

Cabinet

Date: Thursday 14th July 2022

Time: 6.30 pm

Venue: Council Chamber - Guildhall, Bath

Agenda

To: All Members of the Cabinet

Councillor Kevin Guy (Leader of the Council, Liberal Democrat Group Leader), Councillor Tim Ball (Cabinet Member for Planning and Licensing), Councillor Alison Born (Cabinet Member for Adult Services and Council House Building), Councillor Tom Davies (Cabinet Member for Adult Services and Council House Building), Councillor Manda Rigby (Cabinet Member for Transport), Councillor Dine Romero (Cabinet Member for Children and Young People, Communities), Councillor Richard Samuel (Deputy Council Leader (statutory) and Cabinet Member for Economic Development and Resources), Councillor Sarah Warren (Deputy Council Leader and Cabinet Member for Climate and Sustainable Travel) and Councillor David Wood (Cabinet Member for Neighbourhood 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>

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

3. Recording at Meetings

The Openness of Local Government Bodies Regulations 2014 now allows filming and recording by anyone attending a meeting. This is not within the Council's control. Some of our meetings are webcast. At the start of the meeting, the Chair will confirm if all or part of the meeting is to be filmed. If you would prefer not to be filmed for the webcast, please make yourself known to the camera operators. We request that those filming/recording meetings avoid filming public seating areas, children, vulnerable people etc; however, the Council cannot guarantee this will happen.

The Council will broadcast the images and sounds live via the internet www.bathnes.gov.uk/webcast. The Council may also use the images/sound recordings on its social media site or share with other organisations, such as broadcasters.

4. Public Speaking at Meetings

The Council has a scheme to encourage the public to make their views known at meetings. They may make a statement relevant to what the meeting has power to do. They may also present a petition or a deputation on behalf of a group.

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 can be found at:

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

5. Emergency Evacuation Procedure

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

6. Supplementary information for meetings

Additional information and Protocols and procedures relating to meetings

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

Cabinet - Thursday, 14th July, 2022

in the Council Chamber - Guildhall, Bath

A G E N D A

1. WELCOME AND INTRODUCTIONS

2. EMERGENCY EVACUATION PROCEDURE

The Democratic Services Officer will read out 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 working days of the meeting. Councillors may ask one supplementary question for each question they submit, 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 submit a written copy 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 MEETINGS (Pages 7 - 26)

To confirm and sign the following minutes as a correct record:

- Cabinet meeting – 5 May 2022

- Special Cabinet meeting – 26 May 2022

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 27 - 32)

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

12. BATH CLEAN AIR PLAN ANNUAL REPORT 2021 (Pages 33 - 42)

The attached report reviews the performance of the first calendar year of the Clean Air Zone in Bath from 15 March 2021 - 31 December 2021.

13. YOUTH JUSTICE PLAN 2022-23 (Pages 43 - 86)

The Local Authority has a statutory duty, in partnership with Health, Police and Probation, to produce an annual Youth Justice Plan. The Plan sets out how services are to be organised and funded and what functions they will carry out to prevent youth offending and re-offending across Bath and North East Somerset. The Cabinet is asked to recommend full Council to approve the Plan.

14. HEALTH & SOCIAL CARE - NEW GOVERNANCE ARRANGEMENTS (Pages 87 - 92)

The Health and Care Act 2022 has passed through the Parliamentary process. The Act creates the Integrated Care System (ICS) which has been established to ensure better integration between Health and Social care with the aim being to improve the health and wellbeing of communities across Bath & North East Somerset. The attached report outlines the proposed representation on both the Integrated Care Board and the Integrated Care Partnership and seeks Cabinet's endorsement of the arrangements.

15. REVENUE AND CAPITAL OUTTURN 2021/22 (Pages 93 - 138)

The attached report presents the revenue and capital outturn for 2021/22.

16. REVENUE & CAPITAL BUDGET MONITORING, CASH LIMITS AND VIREMENTS – APRIL TO JUNE 2022 (Pages 139 - 174)

This report presents the financial monitoring information for the Authority as a whole

for the financial year 2022/23, using information available as at the end of June 2022.

17. TREASURY MANAGEMENT OUTTURN REPORT 2021/22 (Pages 175 - 194)

The attached report gives details of performance against the Council's Treasury Management Strategy and Annual Investment Plan for 2021/22.

18. TREASURY MANAGEMENT PERFORMANCE REPORT TO 30TH JUNE 2022 (Pages 195 - 212)

This report gives details of performance against the Council's Treasury Management Strategy for 2022/23 for the first three months of 2022/23.

19. QUARTER 4 YEAR END 2020/21 CORPORATE PERFORMANCE REPORT (Pages 213 - 230)

The attached report gives an update on the progress made against a key set of strategic performance measures, which assess the Council's progress on delivering the Corporate Strategy and key aspects of service delivery.

The Democratic Services Officer for this meeting is Marie Todd who can be contacted on 01225 394414.

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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, 5th May, 2022

Present:

Councillor Kevin Guy (Ch)	Leader of the Council, Liberal Democrat Group Leader
Councillor Tim Ball	Cabinet Member for Planning and Licensing
Councillor Alison Born	Cabinet Member for Adults and Council House Building
Councillor Tom Davies	Cabinet Member for Adults and Council House Building
Councillor Manda Rigby	Cabinet Member for Transport
Councillor Dine Romero	Cabinet Member for Children and Young People, Communities and Culture
Councillor Richard Samuel	Deputy Council Leader (statutory) and Cabinet Member for Economic Development and Resources
Councillor Sarah Warren	Deputy Council Leader and Cabinet Member for Climate and Sustainable Travel
Councillor David Wood	Cabinet Member for Neighbourhood Services

56 WELCOME AND INTRODUCTIONS

The Chair, Cllr Kevin Guy, welcomed everyone to the meeting.

57 EMERGENCY EVACUATION PROCEDURE

The Chair drew attention to the evacuation procedure as set out in the agenda.

58 APOLOGIES FOR ABSENCE

There were no apologies for absence.

59 DECLARATIONS OF INTEREST

There were no declarations of interest.

60 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was no urgent business.

61 QUESTIONS FROM PUBLIC AND COUNCILLORS

There were 35 questions from Councillors and no questions from members of the public.

Cllr Dr Kumar asked supplementary questions relating to question M1 and these are set out in Appendix 1 along with the responses.

Cllr Dr Kumar also raised an issue regarding the receipt of responses to the questions. He was concerned that if responses are provided only one hour before the meeting there is not sufficient time for councillors to decide whether they wish to ask supplementary questions. The Monitoring Officer confirmed that in future officers will endeavour to provide responses at around 5pm on the day before the Cabinet meeting.

[Copies of the questions and responses, including supplementary questions and responses if any, have been placed on the Minute book as Appendix 1 and are available on the Council's website.]

62 STATEMENTS, DEPUTATIONS OR PETITIONS FROM PUBLIC OR COUNCILLORS

Members of the public and Councillors made statements as follows:

- Zhenya Shkil (Bath Ukraine Solidarity Campaign) – Situation in Ukraine (*a copy of which is attached as Appendix 2 to these minutes*).
- Theresa Franklin – The High Common (*a copy of which is attached as Appendix 3 to these minutes*).
- Sylvia Sinclair – The future of the High Common/Approach Golf Course (*a copy of which is attached as Appendix 4 to these minutes*).
- Rachael Hushon – Procurement process for the High Common (*a copy of which is attached as Appendix 5 to these minutes*).
- Adam Reynolds – Park & Ride Bus Contract (*a copy of which is attached as Appendix 6 to these minutes*).
- Cllr Vic Pritchard – Journey to Net Zero (*a copy of which is attached as Appendix 7 to these minutes*).
- David Redgewell – Transport Issues (*a copy of which is attached as Appendix 8 to these minutes*).

Some members of the public were asked factual questions by the Cabinet Members, in order to clarify details mentioned in their statements.

63 MINUTES OF PREVIOUS CABINET MEETINGS

RESOLVED that the minutes of the following meetings be confirmed as a correct record and signed by the Chair:

Informal virtual Special Cabinet meeting – 31 March 2022

Informal virtual Cabinet meeting – 31 March 2022

Special Cabinet meeting – 1 April 2022

Cabinet meeting – 1 April 2022

64 CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

There were none.

65 MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES

There were none.

66 SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING

The Cabinet agreed to note the report.

67 JOURNEY TO NET ZERO: REDUCING THE ENVIRONMENTAL IMPACT OF TRANSPORT IN BATH

Cllr Sarah Warren introduced the report, moved the officer recommendation and made the following statement:

“In 2014, with cross party support, Bath & North East Somerset Council approved the Getting Around Bath Transport Strategy, setting out a vision and objectives for transport in Bath that recognised the importance of reducing carbon emissions, as well as restricting the intrusion of vehicles into the historic city centre. Following the council’s climate emergency declaration in 2019, Journey to Net Zero builds on that Strategy to flesh out a vision of a new transport system that will dramatically reduce transport carbon emissions from their current level of 29% of B&NES’ total. Transport is one of our top three priority areas for carbon reduction. Whilst this particular plan focuses primarily on the historic City of Bath with its unique transport challenges, it recognises throughout the importance of travel corridors between the city and the wider district.

We are all used to the convenience of driving our vehicles anywhere and at any time, but in the coming years, we need to make big changes to the way we move around. We understand, of course, that many people currently have no choice but to use their cars, as they don’t have safe cycle routes or footways they can use, or a suitable bus service. This plan provides a route map that will support future development of the facilities they will need, and as projects identified in this plan are developed, we will aim to quantify their carbon impacts.

This journey has already begun. We are already pursuing an ambitious, wide-ranging programme of projects, including construction of cycle lanes on Upper Bristol and Beckford Roads funded through the government’s Active Travel Scheme. We were also delighted to receive substantial funding to support the transport transition earlier this year, through both the City Region Sustainable Transport Fund, and the Bus Service Improvement Plan. However, we will need still further support from government (whose environmental aspirations still fail to take the Committee for Climate Change’s latest advice seriously enough) - in the form of both investment and local powers - to create a transport system fit for a climate emergency, as outlined in the plan before you this evening.

Our vision for transport into, out of, and around Bath will bring enormous benefits in other areas of life, too. We will see improvements in public health from reduced air pollution, and through routinely building exercise into our day, when we commute more actively. We will see students able to travel independently to school on safe cycle lanes and footpaths, or by bus, setting up good habits for life. We will provide secure cycle storage, with more opportunities to share, buy and lease bikes and e-bikes. And we will see pleasanter public and residential spaces for people to enjoy spending time in, as more of us find we have a practical alternative and choose to leave our vehicles at home.

Our heritage assets will be better preserved, and can be better appreciated, without the constant onslaught of traffic pollution and noise. I also look forward to substantially reduced congestion on our road network, so that people don't waste their time, or businesses their money, sat unnecessarily in traffic. In this historic city, it is impossible to build our way out of the stranglehold that traffic has on our city through road-building. The only way to reduce congestion is to have fewer vehicles moving around, and we have set out here the vision to achieve this. This forward-looking plan will support economic growth, competitiveness and jobs in our area, whilst promoting improved choice and access to work and education.

Electric cars are, of course, a part of the answer, and I am pleased that the council will very shortly be announcing new charging facilities in our car parks. We also want to see more car clubs, so that more people don't need to own their own vehicle in future. However, electric vehicles can only be one strand of the solution, as generation of the electricity needed to power them emits carbon dioxide, as does their manufacture. And electric vehicles take up space in traffic jams just like petrol ones. The long-term solution therefore needs to look more deeply, ensuring people can make more of their journeys on foot, by bike or by public transport, whilst maintaining vehicular access for those, such as some people with disabilities, whose transport needs can only be met by car.

In the sphere of public transport, we aim to create multi-modal interchanges, traffic-free bus lanes, and universal, integrated ticketing, whilst investigating the feasibility of mass transit.

We have placed people at the centre of our Journey to Net Zero, having consulted extensively, and convened the first meeting of our new Journey to Net Zero Transport Forum, which will advise us on implementation of the plan, yesterday. One of our corporate priorities is Listening to People, and whilst it is sometimes difficult to get the details of the "how" exactly right, we really mean it. In response to the public's suggestions, we are focused on providing improvements to public transport, walking and cycling, whilst seeking to reduce the intrusion of HGVs into the city, and to maintain excellent access for blue badge holders.

We all have the power to make small changes through the individual transport decisions we take every day, but this plan recognises the transformation needed to our transport system to create places we want to live and work, with better-connected, healthier, and genuinely sustainable communities.

I would, of course, like to thank Nick Simons and the rest of the team for their hard work pulling this important document together over the last couple of years. Cabinet Members, I commend the plan to you."

Cllr Manda Rigby seconded the motion and made the following statement:

"It's clear that if we wish to get to carbon neutrality by 2030 keeping doing what we are doing and expecting a different outcome is the definition of madness. One of the 2 main levers we have, in addition to looking at building emissions, is to alter our defaults on how we travel round Bath and North East Somerset. In the paper we have in front of us, we are setting out not only a vision, but also the start of a roadmap, including existing projects, developing projects, and future projects in transport to achieve our climate emergency promise. This is a working document and has been widely consulted on. It will form, if adopted, an umbrella document for all transport related schemes...we will be hearing about Park and Rides later as an example.

I particularly want to draw out the section where we emphasise "it's not about stopping people doing things, it's about doing the same things differently" and would add "where possible".

There are some journeys which need to be done by cars, either because of a lack of alternative, or because of the needs of the user. We need to work to ensure we influence WECA as much as we can to ensure public transport in banes is protected, and with WECA to lobby central government for proper funding of buses and helping an industry in crisis become a public service again.

Active travel options are at the heart of this document, alongside creating liveable neighbourhoods. It's our role, all of us, to ensure we promote the strategies of both, by implementing the best schemes.

Adopting this document is the result of a lot of work by a lot of people...I am honoured to second it, urge you to adopt it, and then let's make net zero happen."

Cllr Richard Samuel stated that Local Authorities must deal with the national problem of carbon emissions and that B&NES is doing as much as it can. If no action is taken, then this will be detrimental to future generations. A MORI survey has shown that the majority of world citizens support action being taken on climate change.

Cllr Kevin Guy also acknowledged the great threat posed by climate change.

RESOLVED (unanimously) to formally adopt the Journey to Net Zero: Reducing the Environmental Impact of Transport in Bath.

68 DECRIMINALISATION AND CIVIL ENFORCEMENT OF MOVING TRAFFIC OFFENCES

Cllr Manda Rigby introduced the report, moved the officer recommendation and made the following statement:

"I am pleased to be proposing this motion to you today and would first like to thank the officers across Parking Services and our Traffic Management teams for their efforts in delivering these motions in time for the Government's tranche 1 deadline in few weeks' time.

At the end of this month new regulations come into effect which will give councils in England the powers to use ANPR cameras to enforce a range of moving traffic restrictions, which include yellow boxes; banned turns; and no entry. Councils in London and Wales have already been using these legal powers for many years, whilst in Bath & North East Somerset as with the rest of England, we have remained reliant on the Police diverting valuable resources away from more serious crimes the actions of a small minority of motorists that feel it's okay to ignore these restrictions are to be addressed.

Having these powers will provide a consistent approach to how we can educate motorists that make simple mistakes, or those that maybe don't understand the restrictions across England and Wales, which is of benefit to the millions of visitors that come to see world famous heritage we have to offer. Being able to take proactive action ourselves to engage with these motorists will increase their awareness and help protect the safety of all road users, especially the vulnerable, and help keep public transport and other traffic moving on our busy roads.

We heard from drivers during the consultation about their concerns that these powers will be used to punish motorists that make a mistake or to raise funds for the council. We have carefully considered these concerns and I must stress that the approach that we have developed to using these new powers focusses on community engagement and motorist education. We will always consult before cameras are installed.

Indeed, our aim is to ensure that we engineer and sign these restrictions so that cameras are not required, but in some locations, it may be necessary to use them so that we can then improve driver behaviour and compliance by contacting drivers directly with a warning notice the first time they contravene a restriction at each location for the first six months that it has cameras installed.

We must remember that these are existing restrictions that all drivers are required to comply with.

The safety of school children and their families should always be a priority and in consultation with local communities, moving traffic powers may provide further opportunities to achieve this aim in different ways to meet a community need.

I am very pleased to move this motion, and hope that you can all support it."

The motion was seconded by Cllr Sarah Warren who made the following statement:

"I fully support this proposal. In particular, these powers will open up the possibility of introducing school streets. These are roads outside a school with part time restrictions on motorised traffic at school drop off and pick up times, giving a healthier, safer and pleasanter environment for everyone, and encouraging our young people to travel actively and independently to school in line with our aspirations as expressed in our Journey to Net Zero plan."

Cllr Born stated that this proposal would enable the Council to take the necessary enforcement action in residential areas to make roads safer for members of the public.

Cllr Samuel highlighted the traffic problems at the box junction at Lansdown Road/The Paragon which is often blocked and leads to congestion. He asked members to consider the provision of a pedestrian crossing in this area.

Cllr Wood stated that the Council should also lobby the government to enable it to take on responsibility for speed enforcement. Cllr Rigby agreed with this suggestion and stated that she would continue to lobby for this additional power.

RESOLVED (unanimously):

- (1) To approve an application to the Department for Transport by 20 May 2022 to acquire the powers to enforce moving traffic contraventions under the Traffic Management Act 2004 (TMA2004).
- (2) To approve the use of moving traffic enforcement powers using ANPR cameras from 1 June 2022 or the date when the Council receives the powers from the Secretary of State, whichever is the later.
- (3) To support and agree to the proposed approach for the use of moving traffic enforcement at proposed and future locations.
- (4) To incorporate moving traffic enforcement as a scheme into the Council's capital programme for 2022/23, funded by revenue through income generation. Subject to the powers being granted to the Council by the Department for Transport.
- (5) To delegate authority for the consideration of future locations for moving traffic enforcement to the Director of Place Management in consultation with the Cabinet Member for Transport.
- (6) To note a review of bus gate signage is underway at existing restrictions to ensure there is consistency across all locations and the new regulations from 31 May 2022.

69 UPDATE ON PROGRESS ON DELIVERING THE CORPORATE STRATEGY 2020-2024 AND OUR COVID-19 RESPONSE

Cllr Kevin Guy introduced the report and moved the officer recommendation. He thanked all Council staff who have continued to serve residents and have worked extremely hard in exceptional circumstances.

He was pleased to see exceptional recycling levels and noted that the Council has been ranked 15th out of all 338 local authorities in England for its household recycling rates. He also highlighted the provision of a walking and cycling trail around the Chew Valley Lake, and the start of the first Council house building in the area for many years.

Cllr Richard Samuel seconded the motion and stressed the importance of the performance reports to provide information on action being taken by the Council.

He highlighted the support that has been provided for businesses during this period and noted that trade is now back to 2019 levels.

Cllr Dine Romero also spoke in favour of the motion and made the following statement:

“I am delighted that this paper recognises the significant improvements that children services has delivered since the previous inspection in 2017 especially against the background of the pandemic in last two years and the rising level of need. Council staff in B&NES along with statutory partners and community groups have remained focused on the most vulnerable members of the community to deliver an extensive range of services that are having a positive impact on the lives of children, young people and their families.

Ofsted judged these services as good and in awarding this judgement recognised the substantial investment by both political and senior leaders.

I'd like to formally add my thanks to everyone in children services and all those who offered their insights to Ofsted during the weeks inspection that led to this judgement.

The report recognises the extraordinary efforts made in response to Covid 19. I would also like to thank all those who have been at the frontline of delivering the council's response to the pandemic, whether that was in offering testing, pop up vaccination clinics, creating PPE as all those who have been involved in the operation and delivery of the huge number and depth of services and support from the community wellbeing hub. The hub received almost 18,000 calls from residents needing help since it was established in 2020.

The report also highlights how, over recent months, the council has built on its experience of resettling Syrian and Afghan refugees to provide a co-ordinated response to welcome Ukrainian refugees to B&NES.

Again, these has involved working with a wide range of services and partners, including schools, local health services and groups such as Julian House and Bath Welcomes Refugees. As well as residents and I thank them all for all their help and support.

I am happy to support this paper because of the good work that the council and partners have achieved despite the unprecedented challenges of the last two years.”

Cllr Kevin Guy also thanked Cllr Samuel for producing a balanced budget in very difficult circumstances and congratulated all the Cabinet Members on their hard work.

RESOLVED (unanimously) to note the progress in delivering the Corporate Strategy in 2021/22 and the Council's response to the pandemic during that period.

70 PARK AND RIDE CONTRACT RENEWAL

Cllr Manda Rigby introduced the report, moved the officer recommendations, and made the following statement:

“The last time we undertook a process for awarding a park and ride contract was 12 years ago, and the world certainly in terms of park and ride provision was completely

different. We believe that we had one of the, if not the, most advantageous contract in the country as we were fortunate in hitting the very high spot of the market.

Indeed, we tried to extend this contract, to give the market time to recover. But this was just not possible. To be clear, a nationwide lack of drivers, spiralling fuel costs, post pandemic patronage levels, the need for investment in new buses, is creating the perfect storm for all bus service providers.

I need to thank Cllr Richard Samuel and his team for helping us to continue a park and ride provision at all given the tender responses we received as right now, we are at the assumed bottom of the market.

We had lots of aspirations for enhancements to the service...different hours of operation, differential pricing, new routes, and I don't want to limit our ambition. The only way to do this is by doing as we are asking you to agree in this paper, i.e. having a gross cost contract. Basically, we take the risk, but we gain both flexibility and control. We fund the service but keep the fares.

To begin with, we will keep the service as is, with the exception of bringing weekend rates in line with weekdays whilst we anticipate, as does the market, that patronage will continue to get back to pre-pandemic levels even without us doing further promotion.

As performance improves, we can invest in further enhancements.

Traditionally the major usage of our park and rides is leisure rather than commuting so as a starter for 10, here's a largely untapped market.

As large employers move towards more hybrid ways of working for some staff, rather than funding workplace parking assuming as in the past all employees come in daily...

We can work with them to provide a flexible park and ride solution instead.

We can work with Bath rugby to stop the gridlock home matches cause by having a joint match/park and ride ticket.

We can work with the festivals likewise, indeed any large event can be encouraged to keep cars from unnecessarily coming to the centre.

We can trial different pricing. Price per car rather than per person, £1 flat fee at certain times, as examples.

We can alter hours of operation to make park and rides better for those attending theatre or evening hospitality.

We can look at how buggies and wheelchairs are catered for, how bikes may be transported, the possibilities are endless.

Ultimately what we want is a service which people choose as it's convenient, runs the hours they want, to the places they need to get to AND is the economically best choice rather than driving into the city centre.

But we need to be prudent as well, hence us getting the flexibility built in to introduce these factors only when the economics allow us to.

All predictions are that bus patronage will get to previous levels, and were that to be the case, we could end up with an income stream for the council. As car parking in the centre reduces, as more areas get residents parking zones, as we negotiate with large employers to provide this service direct to their sites, as we live model the price elasticity for leisure use, we are confident we can over perform against average expectations as park and ride becomes the most viable choice for individuals.

There's also plans for how the sites are used separate from this paper, dependent on the outcome of the local plan partial update, including how security is reviewed, what other transport hubs provision could happen onsite e.g. park and scoot, solar panels for charging points, the possibilities are endless.

But to deliver these, we first need to get the figures right, to promote use of park and rides, and reinvest the money we raise to create the service we aspire towards.

So, I urge you to support this paper for the provision of the service on a gross cost basis, and the further recommendations in section 2."

Cllr Richard Samuel seconded the motion and stated that this has been a difficult time to renew the contract and cost pressures were expected due to high inflation. The proposal represents a good achievement and an acceptable outcome in the current circumstances. He also thanked WECA staff for the work they have undertaken on this contract renewal.

Cllr Sarah Warren stated that she was delighted to retain the Park & Ride Service in B&NES.

RESOLVED (unanimously):

- (1) To note the assessment of the tender returns as set out within Exempt Appendix 1 of the report.
- (2) To consider fully the charging options as part of the contract award process and give delegation to the Director of Place Management to agree with the West of England Combined Authority (WECA) to;

Award the contract to the preferred bidder on a gross cost basis with the following contract specification but with a clear understanding of sustained service improvements as patronage increases:

- a) At commencement of the contract fares to be set at £3.60 per return adult fare on all days (rather than £3.60 Monday-Friday and £3.00 weekends as set currently);
 - b) All group ticket options currently available to be maintained and;
 - c) At commencement of the contract that the hours of operation to match the current service provision.
- (3) To agree that the service financial model will be reviewed at six monthly intervals to compare the actual income against the model and, subject to income levels reaching necessary gateway levels;

- a) Invest the additional income in increased service provision such as extended hours of operation and/or;
 - b) Reduce the fares charged for the Park & Ride service and/or;
 - c) Invest in improvements on the Park & Ride sites to improve the customer experience.
- (4) To note the additional costs for the service against the agreed Council budget for the service and the mitigation plan as set out within paragraph 5.10 of the report and approve the establishment of a P&R smoothing reserve to manage the income risk whilst patronage returns to pre-Covid levels.
- (5) To delegate the authority to the Director of Place Management in consultation with the Cabinet Member for Transport to implement a parking charge on the Park & Ride site for any users as agreed to offset the increased costs of the operation of the sites and the bus service and ensure that the service remains viable in the long term.

71 ARRANGEMENTS FOR SPECIAL CABINET MEETING - 26 MAY 2022

Cllr Kevin Guy explained that there will be a Special Cabinet meeting on 26 May 2022 to discuss the Community Health and Social Care Contract.

On motion by Cllr Guy, seconded by Cllr Born it was:

RESOLVED (unanimously) to use Executive Procedure Rule 4D, 20 to suspend the necessary rules to allow only questions and statements relating to the agenda item.

The meeting ended at 7.55 pm

Chair _____

Date Confirmed and Signed _____

Prepared by Democratic Services

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Thursday, 26th May, 2022

Present:

Councillor Kevin Guy (Ch)	Leader of the Council, Liberal Democrat Group Leader
Councillor Tim Ball	Cabinet Member for Planning and Licensing
Councillor Alison Born	Cabinet Member for Adult Services and Council House Building
Councillor Tom Davies	Cabinet Member for Adult Services and Council House Building
Councillor Manda Rigby	Cabinet Member for Transport
Councillor Dine Romero	Cabinet Member for Children and Young People, Communities
Councillor Richard Samuel	Deputy Council Leader (statutory) and Cabinet Member for Economic Development and Resources
Councillor David Wood	Cabinet Member for Neighbourhood Services

1 WELCOME AND INTRODUCTIONS

The Chair, Cllr Kevin Guy, welcomed everyone to the meeting.

2 EMERGENCY EVACUATION PROCEDURE

The Chair drew attention to the emergency evacuation procedure as set out in the agenda.

3 APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr Sarah Warren.

4 DECLARATIONS OF INTEREST

Cllr Tim Ball declared an interest regarding item 8 as his grandson uses the paediatric services provided by HCRG.

5 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

The Chair stated that there was no urgent business, but that he wished to thank the dedicated HCRG teams for the excellent services they have continued to provide under the extreme pressure of the last two years. He praised the close working relationship between the Council and the CCG which would soon move to an Integrated Care System. He stated that, whilst the CCG decision relating to the HCRG contract had been made earlier in the evening, the Cabinet decision would be made entirely independently. He wished to reassure the public and service users that the collaborative relationship between the two organisations would continue.

6 QUESTIONS FROM PUBLIC AND COUNCILLORS

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

Cllr Joanna Wright asked two supplementary questions relating to M1 and M5. Cllr Alison Born confirmed that responses would be provided within five working days of the meeting.

[Copies of the questions and responses, including supplementary questions and responses if any, have been placed on the Minute book as Appendix 1 and are available on the Council's website.]

7 STATEMENTS, DEPUTATIONS OR PETITIONS FROM PUBLIC OR COUNCILLORS

The following members of the public and Councillors made statements regarding the HCRG contract extension:

- Pam Richards (Protect our NHS BANES) *[a copy of which is attached to the minutes as Appendix 2 and on the Council's website]*
- Councillor Paul May *[a copy of which is attached to the minutes as Appendix 3 and on the Council's website]*
- Councillor Robin Moss *[a copy of which is attached to the minutes as Appendix 4 and on the Council's website]*
- Councillor Eleanor Jackson (this statement was read out by Cllr Robin Moss as Cllr Jackson was unable to attend the meeting) *[a copy of which is attached to the minutes as Appendix 5 and on the Council's website]*

8 HCRG CARE GROUP OPTIONS APPRAISAL

Cllr Vic Pritchard made a statement in his capacity as Chair of the Adults, Children, Health and Wellbeing PDS Panel. The statement covered the following issues:

- The role of scrutiny is very important in this process. Having discussed this matter at the Adult, Children, Health and Wellbeing PDS Panel no firm conclusion had been reached. There was a balance of views from Panel members between Options 1 and 3.
- Cllr Pritchard gave a brief outline of the background to the Virgin Care contract and highlighted the importance of this decision.
- He praised the excellent service that had been provided by Virgin Care and HCRG throughout the pandemic.

The Chair clarified that the Cabinet had decided to ask the PDS Panel to consider the HCRG contract options appraisal. He also noted that the statement presented by Cllr Pritchard appeared to be made in his capacity as Leader of the Conservative Group rather than as the Chair of the PDS Panel.

Cllr Alison Born, Cabinet Member for Adult Services and Council House Building, introduced the report and made the following statement:

“This Special Cabinet meeting has been called to determine the future of the community health and care services contract. These services were provided by Sirona, a local Community Interest Company until 2017 when a seven plus three-year contract was jointly awarded to Virgin Care by B&NES CCG and Council. The first seven-year period of the contract comes to an end in March 2024 and Commissioners were required to decide whether or not to exercise the three-year extension by March 2022.

An options appraisal process took place during 2021 and in November, both the CCG and the Council took the decision to exercise the three-year extension. This decision was based on the fact that services provided by Virgin Care were generally good, they were seen as a trusted partner, and it was felt that the extension would offer certainty and continuity at a time of great stress and upheaval across the health and care system.

However, within three weeks of this decision being made, Commissioners were informed that Virgin Care had been sold to a private equity group Twenty:20 capital and was being re-branded as HCRG. This was totally unexpected as the Commissioners had been given no prior indication that Virgin Care was for sale. It brought the decision regarding the contract extension into question. HCRG were informed that the extension would be placed on hold whilst commissioners initiated a due diligence process and obtained legal advice. In February 2022, HCRG agreed to an extension of the deadline for exercising the option until the end of June 2022.

A further Option Appraisal has been undertaken, taking into account the change of ownership and the circumstances for that change. Four options were considered and two have been discounted, the two that remain are:

Option 1 – To extend for a further three years

Option 3 – To allow the contract to end with no extension beyond 31 March 2024

There are advantages and disadvantages to either of the options under consideration and it is a finely balanced decision. Officers have recommended Option 1 (that is extending the contract for a further 3 years) on the assumption that it contains the financial and operational risks, it minimises disruption to service provision and allows existing relationships to continue. However, they also recognise that the potential disadvantages of Option 1 include risks relating to the provider selling the business on again without the Commissioners' prior knowledge and reduced flexibility and control.

The remaining option still under consideration is Option 3 (that is allowing the contract to end with no extension beyond 31 March 2024). Officers recognise that this offers the opportunity to align contracts with neighbouring providers; to bring in-house adult social care; to give commissioners greater flexibility to adapt community services to changing needs and priorities (including the potential for greater integration or re-commissioning these services at scale); to streamline IT services (enabling better access to data) and to increase workforce security at a time of significant skills and labour shortages.

Officers identify the potential disadvantages of Option 3 to include, concerns about the scale of activity required within the next 21 months to determine the new service model and to transfer staff and services; with the potential impacts on operational services, on key relationships and on the costs of service provision.

In the paper, the financial implications of the two options look markedly different but Option 1 only includes the estimated costs of the procurement process, necessary to determine provision at the end of the 10-year term of the contract. Any additional costs would be borne outside of the 10-year period so have not been quantified, but they would be significant.

By contrast, Option 3 provides the opportunity to explore bringing services in house with one off mobilisation costs, to determine the new service model and to manage the transition, which would be incurred over a three-year period from 2022 to 2025. Plus, the estimated costs (due to additional pay and pension liabilities) of bringing social care staff back in house; these operational costs would be incurred from 2024-2027 and are estimated to equate to less than one million pounds per year. There would be no procurement costs to the Council for option 3 as social care services would be taken in-house and the services would not be re-procured.

Additional staffing costs would undoubtedly apply at the end of the contract period in Option 1, but they would be bought forward by three years in Option 3. It is also worth noting that the Option 3 figures set out in the paper are estimates before any actions are taken to mitigate. Councillor Samuel will be providing more information on the resource implications when he speaks on this matter.

As the risks and benefits between the two options appear to be so finely balanced, it is important to determine which option is more likely to support the development of innovative community health and social care services that are both robust and agile and are capable of responding to the unprecedented post pandemic demand for services, the challenging workforce environment and the requirements and opportunities of the new Health and Care Act.

My sense is that the partnership needed to deliver this service transformation must be open and transparent with high levels of trust between all parties and providers must be able to respond quickly and flexibly to new ways of working.

I am concerned that a provider that is operating under a contract determined pre-pandemic and which we now know (from the totally unexpected sale of Virgin Care) is compelled to withhold commercially sensitive information and cannot be totally open and transparent, will have limitations. I am also concerned that there is nothing to stop the new owner of HCRG from selling the service on again, so the expectation of continuity afforded by Option 1 may well not be delivered and we could face more disruption in the near future, regardless of whether or not the contract is extended.

It is essential that local community health and care services are of high quality, that they meet the needs of our local communities, and that public money is safeguarded for the provision of front-line services. Disruption caused by changes to provider services is very difficult for both staff and service users and does not support effective service delivery. We are incredibly grateful to our community health and

care staff who have worked throughout the pandemic in the most challenging of circumstances.

While Option 1 appears attractive in the short term, I believe that the certainty provided by Option 3, with the opportunity to bring our social care staff in-house, will provide them with greater security and will support the development of services equipped to address the evolving needs of our residents. I also understand that the anticipated costs can be managed and that there may be advantages in starting the transition away from the current flat cash contract at an earlier stage. I move, therefore that Cabinet supports Option 3.”

Cllr Richard Samuel, Cabinet Member for Economic Development and Resources, seconded the motion and made the following statement:

“In seconding the recommendation to approve Option 3 just moved by Cllr Born I want to focus on the financial aspects of this decision as it goes without saying that the ultimate test of success of this service is the quality of service to residents and the context in which that service operates.

When this contract was let by the Conservatives in 2016 it was, even by their standards at that time, an unusual contract. The contract took on services previously provided, as we’ve heard, by the Council’s own arms-length provider Sirona who were a not-for-profit social enterprise. Cllr Pritchard, the lead Cabinet member at the time, decided that the contract should be awarded to Virgin Care, for the reasons he’s explained earlier.

The unusual features of this contract were that the Council component of the shared contract with the CCG was a flat cash contract. This means since its commencement in 2017 that Virgin were required to absorb annual cost rises without receiving any extra payment. Effectively this meant they were required to make savings every year to keep pace with inflationary pressures.

Now from the Council’s perspective of course this was great news. A major service would see no year-on-year cost increase linked to Consumer Price Index movements and that has been the case for the past five years. However, there’s no such thing as a free lunch. When this contract comes to an end, whenever that is, and a new service is procured then the Council can expect to see a hike in costs reflecting the movement of prices over the years of the contract. So, in other words, the full impact of the flat cash contract would be felt at the end of the contract, whether that’s seven years or ten years.

To expand on that point, you need to think about the context. In 2015/16 inflation was low, the labour force was boosted by the presence of EU workers, a number of whom have now left, and social care pressures were growing but they were still contained. In 2022 the polar opposite applies. The labour force has shrunk due to Brexit, inflation is rampant due to the government’s failure to control it, tax rates are their highest for decades and social care pressures are now increasingly unsustainable. The government’s own solution for this has been limp, to say the least.

Against this background the 2016 decision to award this contract looks, unusually, both inept and clever at the same time. Inept because it bequeathed an unsustainable pressure to future Council administrations and fortuitous because it

handed the Tories short term savings, to counter the fact that they were losing control of the Council's finances in 2016/17 and needed to find cash from anywhere they could.

Turning to the financial in this report. In table 5.1 we can see that Option 1 effectively defers the expected movement in costs, that I think several speakers have referred to, until 2026/27 and does clearly save the Council money in the short term; whereas Option 3 brings the increase in costs forward but does have the advantage that were services returned in house in 2024 the Council could build these adverse movements into its budget planning.

The Cabinet should also note the £7.8m set out in the table is, as Cllr Born has said, the unmitigated figure, were the Council to take no action to seek to reduce these modelled costs and it's also a three-year cumulative figure – in other words you divide it by three to get the annual pressure. That annual cost pressure is significant, but it is entirely manageable – the Council of course is unlikely to do nothing and will deal with the pressures against the background of wider budget preparation.

So, my preference is for the Council to plan for a return of these services to direct management in 2024 and that financial and service preparations begin immediately for the repatriation of these services. This enables the Council to reassert control of costs and is aside from any discussions about service configuration which will no doubt take place with health colleagues. I have established that funding exists to establish a transition team and in the event that the Cabinet vote for Option 3, I would like officers to immediately establish such a team and report progress to the September meeting of the Cabinet.

Chair, I have considered the options in this report very carefully and although a ten-year contract may have appeared to be advantageous at the time it was let, that no longer appears a prudent decision. The ever-widening gap between service cost and contract income does inevitably mean that the necessity for any provider to make further future economies will inevitably tend to make services to residents less resilient. I therefore favour Option 3 so that we can begin to prepare as soon as possible."

Cllr Ball noted that the contract is building up a cost for the future. It is important that services are able to react quickly to changing circumstances and that the Council works closely with its partners. He confirmed his support for Option 3.

Cllr Romero thanked all the HCRG staff for the excellent service they have provide throughout the pandemic. She also confirmed her support for Option 3 for the reasons outlined by Cllrs Born and Samuel in terms of service and financial delivery.

Cllr Davis also thanked officers, Cabinet colleagues, the CCG and professional advisors for the hard work they have undertaken in respect of this contract. The due diligence process that has been carried out since the Council became aware of the change of ownership has been very thorough and professional. Whilst both options contain some element of risk, a range of mitigations can be put in place. Cllr Davis felt that, on balance, Option 3 represents less risk than Option 1. There are opportunities available with Option 3 and the Council would have greater control and he supported this option with both confidence and optimism. He noted that there were just under two years to prepare for the transition and noted that this process would be well resourced and planned going forward.

Cllrs Wood and Rigby both thanked officers for their hard work and, having listened to the debate, expressed their support for Option 3.

RESOLVED (unanimously):

- (1) To allow the contract to end with no contract extension beyond 31 March 2024.
- (2) To delegate to Suzanne Westhead, Director Adult Social Care (DASS), in consultation with Cllr Alison Born, Cabinet Member for Adult Services, authority to proceed with the agreed option and to undertake any appropriate risk mitigation.

The meeting ended at 7.15 pm

Chair _____

Date Confirmed and Signed _____

Prepared by Democratic Services

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Bath & North East Somerset Council

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

published from 25 April 2022 until 5 July 2022

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>

RULE 16 - Appendix 1 to the Discretionary Rate Relief Policy

To agree the proposal relating to the Discretionary Rate Relief Policy. This gives guidance to officers administering claims for discretionary rate relief under discretionary powers provided by the Local Government Finance Act 1988.

Decision Maker: Cabinet Member for Economic Development and Resources

Decision published: 16/06/2022

Effective from: 16/06/2022

Decision:

The Cabinet Member agrees to approve the proposal relating to these reliefs in the attached Appendix I.

Wards affected: All Wards

Lead officer: Rob Brunton

RULE 15 - Bath Quays North Development, Bath Avon Street Multi-Storey Car Park Demolition Works

To proceed to issue a Contract Award to a Preferred Bidder to demolish Avon Street Car Park.

Decision Maker: Cabinet Member for Economic Development and Resources

Decision published: 30/05/2022

Effective from: 30/05/2022

Decision:

1. To proceed to issue the Contract Award notification to the Preferred Bidder.
2. Upon expiry of the ten-day stand still period and upon conclusion of the planning matters to proceed to enter into contract and appoint the Preferred Bidder under a direct contractual appointment to B&NES Council.

Wards affected: Kingsmead

Lead officer: Simon Martin

Bath River Line

The Bath River Line is a strategic green infrastructure project which will create a linear park through the heart of the city, connecting communities through a level, fully accessible travel route whilst protecting and enhancing the natural environment. A FBC for Phase I has been submitted to WECA. We are requesting that the decision to accept the WECA funding be made by a single member once the funding award offered.

Decision Maker: Cabinet Member for Economic Development and Resources

Decision published: 30/05/2022

Effective from: 09/06/2022

Decision:

To delegate approval to the Director of Sustainable Communities, in consultation with the s151 officer, to accept the £1.048m grant from WECA. This will allow full approval of the confirmed £1,612k in capital funds for Bath River Line Phase 1.

Wards affected: All Wards

Lead officer: Mark Minkley

Grant for Cleveland Pools Trust

This decision is for approval of £250k grant contribution towards the project costs to restore Cleveland Pools.

Decision Maker: Cabinet Member for Economic Development and Resources

Decision published: 24/05/2022

Effective from: 01/06/2022

Decision:

To agree to fully approve £250k for Cleveland Pools Trust being funded by Strategic CIL.

Wards affected: Bathwick

Lead officer: Maria Newton

Bath Local Centres High Street Improvement Scheme

Decision to delegate approval to the Director of Sustainable Communities, in consultation with the S151 Officer, to accept the £295k Love our High Streets grant from WECA.

Decision Maker: Cabinet Member for Economic Development and Resources

Decision published: 24/05/2022

Effective from: 01/06/2022

Decision:

To delegate approval to the Director of Sustainable Communities, in consultation with the S151 Officer, to accept the £295k Love our High Streets grant from WECA.

Wards affected: All Wards

Lead officer: Cleo Newcombe-Jones

RULE 15 - Corporate Property Acquisition

Corporate property acquisition to ensure continuation of service provision.

Decision Maker: Cabinet Member for Economic Development and Resources

Decision published: 19/05/2022

Effective from: 17/05/2022

Decision:

- To approve the acquisition of a property within the Milsom Quarter, Bath, in order to secure a new location for the Bath Fashion Museum.
- To delegate approval to the Director of Sustainable Communities, in consultation with the S151 officer to accept RIF (Revolving Infrastructure Fund) grant from WECA for the acquisition of this property. These funds will be spent in line with the Full Business Case submitted to WECA.

Wards affected: Kingsmead

Lead officer: Carolyn Smallwood

Appointment of two Non-Executive Directors to the Board of the Aequis Group of Companies

Bath & North East Somerset Council is looking to appoint two additional independent Non-Executive Directors to further strengthen and diversify its wholly owned housing company (Aequis Group) Board of Directors. One of the current Non-Executive Directors is standing down from his role at the end of March 2022 and there are 3 other Non-Executive Directors coming to the end of their term within the next few years so, it was proposed to start the recruitment process now to ensure the continuity of Board.

Decision Maker: Council Leader

Decision published: 16/05/2022

Effective from: 16/05/2022

Decision:

To agree that:

- Liz Pickering be appointed a non-executive director of Aequis Group with effect from 1 April 2022.

- Vic O'Brien be appointed a non-executive director of Aequis Group with effect from 1 September 2022.

Wards affected: All Wards
Lead officer: Simon Martin

Grant for Freshford Village Memorial Hall

This decision is for approval of £50k grant contribution towards the costs of improving the insulation of the windows and walls of the existing hall.

Decision Maker: Cabinet Member for Economic Development and Resources
Decision published: 11/05/2022
Effective from: 19/05/2022

Decision:

The Cabinet Member agrees to fully approve £50k for Freshford Memorial Village Hall being funded by Strategic CIL.

Wards affected: Bathavon South
Lead officer: Maria Newton

CIL for Bath Advisory Board Recommendations Round Eleven

The Leader is asked to agree the funding for the eleventh round CIL for Bath. The Advisory Board Recommendations are taken from the meeting that took place on 14th March 2022.

Decision Maker: Council Leader
Decision published: 03/05/2022
Effective from: 11/05/2022

Decision:

To agree the recommendation from the CIL for Bath Advisory Board relating to the eleventh allocation of funding (£47,214) to one project from Bath's "neighbourhood portion" of the Community Infrastructure Levy.

Wards affected: All Wards
Lead officer: Mark Hayward

Determination of the Statutory Notice to Enlarge St Keyna Primary School

To determine the Statutory Notice proposing the enlargement of St Keyna Primary School to create more pupil places.

Decision Maker: Cabinet Member for Children and Young People, Communities and Culture

Decision published: 28/04/2022

Effective from: 07/05/2022

Decision:

The Cabinet Member agrees that St Keyna Primary School should be enlarged to 420 places from 1 September 2024.

Wards affected: Keynsham East; Keynsham North; Keynsham South; Saltford;

Lead officer: Helen Hoynes

Sustainable Construction Checklist Supplementary Planning Document (SPD) Review

The Sustainable Construction Checklist Supplementary Planning Document (SPD) sets out guidance on the information that applicants for planning permission are required to submit in order to demonstrate how the proposed development meets sustainable construction standards. The SPD needs to be reviewed and updated so that it outlines information required to meet the requirements of updated policy in the Local Plan Partial Update that is due to be adopted later this year. This report seeks approval of publication of a draft SPD for consultation.

Decision Maker: Cabinet Member for Planning and Licensing

Decision published: 27/04/2022

Effective from: 06/05/2022

Decision:

To agree that:

1. The amended draft Sustainable Construction Checklist Supplementary Planning Document (Appendix 1) is issued for statutory consultation under Regulation 12(b) of the Town and Country Planning (Local Planning) (England) Regulations 2012; and
2. The Head of Planning has delegated authority to make any necessary editorial changes, in consultation with the Cabinet Member for Planning and Licensing, prior to consultation on the draft Sustainable Construction Checklist SPD.

Wards affected: All Wards

Lead officer: Richard Daone

Planning Obligations Supplementary Planning Document (SPD) Review

A review and updating of the Planning Obligations Supplementary Planning Document (SPD) is required primarily in order that it reflects and facilitates delivery of the Local Plan Partial Update which is due to be adopted later this year. This report will seek approval of publication of a draft SPD for consultation.

Decision Maker: Cabinet Member for Planning and Licensing

Decision published: 27/04/2022

Effective from: 06/05/2022

Decision:

To agree that:

- 1) The amended draft Planning Obligations Supplementary Planning Document for public consultation is issued for statutory consultation under Regulation 12(b) of the Town and Country Planning (Local Planning)(England) Regulations 2012; and
- 2) The Head of Planning has delegated authority to make any necessary editorial changes, in consultation with the Cabinet Member for Planning and Licensing, prior to consultation on the draft Planning Obligations SPD.

Wards affected: All Wards

Lead officer: Richard Daone

Bath & North East Somerset Council			
MEETING:	Cabinet		
MEETING DATE:	14 th July 2022	EXECUTIVE FORWARD PLAN REFERENCE:	
		E	3339
TITLE:	Bath Clean Air Plan Annual Report 2021		
WARD:	All		
AN OPEN PUBLIC ITEM			
List of attachments to this report:			
Appendix (a)- Summary of Bath’s Clean Air Plan Annual Report 2021			
Appendix (b)-Bath’s Clean Air Zone Annual Report 2021			
Appendix (b) 1- Measuring the impact (reporting timeline)			
Appendix (b) 2- Investigating traffic displacement concerns			
Appendix (b) 3- Full 2021 annual diffusion tube NO₂ data			

1 THE ISSUE

- 1.1 Poor air quality is the largest known environmental risk to public health in the UK. Investing in cleaner air and doing more to tackle air pollution are priorities for the UK government, as well as for Bath and North East Somerset Council (B&NES). B&NES has monitored and endeavoured to address air quality in Bath, and the wider B&NES area, since 2002. Despite this, Bath has ongoing exceedances of the legal limits for nitrogen dioxide (NO₂), and these were predicted to continue until 2025 without intervention.
- 1.2 To achieve compliance with Ministerial Directions, on 15 March 2021 a Clean Air Zone was launched in Bath, the first charging CAZ outside of London.
- 1.3 This report reviews the performance of the first calendar year of the Clean Air Zone (CAZ) in Bath from 15 March 2021- 31 December 2021.

2 RECOMMENDATIONS

The Cabinet is asked to:

- 2.1 Note the Annual report and the ongoing progress which has been made towards achieving reductions in nitrogen dioxide levels both within and on the boundary of the CAZ, which has been realised by the scheme increasing the proportion of compliant, less polluting vehicles driving in and around the city.
- 2.2 Note the continued performance of the CAZ against the scheme's financial model, ensuring it covers its costs of operation and avoids placing an additional burden on the Council and local taxpayers. In addition, note that surplus revenue is now being targeted towards sustainable transport projects as laid out in the full business case for the scheme.
- 2.3 Note the statement from the Joint Air Quality Unit (JAQU) on their assessment of the scheme towards achieving success with the Ministerial Directions which have been served upon the council.
- 2.4 In line with recommendation 3 of E3322 and Minute 1.5 of E3326, note that further work to develop and implement a local nitrogen dioxide objective level be continued.
- 2.5 Recommend that officers explore options for enhancing the capability to monitor particulate matter pollution within Bath and North East Somerset.

3 THE REPORT

- 3.1 The Annual Report is attached at Appendix (b) and provides a detailed summary of the performance of the CAZ between 15 March 2021-31st December 2021. The key headlines and messages are summarised in the Summary of the Annual Report attached at Appendix (a).

Compared with 2019 (our pre-Covid baseline year) the following achievements are noted:

- a decreasing trend in NO₂ concentrations at all sites in Bath
 - a 21% reduction in annual mean NO₂ concentrations within the zone
 - a 22% reduction in annual mean NO₂ concentrations in the urban area outside the zone, demonstrating that air quality has not deteriorated in these areas due to the introduction of the CAZ
 - 8 fewer sites exceeding the limit value of 40 µg/m³ (as an annual mean).
- 3.2 3 sites recorded an annual average NO₂ concentration greater than 40 µg/m³ which were at Walcot Parade, Wells Road and Dorchester Street. However, all these sites have an overall decreasing trend in concentrations and plans are being developed for local interventions to lower concentrations further.

- 3.3 Significant progress has been achieved in increasing the proportion of compliant vehicles that are entering the zone on a daily basis- on average in March 2021, 1,146 vehicles driven in the zone each day were non-compliant and chargeable. By December 2021, this number had halved to 550.
- 3.4 All chargeable vehicle categories are now exceeding compliance rates of 90%, apart from vans which, from a starting percentage of 63%, are now achieving a rate of 80% compliance.
- 3.5 The Annual Report also considers other measures such as retail footfall rates, which provide indications of both potentially positive and adverse impacts of the scheme. In the case of retail footfall, by the end of 2021 rates have returned to near pre-pandemic figures suggesting that the CAZ has not negatively impacted this measure.
- 3.6 The performance of the Bath Clean Air Plan is being closely scrutinised by the JAQU in collaboration with Ipsos UK and the Institute for Transport Studies (ITS) at the University of Leeds. In May 2022 a Central Evaluation Report was published on the impact of Local NO₂ Plans which provided insight on the first 6 months of data from the operation of the scheme (March 2021- October 2021) and other live schemes. Accepting that this is a very early-stage analysis, the report supports our local findings and key points are:
- NO₂ levels in Bath have decreased since the CAZ was implemented. Taking into account COVID restrictions and the Cleveland Bridge closure, alongside an analysis of air quality in comparable locations, the suggestion is that the observed improved air quality can be partially attributed to the CAZ introduction.
 - Evidence suggests that the CAZ has been successful in encouraging the enhancement of vehicle compliance. While COVID is the main driver for the observed fluctuations in the volume of traffic in the CAZ area in Bath, an analysis of the composition of the fleet driving into the CAZ area highlights a clear move toward compliant vehicles across all vehicle types.
 - A comparison between air quality data in the B&NES CAZ and that in control sites in Reading, Oxford and Worthing suggests that improvements in air quality in Bath may be causally related to the B&NES CAZ. However, a longer time series of quality assured measurements is needed to improve the confidence and certainty of this conclusion.
- 3.7 During the development of the Full Business Case, traffic modelling did suggest that there could be both increases and decreases in traffic flows on some roads because of the CAZ being introduced. However, it could not anticipate the changes in national and local traffic patterns because of the pandemic. The pandemic has greatly affected working habits and travel patterns since the winter of 2019/2020 with greater visibility of delivery vehicles on the road network. Appendix (b) 2 of the Annual report provides updated information on how concerns about the potential displacement of traffic and pollution have been investigated since the launch of the scheme, which has involved the deployment of temporary ANPR cameras to better understand the proportion of non-compliant traffic in areas of concern.

Of the 17 initial investigations, 7 locations have been determined as having no displacement impacts, 2 locations will be reviewed following the full re-opening of Cleveland Bridge, 2 locations have further monitoring in progress and 6 locations require ongoing monitoring at this stage.

- 3.8 To date, this monitoring suggests that there are no ongoing significant displacement impacts due to the introduction of the scheme, however monitoring will continue. This will include monitoring on key roads such as the A37, where results to date demonstrate that there appears to be no increase in HGV volumes due to the implementation of the CAZ.
- 3.9 The financial assistance scheme to bring forward replacement of non-compliant vehicles or provide retrofit treatments to vehicles has been successful; by the end of December 2021, some 722 vehicles had been upgraded with the Council's support and by the end of May 2022, this had increased to 859 vehicles. The current round of funding for the financial assistance scheme has now concluded and consideration is being given as how residual funding could be allocated to those on a secondary waiting list and those who continue to receive time-limited exemptions from the scheme which are due to expire in March 2023.
- 3.10 The Charging Order, which provides the legal framework for the scheme, requires that in the first place any surplus revenue should be used to cover the cost of operation of the scheme, including the maintenance of infrastructure and operational staff. After the first year, the operational and future costs of the scheme are now covered, and any surplus revenue is being allocated to sustainable transport initiatives. £2.5M will be allocated to the City Region Sustainable Transport Fund over the next 2 years.
- 3.11 There is no clear evidence of a safe level of exposure to NO₂ or particulate matter or below which there is no risk of adverse health effects so any further reduction of these pollutant concentrations below air quality standards is likely to bring additional health benefits¹. To date, efforts have been directed at achieving compliance with the Ministerial Directions which focus on reducing concentrations of NO₂. The council wants to be ambitious in building upon the progress which has been made by the CAZ in improving air quality throughout the city and its environs and has a will to go further.
- 3.12 Whilst the aim has been to achieve compliance with the annual average objective level for of 40 µgm³, the council is fully aware of World Health Organisation (WHO) guidelines published in 2021 which propose more ambitious targets for both NO₂ and particulate matter in recognition of the serious health risk pollution can have upon global health. It is ambitious to create its own reducing target to adhere to these guidelines in future years, reinforcing the aspiration that reducing pollution should be an aim in all decision-making.
- 3.13 By introducing a local NO₂ objective level for example, where all monitoring locations would aim to achieve an annual average level of at, or below, 36 µgm³ by 2025, it demonstrates a will to be aspirational in further protecting public health. This local target would align with the wider package of measures detailed in the Journey to Net Zero to achieve decarbonisation,

including consideration of the introduction of a work-place parking levy and additional residents parking zones.

- 3.14 Whilst current objective levels for particulate matter are not being breached in Bath and North East Somerset, the council would like to increase the monitoring capacity of this pollutant using surplus funding from the CAZ. Unlike NO₂, particulate matter is a pollutant which can be significantly impacted by regional factors, i.e. sources outside of the local authority and the council aspires to provide the public with wider coverage of actual monitoring data to raise greater awareness of this important pollutant.

4 STATUTORY CONSIDERATIONS

- 4.1 The Council has received a total of three separate Ministerial Directions throughout the development of the scheme, the effect of which is that the Council must fulfil its statutory duty to achieve compliance with air quality standards in the shortest possible time and by 2021 at the latest. Following the launch of the scheme on 15 March 2021 and despite the challenges posed by the pandemic and temporary changes to traffic flows within the city caused by the Cleveland Bridge restoration works, officers have continued to work hard to achieve this legal requirement.
- 4.2 The formal assessment by JAQU as to whether the Council has 'achieved success' with the Ministerial Directions is currently being completed. JAQU have provided the following points of information:
- JAQU understands that local monitoring shows that Bath is making good progress towards achieving legal compliance for Nitrogen Dioxide levels.
 - JAQU is currently assessing the evidence that they have collected which will be independently reviewed.
 - A report summarising JAQU's assessment of this evidence will be published in the autumn alongside assessments of other Local Authorities' plans.
- 4.3 Achieving compliance with air quality standards across Bath and the wider North East Somerset area will result in widespread public health improvements and compliments the wider projects around decarbonisation and promoting more sustainable methods of travel.
- 4.4 The Council has a public sector equality duty to have due regard to the need to (in summary) eliminate discrimination, advance equality of opportunity, and foster good relations between people who share a relevant protected characteristic and those who do not. An Equalities Impact Assessment (EqIA) was drafted in September 2018 so that the Council could fulfil this duty and has been subsequently reviewed on several occasions, including around the launch of the scheme. The latest review did not identify any adverse impacts and the latest version (recently updated) can be found here: <https://beta.bathnes.gov.uk/policy-and-documents-library/clean-air-zone-equality-impact-assessment>

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 The aim of the CAZ charging scheme is to reduce dangerous levels of NO₂ in the shortest time possible through encouraging and embedding behaviour change. Any income is secondary to this aim, as the ongoing payment of zone entry charges and penalty charge notices is indicative that the necessary behaviour change is still required.
- 5.2 The scheme has been set up using grant funding from central government so there is no additional burden on the Council and local taxpayers.
- 5.3 Revenue grant funding to implement the scheme in advance of the receipt of any surplus income (the Implementation Fund monies) or as part of mitigating the impact of the scheme (the Clean Air Fund monies), has been allocated as shown in the table below. (The dates of 31 December 2021 and 31 May 2021 have been chosen to reflect the monitoring periods required by JAQU):

	Grant allocation (£)	Amount spent to 31 Dec 2021 (£)	Amount spent 01 Jan 2022- 31 May 2022 (£)	Remaining committed funding
Implementation Fund	2,067,938	1,716,038	351,900	0
Clean Air Fund	1,226,548	762,920	288,245	175,383

- 5.4 The remaining committed funding of £175,383 from the Clean Air Fund relates primarily to the e-cargo delivery project. Additionally, the values in the table above do not include additional 'stretch-funding' of £0.280M of Clean Air Fund funding i.e., further funding which can be sought if the need can be demonstrated.
- 5.5 Capital funding received from central government to implement the scheme (the Implementation Fund monies) or as part of mitigating the impact of the scheme (the Clean Air Fund monies) has been allocated as shown in the table below. (The dates of 31 December 2021 and 31 May 2021 have been chosen to reflect the monitoring periods required by JAQU):

	Grant allocation (£)	Amount spent to 31 Dec 2021 (£)	Amount spent 01 Jan 2022- 31 May 2022 (£)	Remaining committed funding (£)
Implementation Fund	6,250,000	4,831,975	65,980	1,352,045
Clean Air Fund-Bus Retrofit Scheme	1,743,000	1,528,671	109,274	105,055
Clean Air Fund-Financial Assistance Scheme	6,970,870	4,951,890	1,541,047	477,933
Clean Air fund-E-Cargo Bike Delivery Scheme	250,000	0	0	250,000
Total	15,213,870	11,312,536	1,716,302	2,185,032

- 5.6 The values in the table above do not include additional 'stretch-funding' of up to £2.630M for the Financial Assistance Scheme and up to £0.150M for the E-Cargo Bike Delivery Scheme i.e., i.e., further funding which can be sought if the need can be demonstrated.
- 5.7 Once capital grant funding is fully spent, all further Clean Air Zone capital spend must be covered from surplus income received.
- 5.8 Between launch and 31 May 2022 (which includes two months of soft enforcement during which only the zone entry charge was recovered), the scheme has recorded the following income and operational costs:

	Zone entry charges (£)	PCN's (£)	Other income (£)	Total (£)
Income to 31.05.2022	3.116m	3.650m	0.005m	6.771m
Costs to 31.05.2022				3.798m
Net surplus				2.973m

- 5.9 The team continue to take a common-sense approach to enforcement, reinforcing the scheme's purpose to improve air quality by engendering behaviour change.
- 5.10 Any net surplus from the Clean Air Zone scheme is retained in a ring-fenced reserve to fund future operating costs and cover decommissioning costs. At the end of the 21/22 financial year, future committed costs of the scheme are now fully covered, and surpluses are being allocated to the reinvestment reserve. £2.5M of funding from the reinvestment reserve has been allocated to the CRSTS (City Region Sustainable Transport Settlement), and current projections show that this commitment will be covered from this reserve.
- 5.11 The budgets for both zone entry charge income and penalty charge income were modelled on a worst-case scenario basis and assumed that any income from the scheme would not be received before July 2021 for zone entry charge income, and September 2021 for penalty charge income, to accommodate the risk of potential legal challenges and other factors.
- 5.12 The operating costs over the 10 yr. life of the scheme are forecasted to be £15.2M. So far, grants received, and income raised total £7.6M leaving £7.6M to be funded from future income and the smoothing and decommissioning reserves.

6 RISK MANAGEMENT

- 6.1 A risk assessment for the project has been undertaken, in compliance with the Council's decision-making risk management guidance. Specific information can be found in the Quantifiable Risk Assessment as part of the Full Business Case at <https://www.bathnes.gov.uk/bath-breathes-2021-overview/full-business-case>
- 6.2 The remaining key risk relates to uncertainty about delivering compliance in the shortest time and the Council awaits the outcome of the formal assessment from the JAQU to understand progress in achieving this. As ongoing mitigation of this risk, officers continue to focus on key locations to understand how fleet composition and driver behaviour could have both positive and detrimental impacts on NO₂ levels.
- 6.3 The delivery and success of the CAZ has a range of interdependencies with national, sub-regional and local stakeholders and statutory bodies, whose activities, programmes, and policies could have significant implications on the delivery of air quality compliance in the shortest possible time in Bath and North East Somerset. All relationships with these bodies continue to be monitored by the Project Team and reported to the Project Board.
- 6.4 It should be reiterated that if at any point revenue enforcement income and associated government grant income did not cover costs, any shortfall would ultimately need to be underwritten by the government's Joint Air Quality Unit (JAQU). Eventually, if income fell in the medium term, this would mean compliance, or success, has been gained and running costs would correspondingly be reduced to mitigate any adverse impact. It has been recognised that Government will honour the burden created following the new burdens principle (subject to the test of the burden being reasonable).

- 6.5 The costs of the scheme continue to be monitored, reviewed, and managed within available income and reports will be made to the Project Board on a regular basis.
- 6.6 The s.151 Officer and the Monitoring Officer continue to be involved in the monitoring of the scheme and have signed this report off for publication.

7 CLIMATE CHANGE

- 7.1 The Council declared a Climate Emergency in March 2019, committing it to providing the leadership necessary to enable Bath and North East Somerset to achieve carbon neutrality by 2030.
- 7.2 The CAZ represents a catalyst for other projects which support the Journey to Net Zero agenda and by encouraging owners and operators to replace older diesel and petrol powertrains with newer diesel, petrol, hybrid, or alternatively fuelled powertrains, should help reduce vehicle-related CO2 emissions, in line with the Council's local transport policies and climate emergency declaration.

8 OTHER OPTIONS CONSIDERED

- 8.1 None. This is a report providing an annual update on the performance of the CAZ in Bath.

9 CONSULTATION

- 9.1 Consultation has been carried out with the Council's senior responsible officers, S151 and Monitoring Officers, Director of Place Management, as well as the Cabinet Member for Climate Emergency and Sustainability.

Contact person	<p><i>Chris Major, Director of Place Management 01225 394231</i></p> <p><i>Cathryn Brown, CAZ Manager 01225 477645</i></p>
Background papers	<p><i>Documents published on the Council's website, including the Full Business Case and the Equalities Impact Assessment and the previous Quarterly Performance Reports:</i></p> <p>https://beta.bathnes.gov.uk/policy-and-documents-library/baths-clean-air-zone</p> <p>https://beta.bathnes.gov.uk/policy-and-documents-library/clean-air-zone-equality-impact-assessment</p> <p>https://beta.bathnes.gov.uk/policy-and-documents-library/baths-clean-air-zone-monitoring-reports</p>
<p>Please contact the report author if you need to access this report in an alternative format</p>	

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Bath & North East Somerset Council		
MEETING:	Cabinet	
MEETING DATE:	14 July 2022	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3375
TITLE:	Youth Justice Plan	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Youth Justice Plan 2022-23		

1 THE ISSUE

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

2 RECOMMENDATION

The Cabinet is asked to:

- 2.1 Recommend approval of the Youth Justice Plan to full Council, conditional on satisfactory confirmation of the budget.

3 THE REPORT

- 3.1 The principal, statutory aim of the youth justice system is to prevent youth offending by 10-17 year olds. The Youth Justice Plan includes the latest performance indicators for work with children at risk of offending and re-offending and sets out how services will be resourced and delivered in 2022-23.

- 3.2 Actions in the work plan will help to make Bath and North East Somerset a safer place and support children to lead crime-free lives with better prospects for their futures.

- 3.3 The Youth Justice Plan 2022-23 is attached as an appendix to this report.

4 STATUTORY CONSIDERATIONS

- 4.1 Preparation of a Youth Justice Plan is required under S.40 of the Crime and Disorder Act 1998. The national Youth Justice Board for England and Wales has published guidelines for its completion and submission.
- 4.2 The Council is the lead partner in meeting the statutory requirement under S.39 of the same legislation, to establish a multi-agency team made up of members from Police, Social Services, Education, Probation and Health, to prevent youth offending. Work with children at risk of offending or re-offending takes full account of their status as children and prioritises safeguarding them within their local communities as well as in their family settings.
- 4.3 By virtue of the Local Authorities (functions and responsibilities) (England) regulations 2000 (as amended) certain plans and strategies, which together make up the Council's budgetary and policy framework, must be approved by full Council, as reflected in the Council's constitution. These include the Youth Justice Plan.
- 4.4 The constitution requires that the Executive's proposals in relation to any such policy, plan or strategy be submitted to full Council and that, in reaching a decision, the Council may adopt the Executive's proposals, amend them, refer them back to the Executive for consideration or, in principle, submit its own proposals in their place.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 The above statutory partners share responsibility for resourcing the Youth Offending Service. The Council makes the greatest contribution, together with significant in-kind support including access to buildings and finance, IT and human resources support. In 2022-23, the Council will contribute £425,192 (54%) for staffing and the pooled budget, as part of a total budget of at least £791,980. This is a small reduction of £1,249 on last year's Council contribution, resulting from additional contributions to national insurance and salary increases and reductions for salary turnover, as allocated to all budgets. The contribution is within the existing Council approved budget.
- 5.2 The work of the Service also depends on a core national grant from the Ministry of Justice, via the Youth Justice Board. At the time of preparing this report, the grant allocation was still awaiting Ministerial sign off but commitment has been given that the YJB grant will not be at a lower level than last year. Additionally, the Ministry of Justice delegates funding via the Youth Custody Service, to pay for secure remand places for children, when needed; this amount has not been announced yet, either. The Police and Crime Commissioner's direct contribution continues to be £10,217.
- 5.3 Submission of a Youth Justice Plan and quarterly data returns are conditions for receipt of the Youth Justice Board grant.

6 RISK MANAGEMENT

- 6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance.
- 6.2 A summary of challenges and risks is contained within the Youth Justice Plan.

7 EQUALITIES

7.1 An Equalities Impact Assessment has been undertaken and it has confirmed workstreams already identified within the Youth Justice Plan including:

- addressing disproportionality amongst children from Black, Asian and Minority Ethnic backgrounds and children with Special Educational Needs.
- enquiring into the reducing number of girls entering the youth justice system and whether the needs of girls who have offended are being met.
- increasing the proportion of staff who have had relevant in-year training.

8 CLIMATE CHANGE

8.1 A number of children who work with the Youth Offending Service undertake community reparation projects to help develop their understanding of the harm they have caused others and to make indirect amends. These projects include working with local organisations which improve the environment and animal welfare, and working on the Service's own allotment. This work helps improve the environment and may make a small contribution to the achievement of carbon neutrality by 2030.

9 OTHER OPTIONS CONSIDERED

9.1 None

10 CONSULTATION

10.1 This report has been approved by the Section 151 Officer and the Monitoring Officer.

10.2 The Youth Justice Plan draws on feedback from children who worked with the Youth Offending Service during 2021, and from their parents/carers.

10.3 The Plan has been approved by the Youth Offending Service Management Board and members of the Youth Offending Service itself.

Contact person	Sally Churchyard, Head of Young People's Prevention Services and the Violence Reduction Unit Sally_Churchyard@bathnes.gov.uk Mobile: 07980 998711
Background papers	None
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 Youth Justice Plan 2022-23



Service	Bath and North East Somerset Youth Offending Service
Head of Service	Sally Churchyard, Head of Young People's Prevention Service
Chair of Board	Mary Kearney-Knowles, Director of Children and Education

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Cover picture: Koestler Arts Awards 2021 Bronze Award winning photograph taken by a B&NES child on the theme of “Lockdown Windows.” It also pays tribute to a recently retired colleague.

1. Introduction, Vision and Strategy

Children caught up in the youth justice system, whether harmed by others and/or as a consequence of their own behaviour, are amongst the most vulnerable in Bath and North East Somerset. Some are already known to wider children's services including Children's Social Care, because of the difficulties they face; others find it hard to access education and health services and do not benefit from the full universal support intended to give all children a good start in life. This has only been made harder by two years of living through a national pandemic.

The Youth Offending Service- (YOS) works to a statutory responsibility to prevent children from offending and does this in an age-appropriate way that takes account of their individual stories including any adverse childhood experiences, discrimination and/or exploitation by others. Services are individually tailored to help them and their families build on their strengths, make positive changes and look forward to more promising futures. At the same time, the impact of children's offending on individuals and communities is recognised and those harmed are given a voice and opportunity to become involved in restorative work.

This vision is consistent with the ambition in the local Children and Young People's Plan for all children to enjoy their childhood and be well prepared for adult life including by keeping safe, keeping healthy, having fair life chances and by being engaged citizens within their own community. This is underpinned by a commitment to support parents/carers to take responsibility for understanding and meeting their children's needs, enjoying their childhood with them and preparing them for adult life. The local Community Safety and Safeguarding Partnership also upholds the importance of 'think family, think community,' which is evident in the work undertaken.

The Council is lead partner in the multi-agency response to children at risk of offending. Its Corporate Strategy 2020-2024 sets out an overarching purpose, to 'improve people's lives.' Within this, there are two core policies: to tackle the climate emergency and give people a bigger say. The vision for all children and young people is that they live in safe, happy and healthy families and communities. Important components of this are:

- Improving children's lives through strong relationships and positive connections at the earliest opportunity
- Building strong foundations for children's futures
- The right help at the right time by the right service
- Leaders and managers inspire and support staff to do their best for our children

Youth justice priorities for the year ahead are to strengthen participation, respond to recent learning about disproportionality in the youth justice system, embed trauma informed and systemic practice in the work of all staff, address exploitation and support staff to undertake this work including by continuing the journey of recovery from the Covid-19 pandemic. These will all support the statutory responsibility to prevent children's offending and contribute towards building safer communities for all.

This Plan has been written in accordance with the Crime and Disorder Act 1998 and national guidance from the Youth Justice Board and sets out how services to prevent children's offending will be provided and resourced locally in 2022-23. It will be submitted to the Youth Justice Board and published in accordance with the directions of the Secretary of State. It draws on learning from children, their parents/carers and those harmed by their offending. It has been developed and agreed by staff in the Youth Offending Service and the partner agencies that make up its Management Board.

2. Local Context

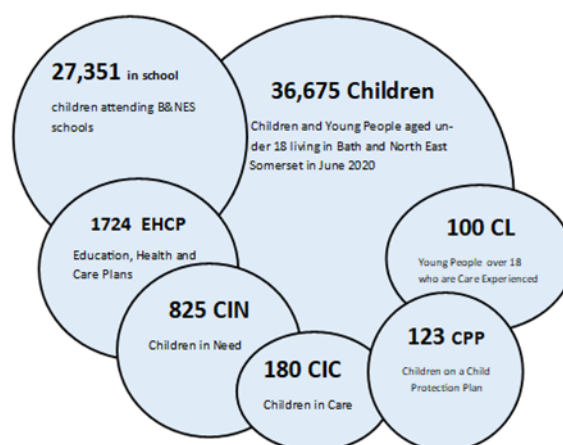
Bath and North East Somerset (B&NES) was formed in 1996 as a small Unitary Authority, covering approximately 135 square miles. In mid-2019 there were 193,282 residents and the Office for National Statistics projects that the population will increase to 202,821 by 2030, an increase of nearly 5% from 2020.

Bath forms the main urban centre, acting as the commercial and recreational centre of the district, where just over 50% of the population live. It is one of the few cities in the world to be named a UNESCO World Heritage Site. Keynsham lies to the west of Bath, a traditional market town with a population of just over 9% of the total population of B&NES. Midsomer Norton and Radstock are small historic market towns, located in the south of the district with approximately 6% of the total population split between them. They both have a strong heritage of mining and industry stemming from the North Somerset coalfield. The rest of the district consists of 69 diverse rural communities of varying sizes and characteristics, including a line of villages along the foothills of the Mendips, the Chew Valley and Cotswolds villages around Bath.

B&NES has a disproportionately high number of people aged between 20-24 highlighting the area's student population, with two Universities and a Further Education College on two main sites. Between 2001 and 2019, the growth in the 20-24 age range accounted for nearly 40% of the area's population growth. B&NES is less ethnically diverse than the UK as a whole, but more so than the wider South West. 91% of local residents define their ethnicity as White British. This is followed by 4.2% defining as White Other and 1.6% defining as Asian. From the school census data in January 2021, 83.2% children define themselves as White British. No data is held on religion. In 2020, 87% of the population were either very or fairly satisfied with their local area as a place to live, which is a 3% increase from 2019.

B&NES is one of the least deprived Authorities in the country, ranking 247 out of 326 English Authorities. Overall levels of resident qualifications are high in B&NES with 53% educated to NVQ4 and above compared to 41% regionally and 43% nationally. Workplace wages are higher in B&NES at £439 median weekly gross pay compared to £434 for the South West region, but lower than £482 for England. Economic activity in B&NES remains just higher than the national average, at 85% compared to 79% nationally. Despite this, there are pockets of high deprivation with an estimated 7,400 workless households in B&NES (12.9%) compared to 13.9% nationally. The claimant count (those claiming Jobseekers Allowance (JSA), NI credits and Universal Credit (UC) who are out of work) was 5,065 (4.1%) in B&NES in March 2021, lower than the South West and England figures (5.1% and 6.5% respectively).

Between September 2020 and December 2021, there were the following numbers of children. The YOS worked with 89 different children on 107 different interventions in this same time period.

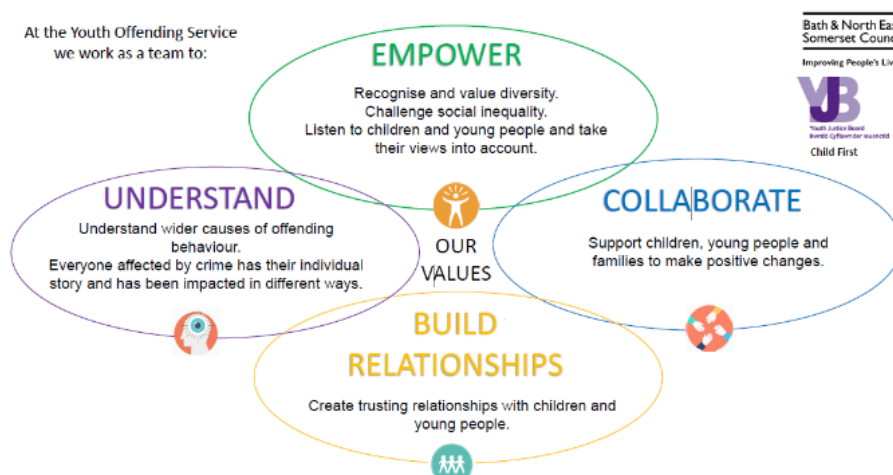


3. Child First

The 'child first' principle is becoming established in the youth justice system nationally and locally, guided by longstanding research and scholarship¹. The key components are:

- a. **Seeing children as children**, prioritising their best interests, recognising their particular needs, capacities, rights, and potential. In B&NES, trauma informed training and participation in the trauma informed Enhanced Case Management initiative has focused attention on the importance of assessment, planning and delivery taking full account of the developmental needs of each individual child. Reducing caseloads enables practitioners to create bespoke packages of support and provide a lot of hands-on support where needed, for example, in offering lifts to school when children are reintegrating.
- b. **Developing pro-social identity** for positive child outcomes, promoting children's individual strengths and capacities in order to develop their pro-social identity for sustainable desistance, helping to keep communities safer and see fewer people harmed. In B&NES, the relationship with each child is fundamental to the work undertaken, empowering them to fulfil their potential. Their involvement in innovative reparation projects enables them to contribute to the wider community.
- c. **Collaborating with children**, encouraging their active participation, engagement, and wider social inclusion. In B&NES there is longstanding practice of involving children in producing and reviewing plans for how we work with them, recruiting staff and producing materials for use with other children. This year, there is a commitment to take this further and give children a stronger voice, learning from other areas about how they are doing this and working with the Local Authority's Youth Ambassadors.
- d. **Promoting diversion**, promoting a childhood outside the justice system using pre-emptive prevention, diversion, and minimal intervention. To achieve this, work needs to minimise the stigma of contact with the youth justice system which can in itself be a risk factor for becoming further involved. In B&NES, the proportion of children diverted through outcome 22 and Community Resolutions has increased in the last year.

The Management Board considered the implications of a child first system at its recent awayday and affirmed its commitment to these principles. Within the Board and the Service, there has been a shift in terminology, including greater use of the term 'children' and a current consultation with children and staff on re-naming the Youth Offending Service. In recent discussions with staff about how the Management Board can support youth justice work, they identified a number of child-first issues in the Service's work with the Police and Courts.



¹ Professor Stephen Case, Professor Kevin Haines, University of South Wales, and Professor Neal Hazel, University of Salford

4. Voice of the Child

Children have a right to be heard and involved in decisions that affect them and B&NES YOS is committed to promoting their effective participation² as set out in the United Nations Convention on the Rights of the Child and in B&NES' own approaches to participation. This always begins with the individual work undertaken with children in ensuring they fully understand the purpose and have their views and ideas included. In B&NES, quality assurance and audit processes always check the voice of the child is clearly reflected in all assessments and plans. Individual pieces of work sometimes provide opportunity for children to produce materials that can be offered to others to work on; for example, the recent production of a leaflet about the risk of being drawn into county lines with some very practical ideas about how to respond.

The YOS is also keen to hear the voice of young adults who have transitioned to the Probation Service, in order that professionals can understand how best to support this. One young adult illustrated the importance of building positive relationships and carefully considering allocation of work - "If you want to make the change to Probation work for young people, I would say the most important thing is to match the young person to the Probation Officer. If they get on, then it will make a difference. You know sometimes you just can't get on with someone – if that had happened to me, to be honest I may not have come to appointments. Looking back, I have had the easiest experience because I got on with both my YOS Worker and my Probation Officer."

The YOS includes children in practitioner staff recruitment wherever possible, usually through establishing separate children's Panels. This gives confidence that staff are accepted by children and engage well with them. However, the YOS is keen to build on this and find other significant ways in which children's voices can be heard in the delivery of services and is actively reviewing practice in other areas. B&NES has participation standards which the YOS audits itself against in order to keep learning alive.

5. Governance, Leadership and Partnership Arrangements

a. Overarching management arrangements

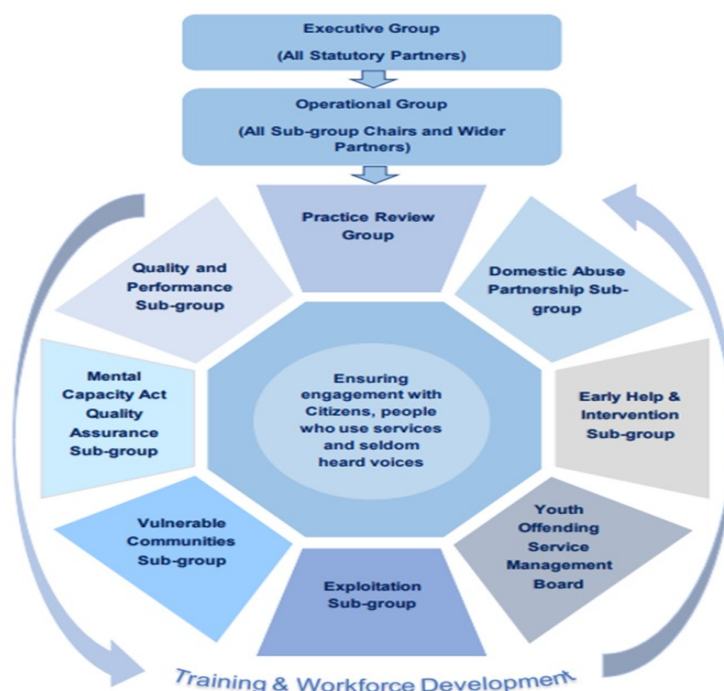
The YOS is situated within the Local Authority, with the Chief Executive holding lead responsibility for delivery of youth justice services and management resting within Children's Services as part of the wider People and Communities Department. The YOS Head of Service reports to the Director of Children and Education and is a member of the Children's Service Management Group. She also holds responsibility for the Violence Reduction Unit and for some aspects of the Local Authority's early help agenda, including use of Early Help Assessments. An annual report is made to the Children, Adults, Health and Wellbeing Policy Development and Scrutiny Panel and the Youth Justice Plan is presented to Cabinet and Council for authorisation. The YOS Management Board also reports annually to the Health and Wellbeing Board, contributing to the outcome 'children and young people are safe from crime.'

b. Governance arrangements

Multi-agency strategic oversight of youth justice services is provided at several levels. Its dedicated Management Board (see 2.3) operates as a sub-group of the B&NES Community Safety and Safeguarding Partnership (BCSSP). This partnership embraces the functions of the previous Local Children's Safeguarding Board, Adult Safeguarding Board and Community

² Effective participation must be transparent and informative, voluntary, respectful, relevant to children and young people, child-friendly, inclusive, supported by training, safe and sensitive to risk and accountable

Safety Partnership, recognising their shared responsibilities and interfaces. It operates across all ages, being well placed to address the challenges of transition, and encourages a focus on families and communities.



The chair of the YOS Management Board provides the BCSSP Operational Group with quarterly updates of key achievements, outcomes and challenges and links the work of the YOS with other initiatives and developments. During the last year, the Board escalated the need for oversight of all activity to address equalities issues across the partnership.

Specific links include:

- The YOS contributes to and benefits from the work of the Training and Development Sub Group.
- The YOS Head of Service sits on the Early Help and Intervention Sub Group, the Domestic Abuse Partnership and the Exploitation Sub Group and helps to integrate their work with the work of the YOS and its Management Board.
- She also chairs the Serious Violence Steering Group (the local Violence Reduction Unit) which formally reports to the Exploitation Sub Group and directly to the BCSSP Operational Group and makes regular briefings to the other groups she attends.
- The YOS Management board makes quarterly reports to the BCSSP.
- The YOS reports any high-risk incidents through the BCSSP in addition to following national reporting requirements.

c. The YOS Management Board and its Sub Groups

The YOS Management Board includes all required statutory members from the Local Authority (Social Care and Education), Health (through their new integrated care arrangements), Probation (through its newly unified Probation Service) and Police. The Cabinet Member for Children's Services also attends, together with representatives from the Court, the local Further Education College, the local Health provider and the Child and Adolescent Mental Health Service. It is chaired by the Director of Children and Education. Attendance is monitored and is generally very good from all agencies, sometimes including named substitutes, with quarterly business meetings and annual development events continuing online throughout the pandemic. New members are offered induction into the work of the YOS and their responsibilities as members of the Board, and feedback from this continues to be positive.

The Board receives annual activity and outcome reports on key areas of service delivery including Speech and Language Therapy, Nursing, Education, the Compass prevention service, Referral Order Panels, Out of Court Disposal Panels, Harmful Sexual Behaviour and the Enhanced Case Management initiative. It also receives annual reports from its three sub groups. These are the multi-agency Youth Crime Prevention Board and Custody Review Panel, both chaired by the Head of Service and each working to the relevant performance indicator. The Out of Court Disposal Panel, chaired by the YOS Operational Manager, is now formally linked to the Management Board in a similar fashion. The Board maintains Challenge and Risk Registers and receives an annual Assurance Report.

d. Strengthening the relationship between the YOS and the Management Board

There is commitment to maintaining strong links between youth justice practitioners and Board members. Practitioners are regularly invited to attend Board meetings to present case studies to evidence effective practice – and sometimes to illustrate challenges in the work undertaken and seek support in raising issues at a strategic level. They also compile and present annual reports about aspects of the work they are involved in. This gives opportunity for raising awareness and for scrutiny of work undertaken. In turn, Board members are encouraged to participate in case audits and to meet with individual practitioners to observe or discuss their work, to deepen their understanding. YOS practitioners would like to further strengthen links with the Board and have identified four areas they would like to focus on in the year ahead. These are transitions for children in Care, possible changes in Police youth justice department, influencing the delay in prosecutions and working with colleagues in the Court setting to make the experience more fitting for children.

e. Partnership arrangements

In accordance with the Crime and Disorder Act 1998, professionals from Police, Health, Social Care, Education and the National Probation Service make up the multi-agency YOS and work in an integrated way alongside a dedicated Reparation Worker who facilitates opportunities for children to make amends for their offending and two Assessment and Information Officers. One of these supports the volunteer Referral Order Panel Members and the other co-ordinates return home interviews with children who have returned from a missing episode; they both support use of Early Help Assessments across the Authority, including within the Compass. An organisational chart in the appendices summarises the posts, a number of which are part-time. The smallest post is a Probation Service Officer who supports work in the Courts and seeks feedback from children and parents/carers who have completed their work with the YOS. Case manager staff, including qualified Probation Officers and Social Workers, have key statutory functions, including the assessment and supervision of young people aged 10-17 who are subject to voluntary and conditional Out-of-Court Disposals and community and custodial Court Orders, and supporting parents/carers to strengthen their parenting skills. The Police Constable undertakes a range of tasks including facilitating information sharing but also giving those harmed a voice and an opportunity to become involved in restorative work with children if they wish to do so. This work is supplemented locally by a prevention service, Compass, which works with children aged 8-17 years who are assessed as being at high risk of offending, and with their families.

The YOS works closely with a range of partners. Those most often providing services to children at risk of offending include:

- DHI Project 28 who receive a small annual grant from the Police and Crime Commissioner as part of their Council commission. They provide substance misuse services for children subject to Youth Alcohol and Drugs Diversion interventions and programmes for those subject to voluntary and statutory supervision.

- Youth Connect South West, commissioned by the Council, provides targeted support and access to universal youth services, together with programmes to support access to training and employment opportunities.
- Social Care's Adolescent and Criminal Exploitation Team works with children who have been exploited, some of whom are also known to the YOS. Managers in the two services endeavour to co-ordinate their work in the best interests of the children concerned, and usually identify a 'lead' worker who the child best engages with.
- The Violence Reduction Unit, including a Co-ordinator and Development Officer for the Council, a Sergeant, 2 Constables and two Police and Community Support Officers. They undertake early intervention work with children at risk of serious violence. The Violence Reduction Unit hosts a multi-agency information sharing meeting – the Partnership for Preventing Exploitation and Serious Violence. Individuals at risk of serious violence, networks and places of concern are all identified, the nature and level of risk is discussed and actions are agreed to strengthen risk management. The YOS plays an active role.

6. Resources and Services

The Youth Justice Grant is dedicated to the Youth Offending Service and expenditure is agreed annually, monitored at monthly finance meetings and overseen quarterly by the YOS Management Board. It is used in accordance with the Terms and Conditions of grant. Specifically, it is used for two administrative staff, a Deputy Team Manager, a qualified Youth Justice Officer and a Reparation Worker. The grant also covers professional subscriptions, travel costs, room hire, equipment and other related expenses.

7. Progress on Previous Plan

The Work Plan for 2021-22 has been overseen by the Management Board via regular written update reports. In March 2022, the Board confirmed all work streams had been taken forward and completed or were being actively continued. Of 25 development actions set, 14 have been completed and the rest are continuing into the new year; none have been discontinued. A summary of progress can be found in appendix 5.

8. Performance and Priorities

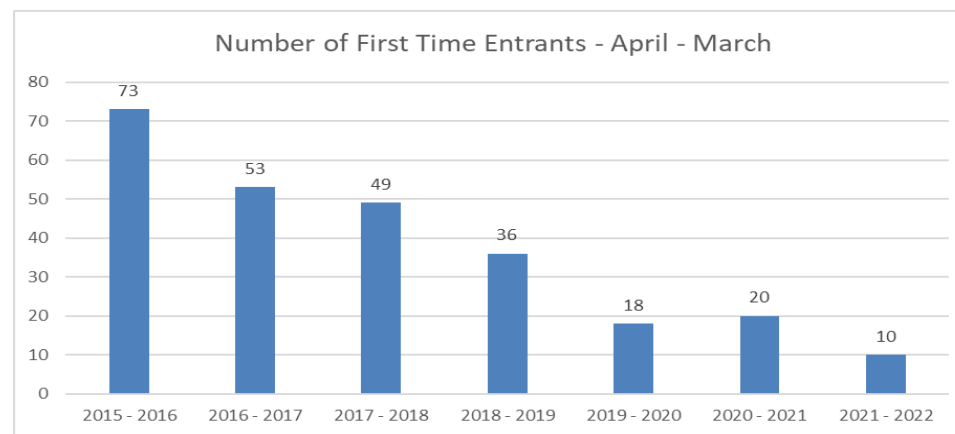
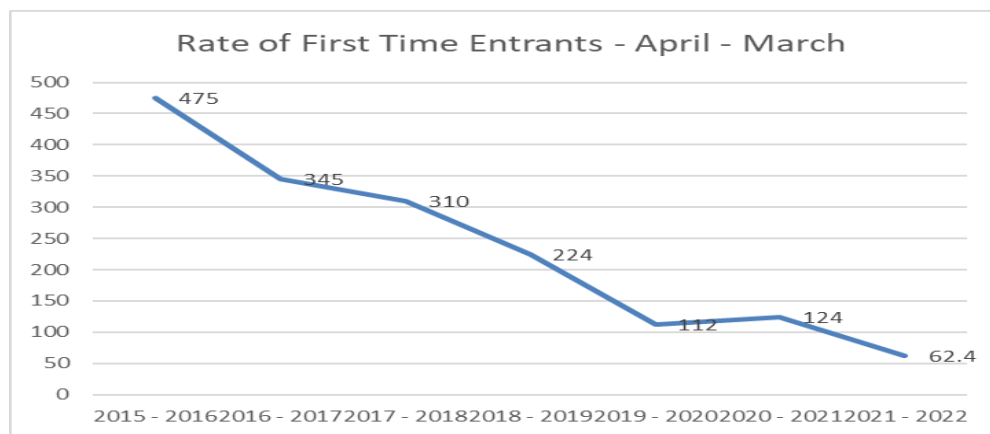
National Indicators

Data from the local ChildView database for the three youth justice indicators is shown here for the period April 2021 to March 2022. The latest data published by the YJB, taken from the Police National Computer, is also provided for two indicators, but this relates to earlier time periods. It is recognised that relatively low numbers of children in the justice system means the data may not be statistically significant.

a. First Time Entrants

This prevention indicator is the number of children aged 10-17 who received their first substantive outcome following an offence (Caution, Conditional Caution or Conviction) shown as a rate per 100,000 children in the general population. In recent years, the number and rate have reduced significantly, reflecting the positive impact of youth crime diversion and prevention and wider early help services which can address children's needs and behaviour before they become problematic. The concern is that during the pandemic, opportunities to offer preventative support may have been missed and more children may enter the formal justice system in the future as a result. This is not proving to be the case at present, as the number in the youth justice system is at an all-time low. The local rate for the period April 2021- March 2022 has reduced significantly from 124 to 62.4 per notional 100,000. Low numbers mean the YJB has not published the latest data for B&NES.

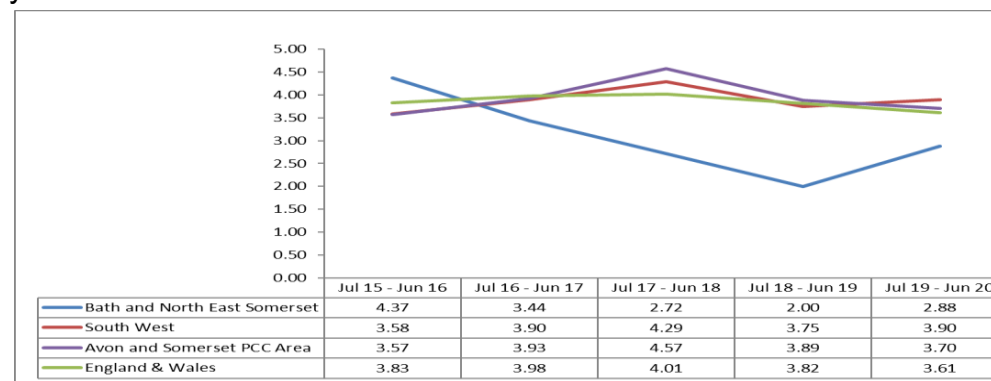
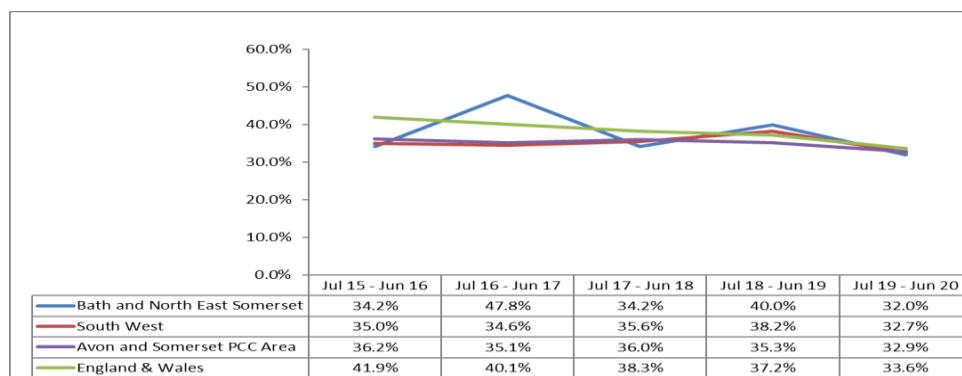
This data is shared with the Youth Crime Prevention Board, together with a commentary on the characteristics of the children who have entered the justice system, to inform planning and targeting. Peer on peer violence is the most common offence (and it appears that more girls may be becoming involved although this is not yet reflected in the YOS caseload). Ethnicity is proportionate within this sample, although there is wider disproportionality and Board participants are reflecting on how they ensure services are always accessible and meet children's individual needs. Going forward, prevention services including Compass, need to appropriately target these children.



b. Re-offending

This indicator is the rate of re-offending after 12 months by a cohort of children who received substantive outcomes (Cautions, Conditional Cautions or Convictions). It is shown as a binary rate (the overall percentage of children who re-offended) and as the average rate of new offences committed by each child who re-offended. The latest YJB data for the period July 2019 – June 2020 shows a binary rate of 32% re-offending, slightly lower (better) than the Avon and Somerset, regional and national averages but slightly higher than the ‘family’ comparator of similar areas (31.5%). The average rate of new offences committed by each child who re-offended increased considerably against the previous year’s exceptionally low rate of 2.0, but at 2.88, remains considerably lower (better) than all comparators, which range from 3.61 to 3.9.

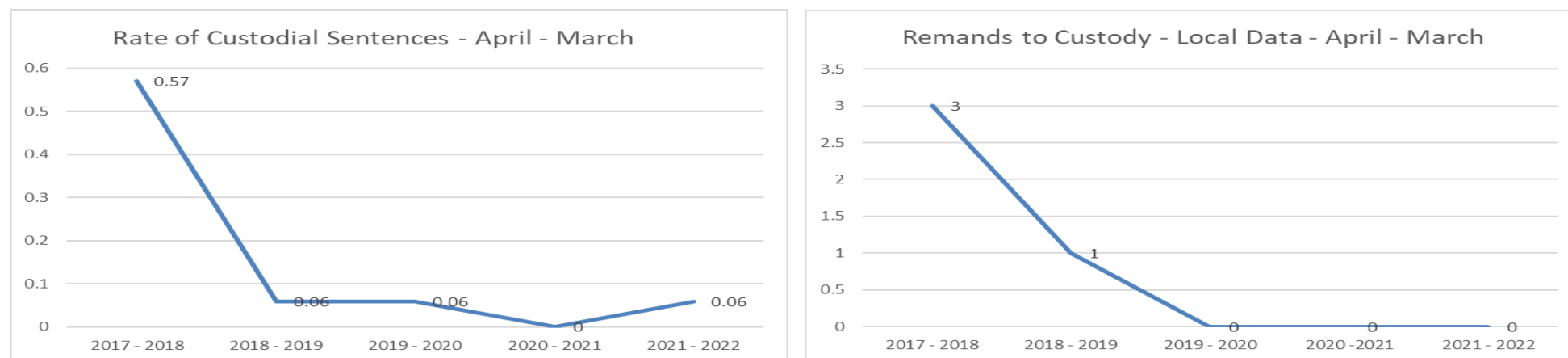
The latest local data for the April 2020 – March 2021 cohort shows an overall reduction in re-offending and in the rate of re-offending amongst those who did re-offend. Comparative data will be available later in the year.



A high proportion of this cohort have experienced adverse childhood experiences and some suffer a level of trauma as a result. There is also increasing recognition of the experience of exploitation by adults or older children into drug dealing and other criminal activity, often related to being harmed by and harming others. It is a complex picture, and they benefit from continuity of worker and programmes tailored to their individual needs including intensive supervision and inclusion in the trauma recovery initiative (the Enhanced Case Management approach). Children are notified to the National Referral Mechanism when there is evidence of exploitation and if they are confirmed as having a strong likelihood of being exploited, this information is shared with the Crown Prosecution Service and Courts to consider when reviewing and hearing cases and when sentencing. This is an important aspect of recognising their status as a child who has been groomed into offending, at the same time as understanding the need to address the impact of their behaviour on others.

c. Custody

This indicator is the number of custodial sentences passed by the Courts, presented as a rate per 1000 children aged 10-17 in the general population. This number has been reducing nationally and these reductions have been reflected locally in recent years. The local ambition remains to keep children out of custody wherever it is safe to the public to do so because outcomes for children in custody tend to be poorer than for those sentenced within the community. The multi-agency Custody Review Panel monitors outcomes, identifies learning and recommends actions in respect of children at risk of custody as part of its standard agenda; it also looks at children held overnight in Police custody and any remanded in custody – although there have been none in the latter group in 2021-22. The YOS works closely with other children's services to develop community proposals wherever it is considered safe to do so. The custodial rate has increased to 0.06 due to a single custodial sentence a year ago and means the current rate is higher than all comparators apart from the national England, and England and Wales averages. Other children at risk of custody have been sentenced in the community, evidencing that the youth justice system is working well to respond proportionally to their needs, taking victims' needs into account as well.



d. The use of custody, children leaving custody and constructive resettlement

No children in B&NES have been securely remanded for more than two years and the use of custodial sentencing remains low. There is evidence of close working with Children's Social Care to ensure support when a child returns to the community from custody and of proactively managing presenting risk including by accessing funding through the Violence Reduction Unit to support resettlement. Numbers are too low to provide characteristics as these could be identified but local partnership audits have highlighted key areas of work to be undertaken. These are being incorporated into the work plans for the YOS, the Violence Reduction Unit and the BCSSP's Exploitation Sub Group. There has been no recent experience of children leaving custody and facing accommodation issues. B&NES is part of a wider Resettlement Consortium with North Somerset, South Gloucestershire and Bristol and Voluntary sector partners, where good practice is shared and joint initiatives are taken, including the decision to become involved in the Enhanced Case Management (trauma informed) pilot.

e. Over Represented Children

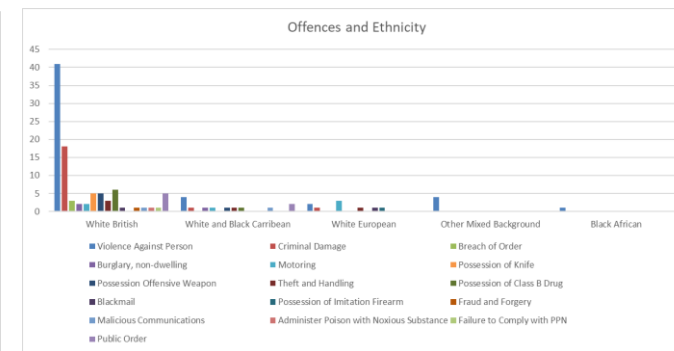
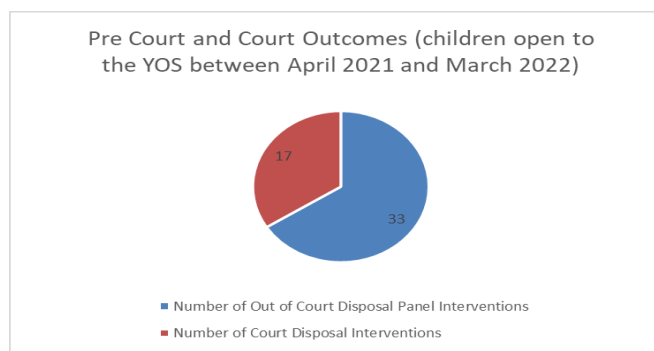
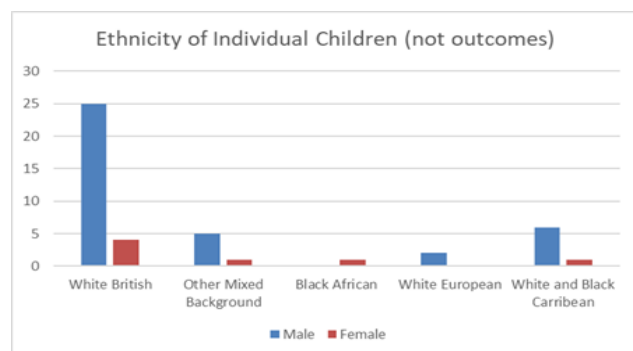
Some cohorts of children are over-represented in the youth justice system and the partnership is keen to help address the reasons for this as well as to understand how it can best support these children who may have additional needs:

Ethnicity

The population data from the 2011 census, showed there were 15,764 children in B&NES, 1,047 (7%) of whom were from Black and Asian Minority Ethnic (BAME) heritages.

For the Youth Offending Service cohort April 2021 – March 2022 there were 50 different outcomes (Court and Pre-Court) committed by 45 different children. 36% (16/45) were from Black and Asian Minority Ethnic (BAME) backgrounds and 64% (29/45) were from a White background. Most of these children received a pre-Court Disposal and 25% of received a Court Order. 59% of the White children received a Pre-Court Disposal and 41% received a Court Order. Analysis shows White children are more likely to commit serious offences (gravity score 5-8) and to be sentenced at Court. Of the 122 offences committed by this cohort, 27 (22%) were committed by children from Black and Asian Minority Ethnic backgrounds and 87% of these were male and largely committed low-level gravity offences. 95 (78%) were committed by children from a White background and 86% of these were male. The most common offence committed by all ethnic groups was Violence Against the Person, 21% by children from a Black and Asian Minority Ethnic heritage and 79% by children from a White heritage.

The children from Black and Asian Minority Ethnic Backgrounds who received a Youth Conditional Caution did so for offences that were of a serious nature such as Affray, Blackmail and Actual Bodily Harm. The offences were of a level that could have been charged to Court, so were not suitable for lower-level Community Resolution outcomes. The children from a White background who received a Youth Conditional Caution did so for offences of Affray and Criminal Damage and were also at the threshold of being charged to Court.



Whilst careful review of gravity and outcomes suggests a proportionate outcome once in in the youth justice system and overall numbers are low, Black and Mixed Heritage children are very over-represented. Numbers are too low for this data to be statistically significant, but it is

presented against a wider backdrop of Black, Asian and ethnic minority children being over-represented in the youth justice system in England and Wales (particularly in the custodial population) and therefore, we cannot be complacent about the experiences of children living in B&NES. Over the past two years, the YOS participated in a review of racial disproportionality in the criminal justice system in Avon and Somerset. This was commissioned by the Local Criminal Justice Board and published as Identifying Disproportionality and launched in April 2022. The report contains a number of recommendations about the recording of ethnicity of children suspended or permanently excluded from school and developing a better understanding of the links between this and becoming vulnerable to anti-social behaviour and offending, including to being groomed into county lines drug dealing and other criminal activity. and entering the justice system. A number of other recommendations about Out of Court Disposals and 'stop and search' and recruitment and retention of a representative workforce are also relevant to the YOS. The work on reducing exclusions of children from Black, Asian and ethnic minority backgrounds will be led by and the YOS Management Board will oversee the local response to all the recommendations that apply to work with children. In turn, this will be reported to the Avon and Somerset oversight arrangements led by the Chief Constable. No timescales have yet been agreed but local work is underway.

Girls

The number of girls known to the Youth Offending Service has been reducing in recent years including in this latest data period. Review of the gender breakdown of the cohort shows the number and proportion of girls remains lower than we would anticipate, given that they have made up approximately 20% of the cohort in the past. Numbers are too low to provide characteristics. Despite this, the strategic needs assessment and information sharing meetings within the Violence Reduction Unit give rise to a lot of intelligence about girls' involvement in serious violence. A SurveyMonkey has been set up to explore what is known and help understand how these girls can be safeguarded and their needs be met. The Violence Reduction Unit is leading on this work and the YOS is actively participating. There will also be a wider piece of work looking at related wellbeing and safeguarding issues, including the disproportionate rise in girls with mental health issues.

Looked After Children

The number of Looked After Children in B&NES offending has been low for a number of years and this remains the case in the latest period although the proportion is still higher than in the wider population. Numbers are too low to publish. The Custody Review Panel looks at all children held overnight in Police custody and at risk of and receiving custodial sentences and Looked After Children are particularly over-represented in these cohorts.

Education

Attendance and engagement in education, training and employment is a significant protective factor in helping children not to offend and the YOS ensures there is a focus on supporting all children who come to its attention to make improvements in these areas. The YOS has a very proactive Education Officer who acts in a consultative capacity with colleagues and takes on direct work with children. She links closely with colleagues in the Education Inclusion Service and its Director, who is the Education representative on the Management Board. There is an annual Education report to the Management Board to keep members abreast of activity, outcomes and continuing needs and issues. In the last year, no children known to the YOS have been permanently excluded, although some who were at high risk were supported through Alternative Provision; a high proportion of them have had fixed-term suspensions from school. None were electively home educated.

School age children

In the last year, all school age children known to the YOS had education provision in place. However, more than 60% of them had low attendance/engagement with their provision. The following are examples of how the YOS has worked with schools to help improve this:

- Where a young person is a Child in Need or on a Child Protection Plan, the YOS attends CIN/Core meetings and, and if appropriate, brings a greater focus on education and support to improve attendance and engagement.
- Where there is no such group, the YOS convenes a Team around the Child meeting and focuses on engagement, attendance and addressing behaviour issues
- The YOS has advocated for and supported schools in developing and delivering Alternative Provision packages, and supporting students to engage with these programmes notably for students with SEND
- Supporting EHCP special educational needs assessment processes
- Supporting Year 11 students in making post 16 choices and supporting them with making applications and plans for the future
- For year 11 students at risk of being NEET either providing ongoing voluntary support or referring to other support agencies

Post 16 children

Over the past year, during the time they worked with the YOS, 32% of post-16 children had a period of being NEET, compared with area, regional and national NEET percentages for this age group being between 2- 3%. Of those that were on Further Education programmes, 43% had low attendance. The YOS has worked with further Education providers to help improve attendance and engagement in the following ways:

- Supporting young people to apply, enrol at college and apply for financial assistance
- Supporting young people to re-engage with Further Education programmes
- Advocating for additional support for young people in Further Education or Training
- Supporting young people in finding work including preparation and funding for taking CSCS health and safety test
- Referrals to other agencies for ongoing support at end of YOS programme

Children with Special Education Needs

36% of the children who have worked with YOS in the past year had an EHCP (the national figure is 3.7%) and 16% were on a SEND Support Plan, meaning that more than half of those known to the YOS had some Special Educational Need or Disability. The proportion with an EHCP appears to be increasing. The main presenting needs are Attention Deficit Hyperactivity Disorder, Autism Spectrum Disorder, Social, Emotional and Mental Health and Speech and Language needs, with others on a Special Educational Need Support Plan and Speech, Language and Communication needs. These needs are usually a significant factor underlying offending behaviour including risk taking, impulsivity and dysregulation. Within the preventative part of the YOS, more than a quarter of those working with Compass have EHCPs or are having needs assessments undertaken. The main presenting needs are as above. These needs are usually a significant factor underlying offending behaviour e.g., risk taking, impulsivity, dysregulation. There are similar trends for children supported by the new Education Inclusion Project.

Example of YOS support

B is a year 11 student with an EHCP who was involved in a serious incident at school which would have led to a Permanent Exclusion. YOS supported his parent at the emergency Annual Review and worked closely on a plan with his school and the SEND team to arrange an off-site Alternative Programme for the remainder of year 11. B and his parents were initially unhappy with the idea of an AP programme but we were able to help them see the advantages and to support B to engage with the AP provider. B has thrived in an outdoor, active leaning environment and gives his new programme 9/10! YOS has convened a TAC meeting which has supported partnership working and ensured B has been able to take his planned exams. B had no post 16 placement as he had planned to do a year 12 programme at his current school which was no longer possible. We have referred B to the Learning4Work programme, taken him to visit this programme and advocated for an enhanced programme and early allocation of a support worker. B has a confirmed place on this programme and his Learning4Work support worker has now joined the TAC group and is involved in planning transition support for B though the summer.

Compass (prevention service)

The YOS delivers its prevention work through the Compass team who support children aged 8 – 17 years old who may be at risk of becoming involved in offending behaviour, and their parents/carers. Based on the level of needs, risks and strengths identified through an Early Help Assessment with the family, the service will provide tailored support for a period of between 3 and 12 months. In addition, the service sometimes offers stand-alone parenting support. The service receives referrals from parents/carers, schools and Police, either directly or via requests for service to Children's Social Care/Early Help.

The service is commissioned by the Local Authority with part funding from the Police Crime Commissioner and as such we report quarterly on our outcomes and output including demographics, safeguarding activity and outcomes. The service monitors for improvements in emotional well-being, social-well-being, education/training/employment participation and child and parent/carer relationship.

We are guided by the concept that early help means that by “working together with children, young people and families, problems can often be prevented from occurring, or when they do families may be offered better support in order to stop them getting worse” (Bath & North East Somerset 2020). Where there are additional needs that universal services (education and health) cannot support then Compass provides targeted support for these needs. We are guided by principles within the Youth Justice National Standards (2019) and the continuing emerging discourse around crime prevention (McAra and McVie 2007).

The quality of the relationship between the Compass worker and the child and their family is central to supporting change. We think of children's needs and risk of potential adverse outcomes as shaped by and within their family and community contexts. We adopt a ‘Think Family’ and ‘Think Community’ approach. We build on children's individual strengths and capabilities as a means of developing a pro-social identity for sustainable desistance from crime. This leads to safer communities and fewer victims. All work is constructive and future-focused, built on supportive relationships that empower children to fulfil their potential and make positive contributions to society. Lastly, the work and people

within Compass are shaped from the social contexts in which they live including family, work, cultural and other social systems. We believe processes should be in place to provide opportunity to gain multiple perspectives and mitigate against the dangers of a 'single story' about individuals and families. We are influenced by the Local Authority's adoption of a systemic practice model combined with being trauma informed. As a result of this we have a multi person membership decision making panel that is tasked with considering completed assessments and based on identified level of needs and risk of offending will recommend tailored level of support, namely short (up to 3-months); medium (up to 6-months); full service (up to 12-months) and stand alone parenting / carer interventions.

For the period April 2021 – March 2022, the Compass Service worked with 34 different children on programmes. The service received a total of 32 new Referrals. The majority of the children receiving a service were male, 82% and 16% were female. 94% of these children were from a White background and 6% were from a Black and Asian Minority Ethnic background. None of these children were Looked After. 32% were subject to an Education and Healthcare Plan and 6% were receiving SEN Support in School. 21% were post 16 age and 79% were statutory school age. 6% of these children went on to become First Time Entrants. Outcomes in the last 12-months have included: supporting a parent to access EHC assessment that led to reduced risk of PEX; supported a young person to develop safety plan and manage transition into CAMHS; supported parent and child's relationship to de-escalate conflict. Governance is within the YOS, reporting to the YOS Management Board and the Youth Crime Prevention Board (partners in delivering of preventative services).

Diversion

The Police make single agency decisions for Community Resolutions about some children who have committed low level offences for the first time, and these are the columns labelled 'Community Resolutions Police Facilitated'. The Police also make single agency decisions for some Outcome 22's where there has been an offence of possessions of drugs or drunk and disorderly. The Outcome 22 is a deferred prosecution until the accused has been given the opportunity to engage with an intervention activity. The police guidance states "Outcome 22 – diversionary, educational or intervention activity, resulting from the crime report, has been undertaken and it is not in the public interest to take any further action".

The Police refer children to the Out of Court Disposal Panel for a joint agency decision for those who have had a previous Police outcome or have committed a more serious offence, or where there are identifiable risk factors. In most cases, the joint agency decision is based on either a full YOS assessment and in a small number of cases it is based on a screening process.

Serious violence and exploitation

The number of children committing serious youth violence offences and knife related offences in Bath and North East Somerset is low and has reduced in recent years. We have reviewed the data and looked at the proportion of children committing serious youth violent offences in the cohort, the numbers are too low for us to provide the data. The Youth Offending Service has evidence of making NRM's but other children we are also working with have had referrals made by Social Care. The YOS has also contributed to the VRU Strategic Needs Assessment.

Restorative justice and victims

The YOS contacts all named individuals who have been harmed by the children it works with and offers information about youth justice outcomes and an opportunity to be involved in restorative justice work. Most of the offences coming to the attention of the YOS are now peer on peer

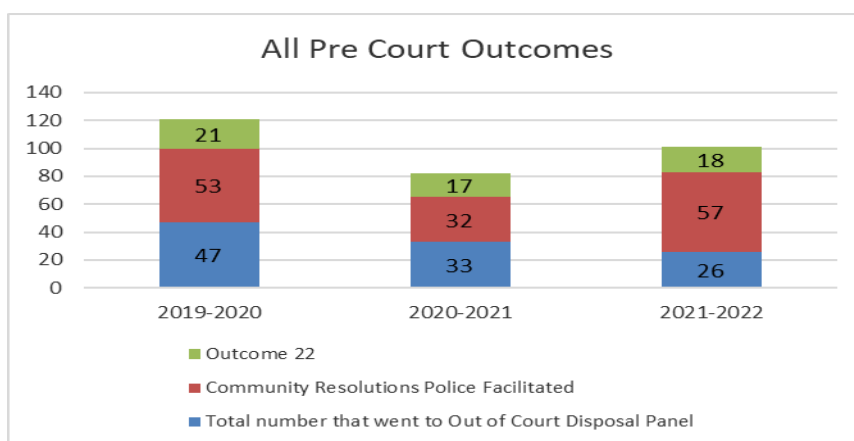
assaults and so the majority of victims are also children. During the pandemic, it was difficult to get past the parents/carers of victims to hear the voice of the victim themselves, as contacts were mainly by 'phone; home visits are key to engaging with children who are victims. A significant reason for low engagement, however, is the length of time that investigations are taking. Some people are sentenced as adults for offences they committed as children and their victims have had to wait a very long time to see justice and have their voice heard in the process.

All assessments and reports to Panels and Court include the views and experience of victims, and these influence the nature of work undertaken with each child. Where they would like to, victims are also able to influence the sort of reparation work children take on to make indirect amends to the wider community. Their direct involvement could be a virtual dialogue between the child and the person harmed to answer any questions, agreement to receive a letter of explanation from the child or chance to meet face-to-face. Even before the pandemic, the number of face-to-face meetings held was very low, but there is now a renewed focus on the importance of this work. One possible restorative justice conference recently had to be halted because although the victim was keen to meet with the person who had assaulted them, it became clear during the preparation that their motivation was not restorative, and the meeting could not go ahead. Planning is now underway for a different child to meet with a number of people they have harmed. In support of developing this area of work, the Training Plan for 2022-23 includes a commitment to restorative justice training or refresher sessions for all staff and the YOS is considering the case for appointing a (part-time) dedicated Victim Worker.

The YOS records victim participation in its case management system and reports are currently being written to enable examination of victims identified, offered direct/indirect reparation and their satisfaction with services. All victim recording is 'non identifiable.'

9. National Standards

Although no self-assessment of National Standards has been required this year, the local annual review in relation to Out of Court Disposals has been completed and it confirmed adherence to the relevant Standards. Police refer children to the Out of Court Disposal Panel for a joint agency decision for those who have had a previous Police outcome or have committed a more serious offence, or where there are identifiable risk factors. In most cases, the joint agency decision is based on a full Youth Offending Service assessment and in a small number of cases, it is based on a screening process. The table below shows fluctuating numbers of children being dealt with outside Court. The proportion coming to Panels has reduced to 26% (from 39% and 40% in the previous two years) and the proportion dealt with by Police diversions has now increased to 74%.



Actions and decisions arising from last year's audit have all been followed through:

Action/Decision	Response	Impact
Police will re-consider who administers Youth Cautions and Youth Conditional Cautions to speed up delivery. (Administration had changed to the arresting officer)	Since July 2021, the Panel Sergeant or other nominated Police Sergeant resumed administering all formal Panel outcomes.	Timeliness has improved again.
The Management Board confirmed continued membership of the OOCd Panel based on scrutiny of case audits and analysis data.	Panel membership continues with a Police Sergeant, YOS Operational Manager and the YOS Victim Worker, with the child's case manager also attending.	The Panel continues to meet and carry out its duties efficiently and has sufficient flexibility.
The Management Board endorsed revised roles to strengthen the governance of the OOCd process, which had placed too much responsibility on the Operational Manager	The following roles are now embedded: - Quality Assurance of assessments is now undertaken by the YOS deputy Team Manager. - The YOS Panel decision maker remains the Operational Manager. - OOCd audits are undertaken by Board Members and the YOS Head of Service. - The Operational Manager participates in the Avon and Somerset Out of Court Disposal Scrutiny Panel.	The change brings greater diversity in management oversight

The Management Board agreed that the content and structure of the OOCd annual report provided all the information and assurance they needed.	The same structure has been used for this year's report	The Board found the report gave assurance about work undertaken
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This year's self-assessment was based on five randomly selected cases which were audited by the Head of Service and members of the Management Board. The findings indicate strong adherence to National Standards:

Audit Question	Responses
1. Was a timely and accurate, suitable and sufficient assessment of risk and need undertaken?	5 x Yes
2. Was the intervention plan based on the assessment with a focus on promoting a pro-social identity and aiding desistance from crime	5 x Yes
3. Was the child and their parents/carers involved in assessment, planning and reviewing of individual programme?	4 x Yes 1 x Partial
4. Did the YOS work closely with the Police for the Out-of-Court Disposal system to be effective?	4 x Yes 1 x Partial
5. Did YOS staff build supportive relationships and deliver prompt, proportionate, effective interventions?	4 x Yes 1 x Partial

The Board members made additional comments and wrote a narrative about the cases that they audited, including strengths and areas for development. Summarised in appendix 6, they will be addressed in the new Work Plan and Training and Development Plan.

10. Challenges, Risks and Issues

The Management Board actively encourages professional challenge between members, so that each agency is held to account for the part it plays in supporting the Youth Offending Service and preventing children's offending. It records these challenges in a well-established register that is reviewed and updated at each meeting, noting when challenges have been answered or resolved and whether this has had a positive impact. It also keeps a risk register that is similarly updated at each meeting. Risks that remain very high despite action to mitigate their potential impact are also recorded on the wider Children's Services risk register and may be escalated within the Council. The Service continues to work on long term risks; one that has been addressed this year is compliance with the General Data Protection Regulation in respect of all the information the YOS holds on children, parents/carers and victims it has worked with. The YOS is now fully compliant, with all records that meet the criteria having been archived within the case management system and all record destruct dates on electronic files having also been updated.

As a Sub Group of the BCSSP, the Board also makes a quarterly report which includes challenges faced and barriers to achievement. The latest report highlighted the following issues, some of which are reflected in the new Work Plan:

- Continuing issue with a largely White and female workforce needing to be more representative of the children it works with
- Significant delays in children being brought to justice – they can be released under investigation for long periods, and some are sentenced as adults for offences committed as children
- Possible changes in Police administration of youth cases

- Continuing close working with the Violence Reduction Unit to identify a way forward for the Education Inclusion Project
- Need to agree a medium-term way forward with the trauma informed Enhanced Case Management initiative.

One of the biggest challenges faced by the YOS in 2022 is also a significant opportunity: its return to working in a newly refurbished office in Keynsham. Whilst it continues to retain a central Bath office for work with children (and also utilises space in schools and community settings as well as visiting children and their families in their own homes) its shared office base will include new collaborative spaces for working with colleagues. As they explore new ways of working post pandemic, staff will be supported to work flexibly and use this space to strengthen the YOS's identity as a multi-agency team, incorporating colleagues who have joined during the pandemic and fostering renewed links with other teams.

11. Service Improvement Plan

B&NES YOS was last inspected by HMI Probation in 2016 and is anticipating an inspection under the current framework in the near future. It has an internal Inspection Readiness Group and reports in to the YOS Management Board. The Board also reviews its readiness during awaydays, including undertaking self-assessments of its role and function. B&NES has not been involved in any serious incident reviews in the last 18 months but did contribute to a Police thematic inspection of work to address serious violence, which has not yet been published. A recent Ofsted Inspection did not include the core work of the YOS but looked at return home interviews which are carried out by Compass as part of its contribution to wider preventative work and made a recommendation which is being addressed by the YOS Head of Service in her wider role, through a task and finish group. She also sits on the national Youth Justice Service Improvement Board and Workforce Development Board and is coaching someone through the YJB Elevate programme to support the progression of middle managers from Black, Asian and minority ethnic backgrounds and has access to information and ideas through these commitments.

In its strategic plan for 2021-24, the YJB reaffirmed its commitment to the long-term goal of supporting a child first youth justice system that supports children to become "the best version of themselves." This central guiding principle is picked up locally through the YOS challenging its own delivery and the language it uses but also working with partner agencies, including Police and Courts, to make sure processes and provision can fully meet children's needs as children. The YOS's commitment to trauma informed practice is entirely consistent with this, looking at what has happened to children to affect how they see the world and behave. As a partner with the Violence Reduction Unit, it is also committed to playing its part in supporting a 'trauma informed Avon and Somerset.' The YOS Training Plan includes building on the Trauma Informed Practice Awards gained by staff during 2021-22.

A key theme is returning to more face-to-face and office-based work, including returning to work in the main Council building. The learning from working through a pandemic is informing decisions about how the YOS works going forward. Children have continued to be seen face-to-face and staff Supervision has been in person, but many meetings have moved on line and may remain online. Awareness of the importance of a good work-life balance to support staff emotional and mental health and wellbeing will continue to inform individual decisions about working patterns.

12. Evidence-based practice and innovation

YOS work draws on research evidence and professional expertise. Examples include:

a. Enhanced Case Management (ECM)

The ECM approach is based on the Trauma Recovery Model (TRM), a seven-stage model that matches intervention/support to the child's underlying development needs and presenting behaviours. The approach was designed provide YOS practitioners and managers with increased knowledge and understanding in relation to how early attachment, trauma and adverse childhood experiences can impact on a child's ability to engage effectively in youth justice interventions. It provides a psychology-led approach to multi-agency case formulation and intervention planning. This enables youth justice staff to tailor and sequence interventions more effectively according to the developmental and mental health needs of individual children. The initiative started in South Wales and began as a local YJB-funded pilot across Bristol, South Gloucestershire, North Somerset and Bath and North East Somerset in September 2019. It continued to be funded by the YJB until March 2022 and going forward, is supported by the Bristol, North Somerset and South Gloucestershire Clinical Commissioning Group and local contributions. B&NES has committed to support a partnership approach for at least one further year, pending a review of the number of places it requires. During 2021, it provided refresher training for all its practitioners and managers, who took a 4-day Trauma Informed Practice Award.

The work is being formally evaluated by an independent research company – Opinion Research Services (ORS) who are assessing the procedures and have interviewed staff and children. Interim findings from March 2021 suggested there are significant benefits for children and practitioners in taking an ECM approach. For example, children engage well where there is a relational approach and there is evidence of reductions in offending rates and seriousness of offending. It has brought understanding of the impact of trauma experienced by children into the open and this has helped detailed planning to address needs. The final evaluation report is expected to be published later in 2022.

b. Systemic Practice

Systemic practice builds on well-established communication and systems theories, using positive relationships and a strengths-based approach to support positive change for children and their families. It recognises that families are impacted by a large number of complex, interacting systems and uses questioning techniques to gain different perspectives to plan and introduce sustained change, based on underlying beliefs and attitudes. Staff adopt a position of curiosity towards the different perspectives described and observed in their contact with families. The approach specifically includes a focus on social and personal identity, such as race, gender, religion and age which affect an individual's position and power in society.

B&NES Children's Service is adopting systemic practice as its framework of choice in all work with children and families. A number of YOS staff have undertaken preliminary training; in addition, the Operational Manager holds an intermediate qualification, and the Deputy Team Manager is currently training for this. The YOS wants to learn from other youth justice services that have adopted this way of working and is gradually introducing practice and system changes.

c. Reparation

The YOS has been developing its opportunities for children to make amends to the wider community through reparation work with local charities and organisations. An example during the pandemic was sending letters to elders living in care homes, some of which led to continued correspondence. Other children were supported to write poetry whilst doing reparation, boosting self esteem and proving to be an excellent way to engage them in new conversations. Another child made Christmas cards and sold them to raise money for charity, which was a good way for them to experience a positive activity which also fitted the requirements for reparation.

13. Work Plan

Strategic Priority 1: Strengthen participation

Themes		Actions	Key links	Owner	Target date
1.1	Children's participation	1.1.1 Set up a SurveyMonkey to consult with local children on new name for the YOS	Child-first principles	Operational Manager	September 2022
		1.1.2 Establish an internal task and finish group to refresh the YOS's participation policy and practice	United Nations Convention on the Rights of the Child B&NES Participation Standards B&NES Young Ambassadors	Operational Manager	December 2022
1.2	Parents/carers' participation	Develop a Practice Guide / Framework for work with parents/carers, setting out what our local offer is	B&NES Early Help Offer Family Links parenting programmes HMIP Thematic Inspection of Black and Mixed Heritage Boys in the Youth Justice System	Operational Manager	December 2022
1.3	Victims' participation	Refresh the YOS policy and practice with victims	Avon and Somerset Young Victims' Service Draft Victims Bill	Deputy Team Manager	September 2022

Strategic Priority 2: Address disproportionality

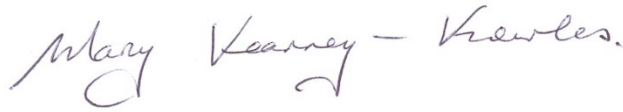
Themes		Actions	Key Links	Owner	Target date
2.1	Black and dual heritage children	2.1.1 Address recommendations in Avon and Somerset Criminal Justice Board 'Identifying Disproportionality'	Violence Reduction Unit Education Inclusion Service's work to address permanent exclusion Human Resources Plan	Chair of YOS Management Board	March 2023
		2.1.2 Compile and deliver a local Action Plan	HMIP Thematic Inspection of Black and Mixed Heritage Boys in the Youth Justice System, plus Practice Guide Identifying disproportionality	Head of Service	March 2023
2.2	Girls and young women	Work with the Violence Reduction Unit to increase our understanding and	HMIP Thematic Inspection on Girls in the Youth Justice System	Head of Service	December 2022

		response to girls' involvement in serious violence			
2.3	Children with Special Educational Needs	Convene a working group with key local authority managers to consider and investigate disproportionality issues for children with SEND in the youth justice system and formulate a response and action plan in light of the Thematic HMIP report on ETE.	HMIP Thematic Inspection of Education, Training and Employment - Services in Youth Offending Teams in England and Wales SEND Strategy Group	Education Inclusion Manager, with YOS Operational Manager	March 2023
Strategic Priority 3: Extend Effective Practice Models					
Themes		Actions	Key Links	Owner	Target date
3.1 Page 70	Trauma informed practice	3.1.1 Work with OPCC, VRU and other partners to participate in a 'trauma-informed Avon and Somerset'	VRU needs assessment and work plan	Head of Service	March 2023 and beyond
		3.1.2 Work with partner Local Authorities to review and sustain a model for our Enhanced Case Management initiative	ECM Operational and Strategic Groups	Head of Service	March 2023 and beyond
3.2	Systemic practice	3.2.1 Apply learning from other areas and take next steps towards implementing in YOS	Centre for Systemic Social Work	Deputy Team Manager	March 2023 and beyond
		3.2.2 Support development of model within B&NES Children's Service	Centre for Systemic Practice B&NES Practice Model meeting	Deputy Team Manager	March 2023 and beyond
3.3	Crime prevention	3.2.3 Review and develop the Compass Decision-Making Panel for stated aims of targeting areas of need; increasing multiple perspectives to	B&NES Early Help Offer Youth Crime Prevention Board	Deputy Team Manager	September 2022

		reduce individual bias and improving throughput.			
Strategic Priority 4: Tackle Exploitation					
Themes		Actions	Key Links	Owner	Target date
4.1	Contextual safeguarding	Conduct an audit of YOS contextual safeguarding knowledge and practice and identify development actions	Bedford University Contextual Safeguarding Network Exploitation Sub Group Children's Social Care audit	Operational Manager	March 2023
4.2	Serious violence statutory duty	Consult on and develop YOS role in collaborating to address children's serious violence	Police, Crime, Sentencing & Courts Act 2022 Violence Reduction Unit B&NES Drugs and Alcohol Strategy	Head of Service	March 2023 and beyond
5. Continuing Priority: Supporting and equipping staff					
Page 75	Themes	Actions	Key Links	Owner	Target date
5.1	Staff health and wellbeing	Support staff to return to Keynsham Civic Centre, addressing individual needs, promoting flexible working and strengthening team identity	B&NES Health and Safety Policy	YOS Management Group	September 2022
5.2	Representative workforce	Work with Human Resources Department to recruit a workforce that better reflects the gender and ethnicity of the children worked with	Identifying Disproportionality recommendation	Head of Service Probation, Health and Police Board members	March 2023 and beyond
5.3	Evidencing impact	Revise reporting dashboard to incorporate new Key Performance Indicators when agreed, and use this to develop YOS and Management Board understanding of local data	YJB consultation on national KPIs Development of B&NES early help dashboard YJB Re-Offending toolkit YJB Disproportionality toolkit	Business and Performance Manager	December 2022

5.4	Training and development	5.4.1 Compile and deliver training plan to support effective practice models and maintain safeguarding and other skills	Development of practice models B&NES Training and Development Plan Children's Transformation Programme: Practice Models and Engagement	Head of Service	March 2023
		5.4.2 Strengthen staff skills when exploring identity and potential discrimination	HMI Practice Guidance on working with Black and Mixed Heritage Boys	Operational Manager	December 2022
5.5	Learning from Inspections and Serious Case Reviews	Develop and deliver local responses to recommendations in HMI Probation's thematic Inspections	HMIP Thematic Inspection of Education, Training and Employment- Services in Youth Offending Teams in England and Wales Links with action 2.3 above and B&NES Children's Transformation Programme: NEETs HMIP Thematic Inspection on girls in the Youth Justice System (not yet published)	Operational Manager	March 2023
5.6	Inspection readiness	Maintain a regular focus on up-to-date documentation and schedules	HMI Probation Youth Justice Inspection Framework	Head of Service	March 2023
5.7	Strengthen the partnership with the Management Board: YOS practitioners have requested collaboration with the Board in these areas:	5.4.1 Advocate re support for children leaving Care and understand the difference in support available for them, in particular with regard to accessing suitable accommodation	Continuing work with the Probation Service to address transitions issues. Work with Registered Social Landlords re access to suitable accommodation.	Chair of the Management Board	March 2023
		5.4.2 Represent the YOS's views over possible changes to the Police youth justice department, and the furtherance of child-first policing	Child first principles Police representative on the Board		
		5.4.3 Understand the impact of delays in prosecutions on both children and victims, and seek to influence this.	Child first principles Police representative on the Board		
		5.4.4 Discuss with Court staff and Magistrates the importance of child-first arrangements within the Court setting	Child first principles Court representative on the Board		

14.Approval and sign off

Chair of Board	Mary Kearney-Knowles, Director of Children’s Services and Education
Signature	
Date	30 June 2022

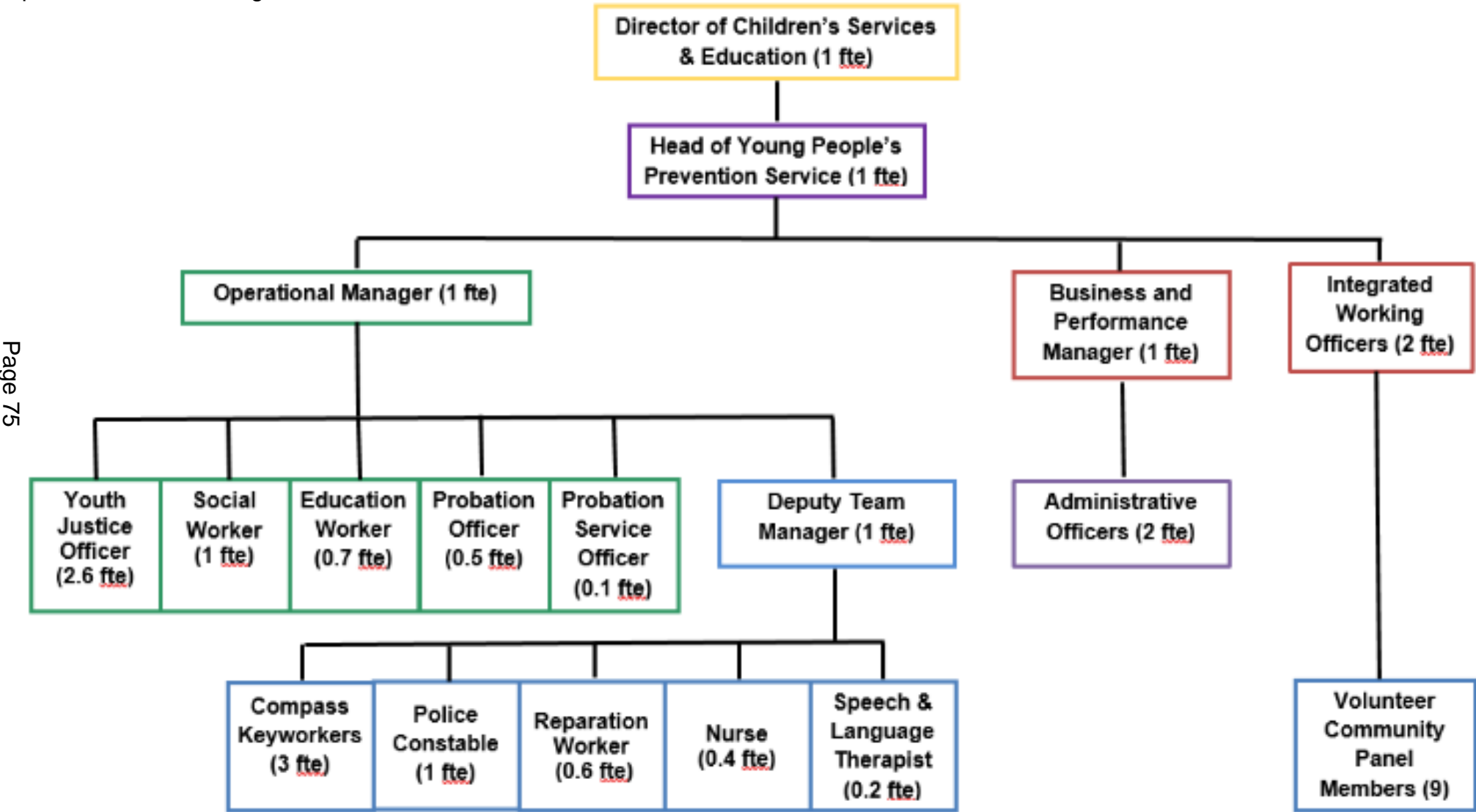
Appendix 1: Youth Offending Service Management Board Membership

All statutory partners are represented at the Management Board and attendance rates are good.

Board Members	Title	Agency	29.06.2021	15.09.2021	08.12.2021	31.03.2022	Total attendance by main representative	Total attendance by sub	Total attendance	Eligible attendance	% attendance by member	Statutory agency attendance
Mary Kearney-Knowles (Chair)	Divisional Director, People and Communities	SM - B&NES Social Care	√	√	X	√	3	n/a	3	4	75%	75%
Sally Churchyard	Head of Young People's Prevention Service Outcomes	B&NES Youth Offending Service	√	√	√	√	4	n/a	4	4	100%	
Carla Cooper	YOS Operations Manager	B&NES Youth Offending Service	X	√	X	√	2	n/a	2	4	50%	
Lisa Miller - until 29.6.21 Saffia Ahmad - from	Head of Service, CAMHS	Oxford Health NHS Foundation Trust	√	√	√	√	4	n/a	4	4	100%	
Christopher Wilford	Head of Vulnerable Learners, People and Communities	SM - B&NES Education	√	Sub sent, Rosemary Collard	√	√	3	1	4	4	75%	100%
Steve Kendall	Chief Inspector, Avon and Somerset Police	SM - Avon and Somerset Police	√	√	√	√	4	n/a	4	4	100%	100%
Peter Brandt	Assistant Chief Officer, National Probation Service	SM - National Probation Service	√	√	√	√	4	n/a	4	4	100%	100%
Ch Diane Romero	Lead Member for Children	B&NES Children, Young People and Families	√	√	√	√	4	n/a	4	4	100%	
Val Scrase	Head of Operations, Wiltshire & B&NES	Virgin Care Services Ltd	√	Sub sent, Judith Sellers	√	√	3	1	4	4	75%	
Jayne Davis	Deputy Principal, Bath College	Bath College	X	√	√	X	2	0	2	4	50%	
Stephen Hillyard	Chair of the Youth Bench	Bath Magistrates Court	√	X	√	√	3	0	3	4	75%	
Ali Woodiwiss	Senior Commissioning Manager, Complex	SM - B&NES Complex Care and Targeted Support	√	√	√	√	4	n/a	4	4	100%	100%

Appendix 2: Youth Offending Service Structure Chart

The Service is fully staffed. Its Business and Performance Manager leads on data reporting and the Head of Service has access to Jon Poole’s corporate Business Intelligence Team.



Appendix 3: Staff individual characteristics

The staff group is not representative of the children it serves, and the Service has been working with Human Resources to attract applicants from more diverse backgrounds; representation by ethnicity is better amongst volunteers (and on the Management Board). Disability is not shown so as not to be identifiable. Male staff are under-represented although the YOS works with a majority of boys.

	Strategic Manager		Team Manager		Practitioner		Administrator		Sessional		Student		Volunteers		Total	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
Asian or Asian British - Bangladeshi																
Asian or Asian British – Indian													1			1
Asian or Asian British - Other Asian																
Asian or Asian British - Pakistani																
Black or Black British - African																
Black or Black British – Caribbean													1		1	
Black or Black British - Other Black																
Chinese																
Mixed - Other Mixed																
Mixed - White and Asian																
Mixed - White and Black African																
Mixed - White and Black Caribbean																
Not stated																
Other Ethnic Group - Any Other																
Other Ethnic Group - Arab																
White – British		1	1	1	2	13		4					2	5	5	24
White - Gypsy or Irish Traveller																
White - Irish																
White - Other White																
Total		1	1	1	2	13		4					3	6	6	25

Appendix 4: Resources Summary (£s)

Source	Pooled budget	Staff costs	Other costs	Comments	Total
Avon and Somerset Police	5,000	58,703	0	1 fte Police Constable. Access to Police National Computer and Niche	63,703
National Probation Service	5,000	24,007	0	0.5 fte Probation Officer and 0.16 fte Probation Service Officer, working in Youth Court. Costs shown are from 2021-22	29,007
Bath and North East Somerset Council	18,685	386,276	20,231	Reduction of £1,249 resulting from additional contributions to NI and salary increases and reductions for salary turnover, as allocated to all budgets. Plus office accommodation, Financial, IT and Human Resources support	425,192
Bath and North East Somerset Clinical Commissioning Group	14,885	47,826	0	0.4 fte Nurse and 0.2 fte Speech and Language Therapist The increase on last year is because both posts are now costed	62,711
Avon and Somerset Police and Crime Commissioner	N/A	10,217	0	Contributes to Compass preventative service. Another £7,902 goes towards commissioning substance misuse services (DHI Project 28)	10,217
Youth Justice Board for England and Wales	N/A	155,712	45,438	The amount shown is from 2021-22 including a small, in-year top up. This year's allocation is awaiting ministerial sign off, but assurance has been received that there will be no reduction.	201,150
Total	43,570	682,741	65,669	This is a minimum total, subject to confirmation of the YJB grant	791,980

In addition, the YOS will receive a delegated allocation for the costs of any secure remands

Appendix 5: Review of Service Business and Improvement Plan 2021-22

Prevention and diversion – Remember the ‘children first’ principle and provide support outside the formal justice system wherever possible. BCSSP Commitment 3 – Recognise the importance of prevention and early intervention		
Actions		Progress
1.	Complete work on membership, process, and governance of the Out of Court Disposal Panel	Completed: revised documentation signed off and annual Management Board audit of cases and progress report provides continuing assurance.
2.	Introduce Outcome 22 diversion with intervention for first time, low level knife and other weapon offences	Completed: Now an option being used by the Out of Court Disposal Panel
3.	Complete pathway to show integration of youth crime preventative activity with a focus on serious violence	Continuing: Work now merged with the development of a wider Exploitation pathway for children known to Social Care and development of a preventative pathway sits alongside this.
4.	Review how we measure effectiveness of all local youth crime prevention activity	Continuing: Work now incorporated into wider work on effectiveness of early help as part of publication a local offer and performance dashboard
Tackle exploitation and support the Violence Reduction’s ambition that children lead lives free of serious violence at home and in the community. BCSSP Commitment 2: Learning from experience to improve how we work and 3: Recognise the importance of prevention and early intervention		
Actions		Progress
1.	Clarify practice re use of National Referral Mechanism registration	Completed and continuing: Explanatory video sent out to YOS so staff are clear how to refer and evidence of this being discussed with CPS and addressed in Court reports. Raised this at multi-agency Exploitation Sub Group. Also awaiting learning from 10 pilot areas where Local Authorities are making decisions. Issue of how interim findings are confirmed by conclusive grounds
2.	Support the development of multi-agency information sharing arrangements in order to identify and address individual children’s vulnerability	Completed: Information sharing agreement refreshed, more partners involved and merged with Exploitation Operational Group. This provides stronger multi-agency oversight of those at risk of serious violence.
3.	Support readiness for YOS compliance with the anticipated new ‘serious violence duty’	Continuing: YOS is already integrated with VRU work but awaiting final guidance to understand what more may be needed. It will have a duty to prevent serious violence as a YOS from summer 2022
4.	Participate in developing responses to children’s contextual safeguarding needs	Continuing: The Exploitation Sub Group has completed an initial audit of Social Care which is to be broadened to include the YOS in 2022

Support children not to re-offend BCSSP Commitment 2: Learning from experience to improve how we work		
Actions		Progress
1.	Clarify the interface between the YOS and the Violence Reduction Unit in the work undertaken with individual children	Completed: With a single Head of Service, the two work closely to share information and the VRU has procured support for individual children.
2.	Continue to develop use of the re-offending toolkit including the live tracker to inform work with children	Continuing: Being used quarterly to calculate local re-offending rates
3.	Support developments in service delivery arising from learning under the pandemic e.g. addressing digital poverty	Completed and continuing: Digital access now being discussed as part of all assessments and if there are issues, then funding has been made available in the YOS budget to supply a laptop. There are continuing examples of engaging children in different ways since the pandemic such as going for walks, reparation activities with writing letters to elders in care homes and unaccompanied asylum seekers, some continuing online engagement.
4.	Continue to participate in the Enhanced Case Management pilot	Completed and continuing: B&NES has agreed to fund continuing participation until March 2023 and has requested a review going forward
5.	Strengthen the offer of parenting support	Continuing: Staff identified for Family Links training. Working with partners to consider possible appointment of Parenting Worker. A workshop was held with YOS case managers and Compass Keyworkers to establish the breadth of parenting work being undertaken and share ideas. Work will continue in this area.
Work towards the elimination of disproportionate outcomes and meet individual need BCSSP Commitment 4: Providing executive leadership for an effective partnership		
Actions		Progress
1.	Improve understanding of disproportionality in the youth justice system and identify opportunities to address it	Continuing: Findings from ethnic disparity tool now available to us on an annual basis. This links with recommendations in Identifying Disproportionality
2..	Share learning from and respond to the recommendations of the Avon and Somerset Lammy Review due to be published in July 2021.	Continuing: Identifying Disproportionality report published and widely disseminated. The YOS Management Board will oversee implementation of relevant recommendations for B&NES.
3.	Review available data and the experience of girls in the youth justice system and ensure their individual needs can be met	Continuing: Data report produced, and practitioner questionnaire circulated. The proportion of girls in the youth justice system has reduced despite pan agency concern about their involvement in serious violence.

Support children to successfully negotiate individual and organisational changes and transitions BCSSP Commitment 1: Develop a 'think Family, Think Community' approach		
Actions		Progress
1.	Review wellbeing and re-offending of children who have transferred to the National Probation Service, incorporating their feedback on the experience of transition, and identify how practice can be improved to reduce the number of young adults who are sentenced to custody shortly after their transition.	Completed: National Protocol published June 2021. Consultation with a young adult known to NPS agreed. Good progress being made through an ongoing group which meets on a 6-weekly basis with YOS and Probation where transitions are being planned and reviewed.
2.	Scope other key transitions for Children working with the Youth Offending Service and identify with partner agencies how to strengthen support	Continuing: Work ongoing and will link with 0-25 years review workshop. The YOS Probation Officer is undertaking interviews with a small number of young adults who have experienced the transition to Probation to learn how this impacted them and how they were supported with other transitions in their life.
3.	Work with regional Health and other partners to address support for 16-25-year-olds	Continuing: Engaged with Steering Group and work ongoing
Equip the Youth Offending Service to meet its statutory purpose of preventing offending BCSSP Commitment 4: Providing executive leadership for an effective partnership		
Actions		Progress
1.	Review operation of the Management Board to ensure it reflects the revised Youth Justice Board guidance and expectations of the local BCSSP.	Completed: Board confirmed compliance at recent an awayday
2.	Support staff to adjust to changes as the pandemic lockdown comes to an end and ensure their access to suitable and safe working conditions and a return to as much co-located working as possible.	Completed and ongoing: Review Recovery Plan reviewed. Health, safety and wellbeing is a standing item for supervision and team meetings. All staff have individual risk assessments, and some have Wellness Action Plans
3.	Continue to access training and development opportunities for staff to strengthen their use of AMBIT, incorporate systemic and trauma recovery practice into their work, increase the pool of staff trained to address harmful sexual behaviour (AIM3) and address parenting needs. Ensure training is available for volunteer Panel Members, including through the TRM	Completed: YOS Training Plan signed off, Harmful Sexual Behaviour supervisors' training undertaken, systemic training completed by 4 staff and more planned, Trauma Informed Practice Award completed by all practitioners and managers. AMBIT outstanding and needs to be reviewed in light of other practice models being introduced (although it is complementary)
4.	Incorporate systemic practices into staff Supervision	Completed and ongoing: All 3 managers have completed some systemic training and are working at applying it within Supervision
5.	Refresh working practices and meetings arrangements in light of learning from the pandemic lockdown	Completed: Work with children and parents, staff supervision, reflective practice and panels have continued to be held in person
6.	Revisit recruitment practices to promote appointment of staff from a more diverse range of backgrounds	Completed: Revision of recruitment practices completed

Appendix 6: Feedback from Out of Court Disposal Audit

Strengths identified by Management Board
Full detailed assessment gave clear picture of parents and whole family
Good consideration of victims
Good exploration of dual heritage identity in the assessment
Holistic assessment – strengths-based approach including wider needs that may have impacted on current incident including family background, domestic abuse, and maturity
Good multi agency involvement with school and police
Comprehensive assessment form - child centred and child first, identified a range of supports and interventions to defer from re-offending.
Good engagement with young person and his mother
Plan took into account the seriousness of the offence and offending history and the need for child to build a relationship with the worker before formal work could take place
Wider support and multi-agency input sought and challenged where felt not fully recognised needs
Pushed for SEN assessment and plan clearly linked to assessment
Reparation to include skill development, very positive.
The plan followed a structured analysis of positive and negative desistance factors, and the plan took into account the child, parents and school.
Good evidence of linking with parents and sharing what will be covered in the sessions with their child in advance. The work with parents comes across as a partnership
Child's voice heard throughout the report and assessment.
Good evidence of raising concerns with Police about delays in the system and incomplete information being made available
Good multi-agency working, to include 'team around the school' meetings to address school attendance and engagement.
Young person has not re-offended, and his wellbeing appears to have improved significantly with the benefit of the intervention.
Sessions are well structured, and the child is clearly engaged in the work
Evaluation and feedback of sessions well documented, interventions developed as new areas of concern raised and plan and interventions delivered flexibly
Case closure/case outcome summary comprehensive and evidences positive impact of the 16-week intervention
Worker adept at finding ways of addressing the objectives of the plan, even though the child and parent were reluctant to engage in formal work
Good evidence of management oversight
Areas for development identified by Management Board
Assessment would have been strengthened by exploring impact of domestic abuse
Assessment did not draw on the Speech and Language report
5 months between offence being committed and being referred to OOC panel
Assessment and Intervention would have been strengthened by including more on exploring child's experiences as a dual heritage child
The plan included family support. It was not clear if this was with the agreement of the parent and as such the parents declined to take part.
Delays in the case being referred to the OOC Panel did not help the child to recall the incident.
Unclear if communications / speech and language need was addressed in the plan and or ruled out as not necessary

Appendix 7: Feedback

Surveys and end of contact feedback from children continues to be positive about work undertaken with the Youth Offending Service. Children have appreciated the positive relationships which lie at the heart of all effective work. For example, “the YOS worker was a nice person” and “I felt really listened to.” They have particularly valued positive activities, support in Court and help to write a Curriculum Vitae. In a recent survey of four young people, 1 agreed and 3 strongly agreed with each of the following statements:

- They were happy with the support the YOS provided to me
- The support from the YOS has helped me to stop offending
- I felt listened to and respected by my YOS worker

It has been particularly good to learn from young people about the impact of work undertaken with them, including being supported to “get out of county lines”, being “supported to keep out of trouble,” “help to get on to a course I was interested in,” “made my life better” and “I’m in better accommodation now.” Other examples show how the impact has been positive for families as well:

Feedback from a 13-year-old working with the Compass prevention service until December 2021. They were at risk of peer conflict and knife carrying and were supported to adapt to residential schooling and an improved relationship with their parents:

“My behaviour at school has got better. I have grown up a lot. I used to be a pain in the at home and got everyone arguing but they don’t have anything to argue about any more. Compass is good fun.”

A letter from a mother about work undertaken with her and her son for 18 months up until September 2021 during the pandemic:

“X has worked with myself and my son A for a couple of years but unfortunately has now finished working with us..... I would just like to say that working with X has helped us both so much. A knew he could talk to X about anything and she would listen and support him. I always found, whatever the situation or however low I felt with issues I was facing, a chat through things with X always helped. She would listen and show such empathy and understanding, would never judge and always found the positives. I think A and I will always have our ‘bumps in the road’ but the help and support that we have received from X will definitely stay with us. I told X that she was like a refreshing tonic and I wished we could bottle her and keep her.”

Feedback after Referral Order Panel meetings has included children saying they felt supported by the Panel, they had a sense of being listened to, it was good to know what was expected of them during their Order and it was good to reflect on their progress during the final meeting and hear positive feedback about themselves. It may be harder for children to give critical feedback, but they have said “sometimes Panel meetings can feel a bit long and there is sometimes a lot of talking.” There continues to be work to be done to help Panels to be completely child centred.

Appendix 8: Glossary of terms used in this Plan

ACE	Adverse Childhood Experience. Events in the child's life that can have negative, long-lasting impact on the child's health, and life choices
AssetPlus	Assessment tool to be used for children who have been involved in offending behaviour
BAME	Black, Asian and Minority Ethnic is the term currently used in the criminal justice system to describe those who have diverse racial and ethnic backgrounds. This term is not widely accepted or used and will be replaced when a more universally acceptable term is identified.
BCSSP	B&NES Community Safety and Safeguarding Partnership, a merger of the previous Local Safeguarding Children Board, Local Safeguarding Adults Board and the Community Safety Partnership. The YOS Management Board is one of its Sub Groups.
CCE	Child Criminal Exploitation, where a child is forced, through threats of violence, or manipulated to take part in criminal activity
Children	We define a child as anyone who has not yet reached their 18th birthday. This is in line with the United Nations Convention on the Rights of the Child and civil legislation in England and Wales. The fact that a child has reached 16 years of age, is living independently or is in further education, is a member of the armed forces, is in hospital or in custody in the secure estate, does not change their status or entitlements to services or protection.
Child First	A system wide approach to working with children in the youth justice system. There are four tenants to this approach, it should be: developmentally informed, strength based, promote participation, and encourage diversion
Looked After Child	Child Looked After, where a child is looked after by the local authority
Compass	The YOS's local preventative service for 8-17-year-olds assessed as at high risk of offending, and for their parents/carers
Contextual safeguarding	An approach to safeguarding children which considers the wider community and peer influences on a child's safety
Community resolution	Community resolution, an informal disposal, administered by the police, for low level offending following an admission of guilt
EHCP	Education and Health Care Plan, a plan outlining the education, health and social care needs of a child with additional needs
ETE	Education, training or employment
Evidence based practice	The YJB definition of evidence-based practice is 'integration of the best available and accessible evidence with professional expertise, in the context of working with children in contact with the youth justice system'
fte	Full-time equivalent, used when setting out the number of hours in each post
FTE	First Time Entrant. A child who receives a statutory criminal justice outcome for the first time (youth caution, youth conditional caution, or Court disposal

HMIP	Her Majesty Inspectorate of Probation. An independent arms-length body who inspect Youth Justice services and probation services
HSB	Harmful sexual behaviour, developmentally inappropriate sexual behaviour by children, which is harmful to another child or adult, or themselves
NEET	Children and young people who are Not in Education, Training or Employment
NRM	National Referral Mechanism. The national framework for identifying and referring potential victims of modern slavery in order to gain help to support and protect them
OOCD	Out-of-Court Disposal. All recorded disposals where a crime is recorded, an outcome delivered but the matter is not sent to Court
OPCC	Office of the Police and Crime Commissioner who is responsible for cutting crime and delivering an effective Police Force
Outcome 22/21	An informal disposal, available where the child does not admit the offence, but they undertake intervention to build strengths to minimise the possibility of further offending
Over-represented children	Appearing in higher numbers than the local or national average
PEX	Permanently excluded from school
RHI	Return home Interviews. These are interviews completed after a child has been reported missing. In B&NES, these are undertaken by the YOS, usually through its preventative Compass team.
Referral Order Panel	A decision-making meeting led by trained volunteers who consider the YOS's assessment of an individual child referred by the Court, and agree a written contract for work to address identified needs and make amends to the person harmed and/or the community.
SLCN	Speech, Language and communication needs
Youth Conditional Caution	These are issued at a pre-Court stage and include requirements to work with the YOS and other partners to meet identified needs
Young adult	Someone who is aged 18 or over, a term used, for example, when a young adult is transferring to the adult probation service.
YJB	Youth Justice Board for England and Wales, now part of the Ministry of Justice, created under the Crime and Disorder Act 1998
YJS	Youth Justice Service. This is now the preferred title for services working with children in the youth justice system. This reflects the move to a child first approach. There is a current consultation underway to change the name of the B&NES Youth Offending Service.
YOS	Youth Offending Service, a multi-agency team established under the Crime and Disorder Act and charged with preventing youth offending by under 18-year-olds.

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Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING DATE:	14 July 2022	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3379
TITLE:	Health & Social Care - New Governance Arrangements	
WARD:	All	
AN OPEN PUBLIC ITEM/		
List of attachments to this report:		
Please list all the appendices here, clearly indicating any which are exempt and the reasons for exemption		
Appendix 1: Diagram outlining new arrangements		

1 THE ISSUE

- 1.1 The Health and Care Act 2022 ('the Act') has passed through the Parliamentary process. The Act creates the Integrated Care System (ICS) which has been established to ensure better integration between Health and Social care with the aim being to improve the health and wellbeing of our communities across Bath & North East Somerset.
- 1.2 The ICS operates on the established NHS governance footprint – Bath, Swindon & Wiltshire (BSW).
- 1.3 The ICS has 2 key components:
 - Integrated Care Board (ICB) to manage commissioning of NHS services
 - Integrated Care Partnership (ICP) is responsible for developing integrated strategies for the whole BSW population, covering health and social care to address the wider determinants of health and wellbeing.
- 1.4 A local delivery mechanism – the Integrated Care Alliance (ICA) will then operate on a Bath & North East Somerset level.
- 1.5 This report outlines the proposed representation on each board and seeks Cabinet's endorsement of the arrangements.

2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 Agree for the Council to participate in the Integrated Care System (ICS) for Bath, Swindon & Wiltshire and ensure appropriate representation on the various committees which make up the ICS.
- 2.2 Request the Leader of the Council to make the appropriate nominations for councillors to sit on the committees making up the ICS.
- 2.3 Authorise the Chief Executive Officer to nominate Officers (including himself) to:
 - (1) Sit on the Integrated Care Board and to represent the Council on said Board including the making of decisions that require financial expenditure on the part of the Council provided such expenditure is within budgets agreed by Full Council; and
 - (2) Sit on the sub-committee of the Integrated Care Board established to make placed-based decisions as may be required to ensure that the Council is appropriately and fully represented in accordance with the constitutional documents of said sub-committee.
- 2.4 Agree that overall governance arrangements set out in Appendix 1.

3 THE REPORT

Integrated Care Board (ICB)

- 3.1 Integrated Care Boards will be introduced by the Act as of 1 July 2022 and will replace the current Clinical Commissioning Groups ('CCG's'). ICBs will be responsible for commissioning health and primary care services in the same way as CCGs are currently plus some additional areas currently reserved to NHS England.
- 3.2 The local ICB for Bath & North East Somerset will also cover the local authority areas of Wiltshire and Swindon.
- 3.3 ICBs form part of the new Integrated Care System ('ICS') which, it is hoped, will further empower local commissioning bodies to commission goods and services that are most relevant to their areas of operation.
- 3.4 In accordance with Schedule 2 of the Act, the ICB must contain at least one local authority representative. The Act sets out that this representative will represent all local authorities within the ICB's geographic area. These are however minimum requirements and it has been suggested by the current CCG (who are responsible for implementing the new constitutional arrangements for the ICB) that each of the three local authorities would be permitted to nominate a representative to sit on the ICB. The three local authorities have provisionally agreed, subject to Cabinet approval, to nominate their Chief Executive's to sit on the ICB.

Integrated Care Partnership (ICP)

- 3.5 Discussions are still at a very early stage. A steering group comprising the Chair and Chief Executive of the ICS and the Leaders and Chief Executives of the three local authorities has met once to begin scoping the work of the ICP. It will therefore take some time before a formal meeting of the ICP takes place.

Local Sub-committee of the Integrated Care Board (Integrated Care Alliance – ICA)

- 3.6 To support the empowerment of local communities, the new ICS would also call for a 'placed-based board' to be established. Such a board will be established for each of the local authority areas within an ICB's geographical area. As such, there will be a specific board for Bath & North East Somerset.
- 3.7 Schedule 2 of the Act allows for the ICB to create sub-committees and allows for those sub-committees to be made up of non-ICB members.
- 3.8 The purpose of the sub-committee is to set the local strategy and provide oversight to a further board that will be tasked with delivering the agreed strategy.
- 3.9 At this stage we are working on agreeing the terms of reference for the ICA.

4 STATUTORY CONSIDERATIONS

- 4.1 The statutory framework for the new arrangements is the 2022 Health & Care Act

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

Financial and Procurement Implications

- 5.1 There would be a requirement for amendments to existing budgets to allow for the section 75 fund and any aligned fund.

Legal and Human Rights Implications

- 5.2 The creation of the ICB is a statutory requirement.
- 5.3 The creation of the sub-committee is lawful and the Council is permitted to sit on it as a member.
- 5.4 There are no human rights implications foreseen.

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 There are no specific risks that are not addressed in this report.

7 EQUALITIES

7.1 A Diversity Impact Assessment (DIA) will be completed once the new arrangements are in place and we have a better understanding of the implications.

8 CLIMATE CHANGE

8.1 Officers do not expect any effect on the Council's carbon footprint.

9 OTHER OPTIONS CONSIDERED

9.1 There is a statutory requirement for at least one representative from a local authority to sit on the ICB as such there are no realistic alternative options to option 2.1.1.

9.2 In regards to recommendation 2.1.2, Cabinet could ask Officers to explore whether the sub-committee could sit as some form of joint committee or committee of the Council. This has been explored by Officer's already and they are satisfied that, at least whilst the new ICS way of working is in its infancy, the proposal before Cabinet represents the most effective way of progressing.

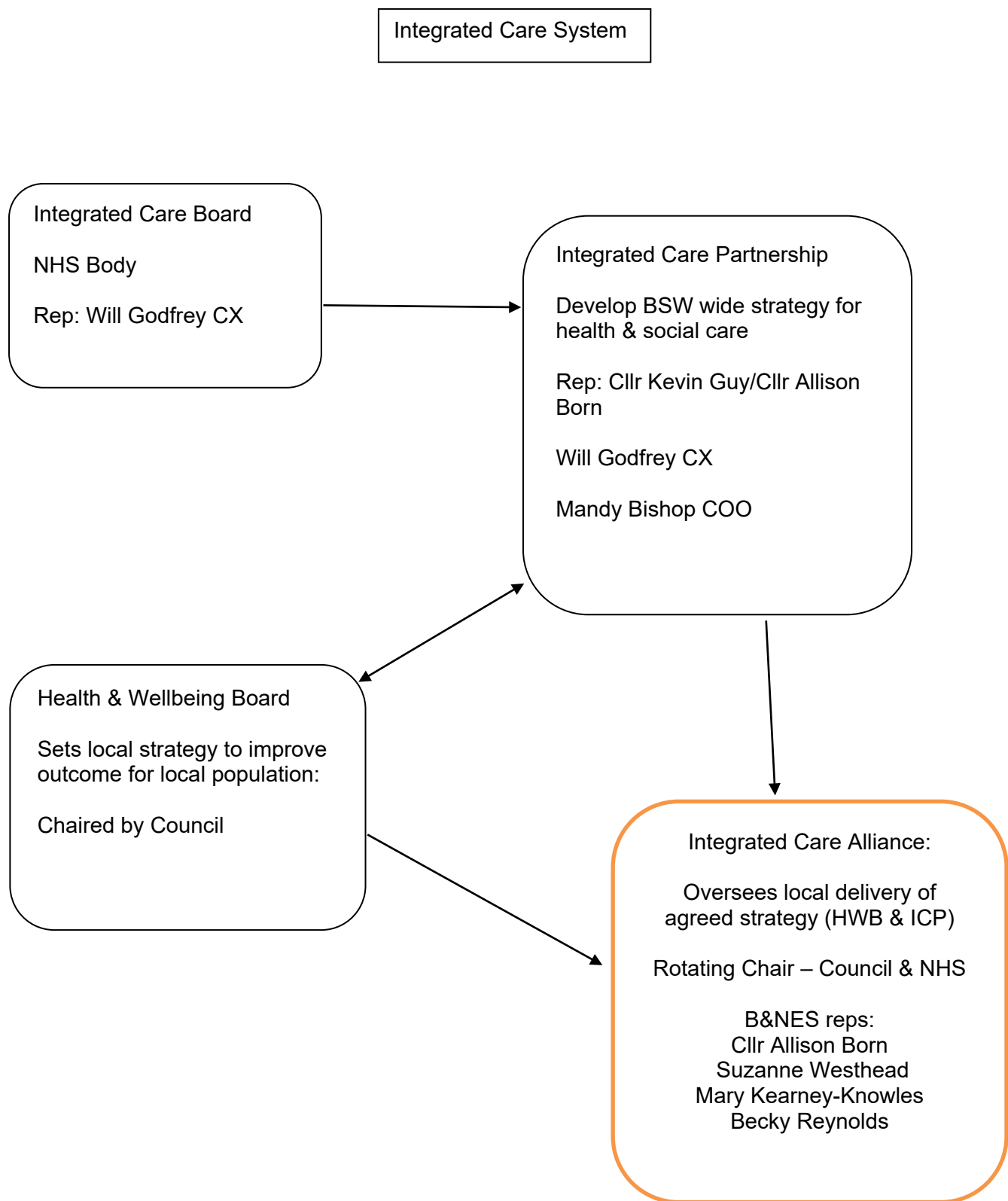
10 CONSULTATION

10.1 The following cabinet members and officers have been consulted as part of the preparation of the report:

- Council Leader
- Cabinet Member for Adult Services
- Chief Operating Officer
- Chief Financial Officer
- Monitoring Officer

Contact person	Will Godfrey, Chief Executive, 01225 477400
Background papers	The Health and Care Act 2022 (available here)
Please contact the report author if you need to access this report in an alternative format	

Appendix 1: Outline Governance Arrangements



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Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING DATE:	14 July 2022	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3371
TITLE:	Revenue & Capital Outturn 2021/22	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1: Detailed Revenue Budget Outturn Appendices 2(i) & 2(ii): Proposed Revenue Virements & Revised Revenue Cash Limits 2021/22 Appendix 3: Detailed Capital Variance & Rephasing Requests 2021/22 Appendices 4(i) & 4(ii): Capital Virements & Capital Programme by Portfolio 2021/22		

1 THE ISSUE

- 1.1 The report presents the revenue and capital outturn for 2021/22, highlighting a favourable outturn position of £4.03m after allowing for agreed transfers to/from reserves and carry forwards. This is an improvement of £3.97m from the reported position in the Quarter 3 forecast, primarily driven by increased parking income, higher cash balances reducing borrowing costs, and short-term funding supporting Adult Social Care.
- 1.2 The report refers to requests to carry forward specific revenue budget items to 2022/23 and to write-off revenue over budgets where recovery in future years would have an adverse impact on continuing service delivery.
- 1.3 It is proposed that £4.03m is transferred to corporate earmarked reserves to smooth park & ride contract annual income risks during the Covid recovery period and to provide for the significant increase in energy inflation in 2022/23.
- 1.4 The report also refers to requests to re-phase specific capital budget items to 2022/23 and to remove net capital underspends.

2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 **Note the revenue budget outturn on budget position for 2021/22, after allowing for carry forwards and transfers to reserves.**
- 2.2 **Approve the revenue carry forward proposals listed in the tables in paragraph 3.30.**
- 2.3 **Approve that all other over budgets are written-off as an exception to the Budget Management Rules for 2021/22.**
- 2.4 **Approve the transfer of £4.03m to corporate earmarked reserves, the breakdown of which is detailed in paragraph 3.31;**
- 2.5 **Note the revenue virements for 2021/22 reported for information in Appendix 2(i)**
- 2.6 **Note the reserve positions and the use of flexible capital receipts shown in paragraphs 3.40-3.43;**
- 2.7 **Note the outturn position of the 2021/22 capital programme in paragraph 3.52, and the funding outlined in paragraph 3.54;**
- 2.8 **Approve the capital rephasing and write-off of net underspends as listed in Appendix 3. This reflects the outturn spend position on projects against final budgets as detailed in Appendix 4(ii).**

3 THE REPORT

- 3.1 This report provides information about the Council's financial performance against its revenue and capital budgets in 2021/22.

Revenue Budgets

- 3.2 The report identifies that, after allowing for carry forwards and transfers to corporate reserves, the Council delivered a favourable outturn position of £4.03m in 2021/22.
- 3.3 A favourable outturn position, considering the financial pressures caused by the Covid-19 pandemic and subsequent recovery period, demonstrates strong financial management across the organisation. Income has not recovered to pre-pandemic levels and unprecedented demand pressures continue in all core services, including Adult Social Care, Children's Social Care and Education, Wellbeing Services and Waste Services.
- 3.4 The table below shows the overall revenue outturn position by portfolio:

Portfolio	Revised Budget £m	Outturn £m	Variance Over / (Under) £m
Economic Development and Resources	5.61	7.39	1.78
Climate and Sustainable Travel	1.10	0.77	(0.33)
Adults and Council House Building	56.90	52.84	(4.06)
Children & Young People, Communities & Culture	40.95	43.74	2.79
Neighbourhood Services	24.80	25.44	0.64
Transport Services	(2.90)	(7.38)	(4.48)
Planning	2.12	2.49	0.37
Total (before Carry Forwards)	128.58	125.29	(3.29)
Carry Forward Requests (underspends)			0.43
Carry Forward Requests (overspends)			(1.17)
Total (including Carry Forwards)			(4.03)

Note1: Some of the figures in this table are affected by rounding.

- 3.5 The main areas of over/under budget and change against the April to December outturn forecast position are as follows:

Economic Development and Resources (£1.78m over budget, £0.55m favourable movement)

- 3.6 The impacts of government restrictions at the start of the financial year and the Omicron Covid variant over the winter period has limited visitor numbers and consequently revenue generation in Heritage Services. After rebasing the 2021/22 budget as a response to the pandemic, the service still ended the year with an adverse outturn position of £1.45m. Income from the Thermae Bath profit share has also been reduced by £0.25m compared to budget (after allowing for sales, fees and charges compensation grant).
- 3.7 However, income from the Commercial Estate has performed better than expected. The Commercial Estate income budget was reduced by £5m in the 2021/22 budget as it was recognised that the pandemic would continue to suppress market rates and increase voids, at least in the short term. The impact of the pandemic in 2021/22 has been less than anticipated; recovery has been quicker than expected due to new lettings picking up earlier than expected; fewer business failures and longer term repayment plans has reduced the bad debt provision (£517k); and less tenant support was required than expected this time last year (£308k of support was provided this financial year). This has resulted in a £2.2m favourable position for the service at year end. To reflect the more positive outlook, £1m of additional income is built into the 2022/23 budget and a further £1m into the 23/24 budget. However, it is recognised that local and national recovery from the pandemic and wider economic

factors put a large degree of risk and uncertainty on market rates, demand and consequently rental income generation. As such, the £2.2m favourable outturn position has been transferred to a new Commercial Estate Reinvestment Reserve earmarked for these risks.

- 3.8 The Preparing for the Future programme continues to develop new approaches to ways of working and how we use our Corporate Estate, but a £1.24m pressure from unachieved income targets, staffing pressures and unbudgeted costs associated with the Bath Community Academy site at Culverhay could not be avoided. On-going pressures have been addressed in the 2022/23 budget.
- 3.9 Dividend payments due from Aequus for 2020/21 and 2021/22 will be released in the 2022/23 financial year, this was signed off by Aequus Board (14th June 2022). This is following the company structure changes approved at the March Council meeting, and as such the outturn position shows a £1.20m adverse variance due to this timing difference. A carry forward has been requested to move this overspend to 2022/23 to match when the dividend will be received and is listed in paragraph 3.30.
- 3.10 The increased use of bed and breakfasts for temporary accommodation means we cannot reclaim subsidy, which has contributed to a £0.27m overspend on the Housing/Council Tax Benefits Subsidy budget.
- 3.11 These pressures are partially offset by recovery of pension deficit costs and temporary high levels of cash balances, which are delaying the need to borrow and result in a favourable £1.53m capital financing and corporate budgets underspend.

Climate and Sustainable Travel (£0.33m under budget, £0.13m favourable movement)

- 3.12 The underspend primarily relates to delays in recruitment to the climate team. £0.08m of the underspend is requested as carry forward to 2022/23 to enable the service to commission projects that delays in recruitment prevented this year. This is detailed in paragraph 3.30.
- 3.13 The Clear Air Zone scheme sits within this portfolio and its performance to date is detailed in paragraph 3.39.

Adults and Council House Building (£4.07m under budget, £1.32m favourable movement)

- 3.14 The outturn position for Adult Social Care is an underspend variance of £3.92m. This reflects the reduced number of package placements first seen during 2020/21 and continuing throughout 2021/22. Health funding arrangements for hospital discharges were in place all year, the impact of the expected demand from the ending of these arrangements was reduced. These arrangements came to an end at the end of this financial year and discussions and schemes are underway regarding ongoing requirements in 2022/23. The long-reaching impact of the ongoing pandemic is still being felt and future demand on Adult Social Care is expected to return to previously seen levels. This expectation also carries a risk of additional demand being seen when these levels return, in both package numbers and complexity of social care cases.
- 3.15 The level of future demand is still undetermined but is expected to cause pressure on budgets. To balance this, work continues on the delivery of the service

transformation plans to ensure services can be provided to meet and sustain this demand.

- 3.16 Housing ended the year with a favourable outturn position of £0.15m due to additional grant funding for domestic abuse services and a small underspend in supported lodgings' costs.

Children and Young People, Communities and Culture (£2.79m over budget, £0.15m favourable movement)

- 3.17 The Children and Young People segment of this Portfolio continued to be affected by the Covid 19 Pandemic during 2021/22 and was over budget by £2.81m at Outturn. The Outturn included £0.75m of Covid related expenditure related to placement and package costs.
- 3.18 The main driver of this over budget position is due to increased costs in the demand-led placement and package budgets. In total, this area is £1.90m over budget including the £0.75m of Covid costs. Joint Agency Panel (JAP) and Residential placements account for £1.40m of the over budget position in this area. Increased spend is a result of placement numbers rising in both these areas versus 2020/21, with contextual safeguarding increasing Residential placement requirements. In addition, increased costs of existing packages due to the increased needs our Children and Young People are presenting with, many because of Covid, have added further financial pressure. There are also increased costs as a result of the complex packages of care needed for those with the highest need in the Disabled Children's Team of £0.29m.
- 3.19 Staffing pressures across the frontline areas of Children's Social Care total £0.36m. This is the result of covering absences within teams, whilst also responding to increasing demand levels and complexity of need. There is also a £0.23m one-off pressure this year from the Year One costs of delivering the transformation projects, this will enable future savings in 2022/23 and beyond of circa £1m per year.
- 3.20 The Education Psychology Service has a £0.16m over budget position. This is due to increased staffing costs needed to provide the Local Authorities statutory duties in this area, caused by significantly increased requests for assessment, a national shortage of qualified EP's and use of agency staff and un-budgeted maternity cover. This pressure has been addressed in the budget for 2022/23.
- 3.21 The Home to School Transport (HTST) service includes a £0.74m over budget position. This significant pressure has been experienced since the start of the 2021/22 academic year. Service pressures including reduced availability of drivers, increased fuel costs and reduced tendering activity for many routes. In addition, the Council has had to absorb increased statutory duty in transporting pupils. This pressure has been addressed in the budget for 2022/23.
- 3.22 Partially mitigating these pressures as a one-off for this year, is the release of £0.59m provision for Troubled Families due to the Government confirming continued funding for this area for the next three years. In addition, savings of £0.13m were achieved from reduced spend on inter-agency adoption fees, this is as a result of the successful operations of Adoption West.
- 3.23 Reduced income for Events due to social restrictions was offset by a small underspend in Customer Services resulting from vacancies.

Neighbourhood Services (£0.64m over budget, £0.02m adverse movement)

- 3.24 Financial support to our leisure operator has caused a £0.28m pressure in the Leisure service.
- 3.25 Significant increases in energy prices have had an adverse impact on the street lighting contract, with costs increasing £0.21m above budget. Increased waste tonnages throughout the year have meant staffing, vehicle and electricity costs have grown throughout the year within the Waste Service. Fortunately, this has been almost fully mitigated by £0.52m of increased income from the sale of recyclates, which is expected to continue into 2022/23. Bereavement Services have ended the year with an adverse outturn position of £0.18m resulting from the extended closure of the Haycombe chapel and some staffing pressures across the service.

Transport Services (£4.48m under budget, £0.92m favourable movement)

- 3.26 Parking budgets were rebased by £3.5m reducing the income target in 2021/22 to mitigate the continued expected income losses resulting from the on-going pandemic. Contrary to expectations earlier in the year, parking income has recovered much quicker than anticipated with the impact of the pandemic increasing preference for personal car use over public transport, resulting in a favourable outturn variance of £3.54m. Street Works and Traffic Management income was £0.27m in excess of budget, which added to over £0.37m of staffing underspend resulted in a £0.61m favourable variance in Network and Traffic Management.

There is a significant financial risk around energy contracts caused by the volatile energy market. The in-year impacts on street lighting have been addressed in the Neighbourhood Services narrative, whilst contingency has been built into the 2022/23 Budget to address the risk that our main gas and electricity contracts are up for renewal at the end of the financial year. Further provision for these rising costs is recommended in paragraph 3.31.

Planning (£0.37m over budget, £0.19m favourable movement)

- 3.27 Planning income has continued to be significantly impacted by the pandemic (£0.26m under budget), with larger income generating applications remaining low compared to 2019/20 levels. The sales, fees and charges compensation scheme grant and staff vacancies have reduced the service adverse outturn variance to £0.05m.
- 3.28 Net licensing income is also £0.32m down against budget, which includes the continued absence of a casino operator. All on-going pressures have been addressed in the 2022/23 Budget.
- 3.29 Further detail of outturn budget variances is attached at Appendix 1.

Carry Forward Requests

- 3.30 The following carry forward requests have been made for approval:

Request and Reason for Request	£
Housing Delivery Vehicle – Dividend Receipt The carry forward represents a timing delay for when 2020/21 and 2021/22 dividends due from Aequis can be released. These are expected to be received in June 2022 following the company structure changes approved at the March Council meeting.	(1,169,000)
Revenues and Benefits Service 1. The Welfare Support budget was increased by £400k in 2021/22. Although a significant amount of this funding was spent to support low income households and residents in crisis, the demand was insufficient to fully exhaust the funding, therefore £150k of unspent funding is requested to be carried forward to allow continued support to residents during 2022/23. 2. The carry forward of £69k represents prior year over charges from HM Courts and Tribunal Services (HMCTS) which will be used to fund council tax recoveries which were delayed due to the pandemic.	219,000
Planning Service 1. The £59k carry forward primarily represents a timing delay in charges for the Local Plan Partial Update (LPPU) examination hearings which will take place early in 2022/23. 2. A further £34k carry forward request relates to Planning Enforcement and the legal work that is required for action to be taken.	93,916
Sustainability – Renewal Vision and Partnership Work The pandemic has caused delays in recruitment which resulted in no staff being available to manage, progress and commission work in accordance with the service's budgeted plan.	75,755
Regeneration – Somer Valley Rediscovered Project The carry forward represents surplus income from the Somer Valley Rediscovered project in 2021/22 which is required to continue to cover the resources required in 2022/23.	22,760
Customer Services – Face to Face Training As a result of Covid-19, face to face events have not been able to proceed, including training for parents and young people and professionals. This grant funding from DfE is still required into next year to ensure that the grant money is spent as intended.	17,655
Total	739,914

- 3.31 After allowing for the above carry forwards, it is proposed that the net under budget position of £4.032m, is transferred to the following corporate earmarked reserves used to support key priorities and risks during 2022/23.

Corporate Earmarked Reserve	Transfer Amount £m
Park & Ride Contract Smoothing Reserve	2.700
Energy Inflation Risk Reserve	1.332
Total	4.032

- 3.32 It is recommended that all other over budgets are written off as an exception to the Budget Management Scheme Rules to retain budget stability in 2022/23.

Delivery of Savings and Recovery Plans

- 3.33 The 2021/22 approved budget included the requirement for the delivery of £8.48m of savings. £7.89m (93%) of savings have been delivered during 2021/22. The delivery of £0.48m (6%) savings were delayed but mitigated through other means and £0.12m (1%) savings were not achieved and have been addressed in the 2022/23 Budget.

Schools

- 3.34 The overall Dedicated Schools Grant for 2021/22 was £160.577m, however of this sum £114.975m was returned to the DFE to be allocated to academies, £12.335m was allocated to schools through funding formula, with the remaining £32.268m (after the prior year overspend of £5.424m) retained by the LA to support Special Educational Needs, central expenditure, and Early Years.
- 3.35 The centrally held elements of the Dedicated Schools Grant (DSG) were over budget by £8.013m, due to significant increases in numbers and cost of placements for children with SEND which is funded from the high needs block within the Dedicated Schools Grant. This Overspend will be carried forward along with the accumulated deficit on the DSG of £5.424m giving a total overspend to be carried forward of £13.438m. In line with Government guidance any overspend is carried forward for recovery against future DSG funding. Therefore, the Council cannot fund this pressure from its own non DSG funding (unless permission is given by the Secretary of State to disregard the requirement to fund from the DSG). Year-end budgets have been adjusted to reflect the transfer of the £8.013m overspend into a specific unusable reserve for recovery against future DSG funding. This treatment is in line with recently announced government guidance stating that DSG in-year and cumulative deficits should no longer be held as a negative earmarked reserve and should instead be held in an unusable reserve called the Dedicated Schools Grant Adjustment Account. This accounting treatment has the effect of separating schools budget deficits from the Councils' general fund and covers the period of three financial years from 1st April 2020 to 31st March 2023.

- 3.36 A recovery plan to bring spending in line with budget over the next 5 years has been completed and is being reviewed by the DFE. The DFE will look to enter a

Safety Valve Agreement (a process set up to support Local Authorities with DSG deficits) with the Local Authority (LA), whereby the LA will show its ability to ensure that spending is controlled within the DSG and the DFE will look to support the accumulated overspend. Initial discussions have been held and further work on the agreement will be made in 2022/23 with a planned agreement in place for 2023/24.

- 3.37 Schools balances decreased by £144k to £1.086m at the year-end. This decrease is partly due to some schools utilising their balances for capital projects that had been planned for some time. These balances are closely monitored by Schools Forum which has adopted an excessive balances policy in line with continued DFE best practise guidance. All schools with balances deemed to be excessive are challenged to explain their position. Most large balances are retained as part of plans for capital projects in schools.

Public Health

- 3.38 The Public Health budget is currently ringfenced. The year-end outturn was in line with the value of the grant funding, resulting in a balanced position against the value of this funding, including transfers to the Public Health Reserve. Reduced activity levels have been seen against some contracts due to the impact of the Covid-19 pandemic, this has resulted in a transfer to the Public Health reserve of £0.227m for use in future years. The revised balance held in the reserve is £0.816m as at 31st March 2022. Budgets have been adjusted to reflect the transfer from reserves.

Clear Air Zone

- 3.39 The Clear Air Zone (CAZ) Scheme has generated £5.64m from charges and penalty charge notices (to the end of March 2022). This is expected to drop year on year as compliance continues to increase. The scheme generated £2.69m through charges paid on time and those on receipt of penalty charge notices. A further £2.95m has been generated through fines for late payment. The operating costs of the scheme in 2021/22 were £2.48m of which approximately £2m was offset against grants, which equates to a net in-year operating surplus after grant funding of £5.15m. £3.35m has been added to the CAZ smoothing and decommissioning reserves to cover future year costs and the remaining £1.80m is transferred to the CAZ transport investment reserve as part of the £2.5m local contribution being allocated over the next two years to fund transport improvements through the City Region Sustainable Transport Settlement.

Reserves and Flexible Capital Receipts

3.40 The year-end position of earmarked reserves, taking into account the 2021/22 outturn, are shown in the table below.

Council's Earmarked Reserves	£'m
<i>Corporate Earmarked Reserves</i>	
Insurance Fund	0.911
Capital Financing Reserve	9.961
Revenue Budget Contingency	3.742
Transformation Investment Reserve	2.403
Business Rates Reserve	3.739
City Deal Smoothing Reserve	1.831
Restructuring & Severance Reserve	1.900
Financial Planning and Smoothing Reserve	7.558
Invest to Save Reserve	0.212
Public Health Grant Reserve	0.816
Community Empowerment Fund	0.324
Revenue Grants Unapplied	0.822
Revenue Funding of Capital Reserve	0.772
Covid19 Outbreak Management Fund Grant Reserve	2.810
Covid 19 Test & Trace Reserve	0.152
Covid 19 General Reserve	4.568
City Region Sustainable Transport Settlement Contribution Reserve	3.000
Other	0.624
<i>Sub Total</i>	46.145
S31 Business Rate Retail Relief Compensation Grant Reserve	18.506
Schools Balances	1.086
Service Specific Reserves	3.226
General Service Reserves	26.484
<i>Total Earmarked Reserves</i>	95.447
Reserve balances excludes any 2022/23 transfers agreed as part of the 2022/23 Budget Report and the transfers proposed in paragraph 3.31.	

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

3.41 The S31 Business Rate Retail Relief Compensation Grant Reserve is a temporary reserve to manage the timing difference between the receipt of government grant funding in 2021/22 and the use of this grant to fund the associated Business Rate Collection Fund Deficit in 2022/23 as required under Collection Fund accounting regulations.

3.42 The year-end position of uncommitted non-earmarked reserves was £12.6m in line with the risk assessed requirements of a range of £11.6m to £12.8m agreed in the 2021/22 Budget Report.

Flexible Use of Capital Receipts

3.43 Council approved a revised Efficiency Strategy in February 2022 as part of the 2022/23 budget. This enables the authority to utilise capital receipts for once-off spend such as severance costs that result in the delivery of ongoing savings. Flexible capital receipts of £0.155m were utilised in 2021/22 taking the total used to £8.089m and it is estimated that this spend will contribute to the release of ongoing revenue savings of £12.68m by 2022/23. Further details of spend and savings are shown in the following tables.

Category	Spend					
	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
Restructuring & Severance Costs	3.124	3.045	0.955	0.096	0.155	7.375
Procurement, Commissioning and other service redesign	0.000	0.408	0.306	0.000	0.000	0.714
Total	3.124	3.453	1.261	0.096	0.155	8.089

Category	Cumulative Savings					
	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Restructuring & Severance Costs	0.102	2.658	5.547	6.091	6.219	6.387
Procurement, Commissioning and other service redesign	0.000	3.425	6.127	6.290	6.290	6.290
Total	0.102	6.083	11.675	12.381	12.510	12.677

Council Tax, Business Rates and Collection Fund

Council Tax

3.44 The Council saw a large increase in the number of people claiming Local Council Tax Support (LCTS) as result of the economic impact of the pandemic during 2020/21. The 2021/22 tax base allowed for an increase of 5% on the number of working age recipients as at the end of November 2020 with budgeted costs of LCTS set at £10.97m. The cost at the beginning of April was £10.69m and there was a gradual reduction over the first six months of the financial year, in line with a fall in working age claimants, after which the cost remained fairly stable ending the year at £10.19m. This is £0.78m below the budget estimate and has contributed to a Council Tax Collection Fund surplus at year end. The number of working age claimants at the end of March was 6,269 compared to the budget assumption of 6,915. The reduction is due to claimants ceasing to be entitled to LCTS, for example, where they have returned to employment.

3.45 The Collection Fund has also benefitted from an increase in the number of chargeable dwellings which is above the level forecast when setting the taxbase for

2021/22. Taking both the reduction in LCTSS claimants and the increase in chargeable dwellings into account, the final in-year surplus on the Collection Fund in respect of Council Tax is £1.65m, of which the Council's share is £1.37m. This represents a positive variance of 1.3% against the 2021/22 forecast income. The Council's share of the final position on the Collection Fund including the balance carried forward from 2020/21 is a surplus of £1.58m. This represents an improvement of £0.26m over the estimated surplus provision made in the 2022/23 Budget Report.

Business Rates

3.46 The outturn position for the Business Rate element of the collection fund is a surplus of £0.82m, after allowing for additional s31 grant funded retail reliefs and future Covid Additional Relief Fund reliefs which were announced by government after the 2021/22 budgets were set. The table below shows the Council's share of the surplus is £0.88m, which represents an improvement over the Quarter 3 forecast position of £1m. The main reasons for the improved position are due to:

- Lower than forecast Bad Debt Provision requirement (£1.3m) due to an improvement in the year end arrears position,
- Partly offset by an increase in business rates reliefs (Empty Property, Small Business and Telecomms) of £0.4m.

Business Rates Collection Fund	Outturn Position		Qtr3 Forecast		Change
	Total (£m)	B&NES Share (£m)	Total (£m)	B&NES Share (£m)	B&NES Share (£m)
Collection Fund - 2021/22 In Year Deficit	19.22	18.07	24.11	22.66	(4.59)
Less impacts of reliefs funded through s31 grant:					
Additional Extended Retail Relief	(20.03)	(18.95)	(19.69)	(18.51)	(0.44)
Covid Additional Relief Fund (CARF)	0.00	0.00	(4.29)	(4.04)	4.04
(Surplus) / Deficit after Extended Retail Relief & CARF s31 grant funding	(0.82)	(0.88)	0.13	0.12	(1.00)
2020/21 Surplus carried Forward	(0.93)	(0.87)	(0.93)	(0.87)	0.00
Total Surplus	(1.74)	(1.7)	(0.80)	(0.75)	(1.00)

3.47 The Quarter 3 forecast included an estimated deficit on the Collection Fund for the Council of £4m related to the forecast awards of the Covid Additional Relief Fund (CARF) relief, which was anticipated to be fully granted by the end of the 2021/22 financial year. The relief will now be processed during 2022/23, with the negative impact now occurring in that financial year. The impact will be fully mitigated by s31 compensation grant received from the government.

3.48 As set out in the Budget Report, the Council's share of the deficit that relates to the extended retail relief, which was introduced by government after the 2021/22 budget was set, is £19.0m. The s31 compensation grant in respect of this change was received in 2021/22 and has been transferred to the "S31 Business Rate Relief Compensation Grant Reserve" so it is available in 2022/23 to offset recovery of this element of the deficit. In addition to this, the Council holds a general Business Rates Reserve to ensure that the General Fund is not adversely impacted in any one year. Following outturn transfers, the balance of the Business Rate Reserve is £3.7m as at the 31st March 2022. The 2022/23 budget includes a transfer of £2.2m to the reserve, which will increase the balance to £5.9m.

Overall Collection Fund

3.49 The following table shows the overall estimated position, for which provision was made in the 2022/23 Budget Report, and the actual outturn position for the Council share of the Collection Fund for 2021/22. These figures exclude preceptor shares:-

	Estimated (Surplus)/ Deficit £'m	Actual (Surplus)/ Deficit £'m	Difference £'m
Council Tax	(1.329)	(1.585)	(0.256)
Business Rates	21.791	17.197	(4.594)
Total	20.462	15.612	(4.850)

3.50 At an overall level, the outturn position on the Collection Fund improved by £4.850m over the estimated position, including the £4m timing difference related to the CARF business rate relief. The overall difference will be taken into consideration when estimating the closing 2022/23 Collection Fund position as part of the 2023/24 Budget process.

Business Support Grants

- 3.51 The Council continued to be responsible for the administration and processing of Business Grants to support local businesses on behalf of the Government during 2021/22. The table below outlines the type and value of the grants which the Council administered and paid during the financial year.

2021/22 Business Support Grants

Grant Scheme	Total Paid (£m)
Covid-19 Additional Restrictions Grant	2.93
Local Restrictions Support Grant - November Lockdown	0.18
Local Restrictions Support Grant - Closed Tier 2/3	0.02
Local Restrictions Support Grant – Open Tier 2/3	0.07
LRSB (Closed) Addendum: 5th January 21 onwards	0.75
Closed Business Lockdown Payment	0.70
Covid Restart Grant	14.37
Omicron Hospitality & Leisure Grant	2.69
Total	21.70

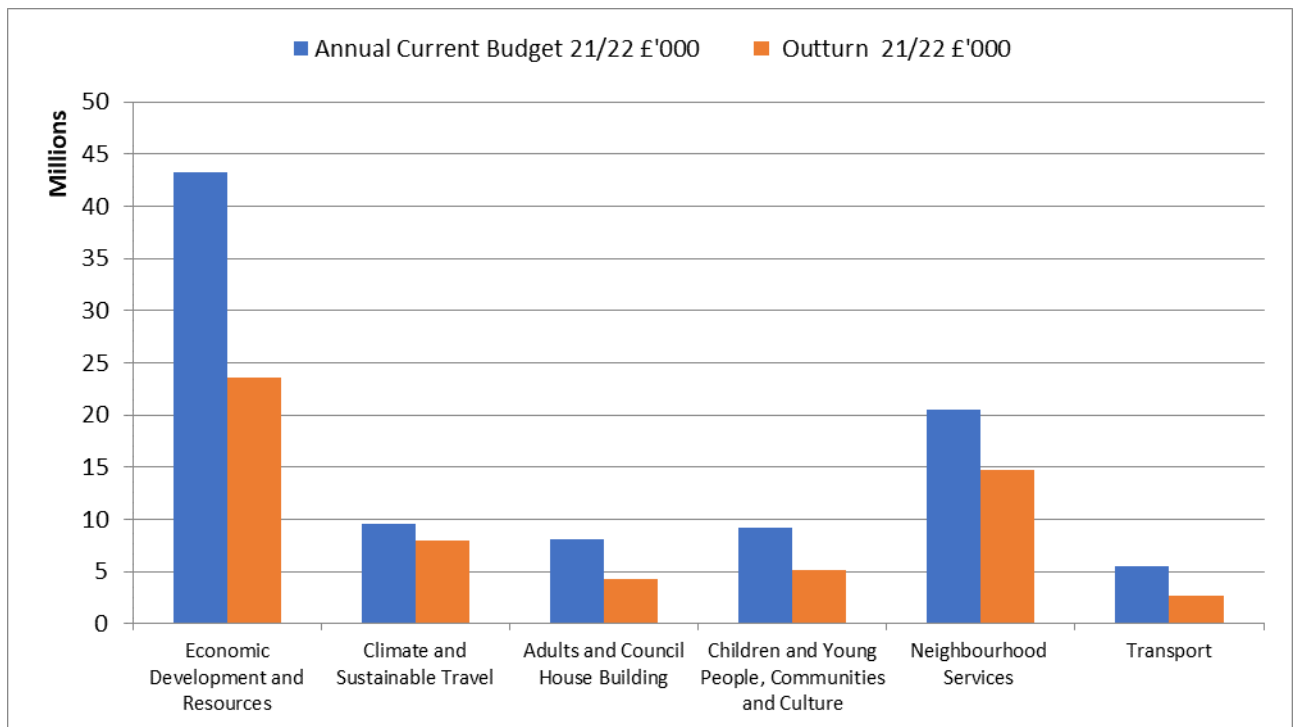
Capital Programme

- 3.52 The capital spend in 2021/22 was £58.405m (61%) against a budget of £96.071m giving a variance of £37.666m, primarily reflecting the delivery time to complete projects moving into future financial periods.

Portfolio Summary	2021/2022 Outturn Position			
	Capital Budget £'m	Outturn £'m	Variance £'m	Rephasing to 2021/22 Requested £'m
Economic Development and Resources	43.272	23.547	(19.725)	19.725
Climate and Sustainable Travel	9.500	7.984	(1.515)	1.515
Adults and Council House Building	8.065	4.232	(3.833)	3.833
Children and Young People, Communities and Culture	9.205	5.163	(4.042)	4.017
Neighbourhood Services	20.492	14.775	(5.718)	5.718
Transport	5.537	2.705	(2.832)	2.808
TOTAL	96.071	58.405	(37.666)	37.617

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

3.53 Of this variance, £37.617m is requested for carry forward to 2022/23 to cover re-phased costs of capital projects. The detailed outturn position and re-phasing of each individual project is attached at Appendix 3. The delivery of the capital spend compared to budget over the last five years is shown in the following graph:



3.54 The funding of the capital programme for 2021/22 is as follows:-

	£'m
Total Capital Spending:	58.405
Funded by:	
Capital Receipts	1.758
Capital Grants	37.949
3 rd Party Receipts (inc S106 & CIL)	5.545
Revenue	1.193
Prudential Borrowing (Implied Need)	11.960
Total	58.405

3.55 The Council's provisional Capital Financing Requirement (CFR) as at 31st March 2022 is £328.2 million. This represents the Council's requirement to borrow to finance capital expenditure and demonstrates that total borrowing of £219.4 million remains well below this requirement as at 31st March 2022. This illustrates the extent to which the Council is currently cash-flowing capital projects in line with the Treasury Management Strategy to minimise borrowing costs.

4 STATUTORY CONSIDERATIONS

- 4.1 The annual Medium-Term Financial Strategy and planning process allocates resources across services with alignment of these resources towards the Council's corporate priorities. This report monitors how the Council has performed against the budget and Capital Programme set in February 2021.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 These are contained throughout the report and appendices.

6 RISK MANAGEMENT

- 6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance.
- 6.2 The substance of this report is part of the Council's risk management process. The key risks in the Council's budget were assessed by each Director, with these risks re-assessed on a monthly basis as part of the budget monitoring process.

7 CLIMATE CHANGE

- 7.1 The Medium Term Financial Strategy and budget process aligns resources towards the corporate priorities and objectives set out in the Corporate Strategy, which includes tackling the climate emergency. This report monitors the Council's financial performance against those budgets.

8 OTHER OPTIONS CONSIDERED

- 8.1 The option to carry forward over budgeted spend could be considered which would mean that services would have to make up any deficits in 2022/23 with a considerable impact on service delivery especially in light of the challenging economic environment in 2022/23 and possibly beyond.

9 CONSULTATION

- 9.1 Consultation has been carried out with the Cabinet Member for Resources, Directors, Section 151 Finance Officer, Chief Executive, Chief Operating Officer and Monitoring Officer.
- 9.2 The provisional outturn position has been discussed at Senior Leadership Team and Corporate Management Team in May.

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Background papers	2021/22 Budget Monitoring reports to the Cabinet; Revenue and Capital Budget Setting reports; Budget Management Scheme

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

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Appendix 1 - Revenue Monitoring Commentary Outturn 2021/22

Portfolio Number and Description		Cashlimit Number and Description		Current Budget £000	Actuals to date £000	2021/22 Outturn Variance Over / (Under) £000	Outturn Variance Analysis
Detailed Analysis of Budgets for Economic Development and Resources							
P26	Economic Development and Resources	1018	Heritage Services	(5,447)	(4,001)	1,446	The majority of the variance came in Quarters 1 and 2. During the first half of Quarter 1 all Heritage sites were closed. On reopening there were significant restrictions on the capacity of the sites which limited revenue generation through the normally busy summer period. Government support through the Sales, Fees and Charges Compensation Scheme stopped at the end of Quarter 1 so there was no external support through Quarter 2. Performance through the second half of the year was much closer to budget and year-end outturn exceed Quarter 3 forecast.
P26	Economic Development and Resources	1032	Information Technology	5,307	5,317	10	Ongoing impacts from Covid and IT suppliers have resulted in financial and operational pressures, which has been mitigated in year through one off underspends on the IT contracts budget.
P26	Economic Development and Resources	1037	Property Services	566	578	11	A minor year end overspend.
P26	Economic Development and Resources	1038	Corporate Estate Including R&M	3,582	4,826	1,244	The service has held a historical corporate accommodation savings target which has not been delivered in full due to changes in accommodation strategy, while a review of the structure has resulted in less staff being rechargeable to projects. Both elements of the budget have been rebased in the 2022/23 budget and as such the pressure will not continue beyond this financial year. The running costs relating to the Bath Community Academy site at Culverhay were unbudgeted for 2021/22 and as such also form part of the unfavourable outturn position.
P26	Economic Development and Resources	1039	Traded Services	0	4	4	A minor year end overspend.
P26	Economic Development and Resources	1040	Finance	2,293	2,299	6	A minor year end overspend.
P26	Economic Development and Resources	1041	Revenues & Benefits	1,941	1,464	(477)	Staff vacancy savings due to recruitment constraints. Additional court fees income as a result of Post Covid recovery activity and under budget position in Welfare Support from core activity being supported by government grant.
P26	Economic Development and Resources	1042	Risk & Assurance Services	1,243	1,209	(34)	Income targets achieved and small underspend on the Council funded element of the One West service.
P26	Economic Development and Resources	1047	Human Resources & Organisational Development	2,162	2,157	(5)	A minor year end underspend.
P26	Economic Development and Resources	1052	Regeneration	729	492	(237)	Underspends on staff resource, partly due to vacancies, contribute to the overall favourable financial outturn position but have contributed to prolongation and late completions on a number of priorities running into 22-23. £23k of underspend is listed in the carry forward requests for the Somer Valley Rediscovered area.
P26	Economic Development and Resources	1053	Council Solicitor & Democratic Services	2,584	2,477	(107)	Careful budget management including Canvassing savings, staffing savings and Member development.

Appendix 1 - Revenue Monitoring Commentary Outturn 2021/22

Portfolio Number and Description		Cashlimit Number and Description		Current Budget £000	Actuals to date £000	2021/22 Outturn Variance Over / (Under) £000	Outturn Variance Analysis
P26	Economic Development and Resources	1054	Hsg / Council Tax Benefits Subsidy	(195)	70	265	Impact of increased Temporary Accommodation cost (B&B) where no subsidy can be reclaimed (£230k), and reduction in debt recoveries as a result of improved controls
P26	Economic Development and Resources	1055	Capital Financing / Interest	3,961	2,883	(1,079)	The underspend is due to the temporary high levels of cash balances held, resulting in a delayed need to borrow and increased investment interest. This is due to rephasing of Capital expenditure along with the Council receiving grants in advance.
P26	Economic Development and Resources	1056	Unfunded Pensions	1,588	1,436	(152)	There were lower than budgeted costs in respect of historic pension liabilities.
P26	Economic Development and Resources	1057	Corporate Budgets including Capital, Audit and Bank Charges	(11,684)	(11,984)	(299)	The £299k under budget position includes a favourable position on Pension Deficit Contributions and unbudgeted grant income received during the year, partially offset against shortfall of income from Bath Spa Profit Share due to the Covid-19 restrictions impacting turnover.
P26	Economic Development and Resources	1058	Magistrates	12	8	(4)	A minor year end underspend.
P26	Economic Development and Resources	1059	Coroners	335	394	60	There is an unavoidable on-going pressure of £35k due to JNC Pay Awards in the Coroners Service, increased fees charged by pathologists and regrading of Mortuary Staff posts. These pressures have been addressed in the 2022/23 budget setting. In addition, there were additional cost pressures relating to the backlog of inquests that were delayed due to Covid-19.
P26	Economic Development and Resources	1060	Environment Agency	251	248	(2)	A minor year end underspend.
P26	Economic Development and Resources	1061	West of England Combined Authority Levy	5,194	5,194	1	A minor year end overspend.
P26	Economic Development and Resources	1081	Commercial Estate	(12,380)	(12,380)	(0)	The Commercial Estate income budget was reduced by £5m in the 2021/22 budget as it was recognised that the pandemic would continue to suppress market rates and increase voids, at least in the short term. The impact of the pandemic in 2021/22 has been less than anticipated; recovery has been quicker than expected due to new lettings picking up earlier than expected; fewer business failures and longer term repayment plans has reduced bad debt provision (£517k); and less tenant support was required than expected this time last year (we provided £308k of support this financial year). This has resulted in a £2.2m favourable position for the service at year end. To reflect the more positive outlook, £1m of additional income is built into the 2022/23 budget and a further £1m into the 23/24 budget. However, it is recognised that local and national recovery from the pandemic and wider economic factors put a large degree of risk and uncertainty on market rates, demand and consequently rental income generation. As such the £2.2m favourable outturn position has been transferred to a new Commercial Estate Reinvestment Reserve.
P26	Economic Development and Resources	1109	World Heritage	158	129	(29)	A number of the international meetings were postponed during the year which resulted in less spend and hence the favourable position.

Appendix 1 - Revenue Monitoring Commentary Outturn 2021/22

Portfolio Number and Description		Cashlimit Number and Description		Current Budget £000	Actuals to date £000	2021/22 Outturn Variance Over / (Under) £000	Outturn Variance Analysis
P26	Economic Development and Resources	1112	Housing Delivery Vehicle	(1,000)	199	1,199	Lower than budgeted interest income based on current forecast of loans to the Councils Housing Company. The prior years Dividend is to be paid in 2022/23 following the company structure changes approved in March, and the overspend will be carried forward to match when the dividend will be received.
P26	Economic Development and Resources	1118	Procurement & Commissioning	289	288	(1)	A minor year end underspend.
P26	Economic Development and Resources	1126	Visit Bath	131	131	(0)	All residual costs of winding up Visit Bath have been funded from reserves as agreed by Cabinet.
P26	Economic Development and Resources	1128	Business & Skills	574	534	(40)	Team underspends on staff of £58k were offset with unbudgeted costs from the Wansdyke Business Centre £16k, along with other minor variances across the service.
P26	Economic Development and Resources	1130	Corporate Governance	1,536	1,599	63	The unfavourable variance is from unachieved legacy strategy and performance savings, both of which are addressed and rebased in 2022/23 Budget proposals.
P26	Economic Development and Resources	1131	Corporate Strategy and Communications	1,034	978	(56)	Staff vacancy savings
P26	Economic Development and Resources	1132	Business Change	847	839	(8)	A minor year end underspend.
P26	Economic Development and Resources Total			5,612	7,392	1,780	

Detailed Analysis of Budgets for Climate and Sustainable Travel

P27	Climate and Sustainable Travel	1120	Sustainability	503	272	(231)	Recruitment to expand the climate team is well underway, after the unavoidable delay to the start of the process due to Covid. However, not all posts were filled in 2021/22, resulting in the underspend. All posts will be recruited early in financial year 2022/23. A carry forward of £46k has been requested to commission pieces of work which has not yet been carried out due to under staffing. A contribution for the renewal, vision and partnership work has now been received and a carry forward of £30k has been requested for this.
P27	Climate and Sustainable Travel	1127	Environmental Monitoring (Air Pollution)	181	162	(18)	Unbudgeted internal contribution received for £12k along with other small savings on staffing and non-staffing budgets form the overall underspend.
P27	Climate and Sustainable Travel	1129	Clean Air Zone	0	0	0	Clear Air Zone (CAZ) expenditure is covered in full by the income generated, whilst entry charge income slightly down, this is currently more than offset by increased Penalty Charge Notice income. Compliance percentage rates are improving faster than predictions in earlier models, but a little too early to be confident about rates of continuing trendlines. Any shortfall would be covered by the New Burdens Principal.
P27	Climate and Sustainable Travel	1135	Transport Planning, Policy and Sustainable Transport	420	340	(80)	Staffing pressures within the service, offset by a reduction in the use of consultants and increased capital and project income has led to a favourable variance.
P27	Climate and Sustainable Travel Total			1,103	775	(328)	

Appendix 1 - Revenue Monitoring Commentary Outturn 2021/22

Portfolio Number and Description		Cashlimit Number and Description		Current Budget £000	Actuals to date £000	2021/22 Outturn Variance Over / (Under) £000	Outturn Variance Analysis
Detailed Analysis of Budgets for Adults and Council House Building							
P28	Adults and Council House Building	1029	Housing	1,435	1,285	(150)	Grant funding received for domestic abuse covered existing expenditure in the service leaving an amount of revenue budget unspent £97k. An underspend in supported lodging costs of £44k further contributes to the favourable outturn position.
P28	Adults and Council House Building	1073	Adults & Older People-Mental Health Commissioning	9,616	7,784	(1,831)	The impact of packages joint funded with health has reduced Social Care spend and continues to be monitored. The funding impacts of the Transforming Care Agenda on Social Care budgets are increasing for expensive and complex packages requested via the panel process. Health funding continues for hospital discharge cases and this has generated one off savings.
P28	Adults and Council House Building	1086	Adult Care Commissioning	1,466	1,352	(114)	Contract restructuring has created savings in 2021/22.
P28	Adults and Council House Building	1088	Older People Commissioning	12,893	11,169	(1,724)	Health funding has been provided for first 6 weeks of support of hospital discharge throughout 2021/22 and this has generated one off savings. Demand, that is number of placements and home care packages of care, are lower than 2019/20 and 2020/21 levels. This is partly due to covid, partly due to commissioning actions and partly due to supply side constraints.
P28	Adults and Council House Building	1091	Learning Disabilities Commissioning	18,113	18,193	80	There are high cost adults transitioning from Children's services with higher provider costs than anticipated. These complex and high cost cases are being closely monitored and have been put forward for NHS Continuing Health Care funding/assessments by commissioning managers. Provider costs, in particular those out of areas have increase since COVID due to inflations and staff recruitment issues.
P28	Adults and Council House Building	1093	Physical Disability & Sensory Impairment Commissioning	4,499	3,452	(1,047)	PDSI produced a favourable outturn of £1.05m. Budgets have been rebased for 2022-2023. Primary reason for 2021-2022 savings in Residential Care £1.1m.
P28	Adults and Council House Building	1110	Better Care Fund	1,452	1,460	8	A minor year end overspend.
P28	Adults and Council House Building	1113	CCG B&NES CHC and FNC Payments	0	0	0	No variance reported.
P28	Adults and Council House Building	1114	Community Equipment	203	203	0	Demand pressures over and above budgeted provision has been met from external grants. That is Infection, Prevention and Control (IPC) and Contain Outbreak Management Fund (COMF).
P28	Adults and Council House Building	1123	Safeguarding Adults	2,009	1,552	(458)	Staff turnover and slippage in bringing in new management structure has created one off savings in 2021/22.
P28	Adults and Council House Building	1124	Community Resource Centres & Extra Care Income	5,217	6,386	1,169	A number of factors have combined to create a significant budget pressure. The Job re-evaluation and regrading exercise completed mid way through 2021/22 increased cost base of service. Higher staffing ratios has also been required to manage covid and high complexity of need. Sickness levels have risen due to covid.
P28	Adults and Council House Building Total			56,903	52,836	(4,067)	

Appendix 1 - Revenue Monitoring Commentary Outturn 2021/22

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Portfolio Number and Description		Cashlimit Number and Description	Current Budget £000	Actuals to date £000	2021/22 Outturn Variance Over / (Under) £000	Outturn Variance Analysis	
Detailed Analysis of Budgets for Children & Young People, Communities & Culture							
P29	Children & Young People, Communities & Culture	1036	Adults Substance Misuse (DAT)	80	80	(0)	The DAAT works on a pooled budget basis with savings being moved into a ring fenced reserve and will be invested into DAAT services in 2022-23.
P29	Children & Young People, Communities & Culture	1076	Children, Young People & Families	18,197	20,539	2,341	The outturn includes £0.75m of client expenditure that has been incurred due to the impact of covid in having to extend or pay higher placements costs. £1.9m of the adverse outturn position is due to spend in the demand led budgets – Joint Agency panel (JAP), Residential, Disabled Children’s Team (DCT), Children in Care (CIC), Staying Put placements and client expenditure across Children’s Services. JAP is over budget by £472k due to unbudgeted additional placements, the number of placements has increased by 17% in year, from 35 to 41. Residential is over budget by £926k due to increased package costs as a direct result of accommodating additional needs due to the pandemic, placements have increased by 9% year on year, from 22 to 24. In DCT client spend costs are over budget by £286k. Client expenditure costs across the rest of Children's Services are £216k over budget, this is due to increased demand and packages of care and support needed as a result of the pandemic. The transformation projects have created a pressure of £227k in their first year, these will however enable future savings in 22/23 and beyond of circa £1m. Across all salary areas there is a pressure of £361k as a result of the cost of covering absence in teams whilst also responding to increasing demand and complexity of need. Savings of £130k have been achieved from reduced spend in the inter-agency adoption fee area, this is however a demand dependent saving.
P29	Children & Young People, Communities & Culture	1077	Inclusion & Prevention	3,218	2,764	(454)	Educational Psychology is over budget by £159k. This is a due to staffing pressures that were in existence during 2020/21, but were met with one-off funding. On-going staffing pressures are due to increased staffing costs needed to provide the Local Authorities statutory duties in this area, caused by significantly increased requests for assessment, a national shortage of qualified EP’s and use of agency staff and un-budgeted maternity cover. The favourable Outturn position is as a result of the one-off release of a £594k provision, in light of Government confirmation of continuing funding for the Troubled Families programme.
P29	Children & Young People, Communities & Culture	1078	Education Transformation	6,535	7,491	956	In addition to the £739k Home To School Transport (HTST) over budget position, there are two historic pressures, both reoccurring in 2021/22 but not able to be offset by one-off Financial Recovery Savings as was achieved in 2020/21. There is a £24k pressure from the unwinding of the Childcare Voucher scheme, as this service is now in decline due to the new Government Childcare Scheme offering. There is also a £61k pressure relating to ongoing costs of previous capital investment. The HTST pressure is a result of the reduction of contractors participating in the market, driver shortages and fuel cost increases.

Appendix 1 - Revenue Monitoring Commentary Outturn 2021/22

Portfolio Number and Description		Cashlimit Number and Description		Current Budget £000	Actuals to date £000	2021/22 Outturn Variance Over / (Under) £000	Outturn Variance Analysis
P29	Children & Young People, Communities & Culture	1079	Schools Budgets	6,344	6,344	(0)	Although shown on budget, any overspend in the Dedicated Schools Grant (DSG) is held on the balance sheet. The carried forward balance into 2021/22 is a £5.42m deficit. During 2021/22 the deficit has increased by £8.013m to £13.438m. These pressures are in relation to SEND costs.
P29	Children & Young People, Communities & Culture	1089	Community Safety	193	181	(12)	A minor year end underspend.
P29	Children & Young People, Communities & Culture	1094	Public Health	1,044	1,044	0	Public Health is fully funded by grant from the Department of Health and Social Care (DHSC). Any savings are moved into a ring fenced reserve and will be invested in delivering Public Health in 2022/23.
P29	Children & Young People, Communities & Culture	1116	Integrated Commissioning - CYP	2,631	2,599	(32)	The underspend is a planned saving within the commissioned contracts.
P29	Children & Young People, Communities & Culture	1117	Safeguarding - CYP	79	76	(4)	Small expenditure underspend.
P29	Children & Young People, Communities & Culture	1121	Events & Active Lifestyles	413	426	13	Considerable loss of income (£48k) for Events 2021/22, due to a reduction in events during the peak months of the year, partly offset by a reduction in expenditure and an increase in income from outdoor weddings. There were staffing pressures across the service for Events and for Recovery Plan work.
P29	Children & Young People, Communities & Culture	1122	Customer Services (Including Libraries)	2,211	2,196	(16)	Proposed savings from the service were not achieved and have been resolved in the 2022/23 budget. This is mitigated by delaying recruitment to vacancies, resulting in a minor favourable outturn position.
P29	Children & Young People, Communities & Culture Total			40,948	43,741	2,793	

Appendix 1 - Revenue Monitoring Commentary Outturn 2021/22

Portfolio Number and Description		Cashlimit Number and Description		Current Budget £000	Actuals to date £000	2021/22 Outturn Variance Over / (Under) £000	Outturn Variance Analysis
Detailed Analysis of Budgets for Neighbourhood Services							
P05	Neighbourhood Services	1019	Leisure	747	1,223	476	A management fee will not be received from GLL in 2021-22. The Covid-19 pandemic has had a significant adverse impact on all leisure operations and GLL are not able to make a management fee payment in 2021/22. The Council is in discussions with GLL on reshaping Leisure model over the remainder of the contract.
P05	Neighbourhood Services	1101	Neighbourhoods & Environment - Waste & Fleet Services	16,799	16,816	17	Pressures across Operations and Recycling due to increased staff costs, and additional pressures on vehicle hire and electricity due to the collection and processing of increased recycling tonnages (£1.26m). These costs have largely been mitigated by increased income from the service, including sale of recyclates and materials, savings on treatment and disposal costs from various contracts, staff vacancy savings within the fleet service and other minor savings.
P05	Neighbourhood Services	1102	Neighbourhoods & Environment - Parks & Bereavement Services	1,238	1,375	137	Parks produce a £91k favourable outturn position across fleet charges and income. Bereavement Services had a £183k adverse position, largely due to a reduction in income following and extended closedown of the chapel and staffing pressures across the service.
P05	Neighbourhood Services	1115	Registrars Service	(63)	(150)	(87)	Additional income due to backlog of weddings
P05	Neighbourhood Services	1134	Highway Maintenance	6,080	6,177	97	Unavoidable pressure from increased energy costs for the street lighting contract £214k. This is partially reduced due to staff vacancy savings.
P05	Neighbourhood Services Total			24,802	25,442	640	
Detailed Analysis of Budgets for Transport Services							
P25	Transport Services	1103	Transport & Parking Services - Parking	(4,436)	(7,975)	(3,539)	A strong year for income up £2.8m on budget, the summer period performed stronger than originally forecast, although we saw a reduction in car park income at Quarter 3 due to a scaled back Christmas Market, but recovered well with strong income in February and March. In 2021/22 we have seen a reduction in expenditure as a result of ongoing vacancies across the Enforcement Team, with ongoing recruitment presenting a number of challenges due to current job market conditions.
P25	Transport Services	1104	Public & Passenger Transport	(176)	(545)	(369)	Passenger Transport had an underspend of £103k on staffing, partly due to lack of drivers across the service, £48k saving on fleet costs, and £42k saving on rent. Public Transport - the Park and Ride contract was £310k favourable as a result of an extension to the existing contract. This was partially reduced by a reduction in concessionary fares income (£250k), but an underspend on Supported buses of £121k generated an overall £181k favourable position for Public Transport.
P25	Transport Services	1119	Emergency Planning	527	567	39	Increase in staff costs due to pressures within the CCTV team, partially reduced by a vacancy saving in Emergency Planning.
P25	Transport Services	1133	Network & Traffic Management	1,180	568	(612)	Increased income, largely from Streetworks and Traffic Management totalling £268k, along with staff vacancy savings across the service (£378k). Partially reduced by increased expenditure.
P25	Transport Services Total			(2,904)	(7,384)	(4,480)	

Appendix 1 - Revenue Monitoring Commentary Outturn 2021/22

Portfolio Number and Description		Cashlimit Number and Description		Current Budget £000	Actuals to date £000	2021/22 Outturn Variance Over / (Under) £000	Outturn Variance Analysis
Detailed Analysis of Budgets for Planning							
P30	Planning	1005	Building Control & Public Protection	885	1,205	319	The casino income target of £121k was not achieved as there hasn't been an operator in place this year. There was an overspend on Urban Gulls of £39k, while there was also an income shortfall of £150k across Licensing, Pest Control, Building Regs & Land Charges. All three items are ongoing and have been resolved in the 2022/23 budget.
P30	Planning	1106	Development Management	1,233	1,284	51	Underachieved planning income of £261k is the main driver for this adverse end of year position. This has been mitigated by staff vacancies throughout the department and some additional policy team income. £59k carry forward has been requested from the Local Development Framework budget and £34k from the Planning Enforcement budget.
P30	Planning Total			2,118	2,489	371	
	Council Total			128,583	125,291	(3,293)	

2021/22 Revenue Virements for APPROVAL

Appendix 2 (i)

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

The following virements are reported for approval under the Budget Management Scheme rules.

OVERALL TOTALS				0	0			0	0		
					0				0		

2021/22 Revenue Virements for INFORMATION

Appendix 2 (i)

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

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

INFO 21#37	Waste Service Redesign	Economic Development & Resources	Corporate Budgets incl. Capital, Audit & Bank Charges		143,000	Neighbourhood Services	Neighbourhoods & Environment - Waste & Fleet Services		143,000	Transfer of corporately held budget for Waste Service Redesign to match 2021/22 spend in service.	Budget Virement is ongoing.
INFO 21#38	2021/22 Pay Award Budget	Economic Development & Resources	Corporate Budgets incl. Capital, Audit & Bank Charges		1,077,034	Economic Development & Resources	Various		271,832	Distribution of Corporately held budget for Pay Award following national agreement.	Budget virement is ongoing.
						Adults & Council House Building	Various		186,327		
						Children & Young People, Communities & Culture	Various		217,746		
						Climate & Sustainable Travel	Various		13,071		
						Neighbourhood Services	Various		235,476		
						Transport Services	Various		91,696		
						Planning	Various		60,886		
INFO 21#39	Ward Cllr Empowerment Fund	Economic Development & Resources	Corporate Budgets incl. Capital, Audit & Bank Charges		56,811	Economic Development & Resources	Corporate Strategy & Communications		56,811	Transfer from corporately held Revenue Contingency budget to match 2021/22 Ward Councillor Empowerment Fund expenditure.	Budget virement is one-off.

REF NO	REASON / EXPLANATION	CABINET PORTFOLIO	TRANSFER FROM	Income	Expenditure	CABINET MEMBER	TRANSFER TO	Income	Expenditure	DESCRIPTION	ONGOING EFFECTS
			CASHLIM	(£'s)	(£'s)		CASHLIM	(£'s)	(£'s)		
INFO 21#40	Corporate Travel Savings	Economic Development & Resources	Various		73,870	Economic Development & Resources	Human Resources & Organisational Development		200,000	Distribution across travel budgets of savings target for corporate travel.	Budget virement is ongoing.
		Adults & Council House Building	Various		21,601						
		Children & Young People, Communities & Culture	Various		43,252						
		Climate & Sustainable Travel	Various		11,921						
		Neighbourhood Services	Various		21,472						
		Transport Services	Various		16,859						
		Planning	Various		11,025						
INFO 21#41	Concessionary Fares	Transport Services	Transport & Parking Services - Public & Passenger Transport	52,337		Transport Services	Network & Traffic Management	52,337		Transfer of Concessionary Fares WECA recharge income budget to align with Concessionary Fares team.	Budget Virement is ongoing.
INFO 21#42	Revenue Contingency Underspend	Economic Development & Resources	Corporate Budgets incl. Capital, Audit & Bank Charges		699,897	Economic Development & Resources	Balances (Revenue Budget Contingency Reserve)		699,897	Transfer to Revenue Budget Contingency Reserve.	Budget virement is one- off.
INFO 21#43	Severance Reserve Drawdown	Economic Development & Resources	Balances (Severance Reserve)		283,573	Economic Development & Resources	Regeneration		283,573	Drawdown of funding from Severance Reserve.	Budget virement is one- off.
INFO 21#44	Somer Valley Enterprise Zone	Economic Development & Resources	Balances (Financial Planning Reserve)		20,415	Economic Development & Resources	Regeneration		20,415	Drawdown from Financial Planning Reserve.	Budget virement is one- off.
INFO 21#44	Senior Management Restructure	Economic Development & Resources	Balances (Financial Planning Reserve)		88,621	Economic Development & Resources	Regeneration		88,621	Drawdown from Financial Planning Reserve.	Budget virement is one- off.
INFO 21#46	Head of Property	Economic Development & Resources	Balances (Transformation Investment Reserve)		145,583	Economic Development & Resources	Corporate Estate Including R&M		145,583	Drawdown from Transformation Investment Reserve.	Budget virement is one- off.

REF NO	REASON / EXPLANATION	CABINET PORTFOLIO	TRANSFER FROM	Income	Expenditure	CABINET MEMBER	TRANSFER TO	Income	Expenditure	DESCRIPTION	ONGOING EFFECTS
			CASHLIM	(£'s)	(£'s)		CASHLIM	(£'s)	(£'s)		
INFO 21#47	Visit Bath Liabilities	Economic Development & Resources	Balances (Transformation Investment Reserve)		55,111	Economic Development & Resources	Visit Bath		55,111	Drawdown from Transformation Investment Reserve.	Budget virement is one-off.
INFO 21#48	Business Hub	Economic Development & Resources	Balances (Transformation Investment Reserve)		29,270	Economic Development & Resources	Business Change		29,270	Drawdown from Transformation Investment Reserve.	Budget virement is one-off.
INFO 21#49	COVID-19 Reserve Drawdown	Economic Development & Resources	Balances (Earmarked Reserve)		1,531,248	Economic Development & Resources	Various		1,103,925	Drawdown of funding from Un-ringfenced COVID-19 Reserve.	Budget virement is one-off.
						Children & Young People, Communities & Culture	Integrated Commissioning - CYP		2,860		
							Inclusion & Prevention		63,468		
							Events & Active Lifestyles		235,235		
						Transport Services	Emergency Planning		89,203		
						Planning	Development Management		36,557		
INFO 21#50	COVID-19 Contain Outbreak Management Fund	Economic Development & Resources	Balances (Earmarked Reserve)		632,514	Children & Young People, Communities & Culture	Public Health		632,514	Drawdown from Contain Outbreak Management Fund Reserve.	Budget virement is one-off.
INFO 21#51	COVID-19 Test & Trace	Economic Development & Resources	Balances (Earmarked Reserve)		638,735	Children & Young People, Communities & Culture	Public Health		638,735	Drawdown of funding from Test & Trace Reserve.	Budget virement is one-off.
INFO 21#52	Better Care Fund Underspend Reserve Transfer	Adult Services	Adult Services		2,882,842	Economic Development & Resources	Balances (Earmarked Reserve)		2,882,842	Transfer to Social Care Reserve	Budget virement is one-off.
INFO 21#53	Cybersecurity Licenses	Economic Development & Resources	Balances (Earmarked Reserve)		61,500	Economic Development & Resources	Information Technology		61,500	Drawdown of funding from IT Reserve.	Budget virement is one-off.
INFO 21#54	Combe Down Stone Mine Interpretation Centre	Economic Development & Resources	Balances (Earmarked Reserve)		5,458	Economic Development & Resources	Property Services		5,458	Drawdown of funding from CDSM Interpretation Centre Reserve.	Budget virement is one-off.

<u>REF NO</u>	<u>REASON / EXPLANATION</u>	<u>CABINET PORTFOLIO</u>	<u>TRANSFER FROM</u>	<u>Income</u>	<u>Expenditure</u>	<u>CABINET MEMBER</u>	<u>TRANSFER TO</u>	<u>Income</u>	<u>Expenditure</u>	<u>DESCRIPTION</u>	<u>ONGOING EFFECTS</u>
			<u>CASHLIM</u>	<u>(£'s)</u>	<u>(£'s)</u>		<u>CASHLIM</u>	<u>(£'s)</u>	<u>(£'s)</u>		
INFO 21#55	Combe Down Stone Mine 100 Year Grant Reserve Drawdown	Economic Development & Resources	Balances (Earmarked Reserve)		13,081	Economic Development & Resources	Corporate Estate Including R&M		13,081	Drawdown of funding from Combe Down Stone Mine Reserve.	Budget virement is one-off.
INFO 21#56	Information West Income	Economic Development & Resources	Risk & Assurance Services	33,692		Economic Development & Resources	Balances (Earmarked Reserve)		33,692	Transfer to Audit Reserve.	Budget virement is one-off.
INFO 21#56	Apprenticeship Training	Economic Development & Resources	Human Resources & Organisational Development		18,162	Economic Development & Resources	Balances (Earmarked Reserve)		18,162	Transfer to Apprenticeship Training Reserve.	Budget virement is one-off.
INFO 21#58	Community Contribution Fund	Economic Development & Resources	Corporate Budgets incl. Capital, Audit & Bank Charges	11,435		Economic Development & Resources	Balances (Earmarked Reserve)		11,435	Transfer to Community Contribution Fund Reserve.	Budget virement is one-off.
INFO 21#59	COVID-19 New Burdens Grants	Economic Development & Resources	Corporate Budgets incl. Capital, Audit & Bank Charges	484,647		Economic Development & Resources	Balances (Earmarked Reserve)		484,647	Transfer to Un-ringfenced COVID-19 Reserve.	Budget virement is one-off.
INFO 21#60	Business Rates Reserve Transfer	Economic Development & Resources	Corporate Budgets incl. Capital, Audit & Bank Charges		45,479	Economic Development & Resources	Balances (Earmarked Reserve)		45,479	Transfer to Business Rates Reserve	Budget virement is one-off.
INFO 21#61	Capital Financing	Economic Development & Resources	Capital Financing / Interest		2,868,700	Economic Development & Resources	Balances (Earmarked Reserve)		2,868,700	Transfer to Capital Financing Reserve	Budget virement is one-off.
INFO 21#62	Commercial Estate Reinvestment	Economic Development & Resources	Commercial Estate		2,218,014	Economic Development & Resources	Balances (Earmarked Reserve)		2,218,014	Transfer to Commercial Estate Reinvestment Reserve	Budget virement is one-off.
INFO 21#63	ADL Council Housing Works	Economic Development & Resources	Balances (Earmarked Reserve)		17,427	Adults & Council House Building	Housing		17,427	Drawdown of funding from Housing Reserve.	Budget virement is one-off.
INFO 21#64	Integrated Care System Reserve Transfer	Adults & Council House Building	Adult Services		4,000,000	Economic Development & Resources	Balances (Earmarked Reserve)		4,000,000	Transfer to ICS Transformation Reserve	Budget virement is one-off.

<u>REF NO</u>	<u>REASON / EXPLANATION</u>	<u>CABINET PORTFOLIO</u>	<u>TRANSFER FROM</u>	<u>Income</u>	<u>Expenditure</u>	<u>CABINET MEMBER</u>	<u>TRANSFER TO</u>	<u>Income</u>	<u>Expenditure</u>	<u>DESCRIPTION</u>	<u>ONGOING EFFECTS</u>
			<u>CASHLIM</u>	<u>(£'s)</u>	<u>(£'s)</u>		<u>CASHLIM</u>	<u>(£'s)</u>	<u>(£'s)</u>		
INFO 21#65	Public Health Reserve Transfer	Children & Young People, Communities & Culture	Public Health		227,134	Economic Development & Resources	Balances (Earmarked Reserve)		227,134	Transfer to Business Rates Reserve	Budget virement is one-off.
INFO 21#66	Drug Action Team Reserve Transfer	Children & Young People, Communities & Culture	Adult Substance Misuse (Drug Action Team)		77,072	Economic Development & Resources	Balances (Earmarked Reserve)		77,072	Transfer to Drug Action Team Reserve	Budget virement is one-off.
INFO 21#67	Parade Gardens Café	Neighbourhood Services	Neighbourhoods & Environment - Parks & Bereavement Services		9,478	Economic Development & Resources	Balances (Earmarked Reserve)		9,478	Repayment to Invest to Save Reserve	Budget virement is one-off.
INFO 21#68	Waste Reprovision	Economic Development & Resources	Balances (Earmarked Reserve)		64,000	Neighbourhood Services	Neighbourhoods & Environment - Waste & Fleet Services		64,000	Drawdown of funding from Waste Reprovision Reserve.	Budget virement is one-off.
INFO 21#69	Leisure Contract Smoothing	Economic Development & Resources	Balances (Earmarked Reserve)		148,000	Neighbourhood Services	Leisure		148,000	Drawdown of funding from Invest to Save Reserve.	Budget virement is one-off.
INFO 21#70	Leisure Development	Economic Development & Resources	Balances (Earmarked Reserve)		80,187	Neighbourhood Services	Leisure		80,187	Drawdown of funding from Leisure Development Reserve.	Budget virement is one-off.
INFO 21#71	EU Exit	Economic Development & Resources	Balances (Earmarked Reserve)		8,220	Transport Services	Emergency Planning		8,220	Drawdown of funding from EU Exit Reserve.	Budget virement is one-off.
INFO 21#72	Revenue Grants Unapplied Reserve	Economic Development & Resources	Information Technology	100,000		Economic Development & Resources	Balances (Earmarked Reserve)		120,094	Transfer to Unused Revenue Grants Reserve	Budget virement is one-off.
			Regeneration	20,094							
INFO 21#73	Schools' Reserve Transfer	Economic Development & Resources	Balances (Earmarked Reserve)		143,481	Children & Young People, Communities & Culture	Schools' Budgets		143,481	Drawdown of funding from Schools' Reserves	Budget virement is one-off.
INFO 21#74	DSG Overspend Reserve	Economic Development & Resources	Balances (Earmarked Reserve)		8,012,963	Children & Young People, Communities & Culture	Schools' Budgets		8,012,963	Transfer of 2021/22 DSG overspend to DSG Overspend Reserve	Budget virement is one-off.

<u>REF NO</u>	<u>REASON / EXPLANATION</u>	<u>CABINET PORTFOLIO</u>	<u>TRANSFER FROM</u>	<u>Income</u>	<u>Expenditure</u>	<u>CABINET MEMBER</u>	<u>TRANSFER TO</u>	<u>Income</u>	<u>Expenditure</u>	<u>DESCRIPTION</u>	<u>ONGOING EFFECTS</u>
			<u>CASHLIM</u>	<u>(£'s)</u>	<u>(£'s)</u>		<u>CASHLIM</u>	<u>(£'s)</u>	<u>(£'s)</u>		
INFO 21#75	Music Services	Children & Young People, Communities & Culture	Education Transformation		92,412	Economic Development & Resources	Balances (Earmarked Reserve)		92,412	Transfer to Music Services Reserve	Budget virement is one-off.
INFO 21#76	Revenue Contingency Allocations	Economic Development & Resources	Corporate Budgets incl. Capital, Audit & Bank Charges		394,599	Economic Development & Resources	Business & Skills		54,279	Allocation of individual Revenue Contingency earmarking to match spend.	Budget virement is one-off.
							Human Resources & Organisational Development		175,100		
							Council Solicitor & Democratic Services		11,500		
							Corporate Governance		45,000		
						Children & Young People, Communities & Culture	Children, Young People & Families		108,720		
OVERALL TOTALS				702,205	26,990,021			52,337	27,639,889		
					27,692,226				27,692,226		

Appendix 2(ii)

CABINET PORTFOLIO		Service	Feb'22 Revised Cash Limits	Technical Adjustments, below BMS limits or already agreed - shown for information	Total Virements for Approval	Final Outturn Cash Limits
			£'000	£'000	£'000	£'000
Economic Development & Resources		1018 Heritage Services	(5,447)			(5,447)
		1109 World Heritage	158			158
		1052 Regeneration	329	400		729
		1128 Business & Skills	517	57		574
		1037 Property Services	554	12		566
		1038 Corporate Estate Including R&M	3,347	235		3,582
		1132 Business Change	130	718		847
		1047 Human Resources & Organisational Development	1,740	422		2,162
		1053 Council Solicitor & Democratic Services	2,530	54		2,584
		1131 Corporate Strategy & Communications	973	61		1,034
		1040 Finance	2,125	168		2,293
		1041 Revenues & Benefits	1,922	19		1,941
		1042 Risk & Assurance Services	1,196	47		1,243
		1118 Procurement & Commissioning	285	4		289
		1130 Corporate Governance	1,476	60		1,536
		1032 Information Technology	5,261	47		5,307
		1081 Commercial Estate	(10,173)	(2,207)		(12,380)
		1112 Housing Delivery Vehicle	(1,000)			(1,000)
		1126 Visit Bath	76	55		131
		1054 Hsg / Council Tax Benefits Subsidy	(195)			(195)
		1055 Capital Financing / Interest	6,830	(2,869)		3,961
		1056 Unfunded Pensions	1,588			1,588
		1057 Corporate Budgets incl. Capital, Audit & Bank Charges	(5,712)	(2,909)		(8,620)
		New Homes Bonus Grant	(3,064)			(3,064)
		1058 Magistrates	12			12
		1059 Coroners	335			335
		1060 Environment Agency	251			251
		1061 West of England Combined Authority Levy	5,194			5,194
		PORTFOLIO SUB TOTAL	11,236	(5,624)		5,612
Adults & Council House Building	Mixed	Adult Services	62,198	(6,730)		55,468
	1029	Housing	1,406	29		1,435
		PORTFOLIO SUB TOTAL	63,604	(6,701)		56,903
Children & Young People, Communities & Culture		1076 Children, Young People & Families	17,999	198		18,197
		1116 Integrated Commissioning - CYP	2,630	2		2,631
		1117 Safeguarding - CYP	77	2		79
		1077 Inclusion & Prevention	3,109	109		3,218
		1078 Education Transformation	6,612	(77)		6,535
		1079 Schools Budget	(1,812)	8,156		6,344
		1036 Adult Substance Misuse (Drug Action Team)	157	(76)		80
		1094 Public Health		1,044		1,044
		1121 Events & Active Lifestyles	174	239		413
		1122 Customer Services (including Libraries)	2,193	18		2,211
		1089 Community Safety	193			193
		PORTFOLIO SUB TOTAL	31,332	9,616		40,948
Climate & Sustainable Travel		1120 Sustainability	501	2		503
		1127 Environmental Monitoring (Air Pollution)	179	2		181
		1129 Clean Air Zone				
		1135 Transport Strategy	422	(3)		420
		PORTFOLIO SUB TOTAL	1,102	1		1,103
Neighbourhood Services		1019 Leisure	517	230		747
		1101 Neighbourhoods & Environment - Waste & Fleet Services	16,440	359		16,799
		1102 Neighbourhoods & Environment - Parks & Bereavement Services	1,208	30		1,238
		1134 Highway Maintenance	6,063	17		6,080
		1115 Registrars Service	(66)	3		(63)
		PORTFOLIO SUB TOTAL	24,162	640		24,802
Transport Services		1133 Network & Traffic Management	1,102	78		1,180
		1103 Transport & Parking Services - Parking	(4,463)	27		(4,436)
		1104 Transport & Parking Services - Public & Passenger Transport	(139)	(37)		(176)
		1119 Emergency Planning	423	104		527
		PORTFOLIO SUB TOTAL	(3,076)	172		(2,904)
Planning		1005 Building Control & Public Protection	865	20		885
		1106 Development Management	1,167	66		1,233
		PORTFOLIO SUB TOTAL	2,032	86		2,118
		NET BUDGET	130,393	(1,809.671)		128,583

CABINET PORTFOLIO		Service	Feb'22 Revised Cash Limits	Technical Adjustments, below BMS limits or already agreed - shown for information	Total Virements for Approval	Final Outturn Cash Limits
			£'000	£'000	£'000	£'000

Sources of Funding

Council Tax	102,040			102,040
Retained Business Rates	22,115			22,115
Collection Fund Deficit (-) or Surplus (+)	(1,328)			(1,328)
Business Rates Collection Fund Deficit (20/21) - Retail Relief Element	(39,147)			(39,147)
Transfer from Business Rates Retail Relief s31 Grant Reserve	39,147			39,147
Transfers (to) / from Reserves	7,566	(1,810)		5,756
TOTAL FUNDING	130,393	(1,810)		128,583

Capital Scheme	Final Budget at Outturn	Outturn	Variance	Re-phase Request	Commentary
	£'000	£'000	£'000	£'000	
Adults and Council House Building					
Affordable Housing	580	198	382	382	Rolling programme, delivery continues into 2022/23
Affordable Warmth Grant Scheme	625	352	273	273	Multi year programme; re-phasing to 2022/23
Adult Social Care Database Replacement	62	29	33	33	Multi year programme; re-phasing to 2022/23
Community Resource Centre Capital Investment	62	15	48	48	Multi year programme; re-phasing to 2022/23
Disabled Facilities Grant	1,800	1,297	503	503	Rolling programme, delivery continues into 2022/23
Englishcombe Lane Development	548	81	467	467	Multi year programme; re-phasing to 2022/23
Housing Delivery Vehicle/ Schemes (Capital Disposals ADL)	852	40	812	812	Rolling programme, delivery continues into 2022/23
Next Steps Accommodation Programme	1,466	1,159	306	306	Multi year programme; re-phasing to 2022/23
Shared Ownership Housing Programme	787	784	3	3	Multi year programme; re-phasing to 2022/23
Social Rent Programme	413	167	246	246	Multi year programme; re-phasing to 2022/23
Supported Housing Scheme	871	109	762	762	Multi year programme; re-phasing to 2022/23
Subtotal Full Approval - Adults and Council House Building	8,065	4,232	3,833	3,833	
Children and Young People, Communities and Culture					
Basic Needs - School Improvement / Expansion	5,419	2,964	2,455	2,455	Multi year programme; re-phasing to 2022/23
Building adaptations to provide short breaks for Disabled Children	20	0	20	20	Multi year programme; re-phasing to 2022/23
Children's Centre Capital Schemes	27	2	25	0	Scheme complete; no re-phase required
Schools Capital Maintenance Schemes	1,465	334	1,131	1,131	Multi year programme; re-phasing to 2022/23
Schools Devolved Capital	0	0	0	0	Multi year programme; re-phasing to 2022/23
SEND (Special Education Needs & Disability) Capital Programme	2,274	1,862	412	412	Multi year programme; re-phasing to 2022/23
Subtotal Full Approval - Children and Young People, Communities and Culture	9,205	5,163	4,042	4,017	
Climate and Sustainable Travel					
Air Quality Management Area and AQ Monitors	21	6	16	16	Multi year programme; re-phasing to 2022/23
Bathscape	65	56	9	9	Multi year programme; re-phasing to 2022/23
Chew Valley Recreational Trail	1,639	1,641	-2	-2	Multi year programme; re-phasing to 2022/23
Clean Air Zone	7,344	5,990	1,355	1,355	Multi year programme; re-phasing to 2022/23
Cycling and Walking Design and Business Case	90	94	-4	-4	Multi year programme; re-phasing to 2022/23
Liveable Neighbourhoods	340	198	142	142	Multi year programme; re-phasing to 2022/23
Subtotal Full Approval - Climate and Sustainable Travel	9,500	7,984	1,515	1,515	
Economic Development and Resources					
Agresso System Development & Upgrade	17	5	12	12	Multi year programme; re-phasing to 2022/23
Batheaston Village Hall Grant	100	100	0	0	Scheme complete; no re-phase required
Bath Area Forum - CIL Funded Schemes	382	247	135	135	Rolling programme, delivery continues into 2022/23
Bath Christmas Market	8	8	0	0	Rolling programme, delivery continues into 2022/23
Bath City Centre Renewal Programme	660	28	633	633	Multi year programme; re-phasing to 2022/23
Bath Quays Bridge, Linking Infrastructure & South	8,618	2,716	5,902	5,902	Multi year programme; re-phasing to 2022/23
Bath Quays North	2,106	942	1,164	1,164	Multi year programme; re-phasing to 2022/23
BWR - Council Project Team	-58	2	-60	-60	Multi year programme; re-phasing to 2022/23
BWR Infrastructure	-91	0	-91	-91	Multi year programme; re-phasing to 2022/23
BWR Phase 2	8,116	4,738	3,378	3,378	Multi year programme; re-phasing to 2022/23
BWR - Relocation of Gas Holders	1,536	0	1,536	1,536	Multi year programme; re-phasing to 2022/23
Capital Contingency	2,172	0	2,172	2,172	Rolling programme, delivery continues into 2022/23
Cleveland Pools Grant	102	25	77	77	Multi year programme; re-phasing to 2022/23
Customer Payments Security and Channel shift	18	17	1	1	Multi year programme; re-phasing to 2022/23
Commercial Estate Refurbishment Programme	954	589	365	365	Multi year programme; re-phasing to 2022/23
Corporate Estate Planned Maintenance	2,866	2,308	558	558	Multi year programme; re-phasing to 2022/23
Digital B&NES	208	1	207	207	Multi year programme; re-phasing to 2022/23
Equality Act Works	103	8	95	95	Multi year programme; re-phasing to 2022/23
Flexible Use of Capital Receipts (Transformation)	500	155	345	345	Rolling programme, delivery continues into 2022/23
Grand Parade & Undercroft	33	16	17	17	Multi year programme; re-phasing to 2022/23
Heritage Infrastructure Development	85	79	7	7	Multi year programme; re-phasing to 2022/23
Innovation Quay - Strategic Flooding Solution	144	1	143	143	Multi year programme; re-phasing to 2022/23
Heritage Collections Centre	70	70	0	0	Scheme complete; no re-phase required
Heritage Services Energy Capture Scheme	531	442	89	89	Multi year programme; re-phasing to 2022/23
IT Asset Refresh	16	7	9	7	Multi year programme; re-phasing to 2022/23
Keynsham High Street Renewal Programme	2,492	2,535	-42	-42	Multi year programme; re-phasing to 2022/23
Keynsham Regeneration & New Build	68	0	68	68	Multi year programme; re-phasing to 2022/23
Major Projects NRR Infrastructure - HCA	115	64	51	51	Multi year programme; re-phasing to 2022/23
Midsomer Norton High Street Renewal Programme	599	270	329	329	Multi year programme; re-phasing to 2022/23
North Keynsham SDL - External Fees	559	19	540	540	Multi year programme; re-phasing to 2022/23
Office Reconfiguration Costs (project -Preparing for the future)	850	795	55	55	Multi year programme; re-phasing to 2022/23
Orange Grove	100	7	93	93	Multi year programme; re-phasing to 2022/23
Preparing for the Future - New Technology	2,260	1,742	518	518	Multi year programme; re-phasing to 2022/23
Project Inception Fund	48	19	29	29	Multi year programme; re-phasing to 2022/23
Property Disposals (Disposals Programme (Minor))	250	270	-20	-20	Multi year programme; re-phasing to 2022/23
Property Company Investment - Council (Loan): Developments	1,000	618	382	382	Multi year programme; re-phasing to 2022/23
Property Improvement - Bath Library	89	13	76	76	Multi year programme; re-phasing to 2022/23
Property Improvement - Haycombe Crematorium Dignified Entrance	81	114	-33	-33	Multi year programme; re-phasing to 2022/23
Public Sector Decarbonisation Scheme	1,083	895	188	188	Multi year programme; re-phasing to 2022/23
Radstock Healthy Living Centre	1,195	939	256	256	Multi year programme; re-phasing to 2022/23
Renewable Energy Development Fund	0	2	-2	-2	Multi year programme; re-phasing to 2022/23
Roman Baths Archway Project	692	749	-57	-57	Multi year programme; re-phasing to 2022/23
Saw Close Development Works	33	33	0	0	Scheme complete; no re-phase required
Saw Close RIF Repayment	788	769	19	19	Multi year programme; re-phasing to 2022/23
Somer Valley Enterprise Zone - Infrastructure	909	473	436	436	Multi year programme; re-phasing to 2022/23
Voicemail Upgrade	8	10	-1	0	Scheme complete; no re-phase required
York Street Vaults Phase 2	855	708	147	147	Multi year programme; re-phasing to 2022/23
Subtotal Full Approval - Economic Development and Resources	43,272	23,547	19,725	19,725	
Neighbourhood Services					
Alice Park - Skate Park	42	33	9	9	Multi year programme; re-phasing to 2022/23
Beechen Cliff Woodland & Other Small Projects	6	3	2	2	Multi year programme; re-phasing to 2022/23
Cleveland Bridge Refurbishment	3,053	2,985	67	67	Multi year programme; re-phasing to 2022/23

Clutton Depot Refurbishment	116	116	0	0	Scheme complete; no re-phase required
Haycombe Crematorium	81	63	18	18	Multi year programme; re-phasing to 2022/23
Highways Maintenance Block	5,631	5,103	529	529	Rolling programme, delivery continues into 2022/23
Improvements at Victoria Park, Bath	56	0	56	56	Multi year programme; re-phasing to 2022/23
Keynsham Memorial Park	50	21	29	29	Multi year programme; re-phasing to 2022/23
Leisure - Council Client / Contingency	411	0	411	411	Multi year programme; re-phasing to 2022/23
Leisure Facility Modernisation - Keynsham Sports Centre	161	149	12	12	Multi year programme; re-phasing to 2022/23
Neighbourhood Services - Asset & Vehicle Replacement Programme	1,331	660	672	672	Rolling programme, delivery continues into 2022/23
Neighbourhoods - Bin and Bench Replacement	4	0	4	4	Rolling programme, delivery continues into 2022/23
Odd Down Sports Ground and Other Leisure Feasibility	60	1	59	59	Multi year programme; re-phasing to 2022/23
Parks and Bereavement Infrastructure	85	83	1	1	Rolling programme, delivery continues into 2022/23
Parks Equipment Replacement Programme	6	6	0	0	Rolling programme, delivery continues into 2022/23
Parks S106 Projects	721	121	599	599	Multi year programme; re-phasing to 2022/23
Pixash Site Redevelopment	4,029	1,243	2,786	2,786	Multi year programme; re-phasing to 2022/23
Play Area Refurbishment / Equipment	121	29	93	93	Rolling programme, delivery continues into 2022/23
Public Tennis Improvements	291	288	4	4	Multi year programme; re-phasing to 2022/23
Street Lighting - LED Replacement Programme	347	349	-1	-1	Multi year programme; re-phasing to 2022/23
Sydney Gardens (Round 2)	2,288	2,338	-50	-50	Multi year programme; re-phasing to 2022/23
Tree Planting	251	182	69	69	Multi year programme; re-phasing to 2022/23
Waste Depot Relocation	1,202	867	334	334	Multi year programme; re-phasing to 2022/23
Waste - In Cab Technology	152	133	18	18	Multi year programme; re-phasing to 2022/23
Waste Welfare Facilities	0	3	-3	-3	Multi year programme; re-phasing to 2022/23
Subtotal Full Approval - Neighbourhood Services	20,492	14,775	5,718	5,718	
Transport					
Bath Transport Package - Main DfT Scheme	1,619	-18	1,637	1,613	Multi year programme; re-phasing to 2022/23
City Centre Security - Highways Scheme	304	392	-88	-88	Multi year programme; re-phasing to 2022/23
Office for Low Emission Vehicles (OLEV) Bid - GULW	1,402	871	530	530	Multi year programme; re-phasing to 2022/23
Somerdale Bridge	3	1	2	2	Multi year programme; re-phasing to 2022/23
Transport Improvement Programme	2,209	1,458	751	751	Rolling programme, delivery continues into 2022/23
Subtotal Full Approval - Transport	5,537	2,704	2,832	2,808	
TOTAL CAPITAL SCHEME BUDGET	96,071	58,405	37,666	37,617	

Capital Virements Jan- Mar - Additions & Reductions 2021/22

Appendix 4 (i)

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP2122#067	Supported Housing Scheme	CSB, RTB receipts	255,000		Adults and Council House Building		255,000	Officer Delegated Decision by Director of Sustainable Communities on 14/12/21 to refurbish Crescent Garden Lodge
CAP2122#068	Bath Quays South	WECA grant	584,000		Economic Development and Resources		584,000	Technical Adjustment by Director of Finance to recognise Grant Increase
CAP2122#069	Property Improvement – Bath Library	Capital receipts	89,000		Economic Development and Resources		89,000	Officer Delegated Decision by Director of Business Change and Customer Services on 15/12/21 for storage for Bath Library
CAP2122#070	Heritage Collections Centre	CSB	70,000		Economic Development and Resources		70,000	Officer Delegated Decision by Director of Regeneration & Housing on 20/12/21 for early work on Study Collection Centre
CAP2122#071	Hicks Gate Roundabout Improvement	WECA grant	-84,700		Transport Services		-84,700	Technical Adjustment by Director of Finance to recognise Grant Adjustment. This has now moved into the larger Bristol to Bath Corridor Project.
CAP2122#072	Air Quality Management Area and AQ Monitors	SSB	4,200		Climate and Sustainable Travel		4,200	Officer Delegated Decision by Director of Place Management 23/12/22 for purchase of an Air Quality Monitor
CAP2122#073	Next Steps Accommodation Programme	Gov't grant, capital receipts	-472,992		Adults and Council House Building		-472,992	To reduce budget to match grant claimed and capital receipts used.To remove surplus funding due to purchase of just one of 2 properties.
CAP2122#074	Schools Capital Maintenance Schemes	Gov't grant	-5,177		Children and Young People, Communities and Culture		-5,177	Removal of remaining unspent budget for Chandag Infants temporary building foundation works, as the scheme has now completed.
CAP2122#075	Somer Valley Enterprise Zone - Infrastructure	S106	506		Economic Development and Resources		506	Technical Adjustment by Director of Finance to recognise S106
CAP2122#076	SEND Provision	Gov't grant	2,100		Children and Young People, Communities and Culture		2,100	Technical Adjustment -Desktop review of sufficiency for children and young people aged 0-19 with SEND.
CAP2122#077	Parks S106 Projects	S106, CIL	558,000		Neighbourhood Services		558,000	ODD at 8/2/2022 for Foxhill / Mulberry Park Area to move provisional budget of 558k to full approval
CAP2122#078	Improvements at Victoria Park, Bath	CIL	56,000		Neighbourhood Services		56,000	Officer Delegated Decision by Director of Place Management 2/2/22 for RVP pond improvements
CAP2122#079	Parks and Bereavement Infrastructure	Revenue	12,500		Neighbourhood Services		12,500	Officer Delegated Decision by Director of Place Management 2/2/22 for Toilet Provision in Keynsham
CAP2122#080	Transport Improvement Programme	Gov't grant	250,000		Transport Services		250,000	Technical Adjustment by Director of Finance to recognise Grant Award to cover the Signals Maintenance new DfT Grant allocation received in Nov 2021. This scheme has now commenced.

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP2122#081	Bath Quays South	WECA EDF	1,000,000		Economic Development and Resources		1,000,000	Technical Adjustment by Director of Finance to recognise EDF Change Request. WECA Decision approved to transfer £1m EDF from Bath Quays North to Bath Quays South.
CAP2122#082	Neighbourhood Services Asset & Vehicle Replacement	Gov't grant	6,227		Neighbourhood Services		6,227	Technical Adjustment by Director of Finance to recognise grant spend on assets. 50% GULW funding towards Haycombe and Manvers Street charge points costs.
CAP2122#083	Office for Low Emission Vehicles (OLEV) Bid	Gov't grant	-6,227		Transport Services		-6,227	Technical Adjustment by Director of Finance to recognise grant spend on assets. 50% GULW funding towards Haycombe and Manvers Street charge points costs.
CAP2122#084	Public Sector Decarbonisation Scheme	SSB	84,000		Economic Development and Resources		84,000	Officer Delegated Decision by Director of Sustainable Communities 4/2/22 to fund Charlton House Care Home Decarbonisation
CAP2122#085	Tree Planting	Gov't grant	130,253		Neighbourhood Services		130,253	Technical Adjustment by Director of Finance to recognise Grant Award
CAP2122#086	Transport Improvement Programme	WECA grant, CIL	-90,000		Transport Services		-90,000	Technical Adjustment by Director of Finance to realign TIP funding
CAP2122#087	Walking and Cycling	WECA grant, CIL	90,000		Transport Services		90,000	Technical Adjustment by Director of Finance to realign TIP funding
CAP2122#088	Odd Down Sports Ground and Other Leisure Feasability	CSB	60,000		Neighbourhood Services		60,000	Officer Delegated Decision on 9/3/22 by Director of Public Health and Prevention for feasibility of Odd Down Extension.
CAP2122#089	Sydney Gardens (Round 2)	3rd party contribs	2,065		Neighbourhood Services		2,065	Technical Adjustment by Director of Finance for 3rd Party Contribution to work programme
CAP2122#090	Sydney Gardens (Round 2)	3th party contribs	-20,000		Neighbourhood Services		-20,000	Technical Adjustment by Director of Finance for 3rd Party Contribution to work programme
CAP2122#091	Public Tennis Improvements	WECA grant	-62,000		Neighbourhood Services		-62,000	Technical Adjustment by Director of Finance to reflect tennis costs at Sydney Garden reflected in wider scheme

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP2122#092	Sydney Gardens (Round 2)	WECA grant	62,000		Neighbourhood Services		62,000	Technical Adjustment by Director of Finance to reflect tennis costs at Sydney Garden reflected in wider scheme
CAP2122#093	Schools Capital Maintenance Schemes	Gov't grant	16,000		Children and Young People, Communities and Culture		16,000	Officer Delegated Decision on 1/3/22 by Director of Education and Safeguarding for fencing at Twerton Infants
CAP2122#094	Schools Capital Maintenance Schemes	Gov't grant	-6,000		Children and Young People, Communities and Culture		-6,000	Officer Delegated Decision on 1/3/22 by Director of Education and Safeguarding for fencing at Twerton Infants
CAP2122#095	Basic Needs - School Improvement / Expansion	Gov't grant	8,491		Children and Young People, Communities and Culture		8,491	Officer Delegated Decision on 9/3/22 by Director of Education and Safeguarding for St Keyna Primary Expansion.
CAP2122#096	Basic Needs - School Improvement / Expansion	s106	-13,532		Children and Young People, Communities and Culture		-13,532	Technical Adjustment by Director of Finance to adjust S106 contribution
CAP2122#097	Clean Air Zone	Gov't grant	150,000		Climate and Sustainable Travel		150,000	Officer Delegated Decision on 21/3/22 by Director of Place to reflect funding for financial assistance scheme to individuals and businesses
CAP2122#098	Parks and Bereavement Infrastructure	Revenue	9,000		Neighbourhood Services		9,000	Officer Delegated Decision on 28/3/22 by Director of Place Management for Contactless Payments at Public Toilets
CAP2122#099	Tree Planting	Gov't grant, revenue, s106, CIL	24,705		Neighbourhood Services		24,705	Technical Adjustment by Director of Finance to reflect CIL & S106 funding
CAP2122#100	Basic Needs - School Improvement / Expansion	s106	835,105		Children and Young People, Communities and Culture		835,105	Officer Delegated Decision on 23/3/22 by Director of Children and Young People Place for Contribution to Two Rivers School Provision to Passivhaus Standards
CAP2122#101	Play Area Refurbishment / Equipment	CSB	-6,563		Neighbourhood Services		-6,563	Technical Adjustment by Director of Finance to reflect Play Equipment Scheme Delivery
CAP2122#102	Parks S106 Projects	CSB	6,563		Neighbourhood Services		6,563	Technical Adjustment by Director of Finance to reflect Play Equipment Scheme Delivery

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP2122#103	Transport Improvement Programme	3rd party contribs	4,247		Transport Services		4,247	Technical Adjustment by Director of Finance to adjust for Parish Council Contribution
CAP2122#104	Leisure - Council Client / Contingency	SSB	-60,000		Neighbourhood Services		-60,000	Technical Adjustment by Director of Finance to reflect Leisure Scheme Delivery
CAP2122#105	Public Tennis Improvements	SSB	60,000		Neighbourhood Services		60,000	Technical Adjustment by Director of Finance to reflect Leisure Scheme Delivery
CAP2122#106	Sydney Gardens (Round 2)	Gov't grant	-50,000		Neighbourhood Services		-50,000	To correct TA made in P12 when budget was uplifted by £50k to reflect SE grant - this budget was already built into the programme.
CAP2122#107	Sydney Gardens (Round 2)	Gov't grant	821,729		Neighbourhood Services		821,729	Technical Adjustment by Director of Finance to recognise grant in 21/22
CAP2122#108	BWR Phase 2	WECA grant, Gov't grant	-133,550		Economic Development and Resources		-133,550	Technical Adjustment by Director of Finance reflecting review of grant awards
CAP2122#109	Shared Ownership Housing Programme	Gov't grant	6,000		Adults and Council House Building		6,000	Technical Adjustment by Director of Finance to recognise extra grant award
CAP2122#110	Chew Valley Recreational Trail	WECA grant	126,500		Climate and Sustainable Travel		126,500	Technical Adjustment by Director of Finance to recognise extra grant award
CAP2122#111	Keynsham High Street Renewal Programme	CIL, WECA grant	81,445		Economic Development and Resources		81,445	Technical Adjustment by Director of Finance to recognise funding for 21/22 spend.
CAP2122#112	Roman Baths Archway Centre	Gov't grant, 3rd party contribs	160,466		Economic Development and Resources		160,466	Technical Adjustment by Director of Finance to recognise funding for 21/22 spend.
CAP2122#113	Public Tennis Improvements	Gov't grant	-135,000		Neighbourhood Services		-135,000	Technical Adjustment by Director of Finance to recognise grant spend for Tennis Improvements for Sydney Garden within its scheme reprting
Total			4,480,362				4,480,362	

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
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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
FY CAP2122#007	Somer Valley Enterprise Zone - Infrastructure	WECA grant	483,597		Economic Development and Resources		483,597	Technical Adjustment by Director of Finance to recognise Grant Increase in 22/23.
FY CAP2122#008	Bath Quays North	WECA EDF	-1,000,000		Economic Development and Resources		-1,000,000	Technical Adjustment by Director of Finance to recognise EDF Change Request.WECA Decision approved to transfer £1m EDF from Bath Quays North from 24/25 budget to Bath Quays South budget 21/22.
FY CAP2122#009	Renewable energy in B&NES	CSB	199,990		Climate and Sustainable Travel		199,990	Officer Delegated Decision by Director of Sustainable Communities 7/2/22 for Programme Manager over 3 years from 22/23 to 24/25.
FY CAP2122#010	Keynsham High Street Renewal Programme	CIL	100,000		Economic Development and Resources		100,000	Technical Adjustment by Director of Finance to recognise CIL allocation
FY CAP2122#011	Renewable Energy Development Fund	SSB	459,000		Climate and Sustainable Travel		459,000	Officer Delegated Decision by Director of Sustainable Communities 7/3/22 to fund PV Panels and LED Lighting for Cleeve Court and Combe Lea Care Homes
FY CAP2122#012	Bath City Centre Renewal Programme	SSB	15,000		Economic Development and Resources		15,000	Officer Delegated Decision by Chief Operating Officer 8/3/22 for Vacant Unit Action Project - Love our High Street Funding
FY CAP2122#013	Commercial Estate Refurbishment Programme	SSB	1,062,000		Economic Development and Resources		1,062,000	Officer Delegated Decision by Chief Operating Officer 8/3/22 for Vacant Unit Action Project - Love our High Street Funding
FY CAP2122#014	Commercial Estate Refurbishment Programme	SSB, WECA grant	255,500		Economic Development and Resources		255,500	Officer Delegated Decision by Chief Operating Officer 8/3/22 for Vacant Unit Action Project - Love our High Street Funding
FY CAP2122#015	Basic Needs - School Improvement / Expansion	s106	433,600		Children and Young People, Communities and Culture		433,600	Officer Delegated Decision on 9/3/22 by Director of Education and Safeguarding for Longvernal Primary Expansion.
FY CAP2122#016	Odd Down Sports Ground and Other Leisure Feasibility	CSB	60,000		Neighbourhood Services		60,000	To undertake feasibility works for the proposed project to extend the facilities at Odd Down Sports Ground
FY CAP2122#017	Basic Needs - School Improvement / Expansion	Gov't grant, CIL	5,053,459		Children and Young People, Communities and Culture		5,053,459	Officer Delegated Decision on 9/3/22 by Director of Education and Safeguarding for St Keyna Primary expansion over 3 years from 22/23 to 24/25
FY CAP2122#018	Clean Air Zone	Gov't grant	1,350,000		Climate and Sustainable Travel		1,350,000	Officer Delegated Decision on 21/3/22 by Director of Place to reflect funding for financial assistance scheme to individuals and businesses
FY CAP2122#019	Somer Valley Enterprise Zone - Infrastructure	Revenue	20,415		Economic Development and Resources		20,415	Technical Adjustment by Director of Finance to recognise transfer of revenue reserve

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
FY CAP2122#020	Sydney Gardens (Round 2)	Gov't grant	-821,729		Neighbourhood Services		-821,729	Technical Adjustment by Director of Finance to recognise grant in 21/22
FY CAP2122#021	Keynsham High Street Renewal Programme	Gov't grant, 3rd party contribs, CIL	-81,445		Economic Development and Resources		-81,445	Technical Adjustment by Director of Finance to recognise funding for 21/22 spend.
Total			7,589,386				7,589,386	

Capital Scheme	Revised Budget After February Cabinet	Approvals To Outturn	Final Budget at Outturn
	£'000	£'000	£'000
Full Approval			
Economic Development and Resources			
Agresso System Development & Upgrade	17	0	17
Bath Area Forum - CIL Funded Schemes - Approved	382	0	382
Bath Christmas Market	8	0	8
Batheaston Village Hall Grant	100	0	100
Bath Quays Bridge, Linking Infrastructure & South	7,034	1,584	8,618
Bath Quays North	2,106	0	2,106
Bath Streetspace	660	0	660
BWR - Council Project Team	-58	0	-58
BWR - Infrastructure	-91	0	-91
BWR - Relocation of Gas Holders	1,536	0	1,536
BWR Phase 2	8,250	-134	8,116
Capital Contingency	2,172	0	2,172
Cleveland Pools Grant	102	0	102
Commercial Estate Refurbishment Programme	954	0	954
Corporate Estate Planned Maintenance	2,866	0	2,866
Customer Payments Security and Channel Shift	18	0	18
Digital B&NES	208	0	208
Equality Act Works	103	0	103
Flexible Use of Capital Receipts	500	0	500
Grand Parade & Undercroft	33	0	33
Heritage Collections Centre	0	70	70
Heritage Infrastructure Development	85	0	85
Heritage Services Energy Capture Scheme	531	0	531
Innovation Quay - Strategic Flooding Solution	144	0	144
IT Asset Refresh	16	0	16
Keynsham High Street Renewal Programme	2,411	81	2,492
Keynsham Regeneration & New Build	68	0	68
Midsomer Norton High Street Renewal Programme	599	0	599
North Keynsham SDL	559	0	559
NRR Infrastructure	115	0	115
Office Reconfiguration Costs	850	0	850
Preparing for the Future - New Technology	2,260	0	2,260
Project Inception Fund	48	0	48
Property Company Investment	1,000	0	1,000
Property Disposals	250	0	250
Property Improvement – Bath Library	0	89	89
Property Improvement - Haycombe Crematorium Dignified Entrance	81	0	81
Property Improvement - Orange Grove Structural Works	100	0	100
Public Sector Decarbonisation Scheme	999	84	1,083
Radstock Healthy Living Centre	1,195	0	1,195
Roman Baths Archway Centre	532	160	692
Saw Close RIF Repayment	788	0	788
Saw Close Works	33	0	33
Somer Valley Enterprise Zone - Infrastructure	908	1	909
Voicemail Upgrade	8	0	8
York Street Vaults Phase 2	855	0	855
Subtotal Full Approval - Economic Development and Resources	41,336	1,936	43,272

Capital Scheme	Revised Budget After February Cabinet	Approvals To Outturn	Final Budget at Outturn
	£'000	£'000	£'000
Climate and Sustainable Travel			
Air Quality Management Area and AQ Monitors	17	4	21
Bathscape	65	0	65
Chew Valley Recreational Trail	1,512	127	1,639
Clean Air Zone	7,194	150	7,344
Liveable Neighbourhoods	340	0	340
Walking and Cycling	0	90	90
Subtotal Full Approval - Climate and Sustainable Travel	9,129	371	9,500
Adults and Council House Building			
Adult Social Care Database Replacement	62	0	62
Affordable Housing	580	0	580
Affordable Warmth Grant Scheme	625	0	625
Community Resource Centre Capital Investment	62	0	62
Disabled Facilities Grant	1,800	0	1,800
Englishcombe Lane Development	548	0	548
Housing Delivery Vehicle	852	0	852
Next Steps Accommodation Programme	1,939	-473	1,466
Social Rent Programme	413	0	413
Shared Ownership Housing Programme	781	6	787
Supported Housing Scheme	616	255	871
Subtotal Full Approval - Adults and Council House Building	8,277	-212	8,065
Children and Young People, Communities and Culture			
Basic Needs - School Improvement / Expansion	4,567	830	5,397
Building Adaptations to Provide Short Breaks for Disabled Children	20	0	20
Children's Centre Capital Schemes	27	0	27
Schools' Capital Maintenance Schemes	1,460	5	1,465
Schools Devolved Capital	21	0	21
Special Education Needs & Disability (SEND) Education Provision	2,272	2	2,274
Subtotal Full Approval - Children and Young People, Communities and Culture	8,368	837	9,205
Neighbourhood Services			
Alice Park - Skate Park	42	0	42
Beechen Cliff Woodland & Other Open Spaces Improvements	6	0	6
Cleveland Bridge Refurb	3,052	0	3,053
Clutton Depot Refurbishment	116	0	116
Haycombe Crematorium	81	0	81
Highways Maintenance Programme	5,631	0	5,631
Improvements at Victoria Park, Bath	0	56	56
Keynsham Memorial Park	50	0	50
Leisure - Council Client / Contingency	471	-60	411
Leisure Facility Modernisation - Keynsham Sports Centre	161	0	161
Neighbourhood Services - Asset & Vehicle Replacement Programme	1,325	6	1,331
Neighbourhoods Bin & Bench Replacement	4	0	4
Odd Down Sports Ground and Other Leisure Feasibility	0	60	60

Capital Scheme	Revised Budget After February Cabinet	Approvals To Outturn	Final Budget at Outturn
	£'000	£'000	£'000
Parks and Bereavement Infrastructure	63	22	85
Parks Equipment Replacement Programme	6	0	6
Parks S106 Projects	156	565	721
Pixash Site Redevelopment	4,029	0	4,029
Play Area Refurbishment / Equipment	128	-7	121
Public Tennis Improvements	428	-137	291
Street Lighting LED Replacement Programme	347	0	347
Sydney Gardens	1,472	816	2,288
Tree Planting	96	155	251
Waste Collection Vehicles In Cab Technology	152	0	152
Waste Depot Relocation	1,202	0	1,202
Subtotal Full Approval - Neighbourhood Services	19,016	1,475	20,492
Transport Services			
Bath Transport Package Main Scheme	1,619	0	1,619
City Centre Security	304	0	304
Hicks Gate Roundabout Improvement	85	-85	0
Office for Low Emission Vehicles (OLEV) Bid	1,408	-6	1,402
Somerdale Bridge, Keynsham – Initial Options Study	3	0	3
Transport Improvement Programme	2,045	164	2,209
Subtotal Full Approval - Transport Services	5,464	73	5,537
TOTAL CAPITAL SCHEME BUDGET	91,590	4,480	96,071

Sources of Funding			
Grants	50,600	2,315	52,916
Council Support including Borrowing & Capital Receipts	34,787	419	35,206
S106	1,398	1,371	2,769
CIL	2,658	298	2,956
3rd Party	528	38	567
Revenue	1,619	38	1,657
Total Sources of Funding	91,590	4,480	96,071

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Bath & North East Somerset Council

MEETING:	Cabinet	
MEETING DATE:	14 th July 2022	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3372
TITLE:	Revenue and Capital Budget Monitoring, Cash Limits and Virements – April 2022 to June 2022	
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report:</p> <p>Appendix 1 – Revenue Monitoring Commentary</p> <p>Appendix 2 – Key Scheme Capital Monitoring Commentary</p> <p>Appendix 3 (i) & 3 (ii) – Proposed Revenue Virements & Revised Revenue Cash Limits 2021/22</p> <p>Appendix 4 (i) & 4 (ii) – Capital Virements & Capital Programme by Portfolio 2022/23</p>		

EXECUTIVE SUMMARY

a) Revenue budget

The Revenue budget outturn is currently forecast to be £2.6m over budget.

Demand-led placement and package costs continue to cause a significant pressure in Children's Services. Combined with staffing pressures as a result of covering absences within teams and responding to increasing complexity of need, the service is currently forecasting a £2.3m overspend.

Further pressures are being experienced in the Bereavement and Waste Services, while staffing vacancies in Planning and the increased interest on cash balances are providing favourable mitigations.

The renewal of corporate energy contracts in the midst of the cost of living and inflation crisis is resulting in a large increase in costs across the organisation. These costs are being funded in-year from inflation contingency included in the 2022/23 budget and an Inflation Reserve set aside as part of the 2021/22 outturn, while the medium-term increase will need to be considered in the 2023/24 budget planning process.

In addition, there is an in-year SEND placement pressure of £5.7m on the Dedicated Schools Grant (DSG). Mitigation plans are being worked up which includes identifying uncommitted balances within the DSG.

Savings of £11.9m were included in the 2022/23 budget. At present all savings are expected to be delivered, although these will be monitored closely through the year and management action plans identified should delivery of any become at risk.

b) Capital budget

The current position of the 2022/23 Capital Programme is a forecast of £100.9m against a budget of £111.7m. The variance of £10.8m reflects anticipated rephasing of Aequis housing delivery loan drawdowns into future years.

c) Council Tax and Business Rates

There has been a continued reduction in the cost of the Local Council Tax Support Scheme over the first quarter, in line with a fall in working age claimants, with the cost at the end of June £9.86m. This is currently £0.70m below the budget estimate which would lead to a Council Tax Collection Fund surplus if the position remained at this level at year end.

The government announced a new 2022/23 scheme to provide eligible retail, hospitality and leisure properties in England with business rates relief of 50%, capped at £110,000 per business. As at the end of June, relief of £3.5m had been granted under this scheme. The loss of income will be compensated by government grant.

Empty property relief following business closures is £4.9m at the end of the first quarter of the year. This is £0.9m below the £5.8m allowance for empty property relief included when setting the business rate income forecast for 2022/23.

d) Council Reserves

The Council approved 2022/23 revenue budget utilises £5.2m of corporate and service earmarked reserves to mitigate ongoing Covid pressures on the Council's revenue budget.

1 THE ISSUE

- 1.1 This report presents the financial monitoring information for the Authority as a whole for the financial year 2022/23, using information available as at the end of June 2022.

2 RECOMMENDATION

The Cabinet is asked:

- 2.1 To note the 2022/23 revenue budget position (as at the end of June 2022).
- 2.2 To note the revenue virements listed for information only in Appendix 3(i).
- 2.3 To note the capital year-end forecast detailed in paragraph 3.21 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).

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 the end of the first quarter is shown in the table below:

Portfolio	Revised Budget £'m	Year End Forecast £'m	Variance Over / (Under) £'m
Leader of Council	0.37	0.37	0.00
Economic Development and Resources	11.51	11.54	0.03
Climate and Sustainable Travel	1.25	1.28	0.02
Adult Services and Council House Building	62.27	62.24	(0.03)
Children and Young People, and Communities	30.93	33.33	2.40
Neighbourhood Services	24.42	24.86	0.43
Transport	(6.08)	(6.09)	(0.02)
Planning and Licensing	2.19	1.96	(0.22)
Quarter 1 Forecast Outturn Variance	126.86	129.49	2.62

Note1: Some of the figures in this table are affected by rounding.

- 3.4 The current **year-end** forecast is £2.62m over 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 of the Council (*on budget*)

The Leader of the Council portfolio holds Events, World Heritage and External Affairs and Partnerships budgets. All three cash limits are forecasting an on budget position.

Economic Development and Resources (*£0.03m over budget*)

Pressures in Corporate Estate linked to the vacant former school site at Culverhay, and high-cost temporary accommodation costs in the Housing Benefit Subsidy budget are part mitigated by higher interest rates on cash balances in the capital financing budget.

Climate and Sustainable Travel (*£0.02m over budget*)

Under recovery of staff costs from projects is causing a minor forecast over spend, but this will be monitored closely throughout the year and may improve with more externally funded projects coming online.

Adult Services and Council House Building (£0.03m under budget)

The current forecast position for Adult Social Care at this early stage of the year, is a balanced position. This reflects the reduced number of package placements seen during 2021/22 which has continued into 2022/23 and makes allowance for the impact of the expected demand for package placements for Hospital discharges. Funding for a Hospital Discharge pathway has been agreed by the Integrated Care Alliance (ICA) board for 2022-23, during which time transformation work will take place to determine a longer term approach through prevention and early intervention. Future demand on Adult Social Care is expected to return to, and exceed, previously seen levels during this financial year. The risk of additional demand when these levels return is expected in both package numbers and complexity of social care cases.

The level of future demand is still undetermined but is expected to cause pressure on existing budgets together with the inflationary pressures being seen in the provider market. Discussions are on-going with providers as to the impact of these market pressures. Alongside this, a new Fair Price of Care review is underway to determine current costs as part of the requirements under the present social care reforms.

Housing are forecasting a £0.03m favourable budget position and is a result of staffing underspends.

Children and Young People, and Communities (£2.40m over budget)

The Children and Young People segment of this Portfolio is over budget by £2.32m. The main driver of this over budget position is the continuing pressures from 2021/22 across the demand-led placement and package budgets.

Pressures are due to the increased demand (17% rise in numbers in Joint Agency Panel placements and 9% rise in the numbers in Residential placements from 2020/21 to 2021/22) and increased packages of care and support costs needed, due to the increased needs our Children and Young People are presenting with. There are also continued increased costs as a result of the complex packages of care needed for those with the highest need in the Disabled Children's Team. New pressures from supporting unaccompanied asylum seeker children are also included totalling £0.13m. In total, these areas are £1.47m over budget.

Staffing pressures across the frontline areas of Children's Social Care total £0.40m. This is the result of covering absences within teams, whilst also responding to increasing demand levels and complexity of need. Across Children's Services and Education there is pressure on staffing budgets for 2022/23 of £0.30m, this will be monitored through the year.

A further new pressure of £0.10m for 2022/23 is due to additional costs of support asylum seeker children into education.

This forecast includes the full achievement of transformation savings budgeted of £1.21m across Children's Services in relation to increasing the usage and availability where appropriate of Foster Care provision.

Customer Services are forecasting a pressure of £0.08m linked to staffing levels.

Schools DSG (£5.69m over budget, plus an overspend of £13.44m carried forward from 2021/22)

The DSG has a forecast overspend of £5.693m in 22/23 made up of significant pressures on SEND. The SEND pressures are estimated based on current pupils identified with Education, Health and Care (EHC) Plans of £6.8m however mitigating actions have identified £1.1m of savings.

The local Authority has submitted its first draft of a recovery plan to the DFE as part of the Safety Valve Programme and we await comment in early July. The Safety Valve Programme will provide additional support and funding to the Local Authority to eradicate the deficit over a number of years.

Further work on opening the provision of local SEND places at schools in the area will help reduce the pressure and extensive analysis of the specific cost pressures is being conducted to look to reduce the overspend. Bids for new free schools as part of a DFE programme are also being made with a bid for both an Alternative provision schools and new Special School planned.

Any overspend on the DSG is currently ringfenced to the grant allocation and the Department for Education (DFE) have issued guidance to restrict the supporting of the pressures from council revenue funding. Further guidance is expected to be released regarding this by the DFE and DCLG shortly.

Neighbourhood Services (£0.43m over budget)

The main crematorium chapel at Haycombe is closed between April and August for major capital improvement works. As a result there is a significant reduction in cremations and memorial sales in Bereavement Services, resulting in a £0.25m forecast pressure. The remainder of the portfolio forecast overspend falls within Waste, where staffing levels are at full capacity and therefore the budgeted turnover factor is unlikely to materialise.

Transport (£0.02m under budget)

Staff vacancies are creating a minor underspend across the portfolio.

Planning and Licensing (£0.22m under budget)

The Planning and Licensing services both have staff vacancies at present and as such the portfolio is forecast to come under budget during this financial year. Planning applications are lower than budgeted at present, and these will be monitored closely throughout the year.

REVENUE BALANCES, CONTINGENCY AND RESERVES

- 3.6 The current forecast revenue position includes planned and approved use of earmarked reserves as set out in the table below.

Key Reserves

- 3.7 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:

	Balance as at 01/04/2022 £'m	Projected Use / Commitments £'m	Estimated Balance 31/03/2023 £'m
Revenue Budget Contingency	3.74	(0.54)	3.20
Financial Planning and Smoothing Reserve	3.56	(1.38)	2.18
Transformation Investment Reserve	2.40	(2.40)	0.00
Covid Contingency Reserve (Govt grant)	4.57	(4.57)	0.00
Restructuring & Severance Reserve	1.90	0.00	1.90

Reserves and Flexible Capital Receipts

3.8 Flexible Capital Receipts are being utilised for revenue spend that results in ongoing revenue savings. A five-year estimated use of £11.5m was agreed as part of budget setting in February 2022, this has now been updated to reflect the re-profiled requirement and re-phasing into 2022/23 as follows:

	Actual Usage 2017/18 to 2020/21 £'m	Actual Usage 2021/22 £'m	Available Balance £'m	Est Total Usage £'m
Flexible Capital Receipts	7.93	0.16	3.41	11.50

3.9 Unapplied capital receipts of £3.129m was carried forward from 2021/22 and £0.374m has been received in 2022/23 so far with a further £4.372m budgeted for receipt in 2022/23.

General Fund Un-Earmarked Reserve

3.10 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 £13.2m to meet those risks in the 2022/23 financial year. The reserve has a current uncommitted balance of £12.6m in line with the level reported in the 2022/23 Budget Report.

SAVINGS PERFORMANCE

- 3.11 The 2022/23 revenue budget approved savings of £11.87m. It is too early to assess the delivery of all agreed proposals. However, these will be monitored over the coming weeks and will be reported in more detail in the quarter 2 monitoring report.
- 3.12 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.

Revenue Budget Virements

- 3.13 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. Appendix 3(ii) details the reallocation of cashlimits to the new Cabinet Portfolio structure following the Council AGM Meeting on 12th May 2022.

COUNCIL TAX, COUNCIL TAX SUPPORT AND BUSINESS RATES

- 3.14 The number of people claiming Local Council Tax Support (LCTS) has continued to fall since the peak experienced in 2020/21 as a result of the economic impact of the pandemic. The 2022/23 tax base allowed for the same number of recipients as at the end of November 2021 to continue into 2022/23 with budgeted costs of LCTS set at £10.56m. The cost at the beginning of April was £10.20m and there has been a gradual reduction over the first quarter, in line with a fall in working age claimants, with the cost at the end of June £9.86m. This is currently £0.70m below the budget estimate which would lead to a Council Tax Collection Fund surplus if the position remained at this level at year end. The number of working age claimants at the end of June was 5,988 compared to the budget assumption of 6,385. The reduction is due to claimants ceasing to be entitled to LCTS, for example where they have returned to employment.
- 3.15 The actual outturn position on LCTSS and the impact on the Council Tax collection fund will depend on a number of variables, including the change in number of claimants and the period claimants remain eligible for support whilst seeking employment and this will continue to be monitored closely during the year.

Business Rates

- 3.16 The government announced, as part of the Chancellor's Budget Statement in October 2021, that it would introduce a new retail, hospitality and leisure business rate relief scheme for 2022/23. This follows previous relief schemes for these businesses that operated during 2020/21 and 2021/22. The 2022/23 scheme provides for 50% business rates relief, capped at £110,000 per business for eligible properties.

- 3.17 The Council will be recompensed for the reduction in business rate income arising from this relief via a s31 compensation grant. As at the end of June retail relief of £3.5m had been granted.
- 3.18 The government announced a new £1.5bn Covid-19 Additional Relief Fund (CARF) in March 2021. The fund is available to support those businesses affected by the pandemic, but that are ineligible for existing support linked to business rates. Guidance on the fund was issued on 19 December 2021 and the relief will be processed during 2022/23. The CARF allocation for Bath & North East Somerset area is £4.3m of which the Council's share is £4.0m. The negative impact on the Collection Fund of granting the relief will be fully mitigated by s31 compensation grant received from the government.
- 3.19 Empty property relief was £4.9m at the end of the first quarter which is a reduction of £0.3m on the 2021/22 year end position and is below the £5.8m allowance included when setting the business rate income forecast for 2022/23. The forecast overall impact on the business rates collection fund position will be reviewed during the second quarter and the position in relation to reliefs will be closely monitored.
- 3.20 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 2022/23 budget. The balance on the Business Rate Reserve as at 1st April 2022 was £5.942m, this includes the £2.2m transfer from the reserve approved in the 2022/23 budget report.

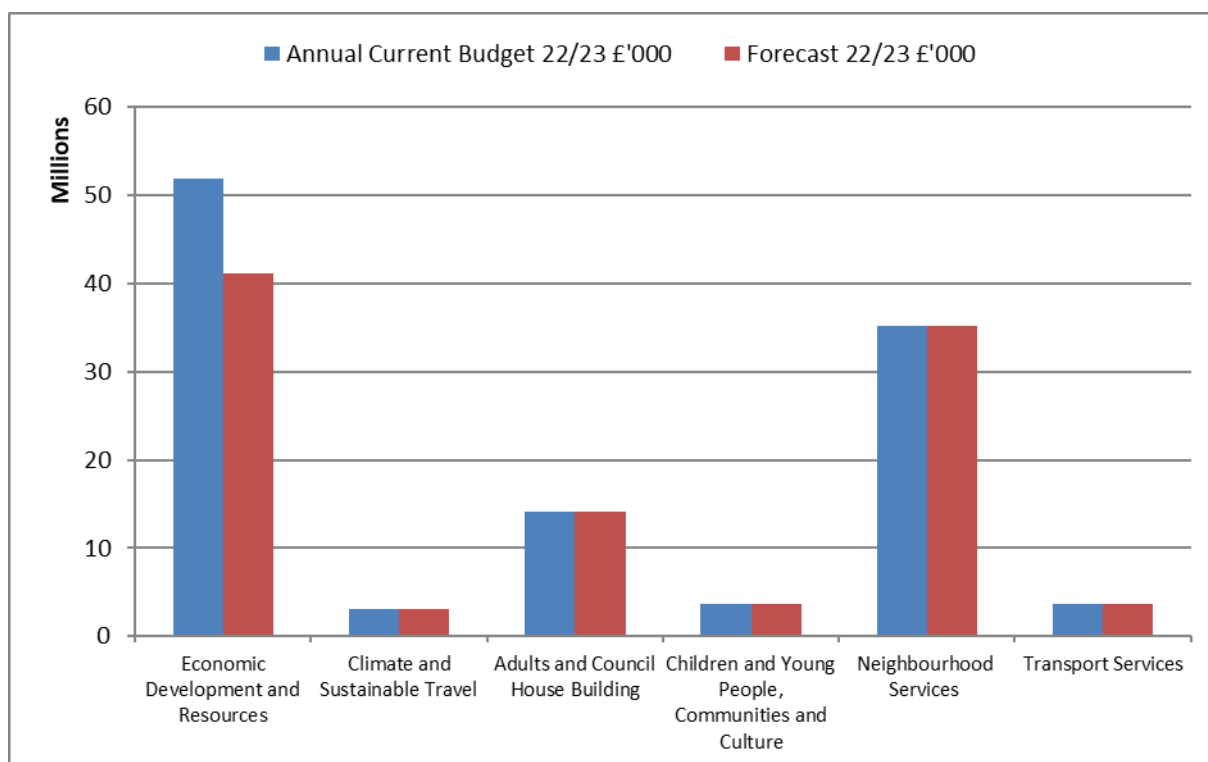
CAPITAL BUDGET

- 3.21 The current position of the 2022/23 Capital Programme is a forecast of £100.9m against a budget of £111.7m. The variance of £10.8m in the Economic Development & Resources portfolio reflects the revised profile of forecast future loan drawdowns by the Council's housing company moving to 2023/24 and future years. The following table show a summary of the current position by Cabinet Portfolio. The full breakdown of the Capital Programme by Portfolio can be found in Appendix 4(ii) with key scheme commentary in Appendix 2. Appendix 4(i) sets out budget changes actioned since the February Budget setting. Appendix 4(ii) also illustrates the rephasing from 2021/22 reported for approval in the Revenue & Capital Outturn 2021/22 report, which is also on this meeting's agenda.

Portfolio Summary Monitor	Annual Current Budget 2022/23	Forecast 2022/23	In-Year Variance 2022/23	Forecast Re-phasing to 2023/24	Other Variance 2022/23
	£'000	£'000	£'000	£'000	£'000
Economic Development and Resources	51,938	41,168	10,769	10,769	0
Climate and Sustainable Travel	3,117	3,117	0	0	0
Adults and Council House Building	14,089	14,089	0	0	0
Children and Young People, Communities and Culture	3,660	3,660	0	0	0
Neighbourhood Services	35,251	35,251	0	0	0
Transport	3,631	3,631	0		0
Grand Total	111,685	100,916	10,769	10,769	0

Note2: Some of the figures in this table are affected by rounding

The graph below illustrates the value and forecast against budget for all in year capital budgets by Cabinet Portfolio:



Capital Commentary

3.22 Programmes are reporting to budget at this early stage of the year, the key in-year variances on the programme being:

- **Economic Development and Resources-** £10.8m variance for Property Company Investment, where the current Aequus Construction activity forecast expects larger schemes to progress from 2023/24 onwards, resulting in later draw-down of loans from the Council.

RISKS

The key risks to the budget were outlined in the Councils 2022/23 Budget Report, in compliance with the Council's decision-making risk management guidance. These have been reviewed and are listed below, along with any additional emerging risks:

Risk	Likelihood	Impact	Risk Management Update
Reinstated government restrictions in the event of new variants impacting vaccine success	Possible	High	This is certainly a material risk, whilst not one the Council has direct control over, every step is being put in place to follow government guidance following the recommendations of our Director of Public Health.
Operational budget pressures due to latent demand and backlog	Possible	High	There is the risk of built-up demand on Council services and backlog because of operational activity being diverted to managing the Covid pandemic. This may result in one-off cost pressures to clear the backlog.
Long term impacts on the Councils Commercial Estate over and above anticipated levels.	Possible	High	Current modelling has been prudent anticipating a material impact in 2021/22. There are risks in the retail & hospitality sector from a challenging labour market that is impacting recruitment to these sectors, so this may have an impact on business viability and income from Council tenants.
Contract inflationary pressure	Likely	High	With increase in wage, energy and fuel costs, Council contracted services are at risk of above budget price increases. This is an economic risk that has been recognised in the budget with a corporate inflation contingency for known areas that cannot be mitigated through activity management.
The income from Heritage Services may not recover in the short term.	Possible	High	Continue to monitor income levels and impact on business plan in light of changing customer expectations and international travel. We anticipated income will not fully recover in the medium term and growth was built into the medium terms financial plan between 21/22 and 24/25.
Impact on Reserves	Possible	High	Without additional government grant in recognition of unfunded inflationary pressures there is the risk that Council reserve levels are not enough to manage in-year and future years risk.
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. Borrowing rates have increased by around 1% since the start of the financial year. The current forecast from our treasury management advisors is that borrowing rates will remain under upward pressure in the short term on inflation and central bank policy expectations, and investor uncertainty. Yields are forecast to decline over the medium term as weak growth places pressure on central banks to ease policy. The Council will continue to consider shorter term borrowing options alongside the PWLB.
Volatility and uncertainty around business rates	Likely	High	The impacts of the current economic challenges will increase the volatility and uncertainty around business rate income. In 2022/23 this risk will be partly offset by

			the extension of the business rate relief scheme for Retail, Leisure and Hospitality businesses. We continue to monitor arrears, CVAs, and liquidations with a specific reserve held to manage in-year volatility.
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
Brexit risks	Likely	Medium	The short to medium term impacts of Brexit on the Councils supply chain and labour market may result in contractual cost pressures from customs tariffs that previously did not apply.
Funding pressures through WECA, CCG and other partners	Possible	Medium	Ensure good communication links with partner organisations.
Capital receipts in the areas identified are insufficient to meet target	Possible	Medium	There is a risk that a depressed market will impact on current values, in the short to medium term the Council should not rely on capital receipts as a key funding source.

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 2022 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 Director, with these risks re-assessed regularly as part of the budget monitoring process.

7 CLIMATE CHANGE

- 7.1 The Medium Term Financial Strategy and budget process aligns resources towards the corporate priorities and objectives set out in the Corporate Strategy, which includes tackling the climate emergency. This report monitors the Council's financial performance against those budgets, 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 Economic Development & Resources, Directors, Section 151 Finance Officer, Chief Executive and Monitoring Officer.

9.2 Consultation was carried out at meetings and via e-mail.

Contact person	<i>Gary Adams – Head of Financial Management</i> 01225 477107 Gary_Adams@bathnes.gov.uk <i>Paul Webb – Finance Manager, Budget Reporting</i> 01225 477298 Paul_Webb@bathnes.gov.uk
Background papers	N/A
Please contact the report author if you need to access this report in an alternative format	

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Appendix 1 - Revenue Monitoring Commentary Quarter 2 2021/22

Portfolio Number and Description		Cashlimit Number and Description	Current Budget £000	Actuals to date £000	Quarter 1 Published Forecast £000	2022/23 Outturn Variance Over / (Under) £000	Outturn Variance Analysis		Outturn Recovery Plan
Detailed Analysis of Budgets for Leader of Council									
P04	Leader of Council	1121	Events and Active Lifestyles	209	(132)	211	1	No material variance reported	Not applicable
P04	Leader of Council	1109	World Heritage	159	37	159	0	No variance reported.	Not applicable
P04	Leader of Council	1136	External Affairs & Partnerships	0	33	0	0	No variance reported.	Not applicable
P04	Leader of Council			369	(63)	370	1		
Detailed Analysis of Budgets for Economic Development and Resources									
P26	Economic Development and Resources	1018	Heritage Services	(5,725)	(322)	(5,725)	0	The visitor figures over the first two and half months have been on budget. Retail, catering and room hire are all ahead of budget. This over delivery of income is mitigating some cost pressures which have emerged, particularly in relation to the exit of the Assembly Rooms.	Not applicable
P26	Economic Development and Resources	1032	Information Technology	6,004	1,453	5,860	(144)	Under budget position due to recruitment challenges causing a higher level of vacancies.	Not applicable
P26	Economic Development and Resources	1037	Property Services	557	133	563	6	No material variance reported	Not applicable
P26	Economic Development and Resources	1038	Corporate Estate Including R&M	4,490	1,157	4,584	95	The main driver for the adverse forecast position is unbudgeted expenditure for the former school site at Culverhay. Plans are currently being developed to utilise the site for SEN which in the long term should reduce the Councils liabilities.	Plans are currently being developed to utilise the site for SEN which in the long term should reduce the Councils liabilities.
P26	Economic Development and Resources	1039	Traded Services	0	0	0	0	No variance reported.	Not applicable
P26	Economic Development and Resources	1040	Finance	2,314	25	2,314	(0)	No material variance reported	Not applicable
P26	Economic Development and Resources	1041	Revenues & Benefits	1,520	1,175	1,520	0	No variance reported.	Not applicable
P26	Economic Development and Resources	1042	Risk & Assurance Services	1,203	21	1,203	(0)	No variance reported.	Not applicable
P26	Economic Development and Resources	1047	Human Resources & Organisational Development	2,084	585	2,135	51	Professional registration fees savings target has not been implemented	Not applicable
P26	Economic Development and Resources	1052	Regeneration	163	434	154	(9)	No material variance reported	Not applicable
P26	Economic Development and Resources	1053	Council Solicitor & Democratic Services	2,563	445	2,625	62	Risk around legal external spend which is being monitored and mitigations are being taken as far as possible	Ongoing review of external spend and savings being identified where feasible
P26	Economic Development and Resources	1054	Hsg / Council Tax Benefits Subsidy	(195)	1,400	(45)	150	Budget pressures from increased demand for temporary accommodation - high cost B&B placements are above subsidy levels.	Options to reduce high cost placements are being reviewed and taken where feasible
P26	Economic Development and Resources	1055	Capital Financing / Interest	5,212	1,265	4,962	(250)	There is additional £250k of investment interest income forecast due to both the increase in interest rates since the budget was set, along with the temporary high levels of cash balances currently held following the advance payment of grants and the profiling of capital expenditure.	Not applicable
P26	Economic Development and Resources	1056	Unfunded Pensions	1,488	170	1,438	(50)	Small underspend forecast based on current spend to date.	Not applicable
P26	Economic Development and Resources	1057	Corporate Budgets including Capital, Audit and Bank Charges	(7,357)	(21,526)	(7,347)	10	No material variance reported	Not applicable
P26	Economic Development and Resources	1058	Magistrates	12	2	12	0	No variance reported.	Not applicable
P26	Economic Development and Resources	1059	Coroners	370	264	425	55	There is an unavoidable on-going pressure of £25k due to increased overhead recharges from Bristol City Council, along with £5k additional one-off expenditure relating to the Coroner IT database systems. In addition, there is a £25k one-off pressure relating to the clearing of the backlog of jury inquests that were delayed due to Covid-19.	These costs are unavoidable.
P26	Economic Development and Resources	1060	Environment Agency	254	64	254	0	No variance reported.	Not applicable

Appendix 1 - Revenue Monitoring Commentary Quarter 2 2021/22

Portfolio Number and Description		Cashlimit Number and Description		Current Budget £000	Actuals to date £000	Quarter 1 Published Forecast £000	2022/23 Outturn Variance Over / (Under) £000	Outturn Variance Analysis	Outturn Recovery Plan
P26	Economic Development and Resources	1061	West of England Combined Authority Levy	5,194	1,558	5,194	0	No variance reported.	Not applicable
P26	Economic Development and Resources	1081	Commercial Estate	(11,173)	(3,107)	(11,099)	73	The forecast for the Commercial Estate income is on target at £14.8m as the market recovers and we negotiate new lettings with varying terms. This on target position takes this into account along with the uncertainty of the market. The adverse position relates to a recharge of staff into the commercial estate to resource it effectively, which is part mitigated by unbudgeted income received.	Focus is on new opportunities for lettings as the market recovers which will enhance the financial position over a period of time.
P26	Economic Development and Resources	1112	Housing Delivery Vehicle	(1,000)	0	(1,000)	0	No variance reported.	Not applicable
P26	Economic Development and Resources	1118	Procurement & Commissioning	286	648	286	0	No variance reported.	Not applicable
P26	Economic Development and Resources	1126	Visit Bath	76	4	76	0	No variance reported.	Not applicable
P26	Economic Development and Resources	1128	Business & Skills	415	73	366	(49)	A mixture of in year one off savings and forecast underspend in the budget for fees relating to property of £20k.	Not applicable
P26	Economic Development and Resources	1130	Corporate Governance	1,669	336	1,699	30	Above budget position from challenges in meeting 2% staffing turnover target as salary budgets are at full establishment and top of grade.	Staffing levels will be monitored closely and any turnover during the year will be forecast accordingly
P26	Economic Development and Resources	1131	Corporate Strategy and Communications	958	8	958	0	No variance reported.	Not applicable
P26	Economic Development and Resources	1132	Business Change	127	52	130	3	No material variance reported	Not applicable
P26	Economic Development and Resources Total			11,509	(13,683)	11,542	33		
Detailed Analysis of Budgets for Climate and Sustainable Travel									
P27	Climate and Sustainable Travel	1127	Environmental Monitoring (Air Pollution)	179	29	181	2	No material variance reported	Not applicable
P27	Climate and Sustainable Travel	1129	Clean Air Zone	0	(923)	0	0	Clean Air Zone income levels are currently exceeding budgeted levels with entry charge income slightly down on original budgets but remaining fairly consistent. This is offset by increased levels of penalty charge notice income and recoveries through debt enforcement. Both income streams are forecast to reduce in current modelling, and whilst vehicle compliance rates continue to improve, the total income received remains above budgeted levels. Expenditure budgets are currently being covered by income received. In the short-term, future budgets assume continuing trends, which at this point seem to be aligning close to forecast levels. Any overall shortfall would be covered by the New Burdens Principle.	Not applicable
P27	Climate and Sustainable Travel	1135	Transport Planning, Policy and Sustainable Transport	334	236	335	1	No material variance reported	Not applicable
P27	Climate and Sustainable Travel	1137	Green Transformation	741	201	762	21	A mixture of staff changes result in the £21k adverse position. This is mainly due to non achievement of income recharges relating to staff.	Not applicable
P27	Climate and Sustainable Travel Total			1,254	(457)	1,278	24		

Appendix 1 - Revenue Monitoring Commentary Quarter 2 2021/22

Portfolio Number and Description		Cashlimit Number and Description		Current Budget £000	Actuals to date £000	Quarter 1 Published Forecast £000	2022/23 Outturn Variance Over / (Under) £000	Outturn Variance Analysis	Outturn Recovery Plan
Detailed Analysis of Budgets for Adult Services and Council House Building									
P28	Adult Services and Council House Building	1029	Housing	1,414	(396)	1,385	(29)	Staffing budget underspends are generating a favourable variance for the service.	Not applicable
P28	Adult Services and Council House Building	1073	Adults & Older People-Mental Health Commissioning	8,347	1,668	7,770	(577)	The impact of packages joint funded with health has reduced Social Care spend and continues to be monitored. The funding impacts of the Transforming Care Agenda on Social Care budgets are increasing for expensive and complex packages, monitored via panel process. Risk reflected for activity backlogs, cost/staff pressures impacted by Covid.	Close monitoring of all care funding for service users receiving NHS Covid Funding. Pressure continues in high cost placements but reviewed by commissioners through panel processes, contract monitoring, and continued work on savings plans. There has been an increase in joint Health & Social Care funding reviewed in the panel process and NHS funding remains for discharged patients requiring Social Care support. Staff vacancies and waiting lists reviewed regularly.
P28	Adult Services and Council House Building	1086	Adult Care Commissioning	1,183	286	1,183	0	No variance reported.	Not applicable
P28	Adult Services and Council House Building	1088	Older People & Physically Disabled Purchasing	12,477	(32)	12,064	(413)	Health partners are funding care and support for first 6 weeks of hospital discharge for whole of 2022-23.	Not applicable
P28	Adult Services and Council House Building	1091	Learning Disabilities Commissioning	19,201	200	19,461	259	There are high cost adults transitioning from Children's services with higher provider costs than anticipated, delay in HCRG Transitions Social Worker appointment. Complex and high cost cases are being closely monitored and assessed for NHS Continuing Health Care funding by commissioning managers. Close working with partners organisations despite staff vacancies in commissioning.	Pressure continues in high cost placements/transitions (children reaching 18). Reviews continue via panel process, contract monitoring, close working with Children's Services in Transitions, savings plans, filling voids, utilising blocks, Health & Social care Funding splits, and reducing spend Out of Area. Recruitment of Transitions Social Worker plus review of transitions pathway is key priority. Ensure commissioning staff vacancies filled.
P28	Adult Services and Council House Building	1093	Physical Disability, Hearing & Vision	3,367	(108)	3,695	328	Increase in forecast reflects increased value of packages being agreed at panel and updates made post current delays in social workers posting packages.	Commissioners continue to review this budget area through the panel process, contract re-negotiation, contract monitoring, and continued work on savings plans. Budget for '22-'23 was reduced following favourable outturn '21-'22.
P28	Adult Services and Council House Building	1110	Better Care Fund	7,430	(842)	7,430	0	No variance reported.	Not applicable
P28	Adult Services and Council House Building	1113	CCG B&NES CHC and FNC Payments	0	1,328	0	0	No variance reported.	Not applicable
P28	Adult Services and Council House Building	1114	Community Equipment	203	262	203	(0)	Community Equipment store will transfer back to Council on 1st Oct 2022. This may create additional cost pressures but these will be funded from ASC reserves.	Not applicable
P28	Adult Services and Council House Building	1123	Safeguarding Adults	2,009	423	2,009	0	No variance reported.	Not applicable
P28	Adult Services and Council House Building	1124	Community Resource Centres & Extra Care Income	6,640	920	7,043	403	A strong regime of covid testing and isolation remains in place in the CRCs. High agency usage to backfill sickness and vacancies is creating a budget pressure. If this continues at current rate, it will create a significant budget pressure at year end.	Staff and residents have and are being given covid vaccinations in line with government recommendations. Recruitment drive in place to fill vacancies.
P28	Adult Services and Council House Building Total			62,272	3,710	62,243	(29)		

Appendix 1 - Revenue Monitoring Commentary Quarter 2 2021/22

Portfolio Number and Description		Cashlimit Number and Description		Current Budget £000	Actuals to date £000	Quarter 1 Published Forecast £000	2022/23 Outturn Variance Over / (Under) £000	Outturn Variance Analysis	Outturn Recovery Plan
Detailed Analysis of Budgets for Children and Young People, and Communities									
P29	Children and Young People, and Communities	1036	Adults Substance Misuse (DAT)	158	(64)	158	0	No variance reported.	Not applicable
P29	Children and Young People, and Communities	1076	Children, Young People & Families	16,582	15,841	18,468	1,885	£1,465k of the forecast pressure is due to demand led budgets. These include Joint Agency Panel (JAP), Residential, Disabled Children (DCT), Children in Care (CIC), Staying Put placements, Care Leavers, Foster Carers and all other client expenditure across Children's Services. Pressure in this area continues from 2021/22 due to the increased demand and increased packages of care and support costs needed as a direct result of accommodating additional needs due to Covid during 2021/22. New pressures from supporting unaccompanied asylum seeker children are also included totalling £128k. The transformation projects are forecast to produce savings in 22/23 of £1,206k within the demand led budgets. Across all salary areas there is a pressure of £404k as a result of the cost of covering absence in teams whilst also responding to increasing demand and complexity of need.	The Transformation Program is progressing at pace to realise any savings as quickly as possible. Financial recovery plans are premised on the future availability of lower cost suitable placements being enabled through the Transformation Program.
P29	Children and Young People, and Communities	1077	Inclusion & Prevention	2,223	(1,123)	2,289	66	Over budget position due to multiple smaller pressures across the cash limit.	Continuing financial scrutiny and review.
P29	Children and Young People, and Communities	1078	Education Transformation	8,638	(2,442)	9,013	375	The £375k pressure is made up of multiple smaller pressures across the cash limit and £95k pressure from supporting asylum seeker children into education.	Continuing financial scrutiny and review.
P29	Children and Young People, and Communities	1079	Schools Budgets	(1,767)	2,529	(1,767)	0	Although shown on budget, the Dedicated Schools Grant (DSG) carried forward a deficit balance of £13.44m into 2022/23. This deficit is held on the balance sheet in line with Government guidance. A further increase to this deficit of £5.69m is forecast to occur during 2022/23, increasing the deficit to £19.13m. This pressure is in relation to SEND costs.	A recovery plan to bring spending in line with budget over the next 5 years has been completed and is being reviewed by the DFE. The DFE will look to enter a Safety Valve Agreement (a process set up to support Local Authorities with DSG deficits) with the Local Authority (LA), whereby the LA will show its ability to ensure that spending is controlled within the DSG and the DFE will look to support the accumulated overspend. Initial discussions have been held and further work on the agreement will be made in 2022/23 with a planned agreement in place for 2023/24.
P29	Children and Young People, and Communities	1089	Community Safety	192	172	197	5	No material variance reported	Not applicable
P29	Children and Young People, and Communities	1094	Public Health	0	(1,040)	0	0	No variance reported.	Not applicable
P29	Children and Young People, and Communities	1116	Integrated Commissioning - CYP	2,587	1,971	2,600	13	Small staffing variance.	Continuing financial scrutiny and review.
P29	Children and Young People, and Communities	1117	Safeguarding - CYP	79	(7)	59	(20)	Staffing savings.	Not applicable
P29	Children and Young People, and Communities	1122	Customer Services (Including Libraries)	2,234	248	2,313	79	No vacancies within the service at present and therefore staffing turnover factor forecast to be unachieved.	Staffing levels will be monitored closely and any turnover during the year will be forecast accordingly
P29	Children and Young People, and Communities			30,928	16,085	33,331	2,403		

Appendix 1 - Revenue Monitoring Commentary Quarter 2 2021/22

Portfolio Number and Description		Cashlimit Number and Description		Current Budget £000	Actuals to date £000	Quarter 1 Published Forecast £000	2022/23 Outturn Variance Over / (Under) £000	Outturn Variance Analysis	Outturn Recovery Plan
Detailed Analysis of Budgets for Neighbourhood Services									
P05	Neighbourhood Services	1019	Leisure	485	199	485	0	The restructuring of the Leisure model needed to manage Leisure services through covid will result in a budget pressure of £173k in 2022/23. A drawdown from reserves has been approved of £173k in 2022/23 and £38k in 2023/24 to balance the revenue budget. The management fee is anticipated to exceed budget provision in 2024/25 and onwards and the surplus can be used to refresh the reserves.	Not applicable
P05	Neighbourhood Services	1101	Neighbourhoods & Environment - Waste & Fleet Services	17,027	5,796	17,194	168	Waste are unable to hold front line roles vacant due to the impact on service delivery and therefore budgeted staff turnover savings unlikely to be achieved.	Staffing levels will be monitored closely and any turnover during the year will be forecast accordingly
P05	Neighbourhood Services	1102	Neighbourhoods & Environment - Parks & Bereavement Services	1,015	448	1,261	246	Bereavement Services - the main crematorium chapel is closed between April and August for major capital improvement works. As a result there is a significant reduction in cremations and memorial sales.	Plans are being developed to promote memorial sales once the Crematorium Chapel reopens
P05	Neighbourhood Services	1115	Registrars Service	(48)	(220)	(30)	18	Small staffing variance	Limited staff turnover is expected therefore this saving is highly unlikely to be achieved.
P05	Neighbourhood Services	1134	Highway Maintenance	5,945	765	5,945	(0)	No variance reported.	Not applicable
P05	Neighbourhood Services Total			24,425	6,989	24,856	431		
Detailed Analysis of Budgets for Transport									
P25	Transport	1103	Transport & Parking Services - Parking	(7,698)	(1,488)	(7,720)	(22)	Income £395k adverse, which includes the four month partial shutdown of Avon Street Car Park, and a reduction in PCN income. This is offset by staff vacancies largely within the Civil Enforcement Team.	Not applicable
P25	Transport	1104	Public & Passenger Transport	126	135	126	0	No variance reported.	Not applicable
P25	Transport	1119	Emergency Planning	528	131	535	6	No material variance reported	Not applicable
P25	Transport	1133	Network & Traffic Management	966	270	966	(0)	No variance reported.	Not applicable
P25	Transport Total			(6,078)	(952)	(6,093)	(15)		
Detailed Analysis of Budgets for Planning and Licensing									
P30	Planning and Licensing	1005	Building Control & Public Protection	1,084	38	1,047	(38)	Favourable variance across service due to a high number of vacancies.	Not applicable
P30	Planning and Licensing	1106	Development Management	1,101	(151)	915	(186)	This favourable position is mainly due to staff underspends. The service is committed to a review of staffing levels in 2022 in light of the results of monitoring of workloads which may reduce the forecast underspend. This has offset an unfavourable position on the income budget due to less planning applications which has had an adverse impact on the forecast of £67k.	Not applicable
P30	Planning and Licensing Total			2,185	(113)	1,962	(223)		
	Council Total			126,864	11,516	129,489	2,625		

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FINANCE BUDGET MONITORING MONTHLY DASHBOARD - April to June 2022

CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

Project	Project Update	2022/23 Budget £'000	2022/23 Forecast £'000	2022/23 Under / (Over) Spend £'000	Rephasing to Future Years. £'000
Economic Development and Resources					
Bath Quays North	Advanced enabling works to continue to prepare the site for development, with demolition of Avon St Multi Storey Car Park scheduled in 2022. The impacts on scheme delivery caused by Covid-19 and lockdown distribution continue to be evaluated. Market risks from occupier interest and construction inflation have increased delivery risk. (c/f pending £1.164m)	8,415	8,415	-	-
BWR Phase 2	The infrastructure pre-works have completed and with expected completion of major gas network rationalisation works in Autumn 2022. Following Homes England (funder) approval, an agreed merger of their grant funding will support the gas rationalisation works and replacement waste site costs in 2022/23. (c/f pending £3.378m)	4,575	4,575	-	-
Commercial Estate Refurbishment Programme	Commercial Property assets are historic and aging with a need for maintenance and refurbishment. Works will be prioritised to reflect project costs, condition surveys, turnover for tenancies and compliance with minimum energy efficiency standards (MEES). (c/f pending £365k)	3,045	3,045	-	-
Corporate Estate Planned Maintenance	Planned repairs, compliance testing and preventative maintenance already underway including upgrades to fire alarm, emergency lighting and building management systems. Work is in progress at Victoria Park for footpath repairs and drainage with more works planned for the nurseries and offices. Other works planned for 2022/23 include replacement of roof glazing for the Victoria Art Gallery and a dome above the Guildhall, repairs and improvements to public areas at the Guildhall and structural repairs to Parade Gardens. (c/f pending £558k)	4,508	4,508	-	-
Property Company Investment - Council (Loan): Developments	An update of Aequus planning for 22/23 anticipates the need for up to £1m of loans for re-purposing of Commercial Estate Properties for private rental. Their Construction Activity Forecast now expects larger schemes, including further Commercial Estate re-purposing, to progress from 23/24 onwards. Existing loans for Sladebrook Road and Newbridge Hill developments of over £3m will be also be fully repaid during 22/23. (c/f pending £382k)	11,769	1,000	10,769	10,769
Redstock Healthy Living Centre	Planned completion of works in June 2022 when the new Children's Centre will be ready for occupation. (c/f pending £256k)	300	300	-	-
Roman Baths Archway Project	The Roman Baths Clore Learning Centre is now complete and open. Total project spend will be managed within 2022/23 Heritage Developments. (c/f recovery of £57K)	-	-	-	-
Somer Valley Enterprise Zone - Infrastructure	Initial Public Engagement commenced in May and will run until the end of June 2022. Transport network modelling is ongoing along with other technical surveys to inform the Local Development Order (LDO) and Full Business Case. (c/f pending £436K)	648	648	-	-
York Street Vaults Phase 2	Work on York Street between Stall Street and Kingston Parade completed in May 2022, involving resurfacing in high-quality natural stone and new drainage to prevent ingress of water into the vaults below. Costs were higher than expected due to technical issues, including the need to ensure access to the Clore Learning Centre and price increases for construction materials as per national trends. A Post project review of final total costs will result in a request for contingency for £128k. (c/f pending £147K)	-	-	-	-
Keynsham High Street Renewal Programme	Phase 1 works for the Public Realm scheme for Keynsham High Street now substantially completed with and we will be looking for corporate contingency support of £250K due to cost inflation during the programme of up to 40% for materials, the new National design policy requiring design refinement and a delayed start/protracted programme following Cov-19 lockdowns. Additional works following the Stage 3 Road Safety Audit are also required. Phase 2 is underway to deliver further public realm, a masterplan, shop front improvements, wayfinding and community engagement a funded by Government Grant funded for Heritage Action Zone (HAZ). (c/f recovery £42K)	591	591	-	-
Midsomer Norton High Street Renewal Programme	Work on the grant funded Heritage Action Zone works continues to budget. In 2022/23 work will focus on the new Market Hall and developing a market place with a further grant offer received and approved. (c/f pending £329K)	382	382	-	-
Bath City Centre Renewal Programme	The Bath High Street Renewal programme is progressing well with good progress against project milestones. Replacement furniture for both Milsom Street and Kingsmead Square was due to be installed for June 2022, which will improve the accessibility and appearance of both these areas, along with an bespoke parklet for Milsom Street. This scheme aims to encourage shoppers, visitors and businesses back to the city centre. (c/f pending £633k)	254	254	-	-

FINANCE BUDGET MONITORING MONTHLY DASHBOARD - April to June 2022

CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

Project	Project Update	2022/23 Budget £'000	2022/23 Forecast £'000	2022/23 Under / (Over) Spend £'000	Rephasing to Future Years. £'000
Public Sector Decarbonisation Scheme	The Council received £442k grant for the Public Sector Decarbonisation Scheme for Charlton House Care Home which we match funded by £84k to enhance the scheme. Works are going well, with PV panels and LED lighting both now complete with commissioning and final invoicing in 2022/23. We also received £557K grant to passport to Cleveland Pools Trust for the installation of a Water Source Heat Pump to provide heat for the pools which should be mostly complete in June 2022 (c/f pending £188k)	-	-	-	-
Corporate Property Acquisition	New approval in May, to secure a property for the Fashion Museum and one of the world's great museum collections is a key part of the strategy for regenerating the Milsom Quarter.	8,068	8,068	-	-
Bath Quays Bridge, Linking Infrastructure & South	The bridge is planned to open in 2022/23 with remaining works for lighting and access. More generally, current works focus is on the completion of public realm works and office fitouts, including for tenants to occupy No.1 Bath Quays (new offices) and Newark Works in 2022. (c/f pending £5.902m)	-	-	-	-
Climate and Sustainable Travel					
Clean Air Zone	Scheme continues into 2022/23 so all unspent budget from 21/22 of c£1.3m to be rephased. The Clean Air Zone objective is to achieve, as a minimum, compliance with NO2 limit values to discharge the ministerial direction. The charging zone with the sign and camera infrastructure, along with the highway works at Queen Square, is operational. Other "non-core items" of circa £1m are now being progressed including public realm improvements, weight restriction and idling enforcement. Other mitigation measures include an e-cargo bike scheme and a behaviour change initiative for car drivers not penalised by the charging scheme. The roll out of up to £6.7m of financial assistance in the form of grants and interest subsidy on loans also continues with applications being processed by our three specialist finance partner organisations. (c/f pending £1.355m)	1,350	1,350	-	-
Liveable Neighbourhoods	Progress towards developing programme delivery continues as officers carry out scheme design along with extensive community consultation. (c/f pending £142k)	1,006	1,006	-	-
Adults and Council House Building					
Affordable Housing	Pemberley Place extra care scheme, 72 units of affordable elderly persons accommodation, final grant payment now due in Q4 2022/23. (c/f pending £382k)	300	300	-	-
Next Steps Accommodation Programme	The final stages of work for the refurbishment of 23 Grosvenor Place is nearing completion, with occupants already living in some newly refurbished accommodation. (c/f pending £306k)	-	-	-	-
Supported Housing Scheme	Plans to create temporary accommodation at Theobald House progressing with planning permission secured. Works were delayed due to use of building for temporary housing of rough sleepers. However, pre-building works now initiated, including securing site, strip-out works etc. A decision to refurbish Crescent Gardens Lodge for £255k was also recently approved. (c/f pending £762k)	-	-	-	-
Social Rent Programme	Scheme development work is taking place on several sites. Newbridge Road refurbishment is due to complete in Q3 2022/23 and a planning application has been submitted for a scheme for the former Argyle Works. (c/f pending £246K)	11,741	11,741	-	-
Neighbourhood Services					
Highways Maintenance Block	All workstreams now progressing well with many resurfacing sites on this programme already completed. Payments to follow subject to agreement of interim payments with the external contractor. The programme consists of £5.9m for Resurfacing, £0.9m Stabilisation and Structures, £0.5 Street Lighting, £0.4m Footways plus £0.3m Drainage. (c/f pending £0.529m)	8,044	8,044	-	-
Parks S106 Projects	This relates to a number of projects that are s106 funded, including Weston Rec / Archery fields and wall repairs at Hedgemoor Park. A consultation has been undertaken at Sullis Meadows to include works to the footpaths and a play area refurbishment; permissions for some of these works are being sought from Historic England and the works may continue into 23/24. Other works include a consultation for Brickfields Linear park project and signage at Freefields. A masterplan is in progress for Foxhill and a landscape architect has been commissioned; this will then go out for public consultation. The delivery of the project itself will complete in 2023/24. (c/f pending £599k)	76	76	-	-

FINANCE BUDGET MONITORING MONTHLY DASHBOARD - April to June 2022

CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

Project	Project Update	2022/23 Budget £'000	2022/23 Forecast £'000	2022/23 Under / (Over) Spend £'000	Rephasing to Future Years. £'000
Sydney Gardens (Round 2)	Since April 2022 the park restoration project has seen the opening of a new play and sport area, a completed pentaque court, new public toilet and the new Changing Places facility. The community pavilion is complete and it is hoped that it will be fully operational later in the year. Landscaping and planting are complete in the wider gardens and the new northern entrance off the Warminster Road is open, providing additional step free access to the park. The team are working on interpretation and orientation panels to go into the Temple of Minerva and Network rail are currently on site installing new fencing, due for completion by end of June. (c/f recovery £50k)	128	128	-	-
Pixash Site Redevelopment	The contractor was appointed and formally under sealed NEC4 contract dated May 2022, although they started onsite on 15th February 2022 to provide continuity of works for just over 3months. Phase 1 handover is due for November 2022, with planned completion of works July 2023. (c/f pending £2.786m)	24,025	24,025	-	-
Cleveland Bridge Refurbishment	Inspections only possible after works had commenced identified repairs to the concrete trusses and soffits over a larger area, as well as severe corrosion to structural hanger bars, which support the main trusses of this 200-year-old bridge. Finding a technical solution without radically altering the Grade II* listed structure is being assessed with computer modelling, although Bridge safety has been assured for the current traffic arrangements. The phase 1 works will be completed in summer 22 and results of engineering design work for phase 2 (hanging bars) are expected in June. The council will then consult with DfT on the options. (c/f pending £67k)	500	500	-	-
Children and Young People, Communities and Culture					
Basic Needs - School Improvement / Expansion	Programme Highlights are :- - St Nicholas Primary. Works to provide a pedestrian footbridge delayed as the variation to the S106 and access agreements are still to be achieved. Construction of the footbridge cannot proceed until this has been finalised. - St Keyna Primary - Expansion to a 420 place school. A new 6 classroom block, kitchen expansion and slight remodelling of existing buildings to complete by September 2024. The new classroom block will be built to Passivhaus standard. Full project funding approved and the Project Team appointed. A planning pre-application has been submitted for early planning advice. Programme to be issued with completion to be achieved by September 2024. (c/f pending £2.445m)	2,630	2,630	-	-
Schools Capital Maintenance Schemes	Various schools capital maintenance schemes are moving forward including: - Twerton Infants School – Replacement windows. Contractor appointed and work started May 2022. There is a phased programme of work throughout 2022 with the main works to be carried out over the summer holiday period. - Newbridge Primary – Replace boilers and heating system. Contractor appointed and work progressing well, expected to complete by the end of August 2022. - Newbridge Primary – Replace boilers and heating system. Contractor appointed and work progressing well to complete by the end of August 2022. (c/f £140k pending)	990	990	-	-
SEND (Special Education Needs & Disability) Capital Programme	Bath Community Academy continues into 2022/23 with rephasing of c£400k to follow. This project has created additional SEN Placements with an initial feasibility study to look at moving the current SEN alternative provision to another location on the site by remodelling existing buildings. This has raised a number of questions and a second feasibility study is underway to look at the option of building new bespoke accommodation on site instead. Feasibility study outcomes are expected by the end of June 2022. (c/f pending £412k)	-	-	-	-

FINANCE BUDGET MONITORING MONTHLY DASHBOARD - April to June 2022

CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

Project	Project Update	2022/23 Budget £'000	2022/23 Forecast £'000	2022/23 Under / (Over) Spend £'000	Rephasing to Future Years. £'000
Transport Services					
City Centre Security - Highways Scheme	<p>The project will deliver enhanced security for priority high footfall areas within the city centre in accordance with the recommendations of the NaCTSO report from the Police.</p> <p>Anti-Terrorism Traffic Regulation Orders (ATTRO's) have been implemented for the scheme, with the exception of York St that has been subject to a Public Inquiry. Following the Inquiry the transport inspector has made the decision to recommend the plans to close York Street for anti-terrorism purposes and the Council will implement the making of the order.</p> <p>The single tender was received for the delivery of the scheme but not pursued as it was deficient in several key areas. We are now pursuing delivery through our Term contractors Volkers with an aim to complete within 2022/23. We are looking for a project funding of up to £1.5m from corporate contingency, if it does not prove to be possible to engineer the project within the original scheme parameters. (c/f recovery £66K)</p>	1,507	1,507	-	-
Office for Low Emission Vehicles (OLEV) Bid -GULW	26 new charging bays are being installed at seven locations across the district including 12 rapid (50kW) and 12 fast (22kW) public charging bays will be operational by the time of this report - Kingsmead Square car park, Bath: 4 x fast (22kW) bays. Charlotte St car park, Bath: 2 x fast (22kW), 6 x rapid (50kW). Larkhall car park, Bath: 2 x fast (22kW) bay. Claverton Rd car park, Widcombe, Bath: 2 x fast (22kw) bays. Railway Place, Bath (adjacent to Bath railway station): 2 x rapid (50kW). South Road car park, MSN: 4 x fast (22kW) bays. Church Street car park, Radstock: 2 x rapid (50kW) bays. The Keynsham Civic Centre: 4 x rapid (50kW) and 2 x fast (22kW) bays will be installed later this year. (c/f pending £530k)	-	-	-	-
Transport Improvement Programme	The 2022/23 programme is currently progressing to plan with no issues anticipated. Budgets are held for schemes including Pedestrian Crossings (£366k), Managing Congestion (£153k), Safe Routes to School (£176k), Traffic Management (£198k), Local Safety (£681k), Public Rights of Way (£165k), Cycling (£162k), Public Transport (£40k), and Other (£90k.) (c/f pending £751k)	1,957	1,957	-	-

2022/23 Revenue Virements for APPROVAL

Appendix 3 (i)

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

The following virements are reported for approval under the Budget Management Scheme rules.

OVERALL TOTALS				0	0			0	0		
					0				0		

2022/23 Revenue Virements for INFORMATION

Appendix 3 (i)

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

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

INFO 22#01	Waste Service Redesign	Economic Development & Resources	Corporate Budgets incl. Capital, Audit & Bank Charges		143,000	Neighbourhood Services	Neighbourhoods & Environment - Waste & Fleet Services		143,000	Ongoing transfer of corporately held budget for Waste Service Redesign to match 2021/22 spend in service.	Budget Virement is ongoing.
INFO 22#02	2021/22 Pay Award Budget	Economic Development & Resources	Corporate Budgets incl. Capital, Audit & Bank Charges		1,077,034	Economic Development & Resources	Various		270,727	Distribution of Corporately held budget for 2021/22 Pay Award following national agreement.	Budget virement is ongoing.
						Leader	Various		6,974		
						Adults & Council House Building	Various		186,327		
						Children & Young People, Communities & Culture	Various		211,877		
						Climate & Sustainable Travel	Various		13,071		
						Neighbourhood Services	Various		235,476		
						Transport Services	Various		91,696		
						Planning	Various		60,886		

REF NO	REASON / EXPLANATION	CABINET PORTFOLIO	TRANSFER FROM	Income	Expenditure	CABINET MEMBER	TRANSFER TO	Income	Expenditure	DESCRIPTION	ONGOING EFFECTS
			CASHLIM	(£'s)	(£'s)		CASHLIM	(£'s)	(£'s)		
INFO 22#03	Corporate Travel Savings	Economic Development & Resources	Various		73,018	Economic Development & Resources	Human Resources & Organisational Development		200,000	Distribution across travel budgets of 2021/22 savings target for corporate travel.	Budget virement is ongoing.
		Leader	Various		2,755						
		Adults & Council House Building	Various		21,601						
		Children & Young People, Communities & Culture	Various		41,349						
		Climate & Sustainable Travel	Various		11,921						
		Neighbourhood Services	Various		21,472						
		Transport Services	Various		16,859						
		Planning	Various		11,025						
INFO 22#04	Concessionary Fares	Transport Services	Transport & Parking Services - Public & Passenger Transport	52,337		Transport Services	Network & Traffic Management	52,337		Transfer of Concessionary Fares WECA recharge income budget to align with Concessionary Fares team.	Budget Virement is ongoing.
INFO 22#05	Revenue Grants Unapplied	Economic Development & Resources	Balances (Earmarked Reserve)		120,094	Economic Development & Resources	Information Technology		100,000	Technical accounting adjustment to fully recognise unconditional revenue grants in year of receipt, which were transferred into the Unapplied Revenue Grant reserve at 2021/22 year-end.	Budget virement is one- off.
						Climate & Sustainable Travel	Green Transformation		20,094		
INFO 22#06	Guildhall Events	Economic Development & Resources	Corporate Estate Including R&M	98,105		Economic Development & Resources	Heritage Services	98,105		Transfer of responsibility of Guildhall Events budgets to Heritage Services, as agreed with the Director of Sustainable Communities.	Budget Virement is ongoing.
INFO 22#07	Film Office	Economic Development & Resources	Heritage Services		61,802	Leader	Events & Active Lifestyles		61,802	Movement of management of Bath Film Office from Heritage Services to Events, as agreed with Director of Place Management.	Budget Virement is ongoing.

REF NO	REASON / EXPLANATION	CABINET PORTFOLIO	TRANSFER FROM	Income	Expenditure	CABINET MEMBER	TRANSFER TO	Income	Expenditure	DESCRIPTION	ONGOING EFFECTS
			CASHLIM	(£'s)	(£'s)		CASHLIM	(£'s)	(£'s)		
INFO 22#08	Parks Events	Leader	Events & Active Lifestyles	2,450		Economic Development & Resources	Heritage Services	2,450		Transfer of responsibility of Parks Events budgets to Heritage Services, as agreed with the Director of Sustainable Communities.	Budget virement is ongoing.
INFO 22#09	Green Transformation	Climate & Sustainable Travel	Sustainability		502,409	Climate & Sustainable Travel	Green Transformation		754,570	Creation of new Green Transformation Cash Limit and realignment of budgets into this new Cash Limit.	Budget virement is ongoing.
		Economic Development & Resources	Regeneration		135,980						
		Planning & Licensing	Development Management		116,181						
INFO 22#10	Sustainability Savings	Climate & Sustainable Travel	Green Transformation		34,000	Climate & Sustainable Travel	Transport Strategy		34,000	Correction of mis-allocation of 2022/23 Base Budget savings target.	Budget virement is ongoing.
INFO 22#11	Camera Maintenance Savings Target	Transport Services	Network & Traffic Management		3,000	Transport Services	Emergency Planning		3,000	Correction of mis-allocation of 2022/23 Base Budget savings target for camera maintenance.	Budget virement is ongoing.
INFO 22#12	Tree & Woodlands Plan	Climate & Sustainable Travel	Sustainability		59,618	Neighbourhood Services	Neighbourhoods & Environment - Parks & Bereavement Services		59,618	Realigning of budget following transfer of management for Tree & Woodlands back to Parks, after temporarily being relocated to Sustainability.	Budget virement is ongoing.
INFO 22#13	Webcasting	Economic Development & Resources	Corporate Governance		24,000	Economic Development & Resources	Corporate Strategy & Communications		24,000	Realignment of budget for the webcasting of meetings to reflect the change of budget management for the function.	Budget Virement is ongoing.
INFO 22#14	Disabled Children's Team	Children & Young People, Communities & Culture	Inclusion & Prevention		16,856	Children & Young People, Communities & Culture	Children, Young People & Families		16,856	Transfer of unallocated budget between Children's Services cash limits to allocate to Disabled Children's Team costs.	Budget Virement is ongoing.
OVERALL TOTALS				152,892	2,493,974			152,892	2,493,974		
					2,646,866				2,646,866		

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Portfolio Cash Limits 2022/23 - Revenue Budget

Appendix 3(ii)

CABINET PORTFOLIO	Service	2022/23 Approved Budget	May 2022 Cabinet Portfolio Changes: Cash Limit Rebasing	2022/23 Approved Budget - Rebased to Amended Portfolios	Technical Adjustments, below BMS limits or already agreed - shown for information	Total Virements for Approval	Jul22 Revised Cash Limits
		£'000	£'000	£'000	£'000	£'000	£'000
Leader	World Heritage		159	159			159
	Events & Active Lifestyles		141	141	68		209
	External Affairs & Partnerships						
	PORTFOLIO SUB TOTAL		300	300	68		369
Economic Development & Resources	Heritage Services	(5,562)		(5,562)	(162)		(5,725)
	World Heritage	159	(159)				
	Regeneration	302		302	(139)		163
	Business & Skills	412		412	2		415
	Property Services	550		550	7		557
	Corporate Estate Including R&M	4,381		4,381	109		4,490
	Business Change	127		127			127
	Human Resources & Organisational Development	1,871		1,871	213		2,084
	Council Solicitor & Democratic Services	2,521		2,521	42		2,563
	Corporate Strategy & Communications	930		930	28		958
	Finance	2,286		2,286	28		2,314
	Revenues & Benefits	1,501		1,501	19		1,520
	Risk & Assurance Services	1,187		1,187	17		1,203
	Procurement & Commissioning	282		282	4		286
	Corporate Governance	1,678		1,678	(9)		1,669
	Information Technology	5,876		5,876	128		6,004
	Commercial Estate	(11,180)		(11,180)	7		(11,173)
	Housing Delivery Vehicle	(1,000)		(1,000)			(1,000)
	Visit Bath	76		76			76
	Hsg / Council Tax Benefits Subsidy	(195)		(195)			(195)
	Capital Financing / Interest	5,212		5,212			5,212
	Unfunded Pensions	1,488		1,488			1,488
	Corporate Budgets incl. Capital, Audit & Bank Charges	(4,103)		(4,103)	(1,216)		(5,319)
	New Homes Bonus Grant	(2,038)		(2,038)			(2,038)
	Magistrates	12		12			12
	Coroners	370		370			370
	Environment Agency	254		254			254
	West of England Combined Authority Levy	5,194		5,194			5,194
	PORTFOLIO SUB TOTAL	12,591	(159)	12,432	(923)		11,509
Adults & Council House Building	Adult Services	60,705		60,705	153		60,858
	Housing	1,402		1,402	12		1,414
	PORTFOLIO SUB TOTAL	62,107		62,107	165		62,272
Children & Young People, Communities & Culture	Children, Young People & Families	16,496		16,496	103		16,599
	Integrated Commissioning - CYP	2,586		2,586	2		2,587
	Safeguarding - CYP	77		77	2		79
	Inclusion & Prevention	3,348		3,348	29		3,377
	Education Transformation	7,497		7,497	16		7,513
	Schools Budget	(1,812)		(1,812)			(1,812)
	Adult Substance Misuse (Drug Action Team)	158		158	1		158
	Public Health						
	Events & Active Lifestyles	141	(141)				
	Customer Services (including Libraries)	2,216		2,216	18		2,234
Climate & Sustainable Travel	Community Safety	192		192			192
	PORTFOLIO SUB TOTAL	30,899	(141)	30,758	171		30,928
	Sustainability	560		560	(560)		
	Environmental Monitoring (Air Pollution)	178		178	2		179
	Clean Air Zone						
Neighbourhood Services	Transport Strategy	302		302	31		334
	Green Transformation				741		741
	PORTFOLIO SUB TOTAL	1,040		1,040	214		1,254
	Leisure	483		483	2		485
	Neighbourhoods & Environment - Waste & Fleet Services	16,732		16,732	295		17,027
Transport Services	Neighbourhoods & Environment - Parks & Bereavement Services	916		916	99		1,015
	Highway Maintenance	5,928		5,928	17		5,945
	Registrars Service	(51)		(51)	3		(48)
	PORTFOLIO SUB TOTAL	24,008		24,008	417		24,425
	Network & Traffic Management	944		944	75		1,019
Planning & Licensing	Transport & Parking Services - Parking	(7,726)		(7,726)	27		(7,698)
	Transport & Parking Services - Public & Passenger Transport	111		111	(37)		74
	Emergency Planning	519		519	10		528
	PORTFOLIO SUB TOTAL	(6,152)		(6,152)	75		(6,078)
	Building Control & Public Protection	1,064		1,064	20		1,084
	Development Management	1,188		1,188	(87)		1,101
	PORTFOLIO SUB TOTAL	2,251		2,251	(66)		2,185
	NET BUDGET	126,744		126,744	120		126,864

CABINET PORTFOLIO	Service	2022/23 Approved Budget	May 2022 Cabinet Portfolio Changes: Cash Limit Rebasing	2022/23 Approved Budget - Rebased to Amended Portfolios	Technical Adjustments, below BMS limits or already agreed - shown for information	Total Virements for Approval	Jul22 Revised Cash Limits
		£'000	£'000	£'000	£'000	£'000	£'000

Sources of Funding

Council Tax	106,890		106,890			106,890
Retained Business Rates	13,293		13,293			13,293
Collection Fund Deficit (-) or Surplus (+)	3,550		3,550			3,550
Business Rates Collection Fund Deficit (21/22) - s31 Funded Relief Element	(22,542)		(22,542)			(22,542)
Transfer from Business Rates Relief s31 Grant Reserve	22,542		22,542			22,542
Transfers (to) / from Reserves	3,011		3,011	120		3,131
TOTAL FUNDING	126,744		126,744	120		126,864

Capital Virements Apr-June - Additions & Reductions 2022/23
Appendix 4 (i)

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP2223#001	Waste Infrastructure Modernisation	CSB	840,000		Neighbourhood Services		840,000	Officer Delegated Decision on 26th April 2022 by Director of Place Management for feasibility and development work
CAP2223#002	CCTV Camera Replacement	CSB	70,000		Economic Development and Resources		70,000	Officer Delegated Decision on 3rd May 2022 by Corporate Director (Place) for Security Surveillance Strategic Review
CAP2223#003	Corporate Property Acquisition	WECA grant	8,067,770		Economic Development and Resources		8,067,770	Single Member Decision E3359 on 17th May 2022 for Corporate Property Acquisition within the Milsom Quarter, Bath, to secure a new location for the Bath Fashion Museum.
CAP2223#004	Freshford Village Memorial Hall Grant	CIL	50,000		Economic Development and Resources		50,000	Single Member Decision E3353 on 11th May 2022 - Grant for Freshford Village Memorial Hall towards the costs of improving the insulation of the windows and walls.
CAP2223#005	Cleveland Pools	CIL	250,000		Economic Development and Resources		250,000	Single Member Decision E3352 on 24th May 2022 - Grant for Cleveland Pools Trust
CAP2223#006	CIL - Social (Inc Recreation & Leisure)	CIL	20,000		Neighbourhood Services		20,000	Officer Delegated Decision on 10th May 2022 by the Director of Public Health, for a contribution of £20,000 towards a new pavilion at Saltford Lawn Tennis Club.
CAP2223#007	CIL - Social (Inc Recreation & Leisure)	CIL	30,000		Neighbourhood Services		30,000	Officer Delegated Decision on 19th May 2022 by the Director of Public Health for the refurbishment of the play park at Gullock Tynning (Midsomer Norton)
CAP2223#008	BWR Phase 2	Gov't grant	-2,500,000		Economic Development and Resources		-2,500,000	Officer Delegated Decision on 31st May 2022 by the Chief Finance Officer (S151) update to funding
CAP2223#009	BWR Phase 2	3rd party contitbs	2,445,900		Economic Development and Resources		2,445,900	Officer Delegated Decision on 31st May 2022 by the Chief Finance Officer (S151) update to funding
CAP2223#010a	Pixash Site Redevelopment	Gov't grant	2,500,000		Neighbourhood Services		0	Officer Delegated Decision on 31st May 2022 by the Chief Finance Officer (S151) update to Funding
CAP2223#010b	Pixash Site Redevelopment	CSB	-2,500,000		Neighbourhood Services		0	Officer Delegated Decision on 31st May 2022 by the Chief Finance Officer (S151) update to Funding
CAP2223#011	Bath Area Forum Grants	CIL	47,214		Economic Development and Resources		47,214	Single Member Decision E3354 on 3rd May 2022 reflecting CIL for Bath Advisory Board Recommendations Round Eleven (WL)

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP2223#012	ANPR Enforcement Camera Replacement	SSB	110,000		Transport Services		110,000	Single Member Decision E3348 on 5th May 2022, Decriminalisation and Civil Enforcement of Moving Traffic Offences
CAP2223#013	Odd Down Sports Ground and Other Leisure Feasibility	CSB	-60,000		Neighbourhood Services		-60,000	Technical Adjustment by Director of Finance to recognise duplicate posting of budget.
CAP2223#014	City Centre Security	CSB	1,507,000		Neighbourhood Services		1,507,000	Officer Delegated Decision on 17th June 2022 by the Director of Environment for next tranche of funding to continue with the City Centre Security Project through to full contract award.
Total			10,877,884				10,877,884	

Capital Virements - Additions & Reductions Future Years

FY CAP2223#001	Corporate Property Acquisition	WECA grant	80,000		Economic Development and Resources		80,000	Single Member Decision E3359 on 17th May 2022 for Corporate Property Acquisition. £40k in 23/24 & 24/25 for holding costs.
Total			80,000				80,000	
			80,000				80,000	

Revised Capital Cash Limits by Portfolio

Capital Scheme	Total Approved Budget 2022/23	Feb-Mar Virements	Apr-Jun Virements	Revised Budget at July 2022 Cabinet	Re-phasing Request at July 2022 Cabinet	Budget after July 2022 Cabinet
Full Approval						
Economic Development and Resources						
Agresso System Development & Upgrade	58	0	0	58	12	70
Bath Area Forum - CIL Funded Schemes	0	0	47	47	135	182
Bath Christmas Market	19	0	0	19	0	19
Bath City Centre Renewal Programme	239	15	0	254	633	887
Bath Quays North	8,415	0	0	8,415	1,164	9,579
Bath Quays Bridge, Linking Infrastructure & South	427	0	0	427	5,902	6,329
BWR - Council Project Team	0	0	0	0	-60	-60
BWR Infrastructure	0	0	0	0	-91	-91
BWR Phase 2	4,629	0	-54	4,575	3,378	7,954
BWR - Relocation of Gas Holders	0	0	0	0	1,536	1,536
Capital Contingency	2,828	0	0	2,828	2,172	5,000
CCTV Camera Replacement	0	0	70	70	0	70
Cleveland Pools Grant	0	0	250	250	77	327
Commercial Estate Refurbishment Programme	1,727	1,318	0	3,045	365	3,410
Corporate Property Acquisition	0	0	8,068	8,068	0	8,068
Corporate Estate Planned Maintenance	4,508	0	0	4,508	558	5,066
Customer Payments Security and Channel Shift	17	0	0	17	1	18
Digital B&NES	0	0	0	0	207	207
Equality Act Works	0	0	0	0	95	95
Flax Bourton Mortuary Extension	206	0	0	206	0	206
Flexible Use of Capital Receipts (Transformation)	3,066	0	0	3,066	345	3,411
Freshford Village Memorial Hall Grant	0	0	50	50	0	50
Grand Parade & Undercroft	100	0	0	100	17	117
Heritage Infrastructure Development	98	0	0	98	7	105
Heritage Services Energy Capture Scheme	0	0	0	0	89	89
Innovation Quay - Strategic Flooding Solution	0	0	0	0	143	143
IT Asset Refresh	110	0	0	110	7	117
Keynsham High Street Renewal Programme	572	19	0	591	-42	549
Keynsham Regeneration & New Build	0	0	0	0	68	68
Major Projects NRR Infrastructure - HCA	0	0	0	0	51	51
Midsomer Norton High Street Renewal Programme	382	0	0	382	329	711
North Keynsham SDL - External Fees	0	0	0	0	540	540
Office Reconfiguration Costs (project -Preparing for the future)	793	0	0	793	55	848
Preparing for the Future - New Technology	0	0	0	0	518	518
Property Company Investment - Council (Loan): Developments	11,769	0	0	11,769	382	12,152
Property Disposals (Disposals Programme (Minor))	397	0	0	397	-20	378
Property Improvement - Orange Grove Structural Works	663	0	0	663	93	757
Property Improvement - Bath Library	0	0	0	0	76	76
Property Improvement - Haycombe Crematorium Dignified Entrance	0	0	0	0	-33	-33
Project Inception Fund	0	0	0	0	29	29
Public Sector Decarbonisation Scheme	0	0	0	0	188	188
Radstock & Westfield Implementation Plan	3	0	0	3	0	3
Radstock Healthy Living Centre	300	0	0	300	256	556
Renewable Energy Development Fund	0	0	0	0	-2	-2
Roman Baths Archway Project	0	0	0	0	-57	-57
Saw Close RIF Repayment	0	0	0	0	19	19
Somer Valley Enterprise Zone - Infrastructure	144	504	0	648	436	1,084
Visitor & Till Management System	100	0	0	100	0	100
Voicemail Upgrade	0	0	0	0	0	0
Waterspace	79	0	0	79	0	79
York Street Vaults Phase 2	0	0	0	0	147	147
Subtotal Full Approval - Economic Development and Resources	41,652	1,855	8,431	51,938	19,725	71,662
Full Approval						
Climate and Sustainable Travel						
Air Quality Management Area and AQ Monitors	0	0	0	0	16	16
Bathscape	236	0	0	236	9	245
Chew Valley Recreational Trail	0	0	0	0	-2	-2
Clean Air Zone	0	1,350	0	1,350	1,355	2,705
Cycling and Walking Design and Business Case	0	0	0	0	-4	-4
Liveable Neighbourhoods	1,006	0	0	1,006	142	1,148

Revised Capital Cash Limits by Portfolio

Capital Scheme	Total Approved Budget 2022/23	Feb-Mar Virements	Apr-Jun Virements	Revised Budget at July 2022 Cabinet	Re-phasing Request at July 2022 Cabinet	Budget after July 2022 Cabinet
Renewable Energy Development Fund	0	459	0	459	0	459
Renewable energy in B&NES	0	67	0	67	0	67
Subtotal Full Approval - Climate and Sustainable Travel	1,241	1,876	0	3,117	1,515	4,633
Full Approval						
Adults and Council House Building						
Adult Social Care Database Replacement	60	0	0	60	33	93
Affordable Housing	300	0	0	300	382	682
Affordable Warmth Grant Scheme				0	273	273
Community Resource Centre Capital Investment				0	48	48
Disabled Facilities Grant	1,988	0	0	1,988	503	2,490
Englishcombe Lane Development				0	467	467
Housing Delivery Vehicle	0	0	0	0	812	812
Next Steps Accommodation Programme				0	306	306
Shared Ownership Housing Programme				0	3	3
Social Rent Programme	11,741	0	0	11,741	246	11,987
Supported Housing Scheme				0	762	762
Subtotal Full Approval - Adults and Council House Building	14,089	0	0	14,089	3,833	17,922
Full Approval						
Children and Young People, Communities and Culture						
Basic Needs - School Improvement / Expansion	856	1,774	0	2,630	2,455	5,085
Building adaptations to provide short breaks for Disabled Children	0	0	0	0	20	20
Schools Capital Maintenance Schemes	990	0	0	990	1,131	2,121
Schools Devolved Capital	40	0	0	40	0	40
SEND (Special Education Needs & Disability) Capital Programme	0	0	0	0	412	412
Subtotal Full Approval - Children and Young People, Communities and Culture	1,886	1,774	0	3,660	4,017	7,677
Full Approval						
Neighbourhood Services						
Alice Park - Skate Park	0	0	0	0	9	9
Beechen Cliff Woodland & Other Small Projects	0	0	0	0	2	2
Cleveland Bridge Refurbishment	500	0	0	500	67	567
CIL - Social (Inc Recreation & Leisure	0	0	50	50	0	50
Haycombe Crematorium	0	0	0	0	18	18
Highways Maintenance Block	8,044	0	0	8,044	529	8,573
Improvements at Victoria Park, Bath	0	0	0	0	56	56
Leisure - Council Client / Contingency	0	0	0	0	411	411
Leisure Facility Modernisation - Keynsham Sports Centre	0	0	0	0	12	12
Keynsham Memorial Park	188	0	0	188	29	217
Neighbourhoods - Bin and Bench Replacement	0	0	0	0	4	4
Neighbourhood Services - Asset & Vehicle Replacement Programme	952	0	0	952	672	1,623
Odd Down Sports Ground and Other Leisure Feasability	0	60	-60	0	59	59
Parks and Bereavement Infrastructure	0	0	0	0	1	1
Parks S106 Projects	76	0	0	76	599	676
Pixash Site Redevelopment	24,025	0	0	24,025	2,786	26,811
Play Area Refurbishment / Equipment	107	0	0	107	93	200
Public Tennis Improvements	0	0	0	0	4	4
Street Lighting - LED Replacement Programme	0	0	0	0	-1	-1
Sydney Gardens	950	-822	0	128	-50	78
Tree Planting	48	0	0	48	69	116
Waste Depot Relocation	0	0	0	0	334	334
Waste - In Cab Technology	0	0	0	0	18	18
Waste Infrastructure Modernisation	0	0	840	840	0	840
Waste Service Redesign	235	0	0	235	0	235
Waste Welfare Facilities	58	0	0	58	-3	55
Subtotal Full Approval - Neighbourhood Services	35,182	-762	830	35,251	5,718	40,968

Capital Scheme	Total Approved Budget 2022/23	Feb-Mar Virements	Apr-Jun Virements	Revised Budget at July 2022 Cabinet	Re-phasing Request at July 2022 Cabinet	Budget after July 2022 Cabinet
Full Approval						
Transport Services						
ANPR Enforcement Camera Replacement	0	0	110	110	0	110
Bath Transport Package - Main DfT Scheme	0	0	0	0	1,613	1,613
City Centre Security - Highways Scheme	0	0	1,507	1,507	-88	1,419
London Road Modification	51	0	0	51	0	51
Office for Low Emission Vehicles (OLEV) Bid -GULW	0	0	0	0	530	530
Somerdale Bridge, Keynsham – Initial Options Study	6	0	0	6	2	8
Transport Improvement Programme	1,957	0	0	1,957	751	2,708
Subtotal Full Approval - Transport Services	2,014	0	1,617	3,631	2,808	6,439
TOTAL CAPITAL SCHEME BUDGET	96,065	4,743	10,878	111,685	37,616	149,302

Sources of Funding						
Grants	28,492	2,244	8,068	38,804	14,953	53,757
Council Support including Borrowing & Capital Receipts	65,636	1,706	-33	67,308	21,258	88,567
Developer Contributions - S106 / CIL	488	434	0	921	277	1,198
3rd Party	31	22	2,446	2,499	397	2,896
Revenue	232	20	0	253	731	983
Total Sources of Funding	96,065	4,743	10,878	111,685	37,616	149,302

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Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING DATE:	14 th July 2022	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3364
TITLE:	Treasury Management Outturn Report 2021/22	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 – Performance Against Prudential Indicators		
Appendix 2 – The Council’s Investment Position at 31 st March 2022		
Appendix 3 – Average monthly rate of return for 2021/22		
Appendix 4 – The Council’s External Borrowing Position at 31 st March 2022		
Appendix 5 – Arlingclose’s Economic & Market Review Q4 of 2021/22		
Appendix 6 – Interest & Capital Financing Budget Monitoring 2021/22		
Appendix 7 – Summary Guide to Credit Ratings		
Appendix 8 – Extract from Treasury Management Risk Register		

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 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 2021/22.

2 RECOMMENDATION

The Cabinet agrees that;

- 2.1 The Treasury Management Report to 31st March 2022, prepared in accordance with the CIPFA Treasury Code of Practice, is noted.
- 2.2 The Treasury Management Indicators to 31st March 2022 are noted.

3 THE REPORT

Summary

- 3.1 The average rate of investment return for 2021/22 is 0.36%, which is 0.30% above the benchmark rate.
- 3.2 The Council's Prudential Indicators for 2021/22 were agreed by Council in February 2021 and performance against the key indicators is shown in **Appendix 1**. All indicators are within target levels.
- 3.3 The Council's revenue budget for interest & capital financing costs was £1.078m under budget in 2021/22, mainly related to the high levels of cash balances held through the year, resulting in a delay in the need to borrow and therefore incurring lower than budgeted interest costs. A breakdown of the revenue budget year-end position is detailed in **Appendix 6**.

Summary of Returns

- 3.4 The Council's investment position as at 31st March 2022 is given in **Appendix 2**. The balance of deposits as 31st March 2022 are also set out in the pie charts in this appendix, along with the equivalent details for the previous quarter and 31st March 2021 for comparatives.
- 3.5 Gross earnings on treasury investments totalled £311k during 2021/22. **Appendix 3** details the investment performance, showing the average rate of interest earned over this period was 0.36%, which was 0.30% above the benchmark rate* of average 7 day LIBID +0.05% (0.06%). This excess is mainly due to the £5m long term investment balance held in the CCLA Local Authority Property Fund, and a combined £5m invested across two long term ESG focused funds during 2021/22, which have contributed £235k of the total investment income during the year. The previous year's details are also included in the appendix for comparison.

* Following the discontinuation of LIBID rates in December 2021, the benchmark of 7 day LIBID + 0.05% has been changed for the final quarter to 7 day SONIA - 0.08%. The SONIA -0.08% benchmark has been selected following a comparison across the first three quarters of the year when LIBID was available, which showed that this rate was the closest match.

- 3.6 The average rate of return of 0.36% in 2021/22 was lower than the 0.41% achieved in 2020/21 due to the continued pressures on financial markets mainly due to the COVID-19 pandemic. The lag on the impact of interest rate decreases at the start of 2020/21 resulted in higher returns during that comparable period, and during 2021/22 there was a lag in the impact of the Bank of England rate rises filtering through to our investment returns. The Council is however now seeing rate rises across our investments and deposit accounts, and it is anticipated that this, as well as the increased strategic longer term investment balance of £10m, will lead to higher investment returns in future periods.

Summary of Borrowings

- 3.7 The Council's external borrowing as at 31st March 2022 totalled £219.4 million and is detailed in **Appendix 4**, along with the previous quarter for comparative purposes. Short term local authority loans of £15m and £5m were repaid during

the year with no replacement borrowing being taken due to the Council's high cash balances. A summary of the movement in borrowing during 2021/22 is shown in the following table.

2021/22 Borrowing Portfolio Movements	£m
2021/22 Opening Balance	243.457
New Loans Taken	0.000
Loans Repaid	(20.000)
PWLB Annuity Loan principal repayments	(4.054)
2021/22 Closing Balance	219.403

3.8 The Council's Capital Financing Requirement (CFR) as at 31st March 2022 was £328.2 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.

3.9 The CFR represents the underlying need to borrow and the difference from the current borrowing of £219.4 million represents re-investment of the internal cash balances and reserves, reducing the in-year borrowing costs in excess of the potential investment returns.

3.10 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 2022 apportioned to Bath & North East Somerset Council is £10.5m. 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 3.7.

Strategic & Tactical Decisions

3.11 As shown in the charts in **Appendix 2**, the investment portfolio was £84.2m as at 31st March 2022. Investments are diversified across Money Market Funds, Local Authorities, the Government's Debt Mgt Account Deposit Facility, Strategic funds and in highly rated UK Banks. The Council uses Money Market Funds to maintain short term liquidity.

3.12 The Council has a deposit of £5m in the Lloyd's Bank 95-day notice sustainability deposit account, in line with the ESG focussed short term deposit section of the approved 2021/22 Treasury Management Strategy.

3.13 The Council's investment portfolio as at 31st March 2022 includes a total of £10m invested in longer term strategic funds. These investments are as follows:

- £5m CCLA Local Authorities Property Fund.
- £3m FP Foresight UK Infrastructure Income Fund.
- £2m VT Gravis Clean Energy Income Fund.

- 3.14 The Council's average investment return for short-term investments was 0.09%, which was above the budgeted level of 0.05%. The average return on the long-term strategic investments was 3.99%, which was also above the budgeted rate of 3.50%. The combined average return on all investments was 0.36%. The summary of these returns is shown in the following table:

Investment Type	Average Investment Return
Short Term Investments Total	0.09%
Longer Term Strategic Investments:	
CCLA Local Authorities Property Fund	3.43%
FP Foresight UK Infrastructure Income Fund	4.31%*
VT Gravis Clean Energy Income Fund	3.92%*
Longer Term Strategic Investments Total	3.99%
Overall Total	0.36%

* The average investment return shown in the table for the two ESG focussed funds have been adjusted to remove the impact of the timing in the quarter of the initial investment. This is due to the way the Fund allocates quarterly investment returns in the first quarter of investment.

- 3.15 The combined impact of the higher than budgeted returns, along with the Council investment balances being higher than forecast (including the increased investments in long-term strategic investments), and additional interest received from non-treasury activity, resulted in £140k of additional interest income above the budgeted level.

Future Strategic & Tactical Issues

- 3.16 Our treasury management advisors full economic and market review for the year 2021/22 is included in **Appendix 5**.
- 3.17 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.
- 3.18 Due to the high cash balances held by the Council during the year, £20m of short term borrowing from other Local Authorities that reached maturity during 2021/22 were not replaced, therefore reducing the Council's overall total borrowing.

Borrowing Update

- 3.19 In Q1 the Council sought advice from its treasury advisors on the opportunity to make an early repayment of a £10m LOBO loan during 2021/22 as part of a debt rescheduling approach. In consultation with the Cabinet Member for Economic Development & Resources, the Chief Finance Officer made the decision to pursue this restructuring, on the basis that it could provide revenue savings and reduce risk by replacing the LOBO debt with a shorter duration PWLB loan more aligned to the Council's future borrowing profile.
- 3.20 During the period the lender of the LOBO carried out their due diligence on the Council prior to execution of the repayment, interest rates increased. Upon

re-assessment of the repayment with updated interest rates, it was assessed that it no longer appeared to be a value for money exercise, and it was decided that the Council would not proceed at this time. It was agreed that in their monitoring of future interest rate changes, our treasury advisors would conduct a future assessment on a repayment option should interest rates move in a way which would make the deal more favourable.

- 3.21 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

- 3.22 A breakdown of the revenue budget showing interest and capital financing and the year-end position based on the period covering April 2021 to March 2022 is included in **Appendix 6**. An overall underspend of £1.078m is reported towards the Council's net revenue outturn, mainly related to the temporary high levels of cash balances currently held, resulting in a delay in the need to borrow and therefore incurring lower than budgeted interest costs.

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. As a result of the coronavirus pandemic, the frequency of updates and recommended actions from Arlingclose has increased, the Council has been acting on all recommendations in a timely manner.
- 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 risks are managed, is included as **Appendix 8**.

7 CLIMATE CHANGE

- 7.1 The Council will continue to avoid any direct treasury management investments in fossil fuel related companies and will engage with its advisors to explore and assess the potential for any future investment opportunities in funds with a Renewable Energy & Sustainability focus as these products continue to be developed by the market in response to the Climate & Nature Emergency agenda.
- 7.2 An ESG section was added to the Treasury Management Strategy document for the 2021/22 period and the treasury team will actively consider investment options permitted under the new guidelines.
- 7.3 As detailed under 3.12, a £5m deposit in the Lloyd's 95-day sustainability account was made during the quarter. This account is a deposit product of Lloyds Bank which helps to support ESG focussed projects by offering discounted funding rates to projects with a green/sustainable goal.
- 7.4 As detailed under 3.13, the second of 2 purchases in two ESG focussed funds have now taken place, bringing the Council's position to £5m in long term ESG focussed investment funds.

8 OTHER OPTIONS CONSIDERED

- 8.1 None

9 CONSULTATION

- 9.1 Consultation has been carried out with the Cabinet Member for Economic Development & Resources, Chief Finance Officer and Monitoring Officer.

Contact person	<i>Gary Adams - 01225 47 7107; Jamie Whittard - 01225 47 7213</i> Gary_Adams@BATHNES.GOV.UK : Jamie_Whittard@BATHNES.GOV.UK
Background papers	<i>2021/22 Treasury Management & Investment Strategy</i>
Please contact the report author if you need to access this report in an alternative format	

APPENDIX 1

Performance against Treasury Management Indicators agreed in Treasury Management Strategy Statement

1. Treasury Borrowing limits

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.

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.

	2021/22 Prudential Indicator	Actual as at 31 st Mar 2022
Operational boundary – borrowing	£408m	£219.4m
Operational boundary – other long-term liabilities	£4m	£0m
Operational boundary – TOTAL	£412m	£219.4m
Authorised limit – borrowing	£438m	£219.4m
Authorised limit – other long-term liabilities	£4m	£0m
Authorised limit – TOTAL	£442m	£219.4m

2. 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**.

	2021/22 Prudential Indicator	Actual as at 31 st Mar 2022
	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.

3. Liquidity

The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

Liquidity risk indicator	2021/22 Prudential Indicator	Minimum During Year	Date of minimum
Minimum liquid cash balance in period	£15m	£40.7m	28 th Mar

4. 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.

	2021/22 Prudential Indicator	Actual as at 31 st Mar 2022
Upper limit on fixed interest rate exposures	£408m	£199.4m
Upper limit on variable interest rate exposures	£184m	£20m

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.

The Fixed rate limit is the 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.

The Variable rate limit is the maximum amount of total borrowing which can be at variable interest rates.

5. Maturity Structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk.

	Upper Limit	Lower Limit	Actual as at 31 st Mar 2022
	%	%	%
Under 12 months	50	Nil	11.4
12 months and within 24 months	50	Nil	0
24 months and within 5 years	75	Nil	0
5 years and within 10 years	75	Nil	6.8
10 years and within 25 years	100	25	50.0
Over 25 years	100		31.8

* 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.

6. Upper limit for total principal sums invested for over 364 days

The purpose of this indicator is to control the Authority'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:

Price risk indicator	2021/22 Prudential Indicator	Actual as at 31 st Mar 2022
Limit on principal invested beyond 31 st March 2022	£50m	£10m*
Limit on principal invested beyond 31 st March 2023	£20m	£10m*
Limit on principal invested beyond 31 st March 2024	£10m	£10m*

*The Council includes the CCLA LA Property Fund & two long term ESG Investments against this indicator as they are both held as Long Term Strategic Investments.

APPENDIX 2

The Council's Investment position at 31st March 2022

The term of investments is as follows:

Term Remaining	Balance at 31 st Mar 2022	Comparators	
		Balance at 31 st Dec 2021	Balance at 31 st Mar 2021
	£m	£m	£m
Notice (instant access funds)	49.2	50.4	47.5
Up to 1 month	0	0	5.0
1 month to 3 months	20.0	15.0	5.0
3 months to 6 months	0	5.0	0
6 months to 12 months	5.0	5.0	10.0
Strategic Funds	10.0	7.5	5.0
Total	84.2	82.9	72.5

The investment figure is made up as follows:

	Balance at 31 st Mar 2022	Comparators	
		Balance at 31 st Dec 2021	Balance at 31 st Mar 2021
	£m	£m	£m
B&NES Council	82.3	80.3	70.6
Schools	1.9	2.6	1.9
Total	84.2	82.9	72.5

The Council had a total average net positive investment balance of £86.1m during the period April 2021 to March 2022.

Charts 1 & 2 – Current Quarter

Chart 1: Council Investments as at 31st March 2022 - £84.2m

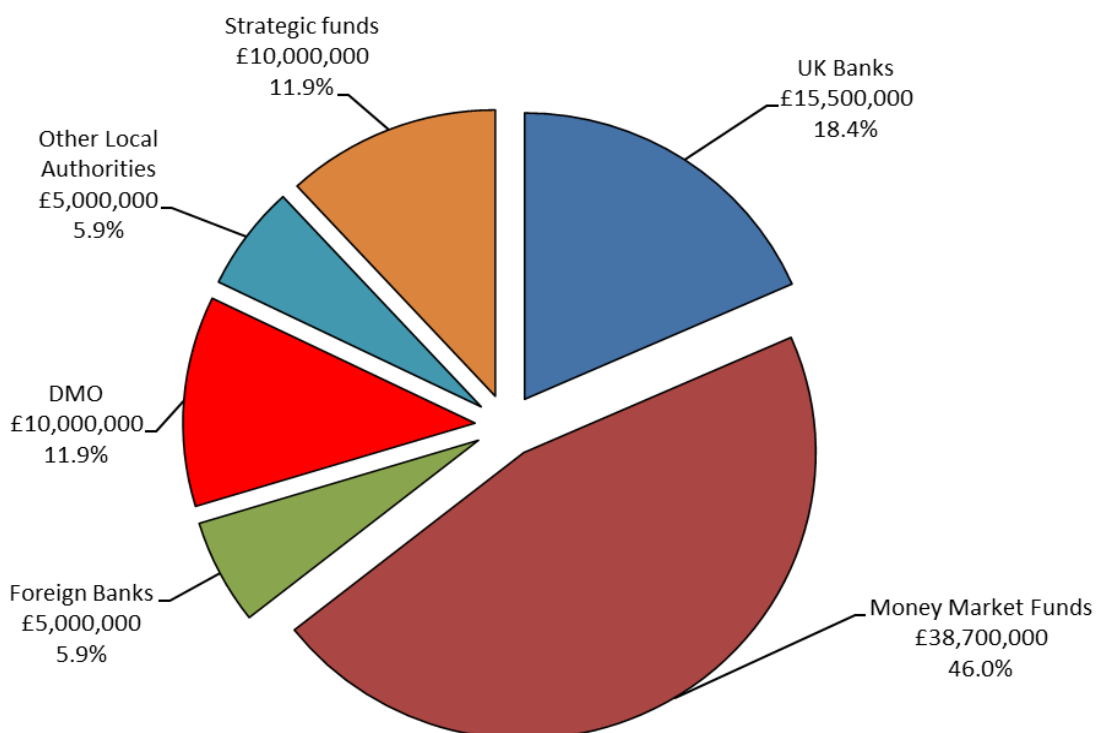
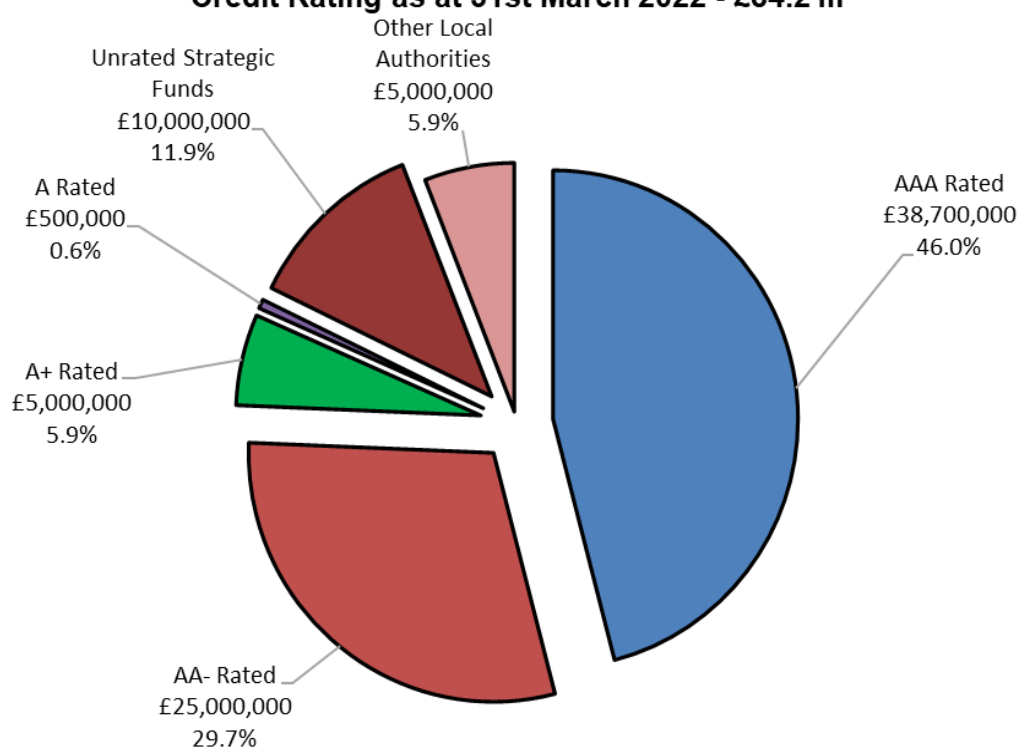


Chart 2: Council Investments Per Lowest Equivalent Long Term Credit Rating as at 31st March 2022 - £84.2 m



Charts 3 & 4 – Previous Quarter Comparators

Chart 3: Council Investments as at 31st December 2021 - £82.9m

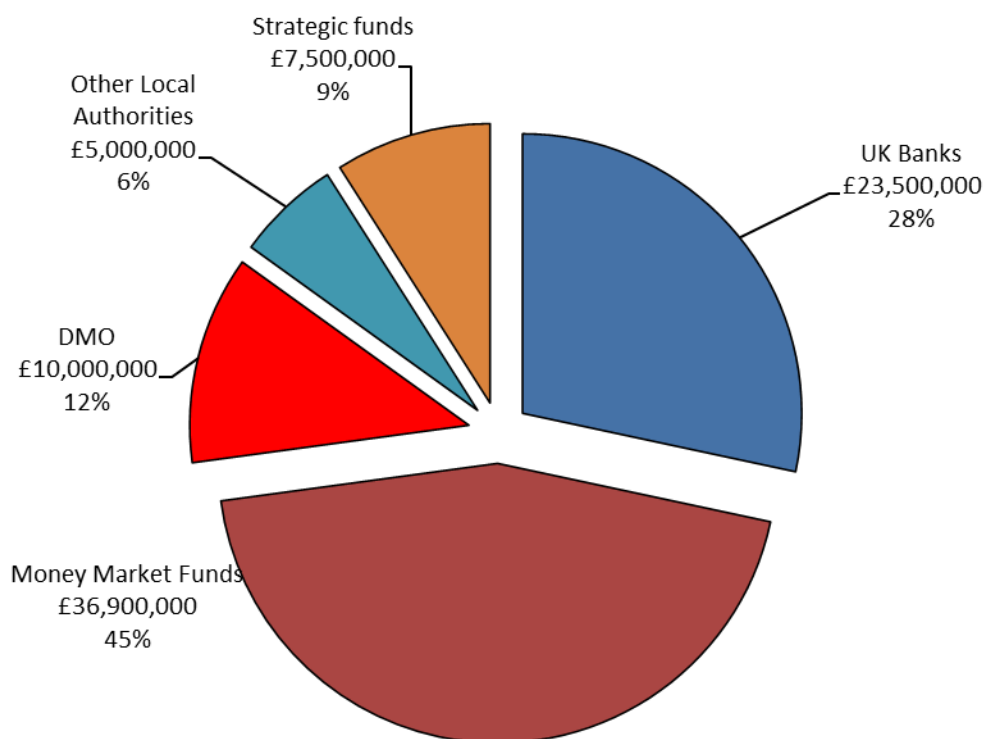
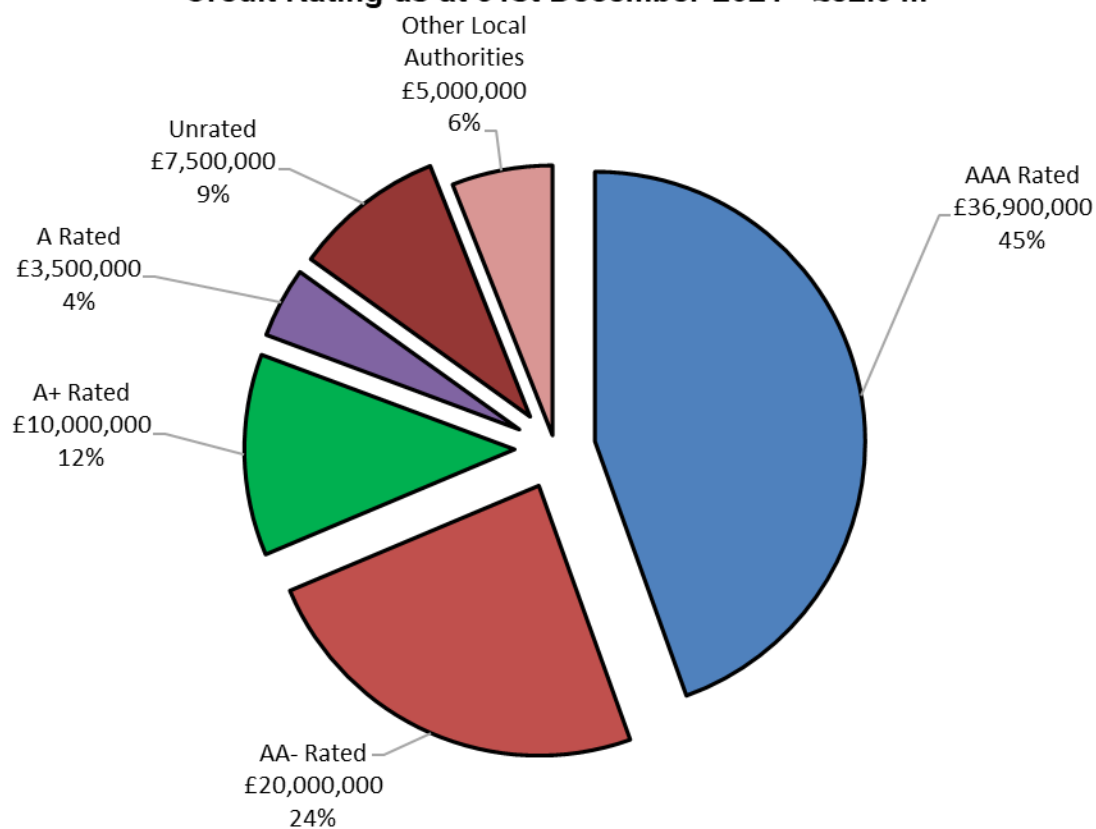


Chart 4: Council Investments Per Lowest Equivalent Long Term Credit Rating as at 31st December 2021 - £82.9 m



Charts 5 & 6 – Start of Year Comparators

Chart 5: Council Investments as at 31st March 2021 - £72.5m

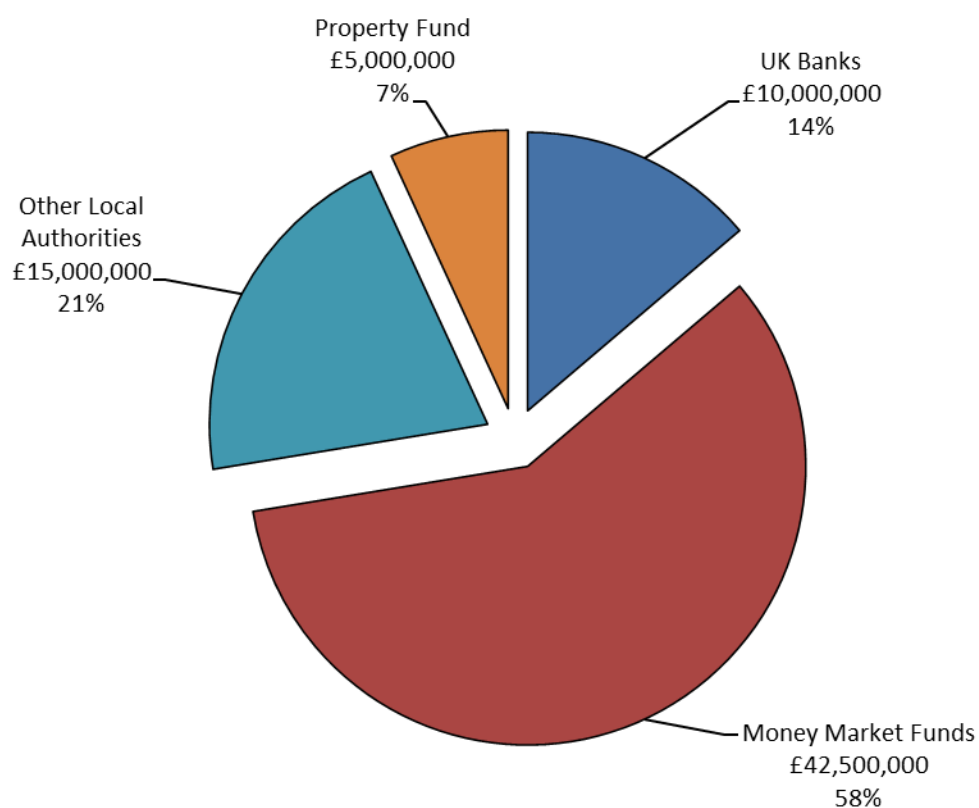
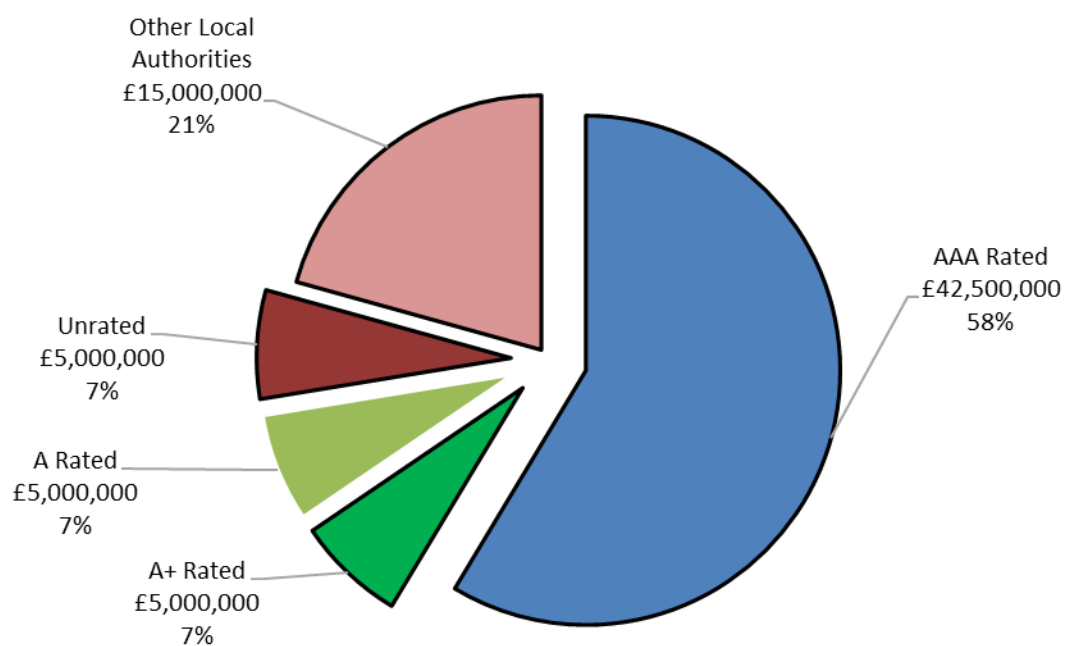


Chart 6: Council Investments Per Lowest Equivalent Long Term Credit Rating as at 31st March 2021 - £72.5m



APPENDIX 3

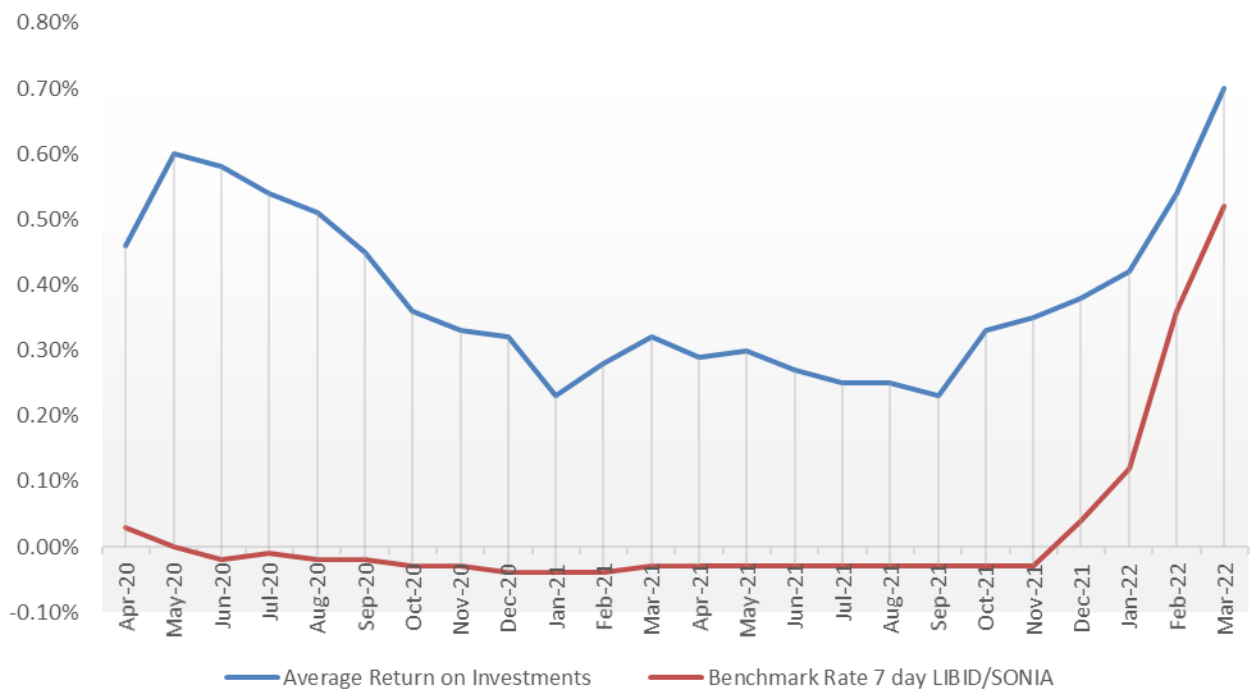
Average rate of return on investments for 2021/22

	Av return	Benchmark = Average 7 Day LIBID rate +0.05% (7 Day SONIA – 0.08%) (source: Arlingclose)	Performance against Benchmark %
April	0.29%	-0.03%	+0.32%
May	0.30%	-0.03%	+0.33%
June	0.27%	-0.03%	+0.30%
July	0.25%	-0.03%	+0.28%
August	0.25%	-0.03%	+0.28%
September	0.23%	-0.03%	+0.27%
October	0.33%	-0.03%	+0.36%
November	0.35%	-0.03%	+0.38%
December	0.38%	0.04%	+0.34%
January	0.42%	0.12%	+0.30%
February	0.54%	0.36%	+0.18%
March	0.70%	0.52%	+0.18%
Average	0.36%	0.06%	+0.30%

For Comparison, the average rate of return on investments for 2020/21 was as follows:

	Av return	Benchmark = Average 7 Day LIBID rate +0.05% (source: Arlingclose)	Performance against Benchmark %
April	0.46%	0.03%	+0.43%
May	0.60%	0.00%	+0.60%
June	0.58%	-0.02%	+0.60%
July	0.54%	-0.01%	+0.55%
August	0.51%	-0.02%	+0.52%
September	0.45%	-0.02%	+0.47%
October	0.36%	-0.03%	+0.39%
November	0.33%	-0.03%	+0.36%
December	0.32%	-0.04%	+0.36%
January	0.23%	-0.04%	+0.27%
February	0.28%	-0.04%	+0.32%
March	0.32%	-0.03%	+0.35%
Average	0.41%	-0.02%	+0.43%

Average Return on Investments 2020/21 & 2021/22 compared to Benchmark



APPENDIX 4

Council's External Borrowing at 31st March 2022

Lender	Amount outstanding @ 31st Dec'21	Change in Quarter	Amount outstanding @ 31st Mar'22	Start date	End date	Interest rate
Long term						
PWLB489142	10,000,000	-	10,000,000	15/10/2004	15/10/2034	4.75%
PWLB497233	5,000,000	-	5,000,000	12/05/2010	15/08/2035	4.55%
PWLB497234	5,000,000	-	5,000,000	12/05/2010	15/02/2060	4.53%
PWLB498834	5,000,000	-	5,000,000	05/08/2011	15/02/2031	4.86%
PWLB498835	10,000,000	-	10,000,000	05/08/2011	15/08/2029	4.80%
PWLB498836	15,000,000	-	15,000,000	05/08/2011	15/02/2061	4.96%
PWLB503684	5,300,000	-	5,300,000	29/01/2015	08/04/2034	2.62%
PWLB503685	5,000,000	-	5,000,000	29/01/2015	08/10/2064	2.92%
PWLB505122	16,546,973	-	16,546,973	20/06/2016	20/06/2041	2.36%
PWLB508126	8,929,760	-	8,929,760	06/12/2018	20/06/2043	2.38%
PWLB508202	9,640,378	-	9,640,378	12/12/2018	20/06/2068	2.59%
PWLB508224	4,456,620	-	4,456,620	13/12/2018	20/06/2043	2.25%
PWLB505744	8,385,987	(189,711)	8,196,276	24/02/2017	15/08/2039	2.28%
PWLB505966	8,588,372	(165,842)	8,422,529	04/04/2017	15/02/2042	2.26%
PWLB506052	7,298,766	(141,090)	7,157,675	08/05/2017	15/02/2042	2.25%
PWLB506255	6,714,422	(37,850)	6,676,572	10/08/2017	10/04/2067	2.64%
PWLB506729	8,925,963	(160,729)	8,765,234	13/12/2017	10/10/2042	2.35%
PWLB506995	8,947,355	(158,052)	8,789,303	06/03/2018	10/10/2042	2.52%
PWLB506996	9,194,007	(121,254)	9,072,753	06/03/2018	10/10/2047	2.62%
PWLB507749	9,092,523	(157,716)	8,934,808	10/09/2018	20/07/2043	2.42%
PWLB508485	19,473,504	(109,313)	19,364,192	11/02/2019	20/07/2068	2.52%
PWLB509840	9,322,004	(172,476)	9,149,528	04/09/2019	20/07/2044	1.40%
KBC Bank N.V *	5,000,000	-	5,000,000	08/10/2004	08/10/2054	4.50%
KBC Bank N.V *	5,000,000	-	5,000,000	08/10/2004	08/10/2054	4.50%
Commerzbank AG Frankfurt*	10,000,000	-	10,000,000	27/04/2005	27/04/2055	4.50%
Medium term						
Portsmouth C.C.	5,000,000	-	5,000,000	19/12/2019	19/12/2022	1.65%
Total Borrowing	220,816,633	(1,414,033)	219,402,600			

*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.

The "Change in Quarter" movement on some of the PWLB loans reflects that these loans have an annuity repayment profile, so repayments of principal are made on a 6 monthly basis throughout the life of the loans.

APPENDIX 5

Economic and market review for April to March 2022

Economic background: The continuing economic recovery from coronavirus pandemic, together with the war in Ukraine, higher inflation, and higher interest rates were major issues over the period.

Bank Rate was 0.1% at the beginning of the reporting period. April and May saw the economy gathering momentum as the shackles of the pandemic restrictions were eased. Despite the improving outlook, market expectations were that the Bank of England would delay rate rises until 2022. Rising, persistent inflation changed that.

UK CPI was 0.7% in March 2021 but thereafter began to steadily increase. Initially driven by energy price effects and by inflation in sectors such as retail and hospitality which were re-opening after the pandemic lockdowns, inflation then was believed to be temporary. Thereafter price rises slowly became more widespread, as a combination of rising global costs and strong demand was exacerbated by supply shortages and transport dislocations. The surge in wholesale gas and electricity prices led to elevated inflation expectations. CPI for February 2022 registered 6.2% year on year, up from 5.5% in the previous month and the highest reading in the National Statistic series. Core inflation, which excludes the more volatile components, rose to 5.2% y/y from 4.4%.

The government's jobs furlough scheme insulated the labour market from the worst effects of the pandemic. The labour market began to tighten and demand for workers grew strongly as employers found it increasingly difficult to find workers to fill vacant jobs. Having peaked at 5.2% in December 2020, unemployment continued to fall and the most recent labour market data for the three months to January 2022 showed the unemployment rate at 3.9% while the employment rate rose to 75.6%. Headline 3-month average annual growth rate for wages were 4.8% for total pay and 3.8% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 0.1% while regular pay fell by 1.0%.

With the fading of lockdown – and, briefly, the 'pingdemic' – restraints, activity in consumer-facing sectors improved substantially as did sectors such as oil and mining with the reopening of oil rigs but materials shortages and the reduction in the real spending power of households and businesses dampened some of the growth momentum. Gross domestic product (GDP) grew by an upwardly revised 1.3% in the fourth calendar quarter of 2021 according to the final estimate (initial estimate 1.0%) and took UK GDP to just 0.1% below where it was before the pandemic. The annual growth rate was revised down slightly to 7.4% (from 7.5%) following a revised 9.3% fall in 2020.

Having increased Bank Rate from 0.10% to 0.25% in December, the Bank of England hiked it further to 0.50% in February and 0.75% in March. At the meeting in February, the Monetary Policy Committee (MPC) voted unanimously to start reducing the stock of its asset purchase scheme by ceasing to reinvest the proceeds from maturing bonds as well as starting a programme of selling its corporate bonds.

In its March interest rate announcement, the MPC noted that the invasion of Ukraine had caused further large increases in energy and other commodity prices, with the expectation that the conflict will worsen supply chain disruptions around the world and push CPI inflation to around 8% later in 2022, even higher than forecast only a month before in the February Monetary Policy Report. The Committee also noted that although GDP in

January was stronger than expected with business confidence holding up and the labour market remaining robust, consumer confidence had fallen due to the squeeze in real household incomes.

GDP growth in the euro zone increased by 0.3% in calendar Q4 2021 following a gain of 2.3% in the third quarter and 2.2% in the second. Headline inflation remains high, with CPI registering a record 7.5% year-on-year in March, the ninth successive month of rising inflation. Core CPI inflation was 3.0% y/y in March, was well above the European Central Bank's target of 'below, but close to 2%', putting further pressure on its long-term stance of holding its main interest rate of 0%.

The US economy expanded at a downwardly revised annualised rate of 6.9% in Q4 2021, a sharp increase from a gain of 2.3% in the previous quarter. In its March 2022 interest rate announcement, the Federal Reserve raised the Fed Funds rate to between 0.25% and 0.50% and outlined further increases should be expected in the coming months. The Fed also repeated its plan to reduce its asset purchase programme which could start by May 2022.

Financial markets: The conflict in Ukraine added further volatility to the already uncertain inflation and interest rate outlook over the period. The Dow Jones started to decline in January but remained above its pre-pandemic level by the end of the period while the FTSE 250 and FTSE 100 also fell and ended the quarter below their pre-March 2020 levels.

Bond yields were similarly volatile as the tension between higher inflation and flight to quality from the war pushed and pulled yields, but with a general upward trend from higher interest rates dominating as yields generally climbed.

The 5-year UK benchmark gilt yield began the quarter at 0.82% before rising to 1.41%. Over the same period the 10-year gilt yield rose from 0.97% to 1.61% and the 20-year yield from 1.20% to 1.82%.

The Sterling Overnight Rate (SONIA) averaged 0.39% over the quarter.

Credit review: In the first half of FY 2021-22 credit default swap (CDS) spreads were flat over most of period and are broadly in line with their pre-pandemic levels. In September spreads rose by a few basis points due to concerns around Chinese property developer Evergrande defaulting but then fell back. Fitch and Moody's revised upward the outlook on a number of UK banks and building societies on the Authority's counterparty to 'stable', recognising their improved capital positions compared to 2020 and better economic growth prospects in the UK.

Fitch also revised the outlook for Nordea, Svenska Handelsbanken and Handelsbanken plc to stable. The agency considered the improved economic prospects in the Nordic region to have reduced the baseline downside risks it previously assigned to the lenders.

The successful vaccine rollout programme was credit positive for the financial services sector in general and the improved economic outlook meant some institutions were able to reduce provisions for bad loans. However, in 2022, the uncertainty engendered by Russia's invasion of Ukraine pushed CDS prices modestly higher over the first calendar quarter, but only to levels slightly above their 2021 averages, illustrating the general resilience of the banking sector.

Having completed its full review of its credit advice on unsecured deposits, in September Arlingclose extended the maximum duration limit for UK bank entities on its recommended lending list from 35 days to 100 days; a similar extension was advised in December for the non-UK banks on this list. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review

APPENDIX 6

Interest & Capital Financing Costs – Budget Monitoring 2021/22 Outturn

April 2021 to March 2022	YEAR END POSITION			ADV/FAV
	Budgeted Spend or (Income) £'000	Actual Spend or (Income) £'000	Actual over or (under) spend £'000	
Interest & Capital Financing				
- Debt Costs	8,049	7,091	(958)	FAV
- Internal Repayment of Loan Charges	(10,338)	(10,338)	0	
- Ex Avon Debt Costs	1,020	987	(33)	FAV
- Minimum Revenue Provision (MRP)	8,307	8,360	53	ADV
- Interest on Balances	(208)	(348)	(140)	FAV
Total	6,830	5,752	(1,078)	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 Risks

			Current Risk Score									Trend			Management Action		
	Risk Nr	Description	Likelihood					Impact					This Period				
			1	2	3	4	5	1	2	3	4	5					
			L	M	H	L	M	H	1	2	3						
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			6	6	6	6	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 Chief Finance Officer. Consider short and medium term cash balances and cashflows 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			3					3		9	9	4	4	Monitor interest rates on a monthly basis and compare with budget to determine impact on Council finances and report through monthly Treasury Dashboard. Report implication of interest rate changes to Cabinet 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	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.				4				3		12	9	4	4	Liaise with Chief Finance Officer to ensure Inflation both current and projected forms part of the medium term financial planning framework.	
4	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	12	12	12	12	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 Chief Finance Officer and external advisors to consider any issues / change in circumstances of counterparties.	
5	R09	Key Personnel - There is a risk that staff absence results in the inability to process Treasury Management transactions.			3					3		9	9	9	6	Produce & maintain a Business Continuity Plan to manage staff absences Provide refresher training and periodically ask secondary process operators to run the treasury process to ensure that there are a number of people able to perform the treasury activity	

Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING DATE:	19 th July 2022	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3365
TITLE:	Treasury Management Performance Report to 30 th June 2022	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 – Performance Against Prudential Indicators		
Appendix 2 – The Council’s Investment Position at 30 th June 2022		
Appendix 3 – Average monthly rate of return for 1 st 3 months of 2022/23		
Appendix 4 – The Council’s External Borrowing Position at 30 th June 2022		
Appendix 5 – Arlingclose’s Economic & Market Review Q1 of 2022/23		
Appendix 6 – Interest & Capital Financing Budget Monitoring 2022/23		
Appendix 7 – Summary Guide to Credit Ratings		
Appendix 8 – Extract from Treasury Management Risk Register		

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 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 for 2022/23 for the first three months of 2022/23.

2 RECOMMENDATION

The Cabinet agrees that;

- 2.1 The Treasury Management Report to 30th June 2022, prepared in accordance with the CIPFA Treasury Code of Practice, is noted.
- 2.2 The Treasury Management Indicators to 30th June 2022 are noted.

3 THE REPORT

Summary

- 3.1 The average rate of investment return for the first three months of 2022/23 is 1.00%, which is 0.09% above the benchmark rate which has averaged 0.91% over the period.
- 3.2 The Council's Prudential Indicators for 2022/23 were agreed by Council in February 2022 and performance against the key indicators is shown in **Appendix 1**. All indicators are within target levels.
- 3.3 The Council's revenue budget for interest & capital financing costs for 2022/23 is currently forecast £250k under budget due to higher than budgeted investment income. This is due to both the increase in interest rates since the budget was set, along with the temporary high levels of cash balances currently held following the advance payment of grants and the profiling of capital expenditure. The breakdown of the 2022/23 revenue budget for interest and capital financing, and the forecast year end position is included in **Appendix 6**.

Summary of Returns

- 3.4 The Council's investment position as at 30th June 2022 is given in **Appendix 2**, along with the previous quarter's position for comparison. The balance of deposits as at 30th June 2022, compared to those as at 31st March 2022, are also set out in the pie charts in this appendix.
- 3.5 Gross estimated interest earned on investments totalled £225k. **Appendix 3** details the investment performance, showing the average rate of interest earned over this period was 1.00%, which was 0.09% above the benchmark rate of average 7 day SONIA (0.91%). This excess is mainly due to the £5m investment held in the CCLA Local Authority Property Fund and £5m invested in ESG focussed funds, which are long term strategic investment earning a higher estimated rate of interest of 3.70%, based on the first three months of 2022/23. The prior year comparators are also included in this appendix.
- 3.6 Following the discontinuation of published 7 Day LIBID rates, from 2022/23 onwards the Council will be benchmarking its investments rates to the average 7 Day SONIA (Sterling Overnight Index Average) rate as an alternative. This is being used as the comparative benchmark as SONIA can be seen as the average interest rate at which a selection of financial institutions lend to one another with a maturity of 1 day (overnight), therefore reflecting the callable nature of the majority of the Council's short-term investments.

Summary of Borrowings

- 3.7 The Council's external borrowing as at 30th June 2022 totalled £218.3 million and is detailed in **Appendix 4**. Due to the levels of cash balances currently held by the Council, there has not been any new borrowing taken out during the quarter. A summary of the current movement in borrowing during 2022/23 is shown in the following table:

2022/23 Borrowing Portfolio Movements	£m
2022/23 Opening Balance	219.403
New Loans Taken	0.000
Loans Repaid	0.000
PWLB Annuity Loan principal repayments	(1.116)
2022/23 Revised Balance	218.287

3.8 The Council's Capital Financing Requirement (CFR) as at 31st March 2022 was £328.2 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.

3.9 The difference between the CFR and the current borrowing of £218.3 million represents re-investment of the internal balances including reserves, reducing the in-year borrowing costs in excess of the potential investment returns.

3.10 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 2022 apportioned to Bath & North East Somerset Council is £10.5m. 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 3.7.

Strategic & Tactical Decisions

3.11 As shown in the charts in **Appendix 2**, the investment portfolio of £82.6 million as at 30th June 2022 is diversified across Money Market Funds, Local Authorities, the Government's Debt Mgt Account Deposit Facility, Strategic funds and in highly rated UK & Foreign Banks. The Council uses AAA rated Money Market funds to maintain 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.

3.13 The Council's investment portfolio as at 30th June 2022 includes a total of £10m invested longer term, including £5m in ESG focussed funds and £5m in a property fund, as listed below:

- £5m CCLA Local Authorities Property Fund.
- £3m FP Foresight UK Infrastructure Income Fund.
- £2m VT Gravis Clean Energy Income Fund.

3.14 The Council also maintains a deposit of £5m in the Lloyd's Bank 95-day notice sustainability deposit account, in line with the ESG focussed short term deposit section of the 2022/23 Treasury Management Strategy.

3.15 The Council's average investment return for short-term investments is currently 0.67%, which is 0.42% above the budgeted level of 0.25%. The estimated average

return on the £10m long-term strategic investments is estimated to be 3.7%, slightly above the budgeted rate of 3.5%. The combined average return on all investments is 1.00%. The current forecast is for an overachievement of interest income from investments of £250k due to the Council's cash balances being higher than was forecast when the budget was set, as well as recent increases in interest rates.

Investment Type	Average YTD Investment Return
Short Term Investments Total	0.67%
Long Term Strategic Investments (Estimated)*:	
CCLA Local Authorities Property Fund	3.4%
FP Foresight UK Infrastructure Income Fund	4.2%
VT Gravis Clean Energy Income Fund	3.8%
Long Term Strategic Investments Total (Est.)	3.7%
Overall Total (Estimated)	1.00%

* The investment returns on the Long Term Strategic Investments are currently estimates based on the previous quarter. The actual figure for the quarter is not available until several weeks after the quarter has finished.

Future Strategic & Tactical Issues

- 3.16 The Council's Treasury Management Advisor's economic and market review for the first quarter of 2022/23 is included in **Appendix 5**.
- 3.17 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.
- 3.18 Any additional borrowing to take place in 2022/23 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.

Budget Implications

- 3.19 The breakdown of the 2022/23 revenue budget for interest and capital financing, and the forecast year end position based on the period April to June 2022, is included in **Appendix 6**. An overall underspend of £0.250m is currently forecast due to higher than budgeted investment income. This is due to both the increase in interest rates since the budget was set, along with the temporary high levels of cash balances currently held following the advance payment of grants and the profiling of capital expenditure.

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 risks are managed, is included as **Appendix 8**.

7 CLIMATE CHANGE

- 7.1 The Council will continue to avoid any direct treasury management investments in fossil fuel related companies and will engage with its advisors to explore and assess the potential for any future investment opportunities in funds with a Renewable Energy & Sustainability focus as these products continue to be developed by the market in response to the Climate & Nature Emergency agenda.
- 7.2 An ESG section is included the Treasury Management Strategy document for 2022/23, with the treasury team monitoring investment options permitted under the new guidelines.
- 7.3 As detailed under 3.14, the Council holds a £5m deposit balance in the Lloyd's 95-day sustainability account. This account is a deposit product of Lloyds Bank which helps to support ESG focussed projects by offering discounted funding rates to projects with a green/sustainable goal.
- 7.4 The Council also holds £5m in longer term investments, split across two ESG focussed Strategic Funds, as detailed under 3.13.

8 OTHER OPTIONS CONSIDERED

- 8.1 None

9 CONSULTATION

- 9.1 Consultation has been carried out with the Cabinet Member for Economic Development & Resources, Chief Finance Officer and Monitoring Officer.

Contact person	<i>Gary Adams - 01225 47 7107; Jamie Whittard - 01225 47 7213</i> Gary.Adams@BATHNES.GOV.UK ; Jamie.Whittard@BATHNES.GOV.UK
Background papers	<i>2022/23 Treasury Management & Investment Strategy</i>

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

APPENDIX 1

Performance against Treasury Management Indicators agreed in Treasury Management Strategy Statement

1. Treasury Borrowing limits

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.

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.

	2022/23 Prudential Indicator	Actual as at 30 th June 2022
Operational boundary – borrowing	£435m	£218.3m
Operational boundary – other long-term liabilities	£4m	£0m
Operational boundary – TOTAL	£439m	£218.3m
Authorised limit – borrowing	£464m	£218.3m
Authorised limit – other long-term liabilities	£4m	£0m
Authorised limit – TOTAL	£468m	£218.3m

2. 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. A summary guide to credit ratings is set out at **Appendix 7**.

	2022/23 Prudential Indicator	Actual as at 30 th June 2022
	Rating	Rating
Minimum Portfolio Average Credit Rating	A-	AA+

* The calculation excludes the strategic investment in the CCLA Local Authority Property Fund and ESG focussed Investment Funds, which are unrated.

3. Liquidity

The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

Liquidity risk indicator	2022/23 Prudential Indicator	Minimum During Quarter	Date of minimum
Minimum total Cash Available within 3 months	£15m	£57.4m	27-May-22

4. Interest rate exposures

This indicator is set to control the Council's exposure to interest rate risk. The upper limit represents the maximum one-year revenue impact of a 1% rise or fall in interest rates.

	2022/23 Prudential Indicator	Actual as at 30 th June 2022
Upper limit on one-year revenue impact of a 1% rise in interest rates	+/- £1m	+£0.643m
Upper limit on one-year revenue impact of a 1% fall in interest rates	+/- £1m	-£0.643m

The impact of this limit is that the Council should never be holding a maturity adjusted net debt / investment position on variable rates of more than £100m.

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates, which includes amounts which are maturing each year in PWLB annuity loans.

5. Maturity Structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk.

	Upper Limit	Lower Limit	Actual as at 30 th June 2022
	%	%	%
Under 12 months	50	Nil	2.3
12 months and within 24 months	50	Nil	0
24 months and within 5 years	75	Nil	0
5 years and within 10 years	75	Nil	6.9
10 years and within 25 years	100	25	49.8
Over 25 years	100		41.0

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date that the lender can demand repayment. For LOBO's, this is shown at the date of maturity.

6. Upper limit for total principal sums invested for over 364 days

The purpose of this indicator is to control the Authority'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:

Price risk indicator	2022/23 Prudential Indicator	Actual as at 30 th June 2022
Limit on principal invested beyond 31 st March 2023	£50m	£10m*
Limit on principal invested beyond 31 st March 2024	£20m	£10m*
Limit on principal invested beyond 31 st March 2025	£10m	£10m*

*The Council includes the CCLA LA Property Fund & two long term ESG focussed Investment Funds against this indicator as they are both held as Long Term Strategic Investments.

APPENDIX 2

The Council's Investment position at 30th June 2022

The term of investments is as follows:

Term Remaining	Balance at 30 th Jun 2022	Comparator
		Balance at 31 st Mar 2022
	£m	£m
Notice (instant access funds)	57.6	49.2
Up to 1 month	5.0	0
1 month to 3 months	5.0	20.0
3 months to 6 months	5.0	0
6 months to 12 months	0	5.0
Strategic Funds	10.0	10.0
Total	82.6	84.2

The investment figure is made up as follows:

	Balance at 30 th Jun 2022	Comparator
		Balance at 31 st Mar 2022
	£m	£m
B&NES Council	79.9	82.3
Schools	2.7	1.9
Total	82.6	84.2

The Council had a total average net positive balance of £89.9m during the period April 2022 to June 2022.

Charts 1 & 2 – Current Quarter

Chart 1: Council Investments as at 30th June 2022 - £82.6m

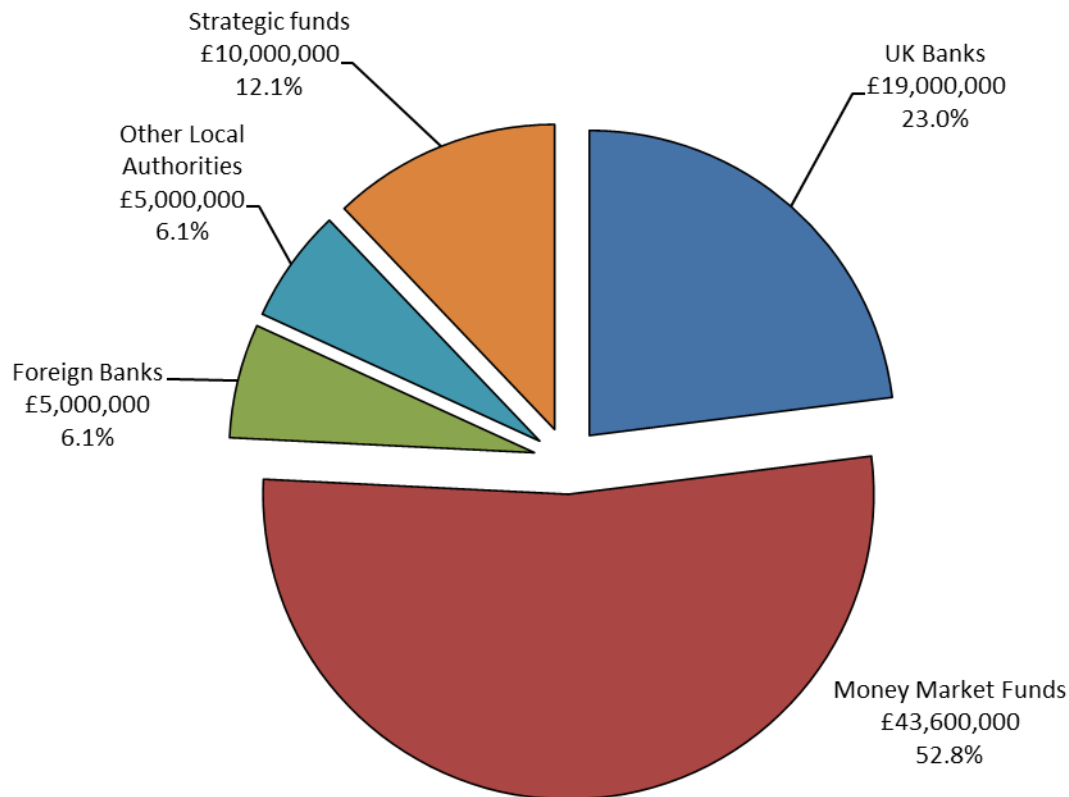
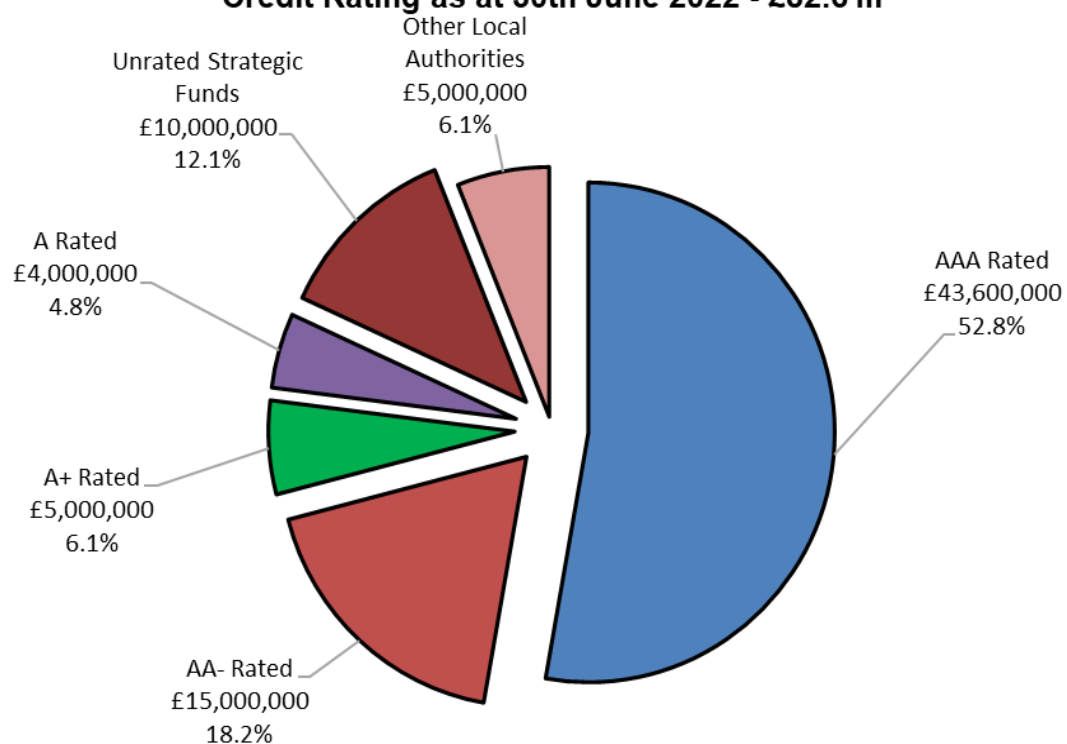


Chart 2: Council Investments Per Lowest Equivalent Long Term Credit Rating as at 30th June 2022 - £82.6 m



Charts 3 & 4 – Previous Quarter Comparators

Chart 3: Council Investments as at 31st March 2022 - £84.2m

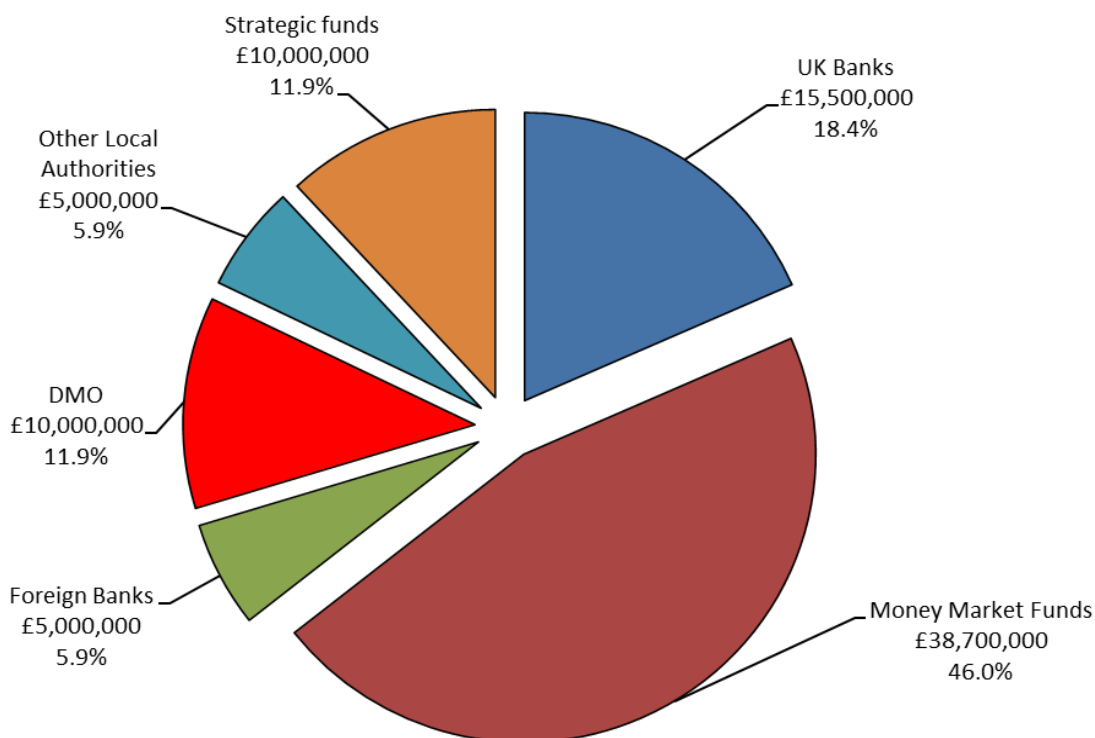
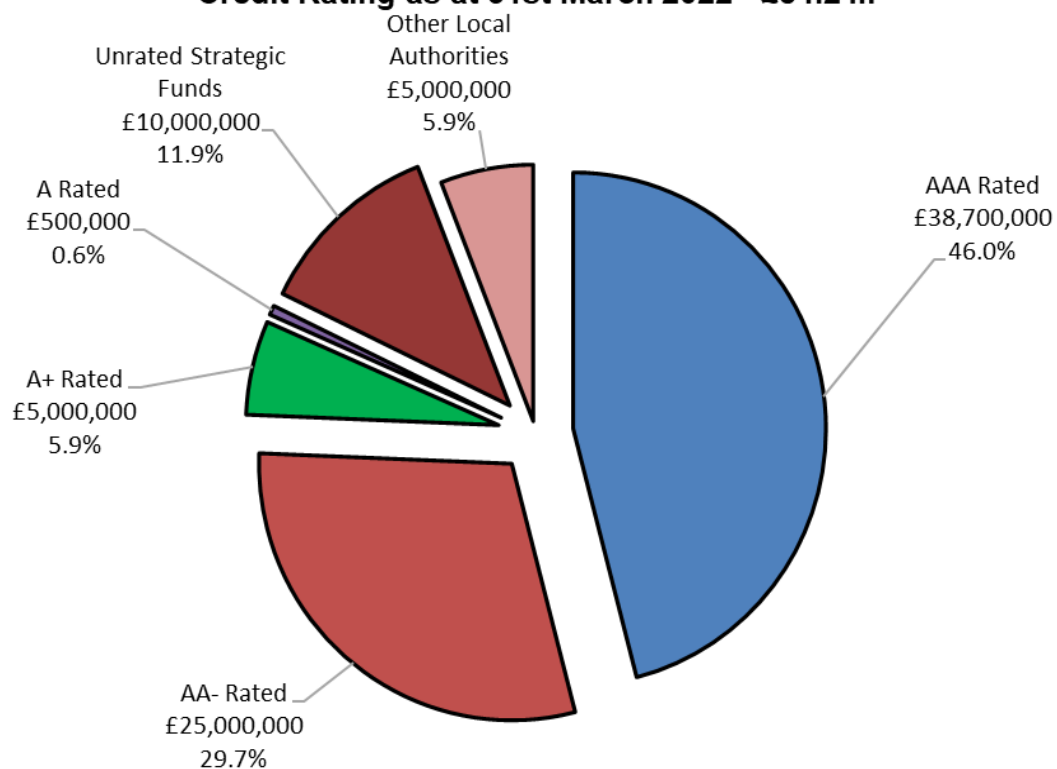


Chart 4: Council Investments Per Lowest Equivalent Long Term Credit Rating as at 31st March 2022 - £84.2 m



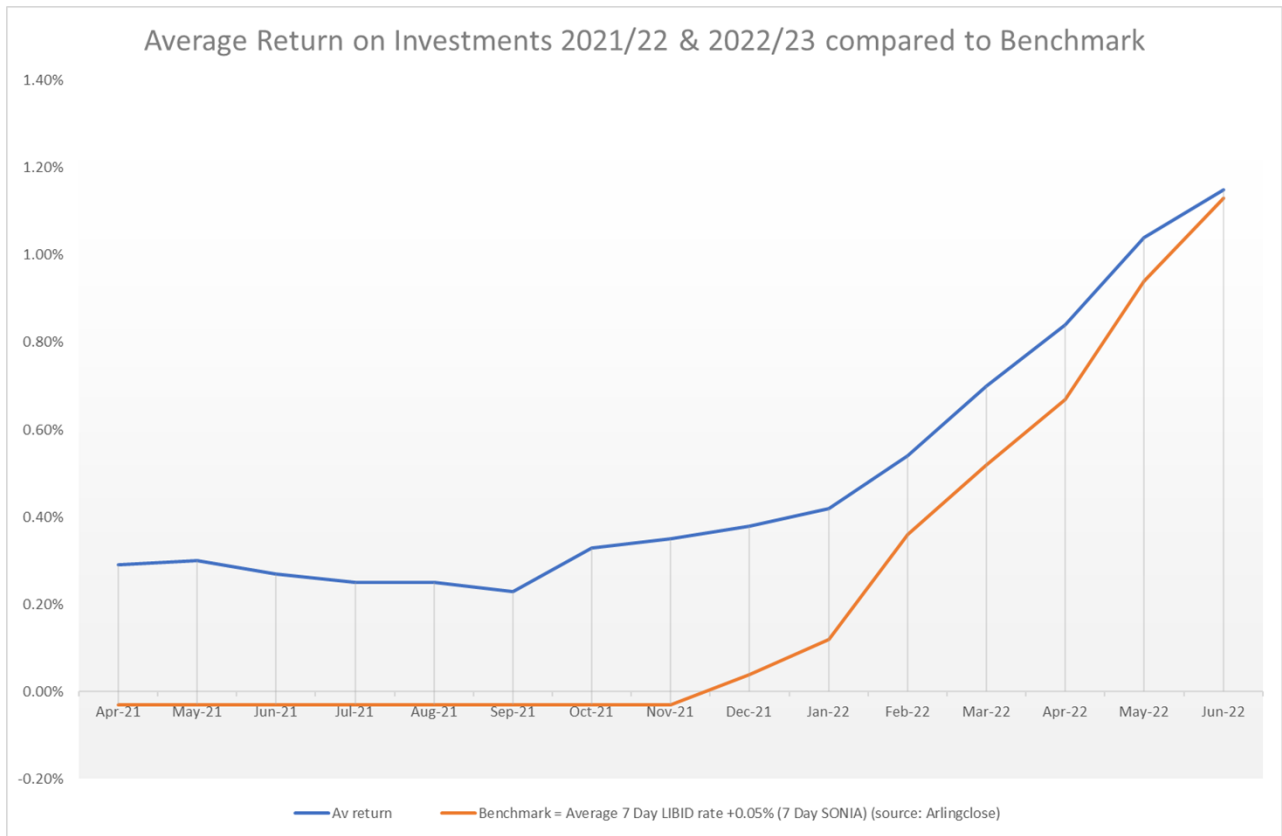
APPENDIX 3

Average rate of return on investments for 2022/23

	Average rate of interest earned	Benchmark = Average 7 Day SONIA rate	Performance against Benchmark
April 2022	0.84%	0.67%	+0.17%
May 2022	1.04%	0.94%	+0.10%
June 2022	1.15%	1.13%	+0.02%
Average	1.00%	0.91%	+0.09%

For Comparison, the average rate of return on investments for 2021/22 was as follows:

	Av return	Benchmark = Average 7 Day LIBID rate +0.05% (7 Day SONIA – 0.08%)	Performance against Benchmark %
April 2021	0.29%	-0.03%	+0.32%
May 2021	0.30%	-0.03%	+0.33%
June 2021	0.27%	-0.03%	+0.30%
July 2021	0.25%	-0.03%	+0.28%
August 2021	0.25%	-0.03%	+0.28%
September 2021	0.23%	-0.03%	+0.27%
October 2021	0.33%	-0.03%	+0.36%
November 2021	0.35%	-0.03%	+0.38%
December 2021	0.38%	0.04%	+0.34%
January 2022	0.42%	0.12%	+0.30%
February 2022	0.54%	0.36%	+0.18%
March 2022	0.70%	0.52%	+0.18%
Average	0.36%	0.06%	+0.30%



APPENDIX 4

Council's External Borrowing at 30th June 2022

Lender	Amount outstanding @ 31st Mar'22	Change in Quarter	Amount outstanding @ 31st Mar'22	Start date	End date	Interest rate
	£	£	£			
Long term						
PWLB489142	10,000,000	-	10,000,000	15/10/2004	15/10/2034	4.75%
PWLB497233	5,000,000	-	5,000,000	12/05/2010	15/08/2035	4.55%
PWLB497234	5,000,000	-	5,000,000	12/05/2010	15/02/2060	4.53%
PWLB498834	5,000,000	-	5,000,000	05/08/2011	15/02/2031	4.86%
PWLB498835	10,000,000	-	10,000,000	05/08/2011	15/08/2029	4.80%
PWLB498836	15,000,000	-	15,000,000	05/08/2011	15/02/2061	4.96%
PWLB503684	5,300,000	-	5,300,000	29/01/2015	08/04/2034	2.62%
PWLB503685	5,000,000	-	5,000,000	29/01/2015	08/10/2064	2.92%
PWLB505122	16,546,973	(336,571)	16,210,402	20/06/2016	20/06/2041	2.36%
PWLB508126	8,929,760	(160,255)	8,769,505	06/12/2018	20/06/2043	2.38%
PWLB508202	9,640,378	(54,070)	9,586,307	12/12/2018	20/06/2068	2.59%
PWLB508224	4,456,620	(81,158)	4,375,462	13/12/2018	20/06/2043	2.25%
PWLB505744	8,196,276	-	8,196,276	24/02/2017	15/08/2039	2.28%
PWLB505966	8,422,529	-	8,422,529	04/04/2017	15/02/2042	2.26%
PWLB506052	7,157,675	-	7,157,675	08/05/2017	15/02/2042	2.25%
PWLB506255	6,676,572	(38,350)	6,638,222	10/08/2017	10/04/2067	2.64%
PWLB506729	8,765,234	(162,618)	8,602,616	13/12/2017	10/10/2042	2.35%
PWLB506995	8,789,303	(160,043)	8,629,260	06/03/2018	10/10/2042	2.52%
PWLB506996	9,072,753	(122,842)	8,949,910	06/03/2018	10/10/2047	2.62%
PWLB507749	8,934,808	-	8,934,808	10/09/2018	20/07/2043	2.42%
PWLB508485	19,364,192	-	19,364,192	11/02/2019	20/07/2068	2.52%
PWLB509840	9,149,528	-	9,149,528	04/09/2019	20/07/2044	1.40%
KBC Bank N.V *	5,000,000	-	5,000,000	08/10/2004	08/10/2054	4.50%
KBC Bank N.V *	5,000,000	-	5,000,000	08/10/2004	08/10/2054	4.50%
Commerzbank AG Frankfurt*	10,000,000	-	10,000,000	27/04/2005	27/04/2055	4.50%
Medium term						
Portsmouth C.C.	5,000,000	-	5,000,000	19/12/2019	19/12/2022	1.65%
Total Borrowing	219,402,600	(1,115,907)	218,286,693			

*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.

The "Change in Quarter" movement on some of the PWLB loans reflects that these loans have an annuity repayment profile, so repayments of principal are made on a 6 monthly basis throughout the life of the loans.

APPENDIX 5: Arlingclose Economic & Market Review

Economic background: Following Russia's invasion of Ukraine in February, global inflationary pressures have intensified sharply, leading to a sizeable deterioration in the outlook for world and UK growth.

The economic backdrop in the April-June quarter was characterised by higher oil, gas and commodity prices, fears of rising and persistent inflation and its damaging impact on consumers' cost of living, little indication of an imminent end to Russia-Ukraine hostilities and supply chain bottlenecks exacerbated by war in Ukraine and lockdowns in China.

Added to this was tough rhetoric and action by central bankers globally on fighting inflation through higher interest rates and quantitative tightening even as financial conditions became increasingly difficult for consumers, more so for those whose wages have not kept pace with inflation.

In the UK inflation remained elevated. Ofgem, the energy regulator, increased the energy price cap by 54% in April, equivalent to around £700 for a household with average energy consumption (the cap had already increased 12% back in October 2021). May data showed CPI edging higher to 9.1% while the core CPI rate, which removes energy, fuel and food was 5.9%. RPI rose to 11.7%.

The labour market continued to show signs of tightness as employers struggled to fill vacancies with workers with skill sets matching their requirements. The unemployment rate for April fell to 3.8% and is now below pre-pandemic levels. Pay growth was 6.8% for total pay (including bonuses) and 4.2% for regular pay; however, adjusted for inflation, growth in total pay was just 0.4%, whilst regular pay fell 2.2%.

Unsurprisingly, with disposable income squeezed and another energy cap increase due in October, consumer confidence plummeted to the level last seen during the 2008/09 financial crisis. Quarterly GDP growth was 0.8% in the January-March quarter and the Bank of England now expects a decline of 0.3% in Q2 2022.

Having increased interest rates by 0.25% in April, the Bank of England's Monetary Policy Committee on the 15th of June 2022 voted 6-3 to increase the official Bank Rate by 0.25% to 1.25%. Those members in the minority preferred to increase Bank Rate by 0.5%. Rises in the input and output producer price measures suggest further inflationary pressure is in the pipeline. The Bank of England is therefore unlikely to become complacent, so further rate rises look likely in the near term.

Annual inflation in the US rose to 8.6% in May, the highest in nearly 40 years. The Federal Reserve also stepped up its fight against inflation with a 0.5% hike in rates in May followed by a further increase of 0.75% in June, the latter its most aggressive hike since 1994 and higher than markets expected, taking policy rates to a range of 1.5% - 1.75%.

Inflation in the Eurozone also pushed higher to 8.1%, with energy price pressures a major contributor. Europe is heavily impacted by the energy crisis following the Russian invasion of Ukraine, but concerns about the Eurozone's peripheral members and highly indebted members states complicates the European Central Bank's response as it seeks to normalise monetary policy. The ECB stated it would end quantitative easing at the beginning of July and then increase interest rates by 0.25% later in the month, the first hike since 2011. The central bank's Governing Council also convened an emergency meeting in June to address 'fragmentation' risks.

Financial markets: Heightened uncertainty characterised financial market sentiment and bond yields were similarly volatile but with a general upward trend as concern over higher inflation and higher interest rates dominated.

Over the quarter the 5-year UK benchmark gilt yield rose from 1.41% to 2.04%, the 10-year gilt yield rose from 1.61% to 2.39% and the 20-year yield from 1.82% to 2.69%. The Sterling Overnight Rate (SONIA) averaged 0.8% over the period.

Credit review: In May, Moody's affirmed the long-term rating of Guildford Borough Council at Aa3, a reflection of the Council's solid track record of budgetary performance and high level of usable reserves, but changed the 'outlook' (the longer-term direction of travel) to negative. The agency downgraded the long-term rating of Warrington Borough Council from A2 to A3 and that of Transport for London (TfL) from A3 to Baa1.

Having completed its full review of its credit advice on unsecured deposits at UK and non-UK banks, in May Arlingclose extended the maximum duration limit for five UK banks, four Canadian banks and four German banks to six months. The maximum duration for unsecured deposits with other UK and non-UK banks on Arlingclose's recommended list is 100 days.

Arlingclose continued to monitor and assess credit default swap levels for signs of credit stress but made no changes to the counterparty list or recommended durations. Nevertheless, increased market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.

APPENDIX 6

Interest & Capital Financing Costs – Budget Monitoring 2022/23

April 2022 to June 2022	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	8,031	8,031	0	
- Internal Repayment of Loan Charges	(13,052)	(13,052)	0	
- Ex Avon Debt Costs	980	980	0	
- Minimum Revenue Provision (MRP)	9,678	9,678	0	
- Interest on Balances	(425)	(675)	(250)	FAV
Total	5,212	4,962	(250)	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 Risks

			Current Risk Score										Trend			Management Action	
	Risk Nr	Description	Likelihood					Impact					This Period	Periods Ago			
			1	2	3	4	5	1	2	3	4	5					
			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			6	6	6	6	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 Chief Finance Officer. Consider short and medium term cash balances and cashflows 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			3					3			9	9	4	4	Monitor interest rates on a monthly basis and compare with budget to determine impact on Council finances and report through monthly Treasury Dashboard. Report implication of interest rate changes to Cabinet 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	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.				4				3			12	9	4	4	Liaise with Chief Finance Officer to ensure Inflation both current and projected forms part of the medium term financial planning framework.
4	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		12	12	12	12	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 Chief Finance Officer and external advisors to consider any issues / change in circumstances of counterparties.
5	R09	Key Personnel - There is a risk that staff absence results in the inability to process Treasury Management transactions.			3					3			9	9	9	6	Produce & maintain a Business Continuity Plan to manage staff absences Provide refresher training and periodically ask secondary process operators to run the treasury process to ensure that there are a number of people able to perform the treasury activity

Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	14 th July 2022	EXECUTIVE FORWARD PLAN REFERENCE:
		E3369
TITLE:	Quarter 4 Strategic Performance Report 2021/22 and Summary Service Activity	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Annex 1 Strategic Indicator Report Q4 2020/21 Annex 2 Activity Summary 2021/22		

1 THE ISSUE

- 1.1 This report is presented using the Council's **Integrated Reporting Framework (IRF)**. It updates Cabinet on the progress made against a key set of strategic performance measures, which assess our progress on delivering the Corporate Strategy and key aspects of service delivery.

2 RECOMMENDATION

The Cabinet is asked to:

- 2.1 Note progress on the delivery of key aspects of the Council's service delivery, details of which are highlighted in section 3.6 and Annex 1.
- 2.2 Indicate any other key service areas to be highlighted and included in the Strategic Indicator report.
- 2.3 Note the level of service activity for 2021/22 highlighted in the infographic presentation at Annex 2.

3 THE REPORT

- 3.1 Full Council adopted a new four-year Corporate Strategy at its meeting on 25th February 2020. The document set a new direction for the Council, reflecting the

aims of the administration elected in May 2019 and providing a clear approach to the Council's activities and priorities.

3.2 The Corporate Strategy is the Council's overarching strategic plan. It sets out what we plan to do, how we plan to do it, and how we will measure performance over the next four years. It contains a new framework for what we will focus on and how we will work, as follows:

- 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 ecological 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 residents** and **focus on prevention**. These, in turn, help us to identify specific delivery commitments across our services.

3.3 The Council collects and monitors a wide range of key performance indicators to measure its delivery. Many of these are of a statutory nature and need to be reported to central Government. There are also many local indicators developed by services to allow them to measure the delivery of Council services.

3.4 Cabinet have already received at its May meetings a report entitled an Update on progress on delivering the Corporate Strategy 2020-2024 and our COVID-19 Response, this narrative report gives an overview of all aspects of Council service delivery. This report today focuses on the key Strategic Performance Indicators for Council Services.

3.5 The Council has developed its own in-house **Integrated Reporting Framework (IRF)** which enables officers to monitor many aspects of the Council's delivery and performance. The framework is a dashboard-based online tool that allows the collection and monitoring of performance data directly from the Council's main business systems in many instances and is now used as the main tool for officers to measure progress. The IRF currently collects and monitors information on the following.

- Service performance through a set of agreed performance indicators
- Finance Overview
- Risk Management
- Contracts and Commissioning Intentions

- Corporate Data and Intelligence

3.6 The IRF has over 200 performance indicators that officers use to measure Council performance, which are a mix of statutory and local indicators, as explained in point 3.3. This is considered far too many to meaningfully report to Members through the democratic process, therefore a strategic set of indicators (shown at Annex 1 to this report) has been chosen to allow Members to focus on some key areas of delivery.

3.7 This Q4 report highlights the year end performance for 2021/22. Members will be aware that progress against the delivery of the Corporate Strategy and some aspects of service delivery has been significantly impacted by the COVID-19 pandemic during 2021/22 and the need to reallocate resources (staffing and finance) away from addressing these priorities. Despite this, good progress has been made during the year and is highlighted in Annex 1. For instance:

- 77% of environmental issues are now being reported online through Fix my street. This dataset is updated daily giving the service near real time information. It is hoped that this will improve even further as it becomes part of the work for the Council's new Customer Contact strategy.
- Children on an Education and Health Care Plans (EHCP) has increased since the beginning of the year to 1,767 plans. In common with other local authorities, B&NES continues to see an increase in the number of children on plans.
- During November 2021 the Council undertook its annual Residents Survey (Voicebox), The survey is a random sampled statistically valid postal survey of 3750 residents across the whole of Bath and Northeast Somerset. 84% of residents are happy with the local area as a place to live (compared to 78% nationally), and 51% satisfied with the Council. The reduction in satisfaction with the Council from 2021 is 13%, down from 64% to 51% (compared to 64% nationally). Surveys of this nature can show material year to year variations and so individual year's figures should be considered as part of longer-term trends.
- We are on target for supporting adult service users in employment. Employment is a significant factor in improving people's mental health and this demonstrates how well we are supporting some of our most vulnerable adults.
- Q4 waste performance in terms of recycling / composting is slightly under target, this is impacted by seasonal variation, as garden waste volumes decreased. When this is considered alongside the amount of waste produced per household, the service is progressing towards its zero-waste ambition.
- We have a statutory responsibility to ensure that people's needs are being met by, as a minimum, an annual review of Adult Social Care (ASC). Our current performance is 69% against our target of 80%. Despite this, performance has steadily improved during the year irrespective of the significant and ongoing pressures on the ASC service because of the pandemic during 2021/22. However, the list of due reviews is actively triaged so that those with the greatest need are reviewed first.

- We have made very good progress reducing ASC admission rates and are comfortably under our target for Q4, which is still considered to be a difficult time for social care.
- The number of children looked after by the Council has started to increase. This can be attributed to a small number of larger families and an increase in the requirements to support unaccompanied asylum-seeking children.
- The number of children with Child Protection plans remains consistent and is low compared to similar local authority areas.
- There has been a steady increase in the number of contacts to the Energy at Home Information Centre, which means more residents are being given vital information on how to improve the energy efficiency of their homes.
- Members should also note that in January 2022, the Council was asked to undertake another round of Business Grants. Payments for a new Leisure and Hospitality grant and an ARG grant started to be processed mid-January and were completed by the end of March 2022.

3.8 Service Activity Levels 2021/22

3.9 To give Members some indication of the level of service activity during 2021/22. An infographic presentation has been developed and can be found at Annex 2 to this report.

3.10 The annex highlights key service activity across most Council departments, in particular Member's attention is drawn to the Council delivering:

- Adult social care services to over 1,600 residents looked after in care homes, or the community, and 869 Care Act assessments completed
- Almost 10,000 child social care contacts, including over 200 children looked after and nearly 1,400 referred to Early Help services
- Over 2,200 planning applicants processed and decided
- Clearance of 1,675 fly tips within the area
- Average of over 369kg of household waste recycled per household
- Over 300,000 items issued at the Council libraries
- Over 1,000 households signed up to the Homes for Ukraine scheme.

4 STATUTORY CONSIDERATIONS

The Council has a wide range of powers that allow it to deliver the Strategy adopted in February. It should be noted however that the government has introduced an extensive range of new legislation, regulations and guidance during the last 18 months, which may influence how certain aspects of the Strategy are delivered. It was subject to a full Equalities Impact Assessment and it is important that equalities are actively pursued as we implement the strategy.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 Council agreed the resourcing requirements for 2021/22 at its Budget meeting in February 2021.

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 A detailed report was presented to Council in January 2021 on our progress in tackling the climate and ecological emergency. The current report provides an opportunity to re-emphasise how these commitments are reflected as “core policies” in delivering the Corporate Strategy. Tackling the climate ecological emergency is also at the centre of our renewal vision.
- 7.2 Monitoring the effectiveness of delivering on Climate Change is one of the key components of the strategic report. Indicators are being developed to allow further monitoring against the Council target.

8 OTHER OPTIONS CONSIDERED

- 8.1 None

9 CONSULTATION

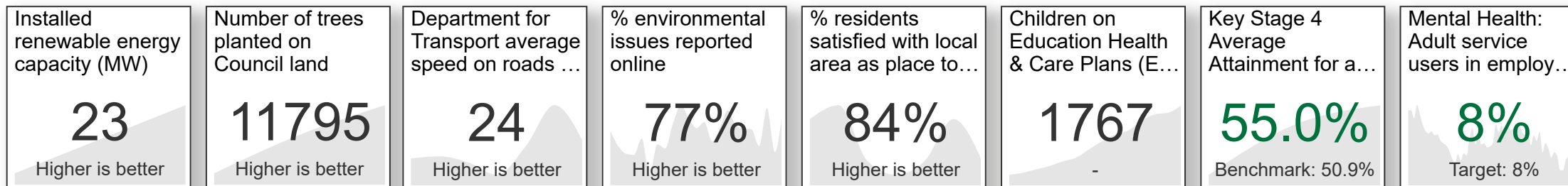
- 9.1 This report has been cleared by the S151 Officer and Monitoring Officer.

Contact person	Steve Harman, Head of Corporate Governance & Business Insight Jon Poole, Business Intelligence Manager
Background papers	<ul style="list-style-type: none">• Corporate Strategy• Q1 Strategic Performance Report Sep 2021• Q2 Strategic Performance Report Dec 2021• Q3 Strategic Performance Report Feb 2022• Update on progress on delivering the Corporate Strategy 2020-2024 and our COVID-19 Response
Please contact the report author if you need to access this report in an alternative format	

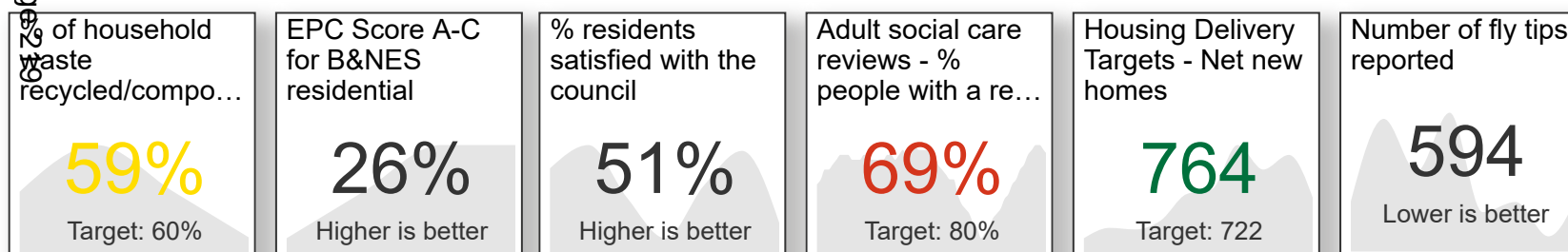
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Strategic Indicator Summary

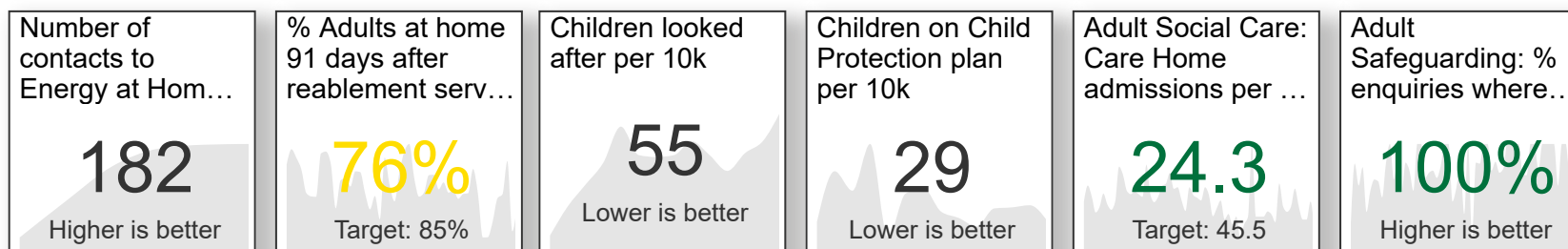
Preparing for the Future [Click on an indicator to see more](#)



Delivering for Residents [Click on an indicator to see more](#)



Focusing on Prevention [Click on an indicator to see more](#)



Strategic Indicator Report

Preparing for the future

Our area is changing. We 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.

We 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.

We also need 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.

Installed renewable energy capacity (MW)

Frequency: Annually

22
22
22
22

01/09/2020

23

07/10/2021

In 2022 we should see a more substantial rise, as there is a fair bit in the Council own pipeline (and a few large planning applications expected)

Number of trees planted on Council land

Frequency: Annual

10,000
5,000

26/10/2020

11,795

31/03/2022

The council has an ambition to plant 100,000 trees in the district - not just on council land. This indicator is the planting under Council control.

Department for Transport average speed on roads (mph)

Frequency: Annual

25
24
23

31/03/2015

24

31/03/2021

Higher speeds indicate less congestion and more free flowing conditions, reduction in speed indicate increased congestion and more queuing on network.

Strategic Indicator Report

Preparing for the future

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% environmental issues reported online

Frequency: Monthly

75%
70%

31/05/2020



77%

31/03/2022

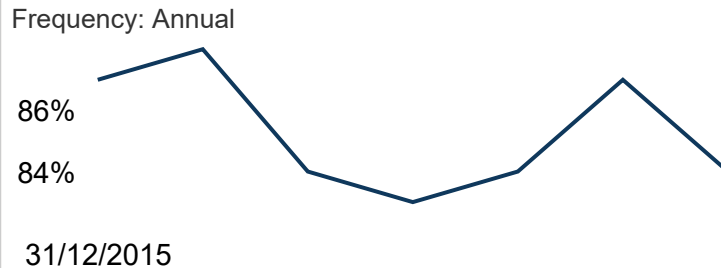
Performance remains consistent for this measure, which will be reviewed as part of the Council's emerging Customer Contact Strategy.

% residents satisfied with local area as place to live

Frequency: Annual

86%
84%

31/12/2015



84%

31/12/2021

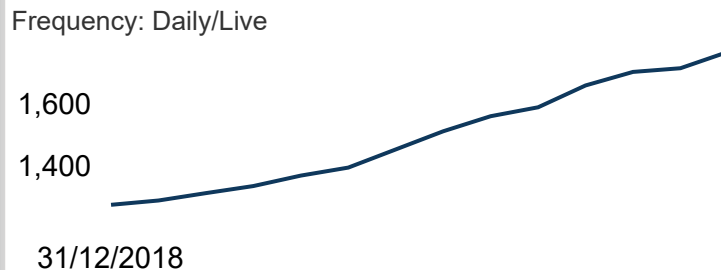
Rates for this indicator remain consistently high.

Children on Education Health & Care Plans (EHCP)

Frequency: Daily/Live

1,600
1,400

31/12/2018



1,767

31/03/2022

In common with other Local Authorities, B&NES continues to see an increase in the number of children on Plans

Strategic Indicator Report

Preparing for the future

Our area is changing. We 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.

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Key Stage 4 Average Attainment for all pupils

Frequency: Annual

54%
52%
50%

31/07/2019

50.9%
Benchmark

55.0%

31/07/2021

Attainment for B&NES pupils has continued to improve and remain above national and regional averages.

Mental Health: Adult service users in employment

Frequency: Monthly

14%
12%
10%

30/04/2017

8%
Target

8%

31/03/2022

Employment is a significant factor in improving people's mental health and this indicator demonstrates our support in this area

Strategic Indicator Report

Delivering for residents

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, 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.

% of household waste recycled/composted

Quarterly



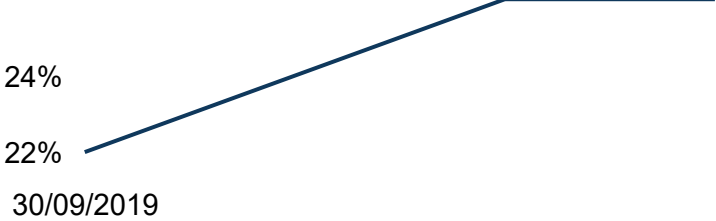
60%
Target

59%
28/02/2022

When considered alongside the below-target amount of waste produced per household, the service is progressing towards its zero waste ambition. Please note that the indicator is now reported as a 12-month average as the target is measured at annual intervals.

EPC Score A-C for B&NES residential

Annual



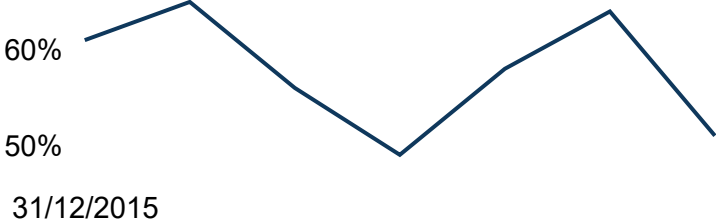
26%

31/12/2021

Shows the % of properties with a satisfactory energy efficiency rating. Trend shows a positive direction of travel.

% residents satisfied with the council

Annual



51%

31/12/2021

Satisfaction with the council fell by 13% in the latest results. The greatest change in satisfaction levels was seen for people aged 18-34 and those past retirement age.

Strategic Indicator Report

Delivering for residents

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.

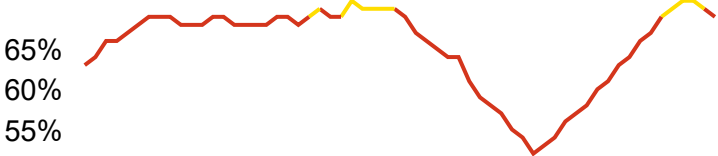
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Adult social care reviews - % people with a review

Monthly



30/04/2017

80%
Target

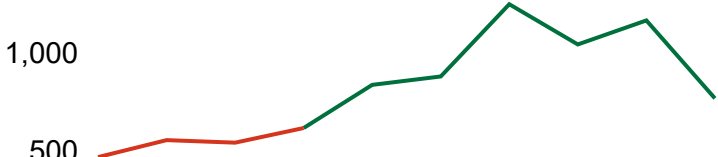
69%

31/03/2022

We have a statutory duty to ensure that people's need are being met by at least an annual review. The list of due reviews is actively triaged so that those with the greatest need are reviewed first.

Housing Delivery Targets - Net new homes

Annual



31/03/2012

722
Target

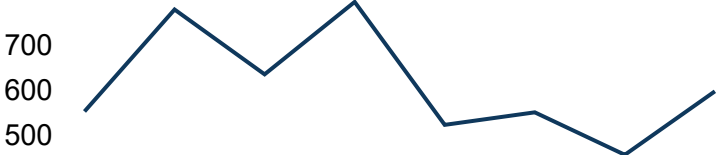
764

31/03/2021

B&NES has exceeded its annual housing delivery requirement for the last 6 years.

Number of fly tips reported

Quarterly



30/06/2020

594

31/03/2022

Reports come from fix my street and from operational staff within the Council. This is the number reported - not necessarily the number we attend.

Strategic Indicator Report

Focusing on Prevention

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. Bath's 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, we 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, which was exemplified in the creation of the Compassionate Communities Hub. We will always ensure that we continue to protect and support our most vulnerable residents.

Number of contacts to Energy at Home Info Centre

Quarterly



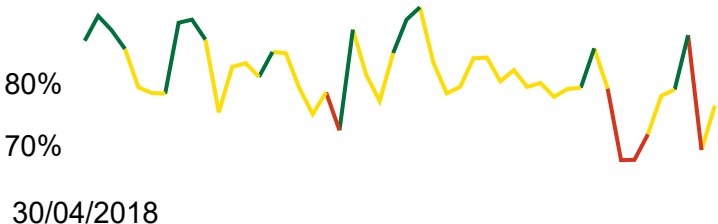
182

31/03/2022

New in-house service providing information & signposting for residents. Looking to promote service more widely through comms channels.

% Adults at home 91 days after reablement service

Quarterly



85%

Target

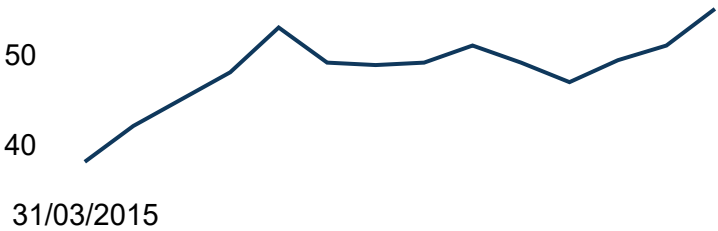
76%

31/03/2022

Performance has remained variable because of an increase in people with complex needs using the service, including more end-of-life patients. The proportion requiring further acute-hospital support has therefore increased, which has impacted performance over the last 9 months.

Children looked after per 10k

Quarterly



55

31/03/2022

Recent increases in children in care can be attributed to a small number of larger families and an increase in the requirements to support unaccompanied asylum seeking children .The latter trend is expected also to be seen nationally with National Voluntary Dispersal Scheme and is anticipated to continue to increase, locally , regionally and nationally for 2022/2023

Strategic Indicator Report

Focusing on Prevention

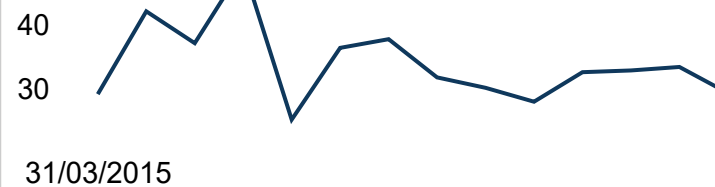
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Children on Child Protection plan per 10k

Quarterly

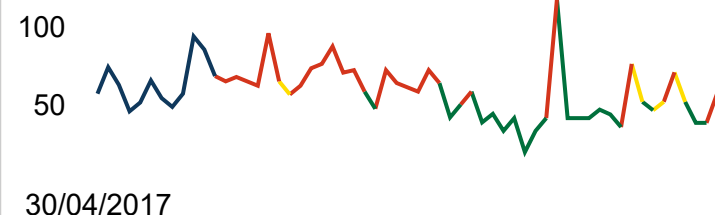


29

Rates are low compared to similar authorities. Attributed to good management of risk and in line with our practice framework principles and values.

Adult Social Care: Care Home admissions per 100k

Monthly



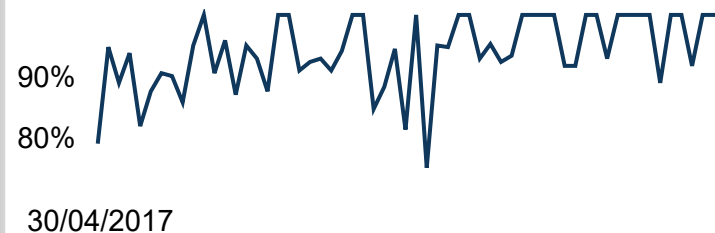
45.5
Target

24.3

Performance was on target over Q4, which has usually been a period where care home admissions increase. Funding arrangements over the pandemic continued to be in effect, so 21/22 is not comparable to pre-Covid years.

Adult Safeguarding: % enquiries where risk removed/reduced

Quarterly



100%

We would want to see that risk is removed to demonstrate good safeguarding practice that minimises harm and risk

Activity Summary 2021/22

All values without a date are 21/22 totals except:
- snapshot at *31/03/22 or ~20/01/22
- ^ annual total to Dec-21
research@bathnes.gov.uk

Adult Social Care: service users*

Care homes	Community	Total
579	1,104	1,683
		1% of 18+ population (159,382)

Adult Social Care: care planning

869	Care Act assessments	+21% since 20/21
924	Social Care reviews	
1,856	Referrals to Brokerage	

Covid-19 vaccinations by dose



1st 156,113

2nd 148,640

Booster/3rd 123,834

At 27/04/2022

Children's Services

0-17 population: 36,675

1,708 Children on Education, Health and Care Plans~ +10% since 20/21

107 Children on Child Protection Plans*

201 Looked After Children*

1,390 Children referred to Early Help Services^

9,399 Contacts to Social Care +12% since 20/21



Cancer screening: bowel cancer



21,145

People screened in 2.5 years to March 2021

Children and maternity (2020/21)



1,987

Two doses of MMR (aged 5)



965

Face-to-face antenatal contact at 28+ weeks

Activity Summary 2021/22

All values without a date are 21/22 totals except:

- * snapshot at 31/03/22

- ^ rolling total at 31/03/22

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Planning applications decided



2,272
+14% versus 20/21

Fly-tipping instances cleared



1,675

Smoking, alcohol & substance misuse



325
2019/20

Smokers who quit
successfully at 4 weeks



126
2020

Successful completions
of alcohol treatment



1,125
2020/21

Adults in Substance
Misuse Treatment
Services

Streetworks permits issued



9,398

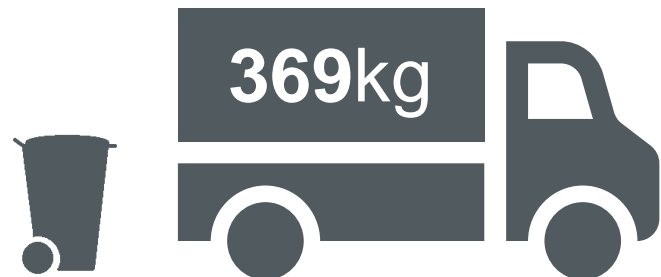


Homes for Ukraine scheme



1,014
Households signed
up at 28/04/22

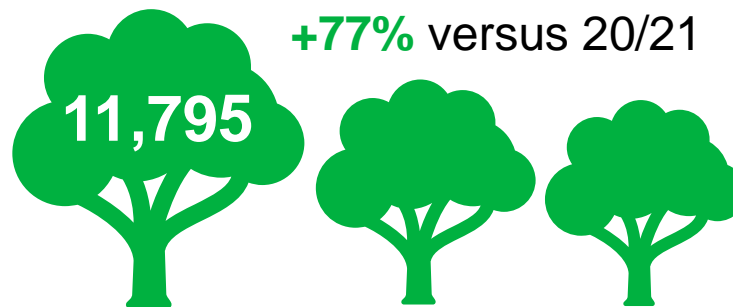
Residual waste per household



369kg

For the 12 months to Feb-22

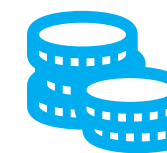
Trees planted on Council land



+77% versus 20/21

11,795

Revenues & Benefits



4,731

Housing Benefit
caseload*

9,799

Council Tax Support
caseload*



9,715

Households registered
for Council Tax eBilling^

Activity Summary 2021/22

All values without a date are 21/22 totals except:
- ^ quarterly total during 21/22

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Social media interactions



1.1m Impressions



48.9k Views



25k Engagements

IT services^



2,442
Users supported



3.2m
Minutes of video calls
from **23k** meetings



678k
Teams chat messages

Customer Services



188k Calls offered
+2% vs 2020/21

Library and Information Services



322k Items issued

Newsletters and articles



53 E-Connect
newsletters sent



391 Newsroom articles

Webinars and forums



51 Sessions



4,000+ Views

Organisational Development



353 Guided learning
courses completed



4,618 eLearning courses
completed

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