head of Paid Service)

The salary for the post is £147,000 per annum. The salary falls within a range between £147,000 and £165,000 per annum. Additional payments were made for Returning Officer duties. The Returning Officer fees are determined by Statutory Instrument and paid by the Cabinet Office for all National and European elections, rather than by the Council. The duties of the Returning Officer are detailed in paragraph 7 above.

Corporate Directors

The salary for each of the two Corporate Director posts is £127,356 per annum. The salary is a fixed point.

Directors and deputies to statutory officers

Pay Band	Roles	Number
Band 4 (JNC): £99,444 - £105,297	• Complex and Specialist Commissioning • Children & Young People • Finance [S151 Officer] • Environmental Services • Economy & Growth • Partnerships & Corporate Services • Development	7
Band 5 (JNC): £87,747 - £93,594	• Legal & Democratic [Monitoring Officer] • Education, Inclusion and Children's Safeguarding • Human Resources & Organisational Development • One West • Head of Business Finance & Pensions	5
NHS fixed: £92,077	• Director of Public Health Part of the transfer of Public Health Services to Local Government & salary paid in accordance with NHS senior consultant rates and before other statutory related protections	1
Grade 14 (NJC): £77,964 - £83,957	• Head of Management Accounts • Head of Corporate Finance	2
Grade 13 (NJC): £53,594 - £58,799	• Head of Procurement • Legal Services Manager	2

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Annex 10

Bath and North East Somerset Council

Care and Support Charging and Financial Assessment Framework

Effective date	**06.04.2020**
Approved by	**Full Council**
Date approved	**25.02.2020**
Service	**Adult Social Care**
Last Updated	
Review Date	

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1. Summary

The document is designed to be used by you, the service user, or your representative. The Council has, were possible, used plain English. Care and Support is not a free service and many services are subject to charge. Local authorities are required to carry out a financial assessment to calculate what an individual can afford to pay towards their care, although The Council does retain a general discretion in respect of charging.

Payments towards the cost of care are paid to the care provider if you are assessed as self-funding and paid to the Council if you are assessed as making an assessed care charge towards the cost of your care (unless you receive a Direct Payment when you will pay the care provider directly.)

This Framework sets out the Councils policies for charging for care and support and follows the Care Act 2014, Care and Support Statutory Guidance issued by the Government under the care Act 2014, Care and Support (Charging and Assessment of Resources) Regulations 2014, Care and Support (Deferred Payments) Regulations 2014, Care and Support (Direct Payments) Regulations 2014, Care and Support and Aftercare (Choice of Accommodation) Regulations 2014 and the Care and Support (Preventing Needs for Care and Support) Regulations 2014.

2. Legal Context

<u>The Care Act 2014 – Charging and Financial Assessment</u>

Section 14 of the Care Act 2014 gives the Council the power to charge adults for care and support. This applies where adults are being provided with care and support to meet needs identified under Section 18, Section 19 or Section 20 of the Care Act 2014. These needs can be referred to as ‘identified needs’ or ‘eligible needs’.

When developing and applying policies the Council must take note of the following documents;

- Care and Support Statutory Guidance; issued by the Department of Health giving detailed guidance to Councils on all aspects of the care Act 2014, including Charging and Financial assessment (Chapter 8), Deferred payments (Chapter 9) and associated annexes to the guidance, for example: https://www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance
  - Annex A: Choice of Accommodation and Additional Payments
  - Annex B: Capital Limits, Financial Assessment and Treatment of Capital and Income
  - Annex C: Deprivation of Assets
  - Annex D: Deferred Payment Agreements
  - Annex E: Recovery of Debts
  - Annex F: Temporary and Short term residents in Care Homes

- The Care and Support (Charging and Assessment of Resources) Regulations 2014; which sets out: http://www.legislation.gov.uk/uksi/2014/2672/contents/made
  - The power to charge for certain types of care and support (Part 2);
  - The duty under Section 17 of the Care Act to carry out a financial assessment (Part 3);
  - Rules on the treatment and calculation of income and capital (including notional income and capital and deprivation) (Part 4 and 5);
  - Rules on sums to be disregarded (Schedule 1 and 2).

- The Care and Support (Deferred Payments) Regulations 2014; which sets out: https://www.legislation.gov.uk/uksi/2014/2671/contents/made
  - The rules on when the Council must enter into a deferred payment agreement (regulation 2);
  - The rules on when the Council may enter into a deferred payment agreement (Regulation 3);
  - The rules on the security required and equity limit (Regulations 4 and 5);
  - The power to charge interest and administration costs (Regulation 9 and 10).

- The Care and Support (Direct Payments) Regulations 2014; which sets out: https://www.legislation.gov.uk/uksi/2014/2871/contents/made
  - Conditions for making a Direct Payment (Regulation 3 and 4);
  - Steps the Council must take before making a Direct payment under Section 32 of the Care Act (Regulation 5);
  - Direct payment and Care Home accommodation (Regulation 5);
  - The Councils obligation to review Direct Payments (Regulation 7);
  - The Rules on Capacity (Regulation 8 and 9).

- The Care and Support and Aftercare (Choice of Accommodation) Regulations 2014; which sets out: http://www.legislation.gov.uk/uksi/2014/2670/pdfs/uksi_20142670_en.pdf
  - The Councils obligation on respect of the choice of accommodation (Regulation 2);
  - The preferred accommodation conditions (regulation 3);
  - The payment of additional costs for the preferred accommodation (Regulation 5).

- The Care and Support (Preventing Needs for Care and Support) Regulations 2014; which sets out: http://www.legislation.gov.uk/uksi/2014/2673/pdfs/uksi_20142673_en.pdf
  - The Councils obligations in respect of prevention of care and support
  - Community equipment (Regulation 2)
  - Providing care and support for reablement and intermediate services (Regulation 4)

Future Changes to care Funding (2020)

The Care Act (Section 15 and 16) proposes a cap on care costs which limits how much a person would be required to pay towards their support needs over their

lifetime and increases the level of capital a person can have and still receive financial assistance with care and support costs.

In July 2015 the government announced the implementation of Funding Reforms would be delayed until 2020. However the Government have since announced proposals[1] for long-term social care reforms to be published for public consultation and will not take forward the proposed cap on care costs set out in the Care Act.

The Government continues to review social care funding, the latest report was published on the 19th June 2018.[2]

3. Principles Of This Framework

The Development and Review of this Charging and Financial Assessment Framework

When the government introduced the Care Act 2014 the Council as part of implementing this new legislation developed a Charging and Financial Assessment Framework.

The Framework will be reviewed regularly as set out later in this document – Reviewing this Charging and Financial Assessment Framework.

National Principles of Charging and Financial Assessment

This Charging and Financial Assessment Framework has been developed to meet national principles to;

- Ensure that people are not charged more than is statutorily permissible for them to pay for care and support;
- Be comprehensive – to reduce variation in the way people are assessed and charged;
- Be clear and transparent – so people know what they will be charged;
- Promote wellbeing, social inclusion and support the vision of personalisation, independence, choice and control;
- Support carers to look after their own health and wellbeing and to care effectively and safely;
- Be person focused – reflecting the variety of care and options available to meet needs;
- Apply the charging rules consistently – so those people with similar needs or services are treated the same and anomalies ae minimised;
- Be sustainable for the Council in the long term.

[1] In November 2017 the Government announced proposals to reform social care and support. In December 2017 the Parliamentary Under-Secretary of State for Heath announced that the Government would not be taking forward the cap on care costs set out by the previous Government. This announcement can be viewed at https://hansard.parliament.uk/commons/2017-12-07/debates/F7AD5D1D-C8D6-411D-BF42-B432955B2A8E/SocialCare

[2] https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/768/768.pdf

4. Care and Support Services Provided Free Of Charge

Assessments of needs and care are always provided free of charge, and Councils are not permitted to charge for any service or part service which the National Health Service (NHS) is under a duty to provide – this includes Continuing Healthcare and Funded Nursing Care.

All Councils must provide the following care and support services free of charge:

- Care from the integrated reablement and Intermediate service – a short period of intensive therapies and support from health and social care professionals to assist and promote regaining independence. Intermediate care services may continue for up to 6 weeks without charge[3].
- Through the Councils partnership with VirginCare all community equipment and minor adaptions services where the minor adaption costs up to £1,000 to help with independent living[4]
- Care and Support provided to people with Creutzfeldt-Jacob Disease[5]
- After-care services / support provided under Section 117 of the Mental Health Act 1983 https://www.legislation.gov.uk/ukpga/1983/20/part/VIII/crossheading/aftercare

The Council has also chosen to provide the following service free of charge:

- Payment to a carer of an adult in receipt of care, this payment will be based on a care and support assessment

Failure To Allow A Care And Needs Assessment

The assessment and eligibility process is one of the most important elements of the care and support system. The assessment is one of the key interactions between you the Council[6].

The assessment is collaborative and the Council will aim to make the process transparent and understandable[7]. You may refuse a care and needs assessment but if you chose to do so, or do not engage in the assessment[8] the Council will not provide funding and you will need to arrange your own care and support.

5. Chargeable Care And Support Services

Charges for the following services are based on an assessment of your financial circumstances – for details see below and the Council Guides available on-line.

[3] Clause 4 of the Care and Support (Preventing Needs for Care and Support) Regulations 2014
[4] Clause 2 of the Care and Support (Preventing Needs for Care and Support) Regulations 2014.
[5] Clause 8.41 of the Care and Support (Statutory Guidance)
[6] Clause 6.1 – 6.8 of the Care and Support (Statutory Guidance)
[7] Clause 6.35-6.43 of the Care and Support (Statutory Guidance)

[8] Clause 6.20 and 6.21 of the Care and Support (Statutory Guidance)

The Council will carry out a financial assessment. If the Council is aware (when your need for care and support arises) that you have capital above the Upper Capital Limit[9], the Council will not carry out a financial assessment and will assess you as able to pay the full charge for your care home accommodation or provision of care service.

If your capital is mostly due to ownership of a property there are rules around whether this counts within the financial assessment see part 10.

If your capital is below the Upper Capital Limit[10] or the Council cannot identify the level of capital you hold, the Council will carry out a financial assessment to work out your assessed weekly charge you will need to pay towards your care home accommodation or provision of care services.

Currently, your weekly assessed care charge is paid every week at the same amount as per your financial assessment. It is possible, in the future, that the Council may alter the charging framework to allow a more flexible approach to the provision of care and meet outcomes. This will mean that you will have a financial assessment to calculate your weekly care charge but this charge will be invoiced over a 4 week period.

If the Council alters the invoicing period to 4 weekly you will never be charged more than your assessed weekly care charge but you might be charged less.

For example if your assessed weekly care charge is £100 per week over 4 weeks this is £400, if you total cost of care over the 4 weeks is £800 you will pay £400, if your total cost of care over 4 weeks is £350 you will pay £350.

Young persons

Prior to a young person reaching 18 they are entitled to a Transitions Assessment by a social worker, Where a Transition Assessment identifies needs that are likely to be eligible, local authorities should consider providing an indicative Personal Budget so that young people have an idea of how much their care and support will cost when they enter the adult system.

During this assessment their family or carer(s), as part of the preparation for the young person to transition to adulthood, will be given the opportunity to start to explore and discuss some of the changes to the provision of the care and support the young person may encounter as they transition to adulthood.

When a young person reaches 18 they will be assessed by a social worker under Section 18, Section 19 or Section 20 of the Care Act 2014 and there eligible needs will be identified.

Section 14 of the Care Act 2014 gives the Council the power to charge adults for care and support.

[9] See Annex B – Capital Limits Schedule
[10] See Annex B – Capital Limits

So that the transition from child services to adult services, in respect of charging, is as straightforward as possible the social worker will establish prior to the young person's 18th birthday if they have capacity.

If the young person has capacity a referral will be made to the Client Finance team and a Care Finance Officer will arrange to meet with the young person and their parent or carer, the Care finance Officer will bring to this meeting a Calculation of Financial Charge form for completion and will also assist with signposting the young person and parent or carer to possible benefit entitlement. If a meeting is not possible the Care Finance Officer will post the Calculation of Financial Charge form.

The Care Finance Officer will use the Calculation of Financial Charge form to calculate the assessed weekly charge. This form can be signed by the parent or carer but will be left with the young person for signature and return on or after their 18th birthday (this can be returned by post or electronically). Upon receipt of the signed Calculation of Care Charge form the Care Finance Officer will confirm the assessed weekly charge amount to the young person by letter.

If the young person has capacity but wishes to appoint a parent or carer to act on their behalf they can indicate this on the Calculation of Financial Charge form.

If the young person lacks capacity a referral will be made to the Client Finance team and a Care Finance Officer will arrange to meet with the young person's family or carer. The Care Finance Officer will bring to this meeting a Calculation of Financial Charge form for completion and will also assist with signposting the family or carer to possible benefit entitlement. If a meeting is not possible the Care Finance Officer will post the Calculation of Financial Charge form.

The Care Finance Officer will use the Calculation of Financial Charge form to calculate the assessed weekly charge, this form can be signed by the parent or carer subject to the parent or carer having a DWP appointee notice. The Care Finance Officer will confirm the assessed weekly charge amount to the parent or carer by letter.

If the young person lacks capacity the parent or carer will need to apply for Deputyship as soon as possible after the young person's 18th birthday, this process can take up to 6 months to complete, to allow the financial assessment to be carried out the Care Finance Officer will accept, whilst the Deputyship Order is awaited, evidence that the parent or carer has been appointed as a DWP appointee. The Care Finance Officer will require the Deputyship order to be provided within 9 months of the young person's 18th birthday.

Some young people may be in receipt of an Education, Health and Care plan; this plan can remain in place up to the age of 25, subject to the Local Authority agreeing that the young person can remain in education and it can be shown that the young person will make progress.

For most young people any social care support will be provided by their home local authority[11] . The young person has the right to request a transition assessment for

[11] Chapter 8 of the Care Act 2014 and page 134 of the SEN Code of Practice.

adult care that will enable them to see whether they are likely to have eligible needs that will be met by adult services once they turn 18.

Young people with Special Educational Needs turning 18, or their carers, may become eligible for adult care services, regardless of whether they have an Education Health and Care Plan or whether they have been receiving care services under section 17 of the Children Act 1989.

If the young person with Special Educational Needs or an educational Health and Care Plan is identified as having eligible needs a financial assessment for the social care element of any funding will be carried out. The process will be the same as that outlined above.

Residential Care

You will pay your assessed care charge towards the costs of your care and support from the date you enter the care home (subject to your financial assessment and your capital assets).

If you have capital above the Upper Capital Limit[12] the Council will assess that you are able to pay the full cost of your care in the care home.

If your capital is below the Upper Capital Limit or the Council cannot identify the level of capital you hold, the Council will carry out a financial assessment. The rules for this assessment will be those used for permanent residence.

Short term / Respite stay(s) in care home accommodation

Short term stays are up to 56 nights in any 12 month period[13]

Respites stays up to 4 consecutive weeks in any 12 month period and provide a break for informal carers. These costs can be paid using a direct payment[14]

If you have capital above the Upper Capital Limit[15] the Council will assess that you are able to pay the full cost of your short term / respite stay in a care home.

If your capital is below the Upper Capital Limit or the Council cannot identify the level of capital you hold, the Council will carry out a financial assessment. The rules for this assessment will be those used for temporary stays (see below)[16].

If you placement is an emergency the Council will still carry out a financial assessment. The rules for this assessment will be those used for temporary stays (see below)[17].

[12] See Annex B – Capital Limits
[13] See Clause 8.34 of the Care and Support Statutory Guidance
[14] See Clause 12.41-12.43 of the Care and Support Statutory Guidance
[15] See Annex B – Capital Limits
[16] See Clause 8.34 of the care and Support Statutory Guidance
[17] See Clause 8.34 of the care and Support Statutory Guidance

If the respite / short term stay exceeds 28 / 56 nights during a year the Council will carry out a financial re-assessment using the Financial Assessment and Charging Rules for temporary stays (see below).

Temporary stays(s) in Care home accommodation

Temporary stays are intended to last for a limited period where there is a plan to return home. The stay should be unlikely to exceed 52 weeks[18].

If you have capital above the Upper Capital Limit[19] the Council will assess that you are able to pay the full cost of your temporary stay in a care home.

If your capital is below the Upper Capital Limit or the Council cannot identify the level of capital you hold, the Council will carry out a financial assessment to calculate your assessed weekly charge.

This assessment will be carried out using the rules for temporary stays in care homes[20]

The rules include but are not limited to the following:

- Your main or only home will be disregarded where you intend to return to the property or you have taken steps to dispose of the property to acquire a property that is more suitable.
- The assessment will be carried out in accordance with the rules for permanent residents[21] but an allowance is made for any additional amounts required to maintain the home:
  - Gas (standing charge only – non-mains: Oil only delivery costs)
  - Electricity (standing charge only)
  - Water (standing charge only)
  - Council tax
  - Mortgage (if applicable)
  - Rent
  - Ground rent (if applicable)
  - Service charge (if applicable)
  - Home Buildings and contents insurance[22] (subject to evidence being provided of the amount being paid)

Non-Residential Care and Support

Non-Residential care and support means care and support services provided to help you stay in your own home and involved in the community.

Depending on your financial circumstances you may be asked to pay a charge towards your non-residential care and support costs.

[18] See Annex F Clause 4 of the Care and Support Statutory Guidance
[19] See Annex B – Capital Limits
[20] See Annex F Clauses 10-20 of the Care and Support Statutory Guidance
[21] See Annex C of the care and Support Statutory guidance
[22] See Annex C Clause 49 of the care and Support Statutory guidance

If you have capital above the Upper Capital Limit[23] the Council will assess that you are able to pay the full cost of your care services.

If your capital is below the Upper Capital Limit or the Council cannot identify the level of capital you hold, the Council will carry out a financial assessment to calculate your assessed weekly charge.

If your social care assessment shows you have ongoing eligible care and support needs you will be allocated a Personal Budget.

Your Personal budget may be used to purchase a range of care and support services. This includes commissioned services and services purchased through Direct Payments[24].

Services include:

- Personal Assistants – People employed to assist with all aspects of daily living including personal care and social activities
- Home / Domiciliary care – personal care in person's own home to help with washing, dressing, eating / drinking to maintain independent living
- Day care – an opportunity to meet other people and take up new opportunities
- Transport – To and from social care / day centres if this is included in your care and support plan (unless you are in receipt of Disability Living Allowance or any Disability Living Allowance component of PIP)
- Telecare – helps people to live independently in their homes by providing technological help for example sensors and alarms
- Supported living – a combination of all of the above usually provided by a single service provider
- Other types of support – some people may choose to use their personal budget to meet their social care needs in a different way eg by buying a computer to assist with on-line shopping (to replace the need for domestic help) or a piece of assistive technology to prevent the need for home care intervention.

6. Care And Support Financial Assessment Policy

This Financial Assessment Policy sets out the national and internal local Council rules that we use to work out how much an individual can afford to pay towards the costs of the Care and Support services provided to them.

It has been drawn up in accordance with the Care and Support (Charing and Assessment of Resources) Regulations 2014 and the Care and Support Statutory Guidance which are issued under Section 17 of the Care Act 2014.

<u>Information that applies to all financial assessments for all care and support settings.</u>

[23] See Annex B – Capital Limits
[24] See Part 9

What is a Financial Assessment for care and support?

A financial assessment is a calculation of the charge you will be required to pay towards the costs of your care[25]

If you have capital assets above the Upper Capital Limit[26] you will be required to pay the full costs of your care and support.

If your capital assets are below the Upper Capital Limit or the Council cannot identify the level of capital you hold we will carry out a financial assessment and ask you to tell us about:

- Your income – how much money you have coming in
- Your capital assets – your savings, investments, land and property

We then work out how much you can statutorily keep for personal use[27].

We use this information to calculate your Assessed Weekly Charge. This is the most you would be asked to pay towards your care and support and is subject to review. If your care and support costs are less than your Assessed Maximum Weekly Charge you will be required to pay the full costs of your Care and Support.

Your Assessed Weekly Charge will change when your financial situation changes, for example if your income or savings change. We will review your financial assessment in line with any changes in your circumstances.

If the service you receive is an after-care service under Section 117 of the Mental Health Act 1983 you will not require a financial assessment.

If your care and support service is fully paid for by the NHS under Continuing Healthcare you will not require a financial assessment.

Capital Limits

The Government sets Upper and Lower Capital Limits to provide statutory guidance to Councils on when a person can afford to pay a charge towards their care and support. Annex B – Capital Limits Schedule shows the current Upper and Lower Capital Limit. The Limits are reviewed by the Government every year.

What is Capital

Capital resources are assets such as money in a bank or building society account, investments, stocks and shares, buildings, land etc.

Some capital is disregarded by the financial assessment and the details of this are set out in the Care Act, Regulations and Guidance[28]

[25] Section 14 of the Care Act 2014
[26] See Annex B Capital Limits
[27] See Annex B Calculating Your Charge

If your total capital is less than the Lower Capital Limit you will pay any assessed charge based on your income only.

If you have a partner and you hold a capital asset in joint names you will be treated as having a 50% share of that capital asset.

If your capital assets are above the Upper Capital Limit you will be treated as self-funding and will be required to pay the full cost of your care and support. We can support you to arrange your own care.

If you do not live in a care home, you have the right to ask the Council to arrange your care and support. The Council will charge you the full costs of your care and support.

If after a financial assessment the value of your assets is assessed to be below the Upper Capital Limit but more than the Lower capital Limit you will be required to pay a charge from your capital, this is called tariff income Annex B – Capital Limits Schedule shows how the tariff income is calculated.

If after a full financial assessment or where the Council has already concluded your assets are below the lower capital Limit you will be required to pay a charge based on your income.

Notional capital

If you deprive yourself of capital assets in order to reduce or avoid charges for care and support we may complete your financial assessment as if you still had those assets. The value of those assets is known as notional capital. For more information see Deprivation of Assets.

[28] The Care and Support (Charging and Assessment) Regulations 2014 Part 3(12), Part 5, Schedule 1, Care and Support Statutory Guidance Annex B and Annex C, also See Annex B

How is a Financial Assessment carried out[29]

1. If your care and support assessment shows that you need an ongoing care service, your Adult Social Care social worker will refer you to our Client Finance Team to request a financial assessment to be carried out with you (or your financial representative if you have one – such as a lasting power of attorney or deputy).

2. A Care Finance Officer will contact you, usually by phone, to arrange a visit to ask you about your financial situation. See example of information needed for your financial assessment (Annex C).
3. The Care Finance Officer will use the Councils Charging and Financial Assessment policy and the national Care and Support (Assessment of Resources) Regulations to work out a maximum amount you can afford to pay towards your care and support. The Care Finance Officer will ask you to sign the Financial Assessment form to confirm that the information provided is correct.

If the Client Officer cannot contact you or a visit cannot be arranged the Council will take the view that you are self-funding and you will be required to pay the full charge of your care and support.

4. The Care Finance Officer will explain to you if any further information is required and agree with you when this will be provided. The Care Finance Officer will check that you are receiving the benefits you are entitled to.

5. If you are moving into a care home permanently and you have a property the capital in that property will be taken into account in the financial assessment. The Care Finance Officer will ask you to provide details about the property and explain the possible funding arrangements, including the Councils Deferred Payment Agreements (see Section 10.) You should always seek independent advice before making a decision on how to use your capital assets.

6. The Care Finance Officer will send you a letter with the outcome of the financial assessment confirming what you will need to pay towards your care and support costs (if any). If you disagree with the outcome, you can appeal. See Appeals, Exceptional Circumstances and Waivers.

[29] See the Councils Guide Working Out Your Care charges Annex A and Sample form Annex C

Light Touch Financial Assessment

There are some situations where the Council will not need to carry out a full financial assessment of your ability to pay towards your care and support. Instead a 'light touch' financial assessment will be completed (a Care Finance Officer will contact you to confirm this). You can still ask the Council to carry out a full financial assessment.

Examples of when a 'light touch' assessment may be carried out:

- Your capital assets are above the Upper Capital Limit – if you know that your capital assets are above the Upper Capital Limit you will not need a full financial assessment. A Care Finance Officer will contact you to confirm that you are assessed to pay the full charge of your care and support.
- You have declined to provide information about your financial situation- if you do not wish to provide information about your financial situation you do not have to. A Care Finance Officer will contact you to confirm that you will be assessed to pay the full charge of your care and support.

If your financial assessment is a 'light touch' financial assessment, the Care Finance Officer will write to you to confirm;

- What you have been assessed to pay towards your care and support and the basis of the financial assessment
- That you can ask them to complete a full financial assessment at any time

Start date of Charges

Your charge will start from the date your care and support services commenced.

Your care charge will be backdated to the date your placement commenced; you should ensure you retain sufficient monies to pay this sum.

See also Financial Assessment Reviews.

Welfare Benefit Entitlements

As part of the financial assessment our Client Finance Officers will offer you a full benefits check.[30]

What happens if you are possibly entitled to additional welfare benefits? The Care Finance Officer will signpost you to contact the Department of Work and Pension (DWP) or a third party agency (such as Age UK) who can then assist you with applying for any additional benefits to which you may be entitled.

What happens if you already receive welfare benefits? The Care Finance Officer will check the amount you are receiving and the breakdown of the benefits.

[30] In accordance with The Social Security (information-sharing in relation to Welfare Services etc.) Regulations 2012, made using powers under sections 130 and 131 of the Welfare Reforms Act 2012.

What happens if you are entitled to additional welfare benefits or a reassessment of welfare benefits? If you become entitled to additional benefit this will affect your financial assessment. The Care Finance Officer will confirm to you in writing the new charge you will be required to pay towards your costs of care and support. If your entitlement to the new welfare benefit is backdated the charge will be backdated to the same date or to the date your care and support started if this is later.

What happens if you choose not to apply for benefits you are entitled too? If you decide not to apply for a welfare benefit that you are entitled to and the Council is satisfied that the benefit income would have been available to you if you had made the application for that benefit we will consider that benefit income as 'notional income' in your financial assessment[31]. The Care Finance Officer will confirm this to you in writing and confirm your care charge based on your financial assessment including the notional income.

Deprivation of Assets

Deprivation of assets is where someone deliberately reduces their overall assets in order to reduce the amount that they are charges towards their care and support.

If the Council decides that you have deliberately given away or disposed of some or all of your savings or other capital asset or income in order to reduce the amount of your assessed care and support charge the Care Finance Officer will complete your financial assessment as if you still had those savings, asset or income. The asset or income would show on your assessment as notional income or notional capital.

If savings, asset(s) or income have been transferred to a third party in order to reduce your care and support charges the Council has the legal power[32] to recover care and support charges from that third party where those charges relate to the value of the transferred asset or capital or to treat you as though you still had that asset or capital and show the asset or capital as notional income or notional capital on your financial assessment.

A person can deprive themselves of capital in many ways, but common approaches may be:

- a lump-sum payment to someone else, for example as a gift
- substantial expenditure has been incurred suddenly and is out of character with previous spending
- the title deeds of a property have been transferred to someone else
- assets have been put in to a trust that cannot be revoked
- assets have been converted into another form that would be subject to a disregard under the financial assessment, for example personal possessions
- assets have been reduced by living extravagantly, for example gambling
- assets have been used to purchase an investment bond with life insurance

[31] Annex B Clause 29(a) of the Care and Support Statutory Guidance
[32] Section 70 of the Care Act 2014

However, this will not be deliberate in all cases. Questions of deprivation therefore should only be considered where the person ceases to possess assets that would have otherwise been taken into account for the purposes of the financial assessment or has turned the asset into one that is now disregarded.

It is up to the person to prove to the local authority that they have not deprived themselves of the asset. If they are not able to, the local authority will assess you as if you still had the asset.

What must the local authority consider

There may be many reasons for a person depriving themselves of an asset. A local authority should therefore consider the following before deciding whether deprivation for the purpose of avoiding care and support charges has occurred:

> (a) whether avoiding the care and support charge was a significant motivation in the timing of the disposal of the asset; at the point the capital was disposed of did you have a reasonable expectation of the need for care and support?
>
> (b) did you have a reasonable expectation of needing to contribute to the cost of their eligible care needs?

For example, it would be unreasonable to decide that you had disposed of an asset in order to reduce the level of charges for your care and support needs if at the time the disposal took place you were fit and healthy and could not have foreseen the need for care and support.

Your intention to avoid your care charges must be a **significant factor, or the only reason**, you have dispossessed of an asset, in order to be found to have deprived yourself.

When deciding whether a deprivation has occurred the local authority should take into account:

Whether avoiding care and support charges were a significant motivation timing of the disposal.

When the asset was disposed of, could you have a reasonable expectation of the need for care and support?

Did you have a reasonable expectation of needing to contribute to the cost of your eligible care needs?

We may conduct our own investigations into whether deprivation of assets has occurred, rather than relying solely on information that you provide.

What is capital/ Asset

Capital can mean many different things and this is not a definitive definition. The local authority will consider the individual asset on its merits. In general it refers to

financial resources available for use and can be from sources that are considered more durable than money in the sense that they can generate a return.

The following list gives examples of capital. This list is intended as a guide and is not exhaustive:

- buildings
- land
- If you own multiple properties any property that is not your main home will be taken into account if you have non-residential or residential care.
- Your main home will be taken into account after the first 12 weeks of residential care.
- If your main home is jointly owned your equitable share of the property will be taken into account if you need residential care.
- National Savings Certificates and Ulster Savings Certificates
- Premium Bonds
- Stocks and shares - the market value of the shares will be taken into account less 10% even if the shares were purchased before you had knowledge of a need for care.
- capital held by the Court of Protection or a Deputy appointed by that Court
- any savings held in:
  a. building society accounts
  b. bank current accounts, deposit accounts or special investment accounts. This includes savings held in the National Savings Bank, Girobank and Trustee Savings Bank.
  c. save as you earn (SAYE) schemes
  d. unit trusts
  e. co-operatives share accounts.
  f. Cash
- trust funds

<u>Common approaches to deprivation</u>

Deliberate reduction of your assets when you have knowledge of a need for care will be considered a deprivation. This list is intended as a guide and is not exhaustive:

This may include;

- Transferring a property to a family member / friend /third party at undervalue or for no value.
- Selling a property at undervalue.
- Putting a property into multiple names.
- Creating a trust to avoid a property being taken into account.
- Investing the proceeds of sale or spending the proceeds of sale of a property.
- Placing the proceeds of sale in an account not belonging to you.

Payments / gifts

This list is intended as a guide and is not exhaustive:

This may include;

- Lump sum payments to a family member / friend / third party.
- Large gifts – a large total sum gifted accumulatively over a year may be considered a deprivation.
- Reasonable gifts such as birthday or Christmas presents would not be considered a deprivation.
- Allowing a family member / friend / third party to access your bank account and withdraw funds with or without your consent.
- Where you chose to withdraw funds from your pension on retirement so that you can manage it directly, this may be treated as assessable capital. If the funds released from the pension are invested in assets that are disregarded, the fund could still be assessable capital if the reinvestment is treated as deliberate deprivation of capital to avoid care charges.
- Expenditure deriving from capital from a pension lump sum may be regarded as a deliberate deprivation of assets in some circumstances.

Assets

This list is intended as a guide and is not exhaustive:

This may include;

- Buying expensive assets, for example art work or cars.
- Living beyond your means or spending out of character.
- Buying Investment bonds with life insurance.
- Putting funds aside for funeral costs without buying a funeral plan.

There is further information about Deprivation of Assets in the Care and Support Statutory Guidance Annex E.

<u>Delays to the Financial Assessment Process</u>

If you (or your financial representative) unreasonably delay completing the financial assessment the Council will apply a Light Touch Financial Assessment and you will be assessed to pay the full costs of your care and support from the start date of the service provision.

If you then provide information for a full financial assessment within four weeks, which results in a lower charge, any reduction in charge will be reimbursed or credited against future Care and Support charges. If you provide the information after four weeks consideration will be given to refunding the difference – depending on the circumstances of the case and the reasons for the delay. The Director of Adult Care holds discretion in this matter. [33]

'Unreasonable delay' will be determined on an individual basis; as a general rule, however, the Council expects you (or your representative) to be available to

[33] See the Councils Guide Working Out Your Care charges Annex A

complete a financial assessment within four weeks of contact from the Care Finance Officer.

If the Care Finance Officer asks you for further information to support or complete your assessment, the Council would expect you to provide this within two weeks of the date it was requested.

Financial Assessment Reviews

You can ask the Care Finance Officer to review your financial assessment at any time.

The Council will periodically review your financial assessment – usually annually- either when your care and support assessment is completed or when pensions, benefits and allowances change in April.

Your financial assessment review may be completed automatically when pensions, benefits and allowances change or a Care Finance Officer may contact you to carry out a full review of your financial circumstances. If your financial review changes what you are charged the Care Finance Officer will confirm this to you in writing.

If you disagree with your financial assessment you should contact the Care Finance Officer in the first instance to try and resolve any issues as soon as possible. We will go through the information to check that the assessment is correct and that the calculation or decisions have considered all your relevant information in line with the policy.

If you still do not agree with the Councils decision you can make a formal complaint to the Complaints and Data Protection Team Manager
complaints_cypandadults@bathnes.gov.uk

The Councils complaints procedure can be viewed at
http://www.bathnes.gov.uk/services/your-Council-and-democracy/complaints-and-customer-feedback/complaints-about-adult-social

If you are not satisfied with the decision made by the Councils complaints team you can refer the matter to the Local Government and Social Care Ombudsman
https://www.lgo.org.uk/

The Local Government Ombudsman, PO Box 4771, Coventry, CV4 0EH

Telephone: 0300 061 0614

Change in Circumstance

If your financial circumstances change at any time you must let us know immediately about these changes as they may affect your assessment and the amount you need to pay. If you do not let us know and we find out at a later date, you may have to pay a backdated charge if your assessment has changed

If you fail to notify us and the Council becomes aware of a change to your financial circumstances, the Council will, at their discretion, take the change in to account in

your financial assessment. This may result in a change to your assessed charge, if there is an underpayment of your assessed charge the Council will seek payment of this sum from you. If this means there is a change to your assessed charge and the Council has overcharged you, the Council will refund you the sum of the overpayment.

Use of Financial Information

The information collected and stored about your financial assessment is collected and store in compliance with the General Data Protection Rules[34]. The Council will only share this information in accordance with the General Data protection Regulations. The Council and/or VirginCare will provide you with a privacy notice either via the Councils website or in paper format at your request. The Regulations also give you the right to see the information that the Council keeps about you.

Appeals

The Council wants to ensure that any charge you are asked to pay is fair and reasonable. Sometimes people using care and support services may experience exceptional circumstances which the Council will consider on an individual basis.

If you disagree with the outcome of your financial assessment or deferred payments / Interim Funding Decision you should contact the Care Finance Officer in the first instance to try and resolve any issues as soon as possible. The Care Finance Officer will go through the information with you and check the assessment / decision has considered all of the relevant information in line with the Charging and Financial Assessment rules.

If you are still dissatisfied with the outcome the Care Finance Officer will advise you how you can lodge an appeal with the Team leader for Care Finance.

If you still do not agree with the Councils decision you can make a formal complaint to the Complaints and Data Protection Team Manager
complaints_cypandadults@bathnes.gov.uk

The Councils complaints procedure can be viewed at
http://www.bathnes.gov.uk/services/your-Council-and-democracy/complaints-and-customer-feedback/complaints-about-adult-social

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Telephone: 0300 061 0614

[34] GDPR Clause 6.1(c) and 6.1(e) and 9.2(b) and 9.2(g)

Debt Recovery

If you are unable to pay your charge for care and support when they are due, either in full or in part, you must tell us as soon as possible so that we can discuss this with you and attempt to find a resolution.

You will be sent two reminders the first will be sent 28 days after the initial invoice and the second will be sent 42 days after the initial invoice.

If your care and support charges remain unpaid and there is no good reason why you (or your financial representative) are unable to pay your charge, the Council will start debt recovery action[35]

The Council may consider allowing payment of the debt by instalments, we will require the full debt to be repaid within a short period depending on your financial circumstances and you will be asked to sign an undertaking confirming the terms of any agreement reached.

If your care and support charges remain unpaid despite the Councils reasonable attempts to recover the debt, we will consider making an application to the County Court to issue a claim to seek a judgment against you, if we do this you could also be liable to pay the Councils legal costs and interest on the debt at a rate agreed by the Judge.

Financial Assessment and Charging for Care Home Accommodation

If you have care and support needs identified that can only be met in a care home, you will need to pay a charge towards your accommodation fees in the care home.

- If your capital assets (such as savings and investments) are above the Upper Capital Limit, you will need to pay the full costs of your care home fees, usually, directly to the care home.
- If your capital assets are below the Upper Capital Limit, the Council will carry out a financial assessment with you to work how much your charge towards the costs of the weekly care home fees will be. [36]
- If you own a property, or part of a property, or have a beneficial interest in a property, there are rules around whether this is counted within your Capital assets or disregarded. See if you own a property below.
- If you qualify for Funded Nursing Care part of your weekly care charge will be paid through the NHS.[37]

There are exceptions to being charged for care and support:

- If your care home placement is an ‘After-care’ support service provided under section 117 of the Mental health Act 1983, you will not need to have a financial assessment as you will be exempt from charge.

[35] Care and Support Statutory Guidance – Annex D: Recovery of Debts
[36] See Annex B
[37] See Annex B

- If your care home placement is fully paid by the NHS through Continuing Healthcare you will not need to have a financial assessment as the care and support is provided free by the NHS.[38]
- If you are placed in a Step Down bed
- If you are receiving services from the integrated reablement service for a short period of intensive therapies and support from health and social care professionals to promote regaining independence[39]. (Please note that once the reablement service confirms that your short term reablement goals have been met, you may become charged for any additional services if the reablement service continues to meet your ongoing care needs while an long term care provider is found)

If you are responsible for the full charge of your care home because your savings and investments are above the Upper Capital Limit the Social Worker can arrange advice and support to help you choose a suitable care home that will meet your needs, You should consider:

- Find out from the care home what happens if your savings / investments fall below the Upper Capital Limit. For example would the home accept local authority payment rates or would they require you to nominate someone to pay a third party top-up. If you do not have anyone who could pay a third party top up you should ensure you chose a home that will accept local authority payment rates.
- You are responsible for paying the care charges directly to the care home
- If your savings / investments reduce and approach the Lower Capital Limit, you should contact the Council and request help with the care home costs. The Council will also review your care and support needs at the same time to make sure that the care home still meets your identified needs.

If you ask the Council to arrange your Care Home placement you will be charged an arrangement fee of £250.00 plus VAT.[40]

If your capital assets are below the Upper Capital Limit, and you do not own any property, the Council will carry out a financial assessment of your income and capital assets to work out your 'calculated weekly care charge'. The Council use national rules to do this called the 'Care and Support (Assessment of resources) Regulations 2014' which are issued under section 17 of the Care Act 2014.

If you have chosen to move to a care home that is more expensive than the care homes that the Council have identified to meet your needs, you will need to identify a person who is willing and able to make top up payments – to pay the shortfall, this is called a third party top-up. See third party top-ups.

Your financial assessment will always make sure you are left with an amount for you to use for your day-to-day personal expenses in the care home. There is a standard amount for this Personal Expense Allowance set out in the Care and Support (Charging and Assessment Resources) Regulations 2014 which is reviewed each year by the Government. The current rate is shown in Annex A.

[38] You will need to request an assessment and meet the criteria
[39] Clause 4 of the Care and Support (Preventing Needs for Care and Support) Regulations 2014
[40] Clause 8.58 and 8.59 of the Care and Support Statutory Guidance

<u>If you own a property</u>

If you own a property, or have a beneficial interest in a property, the Care Finance Officer will check whether the property capital is disregarded.

The Care and Support (Charging and Assessment of Resources) Regulations 2014 and the Care and Support Statutory Guidance set out the circumstances in which property capital is always disregarded.

For example:

- If your spouse or partner still lives in the property your property capital would be disregarded in the financial assessment for as long as they continue to live at the property
- If you have a relative aged over 60, or a disabled relative who resides at the property the property would be disregarded for as long as they remain residing at the property.

The regulations state who counts as a 'relative' and the Statutory Guidance gives more information[41].

Your property capital is disregarded for the first 12 weeks of moving permanently to a care home. [42]

The purpose of the 12 week property disregard is to provide time to allow a long term decision about the property to be made.

The 12 week property disregard applies if:

- You move into a care home for the first time, and, as a result of the ownership of your home, you are responsible for the full charge of the care home fee.
- You are already living in a care home, and your property was previously disregarded in your financial assessment under a statutory disregard or a discretionary disregard, but, due to a change of circumstance those disregards are no longer relevant and the value of the property means you would be responsible for the full charge of the care home fees. A change of circumstance could, for example, be where a partner or relative living in the property goes into a care home themselves, or moves house or passes away.

The 12 week property disregard only applies to your sole or main residence prior to moving into a care home. It does not apply to any other property or land you own.

If you have savings and capital above the Upper Capital Limit at the start of your placement in a care home, and you own a property, you have the opportunity to make decisions about what to do with your property during the period you are able to self-fund – unless this is less than 12 weeks. In this event you will be entitled to the remaining period of the 12 week property disregard from the start of your placement. For example if you can self-fund for a period of 6 weeks from the start of the care

[41] Annex B Clause 35 of the Care and Support Statutory Guidance
[42] The Care and Support (Charging and Assessment of Resources) Regulations 2014 Schedule 2 Paragraph 2.

home placement you would be entitled to a further 6 weeks property disregard period.

Your financial charge during the property disregard period will be based on a financial assessment of your income. The Care Finance Officer will carry out the financial assessment based on your financial circumstances excluding the value of your main property. The financial assessment will take account of your income and any savings or assets above the Lower capital Limit and leave you with your personal expense allowance.

In addition to your personal expense allowance during the 12 week property disregard period you will be allowed the costs of[43]:

- Rent / mortgage
- Buildings insurance (subject to evidence being provided of the amount being paid for building insurance only)
- Council tax
- Utility standing charge
- Basic property maintenance

Your income based charge will be paid directly to the care home and the Council will pay the difference between your payment and the total weekly care home charge, with the following exceptions:

- If the care home is Council owned your weekly care charge will be paid directly to the Council
- If the Council has agreed with the care home under their contract to make full payment your weekly care charge will be paid directly to the Council

If the Council pays your weekly care charge the assessed weekly charge is due for payment at the time we raise an invoice. See how to pay your Charges for Care and Support.

If you receive Attendance Allowance, Disability Living Allowance (Care Component) or Personal Independence Payment (Daily Living Component) these benefits will continue to be paid to you by the Department of Work and Pensions for the first four weeks that you are in the care home or hospital. After the first four weeks these benefits are not payable to you whilst the Council provides funding towards your care home costs.

At the end of the 12 week property disregard period, if you have not entered into a deferred payment agreement, you will become responsible for the full cost of your care home placement.

If you ask the Council to arrange your Care Home placement you will be charged an arrangement fee of £250.00 plus VAT.[44]

[43] Annex C Clause 46(d) the Care and Support Statutory Guidance
[44] Clause 8.58 and 8.59 of the Care and Support Statutory Guidance

Discretionary Disregard of Property

The Care Act 2014 sets out a number of situations where the property you live in and have a beneficial interest in, must be disregarded[45].

However there may be circumstances where the Council considers it appropriate to disregard your interest in the property, even though we are not required to by the national Regulations, this is a discretionary disregard[46].

The Council must balance the use of this discretion with the need to ensure that public funds are not used inappropriately.

If you ask us to consider disregarding your property on a discretionary basis, in making this decision we will consider our financial resources, and the following factors:

- The reason for the occupation of the property by any third party
- The timing of the move to the property by any third party
- How long has the third party resided at the property
- What is your relationship with the third party
- Has the third party cared for you and if so for how long and what was the main reason for the move to your property
- Where did the third party reside before moving to the property
- When did you first have identified care needs
- When was care home accommodation first considered as an option for you
- Has the third party made any financial contribution to the property and if so how much and why.
- How is the property owned

The weight placed against each factor in considering the request will depend on the individual circumstances and actions taken. The decision will be made by a Senior Manager or the Councils Panel.

You can ask your Care Finance Officer if you would like the Council to consider a discretionary property disregard.

The Council will require you to provide all the information relevant to your request, once this information has been gathered the request will be considered by the Team Manager for a decision.

In difficult cases advice may be sought from the Council's legal advisers.

If your request is turned down you will be informed of the reasons in writing and the Council will inform you how you can make a complaint if you disagree with the decision.

[45] See Clause 34-41 Annex B of The Care and Support Statutory Guidance
[46] See Clause 42-44 Annex B of The Care and Support Statutory Guidance

Annex 10

Financial Assessment and Charging for Non-Residential Care and Support.

If you have care and support needs whilst living in supported accommodation or at home you may need to pay something towards you care and support.

If your savings and capital assets are above the Upper Capital Limit, you will need to pay the full cost of you care and support. We can help you arrange your care and support or we can make the arrangements for you.

If you ask us to arrange the care and support on your behalf you will need to pay the full cost of your care and support.

If your total savings and capital assets are less than the Upper Capital Limit, we will carry out a Financial Assessment to work out your 'calculated weekly care charge'.

To calculate your weekly care charge we carry out the following assessment:

Weekly income + Tariff income on savings

- Housing expenses
- Minimum income guarantee
- Disability related expenditure
- Allowable expense commitments
  = calculated weekly care charge

Weekly income is the amount of income you receive[47] that is included in your financial assessment (any earned income is disregarded[48]). Your income is converted into a weekly figure in the financial assessment.

Tariff income on savings is a weekly amount calculated from capital assets that are not disregarded. If you have capital assets above the Lower Capital Limit but less than the Upper Capital Limit we will include £1 for every £250[49].

Housing expenses – see 'Housing Expenses' for what costs are allowed in your Financial Assessment.

Minimum Income Guarantee is an allowance given in the assessment by the Government to cover living costs – see Minimum Income Guarantee for further information.

Allowable expenses commitments – see allowable expense commitments.

Disability Related Expenditure (DRE) the Council may make an allowance in your financial assessment for expenses in relation to disability or medical conditions – see Disability Related Expenditure.

If you live with a partner:

[47] This may include notional income if you are entitled to income that you have chosen not to receive. For example, if you have a pension fund that you have chosen to draw a lower amount than you are entitled to, your weekly income will include the full amount of income you were entitled to draw from an annuity product.
[48] Clause 8.21 of the Care and Support Statutory Guidance
[49] Clause 8.20 of the Care and Support Statutory Guidance

You will need to identify:

- Your own income
- Your own capital
- Your own expenses
- AND any income, capital and expenses that both you and your partner are entitled to or incur jointly (this could be income received, and/or capital held, and/or expenses incurred by either you or your partner on behalf of both of you). The Council as a starting point will assume that joint income and capital are owned in equal shares; however it is for you to produce evidence of any assertion that income and/or capital are held in unequal shares.

Examples of income that are treated as received jointly for couples include but are not limited to:

- Pension Guarantee Credit
- Pension Saving Credit
- Income related Employment Support Allowance
- Universal Credit

The Council will assume that the payment of benefits and credits such as these are shared equally between both members of the couple, regardless of who the payment is made to.

The Minimum Income Guarantee (MIG) allowance that will be used in the financial assessment where the individual is part of a couple will be that shown in the Care and Support (Charging and Assessment of Resources) Regulations 2014[50] relating to an adult who is part of couple.

Calculation of Income

In the Financial assessment process your sources of income will be included, disregarded or partially disregarded. The Government provides guidance on which sources of income the Council must disregard and gives the Council discretion in respect of other sources of income.

The table below shows how sources of income are treated by the Council.

[50] Clause 7.4 of the Care and Support (Charging and Assessment of Resources) Regulations 2014 as amended by https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/677736/Local_authority_circular_-_charging_for_care_and_support_LAC_DHSC__2018_1.pdf

Annex 10

Key –

I Included D Disregarded PD partially disregarded

SOURCE OF INCOME	HOW THE CARE FINANCE OFFICER TREATS
Armed Forces Independence Payment	D
Attendance Allowance	I
Boarders	PD[51]
Carers Allowance	I
Child Benefit	D
Child Tax Credit	D
Child Maintenance	D
Charitable Income	D/PD[52]
Constant Attendance Allowance	I
Court Order Payments or Settlements	I
Disability Living Allowance (Daily Living)	I
Disability Living Allowance (Mobility)	D
Earnings	D
Employment and Support Allowance *	I
Equity Release Scheme Income	I
Exceptionally Severe Disablement Allowance	I
Guaranteed Income Payments (paid under Armed Forces Compensation Scheme)	D
Housing Benefit	D
Incapacity benefit	I
Income Support *	I
Industrial Diseases Benefit	I
Interest from Capital (such as savings and investments)	D or I[53]
Income from Trade Unions and Friendly Societies	I
Job Seekers Allowance *	I
Lodgers and self-supporting children living at home	I
Maintenance Payments specifically relating to children	D
Nationalist Social Persecution Payments	D
Notional income - this may include notional income from pension funds where a lower amount is being drawn, or where a pension income has been deferred	I[54]
Occupations Pension – Personal Pensions	I
Pension Guaranteed Credit	I

[51] Annex F clause 20 of the Care and Support Statutory Guidance

[52] This may be fully disregarded or partially disregarded in line with Part 4 Clause 16, 22 and Schedule 1 of the Care and Support (Charging and Assessment of Resources) Regulations 2014.

[53] If the capital has been included in the financial assessment, the income received from the capital is usually disregarded. If the capital is not included in the financial assessment, the income received from the capital us usually included. The Care and Support Guidance (Annex A and B) has further examples.

[54] Notional income is an amount of money that is counted in the financial assessment where the individual could access (or could have accessed) that money as income if they chose to, but have chosen not to.

Pension Savings Credit	I/D
Personal Injury Payments	D subject to investment [55]
Personal Independence Payment (Daily Living)	I
Personal Independence Payment (Mobility)	D
Severe Disablement Allowance	D
State Pension	I
Social Fund Payments	I
Sub Tenants	D
Trust Fund Income	I/D[56]
Universal Credit *	I
War Pension paid to Veterans	I
Widows Benefit	D
Winter Fuel and Cold Weather Payments	D
Working Tax credit	D

* Personal Injury payments will be disregarded for 52 weeks[57] from the date of receipt and then taken into account in any financial assessment unless the sum received is placed in a trust fund or Deputyship account.

* Pension savings credit is taken into account if you receive care in a residential setting but not if you receive care at home or in the community.[58]

* Income from means-tested benefits paid to one member of a couple are considered as shared equally between both members of the couple:- 50% of a couple's income-related Employment and Support Allowance; Pension Credit; and Universal Credit is considered within the financial assessment for the member of the couple who receives the care and support.

All other income not listed in the table will be considered in the Financial Assessment in line with the Care and Support (Assessment of Resources) Regulations 2014, along with any tariff income from savings and capital.

Tariff income is a weekly amount calculated from capital assets that are not disregarded. The weekly amount is added to your income in your financial assessment. This is calculated as follows:

LEVEL OF CAPITAL OR SAVINGS	HOW THIS IS CONSIDERED IN THE FINANCIAL ASSESSMENT
£0 - £14,250	Disregarded
£14,251 - £23,249	Tariff income is calculated at the rate of £1 for every £250 or part thereof[59]

[55] Clause 15(3)(c) and 22 of the Care and Support (Charging and Assessment of Resources) Regulations 2014 and Schedule 10 Para 12 and 12(a) of the Income Support (General) Regulations 1987.
[56] Treatment of Trust Funds income depends on the situation and are detailed in the Care and Support (Assessment of Resources) Regulations 2014 Part 1 Clauses 22 and 27
[57] Paragraph 12 of Schedule 10 of the Income Support Regulations (personal Injury Trusts)

[58] Clause 30 of Annex C of the Care and Support Statutory Guidance
[59] Clause 8.20 of the Care and Support Statutory Guidance

£23,250 +	Full cost of care and support applies at or above this level

Housing Expenses

The Council will make allowance in the non-residential financial assessment for your housing costs. Sharing costs – if you share a household with other adults, the amount of the housing costs item that is allowed in your financial assessment will be on the basis that costs are shared equally by the number of adults in the household, unless the Council has information to show that a different way of sharing the costs should be considered.

Allowances are made depending on your housing tenure and circumstances, including:

- Rent (net of housing benefit). If you are entitled to receive full housing benefit or Universal Credit Housing Allowance but you have your benefit reduced by a 'non-dependent deduction', your financial assessment will not show an allowance for the non-dependent deduction amount.
- Mortgage (net of assistance through benefits such as Pension Credit, Employment and Support Allowance and Universal Credit)
- Council Tax (net of Council Tax Support). If you are entitled to receive full Council Tax Support but have you have your support reduced by a 'non-dependent deduction', your financial assessment will not show an allowance for the non-dependent deduction amount.
- Essential service charge and ground rent net of funding through benefits
- Water – the Council will allow the costs of the standing charge
- Gas and electricity - the Council will allow the costs of the standing charge
- Home Buildings insurance[60] (subject to evidence being provided of the amount being paid for building insurance only)

Allowable Expense Commitments

An allowance for the following expense commitments may also be made in your financial assessment, if they apply to you:

- Payments under a Court Order (e.g. child maintenance)
- Educational expenses at the discretion of the Council and if they are identified in your care and support plan (these are costs associated with a registered education or training course at University or College). Costs are apportioned across the year, and a weekly allowance is calculated. Allowable expenses include tuition and study materials (e.g text books) subject to the course being appropriate to assist with obtaining work and may include tools required for an apprenticeship, if you have to pay for them. You should retain receipts of expenses as proof.

Minimum Income Guarantee (MIG) for Basic Living Costs

[60] See Annex C Clause 49 of the care and Support Statutory guidance

This is the level of income that national rules state you must be left with before any charge can be made for non-residential care and support services. This Minimum Income Guarantee is to ensure that you are left with money to cover your day-to-day basic living expenses. The level of the Minimum Income Guarantee varies depending on your age and other circumstances at the time of your financial assessment. [61]

If you live with a partner who is on a low income[62] you and your partner can request that the Council carries out an affordability check of your joint situation to ensure that your level of Minimum Income Guarantee f(or basic living costs) maintains your joint financial resources above Department for Work and Pensions minimum levels.

Disability-Related Expenditure (DRE)

This is an allowance that is made in your financial assessment for additional expenses due to disability or medical condition if you receive Attendance Allowance or Personal Independence Payment, Disability Living Allowance (Care component) or Health Allowance component of Universal Credit. Your Social Worker will as part of the care and support assessment refer any request related to a disability and/or medical condition to their Social Work Team Manager who will decide if this cost will be allowed as part of your financial assessment.

DRE will be considered when:

- The extra cost is needed to meet your specific need due to a medical condition and/or disability, as identified in your care and support plan[63].
- The cost is reasonable and verified
- It is not reasonable for a lower cost, free alternative item or service to be used. If a lower cost alternative could have been used, the expense considered will be capped at the cost of the lower item.

DRE Allowance is not allowed for

- General items or services required for daily living, which would be used by the general population;
- Any item or service met by payment from a grant (e.g. Disability Facilities Grant) or where another funding source has been provided;
- The difference between the actual cost and the lower cost alternative where the Council considers it reasonable for a lower cost alternative;

Where a particular item of expenditure combines more than one item or service the Council will only consider the part of the expense that is meeting the specific disability or medical condition. For example, if you pay a hairdresser the hair washing cost would be considered if you could not do this task yourself, however,

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61 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/677736/Local_authority_circular_-_charging_for_care_and_support_LAC_DHSC__2018_1.pdf

62 'Low Income' relates to income (including tariff income from savings) below Department for Work and pensions minimum allowance/personal allowance levels of benefit.

63 Annex C Clause 39-41 of the care and Support Statutory Guidance.

hair cutting costs would not be allowed, as this is a service used by the general population and is not a disability related expense.

Sharing costs – if you share a household with other adults, and the additional disability-related expense item relates to a service that supports the household as a whole (for example payments to a cleaner) the amount of the expense item that is allowed in your financial assessment will be on the basis that costs are shared equally by the number of adults in the household, unless the Council has information to show a different way of sharing the costs should be considered.

Assessed Weekly Charge

Your assessed weekly care charge is the amount you are required to pay towards the costs of your non-residential care and support. You will not be asked to pay more than your assessed weekly care charge.

a. if your assessed weekly care charge is nil, you will receive your non-residential care and support service free of charge.

b. If your assessed weekly care charge is more than the cost of your agreed care and support, you will pay the full cost of your care and support.

c. if your assessed weekly charge is less than the cost of your care and support, you will pay only your assessed weekly charge towards your care and support.

Annual Review

We will review your charge annually. This usually happens around the time that pensions, benefits and allowances change in April.

If you disagree with your financial assessment you should contact the Care Finance Officer in the first instance to try and resolve any issues as soon as possible. We will go through the information to check that the assessment is correct and that the calculation or decisions have considered all of your relevant information in line with the policy.

If you still do not agree with the Councils decision you can make a formal complaint to the Complaints and Data Protection Team Manager
complaints_cypandadults@bathnes.gov.uk

The Councils complaints procedure can be viewed at
http://www.bathnes.gov.uk/services/your-Council-and-democracy/complaints-and-customer-feedback/complaints-about-adult-social

If you are not satisfied with the decision made by the Councils complaints team you can refer the matter to the Local Government and Social Care Ombudsman
https://www.lgo.org.uk/

The Local Government Ombudsman, PO Box 4771, Coventry, CV4 0EH

Telephone: 0300 061 0614

How to pay your charges for Care and Support

You will be required to pay your assessed weekly charge directly to the Care provider if you are assessed as self-funding. This will be either the Care Home or the agency providing the care and support in other settings.

If the Council pays your assessed weekly charge you will be sent an invoice 4 to 8 weeks in arrears and payment is due immediately. If you make payment by direct debit payment will be made by the 5th of the month following the date of the invoice.

7. Section 117 And Social Care Packages Of Care

If the service you receive is an after-care service under Section 117 of the Mental Health Act 1983 you will not require a financial assessment and you will be exempt from charge for the care and support provided under your Section 117 after care plan.

Your care and support plan may show that only a percentage of your care and support is funded under Section 117 and the remainder is funded by social care.

For the percentage of the care and support plan that is social care funded you will have a financial assessment carried out to assess what you can afford to pay towards the social care element of the identified care and support needs.

The financial assessment will be on the same basis as that for non-residential or residential care and support dependant on where you receive your care and support.

You will be required to pay your assessed weekly care charge:

a. if your assessed weekly care charge is nil, you will receive your non-residential care and support service free of charge.

b. If your assessed weekly care charge is more than the cost of your agreed care and support, you will pay the full cost of your care and support.

c. if your assessed weekly charge is less than the cost of your care and support, you pay only your assessed weekly charge towards your care and support.

8. Mental Capacity To Manage Finances

If you have mental capacity but would like another person to manage your finances for you, you can nominate that person on the finance assessment form and the Council will deal with this person on your behalf, the Council will continue to keep you informed and consult with you where appropriate.

If you have capacity but would like another person to be able to sign legally binding documents on your behalf, you will need to appoint a Lasting Power of Attorney. The Council will deal with the appointed attorney on your behalf, the Council will continue to keep you informed of all decisions and consult with you where appropriate.

If you are legally appointed to act for someone the Council is arranging care and support for, who lacks mental capacity[64] to manage their finances you must provide us with:

- Evidence of your legal authority to act as the financial agent for that person such as-
  - A registered Lasting Power of Attorney: or
  - A registered Enduring Power of Attorney: or
  - A deputyship Order from the Court of Protection[65]

You will need to provide any financial information required to carry out the financial assessment for the person needing care and support.

The Care Finance Officer will then:

- Send you any correspondence addressed to the person you represent.
- Require you to sign any financial documents or contracts on behalf of the person you represent.
- Require you to settle any invoices for care charges raised in the name of the person you represent.

If you act for a person who lacks mental capacity you should ask the Department for Work and Pensions (DWP)[66] to appoint you to deal with the state benefits for that person (an 'appointee for benefits').

An 'appointee for benefits' has authority to deal with state benefits only for that person and may not have access to other financial information or assets records belonging to that person. Where state benefits are the only source of income, and there are no other financial assets (such as savings, investments, property) it will usually be possible for the financial assessment to be completed.

If the person who lacks capacity has other assets (such as a private home, savings, investments, and private income) a suitable representative will need to make an application to the Court of Protection to become Deputy so they can deal with the person's finances and affairs.

The Deputy can be a family member, friend or solicitor. If no suitable representative can be identified, the Council will make the application to the Court of Protection to become Deputy or to have a panel Deputy appointed (usually a solicitor).

If you have applied to the Court of Protection, or you intend to apply, to become Deputy you should inform the Council and Department of Work and Pensions.

While your application is in process:

The Court of Protection can take a long time to process the application for Deputyship; the usual timeframe from when the application is sent to the Court of

[64] Clause 2 Mental Capacity Act 2005
[65] Clause 19 Mental Capacity Act 2005
[66] For further information see www.gov.uk/government/publications/making-decisions-who-decides-when-you-cant

Protection is around 5 months. During this time if you are able to provide sufficient information about the persons finances the Council will carry out the financial assessment and the Council will give you information about any potential charges for the care and support.

If the Council can complete a financial assessment we will send you invoices for the care and support charges but allow for payment to be delayed until you receive legal authority to access the necessary accounts.

If the Council cannot complete a financial assessment we will defer the assessment until you have the legal authority to access the financial information and backdate any assessed charges to the date the person started receiving the care and support. The Council may work out an interim charge based on state benefits and send an invoice for that amount, once you have authority to access the person's financial information the Council will complete the financial assessment and backdate the assessment to the date the person started receiving care and support making any required adjustment for payments made.

If the person you represent clearly has capital above the upper capital threshold that would not be disregarded the Council will consider the person to be a self-funder and will not provide financial assistance.

You can find information on becoming a financial representative see:

- Make decisions on behalf of someone www.gov.uk/make-decisions-for-someone
- The Mental capacity Act 2005 www.gov.uk/government/publications/making-decisions-who-decides-when-you-cant
- Setting up and registering Lasting Power of Attorney www.gov.uk/lasting-power-of-attorney-duties
- Registering existing Enduring Power of Attorney www.gov.uk/enduring-power-of-attorney-duties
- Applying to the Court of Protection to become a Deputy www.gov.uk/become-deputy
- Being appointed by the Department of Work and Pensions to manage state pension and benefits www.gov.uk/become-appointee-for-someone-claiming-benefits

You can also find information on the NHS website www.nhs.uk – on the Guide to Care and Support pages.

9. Residence When Moving To Accommodation Outside Bath And North East Somerset Council

If you move to accommodation outside of Bath and North East Somerset while we are responsible for funding your care (because of the availability of suitable accommodation) to meet your care and support needs, you still remain a Bath and North East Somerset resident.

The Council will keep the same responsibility for you that they have for someone living in the Bath and North East Somerset area. Only if you later choose to move by

private arrangement may you become 'ordinarily resident' in your new area. If this happens, your new Council becomes responsible for any future care and support assessment and/or funding[67].

If you fund your own care and support and choose to move to a different area for accommodation to meet your needs (for example, to be closer to your family) you will usually become 'ordinarily resident' in the new area. If you become eligible for support from adult social care services in the future, the Council in your new area would be expected to fulfil this responsibility[68].

10. Deferred Payment Agreements

Introduction

Deferred Payment Agreements are a way of making sure you are not forced to sell your home during your lifetime to pay for care, and to give you more flexibility about your care-funding options.

The 'Care and Support (Deferred Payment) Regulations 2014' set out the situations in which the Council must offer a Deferred Payment Agreement and where the Council may offer a Deferred Payment Agreement. These Regulations are set in accordance with the Care Act 2014 Sections 34 and 35.

A deferred Payment Agreement is generally only available to people who:

- Have identified needs assessed as being best met in a care home on a permanent basis; and
- Have been assessed to pay the full fees of care home accommodation because of property they own that takes their capital assets above the Upper Capital Limit.

The Council have taken a decision that Deferred Payment Agreements are only available to those in residential care.

This policy only applies to Deferred Payment Agreements entered into after the 6th April 2020 any agreement entered into on or before the 6th April 2020 will continue under the terms and conditions of your existing agreement.

A Deferred Payment Agreement will not be offered if you own your own home AND have capital or assets (including other property) above the Upper Capital Limit. In this case you are considered to be able to fund your own placement without the need to involve the Council for funding the Council can still provide you with an assessment, information and advice.

[67] Chapter 19 Care and Support Statutory Guidance and Chapter 39 Care Act 2014.
[68] Chapter 19 Care and Support Statutory Guidance and Chapter 39 Care Act 2014.

Annex 10

Background

A Deferred Payment Agreement (DPA) is an agreement between you and the Council, where the full payment for your care charges are 'deferred' (put off to a later date) and paid in the meantime by the Council – provided you can offer the Council a form of security (a legal charge against your property). The money you owe to the Council for your care charge is then repaid to the Council when your home is sold, or from your estate, or from a third party at the end of the Agreement.

If your financial assessment shows you can afford to pay a charge from your income and other capital assets towards your care charges you will be required to pay your assessed charge throughout the term of the DPA. This will lower the amount of the deferred charges to be repaid to the Council at the end of the DEPA. A financial assessment will be carried out in accordance with the statutory guidance.

If you accept the offer of a DPA with the Council you will charge administration fees towards the costs of setting up and monitoring the DPA. You will also be charged interest on the charges that you defer from the start of the DPA.

Eligibility Criteria

You are eligible to apply for a Deferred Payment Agreement if all points below apply to you:

- Your care assessment shows that your identified needs are best met in a care home; AND
- The total of your other capital assets (not counting your home) are below the Upper Capital Threshold; AND
- The property is registered at the Land Registry; AND
- The value of the property capital provides adequate security to the Council; AND
- The Council can secure the Deferred Payment Agreement through a first legal charge against your property: AND
- You own and have a legal and beneficial interest in your home; AND
- Any other person with a legal and /or beneficial interest in your home is willing and able to sign the required legal documents; AND
- The Council considers you have appropriate property insurance arrangements in place; AND
- You have capacity to enter into a Deferred Payment Agreement or you have a legally-appointed representative to enter into a Deferred Payment Agreement on your behalf.

Specific Property Issues

Jointly-owned property – If your DPA is to be secured by way of a legal charge and the property is jointly owned then all registered proprietors (owners) must sign the legal charge and provide a completed identity form for the Land Registry, they must also confirm in writing that they will not object to the sale of the property when the time comes to settle the debt. You will need to provide proof of the percentage you

own and its potential value (at your cost); the maximum legal charge amount would be your share in the total value less 10% and £14,250.00 (the Lower Capital Limit).

Shared Ownership and Tenants in Common – A DPA can only be approved if all co-owners and/or landlord agree to the legal charge. You will need to provide proof of the percentage you own and its potential value (at your cost); the maximum legal charge amount would be your share in the total value less 10% and £14,250.00 (the Lower Capital Limit).

Equity Release – where part of the value of the property has been released by equity release the Council will require the person with the benefit of the equity release charge to agree to the Council charge being the first legal charge (by way of a deed of postponement) and the Council will require proof of your residual equity in the property.

Leasehold properties – if your property is leasehold you can apply for a DPA, however sometimes restrictions are placed on the title (registered at the Land Registry) and the agreement of the head landlord/ freehold owner is need to arrange placing the legal charge on the property. If this is the case it is your responsibility to arrange for and obtain this consent and to meet any costs. In the event that consent is not forthcoming the Council cannot accept the property as security.

Sole proprietor restriction – the property title can sometimes include a restriction that means a single person cannot consent to a change to the title, if this is the case the Council will either ask you to appoint a trustee to act as a second party or ask you to sign two documents that will remove the restriction, an ST5 and an RX3. It will depend on why the restriction is on the title.

Unregistered property – you must register your property with the Land Registry for a DPA and legal Charge to be secured against the property. If your property is unregistered the Council will require you to arrange and pay for first registration, you can find further information on the Land Registry website: www.gov.uk/registering-land-or-property-with-land-registry

If one or more of the registered owners of the property cannot give consent due to lack of mental capacity please refer to part 8 of this document in respect of Deputyship.

Financial Information and Advice and Legal Advice relating to a Deferred Payment Agreement (DPA)

The Council will provide you information (in general terms) about:

- Types of financial security for a DPA;
- The maximum amount that can be deferred (the equity limit) and what happens once the equity limit is reached;
- How interest and administration costs are charge;
- What happens when the DPA terminates, options for repayment and what happens if you do not repay the amount due.

Equity limit – this is the term used to describe the maximum amount which you can borrow under a Deferred Payment Agreement (DPA).

This maximum amount is calculated by taking the value of the property and reducing it by 10% (or if the property is owned by more than one person the amount equal to their percentage ownership of the property i.e if the property is owned by 2 people 5%); and a fixed amount equivalent to the Lower Capital Limit. [69]

Example – property value	£200,000
Less 10%	- £20,000
Less fixed amount	£14,250 (lower capital limit)
Equity limit	£165,750

Legal Charge

A legal charge is a legal document held by the Land Registry which is registered against your property when someone other than the registered owner(s) of the property wants to have it legally acknowledged that they have a financial interest in the property.

A legal charge in favour of the Council would need to be repaid on completion of the sale of the property, or on your death, so that the Council can arrange to remove their charge with the Land Registry.

The Council must obtain a first legal charge this means that the Council will be paid first when the property is sold. A legal charge can only be registered by the Land Registry if:

- All the property owners consent;
- The property is registered at the Land Registry;
- There are no leasehold restrictions, or, if there are, the head landlord/freeholder agrees to the legal charge;
- Any charge already secured signs a deed of postponement
  The Council advises you to obtain independent legal advice before entering into the legal charge.

Solicitor's Undertaking

A Solicitor's 'Undertaking' is a legally binding agreement. The Council may accept a Solicitor's Undertaking as security against your Deferred Payment Agreement or if you are provided accommodation in rented supported accommodation, extra care housing schemes or Shared Lives schemes. An undertaking is where your conveyancing Solicitor undertake (commits) to pay the Council the full amount of your Deferred Payment Agreement debt, usually from the proceeds of sale of your property.[70]

The Council will normally agree to fund your package of care and support on the basis of a Solicitor's Undertaking if you can confirm the following:

- The property is on the market and you have a prospective buyer; AND

[69] Clause 9.42 of the Care and Support Statutory Guidance.
[70] Clause 9.66 of the Care and Support Statutory Guidance.

- You have instructed conveyancing Solicitors; AND
- The instructed conveyancing Solicitors can confirm that completion of the sale will occur within 6 weeks.

If the Council cannot confirm the above you will be required to enter into a Deferred Payment Agreement (DPA) irrespective of the potential sale.

If the sale falls through you will be expected to enter into a Deferred Payment Agreement.

If you ask the Council to obtain a Solicitors Undertaking you will be charged an arrangement fee of £250.00 plus VAT.[71]

Assessed Charge And Flexible Disposable Income Allowance

During the course of the Deferred Payment Agreement you will be assessed to make a financial charge based on your income and savings and assets other than your property. You are required to pay your assessed care charge on an on-going basis.

In calculating your assessed charge during your Deferred Payment Agreement you are allowed to retain a weekly 'disposable income allowance[72]' up to the amount set by statute. This disposable income allowance is more than, and in place of, the 'personal expense allowance' so that you have enough money for your personal expenses and to maintain and insure the property.

You can chose to keep the maximum disposable income allowance or a lower amount – as you wish. In deciding whether to keep your full disposable income allowance, you should consider the potential effect on the level of your deferred debt as well as the flexibility you have.

If you wish to keep more than the personal expense allowance you will need to inform us in writing when you return the signed Deferred Payment Agreement documents, you will be entitled to keep the higher amount once the Deferred Payment Agreement has been registered with the Land Registry.

You should seek independent financial advice before making decisions about entering into a Deferred Payment Agreement.

Renting Out Your Property

If you wish to rent out your property while you have a Deferred Payment Agreement (DPA) you should seek independent financial and legal advice. This is a decision for you to make.

If you are applying for a DPA and are proposing a letting arrangement, you must let us know either by telling the Care Finance Officer when they carry out your financial assessment or by letter. Any tenancy agreement must be for 6 months or less.

[71] Clause 8.58 and 8.59 of the Care and Support Statutory Guidance
[72] Clause 9.48-9.50 of the Care and Support Statutory Guidance

If your property is already let you must provide the Care Finance Officer with a copy of the tenancy agreement. Any tenancy agreement must be for 6 months or less.

The Council will include your net rental income as part of your assessed weekly charge for your care and support. Your net rental income will be the amount after the agent's fees, any liability to taxation and reasonable maintenance expenses.

You must make sure your property insurance is appropriate to a letting arrangement.

The Deferred Payment Agreement Application Process

If you wish to apply for a Deferred Payment Agreement, you will need to do this in good time to allow for your application to be considered and legal arrangements to be in place before you need funding (for example, to be in place before the end of the 12-week property disregard period).

If you have been in a care home on a self-funding basis (because of the level of your income or capital) and you now wish to apply for Council funding and a DPA, you should submit an application for a DPA as soon as possible and no later than six weeks after the need to apply for DPA has been identified either by us or you[73].

The Council will commence funding:

- If you[74] approach Social Services before the date your capital (excluding your property) dropped to below the upper capital limit of £23,250, the Council will fund from the date your capital drops to below the upper capital limit.
- If you[75] approach Social Services after your capital has dropped to below the upper capital limit of £23,250 the Council will fund from the date you approached Social Services.

1: Information given to you about Deferred Payment Agreements (DPA)

If your identified needs show that a care home placement is appropriate to meet your needs, we will:

- Check with you whether you own your home and establish whether your property will be disregarded in your financial assessment;
- Carry out appropriate checks, including previous financial assessments and a Land Registry search;
- Tell you if we think you are eligible for a 12-week property disregard and Deferred Payment Agreement as soon as a placement in a care home is identified as appropriate;
- Give you information about the Deferred Payment scheme ;
- Carry out a financial assessment of your situation (your income, savings, details and value of your property capital, outgoings relating to your property);
- Invite you to apply for a DPA, giving a date by which you should return the completed application form. This date should be no later than six weeks from the date your placement started in the care home;

[73] Or your appointed representative – see Mental Capacity to manage Finance for more information.
[74] Or your appointed representative – see Mental Capacity to manage Finance for more information.
[75] Or your appointed representative – see Mental Capacity to manage Finance for more information.

- Make clear to you that the DPA will only be agreed by the Council if all the owners of the property agree to the Legal Charge ;
- Tell you if you need to arrange a formal valuation of your property, if we do not agree with the valuation you obtain the Council may obtain its own valuation the Council will then discuss the valuations with you to mutually agree a valuation. The costs the Council incurs in carrying out the valuation will be reflected in the administration costs charged to you in the set up fees for the DPA.

2: Submit your Deferred Payment Application - Within six Weeks

- A DPA application form must be completed, signed by you[76] and returned to us within six weeks of admission to a care home on a permanent basis.
- The application for the deferred payment agreement must include the following information:
    - The room rate from the 13th week,.
    - Signed confirmation from the care home that the rate from week 13 is agreed.
    - The value of the property
    - Confirmation of who owns the property and on what basis (i.e. joint tenants, tenants in common, trust).
    - Whether you intend to seek a first party top up (see First Party Top Ups) and if so the amount.
    - A copy of the property building insurance.
    - Any Lasting Power of Attorney or Deputyship Order or a certified copy (if appropriate).
    - Any tenancy agreement (if appropriate).
    - If the property was jointly owned and one party has died the grant of probate or Will or a certified copy.

- If you are already in a care home and become eligible to apply for a DPA in other circumstances you[77] should submit an application for a DPA as soon as possible and no later than six weeks after the need to apply for DPA has been identified either by us or you. For example - this could be where your property had previously been subject to a statutory disregard but that disregard has now ended.
- You[78] will need to speak with the care home and negotiate the cost of care from week 13 onwards and obtain written confirmation from the care provider of the agreed rate, this must then be provided to the Council together with your application for a deferred payment agreement.
- If the deferred payment application is not fully completed and returned to the Council by the end of week six, the application will not progress, and at the end of week 12 the Council will deem you to be self-funding and you will be required to make payment of the full cost of care directly to the care provider.

[76] Or your appointed representative – see Mental Capacity to manage Finance for more information.
[77] Or your appointed representative – see Mental Capacity to manage Finance for more information.
[78] Or your appointed representative – see Mental Capacity to manage Finance for more information.

3. Considering your Application and Making a Decision - Within 10 working days

We will check your DPA application form and follow up on any queries that may arise; including ensuring a property valuation has been obtained. We will need to have all information related to your DPA application, including what your intentions are for the property and the equity available. If you have given us all the relevant information we will consider all the information and make a decision.

If your application doesn't meet the criteria for a mandatory Deferred Payment Agreement we will carry out an assessment of whether your DPA is sustainable.

This assessment will address, among other things, the likely period of the DPA, the equity available, the level of any top-up and the period of time you would be able to defer the weekly costs. A top-up would be needed if you chose a care home whose fees are greater than the amount we would expect to pay to meet your identified needs (See the Choice of Accommodation and Additional Payments Policy).

The factors which will be considered when assessing sustainability are:

- the likely period you will want the DPA;
- the equity available;
- the sustainability of any contribution from savings;
- the flexibility to meet future care needs;
- the amount of any top-up payment for preferred accommodation;
- the period of time you would be able to defer your costs for;

We will decide whether the application meets the criteria set out in this DPA policy. If your application is accepted we will write to you to confirm our decision. We aim to do this within a week of receiving your application unless specialist financial or legal advice is required. This is our formal offer of a Deferred Payment Agreement to you. Our letter will also state:

- any conditions attached to the DPA, (for example, insurance requirements of the property).
- estimated administration charges[79] and interest rate that will be applied to the deferred debt
- when and how often we will send you statements of your deferred debt
- any benefits you may be entitled to claim when you make your own care funding arrangements and how to do this
- your assessed weekly charge which you need to pay on an on-going basis
- the agreed level of your weekly disposable income allowance
- the invoicing arrangements and how to pay your ongoing weekly assessed charge
- that failure to maintain your assessed weekly charge could result in the Deferred Payment Agreement being terminated
- the weekly amount that is agreed to be deferred under the DPA and any other costs agreed to be deferred under the DPA where the agreed security is a

[79] Clause 9.30, 9.69 and 9.8 of the Care and Support Statutory Guidance

legal charge, and there are joint owners of the property, they must all consent to the placing of a legal charge against the property and, that if any of the joint owners do anything to prevent the legal charge being placed this will result in the offer of the DPA being withdrawn and the Council will immediately notify your care provider that it is ceasing to be involved in the placement.

Our letter constitutes an offer of a DPA to you and will state the date from which the DPA is proposed to start. It will be produced in duplicate, one copy to be signed by you and to be returned as your acceptance of the DPA offer. The other copy is to be retained by you.

The Councils Legal Department will draw up a Deferred Payment Agreement and documents relating to your identified security (usually a legal charge document relating to your property).

These are legally-binding agreements and the Council would usually send these directly to your legal adviser so that you can take advice from your legal adviser before you sign and return the Deferred Payment Agreement and documents (see Financial Information and Advice relating to a Deferred Payment Agreement (DPA). If you do not have legal advisor The Council will send these directly to you or your financial representative.
You will need to read the Agreement, sign the documents and the DPA and return the Agreement and the documents relating to your security.

If other people need to give their consent as well as you (for example, if your property is jointly-owned, or leasehold), you will need to obtain ALL those necessary signatures on the documents[80]. We will tell you if this applies to you.
You must return the signed Deferred Payment Agreement and relevant signed legal documents (including signatures from other parties where needed) within 28 days.
If you don't return the signed Agreement and signed document(s) relating to your security we will not be able to proceed with your DPA and you will need to make your own care funding arrangements. We will contact your care accommodation provider and tell them the date that the Council will stop funding your care. You will be charged the administration costs we incur.

(If the reason for not signing is because of lacking mental capacity, see DPAs for People Lacking Mental Capacity)

If your DPA application is refused we will tell you the reason/s and we will write to you to confirm this decision. You can appeal this decision if you wish - see Appealing the Council's decision about a DPA.

Our letter will explain:

- the reason(s) for refusing your application
- the start date for when you need to make your own care funding arrangements (usually the end of your 12-week property disregard period).

[80] If you are acting on behalf of the Applicant as their legally-appointed representative and you are also a joint owner of the property being used as security, you will need to give permission both in your own right as a joint owner, and as the representative of the applicant as a joint owner on legal charge documents relating to the property.

- any benefits you may be entitled to claim when you make your own care funding arrangements and how to do this
- how to appeal our decision about your DPA application
- how to make a complaint
- that we will tell your care accommodation provider the date the Council will stop funding your care
- If there are administration costs that you need to pay, how much these are.

Where a DPA application is refused, any administration charges will usually be waived. However this will be considered on a case by case basis and if there is evidence that the application was pursued unreasonably (for example if you insisted on pursuing an application despite our advice about your eligibility), or you belatedly responded to our requests for information needed in order to establish your eligibility, or otherwise put us to excessive trouble, then the charges will be made.

4. Your Deferred Payment Agreement starts

At the start of the DPA we will open up an account to record the following:

- The valuation of your property and the date of this valuation.
- Your agreed weekly deferred amount
- Administration costs and interest charges to be applied.
- The date of the first statement, which will usually be within six months of the start of your DPA[81] and every 6 months thereafter. These will be produced to match the review of interest rates by the Government (1 January and 1 July each year).

You can request to keep up to £144.00 per week of your income from the date the Deferred Payment Agreement commences[82]. Please note this will mean the amount secured against your property will increase quicker.

We may require you to revalue your property when debt deferred reaches 50% of the value of the security, and periodically thereafter. Any cost of revaluation will be re-charged to you through Administration charges.

<u>DPAs for People Lacking Mental Capacity</u>

If a person lacks the mental capacity to give informed consent to a legally binding agreement, it means they are not themselves capable of entering into a DPA. If someone else has been legally-appointed to act for them, that person can apply for a DPA on their behalf. To enter into a DPA on behalf of someone else, that person must be one of the following:

- a deputy appointed by the Court of Protection
- the holder of a registered Enduring Power of Attorney

[81] Paragraph 11(d)(i)(aa) of the Care and Support (deferred Payment) Regulations 2014.
[82] Clause 6(1) and 6(2) of the Care and Support (Deferred Payment) Regulations 2014.

- the holder of a registered Lasting Power of Attorney (which must include authority to manage the person's property and financial affairs).

The named 'applicant' on the DPA will be the person they act for, but the person acting for them will complete and sign the DPA on their behalf.

If there is no-one legally appointed to act, and the person lacks mental capacity to confer a Lasting Power of Attorney, attempts should be made to identify someone who is willing and able to apply to the Court of Protection to become a deputy for that person, to manage their property and financial affairs. This could be a relative, a friend, a solicitor, or where there is no-one else suitable, the Council.

The person applying to the Court of Protection must state their intent to enter into a Deferred Payment Agreement with the Council. Once the Court of Protection makes a 'First General Order' appointing the deputy, the deputy can enter into a DPA with the Council on behalf of the person. As the deputy application process takes time, the Council has an INTERIM FUNDING POLICY to deal with the period until a deputy has been appointed by the Court and can enter into a DPA with the Council.

If there is no one to act the Social Work team will refer the matter to the Councils Deputyship Team who will make the application to the Court of Protection for a panel Solicitor to be appointed to act on the person's behalf. The Council has an INTERIM FUNDING POLICY to deal with the period until a deputy has been appointed by the Court and can enter into a DPA with the Council.

You can request to keep up to £144.00 per week of the income received by the person from the date the Deferred Payment Agreement commences[83]. Please note this will mean the amount secured against your property will increase quicker.

5. Conditions Placed on Deferred Payment Agreements

We can't agree to a Deferred Payment Agreement if no suitable security is available or you wish to defer a larger amount than (in our assessment as set in The DPA Application Process) you can provide security for.

We will require prompt settlement of your assessed charge during the lifetime of your DPA. (See Default Provisions which deals with the Council's position in the event these contributions are not settled promptly.)

We will require your property to be properly maintained and insured. We may require evidence of your property insurance at any time, including evidence that your insurer has been informed if your property is unoccupied for any period. If maintaining your property means that some of your savings are reasonably required to be used to bring the property up to a suitable standard of maintenance, we will not withhold its agreement to this use of capital unless there is evidence the level of cost is deemed unreasonable.

When an application for DPA is received we may require you to arrange a formal valuation of the property or the share of it owned by you. if you choose not to do so

[83] Clause 6(1) and 6(2) of the Care and Support (Deferred Payment) Regulations 2014.

and the Council arranges a valuation the Council will charge you the costs of this. (See The Application Process above on how to proceed if these valuations differ.)

We may require you to arrange for a re-valuation when the amount deferred reaches 50% of the value of the security to ensure the level of deferred debt stays within the equity available. Any change in the value will be recorded and the potential impact on the DPA calculated and communicated to you. If you choose not to do so and the Council arranges a valuation the cost of this re-valuation will be charged to you as an administration cost.

If your level of capital changes. The following are examples but are not a comprehensive list:

- If you inherit a sum of money.
- If structural problems are discovered at your property, e.g. subsidence.
- Should a close family member move into or out of your property.

When your deferred debt reaches 75% of the value of the security your Social Worker will review the cost of your care and have a discussion with you about:

- when you might be eligible for means-tested support
- implications on any top-up payments if they are currently included in your care costs (through your preferred accommodation choice)
- potential changes to your welfare benefit entitlements.

Interest & Administration Charges

Interest will be added to the amount you defer from the start of your Deferred Payment Agreement, at the maximum rate of interest set in the Care and Support (Deferred Payment) Regulations 2014[84] by the Department of Health. The Department of Health reviews this rate every six months effective from 1 January and 1 July in each year. If the amount you defer includes your administration fees, interest will be applied to those also.

Interest is charged at compound rates. This means that interest is added to the total debt including previous interest charges. Compounding will take place daily.
In the event that the equity limit is reached (see Equity Limit above) interest will continue to be added to the deferred debt until the total outstanding is settled.

Interest will continue to be charged after you die and/or after the service ends until the total outstanding is settled.

Administration fees will be charged when a Deferred Payment Agreement is set up and during the lifetime of your Deferred Payment Agreement[85] – including an annual administration charge. The schedule of Administration fees is shown at Appendix A –

[84] This maximum rate is set in the Regulations as the weighted average interest rate on conventional Gilts plus .015% . The rate is reviewed every six months (after the Office of Budget Responsibility publishes its report of Gilts). Clause 9.71 and 9.75 of the Care and Support Statutory Guidance and Paragraph 9 of the Care and Support (Deferred Payment) Regulations 2014.
[85] Paragraph 10 of the Care and Support (Deferred Payment) Regulations 2014

Schedule of Fees and Charges and will be subject to annual review to take account of inflation.

We add your administration fees will be added to the amount deferred unless you request for these to be invoiced to you separately for immediate payment. You would need to request this when you apply for your Deferred Payment Agreement. Note that unless you pay the administration costs immediately these will be added to your deferred debt and you will be charged interest on the administration costs at the same rate as that applied to your deferred payment.

Six-monthly Statements of Deferred Payment Agreements

The Deferred Payment Agreement starts to run from the date notified in your DPA Offer letter (see The DPA Application Process above).

Statements will be produced in May for the period up to the 31st March and November for the period up to the 30th September each year. These statements will be sent to You or Your Representative.
The statements will show:

- The original property valuation.
- The equity available or maximum amount which can be borrowed under DPA.
- Any revised property valuation
- The revised equity available resulting from this change in the property value.
- Payments received in settlement of the assessed charge.
- The amount of any interest charges and administration costs added to the debt.
- The total deferred debt outstanding including these interest and administration costs.
- Balance of equity still available (after deducting the amount of total deferred debt).
- Approximate period this equity is expected to last.

You may request a statement at other times and we will provide such a statement within 28 days of receipt of such request[86].

Settlement of the Deferred Debt

If you have placed the property for sale on admission to long-term care, or you have chosen to sell at a subsequent date, the accrued debt will be due for repayment upon the sale of your property. We will calculate the accrued debt and, on receipt of the outstanding monies, we will apply to the Land Registry to remove the legal charge against your property.

In this event your DPA will be terminated and you may become responsible for paying the full costs to your care home ('self-funding') - depending on the balance of funds available after clearing the deferred payments.

[86] Paragraph 11(d)(i)(cc) of the Care and Support (Deferred Payment) Regulations 2014.

If your property has not been sold at the date of your death we will contact your executor, if known, within six weeks after your death. If the executor is not known and if you had previously identified a third party to help us reclaim the amount deferred, we will contact that third party within the same timescale. If neither is known then the person who was acting as your representative will be contacted. We will advise the person responsible that settlement should be made within 90 days of the date of death or a report provided on progress made and a likely date for settlement.

When making contact we will notify the amount outstanding and how this is made up and whether any further charges may accrue, for example further interest.

Should the executor or administrator of your estate decide to settle the debt without, or before, selling your property, we will accept such settlement and apply to the Land Registry to remove the legal charge or release any alternative security provided.

Default Provisions

The Deferred Payment Agreement is a contract between us (the Council) and you (the Applicant).

- We will agree to pay the full cost of your placement to your care provider and you will either agree to allow a Legal Charge to be placed (and agreement by the other property owners in the case of jointly-owned property), or provide sufficient acceptable security. This security ensures that the Council can recover its outlay on your behalf for the period that your savings and assets, net of the level of deferred contribution, are greater than the upper capital limit.
- **Assessed charges during your DPA period**: you agree to pay your assessed charge in a timely way. We will send you regular invoices for this purpose.

Failure to pay your assessed charge for three months may lead to the Council refusing to continue deferring your ongoing care home payments. We will look at each case on its own facts and will not apply this clause if there are genuine reasons for non-payment, e.g. difficulty in accessing bank accounts, and will agree an alternative timescale.

We will give 30 days' notice of intention to apply this clause explaining how your care needs should be paid for from that date.

- **Reaching your equity limit:** We will also give 30 days' notice of the date that you are likely to reach the equity limit. In this case we will contact your care home and attempt to negotiate a rate that we would usually expect to pay to meet your needs, and will reassess your financial charge due.
- Should your property for which the DPA was arranged become occupied by a relative for whom a statutory disregard may apply, we will establish the reasons behind this change and decide whether it is appropriate to allow the property to be disregarded. If a disregard is agreed we will write to confirm the end date of the deferred payment, confirming the Deferred Debt outstanding, and that interest will continue to accrue until the debt is settled. The Deferred

Payment Agreement may re-commence if the property becomes ceases to be disregarded.

- **Insuring and Maintaining your property:** In the event that we judge that your property is not being properly maintained and/or insured, we will consider whether to refuse to defer future payments for your care. In this event we will give 30 days' notice and explain how your care needs should be paid for from that date. During this 30-day period you may appeal if you believe we have acted unfairly. Your appeal should either demonstrate why the insurance or state of maintenance are in fact satisfactory or what steps are being taken to remedy the failing(s).
- **CHC funding :** if you become eligible for Continuing Health Care (CHC) funding your costs of care will be paid in full by the Clinical Commissioning Group (CCG) therefore your deferred payment agreement will be suspended.
- **Out of area:** if you chose to move to home outside of Bath and North East Somerset Council your deferred payment agreement will be suspended.

Appealing the Councils decision about a Deferred Payment Agreement

If you disagree with the Councils decision about your DPA application you have the right to request a review of the decision. The review will be carried out by The Client Finance Team Manager in the same way as a financial assessment review.

If you wish to appeal you should contact the Client Finance Team with details of your appeal.

The Appeal will be carried out through the same process as the financial assessment appeals.

If you still do not agree with the Councils decision you can make a formal complaint to the Complaints and Data Protection Team Manager
complaints_cypandadults@bathnes.gov.uk

The Councils complaints procedure can be viewed at
http://www.bathnes.gov.uk/services/your-Council-and-democracy/complaints-and-customer-feedback/complaints-about-adult-social

If you are not satisfied with the decision made by the Councils complaints team you can refer the matter to the Local Government and Social Care Ombudsman
https://www.lgo.org.uk/

The Local Government Ombudsman, PO Box 4771, Coventry, CV4 0EH

Telephone: 0300 061 0614

11. Interim Funding Policy

The Council's Deferred Payment Agreement Policy (DPA) is detailed in section 9 of this Framework, however the Council can only agree to a DPA if a person has capacity to enter into the DPA, or if they lack capacity, that someone has the legal authority to enter into a DPA on their behalf.

Where a person is taking steps to become legally-appointed to act on behalf of a person who lacks capacity (for example, applying to the Court of Protection to become a deputy) this process can take several months. During this time, while a person lacking capacity needs a placement in a care home, but the person applying to act for them doesn't have legal authority to enter into long-term funding arrangements, the person applying to become deputy can apply to the Council for an Interim Funding arrangement.

If the Client Finance Team identify that a person going into a care home has capital assets above the upper limit, or has a property, or a beneficial interest in a property, and that the person not only lacks capacity but has no-one with the legal authority to represent them, their Social Worker will take steps to identify someone who can take responsibility for becoming the legal representative (such as a court-appointed deputy).

This would usually be a family member, or friend, or solicitor, or where there is no-one else suitable, the Council can apply to the Court of Protection and act as Deputy or seek the appointment of a panel Deputy.

The circumstances where the Council will consider Interim Funding cannot be set out in a comprehensive list as there is the possibility of a situation arising for the first time, but examples of the type of situation where Interim Funding can be considered are:

- Sudden loss of mental capacity and an application to the Court of Protection is being made to appoint a deputy
- The holder of a Lasting Power of Attorney or Enduring Power of Attorney is not able to act for the person. This could be because that person has died or they have lost mental capacity themselves, and someone else is applying to become a court-appointed deputy.
- a property is jointly owned but the other owner is unable to agree to a legal charge because, for example, they have lost mental capacity and someone is applying to become a court-appointed deputy for this person.
- The property is unregistered but steps are being taken to arrange registration.
- You reside in rented supported accommodation, extra care housing schemes or Shared Lives schemes and the property is being sold and you meet the conditions set out to obtain a Solicitor's Undertaking[87].

<u>Eligibility Criteria</u>

The Council may consider Interim Funding for you if:

- Your identified needs can only be met in a care home on a permanent basis; AND

[87] If the Council agrees interim funding and you reside in rented supported accommodation, extra care housing schemes or Shared Lives Schemes you are not entitled to have the property disregarded for the first 12 weeks you are not resident at the property. Any charge will commence form the day you reside at the alternate accommodation.

- Your financial circumstances indicate that you are responsible for the full cost of your care home accommodation under the Council's Care and Support Financial Assessment and Charging Policy; AND
- You lack mental capacity to manage your finances; AND
- Your representative is not yet legally-appointed to manage your financial affairs; AND
- Your representative has not been able to make an arrangement with your care home to defer your care fees until they become appointed; AND
- Your representative has no other interim funding alternatives available to them while they are waiting for the Court to appoint them as deputy; AND
- Your representative is willing to provide a written undertaking that they are applying to the Court of Protection to become deputy and that once they are appointed deputy by the Court they will either discharge the deferred care fees or (where eligible) enter into a Deferred Payment Agreement with the Council

The Council may consider other situations to offer you Interim Funding if a Deferred Payment Agreement is temporarily not available to you due to factors that you are actively seeking to resolve (for example, if your property is unregistered or for sale) or you reside in rented supported accommodation, extra care housing schemes or Shared Lives schemes[88]. These will be considered on a case-by-case basis.

Your representative who will be acting for you should always seek independent financial and legal advice before making any decisions about whether a Deferred Payment Agreement is the best option for you.

The Council can provide your representative with an Interim Funding Agreement and a Model Deferred Payment Agreement (if appropriate) to look at with their legal adviser. We would advise your representative to seek financial and legal advice as soon as possible so that they have all the information to decide on the most suitable funding arrangements for you, so that they can start making any necessary applications /arrangements.

<u>The Application Process</u>

1. Information given to You or Your financial representative about Interim Funding

You or The person identified as taking forward an application to legally manage the financial affairs of the person entering a care home ('the financial representative") will be sent:

- information about care home charges
- the financial assessment process
- information about Deferred Payment Agreements (if there is property)

[88] If the Council agrees interim funding and you reside in rented supported accommodation, extra care housing schemes or Shared Lives Schemes you are not entitled to have the property disregarded for the first 12 weeks you are not resident at the property. Any charge will commence form the day you reside at the alternate accommodation.

- Details of Interim Funding arrangements, including interest charged on accrued care home costs
- information about how to obtain Interim Funding
- how to access independent financial and legal advice

We will carry out a Land Registry search where relevant.

2. Financial representative requests Interim Funding (within two weeks)

If the you of your financial representative is unable to make financial arrangements immediately for the care home fees, the Council can consider Interim Funding, the Council will require conformation of the following:

- That they complete and return the interim funding application form within 2 weeks of the date the application form was posted to you.
- that they are taking steps to become legally appointed to deal with the finances and what steps have been taken so far (such as providing confirmation of an application to the Court of protection (COP3, COP1 and COP1A Forms) or confirmation that a conveyancing Solicitor has been instructed to undertake first registration of the property).
- in the cases of property ownership, what are their intended plans for the property and long term funding arrangements
- undertake to keep the Council informed of the process to either settle outstanding charges (ie sale of the property) or agree to a Deferred Payment Agreement and legal charge, or a combination of these if appropriate, once the legal power to act is in place.
- provide full information on property ownership and provide reliable valuation of the property.

3. Considering the Interim Funding request and making a decision (within 10 days)

On receipt of the above information the Council will carry out an assessment of the proposed arrangements and decide whether they are acceptable, sustainable, and provide sufficient guarantee to protect the Council's financial position. The factors which will be considered when assessing this include:

- the likely period the Interim Funding will be needed
- the amount that could be paid from the resident's state benefits by the financial representative appointed by the Department for Work and Pensions to manage the resident's benefits
- the financial representative's intentions for longer-term funding arrangements once they are appointed deputy for the resident
- What alternative funding arrangements have already been considered by the financial representative
- Evidence that the financial representative has obtained, or is actively seeking, independent financial and legal advice about long term care funding arrangements for the resident

The Council will decide whether the financial representative's request for Interim Funding for the resident meets the criteria set out in this Interim Funding Policy – the Adult Social Care Commissioner will review the Interim Funding application to verify that the proposed Interim Funding and the plans to be able to legally act do not place

the Council at undue risk, while taking account of the Council's responsibility to safeguard the individual in need of care.

If the application is accepted we will write to the financial representative to confirm our decision. We will send two copies of the letter, one of which will need to be signed and returned by the financial representative to confirm acceptance of the Interim Funding arrangement. This letter will also state:

- any conditions attached to the Interim Funding (for example, insurance of the property).
- the interest rate that will be applied to the accrued debt through the Interim Funding arrangement
- administration fees applied for monitoring the accrued debt through the Interim Funding arrangement
- When and how often we will send statements of the accrued debt to the financial representative
- any benefits to be claimed by the financial representative on behalf of the resident and how to do this
- the assessed weekly charge which the financial representative will need to pay on an on-going basis (for example, from state benefits)
- the agreed level of your weekly disposable income allowance (if relevant) * the invoicing arrangements and how to pay the ongoing weekly assessed charge
- that failure to maintain the assessed weekly charge from available income could result in the Interim Funding arrangement being terminated
- the weekly amount that is agreed to be accrued under the Interim Funding arrangement and any other costs agreed to be accrued under the arrangement
- The Councils expectations of the financial representative to keep the Council updated with progress of their application to act for the resident
- The Councils expectations of the financial representative to discharge the accrued debt or enter into a Deferred Payment Agreement with the Council when they have been legally-appointed to act for the resident
- that if a Deferred Payment Agreement application is anticipated that where there are joint owners of a property all owners must consent to the placing of a legal charge against the property

If the application is refused the Council will tell the financial representative the reason/s and we will write to them to confirm this decision.
Our letter will explain:

- the reason(s) for refusing the application
- the date from which the financial representative will need to make arrangements on the resident's behalf for care funding (usually the end of a 12-week property disregard period).
- how to appeal our decision about Interim Funding
- how to make a complaint

- that we will tell the care accommodation provider the date the Council will stop funding the care costs

4: Agreed Interim Funding arrangements starts: setting up invoicing and monitoring arrangements to track the accruing costs and interest

The Care Finance Officer will carry out periodic checks on the interim funding arrangement and if no update has been received for three months we will contact the financial representative to request an update.

Once the financial representative has obtained the legal power to act for the resident and provides evidence to us, the Care Finance Officer will write to the financial representative to confirm that the Interim Funding will cease and either the accrued debt (including interest and any administration charges) will need to be paid in full, or the financial representative will need to enter into a Deferred Payment Agreement on the resident's behalf, secured by a legal charge against the resident's property.

Conditions Placed on Interim Funding

Interim funding is provided subject to the following conditions

- You or the person acting for you will return the interim finding application form with 2 weeks of receipt of the application form
- The person acting for you will take all reasonable steps to acquire the legal authority to act. This includes applying to the Department for Work and Pensions to become appointee to manage your state benefits.
- The portion of the charge relating to your state benefits will be paid promptly by your financial representative once they have been appointed to deal with your state benefits.
- Once legal power to act is granted, the Interim Funding agreement will either be converted to a Deferred Payment Agreement or the balance of accrued charges including interest and administration charges is paid in full.

If you fail to comply with the above conditions the Council will not provide interim funding and can, at their discretion, refuse any further application for interim funding.

Interest and Administration Charges

The interest charges will be the same as for Deferred Payment Agreements. The annual administration fee for monitoring the Interim Funding Arrangements will be the same as for Deferred Payment Agreements.

Review of funding

Your interim funding will be reviewed after 4 months, this timeframe should allow for an application to the Court of Protection or first registration of the property.

We will write to you if we require any further information from you and confirm the outcome of the review to you in writing. – the Adult Social Care Commissioner will review the Interim Funding to verify that the proposed Interim Funding and the plans

to be able to legally act do not place the Council at undue risk, while taking account of the Council's responsibility to safeguard the individual in need of care.

Six-monthly Statements

The Interim Funding starts to run from the start date notified (or at the end of a 12-week property disregard periods).

We will produce statements of your accrued debt as in May for the period up to the 31st March and November for the period up to the 30th September each year.

The statement will show the following figures:

- The original property valuation.
- The equity available or maximum amount which can be borrowed under interim funding.
- Any revised property valuation.
- The revised equity available resulting from any change in the property value.
- The total cost of care for the period to the statement date, split between assessed charge and deferred debt.
- Payments received in settlement of the assessed charge.
- The amount of any interest charges and administration costs added to the debt.
- The total deferred debt outstanding including these interest and administration costs.
- Balance of equity still available
- Approximate period this equity is expected to last.

Making an Application for a Deferred Payment Agreement (DPA)

Once your financial representative has obtained the power to act on your behalf, usually by being appointed a deputy, they will need to notify the Care Finance Officer immediately and provide evidence accordingly.
If your financial representative is now able to access sufficient funds on your behalf to settle the outstanding debt then they should arrange to do so without delay.

Where your funds are within your property capital and your financial representative is not able to settle the outstanding debt, your financial representative may consider making an application to the Council for a Deferred Payment Agreement. This should be done as soon as possible. The balance of your accrued charges will usually be transferred into your Deferred Payment Agreement. See DEFERRED PAYMENT AGREEMENTS POLICY

Default Provisions

If we discover that the Court of Protection has approved the appointment of a deputy and the deputy has not contacted us to let us know, we may decide to terminate the

interim funding immediately and seek recovery of the debt (including interest and any administrative costs).

If your financial representative does not settle the amounts it is agreed they can access, for example state benefits in the role of appointee, without good reason, we may consider ending the interim funding.

If your financial representative fails to take the required steps to register your property, if the property is not registered with the Land Registry, we may consider ending the interim funding.

In the event the equity available is no longer sufficient to fund your care, we will stop accruing your ongoing care home costs and reassess your financial charge due. We will attempt to negotiate with your care home a rate that we would usually expect to pay to meet your needs. See Choice of Accommodation and Additional Payments Policy for further information. Interest and any administration charges will continue to be applied to your accrued debt.

When your financial representative has been granted legal authority to act for you, if they are not able to settle the accrued debt in full, they will need to agree to a legal charge against your property (on your behalf) under a Deferred Payment Agreement.

Appeals

If you disagree with the outcome of your financial assessment or deferred payments / Interim Funding Decision you should contact the Care Finance Officer in the first instance to try and resolve any issues as soon as possible. The Care Finance Officer will go through the information with you and check the assessment / decision has considered all the relevant information in line with the Charging and Financial Assessment rules.

If you are still dissatisfied with the outcome the Care Finance Officer will confirm to you how you can lodge an appeal with the Team leader for Care Finance.

If the issue cannot be resolved you can be put in touch with the Councils Complaints team you can make a formal complaint to the Complaints and Data Protection Team Manager complaints_cypandadults@bathnes.gov.uk

The Councils complaints procedure can be viewed at http://www.bathnes.gov.uk/services/your-Council-and-democracy/complaints-and-customer-feedback/complaints-about-adult-social

If you are not satisfied with the decision made by the Councils complaints team you can refer the matter to the Local Government and Social Care Ombudsman https://www.lgo.org.uk/

The Local Government Ombudsman, PO Box 4771, Coventry, CV4 0EH

Telephone: 0300 061 0614

Debt Recovery

If we terminate the interim funding and you are unable to pay the accrued charge for care and support, either in full or in part, you must tell us as soon as possible so that we can discuss this with you and attempt to find a resolution.

If the care and support charges remain unpaid and there is no good reason why you (or your financial representative) are unable to pay your charge, the Council will start debt recovery action[89]

The Council will consider allowing payment of the debt by instalments, we will usually require the full debt to be repaid within a short period and ask you to sign an undertaking confirming the terms of any agreement reached.

If your care and support charges remain unpaid despite the Councils reasonable attempts to recover the debt, we will consider making an application to the County Court to issue a claim to seek a judgment against you, if we do this you could also be liable to pay the Councils legal costs and interest on the debt at a rate agreed by the Judge.

12. Choice of accommodation and top up payments

The Cost of Accommodation

The Council will use your assessment and support planning to identify your Personal Budget – the amount of money that the Council would expect to pay to for care and support to meet your assessed needs.

- For care home accommodation, the Council will identify the expected cost of your accommodation based on the amount that we would normally pay to meet your assessed needs in a residential or nursing home, reflecting the local market conditions.
- For supported accommodation, the housing costs are normally separate to your care and support package. You would own or rent your accommodation and pay for this independently (claiming Housing Benefit and using this to pay the landlord of a shared house if you had a tenancy agreement, for example). We will work with you to make sure you have suitable accommodation for your care and support needs to be met.
- For Extra Care Housing, the Council identify the expected cost of your accommodation as part of your care and support package. This is based on the amount that we would normally pay to meet your assessed needs, reflecting the local market conditions.

When establishing how much the Council would expect to pay for your care and support, we will take account of your individual circumstances such as medical, cultural or dietary needs, to ensure that your needs can be properly met. For some people, such as those with complex learning disabilities, their Personal Budget may need to be much higher to take account of their need for more specialist support.

[89] Care and Support Statutory Guidance – Annex D: Recovery of Debts

Choosing more expensive accommodation

- **Care homes:** If your preferred care home is more expensive than your Personal Budget for your assessed needs, you will be advised of the higher cost of your choice. You will be given the opportunity to make an alternative choice that fits within your Personal Budget, or to put an arrangement in place to meet the additional cost.
- **Supported accommodation** Because you pay housing costs for supported accommodation (Supported Living, Extra Care Housing, a Shared Lives setting) independently, you may choose more expensive accommodation than we would consider sufficient to meet your assessed needs.

If your choice of more expensive supported accommodation means that we will need to pay more to meet your assessed needs than your Personal Budget (for example, if a Supported Living arrangement includes more expensive "background care" as part of the placement), you will be advised of the higher cost of your choice. You will be given the opportunity to make an alternative choice that fits within your Personal Budget, or to put an arrangement in place to meet the additional cost.

You have a right to choose your accommodation, subject to your personal budget, and the Council will ensure that you are given the opportunity to do so in accordance with the statutory requirements.[90]

Paying for more expensive accommodation

If your preferred accommodation meets all other requirements, we will support you to move to that accommodation that costs more than your Personal Budget says we would expect to pay for your assessed needs, provided that:

- You can arrange for a third party to pay the additional amount - known as the Third-Party Top-Up , or;
- You can pay the additional amount from your own resources - a 'First-Party Top-Up'.

The rules about the situations where you can pay the additional amount yourself are shown below.

Third-Party Top-Ups

For a Third-Party Top-Up to be put in place, a third-party – such as a family member(s), friend, employer, organisation or charity – must be willing and able to pay the difference between the Personal Budget and the actual cost of the accommodation (or the associated accommodation costs for supported accommodation).

[90] Clause 8.36 and 8.37 of the Care and Support Statutory Guidance and the Choice of Accommodation Regulations 2014.

To avoid the risk of you needing to move to different accommodation, we will usually discourage a Third-Party Top-Up unless the nominated Third Party can demonstrate that they are willing and able to pay the additional costs on an on-going basis (or up to the duration of the service user's likely time living in the accommodation if it is a short-term arrangement).

Where the Third Party is an organisation

We will require a letter from a legal representative of the organisation confirming that the organisation has the means and capacity to sustain payments for the period required to accompany a signed Third-Party Top-Up Agreement.

Where the Third Party is one or more individuals

A Care Finance Officer will undertake a financial assessment of the individual(s) requiring documentary evidence of financial resources identified to meet the top-up payments, such as bank statement and details of financial commitments. This is to ensure that they have the means and capacity to sustain the payments for the period required. Completion of this assessment along with a signed Third-Party Top-Up Agreement is required before we will agree to someone moving to the more expensive preferred accommodation.

A Care Finance Officer will send you a Third Party Top-Up financial assessment form (Annex C) by post you are required to complete and return this to the Care Finance Team within 14 days of the date the form was sent to you.

We will write to you if we require any further information from you, any additional information requested must be provided within 14 days of the date the information was requested.

The Adult Social Care Commissioner will review the financial assessment form to verify that the proposed Third Party Top-Up do not place the Council at undue risk, while taking account of the Council's responsibility to safeguard the individual in need of care.

We will confirm to you in writing if the Third Party Top-Up is agreed within 14 days from the date that the Council holds all the required information.

If the Third Party Top-Up is agreed you will be sent the Third Party Top-Up Agreement for signature and return, this must be returned within 14 days of the date it was sent to you. The Council will not agree the placement until we hold the signed agreement.

You are required to notify the Council of any change in financial circumstances immediately and the Council reserves the right to review the Third Party Top-Up agreement. The Council may end the agreement in any of the following circumstances:

- You fail to make payment of the Third Party Top-Up amount in full within 14 days of the date of a reminder letter;

- You fail to make three payments of the Third Party Top-Up amount in any 12 month period;
- You notify the Council in writing that you are no longer able to sustain the agreed weekly payments, i.e the Third Party Top-Up amount, due to a change in financial circumstances;
- The Council, on reviewing a change in financial circumstances, concludes you are no longer financially able to sustain the agreed weekly payments.

If the application is refused the Council will tell you the reason/s and we will write to them to confirm this decision.

Our letter will explain:

- the reason(s) for refusing the application
- how to appeal our decision about Interim Funding
- how to make a complaint
- that we will tell the care accommodation provider the date the Council will stop funding the care costs or that the additional room/service is not agreed

If you fail to comply with the above timeframe for providing information the Council will not agree the placement and can, at their discretion, refuse any further application to allow a Third Party Top-Up.

Appeals

If you disagree with the outcome of your financial assessment Third Party Top-Up decision you should contact the Care Finance Officer in the first instance to try and resolve any issues as soon as possible. The Care Finance Officer will go through the information with you and check the assessment / decision has considered all the relevant information in line with the Charging and Financial Assessment rules.

If you are still dissatisfied with the outcome the Care Finance Officer will confirm to you how you can lodge an appeal with the Team leader for Care Finance.

If the issue cannot be resolved you can be put in touch with the Councils Complaints team you can make a formal complaint to the Complaints and Data Protection Team Manager complaints_cypandadults@bathnes.gov.uk

The Councils complaints procedure can be viewed at http://www.bathnes.gov.uk/services/your-Council-and-democracy/complaints-and-customer-feedback/complaints-about-adult-social

If you are not satisfied with the decision made by the Councils complaints team you can refer the matter to the Local Government and Social Care Ombudsman https://www.lgo.org.uk/

The Local Government Ombudsman, PO Box 4771, Coventry, CV4 0EH

Telephone: 0300 061 0614

Review

We review all Third Party Top-Up Agreements at least annually, and sooner where there is a change in your situation.

First-Party Top-Ups (sometimes known as Resident Top-Ups)

In specific circumstances it is possible for you to pay a 'top up' for your preferred accommodation from your own resources. These circumstances are shown below:

- A person entering care home accommodation whose property capital is disregarded for up to the first 12 weeks of the placement **and** who has either sufficient savings to pay the top-up during those 12 weeks, or disregarded income sufficient to pay the top up during those 12 weeks.
- A person entering care home accommodation whose property capital is disregarded for up to the first 12 weeks of the placement **and** who immediately enters into a Deferred Payment Agreement.

You would still be responsible for paying an assessed charge from your capital and income during those 12 weeks. The First Party Top-Up payment will be in addition to your assessed charge shown by your financial assessment. You would need to sign a Top-Up Agreement.

With the Councils permission, payment of a First Party Top-Up can be deferred providing that a Deferred Payment Agreement is agreed between you and the Council before your funding starts.

Your Social Worker will need to request funding from the Councils Panel and obtain this approval before you can be certain that your first party Top-Up and choice of accommodation is guaranteed. you will need to show, amongst other things at the panel meeting, that you intend to apply for a Deferred Payment Agreement (to start after the 12-week property disregard period), and you consent to a first legal charge on your property under a Deferred Payment Agreement from the start of your property-disregard period.

The Council may consider the use of a First Party Top-Up in circumstances other than those set out above. People who would like to apply for a First Party Top-Up in a situation other than those set out above should contact our Client Finance Team to explain the exceptional circumstances in their situation for consideration. The Council may need to seek specialist legal advice on a case by case basis and the costs of this legal advice will be recharged to the individual.

Paying for accommodation

From time to time the Council will review our rates for accommodation. As a result the amount that the Council would expect to pay to meet someone's assessed needs may remain the same, increase or decrease. This may impact on the amount that an individual or organisation is asked to pay as the top-up. Similarly, if the accommodation increases in price (for example, an annual uplift to reflect inflation, or a restructuring of fees because of a new provider), we will have no liability for the

increased charges and will expect the individual or organisation paying the top-up to pay the additional costs above the amount the Council would expect to pay to meet that person's needs.

We will require the person making the third party top-up to pay the additional costs for the accommodation (or associated accommodation costs for supported accommodation) to the care provider, if payments are not maintained the care provider will seek to recover any arrears from the Council and the Council will recover the debt from the person who signed the third party top-up agreement (see Annex A).

When a person/organisation takes on a Top-Up, they assume the contractual responsibility for the duration of the person's residence in the accommodation to pay the difference in fees between the amount we would usually expect to pay to meet your assessed needs and the actual cost of your accommodation.

The Council will advise the person/organisation in writing that fees are not fixed or guaranteed to remain at the same level, and that the contribution of the resident or third party may rise faster than the Council's.

The third party will be required to enter into a Third Party top-Up Agreement (contract) which is legally binding and enforceable through the Courts (see Annex A).

The Council will also advise that we have no liability for debts accrued by a person/organisation due to non-payment or a shortfall in payment. We will notify people/organisations of the likely consequences if they fail to maintain payments. These may include legal action to recover the accrued arrears and/or you having to move to other accommodation (unless after an assessment of need, it is shown that your assessed needs can only be met in the current accommodation).

The Council has the right, subject to notice, to terminate the contract should the top-up payments cease to be adequate.

If the care home stops providing satisfactory care or is otherwise in breach of the terms and conditions of our contract with them, we reserve the right to move you to alternative accommodation. If your needs change significantly you will be re-assessed by a social worker to see whether your current accommodation continues to meet your needs.

<u>People who pay the full cost of their care and support</u>

If we arrange care and support on behalf of a self-funder in supported accommodation, they will have the same right to a choice about the provider of their accommodation, and the Council will support this as set out above. The Council will enter into a contract with the provider(s) on the person's behalf and manage the payment and invoicing arrangement for the person paying the full cost of their care and support.

If someone paying the full cost of their care and support has made their own private arrangement for services, the provider may take any action needed to obtain outstanding payments including legal action against the person or third-party who signed the contract and agreed to make payments but has failed to do so. The provider can also cancel the contract and give notice requiring the person to leave their accommodation.

If you pay the full cost of your care and support we will encourage you to consider what will happen if, over time, your savings/investments reduce and you become eligible for financial support with your care and support costs from the Council. If you have existing accommodation that is more expensive than we would usually expect to pay, this may result in the resident having to move to other accommodation, unless arrangements can be secured by way of another alternative such as a Third-Party Top-Up. In this instance, we will support you to find an alternative placement of your choice, provided this meets the Council's criteria around suitability, availability, conditions, cost and quality. If a reassessment shows that your needs can only be met in the current accommodation, we will endeavour, by way of negotiation, to make up the reasonable cost difference between your assessed charge and the accommodation's fees.

Existing residents

If you currently live in accommodation that is more expensive than the Council would usually expect to pay to meet your assessed needs, a review of your situation may result in you having to move to other accommodation, unless arrangements such as a Third-Party Top-Up can be put in place to meet the additional cost.

If a reassessment shows that your needs can only be met in the current accommodation, the Council will endeavour, by way of negotiation, to make up the reasonable cost difference between your assessed charge and the accommodation's fees.

13. Funding Agreement

The Council is responsible for public funds and therefore must ensure spending is equitable. The Council has a process for the approval of funding. In certain circumstances before the Council can agree funding you will be required to obtain the agreement from a senior manager or Panel.

Your Social Worker will advise you if you need to take any request to Panel. The list below is examples of circumstances where Panel approval will be required (this list is not exhaustive):

- The cost of the accommodation requested is above the usual Local Authority payment rate.
- The accommodation costs are to be paid by a first party top-up
- The level of the care package is above the personal budget amount identified.

The Social Worker will inform you of their managers or the panel's decision in writing.

If you do not agree with the Councils decision you can make a formal complaint to the Complaints and Data Protection Team Manager
complaints_cypandadults@bathnes.gov.uk

The Councils complaints procedure can be viewed at
http://www.bathnes.gov.uk/services/your-Council-and-democracy/complaints-and-customer-feedback/complaints-about-adult-social

If you are not satisfied with the decision made by the Councils complaints team you can refer the matter to the Local Government and Social Care Ombudsman
https://www.lgo.org.uk/

The Local Government Ombudsman, PO Box 4771, Coventry, CV4 0EH

Telephone: 0300 061 0614

14. Direct Payments

The Council has a separate policy in respect of Direct Payments. Please visit www.

If you would like a hard copy of the policy please contact
client_financeteam@bathnes.gov.uk or by post to

Client Finance Team,
Lewis House,
Manvers Street,
Bath, BA1 1JG

15. Equality Impact Assessment

The Adult Care Services and Commissioners have considered the impact that adopting this Charging and Financial Assessment Framework and the individual policies within it may have on the diverse communities in Bath and North East Somerset, and in particular residents in possession of 'protected characteristics' as set out in the Equality Act 2010.

The consultation will be reviewed and further information provided once concluded.
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The Councils acknowledges that there could be some negative impact on older people and those with disabilities, however the safeguards placed within the charging framework such as the minimum income guarantee and on-going monitoring of the use of services will minimise this.

16. Reviewing the Charging and Financial Assessment Framework

Annual review of the rates and amounts will ensure these are consistent with inflation or other relevant changes, which may occur.

The document may be subject to change through the departmental management team or the commissioners, or as part of an overall review of the entire Charging and Financial Assessment Framework Policy by the Council if new Legislation, Guidance and Regulations are introduced .

The Care Act 2014 and Statutory Guidance sets out changes which are permissible in line with Government published rates and changes to benefits.

17. Annex A

Working Out your Charge

How we work out your weekly charge

There are five steps. When the CFO meets you they will explain all of this, and give you the chance to ask questions.

Step 1: We work out your **Weekly income.** This includes:

- Most state benefits, including Personal Independence Payment (PIP), Attendance Allowance and Disability Living Allowance (care component).
- Carers Allowance.
- Retirement pensions.
- Any applicable charge on your savings – see above.

But this does not include:

- Earnings from paid work.
- Disability Living Allowance (mobility component).
- Child Tax Credit.
- Disabled Person's Tax Credit.
- Pension Credit - Savings Credit element.

Step 2: We then work out your allowances, money that you keep to make sure you have enough to live on. There are **four separate allowances:**

a. The Government has set standard allowances for your **general living expenses.** For example if you have reached qualifying pension age, this is £189.00 a week.

b. **Housing costs** you pay. This will be your rent or mortgage interest costs that are not covered by Housing Benefit and Council Tax costs that are not covered by Council Tax Support.

c. **Extra costs that relate to any disability you may have (only for people not in a care home).** For example, you may have higher dietary costs. This is called your Disability Related Expenditure or DRE. We will include the costs of:

- Telecare equipment including a community alarm
- Privately Arranged Domestic Help
- Special Diet
- Special Clothing or Footwear
- Additional Laundry Costs
- Additional Wear & Tear of Clothing, Footwear or Bedding
- Additional Heating (taking into account receipt of the Winter Fuel Payment)
- Maintenance or Repair of Equipment

d. If you receive the higher rate of Attendance Allowance / Personal Independent Payment (PIP) or Disability Living Allowance (care component), and Bath and North East Somerset Council does **not** pay for any care at night for you, we will take away £27.45 from your income total. This is **the**

difference between higher and lower rates of these benefits. This is because you are given this extra allowance specifically to pay for care at night.

Step 3: To work out **what you pay each week,** we add up your total income from step 1 and take away the eligible allowances from step 2 to give us your **"Assessable Income".**

Step 4: We then compare this assessable income with the **total weekly cost** for the service or services you are receiving, or the amount of your personal budget. You will pay the lower of the two amounts.

For example:

Your assessable income charge is **£40** a week.

You receive two hours of care a week that costs a total **£32** per week.

£32 is less than £40 so you would only pay the lower charge of **£32.**

In this example it has been calculated that you would be a self-funder (being able to pay the full cost of the care and support you receive) and would have to make your own arrangements for your care. The Social Worker can help you to make arrangements if you would like.

If you receive 5 hours of care a week, at a total cost of £84 per week you only pay your calculated charge, in this example £40.

Step 5: The care charge that we have worked out is a fixed weekly one. If you have less or more care hours for a short time, your weekly charge will stay the same. If you feel that you are at a disadvantage by this, please contact your Social Worker. If there is a permanent change to the number of care hours, the amount that you are asked to pay may change.

If you have more than one community service, for example, homecare and day care, the weekly charge that we work out will be the most you can pay for all of these services together.

Annex 10

Financial Assessment Allowances 2018-2019

	Level of 'Minimum Income Guarantee' for a Service User who is single (or living alone)	**Level of 'Minimum Income Guarantee' for a Service User living with a partner**
Age 18 or over, up to qualifying age for Pension Credit	£131.75 per week	£100.55 per week
Age 18 or over, up to qualifying age for Pension Credit and qualifying for Enhanced Disability Premium	£151.45 per week	£114.70 per week
Reached or over qualifying age for Pension Credit	£189.00 per week	£144.30 per week
Eligible for Carer Premium	An additional £43.25 per week	
Responsible for a child, and a member of the same household as that child	An additional £83.65 per week	
Disability-Related Expense Standard Allowance (Non-Residential Services)	£5.00 per week	
Statutory Personal Expense Allowance (in a Care Home)	£24.90 per week	
Maximum Savings Disregard[91] (in a Care Home if aged over 65 + and qualifies for savings disregard)	£5.75 per week	
Disposable Income Allowance (Deferred Payment in place)	Up to £144.00 per week	

[91] Savings Disregard is calculated on an individual basis in accordance with the Care and Support (Assessment of Resources) Regulations) The maximum amount is shown here for information only.

Disability Related Expenditure Guide

If you receive Attendance Allowance or Personal Independence Payment or Disability Living Allowance an allowance is made in your non-residential financial assessment for additional expenses due to disability or medical condition. The Council apply a standard allowance as shown in the Financial Assessment Allowances above unless you request the Social Worker carry out a full assessment of your disability-related expenses.

This guide sets out the standard or maximum allowances the Council use for a range of disability related expenses, if that extra cost is incurred and is needed to meet your specific need due to a medical condition or disability, as identified in your care and support assessment.

If you have one or more of the expenses listed the Council will usually allow the actual amount you spend up to the maximum amount indicated. The Council will only consider a higher allowance in exceptional circumstances.

Costs for disability related services that support the whole household (like a cleaner) will be shared equally between all adults in the household (unless you have a good reason for us to consider a different way of sharing costs).

Where a service or item is made up of different elements the Council will only consider costs for the part(s) that meet a disability related need.

Allowances for the maintenance of special equipment needed due to a disability or condition will be based on the conformation in your care plan that the equipment is required to meet your identified needs.

You must keep bills, invoices and statements to support your claim for disability related expenses. If you can’t produce this evidence the Council will use our discretion to decide if your claim is reasonable.

You can find details of exclusions at the end of this list.

Annex 10

DISABILITY-RELATED EXPENSE ITEM	AMOUNT CONSIDERED IN ASSESSMENT	EVIDENCE REQUIRED
Community Alarm System	Actual cost paid unless included in Housing Benefit award	Bills from provider or regular entries on bank statements
Private domestic help - where Adult Care assessment confirms this is necessary due to disability or medical condition and is not provided through Council-arranged support. This may include cleaning, shopping)	Actual cost paid up to £14.00 per week for single person household, or cost proportionately divided by the number of other adult household members.	Bills/receipts from provider for at least 4 weeks
Additional laundry and replacement bedding costs (where more than 4 loads washing/week needed due to incontinence or other disability-related/medical reason)	A maximum amount of £5.00 per week.	Adult Care assessment confirms incontinence or other condition requiring need for additional laundry and more frequent replacement of bedding.
Essential equipment maintenance / repair (if not maintained by adult care) (such as stair lift maintenance)	Actual cost of maintaining Specialist equipment at the discretion of Adult Client Finance and confirmation by Occupational Health.	Bills/ Receipts from provider, or entries on bank statements, or maintenance contract Showing costs.
Specialist clothing and Footwear and replacements Due to wear and tear.	Reasonable amount based on the care plan and subject to the discretion of the Council.	Receipts / bank statements
Additional heating allowance	Actual gas and electricity paid over one year minus the average amount annually	Bills from provider

Fuel amounts[92]:

Flat/Terrace
Single occupancy £1,311
Couple/shared occupancy
£1,729

Semi-detached
Single occupancy
£1,392.44
Couple/shared occupancy
£1,835.18

Detached
Single occupancy
£1,694.10
Couple/shared occupancy
£2,233.18

Other disability related expenses may be allowed with good reason and proof of costs, subject to the care plan confirming the expense is related to disability.

Continence products are not considered a disability related expense as products are available through the NHS/CCG free of charge.

Exclusions:

We won't consider costs incurred for:

- General items or services required for daily living used by the general population
- Garden maintenance, chiropody and basic domestic tasks.
- Privately arranged care and support
- Medical prescriptions and chemist items
- Equipment – this is available through community equipment
- Any item or service met by a payment from a Grant (e.g. Disability Facilities Grant) or where another funding source has been provided
- The difference between the actual cost and a lower cost alternative where we consider it was reasonable for a lower cost alternative;
- Structural or landscaping work (e.g. tree surgery, path laying or re-laying) in gardens or to buildings unless;
- ➢ Disabled Facilities Grant contributions apply in respect of the works carried out
- ➢ Any works to help prevent falls (e.g. installing hand rails or repairing footpath)

[92] Average annual amounts based on good practice guide issued by the National Association of Financial Assessment Officers

- The modifications to the garden or building are essential for you to be able to use/store securely scooter or wheelchair that you need to use, or to provide secure storage for a scooter and the facility is used as such. In this case, the amount will be calculated as if the modifications were equipment with a suitable life span applied.

Sample Interim Funding Agreement

Interim Funding Agreement for Care Home Fees

Application form

Before making this application Bath and North East Somerset Council strongly advise you to take independent legal and financial advice.

If you are unable to apply for a Deferred Payment Agreement for someone who would otherwise be eligible for a Deferred Payment Agreement because you are not yet legally-appointed to deal with their financial affairs you can apply to the Council for an 'Interim Funding Arrangement' to help towards care home costs until you have the legal authority to apply for a Deferred Payment Agreement; OR

If you are applying for interim funding whilst the property is sold or first registration is obtained in accordance with our Interim Funding Policy.

If we agree to an Interim Funding Arrangement we will charge interest on the care charges that accrue during the Interim Funding period plus an administration fee (to cover the costs of setting up and managing the arrangements) . See Annex C of our Charging Framework Charges for Interim funding and Interest Rates for details (www…….).

Interest and administration charges can be accrued with the care home charges to either be repaid when legal-authority is granted to access financial resources, or secured against the property through a Deferred Payment Agreement, or paid when the property is sold.

There may be other situations in which you can apply to the Council for an ‘Interim Funding Arrangement’, please see Part 10 of our Charging Framework for details (www……).

You are required to complete and return this form to the Care Finance Officer within two weeks of receiving this form. If the form is not returned within 2 weeks the Council may decline your request for interim funding without further consideration.

Section 1: Personal Details

Please enter your name or the name of the person on whose behalf you are applying for an Interim Funding Agreement.

Title: _____ First Name: _____ Last Name: _____

Section 2: Personal details of Financial Representative (if applicable)

Title: _____ First Name: _____ Last Name: _____

Email: _____

Telephone number: _____

Relationship to person named in Section 1: _____

Have you taken legal/financial advice before making this application: Yes / No

If you have not taken legal / financial advice please confirm you wish to proceed without obtaining legal / financial advice: Yes / No

Have you applied to be Lasting Power of Attorney or Deputy: Yes / No

If yes please confirm the date the application was made to the Court of Protection:

_____

If yes please state when you expect to get legal authority to deal with the financial affairs of the person named in Section 1: _____

If you are not acting for the person named in Section 1 under an LPA or Deputyship order please confirm the name and contact details of the person who is (please note the named person will be required to complete the request for Interim Funding:

Name: _____

Address: _____

Email: _____

Telephone Number: _____

Section 3: Reason for requesting Interim Funding

☐ a. The person named in Section 1 has lost capacity to manage their financial affairs and no one has yet been appointed to deal with their financial affairs.

☐ b. The property is unregistered and an application for first registration has been made to the Land Registry on _____ the instructed conveyancing Solicitors (including address and contact details) are:

Name: _____

Address: _____

Email: _____

Telephone number: _____

☐ c. The property has been sold and completion will take place within 6 weeks. The instructed conveyancing Solicitors (including address and contact details) are:

Name: _____

Address: _____

Email: _____

Telephone number: _____

(Interim Funding will only be agreed if the above Solicitors provide an Undertaking to pay the debt on completion of the sale of the property).

☐ d. Other please state: _____

_____

_____

If the application for Interim Funding is made under points a and b above you will be required to enter into a Deferred Payment Agreement when you obtain the legal authority to do so.

Part 4: Property information

Does the person in Section 1 own/part own a property: Yes / No

Property address:

_____

_____

Does any other person have an interest in the property: Yes / No

If yes please provide the name, address, email and telephone number:

Name: _____

Address:

_____

Email: _____

Telephone number: _____

Is there a mortgage on the property: Yes / No

If yes please provide the name and contact details of the mortgage company and the current outstanding debt:

Name: _____

Address: _____

Email: _____

Telephone number: _____

Current outstanding debt: _____

Please confirm you are agreeable to the Council contacting the mortgage company to seek confirmation of the debt and postponement of their charge (Please see specific property issues www…….): Yes / No

If the property is on the market please provide the following information:

Sale price agreed: _____

Date sale agreed: _____

Expected completion date of sale: _____

Part 5: Your declaration for your application for an Interim Funding Agreement

Read and sign the declaration below to complete your application

1. ☐ I confirm that the property identified in Section 4 is on the market and a sale has been agreed I confirm that I wish to apply for an 'Interim Funding Agreement' for the person named in Section 1 with Bath and North East Somerset Council: OR

2. ☐ I confirm that I have applied / will apply (delete as appropriate) to become the legally-appointed representative for the person named at Section 1 of this application and I undertake to complete any further actions as appropriate in order to become the legally-appointed representative; OR

3. ☐ I confirm that an application for first registration of the property has been made in respect of the property at Section 4, I confirm that I wish to apply for an 'Interim Funding Arrangement' for the person named in Section 1 with Bath and North East Somerset Council.

4. I confirm that I understand that if my application for an Interim Funding Arrangement is approved, the Council will:

(a) Send invoices to me in respect of the person named at Section 1, for the full cost of the care home fees for that person

(b) Allow those invoices to accrue until I have legal authority to act for the person named at Section 1
(c) Charge interest on the accruing invoices at the rate published in the Council's Charging Framework
(d) Charge an administration fee to cover the cost of making the Interim Funding arrangements (at the rate published in the Council's Charging Framework
(e) Expect repayment of the accrued charges (care costs, interest charges and administration charges) as soon as I have legal authority to act for the person named at Section 1, unless I apply for a Deferred Payment Agreement as the legally-appointed representative for the person named at Section 1.

4. I confirm that when/if I am granted legal authority to act for the person named in Section 1 I undertake to repay Bath and North East Somerset Council the full amount owing to Bath and North East Somerset Council in respect of the person named in Section 1, including any accrued interest charges and administration cost charges associated with an Interim Funding Arrangement; OR (delete as appropriate)

5. I confirm that when the property at Section 4 is sold I undertake to repay Bath and North East Somerset Council the full amount owing to Bath and North East Somerset Council in respect of the person named in Section 1, including any accrued interest charges and administration cost charges associated with an Interim Funding Arrangement (delete as appropriate)

6. I confirm that I understand that when/if I am granted legal authority to act for the person named in Section 1, should I wish to apply for a Deferred Payment Agreement with the Council, I will need to make my application to the Council within 5 weeks of receiving legal authority to act for the person named in Section 1, using the property listed in this application as security against the accrued interim debt which will be listed within a Deferred Payment Agreement (delete as appropriate)

7. I confirm that I undertake to keep Bath and North East Somerset Council Care Finance Team updated with the progress of my application(s) to become the legally-appointed representative to act for the person in Section 1/First registration of the property at Section 4/Sale of the property at Section 4 (delete as appropriate)

8. I understand that I shall be responsible for:
(a) ensuring that the property owned by the person named in Section 1 is secure, insured and maintained appropriately throughout an Interim Funding Arrangement; and
(b) ensuring that the person named in Section 1 receives the statutory weekly Personal Expenses Allowance from their DWP pension/benefits while an Interim Funding Arrangement is in place; and
(c) making payments to Bath and North East Somerset Council towards any assessed weekly Charge that is over and above the agreed Personal Expenses Allowance where the DWP has appointed me to manage the state benefits for the person named in Section 1.

9. I understand that Bath and North East Somerset Council will invoice me for the costs noted above and I agree to pay those invoices in a timely manner.

10. I confirm that I have been told of the need to take independent legal and financial advice before entering into an Interim Funding Arrangement with the Council and when making decisions about options for funding long-term care.

11. I confirm that the information I have given on this form is true and accurate to the best of my knowledge.

12.I have read this application for an Interim Funding Arrangement and the terms of this declaration.

13. I understand that Bath and North East Somerset Council will use the information I have provided for the purpose of deciding on this application for an Interim Funding Arrangement for the person named in Section 1. I understand that the Council will only share information where the legal framework allows it and as stated in the Privacy Notice which can be found on the Council's website at http://www.bathnes.gov.uk/services/your-Council-and-democracy/data-protection-and-freedom-information/Council-privacy-notice-0 and for the detection and prevention of fraud as required by regulations and statute.

Jurisdiction

Each of the parties to the Agreement irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and/or to settle any disputes, which may arise out of or in connection with this Agreement or its formation or validity and, for these purposes, each party irrevocably submits to the jurisdiction of the courts and England and Wales.

Your full name: _____

Signature: _____

Date: _____

Please return this form by email to client_financeteam@bathnes.gov.uk or by post to

Client Finance Team,
Lewis House,
Manvers Street,
Bath, BA1 1JG

Sample Third Party Top Up Agreement

Annex 10

THIRD PARTY CONTRIBUTIONS' AGREEMENT

THIS AGREEMENT is made on 201[ ]

BETWEEN

Bath and North East Somerset Council having its principal office at
Council

[**NAME OF PROVIDER**] [having its registered office at]
Provider

[**NAME OF THIRD PARTY MAKING THE TOP-UP CONTRIBUTIONS**]

[of] Third Party

WHEREAS

1. [Name of Resident] [of] hereinafter called "the Resident" wishes to reside at a care home at [Name and address of care home] hereinafter called "the Home" which is a care home operated by the Provider

2. The Provider is willing to provide the Resident with accommodation and care under and in accordance with the Council's Framework Agreement for the Provision of a Care Home Service (date *******).

3. The Third Party has agreed to pay to the Council the Top-Up Contributions (as hereinafter defined)

4. The Council is willing to nominate the Resident for the provision of a Care Home Service at the Home and to enter into an Individual Resident Arrangement with the Provider under and in accordance with the Framework with respect to the Resident subject to the Third Party agreeing to pay Top Up Contributions.

NOW IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO as follows:-

5. **Definitions**

In this Agreement the expressions already defined shall have the meanings assigned to them and the following expressions shall unless the subject or context otherwise requires have the following meanings –

Framework The Council's Framework Agreement for the Provision of a Care Home Service (date ******)

Third Party The person or persons who has or have entered into this Third Party Contributions Agreement and agreed to pay the Top Up Contributions

Top Up Contributions The difference between the Provider's charges for providing accommodation and care for the Resident at the Home and the Resident's assessed Care Charge (if any) and the Councils contribution, each as from time to time applicable

Payment of Top Up Contributions

The Third Party agrees to pay the Top Up Contributions (which at the date of this Agreement is £ [INSERT AMOUNT] per week).

This should be paid on a monthly basis to the Council unless alternative arrangements are agreed in writing. The Council is responsible for notifying the Third Party making the Top Up Contributions of any changes in the amount payable.

6. For the avoidance of doubt it is hereby **DECLARED AND AGREED** between the parties as follows –

   a. The Third Party will complete and return to Client Finance Team a financial assessment form within 14 days of the date the form was sent to the Third Party.

   b. This Third Party Contributions Agreement will be reviewed by the Client Finance Team in conjunction with the arrangements for reviewing the Resident's financial assessment (Care Act 2014 Paragraph 17). These are reviewed by the Councils Client Finance Team following a change in circumstances or in any event on an annual basis.

   c. The Third Party recognises that the Provider's charges may increase and that in these circumstances the amount of the Top Up Contributions payable by the Third Party is likely to be raised accordingly having regard to the Resident's personal budget..

   d. The Third Party shall notify the Councils Client Finance Team immediately of any changes in their circumstances which could affect their ability to pay Top Up Contributions. This may trigger a review of this Third Party Contributions Agreement and the arrangements made for the provision of accommodation and care for the Resident at the Home.

   e. In the event of the failure of the Third Party to pay the Top Up Contributions in full the Council will have the right at any time by giving at

least twenty-eight (28) days' written notice to withdraw the Resident from the Home and to place the Resident in alternative care home accommodation that is affordable within the amount identified in the Resident's assessed care plan.

f. Any outstanding sums due under this may be recovered from the Third Party through the County Court. The Council will send a letter attached hereto at Appendix 1 (**Reminder Letter**) requesting that the missing payment is made within 14 days of the date of the Reminder Letter. If no payment is received after this time, the Council will refer the matter to its debt recovery team for commencement of the Council's standard recovery procedure. This may result in enforcement action before the County Court where we will ask that interest is added to the debt being accrued.

g. If any more than three Reminder Letters are sent within any 12 month period, the Council shall be entitled to exercise its rights to terminate this Agreement as set out below in the section headed 'Termination of this Agreement'.

h. The Provider agrees with the Council that it will use all reasonable endeavours to keep the Council advised of any delay in or change in the pattern of payment of Top Up Contributions by the Third Party.

Termination of this Agreement

The Council may bring this Agreement to an end if any of the following occurs:

1. The Third Party fails to make payment of the Third Party Top-Up Amount in full within 14 days of the date of a Reminder Letter.
2. The Third Party fails to make three payments of the Third Party Top-Up Amount on time in any 12 month period.
3. The Third Party notifies the Council in writing that you are no longer able to sustain the agreed weekly payments, i.e. the Third Party Top-Up Amount, due to a change in your financial circumstances.
4. The Council, on reviewing a change in the Third Parties financial circumstances, concludes you are no longer financially able to sustain the agreed weekly payments.
5. The Third Party notifies the Council in writing that you would like the Agreement to end.

In the event that one of the termination triggers detailed above arises and the Council chooses to exercise its right to bring this Agreement to an end, it is likely that the Resident will be required to move into alternative Accommodation where such Accommodation would be suitable to meet their needs and the cost of which is within their personal budget.

Before any decision to move the Resident is taken, a new assessment of need will be undertaken. The final decision as to whether they will need to move to alternative accommodation will rest with the relevant manager who will take into account all of the circumstances of the case including having regard to their wellbeing.

The Council has to consider other Residents and its resources as a whole when funding Accommodation. Only in exceptional cases (e.g. the person has been diagnosed as being close to end of life) will considerations relating to the wellbeing of the Resident make it appropriate for the Council to continue Accommodation that requires it to pay more than a Resident's personal budget.

The Council wishes to make clear that, simply because it could be argued that it would be in the Resident's best interests to remain living at the Accommodation, this will not be a factor that compels the Council to maintain the Accommodation if the Third Party are unable to continue paying the Top-up Amount.

If the Council decides to terminate the Agreement, it will serve notice on the Third Party providing the Third Party with the same period of notice as is required in accordance with the contract it has with the provider. In most cases the period of notice that the Council is required to give to a provider will be 28 days and on the assumption that this is the position in this case the Resident will be required to leave the Accommodation no later than the end of the 28 day notice period.

During the 28 days, or such other period of time as is prescribed in the contract with the provider of the Accommodation, the Council will commission care in alternative Accommodation that is willing to meet the Resident's assessed needs for a sum that is equal to or within their personal budget. This will be in line with the usual arrangements put in place for Residents who have not previously received the benefit of a Third Party Top-Up.

Joint Third Party Arrangements

If this Agreement involves more than one Third Party making contributions to the Resident's care costs, the duties arising are joint and several. This means that if one or more of the Third-Parties fails to pay their agreed contribution, the other Third-Parties to the agreement will be liable to the Council for the full amount of defaulting party's share in addition to their own share.

In entering into this Agreement, the Third Party agrees to be liable for the contributions of the other Third Parties, should they fail to maintain their contributions. If the remaining Third Parties are unable to pay the Top-up Amount in full, the Council will consider the need to exercise its rights to terminate this agreement. For the avoidance of doubt the Third Parties entering into this agreement are as follows:

1.

2.

General

This Agreement is legally binding and any dispute or claim arising out of or in connection with it shall be governed by and construed in accordance with English law.

We would recommend that you take independent financial advice before committing to the obligations to make payments as required under this Agreement. As this

Agreement is legally binding upon you, you may also wish to take independent legal advice on its suitability.

Jurisdiction

Each of the parties to the Agreement irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and/or to settle any disputes, which may arise out of or in connection with this Agreement or its formation or validity and, for these purposes, each party irrevocably submits to the jurisdiction of the courts and England and Wales.

AS WITNESS the hand of the Third Party and the hands of the duly authorised representatives of the Council and the Provider the day and year first before written.

I confirm I have been given sufficient information and advice to be able to make an informed decision before entering into this Third Party Top Up Agreement.

By signing this self-certification form I confirm if I have chosen not to provide details of my financial circumstances via a light touch financial assessment I instead declare I am willing and able to afford and sustain my commitment for the likely duration of the agreement, and that I have read and fully understand the terms and conditions.

Signed by…… Dated…….

Print Name……..

Name: (Name of Council Budget Holder)

Signed: (Signature of Council Budget Holder)

on behalf of Bath and North East Somerset

Council

Name: (Name of Provider's representative)

Signed: (Signature of Provider's representative)

on behalf of [Name of Provider]

Client Finance Team, Lewis House, Manvers Street,
Bath, BA1 1JG

Annex 10

Sample Third Party Top Up Reminder Letter

Dear

THIRD PARTY TOP UP AGREEMENT – PAYMENT REMINDER

We refer to the Top Up Agreement (the Agreement) into which you entered on

We note that we have not received the Top-up Amount due to be paid on in the sum of . We anticipate that this is a simple oversight on your part and would request that you make the outstanding payment within 14 days of the date of this letter.

If no payment is received after this time, in accordance with the terms of the Agreement, Bath and North East Somerset Council will refer the matter to its debt recovery team for commencement of Bath and North East Somerset Council standard recovery procedure. This may result in enforcement action before the County Court, when Bath and North East Somerset Council will ask for interest to be added to the outstanding debt.

If payment is not received within 14 days, DCC shall be entitled to exercise its rights as set out in the section headed 'Termination of this Agreement' within the Agreement.

As you will know from the Agreement, if you do not maintain payments, it is likely that the will be required to leave and will be placed in alternative residential care setting at a cost that is within their personal budget. We would very much hope that such action would not be required but your continued payment is vital to ensure that this does not happen.

If payment is made, Bath and North East Somerset Council will confirm receipt and this Reminder Letter will be logged on our records for the purposes of monitoring the frequency with which late payment arises. If any more than three Reminder Letters are sent within any 12-month period, Bath and North East Somerset Council shall be entitled to exercise its rights to terminate this Agreement as set out in the Agreement in the section headed 'Termination of this Agreement'.

If you are now unable or unwilling to maintain the Top-up Amount in accordance with your obligations under the Agreement, please contact us immediately in order that we can discuss the options for the service user and inform you of your options with regard to the termination of the Agreement.

We look forward to receiving payment within the next 14 days.

Yours sincerely

18. Annex B

Capital Limits

Level of Capital or Savings	How this is considered in Financial Assessment
£0 - £14,250	Disregarded
£14,251 - £23,250	Tariff income is calculated at the rate of £1 for every complete £250, or part £250
£23,250 +	Full cost of care applies at or above this level of capital or savings – self funding

19. Annex C

Charges for interim funding and Interest Rates:

Annual Interest Rates on Interim Funding:

1 January 2018 – 30 June 2018:	1.45% yearly rate charged daily
1 July 2018 – 31 December 2018:	1.85% yearly rate charged daily
1 January 2019 – 30 June 2019:	1.65% yearly rate charged daily

Charges:

Formal valuation	At cost (+VAT if applicable)
Review of debt and interim statement	£105.00 (+VAT if applicable)
Costs of any specialist legal and/or financial advice obtained by the Council (if required) – the Council will provide an estimate in advance	At cost (+VAT if applicable)

- Value Added Tax (VAT) – the legal and administrative costs quoted above are exclusive of VAT. VAT will be charged if applicable. DPA's which meet the national mandatory DPA requirements to be secured by a first legal charge are not currently subject to VAT.
- VAT does not currently apply to Land Registry statutory fees. Land Registry fess are set and reviewed by the Land Registry and subject to change.
- The charge for review of the debt and interim statement will be increased annually in April line with CPIH.

Annex 10

Sample Financial Assessment Form

CALCULATION OF FINANCIAL CHARGE FORM

This form should be used for everyone receiving assistance from the Local Authority including Personalised Budgets and Residential placements.

SECTION 1 – SERVICE USER'S PERSONAL DETAILS

Marital Status: Married / Single / Widowed / Divorced / Living Together				
Name			Client ID No:	A
Date of Birth		National Insurance No.		
Address				
Telephone Numbers		Email address		

SECTION 2 – PARTNER'S DETAILS

Do you have a partner?	Yes		No	

(If yes please give details below)

Title: Mr / Mrs / Miss / Ms / Other (please specify)_____

Marital Status: Married / Single / Widowed / Divorced / Living Together

Surname:		Forenames	
Date of Birth		National Insurance No.	
Address		Telephone No.	

SECTION 3 – REPRESENTATIVE DETAILS

Is the Service User dealing with his/her own financial affairs? Yes: ☐ No: ☐

(If No please give details below)

Title: Mr / Mrs / Miss / Ms / Other (please specify)			
Forenames		Surnames	
Address			
Postcode		Telephone No	
		Email address	
Relationship to Service User Relative, Friend, Power of Attorney, DWP Appointee or Deputyship held.			
Please provide copies of any Power of Attorney, Court Order appointing deputy or DWP correspondence confirming appointeeship.			

SECTION 4 – IDENTITY Check – only for use by Care Finance Officer

Annex 10

List Evidence of Identity Documents Seen

Service User as per section 1 – if present

Representative as per section 3 – if present

SECTION 5 – WHICH SERVICE IS THIS APPLICATION IN RESPECT OF

Are you/will you be receiving a Personal Budget care service from the Local Authority?	Yes		No	
If yes is your partner also receiving a Personal Budget care service from the Local Authority?	Yes		No	
Are you in or going into a Residential or Nursing Home?	Yes		No	
Are you in or moving to Extra Care Housing?	Yes		No	
Name of person arranging service (i.e. – Social worker/care coordinator)				

Please be aware that it is essential that you answer all the questions as accurately as you can in order to ensure we can make a full and comprehensive calculation of your charge.

SECTION 6 – SERVICES RECEIVED

Does the package of care you receive from the Local Authority include services received between the hours of 10.00pm & 7.00am?	Yes		No	

SECTION 7 – DETAILS OF RESIDENTIAL/NURSING HOME TO WHICH YOU ARE MOVING

Name of Home:			
Address of Home:	Postcode		
Local Authority owned	YES/NO	Independent/ Voluntary.	YES/NO

Intended Date of Admission	/ /	Was this an emergency	Yes		No	
Type of Admission:	Respite		Rehab		Permanent (incl. trial period)	
If Respite or Rehab please give dates	From	/ /	To	/ /		

SECTION 8 – INCOME DETAILS

Please give details of your income below. When partner's details are completed in this section the partner must also read and sign section 14 declaration.

Income	**Service User £**	**Partner £**	**Frequency (weekly, monthly, annually)**
State Retirement Pension			
Pension Guaranteed Credit			
Pension Savings Credit			
Private / Occupational Pension			
Private / Occupational Pension			
Statutory Maternity/Sick Pay			
Employment & Support Allowance			
Severe Disablement Allowance			
Universal Credit – Personal Allowance			
Universal Credit – Housing Allowance			
Attendance Allowance			
Disability Living Allowance – Care Personal Independence Payment			
Disability Living Allowance – Mobility			

Personal Independence Payment				
Working Tax Credit				
Industrial Injury Benefit				
War Widows Pension				
War Disability Pension				
War Pension				
Maintenance Payments				
Earnings				
Other Income *(please specify)*				
Do you either receive Carer's Allowance or have the underlying entitlement to Carer's Allowance for caring for somebody?	Yes		No	
Does your partner receive Carer's Allowance or have the underlying entitlement to Carer's Allowance?	Yes		No	

SECTION 9 – ACCOUNTS AND SAVINGS

Do you and your partner have any accounts or capital accounts?	Yes		No	

Please list all current, post office, savings passbooks, ISAs, bonds, investments and any other accounts into which your income, capital or savings are paid.

(In all cases, capital belonging to the service user should be included as well as 50% of any joint capital). ***You must state in whose name the account/investment is held. If you have savings and capital in excess of £23,250.00 you will be self funding, please complete the form and sign section 17.***

Please provide copies of all bank statements, investments, capital etc.

Do you have any savings in a Bank / Building Society	**Yes / No (If yes give details below) –**

Name of Bank/ Post Office/ Building Society etc.	**Sort Code/Account Number**	**Balance as at date**	**Joint Account /Own name / Partner's name only**

Do you have any Stock & Shares/ National Savings Certificates/Premium Bonds or other investments		**Yes / No (If yes give details below)**	
Nature of Investment	**Number of Shares**	**Value**	**Joint Account /Own name / Partner's name only**

Do you have any other savings, investments or capital?		Yes / No (If yes give details below)
Nature of Savings	**Amount**	**Joint Account /Own name / Partner's name only**

Please continue on a separate sheet if necessary

<u>SECTION 10 – EXPENDITURE</u>

Please give details of your expenditure below: -

Expenditure Details	**Amount £**	**Frequency (weekly, monthly, annually)**
Rent *(less rebate)*		
Ground Rent		
Council Tax *(less rebate)*		
Mortgage Payments		

Board & Lodgings		
Service Charge		
Buildings Insurance		
Water & Sewerage Rates		
Electricity (*standing charge only*)*		
Gas (*standing charge only*)* Non-Mains oil delivery charge only		
Contents Insurance*		

Applicable to Residential/Nursing Placements only

SECTION 11 – DEPENDANT CHILDREN DETAILS

Do you have any dependant children living with you? Yes: ☐ No: ☐

(If yes please provide details below)

Number of dependent children living with you		No. Under 16 yrs		Ages	
		No. Over 16 yrs		Ages	
Number of children with savings over £14,250 living with you					

SECTION 12 – NON DEPENDANTS DETAILS

Do you have any non-dependants living with you? Yes: ☐ No: ☐

(If yes please provide details below)

Total number of non-dependants in household	
Age of each person living with you	
Number of non-dependants on Income support/Pension Credit	

Number of non-dependants working	
Number of non-dependants not working	
Number of non-dependants that are full time students	

For ALL service users please complete Section 13

SECTION 13- INFORMATION ABOUT YOUR HOME ADDRESS, PREVIOUS ADDRESS & OTHER PROPERTY

Address of Normal Residence								
Type of occupancy	Solely Owned		Jointly Owned		Rented		Other	
If jointly owned or other please give details.								
Please provide a copy of all documents setting up these joint ownership arrangements including all and any relevant wills/ trust documents and or Land Registry documents.								
If owned give brief description of property.								
Detached		Semi		Terraced		Bungalow		
Flat		Number of Storeys		Number of bedrooms				

Is there an outstanding mortgage/equity release on the property?	Yes		No	
If yes please confirm amount	£			
How long have you lived at this address?				
If less than 2 years please confirm your previous address	Postcode:			

Was the property owned or rented?							
If owned is the property a former Council House?	Yes		No				
Do you own any other land or property?	Yes		No				
If yes please give details							
Have you ever owned any other land or property?	Yes		No				
If yes please give full details of all land or property previously owned including dates of sale. *(Please add additional sheets to back of this form if necessary)*							
Detached		Semi		Terraced		Bungalow	
Flat		Number of Storeys		Number of bedrooms			
Were any of your previous properties purchased under the right to buy?	Yes		No				
If tenant, who is your landlord?							
Does your landlord provide support?	Yes		No				
If No, is this provided by another agency?	Yes		No				
Please provide a copy of your most recent mortgage statement. If you have anyone who pays you rent to live in your property, a copy of the rental or tenancy agreement you have with them.							

SECTION 14 – OTHER DEBTS OR REGULAR EXPENDITURE

Other expenditure of this nature cannot be taken into account in relation to the calculation of your charge. However, it will help us to support you to manage the payment of your charge and existing commitments.

Personal loans	Yes	No	Cost per month	£
Store/ credit Card	Yes	No	Balance outstanding	£

Any other regular outgoings not listed previously in this form (eg; mobile phone contract etc)

SECTION 15 – WILLS & EXECUTORS

Have you completed a will?	**Yes**		**No**	
If Yes - who is your executor?				
Where is the will held?				
If you do not have a will, who is your nearest relative?				

SECTION 16 – DISABILITY RELATED EXPENDITURE

Do you have specific additional costs relating to your disability?	Yes		No	

Reasonable disability related expenditure will be assessed where any of the following disability benefits are in payment: in respect of Personal Budgets only.

The Severe Disability Premium included in payments of Income Related ESA, Pension Guarantee Credit or Attendance Allowance, Disability Living Allowance Care Component, Constant Attendance Allowance, Personal Independence Payment Daily Living Component and Severe Disablement Allowance

You will need to show evidence of this expenditure for it to be considered.

These do not include payments for services already provided for by this Authority.

Annex 10

Item	Case Manager	Visiting Officer
Dispersed Community Alarm Does not apply to sheltered housing tenants with fixed alarms or if funded through Supporting People. Actual cost paid unless included in Housing Benefit award. Appropriate confirmation of cost must be submitted to the Client Finance Team.		
Privately Arranged Domestic Help Actual cost paid up to **£14.00** per week for single person household, or cost proportionately divided by the number of other adult household members.		
Additional Laundry Costs For example due to incontinence, personal hygiene problems, skin conditions. A maximum amount of **£5.00** per week.		
Special and additional wear and tear of clothing, footwear and bedding This only applies in exceptional circumstances where people have clothes especially made because of an established illness or disability. Reasonable amount based on the care plan and subject to the discretion of the Council.		
Additional Gas and Electricity Costs Actual gas and electricity paid over one year minus the average amount annually Fuel amounts[93] **Flat/Terrace** Single occupancy £1,311 Couple/shared occupancy £1,729 **Semi-detached** Single occupancy £1,392.44 Couple/shared occupancy £1,835.18 **Detached** Single occupancy £1,694.10 Couple/shared occupancy £2,233.18		

[93] Average annual amounts based on good practice guide issued by the National Association of Financial Assessment Officers

Maintenance or Repair of Equipment Where possible equipment should be sourced from B&NES Community Equipment Service via Sirona. A reasonable additional amount may be included, calculated as a weekly amount. At the discretion of Adult Client Finance and with conformation by Occupational health.		

SECTION 17 - REFUSING A CALCULATION OF CARE CHARGE AND / OR AGREEING TO PAY THE FULL CHARGE

If you do not agree to complete this financial calculation charge form and wish to pay the full charge for the service/s provided or have savings and capital (section 7) in excess of £23,250.00 please sign below. Please note that in signing this section it will mean that your package of care with the Local Authority may have to end and you may have to arrange your care privately. There may be clients in certain services this does not apply to, i.e. client paying full cost in an extra care establishment.

I do not agree to a calculation of care charge and wish to pay the full cost. I understand this may mean I have to arrange my care privately	**Signature:**	
	Date:	

In keeping with the EU's new General Data Protection Regulation (GDPR), we have recently updated our Privacy Policy to clarify how we protect your personal information.

Our updated policy provides more details on:

The information that we collect;

- How we use this information, why we store, and why we retain it; and
- How you can request that your information is updated, corrected, or deleted.

Details on the policy can be found here:

http://www.bathnes.gov.uk/services/your-Council-and-democracy/data-protection-and-freedom-information/Council-privacy-notice-0

Alternatively a paper copy can be made available upon request.

SECTION 18– DECLARATION

Annex 10

I understand that the information I have provided on this form will be used to determine the level of the charge I have to make for services arranged by Bath & North East Somerset Council. The exact figure will be notified to me in writing.

I understand that I should notify Bath & North East Somerset Council of any change in my circumstances as this may affect the level of my charge.

This authority is under a duty to protect the public funds it administers, and to this end may use the information you have provided on this form for the prevention and detection of fraud.

I declare the information given above is correct to the best of my knowledge and belief and I have no objections to relevant enquiries being made.

Signature	**…….**	**Service User**	**Date……**
	…….	**Partner**	
	…….	**Financial Representative**	
	…….	**Witness**	
Signature	**…….**	Care Finance Officer	**Date……**

Please return the completed Calculation of Financial Charge Form to Client's Finance Team, Bath & North East Somerset Council, Lewis House, Manvers Street, Bath BA1 1JG Third Party Top-Up Financial Assessment

Annex 10

Sample Third Party Top-Up Financial Assessment

PLEASE COMPLETE THIS FORM IN FULL AND RETURN THE COMPLETED FORM TO THE ADRESS AT THE END OF THIS FORM.

Amount of Third Party Top-Up: £ per week

How are you intending to pay the Third Party Top-Up?

Savings ☐

Please provide copies of the statement of account where the savings are held.

Income ☐

Please confirm your income and expenditure and provide any supporting documentation.

Income per week	Amount	Expenditure per week	Amount
Total:		**Total:**	

Difference between Income and Expenditure: £ per week

Annex 10

Name: _____

Signature: _____

Date: _____

Please return this form by email to client_financeteam@bathnes.gov.uk or by post to

Client Finance Team,
Lewis House,
Manvers Street,
Bath, BA1 1JG

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The information that we collect;

- How we use this information, why we store, and why we retain it; and
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Details on the policy can be found here:

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Alternatively a paper copy can be made available upon request.

20. Annex D

Sample Deferred Payment Agreement

DATE: **201***

DEFERRED PAYMENT AGREEMENT UNDER THE CARE ACT 2014

BETWEEN
BATH AND NORTH EAST SOMERSET COUNCIL

AND

For and on behalf of
XXXX

This Agreement is dated [insert date]

PARTIES

(1) BATH AND NORTH EAST SOMERSET COUNCIL (the "Local Authority") Guildhall, High Street, Bath, BA1 5AW

(2) _____ of _____ acting in his capacity as attorney for and on behalf of _____ ("you" or "your") of _____

(3) CO-OWNER NAME] of [CO-OWNER ADDRESS] ("Co-Owner")

BACKGROUND

a) This deferred payment agreement has been entered into between the parties on the basis that the Local Authority [is required to do so under regulation 2] OR [permitted to do so under regulation 3] of the Care and Support (Deferred Payment) Regulations 2014.

b) It has been identified that you require care in the form of residential accommodation in a care home or supported living accommodation.

c) On the basis that your financial assessment has determined that you own capital in excess of the threshold limit, it has been identified that you are required to pay the cost of your care in full.

d) You will be required to contribute your weekly income towards the costs of care, with the exception of your weekly disposable income allowance.

e) You have a beneficial interest in the Property .The Local Authority has offered you a deferred payment agreement over the Property, allowing the costs of care to be deferred and accrue against property owned by you. The Local

Authority is also entitled to make a charge for Administrative Charges in putting place the arrangements for meeting your care needs and to apply interest to the accrued amounts. Such charges will be applied in accordance with the terms and conditions of this agreement.

1. Interpretation

1.1 In this Agreement, the following words have the following meanings:

Accommodation	Means the details of the care home or the supported living accommodation identified in Schedule 1.
Administrative Charges	Means the costs that the Local Authority incurs and is permitted to charge you in relation to your deferred payment agreement in accordance with paragraph 10(3) of the Care and Support (Deferred Payment) Regulations 2014. These charges may include, but are not limited to, those charges identified in Schedule 2.
Agreement	Means the terms and conditions of this deferred payment agreement together with the Schedules.
Care Charges	Means the charges for the Accommodation, care and/or support that require to be paid since the Accommodation first commenced. The details of the current level of charges are set out in Schedule 1.
Contribution	Means the amount that you will be required to pay directly towards the Care Charges.
Debt	Means the balance from time to time of the amount of the Care Charges, Administrative Charges and Interest which has not yet been repaid and is accrued against the Property.
Equity Limit	Means the maximum amount that the Local Authority will defer and can be accrued against the Property. Schedule 1 sets out the equity limit that is applicable to you at the time of entering into the agreement. This is calculated by taking into account 90% of the value of your interest in the Property (being the current market or surrender value at the relevant time) that the Local Authority has obtained as Security for the Care Charges together with any Administrative Charges and Interest which are to be treated as part of the Debt, less £14,250 and the amount of any encumbrance secured on it which ranks in priority to the Local Authority's Security. This amount can be amended from time to time by the Local Authority.
Financial Assessment	Means the financial assessment carried out under section 17 of the Care Act 2014
Financial Resources Threshold	Means the sum specified in regulation 12 of the Care and Support (Charging and Assessment of Resources) Regulations 2014.
Income	Means your income as calculated in accordance with the Financial Assessment carried out under section 17 of the Care Act 2014.

Interest	Means the interest that the Local Authority may charge on the amounts that it has deferred and that have accrued against the Property (including the Care Charges and the Administrative Charges). This rate will not exceed the Relevant Rate for the Relevant Period plus 0.15%.
Local Authority Contact	Means the representative of the Local Authority who you should notify of any change in circumstances or any other information required to be given under the Agreement. The name and contact details of this representative are included in Schedule 1.
Property	the property over which the Local Authority takes Security as identified in Schedule 1.
Relevant Period	Means the period starting on either 1st January and ending on 30th June in any year, or 1st July and ending on 31st December in any year.
Relevant Rate	Means the weighted average interest rate on conventional gilts specified for the financial year in which the Relevant Period starts in the most recent report published before the start of the Relevant Period by the Office of Budget Responsibility under section 4(3) of the Budget Responsibility and National Audit Act 2011.
Security	Means the security which the Local Authority takes in respect of the Property to protect repayment of the amount of charges that it has deferred together with the Administrative Charges and the Interest. This will take the form of a charge by way of legal mortgage which is capable of being registered as a legal charge in favour of the Local Authority in the land register or any other security which the Local Authority considers to be sufficient to secure payment.

1.2 Clause, Schedule and paragraph headings shall not affect the interpretation of this agreement.

1.3 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

1.4 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.

1.5 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.

1.6 This agreement shall be binding on, and enure to the benefit of, the parties to this agreement and their respective personal representatives, successors and permitted assigns, and references to any party shall include that party's personal representatives, successors and permitted assigns.

1.7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made under it from time to time.

1.8 Any obligation on a party not to do something includes an obligation not to allow that thing to be done.

2. How the payments will be made

2.1 The Local Authority agrees, subject to the Equity Limit, to defer payments up to a maximum of the Care Charges. This will be made by either:

2.1.1 deferring your obligation to pay Care Charges which are payable to the Local Authority; or

2.1.2 deferring the amounts payable by you in Care Charges by paying them to your care provider at the times when they become payable.

2.2 Where the Care Charges are payable to a care provider other than the Local Authority, the Local Authority will pay the amount of the Care Charges to the care provider. Where any sums are advanced to you in accordance with this Agreement, you must apply such sums to the payment of the Care Charges and not for any other purposes.

2.3 If you are notified of any change in the amount of the Care Charges or the frequency with which they must be paid, you must notify the Local Authority in writing as soon as you reasonably can and where possible, in advance of the change taking effect. If the Local Authority receives less than fourteen (14) days notice of a change it cannot guarantee that the requested change will be made in time to take effect on the required date.

2.4 If you decide at any time to pay the Care Charges or any part of them yourself you must give the Local Authority at least fourteen (14) days advance written notice before the payment is due of:

2.4.1 the amount that you are going to pay;

2.4.2 the number of times you will be making the payment (whether this will be a one-off payment, a set number of payments or if the payments will be made until further notice).

2.5 If you move from the Accommodation into another care home or other supported living accommodation, you should give us at least fourteen (14) days written notice of the change and that you wish the Local Authority to substitute the Care Charges with the charges applicable to the new accommodation. The Local Authority will do this if they meet the description of the Care Charges and if the Local Authority continues to be required to lend you the charges under the Care Act 2014. Any changes notified and agreed will take effect on the expiry of the fourteen (14) days notice. If the Local Authority do not believe that they continue to be required to defer the Care Charges as a result of the change in Accomodation, it will notify and discuss with you the impact of this as soon as possible and may not be required to defer any further amounts in accordance with clause 10.2.

2.6 The amount of the Care Charge takes into account your Income. If your Income exceeds the Income threshold, the Local Authority will require you to make the Contribution towards the charges due. The Care Charge which the Local Authority has agreed to defer will be reduced by the amount of the Contribution.

2.7 If your Income exceeds £144 per week, the Local Authority may require you to repay any amounts forming part of the Debt that should have been funded by your Contribution, by giving you at least 30 days' written notice from the date that it comes to the attention of the Local Authority that you are required or should previously have been required to make a Contribution during the term of this Agreement.

2.8 If you notify the Local Authority (or the Local Authority is otherwise notified) that your Income will or is due to exceed £144 per week, the Local Authority will give you at least thirty (30) days written notice from the date that it comes to the Local Authority's attention, that it will reduce the amount of payment that it will defer and the amount of the Care Charges will be amended accordingly to take into account the Contribution you will be required to make.

2.9 The Local Authority will not defer any further amount under this Agreement (even if the Equity Limit has not been reached) if at any time:

2.9.1 you are no longer receiving care and support in the Accommodation or other applicable care home or supported living accommodation;

2.9.2 your needs should no longer be met by the provision of care and support in the Accommodation, or other applicable care home or supported living accommodation;

2.9.3 if the Equity Limit has been reached;

2.9.4 in accordance with clause 10.2 below;

2.9.5 if you are in breach of your obligations under clause 10.3 below;

2.9.6 if the Property can no longer be insured against all usual risks, save where at the Local Authority's discretion it believes that there are reasonable grounds for concluding that the site value of the Property, disregarding any building on the property, is adequate security for the amount that it has lent you and any future loans that are to be provided;

2.9.7 If the Local Authority reasonably finds that your financial resources do not exceed the Financial Assessment Threshold;

2.9.8 If any valuation report (obtained in accordance with clause 9) concludes that the value of your interest in the Property does not equate to or exceed the Debt until, subject to the Equity Limit, such time as the value of the property has increased to the Local Authority's satisfaction;

2.10 The Local Authority will give you at least 30 days' written notice of the date on which it believes that the Equity Limit will be reached unless it is not reasonably practicable to do so because, for example, the Equity Limit is reached by reason of a fall in the value of the Property.

Interest

2.11 Interest will be charged on the Debt. This will be a compound interest rate applied daily from the date the Accommodation commenced. The interest rate for the initial Relevant Period is set out in Schedule 2 of this Agreement.

2.12 If you decide that you wish to pay the Interest separately rather than adding the Interest to the Debt, you should give the Local Authority at least fourteen (14) days written notice. If you do this you may return to paying interest at any time by giving the Local Authority at least fourteen (14) days' written notice that you wish to do so. Once this notice has taken effect the Local Authority will invoice you separately for the interest which has accrued on an annual basis. If you do not then reimburse the invoiced amount within 28 days after such notice is given, the amount of those costs will be added to the Debt and Interest will be charged from that date.

2.13 Interest will be added to the Debt each month, on the date when an amount is lent to you for Care Charges, unless the Interest is paid before that date.

2.14 The Local Authority may, by giving you at least fourteen (14) days written notice, vary the Interest by an amount that it chooses, to reflect, in a proportionate and reasonable way any change in the cost of funding the Loan as long as the amount does not exceed the Relevant Rate.

3. Costs and Interest on Costs

3.1 The Local Authority will charge you the Administrative Charges. Unless otherwise agreed at the commencement of this Agreement, the Administrative Charges will be added to the Debt and Interest will be charged on the amount of the Administrative Charges. If you wish to pay the Administrative Charges separately (and not include these in the amount of the Debt) you should give the Local Authority fourteen (14) days written notice. Once this notice has taken effect the Local Authority will invoice you separately for such Administrative Charges as they become due. If you do not then reimburse the invoiced amount within 28 days after such notice is given, the amount of those costs will be added to the Debt and Interest will be charged from that date.

3.2 A copy of the Local Authority's current tariff of charges will be provided to you with this Agreement. The Local Authority will give you notice of any changes to the tariff of charges by sending you a copy of the tariff when it is changed, and you may obtain a copy of the current tariff of charges on request at any time.

4. Repayment

4.1 The Debt is to be repaid to the Local Authority on the earliest of the following dates:

4.1.1 the date of any sale or other disposal of the Property;

4.1.2 90 days after your date of death.

4.2 You will be required to immediately repay parts of the Debt together with Interest, if the Local Authority lends you sums on the mistaken assumption that it is required to make such payments (and it is not actually required to permit you to defer those sums) and you should reasonably realise that you were not entitled to the benefit of these sums (for example where you no longer live in the Accommodation).

4.3 If the Local Authority lends or defers sums on the mistaken assumption that it is required to make such payments (and it is not actually required to defer those sums) and it is not reasonable for the Local Authority to expect you to realise that you were not entitled to the benefit of these sums, then the Local Authority will give you three months notice to repay part of any part of the Debt (together with Interest).

5. Security

5.1 The Local Authority's rights to repayment of the Debt will be secured by way of the Security (also called a legal charge) over the Property.

5.2 You agree to grant the Security in the form set out at Schedule 3 to this agreement and will obtain all necessary consents to grant the Security. For example, if the Property is already secured to another party, or somebody already has a legal charge that ranks in priority to the Security that the Local Authority requires, you may need that other party's consent to grant the Security to the Local Authority. The Local Authority will not be able to lend any amounts until it has received genuine and informed consent in writing by any party who has an interest in the Property.

6. Possession and use of the Property

6.1 If you intend to let the Property or allow the Property to be occupied by any person you must:

6.1.1 first obtain the Local Authority's prior written consent; and

6.1.2 pay for and maintain adequate insurance including where appropriate landlord's insurance in relation to the Property on terms satisfactory to the Local Authority.

The Local Authority will not unreasonably withhold or delay its consent provided that the Property will be occupied on the basis of an assured shorthold tenancy which enables an order for possession to be obtained on one month's written notice, after the expiry of an initial term of no more than 6 months.

7. Insurance and maintenance of the Property

7.1 You agree to adequately insure the Property against all usual risks and provide evidence of such insurance at the reasonable request of the Local Authority.

7.2 If satisfactory evidence is not provided to the Local Authority that the Property is adequately insured the Local Authority may, where reasonably required, itself insure the Property under an appropriate policy of insurance. The cost of this insurance will be included in the Administrative Charges to be charged to you.

7.3 You shall apply all moneys received or receivable under any insurance in respect of the Property towards replacing, restoring or reinstating the Property or towards compensating the applicable third party as appropriate. To the extent that the relevant insurance policy does not restrict the proceeds of insurance being used to prepay the Debt, the proceeds of insurance shall be used, at the option of the Local Authority, to prepay the Debt.

7.4 The Local Authority, or any appropriately qualified person acting on behalf of the Local Authority will give you at least fourteen (14) days notice that it is going to inspect the Property for the purposes of ascertaining whether the Property is being maintained in reasonable condition and/or whether there are works of maintenance and/or repair which should be undertaken to the Property in order to preserve or restore its value at or to a value which is adequate Security for the Debt, together with a reasonable amount by which it is anticipated that the Debt will increase in the foreseeable future. The Local Authority will not carry out this inspection more than once a year.

7.5 If, following an inspection under clause 8.4, the Local Authority reasonably considers that works need to be undertaken, the Local Authority will give notice (of not more than 56 days and not less than 28 days or such other notice period taking into account the urgency of such works) to you of this requirement requesting that either you carry out such works to the reasonable satisfaction of the Local Authority or stating that the Local Authority will undertake such works and recover the reasonable costs of such works as Administrative Charges.

8. Valuations

8.1 If at any time the Local Authority has reasonable grounds for concluding that the Debt exceeds the value of your interest in the Property or exceeds the Equity Limit, it may take reasonable steps to ascertain the value of the property and in particular instruct a suitably qualified valuer to inspect the Property and to provide a report to the Local Authority on the market value of the Property.

8.2 The cost of obtaining this valuation report or costs incurred in otherwise ascertaining the value of the Property may be included in the Administrative Charges.

9. Keeping the Local Authority informed and undertakings that you give to the Local Authority

9.1 You must inform the Local Authority as soon as reasonably practicable if any of the following happens:

9.1.1 your income exceeds, or is expected to exceed, £144 in any week or, where your income has already exceeded £144 in any week;

9.1.2 there is any change to the amount or frequency of your Care Charges;

9.1.3 you have not paid any Care Charge in full when it has become due (other than any which is payable to the Local Authority or which the Local Authority is to pay on your behalf under this Agreement);

9.1.4 you cease to live in a care home or supported living accommodation;

9.1.5 there is a change to your needs for care and support the effect of which is that you may no longer require your needs to be met by the provision of the Accommodation;

9.1.6 a decision is taken to sell, encumber or otherwise dispose of the Property or any part of it.

9.2 If any of the events listed in clause 10.1.3 to 10.1.6 occur the Local Authority may not be obliged to lend you any more money.

9.3 You undertake to inform the Local Authority of other relevant information that may reasonably impact on this Agreement and to comply with the following obligations:

9.3.1 obtain any waiver, consent, authorisation or other permission necessary to comply with this Agreement and to enable the Local Authority to take out the Security over the Property;

9.3.2 obtain consent and agreement from any occupiers of the Property that any interest they have in the Property whatsoever will rank behind the interests of the Local Authority including, for the avoidance of doubt, any Security or legal charge granted in favour of the Local Authority;

9.3.3 not to create or permit to subsist any security over the Property without the prior consent of the Local Authority (such consent to be subject to the security being reasonable to the Local Authority but not to be otherwise unreasonably withheld or delayed);

9.3.4 not to sell, transfer or otherwise dispose of the Property without the prior consent of the local authority;

9.3.5 not to increase any existing indebtedness which is secured against the Property nor to borrow any more money secured against your Property without the prior consent of the Local Authority (such consent not to be unreasonably withheld or delayed);

9.3.6 to notify the Local Authority of any changes to your financial position or any income that you receive;

9.3.7 not to change or alter the Property without the Local Authority's consent (not to be unreasonably withheld or delayed).

10. Ending this Agreement

10.1 You may bring the Agreement to an end at any time by giving reasonable written notice to the Local Authority and paying the whole of the Debt.

10.2 If you do not bring the Agreement to an end early in accordance with term 11.1, the Agreement will come to an end when the Debt is paid in accordance with clause 4 above.

10.3 The Local Authority will not lend or defer any further sums under the Agreement if you fail to comply with your obligations and undertakings in this Agreement or in relation to the Security. For example, non-payment on any due amount pursuant to this Agreement or a legal charge.

10.4 If a failure to comply occurs, as described in term 11.3, the Local Authority may:

10.4.1 cancel any commitment to lend whereupon it shall immediately be cancelled; and/or

10.4.2 declare the Security enforceable.

11. Ending this Agreement

11.1 You may bring the Agreement to an end at any time by giving reasonable written notice to the Local Authority and paying the whole of the Debt.

11.2 If you do not bring the Agreement to an end early in accordance with term 11.1, the Agreement will come to an end when the Debt is paid in accordance with clause 4 above.

11.3 The Local Authority will not lend or defer any further sums under the Agreement if you fail to comply with your obligations and undertakings in this Agreement or in relation to the Security. For example, non-payment on any due amount pursuant to this Agreement or a legal charge.

11.4 If a failure to comply occurs, as described in term 11.3, the Local Authority may:

11.4.1 cancel any commitment to lend whereupon it shall immediately be cancelled; and/or

12. Statements

12.1 The Local Authority will provide you with a written statement:

12.1.1 at the end of the period of six months beginning with the date of this Agreement;

12.1.2 every six months after the date of the first statement; and

12.1.3 within 28 days of a request to the Local Authority for such a statement made by you or on your behalf.

13. This statement will inform you of the amount which you would have to pay to the Local Authority if you were to bring the Agreement to an end on the date on which the statement is sent or such later date as has been requested by you, and the amount of Interest and Administrative Charges which have accrued since the Agreement was made.

14. How notices or statements are to be given

Any notice or statement which the Local Authority gives to you in accordance with this Agreement will be sent by first class prepaid post to you at the Accommodation or by such other method by or to such other person and at such address as has been agreed in writing between you and the Local Authority from time to time.

14.1 Any notice which you give to the Local Authority under this Agreement is to be given in writing to the Local Authority Contact.

14.2 Any notice or statement which is sent by first class prepaid post is to be treated as having been served on the second day after it is posted, excluding Sundays and public holidays. Any notice or statement which is sent by fax or email to the Local Authority Contract or such other contact details as provided to either party, is to be treated as having been served at 9am on the business day after the date that it was sent, save where the party receives an error or failure message.

15. Assignment and transfer

15.1 The Local Authority may:

15.1.1 assign any or its rights under this Agreement or the Security; or

15.1.2 transfer all of its rights or obligations by novation,

to a bank, financial institution or other institution.

16. Severance

16.1 If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.

16.2 If one party gives notice to the other of the possibility that any provision or part-provision of this Agreement is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal,

valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

17. Applicable law

17.1 The interpretation, validity and performance of this Agreement shall be governed by the law of England and Wales.

18. Variation

18.1 Any variation to this Agreement must be in writing and signed both by you (or your appointed Attorney) and on behalf of the Local Authority.

19. Co-owners

19.1 The Co-Owner consents to you entering into the terms of this Agreement. The Co-Owner agrees that he/she will join as a party to the creation of the Security which will be created under the terms of this agreement and will do all things necessary and sign all forms of consent appropriate to securing the registration of the Security in favour of the Local Authority under the terms of the agreement.

19.2 The Co-Owner acknowledges and agrees that it has been advised by the Local Authority to seek independent legal and financial advice before signing this Agreement. In this context "independent advice" means advice from an advisor who is neither related to or acting on behalf of you.

<u>Your signature</u>

Please read this Agreement carefully, including all the terms set out above and the information set out in the Schedules at the end of the Agreement. The Local Authority advises you to seek independent legal and financial advice before entering into this Agreement. Only sign below if you understand and accept the terms and information included.

<u>Missing payments</u>

If you do not make payment when it falls due, legal proceedings may be issued against you for a judgment for the amount you owe and/or for possession of the Property. It could also make it more difficult or expensive for you to obtain credit in the future.

Complaints

If you or any guarantor is dissatisfied with any action or omission on the part of the Local Authority under or in connection with this Agreement, in the first instance please write to your Local Authority Contact. If your complaint is not resolved by the Local Authority to your satisfaction, you may have a right of appeal under the complaints procedure set out on the Local Authority's website.

THE PROPERTY SECURING THIS BORROWING MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON THE LOAN OR COMPLY WITH THE OBLIGATIONS OF THIS AGREEMENT

Signed by

_____ (as attorney for)

_____

in the presence of

Date of signature:

Witnessed by:

Witness signature

witness name

address

occupation

Signed for and on behalf of the Local Authority:

Name of person signing:

Position of person signing:

Date of signature on behalf of the local authority :

Witnessed by:

Annex 10

SCHEDULE 1

KEY CONTRACT INFORMATION

Accommodation	
Administrative Charges	An estimate of these costs and/or a copy of the Administrative Charges of the Local Authority that are applicable at the time of entering into the Agreement are included in Schedule 2.
Care Charges	**Weekly Care Charge:** £ These charges are those Care Charges which are to be provided by the Local Authority under this Agreement and may be amended from time to time. The total payable for your care and support while the borrower is living in the Accommodation may be more than the Care Charges shown above. The Care Charges comprise of those charges which the Local Authority consider to be necessary to meet your needs while you are living in the Accommodation.
Equity Limit	At the time of entering into the agreement, the Equity Limit applicable to you is: £ This amount can be amended from time to time by the Local Authority in the event of changes in the value of the Property or where other lending or changes in circumstances occur. This amount has been calculated by taking into account 90% of the value of your interest in the Property (being the current market or surrender value at the relevant time) that the Local Authority has obtained as Security for the Care Charges together with any Administrative Charges and Interest which are to be treated as part of the Debt, less £14,250 and the amount of any encumbrance secured on it which ranks in priority to the Local Authority's Security. If the amount being lent to you would exceed the Equity Limit as a result of the Local Authority lending an amount that it would otherwise be due to lend for Care Charges, the Local Authority will not lend that amount. This means, for example, that if 90% of the value of your interest in the Property, less the amount of any indebtedness secured over the Property by a charge with priority over the Local Authority's security and less £14,250, is £70,000, and you have already been lent a total of £70,000, you will not be lent any more unless or until the value of the Property increases. However, where, due to a fall in the value of the Property, the amount of the Debt comes to exceed the

	Lending Limit on a date which falls after the date on which the Local Authority last lent an amount in respect of Care Charges and on or before the date on which it is next due to lend an amount in respect of Care Charges, the Local Authority will lend on that next occasion even though lending on that occasion will result in the Debt further exceeding the Equity Limit. After that, the Local Authority will not lend any further amount unless or until the value of the Property increases.
Interest	You have agreed that any Interest will be added to the amount of the Debt
Local Authority Contact	
Property	

SCHEDULE 2
INTEREST RATES AND ADMINISTRATIVE CHARGES

1. Interest rate – amended every six months Compound interest rate (applied daily) Period applicable

2. Administration charges

Estimated Costs
<u>Set up fees</u>

Land search fees: £10.00

Legal cost to prepare agreement and register charge: £350.00

Land registration fee: Cost charged by Land Registry dependent on value of property

Professional valuation (where required) Cost incurred by Council (notified in advance)

<u>Review fees (every 6 months)</u>

Cost to review debt value and compliance
Preparation of interim statement £105.00

<u>Termination fees</u>

Legal cost to agree termination of agreement,
repayment and removal of charge £350.00

SCHEDULE 3

Security

Charge – CH1 Land Registry Form

This is a standard Land Registry document, you (or your representative) will be required to sign the form and have your signature witnessed by anyone aged over 18 not related to you and not residing with you.

The witness will need to provide their name, address, occupation and signature.

If you (or your representative) wish to see the CH1 form please go to: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/330008/CH1.pdf

Identity form – ID1

The Land Registry require all parties wishing to make a change to the property register (including registering a charge) to either be represented by a Solicitor or Conveyancer or provide confirmation of their identity by completing an ID1 form.

You (or your representative) will need to complete part A and then ask a Solicitor or Conveyancer to complete Part B. You (or your representative) will need to provide a passport photograph and the party completing Part B will need to sign the back of the photograph.

The Solicitor or Conveyancer completing the ID1 for you (or your representative) will charge for this service.

If you (or your representative) wish to see the ID1 form, please go to: https://assets.publishing.service.gov.uk/government/.../ID1_2018-05-25_doc

You (or your representative) can also obtain guidance on completing the ID1 form: https://www.gov.uk/guidance/completing-forms-id1-and-id

Charges for Deferred Payment Agreements and Interest Rates

Fees for Deferred Payments Agreements (DPA's)

Legal Costs for a DPA – secured by a first Legal Charge against a freehold property in sole ownership of applicant, with no loans secured and no additional legal complications	£350.00 (+ VAT if applicable*)
Variable legal costs to cover the cost of additional work (if required) to secure a	£100.00 per hour (+ VAT if applicable *)

charge against a property or obtain a Solicitors Undertaking. If this applies the Council will provide an estimate in advance	
Land Registry fees – registration service fees please refer to Land Registry Scale 2 fees which can be found on the Land Registry Website www.gov.uk.guidance/land-registry-registration-services-fees	At cost
Formal valuation	At cost (+VAT if applicable)
Review of debt and interim statement	£105.00 annually (+VAT if applicable)
Legal costs on termination of the agreement and removal of the Charge	£350.00 (+VAT if applicable)
Costs of any specialist legal and/or financial advice obtained by the Council (if required) – the Council will provide an estimate in advance	At cost (+VAT if applicable)

- Value Added Tax (VAT) – the legal and administrative costs quoted above are exclusive of VAT. VAT will be charged if applicable. DPA's which meet the national mandatory DPA requirements to be secured by a first legal charge are not currently subject to VAT.
- VAT does not currently apply to Land Registry statutory fees. Land Registry fess are set and reviewed by the Land Registry and subject to change.
- Review of debt and Preparation of interim statement charge will be increased annually in April in line with CPIH.

Annual interest rates for DPA's

1 January 2018 – 30 June 2018:	1.45% yearly rate charged daily
1 July 2018 – 31 December 2018:	1.85% yearly rate charged daily
1 January 2019 – 30 June 2019:	1.65% yearly rate charged daily

Please note:

- The Council charges the maximum interest rate as defined in the Care and Support Regulations[94]
- Interest is charged daily on the deferred payment agreement (including any administration costs) and is compound interest
- Interest charges are added to the deferred Payment debt.

[94] Clause 9 of the Care and Support (Deferred Payments) Regulations 2014.

Annex 10

Sample Solicitors Undertaking

We, Messrs Solicitors of

hereby undertake to Bath and North East Somerset Council ("the Council") as follows:-

1. That we are currently instructed in the sale of [name and address of property] ("the Property") being the property of [name of resident][and others].

2. We will pay to the Council out of [name of resident's share of] the proceeds of sale of the Property the amount statutorily recoverable by the Council in respect of care and respite accommodation charges paid by the Council in respect of [name of resident].

3. If our instructions to sell the Property are withdrawn for any reason or we are instructed to significantly (i.e. 10% or more) change price, we will immediately advise the Business Services, Client Finance Team, Lewis House, Manvers Street, Bath BA1 1JG

The sum to be paid in accordance with this undertaking shall not exceed [name of resident's share of] the net proceeds of sale of the Property, after the deduction of all reasonable expenses connected with the sale.

Signature : .....
Messrs Solicitors
Date : .....

21. Annex E

Privacy Notice

To view the Adult Social Care Client Finance privacy Notice please go to: http://www.bathnes.gov.uk/services/your-Council-and-democracy/data-protection-and-freedom-information/Council-privacy-notice-0

If you would like a hard copy of the privacy notice please contact Client Finance Team on 01225 396487 or by email client_financeteam@bathnes.gov.uk or write to

Client Finance Team,
Lewis House,
Manvers Street,
Bath
BA1 1JG

Bath and North East Somerset Council can also provide you with guides on the following:

- For people moving into residential accommodation
- Top-up fees
- Direct payments

22. Glossary of terms:

Assessed weekly charge: This is the amount of money you will be expected to pay towards your costs of care and is based on your financial assessment.

Commissioned package of care: A commissioned service means care, support or supervision that has been arranged and paid for on a client's behalf by a public authority such as: In the case of personal care, a local authority adult social care department.

CPIH - Consumer Prices Index including owner occupiers' housing costs

Direct payment: Direct payments are payments for people who have been assessed as needing help from social services, and who would like to arrange and pay for their own care and support services instead of receiving them directly from the Council.

Personal budget: A Personal Budget is an agreed amount of money that is allocated to you personally by your local Council (and other funding streams) following an assessment of your care and support needs. A personal budget is a statement of the amount of money needed to meet your eligible social care needs.

Bath & North East Somerset Council

NHS
Bath and North East Somerset Clinical Commissioning Group

working together for health & well-being

Policy for direct payments

Version: FINAL

Area: Council: People and Communities
CCG: Nursing and Quality

Date: January 2019

Status: FINAL Document

Effective from: April 2020

Next Review Date: April 2021

Author: Rebecca Potter

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Mary Kearney-Knowles	Senior Commissioning Manager - Specialist Services, Learning and Inclusion Service	Children and Young People's Services

Document Sign-Off

Joint Commissioning Committee	**Date:**

For public access on the Internet: YES ☒ NO ☐

For staff access on the Intranet: YES ☒ NO ☐

Hard copies of this document are considered uncontrolled. Please refer to the website for the latest version

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Mission statement

Bath & North East Somerset Council (the council) and NHS Bath and North East Somerset Clinical Commissioning Group (the CCG) seek to ensure that people are able, regardless of their age, abilities and circumstances, to live the life they want to live, achieve their greatest potential and be valued for the contribution they make to our community in Bath and North East Somerset.

Introduction

The council and the CCG want to make it as easy as possible for people to exercise choice and control over their lives, including their care and support needs, and recognise that **direct payments** can be an important part of this. The council and CCG want to ensure that people understand what direct payments are, the freedoms and choices that direct payments bring and the responsibilities that go with them. We also want to make sure the application process is as easy and smooth as possible.

By combining the policies for adult and children's social care as well as health direct payments, we will make the processes underpinning direct payments easier to understand and simpler to implement.

The values that the council and CCG both share underpin this policy. They are the reason we make budgets available to individuals and they describe what those budgets should achieve for people who use them.

These shared values and aspirations for people with health, care and support needs are:

- To support those people to exercise choice and control, to have and maintain independence in how they live their lives and to get a life and not just a service
- To support those people to be active citizens
- To work in partnership with those people and with other organisations
- To make direct payments and support for people with direct payments non-discriminatory and as accessible as possible
- To make sure public money is spent wisely

Purpose of this policy

The purpose of this policy is to:

- Reflect both the values and commitment of the council and CCG to support more people to have independence, choice and control over their lives.
- Provide clarity on the responsibilities and freedoms that direct payments provide for existing users, potential users, their families and staff members supporting them.
- Ensure the legal and policy requirements in relation to direct payments across adults, children's and health are included
- Ensure that support provided via a direct payment achieves value for money for the individual, the council and / or the CCG.

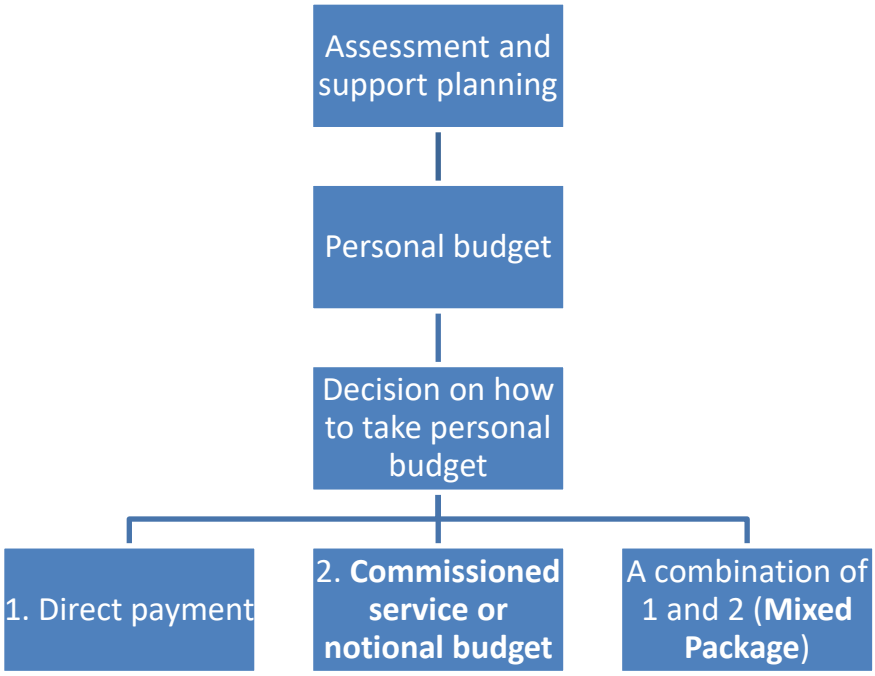
Definitions

Throughout this document, technical or unfamiliar terms are highlighted in **bold text** with definitions provided in the glossary.

A direct payment is one way in which an individual with assessed eligible health and social care needs can choose to take their personal budget. A personal budget (or personal health budget) is the sum of money the council (or CCG) has calculated it would spend on meeting a person's assessed eligible social care or health needs.

The council provides a **personal budget (PB)** to meet assessed eligible social care needs. A Special Educational Needs and Disability Budget can also be allocated as part of the Education, Health and Care Plan process. The CCG provides a **personal health budget (PHB)** for adults who are eligible for NHS continuing Healthcare (CHC) funding **Integrated Personal Commissioning (IPC)** budgets contain both PB and PHB funding. Throughout this document the term personal budget will be used to mean any of the above.

The relationship between personal budgets and direct payments is shown in below:



This policy sets out the framework for enabling direct payments in Bath and North East Somerset and applies to:

- All Bath & North East Somerset Council and NHS Bath and North East Somerset Clinical Commissioning Group employees who are responsible for assessing needs for care and support and their managers
- Staff of any organisation to which Bath & North East Somerset Council and NHS Bath and North East Somerset Clinical Commissioning Group have delegated the authority to carry out some of their **delegated statutory duties**.

Throughout the document, where 'the council or CCG' are named, this should be taken to include those partners with delegated statutory duties. Current partners with

delegated responsibility to carry out these functions are Virgin Care and NHS Avon and Wiltshire Mental Health Partnership Trust (AWP).

Policy for direct payments in Bath and North East Somerset

1. Legal and policy context

- The legislative basis for enabling direct payments for adult's social care is set out in the Care Act, Section 117(2C) of the Mental Health Act 1983 (the 1983 Act) and the Care and Support (Direct Payments) Regulations 2014.
- For children and young people, it is the Children and Families Act (2014), the Statutory Guidance and Code of Practice for special educational needs and disability 0-25 years (2014) and the 'The Special Educational Needs (Personal Budgets) Regulations (2014).
- For health it is the guidance in relation to personal health budgets which is summarised in Attachment 2.

2. Other relevant policies

Other relevant policies are:

- Care and Support Assessment & Eligibility Policy (November 2015)[1]
- Care and Support Planning policy (May 2016)[2]
- Care and Support Financial Charging and Financial Assessment Framework (Annex 10)
- Complaints: Assurance Framework for Bath and North East Somerset Council's Adult Social Care Duties (Dec 2015)[3]
- Ordinary Residence and Continuity of Care policy (Jan 2016)[4]
- Guidance on Direct Payments for Healthcare: Understanding the Regulations (March 2014)[5]
- The provision of PHBs is being expanded beyond CHC funding and is outlined in the Local Offer for BaNES[6]
- Special Educational Needs and Disability (SEND) Strategy 2017-2020 https://www.rainbowresource.org.uk/documents/955-b-nes-send-strategy-2017-2020.pdf
- Bath and North East Somerset Council Special Educational Needs and Disability Personal Budget Policy June 2019. https://www.rainbowresource.org.uk/documents/763-banes-personal-budgets-policy.pdf

[1] http://www.bathnes.gov.uk/sites/default/files/siteimages/assessment_and_eligibility_final_02.11.2015_3.pdf
[2] http://www.bathnes.gov.uk/sites/default/files/siteimages/care_and_support_planning_policy_final_may_2016.pdf
[3] http://www.bathnes.gov.uk/sites/default/files/siteimages/complaintspolicyandguidance_final_09.12.2015.pdf
[4] http://www.bathnes.gov.uk/sites/default/files/siteimages/ordinary_residence_and_continuity_of_care_policy_jan16.pdf
[5] http://www.personalhealthbudgets.england.nhs.uk/_library/Resources/Personalhealthbudgets/2014/Guidance_on_Direct_Payments_for_Healthcare_Understanding_the_Regulations_March_2014.pdf
[6] http://www.bathandnortheastsomersetccg.nhs.uk/documents/links/personal-health-budgets-local-offer

3. Informing people, promoting choice and advocacy

The council and CCG provide free to access information about direct payments to raise awareness of direct payments and how they can be used. This is available on the council and CCG's websites, through commissioned services and in paper format.

When a **s117 after care plan** is being developed, individuals will be advised which of their eligible needs or after care services, if any, may be met / provided through direct payments, and offered this option. Individuals will be provided with information about direct payments (rights and responsibilities and how to use and manage them) so that they can make an informed decision.

People must request a direct payment and may opt in or out of direct payment arrangements by notifying the council or CCG at any time. Requests for direct payments are usually made at the planning stage but may be made at any other time.

People aged 16 years and over (18 and over for CHC clients), who appear to be unable to understand their rights and responsibilities in relation to the ways in which they can receive their personal budget, and have no other appropriate person to support them, will be offered an independent advocate. Children aged 0 – 15 years should be supported in their decision making by their parent / legal guardian.

4. Who can receive direct payments

The Council and CCG will offer direct payments at every assessment or review to people who are eligible to receive them.

As long as the conditions described in section 6 below are met in relation to the individual's capacity, the council has a duty to provide direct payments for people (including carers) whose needs for care and support have been determined to meet either the Care Act, or Children and Families Act eligibility.

The CCG will consider the PHB eligibility guidance in order to determine who can receive a PHB as a direct payment. This is available online via the Personal Health Budgets Local Offer[7].

5. Who can't receive direct payments

Whilst most individuals who meet the conditions in sections 4 and 6 are eligible to receive direct payments, some exceptions do exist. These are in relation to people with drug or alcohol dependencies who have had certain conditions imposed on them by the courts. See Attachment 1 for further details.

In relation to adult social care direct payments, the council will not make a direct payment to individuals who have savings above the threshold (£23,250 currently).

[7] http://www.bathandnortheastsomersetccg.nhs.uk/documents/links/personal-health-budgets-local-offer

See the Care and Support Charging and Financial Assessment Framework for full details.

6. Mental capacity – requesting direct payments

The route to receiving a direct payment is for the person to request one, or, in the case of children, for the parents or guardians to request one on behalf of the child.

For adults, the requirements for the council and CCG and those organisations acting on behalf of the council and CCG with delegated statutory duties differ depending on whether the adult with care and support needs has the **mental capacity** to request a direct payment.

An **adult with capacity** who has eligible adult social care needs will be provided with a direct payment when requested as long as the following four conditions are fully met:

1. the adult has capacity to make the request, and where there is a **nominated person**, that person agrees to receive the payments
2. the local authority is not prohibited by regulations from meeting the adult's needs by making direct payments to the adult or nominated person
3. the local authority is satisfied that the adult or nominated person is capable of managing direct payments either by himself or herself, or with whatever help the authority thinks the adult or nominated person will be able to access
4. the local authority is satisfied that making direct payments to the adult or nominated person is an appropriate way to meet the needs in question

For adults with health needs, a person who has mental capacity to make an informed decision to voluntarily accept a level of risk in relation to taking a direct payment is entitled to do so. However, the CCG is not obliged to fund it and may instead offer a commissioned service. The CCG remains accountable for the proper use of public funds. Sufficient evidence and information must be provided for an informed decision to be made by the individual, their representative and the CCG to manage identified risks.

Adults without capacity should not automatically be prevented from having a direct payment, as long as there is an **authorised person**[8] to manage the payments on their behalf. For details of who can be an authorised person, please see the glossary.

Direct payments for an adult without capacity with eligible adult social care needs will be provided to an authorised person when requested providing each of the following conditions are met:

- where the person is not authorised under the Mental Capacity Act 2005 but there is at least one person who is so authorised, that person who is authorised supports the person's request
- the local authority is not prohibited by regulations under section 33 of the Care Act from meeting the adult's needs by making direct payments to the

[8] Clause 8 of the Direct Payment Regulations 2014

authorised person, and if regulations under that section give the local authority discretion to decide not to meet the adult's needs by making direct payments to the authorised person, it does not exercise that discretion
- the local authority is satisfied that the authorised person will act in the adult's best interests in arranging for the provision of the care and support for which the direct payments under this section would be used
- the local authority is satisfied that the authorised person is capable of managing direct payment by himself or herself, or with whatever help the authority thinks the authorised person will be able to access
- the local authority is satisfied that making direct payments to the authorised person is an appropriate way to meet the needs in question

The local authority or CCG will take the following steps to assess whether making direct payments to the authorised person is an appropriate way of meeting needs:

- So far as is reasonably practicable and appropriate, the council / CCG will consult and take into account the views of:
  - anyone named by the adult as someone to be consulted about whether direct payments should be made to the authorised person,
  - anyone engaged in caring for the adult or interested in their welfare,
  - anyone authorised under the MCA to make decisions about the adult's needs for care and support.
- So far as is reasonably ascertainable, the council / CCG will consider:
  - the adult's past and present wishes and feelings, particularly any relevant written statement made by the adult before they lost capacity,
  - the beliefs and values that would be likely to influence the adult's decision if the adult had capacity, and
  - other relevant factors the adult would be likely to consider if they were able to do so.

- The council / CCG will fund a **DBS check** to be carried out for:
  - anyone who will be acting as the authorised person, who is not a close relative of the person with care and support needs, and
  - The person with overall responsibility for the day to day management of direct payments where the authorised person is a body corporate or an unincorporated body of persons.

The authorised person must:

- Be named as the financial representative on the service user's electronic case record to enable payments to be made.
- Notify the council / CCG or their representative if they reasonably believe that the adult has regained capacity.
- Always act in your best interests
- They must use direct payments only to arrange services that will meet the person's eligible needs.
- Direct payments cannot be used to pay themselves.
- Direct payments cannot be used to pay for services provided by the persons spouse, civil partner or partner, or a close relative who lives in the

same household as the person, unless the Council agree that this is absolutely necessary[9]
- Make sure you have as much choice as possible over decisions that affect you and
- They must maintain records which we will want to see when direct payment arrangements are reviewed.
- They must provide us with any information we consider necessary in connection with direct payments.
- We may make direct payments subject to additional conditions if we think this is in the person's best interests.
- DBS check will be carried out on any person[10] from whom a service is secured using direct payments.

Your Direct Payment cannot commence until the authorised person has had the DBS check returned with a satisfactory outcome and they have set up a bank account for the Direct Payment to be paid into.

Parent carers of children and young people manage direct payments on behalf of their children and are not required to undergo a DBS check as legal parental responsibility is in place. Once the young person turns 16, they are eligible for a direct payment in their own right. A review should be carried out to determine whether the direct payment should be paid directly to the young person or continue to be paid to the parent / guardian / authorised person if the child lacks capacity.

Fluctuating capacity.

The Care and Support (Direct Payments) Regulations 2014 allow for direct payments to continue to be made in cases of fluctuating capacity[11].

If we are satisfied that the regaining of capacity will only be temporary, then we can continue to make direct payments to the authorised person if for the time that the individual has the capacity to make the request and is capable of managing the direct payment, the individual will manage the payments for him or herself and not the authorised person.

7. Declining a request for direct payments

Requests for direct payments will be declined if any condition set out for adults with capacity or the conditions set out for adults without capacity above are unmet, or if any of the conditions within section 5 apply.

The council or CCG or partner organisation will provide a written explanation of why the request was declined including:
- Which conditions are not met,
- Why the condition is considered to be unmet

[9] Clause 3(1) and (3) and 4(3)(a) of the Care and Support (Direct Payments) Regulations 2014
[10] Clause 5(c) of the Care and Support (Direct Payments) Regulations 2014
[11] Clause 8 of the Care and Support (Direct Payments) Regulations 2014

- What the person making the request may need to do to obtain a positive decision.

Information about how to appeal the decision through the complaints process will also be provided.

The council / CCG or partner organisation will continue the planning process to agree with the person whose needs must be met how this can be achieved without the use of direct payments.

8. Calculating the amount of the direct payment

The amount of the direct payment will be calculated after an assessment. If the person meets their needs by directly employing someone, their budget will be calculated to include costs of employment such as training and holiday payments etc. The person (or their authorised person) will be responsible for ensuring the monies allocated for training, holiday pay etc. are used for this purpose.

For further details of how the budgets are calculated, please see the relevant policy:

- **Adult social care**: Care and Support Planning policy (May 2016)[12]
- **Children's social care**: Following an assessment of need from the Disabled Children's team[13]
- **Health**: A PHB is set by first establishing the persons need for care and support. Using the CHC/CCC Decision Support Tool, the Nurse Assessor will have identified the level of care and support likely to be required. With this information an "indicative" budget can be formulated.
- Bath and North East Somerset Council Special Educational Needs and Disability Personal Budget Policy June 2019:
    - https://www.rainbowresource.org.uk/pages/0-5-years/education-health-and-care-plans/personal-budgets-send
    - https://www.rainbowresource.org.uk/pages/5-11-years/education-health-and-care-plans/personal-budgets-send
    - https://www.rainbowresource.org.uk/pages/11-14-years/education-health-and-care-plans/personal-budgets-send
    - https://www.rainbowresource.org.uk/pages/14-25-years/employment-education-and-training/personal-budgets-send-14-25-years

For adults: To calculate the indicative Personal Budget practitioners will complete the "Budget Setting Tool (which is in the PHB Toolkit). The indicative budget should then be checked and if appropriate agreed by the nurse assessor's Team Manager. Final agreement for the "indicative budget" will need to be given by the CCG.

For Children: Each request for a PHB will be considered on an individual basis and the "indicative budget" will be set individually.

[12] http://www.bathnes.gov.uk/services/care-and-support-and-you/professionals-and-practitioners
[13] http://www.bathnes.gov.uk/services/children-young-people-and-families/families-disabled-children/disabled-children

The council and CCG review the amount of the direct payment on 1 April each year in line with the council and CCG's rate setting process.

9. Financial assessment

Please note this section is relevant only to adult social care direct payment recipients.

All councils are able to charge for the services they provide under Section 14 of the Care Act 2014. This includes services purchased using direct payments.

The amount that anyone pays towards their care (their charge) is based on a financial calculation which the councils Care Finance team carry out. This takes account of the individual's personal financial circumstances. This is effectively a means test. The charge is not based on the amount of service a person receives, so not everybody has to pay the same amount.

If the Care Finance Officer confirms that the individual should pay an assessed weekly charge, they will inform the direct payment recipient and the professional who assessed them that they will be required to pay this and how it should be paid. People who only have a direct payment must pay their assessed weekly charge into their direct payment / pre-paid card account, if they have a mixed package which includes a direct payment and a commissioned service, the council will invoice them for the full amount of their assessed weekly charge.

If the person declines to provide the financial assessment information the Care Finance Team will carry out a light touch financial assessment and confirm the amount of the assessed weekly care charge, you can ask for a full assessment at any time.

As a general rule the Council expects the person (or their representative) to be available to complete a financial assessment within two weeks of contact from the Care Finance Officer. If the person unreasonably delays completing financial assessment you will be assessed to pay the full costs of your care and support from the start date of the service provision and support and will not receive a direct payment. Further information is available in the Care and Support Charging and Financial Assessment Framework. (Annex 10)

The council will follow its procedures as outlined in the 'Care and Support Charging and Financial Assessment Framework' if the person does not pay their calculated charge.

If the person disagrees with their financial assessment, they should contact the Care Finance Team in the first instance to try and resolve any issues as soon as possible. The team will go through the information to check that the calculation is correct and that the assessment or decisions have considered all the relevant information in line with the Care and Support Charging and Financial Assessment Financial Framework.

NB – people who are eligible for Section 117 aftercare may still require a financial assessment if the care being delivered is independent of the needs arising from the mental disorder e.g. a 'physical' need.

10. Types of direct payment

- **Adult & Children Social Care**

One off
A single payment made to the recipient for a specific item. These payments can be used for services / items which are non-chargeable such as equipment. See the separate 'Direct Payments for Equipment' policy guidance for details of this. One off payment can also be made (for example at the start of an ongoing direct payment) to cover items such as employer's liability insurance.

Ongoing
On-going direct payments are made every two weeks and are paid in arrears usually from the date that needs are identified. Note that plans are in place to move these payments to every two weeks in advance. This change will be planned and communicated appropriately.

Ongoing direct payments are discussed in more detail later on.

Carers
Carers can receive a social care direct payment in their own right to support them to meet their needs as a carer. Please see the Care and Support Planning Policy for further details.

- **Health**

The following groups of people are currently eligible to apply for a personal health budget:

Right to **have** a personal health budget:
- Adults in receipt of NHS continuing health care funding
- Children and young people in receipt of continuing care funding
- Adults with mental health problems who are receiving after-care as a result of being sectioned under the Mental Health Act
- Wheelchair users who are referred and meet the eligibility criteria of their local wheelchair service, plus people who are already registered with the wheelchair service (these people will be eligible for a personal wheelchair budget when they need a new wheelchair)

The following groups have the right to **request** a personal health budget:
- Children with special educational needs and disabilities as part of their Educational Health and Care (EHC) plans have been able to request a personal budget.
- Children with complex health needs and long-term conditions have had the right to request a PHB.

However, this would need to be agreed by the CCG taking the following into consideration:

- Maintaining existing service provision for other users of a block contract
- Offering a reasonable level of health provision
- Commissioning responsibly (i.e. NHS England or CCG)

The CCG is currently working on expanding PHBs to other groups of people including those requiring End of Life Care

- **Integrated Personal Commissioning**

In July 2014 NHS England announced plans to pilot integrated commissioning approaches. This would involve providing people with a combination of health and social care funding as an integrated personal budget / personal health budget.

Personalisation of healthcare embodies **co-production**. It promotes individuals working in partnership with their family, carers and professionals to plan, develop and procure the services and support that are appropriate for them. It also enables CCGs, local authorities and healthcare providers to work together more effectively to enhance their health and social care provision.

- The personalised approach must support the principles of the NHS as a comprehensive service, free at the point of use, as set out in the NHS Constitution, and should remain consistent with existing NHS policies.
- There should be clear accountability for the choices made.
- No one will ever be denied essential treatment as a result of having a PHB.
- Having a PHB does not entitle someone to more or more expensive services or to preferential access to NHS services.
- There should be good and appropriate use of NHS resources.

- **Special Educational Needs and Disability Personal Budget**

SEND Personal budgets, which can be paid as Direct Payments, are an allocation of the agreed funding made for children and young people with an Education, Health and Care Plan, after an assessment of their needs and will be outlined in the Plan. It should be noted that the allocation of an educational personal budget needs the agreement from the parents/young person, council and educational placement to release the allocated funding. Parents or young people can request a Personal Budget as part of an EHCP Needs assessment, once the decision has been made to issue an Education, Health and Care Plan. An education-health and care plan can remain in place up to the age of 25, provided that it is agreed by the council and young person remains in education and makes progress. A personal budget will cover aspects of the support outlined in the Plan and will not cover the cost of a named educational placement or any social care element which would be covered by any social care Direct Payment allocation.

Families can decide how they want the budget to be managed:

- As a direct payment. (set out in ‘Personal Budget Direct Payment Agreement) The funding is paid direct to the family or young person (over the age of 16

with mental capacity) who will manage it to deliver support as set out in the EHCP.
- As a 'commissioned budget' where the council manages the notional budget for the family.
- By a provider (for example a school or voluntary service).
- Or as a combination of the three options above.

11. How we pay direct payments

Direct payments, including emergency payments, are paid on behalf of the council and CCG by the council's Client Finance team and are made in accordance with the council's financial policies and procedures.

Direct payments are paid every two weeks in arrears (see 10.1.2 for plans to change this to in advance) and, in the case of adults with social care direct payments, are paid net of any contribution from the person in need of care and support, who should add their assessed weekly contribution (if any) to the direct payment account.

Local authorities cannot require financial contributions for a direct payment for after care services under the Mental Health Act (**MHA)**; these must be provided without charge.

All costs must be met within:
- Any agreed personal budget which includes any calculated charge required from the person receiving services
- The amount agreed as sufficient to meet the cost of s117 after care services

The council is currently working towards implementing a pre-paid card solution, and it is expected that the majority of new direct payment recipients will use a pre-paid card as their direct payment bank account once this solution is in place. Pre-paid cards will also be made available to existing DP users for their convenience.

Until pre-paid cards are in place, and for all PHB and IPC budgets, a separate direct payment bank account must be opened which must be used solely for receiving and managing direct payments. The bank account must have no overdraft facility.

One off payment of up to £500 for carers will not need to be made into a separate bank account.

Table 1 below summarises the options for payment:

Direct Payments Recipient	Direct payment options
A child aged under 16	• Separate bank account in the name of the parent / guardian only
An adult (or young person aged 16 and over) with capacity.	• Separate bank account in the name of the service user only • Full Financial Account

Direct Payments Recipient	Direct payment options
An adult (or young person aged 16 and over) with capacity who has a **nominated person** to assist with the ongoing management of the funds and care.	• Separate dedicated direct payments bank account in the name of the service user or in the name of the nominated person, or with Client Finance/social worker approval a joint account
An adult (or young person aged 16 and over) without capacity who has an **authorised person** who will receive the direct payment on behalf of the person.	• Dedicated direct payments separate bank account in the name of the authorised person only

12 Using direct payments

Direct payments must be used to pay for the things identified in the care and support plan. If a direct payment includes a payment to cover tax, NI, holiday pay, redundancy insurance etc. it must be used for this purpose.

Direct payments must be used to purchase services which are safe, legal, value for money and which adequately safeguard and promote the person's welfare and wellbeing.

Direct payments may be subject to conditions imposed by the council or CCG and may be discontinued and / or recovered if the council or CCG has reason to believe that direct payments may have been misspent or accumulated without good reason.

The council or the CCG is not responsible for any losses incurred by the recipient of the Direct Payment.

The council and the CCG are required to ensure that the recipient or the nominated authorised person is using the direct payment to achieve the eligible needs and outcomes agreed in the Care and Support Plan/Child's Young People's plan. In the event that fraud, abuse or misuse of the direct payment is suspected the Council, or the CCG shall investigate and terminate/suspend the direct payment as appropriate. Any potential criminal activity shall be referred to the Police for further investigation. The Council or the CCG will provide the care and support in the interim or in the long-term if the direct payment has been terminated.

13 Contingency funds

Direct payment recipients can retain an agreed level of contingency funding holding a balance of up to 4 weeks after planned monthly payments have been made. The balance at the start of the month may exceed 4 weeks, however retained balances once all payments have been made should not be over the 4-week contingency level.

These can be used to cover specific one-off requirements and / or fluctuating needs and should be recorded on the person's care and support plan. In specific

circumstances one off payments can be agreed for planned needs and should be recorded in the person's support plan.

Example: 4 x week contingency
John receives a direct payment of £50 a week (£200 a month). This means up to £400 can be in his account at any one time. £200 a month is committed on wages for his PA and the remaining £200 is his contingency. John's Care and Support Plan details what this contingency can be used for and includes covering sick pay and annual leave for his PA and additional PA hours when his condition flares up.

14 What direct payments cannot be used for

Direct payments **cannot** be used for:

- Care services or support in managing direct payments provided by the adult's spouse / partner or a **close family member** living in the same household as the adult[14]. However, in exceptional circumstances the council / CCG can agree a direct payment to a close family member living in the same household. The Care Act gives the following example of these exceptional circumstances:

Example: Direct payment paid to a family member where necessary
James has severe learning difficulties as well as various physical disabilities. He has serious trust issues and a unique way of communicating that only his family, through years of care as a child, can understand. The local authority agrees that using a direct payment to pay for care from his parents is necessary as it is the best way to meet James's needs and outcomes.

- Any service directly provided by the council.
- Services, equipment and / or minor adaptations which are the responsibility of other public bodies.
- Agency Fees for 'introductory' home care agencies- If a DP recipient chooses to use an 'introductory' home care agency, the DP may be used to fund the costs of meeting the person's direct care and support needs but not the fee to the agency.
- A social care direct payment cannot be used to provide or arrange any health service or facility which is required to be provided by the NHS.
- Long term residential or nursing care but can be used to pay for:
    - Short stays of up to 4 consecutive weeks in any 12-month period. In calculating the period of 4 weeks, a stay of less than 4 weeks is added to any succeeding stay if the two stays are separated by a period of less than 4 weeks but not otherwise[15].
    - Non-residential services, for example to trial independent living or to take part in daytime activities.
- Health services such as:

[14] Clause 7 of the Direct Payment Regulations 2014
[15] Clause 3(3) of the Direct Payment Regulations 2014

  - Primary medical services provided by GPs, as part of their primary medical service's contractual terms and conditions
  - Vaccination or immunization
  - Health screening
  - The national child measurement programme and
  - NHS Health Checks
  - Urgent or emergency treatment services such as unplanned in-patient admissions to hospital or accident and emergency
  - Surgical procedures
  - NHS charges such as prescription or dental charges
- Gambling purposes
- Repayment of a debt
- Anything illegal or unlawful
- Alcohol, tobacco or drugs

Direct payments cannot be used to duplicate public funding that is already coming from another source, for example, transport costs which should be covered by an adults' disability living allowance if received.

Carer direct payments are to meet the carer's own assessed needs and cannot be used to purchase services for the person they care for.

An authorised person must not use direct payments to pay themselves to provide services to the adult without capacity except as expressly authorised in writing by the council or CCG.

Where a support plan (or care and support plan) indicates that the direct payment may be used to fund things that may be seen as non-traditional and 'risky', more frequent reviews and financial auditing may be required to ensure that the expenditure is meeting the person's outcomes as set out in their support plan.

15 Managing direct payments

Anyone who agrees to be responsible for managing direct payments must be capable of managing direct payments either independently or with help.

In this section, the following will be referred to as 'the group':

- Adults with capacity
- Parent carers of children aged 0 – 16
- Young people aged 16 and over with capacity
- Authorised persons

Individuals defined in the group above can nominate a third party to assist them to manage direct payments in whatever way they require. The third party is known as the **nominated person** and is usually a family member or a friend.

Individuals in the group defined above may purchase assistance, for example with record keeping, payroll and other employment related services or Full Financial Accounts (in exceptional circumstances – see Attachment 3), from a direct payment support service of their choice.

If the direct payment recipient chooses to use their direct payment to purchase support from a CQC Registered home care agency, they are still able to access support with paying invoices etc from a direct payment support service of their choosing, but they must fund this themselves. The cost of the direct payment support service must not come out of their direct payment.

Regardless of whether an individual in the group above receives support from a third party, the individual in the group above remains responsible and accountable for how direct payments are used.

An authorised person acting on behalf of someone who lacks capacity is in a position of trust and is as liable as a direct payment recipient with capacity would be for any misuse of direct payments.

You will need to have a Bank Account

You must set up a separate bank account for your Direct Payment and set up a standing order to pay your weekly charge (if any) into this account.

We will transfer your Direct Payment (less any charge you are expected to make) into this account every 2 weeks.

You must:

- keep detailed records showing how you have spent your Direct Payment;
- Keep copies of bank statements, receipts, bills, invoices and PA timesheets for a minimum of six years and
- Send a financial return providing details of your Direct Payment spending, together with copies of your bank statements to the Client Finance Team as requested.
- Use the direct payment to meet the care and support identified in your care plan - if you don't, we may end your Direct Payment[16].
- You must send us your financial return when requested by us– if you don't, we may end your Direct Payment[17].
- ***Never pay for services or activities with cash - if you do, we will ask you to repay this money.***

16 Becoming an employer

People may use direct payments to employ staff, or to pay an agency to provide services. The direct payment recipient must:

- Be advised that there are legal responsibilities involved in becoming an employer and maintaining good employment practices including registering with HMRC as an employer, more information is available on the HM Revenue and Customs website https://www.gov.uk/employment-status/selfemployed-contractor There is also a Status Customer Service Team with whom you can discuss their status. Their telephone number is: 0300 123 2326. It's very important to confirm whether your Personal Assistant

[16] Clause 7(d) (ii) of the Direct Payment Regulations 2014
[17] Clause 7(d)(iii) of the Direct Payment Regulations 2014

should or should not be treated as self-employed. If you get their status wrong, you could end up having to pay tax, National Insurance Contributions and possibly penalties to HMRC. Whether a person is self-employed will be decided according to Case Law by either HMRC or the Employment Tribunal. A PA may be considered self-employed by HM Revenue and Customs for tax purposes but still considered an employee in employment law.

- Be strongly advised to seek advice about employer legal responsibilities, including being responsible for all employment related costs, for example redundancy, and pension costs,
- Obtain employers' liability insurance if they are to become an employer, and all employers have a legal duty to check that the person they want to employ is entitled to work in the UK before they start working for them. It is important to make document checks on all employees even if you are sure they have the right to work here. You can check which documents you need to see https://www.gov.uk/check-job-applicant-right-to-work , or call the Home Office UK Border Agency Employers Helpline on 0300 123 4699. The Skills for Care website provides more information on what a Personal Assistant is and what is involved if you want to use your direct payment to employ this way. https://www.skillsforcare.org.uk/Recruitment-retention/Employing-your-own-care-and-support/Employing-your-own-care-and-support.aspx Legally, you must give your employee a written statement of their main terms and conditions within two months of them starting the job. The Skills for Care Toolkits provide more information on employment contracts. You will also find templates on these websites.
- Please ensure that, if you make any changes to the Contract of Employment you have with your PA, you send an updated version to the Client Finance Team.
- As an employer you need to ensure you comply with the Working Time Regulations. The Skills for Care Toolkit 3 'Before your Personal Assistant starts' will go through minimum wage, working hours and health and safety.
- From 2012, it became mandatory for all employers to enrol all their eligible employees into a workplace pension. This is called automatic enrolment.
- You will need to speak to your Payroll Company and ask if they have an Auto Enrolment pension scheme you can use and ask what level of support, they can offer you. You must be ready to start enrolling employees from your staging date. The date will appear on the letter you receive from the pension regulator and this date will depend on when you became an employer. If you don't have this letter, contact your payroll company and ask them to find out for you. Unless your payroll company has a pension scheme that you can use, you will need to approach a pension provider in good time.
- The Government has set up a pension scheme called National Employment Savings Trust (NEST) to accept all employers wishing to use the scheme for automatic enrolment. This is one option, and there are other providers available. To see what other schemes are available go to their website https://www.thepensionsregulator.gov.uk/en/employers
- You will need to identify which employees to automatically enrol and which will have the right to join your pension scheme. You will need to tell your employees about how the automatic enrolment affects them. You can find template letters https://www.thepensionsregulator.gov.uk/en/employers/re-enrolment?utm_source=CS1-

3&utm_medium=Reenrolment_M3_L1&utm_campaign=163_SMELetters&utm_term=writing

- There are rules relating to which employees are eligible for a workplace pension. You can find more information on this in Skills For Care Toolkit 3 'Before Your Personal Assistant Starts' http://www.employingpersonalassistants.co.uk/before-your-personal-assistant-starts/
- You must complete your declaration of compliance when you've automatically enrolled your employees. This must be done up to 5 months from your staging date.
- It is also possible that a PA who is treated as self-employed might fall within the scope of auto-enrolment for a workplace pension (see below) even if they are treated as self-employed for tax purposes.
- For advice and guidance, please ring the employment law helpline provided by your insurance company, or the Pensions Regulator Helpline: 0845 600 1011.

Note – The Pensions Regulator will issue a fixed notice if you don't comply with statutory notices. This is a fixed sum of £400. If you are issued with a penalty notice, you need to be aware that you cannot use your Direct Payment to cover any penalty costs

- Insurance & Redundancy: If you are an employer, you are required by law to have certain insurance cover in place. If you are using your direct payment to pay for agency staff, you will not require insurance as they will be covered through the care agency's insurance. You need two types of insurance:
- Employer's Liability Insurance: If your employee is injured whilst working for you and you are held legally liable, you will be protected to cover legal costs and compensation. As an employer, you are legally required to have Employers Liability Insurance in place.
- Public Liability Insurance: This covers you from claims for compensation if you or your employee causes injury or damage to someone else or their property. The insurance must be in place before your Personal Assistant can start work. It is unusual for any household buildings/contents insurance policy to provide cover to protect you from public liability or employer's liability claims and you should check carefully with your insurance provider before assuming it does.
- If you employ someone and your direct payments end, they may be entitled to a redundancy payment. This will depend on how long they have worked for you.
- Your payroll company and the employment law helpline provided by your insurance company will help you or your representative to determine if a redundancy payment is due. There are currently three main providers specialising in providing policies to protect people using direct payments to employ their own personal assistants:
    - Premier Care https://markbatesltd.com/
    - Direct Care https://www.jelf.com/for-business/care/direct-care/

- Fish Insurance https://www.fishinsurance.co.uk/products/independent-living-insurance/

They all offer similar additional support services such as a telephone helpline for advice on employment issues.

The cost of public and employers' liability insurance will be built into your Personal Budget. When taking out or renewing your employer's liability/public liability insurance policy, it is essential you ensure you have a higher level of insurance cover in place to possibly help meet these costs and to ensure access to their employment law helpline.

- If you or your Personal Assistant has an accident and suffers an injury, you must contact your insurers immediately and tell them about the situation. They will advise about what you need to do to make a claim.
- It is important to keep a record of any accidents or incidents that occur, whether you, your Personal Assistant, or another member of the public, is involved. Be sure to take account of all accidents, irrespective of where they took place (for example inside your home or in a public place), no matter how trivial they may seem at the time, because sometimes injuries can develop later on as a result. A good idea is to keep a notebook in a safe place where you can write down the date and the details of the accident. Make sure your personal assistant knows where this is kept.
- Car Insurance: If your Personal Assistant is going to use either your vehicle or their own while working for you, 'business use' must be added to the relevant policy. Some companies charge for this addition and **this is not a cost that is covered by your direct payment**, so you would need to discuss this between you and your Personal Assistant and agree how this cost will be met.
- Satisfy themselves that PAs and / or agency staff are qualified and suitable to carry out identified care and support tasks. (if using PAs or a non-CQC registered introductory agency DP recipients are responsible for this)
- Ensure that adequate contingency plans are put in place to provide continuity of care in the event that a PA is unable to attend a shift (e.g. in the case of sickness, severe weather, or any other event preventing them from attending
- You can ask to be signposted to the direct payment support service (i.e. the Virgin Care Direct Payment Hub) for further advice and support.
- People with capacity are not obliged to carry out Disclosure and Barring Services (DBS) checks for people they employ through direct payments except where there are children either living in or frequently visiting the home. **However, the council and CCG strongly recommend that DBS checks are obtained for all personal assistants**.
- An authorised person must carry out DBS checking or obtain verification that DBS checking has returned a satisfactory result for any person from whom a service is secured through direct payments where the authorised person is:
    - A body corporate or unincorporated body of persons or

- An individual who is not the adult's spouse / partner, a close family member (as defined in the Glossary) or a friend of the adult who is involved in the adult's care.
- For people employed to support children and young people under the age of 16 DBS checks are required.

Useful Websites

HM Revenue & Customs: www.gov.uk/employment-status/selfemployedcontractor

Skills for Care: www.skillsforcare.org.uk/individualemployers/

Skills for Care Toolkit: www.employingpersonalassistants.co.uk/

ACAS: www.acas.org.uk/index.aspx?articleid=1461

The Pensions Regulator: www.tpr.gov.uk

17 Training

It is reasonable to assume that if the care and support plan identifies a need for a PA to carry out specific health / social care tasks, consideration should also be given to their training needs. As the direct payment recipient is the employer, they will be responsible for meeting these needs. Funding may also be needed for training updates, and provision for training for any new skills required as needs change. PAs can access NHS and social care training provided by B&NES and CCG.

Training should be provided by a competent person with a standard recognised as adequate for the task. The PA receiving the training should always keep full records of training given, including dates. There should be written evidence of competence assessments, where possible, against recognised standards such as National Occupational Standards.

There should be clear guidance and protocols in place, so the PA is not required to make clinical judgments outside their competence. There should be an appropriate level of supervision and mentorship available, with on-going development opportunities, to ensure competency is maintained and new competencies are acquired when needed. Supervision and mentorship should be proportionate to the task and the competencies of the PA, and appropriate to the specific needs of the person receiving support.

Risk should be considered and where necessary a risk management plan put in place. There should be regular monitoring of competencies and access to regular training updates. This is especially important where the person receiving support has a condition that is complex, unstable and/or deteriorating.

18 Integrating direct payments with other sources of funding

The council and CCG are currently piloting Integrated Personal Commissioning (see Glossary for a description of this) and intend to further develop integrating budgets from different sources (including Education) in the future.

It is our shared intention that integrated budgets will follow an integrated assessment and support plan and will be paid into a single bank account. People with an integrated budget will only have to provide a single set of monitoring information, at the specified intervals.

19 The direct payments agreement

Before receiving direct payments, the respective direct payments agreement must be signed, and a copy of the signed agreement provided to all signatories.

There are two direct payment agreements:

- **Standard** agreement – signed by the adult, (and if applicable, by the Nominated Person) where the adult is managing the direct payment
- **Authorised person** agreement – signed by an authorised person managing direct payments for an adult without capacity.

20 Monitoring and review of direct payments

The council or CCG or their partners with delegated responsibilities will inform an individual about what records they must retain and what information they will be required to provide at each review before the direct payment agreement is entered into.

For direct payment recipients using a pre-paid card, no receipts will need to be sent in, but all receipts should be retained as directed by the council's Client Finance team (including for personal health budget recipients) in case a full audit is required. Client Finance will still be carrying out scheduled audits on the accounts as per 20.4 below.

For new direct payment recipients not using a pre-paid card, all receipts and bank statements will need to be retained and sent in to Client Finance after 2 months to be audited.

All direct payment accounts will be audited by Client Finance after 2 months. After this first audit, the account will be risk assessed to see whether receipts, invoices and statements should be sent in monthly, every six months or annually.

The regularity of sending returns in to Client Finance will be reviewed regularly. Where there are no issues or queries relating to the direct payment account, the frequency of sending in returns may be reduced.

Reviews of the care and support being purchased via the direct payment and / or the finances will also be carried out at any time when the council or CCG considers that:

- There has been a change in capacity, or

- The person previously eligible, is no longer eligible for S117, or
- Any of the conditions listed at section 6 above are no longer met, or
- Direct payments have not been used as intended, or
- The adult's safety and welfare have been compromised or
- There has been any change which may adversely affect the effectiveness and intention of the support arrangements.

The care and support review will establish if direct payments are being used to meet needs as intended, conditions are met, and public monies are being used effectively.

Care and support reviews must involve the person, any carer(s) the person has, any authorised or nominated person, any family member providing paid administrative or management support (as specifically approved by the council or CCG – see section 15 above) and anyone else that the person requests be involved.

If the person lacks capacity to make such a request, anyone who is authorised under the MCA to make personal welfare decisions (if different from the authorised person) or if there is no such individual anyone who appears to be interested in the person's welfare should be involved.

21 When some or all of the direct payment needs to be returned

The council or CCG will require full or partial repayment of direct payments if any condition attached by the council or CCG is unmet or the council or CCG have reason to believe that direct payments have been used for purposes other than to meet needs as specified in the plan.

The council or CCG may require repayment of any unspent direct payment if they are not required to meet needs as set out in the plan.

The council or CCG will require repayment of excess funds accumulated in the dedicated bank account where there is no reasonable explanation for the surplus.

Direct Payments do not form part of an estate in the event that someone dies while receiving them. The money at all times belongs to the council or CCG and remains public funds.

22. Changes in circumstances

The person should inform their social worker or health professional of any change in the person's personal or financial circumstances that might affect their direct payment e.g. change of address or increase / decrease in their personal income, admission to hospital, or emergency placement.

There may often be occasions when direct payment holders require a stay in hospital or replacement care. However, this should not mean that the direct payment must be suspended while the individual is in hospital. Where the direct payment recipient is also the person requiring care and support, consideration should be given to how the direct payment may be used in hospital or replacement care to meet non-health

needs or to ensure employment arrangements are maintained. Suspending or even terminating the payment could result in the person having to break the employment contract with a trusted personal assistant, causing distress and a lack of continuity of care when discharged from hospital.

In these cases, the council / CCG will explore with the person, their carer and any others the person chooses, the options to ensure that both the health and care and support needs of the person are being fully met in the best way possible. For example, the person may prefer the personal assistant to visit hospital to help with personal care matters. This may be especially so where there has been a long relationship between the direct payment holder and the personal assistant. This should not interfere with the medical duties of hospital personnel but be tailored to work alongside health provision.

Usually direct payment will continue to be paid for up to 4 weeks if you require a hospital stay, if the stay in hospital is longer than 4 weeks the direct payment may be suspended, the council will consider the circumstances on your situation before making a final decision.

In some cases, the nominated or authorised person managing the direct payment may require a hospital stay. In these cases, the council / CCG must conduct an urgent review to ensure that the person continues to receive care and support to meet their needs. This may be through a temporary nominated/ authorised person, or through short-term authority arranged care and support.

22 Changing your mind

If you find your Direct Payment isn't working for you contact your social care worker. They will work with you to try and resolve any issues. If things don't get better, they will change you to a managed budget.

If you decide against having a Direct Payment now, you can change your mind later - just talk to your social care worker.

23 Ending direct payments

People receiving direct payments, either for themselves or on behalf of another person, may decide at any time that they no longer wish to receive direct payments on giving 4 weeks written notice to the council or CCG. The council or CCG can agree to vary this notice period according to the individual's circumstances.

Notice will be given before direct payments are discontinued, unless in exceptional circumstances.

The council or CCG will end direct payments if it is satisfied that:

- The person is no longer eligible for or no longer requires the services for which direct payments are made.
- The person becomes excluded from receiving direct payments because they have been placed under a condition or requirement by the Courts in

relation to drug and / or alcohol dependencies. See attachment 2 for details
- Any of the conditions listed above on pages 7 and 8 in are no longer met.
- Direct payments are not safeguarding or promoting the person's welfare.
- Failure to adhere to the statutory requirements in respect a Direct Payment may result in the Council withdrawing the Direct Payment[18] and placing you on a commissioned service.

The council or CCG may suspend or end direct payments either permanently or temporarily if:

- The person does not require assistance because their condition has improved and / or they do not need the services that direct payments were intended to secure.
- Any condition attached by the council or CCG is unmet or the council or CCG has reason to believe that direct payments have been used for purposes other than to meet needs as specified in the plan.
- The adult fails to pay any assessed financial contribution (for adult social care direct payments only) into the direct payments account.
- Given all the circumstances, the council or CCG considers it appropriate to end direct payments.

The Council or CCG may end the Direct Payment if the direct payment account is mismanaged or there is any indication of fraudulent activity, this may include, but is not limited to:

- Use of funds for inappropriate purposes;
- Payments being made in cash
- Funds being transferred from the Direct Payment account to an unknown source or into an alternate personal bank account;
- Inaccurate information being provided (financial or otherwise);
- Misleading information being provided (financial or otherwise);
- Failure to provide requested information (financial or otherwise);
- The Direct Payment is allowed to become overdrawn or the contingency fund is used without good reason.

25 Complaints

People will be provided with information about how to use the complaints procedure related to the individual organisation carrying out delegated statutory duties on behalf of the council and CCG, including their right to access advocacy as part of the appeals process.

Any person may use the complaints procedure if they are dissatisfied with the decision related to direct payments or the support they receive.

Additionally, people who receive, or consider that they should receive, direct payments have the same rights to access the council and CCG's complaints

[18] Clause 7(1)9b) and (c) of the Care and Support (Direct Payments) Regulations 2014 and Clause 33 (3) (4) and (5) of the Care Act 2014

procedure as people whose support is provided directly or arranged by the council or CCG.

26 Reviewing this policy

This policy will be reviewed one year from the date of implementation or sooner if required.

Any review of this policy must include individuals who have lived recent experience of direct payments (for example the direct payment champions).

Glossary of terms

Adult	For the purposes of this policy, an adult is a person who is aged 18 years or over.
Adult with capacity	In the context of this policy, an adult who has the mental capacity to make decisions about direct payments
Adult without capacity	People are always assumed to have capacity until established otherwise. In the context of this policy, where there is any doubt about an adult's capacity to make decisions about direct payments, mental capacity will be assessed in accordance with the Council's Mental Capacity Act policy. An adult will only be deemed to be without capacity when it has been established through a mental capacity assessment that this is the case.
Assessment – of needs	An assessment of an individual's needs for social care, support or s117 after care services to enable them to live as independently as possible.
Assessment - financial	An assessment of an individual's financial circumstances to determine whether or not they must contribute towards the cost of services required to meet eligible needs. No financial assessment is required for s117 after care services, children's social care or personal health budget direct payments as these must be provided free of charge.
Authorised person	An authorised person is someone who: • is authorised under the Mental Capacity Act 2005 to make decisions about the adult's needs for care and support (i.e. is the holder of a lasting power of attorney given to them by the adult before they lost capacity or a Court appointed deputy), or • where the person is not authorised as mentioned above, a person who is so authorised agrees with the local authority that the person is a suitable person to whom to make direct payments, or • where the person is not authorised as mentioned above and there is no person who is so authorised, the local authority considers that the person is a suitable person to whom to make direct payments.
Carer	Someone of any age who provides unpaid support to family or friends who could not manage without this help.
Close family member	Someone who lives in the same household as the adult who is the adult's: • Parent or parent-in-law • Son or daughter • Son-in-law/daughter-in-law • Stepson or stepdaughter • Brother or sister • Aunt or uncle • Grandparent, or • The spouse/partner of any of the people listed and living in the same household as the adult.
Co-production	Co-production is defined by Think Local Act Personal as: "**When you as an individual are involved as an equal**

	partner in designing the support and services you receive. Co-production recognises that people who use social care services (and their families) have knowledge and experience that can be used to help make services better, not only for themselves but for other people who need social care." In Bath and North East Somerset, we would expand this to include people with health care needs.
Commissioned service	Commissioned services are those which have been designed, developed and purchased centrally by the council or CCG. As these services are purchased directly by the council or CCG, people with direct payments are not able to purchase them (as this would result in double funding for these services). If a person chooses solely commissioned services, they would not receive a direct payment.
DBS check	Screening through Disclosure and Barring Services. This checks criminal history and identifies people barred from working with children and vulnerable adults.
Delegated statutory duties	The council and CCG have to assess people within Bath and North East Somerset who have or appear to have the need for care and support. This is called our statutory duty. Bath & North East Somerset Council and NHS Bath and North East Somerset CCG no longer carry out this duty themselves but have contracted with a different organisation to do this on their behalf. This means this function has been delegated to a different organisation.
Direct payments	Payment of the council or CCGs contribution towards a personal budget direct to a dedicated bank account, so that the person or someone authorised to act on their behalf can arrange support services instead of having them arranged by the council / CCG. Direct payments may also be provided in most instances to arrange s117 after care services.
Direct payments agreement	The written agreement which sets out the terms and conditions applicable to direct payments.
Duty to make direct payments	Where the council has a legal obligation to make direct payments to eligible people because all conditions are met.
EHCP	Education, Health and Care Plan. This is issued following a needs assessment commissioned by the SEN Team and details needs, outcomes and provision required to support a child or young person with Special Educational Needs
Full Financial Accounts	Full Financial Accounts are used in exceptional circumstances and all requests for a full financial account will require panel approval. All individuals requesting a full financial account will be unable to carry out minimum requirements including: Making payments from their account, particularly to employees, where lack of a managed account would mean that PAs may breach confidentiality by being involved in making payments; Inability to complete paperwork – e.g. for audits. A full financial account will not be approved for reasons of convenience –e.g. due to lack of time or due to lack of confidence, e.g. in calculating payments.

MCA	Mental Capacity Act 2005
Mental capacity	Having mental capacity means that a person is able to make their own decisions. The Mental Capacity Act says that a person is unable to make a particular decision if they cannot do one or more of the following four things. • Understand information given to them. • Retain that information long enough to be able to make the decision. • Weigh up the information available to make the decision. • Communicate their decision - this could be by talking, using sign language or even simple muscle movements such as blinking an eye or squeezing a hand. The Act is specifically designed to cover situations where someone is unable to make a decision because the way their mind or brain works is affected, for instance, by illness or disability, or the effects of drugs or alcohol.
MHA	Mental Health Act 1983
Minor adaptation	An adaptation is defined as minor when the total cost including supply and fitting is less than £1000.
Mixed package	If a person chooses a direct payment to meet some of their needs and commissioned services to meet others, they have a mixed package of care. All these options should be recorded on the person's care and support plan.
Nominated person	A person nominated by an adult with capacity to assist with day to day management of services and / or management of direct payment funds. The adult with capacity at all times remains responsible and accountable for how direct payments are used.
Notional budget	Notional budgets apply to personal health budget holders and apply where the CCG makes the arrangements for the agreed care and support. They are the same as a commissioned service for adult social care.
Personal budget	The amount of money allocated by the council to fund the assessed eligible care and support required. The personal budget for adults aged 18 and over is means tested. This means the adult may be required to make a financial contribution towards the total amount of their personal budget.
Personal health budget	The amount of money allocated by the CCG to fund the assessed eligible health care and support required.
Personalised care and support	Tailoring care and support to the needs, wishes and preferences as far as this is possible so that the person concerned has as much choice and control over how their needs are met.
Plan	A plan which summarises how a person's needs will be met, and which includes the details of needs to be met from direct payments. This may be either a care and support plan for an adult in need of care, or a support plan in the case of a carer.
Reassessment	A reassessment of needs for social care and / or support.
Review	Monitoring and review of direct payment arrangements to ensure that they continue to meet the needs. Usually carried out concurrently with a review of the person's plan
Service User	A person assessed by the council or CCG as eligible to

	receive health, care and / or support services.
S117 after care services	A wide range of services necessary to meet a need arising from a person's mental disorder when a person ceases to be detained under the MHA.

Attachment 1

Adults Whose Needs the Local Authority Must Not Meet By Making Direct Payments

Direct payments may not be used to meet the needs of people who are:

a) **subject to a drug rehabilitation requirement**, as defined by section 209 (drug rehabilitation requirement) of the Criminal Justice Act 2003 ("the 2003 Act"), specified in a community order (as defined by section 177 (community orders) of that Act, or a suspended sentence order (as defined by section 189 of that Act);

b) **subject to an alcohol treatment requirement**, as defined by section 212 of the Criminal Justice Act 2003, specified in a community order (as defined by section 177 of that Act), or a suspended sentence order (as defined by section 189 of that Act);

c) **released from prison on licence –**

   i. under Chapter 6 of Part 12 (sentencing: release, licenses and recall) of the 2003 Act or Chapter 2 of Part 2 (effect of custodial sentences: life sentences) of the Crime (Sentences) Act 1997 ("the 1997 Act"), **subject to a non-standard licence condition requiring the offender to undertake offending behaviour work to address drug or alcohol related behaviour**; or

   ii. **subject to a drug testing requirement** under section 64 (as amended by the Offender Rehabilitation Act 2014) (release on licence etc: drug testing) **or a drug appointment requirement** under section 64A (release on licence etc: drug appointment) of the Criminal Justice and Courts Services Act 2000;

d) **required to comply with a drug testing or a drug appointment requirement** specified in a notice given under section 256AA (supervision after end of sentence of prisoners serving less than 2 years) of the 2003 Act;

e) **required to submit to treatment for their drug or alcohol dependency** by virtue of a community rehabilitation order within the meaning of section 41 of the Powers of Criminal Courts (Sentencing) Act 2000 or a community punishment and rehabilitation order within the meaning of section 51 of that Act;

f) **subject to a drug treatment and testing order** imposed under section 52 of the Powers of Criminal Courts (Sentencing) Act 2000;

g) **required to submit to treatment for their drug or alcohol dependency** by virtue of a requirement of a community payback or probation order within the meaning of sections 227 to 230 of the Criminal Procedure (Scotland) Act 1995 or **subject to a drug treatment and testing order** within the meaning of section 234B of that Act; or

h) **released on licence under section 22 or section 26** of the Prisons (Scotland) Act 1989 (release on licence etc) or under section 1 (release of short-term, long-term and life prisoners) or 1AA (release of certain sexual offenders) of the Prisoners and Criminal Proceedings (Scotland) Act 1993 and subject to a condition that they **submit to treatment for their drug or alcohol dependency**.

Taken from the Care and Support (Direct Payments) Regulations 2014. Regulation 2, Schedule 1.

Attachment 2

Personal health budgets legislative context

- National Health Service Commissioning Board and Clinical Commissioning Groups (Responsibilities and Standing Rules) (Amendment) (No. 3) Regulations 2014[19].[20]
- Guidance on Direct Payments for Healthcare: Understanding the regulations[6]
- Direct Payments for Healthcare: Guidance on Ensuring the Financial Sustainability of Personal Health Budgets[9]

[19] The NHS Commissioning Board and Clinical Commissioning Groups (Responsibilities and Standing Rules) Regulations 2012 are the principal regulations as originally made. They were amended by the NHS Commissioning Board and CCGs (Responsibilities and Standing Rules) (Amendment) Regulations 2013, which introduced the "right to ask" for a PHB from 1st April 2014.

[20] The NHS Commissioning Board and CCGs (Responsibilities and Standing Rules) (Amendment) (No.3) Regulations 2014 amended the regulations once again, from 1st October 2014, to bring in the "right to have" a PHB

Attachment 3

Full Financial Account –Principles
Direct Payment Support Services Policy

Definition:
The definition of a full financial account is as follows:
A third-party arrangement to support people in managing their direct payment. Direct Payment funds are paid into a direct payment support service provider's full financial Account instead of the recipient's own Direct Payment bank account. All payments such as PA wages or agency invoices are made on behalf of the DP recipient by the support organisation providing this service. They will also prepare and provide the financial audit information when required for monitoring purposes. Full financial account providers do not take responsibility for the care that is delivered, do not employ personal assistants and do not take responsibility for arranging alternative care and support workers to cover sickness / absence etc.
A full financial account will not be provided for a person who does not have the capacity to request a DP for themselves, or for a nominated or authorised person
Please note that this is an interim policy position for Full Financial Accounts and will be reviewed once pre-paid cards are introduced within B&NES.

Criteria for a Full Financial Account:

- All individuals with care and support needs requesting a full financial account will have capacity.
- Full financial accounts will only be offered in exceptional circumstances and all requests for a full financial account will require panel approval.
- All individuals requesting a full financial account will be unable to carry out minimum requirements including:
    - Making payments from their account, particularly to employees, where lack of a managed account would mean that PAs may breach confidentiality by being involved in making payments
    - Inability to complete paperwork – e.g. for audits

A full financial account will not be approved for reasons of convenience –e.g. due to lack of time or due to lack of confidence, e.g. in calculating payments.

Required Behaviours by Providers:

- It is essential that the principle of people remaining in control of their direct payment and care is respected by providers of full financial accounts. Therefore, the Council and Virgin Care will not expect to be contacted by providers responding to issues raised by Direct Payment recipients. Instead, recipients, or their advocate will be expected to contact the Council or Virgin Care directly.
- The provider will not make decisions relating to the person's care and support (for example arranging alternative care workers). These decisions remain with the person or their authorised person to make.
- A monthly account of the spend will be given to the DP recipient by the provider
- DP recipients will still have the responsibility for authorising payments and the full financial account provider will not take on this responsibility.

- The support provider will submit returns as required by the Council and will comply with all reasonable requests for information.
- The provider will ensure that the DP recipient is supported to remain independent and will work with them using a strengths-based approach – i.e. enabling but not doing, where they are able to complete tasks and activities themselves.
- The DP recipient will be the employer of any PAs if they want to have their support provided in that way.

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Bath & North East Somerset Council		
MEETING:	**Cabinet**	
MEETING DATE:	**13 February 2020**	EXECUTIVE FORWARD PLAN REFERENCE: E 3190
TITLE:	**Bath and North East Somerset Council Corporate Strategy 2020-2024**	
WARD:	All	
AN OPEN PUBLIC ITEM		

List of attachments to this report:

- Appendix One: Draft B&NES Council Corporate Strategy 2020-2024
- Appendix Two: Corporate Strategy Engagement Report
- Appendix Three: Draft B&NES Council Corporate Delivery Programme 2020-2021

1 THE ISSUE

1.1 The council's Corporate Strategy will guide council activity and budget planning over the next four years. This report invites Cabinet to recommend to Council that the Corporate Strategy and Corporate Delivery Programme as set out in Appendix One and Appendix Three be adopted.

1.2 Once adopted, the Corporate Strategy will become the overarching framework for council activities until 2024 and will frame our financial strategy over the same period.

2 RECOMMENDATION

The Cabinet is asked to;

2.1 Thank those who provided feedback on the draft Corporate Strategy and agree to continue to work with local communities to ensure their involvement during the strategy's implementation and review;

2.2 Note the responses and agree the recommendations and next steps following the feedback on the draft strategy, as set out in the Corporate Strategy Engagement Report in Appendix Two;

2.3 Note and consider the responses from the Policy Development and Scrutiny Panels also set out in the Corporate Strategy Engagement Report in Appendix Two;

2.4 Recommend that Council adopt the new Corporate Strategy 2020-2024

2.5 Recommend that Council adopt the new Corporate Delivery Programme 2020-2021

3 THE REPORT

Background

3.1 This report sets out a new Corporate Strategy for the council, running from 2020-2024. Once adopted, the Corporate Strategy will be the council's overarching strategic planning document. It sets out the council's core purpose, policy focus and key commitments as well as describing the organisation's approach to monitoring performance and managing its budget.

3.2 The strategy does not set out in detail everything the council does, much of which – such as equalities, safeguarding and emergency planning - is determined by national legislation. However, the detailed proposals in the strategy will guide the council over the life of the strategy and represent the step changes that citizens in B&NES will experience from their council.

3.3 Flowing from this and underpinning the delivery of the strategy, an annual corporate delivery programme has been developed which sets out how precisely the council plans to meet its commitments, allowing for transparent and accountable progress reporting. A Cabinet sponsor will also be identified for each section of the delivery programme to help ensure clear lines of political accountability. The draft Corporate Delivery Programme for 2020-21 is set out in Appendix Three.

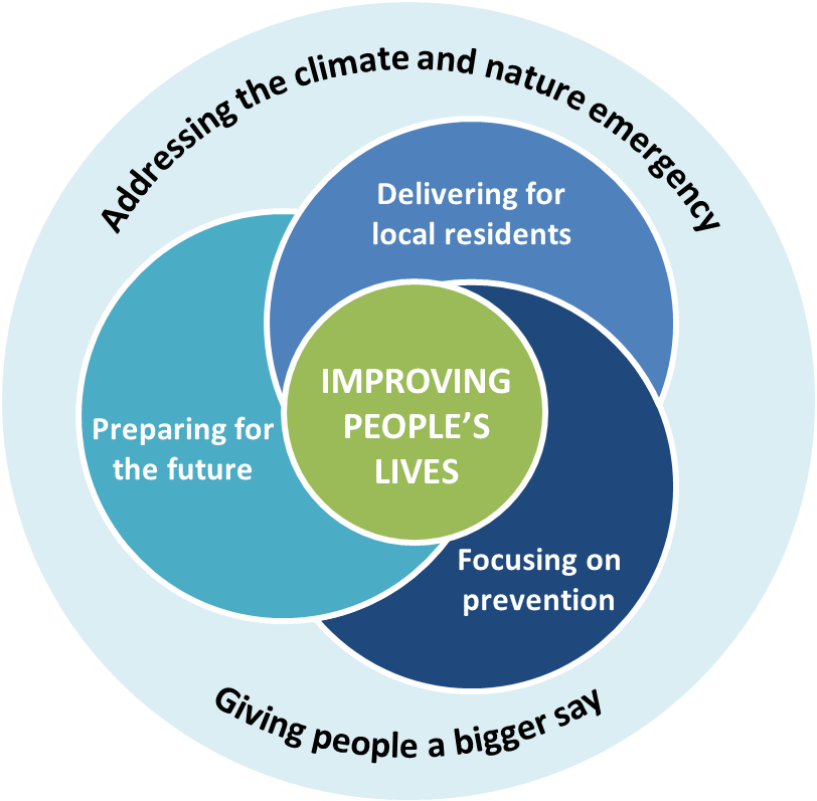
The new Corporate Strategy Framework

3.4 The draft Corporate Strategy is set out in full in Appendix One. It proposes a new framework for what the council will focus on and how it will work:

(1) We have *one* overriding purpose – to improve people's lives. This brings together everything we do, from cleaning the streets to caring for our older people. It is the foundation for our strategy, and we will ensure that it drives our commitments, spending and service delivery.

(2) We have *two* core policies – tackling the climate and nature emergency and giving people a bigger say. These will shape our work.

(3) To translate our purpose into commitments, we have identified *three* principles. We want to prepare for the future, deliver for local residents and focus on prevention



Engagement on the Corporate Strategy

3.5 Initial engagements took place in Summer 2019 to inform the development of the council's new Corporate Strategy. These included presentations to the Area Forums, Independent Equality Advisory Group and Corporate Policy Development and Scrutiny Panel on the emerging themes.

3.6 Following this, the key themes of the new draft Corporate Strategy were outlined at two public events. The full draft document was also published online for further comments from residents and interested stakeholders from 20th December 2019 until 24th January 2020. During this time, the draft Corporate Strategy was also shared at Area Forums and with the Independent Equality Advisory Group as well as presented to each of the three Policy Development and Scrutiny Panels for comment.

3.7 A report on the feedback collected during this period is attached at Appendix Two for consideration alongside the draft Corporate Strategy. Broadly, the commitments set out in the strategy were welcomed by respondents. Some common feedback themes also included:

- Requests for further detail on key commitments, particularly relating to transport, housing and addressing the climate and nature emergency
- Concerns over the pressures around social care funding and the need to develop a sustainable approach to funding
- How the council will communicate and engage residents on its commitments particularly the climate and nature emergency

- Making the best use of local resources and strengths as well as many invitations from respondents to work with and support the council on its strategy

3.8 As a result, much of this feedback will assist the council as it implements the Corporate Strategy and refines its programme of delivery. The engagement report sets out in more detail how the council intends to do this. Where appropriate, a number of amendments to the document itself have also been made to respond to key feedback issues raised, for example in further strengthening our approach to prevention.

4 STATUTORY CONSIDERATIONS

4.1 The Corporate Strategy is the council's overarching strategic plan and forms a key part of the Policy and Budget Framework in the council's constitution. It is an essential communication tool and provides a clear framework for officers and members to work within. It outlines the key priorities of the council and helps to guide activity and decision making.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 The Corporate Strategy outlines the council's key priorities over the next 4 years. This forms a key consideration in the allocation of council resources as part of the annual budget setting process and development of its Medium-Term Financial Strategy.

5.2 More detailed information on the council's specific budget proposals will be considered at this meeting as a separate item.

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.

7 CLIMATE CHANGE

7.1 The draft Corporate Strategy establishes the climate and nature emergency as a core policy driver for the council – shaping everything the council does and how it delivers its services going forward. It is also reflected within the key commitments set out in the strategy. Feedback on the draft Corporate Strategy contained a number of comments relating to this, particularly in relation to ecological and nature issues.

8 OTHER OPTIONS CONSIDERED

8.1 None

9 CONSULTATION

9.1 The Leader and Cabinet Member for Resources have been consulted on the drafting of this report as well as the S151 Officer and Monitoring Officer.

9.2 As set out in this report, a range of engagement has been carried during the development of the draft Corporate Strategy. A report summarising the feedback gathered during this engagement is presented as an Appendix to this report.

Contact person	Andy Thomas, Head of Strategy Engagement & Marketing, (01225 394322)
Background papers	• Corporate Strategy presentation to December public events • Corporate Strategy Equality Impact Assessment
Please contact the report author if you need to access this report in an alternative format	

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Bath and North East Somerset Council
Corporate Strategy

2020-2024

Structure of the document:

1. Welcome and Foreword (Leader and Chief Executive)
2. Context and Challenges
3. Our Framework
4. Our Core Policies
5. Our Principles and Commitments
6. Delivering the Strategy

Appendix – Community Engagement Charter

WELCOME FROM THE LEADER OF THE COUNCIL

The council exists for a clear purpose - to improve people's lives. Our new administration was elected in May 2019 on a bold and ambitious manifesto of change. This strategy sets out how we will make this a reality and deliver these commitments.

We are passionate about Bath and North East Somerset. We are proud of our diverse and vibrant communities, our strong economy, our heritage, our beautiful surroundings and the people who live and work here.

There are some big challenges. We are committed to addressing the climate and nature emergency and to playing our part in the urgent action needed for this. We want to work with local people to make it easier to travel around sustainably, to build more affordable homes, to support the local economy and to secure better ways of meeting the needs of our most vulnerable.

We will work with local communities so they can have a greater say and take more responsibility for what goes on in their areas and address the issues that are most important to them. We want to listen to the views of our residents and partners and ensure that the council is operating transparently.

Achieving this will not be easy. The council faces unprecedented financial pressures. We must prioritise what we spend and be clear about what we are here to deliver. This strategy sets out this new direction.

We recognise that the council cannot do it alone. We need to continue to build strong working relationships with local communities and our partners. We also need to support our local citizens so that they can live independently and feel connected locally.

We want to get things done quickly but we also need to plan ahead. We have made a strong start and I welcome you holding us to account.

I look forward to working with you and our communities over the coming years.

Cllr Dine Romero
Leader of Bath and North East Somerset Council

FOREWORD – CHIEF EXECUTIVE

My job as Chief Executive is to ensure everyone who delivers services for the benefit of Bath and North East Somerset's residents - whether that's in social care, refuse collection or highways - work together to improve people's lives.

This corporate strategy is all about achieving this. It sets out what we plan to do, how we plan to do it, and how we will measure our performance. It will guide us as we take decisions and help us become more accountable to the communities we serve.

The council has a strong record of delivering good quality services to local people and has much to be proud of. I want us to build on these foundations and challenge ourselves to be even better. The commitments we are making to achieve this are set out in these pages.

You will also see changes in how the council works. For many of our services, we will increasingly be using new technology, including online tools so that residents can self-serve. This will free us up so we can focus our help on those who need it the most. We will also seek your views to help us shape our decisions and policies.

We recognise also that we will need to work closely with our partners on the key challenges facing the area, such as the climate and nature emergency, and ensuring our residents- particularly young people- have access to the education and skills they need to thrive.

I look forward to ensuring the council plays an active, positive and influential role in shaping our area.

Will Godfrey
Chief Executive

CONTEXT AND CHALLENGES

About our area
Bath and North East Somerset is thriving and diverse, with many needs, strengths, resources and assets.

As well as being our main commercial and recreational centre, the World Heritage City of Bath is an international tourist and heritage destination that provides a spectacular setting for world-class arts, culture and leisure facilities. Our market towns of Keynsham, Midsomer Norton and Radstock combine with rural communities ranging from the foothills of the Mendips, to the Chew Valley in the west and Cotswold villages around Bath.

- **Two thirds** of the area lies in Green Belt. We have **2** areas of Outstanding Natural Beauty, **37** Conservation Areas and **6,408** Listed Buildings
- Home to over **192,000** people, we expect our population to rise to **199,000 by 2037**. The most significant increases will be amongst older people, with a **124%** increase in those aged 85 and over
- Between 2001 and 2017, the growth in the 20-24 age range accounted for nearly 50% of the area's population growth, highlighting the area's **student population**

About the council
The council has an important role in shaping the future of our area. Despite reductions in funding in recent years, we have access to skills and resources that can improve people's lives and meet our key challenges. The council provides and commissions hundreds of services to local residents. For example, in 2017/18 we:

- Issued **326,000 library items**
- Prepared **1,185** Educational Health Care Plans for children with special educational needs and disabilities
- Supported **1,551** vulnerable adults to live independently in their own homes
- Secured residential care for **1,000** people
- Considered over **1,100** licensing and **3,000** planning applications
- Provided services supporting **521** people with learning difficulties, **348** people with mental health issues and **1,318** people with physical support
- Maintained **1250 km** of highways and **16,000** street lights

Our key challenges

- **Tackling the climate and nature emergency**. In March 2019 the council resolved to declare a Climate Emergency. This was in response to the latest science from the Intergovernmental Panel on Climate Change and clear demands from our community.

  The council pledged to provide the leadership to enable B&NES to become carbon neutral by 2030 and make the council itself carbon neutral by the same date. This will have a significant impact on everything we do as an organisation and requires a step change across the public, private and community sectors in our area.

- **Inequalities in life experience**. Despite our area being one of the least deprived authorities in the country, there are significant inequality gaps in education, employment and health outcomes for local residents. Life expectancy for men varies by up to 8 years between those living in our least and most deprived areas.

  Our more disadvantaged pupils often achieve lower qualifications and fewer go on to sustain education, employment or training after reaching 18. We need to do more to address inequalities in the educational attainment of our young people.

- **Budget pressures in delivering our statutory social care duties to support vulnerable residents.** Over 80% of our funding now goes into health, social care and children's services. Our older residents are living longer with complex and combined health conditions which are costly. The number of looked after children has also risen by 40% in the past 5 years. Supporting the 21 children with the most complex needs cost over £3m in 2018-19.

  We must be as efficient and effective as possible in delivering these services. This requires some hard decisions about where our money is best spent. We also need to think about how we can help our residents to live well so that we can deliver services into the future.

- **Working better with our local communities.** Our local communities have significant strengths and resources. This includes skills, knowledge and links which support a wide range of groups and networks. Our residents have an important contribution to make to meeting our key challenges, whether being a good neighbour, making healthy choices, or volunteering in a community project.

  We need to listen to local people about what is working well in their area and develop solutions which work for them, rather than imposing an approach from above. The council can also help local communities by using the skills and experience of our employees, as well as our buildings and other facilities.

OUR FRAMEWORK

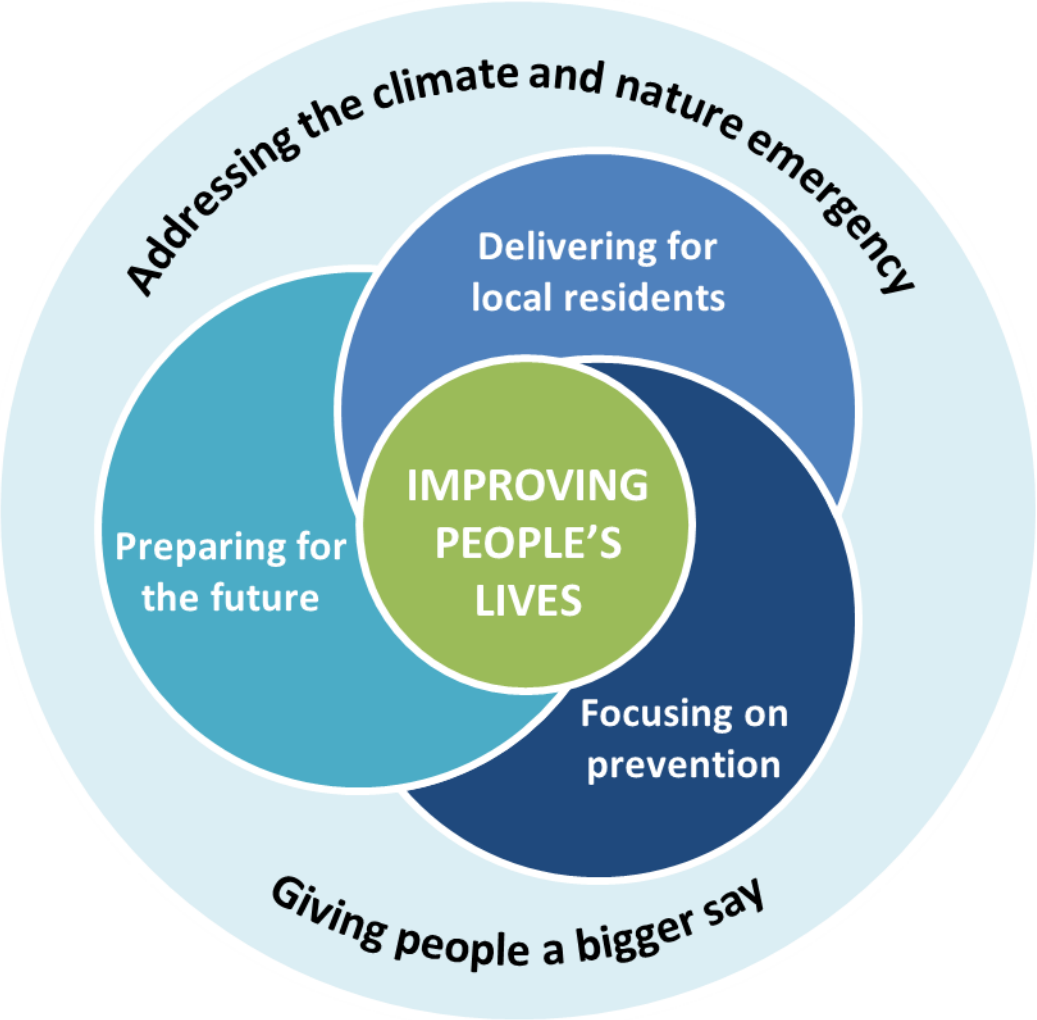
ONE: We have **one** overriding purpose – to improve people's lives.

This might sound simple but it brings together everything we do, from cleaning the streets to caring for our older people. It is the foundation for our strategy and we will ensure that it drives our commitments, spending and service delivery.

TWO: We have **two** core policies – **tackling the climate and nature emergency** and **giving people a bigger say**. These will shape **everything** we do.

THREE: To translate our purpose into commitments, we have identified **three** principles. We want to **prepare for the future, deliver for local residents and focus on prevention**.

This is all set out clearly in the diagram below:



This is the "golden thread" which drives what we do. Our strategy has been developed alongside our Medium Term Financial Strategy and our People Strategy. This will ensure that setting budgets and managing our people - our most valuable resource - are guided by the council's priorities. It also means that our commitments are realistic and achievable.

OUR CORE POLICIES

Being clear about **how** we will do things is just as important as what we will be doing. Our two core policies which shape everything we do are identified below.

Core Policy: Addressing the climate and nature emergency

Climate change impacts on the current and future wellbeing of local residents, so we need to take urgent action. In 2019, we declared a climate emergency across Bath & North East Somerset. This means change for us all and the council is committed to playing its part. Our Keynsham Civic Centre had the largest solar panel array on a new public building in the country when it was built. We have introduced LED street lighting. Our Energy at Home scheme retrofitted 300 homes and our Plastics Pledge involves local businesses and communities. To build on this we have identified three priority areas for action:

- Energy efficiency improvements to existing buildings and zero carbon for new build
- A major shift to mass transport, walking and cycling to reduce transport emissions
- A rapid and large-scale increase in local renewable energy generation

These have been built into our strategy and are reflected in our key commitments. Our work to address the climate and nature emergency delivers other important benefits - for example, insulating homes both improves public health and creates good local jobs.

We will provide the leadership to help this happen. We will also press for the powers and resources needed from central government. 'Business as usual' is not an option and we need to work together across the public, private and community sectors as well as with our residents to develop solutions together.

Our Climate Emergency webpages have the latest information on our plans and what you can do to help. https://www.bathnes.gov.uk/climate-emergency

Core Policy: Giving people a bigger say

Local residents should have a powerful voice in how their services are designed, funded and run. There is more we can do to be transparent and collaborative in the way that we work. We want to make sure we are involving local people, parish councils and others in our decision-making. We need to listen to all our communities, including our younger residents, about the issues that affect their future.

We know that some things are working well already. This includes our Parish Charter and our Area Forums, where public services and local communities meet and talk together.

Our new Community Engagement Charter (in Appendix One) sets out how we will engage and consult with residents in the future, involving them in a clear and meaningful way in council priorities and decision making.

Our Have Your Say webpages tell you more.

OUR PRINCIPLES AND COMMITMENTS

Three principles drive the commitments in our strategy. These are all set out below.

PRINCIPLE	Preparing for the future	Delivering for local residents	Focusing on prevention
AT-A-GLANCE GUIDE TO COMMITMENTS (More information in each section)	• local renewable energy • high-skill economy • new technologies • green local economy • walking, micro mobility (cycling), car-sharing, buses, and rail • carbon neutral development and energy efficiency retrofitting • natural environment carbon stores and biodiversity e.g. planting more trees	• carbon-neutral, social and affordable housing • energy efficient homes • significant improvement of the transport infrastructure • low traffic neighbourhoods • effective approach to fly-tipping and litter enforcement • Citizens' Juries to improve decision-making • tailor our approach to community engagement in Bath • community engagement charter	• statutory health and care services • preventative approaches • reduce health inequalities • provision for children and young people with special educational needs and disabilities • reduce waste, increase recycling and support local litter picking schemes • mental health services that build resilience, promote mental health and wellbeing and deliver the best outcomes • reduce over-reliance on residential and nursing care • build on local strengths

These commitments do not set out in detail everything we do, much of which – such as equalities, safeguarding, registrars and emergency planning - is determined by national legislation. However, the detailed proposals in this document will guide us over the life of the strategy and represent the step changes that citizens in B&NES will experience from their council.

The council will support the most vulnerable, as seen in the support for families welcomed to our area through the Syrian Vulnerable Persons Programme. We also work closely with partners to make our community safer and have made a new and significant commitment to tackling domestic abuse. We will stand up for local people and lobby central government on

the things that matter most to them – for example on replacing the money that is lost through students, rightly, being exempt from council tax. We will seek to influence central government and others where we need to make changes to deliver our Corporate Strategy, for example to to address the climate emergency.

Our area is changing. The council must change with it and help local residents prepare for the future. We want to promote high-quality, high-skill jobs, for example in the new green jobs sector and in new technologies. At Bath Quays we are creating a vibrant commercial quarter in the heart of the city which is delivering new jobs and homes. We also have a programme aimed at making our high streets more attractive places to visit, including greener ways of getting around the area and support to businesses.

The council will work with partners, organisations such as the West of England Combined Authority, and local communities to secure long-term investment in our local infrastructure. Our priorities for this are sustainable transport, homes and energy. So that they can take advantage of these changes, we want to help our young people acquire and enhance the skills they need to achieve their ambitions. To do this we will also need to address inequalities of outcome in education, particularly in the Early Years.

The council also needs to make the most of new technology and be smarter and more flexible in the ways that we work. We need to be clearer about what we can and cannot provide. Increasingly, we will ask residents to self-serve for our more transactional services so that we can better support people who need our help the most.

What we are going to do

Our key commitments
Enable a step change in **local renewable energy** schemes including solar and wind power
Promote a **high-skill economy**
Maximise opportunities from **new technologies** to improve and deliver efficient, modern services
Support the transition to a **green, local economy**
Enable a major shift to **walking, micro mobility (cycling), car-sharing, buses, and rail**
Encourage a large and rapid improvement in the energy efficiency of our area's buildings through **carbon neutral development and energy efficiency retrofitting** of the majority of existing building stock
Increase natural environment carbon stores and biodiversity - for example, through planting more trees - and improve our bio-diversity, habitat and land management

Examples of how we are going to measure progress

- Number of buildings retrofitted with energy efficiency measures
- Amount of renewable energy locally generated,
- % population 16-64 in employment,
- % of council transactions digitally enabled

Access to housing and getting around our area are key local concerns. We are determined to secure more affordable and social housing, improve the quality of rented housing, make our housing stock green and tackle fuel poverty. We will also facilitate significant improvement of the transport infrastructure and encourage behaviour change to forms of transport other than the private vehicle. This will enable a major shift to walking, micro mobility (cycling), car-sharing, buses, and rail.

Alongside the introduction of the Clean Air Zone in November 2020, we have wider ambitions for a more pedestrian-friendly city centre and reducing the impact of cars in residential streets through better traffic management and reductions in 'rat-running'.

To support this, we need to understand the views and needs of our local communities. We are committed to improving how we involve local people in our decision making, such as on local transport schemes, ensuring that they have a greater say in how their services are designed, funded and run.

What we are going to do

Our key commitments
Deliver more **carbon neutral, social and affordable housing** and ensure that our Houses of Multiple Occupancy (HMO) policies put communities first
Ensure the council is an exemplar for low carbon, including the delivery of carbon neutral and **energy efficient homes** through our housing company
Facilitate **significant improvement to the transport infrastructure** and encourage behaviour change to forms of transport other than the private vehicle
Introduce **'low traffic neighbourhoods'** working with schools and local communities
Have an **effective approach to fly-tipping and litter enforcement** as well as to city centre cleansing and trade waste
Use new initiatives such as **Citizen's Juries to involve residents in decision making**
Tailor our approach to community engagement in Bath to reflect the needs of the City's residents
Build on our Parish Charter with a new **Community Engagement Charter** which outlines our commitments and framework for engaging with local residents across the whole of the Bath and North East Somerset area

Examples of how we are going to measure progress

- Number of new additional homes
- Number of council homes delivered
- % of residents who feel listened to when they put forward their views

Having a clear approach to prevention is essential to improving people's health and wellbeing, sustaining the social care and health services we all value and rely on and strengthening our local economy. For example, properly insulated homes are cheaper to run and help prevent cold-related ill health as well as contributing to addressing the climate emergency. Our Clean Air Zone is also a good example of how we are preventing ill health through reducing air pollution.

People should receive the support they need in the most efficient, effective and timely way, reducing demand for later and more costly interventions. Everyone has a part to play and our residents should be supported to stay healthy, live well and be independent for as long as possible, making good choices for their own health and wellbeing. For example, the council can promote active travel such as walking and cycling.

We cannot do this alone and we will need to build on our joint working arrangements with partners, voluntary organisations, parishes and residents, through growing initiatives such as Compassionate Communities. We will always ensure that we continue to protect and support our most vulnerable residents.

What we are going to do

Our key commitments
Deliver **statutory health and care services** for children and adults as effectively as possible
Prioritise preventative approaches so that people can stay healthy, we can tackle issues at the earliest stage and ensure a better quality of life for our local residents
Promote good health and **reduce health inequalities**
Enhance local **provision for children and young people with Special Educational Needs and Disabilities (SEND)** to reduce the need for more distant and costly specialist placements
Help our residents to **reduce waste, increase recycling and support local litter picking schemes**
Ensure we have **mental health services that build resilience, promote mental health and wellbeing and deliver the best outcomes** for our residents
Support our residents to live well and independently, so we **reduce over-reliance on residential and nursing care**
Support communities who want to address issues of concern by listening to residents and **build on local strengths** and resources

Some examples of how we are going to measure progress

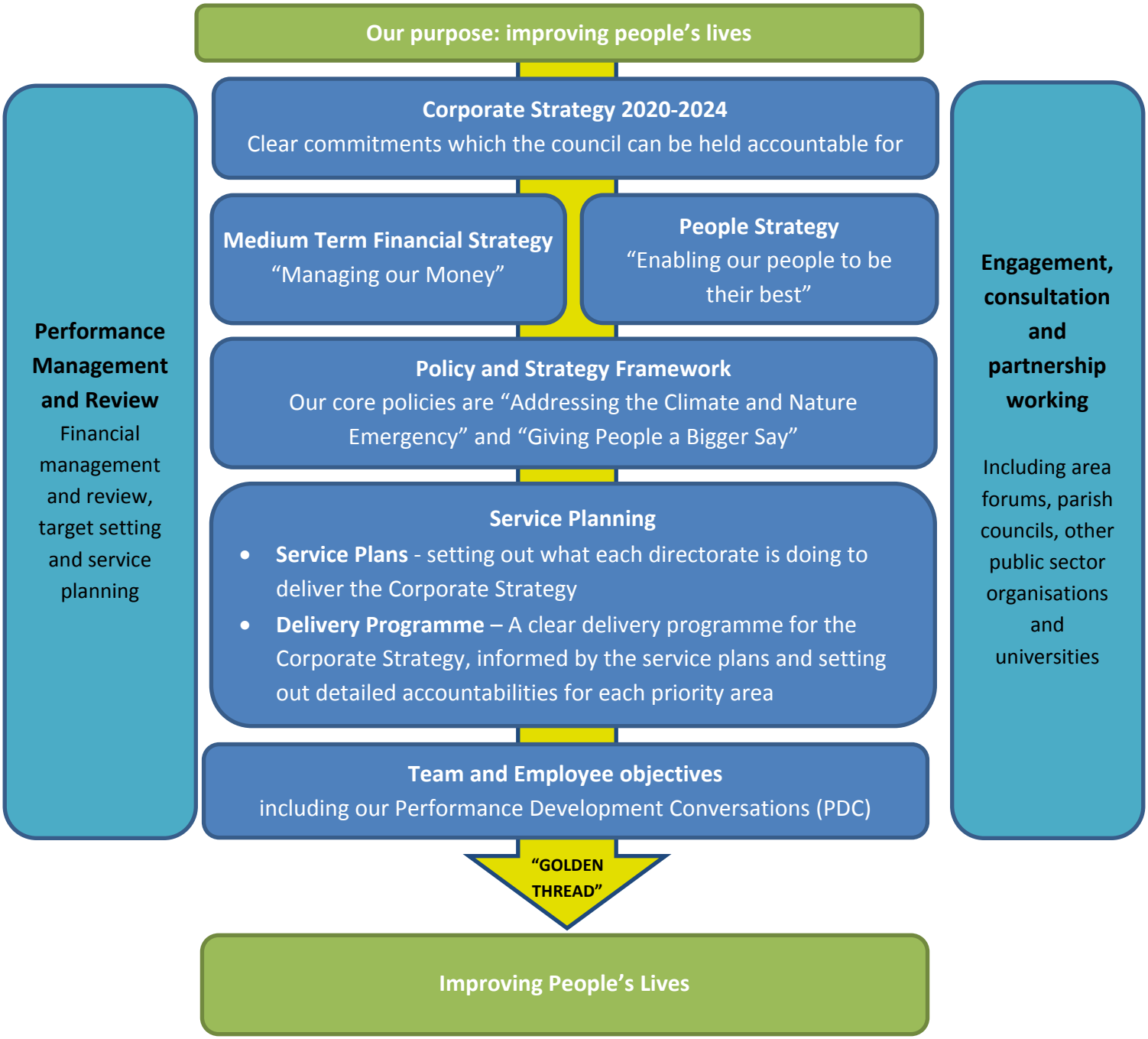
- % initial contacts resolved at first point of contact
- % clients still independent after receiving an enablement service
- Number of admissions to permanent residential and nursing care for older people

DELIVERING THE STRATEGY

The 'Golden Thread'

The Corporate Strategy sets out our high-level commitments. But this needs to be translated into action through a 'golden thread' to our service plans and individual employee objectives.

B&NES Council Corporate Strategy Framework



How we will work

Service planning and performance management

Every year a Corporate Delivery Programme will set out how precisely the council plans to deliver on this strategy. This will be available online and will also report on progress in delivering our commitments, ensuring that we are transparent and accountable.

Our Policy Development and Scrutiny Panels also have a key role in monitoring delivery of the Corporate Strategy as well as carrying out their policy development role as the strategy develops and is implemented.

Managing our money

We have highlighted the financial challenges facing the authority. We must balance our budget every year and prioritise our spending so we can secure our services and invest in our commitments.

Our Medium Term Financial Strategy (MTFS) shows how we will do this, maximising commercial income, and reviewing our contracts to make savings. We have also launched a new corporate programme – Improving How We Work – which will:

- Simplify the ways in which services are delivered, removing costly and time-consuming processes that don't serve our citizens
- Give local people the tools to access council services online wherever possible, freeing up resources to help those who need it most
- Enable smarter, more flexible working and making sure we have the right office space and tools to do the job whilst also reducing our carbon footprint.

We are committed to being a modern council which meets the needs of people today and in the future with the funding available to us. So the MTFS also sets out the need for us to go further, managing demand and reducing costs based on Value for Money assessments of our services. Over the life of this strategy we will therefore:

A) Develop preventative approaches which enable people to remain independent and healthy and reduce demand for high cost adult social care services, including:-
   - Working to better understand why our care costs appear higher than similar authorities and creating a strategy to tackle the pressure on our budgets
   - Exploring the best way to deliver these services
   - Strengthening our approach to reablement

B) Re-shape the way we work with children, young people and families in order to reduce demand for high cost, specialist children's social care placements, including:-
   - Exploring the best way to deliver these services
   - Changing the service model so there is greater continuity of social worker
   - Re-uniting children in care with their families where this is the most appropriate outcome

C) Improve our city and town centres so it works better for local residents and businesses, including:-
   - Ensuring a long-term approach to car parking which meets the climate emergency
   - Reviewing the assets we own so that they generate good future income for our services
   - Ensuring our Clean Air Zone and Transport Study for Bath unlock investment to enable us to deliver our vision for walking, micro mobility (cycling), car sharing, buses and rail and cleaner, greener, safer city and town centres for everyone

D) Establish better area-based approaches that deliver what citizens need at a local level, including:-
   - Streamlining points of contact with the council so people aren't pushed from "pillar to post"
   - Bringing together different services to reduce duplication
   - Ensuring services are shaped by what people need rather than what we've always done

To deliver these changes, we may need to invest "up-front" to realise savings or generate income from new ways of working. These changes must be well-planned so that changes made in one service don't create costs elsewhere and so that local needs and concerns are met.

Our people

The council is a people business. We deliver services for people by people, so we need to provide the right culture, leadership and environment for our staff to deliver the best outcomes for residents.

Our People Strategy supports the development and effective management of our workforce. It ensures that we are recruiting and retaining staff with the right skills and support to do their jobs. We know that our employees will perform best if they are safe, happy and engaged at work and we are committed to building an inclusive culture where everyone feels able to participate and achieve their best.

Our partners

We cannot deliver this strategy alone as we don't control all the areas that we need to influence. Many of our ambitions, particularly addressing the climate emergency, don't stop at our boundaries.

We have a long history of collaboration with local partners, voluntary groups and communities and are proud to work with many organisations to improve people's lives. Our ground-breaking Community Safety and Safeguarding Partnership is one of the first in the country to bring together these functions to help focus resources on supporting vulnerable people. Our Third Sector Group (3SG) reflects our thriving voluntary and community sector and we are working with them on projects such as Compassionate Communities.

However, big changes have taken place in recent years. This includes the development of a West of England Combined Authority and governance changes in our health and care system. In addition, the Western Gateway reflects the key links between our area, the West of England and South Wales. We are committed therefore to being a good partner, where this helps us to deliver the Corporate Strategy and make real improvements for local people.

APPENDIX ONE – Draft Community Engagement Charter for Bath and North East Somerset Council

About the Charter

The views of our community are essential in helping to inform the decision-making process of Bath & North East Somerset Council. The community comprises of residents including children and young people, parish and town councils, third sector organisations including voluntary and community groups and businesses.

We want to ensure that we provide an extensive and meaningful programme of engagement and, when we consult on decisions, that we do this in a timely, clear and transparent way.

Our Community Engagement Charter sets out our standards for how we engage with our community.

The Charter applies to all council staff and councillors. Partner organisations and contractors of the council will also be encouraged to adopt this approach.

1. Our Community Engagement Charter

Building on good practice and learning from our shared past experiences, we have worked with our community partners to develop a set of reciprocal expectations. We want to ensure that we provide a genuine opportunity to work in partnership with our community. This will enable all to participate in more detailed discussions and consultations.

Our Standards:

We will:

- consult on decisions in **a meaningful way**.
- recognise the **demographic and geographical differences** across our communities.
- ensure we give full consideration to addressing the **climate emergency** when we plan our community engagement and consultation approaches.
- ensure we understand the **diverse needs** of our communities.
- identify, engage and **involve all relevant stakeholder groups**.
- work with the third sector to **engage hard to reach groups**.
- ensure we **plan and engage early** to encourage '**good conversations**' and **build strong relationships.**
- **utilise existing engagement** mechanisms including the area forums and parish liaison and **explore new opportunities to engage**.
- be **clear in our communications** using plain English and avoiding jargon.
- be clear about **what we are aiming to achieve**, what decisions are being consulted on and who will make the final decision.
- ensure that there is **enough time given** for the community to consider and respond to consultations.
- **ensure feedback** is given following consultation so that the community understand why we have taken the decision.

2. Types of Engagement

'Engagement' encompasses a range of activity involving the community in issues about their local area of which consultation is only one element. We recognise the different needs of our community and therefore we will adopt a range of methods and activities for our engagement.

"The Spectrum of Public Participation" below illustrates the different levels of impact and types of engagement that could be considered.

Spectrum of Participation* ***Increasing the level of participation***					
	Inform	**Consult** (See Section 3 below)	**Involve**	**Collaborate**	**Empower**
Examples of engagement methods the council may consider in its approach	• *Websites* • *Social media* • *e-newsletters* • *Displays* • *Press Releases* • *CC Forums* • *Parish Liaison*	• *Surveys* • *Voicebox* • *Consultations (e-consult and paper)* • *Public meetings*	• *Workshops* • *Community Events* • *CC Forums* • *Parish Liaison* • *Advisory Groups*	• *Peoples Panels* • *Citizen Panels/ Advisory Committees* • *Participatory decision making*	• *Citizens Juries* • *Delegated decisions*

*Source https://www.iap2.org.

3. When and how we will consult

It is important that when we consult we set out clearly why we are consulting, how we plan to consult and how the community can respond and that afterwards we provide feedback on our decisions.

There is a legal requirement for all councils to consult where there is a legitimate expectation for this to happen. This applies when;

- there has been a clear promise of consultation;
- official guidance or policies imply a promise to act in a particular way;
- there is a withdrawal of a benefit with significant impacts to be considered;
- the nature of the relationship would create unfairness if there were to be inadequate consultation.

4. Constraints

Not all council decisions can be determined solely by responses from public discussion. Some are governed by statutory requirements, some are limited by financial constraints and some involve a range of other factors that require detailed consideration.

We will ensure that any consultation will last a proportionate amount of time, taking account of legislation, nature and impact of the proposal.

If any or all of these limitations are likely to apply we will undertake to make the details available at an early stage.

Those decisions that may have a specific legislative framework which exist within an individual service area or for certain proposed changes such as with Planning and Highways, these areas will have clear guidelines for consultation.

The Planning department has its own set of minimum standards; these are outlined in the planning policy called Statement of Community Involvement.

Summary

The council will build on-going relationships with the community and make sure its understanding of communities' views are reflected in all of its decisions. We will:-

* discuss a proposal when it is at a formative stage.
* provide sufficient information to allow intelligent consideration.
* ensure there is adequate time for a considered response.
* conscientiously take responses into account.
* provide feedback on our decisions.

We want to give our residents a greater say. We need our community to tell us about issues that matter most to them and respond to consultations which will help inform our decision making.

5. Getting in touch

If you have a question regarding the Charter or you feel that a consultation hasn't followed the Charter, please contact us.

In order to ensure the Charter remains up to date, we will carry out periodic reviews and ensure any feedback that we received will be considered in any future updates.

Website: https://beta.bathnes.gov.uk/have-your-say

Phone: 01225 394041

Email: Connecting_Communities@bathnes.gov.uk

The council would like to acknowledge and thank members of the Connecting Communities Forums and the 3SG who have participated in developing this Charter and in particular the work undertaken by members of Bath City Forum who initiated the discussions.

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Bath & North East Somerset Council

Appendix Two

Bath and North East Somerset Council
Corporate Strategy 2020-2024 Engagement Report

Section One: Our engagement process

Engagement on the draft Bath and North East Somerset Council Corporate Strategy has taken place through the following stages:

1. **Early engagement:** Initial engagements took place in Summer 2019 to inform the development of the council's new Corporate Strategy. These included presentations on emerging themes to the following groups:
    - Corporate Policy Development and Scrutiny Panel (15th July and 24th September)
    - Bathavon North Area Forum (3rd September)
    - Cam Valley Area Forum (18th September)
    - Keynsham Area Forum (23rd September)
    - Somer Valley Area Forum (24th September)
    - Independent Equality Advisory Group (25th September)
    - Chew Valley Area Forum (30th September)

    The direction of travel was generally well received, particularly relating to issues around transport, housing, prevention and climate change. This early feedback was taken forward into the development and drafting of the Corporate Strategy document.

2. **Public Events:** Following the development of a draft Corporate Strategy, two public events were held in December 2019 in order to provide an opportunity for residents and interested stakeholders to find out more about the Council's strategy and budget approach:
    - Guildhall, Bath – 57 attendees (17th December)
    - Civic Centre, Keynsham – 17 attendees (19th December)

    A copy of the PowerPoint used at these events is available online here: https://beta.bathnes.gov.uk/sites/default/files/2020-01/Corporate%20Strategy%20and%20Budget%20Workshops.pdf

    74 people attended and over 120 different comments and queries were recorded during these events. In large part, detailed questions raised during these events were addressed directly at the time. However, some common themes included:
    - *Pressures around social care funding*
    - *The Council's approach to transport issues across the area – including more rural communities*
    - *How the Council can best engage residents on and communicate about the climate emergency*
    - *The need to raise income e.g. through a tourism tax*

3. **Online Survey:** Following these public events, the full draft Corporate Strategy document was published on the Council's online consultation system from 20th December 2019 to 24th January 2020 for further comments.

   50 responses were submitted through the online survey. These included responses from key local organisations such as the Federation of Bath Residents Association (FoBRA), Curo and Citizens Advice Bureau BANES as well as from local residents. The next section of this report presents a table of key issues raised. This has been used to help inform the recommendations in this report.

4. **Further engagement:** During this time, the draft Corporate Strategy was also presented at the following for comment:
   - Corporate Policy Development and Scrutiny Panel (13th January)
   - Climate Emergency and Sustainability Policy Development and Scrutiny Panel (20th January)
   - Bathavon Area Forum (21st January)
   - Joint Somer Valley and Cam Valley Area Forum (22nd January)
   - Keynsham Area Forum (23rd January)
   - Children, Adults, Health and Wellbeing Policy Development and Scrutiny Panel (28th January)
   - Independent Equality Advisory Group (28th January)

   Where appropriate, comments raised through this further engagement have been summarised in the table below and used to help inform the recommendations in this report.

   The last section of this document also includes the full minutes from the January Policy Development and Scrutiny Panel discussions on the Corporate Strategy.

5. **An ongoing, evolving conversation:** Whilst the document itself is due to be formally adopted in February 2020, the Corporate Strategy will continue to frame council communications and engagement activities for the next four years.

   As part of our engagement, residents and stakeholders were asked how they would like to be involved in the Corporate Strategy moving forward. We will use this feedback as we develop our ongoing programme of engagement.

Section Two: Analysis of key issues raised

Many comments welcomed the new Corporate Strategy and the priorities it sets out. Many were also keen to be involved further as the strategy is implemented and highlighted ways in which they would like to collaborate and support the Council in delivering the strategy.

A number of queries and issues were also highlighted during the engagement which have been grouped together for analysis in the table below:

Priority area	Key issue raised	Response
General	Some respondents asked for further information about how the strategy will be implemented and how progress will be measured. Alongside this, a number of specific suggestions were also put forward by respondents for possible performance measures that could be adopted.	The Corporate Delivery Programme sets out more detailed information on how the council will deliver the commitments contained within the strategy. Further work will take place to develop the performance framework that will monitor delivery.
General	Requests for more clarity about the relationship between the Corporate Strategy and other council policies and strategies – in particular, the B&NES Local Plan.	The Corporate Strategy is the council's overarching strategic planning document. It sets out the core focus of the organisation for the next four years, guiding everything we do and how we do it. All of our other plans, policies and strategies will align with the commitments set out in the Corporate Strategy. This 'golden thread' relationship from the Corporate Strategy through to our other plans and policies is set out diagrammatically on Page 13 of the strategy document.
Addressing the climate and nature emergency	A number of points were made about the addition of 'and nature' to the 'addressing the climate emergency' core policy. These included suggestions for adding additional items relating to this theme as well as to declare an ecological emergency. There were also concerns that the addition of	Whilst we have declared a climate emergency as a Council, our strategy also recognises the importance of the ecological and nature crisis and establishes a core policy to address 'the climate and nature emergency'. This recognises our aim to tackle both of these issues and provides a policy framework for the Council to develop further detail on this through the Corporate Delivery

Priority area	Key issue raised	Response
	this would lead to a lack of clarity. This issue was also raised at the Corporate Policy Development and Scrutiny Panel as set out in the minutes below.	Programme. The Corporate Strategy has also been updated to strengthen the commitment relating to natural environment carbon stores by adding reference to biodiversity.
Giving people a bigger say	Many welcomed the development of the Community Engagement Charter but want to see further detail on how this will be embedded in practice. A number of specific queries were also raised including how the unparished areas of Bath will be recognised in the Charter to ensure they are equally engaged.	The Corporate Strategy sets out a clear commitment to giving people a bigger say as well as tailoring the council's approach to community engagement in Bath, in order to reflect the needs of the City's residents. Specific feedback related to the Community Engagement Charter will be fed back to the Consultation and Communications Working Group who jointly developed the Community Engagement Charter.
Preparing for the future	More detail was requested on our approach to supporting the local economy, recognising that this is a difficult time for the 'high street' and that work is needed to develop a Destination Management Plan	The Corporate Strategy highlights the council's high-level commitments around preparing for the future. This includes the need to create a more resilient, sustainable, higher-skilled and greener economy. The Council has a programme of projects aimed at making our high streets attractive places to visit, including public realm improvements linked to 'greener' ways of getting in and around the area as well as a programme of business support. Reference to this has been strengthened in the Corporate Strategy document. Work on a Destination Management Plan for the area has started and will be completed later this year.
Preparing for the future	The commitment to energy efficiency retrofitting was seen as a positive move as long as this is reflected in our Planning and Listed Building policies e.g. low impact interventions such as secondary glazing of windows	The Corporate Delivery Programme sets out further detail on how this commitment will be delivered, including through the Council's statutory planning framework.

Priority area	Key issue raised	Response
Delivering for local residents	More detail was requested on our commitments around transport as well as the need for some specific and clear performance measures within this area.	The Corporate Delivery Programme sets out a number of more detailed commitments related to transport (e.g. development of a Bath Transport Delivery Plan and support to the sustainable transport agenda). A set of performance measures is now being developed to help monitor delivery of this programme. We will also work closely with the West of England Combined Authority on joint transport planning. The Joint Local Transport Plan 4 (JLTP4) is due to be discussed in February and March.
Delivering for local residents	The broad ambitions set out in the strategy around housing were welcomed. However, more detail was requested on our specific commitments around homelessness and student housing.	The Corporate Strategy sets out the Council's high-level commitments around housing. Sitting underneath this, the Corporate Delivery Programme contains more detail on how we will deliver this. This includes the provision of an effective and efficient housing advice service which prioritises the prevention of homelessness. It also references the Local Plan process, which will consider student housing issues as part of this.
Focusing on prevention	Some respondents welcomed the focus on prevention but stressed the importance of taking an empowerment approach to this. This means 'doing with' rather than 'doing to' and recognising that everyone has a role to play in their health and wellbeing and that the Council needs to work with local communities on this.	The Council is committed to working with residents on this and building on the local strengths and resources that we have across the area. This is set out as a key commitment in the Corporate Strategy. To make this even clearer in the document, we have also made some updates to the wider text.
Focusing on prevention	Requests were made to more clearly acknowledge the relationship between air pollution and health e.g. the Clean Air Zone as an example of preventing future ill health	The Corporate Strategy has been updated to reflect this more strongly.

Section Three: Recommendations and Next Steps

The council thanks everyone who took part and gave us feedback on the draft Corporate Strategy. This report will be published online and updates on the Corporate Strategy will be provided to everyone who requested further information. As a result of the feedback provided, we have made a number of updates to the Corporate Strategy document. We also propose the following next steps:

1. Note the examples of good practice which were identified by many respondents and celebrate and build on this
2. Note the ways in which respondents identified that they would like to be involved and use this to help inform the development of our community engagement activities
3. Refer the comments on the draft Community Engagement Charter to the Consultation and Communications Working Group
4. Use the comments and suggestions on Corporate Strategy performance measures to help inform the development of our performance management approach
5. Refer the specific ideas and invitations to collaborate further to the relevant service area as appropriate to consider as part of future service planning

Section Four: Policy Development and Scrutiny Panel Feedback

Below are the minutes from each of the January 2020 Policy Development and Scrutiny Panel meeting discussions on the draft Corporate Strategy.

Corporate PDS Panel

The Director for Partnership & Corporate Services introduced this item to the Panel. He explained that it is the intention that the Corporate Strategy aligns with the budget proposals that the Panel will discuss further in February.

The Chairman said that if members of the Panel wish to discuss the matter informally, he would be agreeable for such a meeting to take place.

Councillor Alastair Singleton commented on the use of the term ‘Climate and nature emergency’ as opposed to Climate Change.

The Director for Partnership & Corporate Services replied that the use of language is important within the document and that this indicates the importance of the situation in which the Council is working.

Councillor Andrew Furse highlighted three key areas for him from the Draft Strategy.

- Deliver more carbon neutral, social and affordable housing and ensure that our Houses of Multiple Occupancy (HMO) policies put communities first
- Ensure the Council is an exemplar for low carbon, including the delivery of carbon neutral and energy efficient homes through our housing company
- Have an effective approach to fly-tipping and litter enforcement as well as to city centre cleansing and trade waste

The Chairman thanked the Director for Partnership & Corporate Services on behalf of the Panel.

Climate Emergency and Sustainability PDS Panel

David Trethewey, Director of Partnership and Corporate Services, introduced the report. Panel members asked the following questions and raised the following points:

Councillor Craig raised the following points. *Officer responses are shown in italics:*

- Transport infrastructure is mentioned throughout but we are dependent on third parties in terms of improving bus and rail. *The officer explained that the Corporate Strategy shows the intention of the Cabinet is to influence WECA where possible in terms of improvements to bus and rail services.*
- How do you measure residents' views? *The officer explained that a randomised Voicebox survey is used. The Panel will be sent a link to this.*
- Allowances must be made for people who cannot use digital services. *The officer explained that the Council is working towards making as many services digital as possible which will free up staff to help people who cannot use the digital services. There is recognition that not all residents are online.*
- Council tax is spent on recycling, but we have limited control on buying things without excess packaging. We should lobby businesses so that they use less packaging. *The officer explained that clarity of strategic goals makes lobbying easier. The Panel will have a role when looking at the Environmental Bill.*
- Can we commit to look favourably at sustainable businesses who want to occupy our shops. *The officer explained that property is usually let on best consideration regarding the commercial estate.*

Councillor Hirst commented that the Corporate Strategy is a useful, clear and helpful document. He had the following queries. *Officer responses are shown in italics:*

- Query on inclusion of 'nature' in the Climate Emergency wording. *The officer explained that this is a recognition that there is also a nature emergency and that these are connected. The Cabinet are working across both agendas.*
- Supportive of the three bullet points on the climate and nature policy but concerned about what can be achieved and delivered in four years. There should be clear and achievable aims with quarterly reporting on performance statistics. *The*

officer explained that there is a target of carbon neutrality by 2030. There is a session in March to review the relevant strategies with a work programme cycle for these reviews.

- Regarding 'giving people a bigger say' – the current consultation on Entry Hill golf course may not meet the criteria. *The officer explained that the aim in the Corporate Strategy are based on learning from current and past consultations.*

Councillor Davies stated that the document is clear and the core policy of 'addressing the climate and nature emergency' is great. He made the following points. *Officer responses shown in italics:*

- The Council cannot do this alone, we need to shift behaviours and it would be good to see more in the Corporate Strategy about how the Council can play a wider leadership role in how everyone can help to address the emergency. *The officer explained that there are a series of measures planned to tackle this, the challenge is what to focus efforts on. There are web pages and tools for parish councils.*
- Regarding the 'prevention' principle – the Clean Air Zone could be included as an example of this as it will help to prevent future ill health.
- Regarding growth and enterprise (part of the Panel's remit), some of our high streets are in a difficult place, it would be good to have recognition of this. *The officer explained that there will be a discussion on this issue at the March meeting of the Corporate Panel.*
- We need to make sure there is congruence with work being done by WECA and BANES and that this is made clear to the public. *The officer explained that work is being done to coordinate the activity across the West of England.*

Councillor Born welcomed the draft strategy, it is accessible and a good size. She made the following points. *Officer responses shown in italics:*

- There should be robust tracking to measure what will be implemented and by when. *There will be more details in the delivery plan.*
- It is almost a year since the Climate Emergency was declared. The aim of carbon neutrality by 2030 is very ambitious - it does not feel like we are working fast enough to achieve this. An example is planning decisions which are made on guidance which may now be out of step. *The Council required that progress be reported back to this Panel in their March meeting where members can influence the policies to review timescale of the review.*
- It is important to have access points for people who do not have digital access. It is surprising how many people do not use computers. *This point is acknowledged and was discussed above.*

Councillor Karen Walker asked how residents can reserve books from the mobile library service if they are not online. *The officer explained that he did not know the details of this service but that access points are available.*

Councillor O Brien raised the following points. *Officer responses shown in italics:*

- The two core policies ‘Giving people a bigger say’ and ‘Addressing the climate and nature emergency’ may not support each other and the ‘emergency’ should be more of a priority. *This comment can be fed back to the administration, the strategy reflects the manifesto.*
- The diagram is sensible – ‘improving people’s lives’ is a good purpose.
- The Council should use its position as a landlord to eliminate needless packaging. This could also be promoted by the BID and Chamber of Commerce. *This comment can be fed back to the administration.*
- We need to be dynamic, forceful and focused on the climate emergency – there are vast numbers of homes that need retro fitting, we should work with Curo on this. Also, new build applications should include tree planting. *Some of these points were discussed at Council in October.*
- The ‘Your Care Your Way’ model should be used by other services. *This is an area-based approach. Community areas are different.*

In response to a question from Councillor Bromley, the officer explained that there is a skills mismatch in the area and there is a question of how we address this, for example - there are not always the people with the skills to retro-fit houses.

Councillor Hirst stated that the word ‘emergency’ suggests that we are working in a different way to ‘business as usual’. We have to merit the word ‘emergency’ and show what we are doing. The officer explained that this will be clear through the budget proposals.

Dr Kumar stated that ‘emergency’ suggested radical action but the Council works very slowly. The officer explained that language used can raise a number of issues and that sometimes the use of more dramatic language can lead people to think that there is nothing they can do.

The officer reminded the Panel that they (along with members of the Children, Adults, Health and Wellbeing PDS Panel) are invited to the Corporate PDS Panel meeting on 3rd February 2020 where the budget proposals will be discussed.

Note – there were two comments from members of the Panel that fell into the remit of the Children, Adults, Health and Wellbeing PDS Panel. These comments will be passed on to that Panel.

The Panel **RESOLVED** to pass the following points on to the Cabinet for their consideration of the Draft Corporate Strategy at their February 2020 meeting:

- The word ‘emergency’ suggests a different pace to ‘business as usual’ – we must merit the word emergency in the pace of our work.
- More information about the Council’s leadership role which enables everyone to help towards the Climate Emergency is needed. We cannot do all of this work alone.
- We should use our position of landlord to encourage the elimination of needless packaging.

- Fast track the process of policy reviews such as updating the planning guidance so that decisions are in step with our Climate Emergency pledge.
- Regarding the 'prevention' principle – include the Clean Air Zone as an example of this as it will help to prevent future ill health.
- Make allowances for people who cannot use digital services.
- Be clear about what can be achieved (regarding the Climate Emergency) in 4 years then report back quarterly with performance statistics. Clarity of aims and robust tracking is needed.
- Some recognition in the Corporate Strategy about the difficult time for the High Street.
- More focus on the 'Climate Emergency' and the scale of work to be done – fast track retro fitting of homes (working with Curo) and new builds to include tree planting etc.

Children, Adults, Health and Wellbeing PDS Panel

The Director for Partnership & Corporate Services introduced this item to the Panel. He explained that the draft strategy had been launched in December 2019 and had been discussed by the Council's two other Policy Development & Scrutiny Panels earlier in the month. He stated that the document sets out the Council's core purpose, policy focus and key commitments as well as describing the organisation's approach to monitoring performance and managing its budget.

He added that Councillors have also been invited to attend the Corporate Policy Development & Scrutiny Panel on February 3rd where the Draft Budget will be discussed in more detail. He highlighted the following area within the draft strategy.

OUR FRAMEWORK

ONE: We have one overriding purpose – to improve people's lives.
This might sound simple but it brings together everything we do, from cleaning the streets to caring for our older people. It is the foundation for our strategy and we will ensure that it drives our commitments, spending and service delivery.
TWO: We have two core policies – tackling the climate and nature emergency and giving people a bigger say. These will shape everything we do.
THREE: To translate our purpose into commitments, we have identified three principles. We want to prepare for the future, deliver for local residents and focus on prevention.

Councillor Liz Hardman said that she felt it was difficult to comment on the draft strategy without any budget figures attached to it and called for the budget to return to the agenda of all Panels to discuss their remits separately in future years. She queried how

the Council will ‘Re-shape the way we work with children, young people and families in order to reduce demand for high cost, specialist children’s social care placements’.

Councillor Andrew Wait commented that he quite liked the draft of the strategy and its focussed approach. He said that he would welcome further information on the Community Engagement Charter and stated that he would like to see more reports referencing the Parish Charter in the future as this was an area the Council could improve upon.

Councillor Paul May suggested the Parishes be surveyed to gain their feedback on the Charter.

Kevin Burnett offered a note of caution by saying that not all people’s lives will necessarily be improved by increasing the use of new technology. He welcomed the draft strategies approach to improving the inequalities in life experience, including education, employment and health outcomes for local residents.

The Chairman said that he felt the draft strategy was very headline in its approach and offered nothing new in terms of ideas from the previous administration. He called for further explanation of the Council’s workings alongside WECA as he personally was yet to see any advantages.

He added that he would be interested to see how Citizens’ Juries will improve decision-making.

Councillor Jess David commented that she would have liked to have seen more detail relating to the section of the draft strategy in terms of prevention.

The Corporate Director for People replied that details of new initiatives will be brought to the Panel over time.

The Director for Partnership & Corporate Services informed the Panel that the delivery plan is set out within the draft budget papers.

The Panel RESOLVED to note the next steps for the Corporate Strategy.

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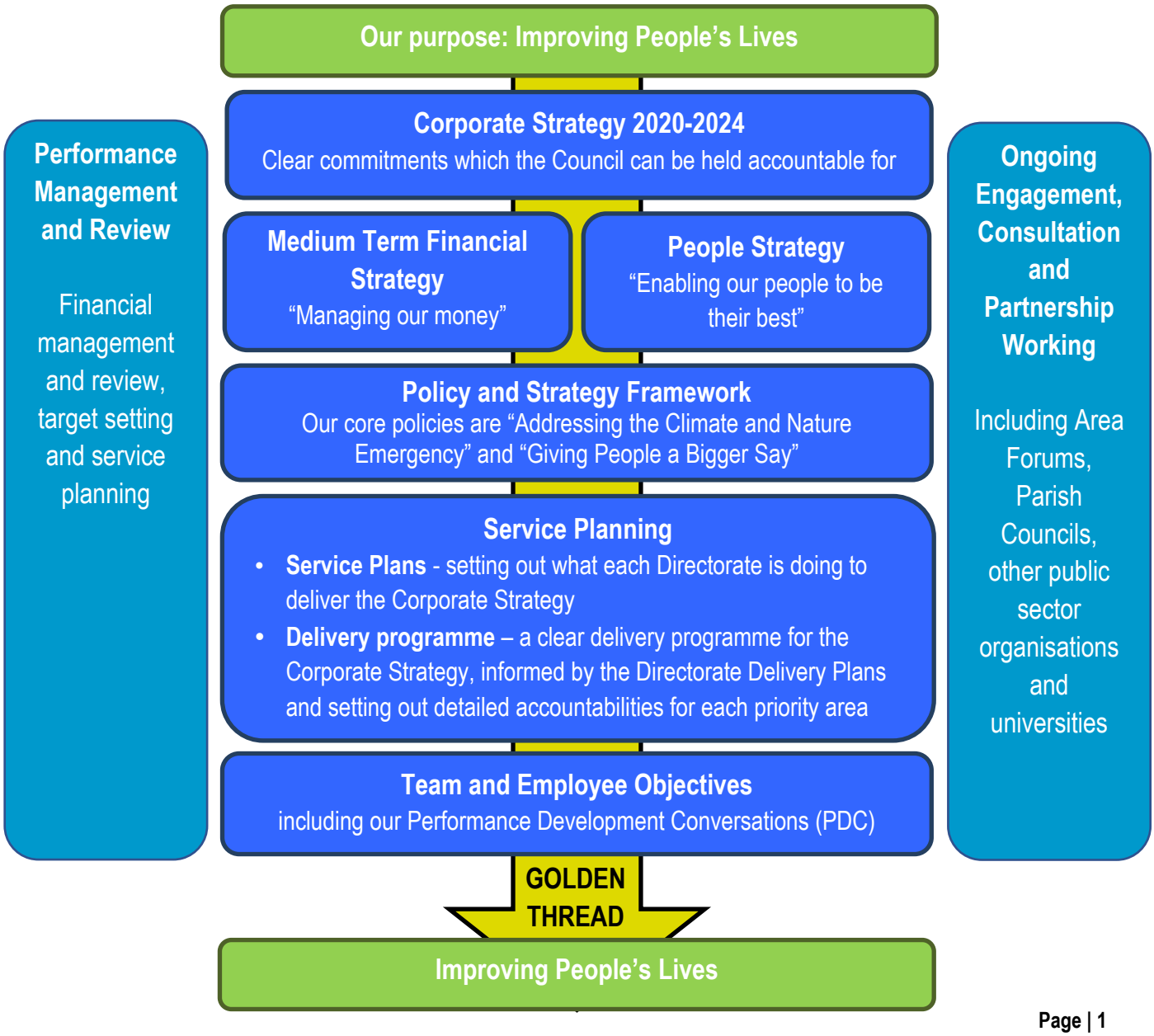
Bath & North East Somerset Council

Partnership & Corporate Services	January 2020

Corporate Delivery Programme - Year 1 (2020/21)

The new Corporate Strategy is the framework for what the Council will deliver between now and 2024. The Corporate Delivery Programme (CDP) is a public facing four-year programme that will promote transparency by monitoring and recording progress against the Corporate Strategy. It summarises what services have committed to deliver to contribute to the delivery of the Strategy's priorities.

The CDP's commitments for year one are based on the **2020/21 Director Delivery Plans** (DDP), and the Council's wider plans and policies, in accordance with the **Corporate Planning Framework:**



Within their Delivery Plans, Directors have been asked to clearly demonstrate how their service activities in 2020/21 will contribute to the delivery of the corporate priorities. They were asked to cross-reference this activity with the relevant corporate priority and its associated outcomes, which have been assigned their own ID, as detailed below:

Corporate Priority	ID	Priority Outcomes	Ref
Prepare for the Future	PF	Local renewable energy	a
		High-skill economy	b
		New technologies	c
		Green local economy	d
		Walking, micro mobility (cycling), car sharing, buses and rail	e
		Carbon neutral development and energy efficiency retrofitting	f
		Natural environment carbon stores and biodiversity (e.g. planting more trees)	g
Deliver for Local Residents	DR	Carbon neutral, social and affordable housing	a
		Energy efficient homes	b
		Significant improvement of the transport infrastructure	c
		Low traffic neighbourhoods	d
		Effective approach to fly tipping and litter enforcement	e
		Citizens' Juries to improve decision-making	f
		Community engagement charter	g
		Tailor our community engagement in Bath	h
Focus on Prevention	FP	Statutory health and care services	a
		Preventative approaches	b
		Reduce health inequalities	c
		Provision for children and young people with SEND	c
		Reduce waste, increase recycling and support local litter picking schemes	d
		Mental health services that build resilience, promote mental health and wellbeing and deliver the best outcomes	e
		Reducing over reliance on residential and nursing care	g
		Build on local strengths	h

The following table provides a breakdown of the priority outcomes that will be delivered through the 2020/21 Corporate Delivery Programme based on the service activity recorded in the Directorate Delivery Plans:

Ref	Prepare for the Future		Deliver for Local Residents		Focus on Prevention	
	Priority Outcome	Count	Priority Outcome	Count	Priority Outcome	Count
a	local renewable energy	13	carbon neutral, social and affordable housing	16	statutory health and care services	25
b	high-skill economy	16	energy efficient homes	13	preventative approaches	61
c	new technologies	15	significant improvement of the transport infrastructure	12	reduce health inequalities	33
d	green local economy	14	low traffic neighbourhoods	16	provision for children and young people with SEND	15
e	walking, micro mobility (cycling), car sharing, buses and rail	19	effective approach to fly tipping and litter enforcement	9	reduce waste, increase recycling and support local litter picking schemes	10
f	carbon neutral development and energy efficiency retrofitting	14	Citizens' Juries to improve decision-making	7	Mental health services that build resilience, promote mental health and wellbeing and deliver the best outcomes	15
g	natural environment carbon stores and biodiversity (e.g. planting more trees)	16	community engagement charter	16	reduce over reliance on residential and nursing care	14
h	-		tailor our community engagement in Bath	16	build on local strengths	23
	Sub-Total	107	Sub-Total	105	Sub-Total	196

Directorate Service Activity for 2020/21 by Corporate Priority

Each of the following tables has been compiled from the service activity in the Director Delivery Plans to enable us to monitor and report progress against delivery of the corporate priorities.

Prepare for the Future (PF)		
a) local renewable energy b) high-skill economy c) new technologies	d) green local economy e) walking, micro mobility (cycling), car sharing, buses and rail	f) carbon neutral development and energy efficiency retrofitting g) natural environment carbon stores and biodiversity (e.g. planting more trees)

Code	Director Delivery Plan (DDP)	Code	Director Delivery Plan (DDP)
CSCT	Complex & Specialist and Community Transformation	HROD	Human Resources & Organisational Development (plus Health & Safety and Wellbeing)
DPP	Development & Public Protection	L&D	Legal & Democratic
E&G	Economy & Growth	PCS	Partnership & Corporate Services
ENV	Environment	PH	Public Health
FIN	Finance		

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
CSCT	PF	1	d, e	Develop Managers' skills in encouraging staff to improve contribution to reducing carbon footprint at work and at home	➡ Reduced printing of documents for meetings ➡ Increased use of electronic devices at

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
					meetings ➡ Higher uptake of car pools, bike schemes and use of public transport ➡ Increase in staff home-working, when possible ➡ Increase in staff working from a B&NES office that is closest to home ➡ Improved functionality of project screens in meeting rooms ➡ Increased use of Skype
CSCT	PF	2	b, c	Focus on improving access to assistive technology, rehab and reablement services to enable people to return home / remain as independent as possible	➡ Completed review of opportunities for assistive technology and embed it as a key offer in the Reablement Pathway for all ages ➡ Ensure phases of Reablement transformation are completed in accordance with current plans ➡ More people receive a reabling service which will optimise their independence
CSCT	PF	3	c	Working on digital portal and processing systems for new Liberty Protection Safeguards scheme that will reduce the level of printing and paper use required.	Implementation of digital portal with full use from partners (October 2020)
DPP	PF	1	a, b, d, e,	Review the Council's statutory Planning	LDS milestones are met

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
			f, g	Framework, SPDs and other guidance	
DPP	PF	2	a, b, d, e, f, g	Prepare a Tree and Woodland Plan	A Tree and Woodland Strategy is in place by March 2021
DPP	PF	3	g	Review the B&NES Green Infrastructure Strategy	LDS milestones are met
DPP	PF	4	d, e, g	Review the Infrastructure Delivery Plan and CIL Spend programme	LDS Milestones are met (Review September 2020)
DPP	PF	5	a, b, d, e, f, g	WECA Spatial Development Strategy	LDS Milestones are met (Progress to be determined in conjunction with WECA & WECA UAs)
DPP	PF	6	a, b, d, e, f, g	Prepare West of England Placemaking Charter	LDS Milestones are met (Charter adopted October 2020)
DPP	PF	7	a, c, e	Service Training Plan	Milestones are met (Update September 2020)
DPP	PF	8	c	Self-service booking and payment system for licenses	Booking system receiving bookings and payments (Going live early 2020 and will be expanded through 2020)
DPP	PF	9	f	Ongoing enforcement of building regulations to ensure buildings are energy efficient and compliant with current regulatory requirements; provide advice and guidance to customers about upcoming changes to energy efficiency regulations	More buildings being compliant with regulatory requirements
DPP	PF	10	g	To enforce legal provisions brought in the new	Enforcement of legal provisions when in

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
				Environment Bill which will enshrine in law environmental principles and legally binding targets, including those for air quality	place (dependent upon the progress of the Bill through parliament)
E&G	PF	1	a, c, f	Replace the defunct energy-capture equipment in the King's Bath to maximize the potential of thermal water to supply the World Heritage Centre and Clore Learning Centre	➡ Reduced energy consumption ➡ Low running costs at the World Heritage Centre and Clore Learning Centre
E&G	PF	2	d	Retain the heritage services retail warehouse in a more accessible non city centre location	Significant reduction in supplier journeys into central Bath
E&G	PF	3	a, b, e, f	Bath Enterprise Zone delivery (Bath Quays)	➡ Secure tenant lettings ➡ Vacant possession of Avon Street car park ➡ Planning permission granted for BQN
E&G	PF	4	a, b, e, f	Somer Valley Enterprise Zone delivery	➡ Local Development Order in place ➡ Funding secured
E&G	PF	5	e, f, g	Bristol to Bath Strategic Corridor delivery (HIF)	➡ Funding secure ➡ Land ownership and control with B&NES
E&G	PF	6	e, f, g	Bath River line and East of Bath cycle route	Project committed to deliver
E&G	PF	7	c	Vault survey programme, and development of city-wide Digital Model	➡ Completed individual surveys. ➡ Preliminary city-wide federated 3D model covering historic core.
ENV	PF	1	g	Trees	➡ Net Trees Planted (target to be contained in emerging Tree and

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
					Woodland Strategy) ➡ Tree inspections carried out within risk rated timelines (100%)
ENV	PF	2	e	Transport	➡ Will be contained in the emerging Bath Transport Delivery Plan ➡ Approved capital schemes delivered on time, to cost and of the necessary quality
ENV	PF	3	g	Grassland Habitat Diversity	Increase B&NES Buzzing sites by 5 per annum
FIN	PF	1		Finance Improvement	➡ Improved reporting ➡ Manager training ➡ Develop Self Service reports for managers
FIN	PF	2		Financial Planning and Assurance	➡ Early Budget Engagement and with focus on material areas of change. ➡ Evolve budget consultation ➡ Improve engagement on budget monitoring with financial discipline
FIN	PF	3		Financial Systems	Develop a digital strategy for all our financial systems
FIN	PF	4		Council Financing and Investments	➡ Review current Treasury Management Strategy and explore opportunities to

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
					maximize returns on investments. ➡ Develop a funding strategy that considers the Climate Emergency
FIN	PF	5		Finance Business Partnering (FBC)	Implement an FBC approach that helps develop the finance team and improve finance advice and support to services.
HROD	PF	1	b, c	Modernisation of recruitment processes including a new careers website, increased use of social media and flexible ways of applying for jobs	Posts recruited to first time and with greater efficiency and speed (June 2020)
HROD	PF	2	b	Modernisation of the pay and grading structure and mechanisms, including feasibility of performance related progression	Recruitment and retention improve
HROD	PF	3	b	Enhance and embed the @mybest programme to create defined career pathways for all from apprenticeships through to senior leadership	Evaluation forms are analysed and career pathways are tracked
HROD	PF	4	b	Conduct a review of the Health and Safety policy and an audit of risk assessments to ensure they are up to date and fit for purpose and ensure the health, safety and wellbeing of our staff at work	All managers and staff understand their roles with regards to health, safety and wellbeing at work (September 2020)
L&D	PF	1	b, c	Introduce digital court bundling and iPads / laptops for court	➡ Manual bundles not produced ➡ Laptops / iPads used at court
L&D	PF	2	b, c	Case management system supports home working	Case management system in place allowing home working

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
L&D	PF	3	d	Use of local suppliers where possible	Local suppliers used
L&D	PF	4	e	Use car sharing, electric cars or active travel rather than car	Reduce car journeys
L&D	PF	5	b	Promote training of apprentices and project search trainees	Increase in number of apprentices working in service
PCS	PF	1	a, d, e, f, g	Support the development of local plan policies to enable delivery	Policies which help us to deliver the targets set out in the climate emergency report to Council
PCS	PF	2	a, c, d	Identify the lead responsibility for renewable energy development and delivery	Key accountabilities identified and governance established
PCS	PF	3	a, d, e, f, g	Establish the partnership arrangements, internal governance and monitoring framework which will support delivery	Partnership arrangements in place
PCS	PF	4	a, b, c, d, e, f, g	Develop the carbon literacy programme	➡ Programme rolled out and embedded in larger OD programme ➡ Targeted sessions delivered to critical services
PCS	PF	5	a, b, c, d, e, f, g	Deliver the community engagement programme including the use of citizens juries on key policy issues (see attached programme)	Acting as an exemplar for community engagement and communications on this
PCS	PF	6	g	Support the development of the Tree and Woodland Plan and lead our longer-term approach to land use issues	A Tree and Woodland Strategy is in place by March 2021

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
PCS	PF	7	e	Support the Transport Board in an effective communications plan for its programme of works	Residents appropriately informed and communications carried out to explain benefits and ultimate improvement to the city
PCS	PF	8	c	Following a review of user needs, finalise requirements for new IT devices and digital software tools to better enable a mobile and flexible workforce, providing the appropriate tools for the job, rather than 'one size fits all'	➡ Increased staff satisfaction and morale ➡ Increased productivity / efficiency
PCS	PF	9	c	Review our existing virtualized Citrix desktop and homeworking solution against changed and changing organisation needs. Either retain and modernize or replace with more appropriate solutions.	Number of Homeworkers
PCS	PF	10	c	Rollout common/core capabilities and digital tools for the organisation and service redesign in services that will reduce manual effort and improves efficiency for staff working in the community and elsewhere	Increased capacity for reduced resources
PH	PF	1	d, e	Make it easier for people to be a healthy weight and be physically active by taking a whole systems approach to tackling obesity	To be developed - indicative measures likely to include: ➡ Implementation of programme portfolio ➡ Strengthening of system network that influences weight and physical activity

Deliver for Local Residents (DR)

a) carbon neutral, social and affordable housing
b) energy efficient homes
c) significant improvement of the transport infrastructure
d) low traffic neighbourhoods
e) effective approach to fly tipping and litter enforcement
f) Citizens' Juries to improve decision-making
g) community engagement charter
h) tailor our community engagement in Bath

Code	Director Delivery Plan (DDP)	Code	Director Delivery Plan (DDP)
CSCT	Complex & Specialist and Community Transformation	HROD	Human Resources & Organisational Development (plus Health & Safety and Wellbeing)
DPP	Development & Public Protection	FIN	Finance
E&G	Economy & Growth	L&D	Legal & Democratic
ENV	Environment	PCS	Partnership & Corporate Services

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
CSCT	DR	1	a, b, h	Management of the local care home and home care market (including review of community resource centres)	➡ Further development of provider forums ➡ Opportunities to work with providers to encourage and deliver improvements in estate ➡ Opportunities for future in-housing of services ➡ Creation of a procurement framework to support a number of current commissioning priorities in hospital

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
					discharge, compliance and market shaping ➡ Enable commissioners to develop better opportunities to work with providers and improve supply value and healthy competition ➡ New process to proactively identify ideas for innovation pilots and block contracts ➡ Managing home care and care homes contracts, placements and packages through Frameworks ➡ Working with service users to ensure we aren't over prescribing care and taking a strengths-based approach ➡ Deliver phase 2 of brokerage function and ensure Brokerage is consistently applied; ➡ Introduction of Electronic Care Management (ECM) system function; ➡ Completion of cost of care exercises; ➡ Ensure individuals are discharged from hospital with the right support at the right time

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
CSCT	DR	2	g	Implementation of new Liberty Protection Safeguards scheme will involve local engagement with relevant stakeholders and delivering new legislation to residents	Successful implementation of LPS for local residents (October 2020)
DPP	DR	1	a, b, c, d	Review the Council's statutory Planning Framework, SPDs and other guidance notes to ensure the outcomes are embedded	Housing delivery targets met, including affordable housing
DPP	DR	2	c, d	Ensure policy, planning decisions and s.106/CIL spend help to improve sustainable transport infrastructure	On-going
DPP	DR	3	g, h	Review the Statement of Community Involvement	LDS Milestones are met (Review March 2021)
DPP	DR	4	a, d, g	Support the preparation and review of Neighbourhood Plans	Any requested Neighbourhood Plans are supported
DPP	DR	5	g	Deliver new team websites which provide clearer information and webforms to apply, book, pay as well as promote new planning notifications website	Improved engagement with residents, businesses and communities
DPP	DR	6	a, b	Protecting vulnerable consumers from rogue traders and financial exploitation, particularly around the 'green market'	Successful prosecutions of rogue traders
DPP	DR	7	a, b	Enforcement of building regulations and input into Government consultations regarding revised	More projects completed and compliant with regulation requirements

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
				energy conservations measures in the regulations to push for increased standards nationally and in this area	
DPP	DR	8	d	Provide air quality monitoring data to measure impact of introducing traffic controls	Measures adopted to meet compliance
DPP	DR	9	g	AQMA – adopt the principles of the Community Engagement Charter in the consultation around adoption of AQMAs	Effective engagement with residents, businesses and communities
DPP	DR	10	a, b, c	Continue to deliver high performing customer focused Planning, Building Control and Public Protection Services	All statutory performance targets are met
E&G	DR	1	a, b, c, d, e, f, g, h	Return £50m surplus to the Council between 2020-2025 from Heritage Services	Achieve profit target
E&G	DR	2	a, d, h	Secure new premises for the Fashion Museum	Business case in place
E&G	DR	3	d, h	Create a collections resource centre for the Fashion Museum collections	Business case in place
E&G	DR	4	g, h	Review the resident's Discovery Card scheme to improve awareness and take up	Increased take up by B&NES residents, particularly in target groups
E&G	DR	5	a, d	Bath Riverside Strategic Housing delivery	➡ Land agreements complete ➡ Infrastructure construction starts
E&G	DR	6	a, b, c, d, e, f, g, h	Return £17m of surplus annually to the Council from the management of our commercial estate	Achieve profit target
E&G	DR	7	a, b, c, d,	Deliver a programme of disposals of the least	Capital income against target

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
			e, f, g, h	well performing Council assets	
E&G	DR	8	a, b, c, d, e, f, g, h	Ensuring tenant debt levels are kept low across our estate	Reduce and maintain tenant debt levels to less than 7% in 2020/21 and then 5% in 2021/22
E&G	DR	9	a, b	Delivery of a range of affordable and supported housing schemes, including the direct provision of Council Housing	➡ Number of intermediate, for rent and supported homes delivered ➡ % of planning applications meeting policy compliant levels of affordable housing
E&G	DR	10	c, d, h	Delivery capital projects in support of stated priorities (e.g. public realm schemes, Bath Quays Bridge)	Completion of schemes to plan
E&G	DR	11	d	Continue to reduce dependence on coach-borne visitors to the Roman Baths	Achieve reduction of total visitors in groups to 25% by 2023
ENV	DR	1	d	Low Traffic Neighbourhoods	Number of Low Traffic Neighbourhoods implemented (exact figure TBC)
ENV	DR	2	e	Fly Tipping	➡ Increase in the number of formal actions (19/20 as the benchmark year) ➡ Delivery of the agreed preventative work programme
ENV	DR	3	e	Litter	Street Cleanliness - A to D Grading System
ENV	DR	4	g	CCTV	Satisfaction with CCTV (annual survey to commence in 2020/21)

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
ENV	DR	5	c	Transport Infrastructure Improvements	Need to agree programmes and projects to be monitored as part of the corporate monitor, e.g. Strategy Development, Policies Agreed, Operational Delivery, Funding Secured
ENV	DR	6	g	Bereavement Services	Reduction in telephone and face to face enquiries Increase in number of on-line enquiries / transactions New music system installed
FIN	DR	1		Financial Transparency	Develop how the financial position of the Council is reported and communicated to B&NES residents
FIN	DR	2		Financial performance and delivery	Incorporate service performance into budget monitoring to give assurance on delivery of services to residents
HROD	DR	1	g, h	Recruitment campaign for high quality and highly skilled staff to improve community engagement	Staff are recruited with the right skills and knowledge
HROD	DR	2	c, d	Promote the council's salary sacrifice schemes to support the sustainable transport agenda	Annual travel survey shows greater number of staff using sustainable transport methods and take up of salary sacrifice schemes increases
HROD	DR	3	g, h	Analyse staff survey results to see how well staff	More staff embrace changing how we work

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
				understand their role in changing how we work	
HROD	DR	4	a, c	Launch campaign to recruit staff with climate emergency and carbon neutral skills	Skilled staff are in place to deliver services
L&D	DR	1	f	Work with Connecting Communities to set up Citizens Juries	Citizen juries working effectively
L&D	DR	2	g	Promote opportunities for effective consultation in line with the Community Engagement Charter	Appropriate consultation on key issues and reduced post decision challenge
L&D	DR	3	a, b	Support ADL and joint ventures to deliver social and affordable energy efficient housing	More social and affordable energy efficient housing
L&D	DR	4	h	Facilitate resident access to the council	Feedback that residents feel more engaged
PCS	DR	1	a, b	Adopt a policy for sustainability standards for councils own building projects	Adoption and implementation of policy
PCS	DR	2	b	Develop a model for delivering significant improvements to energy efficiency in homes and a funding mechanism to support this	A sustainable and clear business model identified which attracts sufficient funding to deliver
PCS	DR	3	c, d	Keep people informed on the transport changes that will impact the city (e.g. Clean Air Zone, Cleveland bridge etc and WECA developments) as well as wider area through coordinated communications and engagement and provide advice and support on the engagement that will be required	Residents appropriately informed and communications carried out to explain benefits and ultimate improvement to the city
PCS	DR	4	e	Community and business support on single use	Number of businesses signed up

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
				plastic production and use in conjunction with waste services	
PCS	DR	5	e	Policy Development and Scrutiny Panel work to finalise the littering review and report on its findings	Celebrate work of Council on tackling litter
PCS	DR	6	e	Provide a communications campaign in waste services for tackling litter and promoting litter picking – including promoting the work of No Place for Litter who coordinate litter picking	Celebrating work of local community initiatives
PCS	DR	7	f	Establish a citizen's jury on a specific issue related to the climate and nature emergency	Consensus established on a challenging topic and used to inform policy and action planning
PCS	DR	8	g	Continue to implement and embed the Community Engagement Charter as well as review as needed	Charter is used to inform consultations
PCS	DR	9	h	Work with Involve Bath to identify governance options and opportunities for future engagement and work with the University of Bath to further develop 'Our Shared Future' as an approach to a more cohesive city	Governance options identified and an agreed approach adopted
PCS	DR	10	h	Continue to implement our approach to Bath Neighbourhood CIL to ensure investment for communities	Funding allocated and spent Match funding achieved

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
PCS	DR	11	f	Develop and implement an integrated Performance, Risk and Finance Performance report and process	Implementation of report and process (October 2020)
PCS	DR	12	h	Complete the in-progress redesign of the Council's website and continue to add to the digital services, online forms and other capabilities available on it. As our preferred channel, ensure it is accessible to the widest possible demographic and designed foremost for access by mobile devices.	Number of digital transactions as a % of total transactions

Focus on Prevention (FP)

a) statutory health and care services
b) preventative approaches
c) reduce health inequalities
d) provision for children and young people with SEND
e) reduce waste, increase recycling and support local litter picking schemes
f) Mental health services that build resilience, promote mental health and wellbeing and deliver the best outcomes
g) reduce over reliance on residential and nursing care
h) build on local strengths

Code	Director Delivery Plan (DDP)	Code	Director Delivery Plan (DDP)
CHS	Children's Services	FIN	Finance
CSCT	Complex & Specialist and Community Transformation	HROD	Human Resources & Organisational Development (plus Health & Safety and Wellbeing)
DPP	Development & Public Protection	L&D	Legal & Democratic
E&G	Economy & Growth	PCS	Partnership & Corporate Services
EICS	Education, Inclusion & Children's Safeguarding	PH	Public Health
ENV	Environment		

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
CHS	FP	1	b	Redesign of the Front Door to Children's Social Care	Under development
CHS	FP	2	b	Implementation of the new Social Work Practice Model	Under development
CHS	FP	3	d	Re-modelling of support to Disabled Children to	Under development

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
				improve the community support offer and deliver £250,000 savings	
CHS	FP	4	g	Develop a business case to explore the cost benefits of in-house residential provision for vulnerable children and young people	Reduction in demand and cost for residential provision
CHS	FP	5	h	Deliver the service wide Improvement Plan ensuring delivery of recommendation from all previous inspections, including Care Leavers Targeted Inspection on November 2019	Audit, Ofsted grading
CHS	FP	6	h	Inspection Readiness: plan and prepare for 2 inspections in 2020: YOS and ILAC	Ofsted grading
CHS	FP	7	g	Major Fostering Recruitment Campaign	Availability of placement to meet need locally
CHS	FP	8	b	FGC Pilot - Pre-Proceedings	➡ Reduction in the number of pre proceedings progressing to court proceedings ➡ Increase in numbers of children achieving permanence within their family
CSCT	FP	1	b, g	Focus on improving access to assistive technology, rehab and reablement services to enable people to return home after hospital stay	➡ Completed review of opportunities for assistive technology ➡ Phases of reablement transformation completed in advance of new model implementation
CSCT	FP	2	a, b, c, d,	Develop and implement a health and care	➡ Strategy in place / improved market

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
			f, g, h	integrated commissioning strategy	development, management and segmentation ➡ Updated Market Position Statements ➡ Have a clear understanding of predicted future need and supply ➡ Coordinated approach reducing duplication of frontline staff activity / community visits ➡ Opportunity to consult with service users ➡ Fully functional Brokerage Service
CSCT	FP	3	b, d, f, g, h	Continue to develop partnership working between statutory and community services to enable service users to build on their strengths and asset base	➡ Next phase of Virgin Care, Care Co-ordination plans in place ➡ Increased use of strength-based approaches / less reliance on existing services / delivery closer to home ➡ Further engagement with 3sG and other community organisations / groups
CSCT	FP	4	b	Work more closely with domestic abuse services to reduce impact of domestic abuse on individuals	➡ Multi Agency Risk Assessment Conference data showing reduction in number of repeat referrals for high risk cases
CSCT	FP	5	a, b, c, e, g	Ensure contract management and compliance to enable quality and value for money	➡ Implement contract management framework ➡ Staff utilisation of contract management

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
					training received in Q4 19/20 ➡ Procurement and introduction of ECM system function to support activity-based monitoring and payment on actuals ➡ Consistent approach to brokerage applied across all placements and packages ➡ Development of outcomes, quality standards and key performance indicators
CSCT	FP	6	b	Drive improvements in service delivery by health and social care providers i.e. Virgin Care, AWP	➡ Ensure individuals eligible needs are met by appropriate placements or packages and reviewed in a timely manner ➡ Review single panel process ➡ Actions from social care and other audits demonstrate improved outcomes ➡ Monitor the successful Service Improvement commitments of providers
CSCT	FP	7	a, b, c, f	Implement recommendations of Mental Health review	➡ System wide adoption of Mental Health Carers Charter and Service User Charter ➡ System wide adoption of agreed

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
					transition standards ➡ Establish B&NES Mental Health Collaborative Forum to oversee improved collaborative working across health and care providers ➡ Develop and implement action plan focused on short, medium and long term goals across the following areas: • Culture and behaviours • Development of mental health outcome measures • Peer support ➡ Single assessment and forward plan
CSCT	FP	8	a, b, c, f, g, h	Review and recommission a broader range of flexible and responsive supported living services including supported housing and outreach care and support for people with autism, people with a learning disability and mental health	➡ An updated market position statement ➡ An increase in local supported living and community support options ➡ Reduction in the use of out of area residential placements ➡ Access to the right services at the right time – services better configured to meet need ➡ Fewer 'crisis' cases ➡ Improved ability to forecast and plan projected budgets

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
					➡ Cost avoidance due to availability of cost-effective local placements, focused on prevention and building on strengths
CSCT	FP	9	a, b, f	Active participation in B&NES Community Safety and Safeguarding Partnership	Under development
CSCT	FP	10	h	Support people with care and support needs into education, employment and training	Under development

CSCT	FP	11	a, b, c, d, f, g, h	Develop and implement a 'Health & Care Portfolio, Savings & Transformation Plan' for 2020-21	➡ Governance:
					• Care & Health Portfolio, Touchpoint Meetings (monthly)
					• Programme Steering Group Meetings (monthly)
					  ○ Community Transformation
					  ○ Specialist
					  ○ Children's
					• Project Working Group Meetings (as required)
					• Director's Group Progress Reporting (as required)
					• Joint Executive (as required)
					• Finance & Performance Group (as required)
					➡ Tracking (Monthly Updates):

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
					• Benefits Realisation Spreadsheet of qualitative and quantitative outcomes (Portfolio level) • Touchpoint Progress Slides (Programme level)
CSCT	FP	12	a	Ensure statutory services are delivered to children and adults in line with legal frameworks and good practice.	➡ Social care targets achieved ➡ Implementation of Care and Support Charging and Assessment Framework (March 2021)
CSCT	FP	13	a, f	Planning for successful introduction of the LPS scheme to ensure legal protection is afforded to the council's most vulnerable residents.	➡ Successful implementation of LPS (October 2020)
CSCT	FP	14	a, b, c, d, f, g, h	Strengthen and expand the transitions offer for all those young people with specialist needs	➡ Well planned and managed transitions which are NICE compliant ➡ Offer of strengths-based transitions assessments to prepare for adulthood ➡ Better understanding of predicted future need ➡ A set of key indicators to enable joint oversight between children and adults of those in transition ➡ Co-production of a Transitions Strategy with young people, young adults and their carers

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
					➡ More care and support options and choice for young people coming into adult services and less reliance on residential care and college placements
DPP	FP	1	a, b, e	Review the Council's statutory Planning Framework, SPDs and other guidance notes to ensure health objectives are embedded	LDS Milestones met
DPP	FP	2	b, d	Providing nutrition training for food business operators	Hold 3 training courses per year
DPP	FP	3	b, g	Continue to promote Buy with Confidence and BWC +care schemes	Increased use by local traders
DPP	FP	4	b	Through the introduction of AQMAs we are protecting residents from unacceptable levels of NO^2 pollution	Measures adopted to meet compliance
E&G	FP	1	e	Intensify recycling schemes within Heritage Services, including with suppliers	More waste recycled
E&G	FP	2	b, c, h	Deliver a disability confident employer engagement programme	At least 25 B&NES employers at tier 1 disability confident
E&G	FP	3	b, c, h	Deliver a universal business support service	At least 500 business and residents engaged in a meaningful business support activity
E&G	FP	4	b, c, d, f, h	Support the delivery of the Radstock Healthy Living Centre in partnership with the NHS	Project completion by end of Q2 2022
E&G	FP	5	a, b, c	Provision of an effective and efficient housing	Number of households in temporary

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
				advice service that prioritises the prevention of homelessness	accommodation
E&G	FP	6	b, c	Effective and efficient regulation of the private rented sector, including licensing of around 2,500 HMOs	Number of HMOs licensed
E&G	FP	7	b	Prioritisation of emergencies for vulnerable users of our estate through the Helpdesk	% of helpdesk enquiries for vulnerable people resolved within 24 hours
E&G	FP	8	a, b, d, g	Delivery of Schools Capital maintenance and basic need schemes	Delivery of schemes to plan
EICS	FP	1	b, d, h	Deliver a Capital Programme to increase the capacity of local special schools and mainstream schools to offer additional education outcomes for children with SEND. 55 additional places will be created at the site of the Bath Studio School and 12 additional SEND placements will be delivered at Oldfield Secondary School	➡ Increased educational capacity for local children and young people (Oldfield School completion 01/09/20 and Bath Studio School completion 01/08/21) ➡ Fewer children travelling out of county for their education
EICS	FP	2	b, c	Start to build a local board and strategy focused on narrowing the achievement gap for disadvantaged learners	Key actions and deliverables are identified, costed and planned for implementation to deliver longer term change for disadvantaged learners (September 2020)
EICS	FP	3	b, c, d, f	The Directorate will deliver a new education service for children with Autism that has a stronger health offer, particularly supporting	Fewer children with Autism school placements breakdown, fewer school exclusions and improved attendance

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
				emotional, mental health	(September 2020)
EICS	FP	4	b, c, d	Focus the core purpose of the EY service to support disadvantaged children in EY settings. Seek and secure additional resources to deliver evidenced based programmes that can deliver improvements to CYP outcomes	EY activity is supported by additional funding to deliver evidence-based programmes to supported improvements in the EY outcomes for disadvantaged learners (September 2020)
EICS	FP	5	b, c	Deliver the WECA funded year 1 'Realising Talent' programme targeted at children at risk of becoming not in 'education, employment or training' (EET)	Targeted CYP enter EET
EICS	FP	6	b, d	Embed a 'Graduated Approach' to SEND in all schools	Support for children with SEND is consistent across all schools. Requests for EHCP's provide good evidence of early support
EICS	FP	7	b	Evaluate the Inclusion Expert pilot to see if there has been an improvement in the outcomes for disadvantaged learners at targeted schools	Improvements in educational outcomes in pilot schools
ENV	FP	1	e	Waste	➡ % of household waste recycled ➡ % of household waste sent for reuse / recycled / recovered ➡ % of household waste disposed ➡ Kg of residual waste per household
ENV	FP	2	b, c, f	Leisure	➡ Leisure Centre throughput - this is collected quarterly through GLL's

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
					reports to the Council ➡ Social value ROI - this is an annual figure produced by GLL for the B&NES area using this tool: https://web.datahubclub.com/social-value-calculator/
ENV	FP	3	e	Neighbourhood Services - volunteer engagement (including litter picks)	Volunteer numbers increase by 5% annually
FIN	FP	1		Support the Council in redirecting funding into preventative services	Facilitate budget planning to monitor the effectiveness of preventative services and realign resources
HROD	FP	1	b	Develop a detailed mental health strategy and action plan, with a focus on preventing stress and supporting lone working	Health and wellbeing pulse survey results
HROD	FP	2	b	Be a key member of the IHWW programme to modernise and change the way we work	Services become more efficient and focus on prevention
HROD	FP	3	a	Analyse agency staff numbers and aim to reduce reliance on agency and consultants	Reduction in agency cost and increase in quality of service delivery
HROD	FP	4	a	Promote higher level apprenticeships to aid workforce planning in hard to recruit areas e.g. social workers and create leaders of the future	Increase in apprenticeships and reduction in vacancies in hard to recruit areas
L&D	FP	1	h	Support staff mutual and asset transfers	Successful mutual set up and asset transfers
L&D	FP	2	a, b, d, g	Support services focusing on prevention activities	Services value support provided

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
L&D	FP	3	e	Reduce waste in provision of services	Demonstrate reduction of waste
PCS	FP	1	a, b, c, d, f, g, h	Review the HWB and how it can add value in the wider health and care system (links with a wider review of our partnership arrangements)	Review carried out and updated partnership arrangements in place
PCS	FP	2	a	Policy Development and Scrutiny statutory role to review health and care services	Carry out role
PCS	FP	3	b	Work with 3SG on the roll out of Compassionate Communities in B&NES	Increased numbers of people signed up (including the Council)
PCS	FP	4	b	Use the CIL funding in innovative ways to promote wellbeing - building on the work we have undertaken with GLL and Curo	Funding allocated and spent
PCS	FP	5	a, b, c, d, e, f, g, h	Review of the Health and Wellbeing Strategy, ensuring that climate and nature emergency ambitions and co-benefits are appropriately identified	Adoption of new Health and Wellbeing Strategy
PCS	FP	6	a, b, f	Support the Community Safety and Safeguarding Partnership	Cross reference to CSCT
PCS	FP	7	e	Provide a communications campaign in waste services for tackling litter and promoting litter picking – including promoting the work of No Place For Litter who coordinate litter picking	Celebrating work of local community initiatives
PCS	FP	8	e	Work with the Student Community Partnership on the Pack for Good, Moving Out and litter picking	Increases in reuse

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
				campaigns which are aimed at generating increases in reuse and recycling through encouraging students to recycle more	
PCS	FP	9	e, f, h	Support groups such as Keynsham Wombles and 'Big Community Litter Pick' on activities which promote local wellbeing and community cohesion	More local groups set up
PCS	FP	10	h	Roll out the Ward Councillors Empowerment Fund to support community projects	Funding allocated and spent
PCS	FP	11	b	Embed the outcomes of the Violence Reduction Unit project in our work	Measures to be developed
PCS	FP	12	h	Jointly deliver on the key projects identified for the Improving How We Work Programme, St Martins accommodation, centralization of budgets and centralization projects	Staff successfully relocated
PCS	FP	13	b	Increase membership and usage of the Library Information Service through an Events and Promotions activity strategic plan	Number of Members
PCS	FP	14	b	Successful handover of the branch library in Paulton to be a Community Run Library supported by the council	Successful handover achieved
PCS	FP	15	b	Ensure remedial works to the Bath Library are commissioned to provide a conducive customer and working environment	Completion of works

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
PCS	FP	16	b	Changes to Mobile routes are put in place with a positive impact	Increase % of population served
PH	FP	1	b, c	Increase the uptake of bowel cancer screening by men in B&NES	An increase in take up of screening during 2020/21 by the following groups of men: • Age 59/60 • Age 60 - 74 in quintile 5 • Non-responders aged 60 – 74
PH	FP	2	b, c, h	Develop and put in place a food poverty action plan to identify, address and prevent food poverty amongst the B&NES population	➡ Good engagement of key stakeholders ➡ Production and implementation of rich action plan, drawing on good practice ➡ Successful implementation of action plan
PH	FP	3	b, c	Implement the ADAPT programme within family nurse partnership service	➡ Successful implementation of implementation plan ➡ Clients receiving personalised service
PH	FP	4	b, c	Develop a service specification for oral health promotion service. Implement First Dental steps programme	An increase in infants having a dental appointment by their first birthday
PH	FP	5	a	Continue to deliver and develop statutory elements of public health and early help services (National Child Measurement Programme, mandated checks within health visiting services and reporting of NEETS)	Maintain the targets for expected coverage and performance

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
PH	FP	6	b	Strengthen early help systems and processes. Conduct a needs assessment and strategy refresh and further develop the early help app to become all age	➡ Reduction in the number of children referred to social care who need no further action ➡ Needs assessment and new strategy completed ➡ Early help app includes information to meet all age needs
PH	FP	7	b, c	Developing collaborative working across BSW to strengthen early years provision	Action plan developed and implemented
PH	FP	8	b. c, h	Fit for Life – Physical Activity Strategy Refresh	➡ Strategy and action plan informed by good engagement of key stakeholders ➡ Successful implementation of action plan
PH	FP	9	a, b, c, h	Support the developing Primary Care Networks to develop an approach to population health management that uses data to understand the needs of their networks, target support where it will have most impact, and act as early as possible to keep people well	Primary Care Networks... ➡ are confident in their approach to population health management ➡ use their approach to prioritise work programmes
PH	FP	10	a, b, c	Deliver a remodelled Drug and Alcohol treatment system in B&NES that supports recovery and is based in local communities.	➡ Contract signed by all parties ➡ Integrated service operating from newly refurbished building in Bath (paid for by a grant from Public Health England) ➡ 100% increase in patients seen at their

DDP	Corporate Priority ID	Service Activity No	Priority Outcome Ref(s)	Service Activity	Key Measures of Success for 2020/21
					GP surgery by end of 2020/21 compared to 2019 baseline
PH	FP	11	a, c	Share learning across safeguarding and community safety partners from review of deaths amongst people misusing drugs and at risk of homelessness.	Review completed, action plan in place, report to Community Safety and Safeguarding Partnership
PH	FP	12	b, c, h	Carry out the alcohol CLeaR (Challenge services, Leadership, and Results) process with local partners to think about how effective our local system and services are at preventing and reducing alcohol-related harm.	Produce insight report highlighting strengths and weaknesses of our system.
PH	FP	13	b, c	Publish a refreshed Alcohol Harm Reduction Strategy and action plan	Action plan in place with key performance measures for delivery
PH	FP	14	b, c, h	Hold an engagement event to seek the views of local partners on key issues and actions for suicide prevention in B&NES	Event delivered Agreement about key issues and key actions to take forwards
PH	FP	15	b, c	Publish a Suicide Prevention Action Plan, based on the findings of a February engagement event	
PH	FP	16	a, b, c	New integrated sexual health service contract in place with key providers all signed up	Contact signed service targets in place
PH	FP	17	a, b, c	Deliver the 2019-21 Sexual Health Action Plan	Key performance measures are in the action plan

Bath & North East Somerset Council

MEETING:	**Cabinet**	
MEETING DATE:	**13th February 2020**	EXECUTIVE FORWARD PLAN REFERENCE: E 3159
TITLE:	**Revenue and Capital Budget Monitoring, Cash Limits and Virements – April 2019 to December 2019**	
WARD:	All	

AN OPEN PUBLIC ITEM

List of attachments to this report:

Appendix 1 – Revenue Monitoring Commentary
Appendix 2 – Key Scheme Capital Monitoring Commentary
Appendix 3 (i) & 3 (ii) – Proposed Revenue Virements & Revised Revenue Cash Limits 2019/20
Appendix 4 (i) & 4 (ii) – Capital Virements & Capital Programme by Portfolio 2019/20

EXECUTIVE SUMMARY

a) Revenue budget

The Revenue budget outturn is currently forecast to be on budget with a reduction of £0.8m required from the planned use of the Financial Planning and Smoothing Reserve.

Whilst the outturn is forecast to be on budget there have been adverse movements on service revenue budgets, key areas of risk are the realisation of the Councils improvement programme savings with full delivery expected in 2020/21. The Children's Services budget has a forecast £1.9m over budget position which has been recognised and funded as a recurring pressure in the 2020/21 Budget, this is due to increases in specialist Health and Social Care placements.

This adverse position has been mitigated by a £2.79m favourable forecast on the Councils Corporate Budgets largely attributable to an under-budget position on capital financing from re-phasing of capital expenditure and lower than budgeted cost of capital from beneficial interest rates for borrowing. There has also been strong performance in income over the Christmas period across Heritage Services, Parking and Planning.

In addition, there is a SEND placement pressure of £3.1m on the Dedicated Schools Grant (DSG). Mitigation plans are being worked up which include identifying uncommitted balances within the DSG.

Of the overall savings target for 2019/20 of £8.9m, £2.04m (23%) is at risk in 2019/20 and will require delivery in 2020/21; £1.33m (15%) is forecast to be delivered by the year-end and £5.48m (62%) has been delivered. This position is being mitigated through Directors cost reduction and income generation plans which has helped improve the forecast outturn position and reduced the planned use of the Financial Planning and Smoothing Reserve by £0.8m. These will need to continue to be reviewed to ensure that the Council remains within the approved budget by the year-end.

b) Capital budget

The capital budget is currently showing a forecast spend of £91.7m against an approved budget of £146.3m leaving a variance of £54.6m, mainly due to re-phasing of Bath Quays, ACL/ADL loan drawdowns, Clean Air Zone grant and Roman Baths Archway Project into future financial years to reflect revised project spend profiles.

To ensure the Capital Programme is prioritised and aligned to current delivery expectation, an in-year review of provisionally approved schemes has been undertaken. The review has resulted in proposed reductions/removals totalling £6.663m, with specific schemes detailed in appendix 4(iii) along with the reason for reduction. The reduction to schemes funded by corporately supported borrowing totals £1.441m and the impact of the release of these borrowing costs has been reflected in the revenue monitoring position.

c) Council Tax and Business Rates

The current forecast Council's share of the year end Collection Fund position is:

- Council Tax – Surplus of £0.83m (2018/19 Surplus £0.69m)
- Business Rates – Surplus of £1.52m (2018/19 Surplus £0.76m)

d) Council Reserves

The current forecast revenue position would not require use of the Budget Contingency Reserve (which was set up to mitigate budget risk). The Council's reserve levels will continue to be monitored during the remainder of the financial year.

1 THE ISSUE

1.1 This report presents the financial monitoring information for the Authority as a whole for the financial year 2019/20 to the end of December 2019.

2 RECOMMENDATION

The Cabinet is asked:

2.1 To note the 2019/20 on budget position (as at the end of December 2019).

2.2 To approve the revenue virements listed for approval in Appendix 3(i) and to note those virements listed for information only.

2.3 To note the capital year-end forecast detailed in paragraph 3.14 of this report;

2.4 To note the changes in the capital programme including capital schemes that have been agreed for full approval under delegation listed in Appendix 4(i)

2.5 To remove from the Provisional Capital Programme schemes of £6.663m, detailed in Appendix 4(iii), to align to current delivery expectation.

3 THE REPORT

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

REVENUE BUDGET

3.2 Service Directors have been asked to outline the actual expected outturn for the year and the reasons to date for over / under budget forecasts. For revenue budgets which are forecast to be over budget, the Directors are expected to seek compensating savings to try and bring budgets back to balance.

3.3 A summary by Portfolio of the revenue position as at 31st December 2019 is shown in the table below:

Portfolio	**Revised Budget £'m**	**Year End Forecast £'m**	**Variance Over / (Under) £'m**
Leader	(0.36)	(0.04)	0.32
Resources	7.18	6.63	(0.55)
Adult Services	62.45	62.45	0.00
Children's Services	28.99	30.88	1.90
Climate Emergency & Neighbourhood Services	15.92	15.93	0.00
Transport Services	(0.15)	(0.28)	(0.12)
Housing, Planning & Economic Development	3.23	3.02	(0.21)
Community Services	(3.69)	(4.42)	(0.73)
Smoothing reserve to be allocated		(0.61)	(0.61)
Total	**113.56**	**113.56**	**(0.00)**

Note1: Some of the figures in this table are affected by rounding.

3.4 The current **year-end** forecast is an on budget position.

Portfolio Commentary

3.5 Key variances and associated actions by Portfolio are as follows, a more detailed breakdown can be found in Appendix 1.

Leader ***(£0.32m over budget, £0.02m adverse movement)***

The adverse variance is mainly due to revisions to the Aequus company business plan projections which have resulted in the timing of the dividend payment to the Council being amended for 2019/20. It is not anticipated that this will adversely impact the 2020/21 dividend.

Resources ***(£0.55m under budget, £0.38m adverse movement)***

There has been a £0.2m favourable movement in Capital Financing and Interest from additional investment income and lower than anticipated borrowing costs.

There has been a £0.44m improvement on Commercial Estate income which has resulted in a revised over budget position of £0.57m; the favourable movement is due to a continuation of a lease and one-off income following a rent review. The over budget position is due to a slowing down of retail income and challenges in new acquisitions that will generate additional income. This reduction will be incorporated into the 2020/21 budget planning assumptions as an unavoidable pressure. To address this, the management of the commercial estate will continue to focus on the existing commercial assets, ensuring that void units are marketed at the earliest opportunity. The performance of commercial estate income will continue to be closely monitored.

There is also an adverse variance of c£1.4m as a result of the phased implementation of schemes within the Improving How We Work savings programme; this is being mitigated through the planned use of smoothing reserves with savings to be realised in full towards the end of the financial year. This is partially offset by service mitigations from other budget areas.

There are favourable variances of c£0.4m in Information Technology, Revenues & Benefits that have partially mitigated a pressure in Legal Services alongside the above adverse variances. Variance narrative for these areas can be found in appendix 1.

Adult Services ***(on budget)***

The Adult Service Portfolio is on budget. There has been a favourable movement from the previous period with a reduction in Older Peoples nursing costs and a release of direct payment balances back to the Council. This alongside a forecast underspend on the Better Care Fund has mitigated the over budget forecast in Learning Disabilities from new transition placements.

In addition to this there has been good progress on the delivery of Social Care savings plans which is reflected in the monitoring position, with savings commentary in section 3.6 of this report.

Childrens Services ***(£1.9m over budget, £0.027m adverse movement)***

The Childrens Services financial position is £1.9m over budget; there is a small adverse variance of £0.027m last periods forecast.

There continues to be pressures on the Children, Young People & Families budget with a above budget position of £2.08m forecast. This is due to Social

Care placement pressures with the main areas including the complex Health and Care placements and Disabled Childrens care packages.

Some of these pressures are as a result of the 'staying put' legislation that supports children to continue in their current care placement from 18 up to 25, and hence they do not leave care.

Management action includes all requests for children to come into care are subject to service manager scrutiny. Placement with family is always considered before care placement. We regularly review whether any children in care can return home. The Placements, Contracts and Commissioning Team use a preferred provider framework and dynamic purchasing system to negotiate the best value. We are refreshing our recruitment drive for in house foster carers to reduce the need to use more costly independent fostering agencies.

Further work is underway to identify ways to better support families at an earlier stage and reduce the growth in costly specialist interventions and placements.

Schools DSG *(£3.1m over budget, £0.74m adverse movement)*

There has been an increase of £0.74m in the cost of placements for children with SEND funded from the high needs block within the Dedicated Schools Grant (DSG), the forecast above budget position is £3.1m. The SEND budget pressure has been recognised by the Council when the 2019/20 budget was approved with a corporate contingency of £2.35m for SEND made available to help mitigate a negative DSG balance, however the use of this funding has been subject to consultation on the funding of SEND placements.

The Government has published its response following the consultation, this has clarified that the whole of the 2019/20 SEND cost pressure would need to remain within the DSG and be carried forward to future years (unless permission is given by the Secretary of State to disregard the requirement).

The Council will need to take a view at year-end about the out-turn level of expenditure on the DSG and how this pressure can be mitigated. The Department for Education expects that most Local Authorities with a DSG deficit will be able to bring their high needs budget into in-year balance, and go on to recover the deficit by managing their expenditure within the larger DSG total

Climate Emergency & Neighbourhoods *(on budget)*

There are no material variances to report for the April – December monitoring report; services are forecast to be on budget at year end.

Transport Services *(£0.12m under budget, £0.61m favourable movement)*

The favourable movement from last period is attributable to a favourable movement in Parking of £0.4m following good income performance through the last quarter with Pay and Display income up and additional one-off income from filming in the city centre. In addition, there has been a one-off underspend in passenger transport from debt recovery and vacancies.

It is also forecast that CCTV income target of £0.15m will not be achieved; a service review of the Councils CCTV operations is planned in the coming

months that will assess the technology and service configuration with a recommended set of options for implementation.

Housing, Planning & Economic Development (£0.21m under budget, £0.33m favourable movement)

There have been favourable movements from the last quarter, Planning has improved by £215k through an improvement in application income and rephasing of planning policy work to 2020/21. Housing and Regeneration forecasts have improved by £115k from salary savings and bad debt recovery.

Community Services *(£0.73m under budget, £0.26 favourable movement)*

There has been further improvement from strong visitor performance over the Christmas period in the Roman Baths resulting in favourable movement of £0.26m from the last period and above income target performance of £0.88m; this has offset adverse variances in Bereavement Services from a lower number of cremations to date than the previous year and a reduction in income from Building Control fees.

REVENUE BALANCES, CONTINGENCY AND RESERVES

The current forecast revenue position includes planned and approved use of earmarked reserves as set out in the table below.

Key Reserves

The following table shows the balances of key reserves at the beginning of the year, planned use, and expected balance at the year-end based on current forecast:

	Unallocated Balance as at 1/4/19 £'m	Projected Use / Commitments £'m	Current Estimated Unallocated Balance 31/3/20 £'m
Revenue Budget Contingency	3.05	0.28	2.77
Financial Planning and Smoothing Reserve*	5.73	0.75	4.98
Transformation Investment Reserve *	2.15	1.95	0.20
Restructuring & Severance Reserve	2.18	0.00	2.18

Note * Use of these reserves are in line with budget plans agreed in February 2019

Reserves and Flexible Capital Receipts

Flexible Capital Receipts are being utilised for revenue spend that results in ongoing revenue savings. A three year target of £11.5m was agreed as part of budget setting in February 2019, this has now been updated to reflect the re-profiled requirement and re-phasing into 2020/21 as follows:

	Actual Usage 2017/18 £'m	Actual Usage 2018/19 £'m	Estimated Usage 2019/20 £'m	Estimated Usage 2020/21 £'m	Estimated Total Usage £'m
Flexible Capital Receipts	3.12	3.45	1.93	3.00	11.50

Unapplied capital receipts of £1.25m were carried forward from 2018/19 and £2.14m has been received in 2019/20 so far with a further £4.02m expected by 31st March 2019.

General Fund Un-earmarked Reserve

The General Fund Un-earmarked Reserve is retained to meet the Council's key financial risks. The risk assessment has set a range of between £11.9m and £13.1m to meet those risks in the 2019/20 financial year (note this has been increased to a range of £12.3m and £13.5m for 2020/21). The current estimate is that as at 31/03/20 the reserve will remain at £12.3m and remains sufficient to meet those risks. A further £1.2m will be added to Un-earmarked Reserves once the budget for 2020/21 has been approved.

SAVINGS PERFORMANCE

3.6 The 2019/20 revenue budget approved savings of £8.9m, with £2.2m of these savings to be found through service improvement, £3.2m from commissioning and contract management, £2m from additional income and the rest from service efficiencies. The table below shows forecast performance against the savings targets.

Cabinet Portfolio	RED £'000	AMBER £'000	GREEN £'000	TOTAL £'000
	£000	£000	£000	£000
Leader	150	280	0	430
Resources	1,825	686	825	3,336
Community (Leisure, Tourism & Culture)	0	9	1,350	1,359
Adult Care & Health	0	0	2,535	2,535
Children & Young People	0	0	418	418
Environment & Climate Change	16	0	260	276
Planning, Homes & Economic Development	0	95	39	134
Transport	50	259	50	359
Total	**2,041**	**1,329**	**5,477**	**8,847**

The above table shows progress has been made with £5.48m forecast to be fully delivered, £1.33m are expected to be delivered and have associated budget risks if not implemented in 2019/20 and £2.04m which will not be achieved during 2019/20.

Savings items that have been identified as high risk in 2019/20 and will require further action to ensure delivery in 2019/20 are as follows:

- **Improving How we work Programme £1.65m**.

  - **Consolidation of Performance / intelligence function £0.25m**
    The first stage of the project has been completed and £0.1m of the target above reported as delivered. Delivery of savings through the remainder of 2019/20 and into 20/21 is a priority through further centralisation of activity and spend on core Corporate functions.
  - **Office Accommodation £0.30m**
    The Programme will continue to explore the release of other buildings and income opportunities as the overall Programme progresses with staff working differently and more flexibly. Rental income will not start accruing until 20/21.
  - **Service redesign/digital business improvement £0.75m**
    The Digital projects are already in progress and as the Programme has only just mobilised some savings will be identified this financial year but only a proportion delivered.
  - **Training £0.35m**
    The centralisation of training budgets has delivered £0.15m, the balance of this savings target has been identified as a pressure that has been put forward for removal subject to agreement of the 2020/21 budget.

- **Commissioning £2.59m**
  The 2019/20 savings target has been fully allocated to purchased care budgets with the monitoring showing positive performance with a on budget position for Adult Social Care.

- **Commissioning of Destination Management £0.150m**
  The Visit Bath saving is unlikely to be achieved in 2019/20. Destination Management review is being commissioned and financial recovery plan being implemented by the Visit Bath Board to reduce annual running costs.

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

3.8 Any revenue budget virements which require Cabinet approval are listed in Appendix 3(i). Technical budget adjustments are also shown in Appendix 3(i) for information purposes, as required by the Budget Management Scheme.

COUNCIL TAX & COUNCIL TAX SUPPORT

3.9 The current overall forecast outturn position on the Council Tax Collection Fund is for a surplus of around £0.83m (Q2 £0.82m) for the Council's share, this represents a 0.9% variance against target income. The reason for the surplus is mainly due to the number of chargeable dwelling being higher than forecast. For 2019/20, the tax base included an adjustment of £9.16m for the estimated costs of the Local Council Tax Support Scheme and current

estimates continue to be in line with this amount. The one-off impacts of the Council Tax collection fund projected outturn position will be built into the financial planning assumptions for the 2020/21 budget.

3.10 The collection rate for Council Tax was 84.6%, compared to the previous year's figure of 85.0% at the end of December.

BUSINESS RATES

3.11 The current year-end forecast is for the Council's share of Business Rate income relating to 2019/20 to be approximately £0.48m (Q2 £0.19m) greater than estimated, creating a positive impact on the Collection Fund. The overall Collection Fund surplus position, including the element relating to the 2018/19 outturn, is forecast at £1.52m (Q2 £1.21m).

3.12 As set out in the Budget Report, any surplus or deficit on the Business Rate Collection Fund and associated income will be transferred to or from the Business Rates Reserve for consideration as part of the Business Rates calculations for future years and this position will be reflected in the 2020/21 budget. Based on current forecasts, the projected balance on the Business Rate Reserve as at the end of 2019/20 is £3.1m, rising to £5.1m by the end of 2020/21, which represents c7.7% of annual business rates payable. The main in year factors impacting on Business Rates are new chargeable properties and lower than forecast empty property and retail reliefs, partially offset by higher than forecast small business and charitable reliefs. Any further relief granted during the remainder of the financial year would reduce the projected collection fund surplus position.

3.13 The collection rate for Business Rates was 83.1% at the end of December, compared to the previous year's figure of 82.7%.

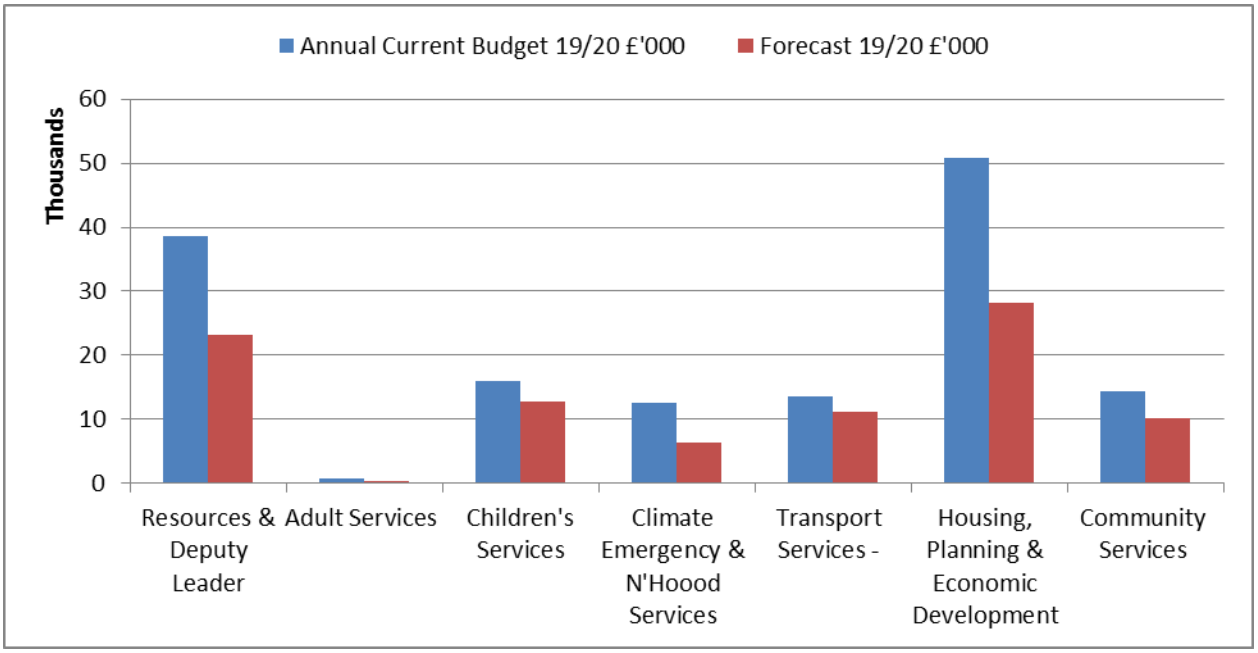
3.14 The High Court hearing into the claim by NHS Foundation Trusts that they are entitled to mandatory charitable relief from Business Rates has now completed and the judge has rejected the claim. The judge ruled that a foundation trust is not established for charitable purposes only and so therefore is not a charity and their properties are not entitled to charitable relief. The Council will continue to monitor any further developments to see if the NHS Trusts decide to appeal the decision.

CAPITAL BUDGET

3.15 The current position of the 2019/20 Capital Programme is a forecast of £91.7m against a budget of £146.3m. The variance of £54.6m reflects carry forward requests of £53.8m and £0.8m underspend. The full breakdown of the Capital Programme by Portfolio can be found in Appendix 4(ii) with key scheme commentary in Appendix 2.

Portfolio Summary Monitor	Annual Current Budget 2019/20 £'000	Forecast 2019/20 £'000	In-Year Variance 2019/20 £'000	*Forecast Re-phasing to 2020/21 £'000*	*Other Variance 2019/20 £'000*
Resources & Deputy Leader	38,521	23,203	15,318	*15,313*	*5*
Adult Services	681	293	388	*388*	*0*
Children's Services	15,860	12,647	3,213	*3,207*	*6*
Climate Emergency & Neighbourhood Services	12,543	6,285	6,258	*6,245*	*13*
Transport Services -	13,593	11,076	2,517	*2,511*	*7*
Housing, Planning & Economic Development	50,856	28,089	22,767	*22,087*	*680*
Community Services	14,262	10,127	4,135	*4,068*	*67*
Grand Total	**146,317**	**91,720**	**54,597**	***53,819***	***778***

The graph below illustrates the value and forecast against budget for all in year capital budgets by Cabinet Portfolio:



Capital Commentary

3.16 The key variances on the programme by portfolio include:

- **Resources and Deputy Leader** - £15.3m less than budget. The under budget mainly reflects re-profiling of loan drawdowns predicted by Aequus (the Council's property development company). The current projected total of loan drawdowns in respect of the Riverside View and Sladebrook Road developments for 2019/20 is £5.4m with further loan drawdowns of £1.8m

anticipated in respect of property transfers. The remaining balance of the approved loan facility is to be carried forward into 2020/21.

- **Adult Services:** Re-phasing of £388k reflecting revised spend profile on Liquid Logic (£115k) and Community Resource Centre's (£245k).

- **Children's Services:** Re-phasing of £3.2m. Basic Needs Improvement Schemes, £2.5m, of which £2.3m relates to Peasedown St John and £230k is Oldfield school programmes not coming on line as early as anticipated.

  An element of the Schools capital maintenance programme will also slip into 20/21 (£500k).

- **Climate Emergency & Neighbourhood Services:** Re-phasing requests of £6.2m are made up of the grant for Clean Air Zone (£3.8m) being aligned to the implementation schedule

  Waste Depot Relocation (£1.1m) reflecting continued development of depot options.

  Vehicle replacement Programme (£1.1m) reflects lower in-year spend being re-phased as still required in 2020/21.

- **Transport Services** Re-phasing requested of £2.5m relates to the following schemes:

  Transport Improvement Programme (£735k) reflects a number of CIL / S106 funded works now being delivered in 2020/21.

  City Centre Security (£550k) is progressing forward to Public Consultation

  Street Lighting LED replacement (£350k) was delayed due to re-tendering of the Street Lighting contract.

  Go Ultra Low West scheme will continue into 20/21 (£242k)

  Clutton Depot Refurbishment (£230k) is delayed due to the need to resolve ecological issues and planning. The small underspend relates to vehicle replacement in Passenger Transport.

- **Housing, Planning & Economic Development** - £22.8m less than budget. This is predominately due to programme re-phasing to reflect later contract award to Legal & General on Bath Quays North and BAM on Bath Quays South. These are now re-profiled to cash-flow expenditure on Delivery programmes that have been re-based to reflect revised timing of milestones including planning permission and contract award.

  Slippage is also being forecast for Bath Quays Bridge (£2.2m) which has a completion date of end of 2020.

  Radstock Healthy Living Centre (£1.8m) where agreement with Stakeholders for our contribution is being finalised.

  Keynsham High Street (£1.5m) to commence on site summer 2020.

  Affordable Housing - continuing to explore opportunities with registered providers (£692k).

Bath & Somer Valley Enterprise Zone works continue to business case submission (£594k)

Bath Streetspace designs are being finalised (£490k).

The underspend of £680k relates to BWR phase 2 land purchase, which will result in less drawdown of WECA Investment Fund Grant.

- **Community Services** Delivery of the Roman Baths Archway project will see the new facilities open towards the end of 2020 with budget re-phasing of (£3m) reflecting the known delays from York Street.

  There is also forecast re-profiling for the Sydney Gardens Heritage Project (£307k) as planning issues are resolved.

  Heritage Services Energy Capture Scheme (£300k) will be implemented in 2020/21 with tendering currently underway.

  The forecast also reflects underspends relating to Parks composting not being possible at Lansdown £50k (s106 funded) and CCTV savings (£17k).

3.17 To ensure the Capital Programme is prioritised and aligned to current delivery expectations, an in-year review of provisionally approved schemes has been undertaken. The review has resulted in proposed reductions/removals totalling £6.663m, with specific schemes detailed in appendix 4(iii) along with the reason for reduction. The reduction to scheme funded by corporately supported borrowing totals £1.441m and the impact of the release of the associated borrowing costs has been reflected in the revenue monitoring position.

RISKS

3.18 The key risks to the budget were outlined in the Councils 2019/20 Budget Report, in compliance with the Council's decision making risk management guidance. These have been reviewed with current risks identified in the table below:

Risk	Likelihood	Impact	Risk Management Update
Further demands on service continue to escalate beyond current estimates	Possible	High	This is certainly a risk within Children's Services requiring ongoing monitoring of spend and controls. Ensure reserves are sufficient to manage in-year pressures where service mitigations cannot be implemented or are delayed.
Pay awards will be higher than estimated	Unlikely	Medium	Agreement in place for 2019/20.
Interest rates reduce further impacting on investment income	Unlikely	Low	Shorter term rates are predicted to remain at current low levels although the impact on interest rates post Brexit remains a risk. A prudent view has been taken within the MTFP and cash is being utilised for purchase of assets while rates are low.
Interest rates increase	Possible	Medium	A reserve is available for borrowing to

			manage market risk and long term borrowing costs have been factored into the longer-term MTFS. The Government has recently increased PWLB rates by 1%, the Council will continue to consider alternative borrowing sources and options alongside the PWLB.
Volatility and uncertainty around business rates	Likely	High	Current monitoring shows that business rates income is expected to be £1.21m higher than budget. However, the retail sector may impact on income and we are closely monitoring any arrears, CVAs, and liquidations with a specific reserve held to manage in-year volatility.
The Business Rates 100% pilot ceases	Unlikely in 2019/20 or 2020/21	High	It has been confirmed that Combined Authorities will retain 100% of business rates in 2019/20 and 2020/21. It is anticipated the pilot will now cease in 2021/22 and an estimated £3.6m pressure will be added to the MTFS.
Anticipated savings not delivered	Possible	High	Ensure delivery plans are monitored and continue to assess on a regular basis. Where the monitoring has identified savings are at risk of slipping the project governance will need to escalate and resolve issues through Directors Group. Ensure Budget Contingency Reserve sufficient to meet in-year issues.
Capital projects not delivered resulting in revenue reversion costs or liabilities from underwriting agreements	Possible	High	The Council has a number of projects within this category. These risks will continue to be monitored and reported. An assessment is made as part of the budget process to ensure that revenue reserves are sufficient to meet these risks. The capital programme methodology looks to de-risk projects wherever possible.
Changes to Government Policy that affects future funding	Likely	High	Need to monitor and continue to highlight impact
Economic downturn impacts on commercial income	Possible	High	Portfolio has been diversified to manage some of this risk especially within the retail sector. Where external factors cannot be mitigated the Council's future years budget will need to incorporate income pressures.
Brexit risks	Likely	Medium	During the Brexit transition period from the 31st January 2020 to the 31st December 2020 there will be a period of uncertainty whilst a Trade Deal is negotiated. Impacts on the Councils supply chain will need close monitoring.
Funding pressures through WECA, CCG and other partners	Possible	Medium	Ensure good communication links with partner organisations.

The additional income from Heritage may not be sustained	Possible	Medium	Continue to monitor income levels and impact on business plan. Current performance has exceeded business plan targets; performance will be closely monitored for the rest of the financial year.
Capital receipts in the areas identified are insufficient to meet target	Possible	Medium	Currently £2.14m receipts have been received with a further £4.02m expected.

4 STATUTORY CONSIDERATIONS

4.1 The annual medium-term financial planning process allocates resources across services with alignment of these resources towards the Council's corporate priorities. This report monitors how the Council is performing against the financial targets set in February 2019 through the Budget setting process.

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

7 CLIMATE CHANGE

7.1 With the exception of any virements for approval listed in Appendix 3(i), this is an information only report about the Council's financial performance against budgets set for April 2019 to December 2019, and therefore does not include any decisions that have a direct impact on Climate Change.

8 OTHER OPTIONS CONSIDERED

8.1 None

9 CONSULTATION

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

9.2 Consultation was carried out at meetings and via e-mail.

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Background papers	*None*
Please contact the report author if you need to access this report in an alternative format	

Cashlimit Number and Description		Current Budget £000	Actuals to date £000	Published Forecast £000	from previous period Variance Adverse / (Favourable	2019/20 Outturn Variance Over / (Under) £000	Director Narrative Quarter Variance Narrative	Outturn Narrative	Outturn Recovery Plan
Detailed Analysis of Budgets for the Leader									
1112	Housing Delivery Vehicle	(730)	(305)	(579)	(1)	151	No material movement from previous forecast	The Aequus Group returns forecast to the Council have been updated to reflect the timetable changes to the Transfer Agreement for pipeline sites from the Council; this alongside a revised sales timeline for the Riverside development has resulted in the timing of the dividend payment to the Council being amended for 2019/20.	Future years will be reviewed once the Transfer Agreement is in place and a revised Business Plan agreed with the Shareholder.
1126	Visit Bath	367	538	539	23	172	Increase due to consultant expenditure relating to Destination Management review.	This adverse variance is due to slippage in delivering the destination management savings target which should be on target for delivery from 2020/21.	The Visit Bath Board is part way through implementing a cost recovery plan that is reducing operating costs whilst maintaining sales income which will improve the company's financial performance.
Leader Total		(363)	234	(40)	22	323			
Detailed Analysis of Budgets for Resources and Deputy Leader									
1037	Information Technology	4,925	4,068	4,618	(69)	(307)	Forecast has reduced due to various underspends within salaries and contractual spend partially negated by budget virements due to Centralisation (Hybrid mail)	Underspend is due to various contract savings which have been achieved in year due to effective contract management	Additional resources will be recruited where possible to ensure BAU is maintained during tight timescales for Windows10 and Asset refresh which is putting the service under pressure
1037	Property Services	670	998	614	(37)	(56)	Further staffing underspends due to a delay in recruitment.	Underspend due to current staff vacancies. Plan was to fill posts in October but this has been delayed.	Not applicable
1038	Corporate Estate Including R&M	3,650	3,632	4,109	140	459	An increase in forecast costs for Facilities Management, the former BCA site £27k and Parkside £40k, have been realised. A more detailed forecast and an increase in team costs has increased the overspend by £110k primarily due to unachieved savings, agency (increased security costs) and sickness. Favourable movements from the operational Estate total £38k.	This cash limit includes a corporate office accommodation savings target of £300k originally set for Lewis House rental of floors. An increased floor plate will be offered to the Police but this will not meet this savings target. The holding costs £51k for the former BCA site and Parkside costs £40k are also unbudgeted. A more detailed forecast has led to an increase in overspend on staffing costs of £120k which is primarily due to unachieved savings, agency (increased security costs) and sickness. Favourable variances from the operational estate contribute to the overall financial position.	Progress plans to rationalise and improve corporate office accommodation as part of the Improving How We Work programme. Guildhall retained as a seat of governance for elected members and ceremonial functions, St Martins will be programmed for closure and we will maximise Keynsham Civic centre as the main business base for the council and a fully flexible working environment for all staff and Lewis House, Hollies for staff delivering a service in that area
1039	Traded Services	24	50	35	(2)	11	Forecasting for premises costs that we no longer use due to services ceasing.	Forecasting for premises costs that we no longer use due to services ceasing.	Property services are looking at disposing of the various assets. Will remain a small pressure in the next financial year.
1040	Finance	2,588	2,134	2,656	68	68	Movement from previous period is due to slippage on transactional savings targets	Overbudget position of £56k, this is attributable to pressures in financial services from slippage in achieving transactional savings	Not applicable
1041	Revenues & Benefits	948	1,054	842	0	(106)	No material movement from last forecast	Salary savings due to delay in recruitment in Revenues team	Not applicable
1042	Risk & Assurance Services	977	1,256	995	201	18	Movement from previous period is due to a income budget issue which has now been corrected.	Minor overspend from staffng and supplies and services budgets.	Not applicable

Cashlimit Number and Description		Current Budget £000	Actuals to date £000	Published Forecast £000	from previous period Variance Adverse / (Favourable	2019/20 Outturn Variance Over / (Under) £000	Director Narrative Quarter Variance Narrative	Outturn Narrative	Outturn Recovery Plan
1045	Strategy & Performance	1,582	1,822	2,575	425	992	Q3 forecast movement of £400k variance due to slippage in cross council procurement savings, delivery anticipated in early 2020/21	£750k Digital Programme savings will not be delivered this financial year as originally planned due to slow pace of engagement and delivery of core capabilities for the organisation.	We have reviewed progress on the plan at Corporate Management team and refocussed on delivering savings through the remainder of 2019/20 and into 20/21. This focus is on accommodation savings and further centralisation of activity and spend on core Corporate functions.
1047	Human Resources	1,206	1,138	1,434	53	228	£53k increase vs Q2 due to slippage on savings target £25k (Apprenticeship Levy). In addition, increased costs due to maternity cover and Corporate costs	The training element of this budget was centralised from services w/e 01/04/19 and is required to fund all training (including mandatory & essential statutory training) for 2,100 staff across the council. Based on April-December spend we are forecasting spend on training and development of £200k, which is a reduction in prior year expenditure. However it does not deliver the £350k of budgeted savings, causing an overspend. There is a further forecast overspend of £20k on OH and EAP.	The service is reviewing the required provision.
1053	Council Solicitor & Democratic Services	2,708	2,129	2,931	10	223	No material movement from previous forecast	The forecast reflects unachievement of historic savings and required adjustments relating to unrealistic historic external income targets (mainly s106 agreements). The continuing increase in childcare cases have required further temporary legal capacity in the Legal Childcare Team.	The service is reviewing the required provision.
1054	Hsg / Council Tax Benefits Subsidy	(195)	2,137	(195)	0	0	No movement from last forecast	Forecast on budget	Not applicable
1055	Capital Financing / Interest	6,718	5,954	4,323	(209)	(2,395)	Higher than budgeted cash balances have resulted in an £84k additional investment income forecast, along with a further underspend in borrowing costs.	An overall underspend of £2.395m is currently forecast, mainly related to the re-phasing of capital spend and the reduction in PWLB interest rates leading to lower than forecast borrowing costs and minimum revenue provision (MRP) requirement. This is partly offset by lower internal income related to service charges for funding debt costs in relation to the re-phased capital projects.	Not applicable
1056	Unfunded Pensions	1,598	1,038	1,588	0	(10)	No movement from previous forecast.	Small underspend forecast based on current spend to date.	Not applicable
1057	Corporate Budgets including Capital, Audit and Bank Charges	(8,309)	(6,636)	(8,914)	(40)	(605)	Additional underspends within audit fees and bank charges have been identified from lower charges in the previous quarter. Also Council Tax Discount for Foster & Care Leavers lower than budgeted.	There is a £400k one-off underspend forecast for borrowing costs relating to the Waste Services Re-Design Project, due to the phasing of the project spend. In addition, there is a £100k underspend forecast on Pension Deficit Contributions, mainly due to reduced Council liabilities following transfer of staff to Academy Schools. There are also some smaller over and underspends forecast in apprenticeship levy contributions, external audit fees and bank & credit card transaction costs.	Not applicable

Cashlimit Number and Description		Current Budget £000	Actuals to date £000	Published Forecast £000	from previous period Variance Adverse / (Favourable	2019/20 Outturn Variance Over / (Under) £000	Director Narrative Quarter Variance Narrative	Outturn Narrative	Outturn Recovery Plan
1058	Magistrates	12	8	12	0	0	No movement from previous forecast.	Forecast on budget	Not applicable
1059	Coroners	335	335	335	0	0	No movement from previous forecast.	Forecast on budget	Not applicable
1061	West of England Combined Authority Levy	4,104	4,104	4,104	0	0	The one-off underspend of £155k previously reported on the levy payment has now been vired to Concessionary Fares budget for 2019/20 only. This virement was approved by September Cabinet (ref LOG19#01).	Forecast on budget	Not applicable
1081	Commercial Estate	(16,224)	(13,597)	(15,648)	(440)	576	An unbudgeted continuation of a leasehold beyond its expected expiry date led to additional income of £206k. A legal decision provided the necessary evidence to realise an unbudgeted increase in rent on a outstanding review which has led to a one-off increase in income of £225k. Other minor temporary changes have increased our financial position to the level reported.	Portfolio variances are mainly attributable to a £0.5m shortfall on Commercial Estate income due to a corporate stretch target. The budget was predicated on buying new assets out of authority but there has been a change in policy which has led to reviewing our ability to acquire assets out of authority. This has been recognised as an ongoing risk and incorporated into the 2020/21 budget planning assumptions as an unavoidable pressure.	To off-set this, a re-balancing of the commercial estate is taking place into other sectors, capacity will be increased to more rapidly return voids to the market and the performance of commercial estate income will continue to be closely monitored. We are still seeking opportunities to purchase new assets within B&NES.
1119	Procurement & Commissioning	218	1,980	215	16	(3)	No material movement from previous forecast	Forecast to balance at year end.	Not applicable
1125	Improving The Way we work	(360)	83	0	260	360	We have reviewed progress on the plan at Corporate Management team and refocussed on delivering savings through the remainder of 2019/20 and into 20/21. This focus is on accommodation savings and further centralisation of activity and spend on core Corporate functions.	Programme not yet fully engaged with or mobilised so further resources will be required so position will change	We have reviewed progress on the plan at Corporate Management team and refocussed on delivering savings through the remainder of 2019/20 and into 20/21. This focus is on accommodation savings and further centralisation of activity and spend on core Corporate functions.
Resources and Deputy Leader Total		7,176	13,686	6,629	377	(547)			
Detailed Analysis of Budgets for Adult Care Health and Wellbeing									
1027	CRC & Community Equipment contracts	0	0	0	0	0	Cash limit no longer in use, budget moved .	Not applicable	Not applicable
1036	Adults Substance Misuse (DAT)	514	421	514	0	0	No Movement from previous forecast	Forecast to break even	Not applicable
1073	Adults & Older People-Mental Health Commissioning	10,346	8,784	10,548	156	202	We are forecasting an adverse year end position as there is an increased and continuing pressure on the residential and nursing budgets.	Adverse variances are being seen in the commissioned purchasing budgets reflecting increased placement costs for this area. The resultant purchasing position is being offset by increased contribution income and underspends in service areas outside the purchasing budgets.	The forecast overspend will be mitigated by the planned use of underspend within BCF funded schemes.

Cashlimit Number and Description		Current Budget £000	Actuals to date £000	Published Forecast £000	from previous period Variance Adverse / (Favourable	2019/20 Outturn Variance Over / (Under) £000	Director Narrative Quarter Variance Narrative	Outturn Narrative	Outturn Recovery Plan
1086	Adult Care Commissioning	1,788	1,904	1,644	(80)	(144)	Variances are being seen across the non purchasing budgets, in particular the staffing budgets reflecting vacancies that have taken longer to fill than expected.	Variances are being seen in the non purchasing budgets. These are being used to offset the overall purchasing position within ASC.	Not applicable
1088	Older People & Physically Disabled Purchasing	13,063	9,202	12,985	(131)	(78)	Overall favourable in month movement due to the reduction in nursing placements which have offset the £50k adverse in month increase in the potential bad debt. The bad debt is being reviewed with the income collection officer as to the likelihood of recovery in year.	Pressure is still being seen on residential care placements and this continues to be reviewed by commissioners. Positive variances are being seen on other areas of the purchasing budgets that offset this pressure. We are hopeful that the bad debt will reverse but the timing may see this happen in next years accounts.	The forecast underspend will be used to mitigate the overall position in ASC.
1091	Learning Disabilities Commissioning	17,374	11,202	17,808	(38)	434	There has been a favourable net movement in the quarter due to :- one high cost package ceasing to be funded by LD, an adverse impact of assessments being back dated to reflect lower contributions due from clients, and an overall weekly gross cost in supported living plus back dated payments of provider invoices outside of the panel process.	The forecast reflects changes to packages in the purchasing budgets which are across new clients, existing clients and transitional costs. These are being offset by increased contribution income and underspends in service areas outside the purchasing budgets and health funding from the BSW TCP to cover a complex placement. Additional movement in month due to payments of backdated supplier invoices outside of the panel process. Process now under review.	The forecast overspend will be mitigated by the planned use of underspend within BCF funded schemes.
1092	Physical Disability, Hearing & Vision	4,323	3,081	4,206	(84)	(117)	The impact of Clawbacks of Direct payment funds have resulted in a positive in month movement and the service continues to underspend across all types of packages.	A review of package payments and activity is showing a forecast a year end underspend. This will be used to offset the overall ASC purchasing position.	Not applicable
1094	Public Health	(175)	1,815	(175)	0	(0)	No Movement from previous forecast	Ring fenced funding, outturn will be within budget and is being managed accordingly.	Not applicable
1110	Better Care Fund	15,225	19,073	15,099	190	(126)	There has been a reduction in the release of the BCF underspend due to an improved position across Adult Social Care Purchasing Budgets.	Schemes will continue to be reviewed to establish funding requirements for the rest of the year.	All schemes are being reviewed by the Strategic business partner to establish future requirements for 2020/21.
1113	CCG B&NES CHC and FNC Payments	0	1,197	0	0	0	No movement from previous forecast	Forecast to balance at year end.	Not applicable
1114	Community Equipment	203	258	203	0	0	No movement from previous forecast	Forecast to balance at year end.	Not applicable
1123	Safeguarding Adults	1,521	906	1,440	(38)	(81)	Variances are being seen across the non purchasing budgets, in particular the staffing budgets reflecting vacancies that have taken longer to fill than expected.	Positive variances being seen from non-purchasing budgets will be used to offset the overall ASC purchasing budget position.	Not applicable
1124	Community Resource Centres & Extra Care Income	(1,733)	(1,176)	(1,823)	73	(90)	We are forecasting an underspend but the in month position has had an adverse movement reducing this forecast by £17k. This is due to the level of vacancies now being seen in the CRC's. Some vacant beds are to be used for additional BSW winter pressures and others are being used for respite stays which will help any further deterioration to the position.	The current budget was maintained at the same level as the previous year and despite a forecast to exceed, the current occupancy levels continue to be below expectations.	The forecast over achievement will be used to offset overspend in other areas of purchasing care within ASC.
Adult Services Total		62,449	56,667	62,449	48	(0)			

Cashlimit Number and Description		Current Budget £000	Actuals to date £000	Published Forecast £000	from previous period Variance Adverse / (Favourable	2019/20 Outturn Variance Over / (Under) £000	Director Narrative: Quarter Variance Narrative	Director Narrative: Outturn Narrative	Director Narrative: Outturn Recovery Plan
Detailed Analysis of Budgets for Childrens Services									
1076	Children, Young People & Families	15,855	21,237	17,934	83	2,079	£255k increase in key placement budgets, main increases in JAP Pooled budget and Parent & Baby expenditure. Cost driver is increase in packages of support needed to match the complex needs of our children, and to keep them safe. These pressures have been partially mitigated as a result of continued scrutiny of costs resulting in a reduction in overspend from packages of support across Childrens Services. Reductions in overspend have been achieved from areas such as the Disabled Childrens Team (£80k reduction), Staying Put and the Family Intervention Team.	Spend in JAP pooled budget vs last year (LY) up by £1,075k. This includes increased costs due to the closure of St Christophers. Cost increases versus LY as due to 6 additional children, plus annualised costs of further 10 children whose packages started mid-way through 2018/19. These are our children with the highest need, who also require the most complex care packages of those that we support. Residential Placement spend up £308k vs LY due to increase in support packages needed to keep children safe. Pressures from the other key placement budget areas are £200k, which means an over budget position for Key placement budgets of £1,560k. Numbers coming into care are increasing, which is a regional and national trend. The cost of respite and care packages for disabled children equates to a forecast total pressure of £600k. Inter-agency adoption costs are a pressure of £190k. There is a partial mitigation from under spend versus budget for Children Leaving Care of (£230k), the spend is still in line with LY spend though.	Planned review of all JAP placements completed during December.
1077	Learning & Inclusion	5,930	1,462	2,918	(662)	(3,012)	Psychology costs have worsened by £70k, this is due to increased salary costs as a result of one off events. Youth Services have increased costs of £75k due to delayed implementation of planned savings proposals, these have now been implemented. These increases in cost have been mitigated by salary savings in the CHIF team and savings in expenditure across Childrens Centres. Overall this cash limit has a negative movement of £98k. A favourable movement of £761k in this cash limit reflects the transfer of the pressure on the DSG reserve needed based on the full pressure shown in cashlimit 1079 due SEND expenditure.	£2.35m under budget position offsets £2.35m of the £3.11m over budget position in the schools budget cash limit (1079). The 19/20 budget allowed for 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. The Council can therefore plan over time to reduce the contribution from its General Fund. A further £761k under budget position offsets the remaining pressure on the schools budget cash limit, which is a pressure on the DSG grant. Phycology costs are over budget by circa £90k due to salary pressures as a result of one off events and Youth Prevention Services are over budget by £75k due to delayed implementation of planned savings proposals, that are now in place. These pressures are mitigated partially by the under budget position of Children Centres, leaving an over budget position for this cash limit excluding SEND of £99k.	Not applicable
1078	Health, Commissioning & Planning	6,241	4,306	6,034	(131)	(207)	£20k underbudget position from Home to School Transport, due to new contract negotiation and route scrutiny. Increased under budget positions across Business Support areas for Early Years and Schools.	School Improvement Advisory Services £50k under budget, due to reduced running costs versus budget, and additional income. Business Support teams for Early years and Schools under budget by £100k mainly due to salary savings. Further smaller under budget forecasts across the service.	Not applicable

Cashlimit Number and Description		Current Budget £000	Actuals to date £000	Published Forecast £000	from previous period Variance Adverse / (Favourable	2019/20 Outturn Variance Over / (Under) £000	Director Narrative: Quarter Variance Narrative	Director Narrative: Outturn Narrative	Director Narrative: Outturn Recovery Plan
1079	Schools Budgets	(2,051)	(13,072)	1,060	737	3,111	Increase in expenditure for SEND, due to increased demand and lack of local provision, requiring independent specialist provision which is expensive.	SEND over budget position £4.35m, due to increased demand and lack of local provision, requiring independent specialist provision which is expensive. This is partially offset by £1.24m of one-off funding for 2019/20, leaving an pressure on the Dedicated Schools Grant (DSG) of £3.11m. A further £2.35m is held in council funds to potentially offset the SEND pressures. Should this mitigation be implemented there would remain a pressure on the DSG of approximately £761k. The transfer of the pressure shown here of £761k to the DSG from the Council is shown in Cashlimit 1077 Learning & Inclusion.	Planned local provision expansion through a capital strategy and lobbying of government for additional resources for schools and high needs
1116	Integrated Commissioning - CYP	2,305	2,013	2,295	0	(10)	No movement from previous forecast	£10k underspends, spread across the cash limit.	Not applicable
1117	Safeguarding - CYP	708	520	644	0	(65)	No movement from previous forecast	£65k underspends, spread across the cash limit.	Not applicable
Childrens Services Total		29	16	31		2			
Detailed Analysis of Budgets for Climate Emergency & Neighbourhood Services									
1066	Environment Agency	236	234	236	0	0	No movement from previous forecast.	Forecast on budget	Not applicable
1109	Neighbourhoods & Environment - Waste & Fleet Services	15,207	9,949	15,223	16	16	No material variances showing at this stage of the year, but prices for recycled materials are dropping.	Overspends due to volatility of prices and tonnages, these are constantly monitored and kept to a minimum	Not applicable
1120	Sustainability	285	269	302	0	17	No movement from last forecast	Our Power, which held this concession contract, ceased trading in January 2019 . As a result no income has been possible from referral fees.	No mitigation possible against this particular income stream as analysis of the current energy market suggests no viable approach to reprocuring this and generating income in this way. The Corporate and Community Sustainability Team will therefore focus its work on the key local priorities for tackling the climate emergency, as set out in the report to October Council. This will mean working with the local community and partners including carbon reductions and, as appropriate, generating cashable savings.
1127	Air Pollution	195	138	165	(0)	(30)	No material change	Temporary salary savings & overachieved income	Not applicable
Climate Emergency & Neighbourhood Services Total		15,923	10,590	15,926	16	3			
Detailed Analysis of Budgets for Housing, Planning & Economic Development									
1029	Housing	1,207	849	1,115	(76)	(92)	£35k Bad Debt Recovery & £13k Loan Recoveries, £7k additional income on B&B Accommodation recoveries and £19k underspend on Supported Living budget	£35k Bad Debt Recovery, £10k Overachieved capital income, £21k loan recoveries, £19k underspend on Supported Living Budget, plus staff savings and other compensating variances	Not applicable
1052	Regeneration	289	447	212	(39)	(77)	Salary saving plus overachieved income from Project recharges	Unspent residual Arts budget plus overachieved income from Project recharges	Not applicable

Cashlimit Number and Description		Current Budget £000	Actuals to date £000	Published Forecast £000	from previous period Variance Adverse / (Favourable	2019/20 Outturn Variance Over / (Under) £000	Director Narrative Quarter Variance Narrative	Outturn Narrative	Outturn Recovery Plan
1106	Development Management	1,295	396	1,253	(215)	(41)	£135k Improved Planning Income, a further £22k staff saving & £7k savings across Policy Team. £50k underspend on Planning Policy due to unanticipated delays.	Although Planning Income is underachieving by £111k, this is now largely offset by £90k Staff Savings plus various smaller savings totalling £7k across the Policy Team and £6k across Operations & Technical Support. £50k underspend on Planning Policy due to unanticipated delays.	There is very limited scope to plan for a recovery as income is reliant on the wider economy although there is always the possibility of large applications coming forward with associated fees.
1128	Business & Skills	442	449	440	(0)	(2)	No movement from previous forecast	Small Variance re Future Bright 1819 Q4 accrual - not material	Not applicable
Housing, Planning & Economic Development Total		3,232	2,141	3,020	(329)	(212)			
Detailed Analysis of Budgets for Community Services									
1005	Building Control & Land Charges	825	453	869	40	45	£40k adverse movement since last reporting attributable to: Some compensating variances with main issues - £14.6k increase in Trading Standards Consultant Fees. A Reduction of £9.3k on the License Income forecast, £6k Underachieved Internal Building Control Fees & £11k increase in legal fees expenditure	Some compensating variances with bottom line adverse variance of £44k. Main contributors are £16k underachieved on Land Charge income, £16.5k overspend on Trading Standards Consultant plus £11k scientific services contract change of supplier	As far as is possible, these will be absorbed into the existing budgets of the service or offset with other portfolio underspend.
1018	Heritage	(8,782)	(9,359)	(9,665)	(264)	(882)	Excellent December visitor performance, particularly between Christmas and New Year contributed to a particularly strong income performance. Vacancies and staff opting out of the pension scheme mean underspend of a further £60k on staff costs.	New pricing strategy delivering additional revenue (+£800k, 5% on budget & +£2.3m, 15% on 2018). Provision for doubtful debt of £115k forecast in relation to Visit Bath. Vacancies and seasonal staff opting out of the pension scheme means an underspend of £180k, 3% on staff costs.	Implications for future year income potential being considered as part of the Business Plan, savings target increased to £900k for 20/21
1019	Public Protection & Health Improvement - Leisure	689	256	689	0	0	No movement from previous forecast	On budget	Not applicable
1089	Community Safety	41	21	42	0	2	No movement from last forecast	Small variance to budget	Not applicable
1102	Neighbourhoods & Environment - Parks & Bereavement Services	1,119	1,158	1,202	(25)	83	Slight improvement on cremation income	Cremation income not achieved	Working to absorb these within existing budgets where possible
1109	World Heritage	152	107	153	0	1	No movement from previous forecast	Small variance - not material	Not applicable
1115	Registrars Service	(85)	(134)	(128)	(42)	(43)	Positive movement from previous forecast	The increase is due to additional income from increased certificate fees (which are set by the government)	Not applicable
1121	Events & Active Lifestyles	135	9	170	11	35	Reduced Wedding Income	Events Income and Wedding Income targets not expected to be achieved	Working to absorb these within existing budgets where possible
1122	Customer Services (Including Libraries)	2,222	1,888	2,249	24	27	Cost pressures due to Utility increases, reduced fees	Changes in Libraries West charging for all authorities resulting in increased charges to BANES resulting in overspend	Continue to balance underspend and overspends in year to keep balanced budget
Community Services Total		(3,686)	(5,601)	(4,418)	(256)	(732)			
Detailed Analysis of Budgets for Transport Services									
1006	Highways & Traffic Management	7,268	5,246	7,268	0	0	No movement from previous forecast	Forecast on budget. Ongoing review to deliver existing savings targets	Not applicable

Cashlimit Number and Description		Current Budget £000	Actuals to date £000	Published Forecast £000	from previous period Variance Adverse / (Favourable	2019/20 Outturn Variance Over / (Under) £000	Director Narrative Quarter Variance Narrative	Outturn Narrative	Outturn Recovery Plan
1103	Transport & Parking Services - Parking	(7,771)	(6,016)	(7,849)	(411)	(78)	Following a period of good weather during the Christmas markets we have seen increases in Pay and Display Income, along with additional one off income from debt recovery and increased filming in the city centre.	Income remains above 2018/19, but budget income target not achieved, parking income is seasonal and weather dependant. One off debt recovery and filming income is offsetting under recovery of parking income	Not applicable
1104	Transport & Parking Services - Public & Passenger Transport	55	199	(120)	(175)	(175)	One off underspends across Passenger transport	One off debt recovery and staffing vacancies	Not applicable
1119	Emergency Planning	293	331	422	(28)	129	Underspend due to staff vacancies	CCTV income target not achieved	Working to absorb these within existing budgets where possible
Transport Services Total		(155)	(239)	(278)	(614)	(124)			
	Financial Planning Reserve	0	0	(609)	791	(609)	Movement due to to favourable revenue forecast reducing the drawdown requirement from the financial planning reserve.	Use of reserve for phased implementation of savings.	For information, revenue budget will be adjusted for reserve drawdown at year end.
Council Total		**113,564**	**93,943**	**113,564**	**82**	**0**			

FINANCE BUDGET MONITORING MONTHLY DASHBOARD - April to December 2019

CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

	NARRATIVE	19/20 BUDGET PER AGRESSO £'000	19/20 CURRENT MONTH FORECAST	IN-YEAR VARIANCE FORECAST TO BUDGET Under/(Over) Spend	TO BE REPHASED TO FUTURE YEARS	19/20 UNDER / (OVER) SPEND. £'000
Children's Services						
Basic Needs - School Improvement / Expansion	Various schemes are moving forward, including: St Nicholas Primary expansion to a 420 place school. A new 4 classroom block and internal remodelling completed for September 2019 occupation within budget. Further work to provide a pedestrian footbridge from new housing development to the school is scheduled to complete early 2020 as part of a S106 obligation. Peasedown St John Primary expansion to a 630 place school. A new 4 classroom block with small hall and internal remodelling to the kitchen in the existing school building. Currently to budget and on target to complete for December 2020 occupation; slippage of £2.3m reflects this. Ralph Allen – basic need project to build an 8 classroom block. To complete Summer 2020. Hayesfield School – basic need project to expand the school refectory. To complete 2020.	11,642	9,057	2,585	2,584	0
Schools Capital Maintenance Schemes	Various schools capital maintenance schemes are moving forward including: Paulton Infants – Roof Replacement. Phase 1 complete. Phase 2 to be carried out over Summer 2020. Pensford Primary – Access works. Accessible toilet complete to budget, lift to main school entrance scheduled for early 2020 completion. Programme of work to address Fire Safety and Emergency Lighting in maintained primary schools progressing well, to complete in 2020. Slippage reflects DDA minor works where budget will not be utilised in 19/20 financial year.	2,453	1,953	500	500	0
Transport Services -						
GULW (OLEV)	Go Ultra Low West (GULW) - An Inter Authority agreement is at the final draft stage, ready for a decision to be taken. This will agree the maintenance and revenue liabilities for the public charging points and approval is needed before the installation of infrastructure. Other packages being progressed under the GULW project include fleet electrification, satellite charging hubs, last mile delivery and electric cycle hire. Slippage of £242k reflects this project continuation into next financial year. Last mile delivery supplier is now appointed and freight reviews due to begin shortly. Electric cycle hire is being rescoped to electric cycle loans, as no tenders were forthcoming.	485	242	242	242	0
Highways Maintenance Block	The 2019/20 Highways Structural Maintenance Capital Programme is now substantially complete as follows: Resurfacing 100% completed. Surface Dressing 100% completed. Micro Asphalt 100% completed. Street Lighting Column replacement programme due for completion January 2020. Camden Crescent Arch Repairs progressing listed building consent for construction works to commence March 2020. £160K rephasing reflects slippage of works, primarily due to additional conservation requirements. This funding is anticipated to be required during FY 2020-2021.	5,315	5,155	160	160	0
Transport Improvement Programme	The 2019/20 programme is progressing, Volkers, the Council term Contractor, are onsite delivering works through to March 2020. These include pedestrian and cycling schemes at Wellsway Keynsham, Withies Park Midsomer Norton, Elm Road Paulton and signalised crossing at Upper Bristol Road, Bath. Slippage of £735k primarily reflects a number of CIL/S106 agreements including Whitchurch - pedestrian and 20mph speed limits- works anticipated during 2020/2021 - has member and parish support, Mulberry Park – changes to cycling scheme impacting on parking and 3rd party land – works will not be delivered during FY 2019-2020, Monger Lane - pedestrian crossing, pending 3rd party land. Works will not be delivered during FY 2019-2020 but status to be reviewed during FY 2020-2021. Fosseway Footway - pending school land acquisition. Works will not be delivered during FY 2019-2020 but are being progressed, anticipated FY 2020-2021.	2,804	2,068	735	735	0
City Centre Security - Highways Scheme	Project is progressing into the Public Consultation stage,. Access restriction infrastructure will be installed 2020/21 and 2021/22.	674	124	550	550	0
Resources & Deputy Leader						
Cleveland Pools Grant	The independent Cleveland Pools Trust (CPT) has a £5.7 million project to bring the country's only surviving georgian lido back into use as a community pool, securing £4.7m funding from National Lottery Heritage Fund. The Council has leased the Lido to CPT and paid in full its outstanding commitment of £175k to the project in 2019/20	180	180	0	0	0
Corporate Estate Planned Maintenance	Works have been completed on properties such as residential care homes, Radstock Depot and Bath library. Statutory testing and servicing is in progress. Work started on Bath Guildhall in the Autumn. A review of the progress on works per property was completed and a risk of slippage identified, but not quantified.	4,387	4,387	0	0	0
Digital Programme	The project is on target to spend the 2019/20 budget. It aims to improve business processes and systems. 2019/20 key projects include: - Children's Services: review of business processes and how to efficiently manage demand in to the service, service re-design - Revenues Services: a now online portal is going live, - Print and post: improvements are on-going, - Public Licencing: forms for online applications are close to going live.	568	568	0	0	0
Housing Delivery Vehicle/ Schemes (Capital Disposals ADL)	Disposal of 117 Newbridge Hill is expected in 2019/20. Work continues in support of bringing forward the Argyle Works development sites for potential disposal to ADL as well as several smaller refurbishment projects to flats returned to the Council by Curo.	1,486	1,486	0	0	0
Property Company Investment - Council (Loan): Developments	The current projected total of loan drawdowns to ACL in respect of the Riverside View and Sladebrook Road developments for 2019/20 is £5.4m with further loan drawdowns of £1.8m to ADL anticipated in respect of property transfers. The remaining balance of the approved loan facility will be carried forward into 2020/21.	22,131	7,200	14,931	14,931	0

CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

	NARRATIVE	19/20 BUDGET PER AGRESSO £'000	19/20 CURRENT MONTH FORECAST	IN-YEAR VARIANCE FORECAST TO BUDGET Under/(Over) Spend	TO BE REPHASED TO FUTURE YEARS	19/20 UNDER / (OVER) SPEND. £'000
Housing, Planning & Economic Development						
Affordable Housing	Registered Providers continue to explore new development opportunities. There are significant levels of pre-development work underway to extend the temporary accommodation at Theobald House and options are being explored for the second phase of the joint project with the YMCA for Platform for Life Part 2.	1,190	498	692	692	0
BWR Phase 2	The land purchase for Phase 2 of BWR completed in October 2019 costing £8.32m funded from WECA's Land Acquisition Fund. £0.650m has been budgeted to progress the project's design and planning activities at the Midland Road waste site. Residential planning application for the site was successfully submitted in December 2019. £0.134k of funding has been awarded to progress a feasibility study of implementing a low carbon heat source for the site. Consultants have been appointed with their initial report expected in April 2020.	11,284	10,604	680	0	680
Digital BANES	Within this programme of projects the city Wi-Fi installations are progressing well and will continue into 2020/21.	71	71	0	0	0
Keynsham High Street	Project has a detailed design for development of this public realm scheme . Construction start now expected early summer 2020 after delay whilst drainage issues are being explored with Wessex Water. Completion due by the end of March 2021.	1,750	257	1,493	1,493	0
Radstock Healthy Living Centre	The NHS has approved the Outline Business Case in May 2019 for the project and work continues to Full Business case. The contract for contruction work is out to tender with costs being finalised in Feb 20. Other negotiations continue with project stakeholders ahead of finalising the Councils grant offer letter to the Clinical Commissioning Group.	1,905	100	1,805	1,805	0
Bath Quays Bridge	Fabrication of the bridge superstructure is progressing to programme. Consent applications for the bridge installation have been submitted including a temporary carriageway closure. The target project completion date for the bridge installation remains at the end of 2020 with 19/20 slippage as previously forecasted.	3,592	1,372	2,220	2,220	0
Bath Quays North	BANES appointed L&G Holdings as its development partner for the delivery of the Bath Quays North development. The contract terms were agreed later than the original budget assumptions causing slippage from 19/20 budgets, reflecting timing of milestones including Planning Permission and contract award. The development will provide commercial, residential, retail, hotel facilities and a basement car park. L&G have appointed a full design team, along with specialist consultants to undertake detailed design of the development and to obtain planning approval for the scheme. The evolving design has been the subject of regular consultation meetings with the key stakeholders and the public. A public consultation was undertaken early December 2019 and they aim to obtain detailed planning approval in the spring 2020. Overall good progress is being made on the design development, the necessary surveys and site investigations. L&G have demonstrated a keen commitment to get the development underway and subject to planning intend to start on site in late 2020. The Council's total cost for the project remains unchanged.	13,820	827	12,993	12,993	0
Bath Quays South	Good progress has been made on both the river wall and office frame. The first stage of the re-profiling of the riverbank has concluded. The construction of the office frame has reached the first floor slab. The north bank piling works for the bridge substructure are on hold following the discovery of water; a priced mitigation proposal has been received; there is a possible risk of delay to the bridge superstructure mobilisation in March 2020. Delivery of the programme remains as previously reported with planned completion in the summer 2021.	10,738	9,429	1,309	1,309	0
Community Services						
Parks S106 Programme	This relates to a number of projects that are s106 funded, several of which will complete in 2019/2020 to include Brickfields Park, Kensington Meadows and Innox Park. Works for a wildflower meadow creation and landscaping works at Hedgemead park began in the autumn, whilst works at Carrs Wood, Sullis Meadow and Kelston Road are subject to some further consultation. It is anticipated that these projects will begin this financial year but schemes are likely to slip into 20/21, as reflected in forecasts.	582	290	292	292	0
Roman Baths Archway Project	Due to known delays in the project associated with the repairs to York Street the project is running behind budget schedule leading to a rephasing of expenditure into 2020/21. The expected capital expenditure in 2019/20 is £2.1m Recent unexpected issues encountered during the demolition and structural phases of the main contract (ie. piling and other issues) has increased pressure on the available contingency for the project. The adequacy of the remaining contingency is being assessed with the funding of any additional contingency is expected to be achieved through additional fundraising and reprioritisation of existing capital projects within Heritage Services.	5,096	2,094	3,002	3,002	0
Climate Emergency & N'Hoood Services						
Clean Air Zone	Development and implementation of the clean air zone in Bath. Project feasibility and implementation is fully grant funded by Joint Air Quality Unit. Project will go live at end of 2020 to achieve compliance with Ministerial Direction to achieve compliance with annual mean calculation in 2021.	5,944	2,126	3,818	3,818	0
Waste service Re-Design	Waste Project presentation has been revised to show project relating to service redesign which is now substantially complete, except for the purhcase of a final vehicle which slips into 2020/21 due to lead in times. This is to give more focus to the project below.	745	624	121	121	0
Waste Depot Relocation	Waste Project presentation has been revised to reflect the waste relocation from Midland road and provision of depots within Environmental services. A project officer with property expertise has only recently been recruited and is in the process of reviewing depot options, project timeline and financial forecasts; slippage of £1.1 reflects his initial work. The Project Board Terms of Reference have been reviewed and the newly constituted Board is focused on the delivery of the depot arrangements.	2,548	1,407	1,141	1,141	0

2019/20 Revenue Virements for APPROVAL

Appendix 3 (i)

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
The following virements are reported for approval under the Budget Management Scheme rules.											
OVERALL TOTALS				**0**	**0** **0**			**0**	**0** **0**		

2019/20 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
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 19#43	One-off Funding for Ward Councillors Empowerment Fund	Resources	Corporate Budgets incl. Capital, Audit & Bank Charges		118,000	Resources	Strategy & Performance		118,000	Allocation from the 2019/20 one-off funding budget for Community Empowerment Fund, allocating each Ward Member a budget of £2,000. Agreed with Cabinet Member for Resources and Director of Finance (28th July 2019).	Budget virement is one-off.
INFO 19#44	New Business & Skills Cash Limit	Housing, Planning & Economic Development	Economy & Culture		442,055	Housing, Planning & Economic Development	Business & Skills		442,055	Creation of new Business & Skills cash limit to replace the historic Economy & Culture Cash Limit.	Budget virement is on-going.
INFO 19#45	Access To Work Budget	Resources	Strategy & Performance		12,000	Resources	Human Resources		12,000	Transfer of management of Access To Work Reasonable Adjustments budget to Human Resources.	Budget virement is on-going.
INFO 19#46	Finance Assistant	Community Services	Customer Services (including Libraries)		13,078	Resources	Information Technology		13,078	Transfer of line management of Finance Assistant between Customer Service & IT Services.	Budget virement is on-going.
INFO 19#47	Confidential Waste & Internal Mail	Resources	Corporate Estate Including R&M		9,000	Resources	Risk & Assurance Services		9,000	Transfer of budget to align expenditure between the service being provided for confidential waste and timed postal collections.	Budget virement is on-going.
INFO 19#48	Events & Active Lifestyles Restructure	Community Services	Events & Active Lifestyles		17,813	Transport Services	Emergency Planning		17,813	Realignment of budgets following the restructure of the Events & Active Lifestyles and Emergency Management teams.	Budget virement is on-going.

2019/20 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 19#49	Realignment of Property Cash Limits	Resources	Commercial Estate		400	Resources	Corporate Estate Including R&M		400	Correction to overhead budget allocation within Property Services.	Budget virement is on-going.
INFO 19#50	Print & Postage Centralisation	Resources	Revenues & Benefits		134,973	Resources	Information Technology		122,350	Centralisation of printing & distribution costs relating Revenue & Benefit billing.	Budget virement is on-going.
						Community Services	Customer Services (including Libraries)		12,623		
INFO 19#51	Library Delivery Service	Community Services	Customer Services (including Libraries)		7,821	Resources	Risk & Assurance Services		7,821	Transfer of budget for library delivery service to Records Management Team.	Budget virement is on-going.
INFO 19#52	Customer Services Restructure	Community Services	Customer Services (including Libraries)		89,886	Resources	Revenues & Benefits		89,886	Correction of budgets following the segregation of Revenues & Benefits from Customer Services. Approved by Director of Partnerships & Corporate Services 16/12/19.	Budget virement is on-going.
INFO 19#53	Supported Buses Contract	Resources	Corporate Budgets incl. Capital, Audit & Bank Charges		150,000	Transport Services	Transport & Parking Services - Public & Passenger Transport		150,000	Transfer of corporately held contingency budget for supported bus contracts, as approved in Single Member Decision #3144 - September 2019.	Budget virement is on-going.
INFO 19#54	Dedicated Sschools Grant Accounting Adjustment	Children's Services	Inclusion & Prevention		6,920,140	Children's Services	Education Transformation		112,468,955	Re-Profiling of cash limits within Education to reflect the accounting change in allocating DSG grant receips and payments to Schools.	Budget virement is on-going.
			Schools' Budgets		105,548,815						
OVERALL TOTALS				**0**	**113,463,981**			**0**	**113,463,981**		
					113,463,981				**113,463,981**		

Portfolio Cash Limits 2019/20 - Revenue Budget

Appendix 3(ii)

CABINET PORTFOLIO	Service	Nov'19 Revised Cash Limits £'000	Technical Adjustments, below BMS limits or already agreed - shown for information £'000	Total Virements for Approval £'000	Feb'20 Revised Cash Limits £'000
Leader	Housing Delivery Vehicle	(730)			(730)
	Visit Bath	367			367
	PORTFOLIO SUB TOTAL	**(363)**			**(363)**
Resources	Finance	2,588			2,588
	Risk & Assurance Services	961	17		977
	Procurement & Commissioning	218			218
	Revenues & Benefits	993	(45)		948
	Council Solicitor & Democratic Services	2,708			2,708
	Information Technology	4,789	135		4,925
	Strategy & Performance	1,476	106		1,582
	Human Resources	1,194	12		1,206
	Improving The Way We Work	(360)			(360)
	Property Services	670			670
	Corporate Estate Including R&M	3,659	(9)		3,650
	Commercial Estate	(16,223)	()		(16,224)
	Traded Services	24			24
	Hsg / Council Tax Benefits Subsidy	(195)			(195)
	Capital Financing / Interest	6,718			6,718
	Unfunded Pensions	1,598			1,598
	Corporate Budgets incl. Capital, Audit & Bank Charges	(2,902)	(268)		(3,170)
	New Homes Bonus Grant	(5,139)			(5,139)
	Magistrates	12			12
	Coroners	335			335
	Environment Agency	236			236
	West of England Combined Authority Levy	4,104			4,104
	PORTFOLIO SUB TOTAL	**7,463**	**(52)**		**7,411**
Adult Services	Adult Services	62,110			62,110
	Adult Substance Misuse (Drug Action Team)	514			514
	Public Health	(175)			(175)
	PORTFOLIO SUB TOTAL	**62,449**			**62,449**
Children's Services	Children, Young People & Families	15,855			15,855
	Integrated Commissioning - CYP	2,305			2,305
	Safeguarding - CYP	708			708
	Inclusion & Prevention	12,850	(6,920)		5,930
	Education Transformation	(106,228)	112,469		6,241
	Schools Budget	103,498	(105,549)		(2,051)
	PORTFOLIO SUB TOTAL	**28,988**			**28,988**
Climate Emergency & Environmental Services	Neighbourhoods & Environment - Waste & Fleet Services	15,207			15,207
	Sustainability	285			285
	Air Pollution (Environmental Monitoring)	195			195
	PORTFOLIO SUB TOTAL	**15,687**			**15,687**
Transport Services	Highways & Traffic Management	7,268			7,268
	Transport & Parking Services - Parking	(7,771)			(7,771)
	Transport & Parking Services - Public & Passenger Transport	(95)	150		55
	Emergency Planning	258	18		275
	PORTFOLIO SUB TOTAL	**(340)**	**168**		**(172)**

CABINET PORTFOLIO	Service	Nov'19 Revised Cash Limits	Technical Adjustments, below BMS limits or already agreed - shown for information	Total Virements for Approval	Feb'20 Revised Cash Limits
		£'000	£'000	£'000	£'000
Housing, Planning & Economic Development	Housing	1,207			1,207
	Regeneration	289			289
	Development Management	1,295			1,295
	Business & Skills		442		442
	Economy & Culture	442	(442)		
	PORTFOLIO SUB TOTAL	**3,232**			**3,232**
Community Services	Building Control & Public Protection	825			825
	Heritage	(8,782)			(8,782)
	Health Improvement - Leisure	689			689
	Community Safety	41			41
	Neighbourhoods & Environment - Parks & Bereavement Services	1,119			1,119
	World Heritage	152			152
	Registrars Service	(85)			(85)
	Events & Active Lifestyles	171	(18)		153
	Customer Services (including Libraries)	2,320	(98)		2,222
	PORTFOLIO SUB TOTAL	**(3,552)**	**(116)**		**(3,668)**
	NET BUDGET	**113,564**			**113,564**
	Sources of Funding				
	Council Tax	92,036			92,036
	Retained Business Rates*	22,547			22,547
	Collection Fund Deficit (-) or Surplus (+)	439			439
	Balances	(1,458)			(1,458)
	Total	**113,564**			**113,564**

Capital Virements - Additions & Reductions 2019/2020

Appendix 4 (i)

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP19#043-2019	**BWR phase 2**	Capital contingency / CSB / WECA Grant	9,250,000		Housing, Planning and Economic Development		9,250,000	ODD1310 - To authorise the land acquisition at Bath Western Riverside and carrying out pre-development works towards infrastructure.
CAP19#044-2019	**Air Quality Monitors**	CIL	50,000		Climate Emergency and Neighbourhood Services		50,000	ODD1309 -To commission a report to assess all available measures in delivering the required air quality improvements in the Air Quality Management Areas in Farrington Gurney and Temple Cloud.
CAP19#045-2019	**Bathscape**	S106 / Third Party Contribution / CIL / Grant	156,000		Community Services		156,000	ODD1308 - To allow committed Bathscape scheme delivery to progress.
CAP19#046-2019	**PHE Grant Award for DHI – Capital Grant**	Grant	248,500		Adult Services		248,500	ODD1313 - to Developing Health & Independence (DHI) to refurbish a new Drug & Alcohol Treatment Centre in Bath.
CAP19#047-2019	**CAZ - Clean Air Zone.**	the Implementation Fund Grant (DEFRA/DFT)	5,944,000		Transport Services		5,944,000	ODD1296 -Bath Clean Air Zone - Implementation of CAZ Enforcement System
CAP19#048-2019	**Weighbridge**	SSB	22,031		Climate Emergency and Neighbourhood Services		22,031	ODD1311 -to procure a replacement weighbridge for Ashmead Road Transfer Station, Keynsham.
CAP19#049-2019	**North Keynsham SDL**	CSB	195,000		Housing, Planning and Economic Development		195,000	Delegated Authority agreed by Director of Economy & Growth. Purchase of Option on Lands.
CAP19#050-2019	**Vehicle Replacement: Neighbourhoods**	SSB	1,428,937		Climate Emergency and Neighbourhood Services		1,428,937	ODD1305 -for the 2019/20 replacements consisting of 24 vehicles of varying sizes and disciplines.
CAP19#051-2019	**Sladebrook Road: Energy Efficiency Measures**	Revenue	128,000		Housing, Planning and Economic Development		128,000	ODD1283 - utilisation of the development site being progressed by the Council's housing and development company, ACL.
CAP19#052-2019	**York Street Vaults Phase 2**	Corporate Supported Borrowing	250,000		Resources and Deputy Leader		250,000	ODD1329 -York Street - Phase 2 Vault repairs: waterproofing above the vault and reconstruct the road.
CAP19#053-2019	**Parks Play Equipment**	Corporate Supported Borrowing	325,000		Community Services		325,000	ODD1330 - To replace play equipment,re-purpose play areas and install self-closing gates at various locations.
CAP19#054-2019	**Ralph Allen School - S106 Contribution towards Dining Hall.**	S106	81,084		Children's Services		81,084	ODD1332 - to replace and expand their dining facilities to accommodate increasing pupil numbers.
CAP19#055-2019	**Waste collection vehicles in cab technology**	SSB	200,000		Climate Emergency and Neighbourhood Services		200,000	ODD1335 - to purchase the new in cab system that will automatically alert the driver to risks up ahead and any alrt vehicle issues direct to fleet management.
CAP19#056-2019	**Modern Libraries & Workplaces**	SSB	-100,481		Community Services		-100,481	Cabinet November 2019 - agreement not to proceed with the remodelling of the Bath Podium site.
CAP19#057-2019	**BWR Phase 2**	Grant Homes England Grant	1,500,000		Housing, Planning and Economic Development		1,500,000	ODD1336 - To progress the Gas Lands part of the site
CAP19#058-2019	**Bath Area Forun CIL Funded Schemes**	Bath CIL	195,560		Resources and Deputy Leader		195,560	ODD1325 -funding be provided from Neighbourhood CIL Project Funding for Bath - various projects.
CAP19#059-2019	**Longvernal Primary - Internal Remodelling.**	Grant	-20,000		Children's Services		-20,000	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project
CAP19#060-2019	**St Keyna Primary - R&M Fire Alarm 2019.**	Grant	5,000		Children's Services		5,000	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project
CAP19#061-2019	**Whitchurch Primary School - R&M Fire Alarm 2019.**	Grant	4,000		Children's Services		4,000	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project
CAP19#062-2019	**Bathwick St Mary School Safety Improvements CIL.**	CIL	2,450		Children's Services		2,450	Technical Adjustment - Bath City Forum CIL Bathwick St Mary to fund nollards and updated signage for Beckford and Warminster Roads.
CAP19#063-2019	**Parks Equipment**	CIL	19,200		Community Services		19,200	Technical Adjustment - agreed by Director of Finance. Uplift of budget to align to CIL received

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP19#064-2019	**Digital BANES**	Grant	-150,000		Housing, Planning and Economic Development		-150,000	Technical Adjustment - agreed by Director of Finance, reflecting WECA re-alignment of funding.
CAP19#066-2019	**Somer Valley Enterprise Zone - Infrastrcuture**	S106, LGF grant (WECA), CSB	600,000		Housing, Planning and Economic Development		600,000	Technical Adjustment - agreed by Director of Finance. Uplift of budget to align to funding received
CAP19#067-2019	**St Saviours Junior - 2017 Bulge Class.**	Grant	-93,051		Children's Services		-93,051	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project
CAP19#068-2019	**Newbridge Primary - Fencing (89 Newbridge Hill).**	Grant	-8,045		Children's Services		-8,045	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project
CAP19#069-2019	**St Keyna - Fencing.**	Grant	-3,484		Children's Services		-3,484	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project
CAP19#070-2019	**Beechen Cliff Woodland & Other Small Projects**	CSB	-20,000		Children's Services		-20,000	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project
CAP19#071-2019	**Park S106 Projects - Kelston Road**	S106, CIL, 3rd Party	129,248		Community Services		129,248	Technical Adjustment - agreed by Director of Finance. Uplift of budget to align to S106 received
CAP19#072-2019	**Keynsham East - Education Improvement.**	S106	18,077		Children's Services		18,077	Technical Adjustment - agreed by Director of Finance. Re-alignment of scheme budget
CAP19#073-2019	**Castle Primary - Hot Water Generator R&M.**	Grant	-24,628		Children's Services		-24,628	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project
CAP19#074-2019	**Oldfield Park Junior - Basic Need.**	Grant	-26,804		Children's Services		-26,804	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project
CAP19#075-2019	**BWR Phase 2**	Grant	73,550		Housing, Planning and Economic Development		73,550	Technical Adjustment - BWR Delivery Phase
CAP19#076-2019	**Ubley Primary - BN.**	Grant	-80,315		Children's Services		-80,315	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project
CAP19#077-2019	**Twerton Infant - Replacement of Poor Condition Temp.**	Grant	-33,503		Children's Services		-33,503	Technical Adjustment - agreed by Director of Finance. Re-alignment of completed Schools' Capital project
CAP19#078-2019	**Schools Devolved Capital Budgets**	Grant	233,635		Children's Services		233,635	Technical Adjustment to align 2018/19 carry forward balance.
CAP19#079-2019	**Transport Improvement Programme**	Reveue Contribution / Grant / S106	-108,531		Transport Services		-108,531	Technical Adjustment - agreed by Director of Finance. Re-alignment of Transport Schemes to funding available in light of project review.
OVERALL TOTALS			**20,390,430**	**0**		**0**	**20,390,430**	
			20,390,430				**20,390,430**	

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
CAP19#003-FY	**Bathscape**	S106 / Third Party Contribution / CIL / Grant	338,000		Community Services		338,000	ODD1308 - To allow committed Bathscape scheme delivery to progress.
CAP19#004-FY	**BWR Phase 2**	Grant	11,000,000		Housing, Planning and Economic Development		11,000,000	ODD1336 - To progress the Gas Lands part of the site
CAP19#005-FY	**Bath Quays South**	Grant	1,746,000		Housing, Planning and Economic Development		1,746,000	TA to reallocate funding .
OVERALL TOTALS			**13,084,000**	**0**		**0**	**13,084,000**	
				13,084,000			**13,084,000**	

Capital Programme by Portfolio - 2019/2020
Revised Capital Cash Limits by Portfolio

Capital Scheme	Cap Prog Number	Budget at November 2019 Cabinet	Approvals to February Cabinet	Budget at February Cabinet
		£'000	£'000	£'000
Climate Emergency and Neighbourhood Services				
Air Quality Management Area	Cap1819028	0	50	50
Clean Air Zone	Cap1920031	0	5,944	5,944
Environmental Protection Vehicles	Cap1516028	34	18	52
Neighbourhood Services - Asset & Vehicle Replacement Programme	Cap1718036	1,537	1,433	2,970
Neighbourhoods Bin & Bench Replacement	Cap1415029	34	0	34
Waste Baler	Cap1920024	350	-350	0
Waste Collection Vehicles In Cab Technology	Cap1920025	0	200	200
Waste Service Redesign	Cap1617032	2,864	-2,119	745
Waste Project - Relocation of Cleansing	Cap1617040	61	-61	0
Waste Depot Relocation	Cap1516011	18	2,530	2,548
		4,899	**7,645**	**12,543**
Community Services				
Alice Park - Skate Park	Cap1415035	125	0	125
Bath Leisure Centre Refurbishment	Cap1516006	645	0	645
Bath Recreation Ground Trust - Leisure	Cap1516050	466	0	466
Bath Spa Water Monitoring - CIP (Cleaning in Place) Hub	Cap1920023	80	0	80
Beechen Cliff Woodland & Other Open Spaces Improvements	Cap1415017	65	-20	45
Leisure - Council Client / Contingency	Cap1516049	529	0	529
Leisure Bath - Car Park	Cap1718043	68	0	68
Leisure Facility Modernisation - Keynsham Sports Centre	Cap1516051	4,290	0	4,290
Neighbourhoods CCTV	Cap1819034	38	0	38
Parade Gardens Café Acquisition	Cap1819085	10	0	10
Parade Gardens Infrastructure for Business Development	Cap1617015	10	0	10
Parks Action Response Work	Cap1718028	50	0	50
Parks and Bereavement Infrastructure	Cap1819051	109	0	109
Parks Equipment	Cap1718029	49	19	68
Play Area Refurbishment / Equipment	Cap1415039	193	325	518
Parks S106 Projects	Cap1718037	453	129	582
Sydney Gardens	Cap1415030	687	0	687
Heritage Infrastructure Development	Cap1415052	23	0	23
Heritage Services Energy Capture Scheme	Cap1819030	350	0	350
Victoria Art Gallery Air Conditioning	Cap1617038	225	0	225
Roman Baths Archway Centre	Cap1617021	5,096	0	5,096
Modern Libraries & Workplaces	Cap1718058	349	-100	248
Bathscape	Cap1819011	0	156	156
		13,909	**509**	**14,418**
Housing, Planning and Economic Development				
Affordable Housing	Cap1415091	1,190	0	1,190
Bath Quays Bridge & Linking Infrastructure	Cap1617037	3,592	0	3,592
Bath Quays North	Cap1415114	13,820	0	13,820
Bath Quays South	Cap1415138	10,738	0	10,738
Bath Streetspace	Cap1920026	593	0	593
BWR - Council Project Team	Cap1415057	75	0	75
BWR - Infrastructure	Cap1415059	-41	0	-41
BWR - Relocation of Gas Holders	Cap1415065	1,596	-60	1,536
BWR Phase 2	Cap1920012	0	11,284	11,284
Digital B&NES	Cap1415069	221	-150	71
Disabled Facilities Grant	Cap1415089	1,421	0	1,421
Innovation Quay - Strategic Flooding Solution	Cap1415064	337	0	337
Keynsham High Street Public Realm Implementation	Cap1718011	1,750	0	1,750
Midsomer Norton Public Realm	Cap1819050	194	0	194
Somer Valley Enterprise Zone - Infrastructure	Cap1718067	216	600	816
North Keynsham SDL	Cap1819091	35	195	230
NRR Infrastructure	Cap1415062	115	0	115
Pioneer Office Investment Block (Quays) – LGF Funded	Cap1718073	398	0	398
Radstock & Westfield Implementation Plan	Cap1516014	40	0	40
Radstock Healthy Living Centre	Cap1718061	1,905	0	1,905
Saw Close Works	Cap1516008	323	0	323
Sladebrook Road: Energy Efficiency Measures	Cap1920033	0	128	128
Waterspace	Cap1920029	185	0	185
		38,704	**11,997**	**50,700**
Transport Services				
A37 to A362 Improvements to Access Somer Valley Enterprise Zone	Cap1718084	175	0	175
Bath Transport Package Main Scheme	Cap1415001	1,760	0	1,760
Chew Valley Recreational Trail	Cap1819090	0	13	13
City Centre Security	Cap1920027	674	0	674
Clutton Depot Refurbishment	Cap1920032	200	80	280
Dorchester Street - Traffic Review	Cap1718023	78	0	78
Hicks Gate Roundabout Improvement	Cap1718085	401	0	401
Highways & Traffic Fleet Vehicle Renewal	Cap1920015	1,025	0	1,025
Highways Maintenance Programme	Cap1415184	5,315	0	5,315
Highways Schemes (CIL)	Cap1819077	13	-13	0
London Road Modification	Cap1718022	62	0	62
Office for Low Emission Vehicles (OLEV) Bid	Cap1617008	485	0	485

Capital Programme by Portfolio - 2019/2020
Revised Capital Cash Limits by Portfolio

Capital Scheme	Cap Prog Number	Budget at November 2019 Cabinet	Approvals to February Cabinet	Budget at February Cabinet
		£'000	£'000	£'000
Parking Vehicle Replacement Programme	Cap1415023	84	0	84
Passenger Transport Vehicles	Cap1516007	46	0	46
Replacement Mopeds for Outer Area Parking Enforcement	Cap1718032	0	0	0
Somerdale Bridge, Keynsham – Initial Options Study	Cap1718016	11	0	11
Street Lighting LED Replacement Programme	Cap1617011	380	0	380
Transport Improvement Programme	Cap1415009	2,990	-186	2,804
		13,699	**-106**	**13,593**
Children's Services				
Alternative Education - Refurbishment & Equipment	Cap1819016	16	0	16
Basic Needs - School Improvement / Expansion	Cap1415135	11,763	-155	11,608
Building Adaptations to Provide Short Breaks for Disabled Children	Cap1415078	20	0	20
Children's Education Management System	Cap1516009	209	0	209
Children's Centre Capital Schemes	Cap1415196	592	0	592
Schools' Capital Maintenance Schemes	Cap1415073	2,514	-27	2,487
Schools Devolved Capital	Cap1920028	-49	234	185
Special Education Needs & Disability (SEND) Education Provision Loan	Cap1718071	688	0	688
Youth Service Capital Schemes	Cap1415167	56	0	56
		15,808	**52**	**15,860**
Adult Services				
Adult Social Care Database Replacement	Cap1516005	183	0	183
Community Resource Centre Capital Investment	Cap1718076	250	0	250
Drugs and Alcohol Recovery House Public Health Grant	Cap1718074	0	249	249
		433	**249**	**681**
Resources and Deputy Leader				
City Centre Protection Measures	Cap1718066	0	0	0
City Centre Security	Cap1819070	0	0	0
Cleveland Pools	Cap1415130	180	0	180
Commercial Estate Investment Fund	Cap1415100	437	0	437
Corporate Estate Planned Maintenance	Cap1415097	4,387	0	4,387
Equality Act Works	Cap1415104	224	0	224
Grand Parade & Undercroft	Cap1415103	138	0	138
Housing Delivery Vehicle	Cap1516042	1,486	0	1,486
Keynsham Regeneration & New Build	Cap1415094	75	0	75
Property Disposals	Cap1415098	686	0	686
Workplaces Programme Delivery	Cap1415093	225	0	225
York Street Infrastructure Works	Cap1718075	-107	0	-107
York Street Vaults Phase 2	Cap1819059	0	250	250
Agresso System Development & Upgrade	Cap1415125	95	0	95
Bath Area Forum - CIL Funded Schemes - Approved	Cap1718068	0	196	196
Capital Contingency	Cap1415131	1,911	-400	1,511
Flexible Use of Capital Receipts	Cap1819080	4,923	0	4,923
BTP Transitional Funding	Cap1718083	150	0	150
Property Company Investment	Cap1617027	22,131	0	22,131
Communications Hub (Microwave Link)	Cap1617029	17	0	17
Customer Payments Security and Channel Shift	Cap1920021	83	0	83
Digital Programme	Cap1718059	568	0	568
IT Asset Refresh	Cap1819061	867	0	867
		38,475	**46**	**38,521**
TOTAL CAPITAL SCHEME BUDGET		**125,926**	**20,390**	**146,317**

Sources of Funding		£'000	£'000	£'000
EU/Government Grant		**43,063**	**8,757**	**51,821**
Revenue		**119**	**73**	**192**
Other Council Support including Borrowing and Capital Receipts		**76,989**	**10,373**	**87,362**
S106 Contribution		**3,905**	**635**	**4,540**
CIL Contribution		**1,477**	**527**	**2,005**
Other Third Party		**373**	**25**	**398**
Total Sources of Funding		**125,926**	**20,390**	**146,317**

APPENDIX 4(iii)

PROVISIONALLY APPROVED CAPITAL PROGRAMME REVIEW

Schemes Proposed for Removal / Reduction by Portfolio

Portfolio	Project Name	Budget Reduction £'000	CSB Element £'000	Narrative
Children Services	Alternative Education Provision - St John's School	1,234	1,234	This project has been superseded by an alternative solution which will be considered as part of the 2020/21 budget proposals.
Children Services	Special Education Needs & Disability (SEND) Education Provision	134		Budget is £67K in each of 19/20 & 20/21. The grant funding will be used to fund new SEND schemes to be considered as part of the 2020/21 budget proposals.
Climate Emergency & Neighbourhood Services	Vehicle Replacements	257		Release of savings from replacement programme for 2019/20, with 2020/21 requirement identified as part of the updated rolling replacement programme.
Community Services	Litter Bins	75		No drawdown in 2019/20, with adequate replacement budget provided in 2020/21
Community Services	Heritage Infrastructure Development	450		Reduction to realign to service planning assumptions
Community Services	Parks Action Response Team	52		Composting station at Lansdown could not be progressed
Community Services	Neighbourhoods CCTV	44		This project has completed, proposed reduction represents underspend.
Resources & Deputy Leader	Communications Hub (Microwave Link) - Keynsham	7	7	This project has completed, proposed reduction represents underspend.
Resources & Deputy Leader	Digital Programme	2,500		Reduction to realign to service planning assumptions
Resources & Deputy Leader	Revenues & Benefits System: end of life replacement	650		Reduction to realign to service planning assumptions
Resources & Deputy Leader	Lewis House Refurbishment	1,000		This project has been superseded by an alternative solution.
Resources & Deputy Leader	Project Inception Fund	200	200	Released as a saving as provision not required in 2019/20.
Transport Services	Vehicle Replacements	60		Release of savings from actual replacements in 2019/20, with 2020/21 requirement identified as part of the rolling replacement programme.
Grand Total		**6,663**	**1,441**	

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Bath & North East Somerset Council		
MEETING	**Cabinet**	
MEETING DATE:	**13th February 2020**	EXECUTIVE FORWARD PLAN REFERENCE: E 3160
TITLE:	**Treasury Management Performance Report to 31st December 2019**	
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 31st December 2019
Appendix 3 – Average monthly rate of return for 1st 9 months of 2019/20
Appendix 4 – The Council's External Borrowing Position at 31st December 2019
Appendix 5 – Arlingclose's Economic & Market Review Q3 of 2019/20
Appendix 6 – Interest & Capital Financing Budget Monitoring 2019/20
Appendix 7 – Summary Guide to Credit Ratings
Appendix 8 – Extract from Treasury Management Risk Register

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 2019/20 for the first nine months of 2019/20.

2 RECOMMENDATION

The Cabinet agrees that;

2.1 The Treasury Management Report to 31st December 2019, prepared in accordance with the CIPFA Treasury Code of Practice, is noted.

2.2 The Treasury Management Indicators to 31st December 2019 are noted.

3 THE REPORT

Summary

3.1 The average rate of investment return for the first nine months of 2019/20 is 1.03%, which is 0.41% above the benchmark rate.

3.2 The Council's Prudential Indicators for 2019/20 were agreed by Council in February 2019 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 December 2019 is given in **Appendix 2**. The balance of deposits as at 31st December 2019, compared to those as at 30th September 2019, are also set out in the pie charts in this appendix.

3.4 Gross interest earned on investments totalled £456k. **Appendix 3** details the investment performance, showing the average rate of interest earned over this period was 1.03%, which was 0.43% above the benchmark rate of average 7 day LIBID +0.05% (0.62%). This excess is mainly due to the £5m investment held in the CCLA Local Authority Property Fund, which is a long term strategic investment earning a higher rate of interest.

Summary of Borrowings

3.5 The Council's external borrowing as at 31st December 2019 totalled £233.3 million and is detailed in **Appendix 4**.

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 between that and the current borrowing of £233.3 million represents re-investment of the internal balances including 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 3.5.

3.9 The borrowing portfolio as at 31st December 2019 is shown in **Appendix 4**.

Strategic & Tactical Decisions

3.10 The Council's 2019/20 savings and income generation proposals included an item for generating additional investment income through taking a longer term investment approach to £10 million of core investment balances. So far during 2019/20, a total of £5 million has been invested in the CCLA Local Authority's Property Fund as part of this investment approach. This also provides further diversification of the Council's commercial property investment portfolio, as set out in the approved Treasury Management Strategy for 2019/20.

3.11 As shown in the charts at **Appendix 2**, the investment portfolio of £60.7 million as at 31st December 2019 is diversified across Money Market Funds, Local Authorities, the CCLA Property Fund, 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.

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

3.13 The Council has reviewed its current investment holdings with its Treasury Management advisors to assess whether any of the investments placed are directly related to companies involved in fossil fuel companies. It was confirmed that the Council does not currently invest directly in equities or certificates of deposits that were not issued by banks or building societies and does not have any investments in fossil fuel companies. The main area where there is a potential for this type of investment is in the strategic diversified income funds which the Council is considering as part of its longer term investment approach, as these funds invest part of their portfolio in equities. A review into the two funds the council is considering using has shown that direct investment in fossil fuel companies forms a low proportion of the overall fund's investments (between 4% and 8%).

3.14 The Council's average investment return is currently slightly below the budgeted level of 1.20%, although the impact of this is offset by the Council investment balances being higher than forecast.

Future Strategic & Tactical Issues

3.15 Our treasury management advisors economic and market review for the third quarter 2019/20 is included in **Appendix 5**.

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

3.17 Any additional borrowing to take place in 2019/20 will therefore be balanced between a need to maintain an appropriate working cash balance and taking advantage of favourable movements in long term borrowing rates.

PWLB Borrowing Rate Increase

3.18 On 9th October 2019, the PWLB increased the margin applied to loan rates by 100 basis points (1%) without warning; the new margin above gilts is now 180 basis

points for certainty rate loans. This shift in policy was implemented by HM Treasury, who cite a substantial increase in the use of PWLB loans at some authorities in recent months, as the cost of borrowing has fallen to record lows, and state that HM Treasury is therefore restoring interest rates to levels available in 2018, by increasing the margin that applies to new loans from the PWLB by 100bps (one percentage point) on top of usual lending terms.

3.19 In line with the Council's Treasury Management advisor's advice, the Council will continue to consider borrowing rates offered by alternative lenders, including other Local Authorities, alongside PWLB rates in order to minimise, where possible, its costs of borrowing.

Budget Implications

3.20 A breakdown of the revenue budget showing interest and capital financing and the forecast year end position based on the period April to December is included in **Appendix 6**. An overall underspend of £2.395m is currently forecast, mainly related to the re-phasing of capital spend leading to lower than forecast borrowing costs and minimum revenue provision (MRP) requirement. This is partly offset by lower internal income related to service charges for funding debt costs in relation to the re-phased capital projects.

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. An extract from the risk register, detailing how the top 5 market risks are managed, is included as **Appendix 8**.

7 CLIMATE CHANGE

7.1 The Council will continue to review its investments to minimise direct investment in fossil fuel related companies.

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	*Donna Parham- 01225 477468; Jamie Whittard - 01225 477213* *Donna_Parham@bathnes.gov.uk ; Jamie_Whittard@bathnes.gov.uk*
Background papers	*2019/20 Treasury Management & Investment Strategy*
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.

	2019/20 Prudential Indicator	**Actual as at 31st December 2019**
	£'000	£'000
Borrowing	440,000	233,316
Other long term liabilities	2,000	0
Cumulative Total	**442,000**	**233,316**

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.

	2019/20 Prudential Indicator	**Actual as at 31st December 2019**
	£'000	£'000
Borrowing	409,000	233,316
Other long term liabilities	2,000	0
Cumulative Total	**411,000**	**233,316**

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.

	2019/20 Prudential Indicator	**Actual as at 31st December 2019**
	£'000	£'000
Fixed interest rate exposure	**409,000**	**213,316***

* 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.

	2019/20 Prudential Indicator	**Actual as at 31st December 2019**
	£'000	£'000
Variable interest rate exposure	**222,000**	**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.

	2019/20 Prudential Indicator	**Actual as at 31st December 2019**
	£'000	£'000
Investments over 364 days	**50,000**	**5,000**

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 December 2019**
	%	%	%
Under 12 months	50	Nil	8.6*
12 months and within 24 months	75	Nil	2.1
24 months and within 5 years	75	Nil	2.1
5 years and within 10 years	100	Nil	4.3
10 years and above	100	Nil	82.9

* 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**.

	2019/20 Prudential Indicator	**Actual as at 31st December 2019**
	Rating	Rating
Minimum Portfolio Average Credit Rating	**A-**	**AA**

***** *The calculation excludes the strategic investment in the CCLA Local Authority's Property Fund which is unrated.*

APPENDIX 2

The Council's Investment position at 30th December 2019

The term of investments is as follows:

Term Remaining	**Balance at 31st December 2019**
	£'000's
Notice (instant access funds)	20,700
Up to 1 month	10,000
1 month to 3 months	5,000
3 months to 6 months	20,000
CCLA Property Fund (Strategic)	5,000
Total	**60,700**

The investment figure is made up as follows:

	Balance at 331st December 2019
	£'000's
B&NES Council	57,186
Schools	3,514
Total	**60,700**

The Council had a total average net positive balance of £56.5m during the period April 2019 to December 2019.

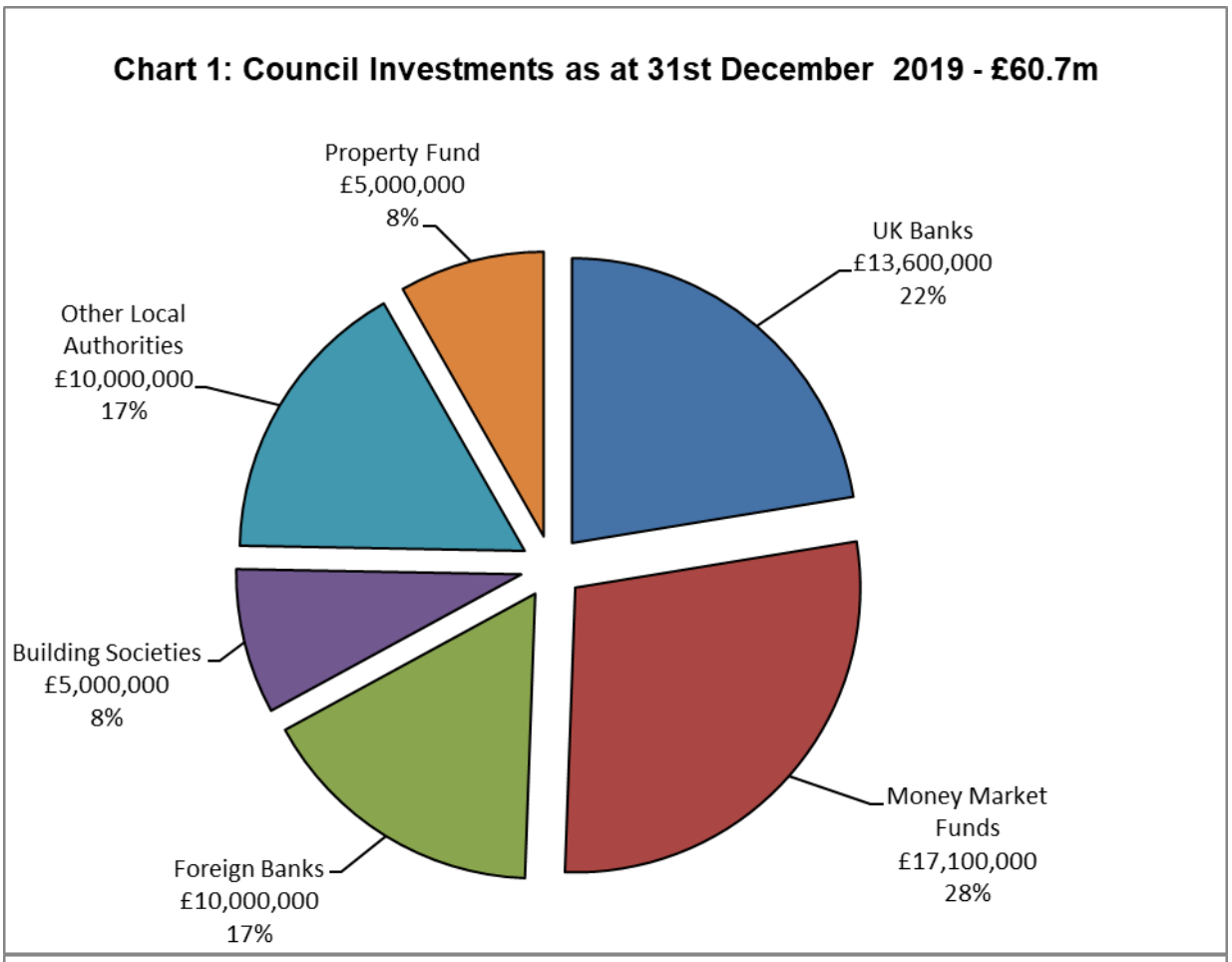


Chart 1: Council Investments as at 31st December 2019 - £60.7m
Property Fund
£5,000,000
8%
UK Banks
£13,600,000
22%
Other Local
Authorities
£10,000,000
17%
Building Societies
£5,000,000
8%
Money Market
Funds
£17,100,000
28%
Foreign Banks
£10,000,000
17%

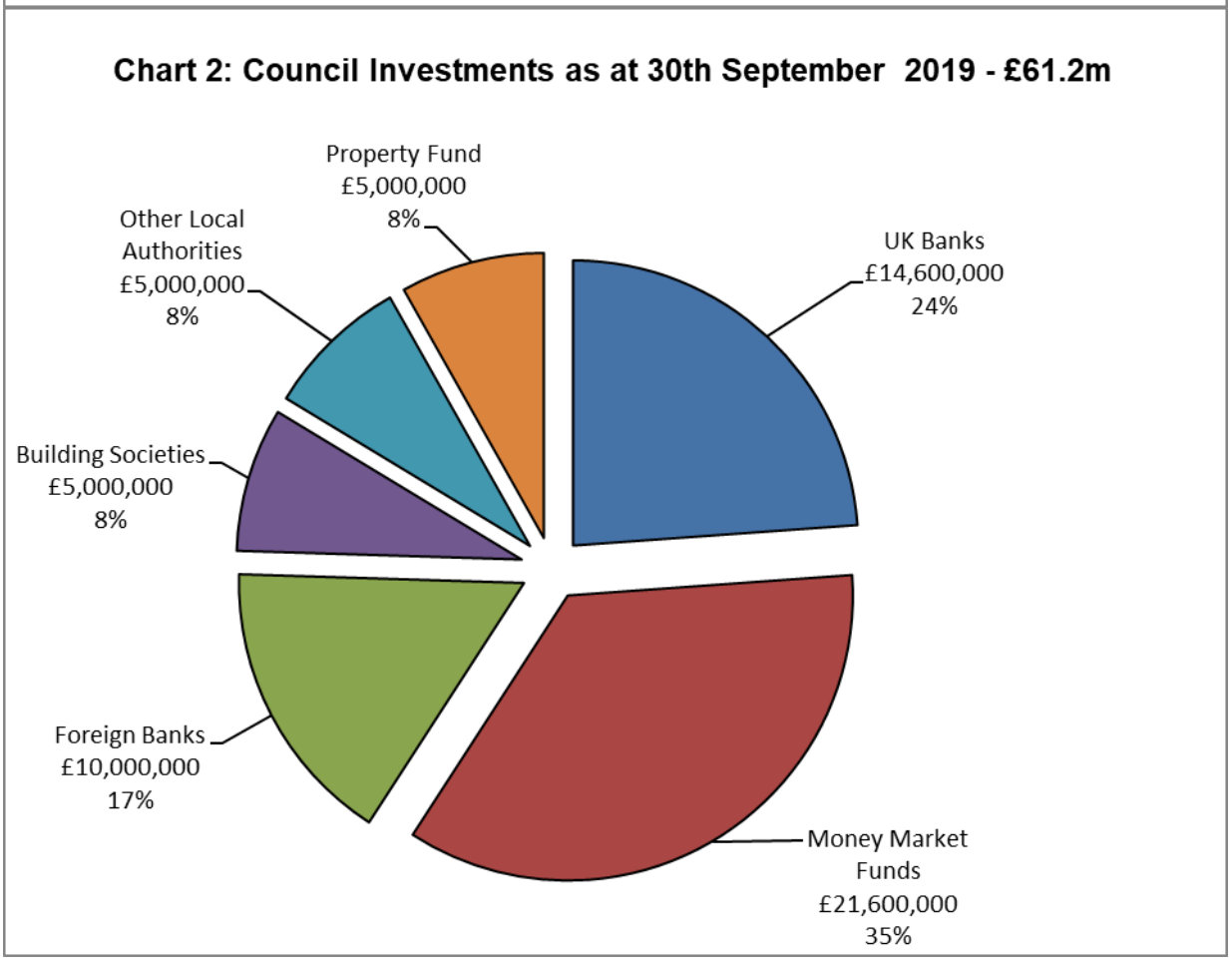


Chart 2: Council Investments as at 30th September 2019 - £61.2m
Property Fund
£5,000,000
8%
Other Local
Authorities
£5,000,000
8%
UK Banks
£14,600,000
24%
Building Societies
£5,000,000
8%
Foreign Banks
£10,000,000
17%
Money Market
Funds
£21,600,000
35%

Chart 3: Council Investments Per Lowest Equivalent Long Term Credit Rating as at 31st December 2019 - £60.7m

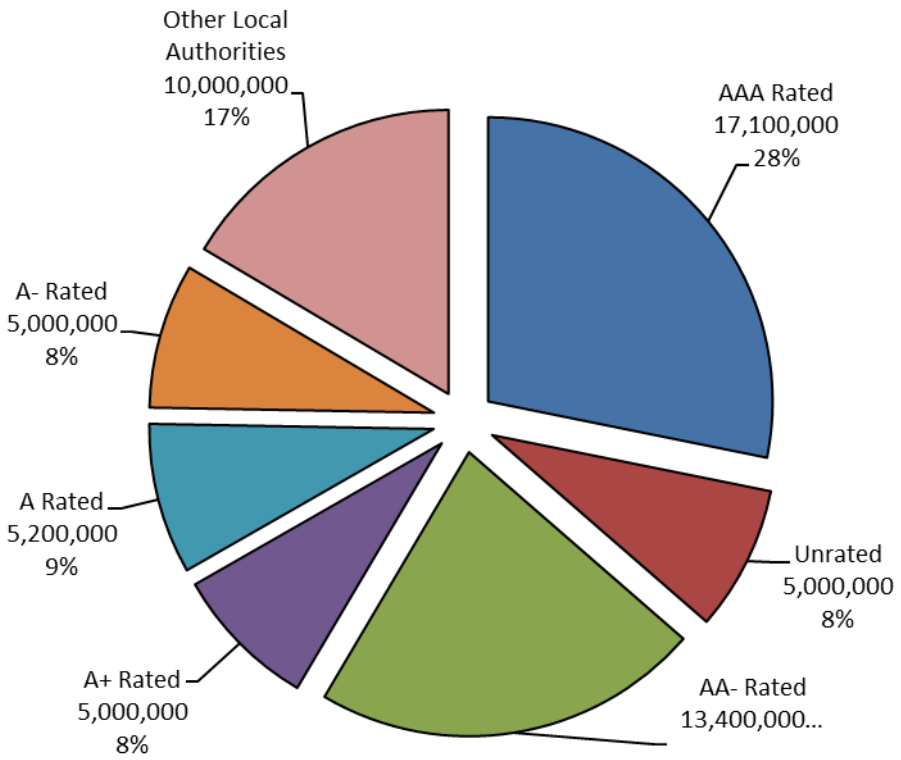
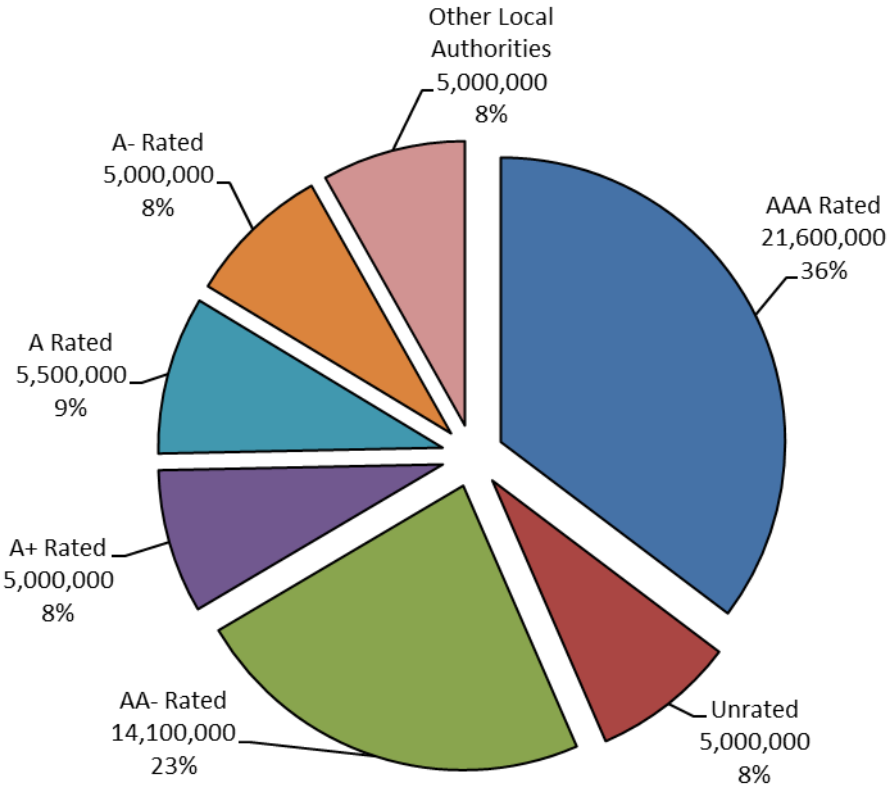


Chart 4: Council Investments Per Lowest Equivalent Long Term Credit Rating as at 30th September 2019 - £61.2m



APPENDIX 3
Average rate of return on investments for 2019/20

	Apr. %	May %	Jun. %	Jul. %	Aug. %	Sep. %
Average rate of interest earned	0.83%	1.01%	1.02%	0.97%	1.07%	1.04%
Benchmark = Average 7 Day LIBID rate +0.05% (source: Arlingclose)	0.62%	0.62%	0.62%	0.61%	0.61%	0.62%
Performance against Benchmark %	+0.21%	+0.39%	+0.40%	+0.36%	+0.46%	+0.42%

	Oct. %	Nov. %	Dec. %	Average for Period
Average rate of interest earned	1.07%	1.07%	1.05%	**1.03%**
Benchmark = Average 7 Day LIBID rate +0.05% (source: Arlingclose)	0.62%	0.62%	0.62%	**0.62%**
Performance against Benchmark %	+0.50%	+0.51%	+0.43%	**+0.41%**

APPENDIX 4

Council's External Borrowing at 31st December 2019

	Amount Outstanding (£)	Start Date	Maturity Date	Interest Rate
LONG TERM				
PWLB	10,000,000	15/10/04	15/10/34	4.75%
PWLB	5,000,000	12/05/10	15/08/35	4.55%
PWLB	5,000,000	12/05/10	15/02/60	4.53%
PWLB	5,000,000	05/08/11	15/02/31	4.86%
PWLB	10,000,000	05/08/11	15/08/29	4.80%
PWLB	15,000,000	05/08/11	15/02/61	4.96%
PWLB	5,300,000	29/01/15	08/04/34	2.62%
PWLB	5,000,000	29/01/15	08/10/64	2.92%
PWLB	17,854,459	20/06/16	20/06/41	2.36%
PWLB	9,123,689	24/02/17	16/02/40	2.28%
PWLB	9,233,416	04/04/17	16/02/43	2.26%
PWLB	7,847,604	08/05/17	15/02/42	2.25%
PWLB	6,825,039	10/08/17	10/04/67	2.64%
PWLB	9,397,038	13/12/17	10/10/42	2.35%
PWLB	9,409,808	06/03/18	10/10/42	2.52%
PWLB	9,704,754	10/09/18	20/07/43	2.42%
PWLB	9,548,442	06/03/18	10/10/47	2.62%
PWLB	9,552,155	06/12/18	20/06/43	2.38%
PWLB	9,849,833	12/12/18	20/06/68	2.59%
PWLB	4,772,323	13/12/18	20/06/43	2.25%
PWLB	19,897,321	11/02/19	20/07/68	2.52%
PWLB	10,000,000	04/09/19	20/07/44	1.40%
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%
Sub Total - Long Term	**223,315,881**			
MEDIUM TERM				
Gloucestershire C C	5,000,000	25/11/19	25/11/21	1.50%
Portsmouth City Council	5,000,000	19/12/19	19/12/22	1.65%
Sub Total - Medium Term	**10,000,000**			
TOTAL BORROWING	**233,315,881**			

*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 October 2019 to December 2019

Economic background: The headline rate of UK Consumer Price Inflation remained unchanged in November 2019 at 1.5% year-on-year, the same as October 2019, as accommodation services and transport continued to pull the level of inflation below the Bank of England target of 2%. Labour market data remained positive. The ILO unemployment rate continued to hold at historic lows at 3.8%, its lowest level since 1975. The 3-month average annual growth rate for pay excluding bonuses rose to 3.5% in November 2019 providing some evidence that a shortage of labour is supporting wages. However, adjusting for inflation this means real wages were only up by 0.9%.

The Quarterly National Accounts for Q3 GDP showed the UK economy expanded by 0.4% following the 0.2% contraction in Q1. Construction rebounded by 1.2%, reversing the fall of the same magnitude in the previous quarter, while growth in the services sector was up 0.5%, beating the 0.1% gain in Q2. Production increased by a more modest 0.1% and agriculture fell 0.1%. On an annual basis, GDP growth continued to fall further below its trend rate, slipping to 1.1% from 1.2%.

Politics continued to play a major role in financial markets over the period as the UK's progress negotiating its exit from the European Union together with its future trading arrangements has driven volatility, particularly in foreign exchange markets. The General Election has removed some uncertainty, however following the expected Withdrawal Bill, uncertainties around the future trading relationship with the EU remain.

The Bank of England maintained Bank Rate to 0.75% in December following a 7-2 vote by the Monetary Policy Committee. Despite keeping rates on hold, MPC members did confirm that if Brexit uncertainty drags on or global growth fails to recover, they are prepared to cut interest rates as required. Moreover, the downward revisions to some of the growth projections in the Monetary Policy Report (formerly the Quarterly Inflation Report) suggest the Committee may now be less convinced of the need to increase rates even if there is a Brexit deal.

The fallout from the US-China trade war continued and is likely to drag on global growth in 2020, however it has been reported that Phase I of the deal will be signed at the White House on 15th January. The US economy continued to perform relatively well compared to other developed nations; however, the Federal Reserve started to unwind its monetary tightening through 2019. The Fed has cut rates three times to 1.5% - 1.75%, to stimulate growth as GDP continued to slow.

Slow economic growth in Europe continued and Christine Lagarde took control as the head of the European Central Bank. In her first announcement as ECB chief, Ms Lagarde confirmed that the bank would continue to provide the monetary support needed to bring euro area inflation back towards target.

Financial markets: Financial markets adopted a more risk-on approach over the quarter as equities rallied in expectation of ongoing monetary stimulus from central banks. The Dow Jones ended the 2019 calendar year up 22%, while the FTSE 100 and FTSE 250 jumped on the UK general election result with the former gaining 12% during 2019 and the latter around 25%.

Gilt yields remained volatile over the period. From 0.28% at the end of September, the 5-year benchmark gilt rose to 0.60% by the end of December. There were rises in the 10-

year and 20-year gilts over the same period, with the former climbing from 0.48% to 0.82% and the latter from 0.88% to 1.24%. 1-month, 3-month and 12-month SONIA (Sterling Overnight Index Average) bid rates averaged 0.63%, 0.76% and 0.93% respectively over the period.

The US yield curve returned to 'normal' over the period with 2-year ending 2019 at 1.56% and the 10-year at 1.91%. German bunds continued to remain firmly negative with the 10-year ending 2019 at -0.19% with 2 and 5-year securities ending at -0.61% and -0.46% respectively.

Credit background: Credit Default Swap (CDS) spreads fell over the quarter. Non-ringfenced bank NatWest Markets plc CDS fell to 50 basis points at the end of December from over 80bp in September, while for the ringfenced entity, National Westminster Bank plc, the spread fell to around 30bp. The other main UK banks, as yet not separated into ringfenced and non-ringfenced from a CDS perspective, traded between 29 and 50bp at the end of the quarter.

Fitch affirmed the UK's AA sovereign rating, removed it from Rating Watch Negative (RWN) and assigned a negative outlook. Fitch then affirmed UK banks' long-term ratings, removed the RWN and assigned a stable outlook. Standard & Poor's also affirmed the UK sovereign AA rating and revised the outlook to stable from negative.

Moody's revised HSBC Bank's outlook to negative from stable as it expects restructuring costs to negatively impact net income over the next year or two.

The Bank of England announced its latest stress tests results for the main seven UK banking groups. All seven passed on both a common equity Tier 1 (CET1) ratio and a leverage ratio basis. Under the test scenario the banks' aggregate level of CET1 capital would remain twice their level before the 2008 financial crisis.

APPENDIX 6

Interest & Capital Financing Costs – Budget Monitoring 2019/20

April 2019 to March 2020	YEAR END POSITION			ADV/FAV
	Budgeted Spend or (Income) £'000	Forecast Spend or (Income) £'000	Forecast over or (under) spend £'000	
Interest & Capital Financing				
- Debt Costs	9,106	7,290	(1,816)	FAV
- Internal Repayment of Loan Charges	(11,271)	(9,492)	1,779	ADV
- Ex Avon Debt Costs	1,100	1,100	0	
- Minimum Revenue Provision (MRP)	8,403	6,145	(2,258)	FAV
- Interest on Balances	(620)	(720)	(100)	FAV
Total	**6,718**	**4,323**	**(2,395)**	**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.

APPENDIX 8

Extract from Treasury Management Risk Register – Top 5 Market Risks

			Current Risk Score										
			Likelihood					Impact					
	Risk Nr	Description	1	2	3	4	5	1	2	3	4	5	Management Action
			L		M	H		L		M	H		
1	R01	Liquidity Risk - The risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the organisation's business/service objectives will be thereby compromised.		2						3			Obtain approval of annual Treasury Management Strategy by February Council. Carry out weekly reviews of investment portfolio and planned actions. Carry out monthly 'dashboard' meeting with DD Finance. Consider short and medium term cash balances and cashflows following recent debt repayment to inform any short - medium term borrowing requirement.
2	R02	Interest Rate Risk - The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately		2					2				Monitor interest rates on a monthly basis and compare with budget to determine impact on Council finances and report through Monthly Finance Dashboard. Report implication of interest rate changes to Cabinet Member for Resources as part of quarterly Treasury Management Performance Report. Explore alternative potential investment products following new freedoms - including corporate bonds, gilts, Certificate of Deposits etc.
3	R03	Exchange Rate Risk - The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.	1						2				Treasury Management Policies clearly record the need to eliminate currency exchange rate risks .
4	R04	Inflation Risk - The risk that prevailing levels of inflation cause an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.		2					2				Liaise with S151 Officer to ensure Inflation both current and projected forms part of the medium term financial planning framework.
5	R05	Credit and Counterparty Risk - The risk of failure by a third party to meet its contractual obligations to the organisation under an investment, borrowing, capital, project or partnership financing, particularly as a result of the third party's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources.			3						4		Complete annual review of Counterparty List with external advisors to feed into Treasury Management Strategy. Regular review of counterparty financial standing through use of credit ratings, credit default swap rates and national press coverage and liaison with S151 Officer and external advisors to consider any issues / change in circumstances of counterparties.

Bath & North East Somerset Council		
MEETING:	**Cabinet**	
MEETING DATE:	**13th February 2020**	EXECUTIVE FORWARD PLAN REFERENCE: E 3162
TITLE:	**Treasury Management Strategy Statement 2020/21**	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: **Appendix 1** - Treasury Management Strategy 2020/21 **Appendix 2** –Authorised Lending List		

1 THE ISSUE

1.1 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

1.2 Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.

1.3 Investments held for service purposes or for commercial profit are considered in the Capital and Investment Strategy within the Budget Report which is also included on this meeting's agenda.

2 RECOMMENDATIONS

The Cabinet agrees to;

2.1 Recommend the actions proposed within the Treasury Management Strategy Statement (**Appendix 1**) to February Council.

The Cabinet is also asked to:

2.2 Note the Treasury Management Indicators detailed in **Appendix 1** and delegate authority for updating the indicators prior to approval at Full Council on 25th February 2020 to the Chief Finance Officer and Cabinet Member for Resources, in light of any changes to the recommended budget as set out in the Budget Report elsewhere on the agenda for this meeting.

2.3 Note that any comments made by the Corporate Audit Committee at their meeting on the 6th February 2020 will be reported to Full Council on the 25th February 2020.

3 THE REPORT

Background

3.1 The Local Government Act 2003 requires the Council to 'have regard to' the Prudential Code and to set Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

3.2 The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare a Treasury Management Strategy; this sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

3.3 The suggested strategy for 2020/21 in respect of the following aspects of the treasury management function is based on the Treasury Officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisor, Arlingclose.

The strategy covers:

•	Treasury limits in force which will limit the treasury risk and activities of the Council;
•	Treasury Management Indicators;
•	The current treasury position;
•	The borrowing requirement;
•	Prospects for interest rates;
•	The borrowing strategy;
•	The investment strategy.

3.4 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code). This requires the Treasury Management Strategy and policies to be scrutinised by an individual / group of individuals or committee, and the Corporate Audit Committee have been nominated by Council to carry out this function, and the report was on the agenda for the 6th February 2020 meeting.

2020/21 Treasury Management Strategy Statement

3.5 The Strategy Statement for 2019/20 set Treasury Indicators for 2019/20 – 2021/22, which included a forecast for total borrowing requirement at the end of 2019/20 of £402 million. At the end of December 2019, actual external borrowing was at £233.3 million, which may increase before the end of the 2019/20 financial year should a review of the Council's cashflow and capital investment decisions highlight additional borrowing is required. The level of borrowing is in line with the policy of utilising internal cash to reduce net borrowing costs and investment counterparty risk.

3.6 The proposed Treasury Management Strategy is attached as **Appendix 1** and includes the Treasury Management Indicators required by the Treasury Management Code.

3.7 Although the indicators provide for a maximum level of total borrowing, this should by no means be taken as a recommended level of borrowing as each year affordability needs to be taken into account together with other changes in circumstances, for example revenue pressures, levels and timing of capital receipts, changes to capital projects spend profiles, and levels of internal cash balances.

3.8 The Budget Report, which is also on the agenda, includes appropriate provision for the revenue costs of the capital programme in accordance with this Treasury Management Strategy.

3.9 **Appendix 1** also details the Council's current portfolio position as at 31st December 2019, which shows after the netting off of the £60.7 million investments, the Council's net debt position was £172.6 million.

3.10 The Treasury Investment Strategy section of **Appendix 1** sets 'outer limits' for treasury management operations. While the strategy uses credit ratings in a "mechanistic" way to rule out counterparties, in operating within the policy, officers complement this with the use of other financial information when making investment decisions, for example Credit Default Swap (CDS) prices, Individual Ratings, and the financial press. This has been the case in previous years, which has protected the Council against losses of investment, for example in Icelandic banks.

3.11 The Counterparty listing in **Appendix 2** includes credit ratings from three agencies, as well as a sovereign rating for each country. Counterparties who now meet the minimum criteria as recommended in **Appendix 1** as at 31st December 2019 are included in the listing in **Appendix 2**.

3.12 The Council has met the conditions to opt up to MiFID II professional status and intends for this to continue in 2020/21 in order to continue to have access to products including money market funds, pooled funds, treasury bills, bonds, shares and to continue to receive the same level of support from our treasury management advisors.

4 STATUTORY CONSIDERATIONS

4.1 This report is a statutory requirement.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 The resource implications are included in 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 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 & Borrowing advice is provided by our Treasury Management consultants Arlingclose.

6.3 The 2017 edition of 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 The Council will continue to review its investments to minimise direct investment in fossil fuel related companies.

8 OTHER OPTIONS CONSIDERED

8.1 The Chief Financial Officer, having consulted the Cabinet Member for Resources, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are the table below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times.	Interest income will be lower.	Lower chance of losses from credit related defaults, but any such losses may be greater.
Invest in a wider range of counterparties and/or for longer times.	Interest income will be higher.	Increased risk of losses from credit related defaults, but any such losses may be smaller.
Borrow additional sums at long-term fixed interest rates.	Debt interest costs will rise; this is unlikely to be offset by higher investment income.	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain.

Borrow short-term or variable loans instead of long-term fixed rates.	Debt interest costs will initially be lower.	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain.
Reduce level of borrowing.	Saving on debt interest is likely to exceed lost investment income.	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain.

9 CONSULTATION

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

9.2 Consultation was carried out via e-mail.

Contact person	*Donna Parham- 01225 477468; Jamie Whittard - 01225 477213* *Donna_Parham@bathnes.gov.uk ; Jamie_Whittard@bathnes.gov.uk*
Background papers	*2019/20 Treasury Management & Investment Strategy*
Please contact the report author if you need to access this report in an alternative format	

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APPENDIX 1

TREASURY MANAGEMENT STRATEGY STATEMENT – 2020/21

1. Introduction

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.

In accordance with the CLG Guidance, the Council will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Other than code changes, other circumstances would include, for example, a large unexpected change in interest rates, or in the Authority's capital programme or in the level of its investment balance.

2. External Context & Prospects for Interest Rates (Arlingclose Ltd)

2.1 Economic background:

The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority's treasury management strategy for 2020/21. The General Election has removed some uncertainty within the market, however following the expected Withdrawal Bill, uncertainties around the future trading relationship with the EU remain.

GDP growth rose by 0.4% in the third quarter of 2019 from -0.2% in the previous three months with the annual rate falling further below its trend rate to 1.1% from 1.2%. Services, construction and production added positively to growth, by 0.5%, 1.2% and 0.1% respectively, while agriculture recorded a fall of 0.1%. Looking ahead, the Bank of England's Monetary Policy Report (formerly the Quarterly Inflation Report) forecasts economic growth to pick up during 2020 as Brexit-related uncertainties dissipate and provide a boost to business investment helping GDP reach 1.6% in Q4 2020, 1.8% in Q4 2021 and 2.1% in Q4 2022.

The headline rate of UK Consumer Price Inflation remained the same in November 2019 at 1.5% year-on-year, the same as October 2019, however continuing to fall from highs of 2.1% in July and April 2019 as accommodation services and transport continued to contribute to a level of inflation below the BOE target of 2%. Labour market data continues to be positive. The ILO unemployment rate continues to hold at historic

lows at 3.8%, its lowest level since 1975. The 3-month average annual growth rate for pay excluding bonuses rose to 3.5% in November 2019 providing some evidence that a shortage of labour is supporting wages. However, adjusting for inflation this means real wages were only up by 1.8% in November 2019 and only likely to have a moderate impact on household spending.

Domestic inflationary pressures have abated, as domestic gas and electricity price freezes have taken effect until 2020. The price of oil has fallen through the year, despite a rise in prices in December 2019. The limited inflationary pressure from real wages will likely keep inflation below the Bank of England target of 2%. The Bank of England maintained Bank Rate to 0.75% in November following a 7-2 vote by the Monetary Policy Committee. Despite keeping rates on hold, MPC members did confirm that if Brexit uncertainty drags on or global growth fails to recover, they are prepared to cut interest rates as required. Moreover, the downward revisions to some of the growth projections in the Monetary Policy Report suggest the Committee may now be less convinced of the need to increase rates even if there is a Brexit deal.

The US economy has continued to perform relatively well compared to other developed nations; however, the Federal Reserve has started to unwind its monetary tightening through 2019. The Federal Reserve has cut rates three times to 1.5% - 1.75%, to stimulate growth as GDP growth has started to fall (to 2.1%).

The fallout from the US-China trade war continues which risks contributing to a slowdown in global economic activity in 2020. Recent suggestions have been an initial compromise and potential unwinding of tariffs; however the situation is uncertain. Slow growth in Europe, combined with changes in leadership at the ECB and IMF has led to a change of stance in 2019 moving away from tightening monetary policy towards loosening as such, quantitative easing has continued and been extended.

Arlingclose believes that central bank actions and geopolitical risks will continue to produce significant volatility in financial markets, including bond markets.

2.2 Credit outlook

The recent Bank of England stress tests assessed all seven UK banking groups. The tests scenarios include deep simultaneous recessions in the UK and global economies that are more severe overall than the global financial crisis, combined with large falls in asset prices and a separate stress of misconduct costs. All seven banks passed the test on both a CET1 ratio and a leverage ratio basis. Major banks have steadily increased their capital for many years now. However, there are a number of shortcomings in the Bank's approach; timeliness as the results are over 11 months of out date when they are published, being based on end-2018 balance sheets; ringfencing, as the tests ignore the restrictions on transferring capital between ringfenced "retail" banks and non-ringfenced "investment" banks within the larger groups and; coverage – the tests should be expanded to cover a wider range of UK banks and building societies.

The Bank of England will seek to address some of these issues in 2020, when Virgin Money/Clydesdale will be added to the testing group and separate tests will be included of ringfenced banks.

Challenger banks hit the news headlines in 2019 with Metro Bank and TSB Bank both suffering adverse publicity and falling customer numbers.

Looking forward, the potential for a “no-deal” Brexit and/or a global recession remain the major risks facing banks and building societies in 2020/21 and a cautious approach to bank deposits remains advisable.

2.3 Interest rate forecast

The Authority’s treasury management adviser Arlingclose is forecasting that Bank Rate will remain at 0.75% until the end of 2022. The risks to this forecast are deemed to be significantly weighted to the downside, given the need for greater clarity on Brexit and the continuing global economic slowdown. The Bank of England, having previously indicated interest rates may need to rise if a Brexit agreement was reached, stated in its November Monetary Policy Report and its Bank Rate decision (7-2 vote to hold rates) that the MPC now believe this is less likely even in the event of a deal.

Gilt yields have risen but remain at low levels and only some very modest upward movement from current levels are expected based on Arlingclose’s interest rate projections. The central case is for 10-year and 20-year gilt yields to rise to around 1.00% and 1.40% respectively over the time horizon, with broadly balanced risks to both the upside and downside. However, short-term volatility arising from both economic and political events over the period is a near certainty.

The Council has budgeted for treasury management investment interest rates to be at an average rate of 1.10% for 2020/21 & beyond, reflecting the majority of planned investment will be short-term.

2.3.1 Arlingclose Interest Rate Forecasts – as at December 2019

	Bank Rate	3 month LIBID	12 month LIBID	5-year gilt yield	20-year gilt yield	50-year gilt yield
Q1 2020	0.75	0.75	0.85	0.50	1.20	1.20
Q2 2020	0.75	0.75	0.85	0.50	1.25	1.25
Q3 2020	0.75	0.75	0.85	0.55	1.25	1.25
Q4 2020	0.75	0.75	0.85	0.60	1.25	1.25
Q1 2021	0.75	0.75	0.85	0.60	1.30	1.30
Q2 2021	0.75	0.75	0.85	0.60	1.30	1.30
Q3 2021	0.75	0.75	0.85	0.60	1.30	1.30
Q4 2021	0.75	0.75	0.85	0.60	1.35	1.35
Q1 2022	0.75	0.75	0.85	0.60	1.35	1.35
Q2 2022	0.75	0.75	0.85	0.60	1.35	1.35
Q3 2022	0.75	0.75	0.85	0.60	1.40	1.40
Q4 2022	0.75	0.75	0.85	0.60	1.40	1.40

The Council can currently borrow from the PWLB at 1.80% above gilt yields

3. Local Context

Current Portfolio Position

The Council's treasury portfolio position at 31st December 2019 comprised:

	Principal	Ave. rate
	£m	%
External Borrowing		
Fixed rate funding – PWLB	203.3	2.98
Fixed rate funding – LA's	10.0	1.57
Variable rate funding – LOBOs *	20.0	4.50*
Other long term liabilities	Nil	N/A
TOTAL GROSS EXTERNAL DEBT	**233.3**	**2.97%**
Investments		
Short Term Investments	55.7	
Long Term Investments	5	
TOTAL INVESTMENTS**	**60.7**	**1.05%**
NET DEBT	**172.6**	

* These market loans are 'Lenders Options, Borrow Options' or LOBO's. They were taken out on October 2004 and April 2005 and were fixed at a relatively low rate of interest for an initial period and are now payable at 4.5%. The loans are classed as variable, as the lender has the option to change the interest rate at 6 monthly intervals, however if the lender chooses to exercise this option at this point the borrower will also have the option to repay the loan without penalty.

** Total Investments includes Schools' balances, where schools have not opted for an external bank account.

4. Borrowing Strategy

4.1 Current position & approach

As at 31st December 2019, the Council held £233.3 million of long-term loans, and will continue to monitor appropriate opportunities for borrowing in line with the overall Capital Financing Requirement.

The Council's capital financing requirement (CFR, or underlying need to borrow) as at 31st March 2020 is expected to be £341 million, and is forecast to rise to £457 million by March 2021 as capital expenditure is incurred.

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

The maximum expected long-term borrowing requirement for 2020/21 is:

	£m
Not borrowed in previous years	*108*
Forecast increase in CFR	*116*
Loans maturing in 2020/21	*0*
TOTAL	***224***

Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2020/21 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Alternatively, the Authority may arrange forward starting loans during 2020/21, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Authority may borrow short-term loans (normally for up to one month) to cover unexpected cash flow shortages.

4.2 Sources of borrowing

The approved sources of long-term and short-term borrowing will be:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments that meets the investment criteria (this includes other local authorities)
- any other bank or building society approved by the Prudential Regulation Authority to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except the Avon Pension Fund)
- Capital market bond investor
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

The Authority has previously raised the majority of its long-term borrowing from the PWLB but the government increased PWLB rates by 1% in October 2019 making it now a relatively expensive options. The Authority will now consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code.

4.2.1 Municipal Bond Agency

UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be subject to specific approval in accordance with the Council's appropriate delegation.

4.2.2 LOBO's

The Authority holds £20m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS have options during 2020/21, and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so.

4.2.3 Short-term and variable rate loans

These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

4.2.4 Debt Rescheduling

The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Some bank lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall saving or reduction in risk.

5. Investment Strategy

5.1 Current position and approach

The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has ranged between £34.4million and £79.7million, and similar levels are expected to be maintained in the forthcoming year.

The CIPFA Code requires the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative interest rates: If the UK enters into a recession in 2020/21, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Business models: Under the new IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Investment instruments identified for use in the financial year are listed below under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

The strategy of this policy is to set outer limits for treasury management operations. In times of exceptional market uncertainty, Council Officers will operate in a more restrictive manner than the policy allows, as has been the case during recent years.

As a result of the second Markets in Financial Instruments Directive (MiFID II), local authorities will be treated as retail clients but can "opt up" to professional client status, providing that they meet certain criteria which includes having an investment balance of at least £10 million and the persons authorised to make investment decisions on behalf of the Council having at least a year's relevant professional experience. In addition, the regulated financial services firms to whom this directive applies must assess that these persons have the expertise, experience and knowledge to make investment decisions and understand the risks involved.

The Council has met the conditions to opt up to MiFID professional status and intends for this to continue in 2020/21 in order continue to have access to products including money market funds, pooled funds, treasury bills, bonds, shares and to continue to receive the same level of support from our treasury management advisors.

Avon Pension Fund Investments

The Council's Treasury Management team also manage the Avon Pension Fund's internally held cash on behalf of the Fund. The cash balance held internally is a working balance to cover pension payments at any point in time and it is estimated will be an average of £25 million, being around 0.5% of the overall assets of the Fund. The regulations require that this cash is accounted for separately and invested separately from the Council's cash.

Investments held will operate within the framework of this Investment Strategy, but the maximum counterparty limit and investment term with any counterparty are set annually by the Avon Pension Fund Committee. These limits are in addition to the Council's limits for counterparties as set out in Appendix 3.

The Fund's investment managers, are responsible for the investment of cash held within their portfolios and this policy does not relate to their cash investments. The Brunel Pension Partnership does not have any direct impact on the Council's treasury management activities.

5.2 Risk Assessments & Credit Ratings

The Council uses long-term credit ratings from the three main rating agencies Fitch Ratings Ltd, Moody's Investors Service Inc and Standard & Poor's Financial Services LLC to assess the risk of investment default. The lowest available credit rating will be used to determine credit quality, unless an investment-specific rating is available.

Long-term ratings are expressed on a scale from AAA (the highest quality) through to D (indicating default). Ratings of BBB- and above are described as investment grade, while ratings of BB+ and below are described as speculative grade. The Council's credit rating criteria are set to ensure that it is unlikely that the Council will hold speculative grade investments, despite the possibility of repeated downgrades.

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that an BBB+ rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the

review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

If further counterparties are identified during the year that meet the minimum credit rating criteria and conform to the other criteria set out in the Treasury Management Practice Schedules, they can be added to the lending list following the agreement of the Chief Financial Officer.

The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

5.3 Foreign countries

Investments in foreign countries will be limited to those that hold a AAA or AA+ sovereign credit rating from all three major credit rating agencies, and to a maximum of £15m per country for those rated AAA and £10 million per country for those rated AA+. There is no limit on investments in the UK, irrespective of the sovereign credit rating.

Sovereign credit rating criteria and foreign country limits will not apply to investments in multilateral development banks (e.g. the European Investment Bank and the World Bank) or other supranational organisations (e.g. the European Union).

Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

5.4 Approved Investment Counterparties

The majority of the Council's investments will be made for relatively short periods and in higher credit rated investments, giving priority to security and liquidity ahead of yield. However, where the Council has identified a core cash balance that is not required for any cash outflows in the short term, these funds will be considered suitable for a wider range of investments, with a greater focus on achieving a level of investment income

that can support Council services. These may include long-term investments with registered providers of social housing, small businesses or corporate bond funds where an enhanced return is paid to cover the additional risks presented. Standard risk mitigation techniques, such as wide diversification and external credit assessments, will be employed, and no such investment will be made without a specific recommendation from the Council's treasury management adviser.

The Council may invest its surplus funds with any of the counterparties in the following table, subject to the cash and time limits shown:

Credit Rating	Banks and Building Society Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Central Govt.	N/A	N/A	£unlimited 50 Years	N/A	N/A
AAA	£10m 5 Years	£15m 20 Years	£15m 50 Years	£10m 20 Years	£5m 20 Years
AA+	£10m 5 Years	£15m 10 Years	£10m 25 Years	£5m 10 Years	£5m 10 Years
AA	£10m 4 Years	£15m 5 Years	£10m 15Years	£5m 5 Years	£5m 10 Years
AA-	£10m 3 Years	£15m 4 Years	£10m 10 Years	£5m 4 Years	£5m 10 Years
A+	£10m 2 Years	£15m 3 Years	£10m 5 Years	£5m 3 Years	£5m 5 Years
A	£10m 13 Month	£10m 2 Years	£10m 5 Years	£5m 2 Years	£5m 5 Years
A-	£10m 6 Months	£10m 13 months	£10m 5 Years	£5m 13 Months	£5m 5 Years
BBB+	£5m 3 Months	£10m 6 Months	£10m 2 Years	£3m 6 months	£3m 2 Years
BBB	£5m Overnight	£5m 3 Months	N/A	N/A	N/A
None*	£1m 6 Months	N/A	£10m 25 Years	£50,000 5 Year	£3m 5 Years
Money Markey Funds	£10m per Fund and an overall total of £50m invested in Money Market Funds				
Pooled Funds	£10m Per Fund**				

* This category is included in order to allow the council to invest with local authorities and housing associations which are unlikely to have external ratings.
** Amount refers to the principal invested (excluding any market valuation changes)

Credit rating

Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Current Bank Account

The Council's current accounts are held with National Westminster Bank plc (NatWest), which has seen its credit rating improve from BBB+ to A over the last 2 years. The Council will treat NatWest as "high credit quality" for the purpose of making investments that can be withdrawn on the next working day, subject to the bank maintaining a credit rating no lower than BBB-.

Banks Unsecured

Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

Banks Secured

Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government

Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates

Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent.

Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely. They will however only be made following a favourable external credit assessment and on the specific advice of the Council's treasury management adviser.

Registered Providers
Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and register social landlords, formerly known as Housing Associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Pooled Funds & Other Organisations
In addition, the Council may invest with organisations and pooled funds without credit ratings, following an external credit assessment and advice from the Authority's treasury management adviser.

Pooled Funds
Shares or units in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Other Organisations
The Council may also invest cash with other organisations, for example by making loans to small businesses. Because of the higher perceived risk of unrated businesses, such investments may provide considerably higher rates of return. They will however only be made following a favourable external credit assessment and on the specific advice of the Council's treasury management adviser.

5.5 Investment limits

To limit risk from any a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £15 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Investment Category	Cash limit
Any single organisation, except the UK Central Government	£15m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£15m per group
Any group of pooled funds under the same management	£15m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£15m per country rated AAA £10m per Country rated AA+
Registered providers and registered social landlords	£5m in total
Unsecured investments with building societies	£15m in total
Loans to unrated corporates	£50k in total
Money market funds	£50m in total

5.6 Specified Investments

Specified investments are those expected to offer relatively high security and liquidity, and can be entered into with the minimum of formalities. The CLG Guidance defines specified investments as those:

- denominated in pounds sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
    - the UK Government,
    - a UK local authority, parish council or community council, or
    - a body or investment scheme of "high credit quality".

The Council defines "high credit quality" organisations as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of A- or higher.

5.7 Liquidity management

The Council regularly reviews and updates its cash flow forecasts to determine the maximum period for which funds may prudently be committed.
Limits on long-term investments are set by reference to the Council's medium term financial plan, levels of reserves and cash flow forecast.

5.8 Planned investment strategy for 2020/21

Investments are made in three broad categories:

- Short-term – cash required to meet known cash outflows in the next month, plus a contingency to cover unexpected cash flows over the same period.
- Medium-term – cash required to manage the annual seasonal cash flow cycle, including amounts to cover forecast shortages, planned uses of reserves, and a longer-term contingency.
- Long-term – cash not required to meet cash flows, and used primarily to generate investment income.

Short-term funds are required to meet cash flows occurring in the next month or so, and the preservation of capital and liquidity is therefore of paramount importance. Generating investment returns is of limited concern here, although it should not be ignored. Bank deposit accounts and Money Market Funds will be the main methods used to manage short-term cash.

Medium-term funds which may be required in the next one to twelve months will be managed concentrating on security, with less importance attached to liquidity but a slightly higher emphasis on yield. The majority of investments in this period will be in the form of fixed term deposits with banks and building societies. Preference will continue to be given to investments with UK banks with approved credit ratings.

Cash that is not required to meet any liquidity need can be invested for the longer term with a greater emphasis on achieving returns that will support spending on local Council services. Decisions on making longer term investments (i.e. over 1 year) will be considered during the year after taking account of the interest rate yield curve, levels of core cash and the amount of temporary internal borrowing related to funding of capital spend. A wider range of instruments, including structured deposits, certificates of deposit, gilts and corporate bonds may be used to diversify the portfolio. The use of external fund managers that have the skills and resources to manage the risks inherent in a portfolio of long-term investments may be considered.

The continuing low level of short-term interest rates will mean the on-going use of internal cash resources to minimise the new borrowing. This approach will be regularly reviewed in light of market conditions and the wider economic outlook.

6. Treasury Management Indicators 2020/20 – 2022/23

The Council measures and manages its exposures to treasury management risks using the following indicators. The council is asked to approve the following indicators:

6.1 Interest rate exposures

This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as an amount of net principal borrowed will be:

	2021/22
Upper limit on fixed interest rate exposures	£427m
Upper limit on variable interest rate exposures	£214m

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

6.2 Investments

6.2.1 Security: Average credit rating

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment Unrated investments are assigned a score based on their perceived risk.

	2020/21
Minimum Portfolio average credit rating	A-

6.2.2 Principal sums invested for longer than 1 year

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. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	2020/21	2021/22	2022/23
Limit on proportion of principal invested for longer than 1 year	£50m	£50m	£50m

6.3 Borrowing

6.3.1 Treasury Borrowing Limits for 2020/21 to 2022/23

It is a statutory duty under s.3 of the Local Government Act 2003, and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. This amount is termed the 'Affordable Borrowing Limit'.

The Council must have regard to the Prudential Code when setting the Affordable Borrowing Limit. The Code requires an authority to ensure that its total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax levels is 'acceptable'.

The Affordable Borrowing Limit must include all planned capital investment to be financed by external borrowing and any other forms of liability, such as credit arrangements. The Affordable Borrowing Limit is to be set on a rolling basis for the forthcoming year and two successive financial years.

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

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. This level also factors in the proposed approach to use internal cash-flow and future capital receipts as the preferred financing method for the capital programme.

	2020/21	**2021/22**	**2022/23**
Operational boundary – borrowing	**£427m**	**£434m**	**£432m**
Operational boundary – other long-term liabilities	**£4m**	**£4m**	**£4m**
Operational boundary – TOTAL	**£431m**	**£438m**	**£436m**
Authorised limit – borrowing	**£457m**	**£465m**	**£461m**
Authorised limit – other long-term liabilities	**£4m**	**£4m**	**£4m**
Authorised limit – TOTAL	**£461m**	**£469m**	**£465m**

6.3.2 Maturity structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

	Upper	**Lower**
Under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within five years	75%	0%
Five years and within 10 years	100%	0%
10 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

7. Related CIPFA requirements

7.1 Derivatives policy

The CIPFA Code requires the Authority to include the following in its treasury management strategy.

Policy on use of Financial Derivatives
Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications. This would also be discussed at Corporate Audit Committee prior to consideration being entered into.

7.2 Review Reports

The revised CIPFA Code of Practice requires that both mid year and annual review reports on treasury activities are reported to Full Council.

8. GLG Investment Guidance disclosures

The CLG Investment Guidance also requires the Council to note the following matters each year as part of the investment strategy:

8.1 Treasury management advisers

The Council's has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues, although responsibility for final decision making remains with the Council and its officers. The services received include:

- advice and guidance on relevant policies, strategies and reports,
- advice on investment decisions,
- notification of credit ratings and changes,
- other information on credit quality,
- advice on debt management decisions,
- accounting advice,
- reports on treasury performance,
- forecasts of interest rates, and
- training courses.

The quality of this service is monitored by officers on a regular basis, focusing on supply of relevant, accurate and timely information across the headings above.

8.2 Investment training

The needs of the Council's treasury management staff for training in investment management are assessed every year as part of the staff performance development review process, and additionally when the responsibilities of individual members of staff change.

Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

8.3 Investment of money borrowed in advance of need

The Council may, from time to time, borrow in advance of spending need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

The total amount borrowed will not exceed the 2020/21 authorised borrowing limit of £457 million. The maximum periods between borrowing and expenditure is expected to be two years, although the Council links loans with its budgeted programme, individual items within that programme are not linked to the loans at a granular level.

Appendix 2: Proposed Counterparty List - Unsecured Bank Investments (ratings as at 31/12/2019)

Counterparty	Country of Domicile	Duration	Council limit £(m)	FITCH RATINGS			MOODY'S RATINGS			STANDARD & POOR'S RATINGS			Banking Group
				Short-term	Long-term	Outlook	Short-term	Long-term	Outlook	Short-term	Long-term	Outlook	
UNITED KINGDOM: BANKS													
BANK OF SCOTLAND PLC	GB	2 Years	10	F1	A+	STABLE	P-1	Aa3	NEG	A-1	A+	STABLE	Lloyds Banking Group
LLOYDS BANK PLC	GB	2 Years	10	F1	A+	STABLE	P-1	Aa3	NEG	A-1	A+	STABLE	
BARCLAYS BANK PLC	GB	13 Months	10	F1	A+	STABLE	P-1	A2	POS	A-1	A	STABLE	Barclays Group
BARCLAYS BANK UK PLC	GB	13 Months	10	F1	A+	STABLE	P-1	A1	NEG	A-1	A	STABLE	
CLOSE BROTHERS LTD	GB	13 Months	10	F1	A	STABLE	P-1	Aa3	NEG				
GOLDMAN SACHS INT'L BANK	GB	13 Months	10	F1	A	STABLE	P-1	A1	STABLE	A-1	A+	STABLE	
HANDELSBANKEN PLC	GB	3 Years	10	F1+	AA	STABLE				A-1+	AA-	STABLE	
HSBC BANK PLC	GB	2 Years	10	F1+	A+	STABLE	P-1	Aa3	NEG	A-1+	AA-	NEG	HSBC Group
HSBC UK BANK PLC	GB	2 Years	10	F1+	A+	STABLE	P-1	Aa3	NEG	A-1+	AA-	NEG	
NATIONAL WESTMINSTER BANK	GB	13 Months	10	F1	A+	STABLE	P-1	A1	POS	A-1	A	STABLE	RBS Group
ROYAL BANK OF SCOTLAND PLC/T	GB	13 Months	10	F1	A+	STABLE	(P)P-1	A1	POS	A-1	A	STABLE	
ULSTER BANK LIMITED	GB	13 Months	10	F1	A+	STABLE	P-1	A1	POS	A-1	A	STABLE	
SANTANDER UK PLC	GB	13 Months	10	F1	A+	STABLE	P-1	Aa3	NEG	A-1	A	STABLE	
STANDARD CHARTERED BANK	GB	13 Months	10	F1	A+	STABLE	P-1	A1	STABLE	A-1	A	STABLE	
UK: BUILDING SOCIETIES													
COVENTRY BUILDING SOCIETY	GB	6 Months	10	F1	A-	STABLE	P-1	A2	NEG				
LEEDS BUILDING SOCIETY	GB	6 Months	10	F1	A-	STABLE	P-2	A3	NEG				
NATIONWIDE BUILDING SOCIETY	GB	13 Months	10	F1	A+	STABLE	P-1	Aa3	NEG	A-1	A	POS	
AUSTRALIA	AU			F1+	AAA	STABLE		Aaa	STABLE	A-1+u	AAAu	STABLE	
AUST AND NZ BANKING GROUP	AU	3 Years	10	F1+	AA-	NEG	P-1	Aa3	STABLE	A-1+	AA-	STABLE	
COMMONWEALTH BANK OF AUSTRAL	AU	3 Years	10	F1+	AA-	NEG	P-1	Aa3	STABLE	A-1+	AA-	STABLE	
NATIONAL AUSTRALIA BANK LTD	AU	3 Years	10	F1+	AA-	NEG	P-1	Aa3	STABLE	A-1+	AA-	STABLE	
NEW SOUTH WALES TREASURY COR	AU	5 Years	10				P-1	Aaa	STABLE	A-1+	AAA	STABLE	
WESTPAC BANKING CORP	AU	3 Years	10	F1+	AA-	NEG	P-1	Aa3	STABLE	A-1+	AA-	STABLE	
AUSTRIA	AS			F1+	AA+	POS	P-1	Aa1	STABLE	A-1+	AA+	STABLE	
OESTERREICHISCHE KONTROLLBAN	AS	5 Years	10				P-1	Aa1	STABLE	A-1+	AA+	STABLE	
CANADA	CA			F1+	AAA	STABLE		Aaa	STABLE	A-1+	AAA	STABLE	
BANK OF MONTREAL	CA	2 Years	10	F1+	AA-	STABLE	P-1	Aa2	STABLE	A-1	A+	STABLE	
BANK OF NOVA SCOTIA	CA	2 Years	10	F1+	AA-	STABLE	P-1	Aa2	STABLE	A-1	A+	STABLE	
CAN IMPERIAL BK OF COMMERCE	CA	2 Years	10	F1+	AA-	STABLE	P-1	Aa2	STABLE	A-1	A+	STABLE	
EXPORT DEVELOPMENT CANADA	CA	5 Years	10				P-1	Aaa	STABLE	A-1+	AAA	STABLE	
ROYAL BANK OF CANADA	CA	3 Years	10	F1+	AA	STABLE	P-1	Aa2	STABLE	A-1+	AA-	STABLE	
TORONTO-DOMINION BANK	CA	3 Years	10	F1+	AA-	STABLE	P-1	Aa1	STABLE	A-1+	AA-	STABLE	
DENMARK	DE			F1+	AAA	STABLE	P-1	Aaa	STABLE	A-1+u	AAAu	STABLE	
KOMMUNEKREDIT	DE	5 Years	10				P-1	Aaa	STABLE	A-1+	AAA	STABLE	
FINLAND	FI			F1+	AA+	POS	P-1	Aa1	STABLE	A-1+	AA+	STABLE	
MUNICIPALITY FINANCE PLC	FI	5 Years	10					Aa1	STABLE	A-1+	AA+	STABLE	
NORDEA BANK ABP	FI	3 Years	10	F1+	AA-	NEG	P-1	Aa3	STABLE	A-1+	AA-	STABLE	
OP CORPORATE BANK PLC	FI	3 Years	10				P-1	Aa3	STABLE	A-1+	AA-	STABLE	

Appendix 2: Proposed Counterparty List - Unsecured Bank Investments (ratings as at 31/12/2019)

GERMANY	GE			F1+	AAA	STABLE		Aaa	STABLE	A-1+u	AAAu	STABLE	
BAYERISCHE LANDESBANK	GE	6 months	10	F1	A-	STABLE	P-1	Aa3	STABLE	NR	NR		
DEUTSCHE BAHN FINANCE GMBH	GE	4 Years	10		AA		P-1	Aa1	NEG				
DZ BANK AG DEUTSCHE ZENTRAL-	GE	3 Years	10	F1+	AA-	STABLE	P-1	Aa1	NEG	A-1+	AA-	NEG	
FMS WERTMANAGEMENT	GE	5 Years	10				P-1	Aaa	STABLE	A-1+	AAA	STABLE	
KREDITANSTALT FUER WIEDERAUFBRAU (KFW)	GE	5 Years	10	F1+	AAA	STABLE	P-1		STABLE	A-1+	AAA	STABLE	
LANDESBANK HESSEN-THURINGEN	GE	13 Months	10	F1+	AA-	STABLE	P-1	Aa3	STABLE	A-1	A	STABLE	
LANDESKRED BADEN-WUERTT FOER	GE	5 Years	10	F1+	AAA	STABLE	P-1	Aaa	STABLE	A-1+	AAA	STABLE	
LANDESBANK BADEN-WUERTTEMBER	GE	6 Months	10	F1	A-	STABLE	P-1	Aa3	STABLE	NR	NR		
LANDWIRTSCHAFTLICHE RENTENBA	GE	5 Years	10	F1+	AAA	STABLE	P-1	Aaa	STABLE	A-1+	AAA	STABLE	
LAND SACHSEN-ANHALT	GE	5 Years	10	F1+	AAA	STABLE	P-1	Aa1	STABLE	A-1+	AA+	NEG	
NETHERLANDS	NE			F1+	AAA	STABLE	P-1u	Aaa	STABLE	A-1+u	AAAu	STABLE	
BNG BANK NV	NE	5 Years	10	F1+	AAA	STABLE	P-1	Aaa	STABLE	A-1+	AAA	STABLE	
COOPERATIEVE RABOBANK UA	NE	2 Years	10	F1+	AA-	NEG	P-1	Aa3	STABLE	A-1	A+	STABLE	
NEDERLANDSE WATERSCHAPSBANK	NE	5 Years	10				P-1	Aaa	STABLE	A-1+	AAA	STABLE	
NORWAY	NO			F1+	AAA	STABLE		Aaa	STABLE	A-1+	AAA	STABLE	
KOMMUNALBANKEN AS	NO	5 Years	10				P-1	Aaa	STABLE	A-1+	AAA	STABLE	
SINGAPORE	SI			F1+	AAA	STABLE		Aaa	STABLE	A-1+u	AAAu	STABLE	
DBS BANK LTD	SI	3 Years	10	F1+	AA-	STABLE	P-1	Aa1	STABLE	A-1+	AA-	STABLE	
OVERSEA-CHINESE BANKING CORP	SI	3 Years	10	F1+	AA-	STABLE	P-1	Aa1	STABLE	A-1+	AA-	STABLE	
TEMASEK FINANCIAL I LTD	SI	5 Years	10					Aaa	STABLE		AAA		
UNITED OVERSEAS BANK LTD	SI	3 Years	10	F1+	AA-	STABLE	P-1	Aa1	STABLE	A-1+	AA-	STABLE	
SWEDEN	SW			F1+	AAA	STABLE	P-1	Aaa	STABLE	A-1+u	AAAu	STABLE	
KOMMUNINVEST I SVERIGE	SW	5 Years	10				P-1	Aaa	STABLE	A-1+	AAA	STABLE	
SVENSK EXPORTKREDIT AB	SW	5 Years	10				P-1	Aa1	STABLE	A-1+	AA+	STABLE	
UNITED STATES OF AMERICA	US			F1+	AAA	STABLE		Aaa	STABLE	A-1+u	AA+u	STABLE	
SUPRANATIONAL													
COUNCIL OF EUROPE DEVELOPMENT BANK (CEDB)	FR	5 Years	10	F1+	AA+	POS	P-1	Aa1	STABLE	A-1+	AAA	STABLE	
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)	GB	5 Years	10	F1+	AAA	STABLE	P-1	Aaa	STABLE	A-1+	AAA	STABLE	
EUROPEAN COAL & STEEL COMMUN	BE	5 Years	10					Aaa	STABLE		AAA	STABLE	
EUROPEAN INVESTMENT BANK (EIB)	LX	5 Years	10	F1+	AAA	STABLE	P-1	Aaa	STABLE	A-1+	AAA	STABLE	
INTER-AMERICAN DEVELOPMENT BANK (IADB)	US	5 Years	10	F1+	AAA	STABLE	(P)P-1	Aaa	STABLE	A-1+	AAA	STABLE	
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (THE	US	5 Years	10	F1+	AAA	STABLE	P-1	Aaa	STABLE	A-1+	AAA	STABLE	World Bank Group
INTERNATIONAL FINANCE CORP	US	5 Years	10				(P)P-1	(P)Aaa	STABLE	A-1+	AAA	STABLE	
NORDIC INVESTMENT BANK (NIB)	FI	5 Years	10				P-1	Aaa	STABLE	A-1+	AAA	STABLE	

Bath & North East Somerset Council		
MEETING	**Cabinet**	
MEETING DATE:	**13 February 2020**	EXECUTIVE FORWARD PLAN REFERENCE: E 3193
TITLE:	**Heritage Services Business Plan 2020-2025**	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Annexe 1: Heritage Services Business Plan 2020-2025 and Financial overview		

1 THE ISSUE

1.1 The report introduces the Heritage Services business plan update ('the Plan') for the five-year period 2020/21 to 2024/25. It sets out the business unit's strategy for delivering savings targets and increasing its financial return to the Council on an ongoing and sustainable basis. The Plan includes strategies for addressing the Climate Emergency as well as for pricing, marketing and investment in conservation, staff development and the quality of the visitor experience to achieve the ambitious targets set out in it, and an analysis of the risk involved.

2 RECOMMENDATIONS

The Cabinet is asked to:

2.1 Approve the Heritage Services Business Plan 2020-2025;

2.2 Confirm that it wishes Heritage Services to continue to work to the business principles agreed by the Council Executive in 2004, as amended;

2.3 Confirm that it wishes to relocate the Fashion Museum with a supporting Collections Centre subject to a satisfactory business case being prepared.

3 THE REPORT

3.1 In September 2004 the then Council Executive decided that Heritage Services should be retained as an in-house service and should operate as a business unit with substantially improved operating arrangements focused upon:

- sustaining and improving the annual profit generated for the Council;
- improving the visitor experience; and
- conserving the historic assets for the benefit of this and future generations.

3.2 Following this approach which was introduced in 2005, annual profit to the Council has grown by 307% in the years from 2005/06 to the 2020/21 proposed budget.

3.3 The approved operating arrangements included the introduction of rolling 5-year profit targets for the Service, to be set by Council and included in the Corporate Financial Plan, with financial performance presented in fully inclusive accounts outside normal local authority conventions. The Executive also approved the convening of an informal Advisory Board to validate the business case for the investment proposals.

3.4 This operating model ensures that a holistic approach is taken to decision-making and that all resources required to sustain and generate income flows are fully aligned. As a business unit working to business principles already approved by the Council, Heritage Services absorbs all costs, including those cost increases such as pay increases that are funded corporately for all other Council services.

3.5 The approved operating model has allowed the Service to deliver a long-term programme of development work at the Roman Baths & Pump Room site to conserve the ancient fabric, enhance the visitor experience and protect and develop income streams and the profit returned to the Council from them. All such investment is subject to a detailed annual business case including prudent provision for the costs of borrowing and VAT implications.

3.6 Annual profit is calculated net of all costs, including capital charges, all investment streams (including the maintenance and development of assets) and a full allocation of corporate overhead.

3.7 The Council's Budget Management Scheme provides flexibility for business units to address profit targets on a medium term basis, rather than within individual financial years. The Heritage Services profit reserve that is hypothecated within General Reserves can therefore be used to carry forward surpluses or deficits from year to year in order to achieve the increases in profit required across the five financial years covered by this Plan.

3.8 The Plan summarises how the Service has performed when benchmarked against other leading visitor attractions. Detailed commercially-sensitive information is provided in the exempt appendices which will be available to Cabinet Members upon request. The Plan assesses the risk associated with assumptions on visitor volumes, and sets out a business, pricing and marketing strategy to maximise income earned from the visitor market.

3.9 The Plan addresses the imperative of dealing with the climate emergency declared by the Council in March 2019. Measures already planned will be implemented in the first year (2020/21) and others have been identified and will be initiated as a matter of priority, also in the first year of the Plan. The Plan also details activity which will take place in the first year.

4 STATUTORY CONSIDERATIONS

4.1 **Equalities:** an Equalities Impact Assessment of the Heritage Service Business Plan was undertaken as part of the wider Service equalities impact action plan that looked at all business and non-business activities across the Service.

4.2 **Legislation:** all investment proposals for maintenance and conservation of historic fabric will be subject to consent via a Listed Building application or a Scheduled Ancient Monument application.

4.3 **Safeguarding:** all necessary measures to protect children and vulnerable adults are in place and are routinely reviewed. Staff training on safeguarding issues is provided to all new staff likely to have contact with children and vulnerable adults and refresher training is arranged as necessary. Safeguarding is a standing item at the Service's monthly management team meeting.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 **Finance:** The Plan proposes a budget for 2020/21 that consists of £26M of income, £16.3M of expenditure, resulting in a profit of £9.7M returned to the Council. This is an increase of £1M (13%) on the 2019/20 budget and delivers the increased savings targets proposed in November 2019.

5.2 **Investment:** The Plan proposes £1.8m of revenue investment in 2020/21. This represents a £290k increase on the budgeted figure for 2019/20 and is in line with the projected figure built into the Business Plan 2019-2024 adopted by Council in February 2019. The increase in investment is due to anticipated dilapidations work on the Assembly Rooms ahead of the Council's exit from these premises. The scope and timescale for this work is the subject of ongoing negotiation with the National Trust.

5.3 From within existing resources the Service will invest in a new sustainable Community Engagement Strategy which will retain the existing activity programme but set a new focus on engaging non-traditional and hard-to-reach audiences across Bath and North East Somerset with the Council's unique heritage assets.

5.4 **Property:** 2020/21 will see the completion of the £5m HLF-supported Archway Project in York Street and Swallow Street. The Service will also bring forward proposals to relocate the Fashion Museum to a better location and to create a Collections Centre to house the Museum's 'Designated' collection to retain public access to it for study and learning and enable important objects in it to be prepared for loan to prestigious exhibitions elsewhere (in 2019 over one million people saw Fashion Museum objects at exhibitions in London, New York, Vienna, Bruges and Bendigo, Australia). Even if a new museum is not ready at the termination of the Assembly Rooms' lease in March 2023, appropriate accommodation into which to move the Fashion Museum collections will be essential.

5.5 **People:** Within the Service each team's structure, both front-of-house and back-of-house, has been reviewed to ensure the most efficient and resilient staff arrangements are in the plan for 2012/21. The 2018/19 peer-group benchmarking exercise completed through the Association of Leading Visitor Attractions (ALVA) showed the Roman Baths and Pump Room delivering profit of £145k per employee, the most profitable in the UK. The Service will continue to invest in its

staff to ensure optimum performance in respect of customer satisfaction and financial efficiency and return. Within the Business Plan there is an investment of £60k, in operational staff which delivers a corresponding reduction in maintenance expenditure with contractors, as well as increasing control of service levels and response times for the 363 days per year operation.

5.6 The impact of Brexit on the Service's ability to recruit and retain foreign language speakers to maintain a high standard of visitor welcome will be closely monitored.

6 SERVICE PLAN 2020-21

6.1 The Heritage Services elements of the Economy & Growth Service Plan 2020-21 address the Council's key objectives. In headline form, these are:

6.2 **Address the climate and nature emergency:**

- implement the King's Spring energy capture scheme;
- explore the feasibility of offering incentives to visitors arriving by sustainable travel;
- retain the retail warehouse in a non-city-centre location;
- investigate acquiring an electric van;
- identify additional recycling schemes;
- introduce green champions across the Service.

6.3 **Give people a bigger say:**

- review our customer feedback mechanisms;
- ensure that the Service's Focus Group is consulted on all new initiatives.

6.4 **Deliver for local residents:**

- continue to reduce dependence on coach-borne business to reduce congestion;
- complete the World Heritage Centre and Roman Baths Clore Learning Centre, together the 'Archway Project';
- achieve World Heritage status for Bath as part of the Great Spas of Europe;
- make the business case for relocating the Fashion Museum and creating a Collections Centre for its collection, with the option to include Bath Record Office;
- review the residents' Discovery Card scheme;
- develop a new Community Engagement Strategy.

6.5 **Focus on prevention:**

- plan community activities to promote individuals' well-being through engagement with museum and archive collections;
- train and support mental health first-aiders across the Service.

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.

7.2 The Plan is underpinned by extensive and integrated modelling of all key visitor, income and cost assumptions and is sensitive to normal tolerance on the business model and its assumptions. However there is a risk that the profit targets for 2020-2025 will not be achieved, both due to the sensitivity of planning assumptions and to national and international economic factors. The Robustness of Estimates

statement for the Economy & Growth directorate will include provision for this risk in the financial year 2012/21.

7.3 Significant economic, environmental or geo-political events during 2020/21 could cause a drop in visitor numbers with an adverse impact on income and therefore profit returned to the Council. One of the more significant risks is the uncertainty following Brexit, which has the potential to significantly impact international visitors to the UK. To some extent this risk is mitigated by the value of Sterling which both makes the UK an attractive proposition to visit for international visitors and an expensive place to travel from for domestic visitors, however despite the low value of Sterling there was a significant drop in visitors from France and Germany during 2019. These trends will be closely monitored.

8 CLIMATE CHANGE

8.1 The Service is taking a number of measures to address the climate and nature emergency. Existing plans already in place include:

8.2 Energy capture: replacing defunct energy capture equipment at the Roman Baths installed in 1993 with new state-of-the-art kit, to reduce running costs at the Pump Room / Roman Baths complex and supply energy to the new World Heritage Centre and Clore Learning Centre.

8.3 Coach travel: continue the policy adopted by Cabinet in the 2017-2022 business plan to reduce the Roman Baths' dependence on group business from 32% to 25% over a five year period. The Service's major group travel trade customers already low-emission Euro 6 compliant coaches.

8.4 New measures will include:

8.5 Print to digital: this process has already started with considerable new marketing emphasis switching away from conventional channels to social media. Some printed marketing material is inevitable in the short to medium term for the Service's attractions to remain competitive and, where it is used, the Service ensures that only materials from sustainable sources are used. The Service will investigate how the transition from print to digital can be accelerated on a sustainable basis.

8.6 Retail deliveries: the Service will explore retaining its temporary retail warehouse in its non-city-centre location to eliminate multiple merchandise supplier delivery journeys into central Bath.

8.7 Electric van: in tandem with the item above, the Service will investigate acquiring an electric van to make consolidated retail merchandise deliveries from the warehouse to the Service's museums.

9 OTHER OPTIONS CONSIDERED

9.1 The process of revising and updating the Business Plan has involved consideration of a number of different pricing, marketing and investment options. The financial and business effects of these options were modelled and evaluated. The business strategy in the Plan attached recommends a coherent and integrated series of decisions that are most likely to enable the Service to meet

the targets required of it by the Financial Plan and sustain this level of performance in future years.

9.2 Another option would be for Heritage Services to cease functioning along the business lines of the past thirteen years and return to being a conventional local authority museums and archives service. The absence of investment would lead to a loss of focus and competitiveness and result in falling revenues to the Council. This course of action is not recommended.

10 CONSULTATION

10.1 Cabinet members through the Heritage Services Advisory Board; Director of Economy & Growth; Heritage Services' staff; service users; local residents; S151 Officer and Finance staff; Monitoring Officer.

10.2 Ongoing sectoral liaison and benchmarking through ALVA has ensured the best possible market intelligence;

10.3 Visitor feedback is gathered and analysed during the year to inform the decision-making process.

Contact person	Stephen Bird, Head of Heritage Services: 01225 477750 Simon Addison, Heritage Business Manager: 01225 396405
Background papers	Report of the Council Executive, Thursday 14 October 2004 E3123 February 2019 Report to Cabinet, Heritage Services revised Business Plan 2019-2024
Please contact the report author if you need to access this report in an alternative format	

Annexe 1

Bath & North East Somerset Council

Heritage Services Business Plan 2020–2025

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Further details are available for Cabinet Members in confidential appendices upon request.

1. Summary.

This is the annual update and revision of the Heritage Services Business Plan 2015-2020 ('The Plan') adopted by Cabinet in February 2015. The last annual update was adopted by Cabinet in February 2019.

The Roman Baths will continue to take part in financial and qualitative benchmarking with other leading visitor attractions. In 2018/19, the latest financial data available, the Roman Baths and Pump Room was the number one ALVA 'Heritage' site for:

- Admission income per paying visit;
- Contribution (profit) per visit.

Within the whole of the ALVA cohort (including Heritage, Museums / Galleries and Leisure sites), the Roman Baths and Pump Room was number one for:

- Income per employee;
- Labour costs as a % of income;
- Contribution per member of staff;
- Contribution as a % of income.

The site remains the only local authority-run attraction in ALVA.

The Plan aims to grow annual profit by £1.4 Million (15%) over the next five financial years, so that by 2024/25 profit returned to the Authority will be £11.1 Million p.a. It will contribute to the corporate finances by increasing income, reducing the revenue cost base after inflation and efficiently managing the staff establishment.

The Service will respond to the Council's declaration of a Climate Emergency by making some immediate changes to the way in which it operates, as well as undertaking some more detailed feasibility work to inform potential longer-term changes to its operation.

The Service will continue to invest to protect and conserve the Council's heritage assets, improve the visitor experience, enhance commercial performance and develop its staff to deliver the Plan's outcomes.

The Service will progress the Archway Project, seek to find a suitable site in which to relocate the Fashion Museum, bring forward proposals for a Collections Centre for the Fashion Museum and investigate options for the long-term future of Bath Record Office and for the development of the Victoria Art Gallery to improve its long-term financial sustainability.

2. The business unit.

The Council established Heritage Services as an internal business unit in 2005. It approved bespoke financial arrangements to give the Service the freedom and agility to plan and to implement investment, pricing and marketing decisions and to deliver in return an agreed surplus for the Council.

Heritage Services is unique in the UK in operating at no cost to the local taxpayer. In 2019/20 the Service will return a net surplus of over £9.5 Million p.a. to the Council, measured on a full cost basis. Within the Council the Service is atypical in that it self-funds **all** cost increases, including increases in wages, employer on-costs and other fixed costs.

Through its rolling 5-year business plan, the Service maximises the commercial opportunities offered by the Council's world class heritage assets. Using planned re-investment of a proportion of its earned income, the Service conserves and develops these assets, maintains and extends the audiences who enjoy them and protects and enhances the income streams earned through them.

Performance, business planning and investment strategy are reviewed by the Heritage Services Advisory Board of external specialists in governance, museums and visitor attractions, who advise Cabinet Members and the Scrutiny Panel Chair on the soundness of the Service's business plan.

3. Business philosophy.

The Service cannot maximise income to the exclusion of other considerations. Its business philosophy is to maintain the sustainability of three interdependent areas of activity:

- Conservation – preserving our unique heritage
- Customer care – improving the visitor experience
- Commercial development – remaining competitive and maximising income earning opportunities

This business philosophy is characterised as the 'tripod of sustainability' in Figure 1 below.

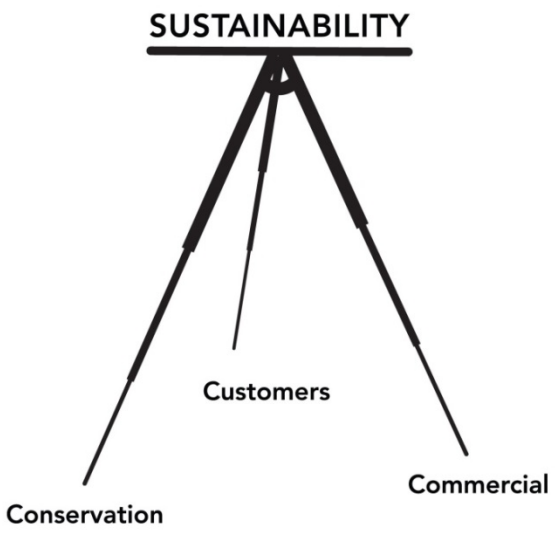

Figure 1. The Tripod of Sustainability; maintaining a balance across the three key areas of activity.

This model argues that, to ensure the long-term sustainability of the Council's irreplaceable heritage assets, equal attention must be paid to each of the three key areas of activity. It demonstrates that the more one disturbs this balance by unduly extending or contracting any one of the tripod legs, the less sustainable the Service becomes.

The three areas of activity are interdependent: the better the state of our heritage's Conservation, the better the experience for the Customer. Better Customer experience leads to enhanced reputation encouraging more visitors, which in turn increases the Commercial return. Healthy returns enable more resource to be reinvested into Conservation, Customer services and Commercial development.

4. Review of performance.

4.1 Long-term performance (2008-2020).

Significant and sustained investment in the quality of interpretation, the standard of presentation and in staff training has enhanced the quality of the Roman Baths' visitor experience. The ongoing Roman Baths Development programme has delivered conservation which has improved the condition of the monument as well as mitigate the impact of increased visitor numbers. This approach has resulted in excellent visitor feedback, commercial success and several regular regional and national awards; a summary of these awards can be found as an attachment to the Plan.

Over the last decade Heritage Services has seen enviable growth in key areas, notably:

- Visitor numbers up by 405,000 (39%);
- External income (turnover) growth of £9.4 Million (+105%);
- A return of 42% on annual turnover in 2018/19 compared to 29% in 2009/10;
- Increased annual profit by over 140% to a £8.5Million p.a. in 2018/19 and a forecast of £9.5 Million for 2019/20

The business philosophy and bespoke operating arrangements have allowed Heritage Services to operate very successfully in the national visitor attractions market. Through benchmarking within the ALVA network (Association of Leading Visitor Attractions) we can see that our operation is in the top quartile for Profitability, Income per visitor* and Employee Costs in relation to turnover. However benchmarking also shows that we perform below average in Retail Sales per Visitor and overall Value for Money.

[* it is worth noting that some ALVA comparators (National Museums and Galleries) operate on a free-entry basis and only charge for specific exhibitions.]

Roman Baths visitor numbers 2010 to 2020.

The graph in Figure 2 below shows that Roman Baths' visitor numbers have grown by 36% over the last ten years. In that time the headline ('adult single') admission price has risen by over 50% from £11.25 to £22.00. Despite this coinciding with recession and wage stagnation within the UK, visitor numbers have grown significantly. It is worth noting that that the headline price of £22.00 was only charged on 26 days per year in 2019 and the lead adult price varied from £16.00 to £22.00 as a result of the variable pricing; this is discussed in more detail in section 4.2 below.

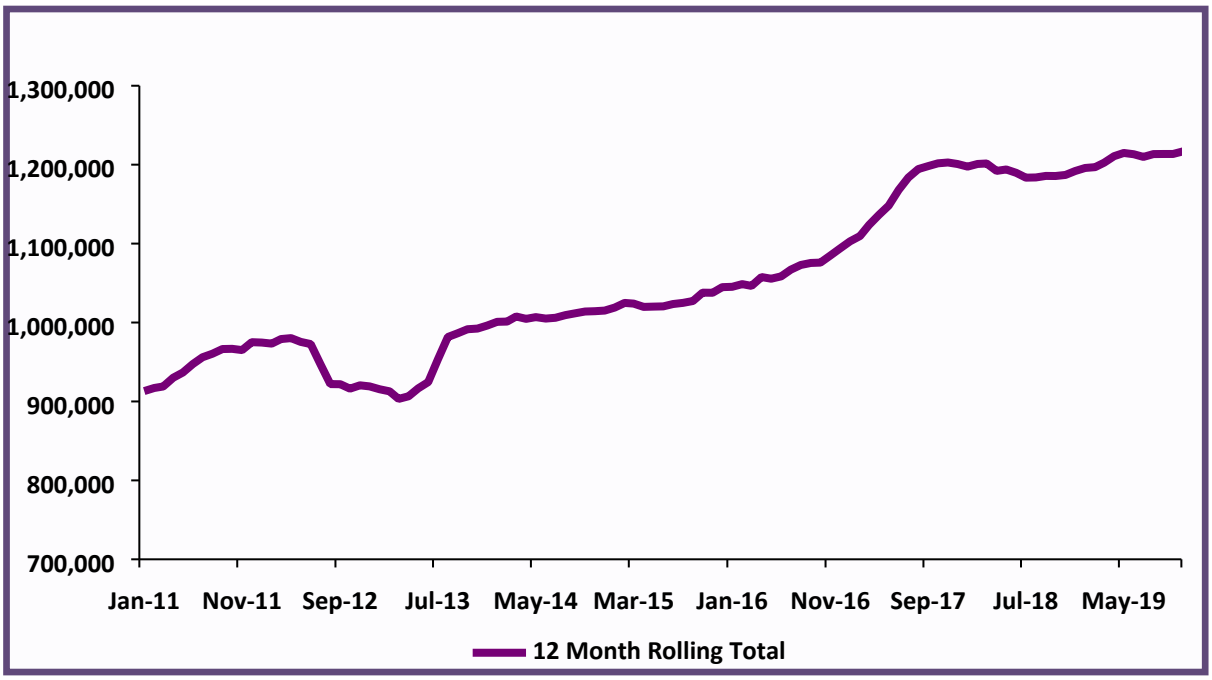

Figure 2. Roman Baths' rolling 12-month visitor total. The dip in 2012 was due to the London Olympics and one of the wettest UK summers in recent times.

4.2 Performance in 2019/20.

2019/20 will be the seventh consecutive year in which the Roman Baths has attracted over one million visitors and the third in which it has exceeded 1.2 million.

The total forecast for 2019/20 is c.1.21 Million visitors, which would be the Roman Bath's busiest financial year. Visitor performance this year has been influenced by the introduction of a new pricing strategy, continuation of the marketing strategy to promote the shoulder months and to encourage visitors outside the summer peaks. The variable pricing structure is set out in figure 3 below.

	Weekend (Sat-Sun)	Weekday (Mon-Fri)
January to March	Off-Peak	Super Off-Peak
April to May	Standard	Off-Peak
June to August	Peak	Standard
September to October	Standard	Off-Peak
November to December	Off-Peak	Super Off-Peak

Figure 3: Roman Baths ticket price schedule

An online discount of 10% was also introduced to encourage visitors to book in advance. As well as offering an opportunity to gain faster entry, it provides valuable data for rota-planning and for marketing; it also gives an increased opportunity to up-sell guidebooks on the website (these sales are forecast to be up 24% in 2019/20). Moreover a digital transaction costs much less than a face-to-face sale. This revised pricing strategy has led to a 70% increase in the take-up of web sales.

Growth in overall visitor numbers has come outside of the peak period of June to August (where visitors were 0.3% down on 2018). Outside this period, growth has averaged 4% per month on prior year levels. The objective to 'smooth' the peaks in the busiest period of the year has been successful; there has only been one day when the Roman Baths received over 6,500 visitors, compared to six in 2018, and the number of visitors arriving at the peak times of 1100 and 1400 also reduced through summer weekends. This was achieved through pricing and by restricting the number of bookable slots for group travel companies. Since its introduction in January 2019, this revised approach to pricing has yielded an additional £2.3 million of revenue. Because the changes to pricing result in minimal changes to operating expenditure, the majority of this additional revenue translates directly into profit.

It is also pleasing to see this change in approach reflected in the benchmarking scores collected through ALVA, where visitor enjoyment improved, reflecting the reduction in over-crowding at peak times. Surprisingly, the value for money score also improved compared to the 2018 scores and relative to our comparator attractions.

The Heritage Services profit target for 2019/20 was set ahead of the 2018/19 out-turn and included a contingency of £300,000. At the end of November 2019 the forecast was that it would exceed the corporate profit target for the year by £740,000 (3% of turnover). The predominant driver of this over-achievement has been admission income as a result of the new pricing strategy; the budget anticipated more resistance to the increased prices at peak times than actually occurred. Retail growth has exceeded visitor growth, as a result of new product ranges and an investment in staff upselling training. Corporate hire has also performed well, boosted by some significant filming income at the Assembly Rooms.

	Heritage Services budget		
	Budget (£000)	Forecast (£000)	Increase (£000)
Net profit	**8,782**	**9,521**	**739**

Figure 4: Heritage Services' financial performance in 2019/20.

4.3 Financial performance benchmarked through ALVA.

Profitability.

This has continued to grow in each of the last six years. In 2013/14 profit returned to the Authority exceeded £5 Million for the first time, and it took three years of successive growth to pass £6 Million. The Service has since moved through £7 Million, £8 million and is forecasting to break £9 Million in each of the next three years.

When benchmarked against other ALVA attractions, the Roman Baths is the most effective site at converting income to profit, and generates the highest 'profit per employee' in the benchmarking group.

The average Roman Baths admission price per paying visit is the highest amount the Heritage sites within ALVA; labour costs as a % of income are the lowest of all ALVA attractions and retail sales per m² are amongst the highest in the UK.

Admissions income.

The Roman Baths performed within the ALVA top quartile and for average admissions spend per hour of visit. Over the last three years the average Roman Baths admission price has grown by 18%, while the ALVA top quartile average admission price grew by 11% over the same period. NOTE: the benchmarking results are for the 2018/19 financial year and therefore do not include the full impact of the changes to pricing strategy.

In 2018/19 admissions decreased by 0.5% year-on-year, whilst the ALVA mean visitor numbers grew by 2%. The ALVA growth was in part driven by a recovery in central London destinations, following terror attacks in 2017 which adversely affected some destinations.

Retail.

The retail sales per visitor benchmark was stable on 2017/18, contribution (profit) margin fell by 1% year on year as a result of increased staff costs, through the pay award. Retail sales per m² remained broadly static and are ranked third in the UK.

Marketing.

The marketing cost per paying visitors remained in the lowest quartile, indicating the effectiveness of our marketing function. Marketing cost per visitor was 37% lower than the ALVA mean. Section 8 below discusses the future plans for marketing.

4.4 Quality of Visit performance benchmarked through ALVA.

The visitors' perception of the experience offered is crucial to sustaining excellent visitor and business performance, as it will determine the future popularity of the site. This section shows the results of 'quality of visit' benchmarking of the Roman Baths against other ALVA members. It summarises the aggregated findings of exit surveys conducted in Autumn 2018, Spring 2019 and Summer 2019.

Overall visitor experience:

	Enjoyment (mean out of 10)	**Value-for-Money** (mean out of 10)	**Net promoter score** (likelihood to recommend)
All Attractions	8.8	8.5	+ 58
Museums & Galleries	8.8	8.8	+ 59
Heritage Attractions	8.8	8.4	+ 56
Roman Baths	**8.7**	**8.1**	**+ 59**
Leisure Attractions	8.9	8.4	+ +58
Highest score	9.4	9.4	+ 79
Lowest score	8.2	7.6	+ 21

Figure 5: overall quality of the Roman Baths visitor experience, benchmarked against other ALVA attractions Autumn 2018 - Summer 2019.

The Roman Baths sits in ALVA's Heritage Attractions grouping, whose results are compared here to ALVA's Museums & Galleries and Leisure Attractions. The results show that the Enjoyment and Value-for-Money ratings for the Roman Baths are below the mean scores for All Attractions and Heritage Attractions. However the scores in all three measures improved in 2018/19 relative to both the prior year and the overall benchmarks.

In summer 2019 the Roman Baths remained very busy again averaging 5,500 visitors per day, however there was only one day in excess of 6,500. Whilst we have seen an increase in the number of comments relating to price, there has been a reduction in the number regarding overcrowding. The comments on price have not translated through to the value-for-money score, which actually improved despite the significant increase in price at peak times (June – August weekends were 25% more expensive than in 2018).

Visit compared with expectations.

The graph at Figure 5 below shows that a visit to the Roman Baths broadly meets visitors' expectations prior to visiting. This is in contrast to the experience at other benchmarked visitor attractions where the visit is significantly lower than people's expectations.

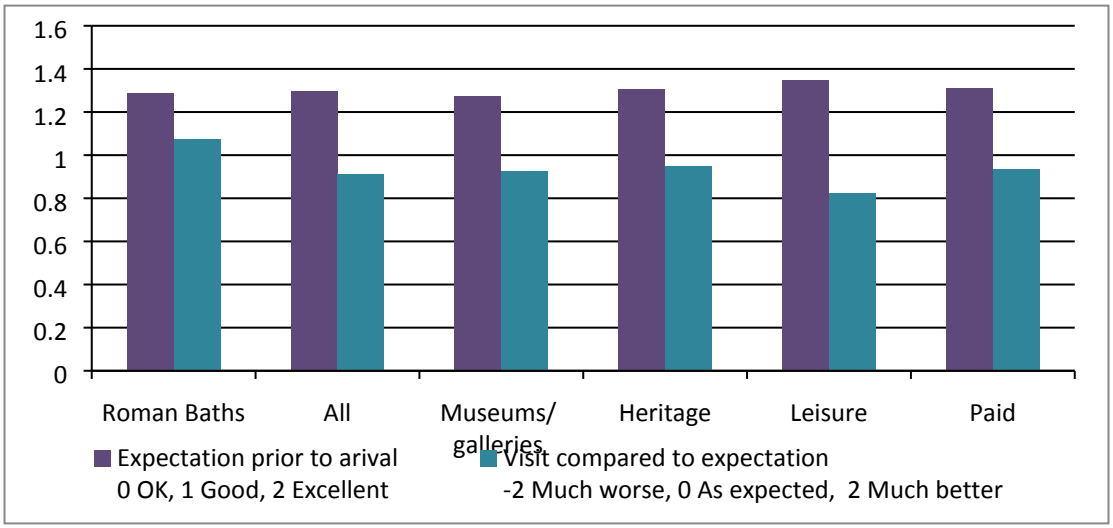

Figure 6: quality of the visit compared with prior expectations Autumn 2018 - Summer 2019.

Main motivation for visiting.

Heritage sites are the most popular "must see" attractions in the UK, but the Roman Baths is outstanding even in this category, reflecting worldwide awareness of the site and as demonstrated in Figure 7 below.

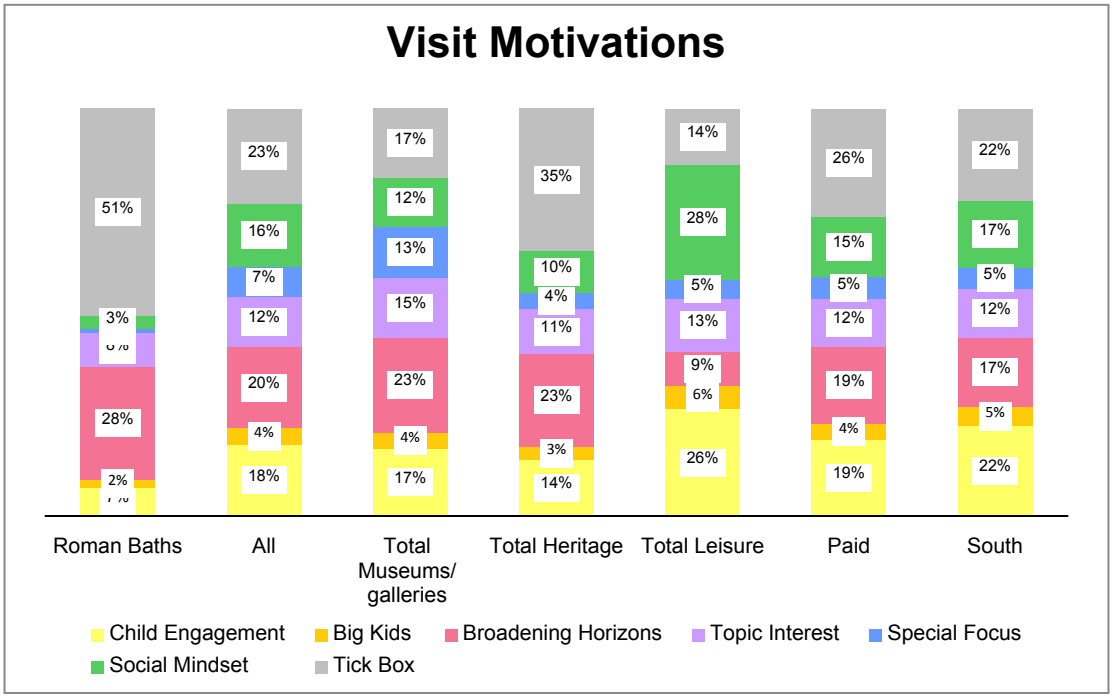

Figure 7: the very high 'tick box' response confirms the Roman Baths' status as a 'must see' attraction Autumn 2018 - Summer 2019.

Experience ratings: service delivery measures.

The experience ratings of all major visitor attractions included in the ALVA Benchmarking Survey are high and therefore this is a challenging benchmark. The Roman Baths' scores across the some of these benchmarks increased in 2018, whilst the mean scores for Heritage Sites overall declined. This suggests that the investment in interpretation through the redevelopment of East Baths and the new digital display table in the West Baths is having a positive effect on visitors' enjoyment. The particular strengths are in the site experience measures, ie, the subject matter and how it is presented.

Site content measures	**Roman Baths**	Heritage Sites
Staff knowledge about the site / subject matter	**9.1**	9.1
Opportunities to actively participate in your visit	**8.1**	8.5
Opportunities to think or learn	**8.9**	8.7
Bringing the subject matter to life	**8.9**	8.6
What there is to do here	**8.7**	8.6
What there is to see	**9.2**	9.0
Information to explain features / exhibits	**9.3**	8.8

Figure 8a: Experience ratings – site content: the Roman Baths and its peer group of other Heritage sites Autumn 2017 - Summer 2018.

Touching your emotions	**Roman Baths**	Heritage Sites
Touching your emotions	**7.9**	8.2
Opportunities to relax	**7.6**	8.3
Overall atmosphere here today	**8.5**	8.7
Making you feel this is a place where you belong	**8.1**	8.3
Offering something very different	**8.7**	8.5
Being lively and exciting	**8.2**	8.2
Helping you bond with those around you	**7.6**	8.2
Being family-friendly	**8.8**	8.8

Figure 8b: Experience ratings – touching your emotions: the Roman Baths and its Heritage peer group Autumn 2018 - Summer 2019.

We recognise that the Roman Baths scores lower than the 'Heritage Sites' average with regards to 'touching your emotions', although our scores in this area have improved this year. The congestion in the peak summer will play a part in some of the scores in figure 8b; we will seek to continue to improve these scores through investment in contemporary interpretation and an emotionally-engaging events programme.

Retail usage.

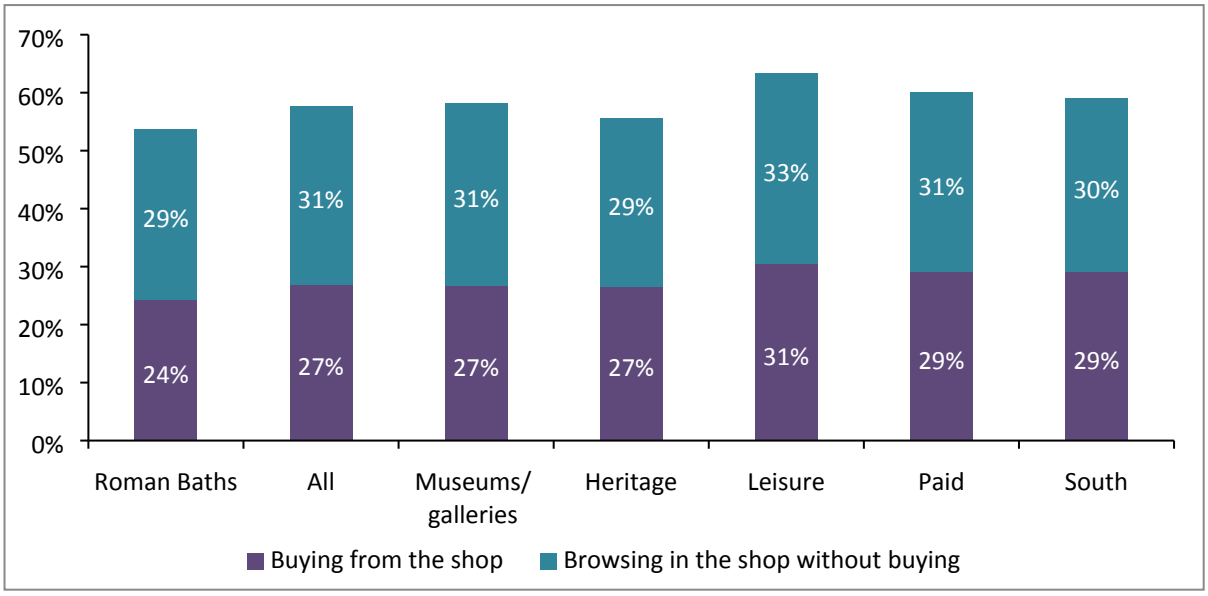

Figure 9: use of the museum shops compared with that at other ALVA sites Autumn 2017 - Summer 2018.

The performance of the Roman Baths' shops continues to be broadly similar to that of shops in other ALVA attractions, despite the constraints of the main Roman Baths shop due to its small footprint. Through investment in bespoke product ranges and specific staff training on "upselling" we have improved the number of people buying in the shop.

Visit history.

Figure 11 below shows that the Roman Baths attracts fewer repeat visits than most other attractions. With only 2% of visitors returning within twelve months, the Marketing Plan must attract c1.1 million visitors each year who did not visit in the previous year. In 2017 as the Pound dropped, the Roman Baths became part of a once-in-a-lifetime trip for many long haul visitors to the UK which, in conjunction with being viewed by many as a "bucket-list" destination, explains the high level of first time visitors. As uncertainty around Brexit remains we can assume the Pound will stay low and may even fall further which will be an opportunity to continue to attract visitors from China and the US, the prospects for inbound tourism are discussed further in section 8 below.

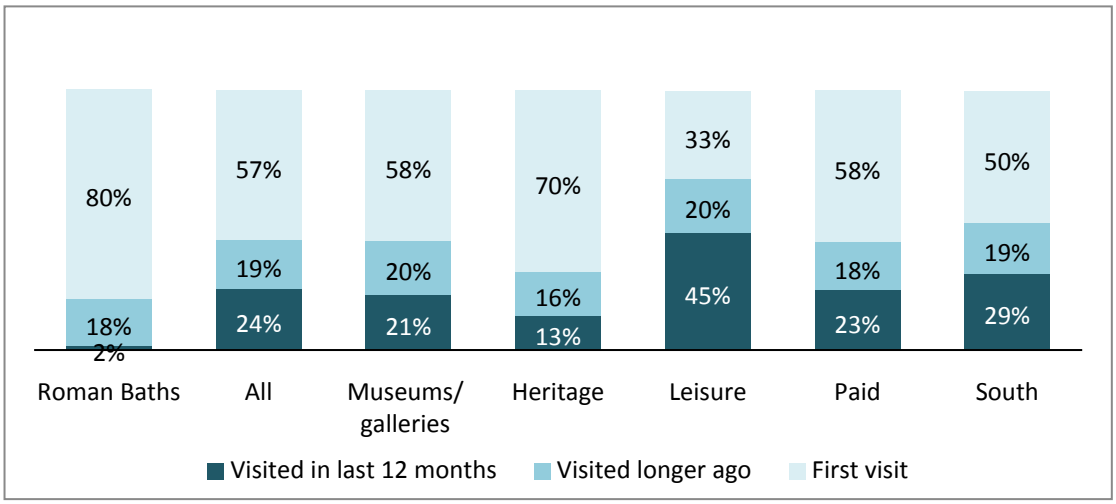

Figure 10: This graph shows that the Roman Baths has fewer repeat visitors than other sites Autumn 2018 - Summer 2019.

Dwell time.

Figure 11a shows that 86% of visitors spend between 1 and 3 hours in the Roman Baths. The lower end of this spectrum is impacted by Group Travel visitors. Groups frequently have less than 90 minutes from arrival to departure from the city. During 2018 2-3 hours overtook 1-2 hours as the most common dwell time. While this reflects the additional components added to the visit in recent years; it is also a contributing factor to congestion at busy times. It is also interesting to note that, whilst the length of a visit to the Roman Baths has increased over recent years it is still shorter than the average ALVA site visit. The comparatively high admission price means that the Roman Baths is at the top end of the upper quartile when admission price per hour is calculated.

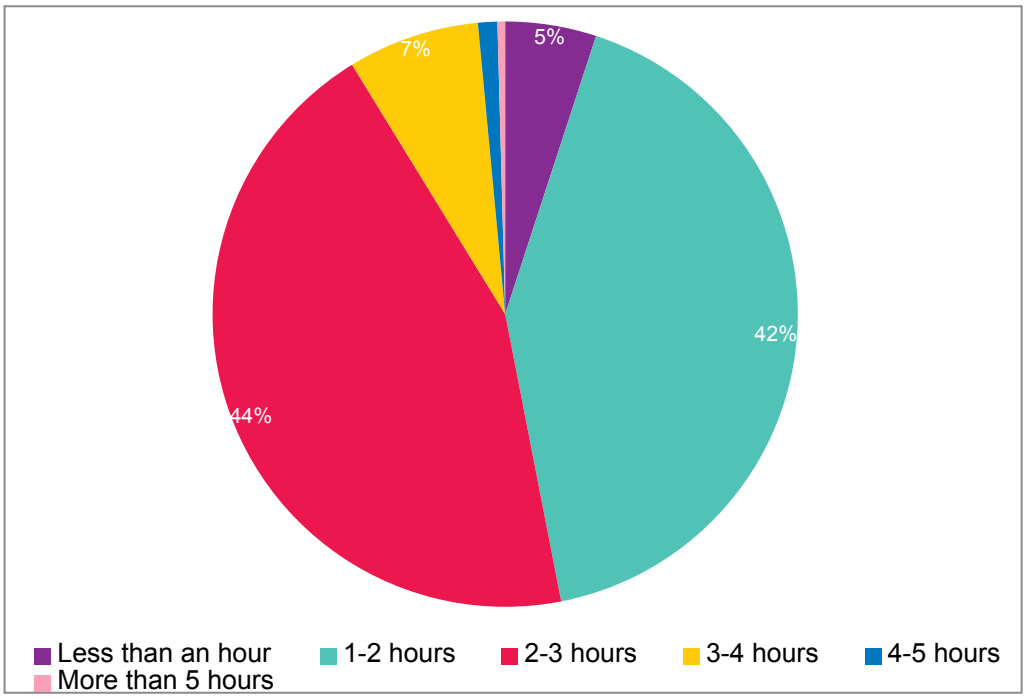

Figure 11a: Autumn 2018 - Summer 2019.

MEAN DWELL TIME	Roman Baths	All	Museums/ galleries	Heritage	Leisure	Paid	South
	2 hrs	2.7 hrs	2.4 hrs	2.7 hrs	3.3 hrs	2.9 hrs	3.2 hrs

Figure 11b: Average visitor dwell time

Age profile of visitors.

Typically in the Heritage sector there is a reliance on the over-45s market. A more even split helps to manage the risk of a change in market conditions which adversely impact on one age demographic. The Roman Baths average age is lower than other ALVA attractions; it's worth noting that paid attractions typically attract an older visitor and that the Roman Baths bucks the trend in that regard.

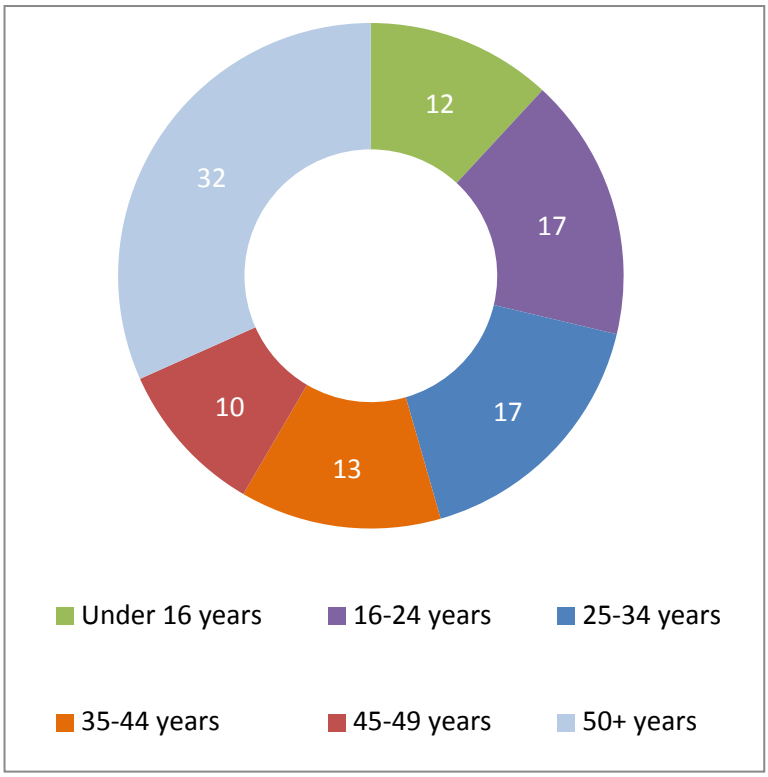

Figure 12a: This table shows an even spread of Roman Baths' visitors across various age groups, Autumn 2018 - Summer 2019.

	Roman Baths	All	Museums/ galleries	Heritage	Leisure	Paid	South
Mean age	38.6	40.4	39.9	40.4	41.1	41.1	40.5

Figure 12b: This table shows that the average age of Roman Baths' visitors is lower than the mean across the attractions sector Autumn 2018 - Summer 2019.

Fashion Museum and Victoria Art Gallery Performance.

The Fashion Museum exceeded the last five years' visitor figures in 2018/19. The *Royal Women* exhibition proved very popular, particularly with international visitors. Since the National Trust's decision to exercise their break clause in the Council's lease on the Assembly Rooms was announced in May 2019, visitor numbers to the Fashion Museum have risen dramatically. 2019/20 numbers are up 7% on last year's excellent figures. The announcement has provided an opportunity to talk about the significance and raise awareness of the world-class nature of the permanent collection. The significance of the collection is further highlighted through the fact that over 1 million people saw items from the collection on loan in other exhibitions, around the world, during 2019; this included a number of pieces in the V&A's *Christian Dior: Designer of Dreams* exhibition which was their most popular exhibition. The future of the Fashion Museum is discussed further in section 6.

2018/19 was a record year for the Victoria Art Gallery, primarily due to the outstanding success of the summer exhibition, *A Celebration of Flowers* by Kaffe Fassett. Shown alongside works by Candace Bahouth, this exhibition enjoyed both commercial and popular success. 2019/20 is forecast to be a strong year, exceeding the budgeted visitor figures but just falling short of last year's record breaking figures.

5. Business targets 2019-2024.

The Plan aims to grow annual profit by £1.5 Million (15%) over the next five financial years, so that by 2023/24 profit returned to the Authority will be £11.2 Million p.a. The increase is delivered through income growth and robust management of the cost base.

	2018/19 (actual)	2019/20 (forecast)	2020/21 (proposed)	2021/22 (proposed)	2022/23 (proposed)	2023/24 (proposed)	2024/25 (proposed)
External turnover (£000)	20,403	22,372	22,872	23,629	24,019	24,076	24,951
Net Profit (£000)	8,538	9,552	9,682	9,815	10,384	10,601	11,119
Profit target (£000)	7,695	8,782	9,682				
Surplus against target (£000)	843	740					
Profit as a % of income	*37%*	*37%*	*37%*	*37%*	*38%*	*39%*	*39%*
Roman Baths visitors (000s)	1,135	1,210	1,200	1,202	1,217	1,240	1,257
Fashion Museum visitors (000s)	98	104	105	105	79	0	0
Victoria Art Gallery visitors (000s)	187	185	180	180	180	193	193
Roman Baths income per visitor (£)*	16.32	17.51	18.31	18.90	19.35	19.84	20.29
Net profit per Council Tax household (£)	103	115	117	118	125	127	134
* (admission income plus retail sales & other sales) and café / restaurant commission)							

Figure 13: Heritage Services' key financial and visitor targets.

The Plan projects growth in visitor numbers and visitor-driven income. It also absorbs the anticipated pay award to be agreed by the Council. Through the lifetime of the Plan, pay is expected to be the biggest cost pressure facing the Service.

The Plan also assumes that the Fashion Museum will close during Q3 2022/23 and that a new Fashion Museum will not be open within the life of this Plan (although it is hoped that fit-out work would be underway on a new premises). This explains why the income flattens between 2022/23 and 2023/24.

The table at Figure 13 above demonstrates planned performance in each year based on the updated financial model that underpins the Plan. Performance will be monitored and reflected in future revisions of this Plan.

6. Business Strategy 2019-2024.

To achieve the business targets above, we will continue to implement the broad strategy outlined in previous iterations of the Plan.

This will mean:

- Continuing a tiered pricing structure to influence visitor behaviour and encourage visitation at times when the Roman Baths has greater capacity.
- Maximising revenue through admission income.
- Sustaining staffing and investment to support ongoing price increases and improve visitor satisfaction.

Following the declaration of a Climate Emergency by Bath and North East Somerset Council, the Plan includes measures to support the reduction in carbon required to deliver the Council's objectives in this regard; this is further discussed in section 6.4.

The detailed proposals in The Plan include the following measures:

6.1 Roman Baths.

- Continue the tiered pricing structure introduced in 2019, and continue to offer online discounts for visitors who pre-book their ticket (see detail below);
- Manage a reduction in the proportion of visitors arriving in groups;
- Consider further adjustments to the pricing strategy to consider discounting for admissions at quieter periods during the day;
- All price increases will be monitored and reviewed in detail to assess possible impacts on price resistance and yield and inform future year pricing policy and Business Plan reviews.

6.2 Fashion Museum.

- Maintain visitor numbers and increase awareness whilst a new permanent location for the museum is secured.
- Ticket prices held in 2020 in order to support visitor number growth.
- Increased, sustained visitor volumes achieved via the promotion of the expanded 'saver' ticket and improvements in the core visitor offer;

- Expected closure of the museum in its current location in Q3 2022/23, with associated reductions in revenue.

6.3 Victoria Art Gallery.

- Prices increase to reflect quality of exhibitions and consistent growth in recent years, as well as the major Toulouse-Lautrec *"Masters of Montmartre"* exhibition.
- Sustained visitor numbers and admission income via the expanded 'saver' ticket introduced in 2016.
- Opening hours extended to include New Year's Day in 2021, to be consistent with Roman Baths and Fashion Museum.

6.4 Climate Emergency.

Following the Council's declaration of a Climate Emergency in 2019, Heritage Services is considering ways in which changes need to made to its service delivery mechanisms and marketing strategies. Some immediate changes have been made and further work is planned during 2020; a summary of the current position and planned work during 2020 is given below.

Current Position

- We advertise in railway stations and always list the travel time on posters to encourage rail travel;
- Our events and venues team works closely with Great Western Railway to offer discount packages to delegates to encourage rail travel;
- Our "How to get here" section of the website has been updated to put car travel at the bottom of the list and more heavily promote walking,cycling and mass transit as travel options.
- We work closely with our Travel Trade partners to advise them of the Council's proposed clean air zone and to encourage them to adapt their vehicle fleets where necessary to respect its requirements and objectives.
- We promote ourselves as part of a wider trip Bath to encourage a longer stay in the city.
- With our catering provider Searcys we are working to minimise food miles and use local suppliers. Searcys have eliminated the use of plastic straws and disposable plastic cutlery.

- We do not use plastic cups at our sites. We use paper cups that are compostable and biodegradable for spa water tasting at the Roman Baths.
- We regularly audit the lighting used on site to ensure reduced energy consumption. Flood-lighting installed in the Great Bath in 2007 reduced energy consumption by 60%.
- We will neither seek nor accept funding from an individual or organisation if it is profiting as a result of environmental destruction.

Planned Activity

- Explore the feasibility of introducing green-travel discounts from admission prices and establishing partnerships with mass-transit providers such as First Great Western.
- Replace the obsolete heat exchange system at the Roman Baths with an updated version. The heat exchange system uses energy from the thermal spring water to heat the building. This new scheme will be extended to provide heating for the new Clore Learning Centre and the World Heritage Centre.
- Work to establish a base-line environmental impact assessment of our operations so that furture changes can be measured.
- Include an environmental impact assessment as part of the criteria for agreeing touring exhibitions, and loans in/out, including the transport associated with them.
- Purchase an electric or hybrid van for use in transporting stock and goods to our sites.
- Conduct a researched study on the role that visitor attractors should play in shaping consumer approaches to sustainable tourism.

6.5 Group travel business.

Groups currently make up just over 30% of all Roman Baths visitors. It is important to consider groups in three distinct categories:

- Education;
- Credit customers;
- Other group customers.

Education visitors represent around 1.5% of total visitors to the Roman Baths. This is an audience that will grow with the opening of the Clore Learning Centre in 2020/21 financial year. We offer the greatest level of discount to education visitors to ensure that,

as far as is practicable, price does not become a barrier to school groups visiting the Roman Baths.

Credit customers represent approximately 22% of total visitors to the Roman Baths. Whilst they are an important part of our customer base, they visit during a small window of the day and bring us the biggest numbers on our busiest days, contributing significantly to overcrowding. The Group Management Strategy was created in 2018 and seeks to manage down the numbers of visitors arriving in groups, whilst sustaining the revenue generated through these groups. In 2019 we

- Reduced the capacity for group entry during our peak times.
- Extended variable rate pricing to all group visitors making it cheaper to visit in the off-peak months compared to the busiest Summer months.

Further work is needed on the Group Management Strategy, in light of the Climate Emergency declaration. Many of these groups arrive by coach; mass transit has a lower carbon impact that individual private transit, although a high number of coaches can contribute to congestion and pollution issues in the city centre.

6.6 Future developments.

Fashion Museum: the Service will continue the search for suitable new premises following the National Trust's decision to enforce the break clause in the Assembly Rooms lease in 2023. The Museum remains one of the world's top ten fashion museums and the Service has set the following criteria for its new premises:

- An on-street profile;
- A central location in the city;
- Dedicated learning space;
- Flexible exhibition space in which to display the permanent collection and temporary exhibitions.

Victoria Art Gallery: the business case undertaken in 2017 for extending the Gallery into the adjacent void to improve its financial sustainability will be reviewed and developed in 2019.

7. Investment.

Staffing and **investment** costs continue to be relatively low when compared with other visitor attractions. To sustain high visitor numbers, satisfaction ratings and income levels, the level of investment in the quality of the visitor experience will be sustained, both through investment in interpretation but also through ongoing development and upskilling of staff. At the same time we have reviewed our cyclical maintenance and investment. Where possible, without significantly impacting on the measures above we have extended the period over which we invest, to play our part in meeting the current financial pressures that the wider Authority is facing.

7.1 Revenue investment.

Revenue investment plan is undertaken under the priorities shown here:

Standards	Visitor Experience	Commercial	Future Offer
Monument conservation Site maintenance Toilet refurbishment Equipment renewal	Staff engagement Improved interpretation Toilet refurbishment Changing exhibitions	Market development Shop upgrades Retail product development Venue hire facilities	Fashion Museum Environmental impact study Pricing strategy review

Figure 14: Heritage Services revenue investment priorities

7.2 Capital investment.

The main projects during the life-time of the Plan will be:

The Archway Centre.

This £5m project includes a capital contribution by the Council of £1 Million, of which £750k is corporately funded and £250k funded by the Service. The project is refurbishing some run-down former spa buildings and giving them a new lease of life by creating in them a World Heritage Centre and Roman Baths ‘Clore Learning Centre’. While the Clore Learning Centre will protect existing income streams, its principal benefit will be as a long-term investment in inspiring the audiences of tomorrow.

The Clore Learning Centre will bring the site's educational offer up to the standard now expected of a major visitor attraction, with state-of-the-art facilities and four times the present capacity. It will be used not just by schools but by learning and community groups of all ages.

For the first time there will be one city-centre base where residents and visitors will be able to learn why Bath is a World Heritage Site and then go out and explore it for themselves. The project will also open up to public view an area of the Roman Baths that has never before been seen by daytime visitors.

The World Heritage Centre and Clore Learning Centre are planned to open during 2020/21. The Plan provides for net operating costs of between £150k and £200k p.a. from this year onwards, representing an investment of c.1% of annual turnover to sustain future audiences and income streams.

Roman Baths Development.

The earliest parts of the last development programme are now ten years old, and the site requires another cyclical programme of works phased over several years. Work will begin in 2019/20 to prepare proposals for a new development programme from 2021/22 onwards.

Roman Baths infrastructure.

The core programme of investment in infrastructure and conservation at the Roman Baths complex will continue at a level of £100-£200k p.a. Individual projects will continue to be reviewed annually by the Heritage Services Advisory Board and via the corporate capital approvals process.

Spa water energy capture scheme.

This project has been currently being tendered. It will replace the equipment installed in 1993, supplement the conventional energy usage at the Pump Room complex and will also serve the new World Heritage Centre and Clore Learning Centre.

Roman Baths Shop Refurbishment

The main Roman Baths shop was last refurbished 2010, when it was extended to its current size. The shop is scheduled for a refit in 2022/23 in order to sustain and grow the £1.8m of turnover generated through the shop. Feasibility money is planned for 2021/22 to design a scheme and evaluate the return on investment to be generated through the re-fit.

The Fashion Museum Relocation

As discussed in section 6.6 above, a new location is required for the Fashion Museum. Once suitable premises have been found there will be a capital project to fit these out as a museum. This project is anticipated to be attractive to funding bodies and for philanthropy. During 2020/21 work will be completed on the business case and funding plan for this project.

Collections Resource Centre

It will be essential to create a Collections Centre to house the Museum's 'Designated' collection when it is removed from the Assembly Rooms in March 2023. The Centre will allow public access to the collection for study and learning to continue, and will enable objects in the collection to be prepared for loan to prestigious exhibitions elsewhere. It would provide secure accommodation and improved specialist study access, enabling the successful partnership with Bath Spa University fashion design courses to be maintained and developed.

A development like this would be on much lower value land than the new Fashion Museum and could be located outside Bath.

The Service will also explore the feasibility of whether an expanded Collections Centre could incorporate Bath Record Office, whose archive collections also enjoy Designated status. A combined Collections Centre would provide opportunities for shared building and staffing costs and shared study facilities and work areas.

Business cases for both options will be prerpared during the course of the year.

8. Marketing plan.

The key objectives for the Marketing Team in 2020 are to deliver marketing campaigns that foster strong brand saliency nationally and internationally and to achieve the targets set out in section 5 above.

We will develop our online presence to continue to increase the number of visitors that pre-book their visit online from 7.8% in 2018 and 12% in 2019 to 17% in 2020 through increased promotion of the online discount across all marketing campaigns marketing.

The Marketing Team will also:

- Continue to cultivate and grow the important Chinese and US inbound visitor markets. We will increase US visitors from 13% to 15% of our total visitor and sustain our Chinese visitors at over 100,000 in 2020.
- Review print and digital spend and look to a revised print and digital strategy in 2021 to support sustainability and changing trends.
- Review our brand and communications and build upon our strong reputation as on one of the UK's top attractions for both domestic and international visitors.
- Strengthen audience development and community engagement initiatives to diversify current domestic audiences and address brand perceptual barriers.
- Continue to raise awareness of the Archway Project and build anticipation for the opening of the Roman Baths Clore Learning Centre and the World Heritage Centre.
- Consider opportunities increase the take-up of the Discovery Card from all areas of Bath and North East Somerset.

8.1 Marketing campaigns.

The planned campaigns for 2020 are set out below. All campaigns are evaluated against Key Performance Indicators, including using tracking URLs, targets for increasing visitors, click-through rates and social media engagement statistics.

February half-term.

We will deliver a regional marketing campaign aimed at families and grandparents using the creative developed for the Easter campaign. This campaign will consist of outdoors media placed in high footfall family areas (ie shopping malls) and radio advertising throughout the region. It will also include digital marketing through digital channels extending down into the South Coast.

Easter.

A regional marketing campaign aimed at families and grandparents will use the same creative as February 2020 Half Term. The creative will focus on highlighting all the aspects of the museums in a fun way to engage with kids and develop a closer connection with history. We will promote this across Heart FM Radio presenter read-outs, outdoors media in high-footfall areas such as regional railway stations and shopping areas, and bus rears in Gloucestershire and Chelthenham to capture parents and children on the school run.

Easter evenings.

Following the success of the Easter Lates in 2019 with an impressive 2,088 visitors over the weekend after-hours and £32,875 in income, we will run a similar campaign in 2020. This will promote the extended opening hours over the Easter weekend and have a 'Museum Lates' feel, encouraging visitors without children to visit after 5pm over the Easter Weekend to help ease congestion during the day. The evenings will include programming of live music, performances and a pop-up bar and will target a younger audience of 18-35 year-olds. Campaign activity will include outdoors media across high footfall areas and key regional cities such as Bristol, Reading and Oxford.This year, we have also expanded our targeting to include other key regional hubs such as Exeter and Cardiff.

Summer evenings.

Our summer campaign will be similar to 2019 but with revised and targeted creative based on location. Media will be placed on the London Underground and in London publications, at railways stations along the M4 corridor, and in high footfall areas in Bristol such as Cabot Circus, alongside Facebook campaigns. In addition we will work with Sky Adsmart to show a 30-second advert to Sky TV subscribers in Birmingham and Bristol following increasing website traffic from the Birmingham region.This will allow us to carefully target audiences with higher levels of disposable income and who have an interest in the arts and history. Following a huge spike in web activity in Cardiff, we've added this area to our audience target. We will also focus on advertising locally in Bath and surrounding areas.

Spas Ancient and Modern.

We will refresh the campaign creative and run a campaign from October through to Christmas which highlights the *Spas Ancient and Modern* package as the perfect break in Bath and also the perfect gift at Christmas.

Roman Rescue

New throughout this year, we will offer an escape-room type experience aimed at attracting families and friends, and companies for corporate team building events. We are particularly focused on appealing to local audiences with a unique and fun offer beyond the everyday experience. This new package will predominantly be promoted online through social media and our email newsletters.

8.2 China.

China remains an important market for the Roman Baths (roughly 10% of the Roman Baths' total audience), Fashion Museum and Bath as a destination. Official figures from Visit Britain show that the UK ranks as the 9th most popular destination in terms of outbound visits from China: there were 391,380 Chinese visitors to Britain in 2018, a 16.9% increase on the previous year.

2017 saw the Chinese FIT (Free Independent Travellers) market overtake the Chinese Group Travel market. FITs now make up 60% of China's outbound market. China has been a growth market for the Roman Baths for many years due, in part, to the early introduction of Mandarin on the audio guides. The Roman Baths was a founding partner of VisitBritain's 'Welcome China' campaign.

8.3 The US market.

The US Market remains an attractive market for growth with many Americans using the weak Pound as an opportunity to make a once-in-a-lifetime trip to the UK. America is the largest market for inbound visits to the UK and the first in terms of spend. In 2018 the average US visitor spend on leisure in the UK was £904. They are also a market which is more likely to travel off-peak. The US market has not been affected by Brexit.

8.4 Victoria Art Gallery.

In 2020, there are two blockbuster exhibitions for the first time at Victoria Art Gallery. In February 2020, *Toulouse-Lautrec and the Masters of Montmartre* comes to the Gallery. The exhibition will revisit the 'street art' of the era showcasing big names from this period with over 80 works by Toulouse-Lautrec, Mucha, Steinlen and more. Due to the exhibition subject matter, the 'popular culture' element and the headline names, we're aiming to attract a broader audience outside our more 'traditional' arts-engaged visitors and strong local following. Alongside our exhibition programming of free events, we will run two special one-off ticketed late-night events. This marketing campaign will include outdoors media in key railway stations along the M4 corridor and regional high footfall hubs, print advertising in leading regional and national arts publications such as V&A magazine, as well as online advertising targeted at South West audiences with a focus on London over bank holiday weekends.

In July 2020, *Myths and Monsters*, a sequel to the popular *Here be Dragons* in 2017, comes to the Gallery. This will be a more regional-focused campaign aimed at families. Social Media marketing will continue to be an important part of the Gallery's marketing plan as it has a high rate of repeat visitation and is therefore perfect for relationship marketing tactics.

8.5 Fashion Museum.

2020 is an important year for the Fashion Museum. As we prepare for the Museum's closure in 2022, we will continue to capitalise on its ongoing success and increasing visitor numbers, building its profile and brand awareness nationally and internationally. *Dress of the Year* will remain an important feature of this activity.

Having moved away from delivering large scale temporary exhibitions in favour of smaller more frequently changing displays, we will focus on highlighting the Museum's outstanding collection here in Bath and our loans overseas, as well as the added value 'products' we offer. New this year, we will promote the Museum's Study Facilities as an 'up close and personal' exclusive offering. This concept will be packaged in various ways throughout the year, including as part of the Jane Austen Festival in September. *Shoephoria!* is our new display feature from 28th March celebrating 100+ pairs of fabulous shoes. We will highlight the display change through PR support, advertising in targeted publications such as Selvedge magazine and a regional outdoors media campaign. We will continue to promote the permanent exhibition *A History of Fashion in 100 Objects* using an 'always on' approach through social media marketing and Google Display advertising.

9. Risk.

The risk inherent in the Service's business activities has grown with its success. Small variations in visitor numbers and have a relatively large effect upon both income and profit in any year.

This is reflected in the Council's General Reserves via the Robustness of Estimates calculation. A risk of £1m is recognised, this is assessed as low / medium risk; the Plan recommends that the total net risk provision should be reviewed again in future years.

Maintaining Roman Baths' visitor numbers at current levels continues to carry a significant risk. Overcrowding at peak times of year is starting to impact on the overall visitor experience, as illustrated in the table at Figure 5 on page 9 above. This shows visitors' ratings of Enjoyment and Value for Money performance when benchmarked against the ALVA mean. With a score of 8.7, the Roman Baths is slightly below the mean Enjoyment rating for Heritage sites of 8.8 and, at 8.1, also below the mean Value for Money rating of 8.2.

The Roman Baths currently enjoys exceptionally high TripAdvisor ratings and this is likely to have played a major part in the attraction's growth in popularity. However there is a risk that the resultant congestion will reduce visitor satisfaction and provoke an adverse reaction on TripAdvisor and other forms of social media. The work done on the pricing strategy to disperse visitors from peak times into times of year where there is greater capacity has seen both the Visitor Enjoyment and Values for Money benchmarks improve in 2019.

Visitor numbers in any year can also be influenced by common factors such as the weather, the timing of major sporting and political events, and transport issues (as was seen during 2018 with snow, a heatwave and a World Cup all having significant impacts on visitor behaviour). The table at Figure 15 gives a small number of scenarios and the impact on income and profit that could result from even very small variations.

Factor	Visitor numbers	Value of 10% variation in 2020/21
Easter weekend	c. 22,000	c. £36,000
Busy summer Saturday and Sunday	c. 12,500	c. £22,000
Busy summer weekday	c. 5,500	c. £10,000

Figure 15: Roman Baths' visitor numbers: illustration of variations.

To enable the Service to deal with the impact of an unforeseen change in market conditions, unexpected expenditure requirement or unplanned opportunity for commercial investment, a contingency of £327k (2.0% of planned expenditure) has been provided within the Plan. This is split as follows: £150k Revenue; £77k Maintenance and £100k Investment. This has been increased by £50k from 2019/20 levels due to the uncertainty posed by Brexit and the weakening in demand seen from key European markets during 2019.

9.1 Threats to the business.

External events.

Every year geo-political, economic, public health, environmental and meteorological events cause uncertainty, deter people from travelling or influence their decisions about where, and whether, to take a holiday. The effects of these have been felt across the visitor attractions sector. Some of the key issues from the last decade are shown in Figure 16 below.

Geo-political / world events

2011 bombing of Libya
2012 London Olympics
2013 unrest in Egypt and Syria
2014 unrest in Egypt, Syria and Iraq
2014 Malaysian Airlines' disasters
2015 terror attacks in North Africa, France and Belgium
2015-17 war in Syria; migration crisis
2016 terror attacks in Turkey and Germany
2016 President Trump elected
2017 terror attacks in Europe and UK

2018 Middle East unrest; threat of terror attacks
2018 Novichok incidents, Salisbury

Health scares

2007 Foot-and-Mouth Disease
2009 Swine 'Flu
2014 Ebola
2015-16 Zika virus

Environment

2010 Ash Thursday
2011 Japan earthquake / tsunami
2012 wettest UK summer in 100 years
2014 West Country flooding
2018 closure due to snow
2018 UK heatwave
2019 Australian wildfires

Economy

2008 credit crunch
2009-12 recession
2016 Brexit vote
2017-20 Brexit uncertainty
2019-22 *Stonehenge tunnel*

Figure 16: Issues which may have influenced people's travel-making decisions.

The Plan assumes that there will be no significant geo-political, security, economic, environmental or meteorological events in the next five years that will inhibit people's willingness to travel or visit UK attractions.

The potential disruption caused by major works to the A303 in the vicinity of Stonehenge may have a significant impact on our group travel operators during the outer years of The Plan. We will continue to investigate the potential impact of this as detail about the timing of the works becomes clearer.

Customer price resistance.

The new pricing strategy is deigned to mitigate the risk of customer resistance following a number of years of above-inflation price rises. Variations in price between time of week and time of year, coupled with discounts for online ticket purchases give customers the choice to visit at a time and price combination that best meets their needs.

Reputation loss.

Continued high visitor numbers may detract from the quality of the visitor experience. Falling visitor satisfaction and significant price at our busiest times rises could lead to a loss of reputation with negative publicity by word-of-mouth and social media.

Financial.

Expenditure to support the Service's successful growth of income will be an increasing proportion of overall Council expenditure, particularly as the Council contracts. This maypose an increasing risk to the Council's 'partial exemption' VAT position that could incur an additional VAT cost if the 5% threshold is breached.

Systems and processes.

Financial pressures on the Council have led to increasing standardisation of process and systems. These changes focus on supporting shrinking local authority services aimed at a local client base, but are often not appropriate for a business that the Council expects to grow and sell its services commercially to a national and international customer base.

The Winckworth Sherwood Options Review of 2014 highlighted the imperative for the Service to be able to use industry standard, fit-for-purpose commercial systems and procedures if it is to remain competitive. In order to successfully deliver the continued increases in income and profit required by this Plan it is essential that the Service is empowered to employ appropriate systems and processes to achieve the commercial objectives that the Council has set. This includes the ability to specify and control investment projects to ensure that they are fully aligned with commercial and marketing objectives.

Financial summary.

Business Plan Summary

	Prior Year Actuals		Current Year	Proposed	*Plan Years*			
	16/17 Act £'000	17/18 Act £'000	Budget £'000	20/21 Bud £'000	*20/21 £'000*	*21/22 £'000*	*22/23 £'000*	*23/24 £'000*
Admissions	(15,303)	(16,258)	(17,500)	(18,830)	*(19,444)*	*(20,044)*	*(20,438)*	*(21,245)*
Retail Sales	(2,350)	(2,421)	(2,399)	(2,512)	*(2,638)*	*(2,657)*	*(2,599)*	*(2,638)*
Room Hire	(557)	(542)	(574)	(599)	*(611)*	*(467)*	*(318)*	*(324)*
Catering Commission	(750)	(705)	(701)	(625)	*(640)*	*(572)*	*(498)*	*(513)*
Other Income	(332)	(340)	(423)	(193)	*(196)*	*(222)*	*(208)*	*(215)*
Internal Income	(2,783)	(2,903)	(2,992)	(3,179)	*(3,209)*	*(3,271)*	*(3,336)*	*(3,446)*
Grants/Contributions	(151)	(139)	(169)	(112)	*(100)*	*(57)*	*(15)*	*(15)*
Total Income	**(22,226)**	**(23,306)**	**(24,757)**	**(26,051)**	***(26,838)***	***(27,290)***	***(27,413)***	***(28,397)***
Employee Costs	4,272	4,701	5,118	5,322	*5,435*	*5,556*	*5,366*	*5,580*
Premises Costs	1,114	1,293	1,294	1,195	*1,250*	*1,437*	*1,499*	*1,563*
Transport Costs	25	31	32	33	*33*	*34*	*34*	*34*
Supplies & Services	3,156	3,027	3,288	3,165	*3,266*	*3,305*	*3,273*	*3,319*
Recharge codes	4,550	4,381	4,734	4,874	*4,954*	*4,995*	*5,056*	*5,183*
Other Costs	5	5	6	6	*6*	*6*	*6*	*6*
Unallocated Budgets	0	0	0	0	*0*	*0*	*0*	*0*
Investment	1,368	1,330	1,503	1,773	*2,078*	*1,574*	*1,577*	*1,592*
Total Expenditure	**14,491**	**14,768**	**15,975**	**16,368**	***17,023***	***16,906***	***16,812***	***17,278***
(Surplus) / Deficit	**(7,735)**	**(8,538)**	**(8,782)**	**(9,682)**	***(9,815)***	***(10,384)***	***(10,601)***	***(11,119)***
Operating Margin	34.8%	36.6%	35.5%	37.2%	*36.6%*	*38.1%*	*38.7%*	*39.2%*
Operating Margin (pre investment)	41.0%	42.3%	41.5%	44.0%	*44.3%*	*43.8%*	*44.4%*	*44.8%*
Wage %	19.2%	20.2%	20.7%	20.4%	*20.3%*	*20.4%*	*19.6%*	*19.7%*

Figure 17: Heritage Services Business Plan financial summary.

Heritage Services Awards 2006-2018

Bath & North East Somerset Council

Roman Baths Awards 2006 – 2019

2019	**Visit England South West Tourism Excellence Awards** (regional) **International Visitor Experience – GOLD** **Large Visitor Attraction – GOLD** **Business Tourism Venue – SILVER**
2018	**Visit England Tourism Excellence Awards** (national) **'Inclusive Tourism' award – GOLD** **'Inbound Tourism' award – SILVER**
2018	**Visit England South West Tourism Excellence Awards** (regional) **Best International Visitor Experience – GOLD** **Access & Inclusivity – GOLD** **Business Tourism Venue – BRONZE**
2018	**The National Autistic Society** (national) **Autism-Friendly Award – WINNER**
2018	**TripAdvisor Travellers' Choice Award** (international) **"7th best rated landmark in the UK"**
2018	**2018 CIE Tours Ireland** (international) **Best Heritage Site in UK – GOLD**
2017	**Bristol, Bath & Somerset Tourism Excellence Awards** (sub-regional) **Best International Visitor Experience – GOLD** **Access & Inclusivity – GOLD** **Large Visitor Attraction of the Year – BRONZE**
2017	**Visit England Tourism Excellence Awards** (national) **Large Visitor Attraction of the Year – RUNNER UP**
2017	**UK Wedding Awards** (national) **Best Historic Venue – GOLD**
2017	**Visit England South West Tourism Excellence Awards** (regional) **Large Visitor Attraction of the Year – GOLD** **Best International Visitor Experience – SILVER**
2016	**Bristol, Bath & Somerset Tourism Excellence Awards** (sub-regional) **Best International Visitor Experience – GOLD** **Large Visitor Attraction of the Year – GOLD**
2016	**CIE Tours Ireland** (international) **'Award of Excellence' – SILVER**
2016	**Visit England Tourism Excellence Awards** (national) **'Access for All' category – SILVER**
2016	**Visit England South West Tourism Excellence Awards** (regional) **'Access & Inclusivity' category – GOLD** **WINNER OF WINNERS**

2016	**The National Autistic Society** (national) **Autism-Friendly Award – WINNER**
2015	**Visit England Tourism Excellence Awards** (national) **Large Visitor Attraction of the Year – HIGHLY COMMENDED**
2015	**CIE Tours Ireland** (international) **'Award of Excellence' – SILVER**
2015	**South West Tourism Excellence Awards** (regional) **Large Visitor Attraction of the Year – GOLD**
2014	**CIE Tours Ireland** (international) **'Award of Excellence' – SILVER**
2013	**Trip Advisor** (international) **Travellers' Choice 'visitor attractions' category – WINNER**
2013	**Visit England Tourism Excellence Awards** (national) **Large Visitor Attraction of the Year – SILVER**
2013	**CIE Tours Ireland** (international) **'Award of Excellence' – SILVER**
2013	**South West Tourism Excellence Awards** (regional) **Large Visitor Attraction of the Year – GOLD**
2012	**European Museum of the Year Awards** (international) **FINALIST**
2012	**CIE Tours Ireland** (international) **'Award of Excellence' – SILVER**
2012	**South West Tourism Excellence Awards** (regional) **'Access for All' category – HIGHLY COMMENDED**
2011	**The Art Fund Museum Prize** (national) **Museum of the Year – FINALIST**
2011	**Royal Institute of Chartered Surveyors Awards** (regional) **South West 'Community Benefit' award – WINNER**
2011	**Meeting & Incentive Travel Industry Awards** (national) **'Access Excellence' – BRONZE**
2010	**Museums & Heritage Awards for Excellence** (national) **'Classic Award' for continuous improvement – WINNER**
2010	**China Outbound Travel and Tourism Market** (international) **'China Welcoming Tourists' Marketing award – SILVER**
2010	**Able Radio** (national) **Online radio station for the special needs community – GOLD**
2009	**Learning Outside The Classroom** (national) **H.M. Government's quality badge**
2009	**Sandford Award for Heritage Education** (national) **Awarded by the Heritage Education Trust**
2008	**National Training Awards** (regional) **Best Medium-Sized South West Business – WINNER**
2006	**Museums & Heritage Awards for Excellence** (national) **'Marketing' category – WINNER** (for the introduction of Mandarin audio guides)