

Cabinet

Date: Wednesday, 10th November, 2021
Time: 6.30 pm
Venue: Zoom Online - Public Link will be provided

Agenda

To: All Members of the Cabinet

Chief Executive and other appropriate officers
Press and Public

You are invited to attend a virtual 'informal' meeting of the **Cabinet** on **Wednesday, 10th November, 2021** in **Zoom Online - Public Link will be provided.**

This informal virtual meeting will help to inform the decision-making meeting on 11th 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 11th November 2021.

The agenda is set out overleaf.



NOTES:

1. **Inspection of Papers:** Papers are available for inspection as follows:

Council's website: <https://democracy.bathnes.gov.uk/ieDocHome.aspx?bcr=1>

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

3. **Recording at Meetings:-**

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

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

4. **Public Speaking at Meetings**

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

Advance notice is required not less than two full working days before the meeting. This means that for meetings held on Thursdays notice must be received in Democratic Services by 5.00pm the previous Monday.

Further details of the scheme can be found at:

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

5. **Supplementary information for meetings**

Additional information and Protocols and procedures relating to meetings

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

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A G E N D A

1. WELCOME AND INTRODUCTIONS
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 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. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR
5. QUESTIONS FROM PUBLIC AND COUNCILLORS

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

6. STATEMENTS, DEPUTATIONS OR PETITIONS FROM PUBLIC OR COUNCILLORS

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

7. MINUTES OF PREVIOUS CABINET MEETING (Pages 7 - 20)

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

8. CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

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

9. MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES

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

10. SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING (Pages 21 - 22)

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

11. VIRGIN CARE CONTRACT EXTENSION - OPTIONS APPRAISAL (Pages 23 - 116)

B&NES, Swindon & Wiltshire Clinical Commissioning Group (BSWCCG) Governing Body and B&NES Council, as joint commissioners, have requested a report setting out an options appraisal to help decide whether it wishes to extend the Virgin Care contract.

This is a seven year contract from 2017/18 to 2023/2024 with the option for BSWCCG and B&NES Council to extend the contract term by three years, taking the contract term to 2026/2027. Virgin Care would need to be notified of the decision to extend or not to extend the contract by no later than end of March 2022.

The original contract expiration date is the end of contract year seven and this point is deemed to be an ordinary exit date with the option to extend for a further three years.

If a decision were taken to exercise the option to extend the contract term the Co-ordinating Commissioner (B&NES Council) must give written notice to Virgin Care no later than 24 months prior to the original expiry date (end of year 5 2021/2022 – March 2022 latest date). The option to extend the contract term by three years can only be taken once.

12. COUNCIL HOUSE BUILDING PROGRAMME (Pages 117 - 130)

The administration set a manifesto commitment to deliver Council Housing in addition to the social housing currently being delivered through established enabling activities. A programme to directly deliver around 50 units of accommodation over the next 1-2 years, including both supported housing and shared-ownership housing, is currently in progress.

A decision is now required on the milestone to extend this programme to deliver a further tranche of up to 58 affordable Council Houses by utilising eight sites identified in this report. These homes would all be social rented homes.

13. TREASURY MANAGEMENT MONITORING REPORT TO 30TH SEPTEMBER 2021 (Pages 131 - 148)

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.

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

14. REVENUE & CAPITAL BUDGET MONITORING, CASH LIMITS AND VIREMENTS – APRIL TO SEPTEMBER 2021 (Pages 149 - 186)

This report presents the financial monitoring information for the Authority as a whole for the financial year 2021/22, using information available as at the end of September 2021.

The Committee Administrator for this meeting is Michaela Gay who can be contacted on 01225 39445211.

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BATH AND NORTH EAST SOMERSET

CABINET

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

Thursday, 9th September, 2021

Present:

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

50 WELCOME AND INTRODUCTIONS

The Chair (Councillor Kevin Guy) welcomed everyone to the meeting.

The Chair invited all Cabinet Members to introduce themselves.

The Chair also informed the meeting that speakers will have their opportunity to address the Cabinet before questions from public and Councillors.

51 EMERGENCY EVACUATION PROCEDURE

The Senior Democratic Services Officer drew attention to the evacuation procedure with health and safety notice.

52 APOLOGIES FOR ABSENCE

There were no apologies for absence.

53 DECLARATIONS OF INTEREST

There were none.

54 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was none.

55 STATEMENTS, DEPUTATIONS OR PETITIONS FROM PUBLIC OR COUNCILLORS

Susan Charles read out a statement on behalf of Helen Dudden *[a copy of which is attached to the Minutes as Appendix 1 and on the Council's website]* where she questioned availability of accessible housing for a powered wheelchair user.

Susan Charles read out a statement *[a copy of which is attached to the Minutes as Appendix 2 and on the Council's website]* where she highlighted the risks that bicycles, electric scooters, skateboards etc. used on the pavements have on the vulnerable people.

Ceris Humphreys read out a statement *[a copy of which is attached to the Minutes as Appendix 3 and on the Council's website]* where she asked the Cabinet to restrict all HGVs traffic through Bath.

Martin Grixoni addressed the Cabinet by saying that he was proud to live and work in Bath, and the Council and its officers did work hard to get the best out of the area. However, he was concerned at some of the directions and priorities that the Council took where, in his words, they made it difficult for disabled people to access an increasing number of places. Martin Grixoni also said that he received a feedback from some residents about the state of the city streets. Martin Grixoni claimed that, aside from rough sleepers, there were people begging which was a hassle for tourists and businesses. Martin Grixoni felt that, in his view, these people should be better controlled, and dealt with.

Martin Grixoni also criticised the Council about Cleveland Bridge progress.

Councillor Vic Pritchard addressed the Cabinet by suggesting that the disabled residents were affected due to the lack of blue badge parking at the city centre. Councillor Pritchard also said that City Centre Security Measures have had adverse effects on the blue badge holders and invited the Cabinet to abandon the decision made in July this year and instead to allow a degree of access for blue badge holders.

Councillor Pritchard added that, in terms of the Clean Air Zone, there was no evidence to suggest that Nitrogen Dioxide reduction was a direct result of the CAZ, and it could be more to do with the COVID-19 lockdown and people still working from home, the closure of Cleveland bridge, and people being away for summer holidays, resulting in fewer cars on the road than normal.

56 QUESTIONS FROM PUBLIC AND COUNCILLORS

There were 38 questions from Councillors and no questions from members of the public.

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

57 MINUTES OF PREVIOUS CABINET MEETING

RESOLVED that the minutes of the meeting held on Tuesday 20th July 2021 be confirmed as a correct record and signed by the Chair.

58 CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

There were none.

59 MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES

There were none.

60 SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING

The Cabinet agreed to note the report.

61 CLEVELAND BRIDGE UPDATE AND OPTIONS REPORT

The Chair invited Councillor Manda Rigby to read out her statement.

Councillor Rigby read out the following statement:

'Firstly, I'd like to thank the officers for their officers' report, but more specifically, I think we owe them huge thanks for the exceptional way this work on the bridge has been done.

The Cleveland Bridge renovation is a very significant project for this Council. This is a 200-year-old bridge, never intended for this volume and weight of traffic, and the mitigations put in place in 1927 are also struggling to handle the wear and tear. We are replacing degraded concrete, ensuring that the iron work is sound, and waterproofing to prevent any further damage caused by water ingress.

We aren't at the end point yet, but despite: COVID cases, materials being delayed, and more work than anticipated once the scaffolding was up; we currently hope to reopen the bridge to cars, as well as pedestrians, cyclists and emergency vehicles, 3 months after it shut as planned, which would be an amazing achievement.

I can't think of any other project of this scale, and on a Grade 2 listed structure, anywhere in the country that has come in anywhere near on time.*

In the interim, we have been working hard on what to do next, and I'd like to share my thoughts on progress so far, and what I'd like to see happening next.

The current situation is that: on completion of the works, the weight limit which was in place prior to them will expire, and there will be no limits on the type of traffic which can use the bridge, unless we manage to get such a limit put on it.

This is because it forms part of the primary route network, therefore decisions about its usage are not in our hands.

Whilst appreciating the officer report in front of us tonight, which outlines several ways forwards, and understanding the rationale behind why it was written in this way, I think it does not go far enough. We need to be bolder in looking at absolutely all options in front of us.

One of the existing proposals is a strategic study with regional partners – where all the region's authorities examine plans for cross region transport, specifically looking

at the best way to get freight to and from the M4 to the Southern ports, and there may well be a plan for a different North South link proposed.

Work on this Western Gateway project is currently ongoing, but the amount of time this will take is counted in decades not years. We can't assume regional agreement will be reached and we can't just wait for this to be the solution.

The people of Bath can't wait another 10-15 years for relief from through traffic HGVs.

Because there is the rub. In order to change the status of the road and take it out of the Primary Route network, Wiltshire Council has to agree. Despite our best efforts, such agreement does not appear to be achievable, not even for temporary diversions during work.

This is a great shame.

A lot of the A350 route has been widened to dual carriageway now, at great public expense. It does not pass immediately by anywhere near as many houses to get from the M4 to the South coast, and those it does pass are not primarily Listed. It is mainly on the plain, not in a valley trapping pollution.

We are not in the business of exporting our problems elsewhere, but we are in the business of standing up for our community, and to us, it is only right that all parts of the network, including Wiltshire, take their fair share of traffic.

It is unreasonable to have had the amount of money spent on upgrading their roads, way in excess of any grant for Cleveland Bridge, and then not to take the HGVs.

Indeed, if they continue to refuse to do this, we will all suffer, as within a much shorter period of time, we will be back to closing the bridge for repairs again.

It was never meant to carry this volume and this weight of traffic, and remember, this is about through traffic using Bath as a rat run, not those lorries delivering goods into Bath.

The £3.5m we are spending from the public purse now will need to be spent again in 10-15 years' time if HGVs go back to pummelling the bridge as before. It would be so much better to fully fund a permanent solution.

So, what can we do? The answer is: we have looked and will continue to look at all mechanisms possible.

We have already sought advice on whether we could reintroduce tolling and set it at a level which would deter the heaviest vehicles, could we use any other charging mechanism for just one class of vehicle?

In terms of TROs – a traffic regulation order which is necessary to change the rules on a certain road – although the attempted TRO weight limit one failed in 2012, after a legal challenge from Wiltshire, a lot has changed since then. The climate emergency has been declared and millions of pounds have been spent on upgrading Wiltshire roads. It stands a better chance of success now than it did.

A TRO based on air quality may fail as it would be considered double jeopardy, with charges already in place via the CAZ, but we don't yet know what the future of the CAZ will be once we get all the data necessary, so this option should also be explored.

A TRO based on protecting the heritage asset? If there's a place in the UK where this should be possible, it's Bath, with its overarching World Heritage status and its new Great Spas of Europe World Heritage listing as well.

It's possible that none of these might work, I must make you aware of that, but they definitely won't work unless we try them and give them our very best resource.

If we don't manage to find a mechanism to reduce HGVs using Bath as a through-route, then it won't be for the want of trying every possible way. We are fighting for cleaner air, reduced through traffic and a better environment.

Whilst acknowledging and noting the officers report, I'd welcome amendments moved to instruct myself and officers to progress all the mechanisms possible to limit

HGVs, for the benefit of all in Bath, and support our neighbouring authorities to get further funding where adaptations to their roads would make it better for HGVs to use them. I am convinced that there must be a solution which gives a net benefit to the region, I am equally convinced that keeping with the status quo is not the right thing to do.

If we can restrict HGV through traffic, it will benefit the whole city and the surrounding area. Doing nothing is not an option.'

The Chair invited Councillor Richard Samuel to read out his statement and move the revised recommendations.

Councillor Richard Samuel read out the following statement:

'Bath has many traffic problems that bedevil the city. The fact of inconvenient geography and the historic UNESCO setting precludes the by-passes many other similar cities have built. The lack of sufficient bridges and the impossibility of building new ones for vehicles is a further problem. Added to which the situation is the situation of the city in a deep valley bowl with strong planning and environmental designations in place.

In the past 50 years another problem has crept up on the city and those of us who are concerned for its care and protection are faced today with dealing with it. That problem is the centralised distribution and delivery arrangements our economy demands and the dominance of large supermarkets. These arrangements are serviced by increasingly large HGVs of up to 44 tonnes and if the government has its way will soon be followed by the 48 tonne megalithic lorries as used in continental Europe. Here I use the term megalithic to describe not only the size but also the outdated form of freight distribution they represent.

The impact of HGVs on the historic city of Bath is corrosive. Road surfaces are damaged constantly by the hammering they take from these beasts, historic structures have been hit, the sheer difficulty of manoeuvring these HGVs causes congestion and delays. In a nutshell Bath's street were not built for these giants. But there is another insidious problem. That is the pollution these vehicles emit both NOx and CO2. The former has a serious impact on health for residents along roads where these vehicles travel. NOx emissions have undoubtedly fallen in recent years as cleaner vehicles have been introduced and that of course was one of the reasons for introducing the Bath Clean Air zone that I campaigned for in 2017. Nationally it is estimated that HGVs emitted 19.5m metric tonnes of CO2 per year – the second largest emitter after private cars. The non-monetarised dis-benefits such as impacts on physical or mental health have never been quantified as far as I am aware but arguably these are the most important issues for the community.

I now turn to the direct impact on my ward of Walcot. The London Road from Batheaston roundabout to Cleveland Place takes the highest volume of HGVs in the city. It also has the highest levels of NOx. But the most serious impact is on the quality of life for the thousands of residents who live on or near London Road. Their quiet enjoyment is daily disturbed by the continuous roar of HGVs. Cycling on the carriageway is unpleasant and at times unsafe. Life as a pedestrian whether walking with children to school or going to work is a dispiriting polluted experience. It is our duty as councillors in cabinet, and for me as a ward councillor to say on behalf of my and Bath's residents enough is enough. It is time to put an end to the daily procession of oversized lorries through our historic streets and in particular over the historic Cleveland Bridge. This report has considered some options but for me it does not go far enough, and I cannot support it in its current form. I say this because I am long enough in the tooth to recognise something being kicked into the very long

grass. The Western Gateway study whilst welcome is in essence the do-nothing option. When it does report if it gathers support then it will be a long time before a better safer route to the east becomes a reality. I therefore propose that the cabinet note this report for now but call for further work to examine more radical options to control and limit the use of Cleveland Bridge by HGVs.'

Councillor Richard Samuel moved the following recommendations:

The Cabinet to agree that the Council should continue to:

- 1) Work with Wiltshire and Dorset Councils and the Sub-Regional Transport Board (STB) Western Gateway to complete a strategic study into north-south connectivity between the M4 and the Dorset Coast with an aim of making the A350 the strategic route and limiting HGV use of Cleveland Bridge as part of the Governments Road Investment Strategy 2 (2020-25).
- 2) Assess and review the position after completion of the study, recognising that any investment that would resolve the core issue would be considered, at the earliest, as part of the Road Investment Strategy 3 which covers the period 2025-30. The study would also inform discussions between BANES and the other stakeholders. It is considered that this approach is the one most likely to result in a positive outcome for both B&NES and the other stakeholders involved.
- 3) Continue to make representations to Government about the need to improve the traffic situation at Cleveland Bridge, highlighting the changes to road conditions within Bath and the wider area since 2012 such as the changes to the A350 as part of the planned improvement and upgrade and the introduction of the Clean Air Zone in Bath.
- 4) Officers are requested to:
 - A. Prepare a draft Traffic Regulation Order seeking to restrict HGV movements over Cleveland Bridge in order to preserve or improve the amenity of the area through which the road runs, in this case the grade 2* listed Cleveland Bridge structure and environs including the London Road and Bathwick St, in accordance with the Road Traffic Regulation Act 1984.
 - B. Investigate and consider any other options that may exist for achieving a similar end to a TRO and report on both actions including the draft TRO to the November meeting of this Cabinet.
 - C. Consult with appropriate heritage and amenity groups in Bath including Residents' Associations in the course of preparation of the TRO.

Councillor Manda Rigby seconded the motion.

Councillor Alison Born commented that Cleveland Bridge has been closed to repair the damage to the structure, caused by vehicle sizes weights and volumes that could not have been anticipated at the time that the bridge was built. The current closure has caused significant disruption, but the repairs could not have been done when the bridge was open, and importantly, the full extent of the damage would not be assessed. Councillor Born also said that the bridge was not designed to carry today's traffic and the repairs have been essential to safeguard the structure and uses of the bridge. The Cabinet would need an assurance that the bridge would not be subject to more repairs in the future due to heavy HGV traffic, and for those reasons Councillor Born suggested that the officers should commission an external consultants to examine the bridge at the end of works, and reporting its predicted longevity under the scenarios of an 18 tonnes limit.

Councillor Dine Romero commented that HGVs travelling through and around Bath have been a concern for residents across the city not just around the bridge itself with more HGVs on roads in Southdown, such as on Whiteway Road have been reported. Councillor Romero asked for an assurance that the full consequences for all residents in the city and around the city would be considered before implementing any long-term measures restricting heavy lorries across this bridge.

Councillor Tom Davies agreed with the comments made by other Cabinet Members on this matter and added that the inevitable damage of the bridge, caused by HGVs in the past, would continue to happen, and that the Council must do everything to stop HGVs using Cleveland bridge, and to find a solution that would work for all.

RESOLVED (unanimously) that the Cabinet agreed to:

- 1) Work with Wiltshire and Dorset Councils and the Sub-Regional Transport Board (STB) Western Gateway to complete a strategic study into north-south connectivity between the M4 and the Dorset Coast with an aim of making the A350 the strategic route and limiting HGV use of Cleveland Bridge as part of the Governments Road Investment Strategy 2 (2020-25).
- 2) Assess and review the position after completion of the study, recognising that any investment that would resolve the core issue would be considered, at the earliest, as part of the Road Investment Strategy 3 which covers the period 2025-30. The study would also inform discussions between BANES and the other stakeholders. It is considered that this approach is the one most likely to result in a positive outcome for both B&NES and the other stakeholders involved.
- 3) Continue to make representations to Government about the need to improve the traffic situation at Cleveland Bridge, highlighting the changes to road conditions within Bath and the wider area since 2012 such as the changes to the A350 as part of the planned improvement and upgrade and the introduction of the Clean Air Zone in Bath.
- 4) Officers are requested to:
 - A. Prepare a draft Traffic Regulation Order seeking to restrict HGV movements over Cleveland Bridge in order to preserve or improve the amenity of the area through which the road runs, in this case the grade 2* listed Cleveland Bridge structure and environs including the London Road and Bathwick St, in accordance with the Road Traffic Regulation Act 1984.
 - B. Investigate and consider any other options that may exist for achieving a similar end to a TRO and report on both actions including the draft TRO to the November meeting of this Cabinet.
 - C. Consult with appropriate heritage and amenity groups in Bath including Residents' Associations in the course of preparation of the TRO.

62 BATH CLEAN AIR PLAN- UPDATE

Councillor Sarah Warren introduced the report by saying that Bath's Clean Air Zone (CAZ) was an important public health measure, introduced because levels of harmful nitrogen dioxide in Bath were above legal limits.

CAZ went live on 15th March this year and the Cabinet would be updated quarterly on progress, and this was the first quarterly report covering the period from April to June of this year.

The update has covered a very short period, and over that time traffic levels were initially extremely low, and an average of 10% down on the equivalent period of 2019

over the quarter. These were still early days, but air quality was improving with some promising signs following CAZ introduction.

Councillor Warren took the Cabinet through the highlights of the report.

And added that, in the wider context, CAZ was just one of sustainable transport measures, aimed either at enabling alternatives to driving into the city centre, or reducing the emissions of those vehicles that do. The Council would encourage all drivers to be aware of the impacts of air pollution, and to think about each journey. By choosing an alternative means of transport, people have the power to directly help reduce air pollution and protect their own and their neighbours' health. People could also consider upgrading their vehicle to a more modern and less polluting one – bearing in mind that there were still grants and loans available to support those whose vehicles are chargeable in the CAZ.

Councillor Sarah Warren moved the recommendations.

Councillor Dine Romero seconded the motion by saying she was pleased to see this report with a general trend downwards of nitro dioxide concentration levels although it was disappointing that the concentration levels in 8 locations have remained above the legal limit, with one site showing an increase.

Councillor Romero added that she was glad that her concerns over displaced traffic have been taken seriously but the results have not fully reflected residents' experiences on roads in Southdown Ward.

Councillor Romero asked for an assurance that mitigating measures would be considered if the findings that more HGVs and other traffic were indeed in Southdown Ward roads.

Councillor Richard Samuel said that he was encouraged that there were some improvements in air quality, yet it was far too early to draw firm conclusions. Traffic patterns during March-June period this year were unrepresentative because many businesses were closed, schools were operating erratically and opportunities to travel were limited. Also, it was unclear if the Council was required to achieve full compliance by December 2021, or March 2022, or some other date to be announced, and some clarity about next steps should be given.

Councillor Samuel congratulated officers and Cabinet Members involved in the process so far.

Councillor Tom Davies welcomed the report by saying that the Council have been moving in the right direction with CAZ with an optimism that future quarterly reports would show gradual improvements in terms of the air pollution levels in the city.

Councillor Tim Ball also welcomed the report by saying that the Council have been moving in the right direction in terms of the reduction of nitro dioxide levels in the city. Councillor Ball expressed his concerns on the level of traffic in Pennyquick Lane, in particular with number of lorries using this road.

Councillor Sarah Warren added that the Council would continue to investigate any issues that were raised in line with the investigation process, as set out in the report and should set a breakdown of any vehicles which might be making a detour, and what has caused an increase in traffic.

RESOLVED (unanimously) that the Cabinet agreed to:

- 1) Note the successful launch and implementation of the CAZ during a global pandemic, the success in upgrading the local scheduled bus fleet and the successful response to the Financial Assistance Scheme to bring forward the replacement of non-compliant vehicles.
- 2) Note the positive progress which has been made towards improving air quality and associated public health outcomes, together with increasing the proportion of compliant vehicles entering the CAZ and discharging the Ministerial Directions.
- 3) Delegate authority to the Director of Place Management to make any non-material changes to, and authorise the adoption of, the Bath Clean Air Zone Charging (Variation) Order, and for it to have effect from the date of sealing.
- 4) Note the performance of the scheme against the scheme financial model, ensuring it covers its costs of operation and avoids placing an additional burden on the Council and local taxpayers.

63 CLIMATE EMERGENCY PROCUREMENT & COMMISSIONING STRATEGY

Councillor Richard Samuel introduced the report by saying that the Council has spent £200m each year in purchasing goods and services, and alongside the changes in procurement being introduced by the government it was appropriate to revise our policies with the strong imperative of carbon reduction. Councillor Samuel suggested that the Council would seek the assurance from its suppliers that they were doing everything to minimise carbon emissions along the supply chain. Some consequential changes to other Council policies would follow in due course. Councillor Samuel also added that that full reports would be brought back on concrete successes in carbon reduction and sustainability through this policy. The first report would be brought before the Cabinet towards the end of 2022.

Councillor Richard Samuel moved the recommendations.

Councillor Sarah Warren seconded the motion by saying this Council has an excellent track record on sustainable procurement, having worked closely with award winning local company Fresh Range in the past to procure school meal ingredients locally, in a pilot which has been used as a national case study in the Parliamentary Inquiry into improving food procurement, and cited as best practice in the National Food Strategy. The report has provided the framework for innovative practice across the whole range of Council procurement, stepping outside the bounds of business as usual, and stepping up Council's response not only to the climate emergency, but also to tackle modern slavery, by using its influence throughout our supply chain.

Councillor Tim Ball also welcomed the report and thanked the officers who were involved in procurement process.

RESOLVED (unanimously) that the Cabinet agreed to:

- 1) Adopt the B&NES Procurement & Commissioning Strategy – “Think Climate, Think Local, Think Innovation”,
- 2) Delegate authority to the Director of Finance in consultation with the Cabinet Member for Resources to update the Strategy to reflect future changes to the national statutory framework.

64 QTR 1 CORPORATE PERFORMANCE UPDATE 2020/21

Councillor Richard Samuel introduced the report by saying he has introduced new requirements for regular financial reporting (quarterly) so that residents could see with complete clarity how the Council's finances were standing up, whether the Council was under or overspending, in the interests of complete transparency and accountability. The corporate performance update was another report of transparency and accountability to the residents which would become a really useful tool and an official record of what the Council does and what the Council was accountable for. Also, the residents would be able to see what was happening in their community.

Councillor Samuel thanked Chief Executive and Senior Leadership Team for bringing this report before the Cabinet.

Councillor Richard Samuel moved the recommendations.

Councillor Tom Davies seconded the motion by saying that the first strategic performance report has marked a very special moment for the Council, and anyone involved in organisational management and reporting in an organisation. This was Council's commitment to transparency about the delivery of services against his key strategic and it would allow residents to hold the Council to account based on the information in the report.

The Chair also thanked Chief Executive and his team on this report.

RESOLVED (unanimously) that the Cabinet agreed to:

- 1) Note progress on the delivery of the Corporate Strategy and key aspects of the Council's service delivery, details of which are highlighted in report.
- 2) Indicate any other key service areas to be highlighted and included in the strategic indicator report.
- 3) Receive update reports on a quarterly basis.

65 PROPOSED PUBLIC SPACE PROTECTION ORDERS TO RESTRICT ALCOHOL CONSUMPTION IN PUBLIC SPACES IN BATH AND MIDSOMER NORTON

Councillor Dine Romero introduced the report by saying that proposed Public Space Protection Order would address street drinking and anti-social behaviour associated in all wards of Bath and Midsomer Norton and would introduce wider discretionary powers to deal with nuisances or problems which harm the local community's quality of life. This was a new order to replace the one which expired in October 2020. As this was a new order, a full 12-week consultation was required. This has determined that there was still significant public support from those who responded for this measure for both Bath and MSN including Midsomer Norton Town Council, and from local Councillors. Councillor Romero also thanked the officers for the hard work. replaced previous legislation

Councillor Dine Romero moved the recommendations.

Councillor Tim Ball seconded the motion by welcoming the Public Space Protection Order for Bath and Midsomer Norton. Councillor Ball also said that this Order was intended to ensure that people can use and enjoy public spaces, living safely from

anti-social behaviour. An order would specify an area where activities would be taking place that were detrimental to the quality of life of those in the area and could impose conditions and restrictions on people using the specified area.

RESOLVED (unanimously) that the Cabinet agreed to:

- 1) Consider the outcomes of the consultation on a Public Space Protection Order to restrict street drinking in Bath and Midsomer Norton, as set out.
- 2) Consider the legal criteria for adopting PSPOs, as set out in Paragraph 4 of this report, and particularly the test set out in paragraph 4.1
- 3) In the light of 1) and 2) above make the Bath City Order and Midsomer Norton Order as set out in Appendix 1 of the report
- 4) Request the Head of Legal Services or an authorised signatory on their behalf to sign and seal the Bath City Order and the Midsomer Norton Order.
- 5) Request the Director of People and Policy to undertake publicity relating to any agreed Order and ensure the impact of the PSPOs is kept under review
- 6) Request the Bath and North East Somerset Community Safety and Safeguarding Partnership to receive regular monitoring reports on the impact of the PSPOs, including equalities impacts, and updates on support and treatment available for people who misuse alcohol including street drinkers.
- 7) Thank those who were involved in the consultation process including Midsomer Norton Town Council and publicise the outcomes of the consultation.

66 2022/23 MEDIUM TERM FINANCIAL STRATEGY

Councillor Richard Samuel introduced the report by reading out the following statement:

'The Medium Term Financial Strategy (MTFS) is not the council budget – that will come later when more detail about government funding appears in the autumn and leads to the budget and council tax setting in February. The MTFS is however an important health check on the pressures and opportunities facing the council in the medium term and describes actions the council may need to take to balance our finances.

I made it clear on taking office that it was my intention that the council live within its means throughout the whole of this administration's term. That means balancing the books and not spending more than we receive in income, grants and tax. So far, we are on track to achieve that objective for the third year in a row having done so in 19/20 and 20/21. This is an outcome that was never achieved by the previous administration whose waste and inefficiency made me determined to try to do better. This latest MTFS highlights the severe challenges ahead. These have just been added to by the government in their Health and Social Care taxes. Whilst the detail of how this will affect local government remains opaque what we know already is that the employers NI changes will add 750k to our wage bill at a stroke roughly equivalent to 1% on council tax. At this stage we are also unclear how the changes which, are broadly beneficial for most residents requiring care, will be funded. I have to give this stark message. There is no money to top up any shortfalls in government funding. Our finances are already at their limit following government underfunding of covid pressures – another hollow Tory promise. To use a hackneyed phrase – there is no magic money tree.

Turning back to the MTFS Cabinet will recall that to deal with the extreme conditions caused by the pandemic it was necessary to draw from reserves to in effect cash

flow our funding. That draw down must be repaid and is a key component of the MTFs. At the same time, we are currently experiencing a big increase in social care service requests which were fewer during the 2020 lockdowns. Predicting future demand is a fraught process as is what the government's intentions for local government finance in the medium term. The MTFs identifies that potentially £28m will need to be saved over the next five years. It seems at times that the council like others is in perpetual Kafkaesque cycle of continuous cuts where no exit ever arrives.

Within the plan great uncertainties exist about the government's funding plans for local government. We do not know at this point what will be said about social care precepts and council tax capping limits. What we do know is that by avoiding progressive tax rises to pay for health and social care the burden has been placed on working age adults with the imposition of regressive national insurance increases. Everyone should pay for care not just those who are working that is fair but then Tories have never cared about fairness in society.

At a high level what we are trying to do is to match the council's corporate priorities with the finance available. As things stand today there is highly limited scope for service growth and investments are going to be necessarily confined to those that essential or externally funded or where additional income or savings can be made. Sadly, our residents are going to have accept that a period of government-imposed austerity is already here and is likely to continue.'

Councillor Richard Samuel moved the recommendations.

Councillor Kevin Guy seconded the motion by thanking Councillor Samuel and team of officers for bringing this report before the Cabinet, and for the hard work since the start of the pandemic.

Councillor Tim Ball also thanked Councillor Samuel and officers for the role they continued to play in ensuring strong financial position during these challenging times.

Councillor Alison Born added that that the Social Care funding (about £1.8bn), which was announced this week, would go to adult social care for each of the next three years. The NHS would get five times that amount, yet no immediate support has been announced for social care. After years of cuts to local authority budgets, social care funding was at a very low base and services were reaching crisis point.

Councillor Born added that services did not have sufficient staff to assess people in a timely manner, nor to provide care when people needed. Increasing numbers of people were in the community without support and there were problems with staff shortages. Councillor Born also said that staff working in social care would also have to pay additional national insurance, which would reduce rather than increase their pay, and would not help with social care staffing situation.

RESOLVED (unanimously) that the Cabinet agreed to approve the Medium-Term Financial Strategy.

The meeting ended at 8.15 pm

Chair _____

Date Confirmed and Signed _____

Prepared by Democratic Services

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Bath & North East Somerset Council

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

published from 31-Aug-2021 until 2-Nov-2021

Further details of each decision can be seen on the Council's Single-member Decision Register at <http://democracy.bathnes.gov.uk/mgDelegatedDecisions.aspx?&dm=3>

Variation to the Virgin Care contract to enable expansion of the Supported Living Service

The Cabinet member for Adult Social Care is asked to approve the variation to the Virgin Care Block contract to expand the Supported Living Service for people with a learning disability.

Decision Maker: Cabinet Member for Adults and Council House Building

Decision published: 21/10/2021

Effective from: 29/10/2021

Decision:

The Cabinet Member agrees to vary the Virgin Care Block contract to expand the Supported Living Service for people with a learning disability in two ways:

Proposal 1: Increase the non-accommodation-based care to support people in their own tenancies or family homes by 10% each year over the next 3 years. This will enable the recruitment of 5 additional care staff each year, including a registered manager in the first year. The focus will be on young people with more complex needs transitioning from children into adult services where there is currently a gap.

Proposal 2: Increase accommodation-based provision with the development of two four-bed properties with care and support provided by Virgin Care onsite. This would enable 6 adults who have already been identified by social care to return to B&NES from out of area and /or step down for residential care or prevent further placements out of area or into residential care (unless this the individual's choice). Additional staff would be recruited to provide care in the 2 properties including staff to sleep-in. Support is also request for the proposal of these units being purchased directly by the Council if considered appropriate and agreed through internal capital governance procedures.

Lead officer: Deborah Forward

Fees & Charges - Legal Services

to review the fees and charges applied for external legal services in line with the UK Consumer Price Index effective from July 2021 until and including 1 July 2023.

Decision Maker: Cabinet Member for Economic Development and Resources

Decision published: 06/09/2021

Effective from: 14/09/2021

Decision:

The Cabinet Member agrees that the fees and charges will be reviewed annually in light of the UK Consumer Price Index ("CPI") and amended on an upwards only basis from 1 July 2021 until and including 1 July 2023.

Any marked economic and/or budgetary change negatively impacting on Service fees and charges during this period will be reported back to the relevant Cabinet Member.

Lead officer: Shaine Lewis

Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	11 th November 2021	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3324
TITLE:	Virgin Care Contract Extension – Options Appraisal	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Attachment 1: Options Appraisal – main report including appendices Attachment 2: Dashboard – performance and activity Attachment 3: Executive summary Attachment 4: Presentation		

1 THE ISSUE

- 1.1 B&NES, Swindon & Wiltshire Clinical Commissioning Group (BSWCCG) Governing Body and B&NES Council, as joint commissioners, have requested a report setting out an options appraisal to help decide whether it wishes to extend the Virgin Care contract.
- 1.2 This is a seven year contract from 2017/18 to 2023/2024 with the option for BSWCCG and B&NES Council to extend the contract term by three years, taking the contract term to 2026/2027. Virgin Care would need to be notified of the decision to extend or not to extend the contract by no later than end of March 2022.
- 1.3 The original contract expiration date is the end of contract year seven and this point is deemed to be an ordinary exit date with the option to extend for a further three years.
- 1.4 If a decision were taken to exercise the option to extend the contract term the Co-ordinating Commissioner (B&NES Council) must give written notice to Virgin Care no later than 24 months prior to the original expiry date (end of year 5 2021/2022 – March 2022 latest date). The option to extend the contract term by three years can only be taken once.

- 1.5 There is no financial penalty to be incurred by commissioners if the decision is taken to not extend the contract term for the 3 year extension period. Initial dialogue with Virgin Care has identified their commitment to securing the 3 year extension term and their intention (at this stage) not to renegotiate the financial terms of the funding from BSWCCG and B&NES Council for the 3 year term. Virgin Care have also signified a willingness to explore the option for the removal of some identified services from the contract if the extension is approved (option 3).

2 RECOMMENDATION

Cabinet is asked to;

- 2.1 Approve Option 3 - Extend the contract term for the 3 year period (until 31st March 2027) but with identified services removed from block contract and/or improvement trajectories for identified services and delegate to Suzanne Westhead, Director Adult Social Care (DASS) in consultation with Cllr Born, Member for Adult Services authority to serve notice to extend the contract once assured that the total price for the contract as varied is agreed and affordable.
- 2.2 Note that an extra-ordinary B&NES, Swindon and Wiltshire Clinical Commissioning Group (BSWCCG) Governing Body meeting has been convened for a decision to be taken on 11th November 2021, to ensure a joint decision is taken in public on the same day, for the recommendation of Option 3 - Extend the contract term for the 3 year period (until 31st March 2027) but with identified services removed from block contract and/or improvement trajectories for identified services.
- 2.3 Note the following risks:
- Contractual deadline of 31st March 2022 to inform Virgin Care of the decision to extend the contract for the 3 year term or not – limited time for slippage in the decision making process.
 - Consideration of the current contractual interdependencies between health care and social care commissioning and service delivery. The Council and CCG have a long history of integrated commissioning arrangements with a number of services which have jointly agreed service specifications to deliver integrated services, for example reablement.
 - As joint commissioners both B&NES Council and BSWCCG must agree on the option that is decided upon – if an agreement cannot be reached this will cause further delay in the decision making process.

3 THE REPORT

- 3.1 The full contract extension options appraisal report gives a very detailed and comprehensive overview of the performance of Virgin Care since being awarded the prime provide contract for the delivery of integrated health care, social care and public health services for the B&NES locality since April 2017 to enable a decision to be reached on whether to extend the contract for the three year term or not.

- 3.2 The full report gives information on the original decision to award of the contract to Virgin Care, services that make up the contract, financial value and performance, service performance over the lifetime of the contract, services identified for development, quality and service user experience, priorities against Your Care Your Way, contracting and governance, legal position, response to COVID-19, horizon scanning, options appraisal and recommendation. Attached is a slide deck of performance an activity of services identified for development (section 6 in the main report).
- 3.3 At the back of the full options appraisal report there are a number of appendices which contains more detailed information on the different community services and sub contracted services that make up the contract, report references for quality and service user experience, detailed overview of contracting and governance arrangements for assurance and monitoring of the contract, Community Wellbeing Hub activity and progress update against transformation priorities of Your Care Your Way. The supporting appendices are on pages 46-63 of the main report.
- 3.4 In addition to the full report there is also a presentation and a supporting executive summary to provide a shorter overview of the main points of consideration in the options appraisal and rationale for the recommended option.
- 3.5 The joint recommendation from the CCG and the Council is Option 3 - Extend the contract term for the 3 year period (until 31st March 2027) but with the identified services set out above removed from block contract and/or improvement trajectory for identified services. The jointly agreed recommendation has been made based on the following rationale:
- Overall Virgin Care are a good provider and services have been delivered well to meet the needs of the B&NES population. Virgin Care recognise the services that require transformation to meet the needs of the system as an established strategic partner coupled with clear expectations from commissioners on rigorous performance reporting and escalation protocols with the senior leadership team in Virgin Care.
 - The system remains under considerable pressure from the impact of COVID-19, extending the contract term will limit disruption in the system allowing for focus on response and recovery.
 - This is a period of significant change for the NHS and social care systems with the embedding of new Integrated Care System and B&NES Integrated Care Alliance from April 2022 and focussing on a re-procurement process would distract from this.
 - Changes in Council leadership and Cabinet member responsibilities (elections in two years) will enable the Council to take a longer term view on how social care services are best delivered to meet the needs of the B&NES population
 - Virgin Care have by mutual agreement, been open to discussions regarding the potential to remove services from the main contract, giving greater ownership and emphasis to commissioners over statutory functions.

- A re-procurement process would require significant capacity from both the Council and CCG and incur one off costs of approximately £965,000 and will require an approved funding source for both Council and CCG.
- There is no guarantee that another provider would, in the current climate be able to mobilise and run the contract within the current budget envelope which may result in further additional increased costs for the Council and CCG, additional costs of pension contributions could be considerable in this area when transferring into NHS or Local Authority. These costs will need to be planned for, deferring such decisions could result in a greater deficit in the future.
- Virgin Care have signalled that they will not renegotiate the existing financial terms of the contract for the remainder of the contract term if the extension term is granted. Potentially appointing a new provider would incur mobilisation costs and the baseline value of the contract could be higher. These costs will need to be planned for, deferring such decisions could result in a greater deficit in the future.
- Analysis of the market indicates there are very few providers who have the necessary experience of delivering integrated health care and social care services.
- Given the current system pressure due to the impact of COVID-19 it will be challenging at this time for any new provider to respond to a procurement process of this size and complexity.
- This approach allows the CCG and Council to wait for the final legislative changes on procurement and consider its future approach.

4 STATUTORY CONSIDERATIONS

- 4.1 The original Your Care Your Way Full Business Case November 2016 sets out how the procurement and decision making process for contract award to Virgin Care met legal and statutory duties.
- 4.2 The decision to extend for the three year term or not is a contractual requirement that must be completed prior to end March 2022.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 The full options appraisal with associated disbenefits and benefits is in section 13 of the main report. Contained in the disbenefits and benefits of each option are the identified risks of each option. Contained in the disbenefits and benefits of each option are identified resource implications of each option.
- 5.2 The rationale for the joint recommendation of Option 3 - Extend the contract term for the 3 year period (until 2026/27) but with the identified services set out above removed from block contract and/or improvement trajectory for identified services, clearly outlines the consideration of resource implications within the recommendation to Cabinet and CCG Governing Body.

5.3 Virgin Care's original bid planned for overspends in the early years of the contract as a result of investment in transformation to support ongoing investment into the services, increasing demand and the annual efficiency requirement for

services of 1%. In 2017/18 the contract was £1.2 million overspent, in 2018/19 £1.4 million overspent and in 2019/20 £0.7 million overspent. Virgin Care absorbed these costs and anticipated that a balanced position would be achieved in 2020/21 but a contract underspend of £0.3 million for 2020/21 has been confirmed. A balanced position for 2021/22 contract year is currently being forecast by Virgin Care (reported at the August 2021 Finance and Information Group meeting).

5.4 The current contract value, Year 5, 2021-22 is £54,548m, the funding for which is split CCG £28,147m, Council £21,930m and Better Care Fund £4,471m. The Council funding is fixed with cost increases managed through Virgin Care's savings plans. The CCG and Better Care funding is subject to NHS annual uplifts applicable to provider contracts.

5.5 The employers National Insurance increase of 1.25% to fund the Government pledge of £36bn investment into Health and Social Care will have a financial impact on the contract. For the NHS element of the contract this increase will be fully funded as inflationary uplift as the funding will be passed down the NHS funding line from the department to the provider. For the Council element of the contract this is being planned for as a potential cost pressure for a pay inflation change that have been nationally mandated and we are awaiting further clarity on the implications for social care and public health.

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 full options appraisal with associated disbenefits and benefits is in section 13 of the main report. Contained in the disbenefits and benefits of each option are the identified risks of each option.

6.3 The rationale for the joint recommendation of Option 3 - Extend the contract term for the 3 year period (until 2026/27) but with the identified services set out above removed from block contract and/or improvement trajectory for identified services, clearly outlines the consideration of associated risks.

7 EQUALITIES

7.1 As with all contracts Virgin Care are monitored in terms of their compliance with equalities requirements. Further details can be provided if required.

7.2 The original Your Care Your Way Full Business Case November 2016 sets out how the procurement and decision making process for contract award to Virgin Care met legal and statutory duties.

8 CLIMATE CHANGE

8.1 The Council has declared a climate emergency and has resolved to enable carbon neutrality in B&NES by 2030. Virgin Care as part of the transformation of the service are putting in place mechanisms to reduce the impact of climate change such as mobile working, the integrated care record, multi-disciplinary teams and also multi-agency hubs; the Community Wellbeing Hub is a clear example of this.

9 OTHER OPTIONS CONSIDERED

9.1 The full options appraisal with associated disbenefits and benefits is in section 13 of the main report. This sets out the 3 options that have been considered and a supporting rationale for the recommendation of option 3.

9.2 The options appraised include:

Option 1: Extend the contract term for the 3 year period (until 2026/27)

Option 2: Do not extend the contract for the 3 year extension period and recommission both community health care, social care and public health services

Option 3: Extend the contract term for the 3 year period (until 2026/27) but with identified services removed from block contract (i.e. CHC return to CCG and ASC safeguarding return to Council) and/or improvement trajectory for identified services.

10 CONSULTATION

10.1 As a joint report between B&NES Council and BSWCCG there has been extensive consultation and development of the options appraisal between the organisations as joint commissioners to produce the full report with supporting appendices and attachments to the main report.

10.2 The Virgin Care Contract Extension Options Appraisal has been discussed at the following informal meetings:

B&NES Locality Senior Leadership Team on 13th July 2021 & 14th September 2021

BSWCCG At Scale Commissioning Committee on 19th August 2021

B&NES Locality Commissioning Group on 2nd September 2021

BSWCCG Governing Body 16th September 2021 & 21st October 2021

B&NES Council SLT 6th October 2021

Contact person	<i>Claire Thorogood – Head of Contracting and Performance and Suzanne Westhead – Director of Adult Social Services</i>
Background papers	<i>N/A</i>
Please contact the report author if you need to access this report in an alternative format	

Virgin Care Contract Extension Paper – Options Appraisal

BaNES, Swindon and Wiltshire Clinical Commissioning Group and Bath & North East Somerset Council

11th November 2021



COVID-19 immunisation in the community

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40,268
people supported





1. Introduction

1.1 B&NES, Swindon & Wiltshire Clinical Commissioning Group (BSWCCG) Governing Body and B&NES Council, as joint commissioners of community services provided by Virgin Care, have requested a report setting out an options appraisal to help inform a decision on the future of the Virgin Care contract. This is a seven-year contract from 2017/18 to 2023/2024 with the option for BSWCCG and B&NES Council to extend the contract term by three years, taking the contract term to 2026/2027. Virgin Care would need to be notified of the decision to extend or not to extend the contract by no later than end of March 2022.

2 Context & Background

2.1 Between January and December 2015, B&NES Clinical Commissioning Group (who merged with Swindon and Wiltshire CCGs in April 2020 to create BSW CCG) and B&NES Council carried out a review of community health and care services for children, young people and adults. The review, known as *Your Care, Your Way*, looked at the wide range of services providing care and support in people's homes and communities. Integral to this was the experiences of people using these services.

2.2 The top five priorities identified through the engagement process with B&NES residents were:

1. A person not a condition
2. A single plan
3. Invest in the workforce
4. Join up the information
5. Focus on prevention

2.3 Over 200 different community services were within the scope of the *Your Care, Your Way* review which were provided by over 60 different organisations. The commissioning and contract management of these services were at the time of the review all carried out by the CCG and Council.

2.4 Following the identification of the priorities of the B&NES local population, a new approach to contracting community services was identified as being required. A detailed assessment was undertaken, and legal guidance sought; this resulted in the 'prime provider model' being chosen as the best contracting method for delivering the community's priorities. Under this model, the CCG and Council would enter into a joint contract with a single prime provider and this organisation would have responsibility for the delivery and coordination of services, they would also have sub-contracting and commissioning responsibility for some specialist, third sector providers and small and medium-sized enterprises (SME's).

2.5 The driver for change to a prime provider model was taken based on the challenges faced by the local health and social care system, which continue, with an aging population; more people living with long term conditions resulting in the demand for health and social care services growing. Alongside this, aspirations and needs of the community were changing as people articulated that they expected more personalised services, services being more joined up and more choice and control over how their individual needs were met.

2.6 A procurement process was undertaken to identify the best possible organisation to deliver the newly developed prime provider contract. The process was conducted in four stages:

- Pre-Qualifying Questionnaire issued 29 February 2016
- Issue of first round tender documents - 26 April 2016
- Issue of final tender documents - 13 July 2016
- Preferred bidder period 18 August 2016 to 31 October 2016
- Contract start date April 2017

2.7 The full process from initiation, public engagement and consultation through to commencement of the contract took approximately 27 months with the associated costs of the procurement process being shared equally between the CCG and Council.

2.8 Virgin Care commenced delivery of the B&NES integrated community health and social care contract for Bath and North East Somerset in April 2017. 2021/22 is year 5 of the 7 year contract term with the option to extend by 3 years.

3 Services that make up the B&NES integrated community services for health care, social care and public health contract (prime provider delivery and sub contractors)

3.1 A high level description of the services that make up the B&NES community contract with Virgin Care are outlined below:

- **Children's Services** - consist of medical support from the Community Paediatricians, universal services from Health Visiting, School Nursing, Family Nurse Partnership. Out-patient services include Speech and Language, Audiology and Bladder and Bowel. There are also a range of specialist services that support children with learning difficulties and those in need of continuing health care. Children with life limiting conditions have the support of the Community Nursing service, there is also a Safeguarding team and a team supporting Children in Care.
- **Adult Health Services** – There are two community hospitals run within the contract, Sulis at St Martins Hospital and the John Stacey ward at Paulton hospital. There is also a minor injuries unit run from Paulton. Outpatient services include clinics for audiology, bladder and bowel, speech and language, physiotherapy and podiatry. Virgin Care provide specialist clinics for falls, orthopaedics, pain and Parkinson's disease. There is a team of discharge liaison nurses who work with acute hospitals

to arrange transfer or discharge of patients. There are also services provided to people in their own home, including community matrons, district nursing and reablement as well as specialist services that can be provided within a clinic or in someone's own home, such as heart failure or intravenous therapy (IV).

Lymphoedema and tissue viability services are also provided. The Care Coordination Team is now the single point of access for these services. There are teams dedicated to supporting people following a stroke, living with a long term neurological condition or living with chronic obstructive pulmonary disease. The continuing health care team undertake assessments for people requiring a NHS funded package of care. The learning disabilities team is an integrated health and social care team providing care and support for people with complex needs, it includes social work, nursing, support service co-ordinators, day services and supported living (helping people live independently).

- **Wellbeing** - a range of services to promote good health as well as some public health services which include adult and children's weight management, health checks, stop smoking and a variety of health improvement opportunities through the Wellbeing College. The wellbeing service also provides specialist interventions aimed at areas of high deprivation, including mental health support and the coordination of the Community Wellbeing Hub.
- **Adult Social Care** - in addition to the social care services provided as part of the integrated Learning Disabilities service there is a team supporting people with Autism Spectrum Disorders, a Hearing and Vision service, an Employment Inclusion Service and a Shared Lives Service which provides short breaks or fulltime placements for adults and their carer's. The full range of Adult Social Care Services are provided by the Adult Social Care team and there is an additional Adult Social Care Occupational Therapy Service. The access for social care services is co-located alongside health and wellbeing services at the Care Coordination Centre in Peasedown,
- **Sub-Contracted Services**— under the prime provider model in B&NES Virgin Care has responsibility for a group of commissioned services. These services are primarily with the third sector and include housing support, wellbeing and prevention of ill health and support for vulnerable people. The local hospice provision is also part of the subcontracted services. A full list of each of the sub contracted can be located in Appendix One.

3.2 Council statutory services included in the Virgin Care contract are Adult Social Care (PD1). The BSWCCG statutory services included in the contract are; Continuing Health Care (PD2) and Designated roles within Children's Health Services (PD3). These services are delivered in a co-ordinated way with both the Council and BSWCCG holding budget authorisation. These three services are referred to as delegated functions which must be delivered by Virgin Care and cannot be subcontracted.

3.3 B&NES Council have the co-ordinating commissioning role (lead commissioner) for the contract. Appendix One outlines the split of community services broken down across adults health care, adult social care, children's, public health and the two joint services which make up the community services delivered by Virgin Care in the contract.

- 3.4 Three of the services directly delivered by Virgin Care cannot be sub-contracted at any point (three delegated functions listed above) whereas the others can be via negotiation in line with contract regulations.
- 3.5 Each of the tables in Appendix One sets out the services contained in the contract to give an overview of the lead commissioning organisation, funding and if the service is directly delivered by Virgin Care, delivered through a combination of direct and sub-contracted delivery or delivered solely by a sub-contractor. This further serves to demonstrate the integrated nature of the contract between the Council and BSWCCG for community services in the B&NES locality.

4 Financial value of the contract (years 1-7 and extension period)

- 4.1 Table one outlines how community services are funded in the B&NES locality broken down by BSWCCG and Council statutory services as well as those services in the contract directly delivered by Virgin Care (prime) and those delivered by sub-contract partners under the prime provider model.
- 4.2 This funding table confirms actual funding for the first 4 years of the contract and provides a future model for the funding arrangements up until end of year 7 and if the decision is taken to extend for the three year term, the anticipated funding commitment until end of year 10 for both BSWCCG and B&NES Council as joint commissioners. The Council services in the contract are funded on a flat cash basis whereas the CCG services are subject to uplifts in line with annual inflation for NHS funded providers.
- 4.3 Table two outlines the % funding for both BSWCCG and Council statutory services in the contract for the 10 year contract term.

	Year 1 Actual	Year 2 Actual	Year 3 Actual	Year 4 Actual	Year 5	Year 6	Year 7	Year 1-7 Estimated Total	Year 8	Year 9	Year 10	Year 7-10 Estimated	Year 1 - 10 Estimated Value	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>	<i>Note 5</i>	<i>Note 6</i>	<i>Note 6</i>		<i>Note 6</i>	<i>Note 6</i>	<i>Note 6</i>			
Council Statutory services	4,212	4,632	4,236	4,226	4,228	4,229	4,231	29,994	4,232	4,233	4,234	12,699	42,693	
CCG Statutory services	1,771	1,827	1,895	2,004	2,071	2,094	2,118	13,780	2,141	2,166	2,190	6,497	20,277	
Services operated by Prime	33,290	35,405	36,779	38,339	39,116	39,601	40,098	262,628	40,611	41,138	41,682	123,431	386,059	
Services operated under Subcontract	7,908	14,718	14,813	12,362	9,133	9,191	9,251	77,376	9,313	9,378	9,445	28,136	105,512	
Contract Total	47,181	56,582	57,723	56,931	54,548	55,115	55,698	383,778	56,297	56,915	57,551	170,763	554,541	
Paid outside of Contract	0	0	347	256	806	473	498	2,380	525	553	582	1,660	4,040	
Total Paid	47,181	56,582	58,070	57,187	55,354	55,588	56,196	386,158	56,822	57,468	58,133	172,423	558,581	
The differential in cash value for the PD1 (Council Statutory services) element of the contract has fluctuated from year 1 - 3 due to rebasing of the value in year's 2 and 3.														
<i>Note 1: Original Agreed Contract Value expected to only increase by inflation applicable to CCG funded services.</i>														
<i>Note 2: Increase of £7m relates to CRC and Extra Care which will be removed from the contract in year 4. This is reflected in the final column in the table above, with a part year effect in year 4 and full year effect in year 5 – 7.</i>														
<i>Note 3: CCG inflationary uplift and £0.41m of Health variations.</i>														
<i>Note 4: CCG uplifted by annual inflator, part year effect of return of CRC and Extra Care Service to Council, Alcohol Liaison Service added to the contract £1m, Reablement service transferred to contract £1m.</i>														
<i>Note 5: FYE of removal of CRC and Extra Care Services.</i>														
<i>Note 6: Contract Values assumed at year 5 and uplifted by assumed inflation for CCG funded services.</i>														

Table Two - % of contract funding for BSWCCG and Council Statutory Services

Statutory Service spend on contract as % of overall Contract											
Year	1	2	3	4	5	6	7	8	9	10	
Council Statutory services	4,212	4,632	4,236	4,226	4,228	4,229	4,231	4,232	4,233	4,234	
CCG Statutory services	1,771	1,827	1,895	2,004	2,071	2,094	2,118	2,141	2,166	2,190	
Total	5983	6459	6131	6230	6299	6323	6349	6373	6399	6424	
Contract Value	47,181	56,582	57,723	56,931	54,548	55,115	55,698	56,297	56,915	57,551	
Council Statutory services as % of Contract	9%	8%	7%	7%	8%	8%	8%	8%	7%	7%	
CCG Statutory services as % of Contract	4%	3%	3%	4%	4%	4%	4%	4%	4%	4%	
Total Statutory Services as % of Contract	13%	11%	11%	11%	12%	11%	11%	11%	11%	11%	

4.4 Virgin Care's original bid planned for overspends in the early years of the contract as a result of investment in transformation to support ongoing investment into the services, increasing demand and the annual efficiency requirement for services of c1%.

4.5 In 2017/18 the contract was £1.2 million overspent; in 2018/19 the contract was £1.4 million overspent and in 2019/20 the contract was £0.7 million overspent. Virgin Care

absorbed these costs. It was anticipated that a balanced position would be achieved in 2020/21 as reported at the December 2020 Finance and Information Group meeting. A further update at the June 2021 Finance and Information Group meeting, confirmed a contract underspend of £0.3 million for 2020/21. Please note, the above information excludes any impact of Covid-19 funding.

Year	Contract Overspend Value
2017/18	£1.2m
2018/19	£1.4m
2019/20	£0.7m

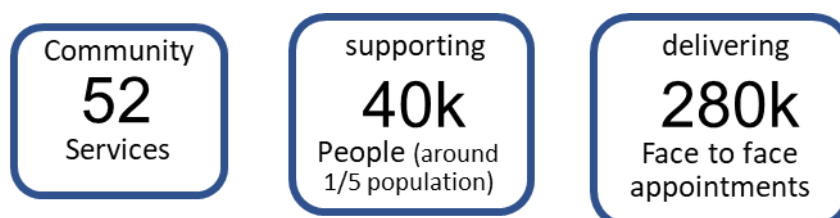
A balanced position for 2021/22 contract year is currently being forecast by Virgin Care (reported at the August 2021 Finance and Information Group meeting).

5 Performance over lifetime of the contract (years 1 – 5 YTD)

5.1 The performance of B&NES Community services delivered by Virgin Care and their partners against the agreed service specifications in the contract is reviewed regularly by the B&NES council and BSW commissioners and quality leads with the Virgin Care service leads and senior leadership team. The information used to review the performance is specified in the contract and includes, local scorecards, national measures and datasets and quality and safeguarding reporting. In the contracting and governance section of the report there is an overview of the governance process including the meetings where performance and quality reports are scrutinised for assurance purposes.

5.2 Overall, the services provided by Virgin Care and their sub-contractors are well delivered against the agreed service specification, examples are given below. Over the term of the contract there have been a number of changes to service delivery that have sought to improve the offer to B&NES residents and to improve ways of working with other health and social care partners.

5.3 In 2019/20, (the impact of COVID on 2020/21 means that it's not a representative year) B&NES Community services provided directly by Virgin Care supported the population of B&NES with;



5.4 However, commissioners have identified 7 areas that have been identified for improvement and these are covered later in the report in section 6.

5.5 Examples of services that are well delivered and have delivered improvements include:

Community Stroke and Neurological Service

- Working collaboratively with the Integrated Stroke Delivery Network to develop the service to stroke patients, aligning the model with national drivers to support an Integrated Community Stroke Service
- Supporting stroke patients discharged from Acute and Community hospitals in line with national guidelines on Early Supported Discharge through intensive rehabilitation at home
- Adopting creative and responsive service delivery improvements to reduce waiting lists, as seen with the Botox service, where physios were upskilled to support therapy delivery models of care led by Consultants.
- Providing an in-reach service to patients in Sulis Ward, St Martin's with specialist stroke therapists providing bedside advice and support

District Nursing

- Within the wider Virgin Care transformation plan, the service has used 'enablers' to work more efficiently and free up more time for direct care, using measures including:
 - Introducing electronic solutions to support mobile working
 - E-rostering to support greater resilience and oversight to staff management, including electronic time sheets
 - A pilot for e-scheduling to understand workflows and caseloads for staff
 - Collaborative working with the Primary Health Network to understand issues and barriers, with a focus on specific options to address concerns, including:
 - Securing funding to introducing a Phlebotomy service
 - Piloting a non-refusal referral process in the Care Co-ordination Centre, where the DNs take ownership of referrals to find an appropriate team to support a person even if the DNs won't be delivering care themselves
 - Attending Practice Managers' meetings
 - Joint working across health and care organisations to support recruitment and retention, including education for student placements.

Public Health

- Children's healthy weight services adaption of services to include virtual contracts and new methods of delivering services including the development of Cook It videos
- Positive collaboration with between Virgin Care Service Leads and Commissioners to further develop and strengthen service outcomes reporting. This will enhance the clear and transparent information already provided via the Tableau reporting system which is available for commissioners to view service activity.
- Embraced new opportunities for supporting behaviour change via technology
- Provide multiple means of support – phone, virtual, apps and this has created choice and flexibility for service users
- Provided training and capacity building via MECC and brief interventions
- Marketing the service with partners and public – strong social media presence
- Holistic approach to changing behaviour and promoting wellbeing.
- The service delivers a range of health improvement and behaviour change interventions with onward referral to other pathways provided by other providers.

- In response to Covid-19, pause of face to face delivery, the service lead approached X-PERT and discussed the benefits of implementing a digital solution – this was implemented both locally and nationally
- Responding to Service User's needs - Cook it course delivered in Arabic (mums with babies in supported housing)
- The service has embraced and embedded the use of the Integrated Care Record.

Children's Community Health Services (Universal and Specialist)

- Virgin Care has provided consistently strong performing, quality services around Children's community health for the past 5 years. These include universal Public Health Services and a range of Specialist services which include Looked After Children Health, Community Paediatrics, Audiological services and Therapies.
- Workforce stability has been maintained and professional clinical governance where appropriate has been developed across both B&NES and Wiltshire, where Virgin Care are also Children's Providers, to maximise standardised quality and manage resource effectively.
- Collaborative and Partnership working with Commissioners has been an underlying characteristic of Virgin Care Children's Services and there are many examples of positive service development which sit alongside routine performance management.
- During the Bath and North East Somerset Local Area SEND Inspection in 2019, the health provision provided by Virgin Care as part of the system -wide support provided to Children with Special Educational Needs and Disabilities was evaluated as Very Good. Virgin Care continue to be fully engaged as a key partner in the continuing quality of SEND provision in the area.
- During the COVID Pandemic, Virgin Care Children's services have swiftly adapted their models of care to continue to provide support to children and their families, in many cases exceeding their commissioned service requirement. Where services have been affected, prompt and robust recovery plans, agreed with Commissioners, have been implemented.

Care Co-ordination Centre

- Your Care Your Way identified the frustration from the local community of trying to navigate your way around the health and care system. One way to simplify this was to introduce a care coordination centre to ensure a single point of access into health and care services.
- The Care Coordination Centre commenced in Peasedown St John in 2019 and now serves as the single point of access for the vast majority of adults health and care community services. Hundreds of calls per day are received into this central point.
- Teams based at the Care Coordination Centre include adults health services, social care advisors and prevention and wellbeing teams. This has served as an essential access point for information and support during the pandemic.
- In March 2021 the care coordination centre became host to the Compassionate Community Hub members (now the Community Wellbeing Hub), where 11 third sector organisations co-located with the Care Coordination Centre.
- Having access to social care and health professional advice has been fundamental to the safe operation of the community wellbeing hub, participating in multidisciplinary decision making and supporting subcontracted partners wherever required

- The Care Coordination Centre is now being developed to house a 'flow' team, dedicated to supporting the system and working with acute partners to try and create capacity across the health and care service.

Integrated Care Record

- One of the key transformation priorities identified in *Your Care, Your Way* was - join up the information. Virgin Care have worked with health and care partners in B&NES and successfully delivered an Integrated Care Record (ICR).
- This significant development, led by Virgin Care, resulted in the ICR having all B&NES Community data, adults social care data, GP SystmOne data, Royal United Hospital Data and Avon and Wiltshire Mental Health Partnership data on one system which allows practitioners to have appropriate visibility over an individual's care record in order to make the best decisions about their care.
- The record also allows population health management to be deployed across Bath and North East Somerset, aligning data between these systems for the first time. This is important in the prevention agenda to provide essential information about identifying people who may need support now or in the future. The first set of reports have been developed and are being rolled out across the system and this will continue to be a key focus for Virgin Care as a system partner.
- The first users of the system were in social care practice and community matrons and during COVID-19 the training plans have expanded to allow a much wider range of professionals to be able to access the record to provide appropriate support with joined-up information. This has included COVID-19 notifications and alerting, for example, to let other partners know when an individual that they are supporting has been identified as COVID-19 positive.
- Feedback from the teams using the ICR include *"When reviewing adult social care placements it is difficult to obtain information about when the person last attended the GP or had their medications reviewed. The ICR has been useful to be able to check for any hospital admissions prior to the review, it is easy to use and navigate around and is great to have easy access to important information that is required to complete a person's annual review"*.
- The ICR project which Virgin Care led in B&NES, has now been identified for use across the ICS area.

Community Wellbeing Hub

- Virgin Care have been instrumental in leading the development and operation of the Community Wellbeing Hub, alongside colleagues from 3SG, their members, BSWCCG and the Council.
- The Hub has provided a single point of access for community response and provides a joined-up intervention for anyone seeking support or guidance on COVID-19. Response teams include; food support, welfare support, mental wellbeing, housing support and physical wellbeing advice.
- Since 20th March until 10th September 2021 the service has supported over 15, 310 calls into Triage (staffed by Virgin Care) and 69% of calls are resolved at this stage. The Hub has co-ordinated over 5304 volunteer tasks since March 2020 including 3954 for food, 1114 for medication and 206 other activities i.e. electricity top up.
- 3SG volunteers have completed an impressive £109, 626.94 worth of shopping to support B&NES residents in the community. 3SG have access to approx. 2139 volunteers who have been supporting 169 residents in the community on a weekly/fortnightly basis.

- The Hub was set up in response to COVID-19 but its effectiveness has meant that it will now develop into an ongoing service for joined-up community response to support the wellbeing of residents into the long term. As part of this process the Hub is engaging with colleagues from Adult Social Care (ASC) within the Council and Virgin Care for the planning of community support that the Hub can offer residents in B&NES as part of the wider ASC transformation priorities.
- The Hub continues to support residents who have been shielding (CEV) and those self isolating, this has now been extended to the Hub working in collaboration with Test and Trace colleagues to undertake follow up welfare calls to people who are self isolating and referred to the Community Wellbeing Hub for their individual support needs to be assessed.
- Appendix Five gives a detailed overview of the activity and performance of the Community Wellbeing Hub from March 2020 until August 2021.

6 Service areas identified for development

6.1 A small number of services are experiencing challenges, including those brought about or exacerbated by COVID-19; limiting how services are delivered, temporarily closing some services and changing demand patterns. To recover the services back to expected levels of delivery, or to meet the increasing demands from complexity, the service often requires more activity and hence workforce. Please see section 7.8 in the paper for more details of the workforce pressures.

6.2 These challenged services contribute to CCG and Council performance against national metrics and they perform a key role in maintaining flow through the health and social care system. Appendix Two is an attachment to the main report providing an overview of performance for the key services identified by commissioners that need to be developed or changed, as identified below:

- **NHS Constitution standards Referral to treatment (RTT)** - is reported nationally for Community Paediatrics, Falls and Balance Service, Orthopaedic Interface Service. The target is to have 92% of the waiting list under 18 week and has been met in July 2021 (92.7%) and over all months, barring a few exceptions mostly related to COVID. The waiting list has increased in 2021 with referrals returning to pre-COVID levels and appointments limited with continuing COVID restrictions. The RTT levels are in line with other local and national providers, however, there are no patients waiting over 52 weeks for these services.
- **NHS Constitution standards Diagnostics** - The NHS Standard for Diagnostic Waiting Times is for 99% of the waiting list, at the end of each month, to have waited less than 6 weeks. The 99% Diagnostics waiting time target has not been met by B&NES Community Services over the last year in line with other local providers, July 2021 performance is 91.5%. Diagnostics has been identified as a priority area across B&NES, Swindon and Wiltshire areas and there is a programme in place to invest in and transform diagnostic services, of which Virgin Care are the group.
- **Adult Social Care Assessment and Review waiting times** - The timeliness of social care assessments within 28 days of referral saw overall improvement in the second year of the contract but since the COVID pandemic, this has been on a

downward trend, some of this decrease in the last year has been due to an increase in the complexity of people being supported, the diversion of staff (particularly from the review team) to support hospital discharges and workforce pressures. The rate of service users with up-to-date reviews has increased to 59.9% in July 2021 since its low point in October 2020 of 50.6% (target 80%).

- **Community Hospital Length of Stay** - The ongoing challenge is managing the flow of patients by supporting timely discharges. Actions to reduce the Length of stay were put in place in 2018 and had successfully delivered a reducing trend until winter 2019/20. From March 2020, the pandemic arrangements affected the length of stay. in spring 2021 nurse staffing capacity reduced significantly such that for a 12 week period the Sulis ward was closed and operated from the Council's Charlton House Care Home.
- **District Nursing** - The change in the service's model to align with geographical areas rather than around specific GP practices has created concerns from within Primary Care with decreased opportunities for effective communication. These largely were caused by the amount of face-to-face contact with District Nurses in the revised model and the number of referrals from GPs not being accepted by the service. This has now been recognised and increased collaborative working, including pilot schemes, accepting all referrals through the care co-ordination centre has sought to mitigate the issues raised. The resilience of the nursing resource has been identified as a risk, particularly given the high volume of activity delivered by the service. Again, as referenced above, joint working has been explored to support retention of staff and education for student placements.
- **Reablement** - Demand for reablement has generally remained high during the contract term to date. Average time spent in the service has seen a marked increase since August 2020 30 days peaked in April 40 and is at 38 days in July. Outcomes on discharge are recorded outside of the main adult social care IT system which presents challenges with tracking outcomes, particularly those who fund their own care. The lack of join-up between IT systems, coupled with changes in how data is recorded at source, has several impacts, including:
 - difficulty in establishing clear baselines against which to measure transformation activity, particularly where outcomes are concerned
 - practitioners may not be able to see a person's full history in one place
 - the Council's statutory social care data return contains inaccuracies due to the difficulty in comparing records between systems.
- **Continuing Health Care** – Performance against the key national measure of whether Decision Support Tools (DSTs) are completed within 28 days has been challenged throughout the life of the contract, with timeliness affected by issues including staffing/recruitment and complexity of cases.

7 Quality and Service User Experience

7.1 This section of the paper covers patient and safety and quality. The period covered in this report is April 2017 to August 2021. The information within this report is taken from

reports and score cards produced by Virgin Care and from minutes and reports produced by commissioners since April 2017. A full list of all reports used is detailed in Appendix Three. Virgin Care produce quality and safety data monthly in line with the contract Quality Schedule, with specific quality and safety reports produced on a quarterly, 6 monthly or annual basis. These reports are shared with the CCG and Council as joint commissioners.

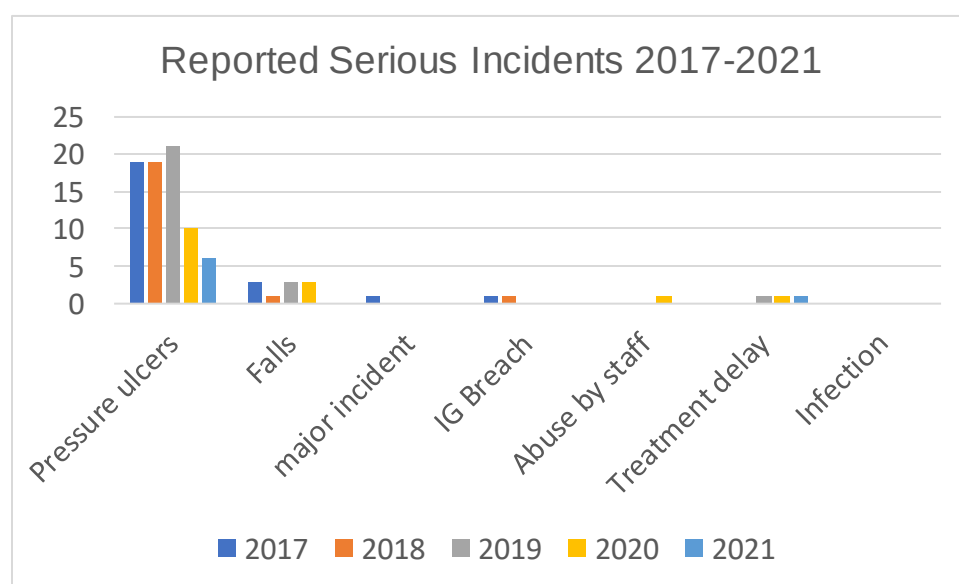
7.2 On a monthly basis, Virgin Care hold an internal quality and safety meeting which is also attended by a member of the CCG Quality Team. There is currently a bi-monthly Quality Group meeting which is chaired by the Associate Director of Patient Safety and Quality (CCG) and this meeting provides assurance on the quality data and escalates any concerns or issues to the Contract, Quality and Performance Meeting (CQPM). An overview of the governance arrangements for the Virgin Care contract are detailed in section 9.3 of the paper.

7.3 The areas that are covered within this report are the aspects that are monitored by the CCG Quality and Safety Team as part of the Quality Schedule for Virgin Care. This includes the following:

- Patient Safety
- Customer Feedback
- Workforce
- Infection Control
- Engagement
- Care Quality Commission (CQC)
- Quality Account

7.4 Patient Safety

7.4.1 The table below shows the number and type of Serious Incidents (SIs) that have been reported by Virgin Care (Adults) since May 2017.

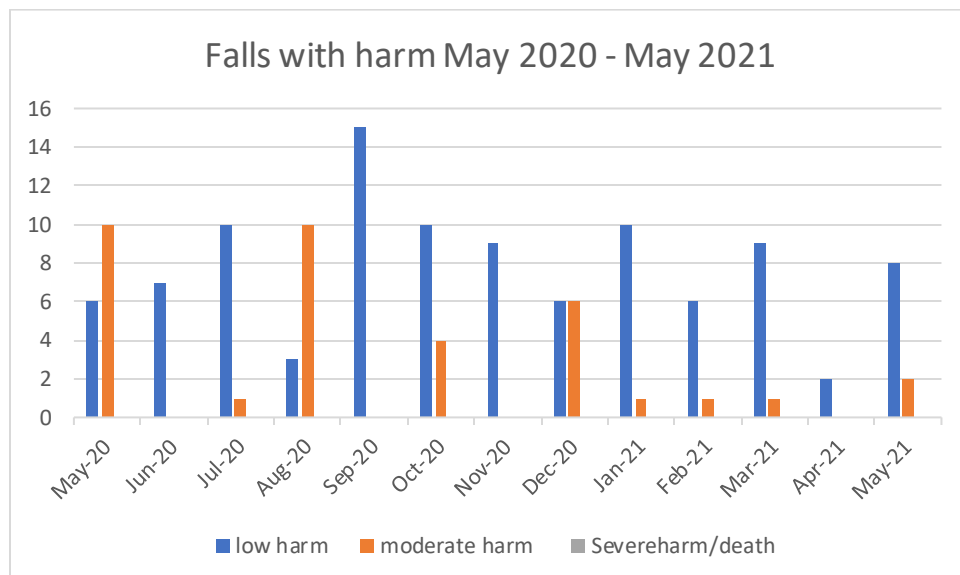


7.4.2 Virgin Care have processes in place to investigate the serious incidents and undertake root cause analysis on all their serious incidents. Previously, it has been noted that some of the reports do lack the detail that would be expected for a serious incident review, but this has been discussed with Virgin Care and there are now clear process and procedures in place for these investigations and this will continue to be monitored by the CCG. Virgin Care do invite the CCG Quality Team to be part of their serious incident review meetings.

7.4.3 Pressure ulcers (Category 3 and 4) are the main reason reported as a serious incident. This year Virgin Care have instigated a workplan to address the risk of people developing category 3 and 4 pressure ulcers whilst under the care of Virgin Care. This includes audits, teaching workshops, review of Pressure Ulcer Prevention Policy, review of pressure relieving equipment, new pressure ulcer care plan, updating pressure ulcer documentation and development of “top tips” guides.

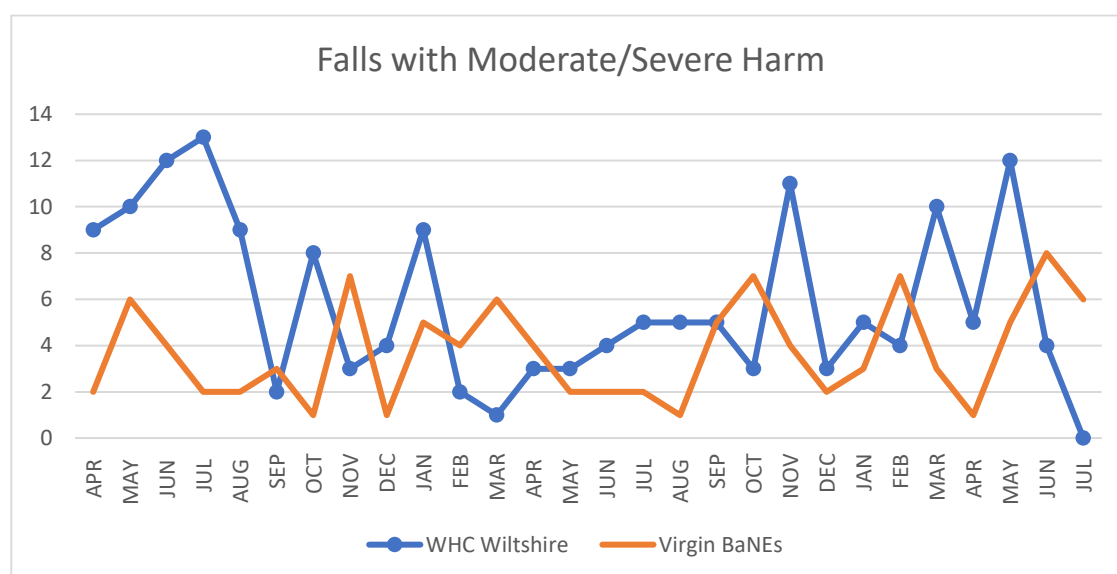
7.4.4 Virgin Care have also stated within the Quality Account 2020/2021 that one of their priorities for 2020/2022 will be to reduce the amount of Category 3 and 4 pressure ulcers by 25%.

7.4.5 The next highest reason for serious incident is falls. Although, there have only been 10 falls reported as serious incidents between 2017 and 2021, there have been several falls which have resulted in low or moderate harm. The table below shows the number and type of falls between May 2020 and May 2021.



7.4.6 In the Patient Safety Report (April 2019) Virgin Care explained that one of their key objectives is to maintain patient mobility and reduce falls. Virgin Care have comprehensive risk assessments for patients and undertake mobility assessments. From these assessments a personalised plan can be instigated for patients including therapy input. Virgin Care have access to specialist equipment and telecare to help reduce the risk of falls.

7.4.7 Patient falls resulting in harm is an issue for providers of health care. Other local acute and community providers also have falls as one of their main risks to patient safety. The number of falls is comparable to other local community service providers. The table below shows the number of falls with Moderate/severe harm from April 2017 to July 2021.



7.4.8 Virgin Care have had no reported never events in B&NES. Never Events are patient safety incidents that are wholly preventable where guidance or safety recommendations that provide strong systemic protective barriers are available at a national level and have been implemented by healthcare providers (NHS England definition)

7.4.9 Since April 2017, Virgin Care have responded to all but one (Nov 2017) CAS (Central Alerting System) within the prescribed timescale.

7.5 Safeguarding

7.5.1 Virgin Care have a dedicated National Safeguarding Lead and Local Safeguarding Leads within B&NES. Virgin Care work closely with both B&NES Council and BSW CCG to undertake safeguarding investigations. Virgin Care produce a quarterly safeguarding report for both adults and children. These reports are shared with joint commissioners.

7.5.2 Safeguarding children training is mandatory and, at the end of Q1 2021, compliance for level 1 training was 98%, level 2 was 88% and level 3 was 92%.

7.5.3 Between April 2017 and November 2017, Virgin Care had 3 serious case reviews (SARs) all relating to self-neglect. Following this Virgin Care developed an action plan around self-neglect which included the development of a risk register of people who were at risk of self-neglect. Virgin Care also have identified self-neglect champions within their services.

7.6 Customer Feedback - Complaints, Concerns and Compliments

7.6.1 Virgin Care report their number of complaints, concerns and compliments on a monthly basis to commissioners and also produce a quarterly report. This quarterly report provides a summary of the complaints received within the quarter and identifies any key themes. However, there is limited information within the quarterly complaints, concerns and compliments reports to explain how any learning from complaints and compliments is shared across the organisation.

7.6.2 The number of complaints received each month ranges between 1 and 8. The key themes are clinical issues, communication, systems and processes, staff attitude and unwelcome decisions. The complaints are across both health care and social care.

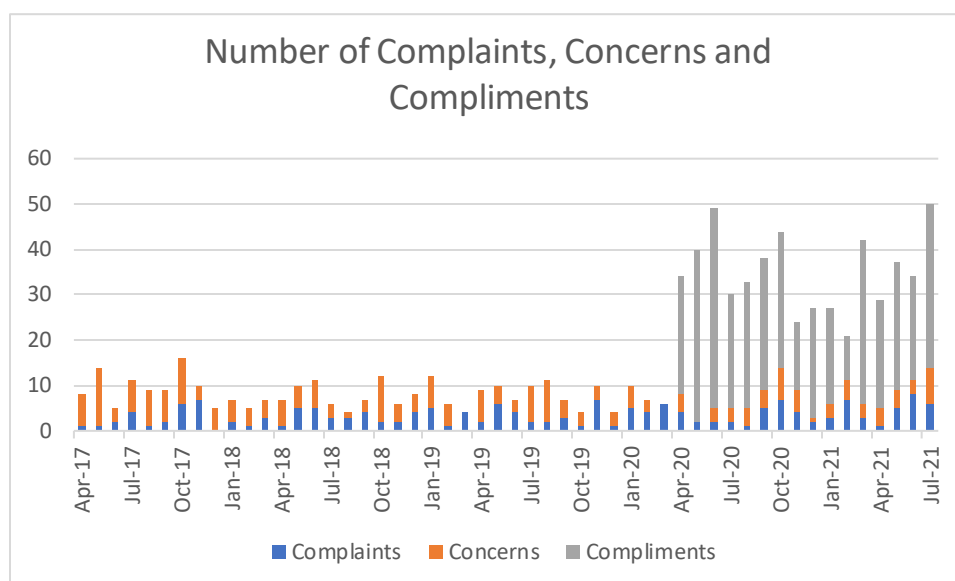
7.6.3 Since April 2017, records show that Virgin Care have responded to most of the complaints within the 30-day deadline.

7.6.4 Within the 2020/21 Quality Account, Virgin Care have stated that one of the priorities for 2021/2022 will be to reduce the number of complaints where communication is identified as an issue by 50%

7.6.5 Virgin Care also report the number and type of concerns that they receive each month. Examples of some of the concerns received are:

- Patient/service user unhappy with the experience of the service
- Patient/service user unhappy with the level of care provision
- Lack of contact from the service
- Lack of professionalism
- Lack of provision of bandages

7.6.6 The table below shows the number of complaints, concerns and compliments which have been received by Virgin Care since April 2017. Virgin Care have only reported the number of compliments received from April 2020.



7.6.7 Since April 2017, Virgin Care have had two complaints which were referred to the Ombudsman. Both complaints were reviewed by the Ombudsman with no concerns raised by the Ombudsman.

7.6.8 Virgin Care have systems in place to learn from complaints and customer feedback. One of these systems is “You said we did”. Examples of actions taken following feedback are included in the Quarterly Complaints, Concerns and Compliments reports. Examples of some of these responses to customer feedback are listed below.

Service	You Said	We did
Health Visiting	Clients from Chew Valley would like a clinic closer than Keynsham	A venue has been identified and booked, allowing easier access for clinics in the Chew Valley.
Connections Day Service	Service users said they would like to use the accessible bikes	The car park will be closed one day per week to allow the safe use of bikes
Children’s Audiology	Parents wanted advice on how to ensure that their baby kept their hearing aids on	We purchased a doll and obtained some customised caps to demonstrate how these could be used to help hearing aid retention
Rehabilitation Services	You wanted to go home from hospital	Our Physiotherapist arranged a home visit and she then personally collected equipment from

		different locations and took it to the person's house to enable the visit to go ahead quickly
Community Hospital wards	More information was requested about the wards	An information folder was devised and implemented at each patient bedside

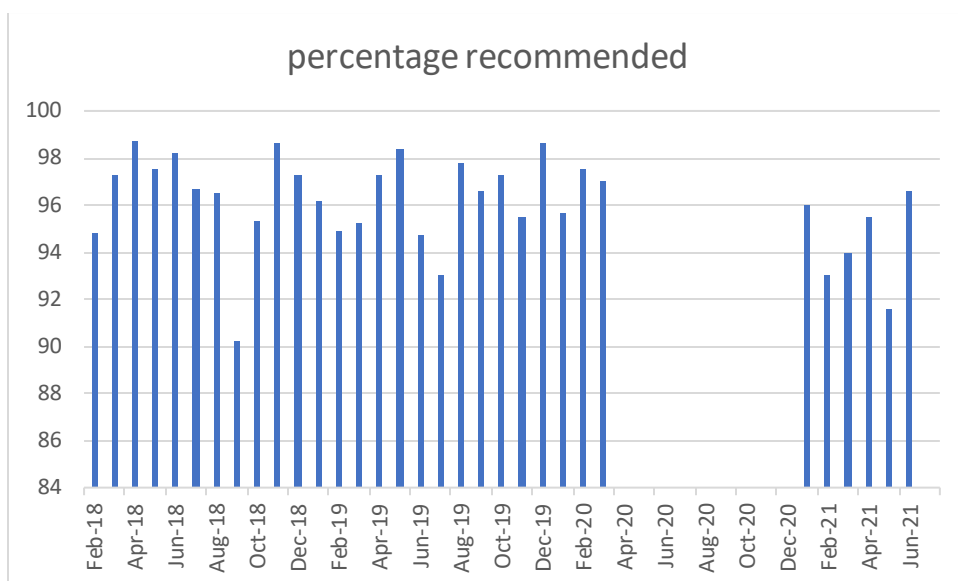
7.6.9 Examples of compliments received by Virgin Care are listed below.

Team	Compliment
Supported Living Team	Thank you all So much for your care of my brother in the past difficult year – your kindness, caring and support has certainly made life better for him and your support to me is very much appreciated. A billion thank you's.
Midsomer Norton Reablement Team	The Reablement team made so much difference to me, not simply by helping me achieve e.g. the ability to get upstairs and in and out of my front door and have a shower, but also their cheerfulness. They truly lifted my spirits.
Paulton Minor Injuries Unit	Thank you for your kindness shown after my recent falls, your warmth and friendly personalities are a credit to Paulton Hospital. Thank you.
Learning Disabilities (LD) Complex Needs Service	Thank you for your help, especially this year. I think your input with LD patients for practices and the clinicians who do this work is very important. Reviews are about enhancing lives and giving opportunities.
Community IV Service	A patient commented that since the team had been involved in her care, she feels her condition is being managed much more safely. She can access timely blood tests and treatments without delay. She said our involvement is priceless and has made the world of difference to her.

7.7 Friends and Family Test

7.7.1 Virgin Care receive patient/service user feedback through the Friends and Family Test (FFT). The responses are reported monthly to commissioners. Virgin Care have adopted both electronic and paper methods of data collection, although they are trying to promote use of electronic reporting. The majority of services within Virgin Care B&NES are collecting feedback via FFT. From March 2020 to January 2021, FFT was put on hold due to the COVID-19 Pandemic.

7.7.2 The table below shows the percentage of people who responded saying that they would recommend the service they received from Virgin Care.



7.7.3 The percentage of people who responded saying that they would not recommend the service they received from Virgin Care varies between 0% and 2.1% The main issues raised in the FFT feedback are:

- Parking
- Signage
- Ineffective treatment
- Difficult to receive an appointment
- Long waiting times
- Lack of a reception in some areas
- Lack of a receptionist in some areas

7.7.4 Example of positive feedback given to Virgin Care

- *“Our Learning Disability nurse was very caring, understanding, and willing to help us with different strategies to overcome our challenges. Kind, thoughtful, diligent, compassionate care”*

7.7.5 Currently the response rate for Friends and Family Test is below what would be expected, and Virgin Care have stated in their 2020/2021 Quality Account that one of their priorities for this coming year will be to restore or exceed the response rate for the Family and Friends Test.

7.8 Workforce

7.8.1 Workforce is an area where Virgin Care have experienced some difficulties and have been under increased scrutiny by commissioners. In May 2021, a Contract Performance Notice (CPN) was issued to Virgin Care following the closure of Sulis Ward due to staffing

capacity and the CPN was lifted in August 2021 (refer to section 9.2 in the paper). The main area of concern is the number of vacancies in critical roles, especially in professionally qualified health and social care roles. Virgin Care are experiencing difficulty recruiting registered nurses, therapists and social workers, however, this is a BSW system and national issue and not just related to Virgin Care as a provider and employer. Virgin Care currently have a recruitment action plan in place and have secured staff from an agency to cover vacancies within the community hospital wards. As of June 2021, the percentage of clinical roles covered by agency staff was 5.9%. The key services that are affected by staff vacancies are community nursing, community hospital wards, reablement and social work.

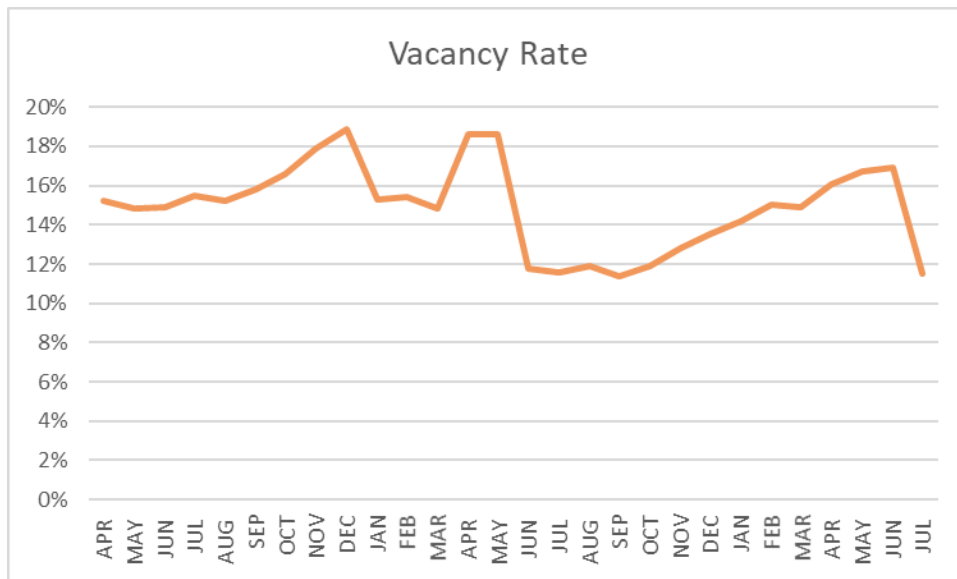
7.8.2 The community hospital wards have had ongoing recruitment issues over several years which has resulted in staff vacancies. This reached critical level in March 2021, when staffing vacancies and sickness resulted in closure of the Sulis Ward in St Martin's hospital at short notice. Commissioners were not kept informed of the risks relating to staffing within the community hospitals and this resulted in a Contract Performance Notice being issued to Virgin Care. This Contract Performance Notice was closed on 6th August 2021.

7.8.3 Virgin Care produce quarterly workforce reports and provide data monthly to the Quality Sub Group. However, Virgin Care have been advised that they need to provide more granularity to the data to establish exactly where the risks are. This request has been made as part of the Contract Performance Notice and within the Quality meetings. Virgin Care have agreed to provide more detailed information within future workforce reports.

7.8.4 Virgin Care vacancy rates are outlined below:

- The staff vacancy rate as of July 2021 is 11.5%
- The vacancy rate ranges from a low of 7.5% in August 2018 to a high of 18.9% in December 2019
- Virgin Care have had some difficulty calculating accurate vacancy rates due to some roles in the organisation being removed but still showing as a vacancy and duplicate roles. However Virgin Care have recently undertaken a data cleansing exercise to enable more accurate reporting.
- The vacancy rate is similar to other local community and acute providers
- Virgin Care currently have a recruitment Action Plan in place

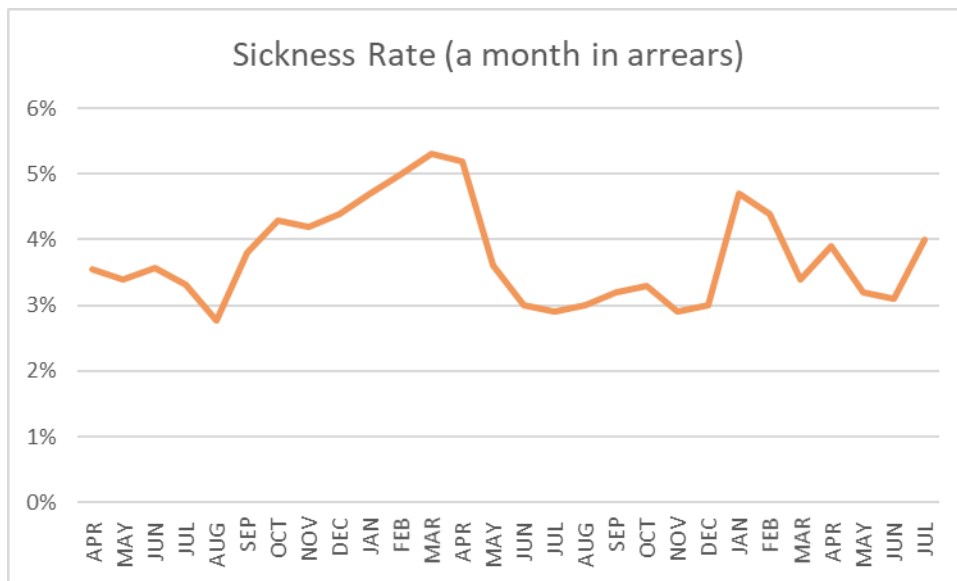
7.8.5 The table below shows the vacancy rates for Virgin Care from April 2017 to July 2021.



7.8.6 Virgin Care sickness absence rates are outlined below:

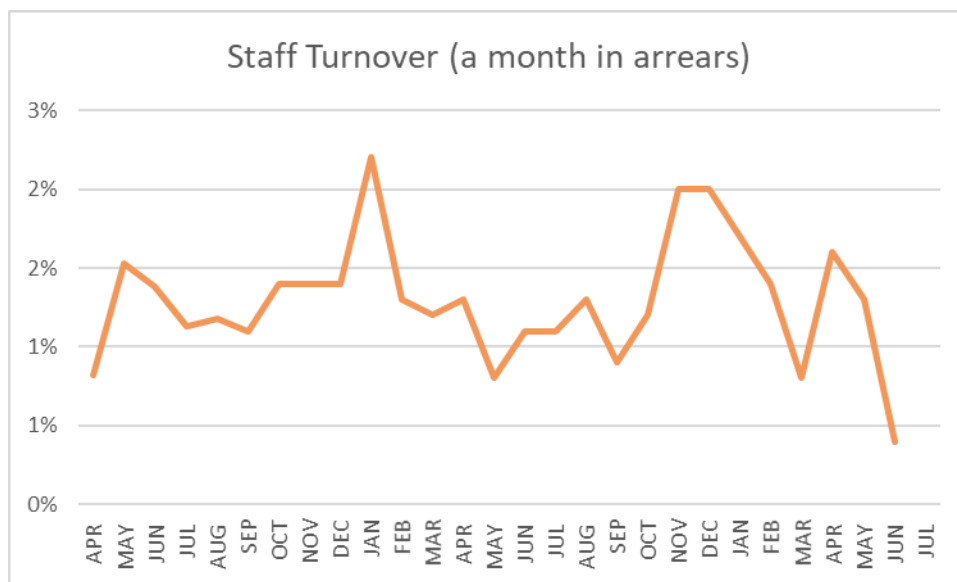
- Sickness absence rate varies from a low of 1.8 in March 2018 to a high of 5.3 in March 2020 (Target 4%)
- Since April 2017, the sickness absence rate has been above the target rate of 4% on 12 occasions.
- This reported sickness absence includes both long and short term sickness absences.
- Virgin Care have robust policies in place to support the management of Sickness Absence
- The rates of Sickness Absence within Virgin Care are comparable to other local providers

7.8.7 The table below shows the sickness absence rate for Virgin Care from April 2017 to July 2021.



7.8.8 Virgin Care staff Turnover rates are outlined below:

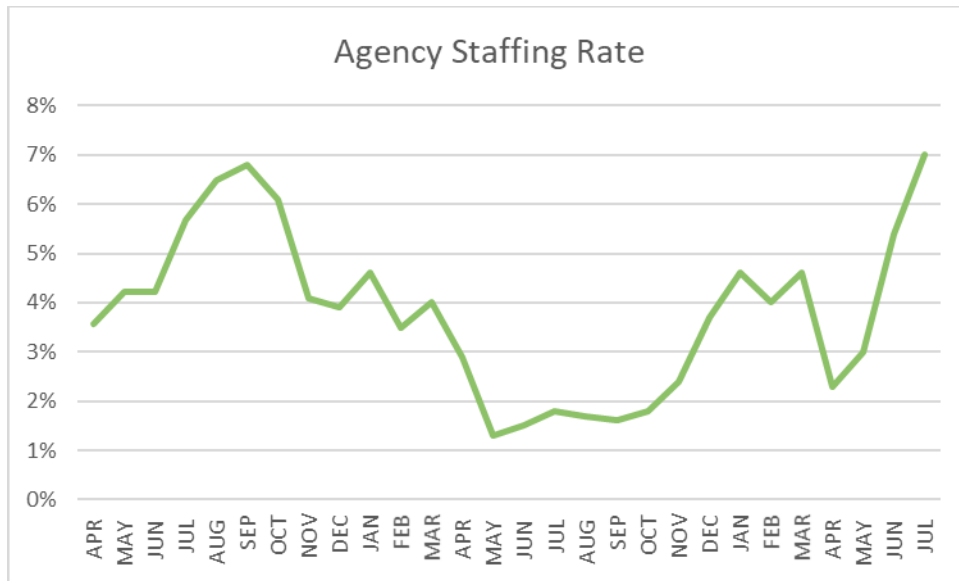
- Staff turnover rate (FTE) has ranged between 0.4% in June 2021 to 2.11% in November 2018
- This has remained consistent since April 2017
- The staff turnover rate is similar to other local providers.



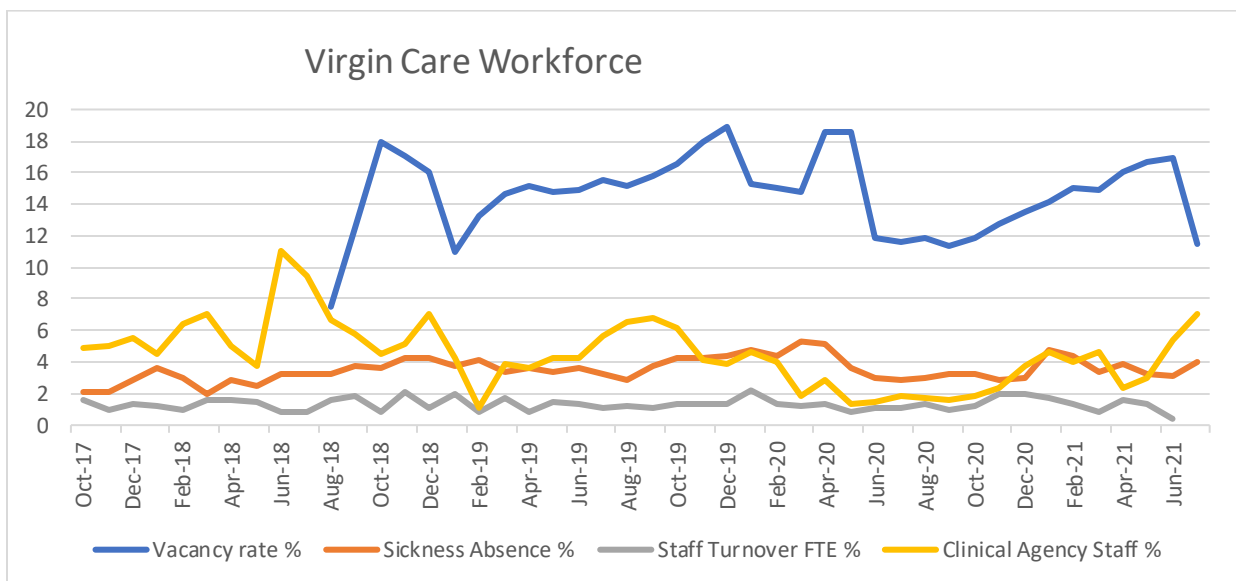
7.8.9 Virgin Care agency staffing rates are outlined below:

- The percentage of clinical staff who are agency staff ranges from 1.1% in February 2019 to 11.4% in June 2018
- This is consistently lower than the rate of agency staff within the comparable local community provider.

- The Chart below shows the agency staff rate from April 2017 to July 2021.



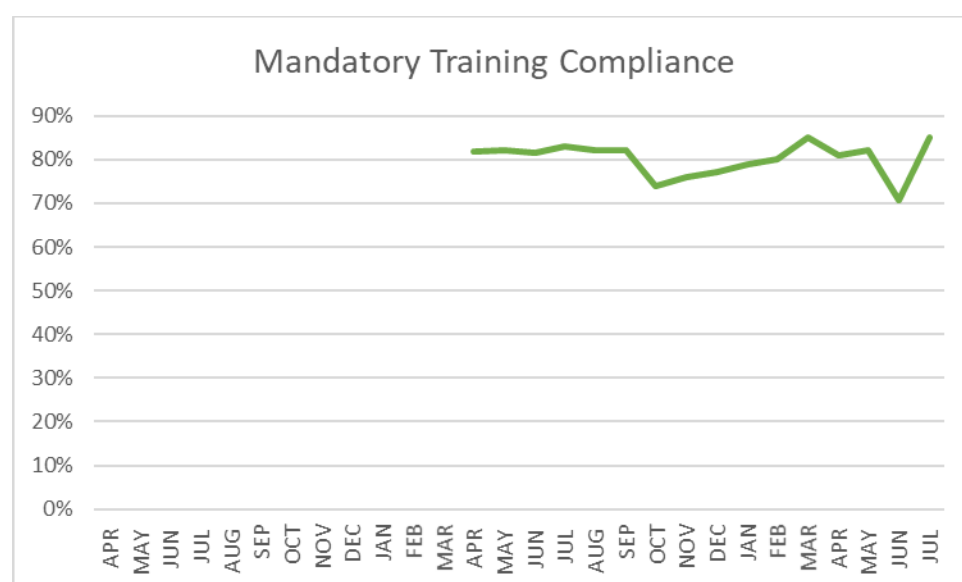
7.8.10 The chart below provides a summary of the workforce data for Virgin Care from October 2017 to June 2021



7.9 Statutory and Mandatory Training

7.9.1 Virgin Care work with The Learning Enterprise (TLE) to deliver on-line and face to face training. There have been difficulties delivering face to face training over the past 12 months due to COVID-19, and this has been especially noticeable in Basic Life Support and Manual Handling training.

7.9.2 Data for Statutory/Mandatory Training has been collected monthly since April 2020. The percentage of staff who have completed their statutory/mandatory training ranges between 74% and 95% for this period. Virgin Care do produce quarterly workforce reports, but these do lack the granularity of detail. In 2018 the percentage of staff who had completed their statutory/mandatory training was 81% (Quarter 3) and in 2019 it was 91% (Quarter 4). Therefore, the percentage of staff who have completed their statutory/mandatory training has remained consistent during the contract period and is slightly below the target of 87%. These figures are comparable to other local providers.



7.10 Appraisals

7.10.1 Virgin Care complete staff appraisals on an annual basis with a 6-month review. Over the last 3 years, the appraisal completion rate has seen an improving trend with slightly higher completion rates for Virgin Care when compared to other local providers.

Year	% Virgin Care Appraisal Completion
2019	91%
2020	80%
2021	95%

7.11 Staff Wellbeing

7.11.1 Virgin Care offer wellbeing support for their staff through the Wellness Centre and Employee Assistance Programme (EPA). Staff wellbeing has been identified as a high priority for the People Agenda for 2021. Commissioners have requested a more detailed quarterly workforce report.

7.11.2 Virgin Care undertake an annual Staff Survey and commissioners are currently awaiting the results of the latest survey. Previous staff surveys (2018) have shown that staff feel that Virgin Care provide good care for patients and service users, but only a small percentage of staff (18%) would recommend Virgin Care as a place to work. Senior managers and directors organised engagement sessions with teams to enable staff to discuss any concerns. Unfortunately, these sessions had to be stopped due to COVID-19. However, Virgin Care are relaunching their Partnership Forum for B&NES which will include drop-in sessions for staff as part of their approach to improve staff engagement. Virgin care also have a Freedom to Speak Policy which enables staff to raise concerns.

7.12 Infection Control

7.12.1 Since February 2020, Virgin Care has put systems and processes in place to manage the COVID-19 pandemic. These have been in line with National Guidance and Virgin Care complete a Safe Return Risk Assessment in order to reinstate service delivery.

7.12.2 From April 2020 to June 2021, there has been 6 episodes of Clostridium Difficile within the community hospitals but no other outbreaks of any reportable infections.

7.12.3 Virgin Care have an Infection Control Nurse and link closely with the Infection Control lead in the CCG.

7.13 Engagement

7.13.1 Virgin Care have a Citizens panel which currently has approximately 80 members. This Panel helps to decide how the “Feel the Difference” fund is utilised and is involved in consultation for service changes. Recent consultations have included the End-of-Life Strategy, Home First and Community Equipment. Virgin Care produce a bi-monthly Citizens Voice Newsletter.

7.13.2 Quarterly reports on engagement are completed and reviewed by the Virgin Care Internal Quality and Safety Meeting and then shared with commissioners.

7.13.3 Virgin Care also undertake surveys with their patients and service users. Examples of some of the surveys are:

- Children’s Speech and Language Therapy
- Active Aging Mobile Working
- Relative and Patient Discharge summaries from Sulis Ward
- Reablement Discharge Survey
- Parkinson’s Disease Clinic Survey

7.13.3 Virgin Care also participate in National Surveys such as the national stroke audit (Sentinel Stroke National Audit Programme SSNAP) and the Local Authority Adult Social Care and carers survey.

7.13.4 One of the quality improvements for 2021/2022 identified within the Quality Account is to enable more service user engagement.

7.14 Care Quality Commission (CQC)

7.14.1 Virgin Care Services Ltd is registered with CQC and are currently rated as Good with no conditions attached to their registration. This was based on an inspection in 2017. This is the overall rating for Virgin Care Services nationally. CQC have not as yet undertaken a full inspection of all the services Virgin Care provide in B&NES yet but have undertaken full reviews on some specific services that are within the contract in B&NES. These are as follows:

- Bath Supported Living Service (managed by Virgin Care) rated as good based on the inspection in 2018.
- NES Supported Living Service (Frome Road) rated as Good in July 2018

7.14.2 Virgin Care have regular relationship meetings (face to face or virtual) with CQC. The risk of patient falls was discussed at the relationship meeting in August 2017 and it was agreed that a thematic review of falls would be undertaken. No other risks were identified.

7.14.3 During COVID-19 CQC introduced Transitional Monitoring Assessments. CQC completed a Transitional Monitoring Assessment with Virgin Care B&NES on 25/02/21 and advised that there were no significant risks.

7.14.4 The Registered Managers within Virgin Care B&NES attend the yearly mandatory update training event. The registered services within Virgin Care B&NES undertake Internal Service Reviews (ISRs). This is a self-assessment and Virgin Care also use peer reviews as part of their Internal Services Reviews.

7.15 Quality Account

7.15.1 Virgin Care produce Annual Quality Accounts in which they highlight their quality developments and achievements and set quality objectives for the following year. A Quality Account is an annual report which must be completed by NHS providers about the quality of the services that they provide. BSW CCG provide a statement with comments on the Quality Account. The document enables providers to evidence their commitment to quality and quality improvement. The Annual Quality Account covers the achievements that providers have made over the past year and identifies key quality priorities for the following year. This document is published on an annual basis.

7.16 Adult Social Care and Safeguarding

7.16.1 In July 2020 the Council shared with Virgin the outcome of the Council's yearly case audit for social care. 120 cases were audited and the findings of the audit aligned with the internal audits completed by Virgin Care's Principal Social Worker. The key outcome was that Virgin Care needed to establish a clear overarching and strategic vision for cultural change to be undertaken at pace, with an accompanying operational plan giving management and staff a clear direction about expectations and their engagement in that change. Virgin Care and the Council have agreed the areas of change required, the implementation plan and are co-leading the projects.

7.16.2 Over the last 19 months the health and social care system pressures caused by Covid 19 led to social care operational staff being reallocated from Review and Community Teams to support the Discharge to Assess process and manage the change in support required during the lockdown periods. It was recognised by the Council that this would lead to a reduction in performance on the review and assessment measures. In June 2020 the Council undertook an audit of people waiting in the community for assessment, following concerns being raised by both Virgin Care and Council staff that the level of risk being held was too high. The audit confirmed that urgent action was needed to ensure that people in the community were supported alongside those being discharged from hospital. The implemented actions have led to the number of people waiting over 21 days decreasing from 39 at the end of May 2021 to 19 at the end of August 2021. Performance on the completion of social care assessment in the discharge to assess period remains good. The one of area of continuing challenge is the waiting list for those requiring an Occupational Therapy Assessment for larger items of equipment or adaptations. Recruiting Occupational Therapists (OTs) is a regional challenge across the health and care system and although Virgin Care are offering a range of employment incentives recruitment is challenging. A review of this area of work forms part of the transformation work being undertaken by the Council and Virgin Care.

7.16.3 Safeguarding Performance against the Board's measures is extremely good, with 100% of all decisions and planning meetings in 20/21 being held within timescales. The change to online meetings has worked well for most people, but there have been face to face meetings when needed. The Safeguarding Audits undertaken by both the Council and Virgin Care show evidence of very good practice but there are always areas that can be improved. The Council Team also oversees a service user feedback process where people or their representatives share their views of the safeguarding process. This feedback for this year is once again positive with people saying that their views and wishes were listened to and met by the Virgin care and Council Safeguarding Teams. A recent Safeguarding Adults Review identified that there may be some reported safeguarding concerns that are not managed in line with the Council's expectations. An audit of these referrals is currently being undertaken by the Council team and the preliminary findings have been shared with Virgin Care together with recommendations regarding the actions required.

7.17 Quality and Service User Conclusion

7.17.1 Since April 2017, Virgin Care have provided data to the commissioners in relation to quality and safety, providing data and reports in line with the Quality Schedule. There has been a lack of granularity in some of the workforce reporting at service line level. Virgin Care have recognised this and are now submitting detailed quarterly workforce reports.

7.17.2 Virgin Care are transparent in how they identify and manage any serious incidents. Virgin Care do complete root cause analysis for all serious incidents and these reports are shared with the CCG. Virgin Care identify learning and actions from the investigations, and these are also shared with the CCG. The two main reasons for serious incidents are Grade 3 and 4 pressure ulcers and falls. This is the same for other community providers within the BSW area.

7.17.3 Over the last 19 months the health and social care system pressures caused by Covid 19 led to social care operational staff being reallocated from Review and Community

Teams to support the Discharge to Assess process and manage the change in support required during the lockdown periods. It was recognised by the Council that this would lead to a reduction in performance on the review and assessment measures. Adult Social Care Safeguarding Performance against the Board's measures is extremely good, with 100% of all decisions and planning meetings in 20/21 being held within timescales. The Safeguarding Audits undertaken by both the Council and Virgin Care show evidence of very good practice but there are always areas that can be improved.

7.17.4 One of the main quality and safety risks at present is workforce. Like many providers, both in the local area and nationally, Virgin Care are experiencing difficulties recruiting to specific roles (registered nurses, therapists and social workers). Virgin Care have a recruitment plan in place and are working jointly with other local providers to support recruitment within B&NES. Workforce capacity is a challenge to Virgin Care and has impacted on some services, especially reablement, community nursing and community hospitals. However, this is a challenge that health and social care providers have nationally at this current time.

7.17.5 Despite these challenges, Virgin Care have continued to provide community services to people during a very difficult time due to the impact of COVID-19. Virgin Care monitor quality data through their own internal meetings and have made changes over the past 4 years to improve the patient experience+

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8 Progress Against the *Your Care, Your Way* Priorities

8.1 Overall Virgin Care have made good progress to date against the transformation priorities as set out in *Your Care, Your Way*. If the contract extension is approved this will allow Virgin Care to fully realise the benefits of the transformation priorities over the longer term. A full breakdown of the progress to date by Virgin Care against the original core priorities of *Your Care, Your Way* are listed in Appendix Six with highlighted areas that still require further work.

8.2 Progress against transformation has been monitored through the Service Development Improvement Plan (SDIP) for years 1 to 3. Due to Covid the decision was taken to not include an SDIP in contract year 4 so as to allow Virgin Care capacity to focus on covid response and service recovery and this decision was in line with other providers in B&NES, Swindon and Wiltshire. This year (contract year 5) Virgin Care and Commissioners are developing a SDIP that is aligned to priorities for recovery and focus on areas that are already identified for development. At the August 2021 Contract Quality Performance Meeting (CQPM) the following priorities were agreed jointly to include in the SDIP with linked assurance reporting:

- (1) **Covid recovery;** (a) to support services to deliver to their pre-covid levels by the end of year 5 (suggest financial year) (b) to work with system partners to input into whatever additional COVID services are established to support recovery or output of long covid (report through FIG)
- (2) **Wellbeing; staff resilience and workforce;** (a) to evidence each quarter how colleague wellbeing is being supported, (b) to establish and deliver a workforce

quarterly report, highlighting developments in workforce plan. (report through Quality Group and CQPM)

- (3) **Adults Health – Reablement**; (a) to work with commissioning colleagues to define the reablement pathway, (b) set a trajectory and milestones for redesign completion and (c) to deliver against this (report through Reablement Steering Group)
- (4) **Social Care**; to co-deliver and lead where appropriate, the Council transformation plans for social care (report through Social Care Transformation Board)
- (5) **Wellbeing**; to develop and implement a new strategy for the Community Wellbeing Hub (aligned with community resilience Council ASC transformation plan) (report through Social Care Transformation Board)
- (6) **Children and young people**; to develop a children's co-ordination point in the Care Co-ordination Centre, development of Children's single point of access (SPA), development of Children's MDT to review pathways and development of metrics aligned with Wiltshire. (report through Social Care Transformation Board)
- (7) **Systems**; to be a proactive member of the ICS and to support ICA development and delivery of their priorities for the year 2021/22 and evidence this on request where not covered above. (report through CQPM)

8.3 Transformation progress has been reported to B&NES Council Children, Adults Health and Wellbeing Policy Development and Scrutiny Panel. Transformation progress in year 5 will be reported to the Contract Quality and Performance Monitoring meetings (CQPM), see section 9.3 for contract management and monitoring.

9 Contracting and Governance

9.1 Contract extension

- 9.1.1 The Virgin Care contract is a seven-year contract which commenced from 1st April 2017 to 31st March 2024 with the option to extend the contract term by three years (2024/25, 2025/26 and 2026/27). The original contract expiration date is the end of contract year seven and this point is deemed to be an ordinary exit date with the option to extend for a further three years.
- 9.1.2 If a decision were taken to exercise the option to extend the contract term the Co-ordinating Commissioner must give written notice to Virgin Care no later than 24 months prior to the original expiry date (end of year 5 2021/22 – March 2022 latest date). The option to extend the contract term by three years can only be taken once.
- 9.1.3 There is no financial penalty to be incurred by commissioners if the decision is taken to not extend the contract term for the 3 year extension period. Initial dialogue with Virgin Care has identified their commitment to securing the 3 year extension term and their intention (at this stage) not to renegotiate the financial terms of the funding from BSWCCG and B&NES Council for the 3 year term. They have also signalled a willingness to explore the option for the removal of some identified services from the contract if the extension is granted (option 3).

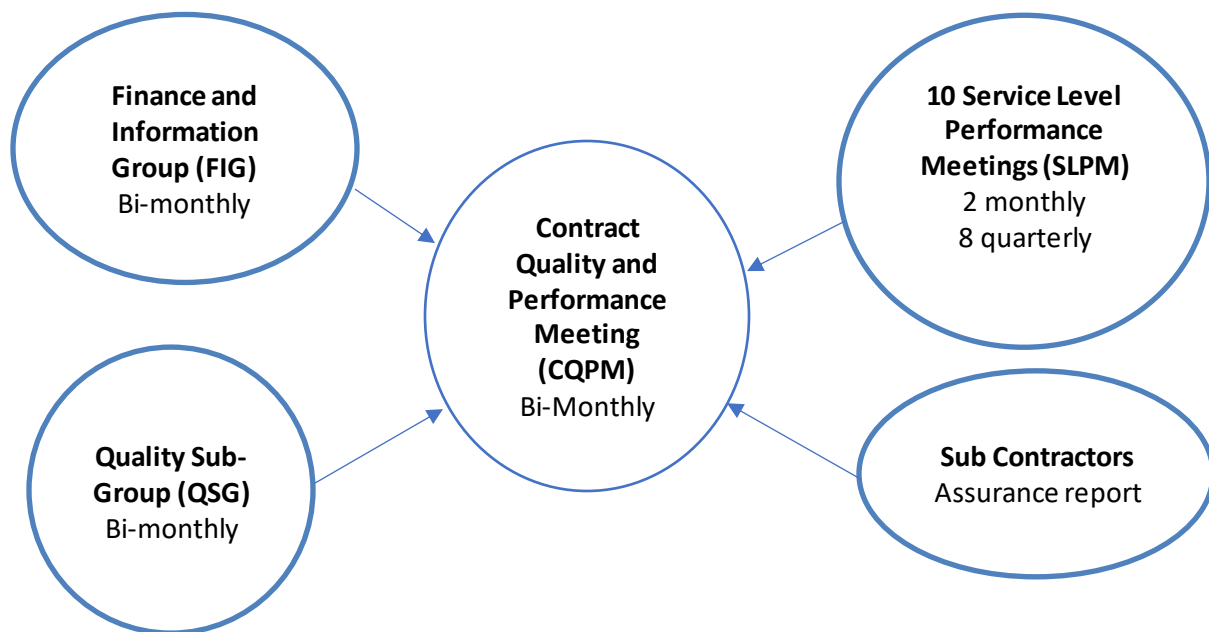
- 9.1.4 The contract documentation is the standard NHS contract with additional social care information included. Schedules include references to both council and CCG requirements.

9.2 Contract Performance Notices

- 9.2.1 Throughout the life of the contract two contract performance notices (CPN) have been issued. The first was in relation to quality reporting and to timeliness of adult social care assessments and the standard of health quality reporting. The CPN was issued to Virgin Care on 5th January 2018 (contract year 1) and was in place for 9 months. The decision was taken in September 2018 CQPM to formally close the remedial action plan and thus the CPN.
- 9.2.2 The second CPN issued was in relation to closure of the Sulis Ward (12th March 2021) on 13th May 2021 (contract year 5). Review meetings were held with Virgin Care to deliver the agreed action plan on 20th May, 4th June and 2nd July 2021.
- 9.2.3 At the review meeting held with Virgin Care on 6th August 2021 commissioners took the decision to close the CPN as the provider was able to demonstrate all actions had been addressed including an agreed escalation process to commissioners of any future workforce challenges. It was also agreed in the review meeting that lessons learned from this process needed to be taken forward by both parties to ensure openness and transparency as well as improved provision of data Virgin Care responded positively to the agreed next steps with commissioners. The impact of this decision is further outlined in the section below.

9.3 How the contract is managed and monitored

- 9.3.1 The Virgin Care contract is organised through the following contract governance structure and all governance meetings are attended by BSWCCG, B&NES Council and Virgin Care representatives.
- 9.3.2 The diagram below outlines the current governance structure for the Virgin Care Contract. Appendix Four outlines the purpose of each of the governance meetings held with Virgin Care.



9.3.3 Contract Quality and Performance Meetings (CQPM) are held bi-monthly. As a direct result of the recent CPN, it was agreed by commissioners and Virgin Care upon closure of the CPN, to introduce an additional meeting in the month where CQPM is not held to increase opportunity to raise issues and risks and if needed scrutiny of data and performance. Additional reporting has been agreed with Virgin Care, specifically for workforce monitoring, that will be routed through both the Quality Group and CQPM. Virgin Care shared their first newly focused and more robust workforce report with the Quality Group and CQPM at the August 2021 meetings and this will be submitted on a quarterly basis for ongoing oversight of commissioners.

10 Legal Position

10.1 Challenge from Virgin Care – contractual & financial implications

10.1.1 The contractual term up until the end of year 7 is that either party (provider or commissioner) can terminate a service by giving 12 months' notice. If the council or CCG decided to make significant changes to the contract for the 3 year extension term, and Virgin Care are notified of this decision by the end of year 5, the council and CCG are exposed to a level of risk for a 2 year period as Virgin Care could decide to terminate a service and only give 12 months' notice. Note, Virgin Care terminated their contract with East Staffordshire CCG early on the basis of significant material changes to the commissioning landscape.

10.1.2 There could be a challenge from Virgin Care if the decision is taken not to extend the contract for the 3 year term. This is most likely to be based on Virgin Care's view that they have delivered the requirements of the contract; operated at a financial loss for the first 5 years of the contract term and; responded to the pandemic in line with other providers in both B&NES locality and the BSW system.

11 Response to COVID-19

- 11.1 The end of 2019/20 (contract year 3) was the beginning of the Covid-19 Pandemic. Following national guidelines from the Government all routine reporting stopped as a level 4 incident was declared. In common with other providers, Virgin Care has had to adapt and modify the ways of delivering services. Virgin Care staff have been required to embrace technological solutions and have shown initiative and innovation in their approach.
- 11.2 Many services moved from face to face contacts to telephone and/or video contacts working to ensure those people experiencing digital poverty/lacking digital competency were not disadvantaged. Virtual support for colleagues was developed to ensure both formal and informal supervision provision continued for staff.
- 11.3 **Community Wellbeing Hub** in collaboration with the council and many third sector organisations established the Community Wellbeing Hub. The aim was to provide infrastructure to support some of the most vulnerable people, groups and communities throughout B&NES. To date over 16,000 calls have been received supporting people to access mental health and wellbeing advice, welfare (financial) and employment issues, emergency food parcels and food poverty, access to hospital transport and medication. This model will continue to develop in 2021/22 and beyond. The Wellbeing Service also put a bid forward to the Virgin Care 'Feel the Difference Fund' to develop information packs and lanyards to support and publicise Hidden Disabilities for people who are unable to wear face masks, the work was publicised with the help of BBC Radio Somerset.
- 11.4 **Adult Safeguarding Lead and Children's Safeguarding Team** continued to provide all statutory and support services by using virtual platforms. All multi-agency contributions were delivered virtually and there was no break in the provision of services into MASH, MARAC and Strategy meetings.
- 11.5 **Children's Speech and Language Team (SALT)** made changes to their central booking system as more support has been offered remotely. This has increased the flexibility and convenience of appointments for parents. The team are mindful of digital poverty and where this was identified, alternative support has been offered and all priority children have been seen face to face in an identified Covid-19 safe environment at St Martin's hospital.
- 11.6 **Multiple Services** worked together led by the Professional Lead for Physiotherapy to develop a community service for people experiencing long Covid-19 with a pathway developed and shared across BSW with other Lead Therapists.
- 11.7 **Health Visitors** offered additional visits in the early post-natal period to try to improve breast feeding rates and support mothers with perinatal mental health as their usual support networks have not been available to them. An early years community practitioner early weeks package was developed, in response to Covid-19 and cessation of baby and toddler hubs. This provided parents with an additional method of support for breastfeeding and emotional wellbeing within the Covid-19 restrictions

- 11.8 **Physiotherapy Service** introduced virtual osteo arthritis exercise classes enabling people to remain safe at home but also have their exercises demonstrated, ensuring that they are undertaken safely.
- 11.9 **Community Hospitals** adapted the ward layout and operational protocols to meet Covid-19 infection prevention and control measures and to significantly reduce the risk of spread of infection.
- 11.10 **Parkinson's Disease Service** has redesigned access to the nurses by introducing a 'no appointment required' advice line to resolve service user issues, a further appointment is made if the issue cannot be resolved immediately.
- 11.11 **Learning and Development Team** assisted with the provision of a training passport to ensure all colleagues who were redeployed to unfamiliar services had undertaken the training appropriate for their redeployment workplace.
- 11.12 **Health Visiting Service** delivered 93% of new birth visits within the 10-14-day post birth timeframe, this is a slight decrease from the 95% achieved last year. However, it is a significant success, as the health visiting service has maintained face to face delivery of new birth visits throughout the Covid-19 pandemic despite stringent Covid-19 infection prevention and control measures and not being able to access mothers and babies in the acute hospital neonatal intensive care unit to undertake new birth visits.
- 11.13 **Adult Speech and Language Therapy** use video calls successfully to treat patients, particularly those people within Nursing homes.
- 11.14 **Children's Immunisation team** (B&NES, Wiltshire and Devon) worked with schools to run community clinics from school facilities. They vaccinated 18% more children in a twelve week period than in the previous financial year.
- 11.15 **Falls Service** undertook video exercise classes with elderly clients to assist with their fall recovery programme.
- 11.16 **School Nursing Support Workers** put together virtual training sessions for primary schools on subjects including oral hygiene and hand hygiene which have been very well received.
- 11.17 **Physiotherapy, Musculoskeletal and Orthopaedic Interface (OIS) Services** provide a mixed model of virtual and face to face consultations to assess and treat people however OIS have ascertained it is more efficient with some diagnoses to see face to face rather than have an initial virtual appointment. Feedback has been collated as to service user experience. In December the feedback showed 49% OIS treated virtually and 44% physio appointments were virtual. There was a 93.78% satisfaction rate, 4.3% were not satisfied, and the remaining 1.9% were neutral.
- 11.18 **Continuing Health Care (CHC) Service** worked with the CCG's Infection Prevention and Control officers to provide advice and support to care homes.

- 11.19 **The Family Nurse Partnership (FNP) Service** developed “Walk and Talk” meetings with new patients as a way of providing support, improving wellbeing and to observe the interaction between parent and child which is not always possible on virtual platforms
- 11.20 **Quality Team** delivered a programme of mask fitting to ensure higher grade masks used for protection in aerosol generating procedures fitted colleagues securely ensuring safe service delivery.
- 11.21 Virgin Care provided a prompt and responsive approach to the Covid-19 pandemic and fully contributed to both the B&NES locality and the BSW activity, some examples include mutual aid for sharing resources such as personal protective equipment (PPE), lateral flow kits; supporting mask fit training with other providers, and having a collaborative approach to delivering the Covid-19 vaccine programme to the housebound, boating and homeless communities.
- 11.22 The unintentional impact and consequences of the Covid-19 pandemic particularly related to long periods of lockdown are becoming apparent, the increase in incidents of Clostridium Difficile infections and pressure ulcers has already been seen, the impact of long Covid is starting to emerge as is the impact on mental health for all age groups but particularly in children and young people. Older people have become deconditioned as a result of longer periods of inactivity, resulting in increased risks to mobility/falls, longer recovery time and increased support requirements. The reduction in the level that some services delivered as a result of the pandemic has also led to increased waiting lists which have been monitored and risk assessed. The impact will continue to be monitored and services adjusted to support the increased needs of people accessing services in B&NES.

12 Horizon Scanning

- 12.1 This section outlines for consideration, new legislation, introduction of the Integrated Care System and wider contractual arrangements across B&NES, Swindon and Wiltshire (BSW) for the delivery of community services.

12.2 Health & Care Bill Legislation

- 12.2.1 On 11 February 2021, the Department of Health and Social Care published the White Paper – Integration and innovation: working together to improve health and social care for all, which set out legislative proposals for a health and care Bill.
- 12.2.2 Subsequently on 6 July 2021, the Health and Care Bill was published. The legislation introduces new measures to promote and enable collaboration and co-operation within the NHS and between it and local authorities, public health and social care by:
- Enabling different parts of the health and care system to work together effectively, in a way that will improve outcomes and address inequalities

- Turning effective innovations and bureaucracy busting into meaningful improvements for everyone, learning from innovations during COVID
- Ensuring that there is the right framework for national oversight of the health system, that national bodies are streamlined, with clear roles and responsibilities, and that the public and Parliament can hold decision makers to account

12.2.3 Each ICS will comprise an NHS Integrated Care Board (ICB) and an Integrated Care Partnership (ICP). In England, ICBs will be established as statutory bodies and will be responsible for the day to day running of the NHS, while the ICP will develop an integrated care plan to address the system's health, public health and social care needs.

12.2.4 The legislation is also proposing changes to procurement regulations from April 2022 which would mean a radical overhaul of existing obligations designed to work in concert with an increased focus on integration and local collaboration, and a decreased desire to put services out to competition except where the benefit to do so is clear. The final proposals/legislation is not yet available, but it is likely to have three strands:

- The non-competitive continuation of existing arrangements using the existing provider
- The non-competitive selection of a most suitable provider when a service is new or changing substantially but a competitive procurement is not appropriate
- The competitive selection of a new provider

12.3 Development of the B&NES, Swindon and Wiltshire Integrated Care System

12.3.1 In December 2020 the Bath and North East Somerset, Swindon and Wiltshire Partnership (BSW) was formally accredited as an Integrated Care System (ICS). Despite the challenges of the second wave of the Covid pandemic work has continued since December on a broad range of activities associated with maturing the way BSW operates and continuing our journey towards becoming a thriving Partnership.

12.3.2 Central to this work has been the ongoing development of our arrangements at neighbourhood, place and system level ensuring our approach is based on the needs and opportunities that exist within our local communities. This is creating new and exciting possibilities in the way we think about health and wellbeing and our role in serving the population of BSW placing a greater emphasis on prevention and wellbeing and addressing the wider determinants of health. These are areas already focussed on extensively by our local authorities and the reason we are developing our place-based partnerships around the geographies served by each local authority.

12.3.3 This approach is relatively easy for some partner organisations who share a common geography with the local authority, but for others (e.g. acute trusts, mental health trusts and ambulance services) it means they must interface with multiple places. As place-based partnerships develop it will be important that these providers remain integral members of the place-based partnerships and are able to manage the complexity of operating in multiple partnerships.

12.3.4 The ICS guidance also includes the need for providers to work in collaboratives and in BSW there is already a well established acute hospital alliance and an emergent community services alliance.

12.4 Other BSW Community Contracts

12.4.1 Wiltshire Locality – Wiltshire Health & Care deliver community adult health services whilst Virgin Care deliver children's health services as well as some social care commissioned services.

12.4.2 The Wiltshire Health & Care contract commenced in July 2016 and had a five year term, with the option to extend for a further two years which was agreed so the contract term is until June 2023. Wiltshire Health & Care is a Limited Liability Partnership (LLP) formed by the three acute hospitals Royal United Hospitals Bath NHS Trust, Great Western Hospitals Foundation Trust and Salisbury Foundation Trust.

12.4.3 The Virgin Care children's contract commenced on 1st April 2016, with a 5 year term and the option to extend for a further 2 years; The 2 year extension was exercised on 31/03/20 so the contract end date is 31/03/23.

12.5.1 Swindon Locality – In the Swindon locality, Great Western Hospitals Foundation Trust delivers not only acute services, but also community adult services and primary care services.

12.5.2 The adult community health services contract was let for three years with a possible extension of up to 24 months which was enacted so a contract end date of February 2022. On the basis of exceptionality and the demonstrable high performance and value for money of the current provider, the CCG's Governing Body approved a proposal to re-let the GWH adult community health services contract for a further two years, i.e. to February 2024.

12.5.3 A key requirement of the Swindon adult community health services tender was that the new provider takes an active role as a system integrator across all partners in Swindon. As a critical part of the adult system community services are in a unique position to be able maximize opportunities for system integration as they are so intimately connected with primary care, social care and the Voluntary, Community and Social Enterprise (VCSE) sector across Swindon.

12.5.4 The vertical integration of these services has been seen as an innovative model and has been successful in turning around services previously significantly underperforming as well as developing new ways of working to accelerate improvements in quality, safety and overall patient care.

13 Options Appraisal

13.1 Three options are highlighted the in the tables below which outlines disbenefits and benefits of each option:

- Option 1: Extend the contract term for the 3 year period (until 2026/27)
- Option 2: Do not extend the contract for the 3 year extension period and recommission community health care, social care and public health services
- Option 3: Extend the contract term for the 3 year period (until 2026/27) but with identified services removed from block contract and/or improvement trajectories for identified services

Option 1: Extend the contract term for the 3 year period (until 2026/27)

Disbenefits	Benefits
Performance of a small number of key services within the contract remains a challenge– performance of these key services is included in Appendix Two, and includes Adults Social Care, District Nursing, Community Hospital Inpatients and Reablement	Continuation of integrated community services for health care and social care will limit disruption in the system allowing for focus on covid response and recovery
The current challenges facing some individual services listed above has a direct impact on patient flow	Continuation of a relationship with Virgin Care to deliver improved outcomes for the resident of B&NES and ensure delivery of the <i>Your Care, Your Way</i> priorities
As we move into an ICA it could inhibit collaboration and co-operation from other partners due to perceived commercial interests of Virgin Care. Due to Virgin Care company structure and Virgin Care's Board meetings not being held in public, this results in additional scrutiny and pressure for commissioners to fulfil this function	At a time of significant change for the NHS as the CCG transitions into the ICS, capacity to support a re-procurement will be compromised
Despite being publicly funded, private providers are often not recognised or treated similarly to NHS providers – NHSE/I often neglect to include or reference them when it comes to planning processes, access to funding opportunities, for example, Virgin Care does not receive workforce development funding	Virgin Care have national infrastructure and service improvement/change management processes to bring innovative solutions to the delivery of health and care, particularly digital technology, for example the integrate care record.
Limited contractual levers for the council to influence spend on care when the social work function is delegated to a private provider - reliant on ensuring good professional practice and effective working with the council commissioning team to support savings delivery	Demonstrated their ability to be 'fleet of foot' and ability to mobilise responses to incidents such as COVID-19, for example, the Community Wellbeing Hub through partnership working with the third sector

Although an integrated community services contract the expected benefits of being an integrated adult health and social care provider have not yet fully materialised with some adult health teams and social work teams still working in siloes. The perceived barriers to successful integration are: Cultural differences between health and social care and requirement to operate within different statutory frameworks can cause tension when health care is free and social care is not	Beneficial terms and conditions for employees and access to benefits and training & development opportunities and prepared to invest profits into front line delivery and staff development
	Recent changes in Council leadership and cabinet member responsibilities with elections in two years will enable the Council to take a longer term view on how social care services are best delivered to meet needs of B&NES population – return to be delivered in house at point of year 10 not 7

Option 2: Do not extend the contract for the 3 year extension period and recommission both community health care, social care and public health services

Disbenefits	Benefits
Capacity of BSWCCG and council to undertake a procurement process while the system remains in COVID-19 response and recovery mode (a new provider will need to commence delivery on 1 st April 2024, this is a maximum period of 30 months if contract decision taken in Oct 2021 for tender, procurement and mobilisation). This would also come at a time when the CCG is also transitioning its functions into the ICS NHS Board from April 2022	Opportunity to align community health care services across the B&NES & Wiltshire localities with the Wiltshire contracts also due for renewal
Potential to destabilise an already fragile health and social care system in Covid-19 recovery, with recovery plans and agreed transformation priorities not completed and potential to add further pressures to wider system partners	Opportunity for the Council to bring Adult Social Care services back 'in house' with more contractual levers to control how services are delivered and deliver Council savings
Very limited market choice of providers with appropriate experience of delivering community health care and adult social care services - there is no guarantee that another provider would deem the service to be financially viable which may result in further additional increased costs for the Council and CCG	Opportunity to revisit and reshape system recovery and transformation priorities with partners

Reputational damage to Virgin Care in the health care and social care system which could lead to a challenge from the provider on the decision not to extend the contract term, particularly as BSW CCG has already chosen to exercise the option to extend the Virgin Care Wiltshire contract and the Wiltshire Health and Care Community Contract	Opportunity for BSWCCG and Council under ICA to undertake a more 'light touch' procurement process for the selection of a new provider for integrated community services in B&NES locality from existing NHS providers and remove the stigma of a private provider delivering services
Needing to explain to the residents of B&NES why the previous decision to select a prime provider is no longer relevant for the B&NES locality after only 5 years	Opportunity with a new provider to enable a re-design of the delivery of community services in line with ICS development
The costs of running a procurement are prohibitive at this point given the council and CCGs financial positions. The estimated costs have been modelled in the table below and equate to approximately £965k given the scale and complexity of this contract. This would need to be jointly funded and would be a cost pressure of £482,500 for each organisation	

Estimated costs for procurement of community health care and social care services

Community Services Procurement Programme Estimated Costs	2022/23 Budget	2023/24 Budget	2024/25 Budget
Programme Management	£61,000	£91,000	£79,000
Commissioning Strategy Workstream	£14,500	£33,000	£26,200
Procurement Workstream	£6,500	£81,000	£33,500
Communication Workstream	£54,000	£37,000	£35,000
Finance Workstream	£9,500	£41,500	£20,000
Estates Workstream	£13,500	£10,000	£15,000
Workforce Workstream	£8,000	£8,000	£16,000
IM&T Workstream	£14,500	£20,000	£29,500
Travel and Expenses	£0	£12,300	£12,500
Legal Costs	£0	£22,500	£29,600
Venue Hire	£2,600	£7,500	12,500
Stationary and printing	£0	£4,000	£4,300
Contingency	£0	£0	£100,000
Total	£184,100	£367,800	£413,100

Option 3: Extend the contract term for the 3 year period (until 2026/27) but with identified services removed from block contract and/or improvement trajectories for identified services

Please note for option 3 that all disbenefits and benefits highlighted for option 1 are relevant to this option. Listed below are additional disbenefits and benefits for consideration in this option.

It should be noted that the CCG Executive has taken the decision (August 2021) to withdraw continuing health care as a statutory function from the contract either in option 2 or option 3. The CCG understands the direct service costs for CHC to be £468k per annum and overhead costs cannot be removed with each individual service line as stipulated in the contract. The council has also confirmed its decision to remove strategic adult safeguarding from the contract either in option 2 or option 3 and understands the direct services to be £375K.

Both the council and CCG have indicated to Virgin Care the withdrawal of these two service lines and Virgin Care's assessment of the direct service costs are expected imminently to ensure there is no discrepancy.

Disbenefits	Benefits
Depending on financial value of identified services to be removed from the block contract could be deemed by Virgin Care to be a material change to the contract and thus make whole integrated contract non viable	Opportunity for commissioners and Virgin Care to negotiate by mutual agreement service areas to be removed from the contract with a clear rationale as to the benefit to B&NES population of doing so giving greater control for performance of statutory services for BSWCCG and Council
Decisions to remove (by negotiation with Virgin Care) individual service lines from the contract could further hamper delivery of integrated community services	Allows commissioners to work with Virgin Care to deliver the benefits of the transformation priorities for the remainder of the 5 year contract term
Virgin Care are a critical partner to the successful realisation of the Council's ASC Transformation priorities and in turn saving's for the next 2 years – a decision to remove adult social care from the Virgin Care contract will hamper progression with identified transformation priorities	Opportunity for the newly appointed Managing Director of the B&NES Virgin Care contract to continue to stabilise the senior leadership team SLT in year 5 and for the remainder of the contract to retain commissioner confidence and deliver improved services
Cost to Council of in-housing Adult Social Care as contractually not allowed to remove overhead costs from the contract and this is a cost pressure	
Decision to remove whole and/or part of PD01 Adult Social Care statutory services from block contract, then the Council and BSWCCG will need to determine which	

organisation will be the lead commissioner (currently B&NES Council) if there is removal of a significant proportion of Council funded activity this will require consideration of lead commissioner status moving forward	
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For both option 1 and option 3 Virgin Care will be expected to continue to develop collaborative delivery models through partnership working with other providers in B&NES locality and across BSW.

For both option 1 and option 3 there is a future requirement to ensure the contract for integrated community services has a clear contractual reporting line for adult social care services to B&NES Council Director Adult Social Services (DASS) to drive accountability and focus on improvement and this would be explicit within our jointly agreed commissioning intentions for the remainder of the contract term.

14 Recommendation

14.1 The joint recommendation from the CCG and the Council is Option 3 - extend the contract term for the 3 year period (until 2026/27) but with the identified services set out above removed from block contract and/or improvement trajectories for identified services.

14.2 The jointly agreed recommendation has been made based on the following rationale:

- Overall Virgin Care are a good provider and services have been delivered well to meet the needs of the B&NES population. Virgin Care recognise the services that require transformation to meet the needs of the system as an established strategic partner coupled with clear expectations from commissioners on rigorous performance reporting and escalation protocols with the Senior Leadership Team in Virgin Care
- The system remains under considerable pressure from the impact of Covid-19, and extending the contract term will limit disruption in the system allowing for focus on response and recovery
- It is a period of significant change for the NHS and social care systems with the embedding of new Integrated Care System and B&NES Integrated Care Alliance from April 2022 and focussing on a re-procurement process would distract from this
- Changes in Council leadership and cabinet member responsibilities (elections in two years) will enable the Council to take a longer term view on how social care services are best delivered to meet the needs of the B&NES population
- Virgin Care have by mutual agreement, been open to discussions regarding the potential to remove services from the main contract, giving greater ownership and emphasis to commissioners over statutory functions
- A re-procurement process would require significant capacity from both the Council and CCG and incur one off costs of approximately £965,000 and will require an approved funding source for both Council and CCG.

- There is no guarantee that another provider would deem the service to be financially viable which may result in further additional increased costs for the Council and CCG. Additional costs of pension contributions could be considerable in this area when transferring into an NHS or Local Authority.
- Virgin Care have signalled that they will not renegotiate the existing financial terms of the contract for the remainder of the contract term if the extension term is granted. Potentially appointing a new provider would incur mobilisation costs and the baseline value of the contract could be higher
- Analysis of the market indicates there are very few providers who have the necessary experience of delivering integrated health care and social care services
- Given the current system pressure due to the impact of Covid-19 it will be challenging at this time for any new provider to respond to a procurement process of this size and complexity
- This approach allows the CCG and council to wait for the final legislative changes on procurement and consider its future approach



Virgin Care Flu Jab Team

Appendix One – Overview of Community Services in the Virgin Care Contract

CCG Health Services	Council and CCG Services	Council Services for Adult Social Care	Council Services for Children	Council Services for Public Health	Total Community Services
28	2	9	8	5	52

Services directly delivered by Virgin Care	Services delivered by Virgin Care and sub contractor	Services delivered by a sub contractor
36	6	10

Council led services for Adult Social Care

SD No	Description	Directly provided, Sub-Contracted or both	Funded
PD01	Adult Social Care Statutory Services	Direct	Council
SD02	Adult Carers Support Service	Sub-Contract	Council & BCF
SD14	Community Based Mental Health Pathways (Community Links and MH Reablement direct, etc.)	Direct & Sub-Contract	Council & BCF
SD20	Community Mental Health Services For Older Adults and Those With Dementia (Day centre service)	Sub-Contract	Council & CCG
SD23	Direct Payments Hub	Direct & Sub-Contract	Council
SD27	Home From Hospital/Home Response Service	Sub-Contract	Council, CCG & BCF
SD28	Homelessness Prevention Pathway Services - Rural Floating Support	Sub-Contract	Council
SD29	Housing Related Support - Positive Accommodation and Support Pathway	Sub-Contract	Council
SD30	Independent Living Service	Sub-Contract	Council & CCG

Services for Children Health (1 Council)

SD No	Description	Directly provided, Sub-Contracted or both	Funded
PD03	Looked after Children	Direct	CCG
SD05	B&NES Children's Community Health Service Overarching Specification	Direct	CCG
SD07	Children's Bladder and Bowel Service	Direct	CCG
SD08	Children's community nursing and psychology services	Direct	CCG
SD09	Children's Continuing Care Service	Direct	CCG
SD10	Children's Learning Disability Service	Direct	Council
SD12	Children's Speech and Language Therapy Service	Direct	CCG
SD60	Safeguarding Children Service	Direct	CCG

Council led services for Public Health

SD No	Description	Directly provided, Sub-Contracted or both	Funded
SD01	0-19 Public Health Nursing	Direct	PH
SD16	Community Equipment - Public Health Service	Sub-Contract	PH
SD39	NHS Health checks	Direct & Sub-Contract	PH
SD50	Substance Misuse Services	Sub-Contract	CCG, Council & PH
SD52	Wellness	Direct & Sub-Contract	CCG, Council, BCF & PH

Council and BSWCCG services

SD No	Description	Directly provided, Sub-Contracted or both	Funded
SD31	Integrated Reablement Service	Direct	Council, CCG & BCF
SD43	Adults with a learning disability	Direct	Council & CCG

BSWCCG Health Care Services

SD No	Description	Directly provided, Sub-Contracted or both	Funded
PD02	Continuing Health Care	Direct	CCG
SD13	Adult Audiology (incl hearing therapy)	Direct	CCG
SD15	Community Bladder and Bowel Service (Adults)	Direct	CCG
SD17	Community Hospital Inpatients	Direct	CCG
SD19	Community Nursing (Adults) Inc District Nurses	Direct	CCG
SD21	Community Pain Management	Direct	CCG
SD22	Specialist Dementia Services	Sub-Contract	CCG
SD24	End of life Care	Sub-Contract	CCG
SD26	Movement Disorders Clinic and Falls & Balance Service (Clara Cross)	Direct	CCG
SD35	Lymphedema Nursing	Direct	CCG
SD38	Physiotherapy Outpatients and Primary Care Specialist Physiotherapy	Direct	CCG
SD40	Orthopaedic Interface Service	Direct	CCG
SD42	Children's Community Audiology Service	Direct	CCG
SD44	Specialist Cardiac and Respiratory Services (Adults)	Direct	CCG
SD46	Specialist Cardiac and Respiratory Services (Adults) - Heart Failure Nursing	Direct	CCG
SD47	Specialist Diabetes Services (Adults) - Diabetes Education	Direct & Sub-Contract	CCG
SD48	Specialist Neurology and Stroke Services (Adults)	Direct & Sub-Contract	CCG
SD49	Speech and Language Therapy (Adults)	Direct	CCG
SD51	Urgent Care facility at Paulton MIU	Direct	CCG
SD54	Podiatry	Direct	CCG
SD55	Osteoarthritis Hip and Knee Programme	Direct	CCG
SD57	Tissue Viability Nurse Service	Direct	CCG
SD58	Community IV	Direct	CCG
SD59	Community Paediatric Service	Direct	CCG
SD61	Falls Rapid Response	Direct	BCF
SD63	First Contact Practitioner	Direct	CCG
SD64	Heart Failure Rehab	Direct & Sub-Contract	CCG
SD65	Breathing Space	Sub-Contract	CCG

List of sub Contractors in the Virgin Care contract by individual service

PD/SD code	Current Provider	Table 1 & 2 - Prime Provider Contract Schedule
SD48b	Stroke Assoc	Specialist Neurology and Stroke Services (Adults) - Community Stroke Co-ordinator
SD48b	Stroke Assoc	Specialist Neurology and Stroke Services (Adults) - Communication Support Service
SD2b	The Carers Centre	Adult Carers Support Service - New Carers Centre
SD20b	Alzheimer's society	Living Well and Staying Well (Prevention and Self Management) - Day Services
SD20b	Peggy Dodd	Living Well and Staying Well (Prevention and Self Management) - Day Services
SD23b	WECIL	Direct Payments Support
SD24b	Dorothy House	End of Life Care
SD24b	Village Agents	End of Life Care
SD25b	Knightstone	Extra Care Housing Services - The Paddocks
SD25b	Knightstone	Extra Care Housing Services - The Orchard
SD25b	Methodist Homes	Extra Care Housing Services - Walcot Court
SD25b	Curo	Extra Care Housing Services - Extra Care Schemes
SD25b	Curo	Extra Care Housing Services - Step Down Beds
SD25b	Guinness	Extra Care Housing Services - Avondown House
SD25b	Knightstone	Extra Care Housing Services - Rockhall House
SD27b	Age UK	Regaining Health & Independence - Home Response
SD27b	Age UK	Regaining Health & Independence - Dementia Support Worker Service
SD27b	The Carers Centre	Regaining Health & Independence - Dementia Support Worker Service
SD28b	Bath Mind	Homelessness Prevention Pathway Services - Marlborough Lane low level MH accommodation & support
SD28b	Curo	Homelessness & Housing Support - Temporary Accommodation - Somer

SD28b	Curo	Homelessness Prevention Pathway Services -Temporary Accommodation - Dartmouth
SD28b	Developing Health and Independence	Homelessness Prevention Pathway Services - Developing Health and Independence - 1 Barton Buildings
SD28b	Developing Health and Independence	Homelessness Prevention Pathway Services -Developing Health and Independence - Burlington Street (EX Stall street)
SD28b	Developing Health and Independence	Homelessness Prevention Pathway Services - Developing Health and Independence - Reach
SD28b	Developing Health and Independence / Julian House	Homelessness Prevention Pathway Services - DHI & Julian House - Assertive Outreach Service
SD28b	Julian House	Homelessness Prevention Pathway Services - Julian House - Barnabas House and Annex
SD28b	Julian House	Homelessness Prevention Pathway Services - Julian House - Manvers Street
SD28b	Julian House	Homelessness Prevention Pathway Services - Julian House - Peter House
SD28b	Julian House	Homelessness Prevention Pathway Services - Julian House - Henrietta Street
SD28b	Second Step Housing Association	Homelessness Prevention Pathway Services - BANES Floating Support Service
SD28b	Solon South West Housing Association	Homelessness Prevention Pathway Services - Rackfield House
SD28b	Stonham	Homelessness Prevention Pathway Services - Newbridge Road
SD28b	Stonham	Homelessness Prevention Pathway Services - The Paragon
SD29b	Curo	Positive Accommodation and Support Pathway - Young Parents Service
SD29b	Curo	Positive Accommodation and Support Pathway - Pathways
SD29b	Curo	Positive Accommodation and Support Pathway - Bath Foyer
SD29b	Curo	Positive Accommodation and Support Pathway - Mediation Service
SD30b	Curo	Independent Living Service - including Older People
SD30b	Curo	Independent Living Service - Livewell formerly Sheltered
SD30b	Curo	Independent Living Service - Rural Dementia Service
SD32b	General Practices	Sexual Health Service -General Practice - LARC including fitting of IUD's
SD32b	Community Pharmacies	Sexual Health Service - Pharmacy Sexual Health
SD39b	General Practices	NHS Health Checks

SD52bCH	Clean Slate	Regaining Health and Independence (Early Intervention and Targeted) - Worklessness
SD52bCH	Community Pharmacies	Regaining Health and Independence (Early Intervention and Targeted) - Pharmacy Smoking
SD52bCH	Julian House	Homelessness Prevention Pathway Services - Julian House - Travelling Community Support Worker
SD52bCH	General Practices	Regaining Health and Independence (Early Intervention and Targeted) - Smoking in general practice
SD52bCH	Developing Health and Independence	Stop Smoking - DHI (activity-based payment)
SD52bCH	Wiltshire Community Health	Regaining Health and Independence (Early Intervention and Targeted) - Counterweight Services
SD52bCH	Counterweight Ltd	Regaining Health and Independence (Early Intervention and Targeted) - Counterweight Services
SD52bCH	Age UK	Regaining Health and Independence (Early Intervention and Targeted) - Older People's Information Service
SD52bCH	Bath Ethnic Minority Senior Citizens Association	Regaining Health and Independence (Early Intervention and Targeted) - Day Services for B&OME NB + £5,200 rent deducted at source
SD52bCH	Age UK	Regaining Health and Independence (Early Intervention and Targeted) - Day Services
SD52bCH	Deaf Plus	Deaf, Deaf Blind and Visually Impaired Equipment and Support Service
SD52bCH	RUH	Regaining Health and Independence (Early Intervention and Targeted) - Health in pregnancy
SD52bCH	Writhlington	Wellbeing Services
SD43b	Freeways	Adults with a learning disability and their families - Freeways - PSI/LD New FS service
SD43b	Keyring	Adults with a learning disability and their families - Keyring - Living Support Networks - Bath Keyring Network
SD43b	Swallow Ltd	Adults with a learning disability and their families - Training for Independent Living
SD43b	Swallow Ltd	Adults with a learning disability and their families - Hawthorns
SD43b	Swallow Ltd	Adults with a learning disability and their families - Redfield Road
SD16b	West of England Community Care	Community Equipment- Home Safety Equipment Scheme - Public Health
SD14b	Bath Mind	Community Based Mental Health Pathways - Mosaic Mental Health Support
SD14b	Bath Mind	Community Based Mental Health Pathways - Safe Haven
SD14b	Creativity Works	Community Based Mental Health Pathways - Creative Links
SD14b	Soundwell Music Therapy Trust	Community Based Mental Health Pathways - Music Therapy

SD14b	St Mungo's	Community Based Mental Health Pathways - Mulberry House & Mews
SD14b	Soundwell music therapy trust as part of St Mungo's block	Community Based Mental Health Pathways - Social enterprise project (SP)(St Mungo's)
SD22b	Alzheimer's Society	Alzheimer's Society - Dementia Support Worker Service
SD22b	RICE	Research Institute for the Care of Older People - Dementia Assessment service
SD50b	Community Pharmacies	Substance Misuse Services – Pharmacy provision of opiate substitution treatment
SD50b	Community Pharmacies	Substance Misuse Services - Community Pharmacies - Pharmacy Needle Exchange
SD50b	Developing Health and Independence	Substance Misuse Services – Adults
SD50b	Developing Health and Independence	Substance Misuse Services - Young People
SD50b	GP Practices	Substance Misuse Services - General Practice Shared Care
SD50b	Developing Health and Independence	Substance Misuse Services - DHI & SDAS - Alcohol Liaison Service
SD52bMH	Quartet	Regaining Health and Independence (Early Intervention and Targeted) - Community Fund (MH)
SD52bMH	St Mungo's	Regaining Health and Independence (Early Intervention and Targeted) - Building Bridges / Peer Mentoring
SD52bMH	Developing Health and Independence	Regaining Health and Independence (Early Intervention and Targeted) - Social Prescribing

Appendix Two – Overview dashboard of performance for the following services delivered by Virgin Care identified by commissions as requiring improvement (attached)

- NHS Constitution standards Referral to treatment (RTT)
- NHS Constitution standards Diagnostics
- NHS Constitution Standards Urgent Care
- Adult Social Care Assessment and Review waiting times
- District Nursing
- Reablement
- Continuing Health Care

Appendix Three – References and information taken from the following reports/papers for the quality and service experience section of the report

B&NES Quarterly Complaints and Concerns Report Q4 2020/21 – Virgin Care April 2021

B&NES Quarterly Complaints and Concerns Report Q3 2020/21 – Virgin Care January 2021

B&NES Quarterly Complaints and Concerns Report Q2 2020/21 – Virgin Care October 2020

B&NES Quarterly Complaints and Concerns Report Q1 2021/2022 – Virgin Care July 2021

Virgin Care B&NES Quality Exception Reports 2017-2021

B&NES Performance Summary reports 2017-2021

CCG STEIS Database (B&NES and BSW)

Virgin Care Tissue Viability Report Q1 2021/2022

Virgin Care Workforce Report Q1 2021/2022

Virgin Care Quality Dashboards 2017-2021

Virgin Care Exception and Assurance Reports 2017-2021

Virgin Care Engagement Report – January 2019

Patient safety Report April 2019

CQC Registration and Internal Review Process Report - July 2019

CQC Website

Virgin Care Quality Account 2020/2021

Appendix Four - Purpose of each governance meeting held with Virgin Care

Meeting	Purpose	Frequency
Contract Quality Performance Meeting (CQPM)	• April 17 - October 2019 held monthly basis, since December 2019 bi-monthly basis until August 2021 • As of August 2021, there will be a return to holding a monthly CQPM. There will be a full CQPM held every 2 months and on the alternate month this will be a smaller group of delegates to review performance, discuss key strategic and operational issues and agree meeting agenda for full CQPM • Provide strong, co-ordinated and coherent leadership of the commissioning and contracting of services from Virgin Care on behalf of the local health and care economy • Ensures governance systems are in place to oversee the safe and effective delivery of commissioned services • Holds the provider to account for its service delivery, transformation, finance and quality obligations, managing performance in accordance with the contract • Ensures that Commissioners meet their responsibilities and obligations as set out in the contract. • There are agreed Terms of Reference for CQPM • Receive assurance reports from FIG, QSG, SLPs and sub-contracts	Monthly
Finance and Information Group (FIG)	• April 17 - December 2019 held monthly basis, from February 2020 bi-monthly basis • Informal mid point meeting in place since June 2021 • Support the CQPM in managing issues relating to finance, activity and other forms of data and information relating to the contract • In year performance monitoring and management and informing strategic discussion and action • Enables challenge to arrive at joint agreement of financial and activity plans, including planning assumptions and bases of calculation • Ensures ongoing monitoring of activity and financial performance to support joint management of variances • There are agreed Terms of Reference for FIG	Bi Monthly
The Quality Sub Group (QSG)	• Now held on a six-weekly basis • Seek assurance from Virgin Care that high quality and safe services are being delivered	Bi Monthly

	- Responsible for reviewing and ensuring compliance against the contractual quality standards (incidents, workforce reports, surveys and safeguarding) - Providing assurance on progress with any regulatory body action plan - Determining compliance against the Commissioning for Quality and Innovation (CQUIN¹) thresholds - Ensure that any assurance received is outcome based where possible and provides adequate assurance to Commissioners; providing oversight of quality and safety during times of organisational change and service redesign - There are agreed Terms of Reference for QSG	
Service Level Performance Meetings (SLPM)	- SLPM feeding into CQPM: - Adult Social Care and Safeguarding (monthly) - Children's (quarterly) - Continuing Healthcare (monthly) - Mental Health (quarterly) - Learning Disability and Physical Sensory Impairment (quarterly) - Public Health – Wellness and Health Checks (quarterly) - Public Health – Sexual Health (quarterly) - Public Health - Substance Misuse (quarterly) - Specialist Health (quarterly) - Community Adult Health Care (quarterly) - Provide service-level assurance by holding Virgin Care to account for the performance and quality obligations of the individual services - Offer support where needed to the provider in delivering the services	Range from Monthly to Quarterly

Where a sub contracted provider delivers a service an assurance report is submitted to an allocated SLPM for each provider and a Service Manager from the Virgin Care sub-contractor team is in attendance at the SLPM to deliver the assurance update on the performance of the sub contracted provider in the quarter reporting period. The Senior Manager responsible for sub-contractors at Virgin Care provides an assurance update at CQPM on performance of sub contractors.

Appendix Five – Overview of Community Wellbeing Hub (CWH) activity from March 2020 to August 2021

The following activity has been delivered by the Community Wellbeing Hub partners since March 2020:

Direct food support

- 747 emergency food boxes were delivered including frozen meals which supplemented each box. This included Bath College and DHI winter and summer homeless programme. In total 943 individuals received support.
 - 26% of emergency food was delivered to families, 55% lived alone, 19% lived with other adults
 - Breakdown of enquiries received by gender - 57% female and 43% male.
 - 27% of enquiries were repeat requests.
- 33 people received a Christmas meal delivered by the Hub with a small gift.
- 124 unwanted food government parcels collected and redistributed.

Other basic support needs delivered

- 42 urgent medication collections have been arranged (first wave March/April 20 and third wave June/July 21). This is in addition to the support provided from 3SG volunteers.
- 29 hearing aid batteries collected or arranged for service for vulnerable people (March – June 2020).
- Various requests for welfare visits to be made to vulnerable people where the Hub or Test and Trace have been unable to reach individuals.
- Letter and email correspondence to all Clinically Extremely Vulnerable (CEV) people in November 2020 and January 2021. Virgin Care Triage Team made 632 follow up calls during that time and 56 people were given direct support (Food, Citizens Advice, Mental health, volunteer support).
- 2 webinars targeted to CEV's to support them during lockdown which included real life experiences of those shielding.
- Direct referrals being received from Test and Trace since June 2021. 29 individuals required direct contact to be made and 16 required further support (Food, Citizens Advice, Mental health).

Other logistical support delivered by The Hub in partnership with the Council includes:

- Two members of Council staff redeployed to assist the 3SG during the busiest month of April 2020 and matched 290 individuals with volunteer support.
- During March and April 2020, delivery of PPE equipment to care homes, local charities and face shields to all pharmacies in B&NES.
- Over 50,000 frozen meals provided to support local food offers including the Hub and other charitable work - 45,000 frozen meals provided by the Bath Masonic Hall Trust have been delivered to local charities including Sporting Family Change, Mercy in Action, Children's Centres, Southside Family project and included in emergency food boxes. 5,400 frozen meals provided by The Ivy restaurant distributed to local charities and 10 local nurseries.
- 41 Council PCs delivered to council staff at various locations within B&NES, South Gloucestershire, South Somerset and Bristol.
- COVID Vaccination programme in Dec 2020/Jan 2021 - support to the Pavilion and Three Valleys Health was offered in setting up the vaccination site which included recruitment of volunteers, gritting, signage, barriers. Direct support given by Virgin Care and the Council to the Pavilion for their volunteering programme including advertising and process, 400 people recruited (200 were Council staff)

Appendix Six - Transformation progress against original Your Care Your Way priorities, Virgin Care updated position in August 2021

Each of the transformation priorities of Your Care Your Way (YCYW) are listed below with an update on progress to date.

A person, not a condition

Services will take into account all of a person's strengths as well as those of their family, their community and their wider support network:

- 3 conversations model has been established in social care.
- The Compassionate Community Hub was established alongside B&NES Council and third sector partners and operationally led by Virgin Care. There are now 13 partners at or participating in the hub, alongside volunteer service coordination. Hub is strengths based in design and focuses on services available in community and networks available. Impact has been significant including 80% of people being supported on the first call and not requiring any follow up.
- The Care Coordination Centre (CCC) was a central part of the delivery strategy of YCYW, co-locating health/social care and prevention services for the past 2 years. There is a daily multi-disciplinary team (MDT) meeting to support cases coming in through the care coordination centre in order to join-up care and a weekly wellbeing and third sector MDT, all with health and care representation. The next stage of care coordination will be to deliver a children's integration into the CCC which had been delayed due to COVID.

Staff will be trained to identify people's individual goals and aspirations and will draw upon all health, care and community assets to achieve them:

- Social care services are now co-located alongside health and wellbeing services at the Care Co-ordination Centre, located in Peasedown St John (CCC)
- Third sector organisations have been training staff in the CCC to widen their knowledge of support available and community assets.
- There are representatives from all areas of health, care and community, at all Funding Panels to ensure widest breadth of community services are drawn on. Third sector services are represented through commissioning representation at the panels.
- Virgin Care have also worked with the primary care networks to operate a joint social prescribing link worker model, with social prescribers working within the wellbeing hub and practices.

Staff will seek to understand any barriers to meeting these goals and work with the person to overcome them:

- The Compassionate Community Hub, later re-named to the Community Wellbeing Hub (CWH), has supported over 16,000 calls between March 2020

and August 2021 and will now continue to develop in order to use community assets to ensure that services wrap around people. It includes a joined-up referral and support mechanism to share appropriate information about someone's journey.

- Making Every Contact Count (MECC) practitioners have increased significantly in numbers and rolled out across partner organisations and direct provision
- The introduction of the funding panels has sought to ensure every area of an individual's need is addressed by all areas working together.

Join up the information

A Care Co-ordination Centre will provide a single point of contact for people who require care and support, their families and health professionals:

- There is one set of call system infrastructure within the CCC and now the Community Wellbeing Hub is co-located with this service.
- There are further developments in this CCC for example; children's services CCC solution will be introduced in 2022; switch board services will be completely integrated into the CCC by the end of 2021/22 year to ensure delivery of a 24/7 CCC response.
- Work to re-design the B&NES website was delayed during COVID but is now underway to improve communication and visibility of the care coordination centre to the B&NES community and service users.

Signposting to other services:

- Signposting is captured within the CCC and within the Community Wellbeing Hub through a new referral management system which was introduced for health services and most recently in COVID, a referral management system for third sector and prevention based services has also been introduced. This has been the first time the third sector have been able to join up a referral and signpost with appropriately shared information to support someone's journey.

Booking, scheduling and case management:

- Signposting, booking and management of cases all take place at the CCC now alongside the Community Wellbeing Hub which is based upstairs at the CCC.
- Colleagues have access to the integrated care record and joint referral system from this base. Dynamic scheduling, allowing increased efficiencies, failed at pilot phase within first system of choice, procurement is now in progress for an alternative scheduler.
- A digital referral management portal is being updated and launched for all internal referrals by the end of this year.
- Health Roster is in place for all services to support digital rostering of colleagues within the service. Electronic prescriptions are also in place across a large number of services.

Single assessment:

- Teams will continue to be integrated further to extend the remit and reach of the Community Wellbeing Hub in order to achieve the next phase of coordinated care

Case management:

- Social prescribers from Primary Care Networks (PCN) are closely linked into the developing CWH and CCC in order to align and support care and community opportunities. Cases are managed in the service presently across adult services, and supported through the Integrated Care Record (ICR), however there are a number of professional groups that need to be added into the CCC in order to ensure that case management can be supported for all people through this service.

Management of Patient Portal:

- Management of a patient portal has now been superseded by national programmes around patient portal and is not a viable standalone local solution. In CCG areas this is being led by BSW. This requirement is superseded by a national programme development and change and would no longer be a B&NES initiative

Telehealth monitoring:

- Only very limited telehealth monitoring has taken place until this point in the contract. This was planned for year 3 however, this has been delayed due to COVID.
- A couple of services are now in place and piloting remote solutions. Firstly, a remote weight management service has been introduced within the wellbeing service. Secondly, a pilot of remote monitoring and artificial intelligence using productive risk analytics is currently being undertaken in social care. This is presently in the roll out phase and evaluating how else this service could be used, for example, in reablement. Virgin Care are also working with B&NES Council on remote monitoring opportunities.
- These initiatives will take this area of transformation back on track for delivery against the objective within the contract timeframe.

A single plan***Single assessments will form the basis of a single care and support plan to give people choice and control of the care and support they receive:***

- An Integrated Care Record (ICR) is now live and being used
- The focus has developed on ensuring that plans that are developed are shared appropriately across health and care professionals and therefore provide people with appropriate choice.

- Next development is to assess if care plan functionality can be used within the ICR to further share plans and to agree how this is going to be commonly accepted across health and social care.

People will be able to view their integrated care record and control how information is shared across providers and with their own choice of friends, relatives or carers:

- Despite challenging start with an ICR having to be re-procured, the ICR programme is now well established and utilised. It includes 5 data feeds from GP, Acute, Community and Social Care and the Mental Health Trust. The final feed will be to include Children's Social Care data which will be provided by B&NES Council.

The records are used to inform and appropriately share information which leads to more rapid decisions being made and more joined-up care being experienced by the service user:

- Virgin Care have led an evaluation of its use so far and now the ICR is being adopted across the rest of the ICS using the same instance and with a sharing of the lessons learnt in the B&NES deployment.

People will be involved in regular multidisciplinary reviews of their plan to ensure their physical, mental, emotional, cultural and spiritual needs are being met:

- A number of MDTs have been introduced - daily MDTs now take place at the care coordination centre.
- Weekly MDT meetings take place with partners to ensure needs met appropriately.

Focus on prevention

Patient Activation Measures will be used to allocate people into four levels depending on their confidence, ability and motivation to self-manage:

- Activation measures were being rolled out prior to COVID and planning is now being undertaken to understand how these can be applied in the new normal. Virgin Care are now following the latest NHS E guidance on how activation measures can be managed and tracked via a wellbeing score. This was planned for year 3 roll out but was delayed. The project has now re-commenced, a measure identified, and this will be implemented in the integration of the first response and wellbeing teams.

Risk stratification will help with early identification of those who are vulnerable on the fringes of healthcare or at risk of hospital admission:

- Risk stratification in this way relies on information being in the source system, the ICR, to carry out this analysis. The data is now in the system and the integrated care record is starting to be utilised for this analysis. The first programme has been to identify people at risk who are eligible for an NHS health check and to target these people for being checked. Other use-

cases are also live in the areas of learning disabilities and respiratory case finding.

- The next phase is to take the enhanced risk finding to the care coordination centre to identify people at risk of hospital admission or exacerbating conditions. There are other ways that this is being achieved for example through the community wellbeing hub whereby there is a structure of escalation to identify people who are being supported in the community who are deteriorating and bringing this to a daily multi-disciplinary meeting where a proactive response can be identified to support an individual to avoid a hospital admission.

Rapid response services will prevent people being admitted to acute care through speedily providing the services they need at the right time:

- There needs to be more discussion and review of this indicator and impact. B&NES did not in the end specify a 'rapid response' service, however, new reablement model now coming into place in order to provide 2 week rapid assessment and rapid response features in the NHS Long term plan. This will be provided through the urgent 2 hour response services that will come into development in Q3 and Q4 of 21/22. This is a critical part of supporting B&NES Council to deliver its adult social care transformation in the coming two years.
- A number of initiatives including CCC services and outreach from the Community Wellbeing Hub, work to support this agenda, however, further work is needed to ensure that this is embedded by all partners in the system and through the flow hub. The CSDS is starting to report on the flow of this data.

Staff will be trained in evidenced-based health coaching so that self-management is the focus for all interactions:

- Training has taken place across the prevention services and colleagues in the Community Wellbeing Hub to ensure that self-management is promoted. Additional Making Every Contact Count (MECC) practitioners have been trained across directly provided services and out commissioned partners.
- Specific health coaching courses are being delivered and the new service will go-live in Sept 2021, with colleagues having been redeployed during COVID from setting up this service.

Invest in the workforce

The award-winning “People Flourish” programme will help staff improve the way they work in teams and with people who work in different ways to themselves:

- Training opportunities for colleagues have increased in frequency and number over the period of the contract. A large number of apprenticeships

are offered and in place including nursing apprenticeships qualifications and therapy support workers.

- Virgin Care B&NES have recently also uplifted the number of rotational therapists into their services.
- 'Have Your Say' workforce survey has shown increased engagement and satisfaction scores from colleagues - most significantly between year 3 and year 4 of the contract and it now stands at an engagement score of 73% which is in line with the NHS responses nationally.
- A fortnightly manager's briefing now takes place to ensure direct communication for all support services, alongside weekly colleague newsletters highlighting training opportunities and other opportunities to develop and learn.

Investment in mobile working technology will reduce the time spent on paperwork allowing frontline staff to focus on providing high quality care:

- Virgin Care have deployed almost new 600 laptops within the contract to ensure that teams have access to the latest technology and have used this mobile technology to support new ways of working within teams.
- Use of technology has led to an increase of up to 30% patient facing times in teams, supported by audit. In addition, this has meant increased resilience of services when working from home. This has enabled teams to go straight to their first visit rather than visiting base and has enabled further hub working.
- There are some teams where mobile devices have been delivered but new ways of working are yet to be fully embedded, change programmes continue for these teams. Virgin Care now also offer patient digital appointments, wider ranges of remote monitoring, wellbeing platforms online and a new referral platform to eliminate the final pieces of paperwork in the service.
- To support colleagues, Virgin Care have invested in a full time IT trainer delivering a 'back to basics' approach to IT in order to deliver against the identified digital literacy challenge that still remains in some services, with the aim to support colleagues to develop their skills in this area

There will be a cap on management costs so that resources are invested into front line care:

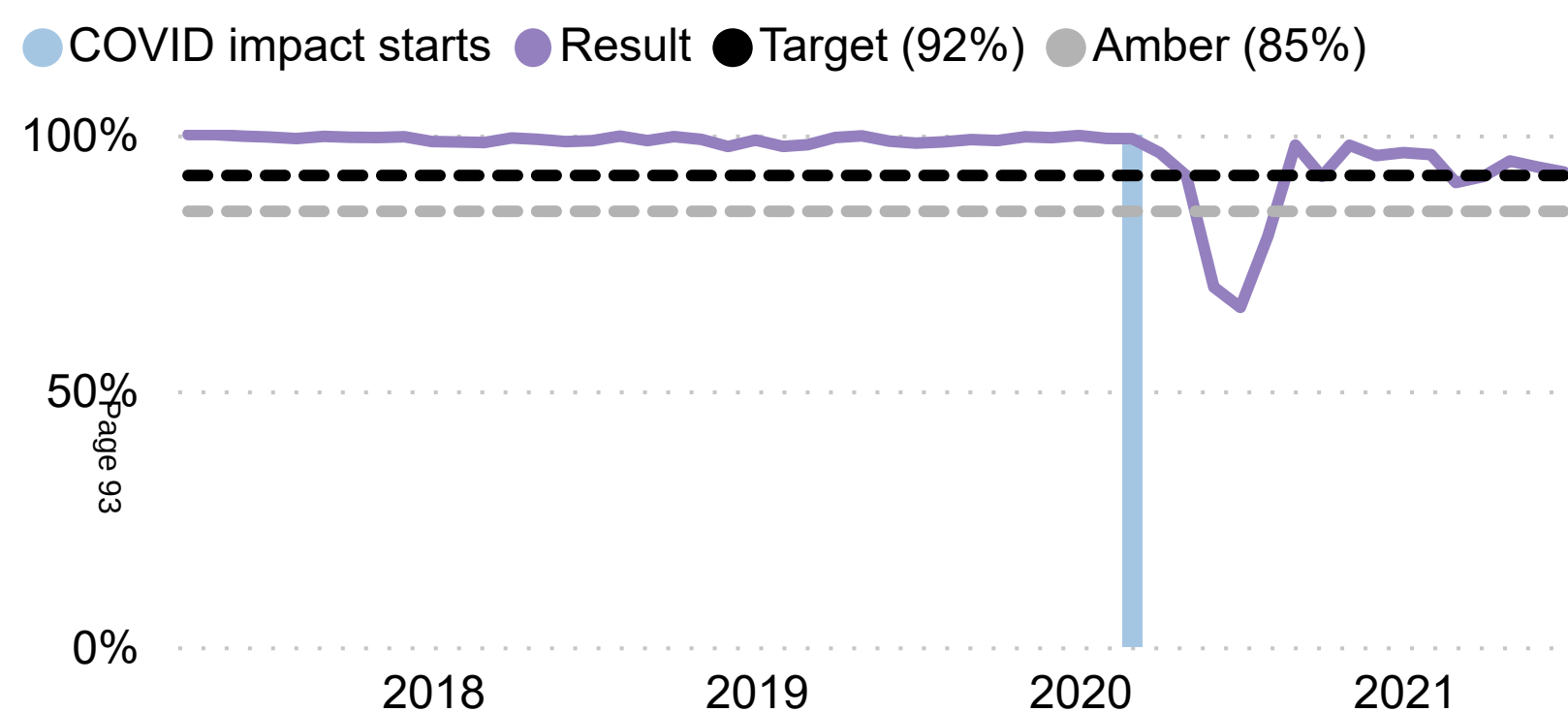
- This cap is and remains in place in the contract

B&NES Community Services: Virgin Care performance summary

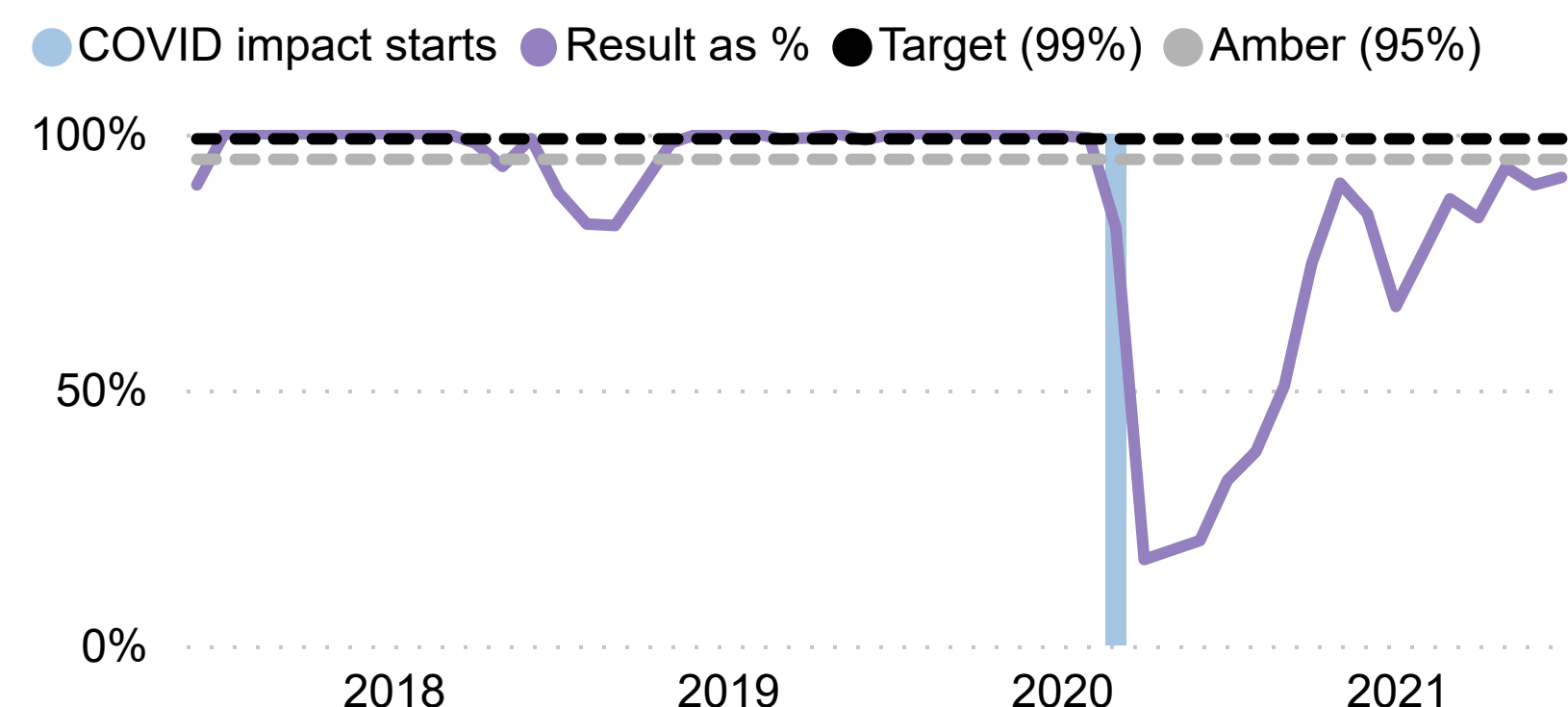
This report summarises performance over the term of the contract to date (since April 2017) for services which have experienced challenges, including those brought about or exacerbated by COVID. Many of these services contribute to CCG and Council performance against national metrics and they perform a key role in maintaining flow through the health and social care system. The charts below include performance against targets for selected measures from the more detailed pages that follow. Further information on the factors that have contributed to performance are detailed in the subsequent pages.

Planned Care - NHS Constitution (Referral to Treatment (RTT) and Diagnostics)

RTT: % waiting < 18 weeks (Apr-17 - Jul-21)

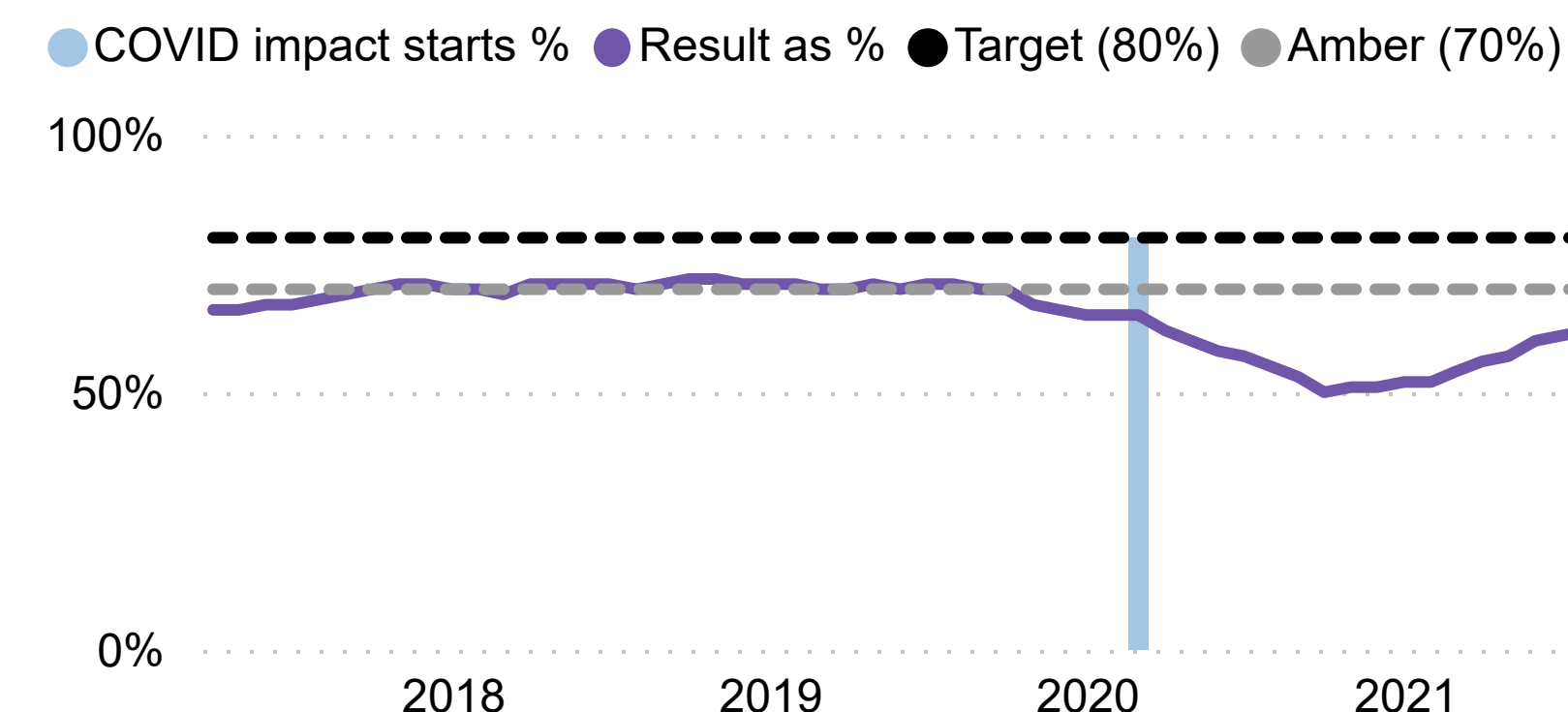


Diagnostics: % waiting < 6 weeks (Jun-17 - Jul-21)



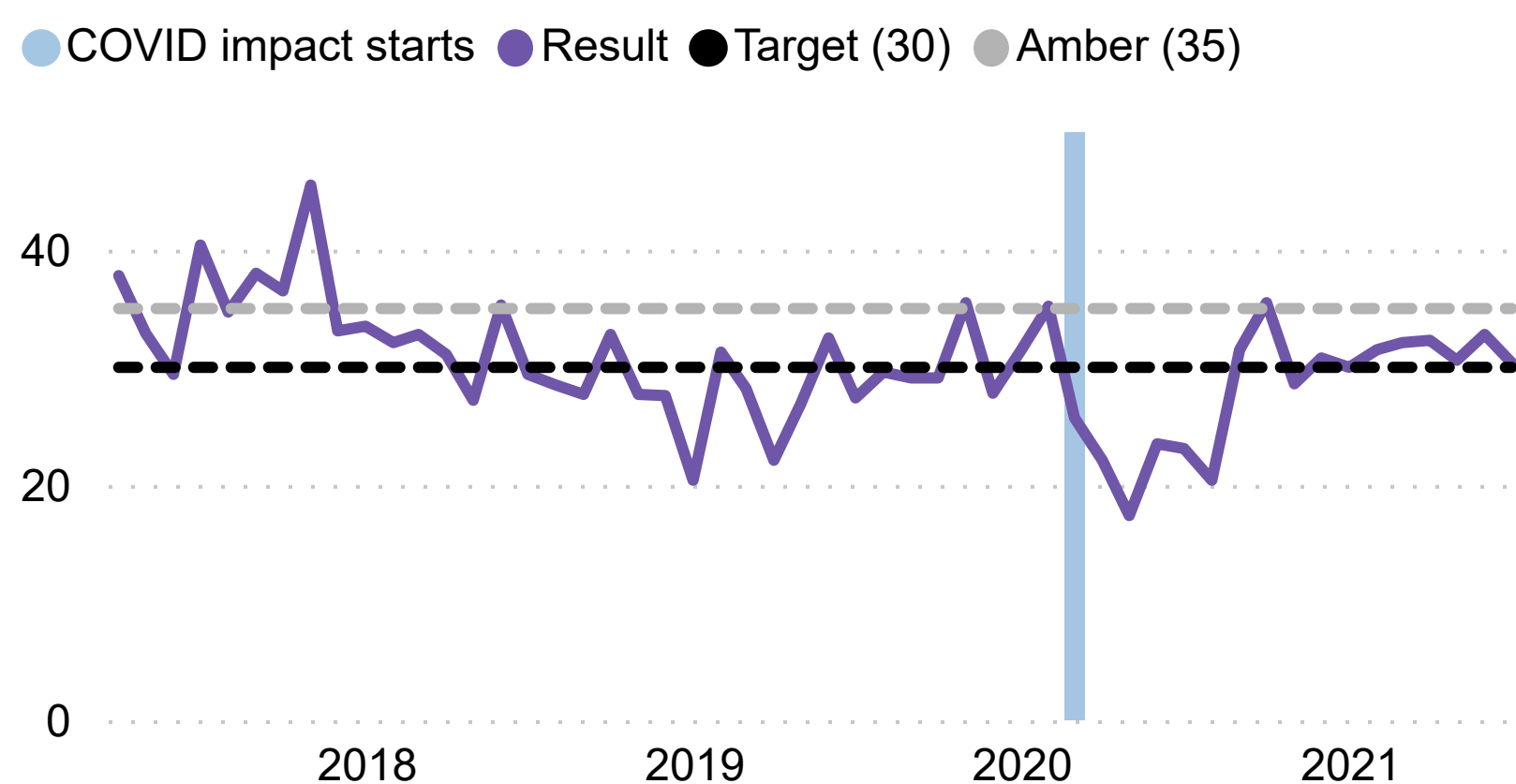
Social Care

Annual reviews: proportion of people with an up-to-date review (Apr-17 - Aug-21)



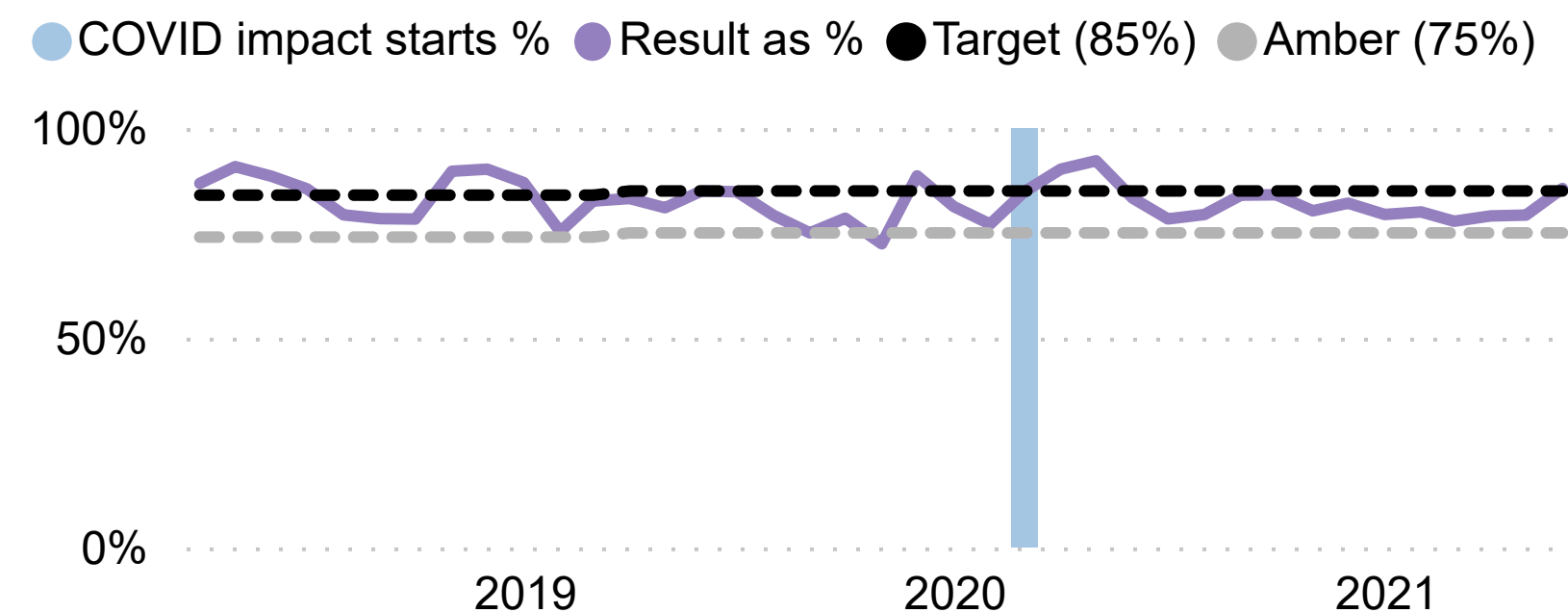
Community Hospitals

Length of Stay (days) (Apr-17 - Jul-21)



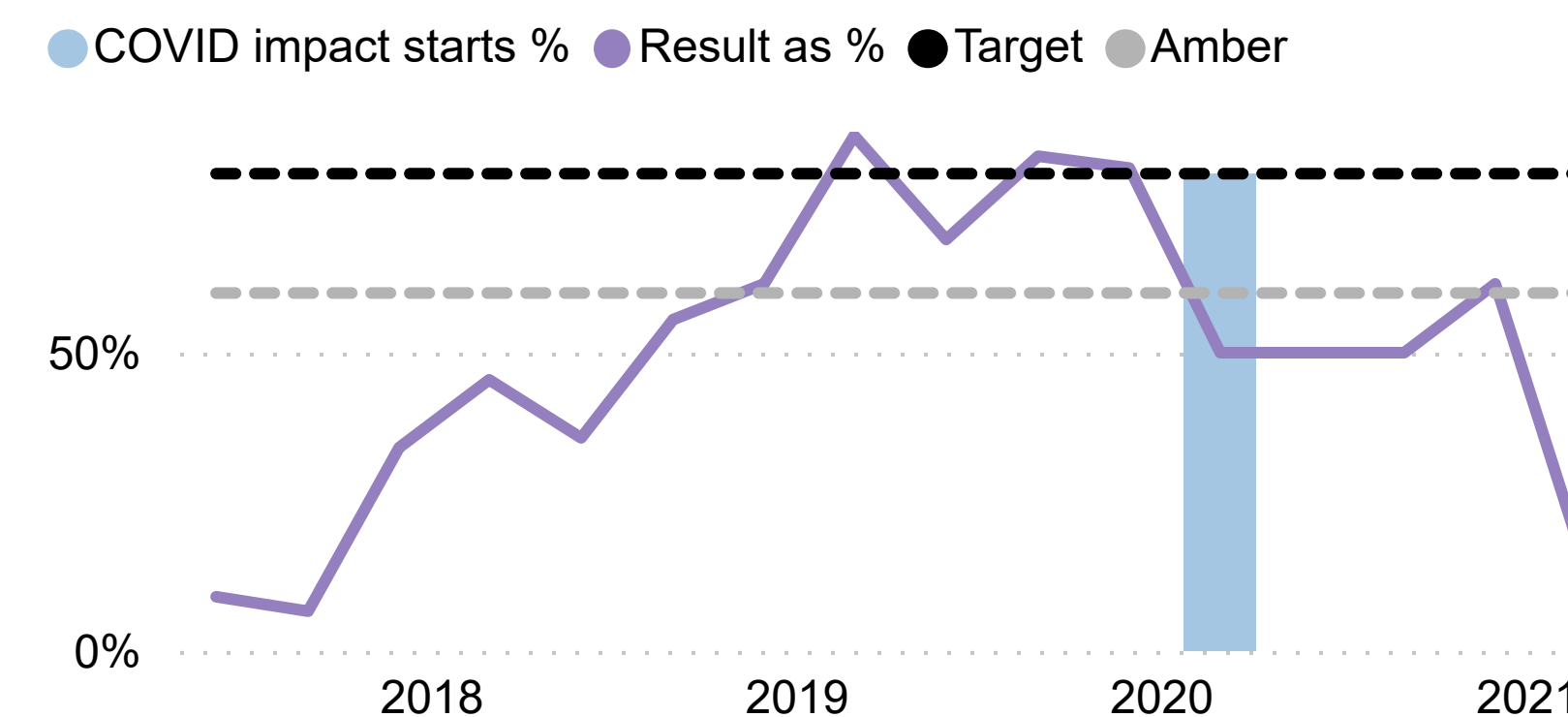
Reablement

Reablement: % of people (65+) at home 91 days after discharge into service (ASCOF 2B(1)) (Apr-18 - Jun-21)



Continuing Healthcare

Decision Support Tool: % undertaken within 28 days of referral (Jun-17 - Mar-21)

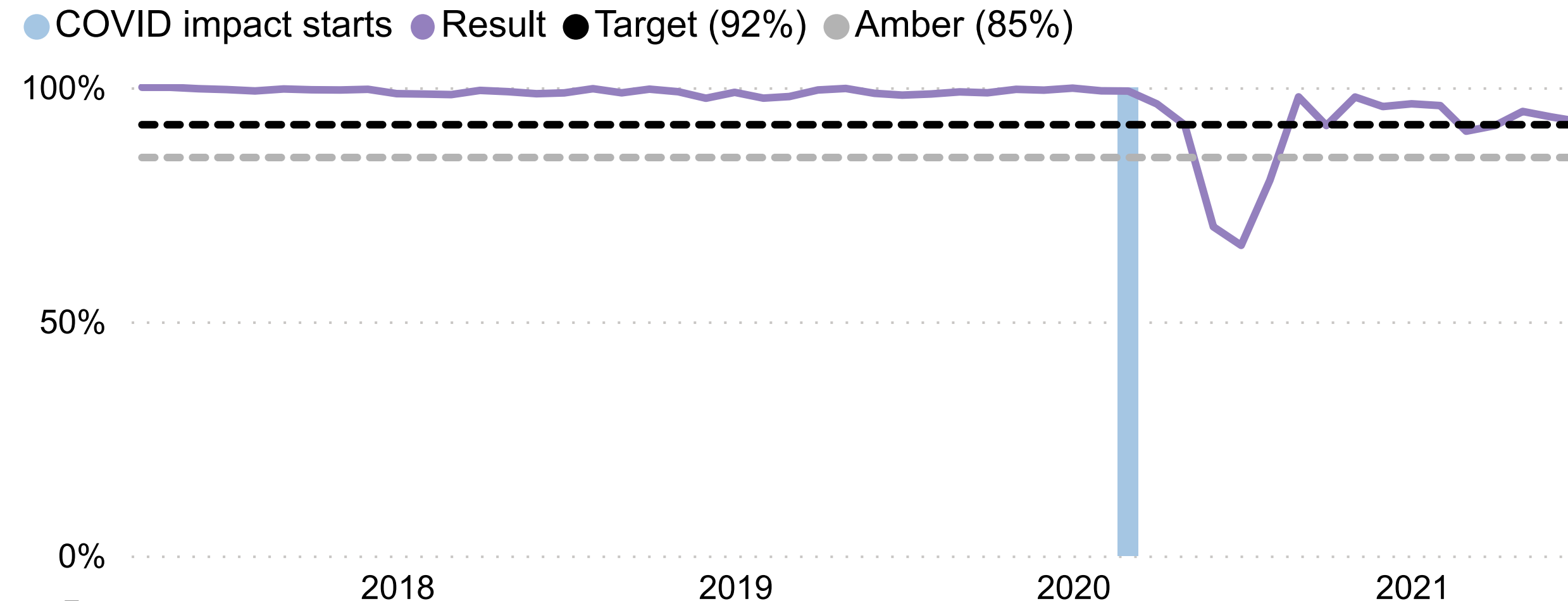


NHS Constitution: Referral to Treatment (RTT) performance

Source: NHS Digital, <https://www.england.nhs.uk/statistics/statistical-work-areas/rtt-waiting-times/>, via SCW CSU.

Waiting times performance for Virgin Care consultant-led services which count towards the NHS Constitution standards for referral to treatment.

RTT: % waiting < 18 weeks (Apr-17 - Jul-21)



Page 94

The NHS Standard Referral to Treatment (RTT) target is for 92% of the incomplete waiting list to have waited less than 18 weeks. (It should be noted that due to the ongoing pressure in the health system national performance in June 2021 is below the standard at 69% and in B&NES, Swindon and Wiltshire the standard is only being met by some community and independent sector providers.)

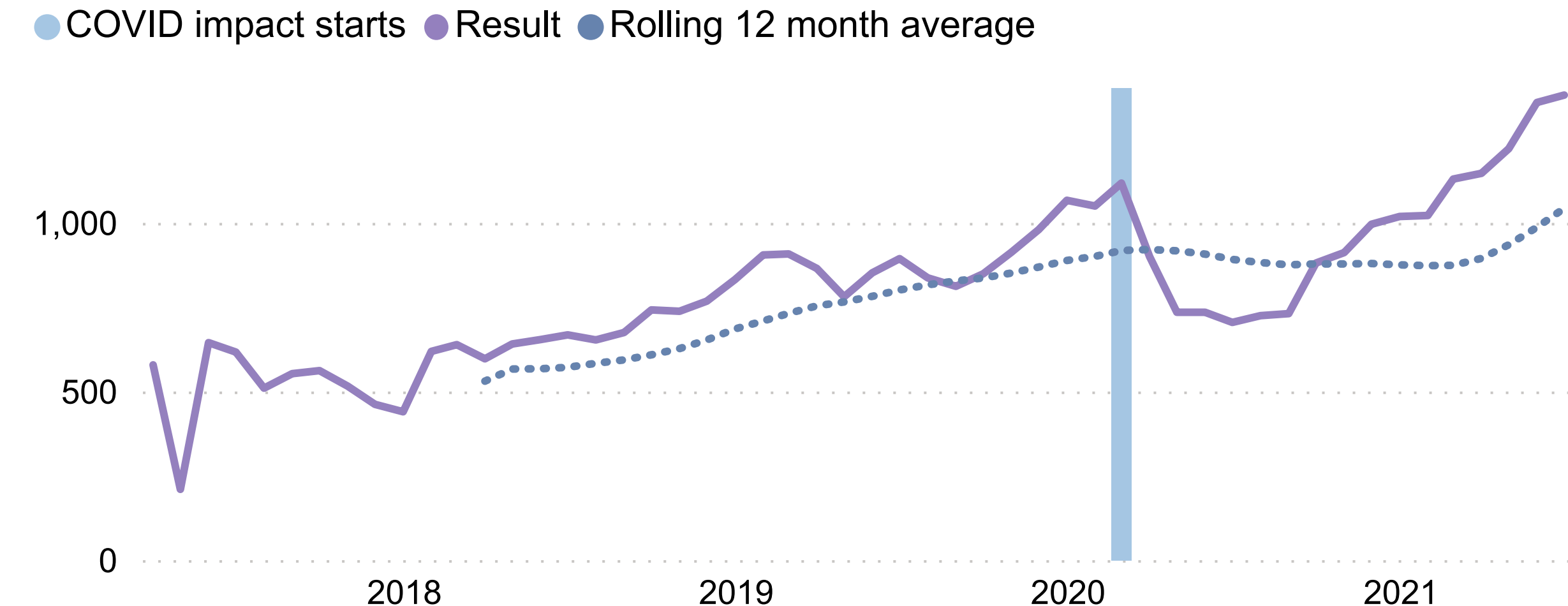
For B&NES Community Services, RTT is reported nationally for the Consultant led services, including services that directly interface into a consultant led service in an Acute Hospital: Community Paediatrics, Falls and Balance Service, Orthopaedic Interface Service.

The 92% < 18 week target has been met overall across the life of contract (51 months for which national data has been published: April 2017 to June 2021) barring a few exceptions, mostly related to COVID. The rate for July 2021 is 92.68%

The exceptions by service are as follows:

- Orthopaedic Interface Service – May to August 2020, October 2020 – During the first lock down the service used virtual appointments where possible, but longer waiters did increase. In August, a focus on treating patients from the backlog drove the recovery.
- Falls and Balance Service – Nov 2018 (91%), Mar 2019 (88%), April to July 2020 – During the first lock down, face to face appointments were very limited.

RTT: Incomplete pathways (Apr-17 - Jul-21)



- Community Paediatrics - March to July 2021, July 81.6%, Activity has dipped in months affected by the January 2021 lock down. While activity has been increasing back towards normal levels, > 18 week waiters increased to 87 in July, the highest level to date.

The overall RTT incomplete waiting list decreased significantly during the first lock down. With the reduction in face to face services in the first lock down the services triaged and contacted patients on the waiting list and removed any duplicates or patients that no longer required treatment. There was also a reduction in referrals in the first lock down. The waiting list has increased again in 2021 (to 1,379 in July) with referrals returning to pre-COVID levels and appointments limited with continuing COVID restrictions.

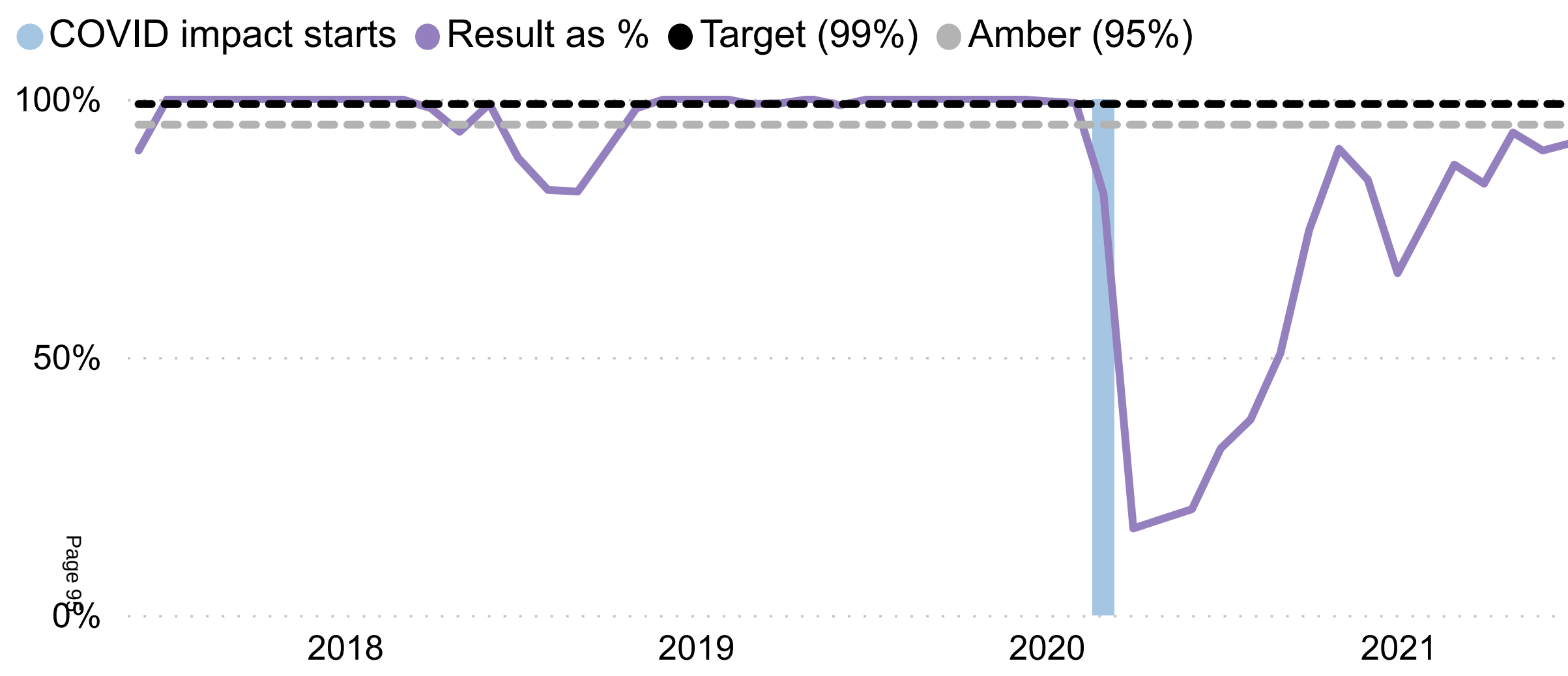
July 2021 performance is taken from the provisional national data source.

NHS Constitution: Diagnostics performance

Source: NHS Digital, <https://www.england.nhs.uk/statistics/statistical-work-areas/diagnostics-waiting-times-and-activity/monthly-diagnostics-waiting-times-and-activity/>, via SCWCSU.

Waiting times performance for Virgin Care services which perform diagnostic tests which count towards the NHS Constitution standards for waiting times.

Diagnostics: % waiting < 6 weeks (Jun-17 - Jul-21)

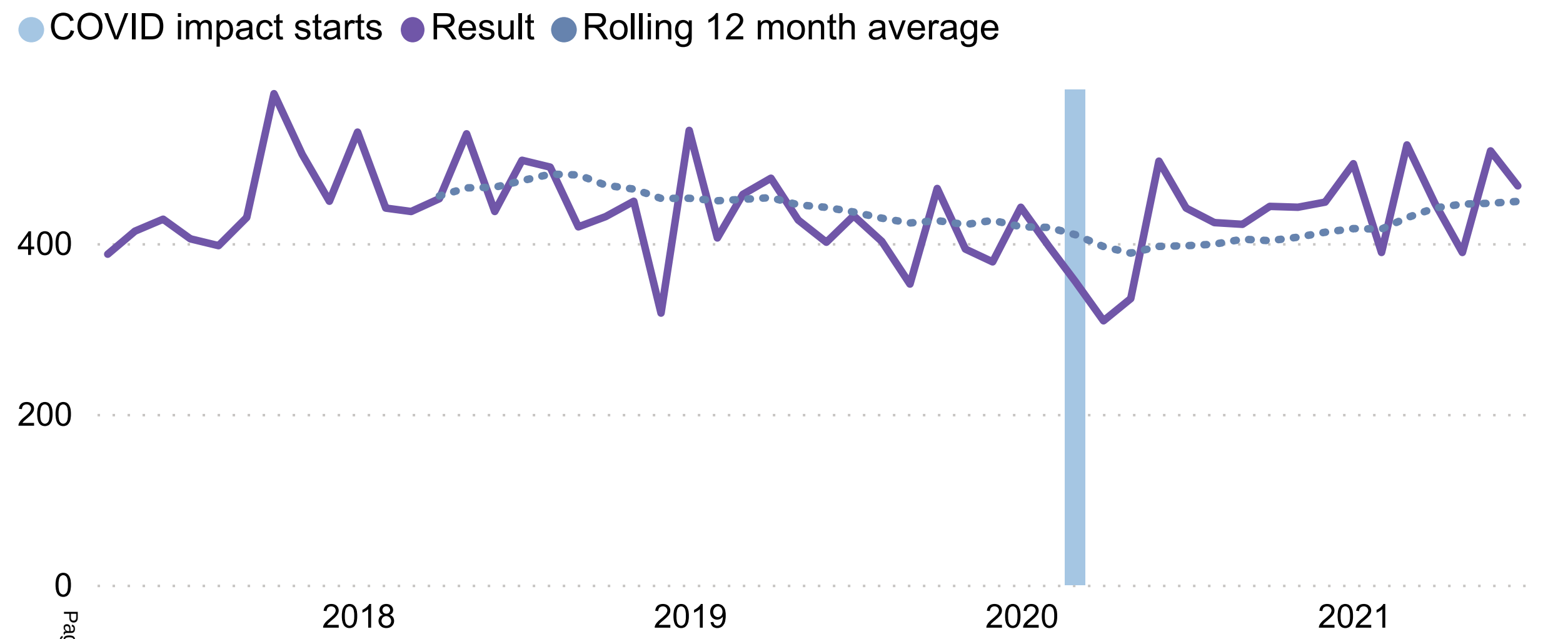


Adult Social Care performance

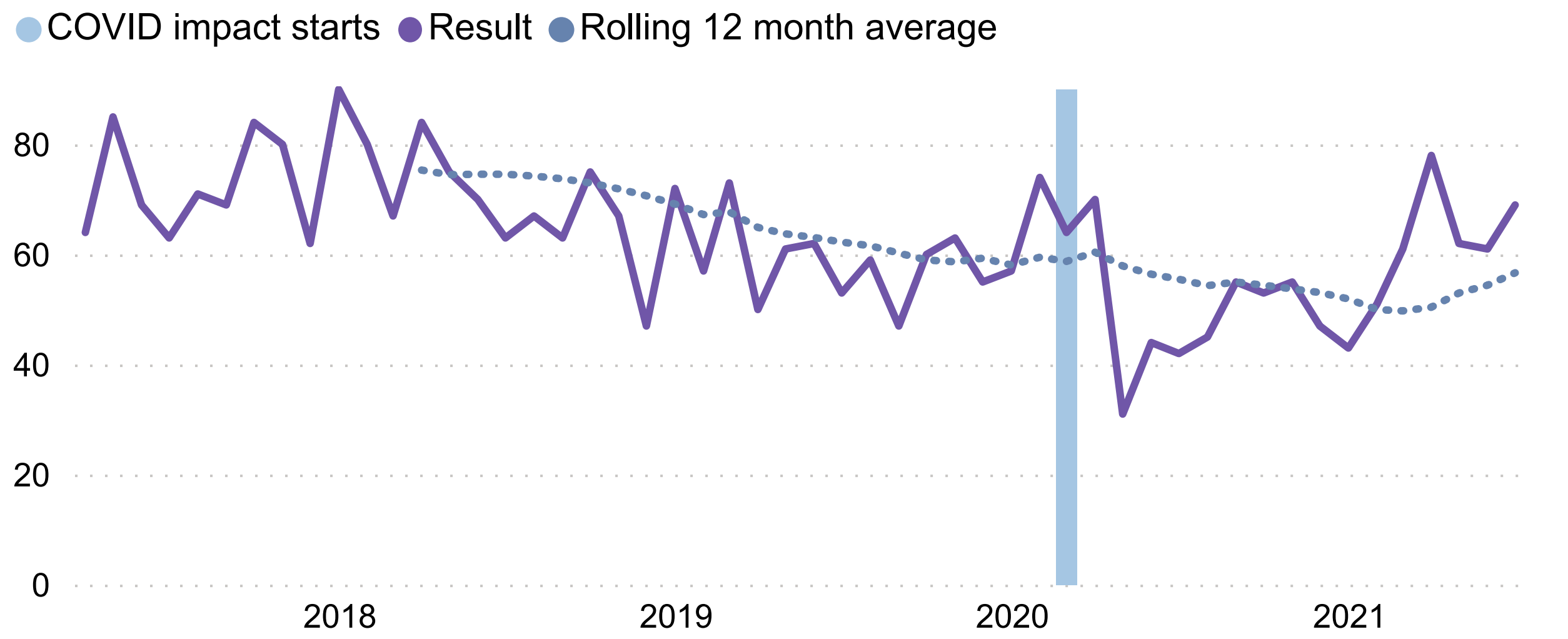
Source: Virgin Care scorecards, July 2021

Demand and activity for statutory Adult Social Care services.

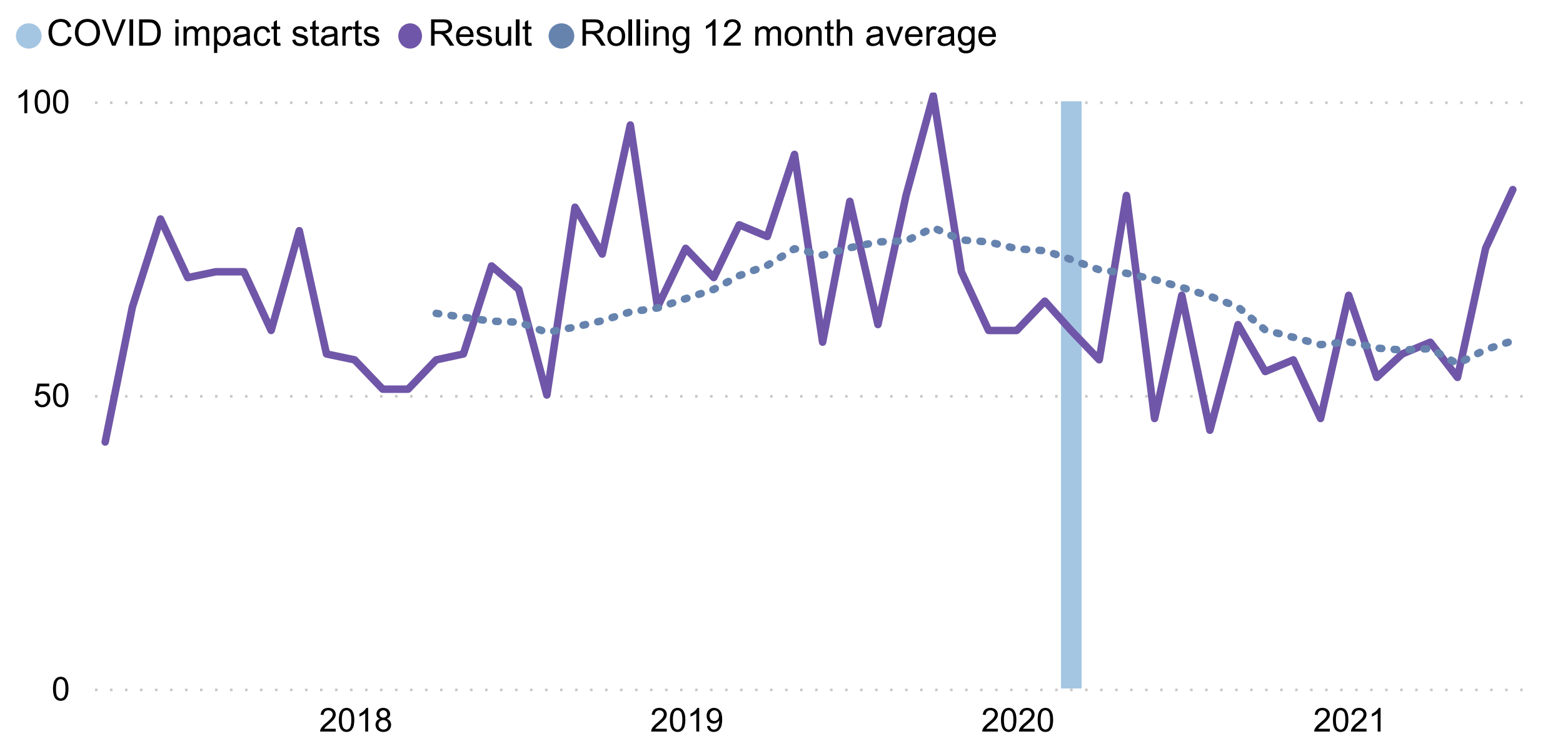
Referrals (Apr-17 - Jul-21)



Assessments completed (Apr-17 - Jul-21)



Reviews completed (Apr-17 - Jul-21)



Adult Social Care services provided by Virgin Care include providing advice and guidance, carrying out needs assessments and reviews to plan the support required by adults with needs, as well as supporting carers. As at July 2021, 1,349 people receiving council-funded services were supported by Virgin Care social work teams.

Referrals remained reasonably consistent pre-COVID, albeit with a slight downward trend. Since an initial reduction at the start of the pandemic, pre-COVID levels have since resumed. Many referrals are supported with advice/guidance or signposting to an appropriate service.

The number of assessments completed per month has been variable but there was a generally reducing trend seen prior to the pandemic. The move to a strengths-based model of social care may be a factor in this change, as practice has changed over the contract term. During the early months of the pandemic, visits to people were dependent on social distancing being possible and on the willingness of the individual being assessed (or their carer) to receive a visitor, so this limited productivity for both assessments and reviews.

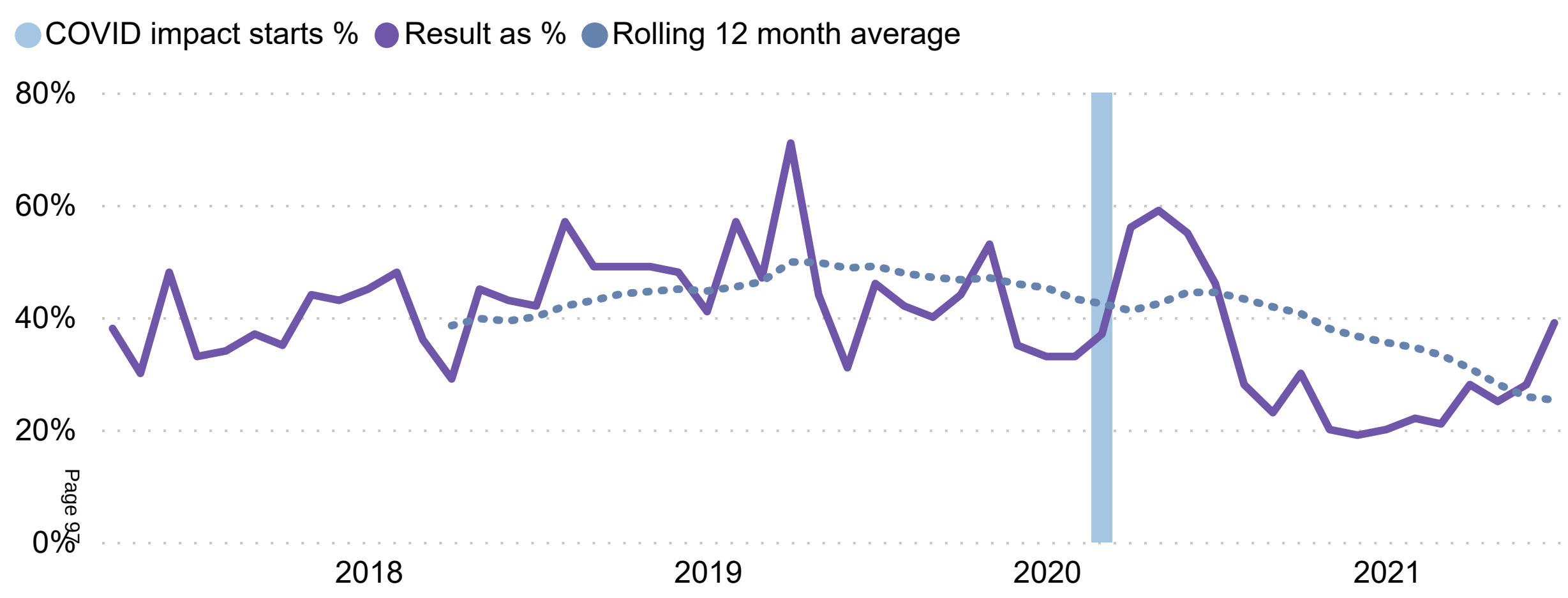
Reviews completed were on an upward trend through to Autumn 2019 but reduced over the winter prior to COVID taking effect. In 2020/21, there has been an increasing proportion of scheduled reviews carried out, which indicates that people are being seen before they reach a point of crisis where they need an unplanned review.

Adult Social Care performance

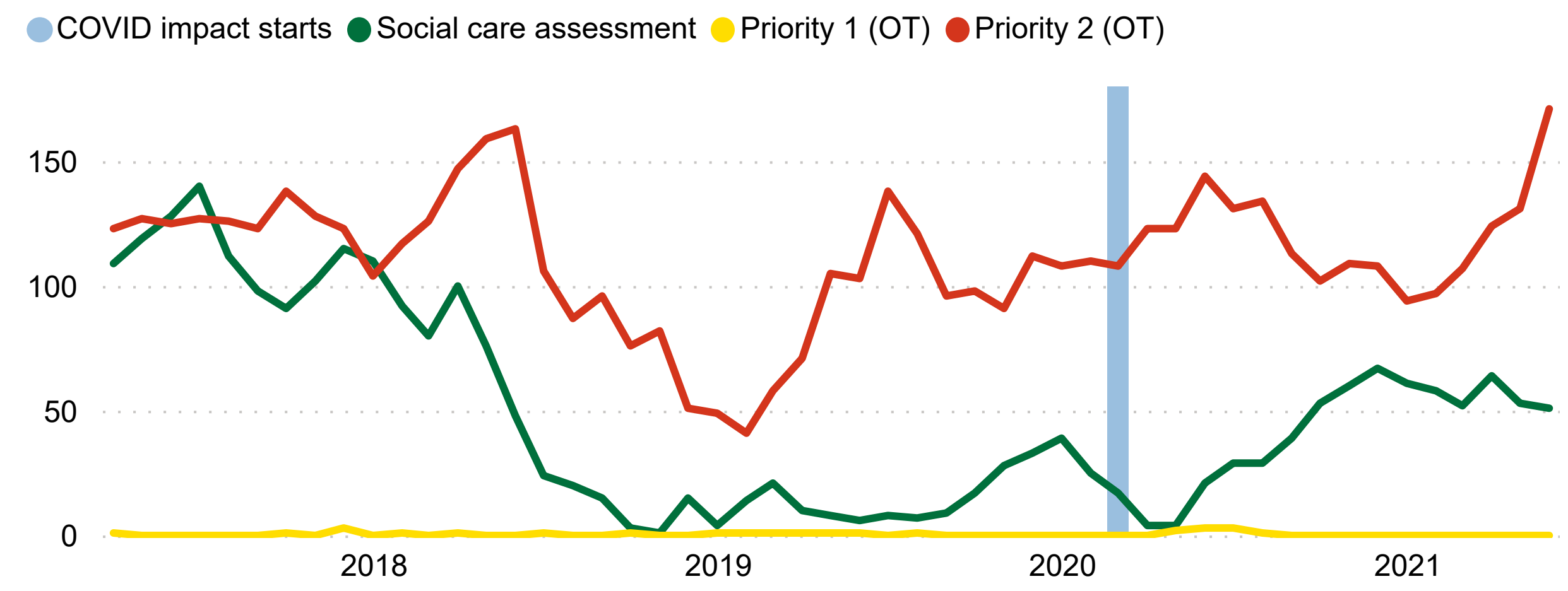
Source: Virgin Care scorecards (except for reviews, taken directly from LAS), July 2021

Performance for statutory Adult Social Care services, including timeliness of assessments, waiting lists for assessments and timeliness of reviews.

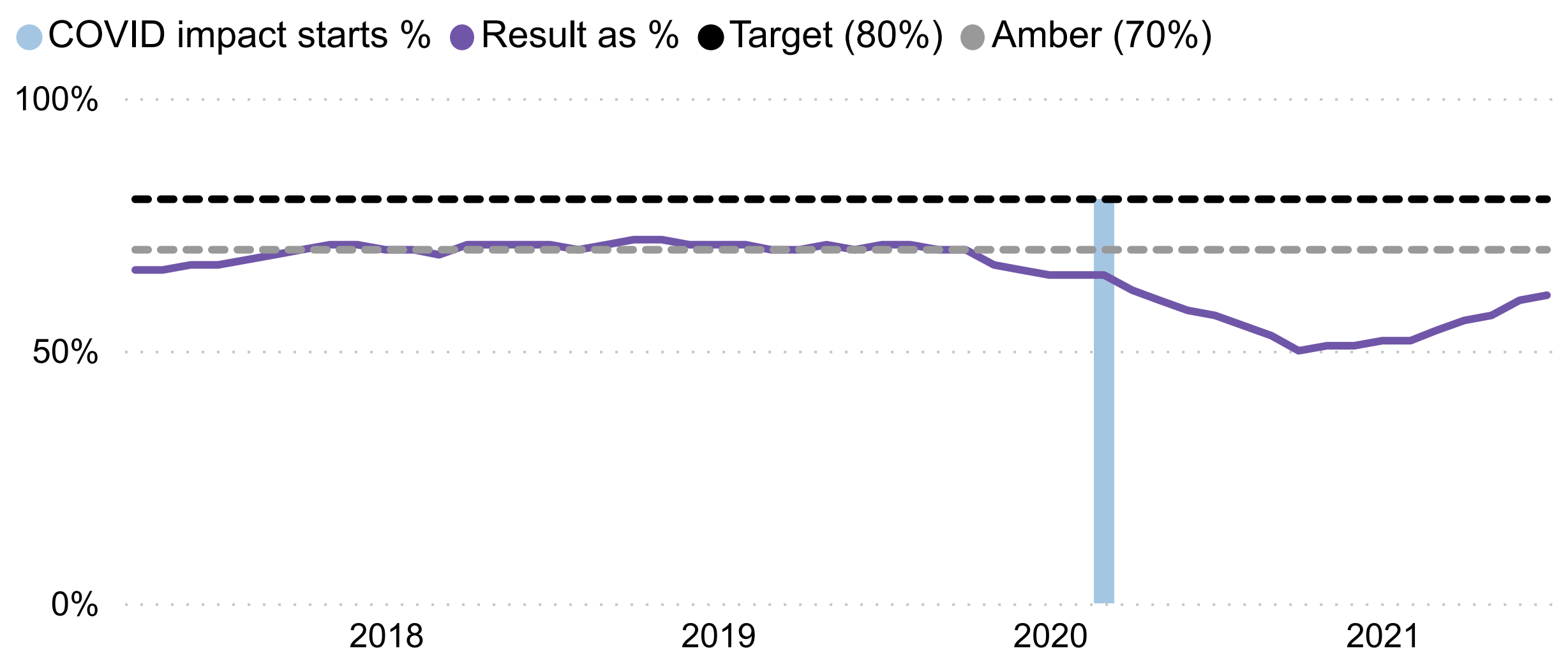
% of social care assessments carried out within 28 days (non-LD) (Apr-17 - Jul-21)



Total number of people waiting for social care and OT assessment (Apr-17 - Jun-21)



Annual reviews: proportion of people with an up-to-date review (Apr-17 - Jul-21)



Delivering assessments within 28 days of referral has continued to be challenging across the lifetime of the contract. The teams delivered an overall improvement in the second year of the contract but this has been on a downward trend since with workforce pressures a key issue (see workforce section). From March 2020, the pandemic played a role in this reduction with delays due to individual choice.

The waiting list for social care assessments was high at contract commencement but reduced significantly by autumn 2019. An increase over the following months was addressed with actions including a new workforce model and the waiting list was reducing when COVID restrictions commenced. After peaking in December 2020, the list has slowly been reducing since then. Occupational Therapist waiting lists for the lower priority group are high, but this is similar to other local authorities.

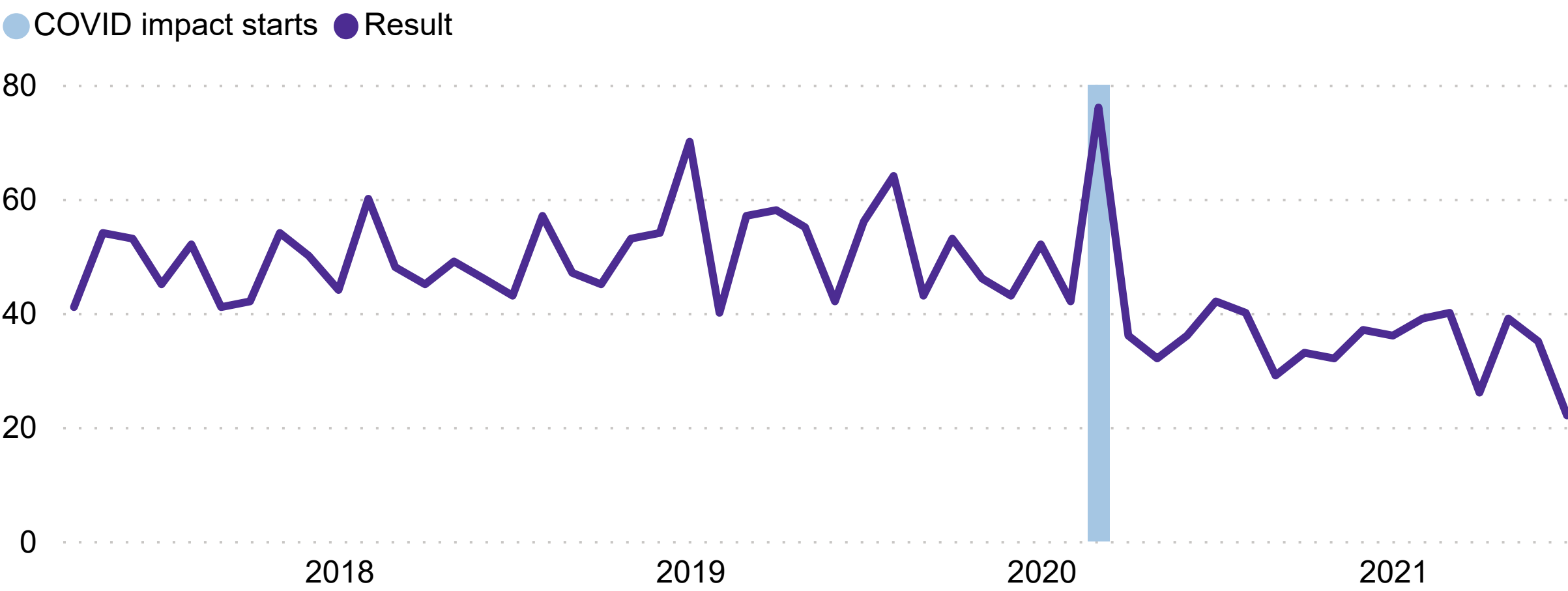
The methodology for the rate of service users with up-to-date reviews has changed over the life of the contract; what's shown in the chart is not reflective of what was being monitored up until the autumn of 2020, when the revised methodology was introduced. The rate has increased to 62% since its low point of 50% in October 2020. People overdue a review have been triaged to ensure that those with the highest need are seen first and that others remain safe with their current services.

Community Hospitals performance & activity

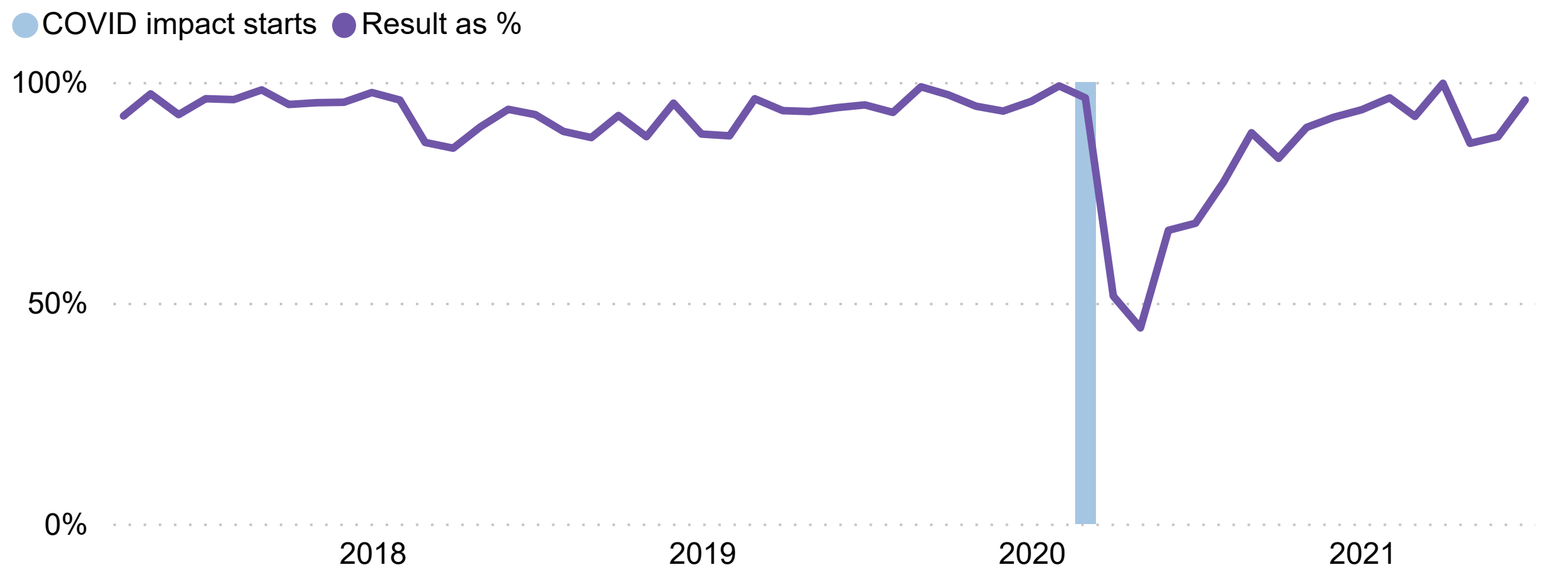
Source: Virgin Care scorecards, July 2021

Activity and performance information for the Community Hospitals operated by Virgin Care in B&NES, including average length of stay and occupied bed rate.

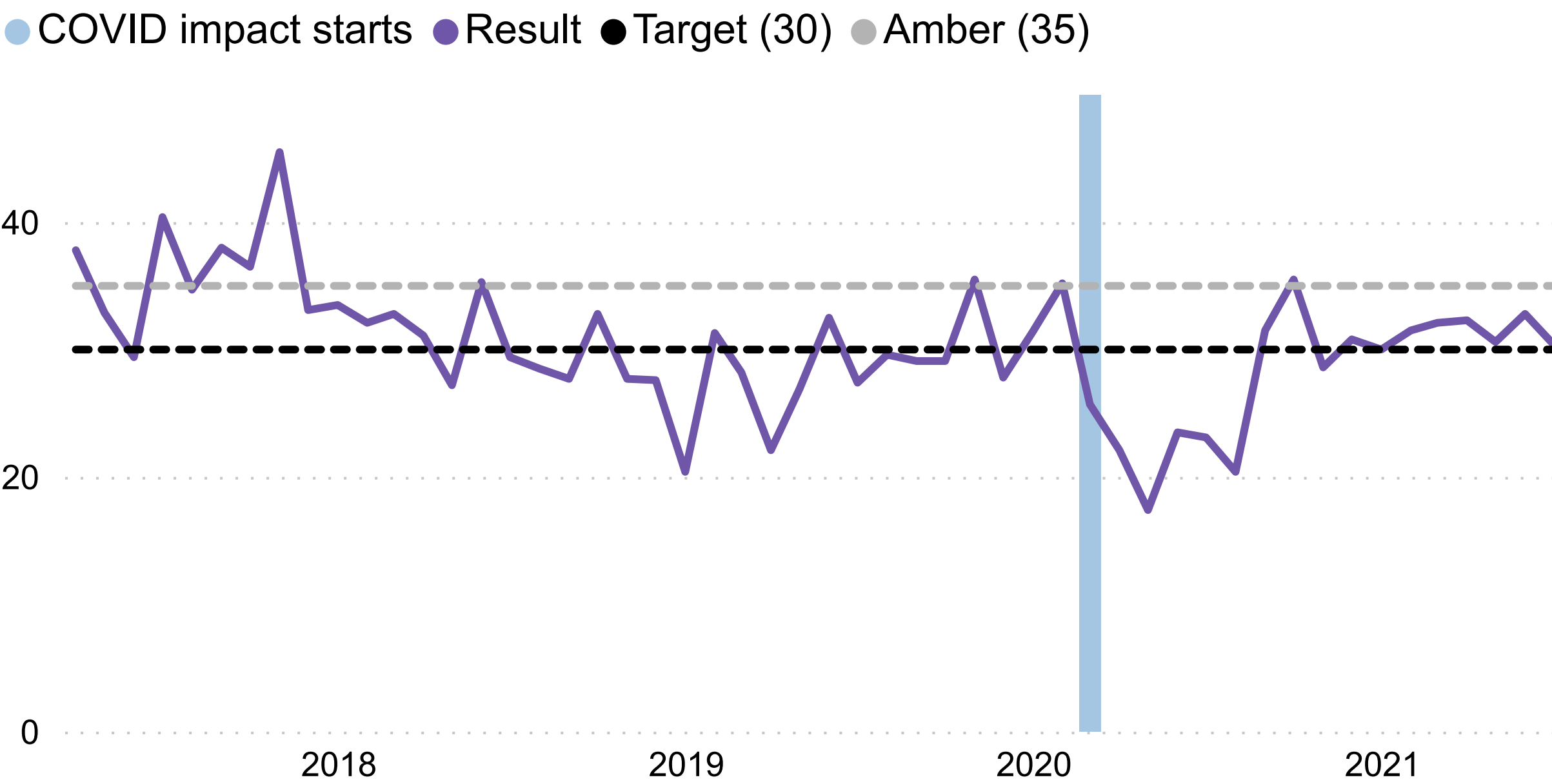
Admissions (Apr-17 - Jul-21)



% Occupied beds (Apr-17 - Jul-21)



Length of Stay (days) (Apr-17 - Jul-21)



Virgin Care operates community hospitals in Bath (St Martin's Hospital) and Paulton, providing inpatient services for non-acute patients. The ongoing challenge in community hospitals is managing the flow of patients by supporting patients to be ready for discharge and this is monitored by the length of stay measure.

Admissions before the pandemic remained within a relatively stable range, but the clearance of acute hospitals in March 2020 to preserve capacity for COVID patients is likely to have impacted on admissions in that month. Since then, the reduced bed base (from 52 to 40) has meant that the level of admissions is not comparable to the pre-COVID levels. The rate of bed occupancy remained high, particularly in winters, until the pandemic response began but is returning to full occupancy in recent months.

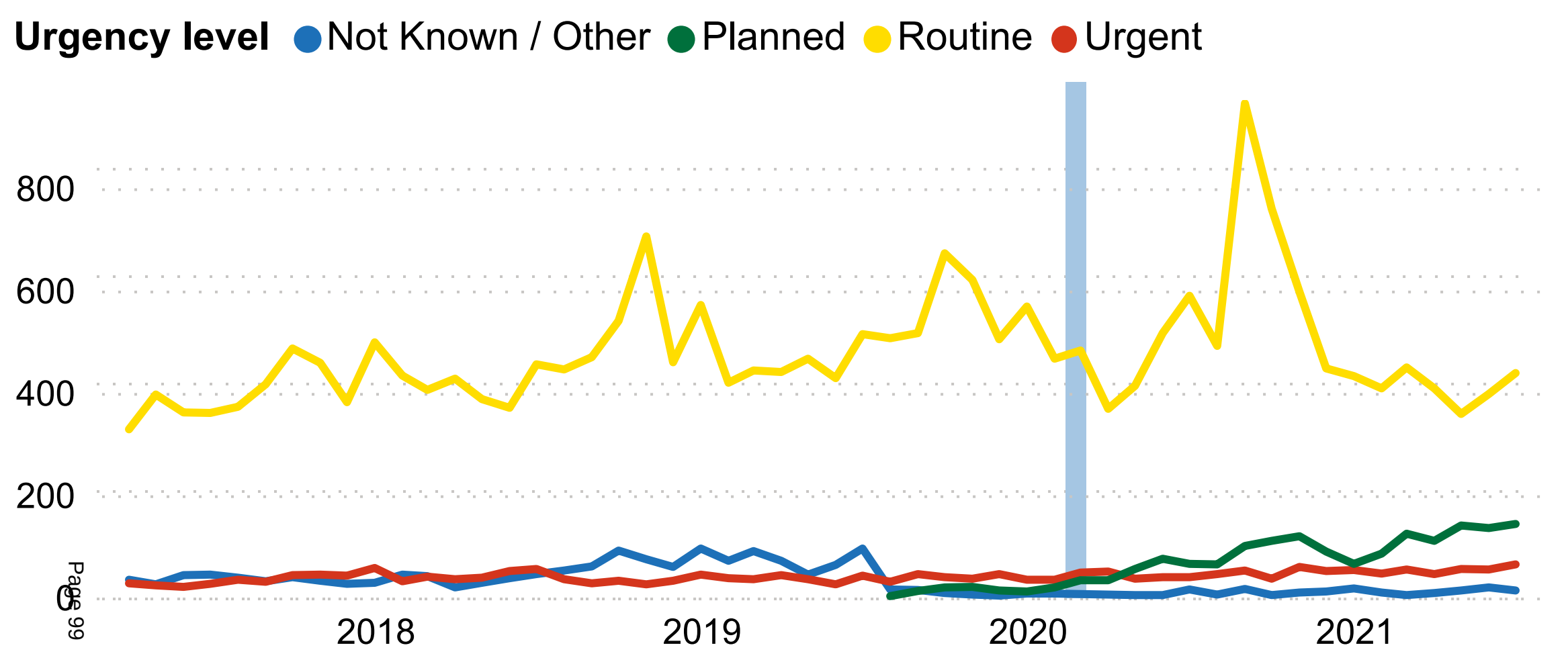
Actions to reduce the Length of stay were put in place in 2018 and delivered a reducing trend, towards meeting the agreed target, until winter 2019/20, but increased thereafter. From March 2020, the arrangements in place to protect acute capacity affected the length of stay. Since December 2020 the rate has remained in the acceptable range when not meeting the target. At the start of spring 2021, nurse staffing capacity reduced significantly such that for a 12-week period the Sulis ward was closed and operated from the Council's Charlton House Care Home. Since mid-June 2021 Virgin Care secured agency and recruited new staff to re-open Sulis Ward and increase capacity (available beds increased to 47).

District Nursing activity & performance

Source: Virgin Care scorecards, July 2021

Total contacts and referrals by urgency for the District Nursing service.

Referrals by urgency (Apr-17 - Jul-21)

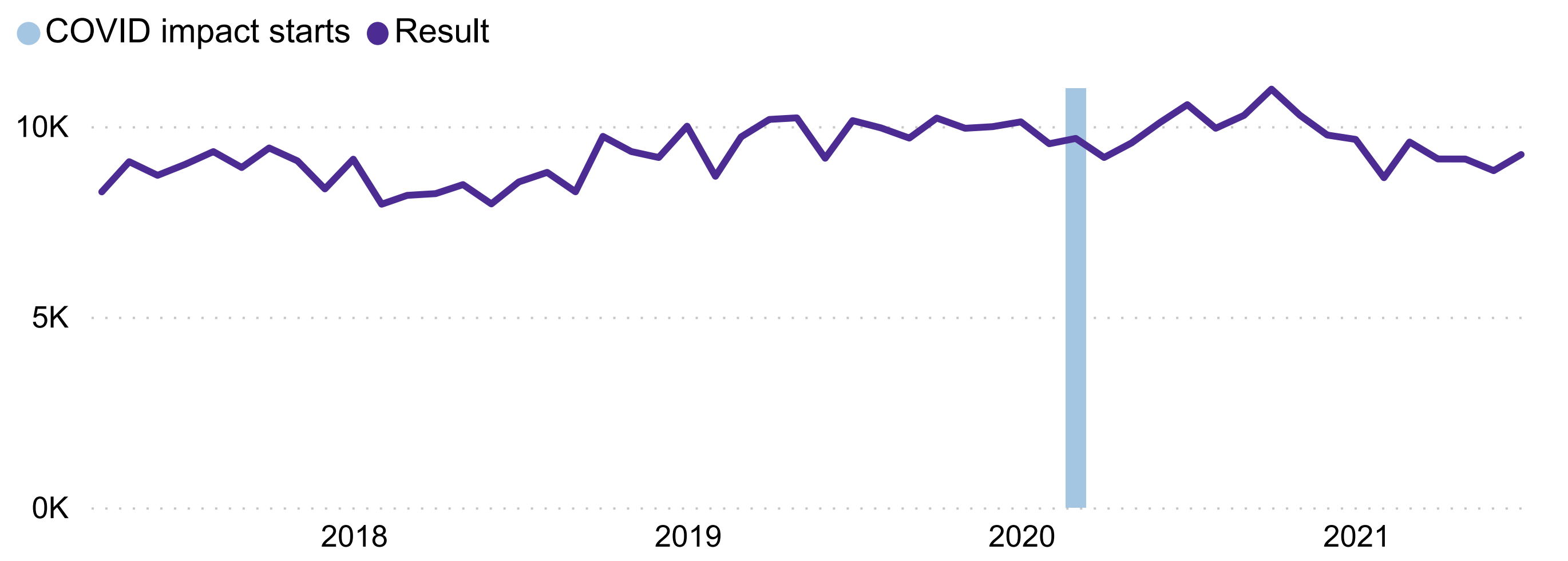


District Nurses (DN) provide nursing care to housebound adults, enabling them to maintain independence. Over two-thirds of referrals come from Primary Care, and the service provides a critical role in supporting people first seen by a GP. Changes to the DN model, to align around geographies rather than GP practices, generated concerns in Primary Care around reduced face-to-face contact. Collaborative working recently has sought to address these concerns, as noted in the main report. The resilience of the nursing establishment has been a concern which has been mitigated through developing retention and education for student placements.

The service has undergone transformation with electronic solutions introduced to support mobile working, with a focus on freeing up more time for direct care.

Referrals into the service have been increasing across the life of the contract with autumn peaks for Flu immunisation showing on the chart. There have also been significant increases in referrals for assessments and blood tests, a mix of increasing demand and transformation of the service. These referral types tend to be single tasks compared to traditional District Nursing patient support. In 2019/20 the urgency level options changed and the planned (therapies only) and urgent referral pathways (usually admission avoidance) were clarified and are now recorded separately. Contacts increased in 2018/19 (FY 2019) and have continued at a similar level since.

Contacts: (Apr-17 - Jul-21)

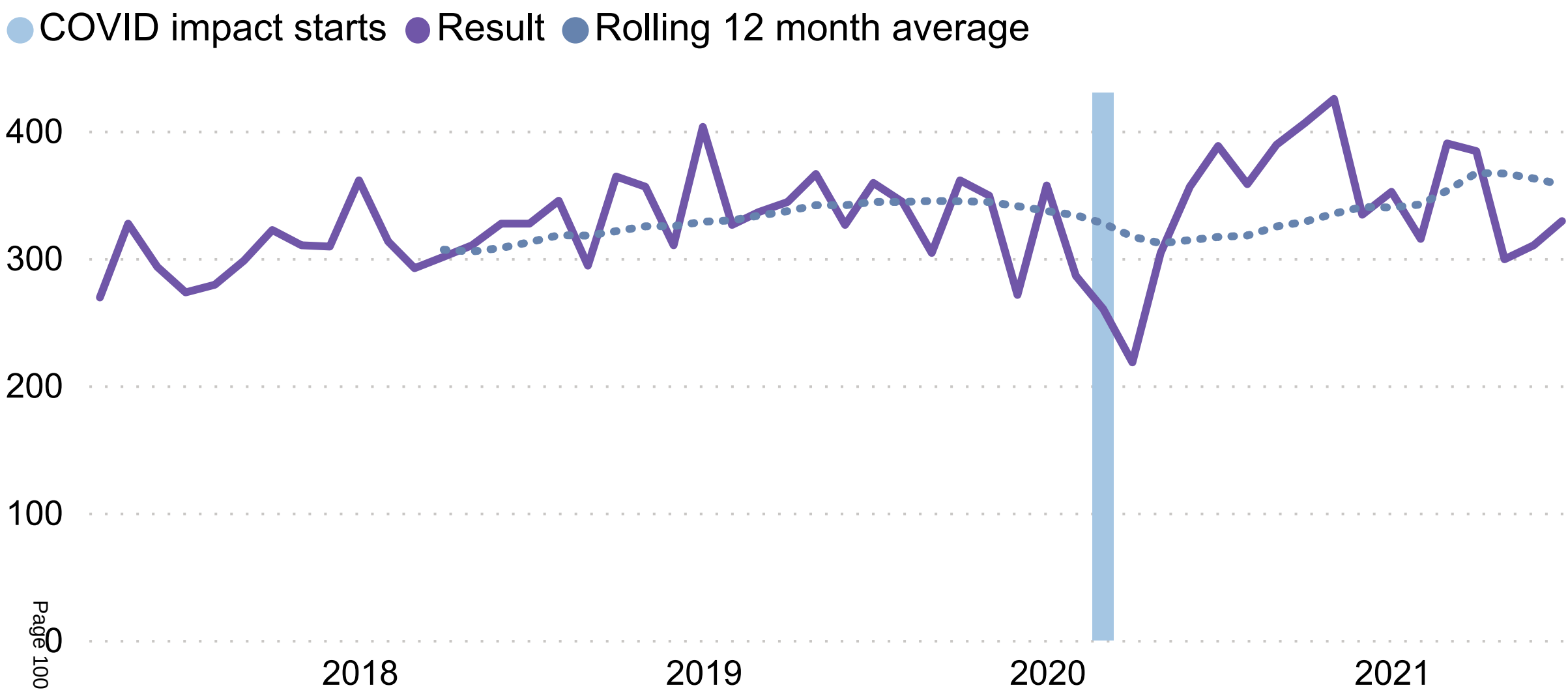


Reablement: demand & time in service

Source: Virgin Care scorecards, July 2021

Trends in reablement demand (referrals) and average time in service.

Total referrals (Apr-17 - Jul-21)



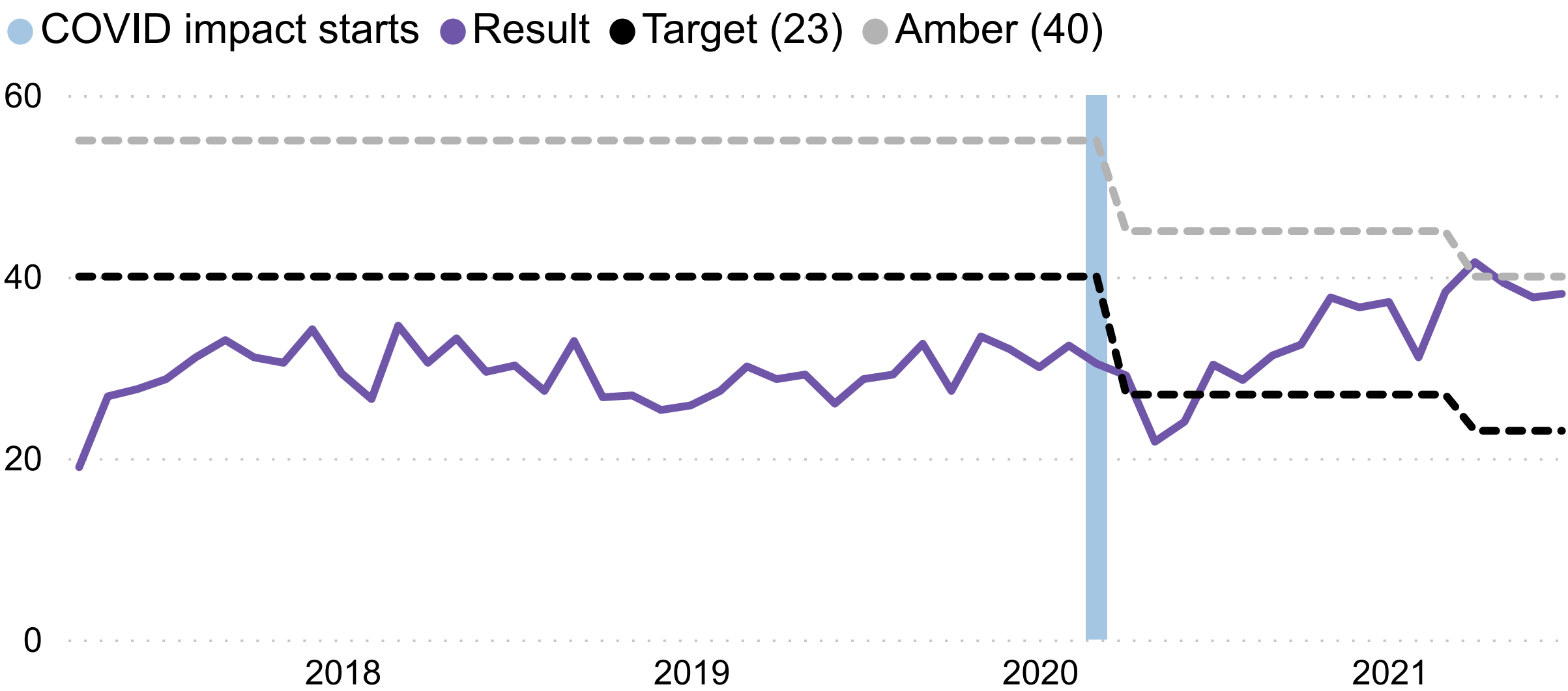
The reablement service provides short term therapy and support by working with adults in their own home or care home to prevent hospital admission, to facilitate early hospital discharge and to provide rehabilitation and support in order to help people maintain/regain their independence.

Demand for reablement has generally remained high during the contract term to date, as the service performs a critical role in maintaining people's independence and in maximising capacity within the health and social care system.

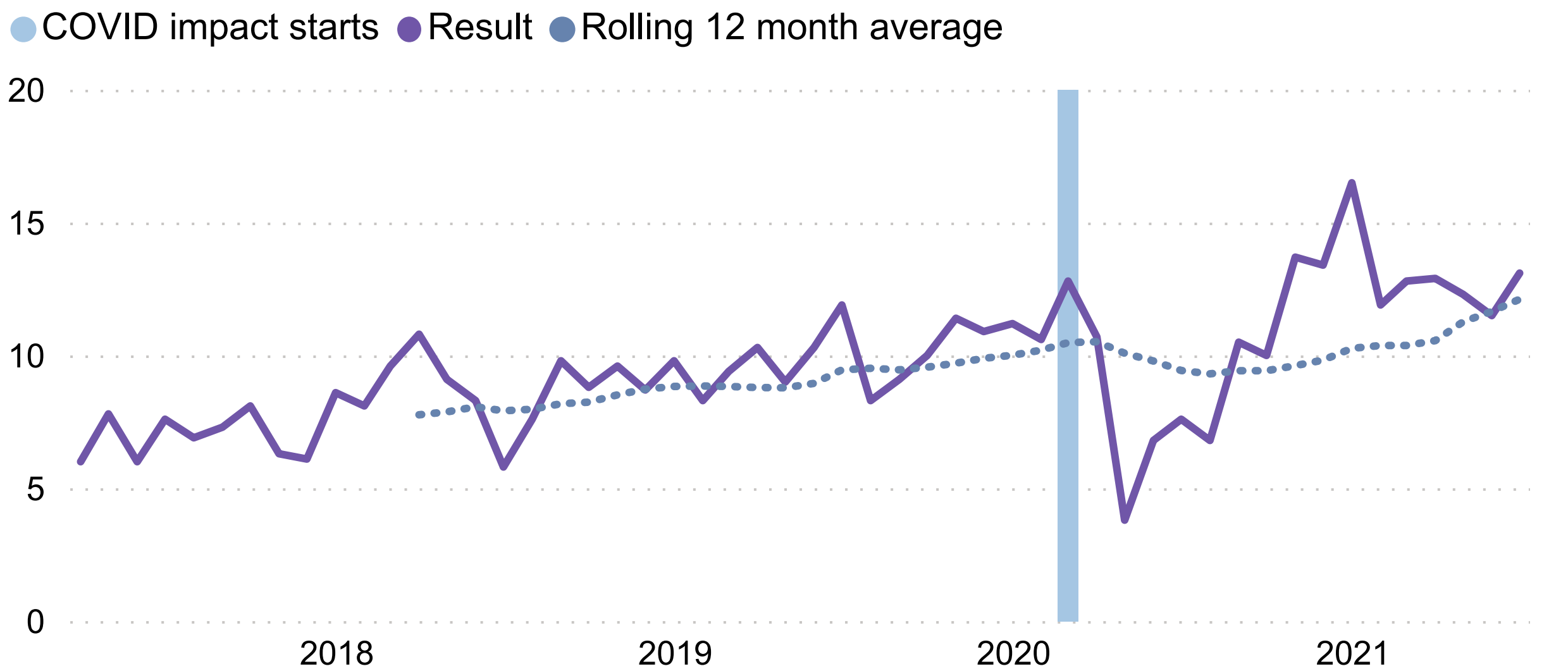
Average time spent in the service has seen a marked increase since the summer of 2020 (from 30 to a peak of 40 in April 2021; currently 38 for July 2021), which impacts on capacity to take new people into the service and impacts on hospital discharge efficiency. Average contacts per referral have increased at the same time (from 10.7 for the 12 months to June 2020 to 12.5 for the year to July 2021), particularly for the Home First pathway, which may indicate a greater level of complexity in the needs of people using services.

The time people wait to receive their first visit after a referral also increased between August 2020 and January 2021. Despite reducing since then, it remains above pre-COVID levels.

Average time 1st to last visit (days) (Apr-17 - Jul-21)



Average time referral to 1st visit (days) (Apr-17 - Jul-21)

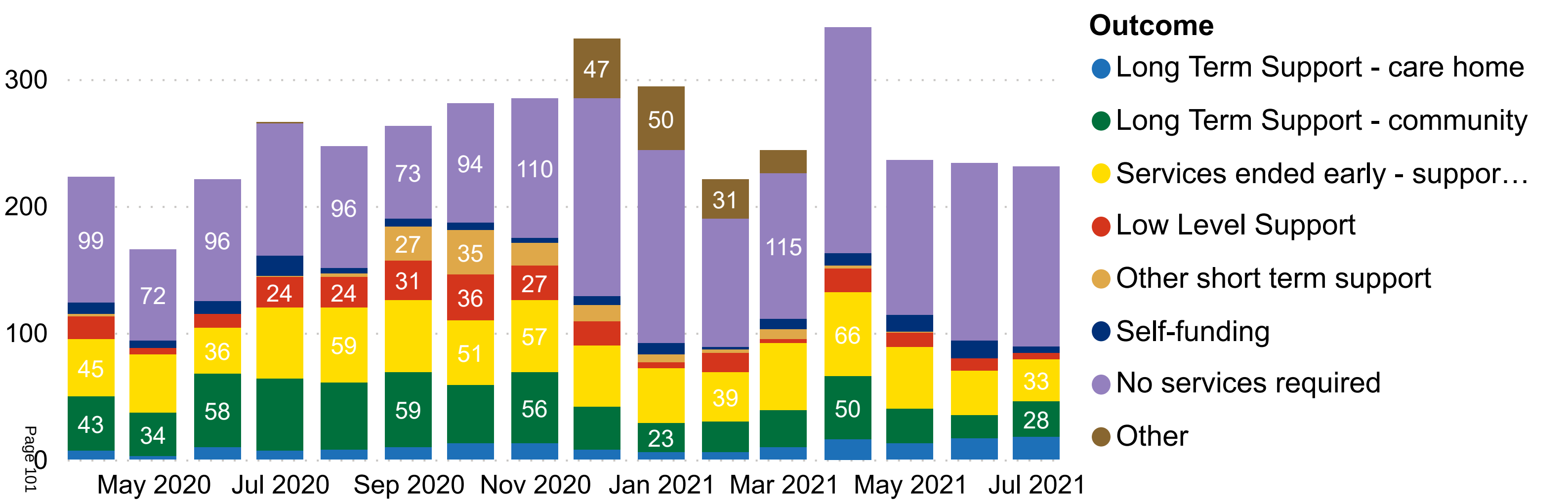


Reablement outcomes

Source: Virgin Care scorecards, July 2021

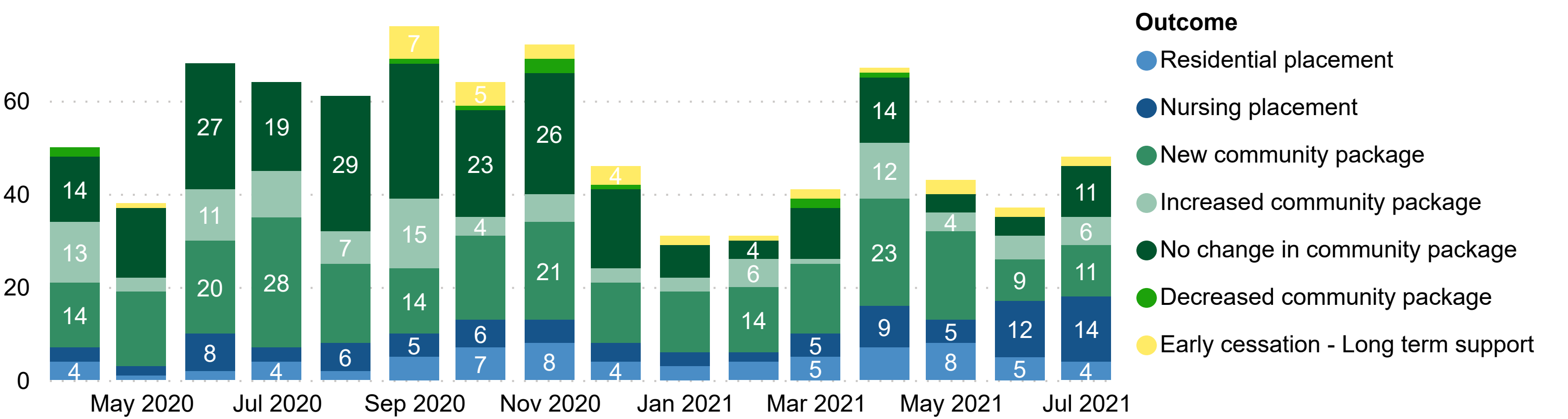
Outcomes at the end of reablement and performance for the national measure of outcomes 91 days after hospital discharge.

Outcomes at the end of reablement (Apr-20 - Jul-21)

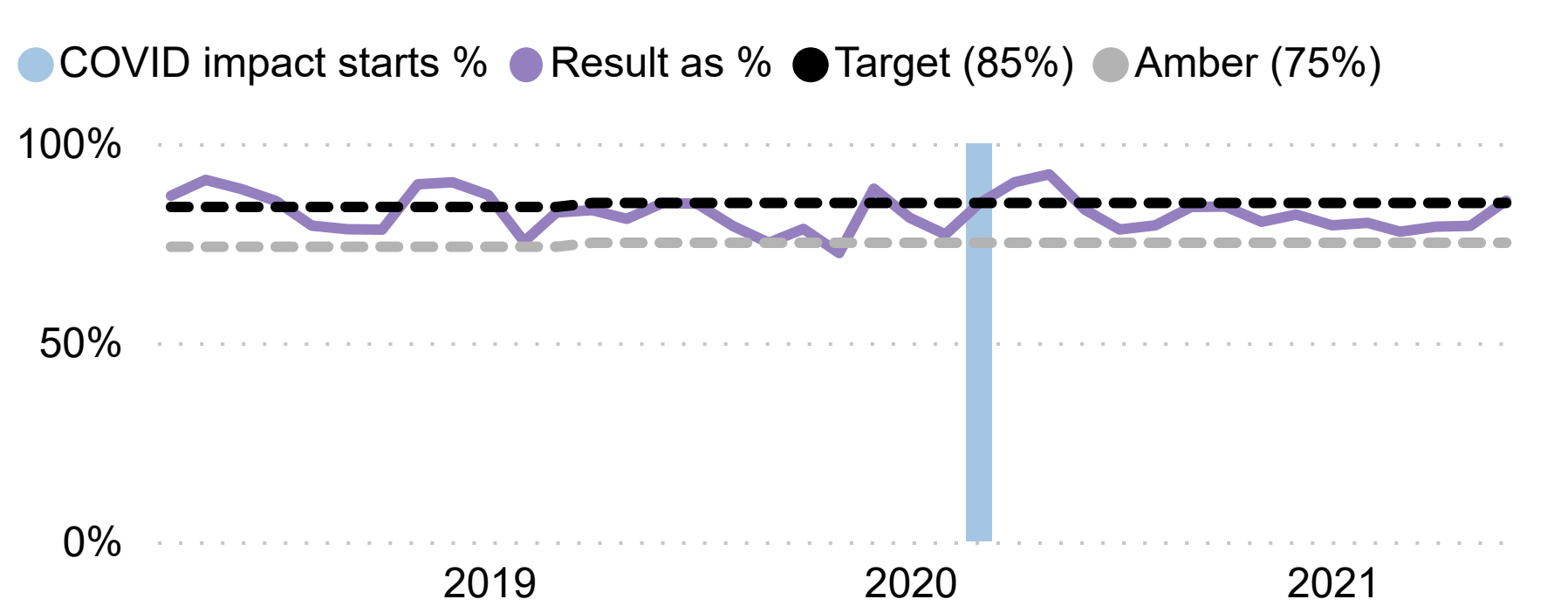


The chart below provides further detail about people included in the blue and green sections of the chart above, plus those people from the yellow section who use council-funded services when reablement ends early. The blue sections in the chart below correspond to the blue section in the chart above, the green below to the green above and so on.

Outcomes for people requiring council-funded services after reablement (Apr-20 - Jul-21)



Reablement: % of people (65+) at home 91 days after discharge into service (ASCOF 2B(1)) (Apr-18 - Jun-21)



One of the aims of the reablement service is to help maintain people's independence and, where appropriate, keep them living in the community. Outcomes on discharge are reported by Virgin Care but are recorded outside of the main adult social care system, which presents some challenges with tracking what happens to people who fund their own care, for example.

Of the reported outcomes, under 20% of people require a council-funded service at the end of reablement (with approximately one-fifth of this group in care home placements), which is comparable to regional, peer-group and national averages. Almost half of this group already had a funded service before reablement. Over 40% of people require no services at the end of reablement, but this group may include people who fund their own care.

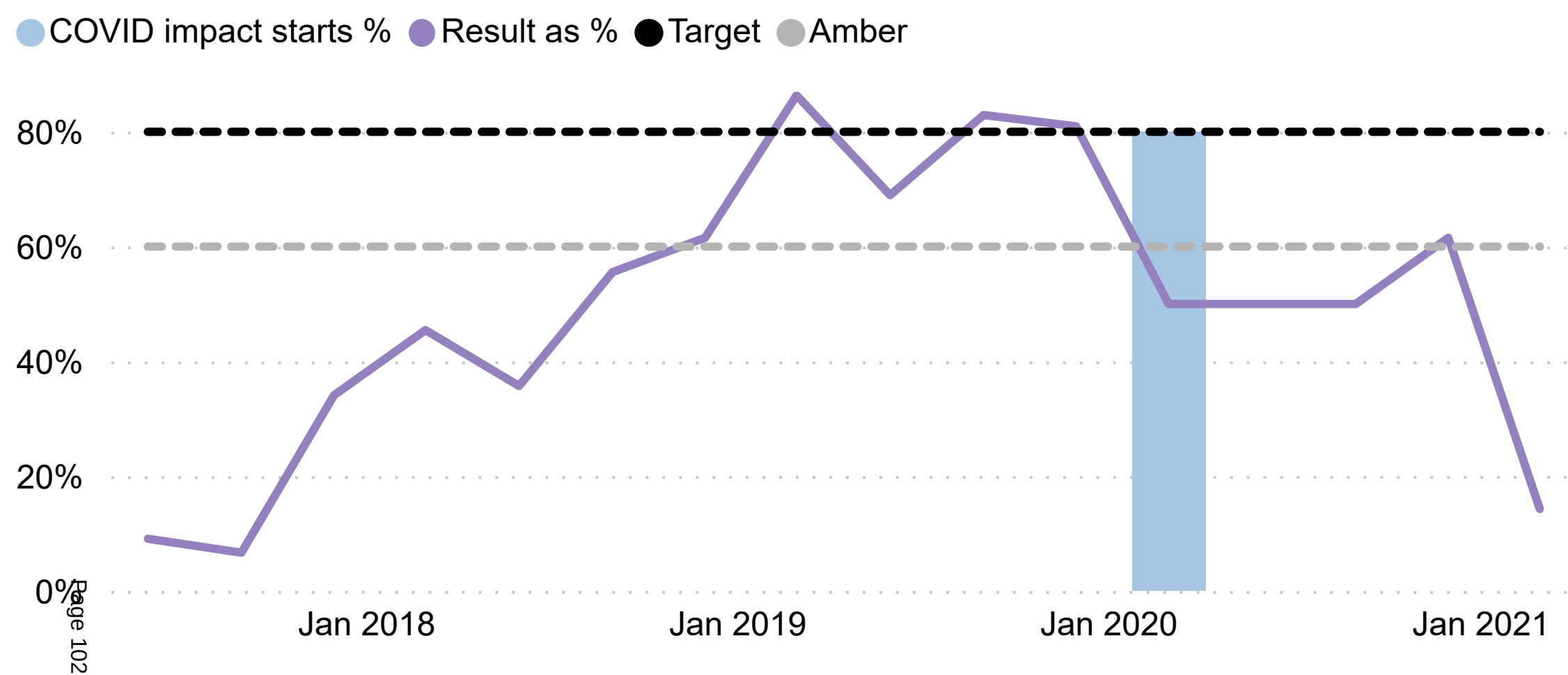
Performance against the national Adult Social Care Outcomes Framework (ASCOF) measure has remained within the acceptable range throughout the contract to date, as the vast majority of older adults are at home 91 days after discharge into reablement. B&NES' performance is broadly in line with statistical near neighbours and national and regional rates.

Continuing Healthcare (CHC) performance

Source: Virgin Care scorecards, July 2021

Performance against national measures of Continuing Healthcare (CHC) services

Decision Support Tool: % undertaken within 28 days of referral (Jun-17 - Mar-21)



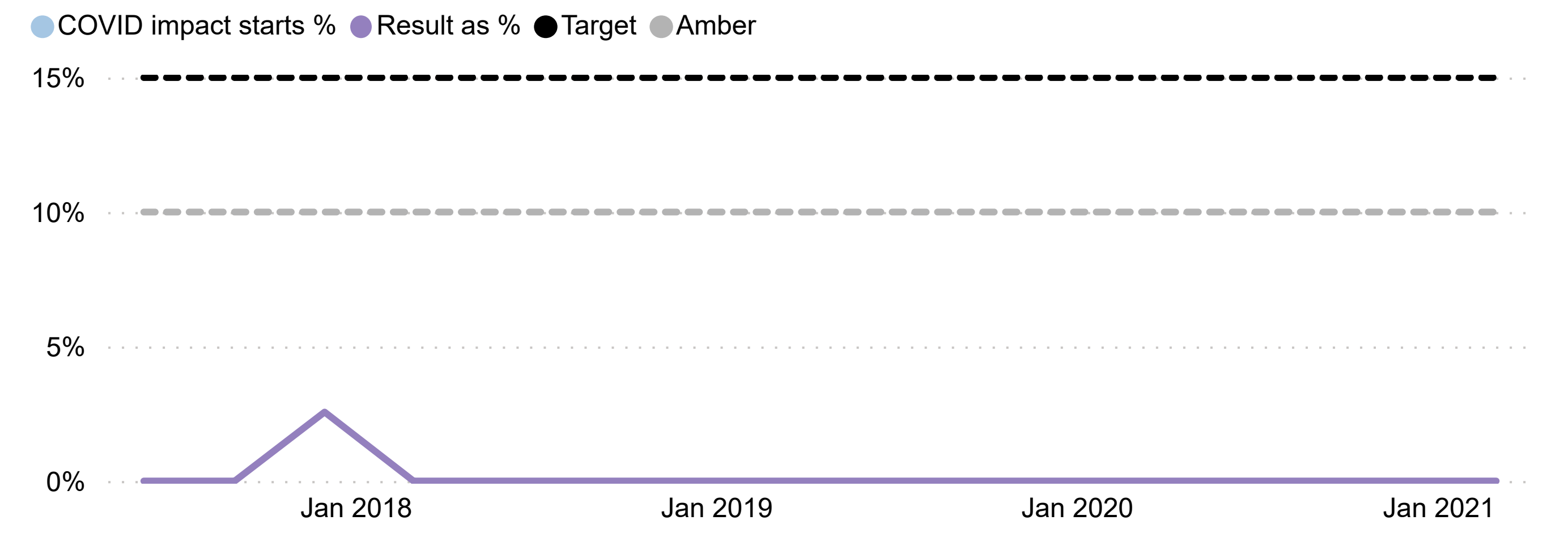
CCG's have a statutory duty to assess individuals for NHS Continuing Healthcare funding (CHC). CHC is a package of ongoing care arranged and funded solely by the NHS specifically for individuals who are found to have a "Primary Health Need". Such care is provided to an individual aged 18 or over to meet health and associated social care needs that have arisen as a result of disability, accident or illness.

CHC is free to patients, unlike support provided by Local Authorities, which may involve the individual making a financial contribution depending on income and savings. CHC can be provided in any setting (apart from acute hospitals) including a person's own home or in a care home. CHC funding is not for life and reviews are carried out after three months and then annually. In B&NES, the service is delegated to Virgin Care.

Earlier in the contract period to date, there were two measures that contributed to the CCG Quality Premium score, which are reported in the charts above.

The National Framework for CHC and NHS Funded Nursing Care (FNC) 2018 states that 80% of assessments (or Decision Support Tools (DST)) for CHC should have a recommendation on eligibility within 28 days of notification. This measure continues to be monitored closely by NHSEI.

Decision Support Tool: % undertaken in acute setting (Jun-17 - Mar-21)



Virgin Care have only met this target for 9 months of the total contract. Virgin Care have reported that factors impacting on meeting the 28 day KPI set by NHSEI are: staffing issues at different periods during the contract (including where recruitment issues have affected the sector at large and not just specific to B&NES); complexity of cases requiring more than 28 days to reach a conclusion; data quality issues related to datasets held outside of the main system for recording CHC; and, post-COVID, the impact of work related to discharge to assess arrangements.

The other measure reflects the national best practice guidance that DSTs should not take place in acute hospitals and instead should be undertaken in the community setting, without the pressure to discharge the patient. Performance has been consistently in the best quartile nationally throughout the contract. However, this measure is not an area of focus locally and CCGs are no longer being monitored against the target at national level.

Virgin Care Contract Extension Paper – Options Appraisal

Executive Summary

**BaNES, Swindon and Wiltshire Clinical Commissioning
Group and Bath & North East Somerset Council**

11th November 2021

COVID-19 Immunisation in the community



Introduction

B&NES, Swindon & Wiltshire Clinical Commissioning Group (BSWCCG) Governing Body and B&NES Council, as joint commissioners of community services provided by Virgin Care, have requested a report setting out an options appraisal to help inform a decision on the future of the Virgin Care contract.

This is a seven-year contract from 2017/18 to 2023/2024 with the option for BSWCCG and B&NES Council to extend the contract term by three years, taking the contract term to 2026/2027. Virgin Care would need to be notified of the decision to extend or not to extend the contract by no later than end of March 2022.

This paper is part of a detailed options appraisal which is due to go to B&NES Council Cabinet and BSWCCG Governing Body on 11th November 2021 for a decision on whether to extend the contract for the three-year term with Virgin Care or not.

Context and Background

The Virgin Care contract is a seven-year contract which commenced from 1st April 2017 to 31st March 2024 with the option to extend the contract term by three years (2024/25, 2025/26 and 2026/27).

If a decision were taken to exercise the option to extend the contract term the Co-ordinating Commissioner must give written notice to Virgin Care no later than 24 months prior to the original expiry date (end of year 5 2021/22 – March 2022 latest date). The option to extend the contract term by three years can only be taken once.

There is no financial penalty to be incurred by commissioners if the decision is taken not to extend the contract term for the 3 year extension period. Virgin Care remains committed to this contract and are not seeking to renegotiate the financial terms of the contract from BSWCCG and B&NES Council for the three-year term. They have also confirmed their support for the transfer of two services to the CCG and council, namely Continuing Health Care and Adult Safeguarding respectively, if the extension is approved (option 3).

The overall value of the contract year 5 (2021/22) is £54,548m. The estimated total funding for years 1-7 is £383,778m and the estimated total funding for years 1-10 is £554,541m. The Council services in the contract are funded on a flat cash basis whereas the CCG services are subject to uplifts in line with annual inflation for NHS funded providers.

Services included in the Virgin Care Contract

CCG Health Services	Council and CCG Services	Council Services for Adult Social Care	Council Services for Children	Council Services for Public Health	Total Community Services
28	2	9	8	5	52

Services directly delivered by Virgin Care	Services delivered by Virgin Care and sub contractor	Services delivered by a sub contractor
36	6	10

The 52 services within the contract are grouped into the following areas:

- Children's
- Adults
- Wellbeing
- Adult Social Care
- Sub Contracted

Virgin Care operate as a prime provider and subcontract services to a number of smaller community providers within the B&NES locality of whom a number of them are in the voluntary sector.

Overall, the services provided by Virgin Care and their sub-contractors are well delivered against the agreed service specification. Over the term of the contract there have been a number of changes to service delivery that have sought to improve the offer to B&NES residents and to improve ways of working with other health and social care partners. The performance of B&NES Community services delivered by Virgin Care and their sub contracted partners against the agreed service specifications in the contract is reviewed regularly by the B&NES council and BSW commissioners and quality leads with the Virgin Care service leads and senior leadership team.

Virgin Care Services Ltd is registered with the Care Quality Commission (CQC) and are currently rated as Good with no conditions attached to their registration. This was based on an inspection in 2017. This is the overall rating for Virgin Care Services nationally. CQC have not as yet undertaken a full inspection of all the services Virgin Care provide in B&NES yet but have undertaken full reviews on some specific services that are within the contract in B&NES. These are as follows:

- Bath Supported Living Service (managed by Virgin Care) rated as good based on the inspection in 2018.
- NES Supported Living Service (Frome Road) rated as Good in July 2018

Options Appraisal

Three options are highlighted the in the tables below which outline disbenefits and benefits of each option.

- Option 1: Extend the contract term for the 3 year period (until 2026/27)

- Option 2: Do not extend the contract for the 3 year extension period and recommission community health care, social care and public health services
- Option 3: Extend the contract term for the 3 year period (until 2026/27) but with identified services removed from block contract and/or improvement trajectories for identified services

For option 3 the services identified for improvement include:

- NHS Constitution standards Referral to treatment (RTT)
- NHS Constitution standards Diagnostics
- Adult Social Care Assessment and Review Waiting Times
- Community Hospital Length of Stay
- District Nursing
- Reablement
- Continuing Health Care

It should be noted that BSWCCG has taken the decision to withdraw the Continuing Health Care (CHC) service as a statutory function from the contract either in option 2 or option 3. The Council has also confirmed its decision to remove strategic adult safeguarding from the contract either in option 2 or option 3.

Recommendation

The joint recommendation from the CCG and the Council is Option 3 - extend the contract term for the 3 year period (until 2026/27) but with the identified services set out above removed from block contract and/or improvement trajectories for identified services.

Virgin Care Contract Extension – Options Appraisal

11th November 2021

Introduction

- Joint commissioners - B&NES, Swindon & Wiltshire Clinical Commissioning Group (BSWCCG) Governing Body and the Council
- 7 year contract - 2017/18 to 2023/2024
- Option to extend by 3 years - 2026/2027 (1 possible extension)
- Virgin Care would need to be notified of the decision to extend or not to extend the contract by no later than end of March 2022.

Services that make up the joint contract

CCG Health Services	Council and CCG Services	Council Services for Adult Social Care	Council Services for Children	Council Services for Public Health	Total Community Services
28	2	9	8	5	52

Services directly delivered by Virgin Care	Services delivered by Virgin Care and Sub Contractors	Services delivered by a Sub Contractor
36	6	10

Financial Value of the Contract

- Virgin Care's original bid planned for overspends in the early years
- Addressed through transformation efficiencies of 1%, to include reinvestment
- In 2017/18 the contract was £1.2 million overspent
- In 2018/19 the contract was £1.4 million overspent
- In 2019/20 the contract was £0.7 million overspent
- In 2020/21 a contract underspend of £0.3 million is confirmed
- For 2021/22 Virgin Care: forecast a balanced position
- *Please note, the above information excludes any impact of Covid-19 funding*
- There is no financial penalty to be incurred by commissioners if the decision is taken to not extend
- Initial dialogue with VC - supportive of 3 year extension on existing terms
- Open to removal of a small number of services

Financial Value of the Contract

- The annual value of the contract at year 5 (2021/22) is £54m, contributions as follows:

○ CCG	£28,147m
○ Council	£21, 930m
○ Better Care Fund	£4, 471m

Page 111

- The Council funding is fixed with cost increases managed through Virgin Care's savings plans
- The CCG and Better Care funding is subject to NHS annual uplifts applicable to provider contracts

Performance over the lifetime of the Contract

- Overall, the services provided by VC and their sub-contractors are well delivered against the agreed service specification
- Changes put in place to the benefit of residents and to improve our partnership working with other health and social care partners.
- Robust governance and review arrangements in place – regularly liaison Virgin Care senior management
- Examples of services that are well delivered and have delivered improvements include:

- **Community Stroke and Neurological Service**
- **District Nursing**
- **Public Health**
- **Children's Community Health Services (Universal and Specialist)**
- **Care Co-ordination Centre**
- **Integrated Care Record**
- **Community Wellbeing Hub**

Service Areas Identified for Development

- A small number of services are experiencing challenges
- COVID-19 route cause in some cases:
 - limiting how services are delivered
 - temporarily closing some services
 - changing demand patterns
- Impact upon CCG and Council KPIs and
- in maintaining flow through the health and social care system:

1. NHS Constitution standards Referral to treatment (RTT)
2. NHS Constitution standards Diagnostics
3. ***Adult Social Care Assessment and Review waiting times***
4. Community Hospital Length of Stay
5. District Nursing
6. ***Reablement***
7. Continuing Health Care

Options Appraisal

- **Option 1: Extend** the contract term for the 3 year period (until 2026/27) on existing terms
- **Option 2: Do not extend** the contract for the 3 year extension period and recommission community health care, social care and public health services
- **Option 3: Extend the contract term for the 3 year period (until 2026/27) but with identified services removed from block contract and/or improvement trajectories for identified services**

Recommendation

Option 3:

- extend the contract term for the 3 year period (until 2026/27)
- with the identified services removed from the block contract

Rationale:

- Overall, Virgin Care is a good provider and services have been delivered well
- There is recognition of where improvement is required and a commitment to make changes
- The system remains under considerable pressure from the impact of Covid-19
- Future demand and population needs as we emerge from the pandemic TBC
- Good alignment with our Corporate and Medium Term Financial Strategy, social care transformation plans
- A period of significant change for the NHS and social care systems - new Integrated Care System (April 2022)

Rationale

- Market uncertainties at this time:
 - maturity of market (small number of providers)
 - Baseline value of contract could increase
 - Suppliers will price in risk
- Virgin Care amenable to removal of services from the main contract, giving greater ownership over statutory functions
- Virgin Care engaging on the basis of no uplift in costs to the council during the extension period of the contact
- Cost of a re-procurement - approximately £965,000 (50:50)
- Mobilisation risk and costs
- Changing legal frameworks will facilitate future joint procurements
- Commitment to engage Cllrs from 2022 on any future tender

Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING	11 th November 2021	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3323
TITLE:	Council House Building Programme	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Exempt Appendix 1: Sites		
Exempt Appendix 2: High-Level Financial Modelling		
Appendices are exempt information, according to the categories set out in the Local Government Act 1972 (amended Schedule 12A) – information relating to the financial or business affairs of any particular person (including the authority holding that information).		

1 THE ISSUE

- 1.1 The administration set a manifesto commitment to deliver Council Housing in addition to the social housing currently being delivered through established enabling activities. A programme to directly deliver around 50 units of accommodation over the next 1-2 years, including both supported housing and shared-ownership housing, is currently in progress.
- 1.2 A decision is now required on the milestone to extend this programme to deliver a further tranche of up to 58 affordable Council Houses by utilising eight sites identified in this report. These homes would all be social rented homes.

2 RECOMMENDATION

The Cabinet is asked to agree:

- 2.1 The eight sites identified in Appendix 1 are progressed as 100% affordable housing sites, including 117 Newbridge Hill, and in accordance with the delivery route detailed in the report;

- 2.2 Fully approve £413K from Provisional Affordable Housing Budget in 2021/22 to immediately progress scheme development work on five sites with funding coming from earmarked Right to Buy Receipts
- 2.3 The balance of funding of £11.73m identified in Appendix 2, will be incorporated into 2022/23 budget setting with approval subject to a full business case and confirmation of grant awards.
- 2.4 Individual scheme business cases will be authorised through the existing capital processes and in consultation with the relevant Cabinet Member.

3 THE REPORT

Background

- 3.1 Since the transfer of the Council Housing stock to Curo (formerly Somer) in 1999 the delivery of affordable housing has typically been secured through either:
- Section 106 planning agreements negotiated between developers and the Council, with the resultant affordable housing being purchased by Registered Providers (also known as Housing Associations).
 - 100% affordable housing schemes delivered by Registered Providers.
 - Bespoke schemes, usually specialist support schemes, commissioned by the Council but delivered by partners.
- 3.2 Delivery through this route has been very positive and in the last 10 years (up to March 2021) the Council has delivered around 1,902 affordable homes. These comprise 1,397 (70%) for rent and 505 (30%) for intermediate/affordable home ownership. In addition, there are a further 546 affordable housing units that have planning consent and are awaiting build-out.
- 3.3 Despite this positive rate of delivery demand for affordable housing in the district remains very high. There are now approximately 6,000 households on the Council's waiting list for social housing, with typically only around 600 properties becoming vacant each year.
- 3.4 This high demand for social housing is, at least in part, a factor of high local housing prices. Indeed, at a ratio of 12.5x average house price to average earnings the district remains one of the least affordable outside London¹. Using a typical mortgage multiplier of 3.5x income means that around 75% of all first-time buyers are unable to afford an average terraced property within the district. Renting is also expensive with the average market rent for a 2-bedroom flat currently around £1,096 per month. It should also be noted that these figures are averages with the city being significantly less affordable.
- 3.5 It is in context that the administration wishes to utilise Council resources, including surplus land and properties to further support the delivery of social housing where feasible and practical to do so.

Current (Agreed) Programme of Council Affordable Housing Delivery

- 3.6 Over the past year the Council has been actively developing its own affordable housing delivery and housing management function. To date this has concentrated on those schemes where direct delivery can support the strategic

¹ Hometrack Housing Intelligence (October 2021)
Printed on recycled paper

housing priorities of the Council and provide added value. A programme is defined to directly deliver between 50 units of accommodation over the next 1-2 years, including both supported housing and shared-ownership housing. This initial phase of development has been funded through a combination of successful MHCLG/Homes England funding, scheme supported borrowing and modest use of the Council's affordable housing funding.

3.7 The schemes include:

- Temporary Accommodation Scheme (13 units)

Hub & spoke model providing the Council with enhanced capacity and capability to ensure that we meet our statutory responsibilities to provide temporary accommodation to eligible homeless households. The scheme will be managed directly by the Council.

- Supported Housing Scheme (20 units)

Scheme will provide supported accommodation for former rough sleepers and build upon the good work achieved with rough sleepers during the covid pandemic. The Council will retain landlord functions but housing management & support functions will be provided by specialist partner agencies.

- Platform for Life Scheme (6-8 units)

This scheme will provide supported move-on accommodation for former rough sleepers in a shared house setting. Each house will accommodate up to 4 residents. The Council will retain landlord functions but housing management & client support functions will be provided by specialist partner agencies.

- Shared Ownership (8+ Units)

The original plan was to transfer these Aequus developed properties to another RP. However, this proved problematic and importantly the business case for shared-ownership properties supported the Council retaining ownership.

General Needs Council Affordable Housing Proposal

3.8 By utilising a number of Council assets that have been deemed surplus (or present an opportunity for limited and innovative development) the Council could meet the following key strategic objectives:

- Secure additionality through 100% affordable housing schemes.
- Allowing the Council to have greater control over the homes delivered, potentially including accelerated delivery; low-carbon developments and potentially innovation through Modern Methods of Construction (MMC).

3.9 The eight sites considered feasible at this initial stage are detailed in Appendix 1.

3.10 It is proposed that these schemes are delivered and owned directly by the Council (including the use of Aequus, the council's wholly owned housing company, where appropriate). As such the Council would be responsible for commissioning all aspects of the delivery, including design; financing; securing planning consent; build-out; and ongoing ownership of the land and residential units. The strategic benefits of the direct delivery approach include:

- Provides the Council with full control over the design & build of units, thus full control over meeting strategic and corporate requirements, such as: product type; low-carbon development and potentially innovation through Modern Methods of Construction (MMC).
- Provides the Council with enhanced operational resilience, through increased housing options for front-line services, notably Housing and Adults.
- Relatively quick to mobilise and deliver.
- Develops in-house skill and competence.
- Reassures Homes England and the Regulator of Social Housing of our commitment to provide low-cost housing.
- By focusing on existing Council sites/schemes the option is complementary, rather than in competition, with the activities of our Homewest Registered Providers.
- Provides an asset that could be transferred at a subsequent date if required.

The disadvantages of the direct delivery approach include:

- Corporate risk. The Council takes all the development risk, both financial and reputational. This includes, but not limited to; planning risk and associated abortive costs, unforeseen works on-site and other potential cost pressures.
- Missing competences and capacity, mainly around project management, would need to be fully identified and plugged.
- Units would be subject to the Right to Buy legislation.
- The need to establish a Housing Revenue Account (HRA), should the total homes under management ultimately exceed 199 homes.

3.11 The high-level financial modelling of the council directly delivering these units can be seen in Appendix 2. The capital costs of delivering this 58-unit programme scheme would be around £12.1m of which £2.3m would be LA subsidy. The scheme, when using typical industry standards for Management, Maintenance, Voids & Bad Debts (MMVBD) would be revenue neutral. The model assumes a nil capital receipt, though the asset would be retained and enhanced.

3.12 On the five schemes where Aequus, the Council's wholly owned development company, have some prior involvement it is proposed that they are commissioned to support delivery. This utilises their development expertise and supports their ongoing work programme. The cost of this pre-development work would be approximately £413k. Officers will determine delivery proposals for the remaining three sites, which may also include Aequus.

3.13 Owning and managing council housing stock brings new responsibilities to the Council and risks. It is proposed to bring a full assessment of the options for the ongoing management of council housing to Cabinet in early 2022, following cross-party engagement and scrutiny in January. Housing Management functions include: property allocation and letting; rent and service charge collection; tenancy management; repairs and maintenance; and wider social conditions.

4 STATUTORY CONSIDERATIONS

4.1 The delivery of Council Housing is supported by the following:

- Local Government Act (section 2) which allows Councils to act to promote or improve the economic, social or environmental wellbeing of their area.
- Localism Act 2011 (sections 1-7) which provides the local authority's general power of competence.
- The Council is registered with the Regulator of Social Housing as a Local Authority Registered Provider of Social Housing.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 The potential opportunity costs to utilising these surplus sites is detailed in Appendix 1, where known. The high-level financial details of the delivery route is referenced above and in more detail in Appendix 2. The total cost of the proposals is up to £12.1m; funded by tenant rents supporting borrowing of £6.4m, government grants of £3.4m (to be confirmed) and Council subsidy of £2.4m coming principally from right to buy capital receipts
- 5.2 Financial analysis has been carried out which shows proposals fit within the existing Affordable Housing Programme. The analysis demonstrates proposals are within borrowing approvals, and whilst borrowing will be supported by tenant rents, corporate supported borrowing in first year will ensure financing is secure while rents are established.
- 5.3 After the proposals, the future provisional programme outlined to subsidise future housing schemes of £1.058m in 2022/23 and £0.405m 2023/24, before considering of any future RTB receipts. Borrowing from rentals ought to be established as programme enhancement, subject to future business cases.
- 5.4 2021/22 Council budget setting assumed capital receipt from disposal of Site 1 in Appendix 1 at £300K and the proposed re-use rather than sale will require uplift to borrowing to compensate. Other properties are understood to be void but may impact on lost opportunity for commercial rents.
- 5.5 The Housing Service intend to recruit a Housing Delivery Manager, specifically to support the Council activity in housing delivery covering the Council Housing programme defined alongside the Council's other strategic housing sites. This role will be defined and funded from the programme as part of the business case.

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 formal equalities impact assessment has not been undertaken on the proposal. However, the delivery of low-cost housing, particularly affordable housing, has a positive impact on equality. It provides affordable housing options for those residents would be unable to compete on the open-market and may otherwise be forced to leave the area or reside in unsuitable housing conditions. Nationally social housing also supports a disproportionate number of residents from minority ethnic groups, particularly black households; low-income residents including carers and those with a disability; and lone parents.

8 CLIMATE CHANGE

- 8.1 Housing is a key contributor to climate change. Any Council specified housing will be designed to meet the highest practical energy efficiency standards and where new-build the AECB standard for energy efficiency, thus contributing to meeting the Council's Climate Emergency targets.

9 OTHER OPTIONS CONSIDERED

- 9.1 As an alternative to direct delivery a joint venture/partnership approach with a Registered Provider was also considered. There are many models for joint ventures and partnerships. However, given the Council's strategic housing objectives and its existing (and potentially future) sites it is more likely that some form of contractual Strategic Development Partnership would be the most appropriate type of joint venture/partnership approach.
- 9.2 Developing the structure of partnership would require significant up-front procurement and legal work. However, the premise of similar such agreements is typically that the Council provides the land, and the partner funds, develops, owns and manages the homes. In return the Council receives 100% nomination rights. The partner would need to be an RP to meet HE grant funding and housing management requirements. An open procurement approach would demonstrate the value of the Council's offer to RP partners and whether all the Council's obligations could be met.
- 9.3 The benefits of the Joint Venture/Partnership Approach can include:
- De-risks the development programme both at development and housing management stages, particularly on large sites/programmes.
 - Provides access to greater capacity and breadth of development and housing management competences and therefore the ability to operate at greater scale should future land opportunities arise.
 - Removes any futures issues concerning opening an HRA.
 - The Right to Acquire legislation (max of £11k discount), as applied to RP tenants, is less generous than Right to Buy, potentially reducing the likelihood of lost units.
- 9.4 The disadvantages of the Joint Venture/Partnership Approach are broadly the opposite of the benefits of the direct delivery approach, though the ones of particular note include:
- Long lead time for legal and procurement process, generally only cost effective when considering significant number of homes (typically 200+)
 - Even if the Council secured 100% nomination rights the RP would have the final say in allocations. As such this option does not enhance the Council's operational resilience when trying to house challenging clients.
 - The procurement and contracting of a suitable partner is unlikely to be quick and would take significant time to formalise.
 - Our RP status could be at risk, given that this was based on an ambition to deliver our own social housing stock.
- 9.5 Whilst both delivery routes are practical and feasible the direct delivery route has been recommended on these eight sites as this is more aligned to the corporate

objectives, notably: providing the Council with full control over the design & build of units; enhanced operational resilience and quick to mobilise and deliver.

10 CONSULTATION

- 10.1 Internal officer consultation, including with finance and legal services. In Sept 2019 the Climate Emergency Policy, Development & Scrutiny Panel were also consulted on initial plans to develop a Council housing programme.

Contact person	Graham Sabourn, Head of Housing 01225 477949
Background papers	None
Please contact the report author if you need to access this report in an alternative format	

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Access to Information Arrangements

Exclusion of access by the public to Council meetings

Information Compliance Ref: 1378/21
Meeting / Decision: Cabinet
Date: 11th November 2021
Author: Graham Sabourn
Report Title: Council House Building Programme Exempt Appendix 1: Sites Exempt Appendix 2: High-Level Financial Modelling

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

Stating the exemption:

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

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

PUBLIC INTEREST TEST

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

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

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

The following exemptions are engaged in respect to this report:

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

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

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

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

It is in the public interest that the Council is able to deliver cost-effective solutions. This depends partly on the Council being able to protect its commercial position while the detailed terms of relevant schemes are agreed.

The Council considers that the public interest has been served by the fact that a significant amount of information regarding the report has been made available – by way of the main report. Therefore it is recommended that exemptions set out above apply. The Council considers that the public interest is in favour of not holding this matter in open session at this time and that any reporting on the meeting is prevented in accordance with Section 100A(5A).

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

Document is Restricted

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

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Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING DATE:	11 th November 2021	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3299
TITLE:	Treasury Management Performance Report to 30 th 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 30 th September 2021 Appendix 3 – Average monthly rate of return for 1 st 6 months of 2021/22 Appendix 4 – The Council’s External Borrowing Position at 30 th 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 Cabinet 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.

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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

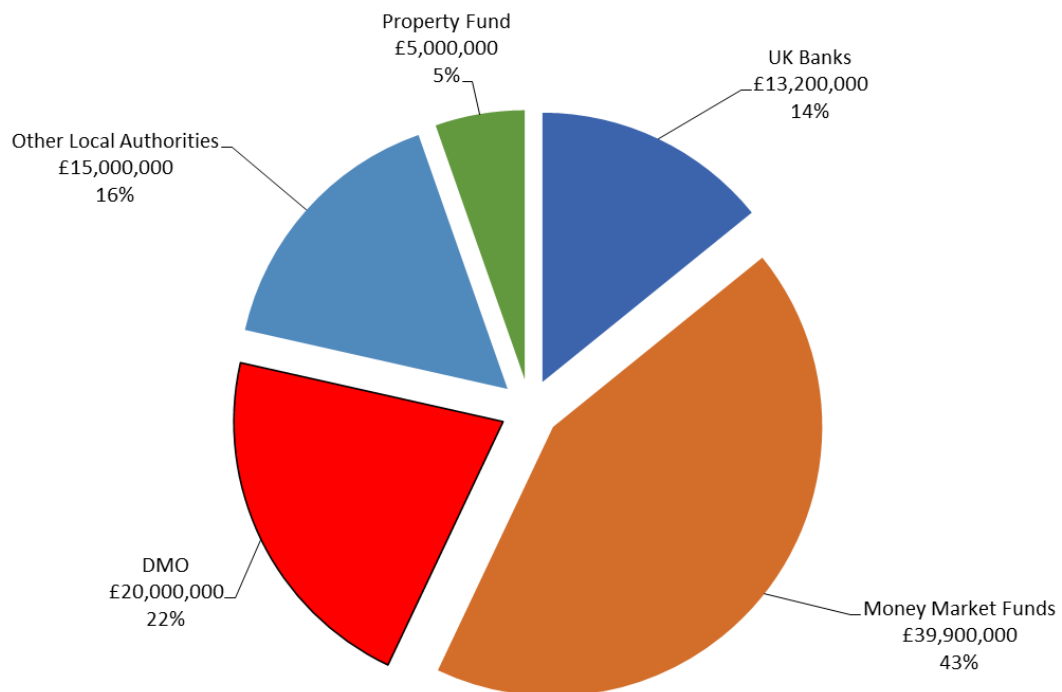


Chart 2: Council Investments as at 30th June 2021 - £71.9m

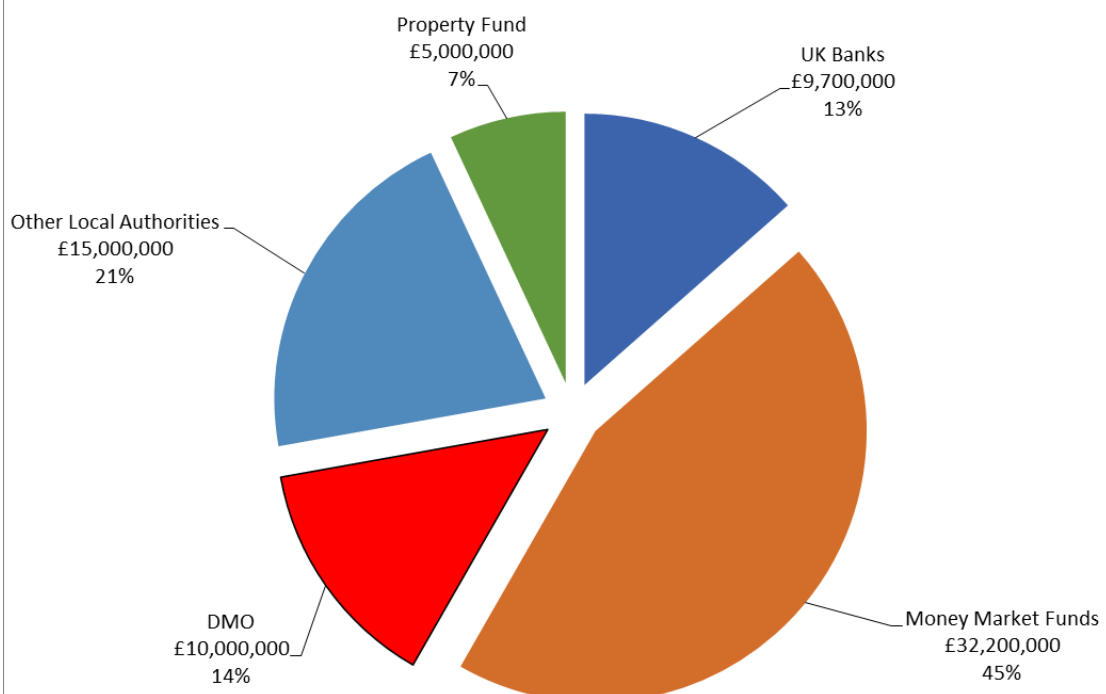


Chart 3: Council Investments Per Lowest Equivalent Long Term Credit Rating as at 30th September 2021 - £93.1 m

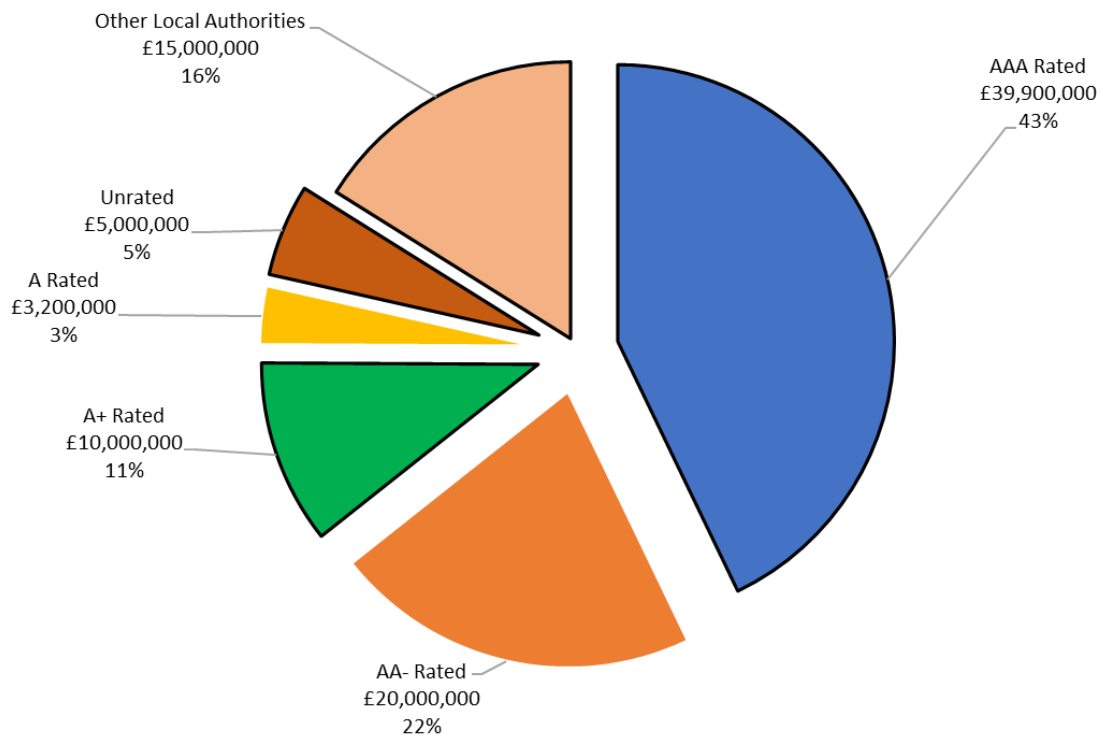
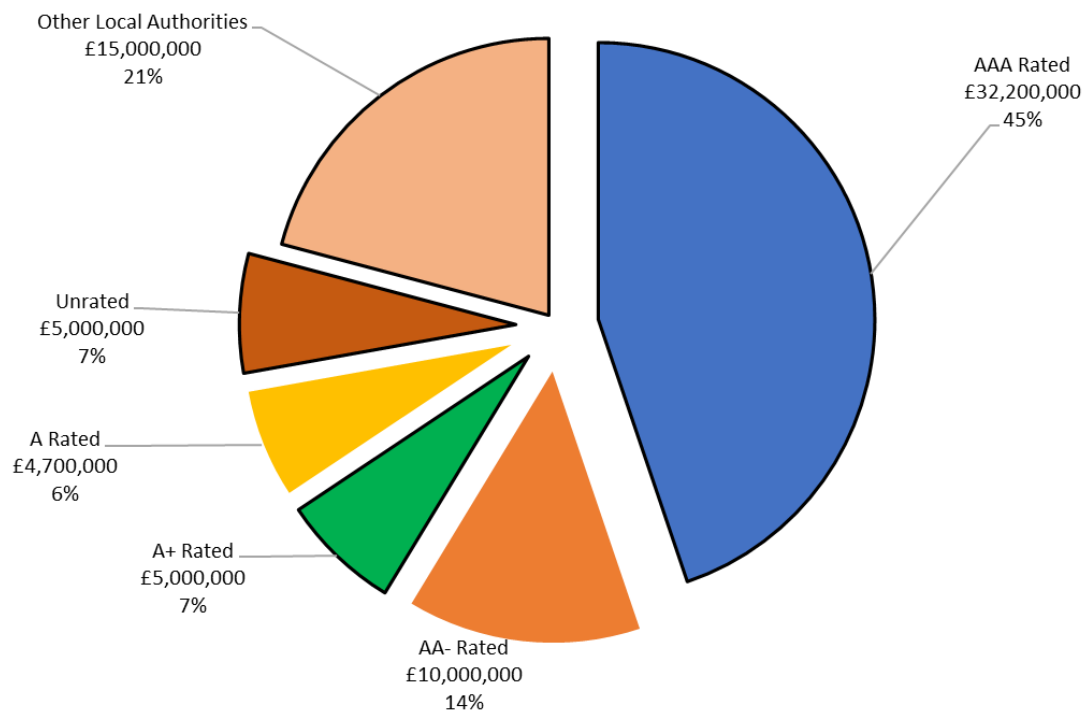


Chart 4: Council Investments Per Lowest Equivalent Long Term Credit Rating as at 30th June 2021 - £71.9 m



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.

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Bath & North East Somerset Council

MEETING:	Cabinet	
MEETING DATE:	11 th November 2021	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3318
TITLE:	Revenue and Capital Budget Monitoring, Cash Limits and Virements – April 2021 to September 2021	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1 – Revenue Monitoring Commentary Appendix 2 – Key Scheme Capital Monitoring Commentary Appendix 3 (i) & 3 (ii) – Proposed Revenue Virements & Revised Revenue Cash Limits 2021/22 Appendix 4 (i) & 4 (ii) – Capital Virements & Capital Programme by Portfolio 2021/22		

EXECUTIVE SUMMARY

a) Revenue budget

The Revenue budget outturn is currently forecast to be on budget. This includes the use of £1.5m Covid contingency funding to fund the on-going financial pressures resulting from the pandemic.

Significant projected income losses in Heritage Services and demand pressures in Children's Services are offset by underspends in Adults Services and quicker than expected recovery in Parking income. Many services across the Council are also suffering continued income losses, although the government's sales, fees and charges compensation scheme, which covers the first three months of the year, is helping mitigate some of the impact to the bottom line.

The Dedicated Schools Grant (DSG) continues to forecast an in-year SEND placement pressure of £6.3m. This currently does not affect the Council's revenue position. Mitigation plans are being worked up to reduce the ongoing deficit over a number of years going forward.

Savings of £8.5m were included in the 2021/22 budget. At present the majority of savings are expected to be delivered. Management action plans to mitigate will be identified should delivery of any become at risk. Any savings already identified as unachievable have been put forward as pressures in the 22/23 Budget proposals that are currently under consideration by the Senior Leadership Team and Cabinet Portfolio Leads.

b) Capital budget

The current position of the 2021/22 Capital Programme is a forecast of £121m against a budget of £135.6m. The variance of £14.6m reflects anticipated rephasing requests into future years, mainly from the large Economic Development Project for Bath Western Riverside and loans to the Council's Housing Company.

c) Council Tax and Business Rates

Taking the impact of the reduction in LCTSS claimant numbers and the increase in chargeable dwellings into account, the current forecast is for an in year surplus of £1.5m on the Collection Fund in respect of Council Tax, of which the Council's share is £1.26m.

The current in year forecast for the Business Rate element of the collection fund is for a deficit of £0.07m, after allowing for additional s31 grant funding of £19.6m in respect of the retail reliefs. The deficit is mainly the result of a reduction in rates payable, partly offset by a favourable position on the appeals provision, following the withdrawal of a number of appeals made against the 2010 rating list.

d) Council Reserves

The current outturn forecast includes the use of £1.5m from the Council's Covid contingency reserve to fund ongoing pressures resulting from the pandemic.

1 THE ISSUE

- 1.1 This report presents the financial monitoring information for the Authority as a whole for the financial year 2021/22, using information available as at the end of September 2021.

2 RECOMMENDATION

The Cabinet is asked:

- 2.1 To note the 2021/22 revenue budget position (as at the end of September 2021).
- 2.2 To note the revenue virements listed for information only in Appendix 3(i).
- 2.3 To note the capital year-end forecast detailed in paragraph 3.25 of this report;
- 2.4 To note the changes in the capital programme including capital schemes that have been agreed for full approval under delegation listed in Appendix 4(i).

3 THE REPORT

- 3.1 The Budget Management Scheme requires that the Cabinet consider the revenue and capital monitoring position four times per year.

REVENUE BUDGET

- 3.2 Service Directors have been asked to outline the actual expected outturn for the year and the reasons to date for over / under budget forecasts. For revenue budgets which are forecast to be over budget, the Directors are expected to seek compensating savings to try and bring budgets back to balance.
- 3.3 A summary by Portfolio of the revenue position as at the end of the second quarter is shown in the table below:

Portfolio	Revised Budget £'m	Year End Forecast £'m	Variance Over / (Under) £'m
Economic Development and Resources	10.76	13.29	2.53
Climate and Sustainable Travel	1.08	0.99	(0.09)
Adults and Council House Building	63.50	62.11	(1.40)
Children & Young People, Communities & Culture	31.86	34.28	2.42
Neighbourhood Services	24.43	24.91	0.47
Transport Services	(3.29)	(6.39)	(3.10)
Planning	2.04	2.71	0.66
Forecast Outturn Variance	130.39	131.89	1.50
Use of Covid Contingency Reserve			(1.50)
Quarter 2 Forecast Outturn Position			0.00

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

- 3.4 The current **year-end** forecast is on budget. The forecast includes the projected use of £1.5m from the Covid Contingency Reserve to mitigate in year pressures.

Portfolio Commentary

- 3.5 Key variances and associated actions by Portfolio are as follows, a more detailed breakdown can be found in Appendix 1:

Economic Development and Resources (£2.53m over budget, £0.89m favourable movement)

The on-going pandemic continues to limit revenue generation in Heritage Services. However, strong summer visitor demand has improved the forecast by £0.35m, reducing the unfavourable forecast position from £1.90m to £1.55m. Income from the Thermae Bath profit share is also forecast to be impacted by £0.25m after allowing for sales, fees and charges compensation grant, while income from the Commercial Estate is forecast to be £0.23m less than budgeted. The Preparing for the Future programme continues to develop new approaches to ways of working and how we use our Corporate Estate, but currently there is a £0.99m pressure from unachieved income targets, staffing pressures and unbudgeted costs associated with the Bath Community Academy site at Culverhay. The increased use of bed and breakfasts for temporary accommodation means we cannot reclaim subsidy, which is contributing to a £0.50m pressure on the Housing/Council Tax Benefits Subsidy budget. These pressures are partially offset by temporary high levels of cash balances, which are delaying the need to borrow and result in a favourable £0.69m capital financing underspend.

Climate and Sustainable Travel (£0.09m under budget, £0.16m favourable movement)

A £0.1m staffing pressure in the Transport Planning, Policy and Sustainable Transport service relating to the increased volumes of work relating to the Joint Local Transport Plan is offset by delays to recruitment in the Sustainability team (£0.16m).

Adults and Council House Building (£1.40m under budget, £1.27m favourable movement)

The current forecast position for Adult Social Care is an underspend variance of £1.28m. This reflects the reduced number of package placements seen during 2020/21 which has continued into 2021/22. Current health funding arrangements have been extended to cover the second half of the year therefore, the impact of the expected demand from the ending of these arrangements is now reduced. Future demand on Adult Social Care is expected to return to previously seen levels once we are through this pandemic period, with a risk of additional demand being seen when these levels return, in both package numbers and complexity of social care cases.

The level of future demand is still undetermined but is expected to cause pressure on existing budgets. To balance this, work is continuing on the delivery of the service plans so this demand can be met.

Housing are forecasting a £0.12m favourable budget position which is a result of unbudgeted Domestic Abuse grant income and an underspend on supported lodgings.

Children and Young People, Communities and Culture (£2.42m over budget, £2.18m adverse movement)

The Children and Young People segment of this Portfolio is over budget by £2.30m, this includes £0.80m of Covid related expenditure.

The main element of this over budget position is due to increased costs in the demand-led budgets. In total this area is £1.55m over budget including £0.80m of Covid costs. Placement numbers have risen in Joint Agency Panel placements, whereas Residential placements numbers remain stable. Increased costs of existing packages are the other main cost driver in this area and these have risen due to the increased need our Children and Young People are presenting with, many as a consequence of Covid.

Staffing pressures across the frontline areas of Children's Social Care total £0.47m. This is the result of covering absences within teams, whilst also responding to increasing demand levels and complexity of need.

The Education Psychology Service has a £0.23m over budget position. This is due to increased staffing costs needed to provide the Local Authorities statutory duties in this area, caused by significantly increased requests for assessment, a national shortage of qualified EP's and use of agency staff and un-budgeted maternity cover.

To mitigate these pressures vacancies have been held and recruitment delayed in areas where this is possible, and the transformation program is progressing at pace to realise any potential savings in this financial year. Financial recovery plans are premised on the future availability of lower cost suitable placements being enabled through the Transformation Program.

Reduced income for Events due to social restrictions add a further £0.05m pressure to the portfolio, while savings in Customer Services are currently forecast at risk, adding a further pressure of £0.09m, but plans to mitigate are in development.

Schools DSG (£6.27m over budget, plus an overspend of £5.42m carried forward from 2020-21)

The DSG has a forecast overspend of £6.27m in 21/22 made up of significant pressures on SEND. The SEND pressures are estimated based on current pupils identified with Education, Health and Care (EHC) Plans of £6.8m however mitigating actions have identified £0.5m of savings.

Further work on opening the provision of local SEND places at schools in the area will help reduce the pressure and extensive analysis of the specific cost pressures is being conducted to look to reduce the overspend.

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

A recovery plan continues to be developed to be shared with the DFE and the Schools Forum, so that the overspend can be recovered over an extended period of several years.

Neighbourhood Services (£0.47m over budget, £0.12m adverse movement)

Financial support to our leisure operator is causing a £0.20m pressure in the Leisure service, whilst increased staffing, vehicle and electricity costs associated with increased waste tonnages continue to cause the Waste service a net on-going budget pressure of £0.33m. This unfavourable forecast variance is the net position after including increased income from the sale of recyclates (£0.35m).

Transport Services (£3.10m under budget, £2.41m favourable movement)

Parking budgets were rebased by £3.5m reducing the income target in 2021/22 to mitigate the continued expected income losses resulting from the on-going pandemic. As expected, demand for parking remained low in the first quarter and reduced income will be partially offset by the sales, fees and charges compensation grant. However, since government social restrictions were reduced in July, parking income has been significantly higher than expected when setting the 21/22 budget, especially within Bath city centre. Consequently, forecasts for the remainder of the year are also more optimistic, resulting in a favourable forecast outturn variance of £3.13m. There is a significant financial risk around energy contracts resulting from the volatile energy market. Whilst our main gas and electricity contracts are not up for renewal until the end of the financial year, the in-year costs of the Street Lighting contract extension is currently being quantified and work is on-going to establish the most cost-effective resolution.

Planning (£0.66m over budget, £0.03m adverse movement)

Planning income continues to be significantly impacted by the pandemic, with larger income generating applications remaining low compared to 2019/20 levels. After sales, fees and charges compensation grant and salaries underspends the service is forecasting a £0.53m pressure. Net licensing income is also £0.14m down against budget, whilst the absence of a casino operator is also causing a budget pressure for the portfolio.

Savings Performance

- 3.6 The 2021/22 revenue budget approved savings of £8.5m. 90% (£7.7m) of savings have been delivered in full, 6% (£0.5m) have been mitigated by one-off underspends in year, and 4% (£0.3m) are delayed or will not be achieved and are being addressed through the 2022/23 budget setting process.
- 3.7 The Council's financial position, along with its financial management arrangements and controls, are fundamental in continuing to plan and provide services in a managed way, particularly in light of the medium-term financial challenge. Close monitoring of the financial situation provides information on new risks and pressures in service areas, and appropriate management actions are then identified and agreed to manage and mitigate those risks.

REVENUE BALANCES, CONTINGENCY AND RESERVES

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

Key Reserves

3.9 The following table shows the balances of key reserves at the beginning of the year, planned use, and expected balance at the year-end based on current forecast:

	Balance as at 01/04/2021 £'m	2020/21 O/T Report Approved Transfers £'m	Projected Use / Commitments £'m	Estimated Balance 31/03/2022 £'m
Revenue Budget Contingency	2.94	0.10	(0.54)	2.50
Financial Planning and Smoothing Reserve	3.06	4.61	(0.73)	6.94
Transformation Investment Reserve	1.93	0.70	(0.63)	2.00
Covid Contingency Reserve (Govt grant)	5.62	0.00	5.62	0.00
Restructuring & Severance Reserve	2.18	0.00	0.28	1.90

Reserves and Flexible Capital Receipts

3.10 Flexible Capital Receipts are being utilised for revenue spend that results in ongoing revenue savings. A five-year estimated use of £11.5m was agreed as part of budget setting in February 2021, this has now been updated to reflect the re-profiled requirement and re-phasing into 2021/22 as follows:

	Actual Usage 2017/18 £'m	Actual Usage 2018/19 £'m	Actual Usage 2019/20 £'m	Actual Usage 2020/21 £'m	Available Balance 2021/22 £'m	Est Total Usage £'m
Flexible Capital Receipts	3.12	3.45	1.26	0.10	3.57	11.50

3.11 Unapplied capital receipts of £2.776m were carried forward from 2020/21 and £1.173m has been received in 2021/22 so far with a further £4.240m budgeted for receipt in 2021/22.

General Fund Un-Earmarked Reserve

3.12 The General Fund Un-Earmarked Reserve is retained to meet the Council's key financial risks. The risk assessment has set a range of between £11.6m and £12.8m to meet those risks in the 2021/22 financial year. The reserve has a

current uncommitted balance of £12.6m in line with the level reported in the 2021/22 Budget Report.

Revenue Budget Virements

- 3.13 Any revenue budget virements which require Cabinet approval are listed in Appendix 3(i). Technical budget adjustments are also shown in Appendix 3(i) for information purposes, as required by the Budget Management Scheme.

COUNCIL TAX, COUNCIL TAX SUPPORT AND BUSINESS RATES

- 3.14 The Council saw a large increase in the number of people claiming Local Council Tax Support (LCTS) as result of the economic impact of the pandemic during 2020/21. The 2021/22 tax base allowed for an increase of 5% on the number of working age recipients as at the end of November 2020 with budgeted costs of LCTS set at £10.97m. The cost at the beginning of April was £10.69m and there has been a gradual reduction over the first six months of the financial year, in line with a fall in working age claimants, with the cost at the end of September £10.19m. This is currently £0.78m below the budget estimate which will contribute to a Council Tax Collection Fund surplus if the position remains at this level at year end. The number of working age claimants at the end of September was 6,339 compared to the budget assumption of 6,915. The reduction is due to claimants ceasing to be entitled to LCTS, for example where they have returned to employment.
- 3.15 The actual outturn position on LCTS and the impact on the Council Tax collection fund will depend on a number of variables, including the change in number of claimants and the period claimants remain eligible for support whilst seeking employment and this will continue to be monitored closely during the remainder of the year. Further increases in claimants may feed through as the government furlough support scheme ended on the 30th September 2021.
- 3.16 The Collection Fund is also benefitting from an increase in the number of chargeable dwellings which is above the level forecast when setting the taxbase for 2021/22. Taking both the reduction in LCTSS claimants and the increase in chargeable dwellings into account, the current forecast is for an in year £1.5m surplus on the Collection Fund in respect of Council Tax, of which the Council's share is £1.26m. This represents a positive variance of 1.2% against the 2021/22 forecast income.
- 3.17 Under Local Government accounting arrangements for Council Tax, the impacts of the Council Tax collection fund projected outturn position will be built into the financial planning assumptions as part of the 2022/23 budget.
- 3.18 The Council's share of the improved 2020/21 Council Tax Collection Fund final outturn position of £1.3m, as reported to Cabinet in July, has been reflected in the Medium Term Financial Strategy update which was reported to Cabinet in September.

Business Rates

- 3.19 The government announced, as part of the Chancellor's Budget Statement in early March 2021, that it will continue to provide eligible retail, hospitality and leisure properties in England with 100% business rates relief from 1 April 2021 to 30 June 2021. This will be followed by 66% business rates relief for the period from 1 July 2021 to 31 March 2022, capped at £2 million per business for properties that were required to be closed on 5 January 2021, or £105,000 per business for other eligible properties.
- 3.20 The Council will be recompensed for the reduction in business rate income arising from this relief via a s31 compensation grant. The announcement was made after the 2021/22 budget for business rate income was set, so the award of the relief will create a collection fund deficit which will be offset by the s31 compensation grant income received into the Council's revenue account. As at the end of September retail relief of £19.6m had been granted.
- 3.21 The current in year forecast for the Business Rate element of the collection fund is for a deficit of £0.07m, after allowing for additional s31 grant funding in respect of the retail reliefs. The deficit is mainly the result of a reduction in rates payable partly offset by a favourable position on the appeals provision, following the withdrawal of a number of appeals made against the 2010 rating list.
- 3.22 Empty property relief following business closures has increased from £4.2m to £4.8m in the first half of the year, but currently remains below the £5.3m allowance included when setting the business rate income forecast for 2021/22.
- 3.23 The table below shows the overall forecast position on the Collection Fund for Business Rates. Including the surplus carried forward from the 2020/21 outturn position to the current in year deficit it shows an overall projected surplus of £2.83m of which the Council's share is £2.66m.

Business Rates Collection Fund	Total (£m)	B&NES Share (94%) (£m)
Collection Fund - Projected 2021/22 In Year Deficit	19.68	18.50
Additional Extended Retail Relief Impact funded through s31 grant	-19.61	-18.43
In Year Deficit after Extended Retail Relief s31 grant funding	0.07	0.07
2020/21 Surplus Carried Forward	-2.90	-2.73
Total Projected Surplus	-2.83	-2.66

- 3.24 As set out in the Budget Report, any surplus or deficit on the Business Rate Collection Fund and associated income will be transferred to or from the Business Rates Reserve for consideration as part of the Business Rates calculations for future years and this position will be reflected in the 2022/23 budget. The balance on the Business Rate Reserve as at 1st April 2021 was

£3.684m, this includes the £2.8m transfer from the reserve approved in the 2021/22 budget report.

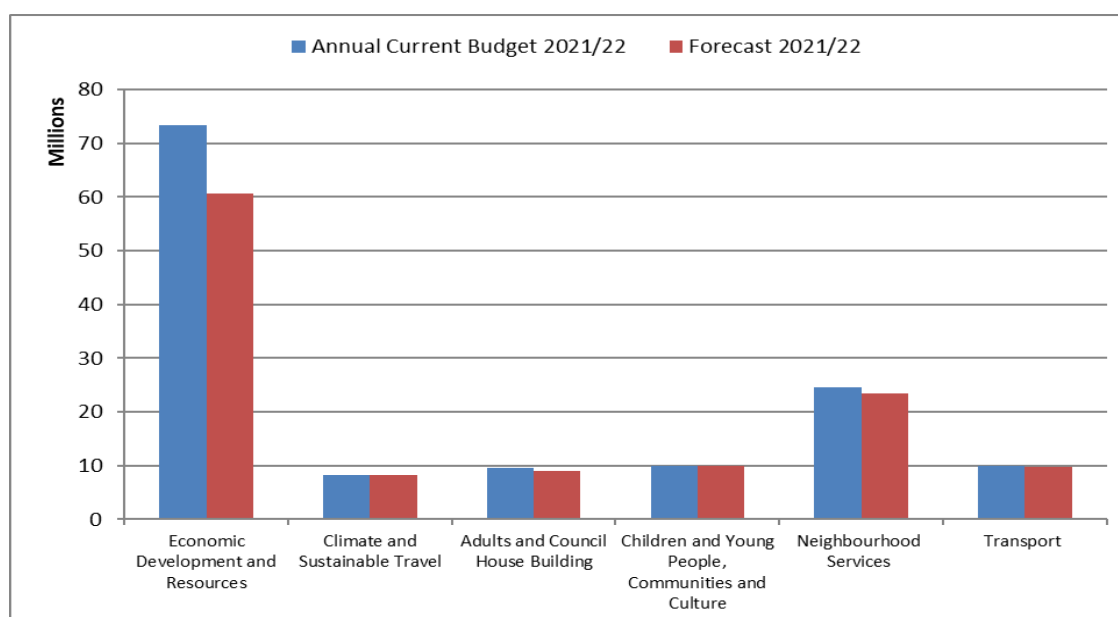
CAPITAL BUDGET

3.25 The current position of the 2021/22 Capital Programme is a forecast of £121.0m against a budget of £135.6m. The variance of £14.6m mainly reflects slippage on the large Economic Development Project for Bath Western Riverside and lower than forecast loans to Aequus in respect of Housing Developments. The following table shows a summary of the current position by Cabinet Portfolio. The full breakdown of the Capital Programme by Portfolio can be found in Appendix 4(ii) with key scheme commentary in Appendix 2. Appendix 4(ii) sets out budget changes actioned since the February Budget setting and also reflects the rephasing from 2020/21 as approved in the Revenue & Capital Outturn 2020/21 July Cabinet report.

Portfolio Summary Monitor	Annual Current Budget 2021/22	Forecast 2021/22	In-Year Variance 2021/22	Forecast Re-phasing to 2022/23	Other Variance 2021/22
	£'000	£'000	£'000	£'000	£'000
Economic Development and Resources	73,303	60,720	12,583	12,583	0
Climate and Sustainable Travel	8,211	8,211	0	0	0
Adults and Council House Building	9,548	8,928	620	620	0
Children and Young People, Communities and Culture	10,033	9,859	174	174	0
Neighbourhood Services	24,641	23,471	1,171	1,171	0
Transport Services	9,861	9,776	85	85	0
Grand Total	135,597	120,964	14,633	14,633	0

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

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



Capital Commentary

3.26 The key in year variances on the programme by portfolio include:

- **Economic Development and Resources** – Re-profiled spend in 21/22 includes forecast rephasing of £7.1m of Housing Company loans after review of the ACL/ADL business plan, £4.6m for Bath Western Riverside scheme where phasing is being aligned with Homes England Grant and £0.6m of budget for works to Grade II listed buildings in Orange Grove.
- **Adults and Council House Building** – Pemberley Place affordable housing scheme delayed due to Covid, with grant funding of £300k now expected to be re-phased into 22/23. Affordable Warmth Grant Scheme - £320k of grant funding will be sought to be rephased into 22/23 after unsurmountable supplier issues limited awards this summer.
- **Children and Young People, Communities and Culture** – Pedestrian footbridge at St Nicholas Primary – completion of the bridge and budget of £174k rephased into 22/23 whilst access agreements are finalised.
- **Neighbourhood Services** – vehicle replacement programme, £0.6m of budget rephased into 22/23 in line with the specialised tender timescales. £0.4m of budget rephased in respect of Sydney Gardens, where works are now expected to complete in the first quarter of 22/23 following programme delays arising from Covid.

RISKS

The key risks to the budget were outlined in the Councils 2021/22 Budget Report, in compliance with the Council's decision-making risk management guidance. These have been reviewed with the additional risks added below, including risks that specifically relate to the Covid-19 pandemic:

Risk	Likelihood	Impact	Risk Management Update
Continued government restrictions in the event of new variants impacting vaccine success	Possible	High	This is certainly a material risk, whilst not one the Council has direct control over, every step is being put in place to follow government guidance following the recommendations of our Director of Public Health.
Operational budget pressures due to latent demand and backlog	Possible	High	There is the risk of built up demand on Council services and backlog because of operational activity being diverted to managing the Covid pandemic. This may result in one-off cost pressures to clear the backlog.
Long term impacts on the Councils Commercial Estate over and above anticipated levels.	Possible	High	Current modelling has been prudent anticipating a material impact in 2021/22. The roll back of the furlough programme could impact business viability and therefore risk of further voids will be monitored closely over the coming weeks and months.
The income from Heritage Services may not recover in the short term.	Possible	High	Continue to monitor income levels and impact on business plan in light of capacity restrictions. We anticipated income will not fully recover in the medium term and growth was built into the medium terms financial plan for the next three years.
Impact on Reserves	Possible	High	Without additional government grant in recognition of

			Covid related financial pressures there is the risk that Council reserve levels are not enough to manage in-year and future years risk.
Interest rates increase	Likely	Medium	A reserve is available for borrowing to manage market risk and long-term borrowing costs have been factored into the longer-term MTFS. Due to increasing inflationary pressures the current forecast from our treasury management advisors is that there will be an increase in Base Rate from 0.1% to 0.25% in the second quarter of 2022. They also forecast that borrowing rates will remain around current levels following recent increases before falling as inflation decreases. The Council will continue to consider shorter term borrowing options alongside the PWLB.
Volatility and uncertainty around business rates	Likely	High	The impacts of Covid-19 will increase the volatility and uncertainty around business rate income. In 2021/22 this risk will be partly offset by the extension of the business rate relief scheme for Retail, Leisure and Hospitality businesses. We continue to monitor arrears, CVAs, and liquidations with a specific reserve held to manage in-year volatility.
Capital projects not delivered resulting in revenue reversion costs or liabilities from underwriting agreements	Possible	High	The Council has a number of projects within this category. These risks will continue to be monitored and reported. An assessment is made as part of the budget process to ensure that revenue reserves are sufficient to meet these risks. The capital programme methodology looks to de-risk projects wherever possible.
Changes to Government Policy that affects future funding	Likely	High	Need to monitor and continue to highlight impact
Brexit risks	Likely	Medium	The short to medium term impacts of Brexit on the Councils supply chain may result in contractual cost pressures from customs tariffs that previously did not apply. Emerging risks to the Council through access to the labour market.
Funding pressures through WECA, CCG and other partners	Possible	Medium	Ensure good communication links with partner organisations.
Capital receipts in the areas identified are insufficient to meet target	Possible	Medium	There is a risk that a depressed market will impact on current values, in the short to medium term the Council should not rely on capital receipts as a key funding source.
Volatile energy market and price increases	Likely	High	Our Street Lighting contract is up for renewal, as will our gas and electricity contracts on 31/03/22. The significant increases in energy prices could result in a material financial pressure for the organisation.

4 STATUTORY CONSIDERATIONS

- 4.1 The annual medium-term financial planning process allocates resources across services with alignment of these resources towards the Council's corporate priorities. This report monitors how the Council is performing against the financial targets set in February 2021 through the Budget setting process.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

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

6 RISK MANAGEMENT

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

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

7 CLIMATE CHANGE

7.1 The Medium Term Financial Strategy and budget process aligns resources towards the corporate priorities and objectives set out in the Corporate Strategy, which includes tackling the climate emergency. This report monitors the Council's financial performance against those budgets, and therefore does not include any decisions that have a direct impact on Climate Change.

8 OTHER OPTIONS CONSIDERED

8.1 None

9 CONSULTATION

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

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

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

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Appendix 1 - Revenue Monitoring Commentary Quarter 2 2021/22

Portfolio Number and Description		Cashlimit Number and Description		Current Budget £000	Actuals to date £000	Quarter 2 Published Forecast £000	Quarter 1 Published Outturn Variance £000	Change from Previous Quarter Forecast Over / (Under) £000	2021/22 Quarter 2 Outturn Variance Over / (Under) £000	Outturn Variance Analysis	Outturn Recovery Plan
Detailed Analysis of Budgets for Economic Development and Resources											
P26	Economic Development and Resources	1018	Heritage Services	(5,447)	(393)	(3,894)	1,899	(345)	1,554	Shortfall against budget has reduced from Quarter 1 due to strong summer visitor income performance, some further cost mitigations and also underspends in wages due to vacancies which cannot be filled. The shortfall is driven by the lockdown which affected Quarter 1 and the ongoing capacity restrictions, which have limited revenue generation since reopening in May.	Some cost mitigations identified and Sales, Fees & Charges grant support covers much of the Quarter 1 lost revenue, however the losses through July and August, due to restricted capacity are not containable in-Service.
P26	Economic Development and Resources	1032	Information Technology	5,261	3,364	5,130	201	(332)	(131)	Ongoing impacts from Covid and IT suppliers have resulted in financial & operational pressures, this hs been mitigated in year through one off underspends on the IT contracts budget.	A new Digital, Data & Technology Strategy is being finalised and part of this process is to re-prioritise activity, assess new operating models and areas for investment and attention over the remainder of 21/22
P26	Economic Development and Resources	1037	Property Services	554	404	553	2	(3)	(1)	Not material.	Not applicable
P26	Economic Development and Resources	1038	Corporate Estate Including R&M	3,447	2,870	4,432	670	315	985	The main pressure for this area is the unachieved income (£494k) from our accommodation target. The other major area of overspend is for the running costs of our Bath Community Academy (BCA) site at Culverhay (£122k) which are unbudgeted. Included in this overspend is £235k for uncapitalised staff costs. Other adverse variances come from staffing, cleaning and the	A service review is ongoing to identify areas of possible opportunities to make efficiencies on expenditure once staffing structures are embedded.
P26	Economic Development and Resources	1039	Traded Services	0	2	4	0	4	4	Not material.	Not applicable
P26	Economic Development and Resources	1040	Finance	2,156	1,014	2,113	0	(43)	(43)	Under budget position from vacancy savings.	Not applicable
P26	Economic Development and Resources	1041	Revenues & Benefits	1,891	1,703	1,722	(20)	(149)	(169)	Staff vacancy savings and additional court fees income.	Not applicable
P26	Economic Development and Resources	1042	Risk & Assurance Services	1,196	832	1,196	0	0	0	No material variance	Not applicable
P26	Economic Development and Resources	1047	Human Resources & Organisational Development	1,740	1,916	1,727	7	(20)	(13)	Salary underspend	Not applicable
P26	Economic Development and Resources	1052	Regeneration	314	1,185	214	(58)	(43)	(100)	Staff savings from vacancies, some have been filled so part year saving, offsets an unanticipated change in team costs.	Not applicable
P26	Economic Development and Resources	1053	Council Solicitor & Democratic Services	2,530	1,559	2,554	101	(77)	24	Proposed savings to reduce external legal spend within the legal services budget are not fully achievable (as budgets are held within services). External legal spend across the council is being tracked and savings identified.	External legal spend across the council is being tracked and savings identified. Alternative savings are currently being explored.
P26	Economic Development and Resources	1054	Hsg / Council Tax Benefits Subsidy	(195)	4,793	300	0	495	495	Impact of increased Temporary accomodation cost (B&B) where no subsidy can be reclaimed and reduction in debt as a result of improved controls resulting in reduced recoveries	Mitigations are bering explored with Housing which include identifying Covid grant funding.
P26	Economic Development and Resources	1055	Capital Financing / Interest	6,830	4,582	6,140	0	(690)	(690)	The underspend is due to the temporary high levels of cash balances held, resulting in a delayed need to borrow.	Not applicable
P26	Economic Development and Resources	1056	Unfunded Pensions	1,588	727	1,513	(75)	0	(75)	Small underspend forecast based on current spend to date.	Not applicable
P26	Economic Development and Resources	1057	Corporate Budgets including Capital, Audit and Bank Charges	(8,776)	(29,331)	(8,466)	375	(65)	310	The forecast overspend includes a £300k shortfall of income forecast from Bath Spa Profit Share due to the COVID-19 restrictions impacting turnover, which is partially off-set by Sales, Fees & Charges grant income of £55k. There is also a £25k pressure due to additional external audit fees and a £40k overspend forecast on the Apprenticeship Levy payments, mainly due to the increase Council payroll following the TUPE of staff.	As the income comes from a third party arrangement, the Council is limited in its recovery options. Possible reserves request to support Covid pressures.
P26	Economic Development and Resources	1058	Magistrates	12	4	12	0	0	0	No variance reported.	Not applicable
P26	Economic Development and Resources	1059	Coroners	335	196	385	0	50	50	There is an unavoidable on-going presure of £35k due to JNC Pay Awards in the Coroners Service, increased fees charged by pathologists and regrading of Mortuary Staff posts. In addition, there is a £15k one-off pressure relating to the backlog of inquests that were delayed due to Covid-19.	Not applicable
P26	Economic Development and Resources	1060	Environment Agency	251	186	251	0	0	0	No variance reported.	Not applicable

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P26	Economic Development and Resources	1061	West of England Combined Authority Levy	5,148	3,636	5,148	0	0	0	No variance reported.	Not applicable
P26	Economic Development and Resources	1081	Commercial Estate	(10,173)	(10,625)	(9,944)	0	229	229	Updated forecast position for Commercial rental Income.	New lettings are increasing which may mitigate the current budget position.
P26	Economic Development and Resources	1109	World Heritage	158	60	154	(3)	0	(3)	Not material.	Not applicable
P26	Economic Development and Resources	1112	Housing Delivery Vehicle	(1,000)	320	(974)	118	(92)	26	Lower than budgeted interest income based on current forecast of loans to the Councils Housing Company.	Review income budget in line with 2021/22 business plan and sales pipeline.
P26	Economic Development and Resources	1118	Procurement & Commissioning	285	814	257	19	(48)	(29)	Minor overspends across service	Not applicable
P26	Economic Development and Resources	1126	Visit Bath	76	84	76	0	0	0	No variance reported.	Not applicable
P26	Economic Development and Resources	1130	Corporate Governance	1,476	891	1,635	235	(77)	158	The delivery of the senior management savings of £300k are on track following the completion of the Director level restructure. There is a residual pressure in the cashlimit from unachieved legacy strategy and performance savings, the deliverability of this target will be fully reviewed in the next quarter.	Finalise staffing structures across the organisation to understand short and long term resourcing requirement
P26	Economic Development and Resources	1131	Corporate Strategy and Communications	973	466	927	(45)	(1)	(46)	Staff Vacancy Savings	Not applicable
P26	Economic Development and Resources	1132	Business Change	130	228	130	(1)	1	0	No variance reported.	Not applicable
P26	Economic Development and Resources Total			10,759	(8,512)	13,293	3,426	(891)	2,535		
Detailed Analysis of Budgets for Climate and Sustainable Travel											
P27	Climate and Sustainable Travel	1120	Sustainability	501	145	343	1	(159)	(158)	Recruitment to expand the climate team is well underway, after the unavoidable delay to the start of the process due to Covid. However, not all posts will be filled in this year, resulting in the underspend. All posts will have been recruited early in financial year 2022/23.	Not applicable
P27	Climate and Sustainable Travel	1127	Environmental Monitoring (Air Pollution)	211	82	177	(32)	(2)	(34)	Staffing savings due to secondment and other minor updates.	Not applicable
P27	Climate and Sustainable Travel	1129	Clean Air Zone	0	(4,081)	0	0	0	0	CAZ expenditure is covered in full by the income generated, whilst entry charge income slightly down, this is currently more than offset by increased Penalty Charge Notice income. Compliance percentage rates are improving faster than predictions in earlier models, but a little too early to be confident about rates of continuing trendlines. Any shortfall would be covered by the New Burdens Principal.	Not applicable
P27	Climate and Sustainable Travel	1135	Transport Planning, Policy and Sustainable Transport	367	280	470	98	4	102	Staffing pressures within the service, from increased volumes of work relating to the Joint Local Transport Plan	Currently looking at savings across the service to mitigate pressure
P27	Climate and Sustainable Travel Total			1,080	(3,575)	990	67	(157)	(90)		

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Detailed Analysis of Budgets for Adults and Council House Building											
P28	Adults and Council House Building	1029	Housing	1,406	566	1,290	(125)	9	(116)	Grant funding for Domestic Abuse received releases revenue funding. Underspend on supported lodgings and timing of benefits received contributes towards the favourable variance.	Not applicable
P28	Adults and Council House Building	1073	Adults & Older People-Mental Health Commissioning	9,955	4,302	8,840	0	(1,115)	(1,115)	The impact of packages joint funded with health has reduced Social Care spend. Purchasing expenditure is further reduced by lower placement activity/deaths during the COVID pandemic.The funding impacts of the Transforming Care Agenda on Social Care budgets are increasing for expensive and complex packages requested via the panel process. Risk is reflected for the activity backlogs and the cost/pressures which have been impacted by Covid	Close monitoring of all care packages funding and service users recieving NHS Covid Funding. Pressure continues in high cost placements but this continues to be reviewed by commissioners through panel processes, contract monitoring, and continued work on savings plans. There has been an increase in joint Health Fund funding for Section 117 service users which have been reviewed in the panel process and NHS funding remains at 6 weeks for discharged patients requiring Social Care support.
P28	Adults and Council House Building	1086	Adult Care Commissioning	1,507	475	1,501	(11)	6	(6)	Staff turnover has created a small one off savings. Review of commissioning staff structure being completed.	Not applicable
P28	Adults and Council House Building	1088	Older People & Physically Disabled Purchasing	13,245	4,408	12,653	(26)	(567)	(592)	Health funding is still being provided for first 6 weeks of support to hospital discharge cases and this has generated one off savings. Health support will continue to March 2022. Commissioners and social workers are working together to reduce reliance on residential based care and deliver savings plans.	Not applicable
P28	Adults and Council House Building	1091	Learning Disabilities Commissioning	18,108	5,796	18,415	247	60	307	There are high cost adults transitioning from Children's services with higher provider costs than anticipated. These complex and high cost cases are being closely monitored and have been put forward for NHS Continuing Health Care funding/assessments by commissioning managers. Most day care and respite providers have resumed services, some being delivered differently.	There is continued pressure in high cost placements particularly transitions (children reaching 18 years). Reviews continue via the panel process, contract monitoring and working closely with Children's Services around Transitions. Work continues on savings plans to bring the spend in balance by the end of the year. Work continues to fill voids and reduce the spend of Out of Area
P28	Adults and Council House Building	1093	Physical Disability, Hearing & Vision	4,499	1,088	3,162	(219)	(1,118)	(1,337)	Activity in this service area's Purchased Care is reducing. Once NHS Covid Funding for Hospital Discharges ceases budget re-alignment may be required.	Commissioners continue to review this budget area through the panel process, contract re-negotiation, contract monitoring, and continued work on savings plans. Budget underspend will offset overspends in other areas of Adult Social Care.
P28	Adults and Council House Building	1110	Better Care Fund	7,630	10,190	7,630	(0)	(0)	(0)	No variance reported.	Not applicable
P28	Adults and Council House Building	1113	CCG B&NES CHC and FNC Payments	0	1,120	0	0	0	0	No variance reported.	Not applicable
P28	Adults and Council House Building	1114	Community Equipment	203	386	203	0	0	0	Demand pressures over and above budgeted provision has been met from IPC and COMF grant funding.	Not applicable
P28	Adults and Council House Building	1123	Safeguarding Adults	1,941	1,003	1,881	(2)	(58)	(60)	Staff turnover has created one off savings	Not applicable
P28	Adults and Council House Building	1124	Community Resource Centres & Extra Care Income	5,009	3,365	6,532	11	1,512	1,522	Job re-evaluation and regrading exercise has increased cost base of service. Higher staffing ratios has also been required to manage covid sickness/isolation routines and complexity of need.	Business case identifying pressures and three year action plan to manage costs and increase fee income developed.
P28	Adults and Council House Building Total			63,504	32,698	62,108	(125)	(1,271)	(1,396)		

Appendix 1 - Revenue Monitoring Commentary Quarter 2 2021/22

Portfolio Number and Description		Cashlimit Number and Description		Current Budget £000	Actuals to date £000	Quarter 2 Published Forecast £000	Quarter 1 Published Outturn Variance £000	Change from Previous Quarter Forecast Over / (Under) £000	2021/22 Quarter 2 Outturn Variance Over / (Under) £000	Outturn Variance Analysis	Outturn Recovery Plan
Detailed Analysis of Budgets for Children & Young People, Communities & Culture											
P29	Children & Young People, Communities & Culture	1036	Adults Substance Misuse (DAT)	157	273	157	(0)	0	(0)	Majority of spend is on fixed price contract arrangements.	Not applicable
P29	Children & Young People, Communities & Culture	1076	Children, Young People & Families	17,999	18,754	20,074	(64)	2,139	2,075	This forecast includes £805k Covid costs. £1,550k of the over budget position is due to demand led budgets. These include Joint Agency Panel (JAP), Residential, Disabled Children (DCT), Children in Care (CIC) and Staying Put placements. JAP is over budget by £500k due to 6 unbudgeted additional placements, many of which are as a direct result of Covid. Residential is over budget by £460k due to increased package costs as a direct result of accommodating additional needs due to Covid. Staying Put costs are £70k over budget, again mainly due to the consequences of Covid. The DCT client costs are £210k over budget, and the CIC client costs are £280k over budget, both due to increased demand, and packages of care and support needed as a result of the pandemic. The transformation projects are forecast to create a pressure of £160k in their first year, this will be enable future savings in 22/23 and beyond of circa £1m. Across all salary areas there is a pressure of £470k as a result of the cost of covering absence in teams whilst also responding to increasing demand and complexity of need. Savings of £100k have been identified across the legal spend and inter-agency adoption fee areas as part of the in-year financial recovery plan.	The service is actively searching for ways to mitigate this overspend in-year. Where recruitment is possible in lieu of expensive agency use, this is being progressed. The Transformation Program is progressing at pace to realise any savings as quickly as possible. Financial recovery plans are premised on the future availability of lower cost suitable placements being enabled through the Transformation Program.
P29	Children & Young People, Communities & Culture	1077	Inclusion & Prevention	3,109	86	3,355	93	153	246	Educational Psychology is over budget by £230k. This is a due to staffing pressures that were in existence during 20/21, but were met with one-off funding. Ongoing staffing pressures are due to increased staffing costs needed to provide the Local Authorities statutory duties in this area, caused by significantly increased requests for assessment, a national shortage of qualified EP's and use of agency staff and un-budgeted maternity cover.	The service is actively searching for ways to mitigate this cost in-year.
P29	Children & Young People, Communities & Culture	1078	Education Transformation	6,676	777	6,746	122	(52)	70	The pressure forecast is a result of two historical pressures, both reoccurring in 21/22 but not able to be offset by one-off Financial Recovery Savings as was achieved in 20/21. There is a £25k pressure from the unwinding of the Childcare Voucher scheme, as this service is now in decline due to the new Government Childcare Scheme offering. There is also a £60k pressure relating to ongoing costs of previous capital investment. In addition loss of training income has created a pressure of £40k, this has been due to Covid. These pressure are mitigated by £80k salary savings which are as a result of planned vacancy holding as part of the in-year financial recovery plan.	The service is actively searching for ways to mitigate this cost in-year. Vacancies are being held where possible.
P29	Children & Young People, Communities & Culture	1079	Schools Budgets	(1,877)	(3,027)	(1,877)	0	0	0	Although shown on budget, any overspend in the DSG is held on the balance sheet. The carried forward balance into 21/22 is a £5.42m deficit, with significant increase to this deficit forecast to occur during 21/22, to increase the deficit to c£12m. These pressures are in relation to SEND costs.	Recovery plan to reduce this deficit over the coming years is being drafted.
P29	Children & Young People, Communities & Culture	1089	Community Safety	193	155	193	0	0	0	No variance reported.	Not applicable
P29	Children & Young People, Communities & Culture	1094	Public Health	0	3,229	0	0	0	0	Public Health is fully funded by a ring fenced DHSC grant	0

Appendix 1 - Revenue Monitoring Commentary Quarter 2 2021/22

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P29	Children & Young People, Communities & Culture	1116	Integrated Commissioning - CYP	2,630	2,076	2,582	(76)	29	(47)	Half of the under budget position is as a result of vacancy, whilst the other half is a result of under budget positions across multiple contracts.	Not applicable.
P29	Children & Young People, Communities & Culture	1117	Safeguarding - CYP	77	(34)	30	0	(47)	(47)	Salary savings.	Not applicable.
P29	Children & Young People, Communities & Culture	1121	Events & Active Lifestyles	189	58	240	77	(26)	51	Loss of income for Events 21/22, due to a reduction in events across the year. Staffing pressures within the events team and for Recovery Plan work.	Possible reserves request to support covid expenditure pressures.
P29	Children & Young People, Communities & Culture	1122	Customer Services (Including Libraries)	2,193	931	2,282	126	(38)	89	Proposed savings from the service are not achievable so savings being realised from delaying recruitment to vacancies.	Savings plans are in place
P29	Children & Young People, Communities & Culture	1128	Business & Skills	517	338	496	(43)	23	(20)	Economic, Enterprise and Business departmental staff savings from vacancies.	Not applicable
P29	Children & Young People, Communities & Culture Total			31,864	23,615	34,280	234	2,182	2,416		
Detailed Analysis of Budgets for Neighbourhood Services											
P05	Neighbourhood Services	1019	Leisure	517	298	736	200	19	219	Further financial Support has been provided to leisure operator GLL for this Financial year due to impacts of Covid-19 on the sector.	Discussions with GLL ongoing. Possible reserves request to support covid expenditure pressures.
P05	Neighbourhood Services	1101	Neighbourhoods & Environment - Waste & Fleet Services	16,440	163,806	16,766	185	140	326	Pressures across the Operations and Recycling Service, due to increased staff costs, vehicle hire and electricity due to the collection and processing of increased waste tonnages. Partially offset by a reduction in some disposal costs, and increased income from the sale of recyclates (£350k).	Possible reserves request to support covid expenditure pressures.
P05	Neighbourhood Services	1102	Neighbourhoods & Environment - Parks & Bereavement Services	1,208	722	1,231	(3)	25	22	Parks reporting on target. Bereavement Services reporting a pressure due to staffing issues.	
P05	Neighbourhood Services	1115	Registrars Service	(66)	(174)	(115)	(2)	(47)	(49)	Forecast to achieve additional income due to backlog of weddings	Not applicable
P05	Neighbourhood Services	1134	Highway Maintenance	6,334	2,111	6,289	(25)	(21)	(45)	Staff Vacancy Savings in quarters 1 and 2, Recruitment to take place shortly	Not applicable
P05	Neighbourhood Services Total			24,434	166,763	24,906	355	117	472		
Detailed Analysis of Budgets for Transport Services											
P25	Transport Services	1103	Transport & Parking Services - Parking	(4,463)	(4,119)	(7,594)	(743)	(2,388)	(3,132)	Income across the summer period has been stronger than originally forecast, with this peak period exceeding the pre-covid baseline. A reduction in expenditure as a result of ongoing vacancies across the Enforcement Team, with ongoing recruitment presenting a number of challenges due to current job market	Not applicable
P25	Transport Services	1104	Public & Passenger Transport	(36)	478	(16)	66	(46)	20	Pressure due to staff and vehicles supporting the councils covid response delivering PPE across the BANES area. Partially offset by staff vacancies in Quarter 2.	Possible reserves request to support covid expenditure pressures.
P25	Transport Services	1119	Emergency Planning	423	343	502	54	24	79	Increases in operational covid costs plus increase in staff costs for additional cover due to staffing pressures.	Unable to mitigate the additional costs within the service
P25	Transport Services	1133	Network & Traffic Management	787	431	715	(73)	1	(72)	Staff Vacancy Savings in quarters 1 and 2, Recruitment to take place shortly	Not applicable
P25	Transport Services Total			(3,289)	(2,866)	(6,394)	(696)	(2,409)	(3,105)		

Portfolio Number and Description		Cashlimit Number and Description		Current Budget £000	Actuals to date £000	Quarter 2 Published Forecast £000	Quarter 1 Published Outturn Variance £000	Change from Previous Quarter Forecast Over / (Under) £000	2021/22 Quarter 2 Outturn Variance Over / (Under) £000	Outturn Variance Analysis	Outturn Recovery Plan
Detailed Analysis of Budgets for Planning											
P30	Planning	1005	Building Control & Public Protection	754	284	893	264	(125)	139	We have forecast reduced Licensing income of approximately £50k across quarters 1 and 2 due to the effects of COVID, along with a reduction in income on Street Trading Licenses of approximately £134k. Casino income (Schedule 9) of £121k is unachievable due to there being no casino operator. This is all partially offset by salary savings, mainly due to staff secondment and the Sales, Fees and Charges grant income.	Licensing income deficit may be offset by increased income in specific areas particularly if new businesses start being created after lockdown but that is difficult to forecast with any certainty at present.
P30	Planning	1106	Development Management	1,287	791	1,812	372	153	525	Reduced Planning Income due to COVID creating an expected pressure of £534k and an overspend on appeals and judicial reviews of £55k which is partially offset by staff vacancies and unspent supplies and services.	With such a volatile area, we have to wait and see if the easing of restrictions increases the number of major applications and associated discretionary fees like pre apps and PPAs. Applications are being closely monitored to provide the most accurate information for the forecast.
P30	Planning Total			2,041	1,075	2,705	636	28	664		
	Council Total			130,393	209,199	131,889	3,897	(2,401)	1,496		

FINANCE BUDGET MONITORING MONTHLY DASHBOARD - April to September 2021/22

CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

Portfolio / Scheme	Commentary	2021/22 Budget £'000	2021/22 Forecast £'000	RePhasing to Future Years £'000	Other 2021/22 Variance £'000
Transport					
Office for Low Emission Vehicles (OLEV) Bid -GULW	EV charging works at Kingsmead Square (2 Nr fast chargers) have been substantially completed and chargers await commissioning. Enabling works scheduled for week commencing 4th October 2021 for five Work Package 1 sites and design work ongoing for KCC. Design work for Work Package 7 site (Charlotte Street rapid hub) is ongoing. The programme remains challenged by supply chain issues and internal coordination issues due to current working arrangements and resource constraints. Funding for the last mile delivery pilot concluded on 31st March 2021. Due to Covid lockdown the service was unable to meet growth targets so additional funding has been received to continue this pilot until March 2022.	1,359	1,359	-	-
Transport Improvement Programme	Programme currently progressing with a signalised pedestrian crossing at Ensleigh, Lansdown Road commissioned and a new zebra crossing completed on Lansdown Lane. Budget rephasing from 20/21 of 1,407k relates mainly to CiL and s106 funded schemes due to complexity and moving staff to work on emergency Covid measures.	3,193	3,193	-	-
Cleveland Bridge Refurbishment	Works started on 4th May 2021 and the repairs have had to be more extensive than previously identified. The bridge will re-open to traffic in Quarter 3, with programmed works continuing thereafter, including footways.	3,553	3,553	-	-
Economic Development and Resources					
Bath Quays Bridge & Linking Infrastructure	The bridge dynamic testing is complete. Engineering works to link this bridge for walking and cycling to the office No 1 Bath Quays expected to complete during 2021/22. The overall public realm work is expected to complete in 2022/23.	2,518	2,518	-	-
Bath Quays North	The Developer has previously obtained approval to S96A and S73 planning applications which enabled the submission of the Reserved Matters Application (RMA) in January 2021. The BQN application was to be decided at an Oct 2021 planning committee meeting but this was suspended pending the submission of two final documents by the Developer. The planning decision is now likely to be rescheduled to December or the early part of 2022. Works are continuing with advanced enabling works to prepare the site for development. The impacts on scheme delivery caused by Covid-19 and lockdown continue to be evaluated, with market risks from occupier interest and construction inflation increasing delivery risk and impacting programme. Options to mitigate the more challenging financial viability arising are being considered to secure the delivery of the scheme.	11,247	11,247	-	-
Bath Quays South	No.1 Bath Quays (new offices) reached practical completion in May 2021 with levels of interest from the occupier market rebounding following easing of lockdown restrictions. Newark Works refurbishment is progressing with significant additional works advancing well to improve energy performance and forecast to complete late 2022. Public Realm works are now being programmed to commence after the engineering work to link the bridge to No.1 Bath Quays completes.	4,516	4,516	-	-
BWR Phase 2	The infrastructure pre-works have completed and the major gas network rationalisation works now commenced with completion in April 2022. Planning consent for residential redevelopment at Midland Road waste site was granted 17 Dec 2020. Cashflow between financial year is being updated to accelerate works as much as possible. Re-profiling will be made by technical adjustment following Homes England (funder) approval.	12,879	8,250	4,629	4,629
Commercial Estate Refurbishment Programme	Programme to ensure key properties are either marketed in a condition that increases the potential rental income or in a more attractive and marketable condition.	2,154	2,154	-	-

FINANCE BUDGET MONITORING MONTHLY DASHBOARD - April to September 2021/22

CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

Portfolio / Scheme	Commentary	2021/22 Budget £'000	2021/22 Forecast £'000	RePhasing to Future Years £'000	Other 2021/22 Variance £'000
Corporate Estate Planned Maintenance	Planned works for 2021/22 include a replacement heat reclaim boiler at Haycombe Crematorium is underway along with refurbishment works to public areas and improvements to the disabled access for the Crematorium chapel. Work is also underway at Beaumonds Childrens Home and for repairs at Royal Victoria Park. Progress to complete statutory compliance testing is being made and upgrading emergency lighting at various properties. A high value of orders are going through tender processes (e.g. lift inspections) and £407k is set aside for commitments not yet on purchase orders.	3,756	3,756	-	-
Property Company Investment - Council (Loan): Developments	During 2021/22 loans will fund the development of Sladebrook Road and the full loan has been drawn down for Newbridge Hill. Both ACL and ADL continue to forecast loan repayments to agreed schedules for 2021/22 and the full loan for Riverside View will have been repaid in November 2021.	12,769	5,600	7,169	7,169
Radstock Healthy Living Centre	Work is on-going on site with an expected completion date in Q4 2021/22, although there is a likelihood of slippage into 2022/23 due to the current shortages for materials.	1,495	1,495		-
Roman Baths Archway Project	The main construction works for the City of Bath World Heritage Centre and Roman Baths Clore Learning Centre are now complete. The team are now working on the exhibition and fit-out; the contracts for this phase of works have been awarded and installation will complete in the Autumn. The new spaces are due to open in 2021.	532	532		-
Somer Valley Enterprise Zone - Infrastructure	Stakeholder engagement on SVEZ proposals commenced in Q2, with the formal Local Development Order (LDO) consultation due to take place in Q4 2021/22.	1,052	1,052	-	-
York Street Vaults Phase 2	Trench tests have been completed to assess causes of water ingress into the vaults. Swallow St public realm works were completed early Summer 2021, with natural stone finished paving slabs similar to Stall Street and new drainage installed. Work to complete the York Street public realm works programmed for after Christmas.	855	855		-
Keynsham High Street Renewal Programme	Phase 1 works for the Public Realm scheme for Keynsham High Street are underway to revitalise the town centre and enhancing the accessibility by alternative modes of travel. There were some delays during the Summer of 2021, however the scheme should complete during 2021/22. Grant funded Heritage Action Zone works will deliver further public realm, a masterplan, shop front improvements, wayfinding, community engagement and a cultural programme.	2,411	2,411	-	-
Midsomer Norton High Street Renewal Programme	Work on the grant funded Heritage Action Zone works is continuing to budget. Detailed design and technical work for a submission of a Full Business Case to WECA for Love Our High Street funding expected for Autumn 2021.	599	599		-
Bath City Centre Renewal Programme	A programme of public realm improvements and enabling infrastructure to support the response to Covid-19 and the re-opening and renewal of the City Centre, utilising a £1,235K WECA Love our High Streets grants to be spent over a five year period in line with concept design approved.	660	660		-
Public Sector Decarbonisation Scheme	The Council has received £442k grant for the Public Sector Decarbonisation Scheme for Charlton House Care Home including re-design for heating and hot water, along with solar PV to power the site and measures to reduce energy demand with better insulation and lighting upgrades. We have also received £557K grant to passport to Cleveland Pools Trust for the installation of a Water Source Heat Pump to provide heat for the pools. Both projects are due to complete in 2021/22.	999	999	-	-

FINANCE BUDGET MONITORING MONTHLY DASHBOARD - April to September 2021/22

CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

Portfolio / Scheme	Commentary	2021/22 Budget £'000	2021/22 Forecast £'000	RePhasing to Future Years £'000	Other 2021/22 Variance £'000
Climate and Sustainable Travel					
Clean Air Zone	The Clean Air Zone objective is to achieve compliance with NO2 limit values. The charging zone with the sign and camera infrastructure, along with the highway works at Queen Square, is operational. Other "non-core items" of circa £1m are now being progressed including public realm, other air quality and transportation measures. The roll out of up to £6.7m financial assistance grants also continues with applications being processed by our three specialist finance partner organisations.	7,194	7,194	-	-
Liveable Neighbourhoods	The programme aim is to reduce the level of intrusion of vehicles into neighbourhoods, reflecting concerns about the impact of traffic levels, air quality impacts and congestion. Resources have been now been engaged to progress proposals and the next steps will be to undertake consultation in the 15 selected areas and identify schemes for early delivery.	1,000	1,000	-	-
Adults and Council House Building					
Affordable Housing	Pemberley Place extra care scheme has been delayed due to Covid, with grant payment of £300k now expected to slip to 2022/23.	880	580	300	300
Next Steps Accommodation Programme	The Next Steps Accommodation Programme was approved in January 2021 for the refurbishment of 23 Grosvenor Place which is progressing and orders raised. Also the purchase of two Platform for Life Properties was approved and one property transaction completed.	1,939	1,939	-	-
Affordable Warmth Grant Scheme	We have 2 grant schemes to improve energy efficiency for homes for low income households. From the individual applications received, 18 are expected to progress, fewer than anticipated reflecting that many applications faced unsurmountable supplier issues over the summer. We are also working in partnership with Curo to deliver improved underfloor thermal installation to over 70 properties in 2021/22 with 11 already completed.	965	645	320	320
Supported Housing Scheme	Plans to create accommodation at Theobald House progressing with planning permission secured. Expect to complete in 2021/22.	616	616		-
Shared Ownership Housing Programme	Shared ownership units being developed at Sladebrook Road and 117 Newbridge Hill.	1,218	1,218		-
Neighbourhood Services					
City Centre Security - Highways Scheme	Anti-Terrorism Traffic Regulation Orders (ATTRO's) were published in Q2 and the consultation is progressing with drop in sessions taking place. Scheme development continues as we seek to finalise design and cost estimates prior to tendering.	304	304	-	-
Highways Maintenance Block	All workstreams progressing to programme and forecast, no exceptions to report at this stage.	5,841	5,841	-	-
Parks S106 Projects	This relates to a number of projects that are s106 funded, including a completed play area refurbishment at Kelston Road and one at Kensington Meadows, due to open by end of December this year. A consultation has been undertaken at Sullis Meadows to include works to the footpaths and a play area refurbishment; permissions for some of these works are being sought from Historic England but most of the works will complete this financial year. Other works include a survey at Hedgemoad in respect of retaining walls; shrubbery, landscape and improvements at Cappards Farm; and a new gate at Bloomfield Park.	233	173	59	59

FINANCE BUDGET MONITORING MONTHLY DASHBOARD - April to September 2021/22

CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

Portfolio / Scheme	Commentary	2021/22 Budget £'000	2021/22 Forecast £'000	RePhasing to Future Years £'000	Other 2021/22 Variance £'000
Sydney Gardens (Round 2)	To date in 2021 the Sydney Gardens Project has made significant progress on the ground. The Upper Tennis Courts have been refurbished and reopened as pay to play courts, with a top quality surface. A Boules Terrain has been opened in the lower Gardens and is available for turn up and play opportunities or for group tournament play. The new Community Pavilion is almost complete and is expected to be open in November, along with a public toilet and a specialist Changing Places Toilet for special needs. The Play Area and Lower Tennis Courts are under construction with all capital works largely complete by the end of 2021 in line with plans and grant conditions, although as a consequence of slippage resulting from COVID 19 delays, we shall be requesting from NLHF an extra season to fully deliver the commitments of the Activity Plan later into 2022.	2,422	2,022	400	400
Pixash Site Redevelopment	The Keynsham Recycling Hub development was granted planning consent at the end of July 2021. The procurement process for the construction phase is in progress with detailed tender analysis and evaluation being carried out, prior to award with a full programme and start on site to be agreed.	9,629	9,629		-
Children and Young People, Communities and Culture					
Basic Needs - School Improvement / Expansion	Programme Highlights are :- - St Nicholas Primary. Works to provide a pedestrian footbridge delayed due to problems with the housing developer and their agreement to a variation of the S106 Agreement for the relocation of the bridge. Further complications around access Licence required from the adopted highway across land owned by Norton Radstock Renaissance (NRR). At October 2021 the variation to the S106 and access agreements are still not achieved and construction of the footbridge cannot proceed until this has been finalised. £174k rephased into 21/22. - Hayesfield School - project to expand the school refectory. At October 2021 the majority of works are complete, awaiting some final works to the outside areas. - Cameley Primary - expansion to a 210 place school by providing a new 3 classroom block and expansion of the hall, kitchen, staff room and reception/entrance. Classrooms were complete for September 2021; hall, reception/entrance and external works due to complete in November 2021. - St Keyna Primary - Feasibility Study to expand to a 420 place school. Project Team appointed and Feasibility Study progressing well.	5,592	5,418	174	174
Schools Capital Maintenance Schemes	Various schools capital maintenance schemes are moving forward including: Twerton Infants School – Replacement windows. Contractor appointed. Phased programme of work to be carried out starting Autumn/Winter 2021, the main works are to be carried out over the summer holidays 2022. Newbridge Primary – Replace boilers and heating system. Contractor appointed. Phased programme of work to be carried out Autumn/Winter 2021 through to Summer 2022.	2,100	2,100	-	-
SEND (Special Education Needs & Disability) Capital Programme	Projects under this scheme are:- - Bath Community Academy - Additional SEN Placements were created during 2020/21. A further feasibility study in underway to explore the options to move current provision at Bath Community Academy to another location on the site. Feasibility study outcomes have raised a number of questions about the scope of this project and best way to deliver accommodation for the AP requirements. - St Mark's – Phase 1 is the creation of an additional 10 places, which completed in September 2020. Phase 2 is the creation of an additional 7-10 places, completed in September 2021. - Aspire Academy expansion to a 120 place special school - construction of a new classroom and adaptation of existing Bath Studio School buildings. Scheme to complete by Spring 2022. The Academy Trust are delivering the scheme and places available from September 2021. Completion has been delayed due to covid, shortage of materials and labour. The WMAT and Aspire Academy have made the places available but the capital project is likely to complete in December 2021.	2,272	2,272	-	-

2021/22 Revenue Virements for INFORMATION

Appendix 3 (i)

REF NO	REASON / EXPLANATION	CABINET PORTFOLIO	TRANSFER FROM	Income	Expenditure	CABINET MEMBER	TRANSFER TO	Income	Expenditure	DESCRIPTION	ONGOING EFFECTS	
			CASHLIM	(£'s)	(£'s)		CASHLIM	(£'s)	(£'s)			
The following virements have either been previously approved, are technical in nature or are below limits within BMS that require approval, and therefore are reported for information only.												
INFO 21#16	2020/21 Revenue Carry Forwards	Economic Development & Resources	Council Balances		311,686	Economic Development & Resources	Regeneration		6,479	Carry forwards from 2020/21 underspends, as approved by July'21 Cabinet in Outturn report.	Budget virement is one-off.	
							Business & Skills		68,472			
							Human Resources & Organisational Development		20,500			
							Children & Young People, Communities & Culture	Events & Active Lifestyles				8,873
							Climate & Sustainable Travel	Sustainability				30,000
							Neighbourhood Services	Neighbourhoods & Environment - Waste & Fleet Services				100,000
							Planning	Development Management				77,362
INFO 21#17	Senior Management Restructure	Economic Development & Resources	Council Solicitor & Democratic Services		21,728	Economic Development & Resources	Regeneration		54,074	Realignment of budgets following finalisation of Senior Management restructure.	Budget virement is ongoing.	
			Corporate Governance		50,630		Business Change		128,414			
		Children & Young People, Communities & Culture	Education Transformation		501		Human Resources & Organisational Development		9,128			
							Finance		5,741			
		Climate & Sustainable Travel	Sustainability		140,475		Adults & Council House Building	Adult Services				1,032
							Children & Young People, Communities & Culture	Children, Young People & Families				1,992
		Planning	Development Management		140,566		Neighbourhood Services	Neighbourhoods & Environment - Waste & Fleet Services				153,519
INFO 21#18	Climate Policy Officer post	Climate & Sustainable Travel	Sustainability		35,231	Planning	Development Management		35,231	Transfer of budget for Climate Policy Officer post following change of budget holder responsible for the post.	Budget virement is ongoing.	

REF NO	REASON / EXPLANATION	CABINET PORTFOLIO	TRANSFER FROM	Income	Expenditure	CABINET MEMBER	TRANSFER TO	Income	Expenditure	DESCRIPTION	ONGOING EFFECTS
			CASHLIM	(£'s)	(£'s)		CASHLIM	(£'s)	(£'s)		
INFO 21#19	Agency Staff Recharge	Economic Development & Resources	Various		6,742	Economic Development & Resources	Procurement & Commissioning		45,430	Elimination of internal income budgets within Procurement, along with the corresponding internal expenditure budgets across services, for administration of the Council's corporate agency staff contract.	Budget virement is ongoing.
		Adults & Council House Building	Adult Services		3,397						
		Children & Young People, Communities & Culture	Various		5,378						
		Climate & Sustainable Travel	Transport Planning, Policy and Sustainable Transport		3,967						
		Neighbourhood Services	Various		24,727						
		Transport Services	Various		903						
		Planning	Building Control & Public Protection		316						
INFO 21#20	Head of Customer Access & Improvement	Economic Development & Resources	Information Technology		57,017	Children & Young People, Communities & Culture	Customer Services (including Libraries)		57,017	Realignment of budget for Head of Access & Improvement, which had previously been a shared post between IT and Customer Services.	Budget virement is ongoing.
INFO 21#21	Income Services	Economic Development & Resources	Finance		565,123	Economic Development & Resources	Revenues & Benefits		565,123	Transfer of budget for Income Services team to Revenues & Benefits following the restructure of Exchequer Services.	Budget virement is ongoing.
INFO 21#22	Centralisation of IT Budgets	Economic Development & Resources	Property Services		5,615	Economic Development & Resources	Information Technology		6,215	Centralisation of budget for Systemlink & Botanical Gardens IT equipment.	Budget virement is ongoing.
		Children & Young People, Communities & Culture	Events & Active Lifestyles		600						
INFO 21#23	Senior Management Restructure	Children & Young People, Communities & Culture	Children, Young People & Families		43,738	Economic Development & Resources	Corporate Governance		43,738	Transfer of associated Director of Children's Services budgets that previously sat with Corporate Director prior to senior management restructure.	Budget virement is ongoing.

<u>REF NO</u>	<u>REASON / EXPLANATION</u>	<u>CABINET PORTFOLIO</u>	<u>TRANSFER FROM</u>	<u>Income</u>	<u>Expenditure</u>	<u>CABINET MEMBER</u>	<u>TRANSFER TO</u>	<u>Income</u>	<u>Expenditure</u>	<u>DESCRIPTION</u>	<u>ONGOING EFFECTS</u>
			<u>CASHLIM</u>	<u>(£'s)</u>	<u>(£'s)</u>		<u>CASHLIM</u>	<u>(£'s)</u>	<u>(£'s)</u>		
INFO 21#24	Early Help	Children & Young People, Communities & Culture	Education Transformation		3,250	Children & Young People, Communities & Culture	Integrated Commissioning - CYP		3,250	Realignment of Early Help budget following transfer of responsibility between teams.	Budget virement is ongoing.
INFO 21#25	Highways Licence Income	Transport Services	Network & Traffic Management	64,794		Neighbourhood Services	Highways Maintenance	64,794		Transfer of responsibility between Highways Maintenance and Street Works teams for Highways Licences income.	Budget virement is ongoing.
INFO 21#26	Webcasting	Economic Development & Resources	Corporate Strategy & Communications		24,000	Economic Development & Resources	Corporate Governance		24,000	Realignment of budget for the webcasting of meetings to reflect the change of budget management for the function.	Budget virement is ongoing.
OVERALL TOTALS				64,794	1,445,590			64,794	1,445,590		
					1,510,384				1,510,384		

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Portfolio Cash Limits 2021/22 - Revenue Budgets
Appendix 3(ii)

CABINET PORTFOLIO	Service	Jul'21 Revised Cash Limits	Technical Adjustments, below BMS limits or already agreed - shown for information	Total Virements for Approval	Nov'21 Revised Cash Limits
		£'000	£'000	£'000	£'000
Economic Development & Resources	Heritage Services	(5,447)			(5,447)
	World Heritage	158			158
	Regeneration	254	60		314
	Business & Skills	449	68		517
	Property Services	559	(5)		554
	Corporate Estate Including R&M	3,447	()		3,447
	Business Change	1	128		130
	Human Resources & Organisational Development	1,711	30		1,740
	Council Solicitor & Democratic Services	2,553	(23)		2,530
	Corporate Strategy & Communications	997	(24)		973
	Finance	2,716	(559)		2,156
	Revenues & Benefits	1,326	564		1,891
	Risk & Assurance Services	1,196	()		1,196
	Procurement & Commissioning	240	45		285
	Corporate Governance	1,459	17		1,476
	Information Technology	5,314	(53)		5,261
	Commercial Estate	(10,172)	(1)		(10,173)
	Housing Delivery Vehicle	(1,000)			(1,000)
	Visit Bath	76			76
	Hsg / Council Tax Benefits Subsidy	(195)			(195)
	Capital Financing / Interest	6,830			6,830
	Unfunded Pensions	1,588			1,588
	Corporate Budgets incl. Capital, Audit & Bank Charges	(5,712)			(5,712)
	New Homes Bonus Grant	(3,064)			(3,064)
	Magistrates	12			12
	Coroners	335			335
	Environment Agency	251			251
	West of England Combined Authority Levy	5,148			5,148
	PORTFOLIO SUB TOTAL	11,029	246		11,275
Adults & Council House Building	Adult Services	62,100	(2)		62,098
	Housing	1,406			1,406
	PORTFOLIO SUB TOTAL	63,507	(2)		63,504
Children & Young People, Communities & Culture	Children, Young People & Families	18,046	(47)		17,999
	Integrated Commissioning - CYP	2,626	3		2,630
	Safeguarding - CYP	77			77
	Inclusion & Prevention	3,201	()		3,200
	Education Transformation	6,635	(4)		6,631
	Schools Budget	(1,922)			(1,922)
	Adult Substance Misuse (Drug Action Team)	157			157
	Public Health				
	Events & Active Lifestyles	181	8		189
	Customer Services (Including Libraries)	2,136	57		2,193
	Community Safety	193			193
	PORTFOLIO SUB TOTAL	31,329	18		31,347
Climate & Sustainable Travel	Sustainability	647	(146)		501
	Environmental Monitoring (Air Pollution)	211			211
	Clean Air Zone				
	Transport Planning, Policy and Sustainable Transport	371	(4)		367
	PORTFOLIO SUB TOTAL	1,229	(150)		1,080
Neighbourhood Services	Leisure	517			517
	Neighbourhoods & Environment - Waste & Fleet Services	16,359	81		16,440
	Neighbourhoods & Environment - Parks & Bereavement Services	1,061	148		1,208
	Highway Maintenance	6,268	65		6,333
	Registrars Service	(66)			(66)
	PORTFOLIO SUB TOTAL	24,139	294		24,433
Transport Services	Network & Traffic Management	854	(65)		789
	Transport & Parking Services - Parking	(4,463)			(4,463)
	Transport & Parking Services - Public & Passenger Transport	(36)	()		(36)
	Emergency Planning	423			423
	PORTFOLIO SUB TOTAL	(3,221)	(66)		(3,287)
Planning	Building Control & Public Protection	754	()		754
	Development Management	1,315	(28)		1,287
	PORTFOLIO SUB TOTAL	2,070	(28)		2,042
	NET BUDGET	130,081	312		130,393

CABINET PORTFOLIO	Service	Jul'21 Revised Cash Limits	Technical Adjustments, below BMS limits or already agreed - shown for information	Total Virements for Approval	Nov'21 Revised Cash Limits
		£'000	£'000	£'000	£'000

Sources of Funding

Council Tax	102,040			102,040
Retained Business Rates	22,115			22,115
Collection Fund Deficit (-) or Surplus (+)	(1,328)			(1,328)
Business Rates Collection Fund Deficit (20/21) - Retail Relief Element	(39,147)			(39,147)
Transfer from Business Rates Retail Relief s31 Grant Reserve	39,147			39,147
Transfers (to) / from Reserves	7,254	312		7,566
TOTAL FUNDING	130,081	312		130,393

Capital Virements July - Sept - Additions & Reductions 2021/22

Appendix 4 (i)

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP2122#023	Bath Christmas Market	Revenue	27,200		Economic Development and Resources		27,200	Cabinet Decision E3280, 23/06/21 for Improvements to chalets.
CAP2122#024	Batheaston Village Hall Grant	Developer CIL	100,000		Economic Development and Resources		100,000	Single Member Decision E3307 12/07/21 for grant towards Batheaston Village Hall.
CAP2122#025	Cleveland Pools	CSB	95,000		Economic Development and Resources		95,000	Officer Delegated Decision on 9/7/21 by Director of Place Management to complete repairs and tree works to a boundary wall at Cleveland Pools.
CAP2122#026	Corporate Estate Planned Maintenance	Developer CIL	30,000		Economic Development and Resources		30,000	Officer Delegated Decision on 26/7/21 by Director of Finance to allocate CIL to Fox and Hounds Lane Works. This relates to tree and wall works required, to render them safe.
CAP2122#027	Commercial Estate Refurbishment Programme	CSB, revenue	1,810,292		Economic Development and Resources		1,810,292	Cabinet Decision E3293 on 20/7/21 for Commercial Estate Refurbishment Programme to take forward the strategic management of the estate and income budgets.
CAP2122#028	Pixash Site Redevelopment	CSB, Grant, Developer CIL	9,629,000		Neighbourhood Services		9,629,000	Cabinet Decision E3306 on 20/7/21 for Waste Infrastructure development at Pixash Site.
CAP2122#029	Clean Air Zone	Revenue	215,506		Climate and Sustainable Travel		215,506	Technical Adjustment approved by Director of Finance to recognise capitalisation of revenue grant.
CAP2122#030	Clean Air Zone	Grant	431,000		Climate and Sustainable Travel		431,000	Technical Adjustment approved by the Director of Place Management - new grant for extended Bus Retrofit Programme.
CAP2122#031	Environmental Protection Vehicles	SSB	-18,150		Neighbourhood Services		-18,150	Realigned Vehicle Replacement Budgets
CAP2122#032	Neighbourhood Services Asset & Vehicle Replacement	SSB	18,150		Neighbourhood Services		18,150	Realigned Vehicle Replacement Budgets
CAP2122#033	Shared Ownership Housing Programme	Capital Receipts, SSB, Grant	780,500		Adults and Council House Building		780,500	Single Member Decision E3279 on 17/08/21 for Shared Ownership Affordable Housing: Sladebrook Road -2 shared ownership units.
CAP2122#034	Shared Ownership Housing Programme	Capital Receipts, SSB, Grant	437,500		Adults and Council House Building		437,500	Single Member Decision E3279 on 17/08/21 for Shared Ownership Affordable Housing: 117 Newbridge Hill - 2 shared ownership units.
CAP2122#035	Heritage Infrastructure Development	SSB	65,000		Economic Development and Resources		65,000	Officer Delegated Decision 17/08/21 by Divisional Director Heritage Services - Rebuild of Websites with new content management system (CMS).
CAP2122#036	Bath Area Forum Grants	Developer CIL	77,288		Economic Development and Resources		77,288	Single Member Decision E3133 on 09/08/21 Round 10 Bid Neighbourhood CIL for Bath. This comprises of eight projects.
CAP2122#037	Parks S106 Projects	Grant	1,000		Neighbourhood Services		1,000	Technical Adjustment approved by Director, Environmental Services to uplift budget for Hedgemoad Park.
CAP2122#038	Bathscape	Developer CIL	6,800		Neighbourhood Services		6,800	Single Member Decision E3133 on 09/08/21 Round 10 Bid Neighbourhood CIL for Bath. This comprises of eight projects which one is for Bathscape.

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP2122#039	Transport Improvement Programme	s106	4,429		Transport Services		4,429	Reflection award of S106 Funding to A367 / Peasedown Roundabout Design.
CAP2122#040	Waste Depot Relocation	SSB	-802,235		Neighbourhood Services		-802,235	Realigned Vehicle Replacement Budgets
CAP2122#041	Neighbourhood Services Asset & Vehicle Replacement	SSB	802,235		Neighbourhood Services		802,235	Realigned Vehicle Replacement Budgets
CAP2122#042	Parking Vehicle Replacement Programme	SSB	-33,401		Neighbourhood Services		-33,401	Realigned Vehicle Replacement Budgets
CAP2122#043	Neighbourhood Services Asset & Vehicle Replacement	SSB	33,401		Neighbourhood Services		33,401	Realigned Vehicle Replacement Budgets
CAP2122#044	Office Reconfiguration Costs	CSB	1,195,000		Economic Development and Resources		1,195,000	Single Member Decision E3283 26/07/2021 for Civic Centre Redesign.
CAP2122#045	Bath City Centre Renewal Programme	WECA grant, CIL	272,000		Economic Development and Resources		272,000	Officer Delegated Decision by Director of Sustainable Communities on 4/10/21 to accept grant to be spent over a five year period.
CAP2122#046	Midsomer Norton High Street Renewal Programme	Govt grant	183,000		Economic Development and Resources		183,000	Technical Adjustment by Director of Finance to recognise Grant Increase for additional work to the Market Square at The Island.
CAP2122#047	Public Tennis Improvements	Grant	-6,000		Neighbourhood Services		-6,000	Technical Adjustment by Director of Finance to recognise direct grant payment to Saltford Tennis.
CAP2122#048	Preparing for the Future - New Technology	CSB, revenue	607,000		Economic Development and Resources		607,000	Officer Delegated Decision on 17/08/2021 by Chief Financial Officer for New Technology: office changes and other IT improvements.
Total			15,961,515				15,961,515	
CAP2122#049	Slippage of approved budget as per 20/21 cabinet July 21 outturn report appendix 3.	various	35,916,000				35,916,000	for info only - Cabinet Decision E3236 on 20/7/21 for 20/21 Capital Outturn

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
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Capital Virements - Additions & Reductions Future Years

Appendix 4 (i)

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
FY CAP2122#002	Commercial Estate Refurbishment Programme	CSB, SSB	527,275		Economic Development and Resources		527,275	Cabinet Decision E3293 on 20/7/21 for Commercial Estate Refurbishment Programme to take forward the strategic management of the estate and income budgets.
FY CAP2122#003	Pixash Site Redevelopment	SSB,CSB	20,269,000		Neighbourhood Services		20,269,000	Cabinet Decision E3306 on 20/7/21 for Waste Infrastructure development at Pixash Site in 2022 and 2023.
FY CAP2122#004	Heritage Infrastructure Development	SSB	98,000		Economic Development and Resources		98,000	Officer Delegated Decision 17/08/21 by Divisional Director Heritage Services - Rebuild of Websites with new content management system (CMS).
FY CAP2122#005	Office Reconfiguration Costs	CSB	460,000		Economic Development and Resources		460,000	Single Member Decision E3283 26/07/2021 for Civic Centre Redesign.
FY CAP2122#006	Bath City Centre Renewal Programme	WECA Grant	830,000		Economic Development and Resources		830,000	Officer Delegated Decision by Director of Sustainable Communities on 4/10/21 to accept grant to be spent over a five year period.
Total			22,184,275				22,184,275	

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Capital Scheme	Cap Prog Number	Revised Budget at July 2021 Cabinet	Re-phasing Request at July 2021 Cabinet	July-Sep Virements	Budget at September 2021
		£'000	£'000	£'000	£'000
Full Approval					
Economic Development and Resources					
Agresso System Development & Upgrade	Cap1415125	65	10	-	75
Bath Area Forum - CIL Funded Schemes - Approved	Cap1718068	-	305	77	382
Bath Christmas Market	cap2122023	-	-	27	27
Batheaston Village Hall Grant	CAP2122014	-	-	100	100
Bath Quays Bridge & Linking Infrastructure	Cap1617037	253	2,265	-	2,518
Bath Quays North	Cap1415114	6,519	4,728	-	11,247
Bath Quays South	Cap1415138	3,315	1,201	-	4,516
Bath Streetspace	Cap1920026	340	48	272	660
BWR - Council Project Team	Cap1415057	- 58	-	-	58
BWR - Infrastructure	Cap1415059	- 91	-	-	91
BWR - Relocation of Gas Holders	Cap1415065	1,536	-	-	1,536
BWR Phase 2	Cap1920012	13,179	- 299	-	12,879
Capital Contingency	Cap1415131	408	1,764	-	2,172
Cleveland Pools Grant	Cap1718065	-	7	95	102
Commercial Estate Refurbishment Programme	Cap1920022	-	344	1,810	2,154
Corporate Estate Planned Maintenance	Cap1415097	2,111	1,615	30	3,756
Customer Payments Security and Channel Shift	Cap1920021	39	- 4	-	35
Digital B&NES	Cap1415069	100	108	-	208
Equality Act Works	Cap1415104	-	103	-	103
Flexible Use of Capital Receipts	Cap1819080	3,162	404	-	3,566
Grand Parade & Undercroft	Cap1415103	-	133	-	133
Heritage Infrastructure Development	Cap1415052	11	10	65	85
Heritage Services Energy Capture Scheme	Cap1819030	538	- 7	-	531
Innovation Quay - Strategic Flooding Solution	Cap1415064	145	- 1	-	144
IT Asset Refresh	Cap1819061	50	- 34	-	16
Keynsham High Street Renewal Programme	Cap1718011	2,077	334	-	2,411
Keynsham Regeneration & New Build	Cap1415094	-	68	-	68
Midsomer Norton High Street Renewal Programme	Cap1819050	367	49	183	599
North Keynsham SDL	Cap1819091	300	259	-	559
NRR Infrastructure	Cap1415062	-	115	-	115
Office Reconfiguration Costs	CAP2122005	-	- 12	1,195	1,183
Preparing for the Future - New Technology	cap2122020	1,653	- 0	607	2,260
Project Inception Fund	Cap1819062	-	13	-	13
Property Company Investment	Cap1617027	12,113	657	-	12,769
Property Disposals	Cap1415098	-	647	-	647
Property Improvement - Haycombe Crematorium Dignified Entrance	CAP1920047	95	- 14	-	81
Property Improvement - Orange Grove Structural Works	CAP1920036	760	3	-	763
Public Sector Decarbonisation Scheme	Cap2122018	999	-	-	999
Radstock & Westfield Implementation Plan	Cap1516014	-	3	-	3
Radstock Healthy Living Centre	Cap1718061	1,376	119	-	1,495
Roman Baths Archway Centre	Cap1617021	475	56	-	532
Saw Close Works	Cap1516008	19	14	-	33
Somer Valley Enterprise Zone - Infrastructure	Cap1718067	741	311	-	1,052
Voicemail Upgrade	CAP1920038	-	8	-	8
Waterspace	Cap1920029	54	5	-	59
York Street Vaults Phase 2	Cap1819059	614	242	-	855
Subtotal Full Approval - Economic Development and Resources		53,264	15,577	4,462	73,303

Capital Scheme	Cap Prog Number	Revised Budget at July 2021 Cabinet	Re-phasing Request at July 2021 Cabinet	July-Sep Virements	Budget at September 2021
		£'000	£'000	£'000	£'000
Climate and Sustainable Travel					
Air Quality Management Area	Cap1819028	17	-	-	17
Clean Air Zone	Cap1920031	-	6,548	647	7,194
Liveable Neighbourhoods	Cap1920003	1,000	-	-	1,000
Subtotal Full Approval - Climate and Sustainable Travel		1,017	6,548	647	8,211
Adults and Council House Building					
Adult Social Care Database Replacement	Cap1516005	50	72	-	122
Affordable Housing	Cap1415091	300	580	-	880
Affordable Warmth Grant Scheme	Cap2021004	716	249	-	965
Community Resource Centre Capital Investment	Cap1718076	-	62	-	62
Disabled Facilities Grant	Cap1415089	1,442	904	-	2,346
Englishcombe Lane Development	Cap1920034	250	298	-	548
Housing Delivery Vehicle	Cap1516042	600	252	-	852
Next Steps Accommodation Programme	Cap2021006	810	1,129	-	1,939
Shared Ownership Housing Programme	Cap2122024	-	-	1,218	1,218
Supported Housing Scheme	cap2122021	616	-	-	616
		-			
Subtotal Full Approval - Adults and Council House Building		4,784	3,546	1,218	9,548
Children and Young People, Communities and Culture					
Basic Needs - School Improvement / Expansion	Cap1415135	3,206	2,386	-	5,592
Building Adaptations to Provide Short Breaks for Disabled Children	Cap1415078	20	-	-	20
Children's Centre Capital Schemes	Cap1415196	-	27	-	27
Schools' Capital Maintenance Schemes	Cap1415073	864	1,236	-	2,100
Schools Devolved Capital	Cap1920028	-	21	-	21
Special Education Needs & Disability (SEND) Education Provision	Cap1718071	1,589	683	-	2,272
Subtotal Full Approval - Children and Young People, Communities and Culture		5,679	4,353	-	10,033
Neighbourhood Services					
Alice Park - Skate Park	Cap1415035	-	42	-	42
Bathscape	Cap1819011	154	30	7	191
Beechen Cliff Woodland & Other Open Spaces Improvements	Cap1415017	-	6	-	6
City Centre Security	Cap1920027	385	-	81	304
Cleveland Bridge Refurb	Cap1920040	3,560	-	-	3,560
Clutton Depot Refurbishment	Cap1920032	115	1	-	116
Environmental Protection Vehicles	Cap1516028	18	-	-	18
Haycombe Crematorium	Cap1819029	47	34	-	81
Highways Maintenance Programme	Cap1415184	5,806	28	-	5,834
Leisure - Council Client / Contingency	Cap1516049	-	471	-	471
Leisure Facility Modernisation - Keynsham Sports Centre	Cap1516051	-	161	-	161
Neighbourhood Services - Asset & Vehicle Replacement Programme	Cap1718036	1,423	-	854	2,277
Neighbourhoods Bin & Bench Replacement	Cap1415029	4	-	-	4
Parking Vehicle Replacement Programme	Cap1415023	33	-	-	33
Parks and Bereavement Infrastructure	Cap1819051	-	51	-	51
Parks Equipment Replacement Programme	Cap1718029	-	6	-	6
Parks S106 Projects	Cap1718037	121	115	1	237
Pixash Site Redevelopment	CAP2122022	-	-	9,629	9,629
Play Area Refurbishment / Equipment	Cap1415039	65	165	-	230

Capital Scheme	Cap Prog Number	Revised Budget at July 2021 Cabinet	Re-phasing Request at July 2021 Cabinet	July-Sep Virements	Budget at September 2021
		£'000	£'000	£'000	£'000
Public Tennis Improvements	Cap1920010	-	434	- 6	428
Somerdale Bridge, Keynsham – Initial Options Study	Cap1718016	9	-	-	9
Street Lighting LED Replacement Programme	Cap1617011	350	- 3	-	347
Sydney Gardens	Cap1415030	2,249	172	-	2,422
Tree Planting	CAP2021005	25	119	-	144
Waste Collection Vehicles In Cab Technology	Cap1920025	23	129	-	152
Waste Depot Relocation	Cap1516011	644	1,360	- 802	1,202
Waste Service Redesign	Cap1617032	185	50	-	235
Waste Welfare Facilities	Cap2021003	-	58	-	58
Subtotal Full Approval - Neighbourhood Services		15,216	3,348	9,631	28,194
Transport Services					
Bath Transport Package Main Scheme	Cap1415001	-	1,619	-	1,619
Hicks Gate Roundabout Improvement	Cap1718085	80	5	-	85
London Road Modification	Cap1718022	53	- 2	-	51
Office for Low Emission Vehicles (OLEV) Bid	Cap1617008	964	395	-	1,359
Transport Improvement Programme	Cap1415009	2,663	525	4	3,193
Subtotal Full Approval - Transport Services		3,760	2,543	4	6,308
TOTAL CAPITAL SCHEME BUDGET		83,720	35,916	15,962	135,597

Sources of Funding					
Grants		38,498	19,816	6,050	64,364
Council Support including Borrowing & Capital Receipts		40,905	13,994	8,522	63,420
S106		1,303	1,064	4	2,371
CIL		1,867	552	864	3,284
3rd Party		177	355	-	532
Revenue		970	134	522	1,626
Total Sources of Funding		83,720	35,916	15,962	135,597

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