

Council

Date: Wednesday 17th November 2021

Time: 6.30 pm

Venue: Public Access via YouTube
<https://www.youtube.com/bathnescouncil>

To: All Members of the Council

Dear Member

You are invited to attend a meeting of the **Council** on **Wednesday 17th November 2021** in **Zoom** - a link will be provided.

The agenda is set out overleaf.

This informal virtual meeting will help to inform the decision-making meeting on 18th November 2021. This virtual meeting will be conducted in the normal manner but, as any decisions made will not be legally enforceable, they will be formally made on 18th November 2021.

Yours sincerely



Jo Morrison
Democratic Services Manager
for Chief Executive

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.

The Council now has a maximum time limit for this, so any requests to speak cannot be guaranteed if the list is full.

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>

Council - Wednesday, 17th November, 2021

at 6.30 pm in the Virtual Meeting - Zoom - Public Access via YouTube
<https://www.youtube.com/bathnescouncil>

A G E N D A

1. WELCOME

2. APOLOGIES FOR ABSENCE

3. 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 complete the green interest forms circulated to groups in their pre-meetings (which will be announced at the Council Meeting) 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.

4. MINUTES - 16TH SEPTEMBER 2021 (Pages 7 - 8)

To be confirmed as a correct record and recommended for approval to Council on 18th November.

5. ANNOUNCEMENTS FROM THE CHAIR OF THE COUNCIL OR FROM THE CHIEF EXECUTIVE

These are matters of information for Members of the Council. No decisions will be required arising from the announcements.

6. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

If there is any urgent business arising since the formal agenda was published, the Chair will announce this and give reasons why it has been agreed for consideration at this meeting. In making this decision, the Chair will, where practicable, have consulted with the Leaders of the Political Groups. Any documentation on urgent business will be circulated at the meeting, if not made available previously.

7. QUESTIONS, STATEMENTS, PETITIONS AND DEPUTATIONS FROM THE PUBLIC

The Democratic Services Manager will announce any submissions received. The Council will be invited to decide what action it wishes to take, if any, on the matters raised in these submissions. As the questions received and the answers given will be circulated in written form there is no requirement for them to be read out at the meeting. The questions and answers will be published with the draft minutes.

8. CONSTITUTION REFRESH (Pages 9 - 68)

The Monitoring Officer has been tasked to refresh the Council's Constitution.

9. AMENDMENTS TO THE CONSTITUTION - PROPORTIONALITY REVIEW (Pages 69 - 74)

This report invites Council to agree a revised political proportionality table - offering a committee/panel place to each of the non-aligned Councillors following a change in political group membership.

10. AVON PENSION FUND ANNUAL REPORT (Pages 75 - 108)

The Avon Pension Fund Committee reports annually to Council on the work it has undertaken in the previous twelve months and reference is also made in the report to the future work programme. This report is for the 12 months to 31 March 2021.

11. STANDARDS COMMITTEE ANNUAL REPORT 2020-21 (Pages 109 - 120)

To consider the annual report of the Standards Committee.

12. TREASURY MANAGEMENT PERFORMANCE REPORT TO 30TH SEPTEMBER 2021 (Pages 121 - 138)

This report gives details of performance against the Council's Treasury Management Strategy for 2021/22 for the first six months of 2021/22.

13. CORPORATE PARENTING - REFERRAL FROM CHILDREN, ADULTS, HEALTH & WELLBEING PDS PANEL (Pages 139 - 154)

The Children, Adults, Health & Wellbeing Policy Development & Scrutiny Panel received a report on this in June 2021. A request was made for Full Council to also receive this report which provides updated information for Elected Members. As stated, the report outlines the effectiveness of the Local Authority in meeting its safeguarding responsibilities and progress of children in care and care leavers.

14. SAFETY FOR WOMEN - UPDATE REPORT (Pages 155 - 162)

This report provides an update, following the cross-party motion agreed at Council on 21st July 2021.

15. RACE PANEL UPDATE (Pages 163 - 166)

The B&NES Race Panel was set up by Council in July 2020 following the murder of George Floyd in the USA. The short report is to provide an update on the panel and the work undertaken over the past sixteen months.

16. MOTION FROM COUNCILLOR WRIGHT - CARBON TAX (Pages 167 - 170)
17. MOTION FROM THE CONSERVATIVE GROUP - ENSURING PRIVATE CARS ARE PROTECTED FROM CLEAN AIR ZONE CHARGES (Pages 171 - 172)
18. MOTION FROM THE CONSERVATIVE GROUP - THE QUEEN'S PLATINUM JUBILEE (Pages 173 - 174)
19. MOTION FROM THE CONSERVATIVE GROUP - THE IMPACT OF FIREWORKS (Pages 175 - 176)
20. QUESTIONS, STATEMENTS, PETITIONS AND DEPUTATIONS FROM COUNCILLORS

The Democratic Services Manager will announce any submissions received. The Council will be invited to decide what action it wishes to take, if any, on the matters raised in these submissions. As the questions received and the answers given will be circulated in written form there is no requirement for them to be read out at the meeting. The questions and answers will be published with the draft minutes.

The Committee Administrator for this meeting is Jo Morrison who can be contacted on 01225 394358.

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BATH AND NORTH EAST SOMERSET COUNCIL

MINUTES OF COUNCIL MEETING

Thursday, 16th September, 2021

Present:- **Councillors** Tim Ball, Neil Butters, Andrew Furse, Kevin Guy, Shaun Hughes, Matt McCabe, Sarah Moore, Robin Moss, Michelle O'Doherty, Lisa O'Brien, Vic Pritchard, Manda Rigby, Alastair Singleton, Karen Walker and Karen Warrington

37 APOLOGIES FOR ABSENCE

There were no apologies.

38 DECLARATIONS OF INTEREST

There were no declarations of interest made.

39 MINUTES - 22ND JULY 2021

On a motion from Councillor Karen Warrington, seconded by Councillor Kevin Guy, it was

RESOLVED that the minutes of 22nd July 2021 be approved as a correct record and signed by the Chair.

40 ANNOUNCEMENTS FROM THE CHAIR OF THE COUNCIL OR FROM THE CHIEF EXECUTIVE

There were none.

41 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There were no items of urgent business.

42 QUESTIONS, STATEMENTS, PETITIONS AND DEPUTATIONS FROM THE PUBLIC

There were no public statements made at this meeting, although Members noted the statements made at the virtual meeting on 15th September 2021;

<https://democracy.bathnes.gov.uk/documents/g6043/Public%20minutes%2015th-Sep-2021%2018.30%20Council.pdf?T=11>

43 CHARITABLE TRUST BOARD ANNUAL REPORT

On a motion from Councillor Kevin Guy, seconded by Councillor Robin Moss, it was unanimously

RESOLVED to note the Charitable Trust Board Annual report.

44 POLICY DEVELOPMENT & SCRUTINY ANNUAL REPORT 2020-21

On a motion from Councillor Karen Warrington, seconded by Councillor Karen Walker, it was anonymously

RESOLVED to note the Policy Development & Scrutiny Annual report 2020-21.

45 QUESTIONS, STATEMENTS, PETITIONS AND DEPUTATIONS FROM COUNCILLORS

There were no items at this meeting, although Members noted the question and statement that had been submitted to the virtual meeting on 15th September 2021.

The meeting ended at 6.32 pm

Chair

Date Confirmed and Signed

Prepared by Democratic Services

Bath & North East Somerset Council		
MEETING	Council	
MEETING DATE:	18 November 2021	EXECUTIVE FORWARD PLAN REFERENCE:
TITLE:	Constitution Refresh & Update of proposed changes	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 Terms of reference Constitution Working Group		
Appendix 2 Timeline		
Appendix 3 Interim changes schedule		

1 THE ISSUE

1.1 The Monitoring Officer has been tasked to refresh the Council's Constitution.

2 RECOMMENDATION

The Council is asked to;

2.1 Approve the formation of the Constitution Working Group with the terms of reference detailed in Appendix 1

2.2 Note the Timeline for providing an updated Constitution in accordance with Appendix 2

2.3 Approve the interim recommended Constitutional changes detailed in Appendix 3.

3 THE REPORT

3.1 The Local Government Act 2000 introduced for the first time a requirement for upper tier Councils to adopt a Constitution. Before then it was normal for Councils

to produce a single document setting out their scheme of delegations, financial regulations and standing orders but there was no requirement to do so.

3.2 When constitutions were introduced into local government, through the Local Government Act 2000 they, generally, followed a national template prepared by central government. B&NES Constitution uses that standard format.

3.3 So long as Councils meet the legal requirements, they are free to adopt the constitution they wish. However, Constitutions are an important legal and governance document. Whether a Council has complied with its own constitution can and frequently does become an issue in legal proceedings. The resulting need for accuracy and clarity does not always make constitution documents an easy read for members of the general public.

3.4 Following an in depth review of a significant number of recent Council Constitutional refreshes, the Monitoring Officer view is that the B&NES Constitution compares favourably and is relatively fit for purpose and up to date with legislative requirements. Nevertheless, there is room for improvement. Consequently, it is proposed that the refresh process should follow a set of principles as follows:

- an accessible and modern constitution
- easier and simpler to understand and operate
- streamlined by removing sections not formally required to be within the constitution
- remove duplication
- make it “digitally” compatible to be easily read across screens
- cross reference digital media sources e.g. the council’s website through hyperlinks and searchable text
- include a summary and explanation to provide an overview of how the council operates
- include a glossary for consistent use of terminology
- clarify responsibility for decision making
- check legislation references are current

3.5 In recommending the scope of the refresh this report has considered:

- the constitutional changes the Council has undertaken within the last 3 years
- proposed areas of refresh previously advised by Group Leaders
- refreshes undertaken by other Councils in the last 3 years

3.6 By adopting the lessons learned from other Councils’ constitutional refreshes, and agreeing to the creation of a cross party Constitutional Working Group with terms

of reference set out in Appendix 1 to work to the timetable (Appendix 2), the intention is to provide recommendations for Constitutional changes to Council in May 2022.

3.7 A separate workstream led by the Council's procurement team is reviewing Contract standing orders. That is a standalone refresh. but if the recommendations from that group can be incorporated into the updated Constitution recommendations in May 2022 if ready by then, they will be. However, constitutional changes required on an interim basis were identified and these are set out in Appendix 3. Council is asked to approve these changes as an interim measure to ensure the constitution reflects current legislation and best practice.

3.8 Finally, it is proposed to undertake a review of the Council's Financial Regulations with the support of the Councils' finance teams in November 2022 to avoid impacting that team in delivering the Councils Annual budget and end of financial year work.

4 STATUTORY CONSIDERATIONS

4.1 A local authority is under a duty to prepare and keep up to date its constitution under s.9P Local Government Act 2000 as amended (Localism Act 2011).

4.2 The Constitution must contain:

- the standing orders/procedure rules;
- the members' code of conduct;
- such information as the SoS may direct;
- such other information (if any) as the authority considers appropriate

4.3 A Constitution Direction was issued by the Secretary of State in December 2000 that required around 80 matters to be included within constitutions, covering members' allowances schemes, details of procedures for meetings, details of joint arrangements with other local authorities and a description of the rights of inhabitants of the area, amongst other things. The Direction is archived but remains applicable by virtue of S.17 (2) (b) of the Interpretation Act 1978.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 If Council agrees the recommendations in this report then it is anticipated that the resources needed to support the recommendation of an updated Council Constitution to the May Annual General Meeting of Full Council can be contained within existing Legal & Democratic Services staffing resource.

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 EQUALITIES

7.1 Ensuring the Council's constitution is updated to reflect legislative changes and is accessible and easy to read will aid in the delivery of the council's equalities duties.

8 CLIMATE CHANGE

8.1 There are no direct implications arising from the recommendation in this report

9 OTHER OPTIONS CONSIDERED

9.1 None

10 CONSULTATION

10.1 Group Leaders and the Chief Executive have been consulted in the preparation of this report. The Monitoring Officer and Council's S.151 officer have also been consulted.

Contact person	Michael Hewitt, Monitoring Officer tel : 01225 395125 e-mail Michael_Hewitt@bathnes.gov.uk
Background papers	None
Please contact the report author if you need to access this report in an alternative format	

CONSTITUTION WORKING GROUP

Draft Terms of Reference

1. Purpose

The Constitution Working Group has been established by Council to refresh the Constitution and ensure that it is fit for purpose. It will undertake this role by:

- a) Considering any changes proposed by Members & Officers are within scope (Schedule 1), ensure that they are fit for purpose and put forward appropriate changes;
- b) Recommending proposed changes to Council for approval.
- d) Overseeing the implementation of a remodelled Constitution, once approved by Council, and agree any minor changes to the Constitution to correct slips, errors and omissions.

2. Membership

The Constitution Working Group shall comprise of five members and will not be politically balanced.

Seat allocation:

Liberal Democrat group	2 seats
Conservative Group	1 seat
Independent Group	1 seat
Labour Group	1 seat

3. Appointment to the Constitution Working Group

Members will be appointed to the Constitution Working Group at the November 2021 Council Meeting.

4. Chairman and Vice Chairman

The Chairman and Vice Chairman of the Constitution Working Group will be appointed at the first meeting of the group.

5. Voting

Any vote will be subject to a simple majority. In simple majority voting the Chairman will have a casting vote.

6. Quorum

The quorum of a meeting of the Constitution Working Group will be three.

7. Frequency of Meetings

The Constitution Working Group will meet as and when required. All meetings will be held in private and dates and times of meetings will be agreed by the Working Group. Provided all members of the Working Group are in agreement minor changes to the Constitution can be agreed via e-mail without the need to hold a formal meeting.

8. Minutes of Constitution Working Group Meetings

The Working Group shall agree the minutes at the next suitable meeting.

9. Administration of the Constitution Working Group

Agendas will be sent out five clear working days before the meeting and minutes will be provided seven clear working days after the meeting

Scope

Areas In Scope

The following are matters in scope of the refresh:

Articles

Key Decision definition

Legislative updating

IRP recommendations and Council Implementation of recommendations

Statutory Officer discipline process to include an Independent person panel as required by the Local Authorities (Standing Orders) (England) Regulations 2001 as amended by the 2015 Amendment Regulations. And implement the JNC Terms & Conditions of Service for Chief Executives and Chief Officers

Responsibility for functions (save for Planning Scheme of Delegation which was considered by Council in May 2021)

Glossary

Areas Out of scope

The following are matters are out of scope of the refresh:

Code of Conduct (Council adopted LGA Model in 2021).

Planning Scheme of delegation & Planning Code of Conduct (recently refreshed by Council in May 2021 following High Court challenge).

Contract Standing Orders (the Public Contract Regs 2015 are based on EU directives. Following Brexit the Government is consulting on new regulations which are expected to be published in April 2022). Procurement have proposed a stand alone review of CSOs. That review may not meet the deadline of May 2022.

Rules of Procedure (save for a refresh of best practice in other Local Authorities in respect of public participation and questions to aid time management).

Policy Framework as this is currently limited to the statutory minimum to reflect the list of plans required to be submitted to both Cabinet and Council under the Functions and Responsibilities Regulations 2000.

Members Allowances (recently refreshed May 2021).

Financial regulations (the refresh requires Finance input which will be heavily involved in budget setting during this period- propose a phased approach with these considered in phase 2 May - November 2022).

Management structure

Terms of reference of Council bodies (save for :

Alice Park Trust membership and quorum

Employment & Restructuring Implementation Committee to reflect changes to statutory officer disciplinary process

Health & Care Board to consider its relevance following CCG(BSW) & integrated care changes).

Local Area Committees (these are not used presently)

Indicative Timeline

12 October 2021	Group Leaders agree scope of refresh
31 October 2021	Group Leaders Nominations for Working Committee reps
18 November 2021	Council: Approve scope of Refresh Approve terms of reference of Constitution Working Group Appoint Political Group representatives
December 2021	Working Group first meeting
January 2022	2 meetings scheduled per month. Second meeting a reserve, if required
February 2022	2 meetings scheduled per month. Second meeting a reserve, if required
End March 2022	First draft remodelled constitution
March 2022	Report to Group leaders & consult
May 2022	Report to Council to approve remodelled Constitution

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Recommended Interim Constitutional Changes:

The amendments to Contract Standing Orders are:

Section 4 – updating the list of relevant legislation

Section 5.1 – adding in ‘revenue’ before procurements in the first line

Section 12.0 and Appendix 9, clause 1 - removing the reference to Contracts Panel

Section 13.2 – increasing the Think Local threshold to contracts up to £100K [in line with the new procurement strategy]

Updating the Thresholds at page 44 with effect from the 1 January 2022

Glossary – in the definition of Regulations added “and Public Contracts Regulations 2015”

Appendix 2, clause 2 – changed ‘Corporate’ to “Strategic”

**Bath & North East
Somerset Council**

Contract Standing Orders

Amended [xx xxx] 2021

Table of Contents

Section A	Statement of Principles	3
Section B	Developing the Commissioning Plan	7
Section C	Developing the Procurement Plan	9
Section D	Undertake the Procurement Process	10
Section E	Contract Award and Implementation	16
Section F	Post Contract Award	18

Appendices

1.	Glossary	20
2.	CSO Exemptions	25
3.	Business Ethics	27
4.	Confidentiality, Intellectual Property, Data Protection, Transparency & Redaction	29
5.	Specification	32
6.	Social Value	33
7.	The Council's Contract Register	34
8.	Framework Agreements & Dynamic Purchasing Systems	35
9.	Procurement Options	36
10.	Asset Leasing	38
11.	Contract Forms & Terms & Conditions	39
12.	Scheme of Delegations	40
13.	Evaluation Criteria & Debriefing	42
14.	Capability & Financial Checks	43
15.	Minimum Requirements	44
16.	Thresholds and Timescales	48
17.	Document Retention	49
18.	Tender & Contract Variations, Extensions & Termination	50
19.	Procurements above Thresholds – options and procedures	52
20.	Below Threshold Contracts	53

A Statement of Principles

1. Mandatory Compliance

1. Council Officers **MUST** comply with these Contract Standing Orders in all instances when buying goods, services and works on behalf of the Council and failure to comply may result in disciplinary procedures.

2. General Principles

- 2.1 These Contract Standing Orders (“**CSOs**”) provide the framework that governs the Council’s commissioning and procurement of Contracts for works, services and goods / supplies. Following these CSOs helps the Council to demonstrate:

- 2.1.1 good internal governance;
- 2.1.2 stewardship and the proper spending of public monies;
- 2.1.3 Value for Money in the Council’s Contracts;
- 2.1.4 compliance with relevant law.

- 2.2 The purpose of all contracting activity is to:

- 2.2.1 seek continuous improvement of the Council’s functions having regard to the optimum combination of economy, efficiency and effectiveness in keeping with the Council’s duty to seek Best Value (and Value for Money);
- 2.2.2 achieve Value for Money for the Council and the Residents, with reference to the economic, social and environmental value of each Contract;
- 2.2.3 promote the well-being of the Council’s Residents and Area through the effective functioning of the Council, the efficient use of the Council’s resources, and a universal concentration on the Social Value that can be achieved.

- 2.3 Every Contract and official order made by the Council (or any part of it) shall be for the purpose of achieving fulfilment of the Council’s statutory functions or the furtherance of the Council’s strategic or policy goals.

- 2.4 The Appendices to these CSOs provide further detail and form part of these CSOs as if they were drafted as one document. The Director of Legal and Democratic Services has the delegated authority to alter these CSOs accordingly. Any questions about the application of these CSOs should be

directed to the Director of Legal and Democratic Services and/or the Head of Strategic Procurement & Commissioning.

2.5 All figures in these CSOs are **exclusive** of VAT unless stated otherwise.

2.6 Directors will:

2.6.1 ensure that the appropriate member, Cabinet or full Council (as appropriate given the Scheme of Delegations) is consulted on any procurement activity prior to its publication in the Council's Forward Plan;

2.6.2 ensure that audit trails are in place for all procurement activity in accordance with these CSOs.

3. What these CSOs Cover

3.1 These CSOs apply:

3.1.1 whenever the Council intends to spend money (or provide other payments in kind) under Contracts for goods (supplies), works or services;

3.1.2 to expenditure from either capital or revenue sources;

3.1.3 to concessions (for further info, speak to Procurement);

3.1.4 to grants (for further info, speak to Procurement);

3.1.5 to goods for re-sale;

3.1.6 to both Officers and Members;

3.1.7 to all bodies where the Council acts as the Lead Authority including the Avon Pension Fund.

3.2 These CSOs **do not** apply:

3.2.1 to contracts of employment;

3.2.2 to acquisitions and disposals of land or buildings (these are covered by the **Financial Regulations**) – unless related to a Contract for works, services or goods;

3.2.3 to the seeking of offers in relation to financial services in connection with the issue, purchase, sale or transfer of securities or other financial instruments, in particular transactions by the Council to raise money or capital;

3.2.4 to internal “contracts” between departments within the Council.

- 3.2.5 In the case of civil contingencies
- 3.2.6 In the case of individual investments which are not deemed as the purchase of goods or services for the purposes of the Council's CSO's
- 3.3 The following entities have their own rules and are not bound by these CSOs, except where they participate in joint purchasing with the Council:
 - 3.3.1 maintained schools within the Area;
 - 3.3.2 companies in which the Council has an interest **except for** Local Housing Development Vehicles and situations where there is a Local Authority Controlled Company;
- 3.4 In exceptional circumstances only, certain exemptions can be approved by following the process set out at **Appendix 2 (CSO Exemptions)**. The persons who are authorised to approve the exemptions are set out in **Appendix 12 (Scheme of Delegations)**. Seeking an exemption of these CSOs **does not** exempt the Council from complying with the General Principles or with general law.
- 3.5 These CSOs can only be amended by the Director of Legal and Democratic Services in consultation with the Head of Strategic Procurement.

4. Other Key Documents

- 4.1 These CSOs should be read alongside the following:
 - 4.1.1 the Council's Procurement Strategy (available from Procurement);
 - 4.1.2 the Council's Financial Regulations;
 - 4.1.3 the Council's Social Value Policy;
 - 4.1.4 the Transparency Code;
 - 4.1.5 Any other guidance provided by the Strategic Procurement & Commissioning Team, see Business Ethics (Appendix 3), Confidentiality, Intellectual Property, Data Protection, Transparency & Redaction (Appendix 4).
- 4.2 Anyone undertaking purchasing activity on behalf of the Council (but especially in the context of purchasing value above the Thresholds) **MUST** refer to the following documents, where appropriate:

4.2.1 the Public Procurement (EU Exit) Regulations 2020;

4.2.2 the Public Contract Regulations 2015 (as amended by the above Regulations);

4.2.14.2.3 Concession Contracts Regulations 2016;

4.2.24.2.4 the Public Services (Social Value) Act 2012;

4.2.34.2.5 the Bribery Act 2010;

4.2.44.2.6 the Small Business, Employment and Enterprise Act 2015;

4.2.54.2.7 the Equalities Act 2012;

4.2.8 the Modern Slavery Act 2015;

4.2.9 the Finance Act 2020 (in respect of employment status IR35)

4.2.64.2.10 National Procurement Policy Statement 2021 (PPN 05/21)

4.2.74.2.11 any other relevant legislation.

5. Commissioning Intentions

- 5.1 All revenue procurements over £50k in value **MUST** be entered on the Commissioning Intentions list which can be found on the public website. This enables the Council to keep track of budgets and plan for future expenditure and it allows suppliers and the local community awareness of upcoming projects.
- 5.2 Applications to make an entry on the Commissioning Intentions list **MUST** be made via the Contracts Panel.

B Developing the Commissioning Plan

6. General

6.1 What is the Commissioning Plan?

Prior to entering into any procurement, you **MUST** develop your business case by researching the procurement and speaking to all relevant parties, obtaining all relevant information. The Commissioning Plan falls out of this research and forms the business case that is approved prior to commencing the procurement.

6.2 The requirement for goods and/or services **MUST start with an identifiable need which reflects the Council's overall objectives identified within Directorate, Service and Team Plans. You **MUST** understand the business requirements and how it impacts all levels of the organisation and local community. Consider the relevance of Council policies and procedures and how they have a bearing on the requirement.**

7. Budget

7.1 Before starting the procurement, you **MUST have budgetary approval. You **MUST** establish the aggregated monetary value of your requirement early, as this identifies the process that you follow, influences the amount of work you do and indicates the level of interest that will be generated.**

8. Key stakeholders

8.1 You **MUST identify the key stakeholders for the project including anyone impacted by the requirement. You should consider doing a Communications Plan for larger projects. You **MUST** be mindful of any Conflict of Interest and take necessary precautions to ensure that if there is a conflict, it is mitigated and/or managed. You **MUST** get Legal, Procurement and Financial advice prior to commencing any procurement.**

9. Proportionality

9.1 You **MUST provide the suppliers the information they need to understand the requirement but not overload them with unnecessary information.**

10. Market Analysis

10.1 Consider talking to suppliers before starting the procurement, trialling products, visiting supplier premises or the premises of a supplier's customer. The Regulations explicitly permit preliminary market consultation. This type of pre-procurement engagement or consultation could focus on:

- What is being purchased?
- Is the specification realistic? Is it too ambitious? Not ambitious enough?
- What will the process look like?
- Do potential bidders have any concerns about timescales, for example?

You **MUST** keep adequate records of market research carried out.

11. Bidders' conflicts of interest

11.1 If a potential candidate has advised the Council or been involved in the preparation of the procurement procedure, the Council is expected to take "appropriate measures" to ensure the resulting competition is not distorted by that candidate's pre-procurement involvement. This might include, for example, communicating relevant information to other candidates / tenderers. The Council cannot exclude a candidate from a procurement unless there is genuinely no other way to ensure that there is equal treatment of tenderers in the procurement process.

C Developing the Procurement Plan

12. Procurement Plan

DO YOU REALLY NEED IT? IF YOU WANT TO SAVE, DON'T SPEND!
Allow plenty of time to draft the specification and the detail it will need
How can Think Local apply to what you are buying?
Does the scope include Social Value for Residents or the Area? see Appendix 6 (Social Value)
Does the Council already have in place any Contract or Framework in scope which you should be using? Check the Contract Register see Appendix 7 (Contract Register)
Is there an external Framework or Contract that you should be using? see Appendix 8 (Framework Agreements)
How will you decide on the procurement route? – see Appendix 9 (Procurement Options)
Should we be leasing rather than buying? See Appendix 10 (Asset Leasing)
If buying, what form of Contract are you going to use? see Appendix 11 (Contract Forms and Terms & Conditions)
Who has the delegated authority to agree the purchase/approve the procurement method and process/approve the Contract award? – see Appendix 12 (Scheme of Delegations)
How will you decide who will win the Contract? – see Appendix 13 (Evaluation Criteria & Debriefing)

- 12.1 ~~Before you commence any Procurement exercise for revenue spend above £20,000, you **MUST** obtain authorisation from the Contract Panel to proceed with the procurement.~~ Consultancy requirements of any value MUST be approved in advance.

D Undertake the Procurement Process

13. Procurement Process

13.1 The flowchart below illustrates the procurement and commissioning process from planning, through contracting with the supplier, performance monitoring and reviews and finally analysis of the outcomes and the market for future needs.



13.2 Summary Financial Thresholds

See the table below to understand the procurement process dependent on the Contract value (See **Appendix 15 (Minimum Requirements)** for further details).

You should carefully estimate the value of the contract. If you issue tenders for a below threshold contract and the tender responses indicate that the value of the successful tender will go above the threshold, you **MUST** stop the process and re-tender. To avoid this, it is better to consider tendering for an above threshold contract in the first instance.

1. UP TO £5,000	
1.1	<i>Have you followed “Developing the Procurement Plan”?</i>
1.2	Consider use of a purchasing card below £500 .
1.3	Apply Think Local (Preference will be given to local suppliers, where they exist, provided they offer Value for Money)
1.4	Demonstrate Value for Money by testing the market by getting at least three written quotes
2. £5,001 – £50,000	
2.1	<i>Have you followed “Developing the Procurement Plan”?</i>
2.2	Apply Think Local (Preference will be given to local suppliers, where they exist, provided they offer Value for Money)
2.3	Consider the Social Value Policy
2.4	Obtain at least 3 written Quotes via ProActis if below £25k or advertise in Contracts Finder if contract is above £25K (see Appendix 20 Below Threshold Contracts)
2.5	DO NOT use a Selection Questionnaire. Consider what suitability questions to ask instead (see Appendix 14 (Capability and Financial Checks))
2.6	Award the Contract based on your chosen criteria (price or price and quality).

2.7	You MUST record the new Contract on Contract Register
2.8	Advertise the Contract award via Contracts Finder
3. £50,001 – £100,000	
3.1	<i>Have you followed “Developing the Procurement Plan”?</i>
3.2	You MUST add to Commissioning Intentions List
3.3	<u>Apply Think Local (Preference will be given to local suppliers, where they exist, provided they offer Value for Money)</u>
3.33.4	MUST apply the Social Value Policy
3.43.5	Complete the Business Case and get approval from Contract Panel
3.53.6	Consider whether to call off from an existing Framework Agreement
3.63.7	Advertise in Contracts Finder (see Appendix 20 Below Threshold Contracts)
3.73.8	DO NOT use a Selection Questionnaire. Consider what suitability questions to ask instead (see Appendix 14 (Capability and Financial Checks))
3.83.9	You MUST take up references for the preferred bidder before award (a Reference Questionnaire is available from Procurement)
3.93.10	Award the Contract based on your chosen criteria (price and quality) and complete the Procurement Evaluation Report.
3.103.11	You MUST record the new Contract on Contract Register
3.113.12	Advertise the Contract award via Contracts Finder
4. £100,001 – Threshold (see Appendix 16 for thresholds)	
4.1	<i>Have you followed “Developing the Procurement Plan”?</i>
4.2	You MUST add to Commissioning Intentions List

4.3	You MUST apply the Social Value Policy
4.4	Advertise in Contracts Finder (see Appendix 20 Below Threshold Contracts)
4.5	Complete the Business Case and get approval from Contract Panel
4.6	Consider whether to call off from an existing Framework Agreement
4.7	DO NOT use a Selection Questionnaire. Consider what suitability questions to ask instead (see Appendix 14 (Capability and Financial Checks))
4.8	You MUST take up references for the preferred bidder before award (a Reference Questionnaire is available from Procurement)
4.9	Award the Contract based on your chosen criteria (price and quality) and complete the Procurement Evaluation Report.
4.10	You MUST record the new Contract on Contract Register
4.11	You may get the Contract sealed if appropriate. The contract MUST be signed using DocuSign.
4.12	Advertise the Contract award via Contracts Finder
5.	Works contracts between goods and services threshold value and works Threshold (see Appendix 16 for thresholds)
5.1	<i>Have you followed “Developing the Procurement Plan”?</i>
5.2	You MUST add to Commissioning Intentions List
5.3	You MUST apply the Social Value Policy
5.4	Complete the Business Case and get approval from Contract Panel
5.5	Consider whether to call off from an existing Framework Agreement
5.6	If not using an existing framework, advertise the Contract and invite tenders through ProActis.
5.7	You MUST evaluate the financial standing of the tenderers (See Appendix 14(Capability and Financial Checks)). You CAN use a Works Selection

Questionnaire
5.8 You MUST take up references for the preferred bidder before award (a Reference Questionnaire is available from Procurement)
5.9 You MUST complete the Procurement Evaluation Report
5.10 Award the Contract based on your chosen criteria (price and quality)
5.11 If above £500k you MUST get the Contract sealed, if below then only if appropriate. The contract MUST be signed on Docusign.
5.12 You MUST record the new Contract on Contract Register
6. Above Threshold (see Appendix 16 for thresholds)
6.1 <i>Have you followed “Developing the Procurement Plan”?</i>
6.2 You MUST add to Commissioning Intentions List
6.3 You MUST apply the Social Value Policy
6.4 Complete the Business Case and get approval from Contract Panel
6.5 Consider whether to call off from an existing Framework Agreement
6.6 If not using an existing framework, follow a compliant procedure – see Appendix 19 (<i>Procurement Options</i>) – through ProActis.
6.7 You MUST evaluate the financial standing of the tenderers (Appendix 14 (Capability and Financial Checks)). If using a Selection Questionnaire, you MUST use the Cabinet Office Standard SQ
6.8 You MUST take up references for the preferred bidder before award (a Reference Questionnaire is available from Procurement)
6.9 You MUST complete the Procurement Evaluation Report
6.10 Award the Contract based on your chosen criteria (price and quality)
6.11 If above £500k you MUST get the Contract sealed, if below then only if appropriate. The Contract MUST be signed on Docusign.

6.12 You MUST record the new Contract on Contract Register

E Contract Award & Implementation

14. General

14.1 It is critical that the Contract award and implementation are carried out effectively. Prior to contract award you **MUST** ensure that your objectives are fully addressed and that all approvals to award issues are covered.

15. Approval to Award

15.1 The Procurement Evaluation and Approval Report **MUST** be completed in line with the Public Procurement Regulations. The report **MUST** explain how you have come to the decision to award for all procurements above £50k.

15.2 The report **MUST** be signed-off by the appropriate delegated officer prior to notifying the supplier(s). See **Appendix 12 Scheme of Delegations** for details.

16. Notifying Suppliers

16.1 There are strict rules for above threshold procurements on how to debrief suppliers including a **Mandatory** 10-day Standstill Period prior to confirming Contract award. **Appendix 14 Contract Award & Debriefing** gives more information.

16.2 If the supplier requests a face to face debrief, it is normal and courteous to do this where the Contract is complex, of high value and/or has taken a long time to complete, so long as you do so in a transparent and non-discriminatory way.

17. Publications

17.1 For Contracts above the Thresholds, you **MUST** submit a Contract Award Notice in 'Find A Tender'.

17.2 All Contracts above £25K in value **MUST** be published on Contracts Finder. See **Appendix 20 (Below Threshold Contracts caught by Part 4 of the Regulations)**.

17.3 You **MUST** update the Contract Register (see **Appendix 7 (The Council's Contract Register)**)

17.4 You **MUST** file documents in the Contract Register in line with document retention policies (see **Appendix 17 Document Retention**).

F Post Contract Award

18. General

18.1 Following Contract award you **MUST** put into place the agreed contract management controls and measures. You **MUST** review it regularly to ensure the Contract achieves its objectives and future benefits.

19. Contract Management

19.1 You **MUST** establish processes for recording the receipt of goods and progress of work, reviewing performance reports etc.

19.2 You **MUST** put in place both formal and informal communications to manage the relationship, as appropriate.

19.3 You should capture the views of the service users/interested stakeholders including feedback to them on the service performance.

20. Reviews

20.1 You **MUST** review the commissioning plan (against any changes in priorities/ objectives)

20.2 You **MUST** review the risk assessments and make any amendments to resource assumptions

20.3 You **MUST** review procurement plans to identify any changes or improvements to methodology for next time

20.4 All answers to above **MUST** be used to inform future commissions

21. Continuous Improvement

21.1 You should review your success against your original plans, i.e. did you achieve the outcomes you set out to achieve and do you understand what contributed to or prevented success?

21.2 You should share your learning with colleagues, service users and stakeholders to ensure you are continuously improving your processes and skills.

- 21.3 Reflect on the views of service users/stakeholders when reviewing whether the Commissioning and Procurement Plans were successful.

22. Contract Extensions

- 22.1 Extending a Contract can only happen in particular circumstances **(see Appendix 18 Contract Variations & Extensions for details).**

APPENDIX 1 - Glossary

Appendices	The appendices to these CSOs
Area	The administrative area of B&NES
Best Value	The Council's duty to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness in accordance with section 3(1) of the Local Government Act 1999 and associated statutory guidance
Business Case	A document that must be presented to the Contract Panel for approval, prior to procuring revenue spend above £20,000.
Commissioning Intentions	The Council's published list of future procurement and commissioning activities above £50,000 found on the B&NES website. The intention is to highlight to potential suppliers the forthcoming opportunities for tendering. This is a statutory requirement under Localism Act.
Compliant Process	A procurement exercise that has been carried out in accordance with the Public Procurement (EU Exit) Regulations 20. See Appendix 20 Procurement Processes for a list of the main types of procurement procedures
Conflict of Interests	A set of circumstances that creates a risk that an individual's ability to apply judgement or act in one role is or could be, impaired or influenced by a secondary interest.
Contract	An agreement to supply Goods/Services/Works formed when there is an offer by one party and an acceptance of that offer by a second party. A Contract can be written or verbal.
Contract Award Notice	An advertisement entered by a buyer in 'Find a Tender' to advise interested parties that a Contract has been awarded by the buyer to a named supplier.
Contract Notice	An advertisement entered by a buyer in 'Find A Tender' to advise interested parties of the intention of the buyer to go to market to buy goods/services/works. It gives details of the requirements of the buyer.
Contract Panel	A group of senior managers and directors who meet fortnightly to approve revenue spend above £20,000.
Contract Register	The Council's repository for all its current Contracts and

	Framework Agreements, located on ProActis.
Contracts Finder	The UK Government's website on which all opportunities that are advertised for Contracts and Framework Agreements (and call-offs from Framework Agreements) for goods services and works above £25,000 MUST be published. You advertise on Contracts Finder via ProActis.
Council Executive	The body of local Councillors elected by the community to decide on how the Council will carry out its various activities.
Council Members	The elected councillors who sit on the Council Executive
CSOs	These Contract Standing Orders (including the Appendices)
Docusign	The electronic signature system used to sign contracts.
Financial Regulations	The Council's Financial Regulations, found on the intranet.
Find A Tender	From 2021, the site where Contracts are advertised in the UK. Replaces the need to publish in Europe.
FOIA	The Freedom of Information Act 2000 and the Environmental Information Regulations 2004
Forward Plan	A list of council decisions for forthcoming months which can be found on the public website.
Framework Agreement	An 'umbrella' agreement that sets out the prices, service levels, and terms and conditions for subsequent call-off orders.
General Principles	The General Principles set out at A – Statement of Principles
Grant	An arrangement will be a grant when the Council gives a donation to an organisation without receiving a benefit in return. The organisation is not obliged to provide the service. It can decide not to provide the service but would then have to repay the donation.
Invitation to Tender or ITT	The invitation to tender is sent at the stage of the procurement process when you invite selected bidders to present their tenders in response to the stated requirements and evaluation criteria.
Light Touch Regime	The Light-Touch Regime is a specific set of rules for Contracts for certain services that tend to be of lower interest to cross-border providers. It includes certain social, health and

	education services. The list of services to which LTR applies is covered in Appendix 10 .
Local	Within the Area
Local Authority Controlled Company	Where a contracting authority sets up a separate legal entity and then awards contracts to that legal entity. A two-part test must be satisfied, relating to control and activity: • Control: the controlling authority exercises sufficient control over the controlled body; and • Activity: the controlled body carries out the essential part of its activities for its owner authority. In addition, there must be no private sector participation in the body which satisfies the two-part test.
Most Economically Advantageous Tender or MEAT	Awarding a Contract for works, goods or services based on a combination of overall cost AND service elements, not just cost alone.
Officer	Employee of the Council
Selection Questionnaire	A questionnaire used in certain procurement procedures which allow procurers to shortlist the number of companies to be invited to Tender. Above Threshold this MUST reflect the Cabinet Office standard SQ and associated guidance : A SQ is NOT permitted for procurements valued between £25k and the Goods and Services threshold (Appendix 20 Procurement Processes refers).
ProActis	The Council's e-tendering system for carrying out tender exercises (formerly named ProContract), available through the www.supplyingthesouthwest.org.uk portal.
Quote/Quotation	A request for pricing and/or quality bid from a potential supplier for goods/services/works below £50,000. Similar to a Tender but with less detail required from bidders.
Regulations	The Public Procurement (EU Exit) Regulations 2020- <u>and Public Contracts Regulations 2015</u>
Residents	Means Residents of the Area
Scheme of Delegations	The Scheme of Delegations set out at Appendix 12 (Scheme of Delegations)
Social Value	Described in the Social Value Act as improvements to the

	economic, social and/or environmental well-being of the Area. The benefits sought could be in the form of social benefits (for example reducing anti-social behaviour), economic benefits (for example increasing local employment), or environmental benefits (for example reducing local congestion).
Social Value Act	The Public Services (Social Value) Act 2012, which requires the Council to consider, pre-procurement, how what it procures might improve the economic, social and environmental well-being of the Area, and how best to use the procurement process to secure that improvement. There is also a duty to consider whether to undertake any consultation in making its decisions.
Standstill Period	A Mandatory 10-day period (which MUST be applied above Threshold between the notification to suppliers of the decision to award the Contract and the date of signing/entering into the Contract. The period is intended to give unsuccessful tenderers the opportunity to challenge the award if they wish. The period is longer if notifications are not sent electronically.
Tender	Request for pricing and/or quality bid from a potential supplier for goods/services/works above £50,000. Similar to a Quote but Tenders require more detailed proposals.
Think Local	The Council's policy on local purchasing
Thresholds	The financial thresholds above which a Contract published via Find A Tender will normally be required, as set out at Appendix 15 (Minimum Requirements and Thresholds)
Threshold Level	The financial contract value at which you MUST advertise your contract in Find A Tender. See Appendix 16 for details.
TUPE	The Transfer of Undertakings (Protection of Employment) Regulations 2006. Legislation which protects employment rights of those whose job will be transferred to a new employer upon change of contractor by award of a Contract.
Value for Money (VfM)	The optimum combination of whole-of-life costs and quality (or fitness for purpose) of the goods, works or Services to meet the Council's requirement

VAT	Value Added Tax
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Appendix 2 CSO Exemptions

1. Contracts below the Thresholds

Specific Officers may approve exemptions to these CSOs (to the extent that it is lawfully able to do so) in genuinely urgent situations and/or where there is a sound legal, financial or Value for Money reason (See **Appendix 12 Scheme of Delegations**). They **MUST**:

- give reasons for doing so on the Exemption Form (and record these in the minutes of the relevant meeting);
- The completed and signed exemption form (available from Procurement) **MUST** be entered in the Contract Register (see **Appendix 7 Contract Register**)

The following are considered acceptable reasons for seeking an exemption:

- quantifiable and significant cost and efficiency savings can be achieved through seeking an alternative route;
- reasons of extreme urgency mean that normal time limits cannot be met, including as a result of unforeseen emergency or disruption to Council services;
- the Council would otherwise be exposed to immediate and significant financial, legal or reputational risk that has been identified in the relevant risk register;
- only one Contractor is objectively able to provide the works, services or supplies in question, for example where the supplier has exclusive Intellectual Property, artistic or other rights, is a monopoly or where the goods bought are for re-sale (in which case the exemption **MUST** be to the number of Quotes / Tenders that are sought);
- additional or new services, supplies or works are required which, through unforeseen circumstances, were not included in an existing Council Contract and are necessary for the completion of the Contract and/or cannot be carried out separately.
- new works or services/supplies are required which are a repetition of works, services/supplies carried out under the original Contract, provided they are required within 1 year of the original Contract.
- goods are required as a partial replacement for or addition to existing goods or installations and obtaining them from another source would

result in incompatibility or disproportional technical difficulties in operation or maintenance.

- the Council has the benefit of a Local Authority Controlled Company under Regulation 12, and exercises over the company concerned a control which is similar to that which it exercises over its own departments and, at the same time, that company carries out the essential part of its activities with the Council's control.

You are reminded that an exemption will **not** be granted where this means the Council would not be complying with the General Principles or general law.

2. Contracts above the Thresholds

It is illegal to sign-off an exemption when the value of the Contract is above the threshold. You may need to consider other procurement routes, for example, using a Framework Agreement. See **Appendix 19 (Procurement above the Thresholds)** for details. If you are having difficulty you **MUST** consult with ~~Corporate Strategic~~ Procurement for more information.

Appendix 3 Business Ethics

1. General

Business ethics focuses on what constitutes right or wrong behaviour in the world of business. The following will help you to address ethical dilemmas during your procurement process.

2. Code of Conduct

All procurement exercises **MUST** be carried out with openness and transparency and with integrity and fairness to all suppliers.

Officers of the Council **MUST** conduct themselves in line with the Council's HR Code of Conduct including with regards to the receiving of hospitality and gifts and the giving and receiving of sponsorship.

3. Separation of Roles during Tendering

Council Members and employees involved in the tendering process and dealing with contractors **MUST** be clear on the separation of client and contractor roles within the Council. Senior employees who have both a client and contractor responsibility **MUST** be aware of the need for accountability and openness.

Council Member and employees who are privy to confidential information on Tenders or costs for either internal or external contractors **MUST** not disclose that information to any unauthorised party or organisation. For further information, see the Members' Code of Practice guidance document (LINK).

4. Conflicts of Interest

There **MUST** be no conflict of interest with any suppliers or contractors. Where a conflict is identified, the member of staff concerned **MUST** not take any further part in the tendering process, to preserve the integrity of the process. For further advice, contact the Legal Department or the Procurement team.

5. Corruption

Council Members and employees **MUST** be aware that it is a serious criminal offence for them corruptly to receive or give any gift, loan, fee, reward or advantage for doing, or not doing, anything or showing favour, or disfavour, to any person in their official capacity. If an allegation is made, it is for the individual to demonstrate that any such rewards have not been corruptly obtained. For further guidance, see the B&NES Gifts and Hospitality policy on the intranet.

6. Use of Financial Resources

Council Members and Officers **MUST** ensure that they use public funds entrusted to them in a responsible and lawful manner and in accordance with the Council's Financial Regulations. They should strive to ensure Value for Money to the Area and to avoid legal challenge to the Council.

7. Lobbying

It is recognised that lobbying is a normal and perfectly legitimate element of the process of local governance however it is important that Members protect their impartiality and integrity when dealing with external contractors and suppliers.

Members **MUST NOT** breach the Bath & North East Somerset Code of Conduct by listening to or receiving viewpoints from contractors and suppliers or other interested parties unless they make it clear that they are keeping an open mind. Indicating a bias toward a particular product, supplier or contractor would prejudice impartiality and could lead to a legal challenge against the Council.

8. Former Council Employees

Council Members and employees should endeavour to ensure that where they contract with a supplier to provide services or works to the Council, that the supplier does not employ a former Council employee when producing and submitting the response to the tender. This will ensure that all suppliers in the tendering process are treated fairly and that no one supplier is given a tendering advantage and respects Council confidentiality.

Appendix 4 Confidentiality, Intellectual Property, Data Protection, Transparency and Redaction

1. Confidentiality

- 1.1 The Council has a responsibility to ensure that information provided to suppliers and provided by suppliers is treated confidentially. This is not only good practice but also gives the suppliers confidence that they are being treated fairly and without discrimination. Information provided by the Council is given to suppliers in confidence and only to those whom they need to consult for the purpose of preparing the Tender, such as professional advisors or joint bidders.
- 1.2 If a Conflict of Interest arises or if at any time during the procurement it is discovered that the tenderer has not acted confidentially, the Council has the right to eliminate them from the procurement exercise.
- 1.3 Tenderers have the right to state what elements of their Tender response they want to remain confidential however under the Freedom of Information Act the Council **MUST** provide information requested with some exceptions such as commercially confidential items (pricing, intellectual property etc.) which can be redacted from the version published in the public domain. Contractors' cooperation may be needed to ensure the Council complies with requests for information.

2. Intellectual Property

- 2.1 "Intellectual Property Rights" includes patents, inventions, trademarks, service marks, logos, design rights, copyright, database rights, domain names, trade or business names, moral rights and other similar rights or obligations.
- 2.2 Generally speaking, all intellectual property rights in all works or supplies provided under a Contract which are written or produced on a bespoke or customized basis would be owned by the Council and the contractor should be required to ensure that it allows such ownership.
- 2.3 However, where the supplier provides existing intellectual property right protected material to the Council under a Contract, it has to warrant it has the right to do so and it fully indemnifies the Council against all loss or liability arising from any third party intellectual property rights claims

arising both from such existing material and in relation to any such bespoke work.

3. Data Protection Act & GDPR

- 3.1 The Data Protection Act 2018 defines UK law on the processing of data on identifiable living people and are the legislation that govern the protection of personal data in the UK. All Council Officers are legally obliged to comply.
- 3.2 The Council's Terms and Conditions of Contract contain clauses which state how contractors process and store personal data provided to them under a Contract.
- 3.3 In certain Contracts, where a supplier is required to process personal data or hold personal information for the purpose of executing the Contract, then Officers **MUST** include an Information Governance questionnaire in the corresponding Invitation to Tender. Further guidance can be obtained from the Information Governance Manager.

4. Transparency

- 4.1 Under the Local Government Transparency Code the following items **MUST** be published.
- all individual items of expenditure above £500;
 - every transaction made using a Government Procurement Card;
 - a list of all Invitations to Tender for goods and services exceeding £5000;
 - a list of all contracts, Framework Agreements, purchase orders and commissioned activity in excess of £5000.

5. Redaction of Data

- 5.1 It is the responsibility of the service department to ensure that the information provided for publication under the transparency code has been cleansed and any personal or sensitive information has been redacted prior to publication.

Appendix 5 Specifications

For a compliant procurement process, the Council **MUST** draft the technical specifications for a Contract upfront, before starting the procurement process. This is good practice even if the contract is below the threshold.

What the technical specifications look like will vary widely depending on the nature of the Contract. If you are having difficulty drafting a specification for the Contract, guidance is available on the Procurement intranet page.

In addition, information can be found on the following:-

- Health & Safety
- Transfer of Undertakings in Employment (TUPE)
- Insurance

However, you may need to obtain specific advice from the Health, Safety & Wellbeing Manager, Human Resources or the Team Leader, Insurance, Banking & Control.

Appendix 6 Social Value

The Social Value Act requires the procurer to consider securing economic, social, or environmental benefits when buying services above the Thresholds through what is being bought, and how it is procured.

This duty relates to:

- **all** service Contracts to which the Regulations apply (including those under the Light Touch Regime;
- services Contracts with a works / supplies element that is so incidental that the Contract would ordinarily be considered a services Contract under the Regulations; and
- Frameworks Agreements for such Contracts.

The Council **MUST** also think about whether **consultation** on Social Value matters is needed.

The Council's Social Value Policy applies to:

- **all** works Contracts (including Contracts for a mixture of works and services or supplies) where the value of the Contract is expected to exceed **£500,000**;
- **all** services Contracts and supplies Contracts (including Contracts for a mixture of works and supplies or services, and regardless of whether a full procurement regime applies) where the value of the Contract is expected to exceed **£100,000**;
- **all** Framework Agreements where the anticipated spend in any financial year is expected to exceed £500,000 for works and £100,000 for goods and services;
- **all** joint Contracts with other purchasers where the value of the Council expenditure is expected to exceed £500,000 for works and £100,000 for goods and services.

The Social Value Policy focuses on achieving targeted recruitment and training through Contracts as the Council's priority, but where other aspects of Social Value are relevant to a Contract they should of course be considered.

Appendix 7 The Council's Contract Register

The Council's Contract Register is available through the ProActis e-tendering system [and](#) records and stores information on the Council's Contracts. It provides:

- key information to Council Members and Officers on existing current and expired Contracts;
- limited information to the general public (including start and end dates, Contract value, and key contact details);
- information on Contracts to allow Officers to retender in good time.

When should I put something on the Contract Register?

Recording of Contracts on Contract Register is **Mandatory** for all Contracts valued above **£5,000**. However, it is recommended for Contracts of any value.

Any agreed exemptions **MUST** be placed on Contract Register.

You **MUST** also keep the information on Contract Register up to date, for example if:

- a Contract is extended;
- the key contact for a Contract changes (e.g. if an Officer leaves).

Before you Purchase Anything

You **MUST** check the Contract Register before you start any procurement activity, in case there is an existing Council Contract which covers your need. Saving time and expense by using an existing Contract will almost always represent Value for Money.

Appendix 8 Framework Agreements and Dynamic Purchasing Systems

Framework Agreements

A Framework Agreement is an ‘umbrella’ agreement negotiated with suppliers whereby at the start of the agreement the exact quantity of goods or services required over the period of the agreement cannot be determined.

1. For example, when you put together an agreement with a supplier to buy stationery, you won’t know exactly how many pens, pencils, rulers etc. you will need over the period of the agreement, or when you will place the orders.
2. The intention behind a framework is to streamline the competitive process by enabling one tender process to set up the protocol by which multiple Contracts can be called off. They can be created so that one, or many, purchasers are able to benefit from the arrangements. Equally they can be created with one provider, or a number (in which case often a “mini-competition” is used to decide which provider is used each time there is a call-off.
3. Frameworks are therefore useful when you anticipate that you are likely to need the same – or similar- provision on several occasions over time. They are normally limited to four years in length.
4. There is no obligation to buy anything from a Framework Agreement and you are not committing the Council to any spend. However, every time you place an order from a Framework Agreement, you are entering into a legally binding Contract.

For more information on Framework Agreements, the Procurement team has a guidance document available on the intranet.

Dynamic Purchasing Systems

A DPS is similar to a framework agreement however whereas a framework is set once the award has been made and no new suppliers can be added to it, a DPS will allow new suppliers to be added, PROVIDED that they meet the objective selection criteria laid out in the original contract notice or advertisement.

Appendix 9 Procurement Options

1. Below the Thresholds

Below the Thresholds, the procurement process is more flexible. See the main body of the CSOs, and **Appendix 15 (Minimum Requirements)** for details of the requirements for different values of spend.

~~Before you commence any Procurement exercise, you **MUST** obtain authorisation to proceed for all procurements above £20k from the Contract Panel.~~

You **MUST** consider if there is an existing Contract or Framework you could use, either one established by the Council, or one procured by a central purchasing body.

Use of the ProActis e-tendering system is **Mandatory** for Contracts above £5000, allowing you to:

- Advertise the Contract
- Complete A Tender
- Award the Contract.

In the absence of an existing Framework Agreement, all opportunities for Contracts and Framework Agreements above £25,000 that are advertised **MUST** be advertised on Contracts Finder and an Award Notice published within 30 days of the Contract award date. See Appendix 20 for further details.

2. Above the Thresholds

Please see **Appendix 19 (Procurement above the Thresholds)**.

3. Health and “Social” Services - (Light Touch Regime)

This section applies to Contracts for the following Services:

- Health, social and related Services
- Administrative, social, education, healthcare and cultural Services
- Compulsory Social Security Services
- Benefit Services
- School Meals and Catering Services

- Other community, social and personal Services including Services furnished by trade unions, political organisations, youth associations and other membership organisation Services
- Religious Services
- Hotel and Restaurant Services
- Legal Services
- Other administrative and government Services
- Provision of Services to the community
- Prison related Services, public security and rescue Services to the extent not excluded pursuant to point (h) of Article 10
- Investigation and security Services
- International Services
- Postal Services
- Miscellaneous Services

When you are buying these services, the “Light Touch Regime” will apply if the Contract is valued above the Threshold. The Threshold is higher than for other Goods and Services. See Appendix 16 Thresholds.

Under the Light Touch Regime, you **MUST**:

- issue a Contract Notice or Prior Information Notice in Find A Tender
- follow a transparent and fair procedure which treats potential service providers equally; and
- issue a Contract Award Notice.

The Regulations require the Council to:

- give information in the Contract Notice about:
 - any conditions for participating in the competition (e.g. “selection” criteria);
 - any time limits for contacting the Council;
 - the award procedure that the Council will apply.
- ensure that any time limits imposed on interested providers are reasonable and proportionate.

The Council can choose to apply a procedure that looks similar to one of the procurement procedures (see **Appendix 19 (Procurement above the EU Thresholds)**) but does not have to.

The Council **MUST** apply the Guidance of the new Light Touch Regime for Health, Social Education and certain other Service Contracts published by Crown Commercial Service.

Appendix 10 Asset Leasing

1. General

1.1 The implementation of the Prudential Code introduced new freedoms for local authorities to pursue various capital and revenue options for the funding of asset acquisitions. It is therefore important to ensure the most cost-effective form of funding is sourced for each acquisition.

1.2 Objectives of controlling

Asset leases are to ensure-:

- (a) compliance with the Prudential Code
- (b) terms and conditions of leases are appropriate.
- (c) the lease is correctly recorded in the Council's accounts.
- (d) compliance with the Regulations.

1.3 Implications if the above objectives are not achieved:

- (a) non-compliance with the Prudential Code Value for Money requirements.
- (b) the cost of leasing the asset is greater than alternative finance options.
- (c) the Council's accounts are incorrectly stated.
- (d) legal challenge as a result of a breach of the Regulations.

1.4 Key Responsibilities for Members and Officers:

- (a) every Director **MUST** refer all proposed leasing arrangements, within their Services, to the Director of Finance and S151 Officer and;
- (b) approval **MUST** be obtained from the Director of Finance and S151 Officer for all asset leases.

1.5 More information on the Prudential Code can be obtained from www.cipfa.org

1.6 Asset leases are treated as supplies Contracts for the purpose of the Regulations and so the Regulations will apply in the normal way.

Appendix 11 Contract Forms and Terms & Conditions

1. General

The Regulations require the Council to make its procurement documents available electronically from the published date of the Contract Notice (Regulation 53). Procurement documents include the proposed Terms and Conditions of Contract (T&Cs) as well as SQs and ITTs. This means that the SQ, ITT and T&Cs, for any procurement process ***MUST*** be drafted **before the Contract Notice is issued**.

The Council considers it good practice to apply this rule to all Contracts, whether or not the Regulations are followed. It is therefore the expectation that the Contract form will have been decided on before the procurement / tendering process starts.

2. Contracts below the Thresholds

For the majority of Contracts under the Thresholds it will normally be appropriate to use the Council's standard small value Terms and Conditions which are available on the Procurement intranet page.

3. Contracts above the Thresholds

For Contracts above the Thresholds you should use the Council's standard Terms and Conditions which are available on the Procurement intranet page.

It may be more appropriate to use an industry standard form of Contract, or a bespoke Contract drafted for the particular Contract in question.

When considering which type of Contract to use, you should consider the points in the guidance document attached, and if appropriate discuss with the Procurement team.

Appendix 12 Scheme of Delegations

The following people / positions / committees have delegated authority to agree or approve expenditure:

Contract Value	Authority to Proceed	Authority to Agree Procurement Process	Place on Commissioning Intentions (Y/N)	Approval Docs Required	Authority to Award Contract	Authority to Sign an Exemption	Authority for Signing & Sealing ¹
Up to £5000	n/a	Cost Centre Manager	N	Bid Evaluation	Cost Centre Manager	Cost Centre Manager	Cost Centre Manager (signing)
£5,001 to £50,000	Over £20,000 requires Contracts Panel Approval ²	Cost Centre Manager	N	Bid Evaluation	Cost Centre Manager	Director	Cost Centre Manager (Signing)
£50,001 to £100,000	Contract Panel (see footnote)	Service Area Manager	Y	Tender Evaluation Document	Service Area Manager	Director	Director (Signing) unless sealing is agreed to be appropriate.
£100,001 to	Contract	Director	Y	Tender	Director	Chief	Director

¹ Contracts must be signed by the relevant individual and issued to the successful supplier using the Docusign electronic document signature system. Contracts which need sealing must be signed in Docusign and sealed manually.

² Not required for Capital Expenditure if on Council's Capital Programme

Threshold	Panel (see footnote)			Evaluation Document	(Recorded Officer Decision)	Operating Officer	(Signing) unless sealing is agreed to be appropriate Above £500,000 Head of Legal (Sealing)
Above Threshold & Emergency Purchases	Contract Panel (see footnote)	Director	Y (but not emergency purchases)	Tender Evaluation Document & Regulation 84 report	Chief Operating Officer (Recorded Officer Decision) with Cabinet Member approval (within budget)	NOT ALLOWED above threshold	Director (Signing) unless sealing is agreed to be appropriate Above £500,000 Head of Legal (Sealing)

Appendix 13 Evaluation Criteria & Debriefing

1. General

The Council **MUST** make its “procurement documents” available electronically from the date of the Contract Notice. The evaluation criteria and the weightings **MUST** be included in either the Contract Notice itself, or in the procurement documents. This means that you **MUST** have agreed the evaluation criteria for the Tender before the Contract Notice is issued.

2. Most Economically Advantageous Tender

Evaluation criteria **MUST** be based on the “Most Economically Advantageous Tender”. This can be identified by:

- price or cost (using life-cycle costing)
- the best price-quality ratio (considering qualitative, environmental and/or social aspects linked to the subject matter of the Contract), including:
 - quality: technical merit, aesthetic and functional characteristics, accessibility, design for all users, social, environmental and innovative characteristics and trading and its conditions;
 - organisation, qualification and experience of staff assigned to performing the Contract (where this can have a significant impact on the level of the performance of the Contract);
 - after-sales service and technical assistance, delivery conditions such as delivery date, process and period, or period of completion.

If a Contract is for a fixed price, you can use just quality criteria.

The Procurement Team can advise on what to use for scoring matrices and evaluation criteria.

3. Debriefing

For further information on how to debrief suppliers, please contact the Procurement Team. There is a strict legal process for above threshold debriefs which must be done correctly.

Appendix 14 Capability & Financial Checks

1. General

You **MUST** ensure that any supplier interested in doing business with the Council has both the technical capability and the financial capacity to be able to perform the Contract.

2. Below Thresholds

Below the threshold you **MUST** NOT use a Selection Questionnaire to shortlist tenderers. You can ask “suitability assessment questions” that are relevant to the subject matter of the contract and are proportionate. These can relate to minimum standards of suitability and capability.

3. Above Thresholds

Procurements above the Thresholds using one of the procedures described in **Appendix 19 Procurements above the Threshold – Options and Procedures**. This includes procedures which use a Selection Questionnaire to shortlist candidates before inviting Tenders.

When using a SQ, you **MUST** use the Cabinet Office standard SQ. This includes the government standard questions on financial standing.

4. Framework Agreements and Lots

There are specific rules that **MUST** be applied for Framework Agreements and lots. Please see the Guide to Framework Agreements on the Procurement intranet page.

Appendix 15 Minimum Requirements

1. Contracts Minimum Requirements

VALUE OF CONTRACT	MINIMUM PURCHASING REQUIREMENTS	MINIMUM CONTRACT REQUIREMENTS	ENTER ON COMMISSIONING INTENTIONS	USE OF PROACTIS	ENTER ON CONTRACT REGISTER
Up to £5000	– Use purchasing card if accepted by supplier – Demonstrate VfM by testing the market – Think Local	Ensure written record of purchase and Purchase Card Spend Management System updated if relevant.	No	Recommended	n/a
£5,001 - £50,000	– Think Local – 3 written Quotes via ProActis if <£25k – Advertise on Contracts Finder >£25K (or 3 quotes if using local market) – Do NOT use a SQ but can ask suitability questions – State award criteria – Award Contract on Contracts Finder if >£25K	Council's Standard Contract Terms (unless agreed with the Legal or Procurement departments)	No	Mandatory – (to comply with Local Government transparency requirements – See Appendix 4)	Yes
£50,001 - £100,000	– Think Local – Advertise on Contracts Finder	Council's Standard Contract Terms (unless agreed with the Legal or	Yes	Mandatory – (to comply with Local Government	Yes

	- Consider Social Value Policy - Do NOT use SQ but can ask suitability questions - State award criteria - Award on Contracts Finder	Procurement departments)		transparency requirements – See Appendix 4)	
£100,001 – PPR Threshold (£189,330 goods and services or £4.7m works) see table below for thresholds	- Advertise on Contracts Finder - Apply Social Value Policy - Can use SQ for Works but NOT for Goods and Services below threshold - State award criteria - Award Contract on Contracts Finder - Contracts over £550k must be sealed	Follow guidance at Appendix 11 (Contract Forms and Terms & Conditions)	Yes	Mandatory – (to comply with Local Government transparency requirements – See Appendix 4)	Yes
Above PPR Threshold (£189,330 goods and services or £4.7m works) see table below for thresholds	- Follow a compliant procedure (see Appendix 9 (Procurement Options), Appendix 5 (Drafting Specifications) and Appendix 13 (Evaluation Criteria) and Appendix 20 (Procurement above the PPR Thresholds - Options)) - Apply Social Value Policy	Follow guidance at Appendix 11 (Contract Forms and Terms & Conditions)	Yes	Mandatory – (to comply with Local Government transparency requirements – See Appendix 4)	Yes

	- Advertise on Contracts Finder and in Find A Tender - Contract MUST be sealed - Award Contract in Find A Tender				
Light Touch Regime – Below threshold	- Think Local - Advertise on Contracts Finder if >£25k or 3 written tenders if using local market - Apply the Social Value Policy - State award criteria	Council's Standard Contract Terms (unless agreed by the Legal or Procurement Departments)	Yes (above £50K)	Mandatory – (to comply with Local Government transparency requirements – See Appendix 4)	Yes
Light Touch Regime – above threshold	- Follow LTR compliant procedure (see Appendix 7 Procurement Options) - Apply Social Value Policy - Advertise on Contracts Finder - Award Contract in Find A Tender - Contract MUST be sealed	Follow guidance at Appendix 11 (Contract Forms and Terms & Conditions)	Yes	Mandatory – (to comply with Local Government transparency requirements – See Appendix 4)	Yes

Appendix 16 Procurement Thresholds & Timescales³

TYPE OF CONTRACT	THRESHOLD (£)
Works Contracts and Concession Contracts	£4,744,252
Supplies and/or (most) Services (for Local Government)	£189,330
Social and other specific Services (Light Touch Regime applies)	£663,540

<u>TYPE OF CONTRACT</u>	<u>THRESHOLD (£)</u> <u>(TO 31/12/21)</u> <u>NET OF VAT</u>	<u>NEW THRESHOLD (£)</u> <u>(FROM 1/1/2022 –</u> <u>31/12/2023)</u> <u>INCLUSIVE OF VAT</u>	<u>NEW THRESHOLD (£)</u> <u>(FROM 1/1/2022 –</u> <u>31/12/2023)</u> <u>BEFORE VAT</u>
<u>Works Contracts and Concession Contracts</u>	<u>£4,733,252</u>	<u>5,336,937</u>	<u>4,269,550</u>
<u>Supplies and/or (most) Services (for Local Government)</u>	<u>£189,330</u>	<u>213,477</u>	<u>170,782</u>
<u>Social and other specific Services (Light Touch Regime applies)</u>	<u>£663,540</u>	<u>663,540</u> <u>(if inclusive of VAT)</u>	<u>530,832</u> <u>(if without VAT)</u>

³ ~~The UK Govt will review these thresholds in 2021~~

Please note that the new thresholds are inclusive of VAT (due to the UK's obligations under the WTO).

	SELECTION STAGE	TENDER STAGE	IF ELECTRONIC TENDER ACCEPTED	TENDER FOLLOWING PIN	TENDER BY AGREEMENT	URGENCY
Open Procedure	n/a	35 days	30 days	15 days	n/a	15 days
Restricted Procedure	30 days	30 days	25 days	10 days	At least 10 days	15/10 days
Competitive Procedure with Negotiation	30 days	30 days	25 days	10 days	At least 10 days	15/10 days
Competitive Dialogue	30 days	n/a	n/a	n/a	n/a	n/a

The timeframes above are MINIMUM number of days from date the notice is sent. It is recommended you allow 3 extra days to allow for notice publication.

Appendix 17 Document Retention

Retention Classification	Retention Period
Contracts under seal (above Threshold)	12 years from Contract end This includes all Contract documents (specifications, drawings, certificates, Contract instructions and all relevant correspondence
Contracts not under seal	6 years from Contract end This includes all Contract documents (specifications, drawings, certificates, Contract instructions and all relevant correspondence
Unsuccessful Tenders and Quotes	4 years from the award of Contract
Abandoned Tenders and Quotes	4 years from the date of abandonment
Purchase files	MUST be kept up to date at all times within the Council's e-tendering system and Contract Register
Hard copies of Contracts	Store locally for 6 years after date of purchase then archive 12 years after purchase, review for possible destruction/recycling

The sealing of tenders is carried out by the Legal Department. For more information about the sealing process see the Guide on the Procurement Intranet page.

Appendix 18 Tender & Contract Variations, Extensions & Termination

1. Tender Variations/Variant Bids

Tenderers can submit variant bids linked to the subject matter of the bid, however the Contract Notice or ITT must state the minimum requirements to be met by the variants and specific requirements for their presentation, in particular whether variants may be submitted only where a Tender which is not a variant has also been submitted.

You **MUST** ensure that the award criteria can be applied to variants meeting those minimum requirements as well as to conforming “core” Tenders which are not variants. Only variants meeting the minimum requirements laid down by the Council shall be taken into consideration.

2. Contract Extensions

When you award a Contract/Framework, you **MUST** state the start and end dates and whether there is an option to extend beyond the ‘initial term’. If an extension clause has been included in the Contract, then it is permissible to extend but this should only be done if it represents value for money to extend and if the performance of the supplier warrants it.

Procurement have an extension letter template which can be used. Approval **MUST be obtained prior to extending any contract. For contracts above £20k, this must be obtained from the Contracts Panel.**

3. Contract Variation

Contract variations are risky and can trigger the need for a new procurement exercise. The Regulations set out the changes that can be made to a Contract or Framework Agreement. You **MUST** read the guidance and seek advice from the Procurement Department before making any Contract variation that could fall foul of the Regulations.

4. Contract Termination

Early termination **MUST** be approved by the Head of Strategic Procurement. Contracts may be terminated early by agreement prior to the expiry date of the Contract and in accordance with the termination provisions set out in the Contract.

Appendix 19 Procurement above the Thresholds

Options & Procedures

This Appendix lists the main choices of procurement procedure and the other routes available. You **MUST** seek the support of Procurement and Legal when you undertake any procurement that is above threshold.

Main Choices of Procedure

- Open Procedure
- Restricted Procedure

Other Routes

- Competitive Procedure with Negotiation
- Competitive Dialogue
- Concession Contracts
- Dynamic purchasing systems
- Electronic auction

Lots - if you do not divide the Contract up into lots, you **MUST** explain why in the Contract Notice or procurement documents.

Appendix 20 Below Threshold Contracts.⁴

(caught by Part 4 of the Regulations)

1. Using Contracts Finder to Advertise Contracts

- 1.1 **If** you advertise an opportunity, then you **MUST** place an advert on Contracts Finder via the ProActis e-tendering system).
- 1.2 This does **not** include where you call off from a Framework Agreement or another select/approved list.
- 1.3 This **does** include when you issue a Prior Information Notice (PIN) or similar – you **MUST** advertise “*regardless of how specific the opportunity is*”.
- 1.4 Adverts on Contract Finder **MUST** include the following information:
 - (a) the date and time by which an interested supplier **MUST** respond if it wishes to be considered (the time period allowed for responses but be sufficient but proportionate);
 - (b) how a supplier **MUST** respond to the advert, and to whom; and
 - (c) any other requirements for participating in the procurement.
- 1.5 In reality, Contracts Finder requires more information than this, including an (estimated) Contract value.
- 1.6 When you advertise on Contracts Finder, you **MUST** offer unrestricted and full direct internet access free of charge to any relevant Contract and procurement documents and specify in the notice the internet address where those documents can be accessed.

2. Selection Questionnaire

- 2.1 You **MUST not** use a SQ for Contracts below the threshold unless it is for a Works contract.
- 2.2 Instead, you **can** ask “suitability assessment” questions that are relevant to the subject matter of the procurement and are proportionate. These questions should relate to information / evidence you need that the candidate meet requirements / minimum standards for:
 - (a) suitability;

⁴ In this case, this threshold applies to works contracts as well as services and supplies.

- (b) legal status;
- (c) financial standing.

3. Contract Award Notices on Contracts Finder

- 3.1 The following requirements apply when you award a public Contract – ***whether or not*** it was advertised on Contracts Finder. This includes when you call off from a Framework Agreement.
- 3.2 You ***MUST***, within a reasonable time, publish the following information on Contracts Finder:
 - (a) the name of the contractor awarded the Contract;
 - (b) the date on which the Contract was entered into;
 - (c) the value of the Contract;
 - (d) whether the contractor is an “SME” or “VCSE”.
- 3.3 “VCSE” means a non-governmental organisation that is value-driven, and which principally reinvests its surpluses to further social, environmental or cultural objectives”.
- 3.4 You can withhold any of this information where its release:
 - (a) would impede law enforcement or would otherwise be contrary to the public interest;
 - (b) would prejudice the legitimate commercial interests of a particular economic operator (whether public or private); or
 - (c) might prejudice fair competition between suppliers.
- 3.5 This is most likely to apply to the value of the Contract awarded.

Bath & North East Somerset Council		
MEETING:	Council	
MEETING DATE:	18 th November 2021	
TITLE:	Amendments to the Constitution – Proportionality	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 – current political proportionality table, with tracked changes showing amended numbers		

1 THE ISSUE

- 1.1 The Constitution is a single point of reference which contains the principal governance structures and procedures of the authority. It sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people.
- 1.2 The proportionality table currently sits within part 5 of the Constitution and, following a change in political group membership, needs amendment by Council.
- 1.3 The appended table is the current one, with tracked changes to show the revised TOTALS figure on the first page.
- 1.4 It is the role of the Council AGM to make any substantial changes to committees, panels, bodies etc (Constitution Part 4A, rule 7), but this is brought to this Council as to delay would risk disenfranchising the two councillors concerned.

2 RECOMMENDATION

The Council is asked to;

- 2.1 Agree a revised political proportionality table, offering one place from the bodies in the top table to each of the non-aligned Councillors.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 There are no financial, property or people implications directly arising from this report.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The Constitution must be in compliance with the terms of the Local Government Act 2000, Local Government and Public Involvement in Health Act 2007 and Local Democracy, Economic Regeneration and Construction Act 2009, Localism Act 2011 and any other relevant statutory acts or guidance.

5 THE REPORT

- 5.1 There have been two recent changes to political group membership;

- Cllr Paul Myers resigned from the Conservative group on 11th May 2021
- Cllr Joanna Wright resigned from the Liberal Democrat group on 23rd June 2021.

- 5.2 Councillor Myers is now an independent councillor (but not part of the Independent group), and Councillor Wright is now a Green councillor.

- 5.3 As a result of this, an adjustment to committee memberships is needed so that a place is offered to each of these Councillors;

- The Liberal Democrat group need to lose one place from any of the bodies in the top table (of the attachment) to be offered to Councillor Wright or Myers so that their total number of committee places in the top table reduces from 35 to 34.
- The Conservative Group need to lose one place from any of the bodies in the top table (of the attachment) to be offered to Councillor Wright or Myers so that their total number of committee places in the top table reduces from 10 to 9.

- 5.4 The allocation of seats between the bodies listed in the top table (Compulsory cumulative proportionality) is traditionally managed through discussion between Group Leaders. As long as the Total numbers in the bottom column of the top table are correct, there is discretion as to how these are allocated within these bodies.

Proportionality rules

- 5.5 The law gives detailed guidance on the principles to be applied in calculating the allocation of seats on Committees and Sub Committees but the basic principles are:-

- a) not all the seats on the body shall be allocated to one particular party;
- b) the majority of the seats on the body shall be allocated to a particular political group if the number of persons belonging to that group is a majority of the Authority's membership;
- c) Subject to paragraphs (a) and (b) above, the number of seats on the ordinary Committees of the Authority which are allocated to a political group shall bear the same proportion to the total of all the seats on the ordinary Committees of that Authority as is borne by the number of members of that group to the membership of that Authority;

- d) subject to paragraphs (a) to (c) above, the number of seats on the body which are allocated to each political group bears the same proportion to the number of all the seats on that body as is borne by the number of members of that group to the membership of the Authority.
- e) Notwithstanding (a) to (d) above the Act does not restrict the ability of the Council, or Committees where they are authorised by the Council, to decide on the size and number of seats on Committees and Sub Committees, and to make the actual appointments. A Committee or Sub Committee must, however comprise at least two voting members.
- f) The law also deals with the allocation of committee places to members who do not belong to any political group. It indicates that, where there are members of the Council who do not belong to a political group, a proportion of seats on each body to which appointments are made, equal to the proportion of authority members who do not belong to a political group, will be allocated to the Member(s) concerned. Thus, as there are fifty nine seats on Committee/Panels and two independent members, two seats would be available to them. Council will decide which of the available seats will be so allocated and to whom.

5.6 It remains the position that, if a seat is allocated to a member/group, it is within their gift to offer their place to another group (or non-aligned member), and withdraw that offer at any point. This is an informal arrangement and does not affect the formal proportionality numbers.

6 RATIONALE

6.1 To ensure fair representation.

7 OTHER OPTIONS CONSIDERED

7.1 Not applicable.

8 CONSULTATION

8.1 The Chief Executive, Monitoring Officer and Group Leaders were consulted in preparing this report.

9 RISK MANAGEMENT

9.1 Not applicable.

Contact person	<i>Jo Morrison - Democratic Services Manager 01225 394358</i>
Background papers	<i>The Constitution</i>
Please contact the report author if you need to access this report in an alternative format	

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POLITICAL PROPORTIONALITY TABLE – REVISED 2021

Compulsory cumulative proportionality	Number on Committee	Liberal Democrat 61 3%	Conservative 19 17%	Independent 10%	Labour 8%	Independent (unaligned) 2 %	Green 2 %	Chair Allocation	Vice Chair Allocation	Co-opted members
Number of members		36	10	6	5	1	1			
Corporate PD&S	9	6	2	1	0	<u>0</u>	<u>0</u>	CON	LD	
Climate Emergency & Sustainability PD&S	9	6	1	1	1	<u>0</u>	<u>0</u>	IND	LD	
Children, Health & Wellbeing PD&S	9	6	2	0	1	<u>0</u>	<u>0</u>	CON	LD	4
Planning Committee	10	6	2	1	1	<u>0</u>	<u>0</u>	LD		
Corporate Audit Committee	5	3	1	1	0	<u>0</u>	<u>0</u>	LD		1
Avon Pension Fund Committee	5	3	0	1	1	<u>0</u>	<u>0</u>	LD	LD	12 voting, 3 non voting
Employment Committee	3	2	1	0	0	<u>0</u>	<u>0</u>	LD		
Standards Committee	5	3	1	1	0	<u>0</u>	<u>0</u>	LD		6 non voting
TOTALS	55	345	109	6	4	<u>1</u>	<u>1</u>			

Compulsory individual proportionality	No. on Cttee	LD	Cons	Ind	Lab	Ind (unaligned)	Green			
Licensing Sub-Committee	3	2	1	0	0			<i>LD</i>		
Optional proportionality										
Licensing Committee	11	6	3	1	1			<i>LD</i>		
Fixed memberships										
WECA Overview & Scrutiny Committee	2	2	0	0	0					
WECA Audit Committee	2	2	0	0	0					
Public Health & Wellbeing Board	2	2 (appropriate Cabinet Members)	1 (observer)	1 (observer)	1 (observer)			<i>Shared between CM & CCG Chair</i>		
Pensions Investment panel	3 (Chair & Vice of APF)	2	0	0	1					4
Restructuring Implementation Committee	4	Group Leader	Group Leader	Group Leader	Group Leader					
Charitable Trust Board *	5	1 Cab Mem + 2	1*				1*			
Alice Park Trust *	3	1	1*				1*			

- CTB - 5 councillors (to include Cabinet member responsible for Community Services) plus at least 1 Councillor who is not a member of controlling group but appointed by controlling group, plus 3 others).
- APT – 3 Councillors from the membership of the Charitable Trust Board (*excluding the Cab Member*)
[Ward members(s) for Lambridge as co-opted non-voting members]
- *LD Group (June 2021) agreed that Cllrs Wright & Cllr Davis can keep their CTB & APT places.

Bath & North East Somerset Council		
MEETING:	Council	
MEETING DATE:	18 November 2021	
TITLE:	Avon Pension Fund Annual Report to Council	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 – The Avon Pension Fund Committee’s Annual Report to Council 2020/21		
Appendix 2 – Local Pension Board – Annual Report 2020/21		
Appendix 3 – Terms of Reference for Committee & Investment Panel		

1 THE ISSUE

- 1.1 The Avon Pension Fund Committee discharges the responsibilities of the Council in its role as the administering authority of the Avon Pension Fund in accordance with the Local Government Pension Scheme Regulations 2013 (as amended).
- 1.2 The Committee reports annually to Council on the work it has undertaken in the previous twelve months and reference is also made in the report to the future work programme. This report is for the 12 months to 31 March 2021.
- 1.3 As background to this report members should be aware that Bath & North East Somerset Council has a dual interest in the Avon Pension Fund, firstly as administering authority and secondly as one of the employing bodies. This report focuses entirely on the Council’s role as administering authority.

2 RECOMMENDATION

The Council is asked;

- 2.1 To approve the Committee’s revised Terms of Reference
- 2.2 To note the Committee’s Annual Report to Council
- 2.3 To note the Pension Board’s Annual Report

3 THE REPORT

- 3.1 The Annual Report for 2020/21 is attached as Appendix 1 to this report. The document is primarily for the Council's purposes. However, it will be circulated to the employing bodies within the Fund to improve transparency about the Committee's activities and the decisions taken.
- 3.2 The Public Service Pensions Act 2013 required the Council to establish a local pension board to assist the administering authority with the effective and efficient management and administration of the scheme. The Avon Fund Pension Board has published its annual report for 2020/21 which is included in Appendix 2 for completeness.
- 3.3 The draft Terms of Reference includes a new sub-group, the Funding & Risk Management Group (FRMG). The purpose is to establish a more robust and efficient governance framework for the Investment Risk Management Strategies which includes the Equity Protection, Liability Driven Investing, Low Risk Funding Strategy and Foreign Exchange hedging strategies. The governance has evolved as these strategies have developed and been implemented involving significant and ongoing Investment Panel engagement. The strategies are now at a point where the role of the Committee/Panel needs to focus on ongoing objective delivery and strategic effectiveness rather than broader detailed operational aspects. The Committee approved the changes at its June 2021 meeting.
- 3.4 Since drafting of the Committee's Annual Report to Council, the committee has undertaken an equity review and agreed to set a new target to reduce absolute carbon emissions of the equity portfolio by 43% by 2025 and 69% by 2030. To support this they have agreed to realign the equity allocation by transferring the emerging markets allocation into the Global Sustainable Equity (GSE) and Global High Alpha Equity (GHA) portfolios offered by Brunel, and in order to maintain the fund's investment return target, to reduce the allocation to the diversified returns portfolio by c. 4% and reinvest in the GSE and GHA portfolios. The passive low carbon assets will also be switched into the Developed Equities Paris Aligned passive fund offered by Brunel. This was agreed at the Committee Meeting on 4th October 2021.

4 STATUTORY CONSIDERATIONS

- 4.1 The Council is required to put in place arrangements for the effective discharge of its business

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 The costs of administering the Avon Pension Fund are recharged to the employing bodies through the employer contribution rates which are set by the actuary every three years as part of the valuation.

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 EQUALITIES

7.1 A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

8 CLIMATE CHANGE

8.1 The Fund is implementing a digital strategy across all its operations and communications with stakeholders to reduce its internal carbon footprint in line with the Council's Climate Strategy. The Fund acknowledges the financial risk to its assets from climate change and addresses this through its strategic asset allocation within equities and to renewable energy opportunities. The strategy is monitored and reviewed by the Committee.

9 OTHER OPTIONS CONSIDERED

9.1 None

10 CONSULTATION

10.1 The Pension Fund Committee delegated the drafting of the Annual Report to Council to Officers and the Chair (subject to informal consultation with Committee members prior to the Chair approving the report).

Contact person	Carolyn Morgan, Governance & Risk Advisor, 01225 395240
Background papers	<i>Pension Fund Committee papers</i>
Please contact the report author if you need to access this report in an alternative format	

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AVON PENSION FUND COMMITTEE ANNUAL REPORT TO COUNCIL (April 2020 - March 2021)

1 INTRODUCTION

This is the annual report to Council detailing the work carried out by the Avon Pension Fund Committee for the period from 1 April 2020 to 31 March 2021.

The Council has delegated responsibility for the Fund to the Avon Pension Fund Committee (the “Committee”) which is the formal decision-making body for the Fund. The Committee’s role is strategic in nature, setting policy framework and monitoring implementation and compliance within that framework.

Due to the wide scope of the Committee’s remit it is supported by the Investment Panel (the “Panel”) which considers the investment strategy and investment performance in greater depth. The Committee has delegated authority to the Panel for specific investment decisions.

The Pensions Committee and administering authority are scrutinised by the Local Pension Board ensuring that the governance surrounding the scheme remains robust and fit for purpose.

The scheme is regulated and overseen by the Pensions Regulator. Other bodies and agencies undertake key roles, particularly the LGPS Scheme Advisory Board, the Department for Levelling Up, Housing and Communities, and CIPFA, which sets the accounting standards.

Brunel Pension Partnership Ltd (Brunel), the company established by the Brunel pool to implement the Fund’s investment strategy is regulated by the Financial Conduct Authority.

The Avon Pension Fund is a statutory scheme regulated by the Local Government Pension Scheme Regulations 2013 (as amended) and the Local Government Pension Scheme Regulations (Management and Investment of Funds) Regulations 2016 (as amended).

Bath & North East Somerset Council (“the Council”) administers the Fund on behalf of approximately:

- 464 employing bodies
- 125,000 members

The value of the Fund as at 31 March 2021 was £5.3 billion.

In 2020/21 the Fund:

- received £211m in pension contributions
- paid out £183m in pension payments and benefits

Full details can be found in the Fund's annual report
(<https://www.avonpensionfund.org.uk/finance-and-investments>)

2 COMMITTEE MEMBERSHIP

The Committee structure is as follows:

Voting members (14)	5 elected members from B&NES (subject to the rules of political proportionality of the Council) 3 independent members 1 elected member nominated from each of the other 3 West of England unitary councils 1 nominated from the Higher and Further Education bodies 1 nominated from Academy bodies 1 nominated by the Trade Unions
Non-voting members (3)	1 nominated from the Parish Councils 2 nominated from different Trade Unions

The Committee meets quarterly. Attendance at the meetings was 96% for the voting members and 50% for the non-voting members.

Due to the Covid 19 pandemic all meetings over the last year, of both the Committee & Panel, took place remotely. This was in accordance with regulations made under section 78 of the Coronavirus Act 2020 allowing local authorities in England to have express powers to hold public meetings virtually by using video or telephone conferencing technology.

Investment Panel

The Panel consists of up to six voting members from the Committee and meets at least quarterly ahead of Committee meetings.

The Panel met formally four times during the year, with attendance of 100%.

3 TRAINING

The Fund provides training to committee members to ensure they possess an appropriate level of knowledge, skill and understanding to discharge their fiduciary duties.

The Fund has in place a training framework which is based on CIPFA's (Chartered Institute of Public Finance and Accounting) Knowledge and Skills Framework for LGPS funds. All Committee members are also encouraged to undertake the Pension Regulator's online learning toolkit.

Committee training is delivered in a variety of formats such as detailed Committee and Panel reports and workshops where the topic is explored in greater detail.

Along with the Local Pension Board the Committee took part in the LGPS National Knowledge Assessment carried out by Hymans Robertson in May 2020.

A number of workshops have been planned over the next year based on the recommendations of the assessment.

Over the last year all training has been held remotely, with members attending several seminars and conferences such as LGE's Trustee Fundamentals and Governance & Investment Update plus Brunel Investor Days. These events help to broaden their understanding of investments and topics of relevance to the LGPS.

4 COMMITTEE ACTIVITIES & REVIEW OF THE YEAR

2020/21 was dominated by the impact of the pandemic on the pension fund's operations, service delivery and investment portfolio. During the year the Committee's focus was on how the service was being delivered remotely, whether service standards could be maintained given the circumstances and how resources were prioritised.

Remote working arrangements were successfully implemented, and all staff were still working remotely at the end of the year. Although the operations and administration are highly digitalised, remote working has been challenging and workloads unrelenting. This meant that specific aspects of the process have been prioritised to ensure member service has not been compromised.

To ensure member benefits could be processed whilst working remotely, new processes were implemented, such as a secure member portal for the transfer of documents and electronic verification of member details. These were implemented very quickly, early in the year, to reduce the need for paper documentation.

Our scheme employers have been working under similar conditions and our partnership approach has helped maintain a high level of service to employers.

a) Investment Strategy Review

Following the Investment Strategy review in 2019/20, the increase in the allocations to Private Debt, Renewable Infrastructure and Secured Income were implemented, as was the allocation to sustainable global equities. We now have £1.2 billion (or 23%) of our assets invested in Sustainable and Low Carbon Equities which will help mitigate the financial impact of climate change on the asset portfolio. In addition, £148 million of capital has been invested in renewable energy and infrastructure assets. Lastly, but very importantly, a significant year-on-year improvement in the Weighted Average Carbon Intensity (WACI) of our listed equity portfolio saw us achieve one of our interim climate change objectives two years ahead of target. Our equity portfolio is now 30% less carbon intensive than the wider market.

b) Investment performance

During the year the value of the Fund's assets increased by £834 million to £5,301 million at 31 March 2021. Following a negative return in the previous year and a volatile start to 2020/21, it was positive to achieve 17.3% return in this year. As a result, the return over the last three years has been 4.9% per annum which is in line with the funding plan.

The year started with highly volatile markets but they recovered from the 1Q20 lows as governments unveiled unprecedented support packages to offset the economic contraction. However, the longer-term impact is still uncertain. The unprecedented stimulus and economic rebound have increased inflationary pressures and the risk of higher interest rates is now affecting markets, with bond yields rising from the yields at the beginning of the year. Whether the pandemic results in other structural changes such as less offshore supply chains, the durability of greater online shopping trends or less demand for office space is not yet clear. Such changes in consumer and industry behaviour following the pandemic will determine how attractive different assets will be in the long-term. Some such as property could face unique challenges if working patterns significantly change as a result of the crisis.

The Fund weathered the crisis well due to the diverse range of assets within the portfolio. As markets fell the equity protection strategy protected the value of the equity portfolio, but the protection was eroded as markets rose through the year. Allocations to diversifying assets such as Diversified Growth Funds and Hedge Funds also provided some downside protection as equity markets fell. Bond markets having initially rallied as riskier assets fell, gave up gains as fears of inflationary pressure increased. Credit markets which were badly affected as investors feared a rise in defaults at the height of the volatile markets, recovered to produce strong returns.

Sterling strengthened against all major currencies over the year in a reversal of currency weakness in previous years, buoyed by a post Brexit rally after the final transition out of the EU and the successful roll out of the vaccine.

Committee and Panel monitored the asset performance and funding implications throughout the volatile market conditions.

c) Pooling of Assets

The transition of assets to Brunel continued during the year despite a short delay due to the high level of volatility in the markets in the second quarter of 2020. We completed two transitions to the Diversified Returns Fund and Global Sustainable Equities portfolios. The final transition will complete in 2021, which means all the transitions have completed in line with the transition plan. In addition, all allocations to Secured Income, Private Debt and Infrastructure assets are being invested via Brunel's portfolios. As a result Brunel now manage over 70% (or £3.8 billion) of the Fund's assets. The residual legacy assets will be wound down over time and the proceeds invested in Brunel portfolios where they meet our investment objectives

The Committee receive an update report on Brunel at each committee meeting. Governance arrangements are in place for monitoring service delivery, investment performance and the ongoing costs & savings. The Committee is represented by its Chairperson on the Brunel Oversight Board; the Board is supported by officers from each of the funds.

Eight committee members attended the remote Stakeholder Engagement days arranged for Brunel to update members on the progress made in developing and delivering the investment services Brunel provided to its ten LGPS clients.

d) Climate Emergency

In March 2019 Bath & North East Somerset Council declared a climate emergency and awareness of climate change has continued to be high profile. For pension funds the focus is to manage the financial risk to asset values as the world transitions to a low carbon economy. Significant work is now in progress across the investment industry to develop investment products/solutions that are aligned to the transition and the Paris Agreement. One example is the global project led by the Institutional Investors Group on Climate Change (IIGCC) to develop an investment framework aligned to the Paris Agreement which both Brunel and Avon participated in.

During the year the committee received statements from members and campaigners requesting that the Fund divests from fossil fuel companies. The Committee welcomed the informed questions it received on its climate strategy and responded in kind; providing details of the Fund's carbon exposure, how it monitors engagement activity and how it is adapting its portfolio to ensure it is aligned with the goals of the Paris agreement. As a result, the West of England Unison branches commended the Fund and Brunel on their level of ambition and the actions taken so far to tackle climate change within the pensions & finance sector.

The Fund has set clear climate change investment objectives, targets and milestones that are monitored and kept under review. They have led to the Committee increasing the allocation to sustainable and low carbon equities and to renewable infrastructure assets.

In addition, Brunel's Climate Change Policy published in 2020 is aligned with the Fund's own objectives and will be crucial in enabling the Fund to achieve those objectives over the coming years.

To promote better climate disclosure, the Committee supported the Fund's intention of being an early adopter of the Taskforce for Climate-related Financial Disclosures (TCFD) recommendations for reporting. This is a critical framework to help the Fund deliver its own climate change objectives but is also a way of signalling to investee companies, service providers and partners how important climate risk transparency is to the Avon Pension Fund if it is to achieve reductions in emissions in the real world. The first report covering the 12 months to 31 March 2021 will be presented to Committee later in 2021.

e) Responsible Investing Policy (RI)

Although there is much focus on climate risk, the other aspects of RI, namely Social and Governance risk, are equally important in terms of financial risk to the Fund and some of the Fund's activity in managing such risks during the year are as follows:

- Prior to the introduction of the FRC UK Stewardship Code 2020 (the "Code"), the Fund was a tier 1 signatory to the UK Stewardship Code 2012, which meant it provided a good quality and transparent description of its approach to stewardship.

The Fund will submit its first Stewardship Report in line with the new Code by the October 2021 deadline for the 12 months to 31 March 2021. This report will focus on activities and outcomes to evidence how the Fund has applied the Code and will be available on the Fund's website www.avonpensionfund.org.uk (search FRC Stewardship Code) following FRC assessment.

- The assets managed by Brunel are governed by its Stewardship and Voting policies, which, with input from the Fund, underwent a comprehensive review during the year to improve transparency and factor in the enhanced requirements of the new Code.
- The Fund continues to participate in industry leading initiatives to promote responsible investment such as the Local Authority Pension Fund Forum (LAPFF), Climate Action 100+ and the IIGCC. In particular, LAPFF seeks to maximise the influence the LGPS funds have as shareholders through co-ordinating shareholder activism amongst the pension funds. This year they were instrumental in lobbying the mining sector for improved disclosures around tailings dams. Officers and Committee members attended four LAPFF business meetings during the year. Alongside 26 international investors, Avon joined a collaborative engagement supported by the Marine Conservation Society to engage with the largest manufacturers of washing machines to promote technological solutions to tackle micro plastic leakage.
- The Fund's ability to engage with, and drive change, at the underlying investment manager level is amplified through Brunel. Over the year, each quarter the Fund engaged with around 300 companies held in its equity portfolios, across a broad range of ESG issues. Environmental topics, on average, featured in 24% of engagements, 78% of which related directly to climate change. Social topics featured in 20% of engagements, where diversity and human rights featured prominently. Of the 37% of Governance related engagements the majority revolved around executive remuneration. Strategy, risk and communications topics such as audit and accounting and cyber security featured in the remaining 19% of engagements over the year.

f) Risk Management Strategy

The Fund uses a number of risk management strategies specifically to provide as stable as possible contribution plans for employers and to protect the Fund from significant falls in asset values.

The two main strategies are (i) the Liability Driven Investment (LDI) framework which seeks to increase the Fund's exposure to inflation-linked assets in order to offset the impact of rising inflation on the Fund's liabilities and (ii) the equity protection strategy which protects against significant market falls.

The Committee has strategic oversight of these strategies whereas the Panel monitors the performance and financial impact more closely and considers issues that could affect them. During the year the Panel considered the impact of rising inflation expectations which led to the decision to increase the inflation hedge to the maximum

permitted under the strategy. In addition, the Panel worked closely with advisors to implement a more dynamic structure for the equity protection strategy that would more efficiently provide protection and simplify the governance burden.

g) Funding Strategy

The last actuarial valuation was in 2019 which projected a deficit of £284m and a funding level of 96%. In 31 March 2020 the funding position deteriorated to 84% due to the fall in asset prices at the end of the year. However, due to the recovery in asset prices, by 31 March 2021 the funding level had improved to 97%.

Ahead of the next valuation in 2022, an interim valuation exercise will be undertaken in 2021/22 to identify pressures on the funding position. Given the impact of the pandemic on the scheme employers, affordability of pension costs will be a key consideration in managing financial risk for both employers and the Fund. A workshop is planned for the Winter to go through the results with the Committee.

During the year the Committee agreed new policies in line with regulatory changes to permit more flexibility when agreeing funding plans for employers that exit the scheme or for those that are approaching exit. The Funding strategy Statement was updated to reflect these new policies.

h) Pensions Administration

(i) Chartered Institute of Public Finance & Accountancy (CIPFA) Benchmarking (Benefits Administration)

The fund is committed to achieving and enhancing value for money and to make the administration of the scheme as efficient and cost effective as possible.

LGPS Costs

Costs per staff FTE	2019/20
Net admin cost per staff FTE £'000	55.7
National Average £'000	69.4
Members per FTE	2,306
National Average	2,781

Costs per member	2019/20
Investment Management Expenses	
Total Cost £'000	26,943
Cost per member	221.66
National Average £	232.11
Administration Costs	
Total Cost £'000	2,408
Cost per member	19.81
National Average £	20.16
Oversight & governance costs	
Total cost £'000	1,752
Cost per member	14.41
National Average £	15.55
Total Costs £'000	31,103
Total cost per member £	255.88
Total National Average £	267.82

The CIPFA benchmarking data from 2019/20 (table above, the latest available) highlights the Fund's comparative performance in key cost areas, as shown below. They demonstrate the Fund's positive cost performance when compared with national averages.

(iii) Pensions Administration Strategy

The Administration Strategy sets out how the administering authority and scheme employers will work together to provide an improving quality level of service to Fund members.

The strategy ensures the Fund can continue to deliver a high quality service at a time when the operating environment is becoming more complex. The employer base has fragmented, especially with the creation of academies and the increase in the number of third party HR and payroll providers.

The strategy was last updated and approved by Committee in March 2019. The main objectives are:

- Full electronic receipt of data from all employers
- Digital delivery of all communications to members
- Introduction of chargeable services for employers

The strategy to deliver digital communications to members together with the electronic receipt of data across the employer portfolio aligns with Council strategy to reduce carbon emissions.

Over the course of the next year the administration strategy will be reviewed again with the focus on the digital transformation project. Whilst the need to adapt to a more flexible and remote working environment is paramount, recruitment, staff training and wellbeing is also a top priority. The Committee expect to see more detail about the new strategy by the end of the year.

(iv) The Pension Regulator

Since the introduction of the Pension Regulator's (TPR) Code of Practice 2014 and Record Keeping Regulations, the Fund has a data improvement plan in place to improve both the quality of the Fund's data as a whole and, also working with individual employers to improve their data. A data score of 95% for Common Data & 85% for Scheme Specific Data was reported in the TPR Scheme Return as at September 2020.

(v) Risk Register

The Fund's Risk Register identifies the governance, operational, funding and investment risks that the Fund is exposed to and, having evaluated the financial and operational impact of the risk on the Fund's objectives, states the actions taken to mitigate and effectively manage the risk.

The register is reviewed regularly by the management team and is reported quarterly to the Committee.

i) Approval of the 3 year Service Plan & Budget

Each year the Committee approves the Service Plan which sets out the Pension Fund's objectives for the next three years together with a three year budget to deliver the plan including work relating to the investment strategy, risk management, compliance and improvements in the administration of the Fund.

The budget approved for Administration in 2020/21 was £2,935m. The budget for 2021/22 has been increased to £3,170m. The increase includes additional resource to strengthen the management team and to also implement and manage the transformation program. It also includes continued additional temporary resources to meet expected increased workload resulting from the McCloud remedy.

Budget Outturn (2020/21)

During the year administration costs (excluding advisory and investment management costs) were £2.4 million, 17% below the budget of £2.9 million. The main savings were on salaries as recruitment was delayed due to the pandemic and remote working. There were also other pandemic related savings such as reduced travel, training and conference attendance.

Annual investment management fees paid in the year were below budget at £18 million.

The budget for governance costs was £1.7 million with actual costs just over budget at £1.8 million. More advice than anticipated was required to address pandemic related issues for both investment and actuarial strategies.

j) Treasury Management Policy and Cash Management Policy

The Committee approves the Fund's Treasury Management Policy annually. The policy sets out how the Fund's cash is invested to meet its day-to-day requirements. The cash managed under this policy is 0.5-1% of the Fund's value (up to c. £45m).

The management of this cash is delegated to the Council's Treasury Management Team but it is invested separately from the Council's and the Fund has a bespoke Treasury Management Policy.

k) Work plans

Separate workplans are prepared for the Committee and Panel detailing the forthcoming areas of work relating to the investment strategy, funding strategy and the administration of benefits to give the Committee and officers the opportunity to review the workload, plan Committee agendas and workshops and accommodate issues that may arise.

5 FUTURE ACTIVITY

Our forward looking 3 year Service Plan sets out the Pension Fund's objectives and priorities with a budget that supports the objectives and actions arising from the

plan. The focus is the digital transformation project, addressing the climate emergency and managing employer risk.

The Committee and Panel's focus over the next twelve months will be:

Funding Strategy:

1. Undertake an interim valuation during 2021 to identify the issues that may materially affect the 2022 valuation (which sets employer contribution rates with effect from April 2023).
2. Ongoing covenant assessment for incorporating into the Funding Strategy and funding plans.
3. Ongoing management of smaller employers to ensure pension costs remain affordable for the employer and financially sustainable for the Fund.

Investment Strategy:

4. Monitor the performance of Brunel and their portfolios, ensuring Brunel are delivering the Fund's strategic objectives.
5. To meet our climate objectives, review the equity portfolio with the objective of having all the equity assets managed in sustainable or Paris aligned (with low carbon transition) investment strategies.
6. In light of the interim valuation and expectations of future returns, consider whether the current investment strategy meets the funding objectives or whether the level of risk embedded in the strategy is too low.
7. Monitor and develop the Risk Management Framework as required as a mechanism for managing liability risk through the investment portfolio and mitigating investment risk.
8. Support initiatives and undertake activity to demonstrate the Fund's commitment to meeting its climate emergency targets such as reporting in line with the TCFD recommendations in 2021, as a signatory to IIGCC initiatives to influence government policy and regulatory change.
9. Increase communications with our broad array of stakeholders about the investment strategy with a focus on how the strategy is mitigating the financial risk of climate change.
10. Realign the investment advice required post transition of assets to Brunel.
11. Maintain the Investment Strategy Statement reflecting strategy developments and changes due to Brunel operations.

Administration Strategy:

12. To continue the move towards digital delivery of Scheme communications to members.
13. To complete the rollout of I-Connect and the receipt of monthly member data returns.

14. To introduce a training & development programme covering operational and digital transformation requirement.
15. To complete the final phase of the GMP data reconciliation exercise as required by HMRC to ensure the fund is not at risk of erroneous pension liability.
16. To complete the member address rectification project to identify missing data and implement actions to resolve outcomes.
17. To monitor outcomes of McCloud judgement and implement actions to manage remedy including actions to support Fire Schemes Immediate Detriment cases.
18. Undertake gap analysis and specification for digital requirements across all stakeholders.
19. Develop revised Admin Strategy proposals to include digital transformation and to take to Pensions Committee.

Governance:

20. Keep governance arrangements under review to ensure effective monitoring of Brunel and the transition of the assets.
21. Implementation of the Good Governance Review (SAB) requirements.
22. To ensure the Committee and the Pensions Board is fully trained and briefed on current strategies and operations and in position to scrutinise and make decisions effectively.
23. Retender advisory contracts to align contracts with Fund objectives.

September 2021

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Avon Pension Fund – Local Pension Board – Annual Report 2020/21

1. Chairman's Summary

Welcome to the Annual Report of the Local Pension Board (LPB) of Avon Pension Fund.

The Board was established in 2015 arising from the Public Sector Pension Act 2013 and Local Government Pension Scheme (Governance) Regulations 2015.

The purpose of the Board is to assist the Administering Authority (BANES Council) of the Avon Pension Fund (APF) secure compliance with the LGPS regulations and requirements of the Pensions Regulator (TPR) and ensure efficient and effective governance and administration of the fund.

This report covers the period 1st August 2020 to 31st July 2021 within which the Board has held three formal meetings & two workshops. It has focussed on the Fund's sustainability of its working arrangements while the Pandemic continued and has sought assurances from officers that the fund is able to operate remotely and continue to deliver its service to members & employers.

During this period the members of the LPB have also continued to develop their knowledge and understanding of the LGPS and TPR requirements as required by law.

I am pleased to say that with the support of the officers to the APF, the LPB has made good progress in fulfilling its terms of reference and continuing to support the administering authority in its statutory duties.

Over the year the LPB has reviewed a wide range of LGPS regulations and TPR requirements. This has included reviewing all administration processes against their legal timeframes as well as locally agreed service level agreements and analysing key issues around data quality & the McCloud remedy implementation plan.

In November 2020 it carried out a review of all the Fund's statutory annual requirements covering the year end process, issue of annual benefit statements and pension savings statements. It also had a more detailed look at the risk register and the breaches log and made recommendations as appropriate.

In May 2021 the Board welcomed an update on the proposed three-year service plan including plans for a revised Administration Strategy including the Fund's digital transformation.

It has also actively monitored the fund's involvement in the Brunel Pensions Partnership (BPP) that was established in 2017 to facilitate the pooling of the fund's assets with 9 other LGPS funds in 2018.

Looking ahead the LPB will continue to assist and support the APF and will be particularly looking at how the Fund plans to meet the requirements of the Good Governance review and the Pension Regulator's single code of practice.

It has also stressed the need to support staff as remote working continues and to develop the service for the benefit of its members & employers.

Last but not least could I thank my fellow Board members for their commitment to their roles on the LPB and I commend this report to you.

Nick Weaver
Independent Chair

2. Legal basis of Local Pension Board

Background

At the request of central government Lord Hutton conducted a review into public service pensions in 2010 and published his findings in March 2011 which recommended significant change to the governance of the pensions *‘to make...schemes...more transparent’*.

Subsequently legislation was introduced in the form of the Public Sector Pension Act 2013 along with the Local Government Pension Scheme (Governance) Regulations 2015. These require each Local Government Pension Scheme (LGPS) administering authority to establish a new body known as a Local Pensions Board (LPB) to assist the Council (LGPS Administering Authority).

One of the key aims of the reform was to raise the standard of management and administration of public service pension schemes and to achieve effective representation of employer and employee interests. The LPB must have equal representation of scheme members and scheme employers.

The APF LPB is a separate legal entity from the APF Pensions Committee (Section 101 committee) to which as administering authority (BANES Council) has delegated its functions in relation to the administration of the LGPS.

Specific Role and Purpose

The Public Sector Pension Act 2013 sets out the requirements for the establishment of a LPB with the responsibility for assisting the LGPS local scheme manager (BANES) in relation to the following:

- a) Securing compliance with the regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation and:
- b) To ensure the effective and efficient governance and administration of the Scheme.

The LPB will assist the ‘scheme manager’ by monitoring and advising on compliance with the pension scheme regulations, along with all other legislation and the requirements imposed by the Pensions Regulator to ensure the effective and efficient governance and administration of the scheme.

The role of the LPB can be likened to that of a “critical friend” but is not a decision making body. It has an important advisory role for the APF and works with the Pensions Committee to scrutinise its decision making processes and to ensure the Fund’s compliance with all its legislative requirements.

The Pension Regulator (TPR)

From April 2015, the Pension Regulator had responsibility for the LGPS. Therefore one focus for the LPB is ensuring the fund’s compliance with TPR Codes of Practice. This is split into a number of areas which covers governance, risk management and resolving issues.

The LPB as part of their work plan has needed to consider these areas, to ensure the Fund is compliant and if not to make recommendations to the APF Pensions Committee to address these requirements.

Terms of Reference

Terms of Reference for the LPB are available through the following link.

<http://www.avonpensionfund.org.uk/>.

Avon Pension Fund – Local Pension Board – Annual Report 2020/21

3. Establishment of Local Pension Board

The requirement for an Independent Chair and Board Membership was outlined in the terms of reference to the LPB which were agreed by full BANES Council on the 15th January 2015.

Two members of the Pension Board complete their four year term this year, but both have agreed to extend their term by a further two years. This will allow the Fund to carry out a recruitment campaign to ensure replacements are recruited and in place before they step down.

Adverts are currently on the website and communications have been sent out to members and employers inviting applicants for a member rep and an employer rep.

All applicants will be reviewed against the published criteria in the person specifications and a shortlist of candidates drawn up for interview with the Service Director One West and Head of Business, Finance and Pensions.

Details of the Local Pension Board Members

Independent Chairman:

Nick Weaver. Appointed 1st November 2019. Term of office 4 years.

Employer Member Representatives:

Steve Harman, active member. Appointed 1st July 2015. Term of office extended to 30th June 2023.

Tony Whitlock, active member. Appointed 1st May 2016. Extended to 1st May 2024

Pete Sloman, active member. Appointed 1st March 2020. 4 year term of office 28th February 2024

Scheme Member Representative:

David Yorath, retired member. Appointed 1st July 2015. Extended to 30th June 2023.

Mark King, active member. Appointed 1st May 2016. 4 year term of office to 30th June 2023

Helen Ball, retired member. Appointed 1 March 2020. 4 year term of office 28th February 2024

In total the Board has well over 100 years' experience of the LGPS. Details of each Board members experience and register of interests are available through the following link.

<http://www.avonpensionfund.org.uk/>.

Attendance at Local Pension Board Meetings – August 2020 – July 2021

Due to the Covid 19 Pandemic all meetings & workshops over the last year took place remotely. This was in accordance with regulations made under section 78 of the Coronavirus Act 2020 allowing local authorities in England to have express powers to hold public meetings virtually by using video or telephone conferencing technology.

Role	Board Member	Attendance
Independent Chairman	Nick Weaver	3/3
Employer Representative	Steve Harman Tony Whitlock Pete Sloman	3/3 3/3 2/3
Member Representative	David Yorath Mark King Helen Ball	2/3 2/3 3/3

4. Training

Background

In accordance with the Pension Regulator (TPR) Code of Practice 14 every member of a LPB must:

- Be Conversant with the rules of the local government pension scheme (LGPS) &
- Have knowledge and understanding of the law relating to pensions

These responsibilities begin from the date the LPB member takes up their role. The knowledge and understanding requirements apply to every individual member of a LPB rather than as a group.

Degree of Knowledge and Understanding

The legal requirement is that members of the LPB must be conversant with the rules of the LGPS and any document recording policy about the administration of the fund. This is implied as a working knowledge so that members are aware of which legislation/policies to refer to when carrying out their role.

Areas of Knowledge and Understanding

LPB Members should be conversant with, but not limited to the following areas:

- a) Scheme approved policies
- b) Risk assessment/management
- c) Scheme booklets/members communications
- d) Role of LPB Members and the scheme manager
- e) Policies in relation to discretions
- f) Communications with scheme members and employers
- g) Key policy documents on administration, funding and investment

Training Undertaken

During the year on-going technical training was provided to LPB members by officers from or advisors to the APF on a full range of topics covering the LGPS framework and TPR requirements.

Workshops were held in September 2020 and January 2021. The September workshop covered an overview of the governance arrangements of the Fund, a more detailed look at the administration of the scheme and discussed how the Fund should move forward when reviewing the Administration Strategy particularly with the changes required for staff to work remotely and provide a more digital service to members and employers.

In the January session officers put forward a new roadmap for a digital transformation for the Fund over the next five years. The Board approved the direction of travel and the revised Administration Strategy will be developed and delivered to Committee for approval at the end of the year.

Avon Pension Fund – Local Pension Board – Annual Report 2020/21

Through out the year members attended various virtual seminars and conferences such as CIPFA's Pension Board autumn & spring events, LGE's Trustee Fundamentals and Governance & Investment Update plus Brunel Investor Days. These events help to broaden understanding of topics of relevance to the LGPS and the role of a pension board member.

Along with the Pensions Committee the LPB took part in the LGPS National Knowledge Assessment carried out by Hymans Robertson in May 2020. A number of workshops have been planned over the next year based on the recommendations of the assessment.

The LPB training plan is a topic at each board meeting and a training log is maintained to assist in the identification of on-going training needs.

5. Local Pension Board Code of Conduct and Conflicts of Interest Policy

Code of Conduct

All LPB members have signed up to an LPB Code of Conduct in which emphasises that as a holder of public office there is an expectation that LPB members will comply with the 'seven principles of public life', also known as the 'Nolan Principles'.

Conflicts of Interest

All LPB members have also signed up to the LPB Conflicts of Interest Policy. This requires all members to notify BANES Democratic Services team of any potential conflict of interest arising as a result of their position on the Board.

All meetings of the LPB include a standing item titled 'Declaration of Interests' at the start of the meeting where any declaration in relation to the items on the agenda should be made.

All LPB members have formally completed their declaration of interest forms and at the three formal meetings which have been held during the year no 'conflicts' have been declared. For more information on conflicts of interest and declarations at each meeting please use the following link –

<https://democracy.bathnes.gov.uk/mgCommitteeDetails.aspx?ID=563>

6. Pension Board Costs & Budget

In meeting the requirements of the Public Sector Pension Act (2013) and establishing a Local Pensions Board, Bath & North East Somerset approved terms of reference and necessary supporting arrangements at its meeting of its full Council on the 15th January 2015.

The LPB agrees a budget on an annual basis to enable the Board to perform its duties and a summary of the costs is included below:

Summary Financial Table

Budget Area	2020/21 Budget	2020/21 Actuals
LPB Members Allowances	£8,000	£7,180
LPB Members Training Costs & External Support	£6,000	£1,115

Avon Pension Fund – Local Pension Board – Annual Report 2020/21

Pension Board Recruitment	£25,000	£0
LPB Meeting & Democratic Services Costs	£6,000	£2,332
Total	£45,000	£10,627

As with all elements of the public sector there is exceptional pressure to ensure value for money can be demonstrated and the Board will continue to consider this in its future operations

7. Local Pension Board Compliance with the Pension Regulator's Code of Practice No.14

As part of assessing both the effectiveness and compliance of the Board with its key requirements, the APF carried out a self-assessment of the LPB's current arrangements against TPR Code of Practice No. 14 in 2016/17. The full results of this exercise were reported initially in May 2016 and revisited in November 2016 and are available via the following link.

<https://democracy.bathnes.gov.uk/documents/s44211/LocalPensionBoardTPRCOP14UpdateNov2016.pdf>

This year Internal Audit have carried out a governance review against the requirements of the Code of Practice and their latest report is available via the following link –

(ADD LINK to Internal Audit report)

Overall, the control framework in place and operating for the management of the 'Governing your Scheme' section of Code of Practice 14 was found to be effective and given an assurance rating of "**Substantial Assurance**". A total of 3 audit recommendations, and 1 area of good practice, are detailed in the Action Plan.

Amongst the strengths identified were:

- The Terms of Reference for the Pension Board can be found in The Council's constitution.
- Pension Board members are asked to declare any conflicts of interest at the start of each meeting. This is recorded in the minutes of the meeting.
- Members are expected to observe the general principles of conduct identified by the Committee on Standards in Public Life (Nolan Principles) and signed declarations can be evidenced.
- There are more than four participants, on the Pension Board, with an equal split between employers and members. This structure complies with the requirements of the Local Government Pension Scheme regulations.
- When new members to the board are appointed, they are provided with detailed training material as well as attend an induction training session. Attendance at the training was 100% for new members.
- A "Training and Attendance" log is maintained and kept up to date.
- The Pension Board's work plan and training plan forms part of the standard Pension Board agenda.
- There are several communication channels to inform and educate Board Members, such as the LGE monthly bulletin that explains any regulatory updates and changes to the scheme, LGPS regulatory update is a standard agenda item for Pension Board meetings, Invitations and attendance at LGPS seminars and workshops.

The following weaknesses were identified:

- Internal Audit was informed that all original members have completed the Pension Regulator's Toolkit, but this could not be evidenced for all members.
- One out of three new Board Members had not completed a Register of Interest Form and signed a declaration that they agree to abide by the Code of Conduct.

Avon Pension Fund – Local Pension Board – Annual Report 2020/21

- An Independent Officer has not provided assurance that the declarations are not in conflict based on the interest declared and the members responsibility.

Internal Audit also identified the following opportunity

- A checklist should be developed that would enable measurement of the Pension Board's governance arrangements, including the requirements of COP-14, against governance best practice.

The Board support independent review and the work of Internal Audit and their reports and findings are reported to the Board. Details of previous audits can be found in the Board's meeting notes

<http://vm-civ-mgov/ieListMeetings.aspx?CId=563&Year=0>

8. Pension Fund Communications

Effective member and employer communications form a core part of the role of the APF. During the year the Board reviewed at a high level the APF's communications strategy and website.

The Board continue to work with APF officers on assessing all methods of communication both with Members and Employers, especially where issues have been identified and greater engagement or training is required.

Reviewing the strategy and approach to how the fund communicates to its many stakeholders will remain a key element of the work plan of the Board on a rolling basis.

9. Risk Management

Risk management processes for the APF follow the framework laid down by the LGPS administering authority (BANES Council) as well as CIPFA guidance. The APF Risk Register identifies the significant risks that could have a material impact in terms of value, reputation, compliance or provision of service and sets out the mitigating action taken to manage down each risk.

The Register is reviewed regularly and the key risks fall into one of the following categories –

- (i) Failures in the fund administration & control of operational processes and strategic governance processes and TPR compliance
- (ii) Service delivery partners not delivering in line with their contracts or SLAs
- (iii) Financial loss due to payments in error, loss of assets due to investment strategy and/or managers failing to deliver required return, fraud or negligence of investment managers or custodian
- (iv) Changes to the LGPS nationally and increasing political pressure to reform the scheme structure, governance frameworks and to centrally direct investment decisions

The LPB's ongoing review of the risk register concurred with the Pensions Committee that the top risks facing the fund revolve around –

- Brunel PP Governance, asset pooling and benefit realisation
- Delivering the future funding & investment strategies
- Significant growth of new employers, especially Academies as well as the ongoing financial stability of employers (employer covenants)
- Recruitment and Retention of staff
- Compliance with Legal Timeframes & service delivery to members
- Data Protection & Cyber Security

Avon Pension Fund – Local Pension Board – Annual Report 2020/21

- Business Continuity in response to the Covid-19 outbreak
- Impacts of McCloud Judgement
- Climate change emergency

The Fund continues to invest significantly in systems and resources to ensure the risks are managed effectively and resilience is built into the service and the arrangements in place are supported by external and internal audit reviews.

The LPB has actively engaged on the key risks facing the APF and supports increases in resources to mitigate some of these risks as well as discussing issues around capacity, skills gaps and recruitment and retention.

The LPB will continue to ensure that a review of the funds risk register will remain a regular agenda item at each meeting.

10. Review of Areas Covered in 2020/21 & Recommendations Made

Over the last year of operation of the LPB was focussed on key governance themes of legal compliance, risk management, and best practice as well as monitoring the significant developments connected to asset pooling and the Brunel Pensions Partnership. A summary of the areas covered is as follows –

Review of LPB Arrangements	Review of Pension Fund Activities	Review of Pension Fund Administration	Independent Assurance
Review of LPB Terms of Reference, Code of Conduct, Conflicts of Interest, Breaches	Review of Avon Pension Fund Committee & Investment Panel Minutes	Review of Compliance Reports & legal timeframes at all meetings	Review of TPR, SAB & CIPFA external benchmarking exercises
Review of Training Requirements	Review of Project Brunel, Brunel Oversight Board	Review of Risk Register at all meetings	Review of External Audit plan and reports
Review of Work Plan	Review of Funding Strategy Statement	Review of Service Plan annually	Review of Internal Audit plan and reports
	Review of Investment Strategy Statement	Review of Statutory Annual Requirements eg ABSs & PSS	
	Review of Scheme Employers & Admitted Bodies	Review of McCloud remedy implementation plan	
	Review of Business Continuity in response to the Covid-19 outbreak	Review of Annual Report	

Meeting	Area	Action/Minutes
13/11/20	LGPS Regulatory Update Fund & Employer Performance Statutory Annual Requirements Breaches Log Risk Management Workplan & training plan	http://vm-civ-mgov/ieListDocuments.aspx?CId=563&MIId=5834&Ver=4
25/02/21	LGPS Regulatory Update Fund & Employer Performance Brunel Update CIPFA Benchmarking Risk Register Update Workplan & training plan	http://vm-civ-mgov/ieListDocuments.aspx?CId=563&MIId=5835&Ver=4

Avon Pension Fund – Local Pension Board – Annual Report 2020/21

27/05/21	LGPS Regulatory Update Fund & Employer Performance Brunel Update Service Plan & Transformation Proposals Good Governance Review & TPR Consultation Risk Register Update Workplan & training plan	http://vm-civ-mgov/ieListDocuments.aspx?CId=563&MId=5978&Ver=4
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11. Forward Plan for 2021/22

The work plan for the next 12 months is detailed as follows and will be kept under regular review.

AGENDA ITEM	07/09/21	30/11/21	22/02/22	TBC (6/22)
Board Governance				
Terms of Reference (Governance) review	X			
Code of Conduct/ Conflicts of Interest policy	X			
Work Plan (to be dynamically updated)	X	X	X	X
Annual budget setting and monitoring				X
Training Plan (to be updated as required)	X	X	X	X
Annual Report to PC and Council approval	X			
Scheme and Fund Governance				
Legal, policy, regulatory developments	X	X	X	X
Minutes PC, IP, BOB	X	X	X	X
Annual Service Plan				X
Risk Register review	X	X	X	X
Good Governance Review		X		
TPR Code 14 Compliance updates	X	X	X	X
Internal Audit plan/reports on APF		X		X
External Audit Governance Report and Accounts			X	
Benchmarking against other BPP funds			X	
Funding/Investments				
BPP update (delivery/savings)	X	X	X	X
Benefits Admin/Comms				
Admin Strategy Review		X		
Fund and employers' compliance/TPR reporting	X	X	X	X
Breaches policy/register/TPR reporting		X		X
GDPR compliance				X
Record keeping, data security, business recovery		X		
ABS process annual review		X		
Admin performance benchmarking			X	
Comms policy statement and website review		X		
Complaints policy, IDRs, PO cases review		X		

Avon Pension Fund – Local Pension Board – Annual Report 2020/21

Pension Board Training Plan

Training Plan	Type of Training	Date planned / delivered
Trustee Fundamentals	Seminar	Autumn 2021
Brunel Investor Days	Online Seminar	27 Sept & 6 Oct 2021
Governance Conference	Conference	20 & 21 January 2022
Good Governance Review Workshop	Workshop	Autumn 2021
Actuarial & Valuation Session	Workshop	September 2021
Pension Administration & Governance	Workshop	December 2021
Investment performance & risk management	Workshop	June 2022

Appendix 1

DRAFT TERMS OF REFERENCE

1 Avon Pension Fund Committee

Bath and North East Somerset Council, in its role as administering authority, has executive responsibility for the Avon Pension Fund. The Council delegates its responsibility for administering the Fund to the Avon Pension Fund Committee which is the formal decision-making body for the Fund.

The Avon Pension Fund is a member of the Brunel Pension Partnership (Brunel). Brunel Pension Partnership Ltd (BPP Ltd) will be responsible for implementing the Fund's Investment Strategy. Most of the Fund's assets have transferred to portfolios offered by Brunel with only less liquid legacy assets remaining under direct management of the Fund. Once Avon's assets are held within a Brunel portfolio, the appointment, monitoring and deselection of managers will be the responsibility of BPP Ltd.

Function and Duties

To discharge the responsibilities of Bath and North East Somerset Council in its role as lead authority for the administration of the Avon Pension Fund. These include determination of all Fund specific policies concerning the administration of the Fund, the investment strategy and the investing of Fund monies and the management of the Fund's solvency level. In addition, the Committee is responsible for all financial and regulatory aspects of the Fund. At all times, the Committee must discharge its responsibility in the best interest of the Avon Pension Fund.

The key duties in discharging this role are:

1. Having taken appropriate advice determining the following:
 - a. the investment strategy and strategic asset allocation
 - b. the administration strategy
 - c. the funding strategy.
2. Monitoring the performance of the investment strategy, scheme administration, and external advisors.
3. Ensuring that the investment strategy can be delivered by the portfolios offered by BPP Ltd. If not, agree alternative arrangements. In relation to Brunel Pension Partnership:
 - a. Monitoring the performance of BPP Ltd in delivering investment services to the Fund. Make representations to the Brunel

Oversight Board on matters of concern regarding the service provided by BPP Ltd and the performance of its portfolios.

- b. Monitoring the governance of Brunel Pension Partnership and making recommendations to the Brunel Oversight Board. Terminating the Service Agreement with BBP Ltd.
4. Approving and monitoring compliance of statutory statements and policies required under the Local Government Pension Scheme Regulations.
5. Approving the annual budget and 3-year Service Plan and resource requirements to deliver the work plan.
6. Approving variances to budget within a financial year.
7. Approving the annual budget for the Pension Board subject to the approval of Pension Board's work plan.
8. Commissioning actuarial valuations in accordance with the provisions of the Local Government Pension Scheme Regulations.
9. Making representations to government and responding to consultations as appropriate concerning any proposed changes to the Local Government Pension Scheme.
10. Nominating a representative (and named substitute) from the Committee to represent the Committee on the Oversight Board for Brunel Pension Partnership.

Delegations

In discharging its role, the Committee can delegate any of the above or implementation thereof to the Sub-Committee (referred to as the Investment Panel) or Officers. The current delegations are set out below.

Membership of the Committee

Voting members (14)	5 elected members from B&NES (subject to the rules of political proportionality of the Council) 3 independent members 1 elected member nominated from each of Bristol City Council, North Somerset Council and South Gloucestershire Council 1 nominated from the Higher and Further education bodies 1 nominated from the Academy bodies 1 nominated by the trades unions
Non-voting members (3)	1 nominated from the Parish Councils Up to 2 nominated from different Trades Unions

The Council will nominate the Chair and Vice Chair of the Committee. The Vice Chair will be the Chair of Investment Panel.

Meetings

Meetings will be held at least quarterly. Meetings will be held in public, though the public may be excluded from individual items of business in accordance with the usual exemption procedures.

Quorum

The quorum of the Committee shall be 5 voting members who shall include at least 1 member from Bath and North East Somerset Council

Substitution

Named substitutes to the Committee are allowed.

2 Investment Panel

The role of the Avon Pension Fund Committee Investment Panel shall be to consider, in detail matters relating to the investment of the assets within the strategic investment framework and performance of investment managers in achieving the Fund's investment objectives.

The Investment Panel will:

1. Review strategic and emerging opportunities outside the strategic asset allocation and make recommendations to the Committee.
2. Review the performance of the investment and risk management strategies
3. Report matters of strategic importance to the Committee.

And have delegated authority for:

4. Monitoring the transition of assets to the Brunel portfolios and allocate assets to the relevant portfolio offered by Brunel
5. Approve and monitor tactical positions within strategic allocation ranges.
6. Approve allocations to emerging opportunities within the strategic allocations.
7. Approve commitments to Brunel's private market portfolios at each commitment cycle to maintain strategic allocations.
8. For the Risk Management Strategies monitor the outcome versus strategic objectives and consider whether any strategic changes are required to manage emerging risks.
9. For assets held outside Brunel:
 - a) Implement investment management arrangements in line with strategic policy.
 - b) Monitor investment managers' investment performance and make decision to terminate mandates on performance grounds.

10. Monitor the investment performance of the portfolios managed by BPP Ltd and report to Committee on investment matters with specific reference to strategy delivery.

11. Delegate specific decisions to Officers as appropriate.

Panel Membership

The Panel shall comprise a maximum of 6 voting Members of the Avon Pension Fund Committee, of which 3 shall be Bath and North East Somerset Councillors. The membership shall include the Chairman of the Committee and /or the Vice- Chair and 4 other Members (or 5 if the Chair or Vice-Chairperson is not a member of the Panel).

Note: The appointment of Bath and North East Somerset Councillors to the Panel is subject to the rules of political proportionality of the Council.

Members shall be appointed to the Panel for a term of one year.

The Council will nominate the Chair of the Panel.

Panel Meetings

Though called a “Panel”, it is an ordinary sub-committee of the Committee. Accordingly, meetings must be held in public, though the public may be excluded from individual items of business in accordance with the usual exemption procedures.

The Panel shall meet at least quarterly ahead of the Committee meeting on dates agreed by Members of the Panel.

Panel Quorum

The quorum of the Panel shall comprise 3 Members, who shall include at least one Member who is not a Bath & North East Somerset Councillor.

Panel Substitution

Substitutes for the Panel must be members of Committee or their named Committee substitute.

Panel Minutes

Minutes of Panel meetings (whether or not approved by the Panel) shall appear as an item on the next agenda of the meeting of the Committee that follows a meeting of the Panel.

3 Brunel Oversight Board Representative

Brunel Oversight Board (the Board) is the primary governance body within the Brunel Pension Partnership. Each Fund within the partnership has a representative on the Board and this representative represents the Committee when discharging its duties.

Acting for the administering authorities in their capacity as shareholders in BPP Ltd., the Board has responsibility for ensuring that BPP Ltd delivers the

services required to achieve investment pooling across the Brunel Pension Partnership.

Subject to the terms of reference for the Board and the applicable shareholder documentation, the Board's role is to consider and address relevant matters on behalf of the administering authorities. These include the monitoring and strategic oversight functions necessary to its role, as well as acting as a conduit and focus of shareholder requirements and views.

Consistent with this role, the Board's duties include reviewing and discussing any matter which it considers appropriate in relation to BPP Ltd including BPP Ltd.'s services, performance, operations, governance, strategy, financing and management.

The main duties of the Board Representative are:

1. To represent the Committee and Shareholder on the Brunel Oversight Board.
2. To ensure that the Committee's views are communicated to the Board and BPP Ltd.
3. To ensure the Fund's and shareholder's interests are protected within Brunel in line with the legal framework within which Brunel operates.
4. To report back to the Committee and Shareholder all relevant issues discussed by the Board and recommendations to the Brunel Client Group and/or the Shareholders.
5. To seek the consensus view of the Committee for Shareholder and Board matters where necessary.
6. To raise issues with the Board at the request of Committee members, the shareholder representative or Head of Pensions.

4 Brunel Pension Partnership Working Group

This is a group of Committee members whose role is to consider in greater detail any issues arising from Brunel Pension Partnership with Officers, for example Reserve Matters, papers to be discussed at BOB. This will not include routine investment matters which are monitored by the Investment Panel.

This group will consist of:

- a) the BOB Representative,
- b) named BOB substitute
- c) the Chair and/or Vice Chair if not the BOB representative /substitute
- d) an independent committee member.
- e) Head of Pensions
- f) Group Manager, Funding, Investments and Risk

The Working Group shall be quorate if three members are in attendance, with at least 2 that are not fund officers. The Head of Pensions shall chair the Working Group.

The Working Group shall meet as and when required as determined by the Head of Pensions. Meetings may be via telephone conference.

Key discussions and action points from the Working Group will be recorded and the committee will be updated at the next committee meeting.

The responsibilities of the working group are as follows:

With regard to any matters arising from Brunel Pension Partnership where the Avon Pension Fund have an interest:

- a) to consider each matter that will be brought to the Pension Committee and / or Shareholder representative for decisions in due course
- b) to provide guidance to the Pension Committee and / or Shareholder Representative in relation to each matter when they are being considered
- c) to provide guidance to the BOB representative as required
- d) to make recommendations to the Pension Committee regarding general oversight of the pool, as considered appropriate.

5 Officer Delegations

In addition to the responsibilities listed in the Council's scheme of delegation, some additional responsibilities for functions specifically related to pension fund activities and the authorisation of transactions have been delegated to officers by the Pension Fund Committee. These are set out in the Fund's Scheme of Delegation and include the following:

1. Implementation and day to day monitoring of the administration, investment and funding strategies and related policies.
2. Implementing investments in emerging opportunities within strategic allocations, either to be managed outside Brunel or instruct allocation to Brunel portfolio.
3. Implementing investment management arrangements in line with the strategic policy as follows:
 - a. For assets managed outside Brunel, this includes the setting of mandate parameters and the appointment of managers, in consultation with the Investment Panel.
 - b. For assets managed within Brunel, deciding and instructing the allocation to each Brunel portfolio.
4. Implement the strategic risk management objectives of the Fund and take necessary action to ensure delivery of strategic outcomes. Ongoing consideration of these issues will be undertaken by the Funding and Risk Management Group (see section 6) who will report decisions and ongoing considerations to the Investment Panel.
5. Rebalancing the investment assets to target strategic allocations, when deemed prudent to do so, taking account of tactical allocations approved by the Investment Panel.

6. Representing the Fund on the Brunel Client Group to develop Brunel investment strategies and policies which effectively support the interests of the Fund.
7. Commissioning Elective Services from BPP Ltd and issuing instructions as permitted by the Brunel Service Agreement to BPP Ltd.
8. The appointment of specialist advisors to support the Committee and Officers in discharging their functions.
9. Determining policies that support the investment and funding strategies having taken expert advice.
10. In consultation with the Chair of the Committee, the Head of Pensions will approve the draft Statement of Accounts and Annual Report for audit.
11. Authorising expenditure from the Fund in accordance with the annual budget.
12. Admitting new admitted bodies into the Fund subject to them meeting Fund policy.
13. The Section 151 Officer has authority to dismiss investment managers, advisors and 3rd party providers if urgent action is required (does not refer to performance failures but to their inability to fulfil their contractual obligations or a material failing of the company).
14. The Section 151 Officer has authority to suspend policy (in consultation with the Chairs of Committee and Panel) in times of extreme market volatility where protection of capital is paramount
15. Under its wider delegated powers, the Section 151 Officer has delegated authority to effectively manage the liabilities of the Fund including the recovery of debt.
16. Exercising the discretions specified in the Local Government Pension Scheme Regulations in connection with deciding entitlement to pension benefits or the award or distribution thereof.

6 Funding and Risk Management Group

The Funding and Risk Management Group (FRMG) is a group of Avon Pension Fund officers and specialist advisors whose role is to consider in greater detail all strategic and operational aspects of the Risk Management Strategies. In addition, it has specific delegated authority as follows:

1. Agree the operational structures to meet the strategic objectives determined by the Avon Pension Committee
2. Make changes to the structures as needed to ensure strategic outcomes continue to be achieved or to manage emerging risk
3. Implement the strategies including
 - a. Counterparty selection
 - b. Trigger frameworks

- c. Collateral arrangements
 - d. Setting benchmarks
4. Determine the framework for monitoring the strategies and reporting to Panel & Committee

The Group will consist of the following:

From the Avon Pension Fund:

- Head of Pensions
- Group Manager, Funding, Investments and Risk
- Investment Manager
- Senior Investments Officer
- Other Fund Officers as required (for example Funding Manager, Governance & Risk Advisor)

Advisors

- Investment Consultant or deputy
- Risk Consultant or deputy
- Scheme Actuary or deputy
- Investment Manager as required

FRMG shall be quorate if the following are in attendance:

- 2 Pension Fund Officers one of which must be the Head of Pensions or Group Manager, Funding, Investments and Risk
- Risk Consultant or deputy
- Investment Consultant or Scheme Actuary

FRMG will meet as and when required as determined by the Head of Pensions/Group Manager, Funding, Investments and Risk, but at a minimum quarterly. Meetings will be virtual/ by telephone conference.

Meetings will be chaired by the Head of Pensions or Group Manager, Funding, Investments and Risk. Key discussion and action points will be recorded and minutes will be circulated to the Investment Panel. The group will also update the Panel at the following meeting.

Approved by the Avon Pension Fund Committee 28 June 2021

Bath & North East Somerset Council		
MEETING	Council	
MEETING	18 November 2021	
TITLE:	Standards Committee Annual report 2020-2021	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 Standards Committee Annual report 2020-2021		

1 THE ISSUE

- 1.1 To consider the Standards Committee Annual report

2 RECOMMENDATION

The Council is asked to;

- 2.1 Note the work of the Standards Committee as set out in the Annual report (Appendix 1).

3 THE REPORT

- 3.1 The Standards Committee is responsible for the promotion of ethical standards within the Authority, helping to secure adherence to the Members' Code of Conduct, monitoring the operation of the Code within Bath & North East Somerset Council, conducting hearings following investigation, and determining complaints made against Councillors in respect of alleged breaches of the Code of Conduct.
- 3.2 The Standards Committee agreed it would provide an annual report to the Council summarising the work of the Committee over the previous year.

4 STATUTORY CONSIDERATIONS

- 4.1 The Standards Committee is not required to produce an annual report; however, it is good practice to do so.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 No direct implications

6 RISK MANAGEMENT

6.1 Adherence to robust standards of conduct mitigates potential complaints about standards issues.

7. EQUALITIES

6.1 No direct impact

8 CLIMATE CHANGE

8.1 No direct impact

9 OTHER OPTIONS CONSIDERED

9.1 None

10. CONSULTATION

10.1 The S.151 Officer has been consulted

Contact person	Michael Hewitt, Monitoring Officer Michael_Hewitt@bathnes.gov.uk
Background papers	None
Please contact the report author if you need to access this report in an alternative format	

APPENDIX 1

Standards Committee

Annual Report 2020 - 21

Chair's Foreword

The Standards Committee fulfils a most important role for Bath and North East Somerset Council and for the Parish and Town Councils within its area. The Committee members are all volunteers: some are Unitary Councillors; some are Parish or Town Councillors drawn from Parish or Town Councils in the Bath and North East Somerset Council area, whose nominations are facilitated by Avon Local Councils Association, and some are Independent Members, being independent members of the public. In addition, as legally required, the Authority appoints an 'Independent Person', to work alongside the Standards Committee and Monitoring Officer.

All committee members have given willingly and generously of their time and talents in approaching issues most thoughtfully and constructively. We are most grateful to them all. In particular, I pay tribute to the late Tony Crouch. Tony was a Town Councillor for Keynsham for over 20 years and a member of this committee for many years. We are the better for having known him and benefitting from his wise counsel and the poorer for his sad loss.

The following detailed report shows the range of matters within the scope of the Standards Committee. In the past year, there have been some 16 matters raised: of which 11 initial assessments required 'no further action' to be undertaken. Of the remaining matters 2 dealt with by informal resolution; and 3 matters were withdrawn. No matters were referred for investigation. To put these figures in context, the Standards Committee has within its purview, the unitary authority and 45 Parish and Town Councils: in total over 500 councillors.

In Bath and North East Somerset, the Standards Committee has three Independent Members: Dr Cyril Davies and Deborah Russell and myself, and in this authority, the Committee is chaired by an Independent Member. I am most grateful to all my colleagues for their help and support and wish to highlight the exceptional commitment of the Independent Person, Tony Drew who provides such valuable service to the standards regime. Furthermore, I commend the Monitoring Officer and their officers for their most professional and successful operation of the Standards regime. During the year, Maria Lucas retired as Council Solicitor and Monitoring Officer and I pay tribute to her unstinting commitment and professionalism in her role and advising the Committee and I welcome Michael Hewitt to his post.

Dr Axel Palmer
Chair of the Standards Committee

The Standards Committee

Introduction

The Standards Committee has agreed that it will submit an annual report summarising the work the Committee has carried out during the previous year for the consideration of Council. This report comprises the Annual Review covering the period 1 April 2020 to 31 March 2021, together with background information regarding the standards regime established within Bath & North East Somerset Council. All references to 2020-21 in the report refer to this time period.

1. Background information

The Code of Conduct for Elected and Co-opted Members

The final report of the Committee on Standards in Public Life 'Local Government Ethical Standards - A Review by the Committee in Public Life' was published on 30 January 2019. Arising from the report the LGA agreed to consult on and prepare a New Model Code of Conduct. The New Model Code was issued to Local Authorities on the 23rd December 2020. The Standards committee reviewed the New Model Code and recommended its adoption by Council with minor amendments.

In May 2021 BANES adopted the New Model code setting out the conduct that is expected of elected and co-opted members of the Authority when they are acting in that capacity. The Code applies whenever a member (a) conducts the business of the Authority (including the business of their office as an elected councillor or co-opted member) or (b) acts, claims to act or gives the impression they are acting as a representative of the Authority. The Code is consistent with Nolan's Seven Principles of Public Life, and should be read in the light of those principles, namely that Councillors will act with selflessness; integrity; objectivity; accountability; openness; honesty and leadership.

The Monitoring Officer

The Monitoring Officer is responsible for promoting and maintaining high standards of conduct and for reporting any actual or potential breaches of the law and maladministration to the full Council and/or to the Cabinet (as set out in s.5 (1) of the Local Government and Housing Act 1989).

The Monitoring Officer and their team administer the local arrangements for addressing complaints made under the Code of Conduct. This includes the assessment of every complaint received under the Code of Conduct. Following consideration and consultation with the Authority's Independent Person and Chair of the Standards Committee, the Monitoring Officer decides whether the complaint will be investigated. The decision will be based on whether the allegation, if proved, would constitute a failure to observe the Code of Conduct and the application of the Council's adopted assessment criteria. The Monitoring Officer may also consider that a complaint can be reasonably resolved informally and will discuss this option with the complainant and subject member where appropriate.

Independent Persons

The Council has appointed an Independent Person who is invited to attend all meetings of the Standards Committee. The Council has access to a reserve Independent Person through informal arrangements with neighbouring local authorities. The Independent Person must be consulted by the Council before it decides on a matter that has been referred to it for investigation; they can also be consulted by the Council in respect of a code of conduct complaint at any other stage; and can also be consulted by a member or co-opted member of the Council against whom a complaint has been made. It has been emphasised that the involvement and consultation of the Independent Person is important at all stages.

The Standards Committee

The Standards Committee is responsible for the promotion of ethical standards within the Council, helping to secure adherence to the Code; monitoring the operation of the Code; conducting hearings following investigation and determining complaints made under the Code. The Standards Committee's terms of reference are set out in the Council's Constitution in Part 5, Terms of Reference. The Committee conducts proceedings using Article 9 of the Constitution and the Authority's Local Arrangements for dealing with complaints under the Code of Conduct for Members. The Committee is also responsible for granting dispensations to Members.

Where a Final Report from an Investigating Officer recommends a finding that there is no breach of the Code, the Committee determines whether to accept the report; refer the report back to the Investigating Officer if it is considered incomplete; or refer the report to a hearing in accordance with the Authority's Local Arrangements for dealing with complaints under the Code of Conduct for Members.

Where a Final Report from an Investigating Officer recommends a finding that there has been a breach of the Code, the Committee undertakes a hearing in accordance with the Council's Local Arrangements for dealing with complaints under the Code. The Committee will determine the facts; if there has been a breach and any sanctions. It can also make recommendations to Council.

2. Training for Standards Committee Members and Independent Persons

Initial and refresher training on the duties and responsibilities of members serving on the Standards Committee of the Authority is important to ensure the probity and credibility of the Authority's decision making processes. Members are required to undertake basic training through the Authority's member induction programme, on election or re-election, and this is refreshed annually, before they can serve on the Standards Committee. Training is also provided for the Independent Persons appointed by the Authority in order to ensure they are able to carry out their role.

3. Standards Committee Membership 2020-21

In 2020/21 the Standards Committee comprised the following Members:

Councillors Jess David, Sally Davis, Duncan Hounsell, Michelle O'Doherty, June Player.
Parish Councillors Tony Crouch, Clive Fricker, Kathy Thomas.
Independent Members Dr Cyril Davies, Dr Axel Palmer (Chair), Deborah Russell.

4. The Authority's Independent Persons

The Authority's Independent Person is Tony Drew and the Council has access to a reserve Independent Person through informal arrangements with neighbouring local authorities.

5. Committee Meetings

At the start of each year the Standards Committee agrees its Work Programme/Action Plan for the year, which is then monitored at meetings throughout the year. The Work Programme/Action Plan for 2020-21 is attached at Annex A to this report. Standard Committee sessions are scheduled every 2 months in advance. If not required, these are cancelled.

The Standards Committee met on:

- 9th July 2020
- 17th September 2020
- 19 November 2020
- 13 April 2021

6. Complaints under the Code of Conduct for Members and Co-opted Members for the last 5 years

i. Complaints by complainant

Type of complainant	2016/17	2017/18	2018/19	2019/20	2020/21	Total
BaNES Councillor	1	1	0	0	1	3
Parish / Town Councillor	0	0	1	2	1	4
Member of the public	9	13	15	5	13	55

Council Officer	n/a	1	1	0	0	2
Parish Clerk	0	0	3	0	1	4
Total	10	15	20	7	16	68

ii. Complaints by subject member

Subject of the complaint	2016/17	2017/18	2018/19	2019/20	2020/21	Total
BANES Councillor	7	11	13	0	5	36
Parish / Town Councillor	3	4	7	7	11	32
Total	10	15	20	7	16	68

iii. Complaints by type

Type of complaint	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Failure to declare an interest	6	6	5	0	3	20
Bullying/failure to treat with respect	1	4	3	0	0	8
Bringing Council into disrepute	3	5	11	7	9	35
Improperly conferring advantage/disadvantage	0	0	0	0	0	0
Disclosure of confidential information	0	0	0	0	0	0
Lack of respect	0	0	1	0	4	5
Total	10	15	20	7	16	68

Note: A complainant may make several types of complaint about a councillor.

iv. Initial Assessments

Local Assessment Decisions	2016/17	2017/18	2018/19	2019/20	2020/21	Total
No Further Action	10	4	17	5	11	47
Informal Resolution	0	10	2	1	2	15
Referred for Investigation	0	1	1	0	0	2
Ongoing	0	0	0	0	0	0
Withdrawn	0	0	0	1	3	4
Total	10	15	20	7	16	68

v. Outcome of complaints

Outcomes	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Other Action	0	0	0	2	1	3
Ongoing	0	2	0	0	0	2
Apology	0	0	0	0	1	1
No Action Required	0	1	0	5	0	6
Withdrawn	0	1	2	0	3	6
Breach	4	2	5	0	0	11
No Breach	6	9	13	0	11	29
Total	10	15	20	7	16	68

7. Review of Standards Committee Work Programme and Action Plan for 2020/21

The Standards Committee's Work Programme/Action Plan for 2020/21 is attached at Annex A. The Standards Committee met on 3 occasions during the year. At each meeting the Committee monitored its Work Plan and noted the current position of complaints using the Complaints Tracker.

In this 2020-21 Annual report the Committee advises that it has reviewed the LGA New Model Code and recommended its adoption to Council with minor changes and this was adopted by Council at its meeting on the 4 May 2021. The Committee has considered a complaint by a person deemed as vexatious under the Council's Vexatious and unreasonable complainant policy and determined that the complaint did not fall within the scope of its terms of reference. The Committee also considered the Annual Report of the Commission for Local Administration in England (Local Government and Social Care Ombudsman) Complaints and produced the Annual Report for the Standards Committee.

8. Conclusion

The Committee has dealt with a variety of matters in the past year. The Committee's aim is to continue to develop and maintain the Authority's ethical governance framework for the benefit of the Authority and ultimately local people. The Committee is looking forward to the next year.

Annex A

STANDARDS COMMITTEE WORKPLAN 2020-21

DATE OF MEETING	REPORT TITLE	REPORT AUTHOR
Thursday 16 th April 2020	CANCELLED	
Thursday 21 st May 2020	CANCELLED	
Thursday 9 th July 2020	Consultation on the model code of conduct Assessment of complaints	Maria Lucas Maria Lucas
Thursday 17 th September 2020	Annual report on Local Government Ombudsman complaints Parishes Liaison meeting – terms of reference Assessment of complaints Urgent exempt item – Mr L	Maria Lucas Maria Lucas Maria Lucas Maria Lucas
Thursday 19 th November 2020	2019-2020 Annual report of Standards Committee Assessment of complaints	Michael Hewitt Michael Hewitt
Thursday 19 th January 2021	CANCELLED	

Bath & North East Somerset Council	
MEETING	Council
MEETING DATE:	18th November 2021
TITLE:	Treasury Management Performance Report to 30th September 2021
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 30th September 2021 Appendix 3 – Average monthly rate of return for 1st 6 months of 2021/22 Appendix 4 – The Council's External Borrowing Position at 30th September 2021 Appendix 5 – Arlingclose's Economic & Market Review Q2 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 for 2021/22 for the first six months of 2021/22.

2 RECOMMENDATION

The Council agrees that;

- 2.1 The Treasury Management Report to 30th September 2021, prepared in accordance with the CIPFA Treasury Code of Practice, is noted.
- 2.2 The Treasury Management Indicators to 30th September 2021 are noted.

3 THE REPORT

Summary

- 3.1 The average rate of investment return for the first six months of 2021/22 is 0.27%, which is 0.28% above the benchmark rate which is currently -0.01%.
- 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.

Summary of Returns

- 3.3 The Council's investment position as at 30th September 2021 is given in **Appendix 2**. The balance of deposits as at 30th September 2021, compared to those as at 30th June 2021, are also set out in the pie charts in this appendix.
- 3.4 Gross interest earned on investments totalled £105k. **Appendix 3** details the investment performance, showing the average rate of interest earned over this period was 0.27%, which was 0.28% above the benchmark rate of average 7 day LIBID +0.05% (-0.01%). This excess is mainly due to the £5m investment held in the CCLA Local Authority Property Fund, which is a long term strategic investment earning a higher rate of interest of 3.4% based on the first six months of 2021/22.

Summary of Borrowings

- 3.5 The Council's external borrowing as at 30th September 2021 totalled £226.4 million and is detailed in **Appendix 4**. On 1st April 2021, the Council repaid £15.0 million of short term borrowing from a local authority, which had been borrowed last year for general cashflow requirements and to lower liquidity risks arising from uncertainties surrounding the Covid-19 pandemic.
- 3.6 The Council's Capital Financing Requirement (CFR) as at 31st March 2021 was £326.9 million. This represents the Council's underlying need to borrow to finance capital expenditure, and demonstrates that the borrowing taken to date relates to funding historical capital spend.
- 3.7 The difference between the CFR and the current borrowing of £226.4 million represents re-investment of the internal balances including reserves, reducing the in-year borrowing costs in excess of the potential investment returns.
- 3.8 Following Local Government Reorganisation in 1996, Avon County Council's residual debt is administered by Bristol City Council. All successor Unitary Authorities make an annual contribution to principal and interest repayment, for which there is a provision in the Council's revenue budget. The amount of residual debt outstanding as at 31st March 2021 apportioned to Bath & North East Somerset Council is £10.9m. Since this borrowing is managed by an external body and treated in the Council's Statement of Accounts as a deferred liability, it is not included in the borrowing figures referred to in paragraph 3.5.
- 3.9 The borrowing portfolio as at 30th September 2021 is shown in **Appendix 4**.

Strategic & Tactical Decisions

- 3.10 As shown in the charts in **Appendix 2**, the investment portfolio of £93.1 million as at 30th September 2021 is diversified across Money Market Funds, Local Authorities, the Government's Debt Mgt Account Deposit Facility, the CCLA Property Fund and in highly rated UK Banks. The Council uses AAA rated Money Market funds to maintain short term liquidity.
- 3.11 On the 9th August 2021 a deposit of £5m was made to the Lloyd's 95-day notice sustainability deposit account, in line with the ESG focussed short term deposit section of the approved 2021/22 Treasury Management Strategy.
- 3.12 On the 27th of September 2021 Handelsbanken plc, a UK domiciled bank, was added back onto the list of authorised counterparties recommended by our Treasury Management Advisors. In line with the limits set out in the Treasury Management Strategy, the Council can now return to using Handelsbanken to make deposits of up to £10m, due to their AA- credit rating.
- 3.13 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.
- 3.14 The Council's investment portfolio as at 30th September 2021 includes a total of £5m invested longer term in the CCLA Local Authorities Property Fund.
- 3.15 The potential for making future ESG focussed investments was included in the 2021/22 Treasury Management Strategy for the first time and was approved by Council in February 2021. The Council commissioned Arlingclose to undertake a review of possible ESG (Environmental, Social and Corporate Governance) funds into which the Council could invest surplus treasury assets. This report was reviewed and a presentation to Officers and Members took place during August 2021 to present the findings and recommendations.
- 3.16 Following the review, the s151 Officer has agreed the investment of £5m split across the following two ESG focussed funds;
- VT Gravis Clean energy income fund; &
 - FP Foresight UK Infrastructure fund

Deposit accounts for these two funds are in the process of being set up, with a view to making the investments on a staged approach over the coming months in order to minimise the impacts of market price volatility.

- 3.17 The Council's average investment return for short-term investments is currently 0.05%, in line with the budgeted level of 0.05%. The return on the £5m long-term strategic investment in the CCLA Local Authority Property Fund is estimated to be in line with the budgeted rate of 3.5%. The current forecast is for an overachievement of interest income from investments of £30k due to the Council's cash balances being higher than was forecast when the budget was set.

Future Strategic & Tactical Issues

- 3.18 The Council's Treasury Management Advisor's economic and market review for the second quarter of 2021/22 is included in **Appendix 5**.
- 3.19 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.
- 3.20 Any additional borrowing to take place in 2021/22 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.
- 3.21 Following the Public Accounts Committee's recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes, in September 2021 CIPFA issued the revised Prudential Code and Treasury Management Code of Practice and Guidance Notes in draft form, and opened the latest consultation process on their proposed changes. The proposed changes include clarifications over the purpose and affordability of borrowing and some additional prudential indicators.
- 3.22 Once finalised, these changes will be incorporated into the Council's Treasury Management Strategy.

Borrowing update

- 3.23 Due to the high cash balances held by the Council at the end of 2020/21, a decision was made to repay the £15m one-year loan taken at the start of 2020/21 from the London Borough of Bromley upon its 1st April 2021 maturity date. No further borrowing has been taken during the first two quarters.
- 3.24 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 s151 Officer made the decision to pursue this restructuring, on the basis that it will 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. The process for this restructuring has now started and the lending bank is currently undertaking due diligence work. It is hoped that this restructuring can be completed in Q3, subject to finalisation of this due diligence work.
- 3.25 HM Treasury published further guidance on PWLB borrowing in August 2021 providing additional detail and clarifications predominantly around the definition of an 'investment asset primarily for yield'. The principal aspects of the new guidance are:
- Capital expenditure incurred or committed to before 26th November 2020 will not affect access to the PWLB even if this was for an 'investment asset bought primarily for yield'.
 - Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management.
 - An asset held primarily to generate yield that serves no direct policy purpose should not be categorised as an investment for service delivery purposes.

- Capital spending and financing plans should be submitted by local authorities via an online return. These open for the new financial year on 1st March and remain open all year. The returns require assurance from the s151 officer that the authority does not intend to but investment assets primarily for yield. Returns must be updated if there is a change of more than 10% on original plans.
- Local authorities purchasing investment assets primarily for yield can still access the PWLB but only for the purposes of refinancing existing loans or externalising internal borrowing.
- Additional detail on the sanctions which can be imposed for inappropriate use of PWLB lending. These could include a request to cancel projects, restrictions to accessing the PLWB and requests for information on further plans.

Budget Implications

3.26 A breakdown of the revenue budget showing interest and capital financing and the forecast year end position based on the period April to September 2021 is included in **Appendix 6**. An overall underspend of £0.690m is currently forecast, 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.
- 6.3 The CIPFA Treasury Management in the Public Services: Code of Practice requires the Council nominate a committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies. The Corporate Audit Committee carries out this scrutiny.

6.4 In addition, the Council maintain a risk register for Treasury Management activities, which is regularly reviewed and updated where applicable during the year. An extract from the risk register, detailing how the top 5 market risks are managed, is included as **Appendix 8**.

7 CLIMATE CHANGE

7.1 The Council will continue to 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 has been 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 3.11, 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 3.15 & 3.16, accounts are currently being set up with two ESG funds with a view to making £5m in long term investments.

8 OTHER OPTIONS CONSIDERED

8.1 None

9 CONSULTATION

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

Contact person	<i>Gary Adams - 01225 477107; Gary_Adams@BATHNES.GOV.UK</i> <i>Jamie Whittard - 01225 477213; Jamie_Whittard@BATHNES.GOV.UK</i>
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 30 th Sep 2021
Operational boundary – borrowing	£408m	£226.4m
Operational boundary – other long-term liabilities	£4m	£0m
Operational boundary – TOTAL	£412m	£226.4m
Authorised limit – borrowing	£438m	£226.4m
Authorised limit – other long-term liabilities	£4m	£0m
Authorised limit – TOTAL	£442m	£226.4m

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 30 th Sept 2021
	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 Quarter	Date of minimum
Minimum liquid cash balance in period	£15m	£42m	1 st July

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 30 th Sep 2021
Upper limit on fixed interest rate exposures	£408m	£206.4m
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 30 th Sep 2021
	%	%	%
Under 12 months	50	Nil	11.0
12 months and within 24 months	50	Nil	2.2
24 months and within 5 years	75	Nil	0
5 years and within 10 years	75	Nil	6.6
10 years and within 25 years	100	25	49.3
Over 25 years	100		30.9

* The CIPFA Treasury management Code now requires the prudential indicator relating to Maturity of Fixed Rate Borrowing to reference the maturity of LOBO loans to the earliest date on which the lender can require payment, i.e. the next call date (which are at 6 monthly intervals for the £20m of LOBO's). However, the Council would only consider repaying these loans if the Lenders exercised their options to alter the interest rate.

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 30 th Sep 2021
Limit on principal invested beyond 31 st March 2022	£50m	£5m*
Limit on principal invested beyond 31 st March 2023	£20m	£5m*
Limit on principal invested beyond 31 st March 2024	£10m	£5m*

*The Council includes the CCLA LA Property Fund against this indicator as it is held as a Long Term Strategic Investment.

APPENDIX 2

The Council's Investment position at 30th September 2021

The term of investments is as follows:

Term Remaining	Balance at 30th Sep 2021
	£m
Notice (instant access funds)	43.1
Up to 1 month	20.0
1 month to 3 months	20.0
3 months to 6 months	5.0
CCLA Property Fund (Strategic)	5.0
Total	93.1

The investment figure is made up as follows:

	Balance at 30th September 2021
	£m
B&NES Council	90.2
Schools	2.9
Total	93.1

The Council had a total average net positive balance of £80.3m during the period April 2021 to September 2021.

Chart 1: Council Investments as at 30th September 2021 - £93.1m

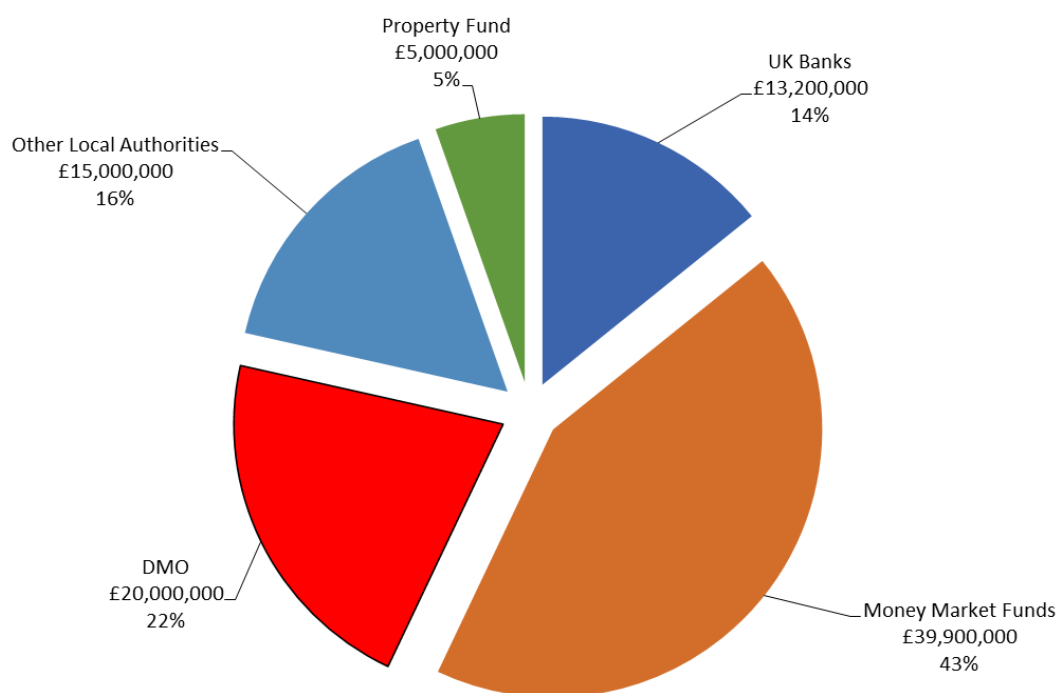


Chart 2: Council Investments as at 30th June 2021 - £71.9m

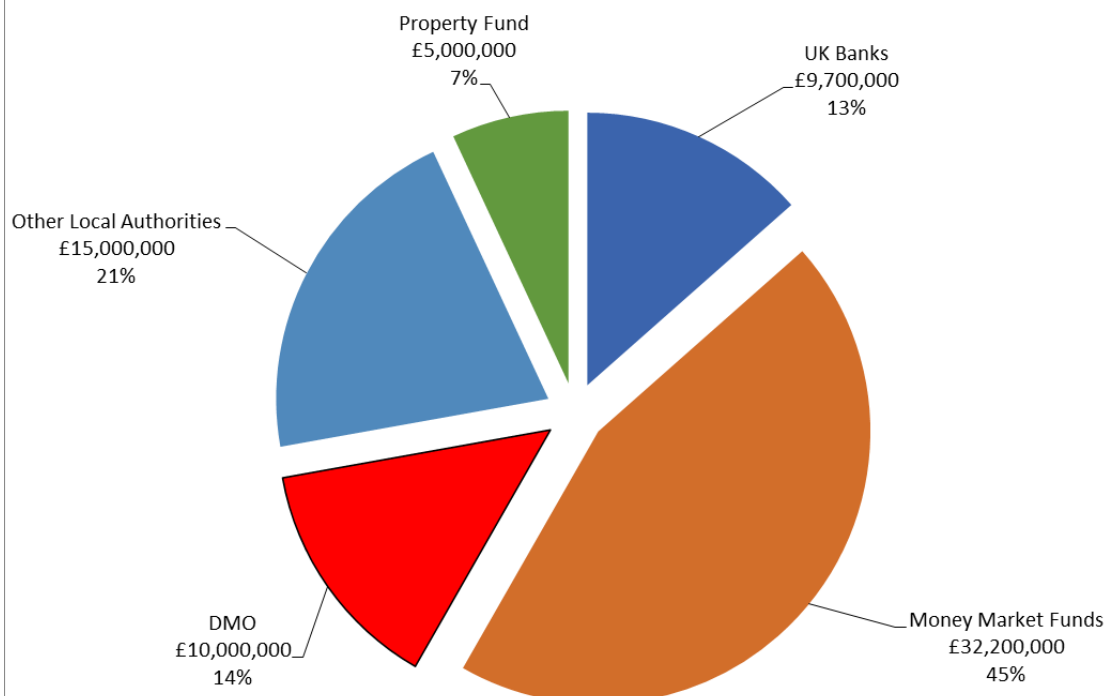


Chart 3: Council Investments Per Lowest Equivalent Long Term Credit Rating as at 30th September 2021 - £93.1 m

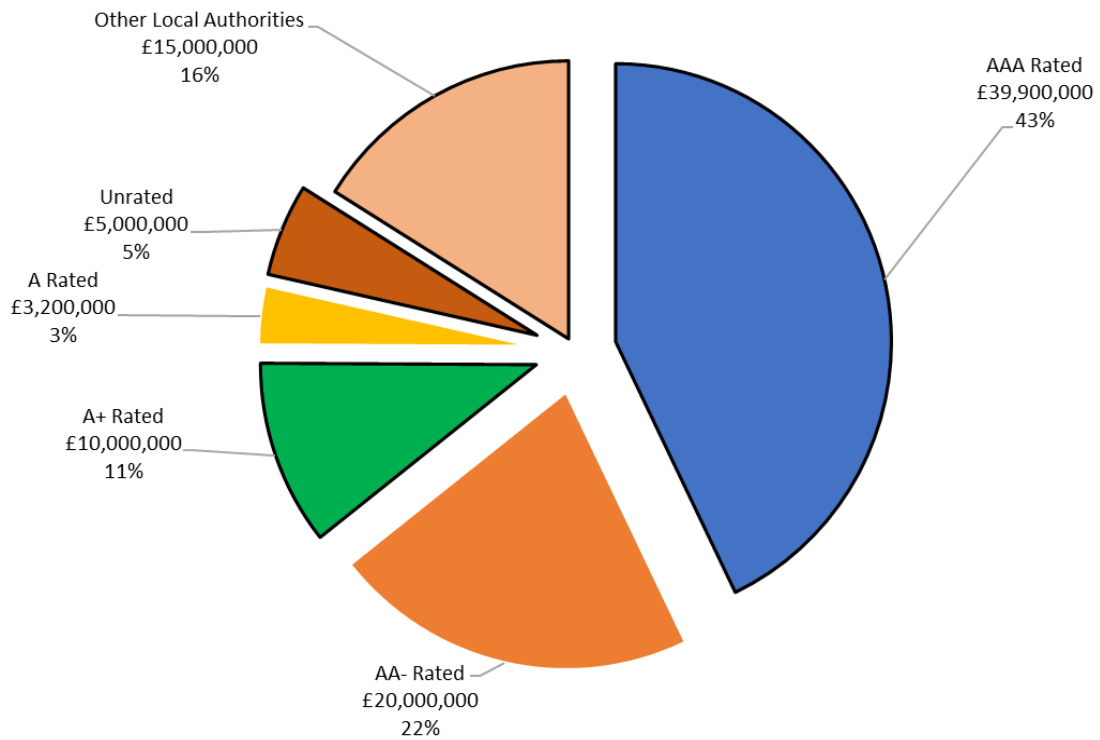
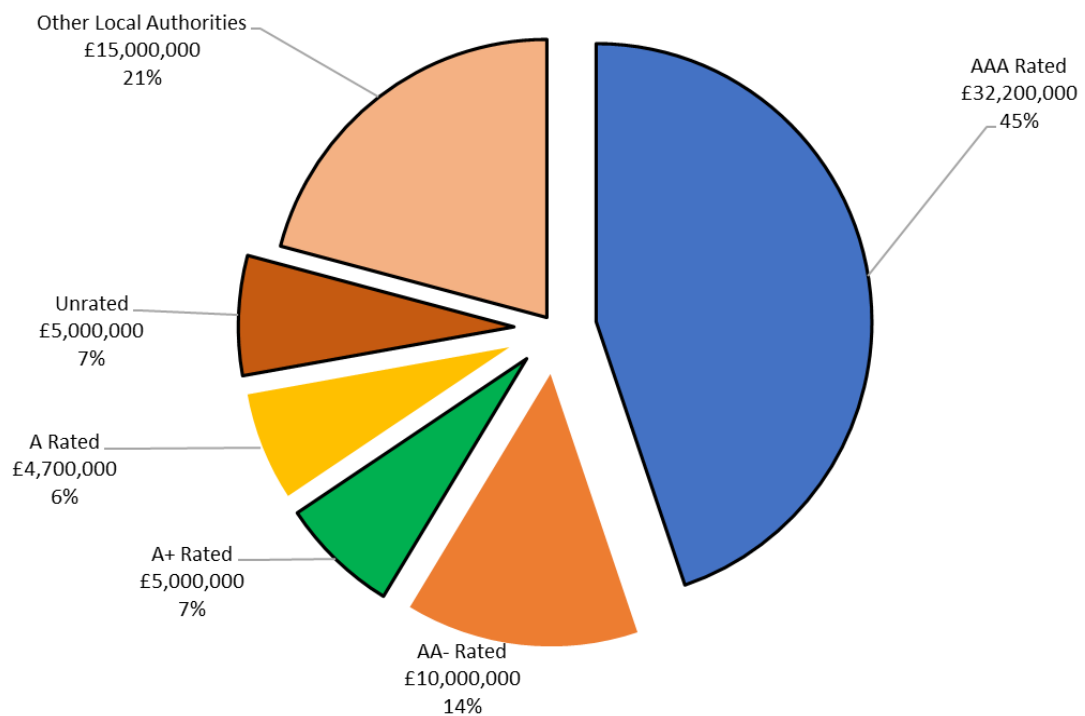


Chart 4: Council Investments Per Lowest Equivalent Long Term Credit Rating as at 30th June 2021 - £71.9 m



APPENDIX 3

Average rate of return on investments for 2021/22

	Apr. %	May %	Jun. %	Jul. %	Aug. %	Sep. %	Average
Average rate of interest earned	0.29	0.30	0.27	0.24	0.25	0.23	0.27%
Benchmark = Average 7 Day LIBID rate +0.05% (source: Arlingclose)	-0.03	-0.03	-0.03	-0.03	-0.03	0.13	-0.01%
Performance against Benchmark %	+0.32	+0.33	+0.30	+0.29	+0.30	+0.10	+0.28%

APPENDIX 4

Council's External Borrowing at 30th September 2021

Lender	Amount outstanding	Start date	End date	Interest rate
Long term				
PWLB489142	10,000,000	15/10/2004	15/10/2034	4.75%
PWLB497233	5,000,000	12/05/2010	15/08/2035	4.55%
PWLB497234	5,000,000	12/05/2010	15/02/2060	4.53%
PWLB498834	5,000,000	05/08/2011	15/02/2031	4.86%
PWLB498835	10,000,000	05/08/2011	15/08/2029	4.80%
PWLB498836	15,000,000	05/08/2011	15/02/2061	4.96%
PWLB503684	5,300,000	29/01/2015	08/04/2034	2.62%
PWLB503685	5,000,000	29/01/2015	08/10/2064	2.92%
PWLB505122	16,879,619	20/06/2016	20/06/2041	2.36%
PWLB508126	9,088,130	06/12/2018	20/06/2043	2.38%
PWLB508202	9,693,756	12/12/2018	20/06/2068	2.59%
PWLB508224	4,536,875	13/12/2018	20/06/2043	2.25%
PWLB505744	8,385,987	24/02/2017	15/08/2039	2.28%
PWLB505966	8,588,372	04/04/2017	15/02/2042	2.26%
PWLB506052	7,298,766	08/05/2017	15/02/2042	2.25%
PWLB506255	6,714,422	10/08/2017	10/04/2067	2.64%
PWLB506729	8,925,963	13/12/2017	10/10/2042	2.35%
PWLB506995	8,947,355	06/03/2018	10/10/2042	2.52%
PWLB506996	9,194,007	06/03/2018	10/10/2047	2.62%
PWLB507749	9,092,523	10/09/2018	20/07/2043	2.42%
PWLB508485	19,473,504	11/02/2019	20/07/2068	2.52%
PWLB509840	9,322,004	04/09/2019	20/07/2044	1.40%
KBC Bank N.V *	5,000,000	08/10/2004	08/10/2054	4.50%
KBC Bank N.V *	5,000,000	08/10/2004	08/10/2054	4.50%
Commerzbank AG Frankfurt*	10,000,000	27/04/2005	27/04/2055	4.50%
Medium term				
Portsmouth C.C.	5,000,000	19/12/2019	19/12/2022	1.65%
Short term				
Gloucestershire C.C.	5,000,000	25/11/2019	25/11/2021	1.50%
Total Borrowing	226,441,283			

*All LOBO's (Lender Option / Borrower Option) have reached the end of their fixed interest period and have reverted to the variable rate of 4.50%. The lender has the option to

change the interest rate at 6 monthly intervals. Should the lender use the option to change the rate, then at this point the borrower has the option to repay the loan without penalty.

Appendix 5: Arlingclose's Economic & Market Review Q2 of 2021/22

Economic background: The economic recovery from coronavirus pandemic continued to dominate the first half of the financial year. By the end of the period over 48 million people in the UK had received their first dose of a COVID-19 vaccine and almost 45 million their second dose.

The Bank of England (BoE) held Bank Rate at 0.1% throughout the period and maintained its Quantitative Easing programme at £895 billion, unchanged since the November 2020 meeting. In its September 2021 policy announcement, the BoE noted it now expected the UK economy to grow at a slower pace than was predicted in August, as the pace of the global recovery had shown signs of slowing and there were concerns inflationary pressures may be more persistent. Within the announcement, Bank expectations for GDP growth for the third (calendar) quarter were revised down to 2.1% (from 2.9%), in part reflecting tighter supply conditions. The path of CPI inflation is now expected to rise slightly above 4% in the last three months of 2021, due to higher energy prices and core goods inflation. While the Monetary Policy Committee meeting ended with policy rates unchanged, the tone was more hawkish.

Government initiatives continued to support the economy over the quarter but came to an end on 30th September 2021, with businesses required to either take back the 1.6 million workers on the furlough scheme or make them redundant.

The latest labour market data showed that in the three months to July 2021 the unemployment rate fell to 4.6%. The employment rate increased, and economic activity rates decreased, suggesting an improving labour market picture. Latest data showed growth in average total pay (including bonuses) and regular pay (excluding bonuses) among employees was 8.3% and 6.3% respectively over the period. However, part of the robust growth figures is due to a base effect from a decline in average pay in the spring of last year associated with the furlough scheme.

Annual CPI inflation rose to 3.2% in August, exceeding expectations for 2.9%, with the largest upward contribution coming from restaurants and hotels. The Bank of England now expects inflation to exceed 4% by the end of the calendar year owing largely to developments in energy and goods prices. The Office of National Statistics' (ONS') preferred measure of CPIH which includes owner-occupied housing was 3.0% year/year, marginally higher than expectations for 2.7%.

The easing of restrictions boosted activity in the second quarter of calendar year, helping push GDP up by 5.5% q/q (final estimate vs 4.8% q/q initial estimate). Household consumption was the largest contributor. Within the sector breakdown production contributed 1.0% q/q, construction 3.8% q/q and services 6.5% q/q, taking all of these close to their pre-pandemic levels.

The US economy grew by 6.3% in Q1 2021 (Jan-Mar) and then by an even stronger 6.6% in Q2 as the recovery continued. The Federal Reserve maintained its main interest rate at between 0% and 0.25% over the period but in its most recent meeting made suggestion that monetary policy may start to be tightened soon.

The European Central Bank maintained its base rate at 0%, deposit rate at -0.5%, and asset purchase scheme at €1.85 trillion.

Financial markets: Monetary and fiscal stimulus together with rising economic growth and the ongoing vaccine rollout programmes continued to support equity markets over most of the period, albeit with a bumpy ride towards the end. The Dow Jones hit another record high while the UK-focused FTSE 250 index continued making gains over pre-pandemic levels. The more internationally focused FTSE 100 saw more modest gains over the period and remains below its pre-crisis peak.

Inflation worries continued during the period. Declines in bond yields in the first quarter of the financial year suggested bond markets were expecting any general price increases to be less severe, or more transitory, than was previously thought. However, an increase in gas prices in the UK and EU, supply shortages and a dearth of HGV and lorry drivers with companies willing to pay more to secure their services, has caused problems for a range of industries and, in some instances, led to higher prices.

The 5-year UK benchmark gilt yield began the financial year at 0.36% before declining to 0.33% by the end of June 2021 and then climbing to 0.64% on 30th September. Over the same period the 10 year gilt yield fell from 0.80% to 0.71% before rising to 1.03% and the 20-year yield declined from 1.31% to 1.21% and then increased to 1.37%.

The Sterling Overnight Rate (SONIA) averaged 0.05% over the quarter.

Arlingclose's Economic Outlook for the remainder of 2021/22 (based on the October 2021 interest rate forecast)

Arlingclose expects Bank Rate to rise in Q2 2022. We believe this is driven as much by the Bank of England's desire to move from emergency levels as by fears of inflationary pressure.

Investors have priced in multiple rises in Bank Rate to 1% by 2024. While Arlingclose believes Bank Rate will rise, it is by a lesser extent than expected by markets.

The global economy continues to recover from the pandemic but has entered a more challenging phase. The resurgence of demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. This is particularly apparent in the UK due to the impact of Brexit.

While Q2 UK GDP expanded more quickly than initially thought, the 'pingdemic' and more latterly supply disruption will leave Q3 GDP broadly stagnant. The outlook also appears weaker. Household spending, the driver of the recovery to date, is under pressure from a combination of retail energy price rises, the end of government support programmes and soon, tax rises. Government spending, the other driver of recovery, will slow considerably as the economy is taken off life support.

Inflation rose to 3.2% in August. A combination of factors will drive this to over 4% in the near term. While the transitory factors affecting inflation, including the low base effect of 2020, are expected to unwind over time, the MPC has recently communicated fears that these transitory factors will feed longer-term inflation expectations that require tighter monetary policy to control. This has driven interest rate expectations substantially higher.

The supply imbalances are apparent in the labour market. While wage growth is currently elevated due to compositional and base factors, stories abound of higher wages for certain

sectors, driving inflation expectations. It is uncertain whether a broad-based increased in wages is possible given the pressures on businesses.

Government bond yields increased sharply following the September FOMC and MPC minutes, in which both central banks communicated a lower tolerance for higher inflation than previously thought. The MPC in particular has doubled down on these signals in spite of softer economic data. Bond investors expect higher near-term interest rates but are also clearly uncertain about central bank policy.

The MPC appears to be playing both sides, but has made clear its intentions to tighten policy, possibly driven by a desire to move away from emergency levels. While the economic outlook will be challenging, the signals from policymakers suggest Bank Rate will rise unless data indicates a more severe slowdown.

APPENDIX 6

Interest & Capital Financing Costs – Budget Monitoring 2021/22

April 2021 to September 2021	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	8,049	7,419	(630)	FAV
- Internal Repayment of Loan Charges	(10,338)	(10,338)	0	
- Ex Avon Debt Costs	1,020	990	(30)	FAV
- Minimum Revenue Provision (MRP)	8,307	8,307	0	
- Interest on Balances	(208)	(238)	(30)	FAV
Total	6,830	6,140	(690)	FAV

APPENDIX 7

Summary Guide to Credit Ratings

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

APPENDIX 8

Extract from Treasury Management Risk Register – Top 5 Market Risks

			Current Risk Score										
	Risk Nr	Description	Likelihood					Impact					Management Action
			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			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			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	R03	Exchange Rate Risk - The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.	1						2				Treasury Management Policies clearly record the need to eliminate currency exchange rate risks .
4	R04	Inflation Risk - The risk that prevailing levels of inflation cause an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.			3					3			Liaise with Chief Finance Officer to ensure Inflation both current and projected forms part of the medium term financial planning framework.
5	R05	Credit and Counterparty Risk - The risk of failure by a third party to meet its contractual obligations to the organisation under an investment, borrowing, capital, project or partnership financing, particularly as a result of the third party's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources.			3						4		Complete annual review of Counterparty List with external advisors to feed into Treasury Management Strategy. Regular review of counterparty financial standing through use of credit ratings, credit default swap rates and national press coverage and liaison with Chief Finance Officer and external advisors to consider any issues / change in circumstances of counterparties.

Bath & North East Somerset Council		
MEETING:	Council	
MEETING DATE:	18th November 2021	
TITLE:	Corporate Parenting – Referral from Children, Adults, Health & Wellbeing Panel	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
The report presented to the CAHW Panel – 15 th June 2021		

1 THE ISSUE

- 1.1 The appended report was presented to the Children, Adults, Health & Wellbeing Policy Development & Scrutiny Panel in June 2021. A request was made for Full Council to also receive this report and this covering statement provides updated information for Elected Members. As stated, the report outlines the effectiveness of the Local Authority in meeting its safeguarding responsibilities and progress of children in care and care leavers.

2 RECOMMENDATION

The Council is asked to;

- 2.1 Note the progress made to date in these duties; and
- 2.2 Note that this work will continue to be a priority within the Local Authority.

3 THE REPORT

- 3.1 Members are reminded of their Corporate Parenting responsibilities and that upon election all Councillors take on the role of “Corporate Parent” to children looked after and care leavers within B&NES. They have a duty to take an interest in the wellbeing and development of those children as if they were their own. Whilst the Lead Member for children’s services has particular responsibilities, the role of corporate parent is carried by all Councillors, regardless of their role on the Council. Effective Corporate Parents consider their role for children and young people within B&NES in their everyday role as a Councillor.
- 3.2 At the time of writing this report there are 183 children in care and 194 care leavers. As stated in the June report, our number of children in care continue to

remain stable over time. The following information is provided as an update to the June 2021 report

- (1) **Visits to Looked After Children:** We have continued to provide a statutory service throughout covid lockdowns and since restrictions have lifted. Our rates of visiting have now further increased with 94% of children being consistently visited within statutory timescales. This is excellent.
- (2) **Transitions and Planning:** The introduction of the Permanence Planning Panel has ensured that transitions are timely and that the quality of our Pathway Planning for young people into adulthood has improved.
- (3) **Participation:** This continues to be a key focus of our work and our two Young Ambassadors are now fully embedded in the service, consulting in many areas of service development and ensuring that children and young people's voices are at the heart of what we do.
- (4) **Education:** I can confirm that seven young people took GCSE's this year, with all of them passing with a grade four or above. Six out of the seven young people have confirmed college places. Some young people have not taken GCSE's due to additional needs but have completed functional skills and ESOL. These young people are continuing to stay in education for Year 12.
- (5) **A Levels** - 20 young people took A Levels with 15 passing (5 of these with EHCP)
- (6) **Special Guardianship:** The rate of Special Guardianship Orders remains high in B&NES, which is an excellent alternative for those children who are unable to live with their birth parents, enabling them to be cared for by a connected person who is known to them.
- (7) **Sufficiency:** The Fostering Recruitment and Retention Project, which sits within the Children's Transformation Programme, has concluded and is now in the implementation phase. There has been one marketing campaign in the Autumn of 2021, with a further three campaigns planned over the next 18 months. There are early indications of the impact of these campaigns, and other aspects of this project, but further monitoring and evaluation of data is needed to report with accuracy.
- (8) Alongside recruitment of new foster carers, we are also focusing on retention and propose additional measures and benefits to B&NES carers, including training and support. An allowance review has been undertaken which recommends that our fee structure is amended to reflect skills and experience, rather than the age of the child. This will encourage our carers to engage in professional development and is in line with our neighbouring Local Authorities. This has now been approved in principle.
- (9) We have also recently approved our first two 'Fostering families' carers. This will provide a dedicated fostering service to support those children at the edge of care, to remain at home, by providing a dependable, consistent, and emotionally invested individual who can provide support for the duration of children's minorities. The aim of this service will be to avoid children entering Local Authority care.

(10) **The Not in Education, Employment and Training (NEET) project:** This has now commenced, and aims to increase the number of B&NES children and young people in education, employment, and training (EET). This project will build on the existing EET pathway by strengthening our Corporate offer to our children, as well as working with partner agencies and private industry in B&NES. There will be further information about this project, and ways in which Elected Members can support the aims, in the forthcoming months.

(11) **Reunification Service:** This new service has also been developed within the Children's Transformation programme and is in the implementation phase.

3.3 Finally, we have recently celebrated National Care Leavers Week, 25th – 31st October. This was well supported by both Elected Members and Officers through activities, events, and donations. The contributions enabled us to give 38 care experienced young people, who were nominated by their Personal Advisor or Family Support Practitioner, a gift in recognition of their outstanding success and progress they have made through yet again, a very challenging year. During this week we also provided all care experienced young people who are currently being support by the team with a voucher for them to spend on a gift for themselves, as well as various other celebratory events.

3.4 In celebration of our care leavers in B&NES I would like to share that we have had seven young people graduate from University this year with either a Masters or Post Grad Degree, and we have another 10 young people still at University in various stages of their degree/masters. There are 22 young people are in full time training or employment and four young people are in full time apprenticeships. Alongside this, 12 young people are engaged in part time education, employment, and training – this includes open university course, college, work.

4 STATUTORY CONSIDERATIONS

4.1 Statutory guidance produced in February 2018 outlines the role of Local Authorities and the application of corporate parenting principles as set out in section 1 of the Children and Social Work Act 2017. Local Authorities must have regard to the needs identified in the Children and Social Work Act when exercising their functions in relation to looked-after children and care leavers (relevant children and former relevant children). It should be read and applied alongside the Children Act 1989 Guidance and Regulations volume 2: care planning, placement and case review, and volume 3: planning transition to adulthood for care leavers, resource implications (finance, property, people)

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 The Local Authority seeks to ensure that it meets all its corporate parenting responsibilities. Placements are identified depending on the child's assessed need. Aside from the cost of the placement, additional funding may also be agreed relating to supervision and support. Placement sufficiency is a significant area for development. A number of Children's Transformation Projects seek to increase the range of children and young people supported through connected carers and an expanded in-house fostering provision. The financial year 20/21 saw significant pressures across Children's Services. Children's Services continue to keep under constant review the effective and efficient use of the

financial resources allocated to it to endeavour to stay within the budgetary envelope.

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 EQUALITIES

- 7.1 An EIA has not been carried out on this report. Any changes to service delivery identified through the Children's Transformation programme will be underpinned by an EIA.

8 CLIMATE CHANGE

- 8.1 The council has declared a climate emergency and has resolved to enable carbon neutrality in B&NES by 2030. When considering any placement for a child, we will seek to accommodate children within B&NES, therefore avoiding unnecessary travel for the child, their family, the social worker and other professionals. Children's Services must see children in their homes, settings and community in order to discharge their statutory responsibilities. Where possible, we will seek to minimize travel and use technology

9 OTHER OPTIONS CONSIDERED

- 9.1 The Corporate Parenting Group are informed of progress against The Pledge on a quarterly basis. The services referred to within this report are directed and overseen by the Assistant Director and Director of Children's Services and Education. Any significant changes to service development are discussed with the relevant authority.

10 CONSULTATION

- 10.1 This report has been authored by Rachael Ward, Head of Service, in conjunction with the Assistant Director for children and Young People Service, the Director of Children's Service and the Children's Finance Manager. It has also been shared with the Lead Member for Children and Young People.

Contact person	Rachael Ward, Head of Service, 07976 184698
Background papers	
Please contact the report author if you need to access this report in an alternative format	

Bath & North East Somerset Council		
MEETING	Children, Adults, Health & Wellbeing Policy Development & Scrutiny Panel	
MEETING	15 th June 2021	
TITLE:	Corporate Parenting	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Annexe A: The Pledge		

1 THE ISSUE

1.1 This report will outline the effectiveness of the Local Authority in meeting their safeguarding responsibilities and progress of children in care and care leavers.

2 RECOMMENDATION

The Panel is asked to;

2.1 Note the progress made to date in these duties

2.2 Note that this work will continue to be a priority within the Local Authority

3 THE REPORT

3.1 As at 31st March 2021 there were 181 children in care, and 104 care leavers aged 18-21 years. The rates of looked after children in the Local Authority have remained relatively stable over the last 3 years.

3.2 Following the publication of 'Care Matters: Time for Change' in June 2007, there has been a requirement for all Local Authorities to develop and publish a Pledge to their Looked after Children and Care Leavers. The Pledge sets out the services and support children should expect to receive, see Annexe A. There is also an audio version available that has been recorded by young people in care.

3.3 The quarterly Corporate Parenting Group Meetings are now aligned to The Pledge to enable the Local Authority to report on progress against the principles within. This includes reports and presentations from the Safeguarding and Quality Assurance Team, the Commissioning Manager, the Virtual School, as well as our partner agencies such as Health. The In Care Council also attend the Corporate Parenting Group Meetings and provide an annual presentation giving direct feedback in relation to the Pledge from children and young people in care. Other agencies and presentations are provided by invitation and at the request of Elected Members

3.4 This report will focus on the key areas of The Pledge

3.5 *Your Social Worker:* All children in care have an allocated social worker and rates of stability are good. Historically, this number has been in part impacted on by systems within the Local Authority, namely the journey through relevant social work teams prior to becoming looked after. Following a recent redesign of children's services, it is envisaged that children will now experience less changes of social workers.

3.6 In order to best meet the complex needs of children in care and care leavers a redesign of our service was implemented in June 2020. Previously, children in care and care leavers were held within the same team (The Children in Care and Moving on Team). Since June 2020, we have created a new Adolescent and Care Experienced Team, which encompasses both care leavers and adolescents who are at risk of, or experiencing exploitation. The needs of many of our care leavers and young people, as well as the skills of our social workers and personal advisors, overlap in many areas and this has served to enable a clearer focus and service delivery for this cohort of young people.

3.7 The children in care team is now able to focus on children up to 18 years, but with clear links to the Adolescent and Care Experienced Team when a child reaches 16 years. We are currently developing a further pathway to enable Personal Advisors (PA's) to be allocated in a timely manner and ensure that Pathway Plans are appropriately focused on forthcoming adulthood. The team also work with children who have care plans for adoption and the redesign of the teams has enabled more focus on quality of work in this area, alongside our Regional Adoption Agency, Adoption West.

3.8 Visits to children in care are good, with 90% of children being visited within statutory timescales in 20/2021. It is important to note that covid restrictions have impacted on face to face visiting, with some visits not taking place due to symptoms or positive test results, as well as shielding etc. We have used creative methods to keep in touch with these children, i.e. through video call, messaging etc. The LA has practised in line with DFE Flexibilities introduced in 2020 in response to Covid 19. These Regulations enable virtual visits to be undertaken where face to face visits are not possible. These have been used minimally and always with Head of Service approval.

3.9 *How we make decisions:* Participation of children in care in decision making is a priority for the Local Authority. Where possible, children are seen alone during visits, in order to gain their views, wishes and feelings. The prevalence of children participating in their Children in Care reviews is high at 93%, with only 7% non-attendance. In order to further build on participation of young people in the services we provide, the Local Authority has recently

employed two Young Ambassadors. These young people are aged between 19-25 years and have experience of being looked after. The key focus of this role is participation and service development.

3.10 In 2021 we implemented a 'Long Term Matching Panel'. For those children that are unable to return home, this panel provides a place in which their care arrangements are scrutinised and formally agreed by a senior manager. This is important to ensure that children are matched with the most appropriate carer/connected person, and show good decision making from Corporate Parents. This has been an important service development.

3.11 *Your Care Plan*: All children and young people in care have a Care Plan that is regularly reviewed by the Independent Reviewing Officer. 2019/20 data shows that 97% of child in care reviews were held on time (NB data for 20/21 is not yet available, but not felt to be significantly different). The Young Ambassadors are currently reviewing the care planning documents to ensure they are designed to meet the needs of all children in care.

3.12 Outcomes for children in care in B&NES will differ depending on individual circumstances. Some children will return home to live with their parents, or with wider family members or connected persons. The rate of Special Guardianship Orders (SGO) in B&NES is high, which is felt to be an excellent alternative for children who are unable to live with their parents. This is exceptional practice and we have the highest rates of family arrangements within the South West. In recognition of the high number of SGOs in B&NES we have further developed our permanence team, to provide increased support to these carers. As a result, breakdowns of SGO placements are low, which means that children continue to live within their family network.

3.13 *Your Independent Reviewing Officer*: All children in care have an allocated Independent Reviewing Officer (IRO). The appointment of an IRO for a child or young person in the care of the Local Authority is a legal requirement under section 118 of the Adoption and Children Act 2002. Since 2004 all Local Authorities have been required to appoint an IRO to protect children's interests throughout the care planning process.

3.14 Feedback is gained from the Independent Reviewing Services and whilst the number of responses from children was lower than desired, there were no negative comments received by a child. The feedback provided suggests that children and young people value the role of their IRO and have a good relationship with them.

3.15 *Where you live*: It is important that children are placed within the geographical area of their family home, in order to remain connected to their family, friends and local community, as well as remain at the same school. There are specific sufficiency challenges within B&NES Local Authority, which means that some children are placed away from the area. In 19/20 69% of children were placed outside of the Local Authority boundary, or at a distance of at least 20 miles away from their family home.

3.16 The issue of sufficiency is also a national one and in December 2019, the Children's Commissioner published their report 'Pass the parcel – children posted around the care system'. This report identified that as of 31st March 2017/2018, 41% of children and young people in care were living out of area,

with 11,352 children and young people living more than 20 miles away from their home. The report highlighted that the number of children living out of the area has risen by 13% since 2014. The report acknowledges there are a number of reasons for children being placed at such distance from their home, but often it was identified that the location of the placement was simply because there was nowhere more suitable for them locally.

3.17 Sufficiency has also been identified as a priority across the South West . Work is underway across the LA's to develop our sufficiency; this is at an early stage. B&NES actively contribute to this transformational project. This is covered in detail in section 3.59

3.18 The aspiration with B&NES is to ensure that children are placed within the Local Authority. In order to be able to achieve this the recruitment and retention of local foster carers is a key priority. The more carers the Local Authority have available the more opportunity there is for children and young people to be placed within their local area. The Children's Transformation Programme includes a project group which a focus on recruitment and retention, including investment into services to enable an increase in the numbers of local carers to provide for a wide range of placements, i.e. adolescents, children with disabilities in need of short breaks, parent and baby.

3.19 It is important to note that for a small number of children, placements at a distance from B&NES are appropriate, i.e. due to risk or complex needs. For all children placed outside of B&NES they will continue to be visited by their social worker as well as IRO and receive education and health services appropriate to need.

3.20 Recent trends show increased prevalence of adolescents entering Local Authority Care. An analysis of these children shows that family breakdown due to covid restrictions have played a part. It is important to note that our care numbers have not significantly risen, as we have continued to support many children to remain or return home using additional funding via covid grant. Due to the older age of these children coming into care, it has provided difficult to find foster placements and therefore some of these children have been placed in 16+ accommodation and support arrangements (currently not regulated by Ofsted /unregulated placements).

3.21 To understand what constitutes an unregulated setting it is useful to understand what a regulated residential setting is. The Care Standards Act 2000 defines a residential children's home as an establishment that provides 'care and accommodation' 'wholly or mainly' for children. Therefore, an unregulated setting provides accommodation and support but not care. The law does not set out what care is, but there are some simple rules to apply. Administering medication, cooking for young people and shopping for them will constitute care. Whereas assisting young people to learn these skills will constitute support. If a provider crosses the line and provides care on an ongoing basis, the accommodation will become an unregistered children's home and will be illegal.

3.22 The use of 16+ accommodation and support has been in place for a few years, both nationally and locally. For some children, who are unable to live in a family setting, or where there are contextualised safeguarding issues, these types of placements can best meet their needs. In November 2019 OFSTED reviewed arrangements for young people over 16 years and Care Leavers,

stating; “the oversight of commissioned accommodation, including unregulated provision, is rigorous and results in additional support to keep young people safe”.

3.23 We have seen a small increase in the use of 16+ accommodation and support in B&NES during the pandemic, for the reasons outlined above. Since March 2020 we have put into place further measures to ensure that any children in these arrangements have rigorous oversight and appropriate risk management plans. This includes all 16+ accommodation and support providers being tendered through a dynamic purchasing system (DPS), in partnership with five other local authorities.

3.24 We have also increased our scrutiny of these arrangements by both Head of Service and Manager level. All children have appropriate support packages and supervision in place. The Head of Service and Deputy Lead for Safeguarding and Quality Assurance meet bi-monthly to review all these types of arrangements. In addition to this a recent audit of all children living in 16+ accommodation and support arrangements was undertaken in March 2021. As a result of this audit we have been further reassured about practice in this area in B&NES.

3.25 Stability rates of placements are consistently good in B&NES, with over 90% of children experiencing less than 3 placements over time. It is important to note that for some children placement changes are planned and a positive outcome for the child, i.e. reunification with parent, move to live with an extended family member or connected persons, or adoption

3.26 *Friends and Family*: Care Plans take into consideration a child or young person’s needs for staying in touch with their friends and family and this is proactively facilitated by social workers and IROs. For some children, there may be substantial risks posed from such contact time, but where possible the Local Authority will assess and mitigate such risks, even when these are significant.

3.27 In 2021 B&NES are also implementing the Lifelong Links Programme, which is a new approach, developed by the Family Rights Group, and aims to build lasting support networks for children and young people in care. This is achieved by rebuilding relationships and reconnecting children and young people in care with loved ones, including family members, significant persons and previous carers.

3.28 *Your Education*: To ensure that every looked after child is supported to achieve their very best the Virtual School (VS) hold termly Personal Education Plan (PEP) meetings. These are highly focused meetings dedicated to support educational outcomes. The PEP will be attended by the child’s social worker, the designated teacher at the school, the child’s carer and a member of the VS team. The child is invited to attend if they would like to, but if not, they can provide their views via the designated teacher. The child’s views are key to every PEP meeting and is normally the first part of the meeting.

3.29 Designated teachers complete the paperwork following a PEP which clearly records agreed actions and the impact they are expected to have. The V review every PEP and quality assure them before they are finalised and pupil premium plus funding is allocated. Every school has a statutory requirement to have a named designated teacher for looked after children and we provide regular

training for all our new designated teachers. The VS have good links with all the designated teachers and pupils are aware of who this person is in the school.

3.30 To ensure that every child gets a place at the best school for them, the VS have clear guidance that looked after children should only be placed in schools with OFSTED ratings of Good or Outstanding. In extreme exceptions we will place children in a school rated as requires improvement, but only where we are assured that the school can support the child effectively. Currently 94% of our statutory age children attend Good or Outstanding provisions. Where a mainstream school is not the best place for a child then we will work alongside the Special Educational Needs and D team to ensure that we find the best school to meet a child's needs. To support us in this the VS have two allocated members of the SEND team who have all our Looked After Children on their caseload. The VS also have a dedicated member of the educational psychology team who works with them two days a week.

3.31 The Virtual school will support a young person via the PEP process for as long as a child remains in education. Over the past 18 months the VS have worked hard to ensure that the quality of PEPs supporting post 16 education are the same high quality as our statutory school age children. The VS also carry out PEPs for all children who are in nursery. Once a child turns 18, it is then up to the young person and the social worker whether they would like these PEPs to continue with the young person's voice taking the lead in this decision. The VS have supported right up to university age where needed or required. The VS support schools and colleagues to provide work experience, and this is included in the PEP.

3.32 *Your identity:* All children in care have an up to date Care Plan which focuses on identity needs, including religious and cultural needs, as well as individual talents, interests and hobbies. Children's needs and interests in these areas are promoted and an annual celebration event is planned for 2021 to celebrate children in care achievements in all areas.

3.33 Life story work is important for children in care. It seeks to provide the child with an understanding of the reasons why they have come into care, as well as what has happened for them and their family whilst they have been in care. This work can take many different forms, from words and pictures, to photographs, letters, etc. Life story work will be completed with the child throughout their time in care. We are currently working to further develop our practice in B&NES and provide social workers with a range of tools to ensure that the child has a comprehensive range of information to best suit their needs.

3.34 *Your Health:* children in care are supported by the Looked After Child Health Team. The team provides for all children in care and their initial and annual health assessments, emotional and mental health, dental health, immunisations, planning for transition of health services, promoting children's development e.g. Speech and language development, achieving Healthy Weight of children and young people and good nutrition, and also ensuring specific provision for children with Education Health Care (EHC) plans

3.35 In 2019/20 53 initial health assessments, 13 Adoption Medicals and 26 Adoption Update Medicals were completed for B&NES children (all face to face contacts). In addition, 22 adoption updates were completed using relevant reports (child not seen). The Health team also work with partner agencies and

other Local Authority Health Teams to ensure that all children have regular health assessments, with 22 initial health assessments being completed for children placed outside of the Local Authority. *The 2020/2021 Annual Health Report is due in July 2021

3.36 The Designated Nurse for LAC or a Specialist Nurse for LAC attend strategy discussions or professional meetings with social care and police colleagues as required and contribute to the individual action plans when there are concerns in relation to significant harm, i.e. substance misuse, episodes of missing, criminal or sexual exploitation.

3.37 Provision of dental care is generally good across B&NES and neighbouring counties with the majority of Looked After Children being seen by local dental practices close to their placement. If this is not possible the Looked After Children Nurse will signpost to Specialist Dental Services. Dental health assessments are a key performance indicator for the health needs of Looked After Children and Young People, reported annually. 94% of Looked After Children and Young People in B&NES had dental assessments in 2019-2020.

3.38 Unaccompanied Asylum-Seeking Children are seen for an initial health assessment by a paediatrician in the team, but are then referred to the Haven, a specialist service in Bristol, which means all their needs can be met by one service. This includes immunisations, TB testing, blood borne virus testing and mental health assessment. Preventative and health care guidance and support including nutritional advice, sexual health/relationship advice, contraception, alcohol, smoking and illegal substances and the Law in the UK regarding these issues are explained and discussed with the young person.

3.39 Emotional health and wellbeing is an important part of the initial health assessment, as well as continued assessment and monitoring through review health assessments. Early identification and treatment is critical to try and prevent longstanding serious problems with emotional health. This is supported through the use of Strengths and Difficulties Questionnaires (SDQs) for children aged 5 to 15 years.

3.40 Emotional health and wellbeing is also a key focus for social workers and we work closely with our partners in Health, CAMHS and other agencies to ensure that children's needs are met. The children in care team commission a child psychologist to provide both consultation to social workers, assessment of needs and direct work with children.

3.41 *Leaving care and Moving On:* B&NES has high rates of keeping in touch with care leavers, consistently between 97-99%. At the time of writing this report, 88% of our care leavers have a Pathway Plan in place which is reviewed every 6 months. All care leavers up to 21 years have an allocated Personal Advisor (PA) that supports them in all areas of life, including housing, finances, education, employment and training, health (including mental and emotional health). For care leavers over the age of 21 years, we will continue to support them in line with their wishes and feelings.

3.42 The Children and Social Work Act 2017 provided a new duty to Local Authorities to provide PA support to all care leavers up to the age of 25 years, if they want this support. This duty commenced on 1st April 2018 and we have provided support to 27 additional young people between the age of 21-25.

3.43 Numbers of children Staying Put (SP) with their foster carers after 18 years are good in B&NES and we currently have 12 such arrangements. We have recently reviewed this service and our SP worker now sits within our Family Placement Team to ensure a smooth transition from foster care. We are also reviewing our policy and procedures to strengthen the service we provide to both young people and carers and seeking to support increased numbers in SP arrangements.

3.44 Aside from SP, care leavers can live in a range of housing provision, including supported living, semi-independent living and independent living. At the current time 96% of young people have suitable living arrangements as described above. Housing continues to be a challenge to young people in B&NES, especially those with complex needs. Children's Social Care are currently working with the Housing Department to identify solutions for some of our most vulnerable young people to ensure that they have stable and secure housing opportunities.

3.45 The number of care leavers in education, employment or training (EET) is 67%, with South West benchmarking figures aimed at a 70% rate. The number of young people who are not in EET has increased over previous years, which is also reflected nationally. We have therefore further developed our service within B&NES to include a skills and engagement worker within the social work team, development of an EET clinic, a focus on working with private industry in B&NES to provide work experience, training and job opportunities, as well as working with our partner agencies to increase EET figures. An EET Pathway has been developed to provide a clear aspiration for care experienced young people in B&NES and a strategic focus for this work.

3.46 The care leaver's last review health assessment is completed at the age of 17 years. A Health Passport is completed with the Care Leaver to provide up to date information about their immunisations and health needs. The Health Passport is for them to keep and can be used when accessing health services after their 18th birthday. An electronic version is also kept and shared with the GP. If the young person declines a review health assessment the Health Team will attempt to engage with them on the telephone or request that they complete a questionnaire about their health. The young person is informed that they may decline but can contact the Health Team directly or through their Personal Advisor at any point in the next year if they change their mind.

3.47 In 2017, B&NES care leavers service was rated as 'requires improvement' by OFSTED, although the overall judgement for Children's Social Care was 'good'. A further Focussed Visit was undertaken by OFSTED in 2019, in which Inspectors looked at the Local Authority's arrangements for care leavers only. This visit considered the recommendations from the 2017 inspection and stated, "Young people receive practical and emotional support from social workers and personal advisers who know them well. Importantly, the identification and response to risk has improved. Young people are now visited in accordance with their needs. They are very clear about their rights and entitlements, and the local offer results in tangible benefits for them".

3.48 The report continues, "Senior leaders have invested in improvements to performance data and quality assurance, including the case auditing process". Alongside this, OFSTED recognised that some improvements were recent and not fully embedded in practice, namely the application of the risk assessment

tool, timeliness and review of pathway plans. We have continued to work on these areas of development and further progress our care leavers service.

3.49 The recommendations made from this Focussed Visit have been taken forward by Children's Social Care and key area of work focusing on Pathway Planning and risk assessment.

3.50 This report will now consider specifically the impact of Covid upon our Corporate Parenting duties. The pandemic and associated restrictions have had a significant impact on many of our children in care and care leavers. For children in care, education provision has been disrupted, some aspects of health services such as dentistry and eye tests have been delayed or unavailable, and other partner agency support and community services have been significantly impacted on.

3.51 Despite this, we have worked hard in B&NES with our partner agencies to continue to provide good services to children in care. We have continued to visit children in their placements, where it is safe to do so. If this has not been possible, we have undertaken virtual visits and increased communication through messaging. Some children and young people have engaged well with this and have enjoyed the opportunity to have a video call with their social worker.

3.52 Health assessments have continued during this previous year, albeit virtually. The Virtual School (VS) have worked incredibly hard to support children who are both in school, and those in placement being home schooled. They put into place additional support and resources to both encourage and engage children in continued learning. In more recent weeks the VS has worked to assist children returning back to school.

3.53 Significant support has been provided to foster carers to ensure that they are well supported to enable them to continue to care for the children in their care. This has meant increased contact from the Family Placement Team and creative ways of working with our foster carer families so that they do not feel isolated. This has been successful, as shown in our placement stability rates, which remain consistently high.

3.54 Our care leavers have also been significantly impacted on by the pandemic. It is important to note that care leavers experience less opportunities in relation to education, employment and training due to many factors, including impact of abuse and trauma. The pandemic has served to further exacerbate these issues due to limited availability of technology to enable online education, or for some young people, they have been unable to engage with further education virtually. This was particularly the case in the first lockdown. The opportunity for work has also lessened due to the closure of non-essential businesses. The Adolescent and Care Experienced Team have worked hard to bridge these gaps for our care leavers, and we have ensured that laptops are made available when needed.

3.55 Further areas of development and service improvement via the Children's Transformation Programme.

3.56 The Children's Transformation Programme, established in March 2020, encompasses a range of initiatives focusing on children in care and care leavers,

amongst others. It provides a forum in which services are further developed, or initiated, through a multi-disciplinary group. The Transformation Programme is also able to identify budget savings where appropriate.

3.57 One project agreed for 2021/22 will further develop opportunities for young people to access employment, education and training (EET) in B&NES. As discussed above, one impact of the pandemic has led to less opportunities for EET and it is felt that this impact will continue for our care leavers over a sustained period of time. We will therefore be further developing and strengthening our pathway for EET, bring together resources from across the Council and our partner agencies.

3.58 As discussed earlier in the report, sufficiency of in-house foster placement is limited and as a result, children are placed outside of the Local Authority. The Children's Transformation Programme also includes a project which focuses on the recruitment and retention of foster carers. A successful bid was made for investment enabling us to employ a marketing apprentice and commission a marketing agency, in line with our neighbouring Authorities. Our recruitment will focus on recruiting foster carers to meet the needs of the hardest to place children, i.e. adolescents, parent and baby, as well as short breaks for children with disabilities.

3.59 We are also undertaking a review of the fee structure for B&NES foster carers, as we are not competitive in some age ranges. We have further developed our support and training package to carers, as well as facilitating a buddy scheme, in order to promote retention of carers. Furthermore, we are developing a 'Fostering Families' service which aims to support children on the edge of care and provide a fostering service to both the parent and child in order to avoid the child coming in care.

3.60 Alongside this, B&NES are also part of the South West Sufficiency Project led by the South Gloucestershire Council. This project has funding for a project manager for two years from the DfE (Oct 2020 – Oct 2022). The project is twofold; looking at how LA's can work more efficiently with the independent sector and how LA's can commission, design and deliver services together. It aims to

a) create a whole system approach; creating new models for commissioning that will compliment all existing models and give Local Authorities increased levels of sufficiency.

b) Establish new ways of working, to improve partnership working between Local Authorities, Independent providers, and agencies across the South West Region.

c) To improve placement sufficiency by placing children in Local high-quality placements at a sustainable cost for the LA's and the independent sector.

3.61 We are also implementing a Reunification Service within the Children in Care Team, as part of the Children's Transformation Project. Each year, several children leave their foster placement and return home. Currently, most of these moves are unplanned and many subsequently break down. The children returning to Local Authority care will have experienced significant disruption in their lives, failed hopes of returning to their families, and another experience of trauma and loss. Their families also will have experienced trauma and disruption.

3.62 B&NES is working with the NSPCC to embed their reunification framework. The framework supports practitioners and managers to apply structured professional judgement to decisions about whether and how a child should return home from care. It supports families and workers to understand what needs to change, to set goals, access support and services and review progress. We have support from our internal family therapy service and ongoing support once the child has returned home from the Connecting Families Team. It is planned that this service will be in place as from July 2021.

3.63 Transitions will be a key focus for 2021/22, and we are working closely with our partners in adult services and health to ensure early identification of need and smooth transitions between services in the best interests of children and young people. This is important for all our children in care, and especially children with a disability, complex needs, or at high risk.

4 STATUTORY CONSIDERATIONS

4.1 Statutory guidance produced in February 2018 outlines the role of Local Authorities and the application of corporate parenting principles as set out in section 1 of the Children and Social Work Act 2017. Local Authorities must have regard to the needs identified in the Children and Social Work Act when exercising their functions in relation to looked-after children and care leavers (relevant children and former relevant children). It should be read and applied alongside the Children Act 1989 Guidance and Regulations volume 2: care planning, placement and case review, and volume 3: planning transition to adulthood for care leavers, resource implications (finance, property, people)

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 The Local Authority seeks to ensure that it meets all its corporate parenting responsibilities. Placements are identified depending on the child's assessed need. Aside from the cost of the placement, additional funding may also be agreed relating to supervision and support. Placement sufficiency is a significant area for development. A number of Children's Transformation Projects seek to increase the range of children and young people supported through connected carers and an expanded in-house fostering provision. The financial year 20/21 saw significant pressures across Children's Services, the budget for 21/22 has been increased to reflect this. Children's Services continue to keep under constant review the effective and efficient use of the financial resources allocated to it to endeavour to stay within the budgetary envelope.

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 EQUALITIES

7.1 An EIA has not been carried out on this report. Any changes to service delivery identified through the Children's Transformation programme will be underpinned by an EIA.

8 CLIMATE CHANGE

8.1 The council has declared a climate emergency and has resolved to enable carbon neutrality in B&NES by 2030. When considering any placement for a child, we will seek to accommodate children within B&NES, therefore avoiding unnecessary travel for the child, their family, the social worker and other professionals. Children's Services must see children in their homes, settings and community in order to discharge their statutory responsibilities. Where possible, we will seek to minimize travel and use technology.

9 OTHER OPTIONS CONSIDERED

9.1 The Corporate Parenting Group are informed of progress against The Pledge on a quarterly basis. The services referred to within this report are directed and overseen by the Assistant Director and Director of Children's Social Care. Any significant changes to service development are discussed with the relevant authority.

10 CONSULTATION

10.1 This report has been authored by Rachael Ward, Head of Service, in conjunction with the Assistant Director for children and Young People Service, the Director of Children's Service and the Children's Finance Manager. It has also been shared with the Lead Member for Children and Young People.

Contact person	Rachael Ward, Head of Service, 07976 184698
Background papers	
Please contact the report author if you need to access this report in an alternative format	

Bath & North East Somerset Council		
MEETING:	Council	
MEETING	18th November 2021	
TITLE:	Update on progress re: Council cross party motion regarding safety for women and girls in public places, July 21 st 2021	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1: The motion		
Appendix 2: A response Cllr Romero's correspondence		
Appendix 3: Summary of bid to Home Office fund		

1 THE ISSUE

- 1.1 'Womens safety' has become highlighted in public conscience, it is acknowledged that this is most usually an issue of male violence which must be addressed. Bath & North East Somerset also acknowledges that crime, particularly violence against the person due to their protected characteristics, will not be tolerated.

2 RECOMMENDATION

The Council is asked to;

- 2.1 To note the progress being made on the implementation of the council motion regarding safety for women and girls in public places.

3 THE REPORT

- 3.1 **Note to readers:** *Although 'womens safety' has become highlighted in the public conscience, it is acknowledged that this is most usually an issue of male violence which must be addressed. Bath & North East Somerset also acknowledges that crime, particularly violence against the person due to their protected characteristics will not be tolerated.* It is widely discussed that the safety of women in public spaces will only improve if we focus on changing the attitudes of some boys/men towards girls/women, and also do more to prevent and address the violent behaviour of some boys/men towards girls/women.

3.2 The motion (Appendix 1) commits Council to the following :

7. Resolutely rejects behaviour and actions which may cause women and girls from any background to have to modify their activities in order to feel safe.

- No follow up action necessary

8. Champions the right of women and girls to be protected from violence and harassment in public places within B&NES.

- Councillors Dine Romero and Lisa O'Brien lead and chair a cross party women elected members group focussing on womens safety following recent high profile cases. It meets monthly and is driving the response to the Council motion.
- In 2020 in the early months of Pandemic Community Safety Officer worked with providers and the OPCC to secure additional funding from the Home Office to purchase more sophisticated IT, improve telephone connectivity and switchboard facilities to enable them to continue to provide a high quality service to victims of domestic abuse. Interestingly, many said that remote working arrangements facilitated contact with services as they could find a safe place and time more readily to make a zoom call over attending a specific location.
- The Community safety officer also achieved funding to support services to provide Domestic Abuse related counselling as an enhancement of their service provision, this was vital as all services reported that there was an increase in complex cases.
- The Council's main domestic abuse provider runs a food pantry as part of their services for families and victims, we also bid for an uplift to enable the capacity of the scheme to be extended during the pandemic.
- In June of 2021 a successful bid was made to the MOJ for 2 additional posts to support the work of our main provider who has seen a rise in complex cases but also many more older victims. We have a higher than average older population and similarly high number of older female victims of domestic abuse. One of the new posts focuses on older victims who are often hidden from services as they themselves may not recognise that they are suffering domestic abuse.
- B&NES Council co-ordinates the Domestic Abuse Partnership and in preparation for the 2021 Domestic Abuse Act workshops and focus groups were organised to raise awareness and advise partners of their duties under the Act.
- When new policies/services are developed within the Council, the Equality Impact Assessment process includes the need to consider any positive and negative impacts in relation to sex. Therefore, where relevant, consideration is given to issues that impact upon the safety of women and girls.
- The Corporate equality officer has requested all schools to record, respond and report all serious equality incidents to the council, including incidents relating to sexual harassment, sexual assault or sexist behaviour and language. Whilst

this does not relate to public spaces, if schools address these issues they could help prevent other issues arising outside of school in public places.

9. Believes that this principle should be embedded in our Council strategies going forward.

- Council Legal & Democratic Services Team have recommended that the strategies in the Council's Policy & Budget Framework should be reviewed by Council to ensure the principles are embedded in the strategies that drive the practical changes required to deliver this. The Policy & Budget Framework is part of the Council's Constitution.

10. Supports schemes such as 'Ask Angela' and calls on licensed businesses to participate and to take active steps to ensure harassment and sexual intimidation is taken seriously through participation in this scheme.

- The Night Time Economy Group has taken responsibility for progressing this, Bath BID convened a planning meeting and has gained commitment to engage with license holders via a training event, as well as leading a revitalisation of the Ask for Angela campaign in the local area. Relevant Council teams are supporting this work.

11. Calls on Council departments and other bodies responsible for public spaces e.g. housing associations, parish councils, transport providers, to improve the security of public spaces by encouraging them to review lighting (in streets, car parks and parks) CCTV provision and other pertinent means to improve safety.

- Cllr Romero attended the Parish liaison meeting with PCC Mark Shelford to discuss the motion. She has also written to all relevant bodies requesting information on their current work on public, particularly womens safety. Helpful responses are arriving; the intention is to include samples / summaries for Council in appendix 2 of this document (yet to be collated).

12. Calls on schools, colleges, universities and youth organisations to renew their efforts to promote a 'safety and respect for all' agenda amongst their students.

- Cllr Romero has written requesting a statement from education establishments; she also acknowledged and thanked them for the good work they have already carried out in this field.

13. Requests an update on progress on these matters to Council on 18 November 2021.

- This report constitutes the update.
- The Council's Community Safety Team submitted a joint bid (Universities, City of College, Bath BID, Youth Connect South West) to the Home Office 'Safety of Women at Night' fund (summary, appendix 3). Result of the bid is due by start

November 2021. All partners have committed to working together on this agenda irrespective of success or otherwise of the application for funding.

4 STATUTORY CONSIDERATIONS

- 4.1 Consideration of crime and disorder, planning, human rights, equality, public health.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 To be carried out within existing resources, although a bid has been submitted to Home Office for extra funding.

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 EQUALITY

- 7.1 Bath & North East Somerset will continue to identify equality impacts through the assessment process.
- 7.2 A strategy is in draft responding to the domestic abuse act 2021 to outline current provision of domestic abuse and violence services along with refuge provision.

8 CLIMATE CHANGE

- 8.1 None

9 OTHER OPTIONS CONSIDERED

- 9.1 None

10 CONSULTATION

- 10.1 Head of Legal and Democratic Services has approved this report. Director of HR has approved this report in (planned) absence of Director of Finance

Contact person	Samantha Jones 01225 396364
Background papers	
Please contact the report author if you need to access this report in an alternative format	

Appendix 1

The motion:

It reads:

Council:

- 1. Believes everyone should have the right to be safe from violence and harassment on our streets.*
- 2. Recognises that the killing of Sarah Everard has, again, brought the issue of behaviour towards women and girls and their safety to the forefront.*
- 3. Acknowledges it's not just women who are at risk but that any individual may be vulnerable to attack for various reasons.*

It also notes:

- 4. There are already many excellent initiatives and campaigns by local and national organisations aimed at safeguarding the welfare of individuals e.g. 'Got Ya Back' and 'Ask Angela'*
- 5. Violent incidents are thankfully rare in B&NES and our police force already work closely with Council officials to combat sexual harassment and other types of aggression.*
- 6. However, every occurrence of intimidation or attack is one too many.*

Council therefore:

- 7. Resolutely rejects behaviour and actions which may cause women and girls from any background to have to modify their activities in order to feel safe.*
- 8. Champions the right of women and girls to be protected from violence and harassment in public places within B&NES.*
- 9. Believes that this principle should be embedded in our Council strategies going forward.*
- 10. Supports schemes such as 'Ask Angela' and calls on licensed businesses to participate and to take active steps to ensure harassment and sexual intimidation is taken seriously through participation in this scheme.*
- 11. Calls on Council departments and other bodies responsible for public spaces e.g. housing associations, parish councils, transport providers, to improve the security of public spaces by encouraging them to review lighting (in streets, car parks and parks) CCTV provision and other pertinent means to improve safety.*
- 12. Calls on schools, colleges, universities and youth organisations to renew their efforts to promote a 'safety and respect for all' agenda amongst their students.*
- 13. Requests an update on progress on these matters to Council on 18 November 2021.*

Appendix 2

Response to Cllr Romero's correspondence:

Thank you for contacting us about the Safety for Women resolution made on 22nd July 2021. We have discussed the resolution at our equality, diversity and inclusion colleague group and I am responding on behalf of Curo.

We support the resolution and are committed to protecting women and girls from violence and harassment, both inside and outside of their homes.

In a typical year Curo supports between 200 and 240 women who have been victims of male violence.

We are committed to making our public spaces as safe as possible. We have recently installed additional CCTV to our city centre estates at Rosewell Court, Ballance Street and Snow Hill having listened to residents' concerns and worked in partnership with them to agree the most effective locations. Our Estates Partnership Board, a resident engagement group, act as advocates for our estates, and we encourage our estate management to be resident led. Our estates team quality assures all our external and indoor communal spaces bi-annually as a minimum.

We have committed to spending £1.16 million per year, for the next 9 years, on improving the look and feel of our estates with safety being a key priority.

In response to the resolution, we would like to raise two points that we think merit further consideration by the Council;

1. The problem is not one of women's safety, but of male violence toward women. We would urge the Council to consider what steps they are taking to ask why men perpetrate such crimes and how schools, childrens' and youth services can help prevent boys growing up into men who are violent.
2. When designing new estates, we can find ourselves at odds with planning preferences to limit lighting. We understand the driver for this is to protect the night sky from light pollution and preserve Bath's world heritage status, however we feel at times this is prioritised to the extent that it would compromise the safety of people using those spaces at night. A recent example of these conflicting priorities would be our Woodland Walk at Mulberry Park.

It is worth noting that paragraphs 99-103 of the Charter for Social Housing Residents (The Social Housing White Paper) sets out the government's plans for the Decent Homes Standard. It states; *"We are mindful that the design of a neighbourhood or estate, and the homes within them, can also be a factor in local levels of crime and anti-social behaviour. Landlords are expected to keep homes secure and protected from entry by intruders. But we recognise that we can go further. Physical measures such as CCTV, alley-gating and good quality lighting can all be effective in keeping neighbourhoods safe and secure. We want to explore how we can go further in using the Decent Homes Standard to keep residents secure and help tackle anti-social behaviour"*.

Therefore, we are likely to see lighting of shared spaces included within the standard, with compliance a regulatory requirement for social housing providers.

We will be sharing the resolution with our Leadership group to ensure that our strategies and plans support the resolution and that any potential conflicts are mitigated.

Appendix 3

Summary of bid to home office fund

Summary

The safety of women and girls is a B&NES Council focussed initiative, full Council passed a resolution to this effect on 21 July 2021

Our programme will comprise 3 main targeted approaches designed to comprehensively support potential victims of sexual violence and to bolster their confidence in services specific to improve reporting of such incidence:

- The whole population of B&NES
- Specific vulnerable or potentially vulnerable women, Women living a street-based lifestyle and female students
- Safety of women in the NTE, bars including student Union bars, taxi drivers, NTE taxi Marshals and improving the Safe Space to encourage women who face a risk or perceived risk to access it.

B&NES wide

- Design and deliver a comprehensive **Media Campaign** and resources, raising awareness of the role everyone can play – including a press campaign, “out of doors” posters (e.g., at bus stops, bus and train stations) outdoor Ad Vans, targeted social media and utilise community radio stations across B&NES, targeted and significant leaflet drops.
- **Taxi Driver Awareness raising and identification to impact on safety** this will impact on the safety of all users. However, the focus is on ensuring taxi drivers are able to provide support as appropriate. The package to include: adapting existing materials to create and deliver an innovative package for taxi drivers, the owners/manager of taxi companies based on the Bystander principles on women’s safety, to help identify possible indicators of different types of abuse, and how to respond or report concerns. The same resources will be used to support Taxi Marshal awareness.
- **Taxi Marshals** Pre-Covid B&NES had a comprehensive virtual NTE team including, in effect acting as a team with joint street briefings and co-ordinated activities. This virtual team includes the police, the Street Medics, the Street Pastors, and the Taxi Marshals. As set out above the loss of revenue and the reduction of NTE activities dictated that limited resources be diverted to daytime and Covid related activities. Of course, whilst we are seeing a recovery of the NTE, we have some way to go before revenues recover. This funding will allow a phased reinstatement of the Taxi Marshals to be put in place in line with this recover.

Focus on women’s safety in the NTE

- **‘Be the Change’** Working with the Student Community Partnership, both Universities and Bath College, create & deliver a co-training package for University & FE staff. It will build on the University’s old #neverok campaign and

SARSAS's previous 'pause-play-stop' which now be badged 'Be the change' and align with Bath Spa University's major strategic project on Sexual Violence and Mental Health. FE colleges and schools year 10-11 will also be targeted. With greater emphasis on bystanders, in addition to helping the community spot problematic behaviour and respond, it focusses on the behaviour of male perpetrators rather than giving women advice for e.g., about how to dress.

- **Improving & promoting the 'Safe Space' facility to make it more accessible to women and girls** Youth Connect South West (YCSW) are leading on this. Specifically, to improve the facility to enable women and girls who may feel unsafe and or vulnerable to use the space with confidence.
- In addition to plugging into the resources already described as appropriate a specific package for NTE staff, additional Marshals who will assist in promoting the following of Safer Places primarily those focussing on promoting positive behaviour: **Surveillance:** places where all publicly accessible spaces are overlooked **Ownership:** places that promote a sense of ownership, respect, territorial responsibility and community **Activity:** places where the level of human activity is appropriate to the location and creates a reduced risk of crime and a sense of safety at all times
- Creation of a new post, as identified by the research above* to **address the identified drivers of violence and provide support for vulnerable women living a street-based lifestyle.** The work would provide specialist, trauma informed groupwork and 1:1 for women who are leading a street-based lifestyle would be very welcome. The focus could be around supporting women to stay safe, including entering/encouraging healthy relationships. For example, a woman recently asked us to purchase a bodycam for her to keep it in her sleeping bag as a deterrent to the male rough sleepers who, she feels, are assaulting her whilst she is asleep.

Bath & North East Somerset Council		
MEETING:	Council	
MEETING DATE:	18 November 2021	
TITLE:	Race Panel Update	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		

1 THE ISSUE

- 1.1 The B&NES Race Panel was set up by Council in July 2020 following the murder of George Floyd in the USA. The short report is to provide an update on the panel and the work undertaken over the past sixteen months.

2 RECOMMENDATION

Council is asked to;

- 2.1 note the update report
- 2.2 approve that the panel should continue to run for a further period to 30 April 2023.

3 THE REPORT

- 3.1 The B&NES Race Panel was set up by Council in July 2020 following the murder of George Floyd in the USA as public outrage was felt across the world about continued racial discrimination. The Panel was set up by the then Leader of the Council and panel members were selected through an open self-nomination process, considering a variety of criteria including lived experience, and specific and provable interest in race equality.
- 3.2 The collective aim of the Panel is to build a fairer community and champion those living, working, and residing in B&NES who experience marginalisation, inequalities, and under-representation due to their ethnic background. The Panel members have strong links into the community and part of the Panel's role has been promoting work, walks and talks across the area on slavery about race by

collaborating with local organisations and communities. More details can be found [here](#).

3.3 During the pilot year, the Panel has:

- kept the debate on race discrimination alive
- questioned if the language used corporately about race is appropriate, including a topic still to be fully concluded, on the language and commonly used terminology such as BME or BAME. These phrases are no longer considered acceptable and feedback has been provided to the council's equality, diversity and inclusion steering committee.
- worked to highlight contributions of black residents and visitors of Bath, and those involved in the anti-slavery movement.
- promoted of greater awareness of key local people of colour or who have advocated for the abolishment of slavery in the city of bath's history.
- consulted on improving communications around public health and local black and brown communities

3.4 The Panel was set up as a one-year pilot and approval to proceed for a further term of office until 30 April 2023 is requested.

4 STATUTORY CONSIDERATIONS

4.1 The B&NES Race Panel supports the Council to ensure that it's statutory obligations with regards to the Equality Act 2010 are fulfilled.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 The Panel is jointly chaired by the Cabinet Member for Children, Young People, Communities and Culture, along with another Panel member. It does not incur any costs as the members are voluntary and meet virtually, and little resource has been used to date bar administration support to coordinate the Panel. The meetings average as monthly, considering matters of interest to the members, rather than an agenda led by the Council.

6 RISK MANAGEMENT

6.1 None

7 EQUALITIES

7.1 The Panel forms a key visible part of improving race equality across B&NES.

8 CLIMATE CHANGE

8.1 Panel meetings are held virtually to minimise travel.

9 OTHER OPTIONS CONSIDERED

9.1 None

10 CONSULTATION

10.1 This report has been cleared by the Chief Executive, S151 Officer and Monitoring Officer.

Contact person	Cherry Bennett, Director of People & Policy 01225 477203
Background papers	
Please contact the report author if you need to access this report in an alternative format	

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Bath and North East Somerset Council

Full Council meeting 18th November 2021

Motion on a Carbon Tax

To be proposed by Councillor Joanna Wright

Motion to call for a comprehensive carbon tax with a citizen dividend to be agreed at the 2021 Climate Change Conference (COP26)

This Council believes:

Man-made climate change is widespread, rapid, and intensifying, affecting every part of the globe. Since the second half of the 19th century, the release of greenhouse gases (GHGs) from human activities has warmed the planet by 1.1C. Rapid reductions in GHGs are needed immediately otherwise limiting global warming to 1.5C or even 2C will be impossible. These are the stark conclusions from the latest Intergovernmental Panel on Climate Change (IPCC) report, released in August 2021[1]. The report presents the findings from years of in-depth work from over 200 scientists in 66 countries. It provides key evidence for the 2021 United Nations Climate Change Conference (COP26), which is hosted by the UK Government in Glasgow from October 31st to November 12th 2020.

This year has already seen record extreme heat in both North America and Europe, the hottest July globally since records began, catastrophic floods in Europe and China, and raging wildfires in Siberia, Europe, and California. And this is with only 1.1C warming. It will get worse, but how much worse depends on how quickly GHG emissions are reduced.

It is estimated that the UK will be responsible for ~800 million tonnes of CO2 equivalent in 2021[2]. We need mechanisms to reduce GHG use quickly. One potentially 'game changing' mechanism is a carbon tax that covers all GHGs emitted in the provision goods and services. For the tax to be socially and economically fair, the money raised should be used to pay a 'citizen dividend'. A carbon tax dividend, starting at £100 per tonne of CO2, would generate up to £80 billion, which could make the necessary changes for a rapid transition to a zero-carbon economy, while supporting UK residents[3].

The moral and economic case for a comprehensive carbon tax with citizen dividends lies in the 'polluter pays' principle:

- Currently the costs of climate breakdown are not borne by the industries and activities that are causing the damage but by people and communities coming under increasing pressure and danger.
- Outdoor air pollution from fossil fuels causes 3 million deaths globally each year and up to 36,000 in the UK. [4]
- *Unless where specifically set out in the statute, motions approved at Council do not bind the Executive (Cabinet) but may influence their future decisions.*
- *Councillors are reminded of their public sector equality duty which requires the Council to consider or think about how their policies or decisions may affect people who are protected under the Equality Act.*

- A carbon tax, set at the right level, will drive fossil fuel consumption out of the economy and promote investment in clean alternatives.
- A citizen dividend from the carbon tax, returned directly to UK citizens through equal lump sum rebates, would ensure that the less well-off actually benefit financially.

There is widespread support for a comprehensive carbon tax with a citizen dividend. In 2019, the Wall Street Journal published a call for such a tax from US economists, including 27 Nobel Laureates and 4 former Chairs of the Federal reserve[5]. They stated, “a carbon tax should increase every year until emissions reductions goals are met”. In the UK, an Opinion survey revealed that two thirds of UK voters support a tax on carbon emissions[6]. A 2019 study from the Economic and Social Research Institute, reported in The Times[7], found that a carbon tax could reduce GHG emissions and reduce income inequality.

This year’s COP26 meeting in Glasgow should establish an international carbon tax framework, but if this doesn’t happen, the UK should introduce its own comprehensive carbon tax, paying dividends raised back to citizens. A carbon ‘border adjustment mechanism’ should be applied to goods imported into the UK to ensure that the GHGs emitted in their production are also taxed. A border adjustment mechanism would protect more cleanly produced UK made goods and incentivise other economies to lower emissions.

Therefore, we propose

1. that this Council resolves to support calls for a comprehensive carbon tax by writing to our leaders who are currently considering a fairer UK carbon tax with dividend:
 - a. The UK Prime Minister Boris Johnson
 - b. MP Alok Sharma, President of COP26 (the Glasgow 26th United Nations Climate Change Conference), and to
 - c. Our Bath MP and our Northeast Somerset MP

In our letter, calling for the UK government to:

2. Propose an international carbon tax framework to the COP
3. Introduce a UK-wide carbon tax by the end of 2022, this tax to be applied to imports as well as to domestic production (and/or “carbon border adjustment mechanism” / tax / tariffs) unless an international framework is agreed at COP26
4. Include a citizens’ dividend mechanism to fairly return carbon tax earnings and support our transition to a cleaner economy.

[References overleaf]

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[1] IPCC, 2021. *Climate Change Widespread, Rapid, and Intensifying*.

[2] *The Climate Change Committee, 2020. The Sixth Carbon Budget – The UK's part to Net Zero; Department for Business, Energy & Industrial Strategy, 2018. Methodology Paper for Emission Factors; Department for Environment, Food & Rural Affairs, 2018. UK's Carbon Footprint 1997-2018 report.*

[3] *PERILS catastrophe insurance data provider, Zurich, 2021. PERILS sets final £368mn estimate for Feb 2020 UK floods; Royal College of Physicians, 2020. Outdoor air quality in the UK - position statement.*

[4] *Public Health England.2019. Review of interventions to improve outdoor air quality and public health.*

[5] *The Wall Street Journal. 2019. Economists' Statement on Carbon Dividends. Bipartisan agreement on how to combat climate change.*

[6] *The Guardian, Opinium Survey 2021. Carbon tax would be popular with UK voters, poll suggests.*

[7] *The Times, 2019. Higher carbon taxes 'could cut income divide and emissions'*

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Bath and North East Somerset Council

Full Council meeting – Thursday 18 November 2021

Conservative Group Motion on ensuring private cars are protected from Clean Air Zone charges

To be proposed by Cllr Vic Pritchard

Council recognises:

1. The successful launch of the Bath Clean Air Zone (CAZ) on 15 March 2021.
2. That under the current CAZ rules private cars and motorbikes are exempt from charges.
3. That charging could impact upon owners of non-compliant vehicles.

Council therefore requests:

4. That the Leader of the Council formally pledges to ensure that any changes to the exemption for private cars and motorbikes from the Clean Air zone charges in order to achieve air quality objectives are subject to public consultation and equalities impact assessment to ensure that the most vulnerable are not detrimentally impacted.

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Bath and North East Somerset Council

Full Council meeting – Thursday 18 November 2021

Conservative Group Motion on the Queen's Platinum Jubilee

To be proposed by Cllr Karen Warrington

Council:

1. This Council notes that the Queen's Platinum Jubilee will take place in 2022.
2. This Council notes that the 2022 May Bank Holiday Weekend will be moved to Thursday 2 June and an additional Bank Holiday on Friday 3 June will see a four-day weekend to celebrate the Jubilee - the first time any British monarch has reached this historic milestone.
3. This Council recognises the esteem in which the Queen is held by the British public and considers it highly likely that residents in B&NES would wish to see the authority mark the Jubilee in a significant way.

Council therefore:

4. Requests that the Leader of the Council takes steps to explore the feasibility of renaming a road, property asset or landmark in B&NES after Queen Elizabeth II to mark the Platinum Jubilee.

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Bath and North East Somerset Council

Full Council meeting – Thursday 18 November 2021

Conservative Group Motion on the impact of fireworks

To be proposed by Cllr Alan Hale

Council recognises:

1. The unpredictable, loud and high intensity noises that many fireworks make can cause fear and distress to animals.
2. That debris produced by fireworks, if found on the ground, can pose a hazard to animals such as horses and farm livestock.
3. That noise from fireworks can make it difficult for the police or local authority officers to pinpoint locations and take actions.
4. That the RSPCA believes there is a real need to raise awareness among owners of animals about phobia of fireworks.

Council therefore resolves:

5. To recommend that all public firework displays within the local authority boundaries be advertised in advance of the event, allowing residents to take precautions for their animals and vulnerable people.
6. Actively to promote a public awareness campaign about the impact of fireworks on animal welfare and vulnerable people in the lead up to relevant celebrations and cultural events through existing council communication channels.
7. To write to the Local Government Association to lobby for a limit to the maximum noise level of fireworks to 90dB for those sold to the public for private displays.
8. To encourage local suppliers of fireworks to stock quieter fireworks for public display.

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