

Cabinet

Date: Thursday, 9th February, 2023

Time: 6.30 pm

Venue: Council Chamber - Guildhall, Bath

Agenda

To: All Members of the Cabinet

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

Chief Executive and other appropriate officers
Press and Public

The agenda is set out overleaf.



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NOTES:

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

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

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

3. Recording at Meetings

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

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4. Public Speaking at Meetings

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

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

Further details of the scheme can be found at:

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

5. Emergency Evacuation Procedure

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

6. Supplementary information for meetings

Additional information and Protocols and procedures relating to meetings

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Cabinet - Thursday, 9th February, 2023

in the Council Chamber - Guildhall, Bath

A G E N D A

1. WELCOME AND INTRODUCTIONS

2. EMERGENCY EVACUATION PROCEDURE

The Democratic Services Officer will read out the emergency evacuation procedure as set out in the notes.

3. APOLOGIES FOR ABSENCE

4. DECLARATIONS OF INTEREST

At this point in the meeting declarations of interest are received from Members in any of the agenda items under consideration at the meeting. Members are asked to indicate:

- (a) The agenda item number in which they have an interest to declare.
- (b) The nature of their interest.
- (c) Whether their interest is **a disclosable pecuniary interest** or an **other interest**,
(as defined in Part 4.4 Appendix B of the Code of Conduct and Rules for Registration of Interests)

Any Member who needs to clarify any matters relating to the declaration of interests is recommended to seek advice from the Council's Monitoring Officer or a member of his staff before the meeting to expedite dealing with the item during the meeting.

5. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

6. QUESTIONS FROM PUBLIC AND COUNCILLORS

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

7. STATEMENTS OR PETITIONS FROM PUBLIC OR COUNCILLORS

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

8. MINUTES OF PREVIOUS CABINET MEETING (Pages 5 - 26)

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

9. CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

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

10. MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES (Pages 27 - 29)

This is a standing agenda item (Constitution rule 3.3.14) for matters referred by Policy Development and Scrutiny bodies. The Chair of the relevant Policy Development and Scrutiny Panel will have the right to attend and to introduce the Panel's recommendations to Cabinet.

A copy of the feedback to Cabinet following consideration of the draft 2023-24 budget and Council Tax proposals by the Corporate PDS Panel is attached for consideration.

11. SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING (Pages 31 - 40)

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

12. BUDGET AND COUNCIL TAX 2023/24 AND FINANCIAL OUTLOOK (Pages 41 - 286)

The attached report presents the revenue and capital budgets together with proposals for increases in Council Tax and the Adult Social Care Precept for 2023/24.

13. REVENUE & CAPITAL BUDGET MONITORING, CASH LIMITS AND VIREMENTS – APRIL TO DECEMBER 2022 (Pages 287 - 326)

The attached report presents the financial monitoring information for the Authority as a whole for the financial year 2022/23, using information available as at the end of December 2022.

14. TREASURY MANAGEMENT STRATEGY STATEMENT 2023/24 (Pages 327 - 360)

To consider the attached report regarding the Council's Treasury Management Strategy Statement. The Authority is required to approve a treasury management strategy before the start of each financial year.

15. TREASURY MANAGEMENT PERFORMANCE REPORT TO 31ST DECEMBER 2022 (Pages 361 - 380)

The attached report gives details of performance against the Council's Treasury Management Strategy for 2022/23 for the nine months up to 31st December 2022.

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

BATH AND NORTH EAST SOMERSET

CABINET

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

Thursday, 10th November, 2022

Present:

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

31 WELCOME AND INTRODUCTIONS

The Chair, Cllr Kevin Guy, welcomed everyone to the meeting. He stated that the Cabinet would be looking at the impact of the financial squeeze which is affecting the Council, caused by inflation and the rising demand for services. He acknowledged that there were challenges ahead and drew attention to the two Budget Engagement webinars which had been held recently and which are available on the Council's YouTube channel.

32 EMERGENCY EVACUATION PROCEDURE

The Senior Democratic Services Officer read out the emergency evacuation procedure.

33 APOLOGIES FOR ABSENCE

There were no apologies for absence.

34 DECLARATIONS OF INTEREST

- Cllr Tom Davies declared a non-pecuniary interest in agenda item no. 12 (Valley Floor to Claverton Down Cycle Route) as he is an employee at King Edward's School, Bath.

- Cllr Dine Romero declared a disclosable pecuniary interest in agenda item no. 15 (Development Update: Land to rear of 89-123 Englishcombe Lane, Southdown, Bath) as she lives close to the site. Cllr Romero stated that she would leave the meeting when this item was discussed and would not speak or vote.

35 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was no urgent business.

36 QUESTIONS FROM PUBLIC AND COUNCILLORS

There were 20 questions from Councillors and 24 questions from members of the public.

Cllr Eleanor Jackson asked a supplementary question relating to question M4 and Cllr Vic Pritchard asked a supplementary question relating to question M12.

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

37 STATEMENTS, DEPUTATIONS OR PETITIONS FROM PUBLIC OR COUNCILLORS

Members of the public and Councillors made statements as follows:

- Malcolm Baldwin (Chair, Circus Residents' Association – CARA) – Liveable Neighbourhoods Strategy *(a copy of which is attached as Appendix 2 to these minutes)*
- Martin Grixoni – Changes of Direction within the Council
- Dr John Leach – Milsom Quarter, Bath *(a copy of which is attached as Appendix 3 to these minutes)*
- Patrick Rotherham (Chairman, Vineyards Residents' Association) – Milsom Quarter, Bath *(a copy of which is attached as Appendix 4 to these minutes)*
- Robbie Bentley – South West Transport Network *(a copy of which is attached as Appendix 5 to these minutes)*
- Saskia Heijltjes – Valley Floor to Claverton Down Cycle Route *(a copy of which is attached as Appendix 6 to these minutes)*
- Cllr Andrew Furse – Jiangxi Province Friendship Agreement and Save our Railway Ticket Offices *(a copy of which is attached as Appendix 7 to these minutes)*

- Cllr Vic Pritchard – Waste and Recycling in B&NES
- Cllr Jess David – The development of 89-123 Englishcombe Lane (*a copy of which is attached as Appendix 8 to these minutes*)

Cabinet members asked some factual questions of the speakers in order to clarify details mentioned in their statements.

38 MINUTES OF PREVIOUS CABINET MEETINGS

RESOLVED: That the minutes of the meetings held on 14 July and 8 September 2022 be confirmed as a correct record and signed by the Chair.

39 CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

There were none.

40 MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES

Cllr Vic Pritchard presented a recommendation from the Adult, Children, Health and Wellbeing PDS Panel regarding the RUH Ambulance Service/Winter Planning/Treatment Waiting Times. The Panel asked Cabinet to support initiatives that lead to the retention of B&NES social care professionals across the district and to look to ensure that this commitment is reflected in the developing Integrated Care Partnership Strategy.

The Chair thanked Cllr Pritchard for his comments.

41 SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING

The Cabinet agreed to note the report.

42 VALLEY FLOOR TO CLAVERTON DOWN CYCLE ROUTE

Lucy Bush, Research Director from Britain Thinks presented the key findings of the citizens' panel and responded to questions from the Cabinet. (*A copy of the presentation slides is attached as Appendix 9 to these minutes*).

Cllr Sarah Warren introduced the report and made the following statement:

“Cabinet, transport currently accounts for around 29% of carbon emissions in Bath and North East Somerset. Ensuring the transport network can enable residents to move to more sustainable modes of travel is an essential part of our Journey to Net Zero strategy. A move to more active modes of travel will reduce congestion and pollution in our district, as well as improving public health through increasing physical activity, as we build it into our daily routines.

As our first venture into deliberative democracy in Bath & North East Somerset, this ground-breaking piece of work provides the most detailed assessment yet of the

considered views on active travel, and active travel infrastructure, of a representative group of our residents. It gives us an understanding of what our communities think right now about how best to balance the interests of different users of our roads. And it gives us important information about where we need to focus our communication and public engagement efforts to best support the changes in travel culture that we aim to facilitate.

I think the findings can give us a lot of confidence as a Cabinet that, when we ask ordinary people, they agree that we **should** improve cycle and walking infrastructure, both for environmental, but more importantly for health reasons. But also, that we need to do more to engage them in the fact that active travel is part of the solution to congestion, as well as to introduce more of them to the transformative nature of e-bikes and e-scooters in tackling our hills.

The report is well worth a read in full, as it provides valuable, detailed insights into the aspirations and concerns about travel of residents from all walks of life and delivers in a new way on another of our administration's priorities around giving our communities a bigger say. The use of this technique, in addition to the other consultation methods that we often use, has meant that we have heard in depth from people who aren't transport campaigners, and who don't have the strong views about travel that we often hear expressed, here at the council.

The panel has given us principles for decision-making when it comes to fitting active travel infrastructure onto our narrow roads. I want to thank them for that advice, which we will explicitly incorporate into our decision-making frameworks in future. It will assist us in designing infrastructure that provides practical and attractive alternatives to the car for more people, more of the time.

Cabinet, you will remember that this particular piece of work came about as a result of controversy around a proposal we considered in 2021 to install a bus gate on North Road. We decided at that time that, rather than go straight ahead with a controversial road closure, we would ask residents for their views in the form of the citizens' panel. Whilst supportive of the need for infrastructure up the hill, the panel have suggested that in the first instance, the locations that may deliver the greatest increase in uptake of active travel may be along flatter routes, and this seems to me to be reasonable advice.

We are currently constructing safe, segregated cycle lanes on Beckford Road and Upper Bristol Road, but there is a need for safe cycling on **all** of our roads, so there is huge opportunity around the district still to extend provision for walking and cycling in a joined-up way, without bringing forward these particular routes at this time. We are very ambitious in this area and determined to bring forward more schemes of this sort.

At the council, we are constantly working on initiatives aimed at providing practical alternatives to the car, including up our steep hills. For instance, since the citizens' panel met in spring, our e-scooter trial has been extended to include access to Bath University via Widcombe Hill, and it has also been announced that the scope of the e-scooter trial will soon be extended to include e-bike hire as well. Both of these exciting developments have the effect of making these hill-flattening technologies available to residents who might not otherwise seek them out or be able to afford them.

We have just announced the introduction of 20mph speed limits on these hills, and we have other plans in the pipeline aimed at promoting the use of alternatives to the car when accessing Claverton Down.

North Road, Bathwick and Widcombe Hills remain key strategic elements of an integrated and connected Bath cycle network, even if we are not taking the decision to bring them forward for fully segregated cycle infrastructure today. We will however now accelerate our previously consulted plans for safety measures to support safer walking and cycling on Widcombe Hill and around the plateau at Claverton Down. And we will consider a future piece of work with residents to consider how best to support alternatives to car use in the area, in the round.

Finally, I want to take this opportunity to thank first the 27 local people who gave up several hours of their valuable time as panel members, and gave the topic their serious and considered attention; as well as the local people who were kind enough to act as witnesses and pass on detailed evidence of their experience of Claverton Down to the panel; the over 700 residents who responded to the call for evidence; and finally Lucy Bush and her highly qualified team at Britain Thinks for carrying out the work; and council officer Dave Dixon who provided the liaison with Lucy's team.

I move the recommendations as in the report."

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

"As evidenced by the response given earlier to a Councillor question to Cabinet, opinion was divided down the middle on the original proposals put forward for a scheme on North Road. Those who were passionate about cycling provision being made available immediately on this route were in conflict with those who would be hugely disadvantaged by this proposal. Those who believed that this would be a well-used route if provided were in conflict with those who looked at the current data of bike usage and believed Widcombe Hill would continue to be the hill of choice. Those who felt there would be little traffic displacement onto Cleveland Walk and Bathwick Hill if the North Road proposal went ahead, those who feared that the c4k journeys a day would all go onto Bathwick Hill and be in conflict with the very frequent student buses.

The word I've used most so far is conflict. The second most used word is opinion. And there's the rub. The opinions we were hearing were that of all those with direct skin in the game, very fixed views leading to head on conflict, but what did the general public, in old parlance, the man on the Clapham omnibus, think of the issue?

As Lib Dems we had said that we were keen to explore different ways of engaging with our community, hearing their opinions, and it was suggested that this might be a good topic for our first Citizens' Panel. This suggestion was backed by all four of the Widcombe and Lyncombe and Bathwick Councillors, whose wards this most directly affected.

We've heard from Britain Thinks how this was done, how a panel was selected, how they were representative of our community. And before us we have the output of their deliberations.

I've heard some comments already about how this was a waste of money and told us nothing new. Compared to a full public consultation, this was very good value financially, and in terms of giving a clear steer about how we do schemes like this in the future was invaluable.

So, whilst those very keen and confident cyclists may have thought that those less keen and confident would be ok to start off by using the steep hills, the general opinion expressed by the panel was that starting on the flatter routes is the best way to go.

Those who see no value in active travel and remain thinking that the car is king under all circumstances are having their views challenged, as the majority absolutely want more cycling and walking provision when it comes to allocating out scarce highways resource.

I expect I've been more irritating than usual, in that as long as I've been on Cabinet, I have been saying that a key limiter of uptake of more cycling will be the lack of provision of secure storage. That's also what the panel said. People living in flats won't invest in a bike if they have nowhere to store it at home no matter how many millions we spend on other infrastructure. That is even more the case when it comes to valuable e-bikes. I personally ask weekly for progress on the Sydney Buildings bike storage hangar. I trust I haven't been too unbearable.

So, I am delighted to second this motion. My personal view is that what was being proposed on North Road was not the right thing to do, was the wrong scheme in the wrong place, and although a lot of misinformation was put out about it into the general public, which caused more confusion, the panel selected by Britain Thinks heard the truth and came up with the right result."

Cllr Alison Born welcomed the report and noted that it was breaking new ground for the Council in terms of its public engagement. She stated that the University of Bath is a major generator of transport movements and that longer-term solutions will be required to be designed between the University and the Council.

Cllr Richard Samuel welcomed the methodology and noted that no single solutions are available. He felt that the cost of the citizens' panel was modest and would produce better outcomes.

RESOLVED (unanimously):

- (1) To note the highly valuable and informative work undertaken by the Citizens' Panel, and to thank all participants for their involvement in this pioneering study.
- (2) To adopt the four principles to guide decision making on any new active travel schemes being developed in B&NES.
- (3) To note the views of the Citizens' Panel in relation to the Claverton Down to Valley Floor Cycle Route.
- (4) To confirm the preferred course of action for this route from the options presented:

- To note the recent commencement of the e-scooter expansion to include this intervention.
- To revisit all options for traffic reduction on the route from valley floor to Claverton Down and, using the co-design techniques learned through the Liveable Neighbourhoods work and the principles outlined, work with stakeholders to identify a comprehensive strategy to reduce car use and enable safer active travel options.
- To recommence the Transport Improvement Programme in the Claverton Down area, previously paused to avoid abortive works.
- To progress with a programme of investment to improve walking and cycling links, following the approach advocated by the Citizens' Panel.

43 MILSOM QUARTER MASTERPLAN - FUNDING AND NEXT STEPS

Cllr Mark Roper introduced the report, moved the officer recommendation and made the following statement:

"I am delighted to be tabling this report to Cabinet today. The Milsom St Quarter is an ambitious and exciting concept in holistic regeneration where the Council will work in partnership with the regional authority and the private sector to bring new employment, living and retail space to the heart of Bath in a considered and sustainable way. It shows once again that this administration has a bold vision for the future of our district – and that we aim to deliver on that vision.

Can I congratulate the officers involved from the Economic Development team for their hard work to get us here – and to all those who responded to the public consultation. There were many extremely valuable inputs from residents, and I look forward to that continuing once we start to bring more definitive plans to the table. The Consultation and Engagement Report is an appendix to the main report.

Acceptance of the funding will enable us to build the team we need to start to delivery of the plan. The six primary interventions are outlined in 3.4 of the report. There are three substantial development projects:

- Broad Street Yards will repurpose the car park to create workspace for SMES and start-ups, targeted at the fashion and design sector – and we know we are desperately short of small business units in B&NES
- Walcot Gateway – the redevelopment of the Cattle Market car park and the Cornmarket – a building that has sat neglected and empty for far too long – to provide new homes and an enhanced public realm.
- Finally, the Fashion Museum, which will move into the Old Post Office building, and into some of the buildings along the north side of New Bond Street – a great addition to our cultural offer, and a keystone part of the Milsom Street Quarter development. The potential here for public-private partnership is substantial and work has already started on this.

There will be improvements to the public realm - reducing the dominance of vehicles and prioritising walking and wheeling - whilst making the area fully accessible to people of all mobility levels.

We will repurpose upper floors of Council owned buildings to provide more residential use. More residents living and working in the city centre creating a greater vibrancy and sustainability to our urban environment.

We will deliver high quality architecture into our UNESCO World Heritage City – this is an opportunity to make our mark with buildings and public areas that both reflect our heritage and deliver for our current and future needs. This does not have to mean pastiche building – and I look forward to the proposed solutions that the architects and designers present to us.

It goes without saying that we will be focussed on delivering all of the above in a sustainable way – we intend to reduce the carbon footprint of the area both by retrofitting existing buildings to improve energy efficiency and by new buildings being zero carbon. The construction industry is gearing up to the challenge of net zero already, and by the time construction starts I am confident that we will be offered solutions that work within this administration's stated aims of net zero by 2030.

I want to talk about the King Edward's School building in Broad Street and its importance in the plan. This Grade 2 listed building has been in the hands of its owners for over 25 years, and in all that time it has sat empty. There is no indication that the planning permission, granted in 2021, to convert into a hotel with a restaurant and bar, will be implemented. There has in fact been no contact with the owners, despite our attempts to engage, apart from us being advised that those plans are now on hold. This beautiful building is deteriorating to such an extent that it is now the only building in Bath that is on the Historic Buildings at Risk register. I say to the owners that of course any business has its first duty to its shareholders - but it also has a duty of care to the community within which it operates. You are not fulfilling that obligation to the people of Bath and North East Somerset. The redevelopment of the Milsom Street Quarter provides a golden opportunity for you to be a part of this project and a part of our community. Please embrace it. We want to bring this site back to life for the benefit of our residents and visitors. You know where we are –so please engage with us and let's make that happen.

In summary, the Milsom Quarter Masterplan is a hugely exciting project – one that will bring employment, housing, inward investment and a great cultural attraction to our city – I for one cannot wait to see it come to fruition.”

Cllr Kevin Guy seconded the motion, stating that this is an exciting project which will transform the city.

Cllr Richard Samuel then made the following statement:

“I welcome this output from the intensive work I oversaw between 2021 and this year. The master planning work is the most in-depth study of this important sector of the city for decades. It started as a response to the fact that Milsom Street as a commercial trading area was in decline with retail premises increasingly harder to let as private sector confidence drained away. For the council this was of serious direct concern because we have a heavy concentration of ownership and the impact on our income streams needed to be protected.

We all want our city to be a vibrant diverse trading area and, where it is not, we need to take action. I am very pleased that WECA have also recognised this and have

supported our work both financially and in kind and with the Mayor's involvement, who has taken a personal interest in this work.

Whilst Cabinet member I was determined to ensure that several things happened. These were:

- That there should be strong engagement with the private sector and businesses.
- That the ambition to move the Fashion Museum with the quarter should be secured by the acquisition of a suitable building and that this would act as an anchor and complement our wider heritage offer.
- That derelict sites such as the Cattlemarket and Corn Exchange should finally be redeveloped.
- That plans should be brought forward to enhance the street scene and vehicle movements limited.
- Finally, and this is where I turn to my amendment, that the former King Edward's School building should be brought back into use as soon as possible.

This important building has remained vacant since Sam Smiths brewery acquired it in the mid-1990s and has a chequered planning history with applications made and withdrawn over that period. However, by 2010 planning permission had been granted for a hotel plus ancillary dining. In that application English Heritage commented as follows:

“That whilst the owner has carried out repairs to the roof to make it wind and weathertight the building remains vulnerable until it has sustainable new use.”

In the intervening decade that comment remains as apposite in 2022 as it was in 2010 and little tangible progress has been made by the owner to restoring this building to use in line with the granted planning consent.

This is unacceptable. The council has done everything within its power to enable the owner to bring forward plans and achieve planning and listed building consent and yet still the building remains vacant and visibly deteriorating to the extent that it now appears on the national buildings at risk register. I am therefore calling for officers to urgently explore all available options for bringing this building back in to use including consideration of the use of Section 215 notices, the powers available under Planning Acts to compel the repair of listed buildings and if need be, as a last resort, the use of compulsory purchase powers. I would also like officers to engage with Historic England and the Bath Preservation Trust.

Because I recognise that it is essential that dialogue be established with the owners to determine their intentions, I am calling for officers to engage with Sam Smiths as soon as possible. My amendment calls for the bringing back of a comprehensive report to the meeting of the cabinet in February 2023.

There is no possible reason why the owner of an important building in the heart of the Bath Conservation Area and World Heritage site should fail to bring this building back into use. Relevant permissions have been sought and granted and the owner now needs to engage constructively with the council and begin work to renovate and use this building.”

Cllr Samuel then moved an amendment to add an additional resolution as follows:

“To instruct officers to explore all options (including for example, Compulsory Purchase Order (CPO) options) available to enable the historic former King Edward’s School building to be brought back into use and to ask officers to bring back an update report on those options to the Cabinet meeting in February 2023.”

Cllr Romero seconded the amendment stressing the importance of bringing this building back into use.

The mover of the original motion, Cllr Mark Roper, accepted the amendment which then became part of the substantive motion.

RESOLVED (unanimously):

- (1) To delegate approval to the Director of Sustainable Communities, in consultation with the S151 Officer, to accept the £2.475m Investment Fund grant from the West of England Combined Authority. These funds will be spent over a three-year period in line with the Strategic Outline Business Case.
- (2) To delegate approval to implement the interventions set out within the business case to the Director of Sustainable Communities in consultation with the Cabinet member for Resources and Economic Development and the S151 Officer in accordance with the requirements of the Grant Funding Agreement.
- (3) To note the Consultation Report on the Milsom Quarter Masterplan (Appendix 1 of the report) and to endorse the Milsom Quarter Masterplan, accepting it together with the amendments sought (Appendix 2 of the report) as part of the evidence base for the New Local Plan.
- (4) To delegate approval to the Director of Sustainable Communities, in consultation with the s151 Officer, to establish arrangements that will allow surplus rental income from the Old Post Office (after holding costs) to be ring-fenced for use to support revenue costs associated with the Fashion Museum redevelopment project and to cross-subsidise meanwhile use projects which align with the vision and values for the Fashion Museum development.
- (5) To explore options, including the use of any existing or new powers introduced to support vibrant High Streets in the forthcoming *Levelling up and Regeneration Bill*, to expediate delivery of sites in private ownership that have viability challenges or have been long term vacant.
- (6) To instruct officers to explore all options (including for example, Compulsory Purchase Order (CPO) options) available to enable the historic former King Edward’s School building to be brought back into use and to ask officers to bring back an update report on those options to the Cabinet meeting in February 2023.

44 COMMUNITY SERVICES DESIGN - UPDATE POSITION

Cllr Alison Born introduced the report and made the following statement:

“The work outlined in this paper stems from the decision taken on 26th May 2022, not to extend the HCRG Care Group contract, resulting in the existing community services contract for health, social care and public health services coming to an end on 31st March 2024.

Cabinet has previously been apprised of the joint programme of work that is underway to manage the transition, with workstreams led by the Integrated Care Board, Public Health and by our director of Adult Social Care.

This paper focuses on the adult social care element of that work and examines 3 potential options for future provision of both the statutory social care functions and services for adults with learning disabilities.

The options include:

- Re-commissioning service delivery for B&NES
- In-sourcing service delivery i.e., bringing social care staff back in-house
- Setting up a new organisation to deliver services in B&NES

The clear recommendation is that we in-source all adult social care services. This will bring us in line with the vast majority of local authorities and will give us more control of our service provision.

We know from the recent experience of bringing some residential, nursing and extra care housing services back in house that this is likely to receive support from the workforce. It should help to improve recruitment in the current highly competitive job market.

However, it also represents a significant amount of work, and we need to give clear authority for the Director of Adult Social Care to work closely with HCRG Care Group on the transition.

There is a robust process in place to oversee this work programme, risks have been identified and are being managed I am in receipt of monthly progress reports and a further joint paper will come back to Cabinet in February 2023.

I propose that Cabinet supports the recommendations in this report.”

Cllr Dine Romero seconded the motion and made the following statement:

“Recently I had a member of staff shout out to me from a window of a care home how happy they were that they had come back to the council.

Clearly staff are happier working for the council rather than alternative employers, they believe they can give a better service to those in their care, and at the end of the day it is those residents who need to be at the centre of service delivery. We know that employment security is very important in keeping staff in this very challenging field of work. Working for the council gives staff greater job security, as well as greater pride in the work they do. Again, this will be better for residents knowing their own carers will be the same from day to day.”

Cllr Vic Pritchard stated that the Council should be prudent and should not dismiss the HCRG contract in total. Parts of the contract could be retained. He felt that it was not prudent to use Adult Social Care reserves. He asked the Cabinet to work closely with the Scrutiny Panel on this issue.

Cllr Born pointed out that the proposed work stems from the decision not to extend the contract, which was a decision made by both the Council and the NHS.

RESOLVED (unanimously):

- (1) To agree to the recommendation in the Strategic Outline Case to proceed to Outline and Final Business Case with the insourcing of Adult Social Care Services as detailed in the contract with HCRG Care Group as PD01 - Statutory Adult Social Work and SD43 - Adults with Learning Disabilities.
- (2) To delegate responsibility for insourcing PD01 and SD43 to the Director of Adult Social Services in consultation with the lead Cabinet member for Adult Social Services and the Chief Financial Officer subject to the sign-off of the Outline and Final Business Cases.

45 DEVELOPMENT UPDATE: LAND TO REAR OF 89 – 123 ENGLISHCOMBE LANE, SOUTHDOWN, BATH.

(Note: At this point Cllr Dine Romero left the meeting having declared a registerable pecuniary interest in this item).

Cllr Tom Davies introduced the report and made the following statement:

“I am pleased to be proposing this paper which provides an update on the development of the land off Englishcombe Lane - as, in my mind, this project exemplifies so much that this administration believes in.

Firstly - that we are a listening Council - like many of us here, a number of residents had grave concerns about the previous development which had been proposed for this land - whilst delivering 14 affordable homes, the 37-home scheme which had been previously approved by the planning committee had, in the minds of many of us, too much risk - not least of all to the sensitive ecology of the site.

This Lib Dem administration listened to these concerns and acted on them with Cllr Guy making the commitment to not pursue this previous application.

Instead, we looked again at the site - and put front and centre two of our core principles - that of Improving People’s Lives and Tackling the Climate & Ecological Emergency.

Be in no doubt - this proposed development has the potential to immeasurably improve people’s lives. As the paper makes clear, we have a significant under supply of supported living provision in our area - especially for some of our residents with learning difficulties and/or autism.

As a result, there is an increased risk that we as a local authority can only provide the support needed through residential care outside of the Bath and North East

Somerset Area - thereby placing significant additional pressure on the individual, their families and of course increasing the costs to the Council.

And so, bringing forward this proposal to use the land off Englishcombe Lane to provide a smaller, bespoke development to support 16 residents with learning difficulties is something which I believe we should be proud of as we seek to directly improve the lives of residents in our area.

Indeed, it is just the latest example of how this LibDem administration is determined to play a leading role in the delivery of appropriate and affordable homes under our new B&NES Homes programme. It follows on from the delivery of other supported housing schemes delivered in recent months and, later this winter, the opening of our first general needs Council Houses for a generation.

Furthermore - rather than seeing the ecology of the area as a liability - one to be literally transplanted to another area - we have sought to use it as the asset that it is - an asset which, through this development, will be protected and enhanced for the benefit of us all - not least of all the new residents and thereby through this we stand firm to our commitment to the Climate & Ecological Emergency.

The paper details a number of ways in which we will seek to meet these commitments - from the commitment to energy efficient, low carbon housing to the enhancement and protection of the ecology - all underpinned by our commitment to seek to achieve the Building with Nature Accreditation.

I fully appreciate and recognise that this site remains a controversial one and that some residents, especially in the local area, have serious concerns about any development on it.

In this regard, I would make special reference to local ward Councillor Jess David, who has worked tirelessly to highlight and reflect these concerns to me, Cllr Guy and the Council Officers involved - concerns which she has tonight reiterated and highlighted in her public statement. I find it hard to think of a ward Councillor who has worked so hard to represent their residents on a single issue such as this and it is Cllr David who is responsible for seeing the commitment to the Building with Nature accreditation being made in this paper for any development which is progressed.

To these residents, Cllr Jess David and others who share concerns - I reiterate the commitment I have made in my meetings with residents - just as I, Cllr Guy and Officers have already met with residents to openly discuss our plans to date, I and the administration will continue to engage with you and share our thoughts, the findings of technical reports and our development plans in a manner of transparency and respect as the programme develops. I thank them for the time that they have already given me and for the time they will give in our on-going engagements.

And so, on that note, colleagues, I am delighted to move this paper and seek your approval for recommendations 2.1 to 2.3."

Cllr Tim Ball seconded the motion and stated that the Cabinet had listened to concerns and brought forward a new proposal.

Cllr Richard Samuel also supported the proposal as he felt the original plan represented too high a density and would have negatively impacted on the local

biodiversity. The scheme put forward has less environmental impact and will fulfil a useful social purpose.

Cllr Alison Born noted that this is a much smaller development than the one previously approved and should be more suited to the site. It will safeguard the sensitive ecological features of the site and provide much needed accommodation for people with complex needs. The adult social care transformation plan includes the goal of developing services to meet more people's needs in the local area. This will help to achieve that goal and to improve the life experience of some residents with the most complex needs.

RESOLVED (unanimously):

- (1) To commission further development work to advance the preferred option to planning stage, that is a development of 9 bungalows and 7 apartments for residents with learning difficulties.
- (2) To fully approve £320k capital funding from the Provisional Capital Programme for Affordable Housing to support this development work.
- (3) To delegate any future decision to submit a planning application to the Cabinet Member for Adult Services and Council House Building in consultation with Cabinet colleagues.

46 RESIDENTIAL TENANCY POLICY

(Note: At this point Cllr Dine Romero returned to the meeting).

Cllr Tom Davies introduced the report and made the following statement:

"In 2019 we all made a commitment to the residents of Bath & North East Somerset - a commitment that we as a LibDem administration would build the first general needs Council Houses in our area for a generation.

Under the resulting B&NES Homes programme - this LibDem administration has ensured that the Council has played a direct role in the delivery of housing to our residents - with an initial focus on supported housing programmes, this winter we will be opening our first general needs Council Houses at 117 Newbridge Hill. These will be at social rent levels which are typically between 50 and 60% of market rent.

These first seven units are the first council houses for a generation and never has the need for social housing been as great as it is today. Our area is one of the least affordable in the country and with rents increasing, it will come as no surprise that today we have approximately 6,000 households on the Council's waiting list for social housing with, on average, only 500-600 properties becoming vacant each year.

The first seven units at Newbridge Hill form just the start of our ambitious programme of delivery under our B&NES Homes programme - indeed Councillors were updated at the latest Climate Emergency scrutiny meeting of our pipeline of properties which is now nearly 200 in volume when Midland Road and Bath Western Riverside sites are included.

Tonight, in front of us is the Residential Tenancy Policy which underpins how we as a Council will operate and manage our own social housing properties from when the first properties open this winter.

As a Council we aspire to be an exemplary Landlord and the Policy includes a range of customer facing policies and statements relating to tenure, payments, repairs and maintenance, anti-social behaviour, and complaints. The policy follows established custom and practice in the social housing sector.

And so colleagues, as we approach the opening our first properties, I would like to pass my thanks on to the Officers who have worked so hard to not only produce this Policy but who have brought us to this exciting stage of the B&NES Homes programme and I hope that you will join me in supporting the adoption of this Residential Tenancy Policy and I move the recommendation to do so as requested in 2.1.”

Cllr Tim Ball seconded the motion stating that he is pleased to see that the Cabinet has delivered new Council properties. He hoped that the Council would provide excellent service going forward.

RESOLVED (unanimously): To adopt the Residential Tenancy Policy attached as Appendix 1 to the report.

47 CONSULTATION TO VARY THE BATH CLEAN AIR ZONE (CAZ) CHARGING ORDER 2021

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

“The key ‘ask’ I’m bringing to Cabinet today is at paragraph 2.2 of the report, in that I would like to start a consultation involving key stakeholders on the introduction of a charge for class N3 Euro VI diesel HGVs together with associated local exemptions.

Since its implementation 18 months ago, the Bath Clean Air Zone is showing progress in improving local air quality, and this impact has been felt both inside and outside the area. We are setting our sights higher for our residents than just achieving compliance with legally imposed limits, we want our air to be even cleaner. We will continue our journey to net zero, whilst preserving the World Heritage status of our city. Further measures already delivered include emissions-based charging, improved active and sustainable transport infrastructure, and my colleague Sarah Warren is delivering the first pilot Liveable Neighbourhood schemes during this month.

This proposal is to be seen as part of the package to continue this progress. Early engagement has already taken place with relevant trade organisations, and statements from trade bodies including the RHA have been received, in letters received after these papers went out but which were circulated to all Cabinet Members.

So, what precisely am I asking of you? Were the order to progress successfully through consultation, the charge is deliberately set lower than the existing charge to

deter the use of older, more polluting vehicles. For the avoidance of doubt, HGVs which are predominantly doing the more local deliveries as part of the supply chain for our local businesses fall into the under 12-ton category and are specifically excluded from this order. In recognition of the amount of work the industry has already done in upgrading vehicles, there will also be some time limited exemptions and a period of soft enforcement to embed the behaviour change. So, my ask is to go to consultation on a new charge which will encourage even more of the most polluting vehicles to upgrade their fleet or use alternate routes avoiding the congestion and pollution hotspots in the city. This will further protect the recently repaired grade 2 listed Cleveland Bridge, and I have agreed with my colleagues as you can see at paragraph 3.9 of the report that traffic flows both within and on the boundary of the area, in areas such as Southdown, Twerton and Weston, will be monitored, published, and appropriate mitigation measures considered.

Thanks for sticking with me during this quite technical proposal. I urge you to support this motion, let us engage in a wide consultation on this charging order, and keep Bath and North East Somerset at the forefront of improving air quality for our residents.”

Cllr Sarah Warren seconded the motion and made the following statement:

“As the Cabinet heard in July, we have seen significant reductions in nitrogen dioxide levels both inside and outside the Clean Air Zone, since its introduction in March 2021, and in almost all locations in Bath we are now seeing nitrogen dioxide within the legal level of 40 microgrammes per cubic metre. Cabinet pledged last winter that we would be more ambitious on air quality and look to go beyond legal levels. I am delighted that this evening we are taking another step in that direction with this paper, which looks to develop charging mechanisms for HGVs. I am happy to second the proposals.”

Cllr Dine Romero stated that there have been concerns regarding the impact of the Clean Air Zone and closure of Cleveland Bridge. She welcomed the proposals set out in 3.9 of the report.

Cllr Samuel stated that Walcot residents would welcome the proposal and that it is important to keep the momentum going.

RESOLVED (unanimously):

- 1) To note the work completed to assess the feasibility and the highlighted risks of introducing a charge appropriate for the benefit of air quality and the amenity of the charging scheme area (including the Grade II* Cleveland Bridge) and the wider Bath World Heritage Site setting.
- 2) To agree that a public consultation, involving key stakeholders as appropriate, is undertaken on the introduction of a charge for Class N3 Euro VI diesel HGVs (HGVs over 12 tonnes) together with associated local exemptions being proposed to mitigate any impact on local businesses and the economy of the wider area.
- 3) As this proposal is distinct from the CAZ charges and outside the scope of the national Clean Air Zone Framework, to note the need for the development of local payment processes based upon those created for

the CAZ scheme, as central government systems will not be available for use. This will require keepers of chargeable Class N3 Euro VI diesel HGVs to divert to the Council's website to make payment through a separate payment portal, locally created for these vehicles.

- 4) To delegate to the Director of Place Management (in consultation with the Cabinet Member for Transport), the decision to vary the Order according to the scheme outputs and the feedback received from the public consultation period and implement the scheme with minor variations as required.

48 CRSTS PROGRAMME - FUNDING AND NEXT STEPS

Cllr Sarah Warren introduced the report and made the following statement:

"The West of England Combined Authority has been awarded £540m over the next 4 years to deliver a step change in public transport and active travel funding in the West of England. This funding package is known as the City Region Sustainable Transport Settlement.

The programme will deliver significant public transport and active travel infrastructure along several of our major roads in Bath and North East Somerset, improving connectivity between our communities and enabling better and more equitable access to sustainable transport choices.

This rather procedural report simply requests agreement to move to the next stage. I move the recommendations as set out in the report."

Cllr Dave Wood seconded the motion. He stated that it is important to give more travel choices and welcomed the increased village connectivity.

RESOLVED (unanimously):

- (1) To delegate approval to the Directors of Sustainable Communities and Place Management, in consultation with the S151 Officer, to accept CRSTS grant funding from the Combined Authority for schemes led by B&NES, currently the Liveable Neighbourhoods Programme and the Maintenance Challenge Fund. As capacity increases within B&NES this may also include: Somer Valley Links to Bristol and Bath; Bath City Centre Sustainable Transport Corridor; and Bath Sustainable Walking and Cycling Links.

These funds will be spent over a four-year period (22/23 - 26/27), and progress through the documented approvals process with CA and B&NES. These grant awards, along with the funding local match requirement of 20%, will be approved into the B&NES Capital Programme and revenue budget.

- (2) To note that for schemes which remain led by the Combined Authority B&NES officer time will be recharged to the Combined Authority. This will be undertaken through a process of quarterly recharges.

49 2023/24 MEDIUM TERM FINANCIAL STRATEGY

Cllr Richard Samuel introduced the report, moved the officer recommendation and made the following statement.

“The Medium Term Financial Strategy (MTFS) sets out an assessment of the financial climate the council expects to encounter over the next five years and is used to inform the budget setting process.

There are a number of key points to highlight.

- The council is still in recovery from the financial shock created by covid where members will recall it was necessary to introduce an emergency budget in July 2020. Whilst the immediate financial impacts have been successfully managed there are still longer-term impacts particularly arising from future income assumptions that require close attention.
- During the past year in particular we have seen challenging economic conditions at national level with growth in inflation, labour and commodity shortages and pressures on wage growth following 10 years of austerity. The Conservative government's response has unfortunately made matters worse particularly the catastrophically incompetent mini budget in September.
- Whilst some of these shocks could and should have been managed better, no-one could have foreseen the impact on global energy markets arising from the illegal Ukraine invasion. Whilst the short-term energy supports will be welcomed by residents – they are short term. The council, as with all businesses, remains exposed to the impacts of energy price rises and these cannot be contained within normal budgets without Government support.
- The MTFS sets out some core principles:
 - Budgets will be expected to balance without the need to draw on unallocated reserves and the strong reserves position achieved by this administration will be maintained.
 - Growth either by demography, inflation, or political priority can only be accommodated where headroom has been created.
 - Priority will be given to key statutory services and policies that contribute to tackling the climate emergency.
 - Council tax and social care precepts may be expected to rise over the period.
 - Further income raising income opportunities will be sought and current income streams maximised.
- The report highlights the continuing lack of reform of local government finances first promised by the Conservatives 7 years ago.

Across the board pressures are rising and I fear that the coming years up to the next general election offer stark choices and difficult decisions in setting council budgets. The autumn statement next week will hopefully provide extra clarity but after 12 years of Conservative austerity there really is no fat to cut.”

Cllr Tom Davies seconded the motion and made the following statement.

“I know that it has been mentioned before, but, as we consider this key financial paper, I would like to say again how good it is to see our colleague and friend, Cllr Richard Samuel back with us in the Chamber.

Since May 2019 Richard has demonstrated remarkable leadership of the Council’s finances - working with the Council’s senior officers, they have steered us through three extraordinarily difficult financial years and in all years, not only balancing the books but also facilitating our ability to deliver throughout all areas of our manifesto commitments - many of which we have seen further evidence of tonight - whilst also enabling the Council to lead from the front in our local response to the Covid-19 pandemic. Indeed, last year, the Council ended the year with a £4m favourable outturn - funds which we have then used to enable us to protect the new Park & Ride contract and meet some of the inflationary pressures seen this year with energy costs.

After the events of the last few years, one would have hoped that we could have been spared more turmoil and challenge but as the Medium Term Financial Strategy sets out, this is not to be.

As the Strategy shows - with current forecasts, the Council is projected to have to find up to £36m in savings over the coming years - with the main pressures being the significant inflationary pressures and pressures on our income whilst we also expect to see an increasing demand on our services throughout this period - most notably, as the report shows, in adult social care and children’s services.

We need to be open and transparent with residents that to achieve these savings, there will be very difficult and challenging decisions to be taken - decisions that will inevitably impact the support the Council can provide - but we also need to be clear that this position has been aggravated by the disastrous actions of the Conservative Party - with the global economy slowing and inflationary pressures growing, this Conservative Party embarked on an ideological experiment with us all as its Guinea Pigs - and in September Liz Truss and her colleagues - many of whom still find themselves in leadership positions - crashed our economy with their disastrous fiscal event.

Through their reckless actions, we are now poorer as a nation, our residents are and will continue to suffer as a result of the cost of living crisis and as a Council, seeking to support our residents, the Government is silent on what support we will have at this time - we stand alone with our residents as we experience one of the most disastrous periods of national leadership in our history.

We will do what we can - and whilst the purpose of the report is not to detail how we will respond to these pressures, residents should be in no doubt that this LibDem administration will continue to demonstrate the sound and strong financial leadership required to navigate the Council through these challenges - we have delivered to date and will continue to do so.”

RESOLVED (unanimously): To approve the Medium Term Financial Strategy.

50 REVENUE & CAPITAL BUDGET MONITORING, CASH LIMITS AND VIREMENTS – APRIL TO SEPTEMBER 2022

Cllr Richard Samuel introduced the report, moved the officer recommendation and made the following statement:

“It was astonishing to me, when I took office, that the previous administration failed to produce quarterly budget statements. I was clear that every quarter needed to be reported to ensure transparency but also that management actions to deal with problems with budgets was initiated.

Today’s report I regret to say reflects the extremely difficult financial environment all councils are operating under at present.

We are expecting that, without direct intervention, the council is on course to overspend its budget by £4.5m this financial year.

There are four areas of variance causing this problem:

- Surging demand for Children’s Services and the very high costs of placement accommodation charged by the private sector. A £5.4m overspend is expected.
- Contract inflation, passing on the high levels of inflation in the national economy now exacerbated by Kwarteng’s disastrous foray into free market economics.
- Hikes in energy costs.
- The impact of the nationally agreed local government pay settlement creating £2.2m of unbudgeted pressure.

These pressures are mitigated to some extent by strong income from Heritage and the Commercial Estate and Parking.

I am not prepared to reach year end with such a deficit and so the management team have been requested to establish a range of measures to control and reduce in year spending, which will be managed through a Recovery Board reporting to me and the Leader. Measures such as a vacancy freeze, and limits on discretionary spending can be expected. I will report the impact of these measures to the February Cabinet meeting.

Finally, it is not all bad news. I can report that the 22/23 savings target is largely on schedule to be met.

There are some specific virements to note together with the changes to the capital programme. It is also pleasing to note that the increased costs for repairing Cleveland Bridge will not fall on local taxpayers as it has been met by external grant.”

Cllr Tom Davies seconded the motion and made the following statement.

“Colleagues, many of the financial and service demand pressures - especially in children’s services, highlighted in the Medium Term Financial Strategy have manifested themselves in the current year and are reflected in this quarter two monitoring report.

And I would just like to pause and reflect on the scale of some of these challenges - take children's services, for example, with the report showing a 38% increase in the number of children in residential placements from 2021/22. This is just one example of the nature of additional service pressures which the Council is currently facing as we work to support our residents and community at this time.

My colleague, Richard Samuel, has provided further context and detail behind our current financial position, but I would again note that the Council's leadership has already taken action to put a framework in place, through the Financial Recovery Board, to manage these pressures and work over this next quarter to further develop mitigating actions. We are also fortunate that the sound financial leadership over the past three years means that we are able to draw upon our contingency reserve to support our work at this extraordinary time if required.

With my thanks to Richard and the officers for this paper and for all of their work over the coming weeks and months."

RESOLVED (unanimously):

- 1) To note the 2022/23 revenue budget position as at the end of September 2022.
- 2) To note the revenue virements listed for information only in Appendix 3(i) of the report.
- 3) To note the capital year-end forecast detailed in paragraph 3.26 of the report.
- 4) To approve the allocation of £3m CRSTS Highways Maintenance Challenge Fund grant to fund the increased cost of the Cleveland Bridge repairs as highlighted in paragraph 3.27 of the report.
- 5) 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) of the report.

51 TREASURY MANAGEMENT MONITORING REPORT TO 30TH SEPTEMBER 2022

Cllr Richard Samuel introduced the report and moved the officer recommendation.

Cllr Tom Davies seconded the motion.

RESOLVED (unanimously):

- (1) To note the Treasury Management Report to 30th September 2022, prepared in accordance with the CIPFA Treasury Code of Practice.
- (2) To note the Treasury Management Indicators to 30th September 2022.

The meeting ended at 9.08 pm

Chair

Date Confirmed and Signed

Prepared by Democratic Services

Cabinet - 2 February 2023

Item no. - * Matters Referred by Policy Development and Scrutiny Bodies

Feedback to Cabinet following consideration of the draft 2023-24 budget & Council Tax proposals by the Corporate PDS Panel

1. The Corporate Policy Development & Scrutiny (PDS) Panel met on 23 January 2023 to consider the draft budget and Council Tax proposals for 2023-24 together with the overall financial outlook. All scrutiny members were invited to attend the meeting as the PDS Chairs and Vice Chairs had agreed that when considering publication timelines, the draft budget would be scrutinised once.
2. The Cabinet Member for Resources and Chief Finance Officer(S151) initially set the context to which the budget proposals had been developed. Members were then given an opportunity to ask questions, following which some of the following themes emerged:

Inflationary pressures

3. Members questioned whether inflationary pressures, particularly linked to future pay deals, had been factored into the proposals. Confirmation was provided that a 3% increase had been budgeted for staff salaries in 2023-24, plus 1% contingency. Inflationary pressures were anticipated to continue to present medium term organisational challenge.

Robustness of savings/income proposals

4. Members sought assurance on the robustness of the proposals to address the 2023-24 funding gap of £14.38m. The Executive emphasised that rigorous budget monitoring was in place, with Cabinet receiving regular updates on delivery of targets.
5. The panel noted that the £4.8m linked to a review of 'social care contributions to the learning disability pool' was a funding rather than service level adjustment, and that discussions with the NHS on this line were expected to be concluded by 1 April 2023.
6. Confirmation was given that the proportion of income versus savings targets was similar to previous years.

Outturn position 2022-23 & The Government Settlement

7. The panel explored the in-year budget position and noted that as of quarter 2, a £4.53m overspend was predicted. Corporate recovery work in response to this position had ensured the position had improved; although demand related pressures, predominantly within Children's Services, remained.

8. The provisional Government Settlement position had been received on 19 December and the final confirmation figure, including grant allocations, was expected by early February 2023. It was noted that the final settlement details would be updated in the budget papers reported to Council.

Reserves

9. The panel was given clarification on the differences between earmarked and unearmarked reserves, with members noting that to manage financial risk the council holds £12.6m (of £54.2m) in unearmarked reserves, with earmarked reserves set aside for specific purposes.

Budget savings/income reporting

10. Following scrutiny input, the panel members welcomed the Executive's commitment to provide more context to future proposals by also showing the total budget amounts for any proposed targets. Panel members felt it would be appropriate to also feedback to scrutiny on how successful the council had been in delivering against its 2023-24 savings/income targets.

Growth areas - Park and Ride

11. The panel welcomed the £0.4m investment into park and ride facilities, recognising that no firm decisions had been made yet on the planned improvements, but highlighting that any measures to enhanced vehicle security would be extremely welcomed by the community.

Equalities

12. The panel was reassured that the budget had been subject to Equality Impact Assessments, and these were very much live documents, being revisited as proposals advanced through to delivery.

Community services transformation & Remembrance events funding

13. Members look forward to receiving further detail on the transitional project-based costs for the Community Services Transformation Programme – Adult Social Care.
14. Finally, the panel welcomed the cabinet member's response to concerns around the removal of Remembrance events funding and were reassured that this would be supported going forward.

Resolved

- i) **To thank the Cabinet Member for Resources for:**
 - a. **sharing the draft budget proposals with the policy development and scrutiny function**
 - b. **committing to include overall budget detail in future proposals to provide additional context to targets**

- ii) To ask Cabinet to note the summary of the Corporate PDS meeting held on 23 January**
- iii) To request that Cabinet continues to engage with scrutiny on implementation of the 2023-34 budget, particularly in relation to the identified savings and income proposals.**

Cllr Karen Warrington

Chair – Corporate PDS Panel

31.01.2023

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Bath & North East Somerset Council

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

published from 2 November 2022 until 31 January 2023

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>

Southlands Liveable Neighbourhood Area and Programme Financial Approvals

To agree the shortlist items to be taken forward to preliminary design and engagement for the Southlands Liveable Neighbourhood Area. To agree wider Liveable Neighbourhood programme financial approvals.

Decision Maker: Cabinet Member for Climate and Sustainable Travel

Decision published: 12/01/2023

Effective from: 20/01/2023

Decision:

(1) In respect of the Southlands Liveable Neighbourhood area:

- To proceed with the shortlist of interventions set out in paragraphs 3.8 and 3.9 of the report, now taking them forward to preliminary design and engagement.
- To note that the proposed shortlist is based on work done with communities to first identify their needs and then to co-design potential solutions to address those needs, as summarised in Appendix A of the report.
- To note that the proposed shortlist was next subject to technical review, both in terms of alignment with the Liveable Neighbourhoods strategy and other factors such as cost, practicalities, and timelines, as summarised in Appendix B of the report.
- To note that the proposed shortlist was then referenced back to the applications put forward by ward councillors in Spring 2021 to ensure that the package of interventions satisfied the aims of the original proposal.
- To note the opportunity to “fast track” shortlisted interventions where they are non-contentious or already well supported, and either statutory consultation is not required due to the nature of the proposed intervention, or implementation could proceed as a trial under an experimental Traffic Regulation Order (ETRO) or be implemented under a 21-Day Notice (see also section 4 of the report).

- To note that the ability to proceed is subject to funding being available for the design, engagement, consultation and implementation work required as a result of this decision.

(2) In respect of the wider Liveable Neighbourhood programme financial approvals:

- To approve spend of £1.640m (£1.2m to be funded from the B&NES Liveable Neighbourhood (LN) Provisional Programme and a £440k grant from WECA funded from the programme's CRSTS allocation) to deliver the Full Business Case (FBC) for the Liveable Neighbourhood programme. The FBC will include preliminary designs for the shortlisted interventions across the LN project, which have been identified following co-design with communities in the 15 areas (of which Southlands is one).
- To delegate approval to the Director of Sustainable Communities, in consultation with the s151 officer, to accept the £440k WECA grant when it is provided. Until then, to cashflow the costs incurred through approval of other allocations in the Council's capital programme to be repaid as soon as the WECA grant is released, which is expected to be in early 2023.

Wards affected: Weston

Lead officer: Joanna Sammons

Adoption of Planning Obligations Supplementary Planning Document (SPD) Review

The Planning Obligations SPD sets out the details of financial and other contributions developers need to make to mitigate the impacts of proposed development. The SPD has been updated to reflect new requirements set out in the Local Plan Partial Update, including relating to zero carbon development, Biodiversity net Gain and housing accessibility. Following consultation on the draft SPD and consideration of the comments received this report recommends adoption of the updated SPD.

Decision Maker: Cabinet Member for Planning and Licensing

Decision published: 05/01/2023

Effective from: 13/01/2023

Decision:

(1) To adopt the amended draft Planning Obligations Supplementary Planning Document (SPD) (attached as appendix 1 to the report).

(2) To delegate authority to the Head of Planning to make any necessary minor editorial changes, in consultation with the Cabinet Member for Planning and Licensing, prior to publication of the adoption of the Planning Obligations SPD.

(3) To delegate authority to the Head of Planning to remove text in the SPD which will be superseded on the adoption of the Local Plan Partial Update (LPPU). The text in question will make clear that the planning obligations which relate to LPPU

policies SCR6, SCR7 relating to carbon offsetting requirements, NE3A Biodiversity Net Gain and updated policy H7 as concerning housing accessibility standards in Affordable Housing, will only be applied to applications determined on or after the date of the adoption of the LPPU.

Wards affected: (All Wards)

Lead officer: Richard Daone

Schools Funding Formula 2023-24

To set out the planned schools funding formula for 2023-24.

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

Decision published: 05/01/2023

Effective from: 13/01/2023

Decision:

(1) To follow the formula set out in the report, adopting the new methodology of the National Funding Formula (NFF) and to utilise the factor values provided by the Department for Education (DFE), providing the resources are available.

(2) To agree that should resources not allow the funding of the formula factors in full that a proportionate reduction of all factors is made to reduce the allocations to fit the resources available.

(3) Not to introduce a change to the notional SEN allocation.

(4) Not to introduce a falling rolls factor.

Wards affected: (All Wards)

Lead officer: Richard Morgan

Transport and Development Supplementary Planning Document (SPD)

The Transport and Development SPD will help to ensure new development facilitates and contributes to the delivery of and improvements to sustainable modes of transport. It includes section on parking standards for new development; walking and cycling infrastructure; Ultra-Low Emissions Vehicles; and Travel Plans. Following consultation on the draft SPD and consideration of the comments received this report recommends adoption of the Transport & Development SPD.

Decision Maker: Cabinet Member for Planning and Licensing

Decision published: 05/01/2023

Effective from: 13/01/2023

Decision:

- (1) To adopt the Transport and Development Supplementary Planning Document (SPD) (attached as Appendix 1 to the report).
- (2) To delegate authority to the Head of Planning to make any necessary editorial changes, in consultation with the Cabinet Member for Planning and Licensing, prior to the publication of the adoption of the Transport and Development SPD.
- (3) To delegate authority to the Head of Planning to remove text in the SPD, which will be superseded on LPPU adoption. The text in question will make clear that where the SPD applies to the LPPU policies ST1-3, ST5, ST7, SCR9, H2, H2a and LCR6 this will only be applied to planning applications determined on or after the date of the adoption of the LPPU.

Wards affected: (All Wards)

Lead officer: Richard Daone

Sustainable Construction Checklist Supplementary Planning Document (SPD) Review

Upon its adoption the Local Plan Partial Update (LPPU) will introduce new policies on sustainable construction and embodied carbon for residential and non-residential new build properties. To accompany the new policies the Sustainable Construction Checklist Supplementary Planning Document (The Checklist SPD hereafter) has been amended to reflect the policy requirements. This will then be used by Development Management to assess whether planning applications comply with the policy. Following consultation, the draft Checklist SPD and consideration of the comments received this report will seek adoption of the amended SPD.

Decision Maker: Cabinet Member for Planning and Licensing

Decision published: 05/01/2023

Effective from: 13/01/2023

Decision:

- (1) To adopt the amended draft Sustainable Construction Checklist Supplementary Planning Document (SPD) (as set out in Appendix 1 of the report).
- (2) To delegate authority to the Head of Planning to make any necessary minor editorial changes, in consultation with the Cabinet Member for Planning and Licensing, prior to publication of the adoption of the Sustainable Construction Checklist SPD.
- (3) To delegate authority to the Head of Planning to remove text in the SPD which will be superseded on the adoption of the Local Plan Partial Update (LPPU). The text in question will make clear that the elements of the SPD that relate to emerging LPPU policies will only apply to planning applications determined after the adoption of the LPPU.

Wards affected: (All Wards)

Lead officer: Richard Daone

Review of Hackney Carriage Tariff Rates 2022

To consider data received from recent informal public consultation in respect of a proposed 11.7% increase in the maximum table of fares for licensed Hackney Carriages in B&NES.

Decision Maker: Cabinet Member for Planning and Licensing

Decision published: 21/12/2022

Effective from: 31/12/2022

Decision:

To agree that, after consideration and subject to the required formal 14-day public consultation process and any objections subsequently received that an increase of 11.7% on the current fares should be implemented.

In making this decision the Cabinet member has considered whether an 11.7% rise would negatively impact the visitors and public in the area of Bath and North East Somerset when comparing the existing tariff with other local authorities in the South West, and has also taken into consideration the informal consultation responses.

Wards affected: (All Wards)

Lead officer: John Dowding

Updated Local Enforcement Plan

An update to the 2013 Local Enforcement Plan. The updated plan will provide confidence to residents that the Council can deal with planning enforcement issues when they arise. It will also ensure that all customers are fully aware of our approach, how we operate, the time frames within which customers can expect an outcome and what we can (and cannot) do. Updating the plan will therefore ensure a greater level of transparency.

Decision Maker: Cabinet Member for Planning and Licensing

Decision published: 20/12/2022

Effective from: 30/12/2022

Decision:

To agree to the adoption of the updated Local Enforcement Plan.

Wards affected: (All Wards)

Lead officer: Richard Stott

CIL for Bath Advisory Board Recommendations Round Twelve

This request is for the Leader of the Council to agree the recommendations from the CIL for Bath Advisory Board that relate to the twelfth allocation of funding from Neighbourhood CIL for Bath Community Infrastructure Levy.

Decision Maker: Council Leader

Decision published: 20/12/2022

Effective from: 30/12/2022

Decision:

To agree the following funding allocations:

- (1) An allocation of £20,000 to support the set-up costs towards a new food pantry community facility in the ward of Twerton. This application was submitted by Mercy in Action.
- (2) An allocation of £37,000 to support improvements to Pennyquick Park in the ward of Twerton. The project has two elements, reinstating the pump track and the introduction of new outdoor gym equipment. This application was submitted by ward councillor Sarah Moore.
- (3) A maximum allocation of £80,714 to support the delivery of the Bath Parks Activator Programme at multiple wards across the city of Bath. This application was submitted by Your Parks, Bath and Bristol.
- (4) An allocation of £25,000 for improvements to the community facilities for carers in the Twerton ward. This application was submitted by the B&NES Carers' Centre.
- (5) An allocation of £28,050 for the provision of Youth Services in the Kingsmead ward. This application was submitted by the Percy Centre.
- (6) A maximum allocation of £35,000 towards improvements to the towpath in the Bathwick ward. This application was submitted by the Canal and River Trust.
- (7) An allocation of £45,000 towards the improvements to the Broad Street Place Community Garden in the Kingsmead ward. This application was submitted by the council department for Bath Enterprise Zone.
- (8) An allocation of £67,443 towards the More Trees for B&NES project across multiple wards in the City of Bath. This application was submitted by More Trees for B&NES.
- (9) An allocation of £9,645 towards a new "Men's Shed" community facility for older people in the ward of Twerton. This application was submitted by Bath City Farm.
- (10) An allocation of £47,596 towards community allotment facilities at Monksdale Road in the Moorlands ward. This application was submitted by Bath Mind.
- (11) An allocation of £26,122 for improvements to the community facilities for homeless people in the Kingsmead ward. This application was submitted by Julian House.

Wards affected: (All Wards)

Lead officer: Mark Hayward

Creation of the Fashion Museum Foundation

The creation of a charity for the Fashion Museum was agreed in principle as part of the Heritage Services Business Plan 2022 – 2027 (ref: E3346). Heritage Services (the Service) has worked with Winckworth Sherwood to prepare the registration documentation and is now ready for the next step: registration with Companies house and subsequently the Charity Commission. The Service is seeking approval to proceed with set up. The Fashion Museum Foundation will be a registered charity and a Company Limited by guarantee. This charity aims to fulfil the Council's vision for the Fashion Museum project through its objects. This replicates the existing successful model between the Service and the Roman Baths Foundation.

Decision Maker: Council Leader

Decision published: 08/12/2022

Effective from: 16/12/2022

Decision:

To agree that Heritage Services can register The Fashion Museum Foundation with Companies House and subsequently the Charity Commission, to support the Re-Fashioning Bath project to deliver the new Fashion Museum and Fashion Collection Archive Project.

Wards affected: (All Wards)

Lead officer: Rebecca Gibson

Church Street and Prior Park Road Liveable Neighbourhood Area

To agree the shortlist items to be taken forward to preliminary design and engagement for the Church Street and Prior Park Road Liveable Neighbourhood Area.

Decision Maker: Cabinet Member for Climate and Sustainable Travel

Decision published: 30/11/2022

Effective from: 08/12/2022

Decision:

(1) To proceed with the shortlist of interventions set out in paragraph 3.8 of the single member decision report now taking them forward to preliminary design and engagement.

(2) To note that the proposed shortlist is based on work done with communities to first identify their needs and then to co-design potential solutions to address those needs, as summarised in Appendix A of the report.

(3) To note that the proposed shortlist was next subject to technical review, both in terms of alignment with the Liveable Neighbourhoods Strategy and other factors such as cost, practicalities and timelines, as summarised in Appendix B of the report.

(4) To note that the proposed shortlist was then referenced back to the applications put forward by ward councillors in Spring 2021 to ensure that the package of interventions satisfied the aims of the original proposal.

(5) To note the opportunity to “fast track” shortlisted interventions where they are non-contentious or already well supported, and either statutory consultation is not required due to the nature of the proposed intervention, or implementation could proceed as a trial under an experimental Traffic Regulation Order (ETRO) or be implemented under a 21-Day Notice (see also section 4).

(6) To note that the ability to proceed is subject to funding being available for the design, engagement, consultation and implementation work required as a result of this decision.

Wards affected: Widcombe & Lyncombe
Lead officer: Joanna Sammons

Housing Services Policy Updates

A decision to approve policy updates is requested in relation to:

- enforcement and licensing,
- bringing empty properties back into use, and
- assistance where required to make homes suitable for safe and health independent living.

Decision Maker: Cabinet Member for Adult Services and Council House Building
Decision published: 22/11/2022
Effective from: 30/11/2022

Decision:

To adopt the updated Housing Services Policies for Enforcement and Licensing, Empty Residential Properties and Decent Homes.

Wards affected: (All Wards)
Lead officer: Chris Mordaunt

Southlands Pilot Intervention

Single Member Decision to proceed to implementation on the Southlands pilot intervention as part of the Liveable Neighbourhoods programme.

Decision Maker: Cabinet Member for Climate and Sustainable Travel
Decision published: 02/11/2022
Effective from: 10/11/2022

Decision:

(1) To note the moderate levels of support identified in the public engagement held during August 2022 from those living on Southlands.

(2) To proceed with the implementation of a pilot through traffic restriction on Southlands, as set out in the Experimental Traffic Regulation Order (ETRO) Notice of Making in Appendix A.

(3) To note the intention to proceed with the implementation as soon as a decision is made, and as such the potential interface with the Christmas embargo period.

Wards affected: Weston

Lead officer: Joanna Sammons

Queen Charlton Lane Pilot Intervention

Single Member Decision to proceed to implementation on the Queen Charlton Lane pilot intervention as part of the Liveable Neighbourhoods programme.

Decision Maker: Cabinet Member for Climate and Sustainable Travel

Decision published: 02/11/2022

Effective from: 10/11/2022

Decision:

(1) To note the high levels of support identified in the public engagement held during August 2022.

(2) To proceed with the implementation of a pilot through traffic restriction on Queen Charlton Lane, as set out in the Experimental Traffic Regulation Order (ETRO) Notice of Making in Appendix A of the report.

(3) To note the intention to proceed with the implementation as soon as a decision is made, and as such the potential interface with the Christmas embargo period.

Wards affected: Saltford

Lead officer: Joanna Sammons

Church Street Pilot Intervention

Single Member Decision to proceed to implementation on the Church Street pilot intervention as part of the Liveable Neighbourhoods programme.

Decision Maker: Cabinet Member for Climate and Sustainable Travel

Decision published: 02/11/2022

Effective from: 10/11/2022

Decision:

(1) To note the high levels of support identified in the public engagement held during August 2022.

(2) To proceed with the implementation of a pilot through traffic restriction on Church Street, as set out in the Experimental Traffic Regulation Order (ETRO) Notice of Making in Appendix A to the report.

(3) To note the intention to proceed with the implementation as soon as a decision is made, and as such the potential interface with the Christmas embargo period.

Wards affected: Widcombe & Lyncombe

Lead officer: Joanna Sammons

Bath & North East Somerset Council		
MEETING:	Cabinet	
MEETING DATE:	9 th February 2023	EXECUTIVE FORWARD PLAN REFERENCE:
		E3432
TITLE:	Budget and Council Tax 2023/24 and Financial Outlook	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report		
Annex 1: Revenue Budget 2023/24 – individual service cash limits		
Annex 2: (i) 2023/24 to 2025/26 Budget Savings and Income proposals & (ii) 2023/24 to 2025/26 Funding Requirements.		
Annex 3: Equalities Impact Assessment of 2023/24 to 2025/26 Savings Proposals		
Annex 4: Efficiency Strategy		
Annex 5: Draft Capital Programme 2023/24 to 2027/28		
Annex 5 (i): New and Emerging Capital Schemes		
Annex 5 (ii): Highways Maintenance Programme		
Annex 5 (iii): Transport Improvement Programme		
Annex 5 (iv): Corporate Estate Planned Maintenance Programme		
Annex 5 (v): Community Infrastructure Levy (CIL) Allocations		
Annex 6: Capital & Investment Strategy		
Annex 7: MRP Policy		
Annex 8: Council Pay & Reward Policy 2023/24		
Annex 9: Advice of Monitoring Officer on the Budget Setting Process		
Annex 10: Budget 2023/24 Consultation Report		
Annex 11: Fees & Charges Brochure 2023/24		

1. THE ISSUE

This report presents the revenue and capital budgets together with proposals for increases in Council Tax and the Adult Social Care Precept for 2023/24.

2. RECOMMENDATIONS

2.1 The Cabinet recommends Council approves-

- a) The General Fund net revenue budget for 2023/24 of **£131.03m** and the individual service cash limits for 2023/24 as outlined in Annex 1.
- b) The savings and income plans outlined in Annex 2(i), funding requirements 2(ii), in conjunction with the Equalities Impact Assessment Report in Annex 3.

- c) An increase in Council Tax of 2.99% in 2023/24 (an increase of £47.10 per Band D property or 91p per week).
- d) An increase of 2% to Council Tax for the Adult Social Care Precept in recognition of the current demands and financial pressures on this service. This is equivalent to an increase of £31.50 on a Band D property (61p per week).
- e) The movement in reserves outlined in section 5.6 and the adequacy of Un-earmarked Reserves at £12.58m within a risk assessed range requirement of £11.6m - £12.8m.
- f) To note the Children's Services management plan set out in section 5.2.7 of the report.
- g) The Efficiency Strategy attached at Annex 4.
- h) The Capital Programme for 2023/24 of £87.89m including new and emerging capital bids outlined in Annex 5(i), planned sources of funding in 5.8.2, and notes the programme for 2024/25 to 2027/28 and that any wholly funded projects coming forward during the year will be added to the Capital Programme in line with the Budget Management Scheme.
- i) The delegation of implementation, subject to consultation where appropriate, of the capital programmes set out in Annex 5(i) to Annex 5(iv) to the relevant Director in consultation with the appropriate Portfolio Holder.
- j) The Community Infrastructure Levy (CIL) allocations and amendments outlined in Annex 5(v).
- k) The Capital & Investment Strategy attached at Annex 6.
- l) The MRP Policy attached at Annex 7.
- m) The Capital Prudential Indicators outlined in 5.8.6.
- n) The Annual Pay Policy Statement at Annex 8.
- o) The Community Contribution Fund pilot 12-month extension outlined section 5.5.
- p) The Council Tax Support Scheme for 2023/24 shown in the following link: <https://beta.bathnes.gov.uk/sites/default/files/2023-01/Proposed%20Council%20Tax%20reduction%20scheme%20April%201%202023%20-%20March%2031%202024.pdf> and referred to in 5.3.5
- q) To approve the Fees and Charges schedule for 2023/24 at Annex 11 and support its publication following approval of the budget.

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

2.3 That Cabinet note the S151 Officer's report on the robustness of the proposed budget and the adequacy of the Council's reserves outlined in 5.7.

- 2.4 That Cabinet note the budget consultation responses in Annex 10.
- 2.4 Authorise the Council's S151 Officer, in consultation with the Portfolio Holder for Resources, to make any necessary changes to the draft budget proposal for submission to Council.

3. RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

The resource implications are contained within the body of the report

4. STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSALS

A local authority has a statutory duty to set an annual budget and Council Tax. The advice of the Council's Monitoring Officer regarding the budget setting process is attached at Annex 9.

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

5. THE REPORT

5.1 The 2023/24 Budget Summary

The Medium-Term Financial Strategy (MTFS) was approved in November 2022 and outlined how the budget would be delivered over the medium to long-term. This incorporates the continuing impact of the Covid pandemic on the Council's income levels together with the severe inflationary pressures from the 'Cost-of-Living crisis'. The MTFS for B&NES spans two years with a further three added to show the likely longer-term picture.

The Council needs to deliver a balanced budget over the term of the plan. A balanced budget means that balances or reserves are not used to meet on-going expenditure commitments. The updated plan shows a balanced budget for 2023/24 and a current projected budget gap for 2024/25 and beyond although this is expected to reduce to a balanced position once the impacts of returning income and further efficiencies are factored in to budget planning. The figures include all estimates for future pay awards, pension costs, Council Tax, business rates, Government grant, and inflation. The revenue budget contingency for inflationary pressures has been replenished with a further £1m to the £1.67m added in 2022/23 which has been allocated for in year contract pressures.

The budget has been developed considering how to operate with a higher cost base and lower income levels whilst delivering the Corporate Strategy to meet our key principles and commitments. After taking account of ongoing service cost pressures and new funding requirements, the starting point for the 2023/24 budget is a funding gap of £14.38m. The proposed budget meets this funding gap in two ways:

- 1) Income generation plans of £5.09m.
- 2) Cost reduction plans of £9.29m.

The ongoing impact of high inflation together with a reduction in income has created a short-term material imbalance in how the Council funds its services, Council tax and Business rates alone do not fully fund the Council's services, they are also funded by external income. The Council revenue support grant has reduced from £31m in 2013/14 to £0.8m per annum in 2023/24 and as a result we have become more reliant on external income to help fund core Council services. After considering demands on services and inflationary pressure the Council revenue budget requires £17.52m in budget growth, this is funded through increases in Council tax, income and savings plans and grant adjustments. This is highlighted in more detail in section 5.2.5 of the report and supporting annex's.

The budget includes a recommendation that general Council Tax is increased by 2.99% in 2023/24 (an increase of £47.10 per Band D property) and the Adult Social Care Precept is increased by 2% (an increase of £31.50 per Band D property). This results in a total proposed Band D Council Tax for Bath and North East Somerset Council next year of £1,653.90 (£1,575.30 in 2022/23) an overall increase of 4.99% and £78.60 per Band D (£1.51 per week).

The proposed net revenue budget for Bath and North East Somerset for 2023/24 is £131.03m.

5.1.1 Corporate Strategy and the Councils' Priorities

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

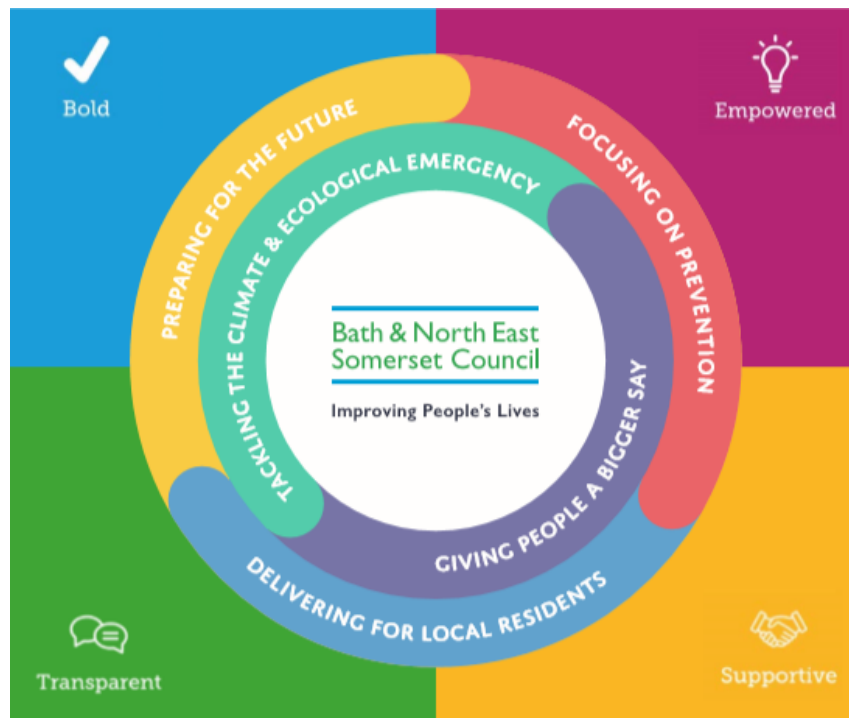
ONE: We have **one** overriding purpose – to improve people's lives.

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

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

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

This is all set out clearly in the diagram below:



This is the “golden thread” which drives what we do ensuring that setting budgets and managing our people - our most valuable resource - are guided by the council's priorities. It also means that our commitments are realistic and achievable.

Areas of strategic priority and focus over the next two years will include:

- Further investment to deliver more effective transport schemes across the council area, with a particular focus on creating liveable neighbourhoods, prioritising active travel and reducing reliance on the car for commuting and short journeys.
- Continued investment to support the most vulnerable people in our communities.
- Continued commitment to address the climate and ecological emergency, investing in energy and reductions in vehicle usage.
- Focus on supporting the local economy to recover from the impact of the pandemic and rising inflation, regenerate local high streets and increase the diversification of the economy away from dependence on retail, hospitality and tourism.
- Support the Business Change programme to modernise the council with a focus on improved asset management and flexible working.

5.2 The Revenue Budget 2023/24

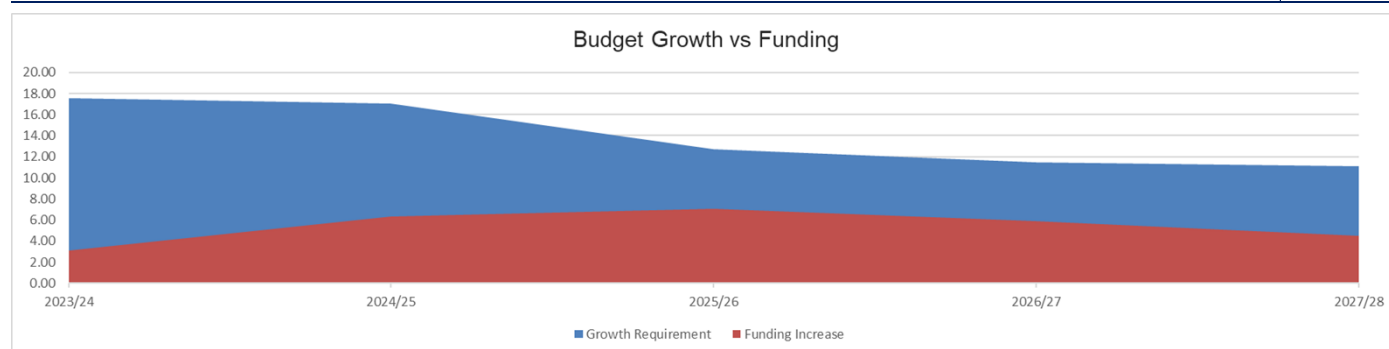
5.2.1 2022/23 Current Budget Position

The Council is currently forecasting an over budget position at Quarter 3 of £1.48m at year end. The pay settlement was significantly higher than anticipated when setting the 2022/23 budget last year and as such has meant services have been required to mitigate through vacancy management and reducing discretionary spend where possible. Coupled with this are significant inflationary and demand pressures, this has had a material impact on Children's services, which like many councils, has meant this year has been financially challenging. However, increases in interest rates have had a positive impact on our high cash balances, the borrowing requirement for the capital programme has been reduced, whilst strong visitor recovery in Bath has meant increased income for our Heritage and Parking services. All of which has partly mitigated the aforementioned pressures. Financial recovery actions continue to be put in place to further mitigate the over budget position to bring the Council back into budget by year-end. Recurrent service budget pressures that cannot be mitigated have been incorporated into the funding requirement for 2023/24.

5.2.2 The Budget and Medium-Term Financial Outlook

The budget summary is set out below showing the demand and funding changes over the next five years:

Budget Planning	Future years assumptions £m					Total
	2023/24	2024/25	2025/26	2026/27	2027/28	
Growth Requirement	17.52	17.02	12.69	11.48	11.09	69.80
Funding Increase	3.14	6.37	7.09	5.91	4.53	27.05
Annual Funding gap	14.38	10.65	5.60	5.57	6.56	42.76
Savings Proposals	14.38	0.69	1.05	0.00	0.00	16.12
Remaining Funding Gap	0.00	9.96	4.55	5.57	6.56	26.64



This illustrates that the budget gap remains significant over the next two years due to the ongoing impacts of the pandemic. This is set out in more detail in section 5.2.5 of the report.

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

Budget Planning	Future years assumptions £m				
	2023/24	2024/25	2025/26	2026/27	2027/28
Budget Requirement (Previous Year)	126.74	131.03	137.40	144.49	150.40
Budget Adjustments	1.00	0.00	0.00	0.00	0.00
Pay & Pension	5.80	2.89	2.87	3.47	3.33
Demographic Growth	1.71	1.71	1.71	2.71	2.71
Contract Inflation	3.66	5.38	2.28	2.32	2.32
New Homes Bonus Pressure	1.61	0.42	0.00	0.00	0.00
Capital Financing	0.87	2.01	1.78	0.99	1.21
Settlement grant funding	(4.44)	(2.73)	5.07	0.00	0.00
Budget pressure / rebasing	7.31	1.80	(1.03)	2.00	1.52
Funding Requirement Sub Total	17.52	11.48	12.69	11.48	11.09
Draft Budget Before Savings	144.27	142.50	150.09	155.97	161.49
Proposed Savings Plans	(14.38)	(0.69)	(1.05)	0.00	0.00
Estimated Savings Required	(0.00)	(9.96)	(4.55)	(5.57)	(6.56)
Savings Requirement Sub Total	(14.38)	(10.65)	(5.60)	(5.57)	(6.56)
Budget Requirement	129.89	131.86	144.49	150.40	154.93
Business Rate Relief Adjustment*	1.14	5.54	0.00	0.00	0.00
Revised Budget Requirement	131.03	137.40	144.49	150.40	154.93
Funding of Budget Requirement					
Council Tax	113.89	120.33	123.95	127.68	131.52
Business rates retention*	24.28	21.37	22.04	22.72	23.41
Reserve transfers From	0.25	0.00	0.00	0.00	0.00
Reserve transfers (To)	(7.39)	(4.30)	(1.50)	0.00	0.00
Funding of Budget Requirement Total	131.03	137.40	144.49	150.40	154.93

* Budget adjustment realigns s31 grant income for 2023/24 from government funded business rate relief compensation. The adjustment in 2024/25 assumes the Retail Relief scheme ends, so s31 grant income reduces with a corresponding increase in the amount of Business Rate Retention.

The forecast includes the following cost pressures and assumptions:

- **Pay Inflation** – Estimated 3.00% per annum until 2025/26 (1% additional contingency in 2023/24), 2% thereafter with (+ 1% corporate contingency).
- **Council tax** – General assumed at 2.99%, Social Care precept 2% until 2025/26.
- **Pension Costs** – Have been revised in line with the recent revaluation no increase until the next fund revaluation which is due in 2025/26 for 2026/27 budget setting.
- **Demographic Growth & Increase in Service Volumes** – Additional demand from new placement and market pressures in Adult & Children Social Care;
- **Interest Rates** - Higher interest rate to follow movement in Bank of England base rate currently 3.50% for treasury management cash investments. The Council has fixed investment budget interest rates at 3.75% based on interest rate forecasts for 2023/24;

- **Inflation** – CPI projections modelled on a higher rate between 5-10% as per the Bank of England MPC forecasts.
- **Budget Pressures / Rebasing*** – 2023/24 budget rebasing takes into account current pressures on demand driven services including Children’s Services and Waste.
- **Capital Spending** – an allowance has been made to fund previously agreed provisional schemes requiring borrowing.
- **Borrowing** – longer term borrowing costs have been factored into the MTFS however the authority will continue to optimise the use of cash balances subject to market conditions and the overriding need to meet cash outflows;
- **New Priorities** – from April 2023 will be developed with the new Council administration as part of the Corporate Strategy and have not yet been factored into the plan.
- **Reserves** – Service delivery risks for 2023/24 have been assessed against un-earmarked general reserve for unbudgeted in year risks.

** Rebasing is the alignment of budgets to current and forecast expenditure and income levels*

5.2.3 The Government Settlement

The Provisional Settlement was received on the 19th December 2022 but the Council has still not had the final grant allocations confirmed by the government. The figures outlined in this report therefore reflect the provisional figures. The final settlement details will be updated within the report to Council if they are published before the report publication deadline.

- **Revenue Support Grant (RSG)**

As a result of a further delay in the Fairer Funding and Business Rate Retention Review, the Council will continue to receive the Revenue Support Grant (RSG) in 2023/24 of £0.779m (2022/23 £0.517m). The increase reflects the transfer into RSG of £0.210m in respect of the specific grants listed below, based on 2022/23 grant amounts, and an inflationary uplift of £0.052m on the core RSG:

- Family Annexe Council Tax discount grant - £0.032m
- Local Council Tax Support Admin grant - £0.172m
- Food Safety and Standards Enforcement grant - £0.006m

The RSG allocated to B&NES has been rolled into the 100% Business Rate Pilot Scheme, with the Council retaining an equivalent amount of business rates instead of receiving a RSG payment.

- **Services Grant & Lower Tier Services Grant**

The Lower Tier Services Grant has been removed for 2023/24, the Council received £0.20m in 2022/23. The Services Grant has been reduced from £1.63m to £0.92m in 2023/24, the reduction includes adjustment to remove 2022/23 funding for the increase in Employer’s National Insurance following the Chancellor’s decision to reverse this. The Council’s pay budgets have been adjusted to reflect the change in National Insurance rates.

- **New Homes Bonus**

The New Homes Bonus is a grant paid by central government to local councils to reflect and incentivise housing growth in their areas. It is based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable homes.

The Provisional Settlement has outlined continuation of the changes made to the funding arrangements for New Homes Bonus since 2020/21, pending an announcement on the future position of the scheme ahead of the 2024/25 local government finance settlement. This results in a 2023/24 New Homes Bonus grant payment of £0.425m for new housing growth over the past year, a reduction of £1.612m from 2022/23, as prior year legacy payments drop out. The settlement announced that the grant element for 2023/24 would only be paid for one year without the further 3 years of legacy payments which were made for growth rewarded in 2019/20 and prior years. The table below shows the annual remaining funding. The settlement announced that the national housing growth baseline adjustment would remain at 0.4% for 2023/24.

	Total New Homes Bonus Grant		
<i>Payment relating to:</i>	2022/23 £'m	2023/24 £'m	2024/25 £'m
2023/24		0.425	
2022/23	0.645		
2021/22			
2020/21			
2019/20	1.392		
Total	2.037	0.425	0.000

- **Social Care Grant**

The December 2022 provisional settlement has confirmed an increase of £4.09m in Social Care grant funding taking the total grant for 2023/24 to £10.07m. This increase includes the transfer into the grant of the Independent Living Fund (ILF) grant of £0.43m. After taking account of the ILF transfer, the net increase of £3.66m will be allocated to fund Children's Social Care demand pressures in line with previous years use of the Social Care grant. The government has funded the 2023/24 increase through delaying Adult Social Care charging reform until October 2025, and in line with this the MTFS assumes the 2023/24 additional funding will be removed in 2025/26.

- **Adult Social Care Market Sustainability & Improvement Fund Grant**

The December 2022 provisional settlement included grant funding for 2023/24 of £1.709m through the Market Sustainability & Improvement Fund Grant, an increase of £1.216m on the 2022/23 grant of £0.493m. This funding is assumed as recurrent in the base budget.

- **Adult Social Care Discharge Fund Grant**

The December 2022 provisional settlement included new ring-fenced grant funding for 2023/24 of £0.687m through the Adult Social Care Discharge Fund Grant. This funding is assumed as recurrent in the base budget.

- **Better Care Fund**

The Better Care Fund is intended to incentivise the integration of health and social care, requiring Integrated Care Boards (ICBs) and Local Authorities to pool budgets and agree an integrated spending plan, owned by the health and wellbeing board. Greater integration is seen as a potential way to use resources more efficiently and achieve better outcomes for people, in particular by reducing avoidable hospital admissions and facilitating early discharge from hospital.

The Council & B&NES ICB Better Care fund for 2023/24 is anticipated to be £70m with the Council contribution of £29m and CCG contribution of £41m. In addition to the mandated financial amounts for pooling this includes Council and ICB budgets for the Joint Community Services contract with HCRG Care Services and associated sub-contracts. The CCG contribution is expected to rise in line with planned NHS uplifts once confirmed. For 2022-23 this increase was 5.66%.

The Council budget assumes that the funding transfer of £14.1m NHS mandated minimum contribution will remain consistent with prior years; with £10.15m of this funding transferred in 2022/23 for Council commissioned schemes under the S75 pooled budget arrangements.

The December 2022 settlement has confirmed that the existing improved Better Care Fund social grant will be maintained at the same value as 2022-23, for B&NES this is £4.9m. This will protect the Better Care Fund schemes that have committed this funding on an annual basis.

- **Business Rates**

It has been confirmed that the 100% Business Rate Retention Pilot will continue into 2023/24. The Medium Term Financial plan currently assumes that the estimated benefit of approximately £3.2m will be removed in 2024/25 as part of the review of Local Government Financing. At this stage it is entirely unclear what funding arrangements will exist for local government in future financial years.

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

The next Business Rate Revaluation will take place from 1st April 2023 and the government has confirmed that it will adjust each local authority's top-up or tariff to

ensure that as far as practicable a local authority's retained income from business rates is no more, or less, than it would have been had the revaluation not taken place.

As part of the Autumn Budget Statement, the Chancellor announced that the Government would provide the following package of business rate measures to support businesses:

- An increase in relief for eligible retail, hospitality and leisure properties to 75% from 50% on rates bills up to £110,000 per business.
- A freezing of the multipliers at 49.9p (small business multiplier) and 51.2p (standard multiplier).
- A more generous Transitional Relief scheme to protect businesses from increases following the 2023 revaluation.
- A Supporting Small Business Relief scheme covering 2023/24 to 2025/26 to help businesses losing small business rates relief or rural rates relief.

The government has confirmed that the Council would be compensated for the loss of Business Rates for granting these reliefs through section 31 grants paid to the revenue account.

2022/23 Business Rate Collection Fund Surplus

The current forecast for the Business Rate element of the collection fund is for a surplus of £4.7m, after allowing for the net reduction of 2022/23 s31 grant funding in respect of the extended retail relief and the Covid Additional Relief Fund. The table below shows the Council's share of the current estimated surplus is £4.4m. The surplus is due to the favourable outturn position carried forward from 2021/22 of £3.9m, including the adjustment for 3 year spreading, and a small in year forecast surplus of £0.8m, and has been transferred to the Business Rate Reserve. The reserve transfer will replenish the Business Rate Reserve, which will be used in 2022/23 to fund the revenue impact of reduced Retail Relief s31 grant which is forecast to be £4.3m lower than the £8.5m budget due to changes in eligibility criteria received after the original estimate was made.

Business Rates Collection Fund	Total (£m)	B&NES Share (£m)
Collection Fund - Projected 2022/23 In Year Surplus	-1.45	-1.36
<i>Less impacts of reliefs funded through s31 grant:</i>		
Reduced Retail Relief	4.58	4.31
Covid Additional Relief Fund	-3.95	-3.71
In Year Surplus after Retail Relief & CARF s31 grant funding	-0.81	-0.76

2021/22 Surplus Carried Forward	-4.89	-4.59
3 Year Deficit Spreading Adjustment	0.99	0.93
Total Projected Surplus	-4.71	-4.43

- **Schools Funding**

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

As schools convert to academies the DfE take back the element of DSG payable to the local authority in order to make payments direct to the academies. It is estimated that 92% of B&NES schools will have converted to academies by April 2023 and a number of other schools will develop plans to convert in the coming years.

With the introduction of the National Funding Formula for schools the DSG for schools (the Schools Block) was ring-fenced for schools from 2018/19 leaving it unclear as to which body was responsible for the demographic pressures being observed in the other Blocks, in particular the SEND / High Needs element of the DSG. The Government has confirmed in legislation that local authorities cannot support High Needs costs through their General Funds unless they obtain Secretary of State approval. In addition, it states that the local authority must carry forward the whole of the overspend to the schools budget in future years. This legislation is time limited and it is anticipated that further legislation will be included within the SEN review due to be published in the spring of 2023. The underlying overspend on the DSG including the High Needs Block was £13.4m in 2021-22 and that balance was carried forward to 2022-23. The estimated forecast in 2022-23 (including the carry forward from 2021-22) is £19.6m.

The Government have been allocating additional ongoing funding for High Needs through the DSG in 2023-24 and B&NES has been allocated a further £2.2m. Additionally, to recognise pressures in schools the DfE have issued a supplementary grant with B&NES receiving a further £1.3m towards pressures in high needs. However, this is unlikely to be sufficient to meet current demand.

The DfE have invited B&NES to participate in the national DSG Safety Valve programme where the DfE require the LA to produce a recovery plan and if agreed the DfE will support the eradication of the on going cumulative deficit. Officers have been working on the submission and are having ongoing discussions about the details of that plan. It is anticipated that the outcome will be known during February 2023.

Schools through the Schools Forum agreed to support the High Needs pressures to the full extent of their delegated powers with a contribution of 0.5% of the schools budget amounting to £0.6m.

5.2.4 Savings and Income Generation

To deliver a balanced budget in 2023/24 savings and income generation plans total £14.38m, with income and savings to find of £9.96m in 2024/25. This will be reviewed early in the 2023/24 financial year to enable early budget planning to develop robust and deliverable proposals for the 2024/25 budget. The Council has a good track record of delivering proposed savings. In relation to the 2022/23 approved savings of £11.87m, 90% (£10.63m) have been delivered in full, 1% (£0.09m) have been mitigated by one-off underspends in year, with the remaining 9% delayed until 2023/24.

The proposals for savings and income generation are outlined in Annex 2(i).

5.2.5 Budget Funding Requirements

Budget growth and additional pressures across portfolios of £17.52m have been added to ensure that the budget remains robust and to add additional budget funding to areas that require rebasing. This does not mean that savings cannot be found from these areas in future once savings opportunities are identified, but this ensures that spend and budget are aligned especially in high demand areas. Growth and pressures are outlined in Annex 2.

The material items requiring additional funding on top of annual budget adjustments are listed below, this illustrates some of the economic and financial challenges the Council is facing post pandemic and as a result of rising inflation.

- Investment in Neighbourhoods services £1.9m
- Children's Services budget rebasing £2.46m
- Education Services budget rebasing £1.6m
- Home to School Transport £1.1m

In addition, the budget has incorporated £0.33m ongoing funding for the Councils Business Change programme detailed below.

5.2.6 Business Change

The Council has created a Business Change Hub to provide a dedicated resource to drive transformation programmes across the Council. The establishment of a professional hub provides the tools to deliver change more effectively, allows for interdependencies between programmes to be identified and managed more strategically and improves resource planning to ensure the right support, governance and structure is in place to realise the identified benefits of each programme.

The current programmes of work are as follows:

Customer Experience programme

This programme of work aims to modernise the way we interact with customers using a digital first approach and includes the following outcomes:

- Residents/communities have greater access to the services and products they need
- A reduction in number of telephone calls, emails and letters received / sent out.
- A reduction in customers needing to contact us many times about the same issue.
- Simple, high volume, repetitive tasks are automated rather than manual.
- Core customer contact processes embedded within organisation
- All services follow the corporate customer service standards
- Customers clear about how, when and where they can contact us.

Children's Services and Education transformation

This programme initially is focussing on reviewing and improving the way we record data and make payments and relies on the development of a digital solution. The key outcomes are:

- Data and finance are managed robustly, and a long-term direction of travel and action plan is agreed
- The service can more easily link activity to payments.
- Support and interventions for children and families can be measured and the effectiveness can be easily tracked through the system

Corporate Landlord model

This programme supports the service to develop a Corporate Landlord Model. The key outcomes are:

- Development of a target operating model and implementation and embedding of a Corporate Landlord Model.
- Driving of efficiencies and associated savings from economies of scale and a common approach to assurance.
- Ensuring that Council services occupy property that is in the right location, fit for purpose, economic to occupy, and compliant with statutory and regulatory codes
- Our estate leads by example in the contribution it makes to making Bath and North East Somerset carbon neutral and climate resilient by 2030.
- Our assets and property related activities support income generation, regeneration, economic development and housing objectives, creating vibrant and sustainable communities.

Working Well Together

This programme continues the development of our corporate office estate to enable a working environment for the future and includes the following outcomes:

- The corporate office estate will be modern and accessible to support the workforce to work and deliver services in a safe, efficient and effective way
- Our workforce has access to the right resources to work well and deliver services
- The front door to the organisation represents our organisation's principles & values
- The whole workforce has digital access to resources and have the skills, support, and time to use it.

The Hub was funded for the first year from the Transformation Reserve during which time recruitment to key posts has taken place. A series of templates have been developed to include PIDs, a programme brief and a target operating model and a dashboard is being finalised to provide performance data for each programme of work.

Funding for staff of £330k has been built into the 2023/24 budget proposals which will cover the core staff for the Hub.

5.2.7 Children's Services Management Plan

Our children's services are rated good by Ofsted. A recent independent assessment by CIPFA (Chartered Institute of Public Finance & Accountancy) found that whilst services remain good they are under stress. There are a number of contributing factors including a significant increase in the number of looked after children, demand for early help services exceeding capacity, high cost of placements, a shortage of local residential placements and an increase in staff turnover resulting in greater use of agency personnel.

The council recognises that this position is not sustainable and that changing how we do things is a priority. The children's transformation programme requires cross council support, will take several years and is one of a small number of very high priority change programmes for the council. The components of which will include:

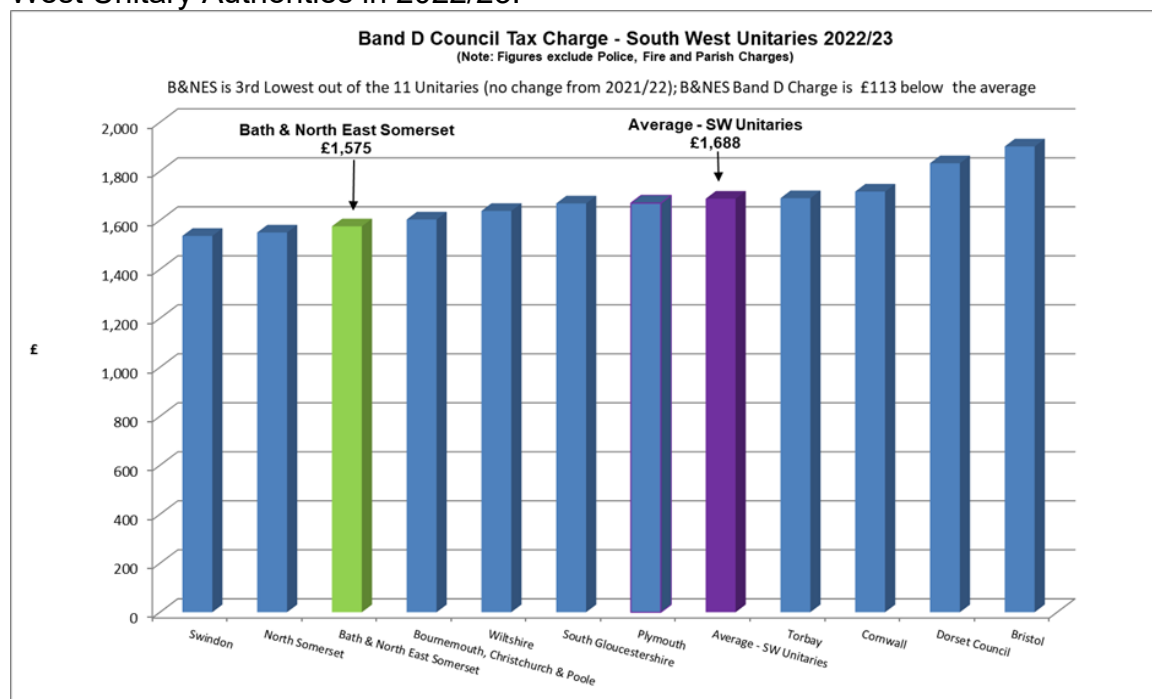
- Enhancing early help and prevention, for example family group conferencing and reunification
- Continued recruitment of our own foster carers and build on our nationally recognised fostering family programme
- Provision of local residential accommodation and education arrangements
- Develop our arrangements for young people as they move from children to adult services
- Put in place a workforce strategy
- Improving financial management awareness, decision making, controls and governance across teams and functions

5.3 Council Tax

5.3.1 Band D Equivalent Council Tax

The Provisional Settlement has stated an increased referendum cap of 3% reflecting the government's need to reduce local government spending. The proposal therefore within this report is to increase general Council Tax by 2.99% in 2023/24. This will increase a Band D by £47.10 for 2023/24 to £1,434.69. The overall proposed Band D Council Tax for Bath and North East Somerset Council next year including the Adult Social Care Precept increase of 2.00% is £1,653.90 (£1,575.30 in 2022/23) an increase of 4.99% and £78.60 per Band D (£1.51 per week). The tax base for 2023/24 is 68,609.94, an increase of 756.20 (+1.11%) from 2022/23.

The diagram below shows that B&NES had the third lowest Council Tax of the South West Unitary Authorities in 2022/23:



As billing authority, B&NES calculates a basic level of tax based on its own spending plans, to which is added the precepts from, Adult Social Care, Avon Fire Authority, Avon and Somerset Police Authority, and any town/parish Council. The actual total of Council Tax for Bath and North East Somerset residents will be calculated once all precepting authorities have notified B&NES of their proposals to be approved at Full Council on 21st February 2023.

5.3.2 Adult Social Care Precept

The Government, in recognising the continued pressures facing Adult Social Care (ASC) authorities, has allowed for a further 2% increase per annum through the final two years of the current spending review period to 2024/25. The Council's plans include this for 2023/24 (this would increase the Adult Social Care Precept to £15.04m an increase of £2.30m from 2022/23).

The funding requirement for Adult Social Care before savings and grant funding is £5.8m (Annex 2i) which will be part funded from the Adult Social Care Precept increase.

5.3.3 2022/23 Council Tax Collection Fund Surplus

The forecast for the Council Tax element of the collection fund is for a surplus of £0.500m. The Council's share of the estimated surplus, after allowing for amounts due to Avon Fire Authority and Avon & Somerset Police, is £0.415m. The surplus is due to the favourable in year position mainly as a result of a reduction in Local Council Tax Support claimants due to claimants ceasing to be entitled to LCTS, for example where they have returned to employment or their income has increased.

This is partly offset by the Collection Fund position carried forward from 2021/22, including the adjustment for 3 year deficit spreading.

5.3.4 Estimates for Future Years Band D Council Tax

The current Medium Term Financial Plan has factored in an annual increase of 4.99% for 2024/25 across both general Council Tax and the Adult Social Care precept. This is in line with the Chancellor's budget policy statement for local government council tax setting. The annual increase for 2025/26, 2026/27 and 2027/28 is included at 1.99% for general Council Tax only. Projections will be adjusted accordingly in line with any future referendum limits set by the new Government after the next general election.

5.3.5 Council Tax Support

The base Council Tax Support Scheme was approved in November 2019 and has been updated to reflect annual changes to statutory legislation and benefit rates from April 2023 – see link as follows:

<https://beta.bathnes.gov.uk/sites/default/files/2023-01/Proposed%20Council%20Tax%20reduction%20scheme%20April%201%202023%20-%20March%2031%202024.pdf>

The tax base currently assumes the same number of recipients as at the end of November 2022 will continue into 2023/24. The budget estimate is £10.3m compared to £10.6m in 2022/23. The reduced cost reflects the reduction in LCTS claimants over the past year due to claimants ceasing to be entitled to LCTS, for example where they have returned to employment or their income has increased.

The Government have announced that from April 2023, most Welfare Benefits rates, including Universal Credit, will be increased by 10.1%.

We are proposing to increase our income bands for the LCTS in line with this figure. This will allow residents to keep more of their income, while still being eligible for support. **The proposed new income band values would take effect from April 2023.**

5.4 West of England Combined Authority (WECA)

The West of England Combined Authority was formed in 2017 by Bath and North East Somerset, Bristol and South Gloucestershire councils. Initial financial benefits were part of a devolution deal initially bringing £900m of new investment funding and significant powers into the region.

Since its formation, over £1.7bn of new funding has been secured for our region, because we have a Combined Authority. This money would not have come to the region without the Combined Authority.

With local councils facing continued financial challenges, this additional funding secured by the Combined Authority is providing added value for our region's councils; bringing forward investments and programmes which would not have been possible otherwise. The success of the Combined Authority in securing significant new funding – which would not be available to councils – is helping us support people and businesses across the West of England.

The Combined Authority is working to improve public transport thanks to £540 million secured from Government through a successful City Region Sustainable Transport Settlement. This was the highest amount per head awarded anywhere in England.

The West of England Combined Authority has secured the following key additional investment for our region:

- £694m for major transport schemes
- £2.9m emergency active travel funding (cycling and walking) additional to the Active Travel Fund of £5.8m
- £54m for MetroWest Phase 1 and 2
- £24m for a Future Transport Zone
- £4m for the Multiply Programme
- £10m from the UK Shared Prosperity Fund
- £95m for Bristol Temple Quarter from Homes England
- £75m from our business rates retention*
- Around £16m per annum to invest in adult education
- £8m to help SMEs plan and support their current and future workforce
- £81m for Net Zero and Green Homes projects
- £15m for Business Skills and Delivery
- £10m for Skills Bootcamps
- £5m to run the Combined Authority

** 100% of business rates growth are kept in the region – 5% to the West of England Combined Authority*

Operating the Combined Authority incurs no additional costs to our constituent councils, because it is entirely funded through government grants and a small element of regional business rates retention growth (which would not have been available without forming the Combined Authority).

The West of England is an economic leader and remains key to the UK's recovery from the impact of Covid-19. The Combined Authority continues to support our region's residents and businesses post Covid-19, and is taking action to help people and businesses affected. The West England Combined Authority is working with its constituent councils, other regional partners and government, to ensure people and businesses across the region are getting the support they need.

The West of England Combined Authority has five key mayoral priorities, which the budget will support as listed below:

1. Create West of England Sustainable Transport
2. Tackle the climate & ecological emergency
3. Secure decent jobs and training

4. Increase the availability of affordable places to call home
5. Put the West of England on the map for national and global success

The Budget for the Combined Authority will be set on 27 January 2023 by the West England Combined Authority Committee – at the time of writing the budget assumptions set out below are based upon the Combined Authority Budget proposals and are subject to the outcome of the above meeting. The following elements of the West England Combined Authority Budget and medium-term financial plan have therefore been incorporated within the Council Budget proposal:

- *An annual revenue transport levy to reflect the cost of the core regional Integrated Transport services of:*
 - *Concessionary Travel*
 - *Real Time Information for bus services*
 - *Community Transport*
 - *Bus Service Information*
 - *Supported Bus Services (whilst remaining a joint function with the constituent councils)*
 - *TravelWest and*
 - *Metrobus operations*

The levy charge for 2023/24 is £5.194m. Unitary Authority levies are pooled by the Combined Authority's Transport Integration Team and managed on a regional basis. Projected surpluses or deficits are managed on a regional basis and a transport smoothing reserve has been created to help manage financial risk.

The West of England Combined Authority has maintained payments to bus operators in line with budgeted profile level which has helped to stabilise the provider base through extended periods of significantly reduced patronage. This arrangement is expected to continue in 2023/24 subject to a scheduled committee meeting to discuss the plans moving forward. To prevent further reduction of supported bus provision in B&NES, the Council budget proposal has made provision for £281k 2023/24 of top up funding.

Within the City Region Sustainable Transport Programme, the Combined Authority will passport £25m per annum of capital funding to the West of England Unitary Authorities to provide Highways Maintenance and Transport Improvement Grants. The Council's share is £7m per annum.

The published West of England Combined Authority investment programme will continue to support a number of projects and initiatives for our Unitary Authority throughout 2023/24 including:

- Love Our High Streets –
 - Bath City Centre High Streets Renewal £1.490m
 - Midsomer Norton High Street £1.1m
 - Local Centres £0.3m
- Milsom Quarter Masterplan £2.5m

- Bath Riverline West £1.5m
- Bath Quays North £31m
- Somer Valley Rediscovered £0.9m

These are funded from the additional investment funds received by the West of England Combined Authority as part of the devolution arrangements and reflected accordingly with the councils' revenue and capital budget proposals. Further bids for infrastructure funding may be made in line with the Combined Authority's Strategy and Local Growth Assurance Framework and may come forward for inclusion in the capital programme in line with future delivery arrangements.

Alongside specific projects, West of England Combined Authority will continue to develop, and progress, key longer term strategic initiatives including mass transit options, strategic rail investment and spatial planning to enable clean and green sustainable growth.

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

Full details of the West of England Combined Authority Budget proposals are available at www.westofengland-ca.gov.uk

5.5 Community Contribution fund

Community Contribution Fund

The Community Contribution Fund was launched in March 2021 as a pilot scheme offering residents the chance to pay into a good causes fund to help local charity, community and voluntary groups to reduce inequalities in the area. The total amount donated has reached £36,095.32 as at 10th January 2023 and there have been over 460 individual donations received. Most people donated £50, with the largest donation to date being £2,000. Only four queries have been raised around whether gift aid is possible, so this does not appear to be a significant barrier to the majority of donors.

The scheme attracted more donations within the first financial year, however this downward trend in charitable giving has been seen across the sector.

Donations and grants 2021/22

By the end of January 2022, £25,248 had been raised and was allocated by a Panel of Councillors in the form of grants to 14 community organisations working to reduce inequalities. Projects funded included those that supported people's mental health; provided emergency medical supplies; invested in refurbishment of community facilities; mentoring; support for families; training; group therapy and youth provision.

Further donations were subsequently made and by the end of 2021-22 the total amount donated reached £30,019.55.

Donations and grants 2022/23

The council agreed to extend the scheme and a further £6,075.55 has been raised to date. Grants of £250 were offered to community organisations from October 2022 in support of community-run Warm Spaces registered with the Council. Applicants are able to use these to help support their additional utility costs or to help run activities. 20 applications have so far been approved by the panel and further applications are expected.

It is recommended that the scheme continues into 2023/24

5.6 Revenue Balances, Contingency & Reserves

Reserves are amounts that have been set aside from annual revenue budgets to meet specific known events that will happen in the future. An estimate of the key reserves has been made for 2023/24 and future years maintaining capital receipts flexibility mainly to fund restructuring and severance costs.

	Estimated Balance 1/4/23 £'m	Estimated Balance 31/3/24 £'m	Estimated Balance 31/3/25 £'m	Estimated Balance 31/3/26 £'m
Revenue Budget Contingency	3.2	3.2	4.0	4.3
Financial Planning and Smoothing Reserve	2.9	2.8	6.3	6.3
Transformation Investment Reserve	1.6	0	0	0
Covid Grant Reserve	2.4	0	0	0
Restructuring & Severance Reserve	1.9	1.9	1.9	1.9

5.6.1 Revenue Budget Contingency £3.2m

The primary purpose of this reserve is to fund in year unforeseen events, overspends, and to meet the risks of non-delivery of budget savings. Budget monitoring for the period April to December 2022 forecast a £1.5m over budget position, further recovery actions during the remaining period are expected mitigate this pressure. If the year-end position results in an over-budget position the revenue budget contingency will be utilised. The Budget proposal fully replenishes the reserve balance to pre-covid levels by 2025/26 following its use to mitigate the Covid impact on the Council's income levels.

5.6.2 Financial Planning and Smoothing Reserve £2.9m

The Financial Planning Reserve will be used to smooth the delivery of organisational change. The Budget proposal fully replenishes the reserve balance to above pre-covid levels by 2024/25 following its use to mitigate the Covid impact on the Council's income levels.

5.6.3 Transformation Investment Reserve £1.6m

The reserve facilitates delivery of future savings by providing additional short-term capacity and specialist advice. The £1.6m will be used to support one-off costs associated with the Business Change Programme during 2023/24.

5.6.4 Covid Grant Reserve £2.4m

In recognition that the 2023/24 financial year may result in ongoing demand and inflationary pressures as a result of the pandemic that requires revenue funding.

5.6.5 Restructuring and Severance Reserve £1.9m

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

5.6.6 Reserves and Flexible Capital Receipts

Flexible capital Receipts can be used for revenue spend that results in ongoing revenue savings. Estimated usage for 2022/23 is expected to be up to £0.5m with the remaining £2.91m carried forward for use in 2023/24 and 2024/25 as outlined in the Efficiency Strategy attached at Annex 4. Currently £3.1m of unapplied capital receipts through estate assets, land holdings etc are held as at the end of December 2022 with a further £9m forecast in 2023/24 to meet requirements for flexible capital receipts and to finance the capital programme in those years.

	Actual Usage 2017/18 – 2021/22 £'m	Estimated Usage 2022/23 £'m	Available Balance 2023/24 £'m	Est Total Usage £'m
Flexible Capital Receipts	8.09	0.50	2.91	11.50

5.6.1 General Fund Un-Earmarked Reserve

The General Fund Un-earmarked reserve is retained to meet the Council's key financial risks. Budget Monitoring for the period April to December 2022 estimated that Un-earmarked reserves would total £12.58m by 31st March 2023.

The budget risk assessment has set a range of between £11.6m and £12.8m to meet those risks. The available balance is £12.58m which is within the budget risk assessment range.

As set out in the Council's Financial Regulations the specific arrangements for the governance and release of reserves are delegated to the Council's Chief Financial Officer in consultation with the Cabinet Member for Resources and the Chief Executive.

5.7 Robustness of and Risks within the Proposed Budget for 2023/24 Statutory Chief Finance Officer (CFO) Report and Advice on the Robustness of the Budget and Adequacy of Reserves and Balances

5.7.1 Introduction

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

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

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

This report has been prepared by the Chief Financial Officer (S151 Officer) to fulfil his duty and give the required advice relating to the 2023/24 financial year including a consideration of the budget proposals and the financial risks facing the Council within this budget. Also, it identifies the Council's approach to budget risk management and assesses the particular risks associated with the 2023/24 budget to inform the advice.

5.7.2 CIPFA's Financial Resilience Index

CIPFA has published its 2021/22 Financial Resilience Indicators for each authority, these measure different aspects of financial indicators such as levels of reserves across each tier of local authority.

The majority of indicators show (in 2021/22) B&NES to be medium to low risk within the CIPFA family group of Unitary Authorities.

The areas highlighted as higher risk include reserve sustainability and the cost of Social Care to net revenue budget.

Reserve sustainability and changes in reserves – This was recognised in the 2022/23 budget proposal, whilst reserves have been utilised to enable the Council to mitigate it's temporary loss of income (£8.5m in 2021/22 and £5.22m in 2022/23), these balances will be repaid in full by 2025/26. In addition, the 2021/22 outturn made a net transfer to reserves of £4.03m due to the positive financial performance of the Council in 2021/22. This has enabled the Council to hold resilient reserve levels, whilst the exposure to income loss is high due to Covid the Council is holding a

higher level of un-earmarked general reserve around 10% of net budget when benchmarked against other unitary Councils who hold reserve levels at c4-6%.

The resilience index has identified that the cost of delivering Social Care in comparison to net revenue budget has increased by 11% from 2020/21. There have been increases in the cost of both Children's and Adult's Social Care, this has been recognised in the 2023/24 budget proposal. This report sets out the commitment to deliver the Children's Services management plan that will help put appropriate measures in place to control the rising cost of care.

5.7.3 Executive Summary of the Chief Financial Officer (S151) on the budget position

For 2023/24 the savings requirement after planned use of reserves is £14.38m after the inclusion of council tax increases. The assessment of the plans to close the gap do not require additional funds from the Financial Planning Reserve to smooth the delivery of savings in 2023/24 as the amounts proposed have been profiled to consider the delivery timeframe. To recognise risk the revenue budget has provided a £1m budget contingency to mitigate slippage on savings delivery. This will enable a balanced budget without use of reserves and prior years reserve use being fully replenished by 2025/26.

5.7.4 Consequences of Failing to Deliver a Budget

If the Council is unable to produce a budget or a plan for reducing the budget requirement for future years or finds it cannot deliver the budget in year, the CFO (under s151 of the Local Government Act) would be required to produce a Section 114 report. (Note the conclusion under 5.7.5 of this report).

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

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

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

In respect of the robustness of estimates, estimates have been prepared by Directors and their staff supported by appropriate finance staff reviewing pressures, priorities, savings, demographics, inflation and contractual obligations, and income generation. Each Director has completed a Robustness Statement outlining savings and service delivery risk that have been incorporated into a corporate wide assessment. A further £1m has been added to the £1.67m contingency for inflationary pressures alongside a £1m contingency for savings delivery risk in 2023/24.

The budget has recognised the current and future years funding requirement with £17.52m allocated to portfolios in 2023/24 to ensure there should be sufficient funds to meet service demand and delivery costs as currently forecast. These have been reviewed on a regular basis by the Corporate Management Team and the Directors as part of the regular budget monitoring process in 2022/23.

A shortfall of £9.96m has been identified for 2024/25 and plans will need to be finalised as soon as possible to fund this gap.

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

With regard to the adequacy of balances, the 2023/24 planned level of General Fund Un-earmarked reserve at £12.58m (is within the required range of £11.6m to £12.8m).

The conclusion of the CFO is that the estimates for 2023/24 are robust and the budget is lawful, levels of balances have improved and are adequate and reasonable in meeting the Council's risks.

5.8 Capital Strategy, Programme and Capital Receipts 2023/24 to 2027/28

5.8.1 Capital & Investment Strategy

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

5.8.2 Overall Capital Programme & Financing including New Capital Schemes

The Prudential Code for Capital Finance in Local Authorities was updated in December 2021. The objectives of the Prudential Code are to ensure that the capital expenditure plans of local authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved.

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

The Council follows this approach through:

- Continuing to review all existing schemes and simplify, reduce, pause or stop as necessary;
- Minimising new schemes except those that meet corporate priorities;
- Agreeing an affordable limit for new schemes requiring corporate borrowing;
- Ensuring adequate investment in assets supporting key service provision (including meeting health and safety requirements or replace obsolete or inefficient assets/equipment) and generate revenue savings for the council; and
- Delivering or working with partners to deliver high priority government funded programmes and West of England programmes where they meet corporate priorities.

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

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

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

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

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

A summary of the proposed capital programme and it's financing for 2023/2024 – 2027/2028 is shown below

Capital Schemes for Approval

Cabinet Portfolio: Capital Schemes	Budget 2023/2024 £'m	Budget 2024/2025 £'m	Budget 2025/2026 £'m	Budget 2026/2027 £'m	Budget 2027/2028 £'m	Total £'m
Resources	17.539	7.292	0	0	0	24.831
Economic Development, Regeneration & Growth	22.244	15.126	3.869	0	0	41.239

Leader	0.185	0.020	0.020	0.020	0.020	0.265
Climate & Sustainable Travel	1.693	0.313	0.146	0.032	0.008	2.192
Adults & Council House Building	7.563	1.442	6.636	1.442	1.442	18.525
Children & Young People & Communities	4.126	0.196	0.000	0.000	0.000	4.322
Neighbourhood Services	27.654	2.331	0.031	0.000	0.000	30.016
Transport	6.883	0.000	0.000	0.000	0.000	6.883
Total	87.887	26.720	10.702	1.494	1.470	128.270

Capital Schemes for Provisional Approval (Subject to)

Cabinet Portfolio: Capital Schemes	Budget 2023/2024 £'m	Budget 2024/2025 £'m	Budget 2025/2026 £'m	Budget 2026/2027 £'m	Budget 2027/2028 £'m	Total £'m
Resources	28.259	3.700	4.000	4.000	4.000	43.959
Economic Development, Regeneration & Growth	17.330	8.228	0.020	0.000	0.000	25.578
Leader	1.894	0.350	0.350	0.350	0.350	3.294
Climate & Sustainable Travel	16.204	0.773	2.875	2.410	1.005	23.267
Adults & Council House Building	4.085	4.912	0.691	0.655	0.432	10.775
Children & Young People & Communities	21.472	1.500	0.000	0.000	0.000	22.972
Neighbourhood Services	5.292	16.065	20.150	10.084	16.003	67.594
Transport	3.675	4.476	1.293	1.163	1.163	11.770
Total	98.211	40.004	29.379	18.662	22.953	209.209

Funded By

Financing	Budget 2023/2024 £'m	Budget 2024/2025 £'m	Budget 2025/2026 £'m	Budget 2026/2027 £'m	Budget 2027/2028 £'m	Total £'m
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Grant	58.560	21.126	11.321	9.731	8.802	109.540
Capital Receipts/RTB	13.184	0.63	0.806	0	0	14.620
Revenue	1.000	0	0	0	0	1.000
Borrowing	102.460	44.465	26.657	9.27	14.891	197.739
3rd Party (inc S106 & CIL)	10.898	0.503	1.297	1.155	0.73	14.583
Total	186.098	66.724	40.081	20.156	24.423	337.482

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

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

Attached at Annex 5(ii) is the Highways Maintenance Programme, at 5(iii) the Transport Improvement Programme, and at 5(iv) the Corporate Estate Planned Maintenance Programme for approval. The substitution of one scheme for another that is unable to proceed within these programmes will be allowed following consultation and approval with the Chief Financial Officer, and subject of any specific provisions agreed as part of the budget approval.

5.8.3 Efficiency Strategy

Central Government outlined in December 2015 that local authorities will be able under certain circumstances to utilise capital receipts for revenue expenditure for certain purposes. The flexibility has been extended for a further 3 years from 2022/23 onwards for councils to use capital receipts to fund transformation projects that produce long-term savings or reduce the costs of service delivery.

The Efficiency Strategy remains a key lever in funding the one-off costs to deliver savings plans. An updated Strategy is attached at Annex 4 to earmark up to £2.9m in capital receipts to fund proposed savings plans in 2023/24. The Strategy must be approved by Full Council.

5.8.4 Capital Risk Contingency

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

- Individual major projects within the capital programme hold their own contingency in accordance with good project management practise to meet unavoidable and unforeseen costs;
- The capital programme includes a funded corporate risk contingency of £2.7m;
- The corporate risk assessment on which the general reserves target is based includes an element in the context of the capital programme based on the risks of the current programme.

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

5.8.5 Minimum Revenue Provision (MRP) Policy

The Council is required to make revenue provision to repay capital spend that is financed by borrowing (either supported or unsupported). This is called the Minimum Revenue Provision (MRP). The Department of Communities & Local Government has issued regulations that require full Council to approve an MRP Policy in advance each year, or if revisions are proposed during the year they should be put to the Council at that time. The policy is attached at Annex 7 and is unchanged from the 2022/23 policy.

5.8.6 Prudential Indicators

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

Prudential Indicator	2021/22 Actual	2022/23 Forecast Outturn	2023/24	2024/25	2025/26
Estimate of Capital Expenditure (£'000s)					
Actual/estimates of capital expenditure	58,405	122,351	186,098	66,724	40,081
Net Increase in Council Tax (band D per annum) Figures in £'s (not £'000's)					
The implied estimate of incremental impact of the new capital investment decisions on the Council Tax			-£1.95	-£3.87	£5.67
Cumulative totals:			-£1.95	-£3.87	-£0.15
Capital Financing as % of Net Revenue Stream					
Actual/estimates of the ratio of financing costs to net revenue stream			14.88%	17.55%	18.44%
<i>Memo: estimates of the ratio of financing cost to gross revenue stream</i>			5.04%	6.13%	6.66%
Borrowing Limits (£m)					
Operational boundary – borrowing			£433m	£465m	£479m
Operational boundary – other long-term liabilities			£4m	£4m	£4m
Operational boundary – total			£437m	£469m	£483m
Authorised limit – borrowing			£462m	£493m	£506m
Authorised limit – other long-term liabilities			£4m	£4m	£4m
Authorised limit – total			£466m	£497m	£510m
Capital Financing Requirement (£'000s) (as at 31 March)					
Actual/estimate of capital financing requirement	328,171	370,925	462,115	493,480	506,141

Gross Debt and the Capital Financing Requirement

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

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

Borrowing limits

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

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

5.8.8 Community Infrastructure Levy (CIL) Spend Proposals 2023/24

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

6. RISK MANAGEMENT

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

Risk	Likelihood	Impact	Risk Management Update
Reinstated government restrictions in the event of new variants impacting vaccine success	Possible	High	This is certainly a material risk, whilst not one the Council has direct control over, every step is being put in place to follow government guidance following the recommendations of our Director of Public Health.
Operational budget pressures due to latent demand and backlog	Likely	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 following the Covid pandemic and impact on retail economy. There are risks in the retail & hospitality sector from a challenging labour market that is impacting recruitment to these sectors, so this may have an impact on business

			viability and income from Council tenants.
Contract inflationary pressure	Likely	High	With increase in wage, energy and fuel costs, Council contracted services are at risk of above budget price increases. This is an economic risk that has been recognised in the budget with a corporate inflation contingency for known areas that cannot be mitigated through activity management. Capital Schemes may need to be paused due to unfunded viability gaps due to increased supply chain costs.
The income from Heritage Services may not recover in the short term.	Possible	High	Continue to monitor income levels and impact on business plan in light of changing customer expectations and international travel. We anticipated income will not fully recover in the medium term and growth was built into the medium terms financial plan between 21/22 and 24/25.
Impact on Reserves	Possible	High	Without additional government grant in recognition of unfunded inflationary pressures there is the risk that Council reserve levels are not enough to manage in-year and future years risk.
Interest rates increase	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. Borrowing rates have increased by around 2% since the start of the financial year with increased volatility in recent months following market concern over the UK economy and public finances. The latest forecast from our treasury management advisors is that borrowing rates will remain under upward pressure in the short term on inflation and central bank policy expectations, and investor uncertainty. Yields are forecast to fall slightly over the medium term as weak growth places pressure on central banks to ease policy. The Council will continue to consider shorter term borrowing options alongside the PWLB.
Volatility and uncertainty around business rates	Likely	High	<p>The impacts of the current economic challenges will increase the volatility and uncertainty around business rate income. In 2022/23 this risk has been partly offset by the extension of the business rate relief scheme for Retail, Leisure and Hospitality businesses.</p> <p>We continue to monitor arrears, CVAs, and liquidations with a specific reserve</p>

			held to manage in-year volatility.
Capital projects not delivered resulting in revenue reversion costs or liabilities from underwriting agreements	Possible	High	The Council has a number of projects within this category. These risks will continue to be monitored and reported. An assessment is made as part of the budget process to ensure that revenue reserves are sufficient to meet these risks. The capital programme methodology looks to de-risk projects wherever possible.
Changes to Government Policy that affects future funding	Likely	High	Need to monitor and continue to highlight impact
Brexit risks	Likely	Medium	The short to medium term impacts of Brexit on the Councils supply chain and labour market may result in contractual cost pressures from customs tariffs that previously did not apply.
Funding pressures through WECA, ICB 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.

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

In addition, this report includes the Section 151 Officer's assessment of the Robustness of Estimates and Adequacy of Reserves. This assessment includes a review of the Directors' reviews of their budget, budget risks/sensitivities, and the Corporate Risk Register.

7 CLIMATE CHANGE

Addressing Climate Emergency is one of the two core policies within the new Corporate Strategy. The budget has recognised this priority through providing ongoing revenue funding for the Climate Emergency team and also introduced new capital items to explore and implement renewable energy schemes.

8 OTHER OPTIONS CONSIDERED

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

9 CONSULTATION

Details of the consultation carried out on the budget process for 2023/24, along with the feedback received and council responses are set out in Annex 10. The consultation comprised of:

- Two special online briefings held in November 2022 to discuss the impact of the cost-of-living crisis on residents and businesses and the impacts on council finances
- An online consultation on the council's draft budget proposals, which took place from December 14th 2022 to January 20th 2023

In addition, scrutiny of the savings proposals, priorities, one-offs, pressures and capital bids took place at the 23rd January 2023 Corporate Policy Development and Scrutiny Panel. The panel was joined by members of the Climate Emergency PDS and Children, Adults, Health and Wellbeing PDS panel to enable all members to scrutinise the budget.

Contact person	Andy Rothery, Chief Financial Officer (S151 Officer), 01225 477103
Background papers	November Cabinet - Medium Term Financial Strategy https://democracy.bathnes.gov.uk/ieListDocuments.aspx?CId=122&MId=5530 CIL Infrastructure List (Reg 123 List): http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Apply-for-Planning-Permission/bnes_reg_123.pdf
Please contact the report author if you need to access this report in an alternative format	

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Annex 1 - Portfolio Cash Limits 2023/24 - Proposed Revenue Budget

CABINET PORTFOLIO	Service	Nov'22 Cabinet Cash Limits	Removal of One-offs (including one-off virements in 2022/23) + Add Feb'23 on-going Technical Virements	2022/23 Base Budget	MTFS - Funding / Growth	MTFS - Savings	Business Rates Relief and Grant Adjustments	Total 2023/24 Budget Changes	2023/24 Proposed Budget
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Leader	World Heritage	159	2	161	(1)	(40)		(41)	120
	Heritage Services	(5,725)		(5,725)	(2,008)	(500)		(2,508)	(8,233)
	Visit Bath	76		76					76
	Events & Active Lifestyles	295	6	301	11	(39)		(28)	273
	External Affairs & Partnerships	30	(30)						
	PORTFOLIO SUB TOTAL	(5,164)	(23)	(5,187)	(1,998)	(579)		(2,577)	(7,764)
Resources	Property Services	557	15	572	8			8	580
	Corporate Estate Including R&M	4,490	288	4,777	236	(425)		(189)	4,588
	Business Change	127	364	491	330			330	821
	Human Resources & Organisational Development	2,084	59	2,143	23	(25)		(2)	2,141
	Council Solicitor & Democratic Services	2,563	85	2,648	7			7	2,655
	Corporate Strategy & Communications	878	(20)	858	10	(8)		2	860
	Finance	2,314	74	2,389	17	(225)		(208)	2,181
	Revenues & Benefits	1,739	(140)	1,600	279			279	1,879
	Risk & Assurance Services	1,203	64	1,267	17			17	1,284
	Procurement & Commissioning	286	18	304	9			9	313
	Corporate Governance	1,705	44	1,749	35	(30)		5	1,754
	Information Technology	6,004	(251)	5,753	113	(275)		(162)	5,591
	Commercial Estate	(11,173)	21	(11,152)	2	(1,500)		(1,498)	(12,650)
	Housing Delivery Vehicle	(2,169)	1,169	(1,000)					(1,000)
	Hsq / Council Tax Benefits Subsidy	(195)		(195)					(195)
	Capital Financing / Interest	5,212		5,212	(423)			(423)	4,789
	Unfunded Pensions	1,488		1,488	(100)			(100)	1,388
	Corporate Budgets incl. Capital, Audit & Bank Charges	(5,361)	(4,242)	(9,603)	8,992	(830)	1,140	9,302	(300)
	New Homes Bonus Grant	(2,038)		(2,038)	1,613			1,613	(425)
	Magistrates	12		12					12
	Coroners	370		370	80			80	450
	Environment Agency	254		254					254
	West of England Combined Authority Levy	5,194		5,194					5,194
	PORTFOLIO SUB TOTAL	15,545	(2,453)	13,092	11,249	(3,318)	1,140	9,070	22,162
Economic Development, Regeneration & Growth	Regeneration	163	3	166	1	(200)		(199)	(33)
	Business & Skills	415	7	422	3	(40)		(37)	385
	PORTFOLIO SUB TOTAL	578	11	588	4	(240)		(236)	352
Adult Services & Council House Building	Adult Services	60,858	620	61,478	3,309	(5,450)		(2,141)	59,337
	Housing	1,414	29	1,443	14	(150)		(136)	1,307
	PORTFOLIO SUB TOTAL	62,272	649	62,921	3,323	(5,600)		(2,277)	60,644
Children and Young People & Communities	Children, Young People & Families	16,599	185	16,785	(142)	(1,187)		(1,329)	15,456
	Integrated Commissioning - CYP	2,587	10	2,597	6			6	2,603
	Safeguarding - CYP	79	5	84	1			1	85
	Inclusion & Prevention	3,377	(1,064)	2,313	(26)			(26)	2,287
	Education Transformation	7,513	1,153	8,666	1,778			1,778	10,444
	Schools Budget	(1,812)	110	(1,703)					(1,703)
	Adult Substance Misuse (Drug Action Team)	158	2	161	3	(100)		(97)	64
	Public Health					(150)	150		
	Customer Services (including Libraries)	2,252	77	2,328	92	(15)		77	2,405
	Leisure	485	3	488	14	(10)	(150)	(146)	342
	Community Safety	192	1	194					194
	PORTFOLIO SUB TOTAL	31,431	482	31,913	1,726	(1,462)		264	32,177

CABINET PORTFOLIO	Service	Nov'22 Cabinet Cash Limits	Removal of One-offs (including one-off virements in 2022/23) + Add Feb'23 on-going Technical Virements	2022/23 Base Budget	MTFS - Funding / Growth	MTFS - Savings	Business Rates Relief and Grant Adjustments	Total 2023/24 Budget Changes	2023/24 Proposed Budget
Climate & Sustainable Travel	Environmental Monitoring (Air Pollution)	179	9	188	3			3	191
	Transport Strategy	334	23	357	4			4	361
	Green Transformation	809	(74)	736	15			15	751
	PORTFOLIO SUB TOTAL	1,322	(41)	1,281	22			22	1,303
Neighbourhood Services	Neighbourhoods & Environment - Waste & Fleet Services	17,027	791	17,817	1,961	(673)		1,288	19,105
	Neighbourhoods & Environment - Parks & Bereavement Services	1,015	218	1,233	452	(110)		342	1,575
	Highway Maintenance	5,945	540	6,485	290	(381)		(91)	6,394
	Registrars Service	(48)	18	(30)	7	(75)		(68)	(98)
	PORTFOLIO SUB TOTAL	23,940	1,566	25,506	2,710	(1,239)		1,471	26,977
Transport	Network & Traffic Management	1,019	105	1,124	24	(378)		(354)	770
	Transport & Parking Services - Parking	(7,698)	222	(7,476)	310	(1,502)		(1,192)	(8,668)
	Transport & Parking Services - Public & Passenger Transport	74	78	152	64			64	216
	Emergency Planning	528	18	547	34			34	581
	PORTFOLIO SUB TOTAL	(6,078)	423	(5,654)	432	(1,880)		(1,448)	(7,102)
Planning & Licensing	Building Control & Public Protection	1,084	34	1,118	15	(65)		(50)	1,068
	Development Management	1,195	(29)	1,166	42			42	1,208
	PORTFOLIO SUB TOTAL	2,279	5	2,284	57	(65)		(8)	2,276
	NET BUDGET	126,124	620	126,744	17,525	(14,384)	1,140	4,281	131,026

Sources of Funding

Council Tax	106,890		106,890				6,584	113,474
Retained Business Rates	13,293		13,293				5,961	19,254
Collection Fund Deficit (-) or Surplus (+)	3,550		3,550				1,892	5,442
Business Rates Collection Fund Deficit (21/22) - s31 Funded Relief Element	(22,542)	22,542						
Transfer from Business Rates Relief s31 Grant Reserve	22,542	(22,542)						
Transfers (to) / from Reserves	2,391	620	3,011				(10,155)	(7,145)
TOTAL FUNDING	126,124	620	126,744				4,281	131,026

Council Tax - Calculation

Council Tax Debit £'000	106,890		113,474
Taxbase (No. of Band D equivalent properties)	67853.74		68609.94
Band D Charge £	£1,575.30		£1,653.90
%age increase			4.99%

Annex 2 (i) - 2023/24 Budget Savings and Income Generation proposals

2023/24 - 2025/26 Budget Savings and Income Generation Proposals

Savings Title	How to be achieved	Portfolio Holder / Director	23/24 Saving £000	24/25 Saving £000	25/26 Saving £000	Risk to delivery of saving (RAG)	FTE Reduction	Impacts to service delivery
Portfolio: Leader of the Council								
Alternative Community Events Funding	The Events Office delivers Bath Remembrance Service on behalf of the Mayor's Office and the Royal British Legion, as well as smaller community events, such as Summer Sundays. The Chartered Trustees will fund from 2023/24	Cllr Kevin Guy / Chris Major	27			A	0.0	No impact on Bath Remembrance Service; as the costs will be met by the Mayor's Office, Bath Charter Trustees have agreed to meet cost at meeting on 24/1/22
Restructure World Heritage function by moving into Planning Department and seek external funding	Restructure World Heritage staffing by moving the function into Planning and seek other funding sources for Enhancement Fund.	Cllr Tim Ball / Sophie Broadfield	40			A	1.2	No impact to service delivery
Income - Heritage Services Income Stretch Target	Return to pre-pandemic levels of Heritage Services profitability through increased visitor yield	Cllr Kevin Guy / Sophie Broadfield	500			A	0.0	Challenging income target in light of: cost of living crisis and limited recovery of the overall inbound market to pre-pandemic levels in 2023. However, the recent changes in the exchange rate have accelerated the recovery of US visitors. At this time the target is challenging but achievable.
Income - Increase filming & Event Fees	Increase all Filming & Event Fees & Charges to reflect inflationary pressures	Cllr Kevin Guy / Chris Major	12			A	0.0	No service delivery impact, charging schedule moving in line with inflationary increases.
Leader of the Council Total			579	0	0		1.2	
Portfolio: Deputy Leader, Resources								
Corporate Estate - Repairs and Maintenance	Reduce energy, cleaning, maintenance and repair costs of Corporate Estate through building closures and asset disposal	Cllr Richard Samuel / Simon Martin	425			A	7.0	A rationalised operational asset base will reduce the running costs and maintenance liability alongside reducing the Council's carbon footprint.
Increase Traded Services Income for Human Resources and Organisational Development (HR&OD)	Income possible by promoting different recruitment packages for schools and partners	Cllr Richard Samuel / Cherry Bennett	25			G	0.0	This is utilising the new professional expertise of our Recruitment Business Partner and HR Operations manager. Limited impact.
Review of Business Partnering functions across the organisation	Longer term review to bring together corporate enabling and support functions through a business partnering approach to frontline services.	Cllr Richard Samuel / Cherry Bennett			200	A	0.0	This work will be planned and all teams consulted. An assessment will be undertaken of the business partnering needs of the services and how this can best be delivered.
Vacancy Saving	Delete Executive Policy Officer post	Cllr Richard Samuel / Cherry Bennett	8			G	1.0	Post already deleted - year two additional saving of part year saving delivered in 2022/23 budget.
Structure Review, Running Costs and Contracts	Review of Chief Financial Officer Structure - top down review aligning functions to new management structure identifying staffing and supplies and services efficiencies.	Cllr Richard Samuel / Andy Rothery	500			A	5.0	Will require restructuring of core support service functions, this may result in reduced levels of support to Council services. A prioritised approach will be needed for business critical work.
Review of Capital Programme	Capital Programme - Align the delivery programme considering current economic environment. Subsequent impact on corporate borrowing requirement	Cllr Richard Samuel / Andy Rothery	150			A	0.0	No material impact on service delivery.
Clean Air Zone (CAZ) Overhead	Bring CAZ overheads into baseline budget	Cllr Richard Samuel / Andy Rothery	280	(80)	(85)	G	0.0	No impact
Commercial Estate Income	Rebasing income, bringing void properties into use	Cllr Richard Samuel / Andy Rothery	500			A	0.0	No impact to service delivery, appropriate resource will need to be in place to ensure that new lettings and income generating opportunities are prioritised.
Managing Debt Across the Council	Review bad debt provision of £6.3m across the council (one-off release)	Cllr Richard Samuel / Andy Rothery	400	(400)		G	0.0	Resource will need to be in place for proactive income and debt management.
Procurement review	Review current operating model for Council procurement and contract management support and implement a shared service	Cllr Richard Samuel / Andy Rothery		50		A	1.0	New operating model will need to maintain service levels to ensure compliance with procurement regulations
Corporate Subscriptions	Corporate subscriptions reduction	Cllr Richard Samuel / Andy Rothery	30			G	0.0	No impact
HCRG In-Housing	Meet corporate support service requirements from existing budget	Cllr Richard Samuel / Andy Rothery		200		A	0.0	Will need to ensure appropriate funding is in place to meet the support service requirements of Adult Social Care services.
Commercial Estate	Align budget to in-year activity and business plan for Investment and new lettings.	Cllr Richard Samuel / Andy Rothery	1,000			G	0.0	No impact
Deputy Leader, Resources Total			3,318	(230)	115		14.0	

2023/24 - 2025/26 Budget Savings and Income Generation Proposals								
Savings Title	How to be achieved	Portfolio Holder / Director	23/24 Saving £000	24/25 Saving £000	25/26 Saving £000	Risk to delivery of saving (RAG)	FTE Reduction	Impacts to service delivery
Portfolio: Economic Development, Regeneration and Growth								
Refocus business support function	Focus business support through close working with WECA. Reduce inefficient business support subsidies	Cllr Mark Roper / Simon Martin	40			G	1.0	Risk – reputational and reduced grant income to B&NES (both Council and B&NES businesses) No WECA Interface
Income - Stretch income target in Housing and Regeneration chargeable work	Rebaseline Housing, Regeneration and Business and Skills budgets to reflect historic overachievement of income in chargeable areas	Cllr Mark Roper / Simon Martin	200			A	0.0	No direct service impacts
Economic Development, Regeneration and Growth Total			240	0	0		1	
Portfolio: Adult Services and Council House Building								
Reduce subsidy to Housing	Combination of, greater use of development capitalisation £50k; increased income, reduction in affordable warmth grants and stopped commissioned service £52k; and further use of HPG to fund existing staffing costs £48k	Cllr Tom Davies / Simon Martin	150			G	0.0	Savings calibrated to have minimal impact on service delivery. However, will impact on some client grants & reduced scope for homelessness prevention activities.
Learning Disability Pool Budget Adjustment	Review of social care contributions to the learning disabilities pool	Cllr Alison Born / Suzanne Westhead	4,800			A	0.0	No service impact - funding adjustment, no change to service provision
Funding Reviews	Review of different category of packages to reflect changing needs and sign post to other services	Cllr Alison Born / Suzanne Westhead	100			G	0.0	We will review packages to ensure people receive the right care
Transitions (children to adult services)	Review of package costs on transitions pathway	Cllr Alison Born / Suzanne Westhead	200			G	0.0	We will review packages to ensure people receive the right care
Staffing Review	Review of teams following transfer back to the council	Cllr Alison Born / Suzanne Westhead	50			G	0.5	Review of safeguarding functions following transfer back of safeguarding from Prime provider.
Continuing Health Care review	Application of the national framework to B&NES continuing health care to ensure the Council only funds Social Care requirements.	Cllr Alison Born / Suzanne Westhead	100			G	0.0	No impact upon service delivery.
Grant (IBCF) support of Adult Social Care (ASC)	Grant (IBCF) support of ASC protection of Social Care	Cllr Alison Born / Suzanne Westhead	200			G	0.0	Additional funding to be used against the Protection of Social Care activity within the plan.
Adult Services and Council House Building Total			5,600	0	0		0.5	

2023/24 - 2025/26 Budget Savings and Income Generation Proposals								
Savings Title	How to be achieved	Portfolio Holder / Director	23/24 Saving £000	24/25 Saving £000	25/26 Saving £000	Risk to delivery of saving (RAG)	FTE Reduction	Impacts to service delivery
Portfolio: Children and Young People, and Communities								
Customer Contact Strategy	Web bot - encouraging self service via the website	Clr Dine Romero / Amanda George	15	15		A	1.0	Reduction of 1 x FTE in Council Connect via vacancy management
Public Health	Use of public health grant to fund additional health improvement services	Clr Dine Romero / Rebecca Reynolds	100			G	0.0	Small amount of reprioritisation of services due to realignment of funding
Project costs	Removal of some monies for Public Health campaigns and project development and implementation	Clr Dine Romero / Rebecca Reynolds	50			G	0.0	Focusing the funding on priority campaigns.
Health and wellbeing services	Reduce monies for recommissioning of public health services currently delivered by and through prime provider	Clr Dine Romero / Rebecca Reynolds		200		A	0.0	Greater targeting of resources for population health impact.
Drug prescribing	Reduction in drug prescribing monies	Clr Dine Romero / Rebecca Reynolds	100			G	0.0	At the present time we have a contingency for drug prescribing, which provides us with flexibility to expand prescribing on a limited basis (when needed).
Approach golf	Increase in annual fee income	Clr Dine Romero / Rebecca Reynolds	10			G	0.0	Nil.
Prevention	Extend Family Group Conferencing Provision	Clr Dine Romero / Mary Kearney-Knowles	633			A	0.0	To prevent children from coming into care and to strengthen the family networks of CYP. Waiting list for this support. Delivering better outcomes for CYP.
Joint Agency Panel (JAP) Budget - Review	Review of social care contributions to JAP to reflect demand	Clr Dine Romero / Mary Kearney-Knowles	500			A	0.0	The current funding split does not reflect the reduced social care demand and increased complexity of health needs. Individual packages of care would not be impacted.
Bath West Children's Centre Service	Provide service in a different way that will not affect front line services	Clr Dine Romero / Mary Kearney-Knowles	(36)			G	0.0	Reversal of one off saving from 22/23
Intensive Fostering Service	Intensive Fostering Service creation to avoid residential placements. This is a new project	Clr Dine Romero / Mary Kearney-Knowles	90			A	0.0	Provision of a range of in-house fostering care reduces the need for more costly placements and delivers better outcomes for CYP/family groups
Reprofiled Transformation Savings	Reprofiled Transformation Savings	Clr Dine Romero / Mary Kearney-Knowles			924	A	0.0	Reprofiled due to significant increase in number of looked after children in 2022/23.
Children and Young People, and Communities			1,462	215	924		1.0	
Portfolio: Neighbourhood Services								
Income - Weddings and Registrars	To increase ceremonies income for the Registration Service by promoting the ceremonies, developing the social media profile and building cross-service ceremony products.	Clr Dave Wood / Cherry Bennett	50			G	0.0	Working closely with Heritage Services and using existing registrar resource this will not have a material impact on service delivery
Income - Recyclates Sales	Sale of material to contracted merchants at prices tracking market fluctuations - market currently overachieving budget projections. Prices may go down in future	Clr Dave Wood / Chris Major	325	(225)		G	0.0	Nil.
Income - Increase in fees and charges & increased sales	Increased Charging for service provision to reflect inflationary pressures	Clr Dave Wood / Chris Major	78			G	0.0	No specific impact individually but cumulative impacts on service provision will be identifiable by residents and customers.
Capitalisation of salaries	To accommodate management overheads	Clr Dave Wood / Chris Major	138	(100)		G	0.0	No specific impact individually but cumulative impacts on capital budgets may reduce overall delivery of capital projects
Vehicle efficiencies	Review of hire vehicles and financing options	Clr Dave Wood / Chris Major	56	(30)		A		Potential for higher maintenance costs and potential further inflationary pressures
Service efficiencies - Highways Delivery, Parking and Passenger Transport	Management of service including holding vacancies, alternative funding streams increased fees	Clr Dave Wood / Chris Major	171	(169)		A	1.0	No specific impact individually but cumulative impacts on service provision will be identifiable by residents and customers.
Service efficiencies - Neighbourhood Environmental Services	Do not recruit to post once it becomes vacant and restructure to meet service demands.	Clr Dave Wood / Chris Major	147	(40)		G	1.0	No specific impact individually but cumulative impacts on service provision will be identifiable by residents and customers. Reduction in provision for some sections of community. Small investment required.
Service and contract efficiencies - Highways Maintenance	Volume capping and capitalisation of management overhead	Clr Manda Rigby / Chris Major	180	(100)		G	0	No specific impact individually but cumulative impacts on capital budgets may reduce overall delivery of capital projects. Volume capping of works may increase rate of deterioration of the highway asset base resulting in higher costs in future years.
Income - Registrars Fees	Current fees benchmark lower than regional comparators	Clr Dave Wood / Cherry Bennett	25			G	0.0	Nil.
Vehicle efficiencies	Review of hire vehicles and financing options	Clr Dave Wood / Chris Major	24	(24)		G	0.0	Potential for higher maintenance costs and potential further inflationary pressures
Reduce sports provision - Lansdown South playing fields	Site maintained as grassland rather than sports pitches. In addition to the operational saving there will be a further saving on utilities	Clr Dave Wood / Chris Major	45			G	0.0	The pitches are not cost effective and are underused as there are better alternative facilities with capacity for clubs.
Neighbourhood Services Total			1,239	(688)	0		2	

2023/24 - 2025/26 Budget Savings and Income Generation Proposals								
Savings Title	How to be achieved	Portfolio Holder / Director	23/24 Saving £000	24/25 Saving £000	25/26 Saving £000	Risk to delivery of saving (RAG)	FTE Reduction	Impacts to service delivery
Portfolio: Transport								
Parking and Permits charges review	Income generated from the implementation of Emission Based Pay and Display, Resident Permit Zone (RPZ) schemes, Permit changes and Enforcement Review	Cllr Manda Rigby / Chris Major	790	225		A	0	Consultations will be undertaken. Outcome of consultations may impact upon the nature and the number of schemes to be implemented.
Development and introduction of City Centre Permit process	A review of the current processes and procedures is required, supported by Business Change Team, to understand whether this can be streamlined into one City Centre Permit, with one point of contact, alongside a single charging and invoicing process.	Cllr Manda Rigby / Chris Major			30	G	0	Scheme to be developed to deliver outcomes. Increase reflects current inflationary pressures
Clean Air Zone (CAZ) - Review of Financial Assistance Scheme and pricing model	Income from Financial Assistance Scheme use by other Authorities, HGV Euro 6 charge and review of CAZ fee	Cllr Manda Rigby / Chris Major	712	(528)	(24)	A	0	Confirmation of changes to systems, vehicles classes and pricing mechanisms are subject to consultation and will need to be agreed with Joint Air Quality Unit
Service efficiencies, vacancy management and income generation - Network and Traffic Management	Vacant and unable to fill school crossing patrol location converted to Zebra crossings	Cllr Manda Rigby / Chris Major	378	(2)		A	4.5	Limited impact individually but cumulative impact may increase lead times on delivery of committed programmes and increased costs for statutory services and permits
Transport Total			1,880	(305)	6		4.5	
Portfolio: Planning and Licensing								
Increased charges	Increase charges for services where possible (i.e. not set at a level by statute). Such as Building Control, Land Charges, Pest Control. Fees increased at 5%.	Cllr Tim Ball / Chris Major	45			A	0.0	Service areas that compete with private sector providers Building Control, Land Charges & Pest Control risk losing market share with an increase in charges so the level of increase has to be carefully balanced and in accordance with statutory frameworks. This increase reflects current inflationary pressures.
Stop gull work	Delete gull prevention and protection budget. This is non-statutory work which Councils do not have to undertake. Additional advice could be provided to property owners about how to proof their roofs to reduce nesting sites.	Cllr Tim Ball / Chris Major	20			G	0.0	Likely there would be increased complaints to officers and councillors about gull nuisance.
Planning and Licensing Total			65	0	0		0.0	
OVERALL SAVINGS AND INCOME GENERATION PROPOSALS			14,384	(1,008)	1,045		24.2	
			<i>Removal of One-Off Savings Reversal 2024/25</i>		1,698			
			New Savings for 2024/25		690			

Annex 2 (ii) - 2023/24 Budget Funding Requirements

2023/24 - 2025/26 Funding Proposals						
Funding Title	Description of Funding Requirement	Funding Categories	Portfolio Holder / Director	23/24 Funding £000	24/25 Funding £000	25/26 Funding £000
Portfolio: Leader of the Council						
Reduction in growth applied in 2021/22	Build back of income built into MTF5. Original growth £4.235m for significantly reduced income resulting from the pandemic.	Budget Pressure	Cllr Kevin Guy / Sophie Broadfield	(2,008)	(2,032)	(2,838)
Business Rates	Business Rates Revaluation 2023/24 - 2025/26	Budget Pressure	Cllr Kevin Guy / Various	(4)	1	1
Contractual Inflation	Annual increases in contract costs within the portfolio	Contract Inflation	Cllr Kevin Guy / Various	13	33	14
Pension Triennial Valuation and Staff Increments	Net impact of pension on-cost reduction from 21% to 20.1% and staff increments	Pay and Pension	Cllr Kevin Guy / Various	(3)		
Pay Inflation 2022/23	Salary inflation over and above inflation budgeted in 22/23	Pay and Pension	Cllr Kevin Guy / Various	4		
Pay Inflation 2023/24 - held corporately	Salary inflation estimated at 3%, with 1% contingency built into 23/24	Pay and Pension	Cllr Kevin Guy / Various	15	11	11
Leader of the Council Total				(1,983)	(1,987)	(2,812)
Portfolio: Deputy Leader, Climate and Sustainable Travel						
Contractual Inflation	Annual increases in contract costs within the portfolio	Contract Inflation	Cllr Sarah Warren / Various	1	3	1
Pension Triennial Valuation and Staff Increments	Net impact of pension on-cost reduction from 21% to 20.1% and staff increments	Pay and Pension		(4)		
Pay Inflation 2022/23	Salary inflation over and above inflation budgeted in 22/23	Pay and Pension	Cllr Sarah Warren / Various	25		
Pay Inflation 2023/24 - held corporately	Salary inflation estimated at 3%, with 1% contingency built into 23/24	Pay and Pension	Cllr Sarah Warren / Various	47	36	36
Deputy Leader, Climate and Sustainable Travel Total				69	39	37
Portfolio: Deputy Leader, Resources						
Licences	Microsoft Licences Renewal cost increase from MS 365. Liquid Logic licences, shortfall in existing budget to meet new license requirements for Children's and Adults services.	Budget Pressure	Cllr Richard Samuel / Andy Rothery	25	30	
Council Tax Inspector Role	New homes, new commercial developments = new business rates, new council tax.	Budget Pressure	Cllr Richard Samuel / Andy Rothery	38		
Creation of new Business Change Hub	Creation of a Business Change Hub to programme manage and deliver organisational improvement projects	Budget Pressure	Cllr Richard Samuel / Amanda George	330		
Unfunded pensions	Rebase corporate budget for historic pension liabilities in line with reduction in actual charges - reverses 22/23 growth	Budget Pressure	Cllr Richard Samuel / Andy Rothery	(100)		
External Audit Fees	Uplift in contract price following PSAA national procurement for Public Sector external audit. Additional price will need to be demonstrated with additional auditor capacity to ensure timely sign off of the statement of accounts.	Budget Pressure	Cllr Richard Samuel / Andy Rothery	270		
Increase in Coroners Levy	Share coroners service administered by BCC, material uplifts in operating costs due to skill and supply shortages creating backlog in the mortuary.	Budget Pressure	Cllr Richard Samuel / Andy Rothery	80		
Capital Financing and Treasury Management - return budget from 2022/23 2 year saving item	Planned return of £1m temporary capital financing saving approved in 2022/23 to base budget	Budget Pressure	Cllr Richard Samuel / Andy Rothery		1,000	
Supported Bus Service investment	Additional Transport Levy funding for cost pressures in supported bus routes	Budget Pressure	Cllr Richard Samuel / Andy Rothery	281	(121)	
Business Rates	Business Rates Revaluation 2023/24 - 2025/26	Budget Pressure	Cllr Richard Samuel / Various	162	70	42
Corporate Budget Adjustments	Corporate Base Budget Adjustments including New Homes Bonus & Settlement Grants	Corporate Adjustments	Cllr Richard Samuel / Andy Rothery	4,613	2,430	1,779
Medium Term Corporate Budget and Overhead Rebasings	Review of corporate overhead charges to non-general fund activity and medium term funding requirement	Budget Pressure	Cllr Richard Samuel / Andy Rothery	0	333	1,533
Contractual Inflation	Annual increases in contract costs within the portfolio	Contract Inflation	Cllr Richard Samuel / Various	1,191	478	195
Pension Triennial Valuation and Staff Increments	Net impact of pension on-cost reduction from 21% to 20.1% and staff increments	Pay and Pension	Cllr Richard Samuel / Various	448	1	
Pay Inflation 2022/23	Salary inflation and members allowances over and above inflation budgeted in 22/23	Pay and Pension	Cllr Richard Samuel / Various	404		
Pay Inflation 2023/24	Salary inflation and members allowances estimated at 3%, with 1% contingency built into 23/24	Pay and Pension	Cllr Richard Samuel / Various	1,057	822	822
Deputy Leader, Resources Total				8,799	5,043	4,371
Portfolio: Economic Development, Regeneration and Growth						
Contractual Inflation	Annual increases in contract costs within the portfolio	Contract Inflation	Cllr Mark Roper / Simon Martin	4	10	4
Business Rates	Business Rates Revaluation 2023/24 - 2025/26	Budget Pressure	Cllr Mark Roper / Simon Martin	(2)	1	1
Pension Triennial Valuation and Staff Increments	Net impact of pension on-cost reduction from 21% to 20.1% and staff increments	Pay and Pension	Cllr Mark Roper / Simon Martin	(4)		
Pay Inflation 2022/23	Salary inflation over and above inflation budgeted in 22/23	Pay and Pension	Cllr Mark Roper / Simon Martin	6		
Pay Inflation 2023/24 - held corporately	Salary inflation estimated at 3%, with 1% contingency built into 23/24	Pay and Pension	Cllr Mark Roper / Simon Martin	24	19	19
Economic Development, Regeneration and Growth Total				28	30	24

2023/24 - 2025/26 Funding Proposals						
Funding Title	Description of Funding Requirement	Funding Categories	Portfolio Holder / Director	23/24 Funding £000	24/25 Funding £000	25/26 Funding £000
Portfolio: Adult Services and Council House Building						
ASC Market Sustainability and Improvement Fund Grant Funding	Spend linked to ring-fenced ASC Market Sustainability and Improvement Fund Grant Funding	Budget Pressure	Cllr Alison Born / Suzanne Westhead	1,216	860	
ASC Discharge Fund	Spend linked to ring-fenced ASC Discharge Fund Grant Funding	Budget Pressure	Cllr Alison Born / Suzanne Westhead	687	459	
ASC Market Sustainability and Improvement Fund Grant Funding	Ring-fenced grant income announced in Local Government Finance Settlement	Corporate Adjustments	Cllr Alison Born / Suzanne Westhead	(1,216)	(860)	
ASC Discharge Fund	Ring-fenced grant income announced in Local Government Finance Settlement	Corporate Adjustments	Cllr Alison Born / Suzanne Westhead	(687)	(459)	
Community equipment store	Unavoidable pressure - costs for community equipment store arising from transfer from Sirona	Budget Pressure	Cllr Alison Born / Suzanne Westhead	34		
Contractual Inflation	Annual increases in contract costs within the portfolio	Contract Inflation	Cllr Alison Born / Suzanne Westhead	1,765	3,164	1,317
Demography	Growth in numbers of service users	Demographic Growth	Cllr Alison Born / Suzanne Westhead	999	999	999
Pension Triennial Valuation and Staff Increments	Net impact of pension on-cost reduction from 21% to 20.1% and staff increments	Pay and Pension	Cllr Alison Born and Cllr Tom Davies / Various	41	131	131
Pay Inflation 2022/23	Salary inflation over and above inflation budgeted in 22/23	Pay and Pension	Cllr Alison Born and Cllr Tom Davies / Various	484		
Pay Inflation 2023/24 - held corporately	Salary inflation estimated at 3%, with 1% contingency built into 23/24	Pay and Pension	Cllr Alison Born and Cllr Tom Davies / Various	600	469	469
Adult Services and Council House Building Total				3,923	4,763	2,916
Portfolio: Children and Young People, and Communities						
Transformation Savings	To smooth out the delivery of savings across a longer period	Budget Pressure	Cllr Dine Romero / Mary Kearney-Knowles	924		
Foster Care Transformation Project	Revised savings projections from this transformation project, that aims to increase the amount of Foster Carers, and reduce the use of other residential placements	Budget Pressure	Cllr Dine Romero / Mary Kearney-Knowles	22	26	
Reunification Transformation Project	Revised savings projections from this transformation project that aims to reunite children and young people with their families, and therefore exit from residential placements.	Budget Pressure	Cllr Dine Romero / Mary Kearney-Knowles	10	11	
Extend Family Group Conferencing Provision	Cost of Delivery	Budget Pressure	Cllr Dine Romero / Mary Kearney-Knowles	201		
Care Leavers Statutory Duties	Care Leavers - Requirement to address increased UASC and enhanced care leavers responsibility up to 25.	Budget Pressure	Cllr Dine Romero / Mary Kearney-Knowles	120		
Contract Inflation	Updated costs of inflation across the demand budget areas taking into account current year spend levels and inflation levels.	Budget Pressure	Cllr Dine Romero / Mary Kearney-Knowles	197	28	7
Demographic Growth	UASC - New Burdens. Based on half of 18+ proceeding to Residential placements: to enable LA meet its statutory duties	Budget Pressure	Cllr Dine Romero / Mary Kearney-Knowles	165		
Demographic Growth	Updated costs of demographic growth across the demand budget areas taking into account current year spend levels and activity data: growth required to ensure that the LA meets its statutory duties	Budget Pressure	Cllr Dine Romero / Mary Kearney-Knowles	825	170	(293)
Demographic Growth	Children Social Care Costs linked to increase in Social Care Grant for 24/25 for MTFS update - to be reviewed during 2023/24	Budget Pressure	Cllr Dine Romero / Mary Kearney-Knowles		1,415	
Grant Funding Cessation	Connecting Families. Grant funding confirmed for 22/23 and for 23/24. From 24/25, if no national grant, will need to fund this service if it is to continue. Note: Current pressure is on the Priorities Tab of existing MTFS - this rephases back a year	Budget Pressure	Cllr Dine Romero / Mary Kearney-Knowles			400
National PE and Sports Grant Income	This grant was time limited. It has been accounted for as an on-going income line - Education budget 1078. The grant has ceased and growth is required to remove the income line.	Budget Pressure	Cllr Dine Romero / Chris Wilford	137		
Demographic Growth	This is needed to reflect the growth in the volume of children and young people that are being supported across a number of education teams. SEND now managing a 30% growth in cases. CMES & ALT managing an equivalent increase in demand.	Budget Pressure	Cllr Dine Romero / Chris Wilford	367	90	
Home to School Transport (HTST)	Increase in volume of children that need transport, and significant increase in contractual prices in a very difficult market, driver shortages. Failure of public bus routes in some areas, has resulted in the LA needing to add school routes.	Budget Pressure	Cllr Dine Romero / Chris Wilford	1,100		
Social Care Settlement Grant Increase	Ring-fenced grant income announced in Local Government Finance Settlement	Corporate Adjustments	Cllr Dine Romero / Mary Kearney-Knowles	(3,660)	(1,415)	5,075
Web bot - encouraging self service via the website	Cost of Delivery	Budget Pressure	Cllr Dine Romero / Amanda George	20		
Business Rates	Business Rates Revaluation 2023/24 - 2025/26	Budget Pressure	Cllr Dine Romero / Various	(1)	4	4
Contractual Inflation	Annual increases in contract costs within the portfolio	Contract Inflation	Cllr Dine Romero / Various	303	757	357
Demography	Growth in numbers of service users	Demographic Growth	Cllr Dine Romero / Various	711	713	713
Pension Triennial Valuation and Staff Increments	Net impact of pension on-cost reduction from 21% to 20.1% and staff increments	Pay and Pension	Cllr Dine Romero / Various	(35)	20	
Pay Inflation 2022/23	Salary inflation over and above inflation budgeted in 22/23	Pay and Pension	Cllr Dine Romero / Various	320		
Pay Inflation 2023/24 - held corporately	Salary inflation estimated at 3%, with 1% contingency built into 23/24	Pay and Pension	Cllr Dine Romero / Various	672	523	523
Children and Young People, and Communities				2,398	2,342	6,786

2023/24 - 2025/26 Funding Proposals						
Funding Title	Description of Funding Requirement	Funding Categories	Portfolio Holder / Director	23/24 Funding £000	24/25 Funding £000	25/26 Funding £000
Portfolio: Neighbourhood Services						
Market Supplement	<p>2 year fixed term market supplement for increased workload for staff at Ashmead Road due to increased volumes of kerbside recycling. Planning to implement shortly to retain staff and stop service failure.</p> <p>National Shortage of HGV/LGV drivers meant that we had drivers resigning and agencies unable to provide due to pay and workload. Package to attract drivers to stay urgently needed. This package included enhanced pay, plus increased loaders per crew.</p> <p>Outcomes to date include:</p> <ul style="list-style-type: none"> •Retention of most existing drivers (this payment combined with increase in loaders per crew) •Several resignations redacted •Payment still lower than marketplace so no new drivers attracted as yet. National shortage will take up to 12 months to resolve. Still need to work on further incentives for Council to be seen as an attractive employer to younger drivers. Significant lack of diversity in the workplace needs further investment in facilities, training and development to improve the situation. 	Budget Pressure	Clr Dave Wood / Chris Major		(105)	
Staff regrading as per ACAS negotiations	Regrading as agreed with TU's	Budget Pressure	Clr Dave Wood / Chris Major	658		
Staff regrading resulting from ACAS negotiations for grounds staff	Regrading as agreed with TU's	Budget Pressure	Clr Dave Wood / Chris Major	240		
Alexandra Park Security	Providing an opening and closing service for Alexandria Park in light of the reported ASB within the park location. This service will need to continue permanently as the proposed infrastructure changes (subject to PID currently) will still need manual intervention as the scheme will prevent access after the pre agreed time but still allow exit from the park.	Budget Pressure	Clr Dave Wood / Chris Major	19		
Insource back office admin for cleansing enforcement	Cost of Delivery	Budget Pressure	Clr Dave Wood / Chris Major	2		
Clean and Green initiative	Growth funding for Neighbourhoods initiatives to tackle litter and prevention work	Budget Pressure	Clr Dave Wood / Chris Major	1,000	(542)	
Business Rates	Business Rates Revaluation 2023/24 - 2025/26	Budget Pressure	Clr Dave Wood / Chris Major	46	23	26
Contractual Inflation	Annual increases in contract costs within the portfolio	Contract Inflation	Clr Dave Wood / Chris Major	334	824	349
Pension Triennial Valuation and Staff Increments	Net impact of pension on-cost reduction from 21% to 20.1% and staff increments	Pay and Pension	Clr Dave Wood / Various	(120)		
Pay Inflation 2022/23	Salary inflation over and above inflation budgeted in 22/23	Pay and Pension	Clr Dave Wood / Various	531		
Pay Inflation 2023/24 - held corporately	Salary inflation estimated at 3%, with 1% contingency built into 23/24	Pay and Pension	Clr Dave Wood / Various	696	543	543
Neighbourhood Services Total				3,406	743	918

2023/24 - 2025/26 Funding Proposals						
Funding Title	Description of Funding Requirement	Funding Categories	Portfolio Holder / Director	23/24 Funding £000	24/25 Funding £000	25/26 Funding £000
Portfolio: Transport						
Staff Restructure	Following re-evaluation of Job Descriptions of Team Manager and Team Leader posts, additional revenue required to meet new grades	Budget Pressure	Clr Manda Rigby / Chris Major	15		
Emergency Planning Equipment	To keep rest centre equipment and emergency planning stock replenished and replaced annually (to ensure we do not have to do one-off capital requests (As agreed at CMT on 20.07.22)	Budget Pressure	Clr Manda Rigby / Chris Major	5		
CAZ Euro 6 HGV Charge	Cost of Delivery	Budget Pressure	Clr Manda Rigby / Chris Major	50		
Business Rates	Business Rates Revaluation 2023/24 - 2025/26	Budget Pressure	Clr Manda Rigby / Chris Major	178	76	90
Contractual Inflation	Annual increases in contract costs within the portfolio	Contract Inflation	Clr Manda Rigby / Chris Major	43	107	44
Pension Triennial Valuation and Staff Increments	Net impact of pension on-cost reduction from 21% to 20.1% and staff increments	Pay and Pension	Clr Manda Rigby / Chris Major	(42)		
Pay Inflation 2022/23	Salary inflation over and above inflation budgeted in 22/23	Pay and Pension	Clr Manda Rigby / Chris Major	183		
Pay Inflation 2023/24 - held corporately	Salary inflation estimated at 3%, with 1% contingency built into 23/24	Pay and Pension	Clr Manda Rigby / Chris Major	240	187	187
Transport Total				672	370	321
Portfolio: Planning and Licensing						
Contractual Inflation	Annual increases in contract costs within the portfolio	Contract Inflation	Clr Tim Ball / Various	2	5	2
Pension Triennial Valuation and Staff Increments	Net impact of pension on-cost reduction from 21% to 20.1% and staff increments	Pay and Pension	Clr Tim Ball / Various	(21)	8	4
Pay Inflation 2022/23	Salary inflation over and above inflation budgeted in 22/23	Pay and Pension	Clr Tim Ball / Various	76		
Pay Inflation 2023/24 - held corporately	Salary inflation estimated at 3%, with 1% contingency built into 23/24	Pay and Pension	Clr Tim Ball / Various	156	122	122
Planning and Licensing Total				213	135	128
OVERALL FUNDING PROPOSALS				17,525	11,478	12,689

Funding Category Summary Table	23/24 £000	24/25 £000	25/26 £000
Pay and Pension	5,800	2,892	2,867
Demographic Growth	1,710	1,712	1,712
Contract Inflation	3,656	5,381	2,283
Budget Pressure	7,310	1,797	(1,027)
Corporate Adjustments, comprising of:	(951)	(304)	6,854
Budget Adjustments	1,000	0	0
New Homes Bonus Pressure	1,613	425	0
Capital Financing	872	2,005	1,779
Settlement Grant Funding	(4,436)	(2,734)	5,075
Funding Requirement Total	17,525	11,478	12,689

Annex 3

Equality impacts of 2023 to 2024 budget proposals

1. Introduction and legal background

- a. This report outlines how the impacts of the Council's budget proposals are being considered within the context of the Equality Act 2010¹. The Act makes it unlawful to discriminate directly or indirectly against an individual because of certain personal characteristics ('protected characteristics'). The Act also requires that equality issues are considered by public bodies as part of decision making, especially where services are reduced or redesigned.
- b. Failure to undertake proportionate Equality Analysis (Equality Impact Assessment) could present risks of legal challenge to the Council for failing to pay due regard to its Public Sector Equality Duty². Courts have held that a local authority has to show they have consciously addressed their mind to the duty and actively considered any new plan or policy in light of the potential impact it may have on particular protected groups.

2. Bath and North East Somerset background

- a. The Census 2021 results are currently being released, what we know so far is that Bath and North East Somerset is a diverse area which includes the City of Bath as well as vibrant towns, villages and rural communities. The latest population 2021 United Kingdom Census shows there is an estimated 193,400 residents in B&NES an increase of 9.9% since 2011.
- b. Bath & North East Somerset Council covers approximately 135 square miles. Bath is the largest urban settlement in the area, acting as the commercial and recreational centre of the district. It is home to just over 50% of the B&NES population and is a UNESCO World Heritage Site.
- c. At time of drafting full ethnicity data from the 2021 census is not yet available. According to the 2011 Census 94.6 % of the population is from white groups. 5.4% are from the following groups:
 - Chinese (1912 people) 1.1%
 - Other Asian (1160 people) 0.7%
 - Asian (Indian): (1116 people) 0.6%
 - Mixed white and Asian (954 people) 0.5%,
 - Mixed white and Caribbean (951 people) 0.5%
 - Black Caribbean (672 people) 0.4%
- d. The 9.9% increase in the size of the population (from an estimated 176,016) to an estimated 193,400 is higher than the overall increase for England (6.6%) and the South West (7.8%). This growth has come from a combination of increasing student numbers at the two Universities and an increasing number of new housing developments.

¹ <https://www.legislation.gov.uk/ukpga/2010/15/contents>

² <https://www.legislation.gov.uk/uksi/2011/2260/contents/made>

- e. As of 2021, B&NES is the 11th most densely populated local authority in the South West; since 2011 there has been a 17.5% increase in people aged 65 years and over in B&NES, lower than the national increase of 20.1%. We have also seen an increase of 8.2% in people aged 15-64 years and an increase of 7.6% in children under 15 years.
- f. Despite being an area with generally good health and low crime, there is significant variation within the area. Compared with the most affluent communities in the area, the most deprived communities experience a range of inequalities and poorer life outcomes. Bath and North East Somerset is ranked 269 out of 317 Local Authorities in England for overall deprivation, making it one of the least deprived in the country, however two areas are within the most deprived 10% nationally.

3. Actions to date

- a. As part of the Council's equality analysis process, Directors (and their officers with delegated responsibilities) have considered their proposals from an equality perspective. Where available, these have been set out in a 2023/24 budget proposal template, with the high-level intentions outlined. The proposals describe what service redesign is being proposed and should identify if there will be impacts upon residents, employees and/or service users.
- b. This document highlights those individual proposals where Directors have identified a potential impact, either positive or negative on residents, employees and or service users.
- c. The 2023/24 budget proposal template and an initial overview of the equality implications have been considered by Corporate Equality Diversity Inclusion Steering Group (CEDIS) prior to being submitted to Policy Development and Scrutiny Panel (PDS).
- d. This process aims to highlight if any of the proposals have the potential to have significant impacts upon service users, and if so, what actions, if any, could be taken to mitigate any unexpected or unintentional impacts.

4. Equality scrutiny process

- a. The budget proposals were presented to Corporate Policy Development and Scrutiny Panel on 23rd January 2023.
- b. The PDS panel members have received a brief to support them to scrutinise the proposals from an equality perspective (see Appendix 1).

5. Savings proposals for 2023-24

- a. Across the Council, every attempt has been made to achieve efficiencies through service redesign, with minimum reduction in frontline services.
- b. It should be noted that a number of proposals refer and rely on income generation. This in itself has the potential to increase pressure on stretched teams and have indirect impacts to other parts of the service, particularly should the income generation not be realised.

- c. Regarding any equality impacts on staff, the council's Human Resources policies and procedures ensure there is full consultation and consideration of staffing matters and that employment-related equality issues are fully considered.

6. Detailed equality analysis

- a. The details of how the selected proposals will be implemented will follow in due course. It is recommended that a comprehensive and detailed equality analysis is carried out on some of the proposals as they are taken forward. This will help to ensure that opportunities to promote equality are identified, and any possible negative impacts or barriers for particular groups are considered, and where possible, mitigated.
- b. As above, regarding equality impacts on staff, the Council's Human Resources policies and procedures ensure there is full consultation and consideration of staffing matters and that employment-related equality issues are fully considered. Therefore, the focus here is largely on impacts upon service delivery and service users.
- c. The process has highlighted a number of proposals where there is a possibility of negative impact upon certain groups of people with protected characteristics and/or opportunities to promote equality. Each item is accompanied by an appropriate recommendation based on information available at time of drafting.
- d. The selected budget proposals, considerations and recommendations are listed below grouped in order of portfolio holder.

7. Table of portfolio holders holding budget proposals with potential impact

	Page
Adult Services and Council House Building - Cllr Alison Born & Cllr Tom Davies	
• Safeguarding Staffing review	5
• Funding Review	6
• Housing Services Savings	7
Children and Young People, Communities - Cllr Dine Romero	
• Extend Family Group Conferencing	8
• Review of Social Care contribution to Joint Agency Pool	9
• Use of Public Health Grant to fund additional health improvement services	10
Neighbourhood Services - Cllr David Wood	
• Increased Income to Registrars Service	11

<ul style="list-style-type: none"> • Increase in fees and charges and increased sales (allotments, commercial waste, and horticultural services) 	12
Transport - Cllr Manda Rigby	
<ul style="list-style-type: none"> • Clean Air Zone – review of financial assistance scheme, Euro 6 HGV charge and pricing model. 	13
<ul style="list-style-type: none"> • Development and introduction of city centre permit process 	14
<ul style="list-style-type: none"> • Parking and Permit changes review 	15
Deputy Leader, Resources – Cllr Richard Samuel	
<ul style="list-style-type: none"> ➤ Creation of Business Change Hub 	16
<ul style="list-style-type: none"> ➤ Customer Experience programme 	17
Leader of the Council - Cllr Kevin Guy	
<ul style="list-style-type: none"> ➤ Remembrance and Community Events 	18
<ul style="list-style-type: none"> ➤ Increasing Filming and Events Fees 	19

8. Budget proposals that note a potential impact on people with protected characteristics.

Portfolio holder: Cllr Alison Born and Cllr Tom Davies

Adult Services and Council House Building: Safeguarding Staffing review										
Precis: To review management structure in the safeguarding team.										
2023-24 budget proposal statement <i>"Since the transfer of the HCRG safeguarding team back to the council there is need to review the overall structure of 2 teams which have come together. The first phase of this has been to hold a management vacancy for 22/23 and review whether this post will be needed in 23/24".</i>										
Considerations: <ul style="list-style-type: none"> ➤ It could be possible that people with protected characteristics will be adversely affected by not receiving the required service. ➤ Potential increase in pressure on existing members of staff, this may have a detrimental impact on existing staff requiring reasonable adjustments. 										
Recommendation: <ul style="list-style-type: none"> ➤ Proportionate equality analysis should be carried out in order to identify if reduced staff numbers will have any negative impact on vulnerable service users. 										
All	Age	Disability	Gender reassignment	Marriage & civil partnership	Pregnancy & maternity	Race	Religion or belief	Sex	Sexual orientation	Socio economic
	✓	✓								

Adult Social Care: Funding Review										
<p>Precis:</p> <p>To ensure the right sized care package is provided to individuals who receive a service from Adult Social Care following discharge from hospital.</p>										
<p>2023-24 budget proposal statement:</p> <p><i>“To review the size of packages of care at the end of the short term D2A period to ensure all packages are as small as they can be. Focus on UCB provision”.</i></p>										
<p>Considerations:</p> <ul style="list-style-type: none"> ➤ Insufficient Social Worker time to engage with reviews. ➤ People with protected characteristics at risk of needs not being identified and met. 										
<p>Recommendation:</p> <ul style="list-style-type: none"> ➤ Complete a detailed EqIA considering where people with protected characteristics may be more impacted than others (see below). Determine whether people from particular groups are disproportionately more likely to benefit from care that is not within threshold. ➤ Consultation, including with Independent Equality Advisory Group (IEAG). 										
All	Age	Disability	Gender reassignment	Marriage & civil partnership	Pregnancy & maternity	Race	Religion or belief	Sex	Sexual orientation	Socio economic
	✓	✓						✓		✓

Adult services and Council House provision

Proposal: Housing Services Savings										
Precis: Greater use of development capitalisation; increased income provision; reduction in client grants; stopping discharge from hospital contract; and further use of Homeless Prevention Grant (HPG) to fund existing front-line services.										
2023-24 budget proposal statement <i>"The proposals aim to reduce service provision, rather than stopping provision, and are not viewed as directly conflicting with other proposals or existing policies. However, the cancellation of community alarm grants does conflict with the Decent Homes Policy, which states that the Council will offer such grants. However, these grants are infrequently accessed, and the policy also states that this offer is subject to available funding"</i>										
Considerations: <ul style="list-style-type: none"> ➤ Reduction in homelessness capacity; possible disproportionate impact on particular groups who are overrepresented in homelessness services; knock-on to Children and Families services. ➤ Cumulative effect of reductions on older people. 										
Recommendation: <ul style="list-style-type: none"> ➤ EqlA required on community alarms and affordable warmth grants. 										
All	Age	Disability	Gender reassignment	Marriage & civil partnership	Pregnancy & maternity	Race	Religion or belief	Sex	Sexual orientation	Socio economic
	✓									✓

Children's Services and Education proposal: Extend Family Group Conferencing										
Precis: To increase the provision and uptake of support for families, aiming to divert children from moving into care.										
2023-24 budget proposal statement <i>"To prevent children from coming into care and to strengthen the family networks of CYP. There are waiting lists for this support. Delivering better outcomes for Children and young people being connected to family and community".</i>										
Considerations: ➤ None										
Recommendation: ➤ Complete a detailed EqIA to identify where the proposal complies with the PSED through the promotion of equality.										
All	Age	Disability	Gender reassignment	Marriage & civil partnership	Pregnancy & maternity	Race	Religion or belief	Sex	Sexual orientation	Socio economic
	✓	✓				✓		✓		✓

Children's Services and Education proposal: Review of Social Care contribution to Joint Agency Pool

Precis:

Reduction in budget paying for cost of care through more equitable contribution sharing with partner agencies.

2023-24 budget proposal statement:

"The current Joint Agency Pool (JAP) funding split does not reflect the reduced social care demand and increased complexity of health needs. The pool is funded by the Local Authority, Direct Schools Grant and Health, Integrated Care Board. Individual packages of care would not be impacted. Move to 30/30/30 contribution arrangement, thus reducing the current social care contribution".

Considerations:

- Budget savings will not be met should the Integrated Care Board / Local Authority decide to pull out of the joint pooled budget arrangements; Children's social care costs will increase.

Recommendation:

- No further action.

All	Age	Disability	Gender reassignment	Marriage & civil partnership	Pregnancy & maternity	Race	Religion or belief	Sex	Sexual orientation	Socio economic

Public Health and Prevention proposal: Use of Public Health Grant to fund additional health improvement services

Precis:

Move budget to other council services that promote health initiatives.
To reduce the number and scale of public health campaigns

2023-24 budget proposal statement

*“Use of Public Health Grant to fund additional council services that benefit health.
Move use of identified funding from Public Health team to fund other services in the council that also have an impact on improving health
Reduction in capacity of commissioned public health services and reduction in number and scale of public health campaigns and projects”.*

Considerations:

- Allocations of the government Public Health Grant are made annually.
- Potential for reduction in capacity of commissioned public health services and number and scale of PH campaigns and projects to have negative impact on one or more equalities groups. However, such interventions are already focused on particular groups that experience poorer health outcomes.
- Mitigation – continue to ensure that services/projects/campaigns are focused on meeting needs of groups, including equalities groups, experiencing poorer health outcomes and greater barriers in accessing opportunities.
- Mitigation - greater targeting of campaigns and projects, and use of digital assets is in consideration.

Recommendation:

- During implementation and through an ongoing review process, consider any knock-on effects of the other proposals where the focus is on reducing or removing events and facilities that promote or enhance health and welfare including social contact and activities, and / or where transfer of funding puts extra pressure on other stretched services.

All	Age	Disability	Gender reassignment	Marriage & civil partnership	Pregnancy & maternity	Race	Religion or belief	Sex	Sexual orientation	Socio economic
	✓	✓	✓			✓		✓	✓	✓

People and Policy proposal: Increased Income to Registrars Service										
Precis: Increase the number of ceremonies and ceremony fees in Council premises / facilities.										
2023-24 budget proposal statement <i>“To increase ceremonies income for the Registration Service by increasing fees in line with other LAs and promoting the ceremonies, developing the social media profile and building cross-service ceremony products. Additional resources from IT (web team) and Heritage (marketing and promotion) will also be needed”.</i>										
Considerations: <ul style="list-style-type: none"> ➤ People with protected characteristics and those who are socio-economically disadvantaged may not be able to meet the increased costs although up to 18 ceremonies per week are available at the statutory minimum fee. ➤ Increased number and variety of venues will become available for hire which has potential to increase choice of accessible options. 										
Recommendation: <ul style="list-style-type: none"> ➤ Complete an EqlA to identify where the proposal contributes to cumulative impact re cost of public services to residents particularly to Disabled people. ➤ Carry out inclusive consultation. 										
All	Age	Disability	Gender reassignment	Marriage & civil partnership	Pregnancy & maternity	Race	Religion or belief	Sex	Sexual orientation	Socio economic
		✓		✓						✓

Neighbourhoods proposal: Increase in fees and charges & increased sales (allotments, commercial waste and horticultural services)

Precis:

To increase charges for allotment holders by 10%

2023-24 budget proposal statement

“Increased charging for service provision to reflect inflationary pressures. There will be an anticipated financial impact on service users through increased charges, although allotment holders have already been notified of this. There is a positive impact of new allotment provision. There can also be a positive impact of providing services where there is user demand through the increased sales”.

Considerations:

- Places barriers for people living with socio-economic disadvantage.
- Note the 50% concession already in place for those on relevant benefits.
- Note the low cost of allotment rental (compared with neighbouring local authorities) at £25 per 25m²
- Possible conflict with Public Health services. Possible impact on physical health benefits from the opportunity ‘allotmenteeing’ offers and in increased physical activity
- Potential impact on opportunities for making social connections and mental health benefits.

Recommendation:

- Carry out EqIA, consider public health implications if people on low incomes are unable to retain / take on allotments.
- Consider the knock-on effects of the other proposals where the focus is on increasing charges to the residents.

All	Age	Disability	Gender reassignment	Marriage & civil partnership	Pregnancy & maternity	Race	Religion or belief	Sex	Sexual orientation	Socio economic
	✓	✓								✓

Portfolio holder: Cllr Manda Rigby

Place Management proposal: Clean Air Zone – review of financial assistance scheme, Euro 6 HGV charge and pricing model.										
Precis: To review pricing model of Clean Air Zone scheme. End the Blue Badge Holder charge exemption.										
2023-24 budget proposal statement <i>"Income from Financial Assistance Scheme use by other Authorities, HGV Euro 6 charge and review of CAZ charging structure.</i>										
Considerations: <ul style="list-style-type: none"> ➤ Further price increases may impact the disabled who have a low income. The sunset period exemption for blue badge holders (BBH) is due to expire in March 2023 and from this date BBH will be expected to make payment for zone entry. ➤ From March 2023 potential risk of reputational damage / legal challenge by disabled rights groups 										
Recommendation: <ul style="list-style-type: none"> ➤ Revise and update the current EqlAs in line with feedback from current public consultation; contribute to cumulative impact re cost of public services to residents particularly to Disabled people. 										
All	Age	Disability	Gender reassignment	Marriage & civil partnership	Pregnancy & maternity	Race	Religion or belief	Sex	Sexual orientation	Socio economic
		✓								

Place Management proposal: Development and introduction of city centre permit process

Precis:

The Council currently has several layers of approvals to permit access for organisations, particularly contractors, event organisers and film production companies, including multiple invoicing/charging processes. This can be cumbersome, time-consuming and above all confusing for the customer.

2023-24 budget proposal statement

"A review of the current processes and procedures is required, supported by Business Change Team, to understand whether this can be streamlined into one City Centre Permit, with one point of contact, alongside a single charging and invoicing process."

Considerations:

- This proposal will not begin until 2025/26 giving time for development of the plans and to complete statutory consultation.
- This would affect organisations such as events companies and TV and film production companies, not individual residents.
- Blue badge parking to be considered throughout implementation of individual schemes.

Recommendation:

- Complete an EqlA prior to implementation to identify any cumulative impacts
- Consider knock-on effects with street works permits
- Carry out inclusive consultation including with voluntary and community organisations who may use the city centre

All	Age	Disability	Gender reassignment	Marriage & civil partnership	Pregnancy & maternity	Race	Religion or belief	Sex	Sexual orientation	Socio Economic
		✓						✓		✓

Place Management proposal: Parking & Permit changes review

Precis:

- To implement wider emissions-based charging via pay and display parking and new residents parking schemes through differential rates for non-compliant vehicles.
- Income generated from, residents parking zones, permit changes and enforcement review.
- To increase the number of residents parking zones.
- To ensure that enforcement activity is carried out proportionately across the local authority

2023-24 budget proposal statement

“To implement a pay and display charging strategy to align with emission-based charging already in place for permit schemes within the city, implement new residents parking schemes with emission-based permits and review enforcement priorities to target areas where contraventions are occurring to ensure most effective use of the available resources”.

Considerations:

- Consider cumulative impact, especially to Disabled people who are not blue badge holders and cost of living.
- Ensure technology is fully accessible for vehicle owners.
- Fully consider and publicise all other parking options, public transport availability and mitigations.

Recommendation:

- Continue to review EqIA to identify where the proposal contributes to cumulative impact re cost of public services to residents particularly to Disabled people.
- Ensure the statutory consultation re parking charges is inclusive and accessible.

All	Age	Disability	Gender reassignment	Marriage & civil partnership	Pregnancy & maternity	Race	Religion or belief	Sex	Sexual orientation	Socio economic
	✓	✓								✓

Business Change and Customer Services proposal: Creation of Business Change Hub										
<p>Precis:</p> <p>To create a team of five full time equivalent posts to focus on business change to improve outcomes for our residents and customers.</p>										
<p>2023-24 budget proposal statement:</p> <p><i>“To lead business change and transformation across the Council in a consistent and coordinated way, with effective governance and programme management processes in place to enable and support services to deliver efficiencies and realise benefits from their change programmes. As well as supporting services, there will also be a number of high risk / reputation programmes that will be delivered centrally by the Business Change Hub”.</i></p>										
<p>Considerations:</p> <ul style="list-style-type: none"> ➤ The aim of the Business Change Hub is to continually improve and transform services to make them accessible for all our customers and residents; accessible communication with the public will be instrumental in its success. ➤ Discretionary option to provide services in different ways for individuals should remain available on request where that request is reasonable 										
<p>Recommendation:</p> <ul style="list-style-type: none"> ➤ To consider and address all potential access requirements and utilise best practice during the implementation of change programmes. ➤ To ensure the Business Change Hub team are aware of the Equality Act with particular emphasis to have due regard to the requirements of the Public Sector Equality Duty. 										
All	Age	Disability	Gender reassignment	Marriage & civil partnership	Pregnancy & maternity	Race	Religion or belief	Sex	Sexual orientation	Socio economic
✓										

Business Change and Customer Services proposal: Customer Experience programme

Precis:

To encourage customers to self-serve via the website by the introduction of a web bot

2023-24 budget proposal statement

To introduce a web bot to enable our customers to contact us 24/7 at a time convenient to them should they wish to do so.

The current methods of contact will also be available for customers should they wish to use the telephone or access face to face mediated support.

Considerations:

- An online customer service web bot / portal may not be fully accessible for some residents, for example those in rural areas without reliable internet access; people with digital poverty; some Disabled people; some older people.
- This proposal may reduce face to face contact with residents thus limiting opportunities for local authority staff to identify and provide support to vulnerable people.
- It should be noted that simple queries could be resolved by the bot for those with ability, freeing up staff time for face to face interaction with residents and customers.

Recommendation:

- To consider and address all potential access requirements and utilise best practice during the design, configuration and introduction of the web bot.

All	Age	Disability	Gender reassignment	Marriage & civil partnership	Pregnancy & maternity	Race	Religion or belief	Sex	Sexual orientation	Socio economic
	✓	✓								✓

Place Management proposal: Remembrance & Community Events										
<p>Precis:</p> <p>To use alternative funding sources for some Council events including Remembrance Service and community events. This will be in place from 2025 onwards.</p> <p>An alternative funding source has been identified to cover cost of the remembrance event for 2023 and 2024. Work with external partners is ongoing to plan and prepare for either handing over responsibility or for full cost recovery for remembrance events from 2025 onwards.</p>										
<p>2023-24 budget proposal statement</p> <p><i>“The Events Office delivers Bath Remembrance Service on behalf of the Mayor's Office and the Royal British Legion, as well as smaller community events, such as Summer Sundays. The Chartered Trustees will fund from 2023/24”.</i></p>										
<p>Considerations:</p> <ul style="list-style-type: none"> ➤ Risk of unaffordable events – exclusion for people living with socio-economic disadvantage. ➤ Some discounts for community groups are available for space hire. ➤ May impact on Council's ability to comply with the Public Sector Equality Duty to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. ➤ Costs such as road closures, repair, maintenance and making good ground after community events are hidden costs that the Council can no longer carry. 										
<p>Recommendation:</p> <ul style="list-style-type: none"> ➤ Although outside the Equality Act legislation, this may have a detrimental impact on people on low incomes/ who are at socio-economic disadvantage meaning inequality in access to culture/heritage/learning opportunities/community events; Potential marginalisation of the most vulnerable and people with protected characteristics) ➤ Consider the knock-on effects of the Increasing Filming and Events Fees proposal. 										
All	Age	Disability	Gender reassignment	Marriage & civil partnership	Pregnancy & maternity	Race	Religion or belief	Sex	Sexual orientation	Socio economic
	✓									✓

Place Management proposal: Increasing Filming and Events Fees

Precis:

To increase income by increasing charges to event and film organisers including community and charity events.

This needs to provide full cost recovery of, for example, the provision of road closures and access to historic (and other) rooms and buildings.

2023-24 budget proposal statement

"Increase all Filming & Event Fees & Charges to reflect inflationary pressures. Increased charges may deter filming and event organisers, particularly smaller organisations, community and charitable organisations".

Considerations:

- Potential for increased costs being passed onto customers, impacting people & families on lower income.
- Charities supporting people with protected characteristics may have an increase in cost to film in the local authority not only for filming this is also for events
- May impact on Council's ability to comply with the Public Sector Equality Duty to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- It may impact on people who are socio-economically disadvantaged meaning inequality in access to culture/heritage/learning opportunities/community events
Potential marginalisation of the most vulnerable and people with protected characteristics.

Recommendation:

- Complete a proportionate EqIA to identify where the proposal contributes to any possible cumulative impact re reduction of provision of local services to residents, particularly to those people on low income.
- Consider the knock-on effects of the Remembrance and Community Events proposal.

All	Age	Disability	Gender reassignment	Marriage & civil partnership	Pregnancy & maternity	Race	Religion or belief	Sex	Sexual orientation	Socio economic
	✓									✓

9 Cumulative impacts

- a. Budget proposals have the potential to impact on people across the full range of protected characteristics. In addition, whilst considerations of socio-economic status are not a requirement of the Equality Act public sector duty, the impact of cost of living increases and other financial pressures is an important focus for the Council and its partners.
- b. Financial decisions need to be made with consideration for the unintended effects of budget proposals. The cumulative impact identifies that people may be affected multiple times, by different policies and service changes. i.e. the impact of all the proposals on Disabled people should be viewed together rather than only through the lens of an individual proposal.

10. The socio-economic context

- a. It should be noted that the council aims to ensure that services were protected from 'cuts' as much as possible during this budget setting process. However, with year-on-year savings we must balance the due regard duty and the longer term effects on frontline services that provide support to vulnerable service users as well as those with protected characteristics, particularly those people who may be less able to cope with service changes.
- b. Services users and residents are facing changes from other services other than the council, in Bath & North East Somerset this includes some proposals for significant changes to public transport availability. We are mindful that the council budget setting process forms only one part of the challenges that will face our residents over the coming years relating to the economic and cost of living crisis.
- c. Although socio-economic status is not a protected characteristic, this report notes that even relatively modest cost increases for services can have a substantial impact on the lives of households with low income. These households can often be more reliant on a range of public services; the cumulative impacts of multiple small cuts, increases in charges, travel times or costs can represent a significant barrier to accessing services for those on low incomes. This can impact on some peoples' ability/availability for work, thus keeping them in a cycle of limited opportunity to increase the household income.
- d. Ongoing tightening of eligibility thresholds for example for some health and social care provision, sometimes reducing to statutory provision only may cause unexpected consequences for other services, voluntary and community organisations where capacity is already stretched.

11. Council-wide mitigating action

- a. Bath and North East Somerset Council is committed to addressing any potential negative impacts on people with protected characteristics.
- b. Responsible officers will carry out proportionate equality analysis including equality impact assessment to ensure it has demonstrated due regard to the requirements of the Equality Act 2010. Any consultation carried out on these will aim to reach a variety of

people including and especially those who are likely to use the service and who may be affected by any changes.

- c. Undertake regular review of equality analysis and will update documentation as new information becomes available. Responsible officers will ensure that monitoring and analysis is carried out during implementation of proposals; this will be used to identify and develop further mitigations for any unexpected consequences of service changes. Individuals and groups who use services will be encouraged to give feedback on the revised services.
- d. Impacts identified throughout the process along with any monitoring information will be available to inform the following year's budget process.

12. Where specific Protected characteristics have been highlighted in initial screening:

Religion and Belief
<p>The Equality Act 2010 states you must not be discriminated against because:</p> <ul style="list-style-type: none"> • you are (or are not) of a particular religion • you hold (or do not hold) a particular philosophical belief • someone thinks you are of a particular religion or hold a particular belief (this is known as discrimination by perception)
<ul style="list-style-type: none"> • you are connected to someone who has a religion or belief (this is known as discrimination by association) In the Equality Act religion or belief can mean any religion, for example an organized religion like Christianity, Judaism, Islam or Buddhism, or a smaller religion like Rastafarianism or Paganism, as long as it has a clear structure and belief system. The Equality Act also covers non-belief or a lack of religion or belief.
Potential equality impact:
<p>Across the Budget proposals the initial impact assessments have not highlighted any negative or positive impacts on individuals in relation to religion and belief.</p>

Age	
<p>The Equality Act 2010 states that you must not be discriminated against because:</p> <ul style="list-style-type: none"> • you are (or are not) a certain age or in a certain age group • someone thinks you are (or are not) a specific age or age group, this is known as discrimination by perception • you are connected to someone of a specific age or age group, this is known as discrimination by association 	
Potential equality impact:	
<ul style="list-style-type: none"> ➤ Safeguarding staffing review ➤ Adult services funding review ➤ Housing services savings ➤ Extend family group conferencing ➤ Public health grant fund additional health improvement services ➤ Increase in fees and charges & increased sales (allotments, commercial waste and horticultural services) 	<ul style="list-style-type: none"> ➤ Parking and permit changes review ➤ Creation of business change hub ➤ Customer experience programme ➤ Remembrance and community events ➤ Increased filming and events fees
<p>Many people who use the internet may benefit from proposals to increase digital engagement. However there are risks that some older people, people from lower socio-economic groups and those in rural areas may be disadvantaged by not being able to engage with digital technology.</p>	
<p>The individual service EqlAs will address these issues and will develop mitigations as the proposals are developed and will review these during implementation.</p>	

Sex
<p>The Equality Act 2010 states you must not be discriminated against because:</p> <ul style="list-style-type: none"> •you are (or are not) a particular sex •someone thinks you are the opposite sex (this is known as discrimination by perception) •you are connected to someone of a particular sex (this is known as discrimination by association) In the Equality Act, sex can mean either male or female, or a group of people like men or boys, or women or girls.
Potential equality impact:
<ul style="list-style-type: none"> ➤ Adult services funding review ➤ Extend family group conferencing ➤ Public health grant fund additional health improvement services ➤ Development and introduction of city centre permit process

Gender Reassignment
<p>The Equality Act 2010 states that you must not be discriminated against because you are transsexual, when your gender identity is different from the gender assigned to you when you were born.</p>
Potential equality impact:
<p>Across the Budget proposals the initial impact assessments have not highlighted any negative or positive impacts on individuals in relation to gender reassignment.</p>

Marriage/Civil Partnership
<p>The Equality Act states you must not be discriminated against in employment because you are married or in a civil partnership. In the Equality Act marriage and civil partnership means someone who is legally married or in a civil partnership. Marriage can either be between a man and a woman, or between partners of the same sex. Civil partnership is between partners of the same sex or opposite sex. People do not have this characteristic if they are:</p> <ul style="list-style-type: none"> • single • living with someone as a couple neither married nor civil partners • engaged to be married but not married • divorced or a person whose civil partnership has been dissolved
Potential equality impact:
<p>➤ Registrars</p>
<p>Across the Budget proposals the initial impact assessments have not highlighted any negative impacts on individuals in relation to marriage or civil partnership.</p> <p>Registrars service will be able to increase the number of services carried out across a series of new venues, this includes marriage and civil partnership.</p>

Pregnancy & Maternity
<p>Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.</p>
Potential equality impact:
<p>Across the Budget proposals the initial impact assessments have not highlighted any negative or positive impacts on individuals in relation to pregnancy and maternity.</p>

Sexual orientation
<p>The Equality Act 2010 states you must not be discriminated against because:</p> <ul style="list-style-type: none"> • you are heterosexual, gay, lesbian or bisexual • someone thinks you have a particular sexual orientation (this is known as discrimination by perception) • you are connected to someone who has a particular sexual orientation (this is known as discrimination by association) In the Equality Act, sexual orientation includes how you choose to express your sexual orientation, such as through your appearance or the places you visit.
Potential equality impact:
<p>➤ Public health grant fund additional health improvement services</p>

Race
<p>The Equality Act 2010 states you must not be discriminated against because of your race. In the Equality Act, race can mean your colour, or your nationality (including your citizenship). It can also mean your ethnic or national origins, which may not be the same as your current nationality.</p>
Potential equality impact:
<p>➤ Extend family group conferencing</p> <p>➤ Public health grant fund additional health improvement services</p>
<p>There are risks that accessibility to information may disadvantage non-English speakers. The lack of access to technology, digital capability, and cultural barriers are some of the challenges likely to be experienced by some people. The Council aims to use inclusive consultation for its budget proposals and will use plain language throughout its communication with the public.</p>

Disability	
<p>The Equality Act 2010 states that you must not be discriminated against because:</p> <ul style="list-style-type: none"> • you have a disability • someone thinks you have a disability (this is known as discrimination by perception) • you are connected to someone with a Disability person (this is known as discrimination by association) It is not unlawful discrimination to treat a disabled person more favourably than a non-disabled person. <p>In the Equality Act a disability means a physical or a mental condition which has a substantial and long-term impact on your ability to do normal day to day activities. You are covered by the Equality Act if you have a progressive condition like HIV, cancer or multiple sclerosis, even if you are currently able to carry out normal day to day activities. You are protected as soon as you are diagnosed with a progressive condition. You are also covered by the Equality Act if you had a disability in the past.</p>	
Potential equality impact:	
<ul style="list-style-type: none"> ➤ Safeguarding staffing review ➤ Adults Funding review ➤ Extend family group conferencing ➤ Public health grant fund additional health improvement services ➤ Increased income to Registrars 	<ul style="list-style-type: none"> ➤ Increase in fees and charges & increased sales (allotments, commercial waste and horticultural services) ➤ Clean Air Zone – review of financial assistance scheme, Euro 6 HGV charge and pricing model. ➤ Development and introduction of city centre permit process ➤ Parking & Permit changes review ➤ Customer Experience programme
<p>There is a risk that proposals increasing digital citizen engagement may disadvantage disabled service users, and / or those with difficulty with literacy. Accessible software has been introduced for Council web pages and there is a focus on accessible information as a priority in setting up the revised council web site.</p>	
<p>Specific equality analysis for proposals before and during implementation will address and mitigate where possible; ongoing monitoring will inform these mitigations.</p>	

13 Recommendations for implementation of accepted budget proposals

- a. The following recommendations should be considered (as appropriate), to ensure that equality issues continue to be considered during the implementation stages.
- b. **Full or proportionate equality impact assessments / equality analysis.**

This should be carried out on all proposals where initial reviews have revealed likely impacts upon particular groups of people due to their protected characteristics. EqlAs must be carried out at a formative stage so that the assessment is an integral part of the development of a proposal, not a later justification of a policy that has already been adopted. The assessment should form part of the proposal, and should be considered before making the decision.

This enables the Council to demonstrate it has taken due regard to equality issues and has thoroughly considered how to meet the requirements of the Public Sector Equality Duty. The Council's Equality Impact Assessment template can be found on the Council's [EIA web pages](#), and support is available from the Equality Team in carrying out the assessments. Completed EIAs should be published on this web page.
- c. **Inclusive consultation.**

Where consultation is required, it is vital that a diverse range of people are encouraged to take part. This will help to identify any additional equality impacts that may need to be addressed and mitigated where possible. A variety of methods should be used to access consultees with varying protected characteristics. The Independent Equality Advisory Group can be used as a consultative body, and will provide further guidance on likely impacts, and ways of mitigating these.
- d. **Clear and transparent communication.**

It is important to ensure that the communication and publicity strategies about service changes are accessible to disabled people (for example, people with visual impairment or learning disability) and to those for whom English is an additional language. The Council has a commissioned interpreting and translation service to assist with this.
- e. **Including equality issues within commissioning specifications.**

Where proposals include commissioning or recommissioning external providers, detailed equality requirements in line with public sector equality duty should be built into contract specifications. This will ensure that best practice relating to equality in delivery of services is continued and improved upon when delivered by external partners.
- f. **Workforce training and development.**

A number of the budget proposals are dependent upon the ability of officers to recognise opportunities to advance equality (for example, within commissioning, or by targeting services towards those who are most vulnerable). It is also important that officers are aware of, and sensitive to, the particular needs of different groups of people. Equality training is available as part of the Corporate Training programme, and bespoke training can be arranged by the Council's Equality Team.
- g. **Ongoing monitoring.**

Where services are subject to redesign, equality monitoring should be carried out to help identify if the service is operating as intended, if it is reaching and meeting the needs of our most vulnerable communities, and if there are any unforeseen impacts that need to

be addressed. (In this instance the EqlA should be updated). See the Council's sample [equality monitoring template](#) for the data categories that should be used.

Appendix 1

1 Briefing note for elected members on equality in financial decision making

- a. The Equality Act 2010 makes it unlawful to discriminate against an individual because of certain personal characteristics ('protected characteristics').
- b. The Act requires that equality issues are considered by public bodies as part of decision making, especially where services are reduced or redesigned.
- c. The Public Sector Equality Duty (PSED) requires us to have due regard of the need to:
 - eliminate discrimination,
 - advance equality of opportunity and
 - foster good relations between different people.
- d. The questions below are intended to assist PDS panels to scrutinise the proposals from an equality perspective.

2 For each new draft proposal

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

3 What course of action does the EqIA suggest? Is it justifiable?

- a. There are four possible outcomes of an EqIA, more than one may apply to a single proposal:
 - *No major change required*: no potential for discrimination or adverse impact and all opportunities to advance equality have been taken.
 - *Adjustments to mitigate the issues identified*: will the proposed adjustments remove the barriers identified?
 - *Continue despite having identified some potential for adverse impacts or missed opportunities to advance equality*: the justification should be included in the assessment and should be in line with the duty to have 'due regard'. For the most important relevant policies, compelling reasons will be needed. You should consider whether there are sufficient plans to reduce the negative impact and/or plans to monitor the actual impact.

- *Stop and rethink*: when an assessment shows actual or potential unlawful discrimination

Bath and North East Somerset Council – Efficiency Strategy

1. Flexible Use of Capital Receipts

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

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

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

The Government announced as part of the 2021/22 Finance Settlement that the flexibility would extend to 2024/25 (a further three years).

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

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

2. Savings Projects Which Meet the Criteria

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

A total of £8.1m has been utilised between 2017/18 and 2021/22 mainly to fund redundancy and other one-off costs to realise on-going savings. Further details of spend and savings are shown in the following tables:

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

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

It is estimated that up to £0.5m will be utilised in 2022/23 in one-off costs to deliver savings. This will be reported as part of the outturn report in June/July 2023.

As the flexibility will continue beyond 2022/23 it is recommended that capital receipts will be utilised in 2023/24 and 2024/25 to deliver the ongoing savings outlined in Annex 2(i). It is proposed that the remaining balance of £2.9m from the originally allocated £11.5m in flexible capital receipts is held within the capital programme to meet eligible costs associated with the delivery of 2023/24 and 2024/25 efficiency savings.

In summary the estimated overall level of receipts required has remained at the £11.5m reported in the 2022/23 strategy.

3. The Capital Receipts to be Used this Purpose

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

Individual receipts have not been listed but the target for financial planning purposes is for £2.9m of receipts to be available for use in 2023/24. This will impact on the amount of borrowing required and has been factored into the budget proposals as well as a target for new receipts.

It remains unchanged that the decision for the use of each receipt is delegated to the S151 Officer unless it results in an unplanned impact on the overall budget for 2023/24.

4. Impact on B&NES' Prudential Indicators

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

Prudential Indicator	2021/22 Actual	2022/23 Forecast Outturn	2023/24	2024/25	2025/26
Estimate of Capital Expenditure (£'000s)					
Actual/estimates of capital expenditure	58,405	122,351	186,098	66,724	40,081
Net Increase in Council Tax (band D per annum) Figures in £'s (not £'000's)					
The implied estimate of incremental impact of the new capital investment decisions on the Council Tax			-£1.95	-£3.87	£5.67
Cumulative totals:			-£1.95	-£3.87	-£0.15
Capital Financing as % of Net Revenue Stream					
Actual/estimates of the ratio of financing costs to net revenue stream			14.88%	17.55%	18.44%
<i>Memo: estimates of the ratio of financing cost to gross revenue stream</i>			5.04%	6.13%	6.66%
Borrowing Limits (£m)					
Operational boundary – borrowing			£433m	£465m	£479m
Operational boundary – other long-term liabilities			£4m	£4m	£4m
Operational boundary – total			£437m	£469m	£483m
Authorised limit – borrowing			£462m	£493m	£506m

Annex 4

Authorised limit – other long-term liabilities			£4m	£4m	£4m
Authorised limit – total			£466m	£497m	£510m
Capital Financing Requirement (£'000s) (as at 31 March)					
Actual/estimate of capital financing requirement	328,171	370,925	462,115	493,480	506,141

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

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Capital Scheme	Forecast Outturn 2022/23	Actual / Forecast Spend all years to 2022/23	Total Budget 2022/2023	Rephasing from 22/23 into FY	New Budget Request 2023/24	Total Budget 2023/2024	Total Budget 2024/2025	Total Budget 2025/2026	Total Budget 2026/2027	Total Budget 2027/28	Total Cost 5 Years	Overall Project Total
	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Full Approval												
Resources												
Agresso System Development & Upgrade	33	106	70	37	0	37	0	0	0	0	37	143
Capital Contingency	2,735	2,735	4,235	1,500	-1,500	0	0	0	0	0	0	2,735
Cleveland Pools Grant	619	1,036	667	48	0	48	0	0	0	0	48	1,085
Commercial Estate Refurbishment Programme	5,666	5,666	8,202	2,536	0	3,797	0	0	0	0	3,797	9,463
Corporate Estate Planned Maintenance	4,368	4,368	5,053	684	2,700	3,384	300	0	0	0	3,684	8,053
Corporate Property Acquisition	8,068	8,068	8,068	0	0	40	40	0	0	0	80	8,148
Equality Act Works	25	25	95	70	0	70	0	0	0	0	70	95
Flexible Use of Capital Receipts	500	8,589	3,411	2,911	0	2,911	0	0	0	0	2,911	11,500
Grand Parade & Undercroft	0	111	117	117	0	117	0	0	0	0	117	228
IT Asset Refresh	117	117	117	0	0	670	0	0	0	0	670	787
Keynsham Memorial Park Bridge	319	319	319	0	0	431	0	0	0	0	431	750
Property Company Investment	0	21,049	12,152	12,152	0	5,200	6,952	0	0	0	12,152	33,200
Property Disposals	150	3,145	378	228	0	228	0	0	0	0	228	3,373
Property Improvement - Orange Grove Structural Works	150	293	757	607	0	607	0	0	0	0	607	900
Subtotal Full Approval - Resources	22,750	55,628	43,639	20,889	1,200	17,539	7,292	0	0	0	24,831	80,459
Provisional Approval												
Resources												
Borrowing Match Grant Programmes	0	0	300	300	-300	0	0	0	0	0	0	0
Carrswood Day Centre	50	50	750	700	0	700	0	0	0	0	700	750
CCTV Camera Replacement	0	0	180	180	0	480	0	0	0	0	480	480
Commercial Estate Improvement and Regeneration Fund	0	0	23,114	23,114	0	24,145	0	0	0	0	24,145	24,145
Commercial Estate Refurbishment Programme	0	0	313	313	0	726	500	500	500	500	2,726	2,726
Corporate Estate Planned Maintenance	0	0	0	0	-3,000	0	2,700	3,000	3,000	3,000	11,700	11,700
IT Asset Refresh	0	0	377	377	0	877	500	500	500	500	2,877	2,877
IT Improvements at Children's Centres – Keynsham, St Martins, Radstock and Bath	0	0	30	30	0	30	0	0	0	0	30	30
Project Inception Fund	220	220	619	399	-309	90	0	0	0	0	90	310
Property Disposals (Disposals Programme (Minor))	0	0	900	900	0	900	0	0	0	0	900	900
Property Improvement – Bath Library	0	0	211	211	0	211	0	0	0	0	211	211
Revenues & Benefits System: end of life replacement	0	0	100	100	0	100	0	0	0	0	100	100
Subtotal Provisional Approval - Resources	270	270	26,894	26,624	-3,609	28,259	3,700	4,000	4,000	4,000	43,959	44,229

Capital Scheme	Forecast Outturn 2022/23	Actual / Forecast Spend all years to 2022/23	Total Budget 2022/2023	Rephasing from 22/23 into FY	New Budget Request 2023/24	Total Budget 2023/2024	Total Budget 2024/2025	Total Budget 2025/2026	Total Budget 2026/2027	Total Budget 2027/28	Total Cost 5 Years	Overall Project Total
	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Full Approval												
Economic Development, Regeneration and Growth												
Bath City Centre Renewal	887	1,119	887	0	0	248	207	136	0	0	591	1,710
Bath Quays North	2,000	10,615	6,060	4,060	0	13,972	14,613	3,733	0	0	32,318	42,933
BWR Phase 2	4,805	21,697	7,954	3,149	2,284	5,433	0	0	0	0	5,433	27,130
Innovation Quay - Strategic Flooding Solution	143	7,148	143	0	0	73	0	0	0	0	73	7,221
Keynsham High Street Renewal Programme	702	3,940	702	0	0	191	32	0	0	0	223	4,162
Midsomer Norton High Street Renewal Programme	802	1,172	802	0	0	842	100	0	0	0	942	2,114
Milsom Quarter Masterplan Delivery	50	50	50	0	0	736	173	0	0	0	909	959
North Keynsham SDL	5	5,790	540	535	0	535	0	0	0	0	535	6,325
NRR Infrastructure	21	2,739	51	30	0	30	0	0	0	0	30	2,769
Local Centres Renewal Programme	43	43	43	0	0	35	1	0	0	0	36	79
Somer Valley Enterprise Zone - Infrastructure	984	1,829	1,084	100	0	100	0	0	0	0	100	1,929
York Street Vaults Phase 2	272	1,096	322	50	0	50	0	0	0	0	50	1,146
Subtotal Full Approval - Economic Development, Regeneration and Growth	10,713	57,238	18,636	7,924	2,284	22,244	15,126	3,869	0	0	41,239	98,478
Provisional Approval												
Economic Development, Regeneration and Growth												
Bath City Centre Renewal Programme	0	0	100	100	0	100	0	0	0	0	100	100
Bath Quays - Weston Island	0	0	100	100	0	100	0	0	0	0	100	100
Bath Quays Delivery	0	0	9,127	9,127	0	9,127	0	0	0	0	9,127	9,127
CIL - Public Realm	0	0	0	0	287	287	0	0	0	0	287	287
Digital B&NES	0	0	620	620	-620	0	0	0	0	0	0	0
Keynsham High Street Renewal Programme	0	0	0	0	0	50	0	0	0	0	50	50
Somer Valley Enterprise Zone - Infrastructure	44	44	1,195	1,151	375	7,666	8,228	20	0	0	15,914	15,958
York Street & Swallow Street Public Realm	0	0	225	225	-225	0	0	0	0	0	0	0
Subtotal Provisional Approval - Economic Development, Regeneration and Growth	44	44	11,367	11,323	-183	17,330	8,228	20	0	0	25,578	25,622

Capital Scheme	Forecast Outturn 2022/23	Actual / Forecast Spend all years to 2022/23	Total Budget 2022/2023	Rephasing from 22/23 into FY	New Budget Request 2023/24	Total Budget 2023/2024	Total Budget 2024/2025	Total Budget 2025/2026	Total Budget 2026/2027	Total Budget 2027/28	Total Cost 5 Years	Overall Project Total
	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Full Approval												
Leader												
Bath Christmas Market	39	39	39	0	0	20	20	20	20	20	100	139
Heritage Infrastructure Development	140	370	160	20	0	65	0	0	0	0	65	434
Visitor & Till Management System	0	230	100	100	0	100	0	0	0	0	100	330
Subtotal Full Approval - Leader	179	639	299	120	0	185	20	20	20	20	265	904
Provisional Approval												
Leader												
Bath Area Forum - CIL Funded Schemes	0	0	214	214	0	214	0	0	0	0	214	214
Collections Study Centre	255	255	500	245	0	245	0	0	0	0	245	500
Heritage Collections Centre	0	0	750	750	0	750	0	0	0	0	750	750
Heritage Infrastructure Development	118	118	298	180	0	530	350	350	350	350	1,930	2,048
Museums Acquisitions	0	0	5	5	0	5	0	0	0	0	5	5
Refurb of Roman Baths Shop	0	0	150	150	0	150	0	0	0	0	150	150
Subtotal Provisional Approval - Leader	373	373	1,917	1,544	0	1,894	350	350	350	350	3,294	3,667

Capital Scheme	Forecast Outturn 2022/23	Actual / Forecast Spend all years to 2022/23	Total Budget 2022/2023	Rephasing from 22/23 into FY	New Budget Request 2023/24	Total Budget 2023/2024	Total Budget 2024/2025	Total Budget 2025/2026	Total Budget 2026/2027	Total Budget 2027/28	Total Cost 5 Years	Overall Project Total
	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Full Approval												
Climate and Sustainable Travel												
Bathscape	85	191	245	160	0	174	100	16	0	0	290	481
Clutton Depot Solar Panels	65	65	144	79	0	79	0	0	0	0	79	144
Clean Air Zone	1,605	14,074	2,705	1,099	0	1,099	0	0	0	0	1,099	15,173
Cycling and Walking Design and Business Case	532	626	532	0	0	0	0	0	0	0	0	626
Renewable energy in B&NES	67	67	67	0	0	67	67	0	0	0	133	200
Somer Valley Rediscovered	0	0	0	0	187	187	146	90	0	0	423	423
Waterspace Connected	0	720	87	87	0	87	0	40	32	8	167	887
Subtotal Full Approval - Climate and Sustainable Travel	2,355	15,743	3,780	1,425	187	1,693	313	146	32	8	2,192	17,934
Provisional Approval												
Climate and Sustainable Travel												
Air Quality Management Area and AQ Monitors	0	0	177	20	25	75	0	0	0	0	75	75
Bath River Line	20	20	3,487	3,467	0	5,072	95	0	0	0	5,167	5,187
Canal Tow Path: Bathwick Hill to Deeplock, Widcombe	50	50	50	0	0	0	0	0	0	0	0	50
CAZ - Clean Air Zone	0	0	3,630	3,630	0	3,630	0	0	0	0	3,630	3,630
CIL - Strategic Transport Infrastructure	170	170	170	0	800	800	0	0	0	0	800	970
Cleeve Court and Combe Lea Heating Upgrades	0	0	0	0	540	540	0	0	0	0	540	540
Cycling and Walking - Bath Quays Links	0	0	0	0	1,841	1,841	10	0	0	10	1,861	1,861
Cycling and Walking - Scholars Way	0	0	0	0	3,183	3,183	30	0	0	30	3,243	3,243
Renewable Energy Development Fund	50	50	313	263	0	763	500	500	500	500	2,763	2,813
Renewable energy in B&NES	12	12	200	188	0	100	88	0	0	0	188	200
Waterspace Connected	0	0	2,275	2,275	0	0	0	2,325	1,860	465	4,650	4,650
Better Mooring Project	50	50	250	200	0	200	50	50	50	0	350	400
Subtotal Provisional Approval - Climate and Sustainable Travel	352	352	10,552	10,043	6,389	16,204	773	2,875	2,410	1,005	23,267	23,619

Capital Scheme	Forecast Outturn 2022/23	Actual / Forecast Spend all years to 2022/23	Total Budget 2022/2023	Rephasing from 22/23 into FY	New Budget Request 2023/24	Total Budget 2023/2024	Total Budget 2024/2025	Total Budget 2025/2026	Total Budget 2026/2027	Total Budget 2027/28	Total Cost 5 Years	Overall Project Total
	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Full Approval												
Adults and Council House Building												
Community Resource Centre Equipment Replacement	0	0	0	0	105	105	0	0	0	0	105	105
Disabled Facilities Grant	1,952	1,952	2,490	538	0	1,980	1,442	1,442	1,442	1,442	7,748	9,700
Englishcombe Lane Development	0	83	467	467	-467	0	0	0	0	0	0	83
Englishcombe Lane Supported Housing	100	100	320	220	0	220	0	0	0	0	220	320
Housing Delivery Vehicle	159	159	659	500	0	500	0	0	0	0	500	659
Social Rent Programme	2,232	2,399	11,987	9,755	0	4,561	0	5,194	0	0	9,755	12,154
Supported Housing Scheme	1,340	1,449	1,340	0	0	197	0	0	0	0	197	1,646
Subtotal Full Approval - Adults and Council House Building	5,783	6,142	17,262	11,480	-362	7,563	1,442	6,636	1,442	1,442	18,525	24,667
Provisional Approval												
Adults and Council House Building												
Affordable Housing	0	0	5,479	5,479	395	2,765	3,982	641	605	382	8,374	8,374
Community Resource Centre Equipment Replacement	0	0	0	0	0	0	50	50	50	50	200	200
Community Resource Centres - Improvements	0	0	0	0	1,321	1,321	881	0	0	0	2,202	2,202
Subtotal Provisional Approval - Adults and Council House Building	0	0	5,479	5,479	1,716	4,086	4,912	691	655	432	10,775	10,775
Full Approval												
Children and Young People and Communities												
Basic Needs - School Improvement / Expansion	3,528	3,528	3,778	250	0	3,817	196	0	0	0	4,013	7,541
Schools' Capital Maintenance Schemes	2,074	2,074	2,074	0	0	270	0	0	0	0	270	2,344
Special Education Needs & Disability (SEND) Education Provision	658	658	698	40	0	39	0	0	0	0	39	697
Subtotal Full Approval - Children and Young People and Communities	6,260	6,260	6,549	290	0	4,126	196	0	0	0	4,322	10,582
Provisional Approval												
Children and Young People and Communities												
Basic Needs - School Improvement / Expansion	11,351	11,351	21,265	9,914	0	9,914	0	0	0	0	9,914	21,265
Libraries Open Access	0	0	220	220	0	220	0	0	0	0	220	220
Schools Capital Maintenance Schemes	244	244	2,094	1,850	0	1,850	0	0	0	0	1,850	2,094
Schools CIL	0	0	743	743	0	743	0	0	0	0	743	743
Special Education Needs & Disability (SEND) - Residential Provision at Bath College	500	500	4,000	3,500	0	2,000	1,500	0	0	0	3,500	4,000
Special Education Needs & Disability (SEND) Education Provision	0	0	3,448	3,448	0	6,744	0	0	0	0	6,744	6,744
Subtotal Provsional Approval - Children and Young People and Communities	12,095	12,095	31,771	19,676	0	21,472	1,500	0	0	0	22,972	35,067

Capital Scheme	Forecast Outturn 2022/23	Actual / Forecast Spend all years to 2022/23	Total Budget 2022/2023	Rephasing from 22/23 into FY	New Budget Request 2023/24	Total Budget 2023/2024	Total Budget 2024/2025	Total Budget 2025/2026	Total Budget 2026/2027	Total Budget 2027/28	Total Cost 5 Years	Overall Project Total
	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Full Approval												
Neighbourhood Services												
Emergency Response Equipment	0	0	0	0	12	12	0	0	0	0	12	12
Highways Maintenance Programme	9,300	9,300	9,300	0	7,834	7,834	0	0	0	0	7,834	17,134
Improvements at Victoria Park, Bath	5	5	56	51	0	51	0	0	0	0	51	56
Keynsham Memorial Park	20	41	223	203	0	203	0	0	0	0	203	244
Neighbourhood Services - Asset & Vehicle Replacement Programme	2,271	2,271	3,518	1,247	0	1,247	0	0	0	0	1,247	3,518
Parks S106 Projects	120	120	670	550	0	550	0	0	0	0	550	670
Pixash Site Redevelopment	21,300	22,543	26,811	5,511	1,208	16,963	2,300	0	0	0	19,263	41,806
Play Area Refurbishment / Equipment	297	297	461	164	0	164	0	0	0	0	164	461
Waste Service Redesign	142	8,535	235	93	0	31	31	31	0	0	93	8,628
Waste Infrastructure Modernisation	240	240	840	600	0	600	0	0	0	0	600	840
Subtotal Full Approval - Neighbourhood Services	33,695	43,352	42,113	8,418	9,054	27,654	2,331	31	0	0	30,016	73,368
Provisional Approval												
Neighbourhood Services												
CIL - Green Infrastructure / Recreation	0	0	395	395	200	595	0	0	0	0	595	595
CIL - Social (Inc Recreation & Leisure	0	0	150	150	285	435	0	0	0	0	435	435
Electric Vehicle Feasibility Plan	0	0	0	0	50	50	0	0	0	0	50	50
Green Vehicle Replacement	0	0	0	0	0	175	242	136	0	0	553	553
Haycombe Cremator	0	0	0	0	-100	0	0	0	0	1,500	1,500	1,500
Haycombe Crematorium	0	0	0	0	115	115	0	0	0	0	115	115
Highways Maintenance Block - Provisional	0	0	0	0	-7,834	0	7,834	7,834	7,834	7,834	31,336	31,336
Neighbourhood Services - Asset & Vehicle Replacement Programme	0	0	0	0	52	1,106	4,029	1,122	1,292	5,711	13,260	13,260
Odd Down Sports Ground and Other Leisure Feasability	0	0	600	600	0	600	0	0	0	0	600	600
Parks Equipment Replacement Programme	0	0	126	126	0	146	21	21	21	21	230	230
Parks Foundations	0	0	411	411	0	521	114	0	0	0	635	635
Parks Improvement Fund	40	40	100	60	0	160	0	0	0	0	160	200
Parks S106 Projects	0	0	1,820	1,820	0	587	587	587	587	588	2,936	2,936
Play Area Refurbishment / Equipment	0	0	2	2	0	352	378	350	350	350	1,780	1,780
Security Surveillance Hub Plan	0	0	0	0	50	50	0	0	0	0	50	50
Waste Infrastructure Modernisation	0	0	1,160	1,160	-2,860	400	2,860	10,100	0	0	13,360	13,360
Subtotal Provisional Approval - Neighbourhood Services	40	40	4,764	4,724	-10,042	5,293	16,065	20,150	10,084	16,004	67,595	67,635

Capital Scheme	Forecast Outturn 2022/23	Actual / Forecast Spend all years to 2022/23	Total Budget 2022/2023	Rephasing from 22/23 into FY	New Budget Request 2023/24	Total Budget 2023/2024	Total Budget 2024/2025	Total Budget 2025/2026	Total Budget 2026/2027	Total Budget 2027/28	Total Cost 5 Years	Overall Project Total
	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Full Approval												
Transport												
ANPR Enforcement Camera Replacement	1	558	110	109	0	109	0	0	0	0	109	667
Bath Transport Package Main Scheme	0	16,549	1,613	1,613	-1,613	0	0	0	0	0	0	16,549
City Centre Security - Highways Scheme	1,353	2,115	1,353	0	4,403	5,318	0	0	0	0	5,318	7,433
London Road Modification	0	149	51	51	0	51	0	0	0	0	51	200
Transport Improvement Programme	3,346	3,346	3,549	203	1,201	1,404	0	0	0	0	1,404	4,750
Subtotal Full Approval - Transport	4,700	22,716	6,677	1,977	3,991	6,883	0	0	0	0	6,883	29,599
Provisional Approval												
Transport												
ANPR Enforcement Camera Replacement	0	0	190	190	0	190	0	0	0	0	190	190
Car Park Security	0	0	50	50	0	50	0	0	0	0	50	50
Lansdown P&R Extension	0	0	240	240	0	240	0	0	0	0	240	240
Manvers Street Remediation	0	0	0	0	1,020	1,020	3,313	0	0	0	4,333	4,333
P&R Security	0	0	110	110	0	110	0	0	0	0	110	110
Park & Ride Site Improvements	0	0	0	0	400	400	0	0	0	0	400	400
Parking - Pay & Display Replacement Programme	0	0	530	530	0	530	0	0	0	0	530	530
Parking Body Worn Video Cameras for Civil Enforcement Officers	0	0	40	40	0	40	0	30	0	0	70	70
Parking Enforcement Hand Held Computer Terminal Replacement	0	0	50	50	0	50	0	50	0	0	100	100
Parking Radio System Replacement	0	0	45	45	0	45	0	50	0	0	95	95
Transport Improvement Programme	0	0	0	0	1,000	1,000	1,163	1,163	1,163	1,163	5,652	5,652
Subtotal Provisional Approval - Transport	0	0	1,255	1,255	2,420	3,675	4,476	1,293	1,163	1,163	11,770	11,770
TOTAL CAPITAL SCHEME BUDGET	99,609	220,893	232,954	133,188	13,046	186,098	66,724	40,081	20,156	24,423	337,482	558,375

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NEW SCHEMES & UPDATES WITHIN THE CAPITAL PROGRAMME

1. LEADER

- 1.1. **Christmas Market for Full Approval** of £20k for 2027/28 to be funded by revenue contribution.

To extend the budget to five years. Works to maintain the condition of chalets, will be reported as capital expenditure and will be funded directly from the expected revenues received.

- 1.2. **Heritage Infrastructure Development for Provisional Approval** of £350k for 2027/28 to be funded by Service Supported Borrowing.

To extend the budget to five years. A headroom borrowing provision to reflect forthcoming proposals in the Heritage Services Business Plan is to be funded from additional incomes generated.

2. RESOURCES

- 2.1. **Corporate Estate Planned Maintenance Programme for Full Approval** of £2.7m for 2023/24 and £300k for 2024/25. Provisional Approval of £2.7m in 2024/25 and £3m per annum from 2025/26 onwards funded by Corporate Supported Borrowing.

Capital planned maintenance works will be undertaken on the Council's Corporate Estate. A detailed plan of priority works is shown in Annex 5 (iv). Any amendments for 2023/24 will be confirmed by the Director for Regeneration & Housing in consultation with the Deputy Leader Cabinet Member for Resources. A saving of £300k from provisional allocation in 2023/24 is proposed as a realignment of the programme to potential delivery, recognising slippage is envisaged from 2022/23.

- 2.2. **IT Asset Refresh for Provisional Approval** of £500k for 2027/28 to be funded by Corporate Supported Borrowing.

To extend the programme for a fifth year. For purchase of new laptops, meeting room equipment, IT infrastructure and other technology to facilitate the provision of modern services by the Council.

2.3. Commercial Estate Refurbishment for Provisional Approval of £500k for 2027/28 to be funded by Corporate Supported Borrowing.

To extend the programme to five years. To address the repair backlog, plan for energy efficiency improvements of our existing tenancies and secure future rental incomes.

2.4. Scheme Removal of Previous Provisional Schemes following review:

- **Project Inception fund** - £309k funded by Corporate Supported Borrowing. The funding will be used for other capital schemes.
- **Borrowing Match Grant Programmes** - £300k funded by Corporate Supported Borrowing. The funding will be used for other capital schemes.
- **Corporate Contingency** - reduction of £1.5m to reflect that allocation had been earmarked for growth in City Centre Security proposals described in section 7.8. After this reduction, the current uncommitted balance will become £2.735m.

3. ADULT SERVICES AND COUNCIL HOUSE BUILDING

3.1. Community Resource Centres Development for Provisional Approval of £1.321m for 2023/24 and £881k for 2024/25 to be funded by Service Supported Borrowing.

Proposal to increase bed capacity at Cleeve Court and Combe Lea to meet future needs. A business case is being developed to provide specialist nursing services that are in short supply in the community, enabling people to leave hospital sooner and freeing up bed spaces. It will also increase flexibility to reduce the need to move people out of their homes as their care needs change.

3.2. Affordable Housing for Provisional Approval of additional £2.459m 2023/24 and future years to recognise recent Right to Buy Capital Receipts of £1.459m and to add service supported borrowing of £1m.

A headroom borrowing provision of £200k per year over the programme totalling £1.0m will allow future proposals to be developed utilising the additional incomes generated by tenant rentals. The programme is also amended to reflect additional Capital Receipts arising from former Council

House sales of £1.459m (£600K p.a. in 2023/24 and 2024/25, with £259K in 2025/26) and the rephasing of corporate supported borrowing from 2023/24 to 2026/27).

3.3. Community Resource Centre Equipment Programme for Full Approval of £105k for 2023/24 and provisional approval of £50k per year from 2024/25 to 2027/28 to be funded by Corporate Supported Borrowing.

This is a new programme for improvements to the equipment and furniture at the Community Resource Centres and for Extra Care Housing resulting from their return to Council in-house operation.

3.4. Disabled Facilities Grants for Full Approval of £1.442m for 2027/28 to be funded by Government Grant.

This extends the existing programme to five years. This is a mandatory scheme providing essential disabled adaptations to the homes of eligible residents.

3.5. Scheme Removal of Previous Schemes following review:

Englishcombe Lane – This previous scheme has now evolved so existing grant funding for the approved budget of £467k and provisional budget of £403k is removed. New proposals are now presented in the programme as Englishcombe Lane Supported Housing reflecting the Cabinet Decision E3392 made on 8th September 2022.

CHILDREN AND YOUNG PEOPLE AND COMMUNITIES

4.1. Basic Needs Programme total held in **Provisional Approval** of £9.9m all funded by DfE grant.

The Council has received Basic Needs (BN) grant funding from the Department for Education (DfE) on an annual basis, allocated to support the provision of sufficient school places which is a statutory responsibility of the Council. For the 2023/24 financial year, the Council will not receive any Basic Needs funding. It is anticipated that for the foreseeable future no further capital sums are likely to be received.

Following a review of the pupil number projections and assessment of future priorities for provision of sufficient places, the remaining funding to date will

be used to support expansion schemes at primary and secondary schools or specialist provision locations.

Beyond 2022/23, the Council's School Organisation Plan will highlight any areas of basic need where additional school places may be required. At the appropriate time, feasibility studies will be required to determine the most suitable and cost-effective way to deliver the additional places required.

A scheme earmarked from Basic Needs funding, in the 2021/22 budget report was to provide Alternative Provision (AP) at the former Culverhay/Bath Community Academy school site. This is currently on hold pending the outcome of a new free school bid for AP provision. If the bid is unsuccessful Basic Need funding will be required to support delivery of the project.

A feasibility study is underway to provide a specialist secondary resource base and £800k of Basic Need funding has been earmarked to deliver this project.

Feasibility Studies of £50k for development work is required to inform further detailed project plans.

It is proposed that Delegated Authority for approval of individual budgets is given to the Director for Education, subject to consultation with the Cabinet Member for Children and Young People, Communities and Culture.

- 4.2. **Schools' Capital Maintenance Programme**, total available for **Provisional Approval** of £1.850m to be funded by DfE grant. At the time of writing, we are waiting for an announcement of our 2023/24 funding allocation but it is anticipated to be in the region of £270k.

Emergency & Minor Works Allocation of £135k each (£270k in total) recommended for **Full Approval** - a budget to address ad hoc, unforeseen condition issues as they arise throughout the year. This may include items such as boiler replacement or roof repairs.

As in previous years, it is proposed that Delegated Authority for approval of individual budgets from the approved total above is given to the Director for Education, subject to consultation with the Cabinet Member for Children, Young People Communities and Culture.

- 4.3. **Devolved Schools' Capital** - recommended for **Full Approval** – an allocation of DfE capital to be allocated directly for spending by schools. At the time of writing, we are waiting for an announcement of our 2023/24 funding allocation.

4.4. **Special Educational Needs & Disability (SEND) Capital for Provisional Approval**, total held for Provisional Approval to 31st March 2023 of £3.438m to be funded by DfE grant. A further £3.306m of grant allocation has been confirmed for 2023/24. In addition, we are holding a provisional CIL budget of £251k from previous allocations.

To deliver additional SEND provision through the opening of resource-based provision attached to mainstream schools at a location or locations to be identified following further discussions with providers.

In addition, B&NES has submitted a bid to the DfE to build a new Free Special School for up to 120 pupils aged 4 – 19. This is separate to the AP free school bid referenced in section 4.1.

There is also an opportunity to bid for additional capital funding and the proposal for the bid is for a small residential and day place school for young people aged 11-16 with the highest complex needs.

As part of the grant, an allocation of £200k has been made available for Officer Delegated Approval to cover the cost of any feasibility studies needed in relation to the Resource Base provision at a location or locations to be identified following further discussions with providers, including BCA as needed.

It is proposed that Delegated Authority for approval of individual budgets is given to the Director for Education, subject to consultation with the Cabinet Member for Children, Young People Communities and Culture.

5. **TRANSPORT**

5.1. **Transport Improvement Programme for Full Approval** of £1.201m in 2023/24 to be funded by £1,163m grant and £38k S106 funding. In addition, **Provisional Approval** for £1m for 2023/24 to be funded by Revenue Contribution. Future years' programmes reflect £1.163m p.a. funded by grant.

Funding comes from a Section 31 Capital Grant through WECA, provided in the maintenance element of the City Region Sustainable Transport Settlement with further sums from a S106 Receipt and the Clean Air Zone Revenue Transport Reinvestment Reserve.

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

2023/24 proposals continue to focus on supporting the five objectives identified in the West of England Joint Local Transport Plan:

- Reducing carbon emissions
- Supporting economic growth
- Promoting accessibility
- Contributing to better safety, security and health
- Improving quality of life & a healthy natural environment.

An initial list of schemes, attached at Annex 5 (iii), has been produced following technical assessment and in consultation with Cabinet Member for Transport. Any amendments to the programme will be approved by the Director of Place Management in consultation with the Cabinet Member for Transport.

Further schemes are being worked up to allocate £1m from Clean Air Zone Revenue Transport Reinvestment Reserve from additional income received in 2022/23. Schemes need to be confirmed to meet the conditions on the use of this income. The programme including timing of delivery will be subject to approval by the Director of Place Management in consultation with the Cabinet Member for Transport.

The work to assess the full list of schemes will commence as a priority within the first quarter of the financial year. This will ensure that all schemes can be resourced and progressed for delivery as soon as possible.

5.2 Manvers Street Remediation for Provisional Approval of £1.02m for 2023/24 and £3.313m for 2024/25 to be funded by WECA grant.

The purpose of the Manvers Street and Pierrepont Street Refurbishment project is to investigate and confirm the cause of deterioration of the road surface, and propose and implement a cost effective, future-proof solution to protect the integrity of the highway.

Evidence of the ground movement can be seen in the cracks and potholes in the surface of the highway, which requires regular maintenance and was included in the 2023/23 Highways Maintenance Block Programme. Surveys of the subterranean vaults carried out in 2018 indicated that the integrity of these voids is currently sound, but the concrete slab has been modified to accommodate buried services, so is considered to be the root cause of the problem. However, this must be confirmed by further survey work and analysis and the risk of collapse of the vaults and overlying highway remains.

The project also supports the wider objectives of the CRSTS, the forthcoming Bath Circulation Plan and planned development, in particular the adjacent Central Bath Riverside Development.

5.3 Scheme Removal of Previous Schemes following review:

Bath Package £1.613m funded from Corporate Supported Borrowing. This was a jointly funded project, with a Department for Transport (Dft) major scheme grant, to provide for enhanced public transport infrastructure including Bath's Park and Ride Sites. This funding will be used for other capital schemes including Park and Ride Improvements and City Centre Security.

6. CLIMATE AND SUSTAINABLE TRAVEL

6.1. Cycling and Walking for Provisional Approval of £5.104m. being for :-

- **Cycling and Walking - Scholars Way for Provisional Approval** of £3.076m in 2023/24, £30k in 2024/25 and £30k in 2027/28, funded WECA grant and £107k Developer Contribution in 2023/24.
- **Cycling and Walking - Bath Quays Links for Provisional Approval** of £1.841m in 2023/24, £10k in 2024/25 and £10k in 2027/28, funded by WECA grant.

Scholars Way is a proposed route linking Bath city centre, the University of Bath, Combe Down and St Martins Hospital, Odd Down via Mulberry Park. Phase 1 of the programme to be pursued is as follows:

- Toucan crossing on Beckford Road and upgrade of Puffin crossing to a Toucan on A36 Sydney Place/Darlington St;
- Toucan crossing at junction of Bathwick Hill/Copseland and improved pedestrian crossing facility on Widcombe Hill;
- Upgrade of an existing off-road route through Claverton Down;
- Upgrade of a zebra to parallel crossing on Claverton Down Road;
- Improvements to pedestrian and cycle facilities outside Ralph Allen school and links towards Combe Down;
- Segregated route through Monkton Combe School grounds avoiding North Road;
- On street quiet road route through Church Road and Combe Road;
- Cycle and pedestrian crossing of North Road to link into Mulberry Park; and

- Quiet road links with pedestrian and cycle crossings on main roads through Mulberry Park to St Martins Garden Primary School;

Bath Quays Links consists of the following scheme elements:

A367 Green Park Road

- Segregated cycle lane in both directions;
- Redesign of bus stops to accommodate cycle infrastructure;
- Two new parallel crossings;
- Relocation of an existing crossing;

A36 Lower Bristol Road

- Segregated cycle lanes in both directions;
- Redesign of bus stops to accommodate cycle infrastructure;
- Footpath widening for pedestrians;
- Two new signalised toucan crossing;
- Widening of an existing toucan crossing;

6.2 Renewable Energy Development Fund for Provisional Approval of £500k in 2024/25, 2025/26, 2026/27 and 2027/28 funded by Service Supported Borrowing.

To extend the programme to five years, each proposal will be subject to business case.

6.3 Somer Valley Rediscovered for Full Approval of £187k in 2023/24, £146k in 2024/25 and £90k in 2025/26. A total of £423k of which £368k is funded from WECA grant, £50k from developer contributions and £5k CIL funding.

Somer Valley Rediscovered is a partnership project which was initially set up in 2020 between the Council, Wessex Water and Natural England. It seeks to improve the biodiversity of the Somer Valley and improve the quality of accessible and biodiverse greenspaces to enable the local community to make use of these spaces for nature connection and reap the many health benefits associated with spending time in the natural environment.

The Somer Valley Rediscovered project will operate primarily within the settlements of Radstock, Midsomer Norton and Westfield which are at the heart of the Somer Valley Rediscovered partnership area. It aims to improve biodiversity on 5 key sites all located along the Wellow Brook and its tributaries. It also aims to improve the physical accessibility of these sites for visitors and to increase the amount of community engagement.

Haydon Batch, Waterside Park, Midsomer Norton Town Park and Wellow Brook Walk will all be developed by Parish/Town Councils to which B&NES will

contribute WECA capital grant funding. Staddlestones is a B&NES site and this will be Council-led with funding from S106 contributions.

There is also a revenue funded element of the project of £843k.

- 6.4. **WaterSpace Connected for Provisional Approval** of additional £760k for 2025/26, £1.292m in 2026/27 and £323k in 2027/28 funded by WECA grant of £2.031m and developer contribution of £344k.

The first phase of WaterSpace Connected is a 3.4km stretch of river between Keynsham Lock and Hanham Lock. It includes the design and delivery of a new footbridge across the river from Keynsham Hams to upstream of the Chequers Inn public house in Hanham. The bridge will provide a much-needed crossing, connecting Keynsham to Hanham, and linking into Bristol. The bridge will be fully accessible and designed for pedestrians, cyclists, and horse-riders, linking once disconnected communities. The bridge will create a new movement corridor for commuting, recreation, and leisure, providing connectivity and health and wellbeing benefits. It will be designed to link to existing cycle and walking routes across the region and beyond, enabling residents and visitors to access some of the region's finest natural assets.

This phase includes the creation of the 'Somerdale River Park', a 37.5 hectare open access wetland and pollinator-friendly nature park, integrated with the existing sports facilities in the 66-hectare area of Keynsham Hams. It will also include engaging with other riparian landowners to deliver a suite of ecological enhancements along the river corridor to create a Nature Recovery Network.

- 6.5. **Cleeve Court and Combe Lea Heating Upgrades for Provisional Approval** £540k in 2023/24, to be funded by Government Grant.

Scheme for the retrofit of air source heat pumps to reduce carbon emissions. A bid was made for an additional £540k Public Sector Decarbonisation Scheme funding in October 2022, that will utilise the energy generated by existing solar PV arrays to replace the existing gas heating. If successful, installation is programmed for completion by February 2024.

£150k contribution from Corporate Supported Borrowing will also transfer from the Corporate Estate Planned Maintenance Programme on Full Approval.

- 6.6 **Air Quality for Provisional Approval** of £25k for 2023/24 to be funded by Government Grant.

A capital grant is due to be awarded in 2023/24 for installation of six air quality monitors, powered by solar panel energy.

7. **NEIGHBOURHOOD SERVICES**

- 7.1. **Highways Maintenance Programme** for **Full Approval** of £7.834m in 2023/24 is to be funded by £5.834m Grant and £600k Corporate Supported Borrowing and £1.4m Community Infrastructure Levy (CIL).

Provisional Approval of £7.834m in 2027/28 funded by assumed grant of £5.834m and £2.0m of Corporate Supported Borrowing to extend the programme to five years.

Base funding comes from a Section 31 Capital Grant through the maintenance element of WECA's City Regional Sustainable Transport Settlement (CRSTS). This consolidates all previous Department for Transport (DfT) allocations including pot-hole funding. It is proposed to supplement this from Council allocations.

An Asset Management Plan is being finalised which will enable the rebasing of the investment needed on the maintenance programme. Allocations of £2m per annum, in addition to WECA grant, provide for a programme spending closer to the long-term average replacement spending needed to maintain safe highways conditions.

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

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

A detailed list of schemes is attached at Annex 5 (ii) and has been produced following technical assessment and consultation with Cabinet Members for Transport. Any amendments to the programme will be approved by the Director of Place Management in consultation with the Cabinet Members for Transport.

- 7.2. **Pixash Site Re-development** for **Full Approval** of additional £1.208m for 2023/24 and £1.5m 2024/25 to be funded by Corporate Supported Borrowing.

The Keynsham Recycling Hub at Pixash Lane will relocate and consolidate Council transport, cleansing and waste operations and modernise the existing public Recycling Centre. With ground works, utilities and highways works largely complete, construction continues on the main structures. The current programme is for the public Reuse and Recycling Centre (RRC) to open in Spring 2023 with relocation of operations later in 2023/24.

An additional £2.7m for the Keynsham Recycling Hub at Pixash Lane, increasing the total budget to £41.8m, is required to supplement the project contingency. Existing contingency has already been partially used on additional site clearance costs, higher costs due to inflation on steel procurement and additional equipment requirements. A new quantitative risk assessment has been undertaken which has identified the need for additional contingency to complete the project.

- 7.3. Electric Vehicle Feasibility Plan for Provisional Approval** of £50k for 2023/24 to be funded by Corporate Supported Borrowing.

Budget to engage a resource to develop a cost plan and business case for future fleet vehicle replacement with electric vehicles.

- 7.4. Council Fleet Vehicle Replacement for Provisional Approval** of additional £52k for 2023/24 and £5.711m for 2027/28 to be funded by Service Supported Borrowing.

Update to programme to reflect anticipated future vehicle replacements.

- 7.5. Haycombe Crematorium Water Feature Garden for Provisional Approval** of £15k for 2023/24 to be funded by Service Supported Borrowing.

For the creation of a water feature garden with landscaping and pathways with facility for additional memorialisation, subject to business case.

- 7.6. Play Area Refurbishment / Equipment for Provisional Approval** of £350k for 2027/28 to be funded by Corporate Supported Borrowing.

To extend the programme to five years.

- 7.7. City Centre Security for Full Approval** of additional £4.403m for 2023/24 to be funded by Corporate Supported Borrowing.

To fund security proposals including vehicle access restrictions on streets defined as crowded places in and around Bath Abbey and the Roman Baths while maintaining managed access to the city centre.

In 2016 the Council received a report from the National Counter Terrorism Security Office (NaCTSO) recommending that the Council improve security in areas of high footfall in the centre of Bath to prevent the threat of terrorism. The Chief Constable of Avon and Somerset Police has also written to the Council regarding the implementation of an Anti-Terrorism Traffic Regulation Order (ATTRO) and robust Hostile Vehicle Mitigation (HVM) measures. The HVM measures are designed to improve the security of people against vehicles being used as a weapon in the City's most crowded streets. The current National Threat Level in the UK is "Substantial" meaning that a terrorist attack is likely.

The (Anti-terrorism) Traffic Regulation Orders for the restricted streets were sealed in January 2022, except for York Street which was sealed later as this was taken to Public Inquiry where an Inspector's decision upheld the Council's position.

The City Centre Security project in Bath includes for the installation of HVM measures to strengthen security in the City's most crowded streets, including the Phase 1 pilot site of York Street and the Phase 2 sites for Cheap Street, Upper Borough Walls, Lower Borough Walls and Hot Bath Street. The HVM measures comprise of a series of "PAS-rated" sliding and static bollards that are designed to stop a 7.5 tonne vehicle traveling at up to 50mph.

The proposals include maintaining managed access to the city centre for residents, businesses and Blue Badge holders. Blue Badge holders will be permitted to park on Cheap Street, Westgate Street and Upper Borough Walls on double yellow lines for a period of three hours, subject to space being available, via controlled access.

Council decision E3389 24/10/22 agreed that works should proceed on York Street, and reconfiguration of the scheme should be delivered in a phased approach during 2022/23 and 2023/24, subject to approval of 2023/24 budget growth. The sum proposed allows proposals to be implemented in full.

7.8. Park & Ride Site Improvements for Provisional Approval of £400k for 2023/24 to be funded by Corporate Supported Borrowing.

To fund improvement initiatives at the Park and Ride sites to enhance the customer experience.

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7.9. Emergency Response Equipment for Full Approval of £12k to be funded by Corporate Supported Borrowing.

An audit of Emergency Response equipment items identified the need for capital investment to bring this equipment up standard.

7.10. Haycombe Crematorium for reprofiling adjustments to **Provisional Approval** with £nil total funding impact.

Reductions of £100k in 2023/24 and £1.4m in 2024/25 replaced by £1.5m increase in 2027/28 all funded by Corporate Supported Borrowing. Major improvements to the cremators can now be delayed due to maintenance works in 2022/23 which improved these assets and extended their life.

7.11. Security Surveillance Hub Plan for Provisional Approval of £50k for 2023/24 funded by Corporate supported Borrowing.

Following a Strategic Review of the Council's security surveillance service, this budget will develop a business case and determine future capital requirements for a modern control area with more efficient and effective surveillance.

7.12. Waste Infrastructure Modernisation for re-profiling adjustments to **Provisional Approval** with no overall funding impact. Reductions of £2.860m in 2023/24 and £7.240m in 2024/25 moved to increase 2025/26 budget to £10.100m, all funded by Corporate Supported Borrowing.

These changes mean in addition to £840k fully approved for preliminary work (of which £600k to be carry forward into 2023/24), the provisional allocation will become 2023/24 £400k, 2024/25 £2.860m and 2025/26 £10.100m.

Waste and Recycling services are a major Council service area and some of the most fundamental statutory services provided to residents. It is also key to delivering the Council's Climate & Ecological Emergency plans by continuing to improve on existing high levels of recycling performance and feasibility work to recycle soft plastics. The Waste Infrastructure Modernisation Programme delivers long-overdue investment in the Council's life-expired operational and public waste infrastructure. Public recycling facilities will be retained at Midland Road until a new permanent replacement is operational. As part of Bath's waste modernisation, the Council will develop plans for appropriate recycling facilities within the city, site feasibility and development options will be presented in 2023/24.

8. **ECONOMIC DEVELOPMENT, REGENERATION AND GROWTH**

8.1. **Bath Western Riverside: Pipe Bridge Demolition and Landscaping for Full Approval** of £2.284m in 2023/24 to be funded by Corporate Supported Borrowing.

The Council-owned Pipe Bridge is a life-expired asset previously used for delivery of gas over the River Avon and is at high risk of failure, and removal is needed for future site development. B&NES must schedule the demolition works for the next available river closure window in November/December 2023. If left, the bridge would continue to deteriorate and at the same time incur increasingly large amounts of time and cost for responsive repairs to manage health and safety risks. The Highways team are the client project lead for the demolition of the Pipe Bridge as the structure is a highways asset.

The planning permission to demolish the Pipe Bridge requires landscaping of the void created by the removal of the bridge. A formal request to WECA is being prepared to fund the landscaping of the north bank which aligns with a project for the Bath River Line. WECA funding of the north bank landscaping would reduce the Corporate Supported Borrowing Funding requirement for this project.

8.2. **Scheme Removal of Previous Provisional Schemes following review:**

- **Digital B&NES** - £620k funded by Service Supported Borrowing. Funding for a scheme is no longer required in this form. Future funding at a regional and national level is now expected instead.
- **York Street and Swallow Street** - £225k funded by Service Supported Borrowing. Scheme was retained as provisional until York Street Vaults Phase 2 completed.

9. **EMERGING CAPITAL SCHEMES**

The following schemes are not yet fully developed, and Outline Business Cases have not been produced at this stage, so it is not yet possible to identify an accurate provision for them within the proposed Capital Programme.

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

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

9.1. WECA Funded Schemes General

- 9.1.1. Somer Valley Enterprise Zone (SVEZ)** Infrastructure to enable site development of a new hub for business and economic development on the north-west edge of Midsomer Norton. Works include land servicing, access and enabling activities, highways network improvements and public transport infrastructure improvements, and walking and cycling connections. Public sector intervention is required to enable the development of the SVEZ, which, at completion, will support approximately 1,300 jobs. More than 70% of Somer Valley residents currently commute out of the area for work (Somer Valley Transport Strategy) and development of the SVEZ aims to address this issue, in part by providing more localised employment.

The Council has identified a number of key workstreams, which include Land Assembly, a Local Development Order (now submitted), delivery of enabling infrastructure and land servicing. Feasibility & development capital funding has been received from WECA. An Outline Business Case is being developed (to include site and highways enabling works) which will identify additional funding requirements.

- 9.1.2. ISTART (Innovation, Science, Technology, Arts, Research, Training):** A collaboration between Bath Spa University, University of Bath and Bath College, with Bath & North-East Somerset Council and WECA as strategic partners. ISTART will support people and businesses, through a modular curriculum, to develop the skills needed to generate and access good jobs, and increase innovation and productivity in a digital world via Business Acceleration Hubs. An Implementation Plan has been submitted to WECA for the CEO's Delegated Approval releasing funding for the acceleration of activities by both the universities and Bath College. Full Business Case for a Phase 1 capital refurbishment to be developed and submitted to WECA in 2023/24.

- 9.1.3. Bath Central Riverside:** This project will enhance the economic, environmental and social performance of Bath Central Riverside to the east of Bath city centre. The Central Riverside Spatial Framework envisages two distinct and complementary regeneration areas – the Northern Area focus is

around Grand Parade and Parade Gardens and the river frontage to bring forward cultural regeneration and improved public realm; and the Southern Area is running along Manvers Street from the Railway Station gateway which would create a mixed-use quarter including an innovation district and residential development plus enhanced public realm. The project will enhance and utilise existing heritage, cultural and commercial assets, both public and privately owned, and provide new infrastructure and developments.

9.1.4. Green Infrastructure – Bath River Line, Waterspace Connected & Biodiversity Projects: Projects for Bath River Line East and Centre are being developed and WaterSpace Connected is currently planned to be delivered over five phases. Further projects are in early stages including those for biodiversity net gain.

9.1.5. Milsom Quarter: A vision for the next 20 years to revitalise the area of Bath bounded by George Street to the north, Upper Borough Walls to the south, Queen's Square to the west and the Cattlemarket car park and the river to the east. Focussing upon economic renewal, housing delivery and energy efficiency retrofit the project will develop the Spatial, Heritage and Delivery Strategy to support future investment. A Strategic Outline Business Cases will submit viable options. In November 2022 an Officer Delegated Decision accepted £2.475m WECA grant to support the Milsom Quarter Masterplan Delivery as per delegated approval through Cabinet Decision E3380. This consists of £809k capital funding and £1.665m revenue funding to support the delivery of initial projects as part of the Milsom Quarter Masterplan.

9.1.6. Vacant Unit Action Plan: Additional funding expected for High Street Catalyst Projects with up to circa £1m expected in 2023/24 from WECA.

9.1.7. Bath Creative Quarter: This project will develop a Creative Quarter for Bath, providing a home for the Fashion Museum Collection Centre, and through the link with Bath Spa Universities campus at the Herman Miller Building will improve access to education, employment opportunities and cultural programming, skills development and support, particularly for those harder-to-reach groups in adjacent deprived neighbourhoods. It will also support the transition from education to employment for graduates, will encourage the clustering of maker space for local artists to flourish and contribute to the economy and provide the opportunity to share space, resources and knowledge. The proposed Creative Quarter is a liveable neighbourhood, centred around the Locksbrook Campus.

- 9.1.8 **Chew Valley Lake Recreational Trail – Southern Section:** The delivery of the southern section would complete the trail around Chew Valley Lake creating a continuous recreational trail for users, achieving the ambition of a hub of informal recreation centred around the lake.
- 9.1.9 **Bath City Circulation Plan:** To deliver on the Council's net-zero commitments, the Circulation Plan will rationalise traffic movements through and around the city of Bath. The Plan will improve the liveability of the city for residents and visitors and preserve the unique natural and built environment of the city's World Heritage Site setting. Priority routes for pedestrians, cyclists, and public transport will be identified, as well as an appropriate hierarchy of routes to carry the city's private vehicle and freight traffic.
- 9.1.10 **Bath River Line:** The Bath River Line will create a linear park following the River Avon from Batheaston to Newbridge. The first phase is due to commence on the western section from Newbridge to Bath Quays. A second phase being developed will consider the eastern section from Pulteney Weir to Batheaston and a final phase will consider the central section from Bath Quays to Pulteney Weir.
- 9.1.11 **Bicycle Hangers:** to provide lockable and secure storage across the region, for residents who don't have access to private cycle parking.
- 9.1.12 **Bath Quays North:** The Bath Quays Programme is delivering a new mixed use business district for the city. Bath Quays North is located at the Avon Street Car Park site, and alongside the commercial space will include associated public realm to complement the new office and co-working space at Bath Quays South. The scheme is being developed in two phases. WECA funded Enabling activities, including the partial demolition of Avon Street MSCP have already been delivered. Delivery options are being developed to bring forward the phased scheme and a business case in 2023/24.
- 9.1.13 **Dartmouth Avenue/Linear Way:** This project sits within the Bath Creative Quarter. Through a feasibility study the project will investigate how Bath Artists' Studios (BAS) could be supported to relocate to Dartmouth Avenue and fit within the wider Bath Creative Quarter centred around the Locksbrook Campus. Maker space with spin-offs in fashion and textiles are needed and will be provided within Locksbrook, complemented by BAS at Dartmouth Avenue, alongside their wider artist's studio provision. There is also an opportunity to add significant value to the Creative Quarter proposal by acting as a bridge with the local community and acting as a pathway into higher education. The location of

Dartmouth Avenue close to neighbourhoods of deprivation in Twerton, Southdown and Whiteway give it potential to act as a base to reach communities. In this way this project offers potential to link into various skills and enterprise programmes and will meet the emerging aspirations for the WECA Cultural Compact and Cultural Plan. The project scope will explore a mixed use on the site, to allow it to function with a greater critical mass to provide a focus for the Arts in B&NES, allowing B&NES to compete at the regional and national level. WECA feasibility funding will be used to develop an outline business case for delivery options, forecast for completion in 2023/24.

9.2 WECA Funded - City Region Sustainable Transport Settlement

The City Region Sustainable Transport Settlement (CRSTS) programme represents an unprecedented opportunity to develop high quality transport infrastructure that promotes sustainable, low-carbon travel within the West of England Region.

Led by the WECA, a successful submission for funds as part of the CRSTS programme was made to the region as part of the 2021 Autumn Spending Review. The settlement for the region is £540m.

A 20% contribution of local match-funding is required from the constituent Unitary Authorities. For B&NES, this local contribution is equal to £17.291m.

Within the CRSTS programme, six schemes are either wholly or partially within the Bath and North East Somerset area:

9.2.1 Bristol to Bath Sustainable Transport Corridor

The Bristol to Bath Sustainable Transport Corridor project is aimed at providing the infrastructure necessary to improve the journey times and reliability of buses between Bristol and Bath, as well as providing improvements to walking, wheeling and cycling infrastructure.

The section of the project within the B&NES area is currently at the Outline Business Case (OBC) stage. Options being considered for Preliminary Design include:

- The implementation of bus priority measures, including the reallocation of existing highway space for bus lanes, the provision of bus gates, and bus priority through junctions;
- New and enhanced walking, wheeling and cycling facilities to provide continuous and direct routes that link communities, adhering to the latest Local Transport Note (LTN) 1/20 guidance;

- Improvements and new routes for walking, wheeling, and cycling to promote access to the strategic bus corridor and strategic cycling routes, improving first/last-mile connectivity;
- Providing improved, high-quality bus stops to a consistent design-language and standard along the route, and enhanced opportunities for interchanging between modes;
- Providing opportunities for mobility hubs, subject to design and planning considerations;
- Supporting biodiversity net gain through improving green infrastructure in the corridor or supporting other projects in the B&NES area.

9.2.2 Somer Valley Links to Bristol and Bath

The Somer Valley Links to Bristol and Bath project aims to deliver sustainable transport corridors and opportunities for movements between the Somer Valley and Bristol or Bath, principally along the corridors of the A37/A362 and the A367/A362.

A Strategic Outline Case was completed early in 2022 which included public engagement and consultation (November 2021 to January 2022) on issues and options along the two corridors. The project is currently at the OBC stage, with Preliminary Design work of potential interventions ongoing. The types of interventions being considered by the project include:

- The implementation of bus priority measures to relieve key areas of congestion to enable faster and more reliable bus services. Measures could include the provision of new sections of bus lane, bus priority through junctions, and bus gates;
- The upgrade of bus stops in the corridors to improve accessibility and passenger provision, including new and upgraded crossings, and bus stops to a consistent design language and standard;
- The provision of several mobility hubs that would provide opportunities for high-quality interchange between modes, including the potential for secure cycle storage, cycle repair stands and, potentially, some car parking;
- Improvements to walking, wheeling, and cycling infrastructure to both improve access to the strategic bus corridors and to enable safe movement by active modes between settlements on the corridor. Such improvements will be designed in accordance with the latest LTN1/20 guidance.

9.2.3 Bath City Centre Sustainable Transport Corridor

The Bath City Centre Sustainable Transport Corridor aims to improve the journey times and reliability of public transport across Bath city centre, particularly ensuring that the benefits of the Bristol to Bath and Somer Valley Links project are fully realised where they meet the city centre. Additionally, the project aims to improve strategic walking, wheeling, and cycling connections across the city.

The project is at the Outline Business Case stage and the identification and development of options through design and appraisal work is ongoing. Being within the city centre, the project provides opportunities to contribute to and enhance other Council priorities.

The project aims to:

- Prioritise bus movements through the provision of junction priority and the reallocation of highway space where this is possible in the constrained urban environment;
- Improve walking, wheeling, and cycling infrastructure to LTN 1/20 standard to provide better, more direct and continuous routes and to fill gaps in existing provision;
- Reduce greenhouse gas emissions from transport across the city centre by providing infrastructure that contributes to modal shift.

9.2.4 Bath Sustainable Walking and Cycling Links

The Bath Sustainable Walking and Cycling links project aims to deliver clear, safe, and people-focussed routes between Bath city centre and key locations around the city. Infrastructure will be delivered to LTN 1/20 standards to ensure safe and segregated provision where appropriate.

Schemes being developed through the project comprise:

- Bath city centre to Claverton Down – looking to develop options for routes to the south east of the city centre;
- Bath city centre to Weston All Saints Primary School (WASPS) – options to consider the provision of segregated cycleways, upgraded and new controlled crossings, continuous footways and reduced junction widths;
- Bath city centre to Lower Weston – provision of safe walking, wheeling, and cycling routes between Oldfield School and the city centre, with options to consider the provision of segregated cycleways, upgraded and new controlled crossings, continuous footways and reduced junction widths;

- Royal United Hospital (RUH) to National Cycle Network (NCN) Routes 4 and 244 (Locksbrook).

9.2.5 Liveable Neighbourhoods

The continued development of the Phase 1 Liveable Neighbourhoods investment will also continue to be developed in line with the Council's strategy. Preliminary Design work is ongoing for all 15 areas, following significant co-design and stakeholder engagement in 2022, and the delivery of three pilot schemes in November/December 2022.

9.2.6 Maintenance Challenge Fund

The CRSTS Maintenance Fund provides money to deliver significant maintenance projects on B&NES' transport network.

The Maintenance Fund will be used to deliver two key projects: Cleveland Bridge, and the repair of Manvers Streets (para 7.7) where investigations into the condition of the underlying vaults is ongoing.

9.2.7 Local Contributions to the CRSTS Programme

As noted above at 9.2, there is a requirement for 20% match-funding to deliver the CRSTS programme.

The local contribution for B&NES, based on the schemes within the programme, is £17.219m as detailed below:

Funding Source	Local Contribution (£m) (2022/23 – 2026/27)
Clean Air Zone	2.500
Community Infrastructure Levy	2.500
S106 Receipts	0.954
Council Approved Borrowing	1.000

Capital Financing Reserve Contribution	3.000
Development Receipts	7.265
TOTAL	17.219

In the event that specific Local Contribution elements are not realised in line with current projections, an alternative funding source will need to be identified within the Council's Capital Budget and Resourcing Plan.

9.3. Other Scheme Updates

9.3.1 Fashion Museum: The Bath Fashion Museum Collection is in the world's top ten. The Collection Study Centre is the main priority to secure safe storage of the collection and enhanced educational use. The purchase in 2022/23 of the Old Post Office Building would provide a future Fashion Museum site and a potential cornerstone of the Milsom Quarter Masterplan. It will act as a cultural attractor to drive footfall and extend dwell-time in Milsom Quarter, increasing vitality and underpinning investment. Progression requires planned refurbishment and submissions to grant awarding bodies.

9.3.2 Bath Western Riverside: A business case is in progress to advance options for development of the site plans to meet the local housing need through the provision of open market properties, affordable homes and homes for social rent. This may include potential development through Aequus Developments Ltd, which will require additional repayable loans from the Council.

9.3.3 Southside Youth Hub: A lease with Youth Connect is in process of being extended and we plan to submit a request to the Department of Digital, Culture, Media and Sport (DCMS) for government grant funding to make building improvements.

9.3.4 Kingsmead Square: Following the success of the current temporary access restrictions and its popularity with businesses we plan to develop a plan for capital investment in a bollard system or similar which would reduce ongoing maintenance costs currently associated with temporary gates and associated staffing.

9.3.5 Social Prosperity Fund: This fund will be managed by WECA and at the time of writing a decision is due to award grant funding for improvement to Midsomer Norton Town Hall and Trinity Church in Radstock. This is expected to be paid to the Council to administer on behalf of the Town Councils.

9.3.6 Local Authority Housing Fund: The Government has released a new scheme to give councils in England funding to acquire homes for households arriving from Ukraine and Afghanistan on resettlement schemes and reduce homelessness. It can include purchase of homes, building of new homes, conversion of non-residential properties and refurbishment of housing. The B&NES scheme could be managed through Aequus Developments Ltd, which will require additional repayable loans from the Council.

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2023/24 Highways Maintenance Programme	
Description	Budget £'000
<u>Street Lighting Programme</u>	
Hantone Hill and Holcombe Lane - Bathampton	30
Dover's Park and Meadow Park - Bathford	36
Rockcliffe Avenue, Rockcliffe Road and Woodland Grove - Bathwick Ward	15
Eastover Grove, Oolite Grove, Shickle Grove, Vernham Grove and Wansdyke Road - Bloomfield Ward	29
Church Road, Gladstone Road and Tynning Road - Combe Down Ward	29
Hardington Drive, Maesbury Road, Oak Tree Walk, Wansbeck Road and Windrush Road - Keynsham	27
Fairfield Avenue, Lansdown Park, Marshfield Way, Mount Beacon, Mount Road (Beacon Hill) and Granville Road - Lansdown Ward	61
Beechen Cliff Road, Bruton Avenue, Byron Road, Chaucer Road, Devonshire Buildings, Entry Hill Gardens, Kipling Avenue, Longfellow Avenue, Milton Avenue and Shelley Road - Lyncombe Ward	66
Berkeley Avenue, Chaffinch Drive, Keats Road, Kingsley Road, Kingsley Road, Kipling Road, Robin Close, South Road, Sunnymead, Wesley Avenue, Wheelers Close, Wheelers Drive and Wheelers Road - Midsomer Norton & Radstock	64
Ashford Road, Cotswold Road, Hillside Road, Moorfields (Bath), Moorfields Road and The Oval - Oldfield Ward	56
East Close, East Way, Eleanor Close, Kelston View, North Way, Wedgwood Road and West Close - Twerton Ward	52
Park Lane and Kingsmead Square - Kingsmead Ward	35
LED Lamp and Control Management System Rollout	150
Highway Street Lighting 23/24 Sub Total	650
<u>Highway Structures Programme</u>	
North Parade Bridge, Bath - Waterproofing and Expansion Joints	200
Grosvenor Footbridge, Bath - Refurbishment Planning	80
A367 Churchill Bridge, Bath - Parapet Refurbishment	75
A4 Keynsham Bypass River Chew Bridge, Keynsham - Parapet Refurbishment	75
A36 Cleveland Bridge- Bath - Ongoing Monitoing	50
Various Land Slip Site Investigations	120
Structure Inspection and Remedial Works Programme	70
Structures Special Assessment Programme	80
Highway Structures 23/24 Sub Total	750
<u>Highway Drainage Programme</u>	
A39 Bath Road/Hobbs Wall, Farmborough - Highway Drainage Repair	25
B3110 Midford Road, Bath - Highway Drainage Improvements	40
Bath Old Road/Bristol Road, Radstock - Highway Drainage Repair	25
Coley Hill, Hinto Blewett - Phase 1 Highway Drainage Improvements	50
Harptree Hill, West Harptree - Highway Drainage Repair	50
Prior Park Road, Bath - Highway Drainage Improvementd	25
Sydney Buildings, Bath - Highway Drainage Improvements	25
Stanton Road, Chew Magna - Highway Drainage Improvements	40
East Harptree Recreation Ground, East Harptree - Phase 2 Surface Water Improvements	25
Highway Drainage Extensive Investigation Works, Various Locations	45
Highway Drainage 23/24 Sub Total	350
<u>Carriageway Resurfacing & Major Re-Construction</u>	
A37/A368 Chelwood Roundabout, Chelwood	200
A39 New Road, High Littleton (Part)	70
A3062 North Road, Combe Down	150
B3110 Midford Hill, Midford	300
Combe Road, Combe Down	75
Prospect Place, Bathford	45
Northend, Batheaston (Phase 1)	130
Gainsborough Gardens, Weston	90
Cranwells Park, Weston	250
Eastfield Avenue, Weston (Phase 2)	400
Swallow Street, Bath	40
Poolemead Road, Whiteway	140
Englishcombe Lane, Southdown (Phase 1 - Sladebrook Ave to Mount Road)	175
Hampton Row, Bathwick	80
Junction Road, Oldfield Park	120
Oldfield Road, Oldfield Park	70
Junction Avenue, Oldfield Park	15
Bloomfield Avenue, Oldfield Park	130
Maple Gardens, Oldfield Park	30
Maple Grove, Oldfield Park	40
Ayr Street, Oldfield Park	25
Stuart Place, Oldfield Park	25
Perrymead, Widcombe (Phase 1)	75
Charlton Park, Keynsham	160

2023/24 Highways Maintenance Programme	
Description	Budget £'000
St Ladoc Road, Keynsham	110
Dene Road, Whitchurch	50
The Witheys, Whitchurch	40
High Street, East Harptree	75
Frome Road, Radstock	80
Upper Stanton, Stanton Drew	115
Spratts Bridge, Chew Magna	40
Carriageway Resurfacing 23/24 Sub Total	3,345
<u>Carriageway Surface Treatments</u>	
A367 Fosseway/Peasedown St John Bypass, Peasedown St John	250
Skid Resistance Deficient Sites (2023/24 Surveys)	100
Carriageway Surface Treatments 23/24 Sub Total	350
<u>Footway Programmes</u>	
Paving Programme :-	
St James Parade, Bath - Phase 1	125
Widcombe Hill, Widcombe - Phase 2	75
Tunbridge Road, Chew Magna	100
Asphalt Concrete Programme	350
Footway 23/24 Sub Total	650
<u>Other Programmes</u>	
Planned Patching Programme	1,414
Planned Road Marking Improvement Programme	150
Spay Injection Patching Programme	175
Other 23/24 Sub Total	1,739
PROGRAMME 23/24 OVERALL TOTAL	7,834

Funding Sources	
CRSTS DfT Maintenance Block Settlement	5,834
Additional Council Community Infrastructure Levy (CIL) Funding	1,400
Additional Council Corporate Supported Borrowing (CSB) Funding	600
PROGRAMME 23/24 OVERALL TOTAL	7,834

2023/24 Transport Improvement Programme	
Description	Budget £'000
Local Safety Schemes	
Anti-Skid Surfacing	15
A4 London Road/Morrisons jct AIP scheme	15
B3110 Midford - collisions at sharp bend	12
Accident investigation and prevention (AIP)	25
Minor safety improvements	20
Kilmersdon Road Measures to reduce vehicle speed feasibility	8
Combe End , 2.No raised tables (traffic calming) feasibility	6
Weston High St, Modify parking layby and centre line to accommodate echelon parking	8
Church Lane, Farrington Gurney make advisory 20MPH mandatory	8
Bloomfield Road safety improvements	10
Widcombe Hill Safety Improvements	10
Midford 20mph	8
Property collision Bannerdown Road	18
Lansdown Lane / Lansdown Road Junction speed review/ delivery	15
East Hartree safety Improvements	20
West Hartree safety Improvements	15
Vehicle Activated Signs improvements programme	25
Local Safety Schemes Sub Total	238
Public Transport	
Improvements to bus stops	10
Public Transport Sub Total	10
Managing Congestion	
Area Parking Review	60
Measures to deter HGVs through-traffic Larkhall, Feasibility/ and TRO	20
Old Newbridge Hill weight limit and signage	15
Year 1 of 5 programme to improve traffic signal fault monitoring equipment	41
Review B3130 Winford Road Limit	3
HGV Review of Bath including Pennyquick HGV restrictions	15
Review of direction signs in Bath	15
Managing Congestion Sub Total	169
Cycle Schemes	
Review & monitoring of Upper Bristol Road / Beckford Road Cycle schemes	8
Cycle parking	10
Cycle Schemes Sub Total	18
Safer Routes to Schools	
Pedestrian Crossing Roundhill Bath	55
20 mph A39 High Littleton Outside School	8
20mph Mill Lane	6
St Francis Road Traffic Management Measures	8
Safer Routes to School	77
Pedestrian Schemes	
Aids to mobility and footway improvements	40
Public Rights of Way	90
106 contribution toward footpath improvements Keynsham	38
Pedestrian signal improvements	140
Weston Pedestrian Crossing	50
Lansdown Road Crossing facilities	60
Pedestrian crossing Bathford high street	60
Pedestrian Crossing: Monkesdale Road assessment	8
Monmouth Street Mobility crossing	10
Bathwick St Mary Crossing Warminster Rd Assessment	10

2023/24 Transport Improvement Programme	
Description	Budget £'000
A39 Marksbury Pedestrian refuge	25
Bishop Sutton Missing footway Assessment	8
Formal crossing at Manor Farm Farrington Gurney / bus stops	50
Pedestrian Schemes Sub Total	589
Miscellaneous	
Joint Local Transport Plan Monitoring Equipment, National Highways and Transport Su	15
Programme Management	60
Legacy/Remedial works from previous years schemes	25
Miscellaneous Sub Total	100
PROGRAMME 23/24 FOR FULL APPROVAL OVERALL TOTAL	1201
Funding Source	
CRSTS Maintenance Block Settlement	1,163
S106 - 09/04351/FUL Parcel 4200, Parkhouse Lane, Keynsham	38
PROGRAMME 23/24 OVERALL TOTAL	1,201

CORPORATE CAPITAL PLANNED MAINTENANCE PROGRAMME 2023/24

Service Area	Business Unit Name (Property)	Description	Budget £'000
EPH & Social Services	Various Properties - capital repairs / upgrades	Rolling replacement programmes for material capital repairs, maintenance & management expenditure to be administered through the year. This will include but not be limited to general redecoration and the replacement of floor coverings.	58
EPH & Social Services	Various properties - passenger lifts modernisation	Compliance / health and safety work to modernise lifts to include controller systems and hydraulics. The intention is to upgrade the larger (1000kg) lifts in each of the three care homes.	232
EPH & Social Services	Connections Day Centre (formally Hilltop)	Provision for boiler replacement and Building Management System (BMS) upgrade (change Sigma system).	70
EPH & Social Services	Various properties Energy and Carbon Reduction.	Funding contribution to SALIX decarbonisation bid for Combe Lea and Cleeve Court care homes to replace heating systems.	150
Operational Properties	The Guildhall	Health and safety repairs and replacement to existing flagpoles and supports.	12
Operational Properties	The Guildhall	Fire alarm wireless installation batteries upgrade.	29
Operational Properties	Lewis House	Roof guarding safety wire and bespoke handrails.	35
Operational Properties	Keynsham Civic Centre	External works replacing timbers and re-designing planters to access steps and ramps.	35
Operational Properties	Keynsham Civic Centre	Remove / repair and install 13 bollards to prevent health and safety issues.	23
Operational Properties	Walcot Village Hall Mortuary Chapel	External stonework repairs in accordance with Structural Engineers inspection report.	23
Operational Properties	7 Henrietta St.	Boundary wall tree issues with No. 6 Henrietta St. Rebuilding boundary wall following and in accordance with structural engineers report.	58
Libraries	Bath Central Library	Investigation of heating system has identified requirement for installation of plate heat exchanger.	29
Cemeteries and Closed Burial Grounds	Various properties Closed Burial Grounds	Boundary walls and fence repairs to be managed and prioritised throughout the year as they arise against any available budget.	58
Cemeteries and Closed Burial Grounds	Haycombe Cemetery Top Chapel	Repair and decoration to ceiling and walls.	29
Car Parks	Station Road Car Park Keynsham	Resurfacing of the car park required due to deterioration. This reduce and prevent annual maintenance costs.	116
Car Parks	Car Parks Generally	General allowance for remedial works to parking bays, boundaries, fencing etc. as arising throughout the year.	29
Parks and Leisure	Royal Victoria Park	Refurbishment of Rustic Shelter.	23
Parks and Leisure	Royal Pavilion Café	External timberwork repairs and associated decoration.	58
Parks and Leisure	Approach Golf Course Weston Road	Works to rectify significant tree fall damage to walls and railings on junction of Weston Road & Cavendish Road.	46
Parks and Leisure	Hedgemoor Park	Retaining walls and railings remedial works Phase 3 requiring Listed Building Consent. Battlement lookout and Margaret's Hill entrance.	49
Parks and Leisure	Parade Gardens	Refurbishment of entrance kiosk.	23
Parks and Leisure	Henrietta Park	Refurbishment of operational compound to include replacement fencing, gates and surfacing.	30
Parks and Leisure	Linear Way	Embankment works to arrest movement damage to neighbours property low boundary wall.	62
Parks and Leisure	Keynsham Memorial Park	Boundary wall repairs (metal fencing, stonework base) on boundary between the abbey ruins and A4.	29
Parks and Leisure	Kensington Gardens	Programme of repairs to walls, railings and paths/steps which have fallen into a state of disrepair and are unsafe.	46
Parks and Leisure	Various Properties Parks	Path surfacing repairs in various parks including Royal Victoria Park, Keynsham Memorial Park, Moorfields Sandpits, Parade Gardens and Hedgemoor Park.	70
Parks and Leisure	Various Properties Parks	Repair and replacement of play area and park boundary fences and gates.	58
Parks and Leisure	Various Properties Parks	Survey of park railings needing repair and restoration. Survey to inform future programme of work.	9
Parks and Leisure	Various Properties Allotments	Repair or replace failing allotment boundary fences, walls and access tracks.	58
Workshops & Depots	Welton Transfer Station	Various security and statutory works to meet licensing standard requirements, including lower yard concrete repairs, additional security fence to lower yard / former compactor building, retaining kerb to lower yard perimeter, provision of additional parking bays and replacement of sweeping bin 'Aco' drainage channel.	116
Youth Centre	Twerton Hub Club	Alterations to gate and fence.	9
Land	Grosvenor Place Lawn	Boundary wall fronting highway, remedial works in association with tree root problems.	29
Land	3 Sections of Riverside Walk Pulteney to Cleveland Bridges	Removal of disused suspended timber gantry over River Avon at rear of former Tram Shed and associated repairs.	46

Service Area	Business Unit Name (Property)	Description	Budget £'000
Various Properties	Various Properties Building Management Systems (BMS)	BMS repairs and upgrades allowance for works arising throughout the year.	29
Various Properties	Various Properties Historic features capital repairs / upgrades	Repairs and maintenance to bandstands, urns, obelisks, statues and plaques, fountains, gates etc. allowance for works arising throughout the year.	58
Various Properties	Various properties Energy and Carbon Reduction - capital works arising	Allowance for reports and development works arising during the year.	29
Various Properties	Various Properties - capital repairs / upgrades - lightning conductor systems	Lightning Conductor Systems, repairs and upgrades.	58
Compliance	Various Properties - capital repairs / upgrades	Legionella risk assessments and upgrades	14
Compliance	Various Properties - capital repairs / upgrades	Radon inspections / monitoring and upgrades.	29
Compliance	Various Properties - capital repairs / upgrades	UPS battery replacement and refurbishment.	46
Compliance	Various Properties - capital repairs / upgrades	Fire dampers inspections and upgrades.	29
Compliance	Various Properties - capital repairs / upgrades	Ductwork inspections / monitoring and upgrades.	29
Compliance	Various properties statutory compliance servicing - capital works & misc. arising	Statutory and emergency remedial works arising throughout the year.	203
Compliance	Various properties - other misc. programmes	Inspections of lifts and remedial items.	116
Compliance	Various properties - other misc. programmes	Underfloor heating manifold remedials.	29
Compliance	Various properties - provision for fire alarm upgrades	Fire alarm phased upgrades.	174
Compliance	Various properties - provision for Fire Risk Assessments	Fire risk assessments and remedials.	58
Compliance	Various properties - fire door inspection programme and remedials	Fire doors inspections and remedials.	58
Compliance	Various properties - provision for emergency lighting upgrades	Emergency lighting identified remedial works to bring up to compliance level.	116
Compliance	Various properties - provision for 5 yearly electrical testing programme and remedials	Electrical wiring 5 yearly testing and remedials.	87
Compliance	Various properties - provision for public power supplies annual inspections	Public power supplies annual inspections and identified remedial works.	29
Compliance	Various properties - provision for tree surveys and resultant works	Tree survey inspections and subsequent works.	58
Compliance	Bridge survey programme	Bridge inspections, 2 yearly General and 6 yearly Principal bridge inspections and resulting works.	58
Compliance	Various properties - photovoltaic arrays safety inspections	Annual safety and maintenance inspections on photovoltaic arrays and identified works	6
Compliance	Various properties - industrial roller shutter door safety inspections	Annual safety and maintenance inspections / remedial works on industrial roller shutter doors.	17
Other	Various Properties Quinquennial surveys	Quinquennial surveys for buildings, non-highway bridges and remedial works.	203
Other	Various Properties - Salto works	Salto installations and identified remedial works.	29
Other	Various Properties - Community Asset Transfers (CAT) contractual maintenance liabilities	Allowance for various works arising from CAT transfers - provision for contractual maintenance liabilities subject to Community Asset Transfer.	29
Other	Various properties - Energy Performance Certificates (EPC) Certificates	Allowance for obtaining updated EPC's and essential remedial works arising.	69
Other	Various Properties - Anomaly Structures	Allowance for various works arising throughout the year from Anomaly Structures, pending final resolution of Service responsibilities.	58
Other	Preliminaries on programme	Annual costs for contractor management and includes managing the framework, administration, vehicles, equipment etc. Part of framework agreements.	20
	Overprogramming		-585
	Contingency		100
			3,000
2023/24 Approved Programme			2,700
2024/25 Approved Programme - (commitments in 2023/24 for 2024/25 expected Delivery)			300
			3,000

COMMUNITY INFRASTRUCTURE LEVY (CIL) ALLOCATIONS 2023/24

1. INTRODUCTION

Strategic CIL income available for spending in the financial year 2023/24 is forecast to be around £4.2m.

CIL funding will make an important contribution to fulfilling the Core Strategy requirement that new development must be properly aligned with infrastructure. It also makes a significant contribution to the Council's Capital Programme.

In addition, it is anticipated that local communities will receive around £580k of income for local spending through Parishes or the Bath Advisory Board.

2. CIL SPENDING PRINCIPLES

The Council's principles underpinning decisions on spending of CIL funds are:

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

3. CIL SPENDING PRIORITIES FOR 2023/24

Based on the CIL spending principles above, the infrastructure projects to be funded by CIL in 2023/24 are summarised in Table 1 below, some of which are additions to on-going projects. The need to focus on infrastructure which addresses the Climate & Ecological Emergency concerns has been given greater priority across all the categories, so it does not appear as a separate item.

Should further amendments for 2023/24 be required these will be approved by the Section 151 Officer in consultation with the Cabinet Member for Resources.

Table 1: CIL Spend projects 2023/24

Infrastructure Item	Allocation (£k)	Commentary
Flood Risk Management	500	
Bath Quays Flood Defences	500	Council to repay WECA £500k p.a. for the next five years, in line with terms of Revolving Infrastructure Fund Agreement for Bath Quays Flood Defence Scheme.
Health and Well Being	100	
Haycombe Cemetery Chapel Refurbishment	100	Upgrade facilities to meet current operating requirements.
Green Infrastructure / Recreation	400	
Bathscape Area Green Infrastructure Improvements	25	Contribution to a larger project which entails improving access from the city to countryside and delivering a Nature Recovery Network.
Somer Valley Rediscovered	75	A contribution to the Somer Valley Rediscovered Project (described further in Annex 5(i)) which aims to improve biodiversity on 5 key sites in Midsomer Norton, Radstock and Westfield.
Bio-diversity Net Gain (BNG) Pathfinders	75	Development of Council owned sites to prepare for BNG requirements for new development through the planning system. These nature recovery projects will act as demonstrator sites for BNG delivery.
Chew Valley Reconnected Green Infrastructure Improvements	75	Contribution to larger project to deliver nature recovery and access improvements. Programme covers included area from Chew Valley to Keynsham following the River Chew.
Bath River Line Green Infrastructure Programme	50	To deliver access and biodiversity improvements along the River Avon from East of Bath to City Centre and on

Improvements		to Newbridge.
Waterspace Green Infrastructure Programme Improvements	50	A contribution towards this project to deliver access and biodiversity improvements along a 3.4km stretch of river between Keynsham Lock and Hanham Lock (further described in Annex 5(i)).
Limestone Link	50	A contribution to a project which aims to create a nature-rich landscape in B&NES, linking the limestone hills of the Mendip Hills AONB with the Cotswolds Scarp surrounding Bath. It also forms part of "Big Chalk" to connect calcareous (chalk and limestone) landscapes across Southern England. Will deliver improved land management, record and monitor wildlife as well as improve quality of, and access to, green and blue space, improve and provide new active travel routes to connect communities, and improve health and wellbeing.
Public Realm	337	
Bath City Centre Renewal	100	This forms match-funding for a WECA Full Business Case, leveraging in substantial grant funding of over £1m. Locations include Milsom Street Quarter, Kingsmead Square, York Street, Union Street, Cheap Street, Westgate Street and Upper Borough Walls.
Keynsham High Street Public Realm Improvements	50	This provides match-funding to WECA "Love your High Street" grant and helps consolidate the recent substantial housing growth in the town.
Midsomer Norton High Street Public Realm Improvements	137	This provides match-funding to WECA "Love your High Street" grant and helps consolidate the recent substantial housing growth in the town. Includes £112k contribution to Town Hall Improvement Project
Local Centres/ High Streets Public Realm Improvements	50	The Local High Streets project will fund enhancements to key high streets in Bath local centres outside of the city centre. The project will link up with the Council's Liveable Neighbourhoods Scheme and may help secure WECA funding.

Strategic Transport Infrastructure		2,575	
Sustainable Transport Initiatives	800	To support the programme of sustainable transport initiatives including cycling & walking projects, resident parking, Liveable Neighbourhoods and Vehicle Access Restrictions. This will be set aside as 20% contribution towards the B&NES scheme funded by City Region Sustainable Transport Settlement, subject to business case approvals.	
Somer Valley Enterprise Zone (SVEZ) Cycle Track	375	To fund the eastern cycle track that would lead from the SVEZ development and link in with the Norton Radstock Greenway. The cycle track enhances the delivery strategy of developing individual plots. The approximate cost of this would be £755k, the balance of funding to earmarked in 2024/25.	
Highways Maintenance Enhancement	1,400	This is funding towards the Council enhancement of £2m in addition to WECA grant of £5.8m, to provide for a programme spending closer to the long-term average replacement spending needed to maintain safe highways conditions. The programme will consist of priority works across all highway asset groups namely carriageways, footways, structures (bridges, retaining walls, embankments & culverts), drainage and electrical infrastructure as identified through on-going inspection, monitoring and evaluation. A detailed list of schemes is attached at Annex 5 (ii).	
Social (Inc Recreation & Leisure)		285.4	
Odd Down BMX Track Improvements & Facilities	40	<p>Upgrade of facilities at Bath BMX Track ("The Tumps" at Odd Down Sports Ground) including new start gate, toilets, water, power and club house facilities. This will provide match funding for a Sport England Grant Bid.</p> <p>Bath BMX Club pays an Annual Licence to operate at "The Tumps" and the facility is currently maintained by Parks Department. Currently the Club has a shipping container to securely house club equipment, with no utilities at the track (electricity, water or sewerage).</p>	

Annex 5(v)

Keynsham Tennis Courts Floodlighting Improvements	80	The tennis courts in Keynsham Memorial Park have been refurbished as part of the Tennis at the Park project and are being used by the public on a pay-and-play basis. There is considerable demand, and the proposal will sustain usage through the winter. The current lights are not suitable to play tennis and require an upgrade to LED. This will provide match-funding to a grant application with the Lawn Tennis Association.
Paulton Rovers FC Floodlighting	10.4	The 40-year-old system requires an upgrade to LED, to ensure floodlighting compliance with the lux levels and for public safety. The total cost is £35k, with the balance of funding being provided by the club.
Writhlington Tennis Courts Floodlighting	55	The aim is to increase participation in tennis and netball by installing floodlights to permit all-year-round participation. Writhlington Tennis Club, the resident tennis club, is currently unable to satisfy the local demand for competitive tennis, with the current indoor facilities operating at capacity. The project will also have joint funding with Lawn Tennis Association and Writhlington Trust / Dragonfly Leisure.
Radstock Methodist Church Community Facility	100	<p>This project is part of the Council's Regeneration Action Plan for Radstock There is growing demand for affordable community space, low cost shared workspace and other spaces for young people to engage in arts and culture including after school activities. These activities are likely to lead to a lessening of anti-social behaviour and a reduction in the number of young people not in education, employment or training. The building would also provide a new home for the library & Town Council.</p> <p>The Trinity Church will be managed and maintained by Radstock Town Council.</p>
TOTAL	4,197.4	

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Bath and North East Somerset Capital and Investment Strategy 2023/24

Introduction

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

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

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

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

Capital Expenditure

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

The Council's planned capital expenditure over the 5-year period covering 2023/24 to 2027/28 is as follows:

	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget
	£'m	£'m	£'m	£'m	£'m
Total	186.098	66.724	40.081	20.156	24.423

Full details of new Capital Schemes over the 5 year period are outlined in Annex 5 of the budget report.

As part of the approval process Directors submit Needs Assessments for consideration to the Capital Strategy Group. These are then prioritised within the

available capital financing available. Given the current constraints on local authority finances the following principles are used for the current programme as well as new schemes:-

- Minimise new schemes except those that meet corporate priorities;
- Agree an affordable limit for new schemes requiring corporate borrowing;
- Ensure adequate investment in assets supporting key service provision (including meeting health and safety requirements or replace obsolete or inefficient assets/equipment) and generate revenue savings for the council;
- Deliver or work with partners to deliver high priority government funded programmes and West of England programmes where they meet corporate priorities.

Bids are reviewed by the Finance team and funding streams such as Service Supported Borrowing, Corporate Supported Borrowing, S106, CIL, WECA, capital receipts, or external grant are assessed. Portfolio Holders review the overall bids to agree priorities and overall affordability. As part of the budget process the bids are linked to the Corporate Strategy Principles and reviewed by the Capital Strategy Group before putting forward for consideration in the budget. The final capital programme is then presented to Council in February each year for approval. The Council's Capital Programme can be found at Annex 5.

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

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

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

Financing the Capital programme

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

- Receipts from the sale of capital assets
- Capital grants
- External contributions such as Section 106 planning obligations or Community Infrastructure Levy
- The use of reserves or from revenue budget contributions

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

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

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

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

Financing of the revised capital programme is shown below:-

Source of Finance	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget
	£'m	£'m	£'m	£'m	£'m
Grant	58.560	21.126	11.321	9.731	8.802
Capital Receipts /RTB	13.184	0.63	0.806	0	0
Revenue	1.000	0	0	0	0
Borrowing	102.460	44.465	26.657	9.27	14.891
3rd Party (inc S106 & CIL)	10.898	0.503	1.297	1.155	0.73
Total	186.098	66.724	40.081	20.156	24.423

Links to Treasury Management

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

The Council is continuing with an agreed strategy of utilising its cash balances rather than incurring the higher cost of long-term borrowing at present. The strategy can be demonstrated through the CFR at the end of 2021/22 which was £328.2m which outlines the Council's underlying need to borrow compared to the current actual long-term borrowing of £211.2m as at 31st December 2022.

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

Loans

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

Table 1: Loans for service purposes in £ millions

Loan Detail	Amount Outstanding at 31st March 2020	Amount Outstanding at 31st March 2021	Amount Outstanding at 31st March 2022
	£'m	£'m	£'m
Council's Housing Company	15.181	11.167	9.491
Council's Tourism Company	0.050	0.000	0.000
Bath & West Community Energy - Renewable Energy Scheme	0.108	0.101	0.094
Total	15.339	11.269	9.585

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

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

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

Shares

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

Asset Management

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

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

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

- Corporate Estate – planned capital maintenance £3.4m in 2023/24 and £3m per annum in future years.
- Commercial Estate – investment & refurbishment programme £4.5m in 2023/24 and £0.5m per annum in future years.

The property portfolio is continually reviewed for disposal or where appropriate development by the Council's wholly owned companies Aequus Developments Ltd and Aequus Construction Ltd.

Commercial Activities

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines investment property as property held solely to earn rentals or for capital appreciation

or both. Returns from property ownership can be both income driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth). The previous strategy has considered investment through new commercial asset acquisition. Under changes published by the Treasury's Public Works and Loan Board (PWLB) in November 2020, borrowing will no longer be made available to Council's undertaking debt for yield acquisitions.

In the context of the Capital and Investment Strategy, the Council will need to consider how it makes best use of its current asset base to sustain the existing budget income levels and support the Councils financial recovery from the Covid pandemic. This may require commercial investment to support the repurposing and regeneration of our economy and to diversify and sustain pre-Covid commercial income levels through the asset we hold.

The reasons for taking out borrowing / providing capital for property investments are primarily:-

- To sustain existing financial return to fund services to residents
- Market and economic opportunity to repurpose and diversify the Commercial and Corporate Estate.
- Economic development and regeneration within B&NES

Historically, property has provided strong investment returns in terms of capital growth and the generation of stable income, however this is now under significant risk due to Covid and market uncertainty. The retail sector and trends towards internet shopping is a factor but also the office sector with remote working practices firmly embedded in business culture. As with all investments, property as an investment medium, is not without risk: property values can fall as well as rise. Changing economic conditions could cause tenants to leave with properties remaining vacant which not only reduces revenue income but in itself incurs additional holding costs such as maintenance and business rates.

The Council currently has 264 properties held for investment purposes as shown in the table below. The revenue income supports Council frontline services including Adult and Children's Social Care Services.

Table 2: Property held for investment purposes in £ millions

Property Type	No of Properties as at 31/3/21	Value in Accounts as at 31/3/21	No of Properties as at 31/3/22	Value in Accounts as at 31/3/22
	No.	£'m	No.	£'m
Retail	189	182.482	189	174.517
Offices	12	21.458	12	21.410
Licenced	20	19.337	20	19.029
Industrial	18	16.165	17	18.693
Other	22	14.686	22	16.121
Leisure	3	6.787	3	7.323
Total	264	260.915	263	257.093

A fair value assessment of the Authority's investment property portfolio is made every twelve months, this is reported in the year end accounts. An investment strategy and asset management plan is prepared that details at an operational level the Council's approach to holding and acquiring assets, however, by necessity such documents have to be reviewed on a frequent basis to take account of such government guidance, prevailing market conditions and other risks and uncertainty. This is particularly relevant in view of the impact of Covid-19 and variants.

For any organisation the underlying value of its assets can provide security against its borrowings. The Authority assesses the risk of loss when considering its property investments through appropriate due diligence and works closely with external commercial property advisors where appropriate.

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

New investment, which is influenced by Government guidance, will continue to be supported by a Business Case detailing how the proposal fits the Council's investment criteria, any associated risks and how these can be mitigated.

The Council will continue to invest prudently within the B&NES area to take advantage of opportunities as they present themselves, supported by a robust governance process.

The Council will consider new investment on the grounds of regeneration of the wider portfolio and the actions required to diversify and sustain existing budget

income levels. Any new investment will review the structural and risk implications of developing the existing portfolio.

Proportionality

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

Table 3: Proportionality of Investments

	2019/20 Actual	2020/21 Actual	2021/22 Actual
	£'m	£'m	£'m
Gross Council Expenditure	353.306	367.496	392.214
Gross Income from Investment Properties	19.580	11.165	16.965
Gross Income from Treasury Investments	0.607	0.332	0.311
Proportion of Investment Income to Overall Expenditure	5.71%	3.13%	4.40%

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

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

Borrowing in Advance of Need

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

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

The previous acquisitions of the properties were in pursuance of the benefits (and in particular those of an economic nature) that it conferred upon the Council and its area, in accordance with s120 of the Local Government Act 1972. The acquisitions

aligned themselves with the Council's Investment Strategy for the Commercial Estate that was in place at that time.

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

Provision for Risks Capital Bids

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

Knowledge and Skills

The council has professionally qualified staff across a range of disciplines including finance, legal and property that follow continuous professional development (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills.

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

Investment Indicators

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

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

Table 4: Total investment exposure in £millions

Total Investment Exposure	31/3/20 Actual	31/3/21 Actual	31/3/22 Actual
	£'m	£'m	£'m
Treasury Management Investments	52.300	67.500	84.200
Service Investments Loans	15.339	11.269	9.585
Commercial Investments - property	310.762	260.915	257.093
Total Investments	378.401	339.684	350.878
Contractual Commitments to Lend	0	0	0
Guarantees Issued on Loans	0	0	0
Total Exposure	378.401	339.684	350.878

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

Table 5: Investments funded by borrowing in £millions

Investments Funded by Borrowing	2019/20 Actual	2020/21 Actual	2021/22 Actual
	£'m	£'m	£'m
Commercial Investments - Property	77.808	77.019	76.207

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

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

Investments net rate of return	2020/21 Actual or Average Value/ Investment	2020/21 Actual Return	Rate of Return	2021/22 Actual or Average Value/ Investment	2021/22 Actual Return	Rate of Return
	£'m	£'m	%	£'m	£'m	%
Treasury Management Investments (weighted average balance)	81.671	0.332	0.41	86.167	0.311	0.36
Service Investments: Loans (weighted average balance)	13.526	0.509	3.76	10.093	0.297	2.94
Commercial Investments: Returns on Property Compared to Income	260.915	10.214	3.91	257.093	15.388	5.99

Other investment indicators

	2019/20 Actual	2020/21 Actual	2021/22 Actual
	%	%	%
Debt Payments to net service expenditure	7.21	7.43	5.96
Commercial Investments debt compared to asset value	25.04	29.52	29.64
Net commercial income compared to net Council expenditure	17.32	9.69	12.28

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Council MRP Policy – (2023/24 Policy)

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

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

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

- For capital expenditure incurred before 1st April 2008 MRP will be determined as the principal repayment on a 50 year annuity with an annual interest rate equal to 2% which will fully finance this element of the CFR within 50 years, incorporating an "Adjustment A" of £38.8m.
- For unsupported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate equal to the average relevant PWLB rate for the year of expenditure, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.
- For assets acquired by finance leases or the Private Finance Initiative [and for the transferred debt from Avon County Council], MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.

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

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

Annex 8 - Bath and North East Somerset Council Pay and Reward Policy 2023/2024

Introduction

1. This document sets out the Pay and Reward Policy for Bath & North East Somerset Council (B&NES) for the period 1 April 2023 to 31 March 2024. It provides a clear and transparent policy to the public demonstrating accountability and value for money with regards to decisions on pay and reward for council staff.
2. The council's pay arrangements reflect the need to attract, retain and motivate skilled employees to ensure high levels of performance. The policy recognises flexibility which is essential in delivering a diverse range of services and is underpinned by principles of fairness and equality.
3. In accordance with the requirements of Section 38 of the Localism Act 2011 and of the Revised Guidance and the associated statutory guidance set out in the Openness and Accountability in Local Pay: Guidance and Supplementary Guidance under section 40 of the Localism Act (February 2012 & 2013), together with the Local Government Transparency Code 2015 from the Department for Communities and Local Government, B&NES Council is required to publish a Pay Policy Statement for each financial year detailing:
 - a) The council's definition of senior posts
 - b) The council's definition of lowest paid employees
 - c) Reasons for adopting these definitions
 - d) The relationship between the remuneration of senior posts and that of the lowest paid employees
4. In accordance with provisions of the Localism Act, the requirement to publish a Pay policy Statement does not extend to schools and therefore this policy does not include school based employees.

Definitions

5. The council's senior posts are defined as:
 - Chief Executive (Head of Paid Service*)
 - Chief Operating Officer
 - Director of Public Health*
 - Chief Finance Officer (S151 Officer*)
 - Head of Legal & Democratic Services (Monitoring Officer*)
 - Director of Children and Education (DCS*)
 - Director of Adult Social Care (DASS*)
 - Director of People & Policy
 - Director of Sustainable Communities
 - Director One West

- Director of Business Change and Customer Services
 - Director of Place Management
 - Director of Regeneration & Housing
 - Director of External Affairs
 - Director of Education, Inclusion and Children's Safeguarding
6. The Council's deputies to statutory officers are defined as:
- Head of Financial Management
 - Director of Education, Inclusion and Children's Safeguarding
 - Deputy Monitoring Officer
7. The term 'lowest paid employee' refers to those employees in substantive full time employment at the lowest scale point of the Council's published pay scale.

Principles

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

Responsibility for pay and reward decisions

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

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

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

Decision	Delegated level of authority
Starting salary for Chief Executive (Head of Paid Services), Section 151 Officer and Monitoring Officer	Full Council
Starting salary for Chief Operating Officer and Directors	Head of Paid Service
Performance related pay increases for Chief Executive	Leader and Deputy Leader of the Council in consultation with the Director of People & Policy
Performance related progression increases for Chief Operating Officer, Chief Finance Officer and Directors	Head of Paid Service in consultation with the Director of People & Policy
Market supplements for any post of Head of Service and below	Corporate Management Team
Recruitment and retention payments for any post below Director level where it is not possible to recruit and retain categories of staff	Corporate Management Team
Honorarium payments for any post	Director in consultation with Human Resources
Individual grading including regrading	Head of Service in consultation with Human Resources
Planned overtime payments	Head of Service in consultation with Human Resources

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

Basic pay

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

Pay on appointment

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

Pay review dates

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

Re-employment of former local government employees

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

Use of consultants, contractors and temporary 'agency' workers

21. Ordinarily staff will be engaged directly by the Council as employees but on an exceptional basis, where particular circumstances deem it necessary, people may be engaged under 'contracts for services' as consultants or contractors or on an 'agency basis'. When this situation arises, the Council will give detailed prior consideration to the benefit of doing so and that the overriding need to ensure value for money is achieved, including the need to ensure no one is inappropriately enabled to achieve a more favourable position in respect of their tax liabilities ('tax avoidance') than might otherwise apply. The council will therefore have proper regard to this principle in

applying the HMRC test for tax status under the Off Payroll Working provisions for any interim 'off-payroll' engagements.

Equal pay

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

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

23. The council published its [2021 Gender Pay Gap](#) report in 2022. The report sets out the overall difference between men and women's pay in the council. This is known as the gender pay gap and is a measure of any difference in pay between the mean average and median earnings of men and women. This is then expressed as a percentage of male earnings. The council employs proportionately more women (62%) than men (38%) and with a greater number working part-time and/or in administrative roles, there is an overall difference or mean gender pay gap across the organisation of 5% as at March 2021.

Senior pay

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

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

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

27. This is no provision for the Council to pay any bonuses, charges, fees or allowances, benefits in kind to senior employees or any other employees other than relocation allowances and expenses necessarily incurred in the performance of their duties. This provision is kept under review.
28. The Council has agreed that the Chief Executive undertakes the role of Returning Officer in respect of all elections. The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983. Whilst appointed by the Council, the role of the Returning Officer is one which involves and incurs personal responsibility and accountability and is statutorily separate from their duties as an employee of the Council. As Returning Officer, they are paid a separate allowance for each election for which they are responsible.

Pay ratios within the Council

29. The relationship between the rate of pay for the lowest paid council employee and that of the council's Chief Officers is determined by the processes used for determining pay and grading structures as set out in this Pay and Reward Policy.
30. The 'lowest paid' persons employed under a contract of employment with the council are employed at spinal point 1 of the NJC payscale which is £20,812 and £10.79 per hour as at 1 April 2022¹. The relationship between the rate of pay for the "lowest paid" employees and the council's Chief Officers is regulated by the processes used for determining pay and grading structures as set out in this Pay and Reward Policy. The salary utilised for the Chief Officer calculations of all the pay multiple data is £105,632 and for the Chief Executive it is £162,000.
31. The council employs apprentices who are not included within the definition of 'lowest paid employees' as they are not employed under contracts of employment.
32. As part of its commitment to pay transparency, and following the recommendations of the Hutton "Review of Fair Pay in the Public Sector" (2011), the council publishes information on pay ratios on an annual basis. The information for 2023-2024 is as follows:

Multiple of salary	Ratio
<ul style="list-style-type: none"> the multiple between the annual salary of the lowest paid Council employee and the Chief Executive (full-time equivalent basis) as a ratio 	1:8
<ul style="list-style-type: none"> the multiple between the annual salary of the lowest paid Council employee and the average Chief Officer (full-time equivalent basis) as a ratio 	1:5

¹ Local government pay negotiations for 2023 are still on-going nationally and the final pay award is unknown at the time of writing

<ul style="list-style-type: none"> the multiple between median earning of Council employees and the Chief Executive (full-time equivalent basis) as a ratio 	1:6
<ul style="list-style-type: none"> the multiple between median earning of Council employees and the average Chief Officer (full-time equivalent basis) as a ratio 	1:4

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

Employee Benefits

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

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

Termination payments

35. Proposed voluntary redundancy packages in excess of £90,000 (this threshold includes [but is not limited to] any proposals in respect of salary to be paid in lieu, redundancy compensation, pension benefits and holiday pay as appropriate) and any special severance packages in excess of £20,000 are referred to the Restructuring Implementation Committee for consideration.

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

Working with Trade Unions

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

Publication

38. The Council's approach to the publication of and access to information on the remuneration of Chief Officers is to include it on its public website as part of its requirements within the Accounts and Audit (England) Regulations 2011 and in accordance with the Code of Recommended Practice for Local Authorities on Data Transparency. A copy of the Pay Policy Statement is published on the Council's website: www.bathnes.gov.uk/services/jobs/
39. For further information on the Council's pay policy please contact the Council's Human Resource Service email: HR_Payroll@bathnes.gov.uk Tel: 01225 395146

Annex 1 – Senior Officer remuneration

For the purposes of this statement, senior officer means ‘chief officers’ as defined within S38 of the Localism Act. The posts falling within the statutory definition are set out below together with salaries effective from 1 April 2023²:

Chief Executive (Head of Paid Service)

The salary for the post is £162,000 per annum. The salary falls within a range between £147,000 and £165,000 per annum. Additional payments will be made for Returning Officer duties in respect of the 2023 local elections. The Returning Officer fees are determined by Statutory Instrument and paid by the Cabinet Office for all National and European elections, rather than by the Council. The duties of the Returning Officer are detailed in paragraph 7 above.

Chief Operating Officer

The salary for the Chief Operating Officer is £123,725 per annum. The salary is a fixed point.

Chief Finance Officer

The salary for the Chief Finance Officer is £116,105 per annum. The salary is a fixed-point.

Directors and deputies to statutory officers

Pay Band	Roles	Number
Band 4 (JNC): £105,632 - £111,737	<ul style="list-style-type: none">• Adult Social Care• Children & Education• Place Management• Sustainable Communities• People & Policy	5
Band 5 (JNC): £93,434 - £99,530	<ul style="list-style-type: none">• Business Change & Customer Services• Education, Inclusion and Children’s Safeguarding• One West• Public Health• Regeneration and Housing• External Affairs (0.6 FTE)	6
Grade 14 (NJC): £83,435 - £89,701	<ul style="list-style-type: none">• Head of Financial Management• Head of Legal & Democratic Services	2
Grade 13 (NJC): £57,956 - £63,398	<ul style="list-style-type: none">• Legal Services Manager	1

² Local government pay negotiations for 2023/2024 are still on-going and the final pay award is unknown at the time of writing

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1 INTRODUCTION

This appendix sets out in some detail Members' individual responsibilities to set a legal budget and how Members should approach the task. It also reminds Members about the rules concerning pecuniary and other interests

2 LEGAL REQUIREMENTS

Section 31A of the Local Government Finance Act 1992 requires budget calculations to be made before 11th March, but they are not invalid merely because they are made on or after 11th March. Nevertheless, delay in setting the Council Tax would have significant legal and financial consequences.

3. PROCESS FOR AGREEING THE BUDGET & CONSIDERING ALTERNATIVE BUDGET

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

The Cabinet have formulated a budget proposal and Council Tax recommendation for the Council meeting on 21 February 2023. Such budget proposal may either take the form of a composite proposal or may include agreed core proposals and options for allocating parts of the budget.

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

Council may then determine the budget on the basis of the Cabinet's recommendations, plus any insignificant changes adopted as amendments at the Council meeting.

ALTERNATIVE PROPOSALS

If alternative proposals to those contained in this report are moved at the budget setting meeting, the Chief Finance Officer will need to consider if the estimates or proposed financial reserves contained in this report are affected and whether a further report (which may be oral) is required under section 25 of the Local Government Act 2003.

If the Chief Finance Officer is unable to report on the estimates or the reserves because of the lateness of the alternative proposals, then he will **not** be able to comply with this statutory requirement.

The Constitution provides that the meeting itself (on advice from the Chief Executive) will decide whether any amendment to the budget proposals is of such significance as to amount to an "objection" to the budget to require reconsideration by the Cabinet.

If a significant proposal is accepted on a vote at Council (from those proposals notified at the Cabinet meeting), this stands as a formal objection within the terms of the law and will be referred to the Leader to secure consideration by the Cabinet and report back to the Council meeting on 2 March 2023.

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

4. FAILURE TO AGREE A BUDGET

This renders the Council vulnerable to judicial review proceedings because legislation requires the Council to set the Council Tax.

It also renders Councillors individually liable for failure to fulfil fiduciary duties. The obligation to make a lawful budget each year is shared equally by each individual Member. In discharging that obligation, Members owe a fiduciary duty to the Council Taxpayer.

5. FIDUCIARY DUTY

The budget must not include expenditure on items which would fall outside the Council's powers. Expenditure on lawful items must be prudent, and any forecasts or assumptions such as rates of interest or inflation must themselves be rational.

Power to spend money must be exercised in good faith for the purpose for which they are conferred, and any ulterior motives risk a finding of illegality.

In determining the Council's overall budget requirement, Members are bound to have regard to the level of Council Tax necessary to sustain it. The interests of the Council Taxpayer must be balanced against those of the various service recipients.

Setting a budget is not the same as deciding what expenditure will in fact be incurred. To budget for expenditure is to estimate likely expenditure and/or make financial provision for such expenditure. In setting the budget, commitments are being entered which will have an impact on future years. Some commitments may change in future years, such as staff numbers which are capable of upward or downward adjustment at any time. Other commitments impose upon the Council future obligations which are binding and cannot be adjusted, such as loan charges to pay for capital schemes. For some specific proposals within the overall Budgetary framework, Cabinet decisions have already been made. For some other proposals, subject to relevant consultation where necessary, decisions by the Cabinet will need to be made, especially where the making of such a decision would result or would be likely to result in the permanent closure of a facility used

by the public or a permanent and significant reduction in the level of services or facilities provided to the public other than where such closure or reduction in service is considered necessary by the relevant strategic director for reasons of health and safety.

Only relevant and lawful factors may be considered, and irrelevant factors must be ignored.

A Member who votes in accordance with the decision of his or her political group but who does so after considering the relevant factors and professional advice will be acting within the law. Party loyalty and party policy are capable of being relevant considerations for the individual member provided they properly exercise discretion and do not blindly follow the party line without considering the relevant factors and professional advice.

6. CODE OF CONDUCT CONSIDERATIONS

Finally, under the Bath & North East Somerset Council Member Code of Conduct, members are required when reaching decisions to have regard to relevant advice from the Chief Finance Officer and the Monitoring Officer (the Chief Legal Officer). If the Council should fail to set a budget at all or fail to set a lawful budget, contrary to the advice of these two officers there may be a breach of the Code by individual members if it can be demonstrated that they have not had proper regard to the advice given.

DISCLOSABLE PECUNIARY INTERESTS

Members are reminded to consider whether they have a Disclosable Pecuniary Interest (DPI) or, Other Registerable Interest (ORI) or, Non-Registerable Interest (NRI) in the setting of the council's budget. If a member has a relevant interest they must disclose the interest at the meeting, subject to the provisions in the Code in respect of sensitive interests. If the interest is a Disclosable Pecuniary Interest as set out in the Bath & North East Somerset Council Members Code of Conduct) the member may not participate in the discussions or vote on the matter, although if the interest is an Other Registerable Interest (ORI) or Non

Registerable Interest (NRI), the member may remain for the purposes of making representations or asking questions as a member of the public could but must not vote or take part in the debate.

Members should seek early advice to avoid any confusion on the night of the meeting if they consider they have a relevant interest.

Dispensations

The Council's Monitoring Officer may, on written request from a Member, grant a dispensation to relieve the applicant from the restrictions on participation and voting.

Dispensation may be granted if: -

- Without the dispensation the number of persons prohibited from participating would be so great a proportion to impede the effectiveness of the meeting.
- The representation of different political groups would be affected and likely to alter the likely outcome of any voting at the meeting.
- Granting the dispensation is in the interests of persons living in the area.
- Every Member of the Council's Cabinet would be precluded from participating in the meeting; -
- It is appropriate to grant a dispensation.

A dispensation will mean that the Member to whom it is granted can speak and vote on a matter in which they have a relevant interest.

Michael Hewitt, Head of Legal & Democratic Services (Monitoring Officer)

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ANNEX 10: Budget 2023-24 Consultation Report

1. Background

This report sets out the process and outcomes of Bath & North East Somerset Council's consultation on its budget plans for 2023-24. This consultation comprised two elements:

- Two special online briefings to discuss the impact of the cost-of-living crisis on residents and businesses and the impacts on council finances
- An online consultation on the council's draft budget proposals, which took place from December 14th 2022 to January 20th 2023

Our thanks go to all those who participated in the consultation on our 2023/24 budget.

2. Online briefings

The briefings were held on Zoom at 6pm on Wednesday 2 November and Thursday 3 November. Updates on the current situation were provided by Councillor Richard Samuel, deputy Leader of the council and cabinet member for Resources, Will Godfrey, Chief Executive and Andy Rothery, Chief Finance Officer.

The recordings of both of the meetings are available on the council's You Tube Channel. The links are below.

[2nd November meeting](#)

[3rd November meeting](#)

The slides that were presented at the meeting are available [through this link](#)

More details are set out below

Meeting	Meeting attendance (excludes officers and cabinet)	YouTube views (as at 18/1/22)
2 nd November meeting	22	128
3 rd November meeting	28	123
Total attendances and views	50	251

3. Consultation on draft detailed budget proposals

On December 14th 2022 the council [opened](#) an [online consultation](#) on its draft detailed budget proposals, which were made available on the council's website. This ran until 5pm on 20th January 2023.

This survey on the consultation web pages gave an opportunity to provide comments on our overall proposals, as well as individual savings. Respondees were also able to state whether they supported, partially supported, or objected to the potential 4.99% increase in Council Tax, which proposed a 2.99% increase in general Council Tax combined with a 2% increase in the ring-fenced Social Care Precept.

Results

The council received 48 submissions on these detailed budget proposals.

All 48 submissions provided a response to the proposed changes in general Council Tax and Social Care precept. The breakdown of which is as follows:

Table: Response to proposed changes in general Council Tax and Social Care Precept

Response	No of responses	Percentage of responses
Support	13	27.1%
Partially support	6	12.5%
Don't support	29	60.4%
Total	48	100%

Support

When considering those who supported the proposal, there was a recognition that the council is facing a challenging budget situation and that an increase was required to preserve local services. The following examples are representative of these views:

The rise is less than half the inflation rate and I would not like to see any further reduction in services.

There is no alternative..... if we want decent services

It's unavoidable and is a real terms reduction. What alternative is there to a Council Tax rise?

Partial support

The respondents who partially supported the proposal felt that the council should explore further opportunities to maximise efficiencies and income generation, whilst accepting the changes. Examples capturing these views include:

Services need to be streamlined.

My preference would be to introduce a workplace levy.

There are opportunities to increase savings from those listed.

Don't support

60% of responses were not supportive of the proposed changes. The majority were concerned about the current cost of living crisis and the impact the proposals would have on residents, particularly those with the least money. Frustration was also voiced about the cost of funding some council projects, such as resident parking and cycle lanes. The following examples of feedback illustrate these points:

I can't afford it

Many people are suffering a fall in income

There is a cost-of-living crisis

Raising Council Tax will hit poorer people hardest

This council has wasted funds on unnecessary projects – resident parking

Always seem to find money for unpopular policies e.g., cycle lanes

General response to the budget

Respondee were given an opportunity to provide an overall comment on the budget proposals. Predominantly the responses were similar to those expressed about the proposed general Council Tax and Social Care precept, for example:

4.99% increase for Council tax and Social Care in this current climate is too much.

The emphasis should be on savings rather than tax increases at a time when many people are suffering a fall in real incomes

I object to the council tax rise. Working people cannot afford this in a cost-of-living crisis.

Additional comments related to the amount of information provided as part of the consultation. Some respondents felt that the total budget for services to which a specific item related should have been included to illustrate the scale of the saving or income target. For example:

Need a link to a draft budget to provide more clarity

I want to debate the overall macro decision

Finally, comments were made about the consideration given to perceived wastage within the council and the value for money on investments.

B&NES Council wasteful in its expenditure

I oppose spending millions on cyclist installations and road changes, which for the money spent, do not seem to get proportionate use.

Council response

The proposed changes to general Council Tax and Social Care Precept is required to maintain service levels in the face of acute inflationary pressures. Without this proposal some services risk being significantly reduced or even stopping.

The council accepts the recommendation to include total budget line figures to provide greater context to draft income/savings proposals. This will be included in future budget consultations.

The council requires rigorous business cases to be completed prior to financial commitment. All approved spend is then subject to budget monitoring, ensuring public money is always used efficiently.

Responses at portfolio level

Adult Services and council house building

When considering the budget proposals for this portfolio, public responses focused on the importance of efficient management and spend within adult social care:

Tighter budget management required

Overspending and mismanagement in.....the council

Council response

The adult services and council house building budget is managed efficiently and is subject to rigorous monitoring, including regular quarterly reporting to the council's cabinet.

Children, young people, and communities

No comments received.

Economic development, regeneration and growth

No comments received.

Leader of the Council

No comments received.

The following responses relate to the council's detailed draft budget proposals:

Deputy leader and resources

Corporate and commercial estate income – (Increase in income from new lettings, review of bad debt provision, and improved Council Tax collection)

Feedback received

Rents for council owned property should be charged at the same rates for businesses and charities. Any discounts applied to charities should be applied to businesses.

Council response

Any concessions reduce income to the council and its ability to spend on services. However, the council aims to have low vacancy rates amongst its portfolio and does consider rent incentives to encourage long term occupancy, particularly for long term vacant properties.

Corporate property and capital financing (Review and rationalise the utilisation, and reduce running costs, of Council occupied estate, review and re-profile corporately funded capital programmes)

Responses to this budget proposal focused on the opportunities to rationalise the council's estate following increased usage of staff working from home.

Feedback received

With working from home there should be savings that can be made in the estate

There must be more savings here especially as more workers are working from home.

More could be done to let out space that is not being used.

Council response

The Council through its 'Corporate Landlord Programme' is actively looking to make best use of its estate through letting spare capacity, disposing of surplus properties and making more effective use of existing office space, whilst ensuring the estate is carbon neutral by 2030.

Chief Financial Officer service review (Review and benchmark Chief Financial Officer functions running costs, restructure and rebase teams staffing and running costs to align with revisions in functions and current management arrangements)

Responses to this proposal encouraged the increased usage of IT to promote efficiencies.

Feedback received

Use technology more intelligently.

Increase use of IT automation and fund the efficiency through reduction in staff.

Internal efficiency savings and higher productivity should be prioritised

Council response

This proposal has identified 50% of the savings to come from IT efficiencies including reduction in software costs through optimising the functionality of core systems.

Planning and licensing

World Heritage (Restructure service by moving into Planning department and use of Community Infrastructure Levy (CIL))

Of the responses received it was felt that this savings target reflected a lack of commitment to heritage by the council. Also, a recommendation was included to promote better joint working with community preservation groups to potentially result in efficiencies.

Bath is Bath because of our World Heritage & it doesn't seem to be taken seriously

World Heritage should be planned in close conjunction with Bath Preservation Trust and other concerned bodies to preserve the heritage of the city. Liaising with them prior to any consultations could save time and money

Council response

There is no direct service impact from this saving

The council takes its World Heritage site stewardship very seriously and continues to work closely with the World Heritage Steering Group to ensure a partnership approach to preserving our local heritage. Additionally, the council through its local planning policies has ensured heritage is at the forefront of development decisions, an example including the recently developed Milsom Quarter proposals.

Neighbourhood services

Reduce consultancy spend on projects and absorb inflationary pressures within existing budget for one year (Reduction to consultancy revenue budget for waste strategy work for 2023/24 only, budget not required next year)

Feedback received

At a time of huge energy costs and increasing inflation the use of paid consultants is not acceptable.

Council feedback

It is often more effective for the council to use external experts on a temporary basis to meet demand, rather than retaining specialist officers permanently with associated costs.

Structure review (Service efficiencies through holding and removing vacant posts in Waste and Fleet services)

Feedback received

Highways is the one of the most important parts of the council's work..... can these posts be sacrificed?

Council feedback

There is no anticipated direct service impact from this budget saving.

Transport

Maintenance volume capping (spend up to available budget with profiling of work across more than one financial year)

Feedback received

Will profiling of work across financial years not lead to increased problems in the future?

Council feedback

The council is investing an additional £2 million into its highway capital improvement programme reducing the demand for reactive maintenance work.

Increased charging measures (Uplifts in line with inflation to chargeable services, introduction of new Residents Parking Zones, CAZ Financial assistance scheme contract income, emission-based charging, recovery of parking demand to pre-pandemic levels)

This proposal generated 15 responses. Most concerns related to the potential impact on businesses/residents and car users following any potential increases in charging.

Feedback received

You are just driving businesses and residents out of Bath.....the council are pinning their hopes for increased income mainly on car and van drivers who will also probably be paying council tax.

This is no more than an additional tax on residents

RPZ and CAZ charges hit car owners. Cars are essential items, not luxuries.

Charging of cars to enter the city will have a significant effect on retail and visitors coming to the city - the measure will be totally counterproductive.

Council response

The council confirms that there are no plans to charge for cars to enter the 'clean air zone'. There is also no evidence to support that car parking charges have negatively impacted on retail and businesses within the city. The revenue generated from residents parking zones will be utilised on maintaining and improving the highway infrastructure for the local community in line with legislation.

Structure review (Removal of vacant technician and engineer posts, revision to CCTV operating schedule)

Feedback received

What is the revision of the CCTV operating schedule? A further reduction will make Bath more unsafe.

I don't want to a cut to CCTV operations/monitoring. Bath's Park & Rides need to be monitored more closely to stop vehicle crimes.

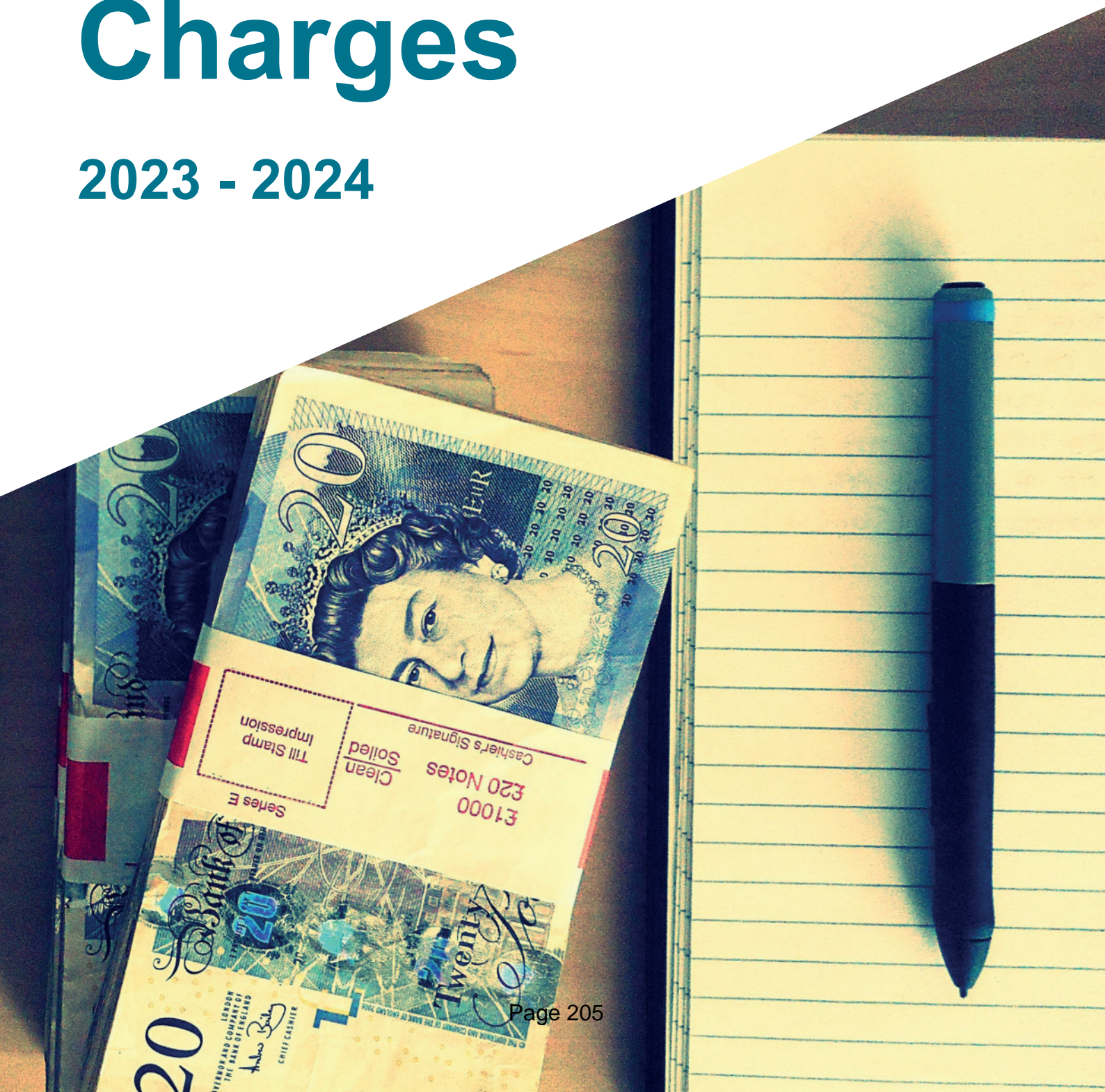
Council response

Public safety is and continues to be the council's priority and so we have recently undertaken a strategic review of our security surveillance operation to improve our CCTV system. Coverage levels will not be impacted by this proposal.

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Fees and Charges

2023 - 2024



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Bereavement



Ashes - Gardens

Including Replacement, Repainting, Cleaning

Englishcombe & Valley View Gardens - New Plot	Charge
Englishcombe/Valley View Garden*	£1,561.00
Interment Fee	£239.00

Sanctum Vaults - New Vault	Charge
Sanctum 2000 Vault* Above ground vault for up to 2 ashes placements	£1,695.00
Sanctum Family Vault* Above ground vault for up to 4 ashes placements	£3,391.00
Placement Fee (first placement fee included)	£87.00

Circle Gardens - New Plot	Charge
Circle Garden*	£1,006.00
Interment Fee	£239.00

Added Inscription/Interment with Repaint - All Gardens (except where indicated)	Charge
Added Inscription (per Character)*	£6.00
"Repainting of an Englishcombe/Valley View/Alpine/Pergola/New Conifer/Old Conifer/Heather Garden Stone* (in addition to an added inscription only)"	£157.00
Interment Fee	£239.00

Replacement Memorial/Interment - All Gardens	Charge
Replacement Memorial * (including up to 60 characters)	£1,126.00
Added Inscription (per Character)*	£6.00
Interment Fee	£239.00

Optional Extras	Charge
Extra letters over 60 characters (each)* (Applicable to all new & replacement memorials)	£6.00
"Repainting of an Englishcombe/Valley View/Alpine/Pergola/New Conifer/Old Conifer/Heather Garden Stone* (in addition to an added inscription only)"	£157.00
Photo plaque*	£262.00
Simple rose or cross design on stone (same colour as lettering)*	£149.00
Complex design on stone - ie Service Badges/colour motifs*	£210.00
Rose tile*	£149.00
Caskets & Urns	see previous page
Saturday Supplement (subject to staff availability)	£143.00

Repaint Only - All Gardens (except where indicated)	Charge
Repaint only of a Englishcombe/Valley View/Alpine/Pergola/New Conifer/Old Conifer/Heather Garden Stone* (no added inscription)	£264.00

Cleaning of a Peace Garden Stone	Charge
Clean only*	£135.00

* denotes VAT included

Burials

Burial

Including Transfers, Searches, Grave Maintenance

Exclusive Right of Interment	Babies up to and including 23 weeks gestation	Children from 24 weeks gestation up to and including 17 years	18+ years Deceased or Owner is Resident of BANES	18+ years Deceased or Owner is Non Resident of BANES
Standard Grave 30 years	N/A	£1047.00 (zero charge to family. To be claimed via Child Funeral Fund)	£1,047.00	£2,093.00
Standard Grave 50 years	N/A	£1,739.00	£1,739.00	£3,479.00
Standard Grave 75 years	N/A	£2,186.00	£2,186.00	£4,271.00
Standard Grave 99 years	N/A	£2,519.00	£2,519.00	£5,038.00
Vault Grave (inc interment fee) 50 years	N/A	£3,393.00	£3,393.00	£6,787.00
Vault Grave (inc interment fee) 75 years	N/A	£4,872.00	£4,872.00	£9,744.00
Vault Grave (inc interment fee) 99 years	N/A	£5,206.00	£5,206.00	£10,412.00
New baby grave in designated area	£0.00	N/A	N/A	N/A

Graves for children up to and including age 16 years will be in a designated area unless the family wish to purchase the Exclusive Right of Interment in a private grave.

Exclusive Right of Interment	Babies up to and including 23 weeks gestation	Children from 24 weeks gestation up to and including 17 years	18+ years Deceased or Owner is Resident or Non Resident of BANES
Interment fee for single depth	£0.00	£358.00 (zero charge to family. To be claimed via Child Funeral Fund)	£751.00
Interment fee for double depth (where achievable)	N/A	£446.00 (zero charge to family. To be claimed via Child Funeral Fund)	£936.00

Burial Extras	Charge
Use of Top Chapel per ½ hour slot	£295.00
Celebrancy provided by our in-house Green Fuse accredited celebrant	£195.00
Late arrival and over run of time slot penalty	£88.00
Tree and plaque for green burial grave*	£335.00
Cancellation fee once digging of any grave has commenced	£371.00
Full Exhumation (based on individual assessments of the grave)	£3,343.00
Ashes Exhumation (based on individual assessments of the grave)	£245.00

Prepurchase Exclusive Right of Interment in Full Burial Graves	Purchaser is Resident of BANES	“Purchaser is Non Resident of BANES”
Prepurchase Standard Grave 30 years	£1,564.00	£3,127.00
Prepurchase Standard Grave 50 years	£2,604.00	£5,207.00
Prepurchase Standard Grave 75 years	£3,050.00	£6,099.00
Prepurchase Standard Grave 99 years	£3,384.00	£6,767.00
Prepurchase Vault Grave inc interment fee 50 years	£5,110.00	£10,220.00
Prepurchase Vault Grave inc interment fee 75 years	£5,423.00	£10,846.00
Prepurchase Vault Grave inc interment fee 99 years	£5,645.00	£11,291.00

Transfer of Ownership of Right of Interment	Charge
Simple probate to executors - paperwork to be drawn up within 2 weeks	£63.00
Other - paperwork to be drawn up within 2 weeks	£79.00
Urgent - paperwork to be drawn up within 3 days	£114.00

Searches	Charge
Tracing fees (per name)*	£47.00
Marking a traced grave in any cemetery*	£47.00

Cremations

Cremation & Media

Cremation

Direct Cremations - Orchard Entrance	Charge
Unattended Direct Cremation (the deceased to be brought into our care through The Orchard entrance without anyone attending other than the funeral director). 0830hrs - 1600hrs at half hourly intervals	£490.00
Attended Direct Cremation - to witness - maximum of 6 mourners (the deceased to be brought into our care through The Orchard entrance). 0830hrs - 1600hrs at half hourly intervals - maximum of 10 minutes	£550.00

Crematorium Chapel	Babies up to and including 23 weeks gestation	Children from 24 weeks gestation up to and including 17 years	18+ years
15 minute service duration with our in-house celebrant from: 8.30am. 9.00am	N/A	N/A	£724.00
20 minute service duration from: 9.30am	£0.00	£412.00 (Zero charge to family. To be claimed via Child Funeral Fund)	£866.00
30 minute service duration from: 10am, 10.45am, 11.30am, 12.15pm, 1.00pm, 1.45pm, 2.30pm, 3.15pm, 4.00pm.	£0.00	£496.00 (Zero charge to family. To be claimed via Child Funeral Fund)	£1,041.00

The cremation fee includes:-

- a. Medical referees fee.
- b. Certificate of cremation.
- c. Provision of organ (not organist)
- d. Provision of Obitus System
- e. Burial of remains in a communal shrubbery or scattering on communal area - unwitnessed
(Note: a charge will apply to FD's returning ashes after 1 year - See extras below).
- f. Recycling of metals through a national scheme with profits going to charity.
- g. Abatement and re-cycling of mercury from emissions.
- h. Facility to accept large coffins.
- i. Provision of biodegradable container as required.

Cremation Extras	Charge
Extra use of Crematorium Chapel per time slot	£206.00
Celebrancy provided by our in-house Green Fuse accredited celebrant	£195.00
Saturday Supplement (subject to staff availability)	£206.00
Bringing the deceased into our care prior to a cremation	£21.00
Storage of remains (six months free of charge - remains held longer than this period will incur a monthly charge)	£52.00
Postage of remains to address in UK*	from £74.00
Ashes being returned by Funeral Directors after 1 year to inter/scatter in a communal area unwitnessed	each £11.00
Late arrival and over run of time slot penalty	£88.00
In-house Celebrant	£195.00

Media Charges

Cremation Extras	Charge
Live Web Cast*	£45.00
Live + 28 day Downloadable	£63.00
• Keepsake Copy of Webcast (DVD/Blu-ray/USB stick/CD) (First copy £63 thereafter £25 per copy)	£63.00
Single Photo Tribute (additional photos £12)	£0.00
Basic slideshow (up to 25 photos shown on loop with simple transitions. This does not include music)	£61.00
Music slideshow (up to 25 photos set to music with fade transitions)	£77.00
Additional 25 Photos for any Slideshow or Pro Tribute)	£25.00
• Keepsake Copy Recording of a Pro Tribute	£25.00
• Downloadable Copy Recording of a Pro Visual Tribute	£12.00
Family-Made Video Checking (checking and preparation of video supplied by family or third party (played once at a time)	£25.00
Obitus Extra Work - for either adding video to a Pro Tribute, revisions, or major departure from a standard product	£25.00

Other packages available.

Misc	Charge
Medical Referee (Price changes in April)	£28.00

Ashes

Cremated Remains

Including Crem Plots for 4, Scatterings, Green Ashes Burial, Caskets & Urns

Exclusive Right of Interment - Cremated Remains Plots	Deceased or Owner is Resident of BANES	Deceased or Owner is Non resident of BANES
Cremation Plot for 4 (for 30 years)	£536.00	£1,071.00
Cremation Plot for 4 (for 50 years)	£871.00	£1,741.00
Cremation Plot for 4 (for 75 years)	£1,094.00	£2,187.00
Cremation Plot for 4 (for 99 years)	£1,260.00	£2,520.00

Interment Options - Cremated Remains	Charge
Witnessed interment in a shrubbery or scattering in The Grassland (to be arranged and paid by applicant of cremation)	£87.00
Interment of remains in a shrubbery following cremation elsewhere (to be arranged and paid by applicant of cremation)	£154.00
Scattering of remains on The Grassland following cremation elsewhere (to be arranged and paid by applicant of cremation)	£154.00
Cremated remains interment (Private Grave/Garden plot)	£239.00
Additional cremated remains to be interred or scattered simultaneously in the same plot	£50.00
Administration fee for returned cremated remains to be interred or scattered at our convenience	£50.00
Saturday Supplement (subject to staff availability)	£143.00

Pre Purchase Exclusive Right of Interment in Cremated Remains Plots	Deceased or Owner is Resident of BANES	Deceased or Owner is Non resident of BANES
Prepurchase Cremation Plot for 4 (for 30 years)	£795.00	£1,590.00
Prepurchase Cremation Plot for 4 (for 50 years)	£1,363.00	£2,726.00
Prepurchase Cremation Plot for 4 (for 75 years)	£1,586.00	£3,172.00
Prepurchase Cremation Plot for 4 (for 99 years)	£1,753.00	£3,506.00

Cremated Remains - Scatterings	Charge
The Meadow or Glade scattering	£154.00
The Meadow or Glade plaque* (on 10 year lease)	£257.00
Choice of motif on The Meadow or The Glade plaque*	£79.00
The Glade Mushroom Plaque	£257.00

Cremated Remains - Green Burial	Charge
Coppice, Locksbrook and Haycombe Other* (plus interment)	£1,006.00
Additional Plaque*	£239.00

Caskets/Urns	Charge
Light & Dark Oak Caskets	£97.00
Scatter Tube - full size	£33.00
Scatter Tube - keep sake	£8.00
Brass Urns* - full size	£217.00
Brass Urns* - keep sake	£47.00
3" Hand Held Heart*	£52.00
5" Keep Sake Heart*	£90.00

Ashes Into Glass	Charge
Jewellery & Paperweights	(As per brochure)

*** denotes VAT included**

Memorials

Memorials Only

Babies	Charge
Old Babies Section - White Marble Shrubbery Memorial* (including up to 20 characters)	£397.00
Old Babies Section - Extra letters over 20 characters* (each)	£4.00
Butterfly Section Tower plaques*	£206.00

Benches	Charge
Eco Bench of Remembrance (25 year lease period) - including a bronze plaque*	£1,372.00
Extra plaque for Eco Bench of Remembrance until end of lease period*	£252.00
One off clean of Wooden Bench of Remembrance*	£150.00
Granite Backed Bench of Remembrance (25 year lease period) - including a granite plaque*	£1,563.00
Granite Backless Bench of Remembrance (25 year lease period) - including a granite plaque*	£1,305.00
Motif on granite bench plaque	£150.00
Photo plaque on granite bench plaque	£144.00
Extra plaque for Granite Backed & Backless Bench of Remembrance until end of lease period*	£206.00

Book of Remembrance Memory Tree	Charge
Leaf on Book of Remembrance Memory Tree (10 year lease)	£136.00
Additional 10 year lease on Leaf on Book of Remembrance Memory Tree	£68.00

Willow Memory Tree	Charge
Granite Leaf on Willow Memory Tree (10 year lease)	£136.00
Additional 10 year lease on Leaf on Willow Memory Tree	£68.00

Memorial Wall Plaque	Charge
Memorial Wall Plaques*	£303.00
Extra letters over 60 characters on inscription*	£6.00

Saddlestone	Charge
Additional Inscription (per letter)*	£6.00
Repainting of a Saddlestone* (in addition to an added inscription only)	£158.00
Repaint only of a Saddlestone* (no added inscription)	£265.00

Shrubberies	Charge
Shrubbery Plaques 1 to 28*	£263.00
Shrubbery Board Plaques 29 - 30*	£138.00
Shrubbery 31 - 32 Kerb Plaques (25 year lease)	£341.00
Photo Plaque for Kerb Plaque	£114.00
Motif on Kerb Plaque	£93.00
Replacement Shrubbery Memorial Stone* (includes up to 60 characters)	£1,126.00
Extra letters over 60 characters on Shrubbery Stone inscription* (each)	£6.00
Additional Inscription (per letter)* (each)	£6.00
Repainting of a Shrubbery Stone* (in addition to an added inscription only)	£158.00
Repaint only of a Shrubbery Stone* (no added inscription)	£265.00

Tree of Remembrance	Charge
Tree of Remembrance for a 10 year period*	£706.00
Tree of Remembrance - additional plaque until end of lease*	£239.00

Miscellaneous	Charge
Photo plaque on Shrubbery Stone*	£263.00
Simple rose or cross design on Shrubbery Stone (same colour as lettering)*	£150.00
Complex design on Shrubbery Stone - ie Service Badges/colour motifs*	£212.00
Rose tile for Shrubbery Stone or Saddlestone*	£150.00
Aluminium flower container (gold or silver topped)*	£12.00
Aluminium flower container Lid only for Kerb Block*	£5.00

*** denotes VAT included**

Memorial Permits

Memorial Fees	Charge
New Memorial - Lawn, Traditional, Vault & Cremated Remains Sections	£252.00
New Memorial - Babies Sections (for children aged from 24 weeks gestation and up to and including 17 years old this can be claimed via the Child Funeral Fund if within 6 months of funeral)	£131.00
New Memorial - Pets Section*	£131.00
Added Inscription	£131.00
Added Memorial	£131.00
Replacement Memorial	£131.00
All Other Work (i.e cleaning/renovation etc.)	£46.00
Duplicate Permit (to replace lost original)	£12.00

*** denotes VAT included**

Book of Remembrance & Memorial Cards

Book of Remembrance & Memorial Cards	Charges
2 line entry*	£131.00
5 line entry*	£165.00
8 line entry*	£217.00
Simple designs i.e. flowers*	£63.00
Complex design ie service badges/heraldic designs*	£109.00

*** denotes VAT included**

Pets (inc Pet Book of Remembrance)

Pet Burials and Ashes	Charges
1st Interment inc Exclusive Right of Burial (for 30 years)*	£422.00
2nd Interment* (for older plots only - check previous burial record)	£217.00
Pet coffin - small*	£151.00
Pet coffin - medium*	£186.00
Pet coffin - large*	£222.00
Cremated remains including plaque*	£195.00
Re-opening for ashes*	£93.00
Prepurchase of Right of Interment for 30 years*	£625.00
Renewal of Exclusive Right of Interment (per unit of 10 years)*	£138.00

Pet Book of Remembrance	Charges
2 line entry*	£131.00
5 line entry*	£165.00
Simple designs ie flowers*	£63.00
Complex design ie animal*	£109.00

* denotes VAT included

Memorial Permits

Memorial Fees	Charges
New Memorial - Lawn, Traditional, Vault & Cremated Remains Sections	£252.00
New Memorial - Babies Sections (for children aged from 24 weeks gestation and up to and including 17 years old this can be claimed via the Child Funeral Fund if within 6 months of funeral)	£131.00
New Memorial - Pets Section*	£131.00
Added Inscription	£131.00
Added Memorial	£131.00
Replacement Memorial	£131.00
All Other Work (i.e cleaning/renovation etc.)	£46.00
Duplicate Permit (to replace lost original)	£12.00

*** denotes VAT included**

Building Control and Public Protection



Building Control charges

New dwellings

Service	Cost 23/24	Notes
1	£683.33	ex vat
2	£900.00	ex vat
3	£1,150.00	ex vat
4	£1,433.33	ex vat
5	£1,708.33	ex vat
Garages and car ports up to 40m ²	£190.00	ex vat
Garages and car ports over 40m ² up to 60m ²	£316.67	ex vat
Extensions up to 10m ²	£383.33	ex vat
Extensions over 10m ² up to 40m ²	£500.00	ex vat
Extensions over 40m ² up to 60m ²	£583.33	ex vat
Extensions over 60m ² up to 80m ²	£641.67	ex vat
Loft Conversions up 40m ²	£420.00	ex vat
Loft Conversion over 40m ²	£525.00	ex vat
Conversion of garage into living accommodation	£270.00	ex vat
Renovation of a thermal element	£145.00	ex vat
Replacement windows	£145.00	ex vat
Installation of wood burner	£195.00	ex vat
Electrical work - (non Competent Persons Scheme)	£400.00	ex vat
Insertion of one supporting beam	£155.00	ex vat
Insertion of two supporting beams	£225.00	ex vat
Insertion of three supporting beams	£280.00	ex vat

Total estimated cost of works

Service	Cost 23/24	Notes
0 -1000	£160.00	ex vat
1,001-2,000	£225.00	ex vat
2,001-5,000	£283.33	ex vat
5,001-10,000	£325.00	ex vat
10,001-15,000	£370.00	ex vat
15,001-20,000	£435.00	ex vat
20,001-30,000	£510.00	ex vat
30,001-40,000	£580.00	ex vat
40,001-50,000	£660.00	ex vat

All other charges are worked out on a cost recovery basis.

Land Charges fees

Service	Cost 23/24	Notes
Standard Official Search (LLC1 and CON29)	£132.00	partial vat inc
Official Certificate of Search (LLC1 only)	£38	no vat
CON29 enquiries	£94.00	inc vat
Standard Official Search (LLC1 and CON29)	£167.00	partial vat inc
Official Certificate of Search (LLC1 only)	£49.00	no vat
CON29 enquiries	£118	inc vat

Dog Warden

Service	Cost 23/24	Notes
Stray dogs (VAT exempt)	£100.00	per recovery

Environmental Protection fees

Service	Cost 23/24	Notes
Contaminated land advice	£85.00	per hour

Food Safety fees

Training Courses

Service	Cost 23/24	Notes
RSPH Level 3 Award in Nutrition for Healthier Food and Special Diets Training per candidate	£252.00	
RSPH Level 2 Award in Nutrition for Healthier Food and Special Diets Training per candidate	£89.00	
RSPH Level 3 Award in Food Hygiene Training per candidate	£252.00	
RSPH Level 2 Award in Food Hygiene Training per candidate	£89.00	
RSPH Level 2 Award in Identifying and Controlling Allergy risks	£89.00	
Exam resit fee	£47.00	
Allergen training	£89.00	
Allergen Essentials training course	£53.00	

Food Hygiene

Service	Cost 23/24	Notes
Safer Food Better Business Pack (VAT not payable on this product)	£23.00	
Safer Food Better Business - additional Diary Sheets	£13.00	
Production of health certificates - hourly rate	£107.00	

Awards

Service	Cost 23/24	Notes
Nutrition Award - New Application	£142.00	
Nutrition Award - renewal	£142.00	

Food & Trading Standards Business Support

Business Advice and Support

Service	Cost 23/24	Notes
New Business Start-up Advice - for 2 hours food safety advice or consultation	£265.00	inc vat
Additional advice and consultancy - hourly rate	£108.00	inc vat
Bite Size - half an hour advice	£54.00	inc vat
FHRS Rescore -business request visit	£194.00	inc vat
FHRS Fast- track - Event catering	£194.00	inc vat

Primary Authority

Option 1 - An agreement using standard contract terms with a fixed set up fee and annual renewable fee. Advice is then charged at an hourly rate

Service	Cost 23/24	Notes
Initial set up fee	£600.00	vat exempt
Annual Renewal fee	£210.00	vat exempt
Advice and Consultancy- Hourly rate	£85.00	vat exempt

Option 2 - An agreement using standard contract terms and a fixed minimum amount of hourly advice, set up fee and an annual renewal fee

Service	Cost 23/24	Notes
Initial Set-up fee and 17 hours of advice or consultation - valid for 12 months	£1,800.00	vat exempt
Annual Renewal Fee - including 17 hours of advice and consultation - valid for 12 months	£1,415.00	vat exempt
Additional advice and consultancy - hourly rate	£85.00	vat exempt

Travelling to premises outside of B&NES

Service	Cost 23/24	Notes
Either - hourly rate + mileage charge or public transport costs and accommodation - with prior agreement as appropriate	£85+0.45/mile	vat exempt
Verification Sampling Costs - by County Analyst and provision of test certificates	charged at cost	

Local Air pollution & Prevention Control charges (set by DEFRA)

Initial Application

Service	Cost 23/24	Notes
Standard Process	£1,650.00. Where an application is for a combined Part B and waste application, add an extra £310.	ex vat
Additional Fee for Operating without a Permit	£1,188.00. Where an application is for a combined Part B and waste application, add an extra £310.	ex vat.
Reduced fee activities - Dry Cleaners & PVR I	£155.00. Where an application is for a combined Part B and waste application, add an extra £310.	ex vat
PVR I & II (Combined)	£257.00. Where an application is for a combined Part B and waste application, add an extra £310.	ex vat
Vehicle Refinishers (VR's) and other reduced fee activities	£362.00. Where an application is for a combined Part B and waste application, add an extra £310.	ex vat
Reduced Fee Activities - Additional Fee for Operating without a Permit	£71.00. Where an application is for a combined Part B and waste application, add an extra £310.	ex vat
Mobile Crushing Plant - for 1st and 2nd permit	£1,650.00. Where an application is for a combined Part B and waste application, add an extra £310.	ex vat
Mobile Crushing Plant - for 3rd, 4th, 5th, 6th and 7th permit	£985.00. Where an application is for a combined Part B and waste application, add an extra £310.	ex vat

Service	Cost 23/24	Notes
Mobile Crushing Plant - for 8th and each subsequent permit	£498.00. Where an application is for a combined Part B and waste application, add an extra £310.	ex vat
Annual Subsistence	773 (+104)*	ex vat
Standard Process - Low	1162 (+156)*	ex vat
Standard Process - Medium	1748 (+207)*	ex vat
Standard Process - High	£79.00	ex vat
Reduced fee activities - Low	£158.00	ex vat
Reduced fee activities - Medium	£237.00	ex vat
Reduced fee activities - High	£113.00	ex vat
PVR I & II - Low	£226.00	ex vat
PVR I & II - Medium	£341.00	ex vat
PVR I & II - High	£228.00	ex vat
Vehicle Refinishers - Low	£365.00	ex vat
Vehicle Refinishers - Medium	£548.00	ex vat
Vehicle Refinishers - High	£626.00	ex vat
Mobile Crushing Plant - Low 1st and 2nd permit	£1,034.00	ex vat
Mobile Crushing Plant - Medium 1st and 2nd permit	£1,551.00	ex vat
Mobile Crushing Plant - High 1st and 2nd permit	£385.00	ex vat
Mobile Crushing Plant - Low 3rd to 7th permit	£617.00	ex vat
Mobile Crushing Plant - Medium 3rd to 7th permit	£924.00	ex vat
Mobile Crushing Plant - High 3rd to 7th permit	£198.00	ex vat
Mobile Crushing Plant - Low 8th and subsequent permit	£314.00	ex vat
Mobile Crushing Plant - Medium 8th and subsequent permit	£473.00	ex vat

Service	Cost 23/24	Notes
Mobile Crushing Plant - High 8th and subsequent permit	£52.00	ex vat
Late Payment Fee**	£38.00	ex vat

Payment in installments

***the additional amounts in brackets must be charged where a permit is for a combined Part B and waste installation. **this applies when an invoice is unpaid for 8 weeks from the date of issue**

Transfer and Surrender

Service	Cost 23/24	Notes
Transfer	£169.00	ex vat
Partial transfer	£497.00	ex vat
Surrender: all Part B activities	£0.00	ex vat
Transfer - Reduced fee	£0.00	ex vat
Partial Transfer - reduced fee	£47.00	ex vat
Temporary transfer for mobiles - first transfer	£53.00	ex vat
Temporary transfer for mobiles - repeat transfer	£0.00	ex vat
Temporary transfer for mobiles - following enforcement	£53.00	ex vat

Substantial Changes	Cost 23/24	Notes
Standard Process	£1,050.00	ex vat
Reduced fee activities - Service Stations, Dry Cleaners, Vehicle Resprayers & WOB	£102.00	ex vat
Standard process where the substantial change results in a new PPC activity.	£1,650.00	ex vat

Copy of Register

Service	Cost 23/24	Notes
Basic	£10.00	ex vat
Detailed	£100.00	ex vat

Pollution Prevention and Control Act 1999 – LA-IPPC

Service	Cost 23/24	Notes
Initial Application	£3,363.00	ex vat
Additional fee for operating without a permit	£1,188.00	ex vat
Annual Subsistence - Low	£1,343.00	ex vat
Annual Subsistence - Medium	£1,507.00	ex vat
Annual Subsistence - High	£2,230.00	ex vat
Late Payment Fee	£52.00	ex vat
Variation	£1,368.00	ex vat
Substantial Variation	£3,363.00	ex vat
Transfer	£235.00	ex vat
Partial transfer	£698.00	ex vat
Surrender ** excludes Environment Agency fee	£698.00	ex vat
Air Quality Information - Enquiries- cost per hour or part thereof	£89.00	ex vat

Private Water Supply charges

Service	Cost 23/24	Notes
Risk Assessment -	£89per hour in time in addition to the actual sampling costs	
Sampling (each visit)	£89per hour in time in addition to the actual sampling costs	
Investigation (each investigation)	£89per hour in time in addition to the actual sampling costs	
Granting an authorisation (each authorisation)	£89per hour in time in addition to the actual sampling costs	
Analysing a sample	£89per hour in time in addition to the actual sampling costs	
Taken under regulation 10	£89per hour in time in addition to the actual sampling costs	
Taken during check monitoring	£89per hour in time in addition to the actual sampling costs	
Taken during audit monitoring	£89per hour in time in addition to the actual sampling costs	
Officer time per hour and then part thereof	£89per hour in time in addition to the actual sampling costs	
	£89per hour in time in addition to the actual sampling costs	

Pest Control charges

Commercial Pest

Service	Cost 23/24	Notes
Rats	£290.00	inc vat
Mice	£290.00	inc vat
Wasps nest	£145.00	inc vat
additional wasp nest (at time of treatment)	£58.00	inc vat
Carpet Fleas	£353.00	inc vat
Ants (school only)	£172.00	inc vat
Cockroaches	£434.00	inc vat
Cluster Flies - (1 attic only)	£290.00	inc vat
Cluster Flies - (each additional attic)	£58.00	inc vat
Carpet Moths	£353.00	inc vat

Domestic Pest

Service	Cost 23/24	Notes
Rats	£155/£77	Inc vat. Lower figure is for households on means tested benefit
Mice	£155/£77	Inc vat. Lower figure is for households on means tested benefit
Wasps nest	£111/£67	Inc vat. Lower figure is for households on means tested benefit
additional wasps nest (at time of treatment)	£23/£23	Inc vat. Lower figure is for households on means tested benefit
Fleas 1&2 rooms	£204/£102	Inc vat. Lower figure is for households on means tested benefit
Fleas 3&4 rooms	£285/£142	Inc vat. Lower figure is for households on means tested benefit
Fleas 5 rooms	£413/£208	Inc vat. Lower figure is for households on means tested benefit
Fleas 6-10 rooms	£470/£235	Inc vat. Lower figure is for households on means tested benefit
Cockroaches	£204/£102	Inc vat. Lower figure is for households on means tested benefit
Cluster Flies	£204/£103	Inc vat. Lower figure is for households on means tested benefit
Carpet moths1-2rms	£204/£104	Inc vat. Lower figure is for households on means tested benefit
Carpet moths3-4rms	£285/£142	Inc vat. Lower figure is for households on means tested benefit
Carpet moths 5 rms	£413/£208	Inc vat. Lower figure is for households on means tested benefit
Carpet moths 6-10rms	£470/£235	Inc vat. Lower figure is for households on means tested benefit
Call out fee if no treatment takes place	£67/£67	Inc vat. Lower figure is for households on means tested benefit
Commercial contract prices	£39 per hour	plus vat

Trading Standards fees

Metrology

PLEASE NOTE THAT SOME CHARGES MAY REQUIRE THE ADDITION OF VAT. CHECK WITH OFFICERS PRIOR TO WORK BEING UNDERTAKEN

Charges for BATH & NORTH EAST SOMERSET COUNCIL trading standards (Charges follow the ACTSO national cost guidance structure or South Glos fees where available).

Licence or Service	Guide Time (hrs)	Charge
Weighbridge Operators Certificate		£63
Petrol Pump Verification (if South Gloucestershire not available)		£154.5 (+VAT) per officer per hour
Minimum visit charge shall apply where a visit has to be made to a premises to carry out any of the functions below regardless of the nature or amount of work requested or completed.	1	£154.5 (+VAT) per officer per hour
HOURLY RATE		£154.5 (+VAT) per officer per hour
Visits carried out partly or entirely outside of normal office hours may incur a surcharge of 50% of the standard fee or standard hourly rate, per officer per hour.		
Minimum charge of one half hours officer work for all services performed at a Council Metrology facility.	0.5	£77.25

Weights

Licence or Service	Guide Time (hrs)	Charge
Weights (Per individual Weight)	0.12	£154.5 (+VAT) per officer per hour
Adjustment of Weights		£154.50 (+VAT) per officer per hour

Measures

Licence or Service	Guide Time (hrs)	Charge
Linear measures not exceeding 3m or for each scale	0.14	£154.5 (+VAT) per officer per hour
Capacity measures without divisions not exceeding 1 litre	0.14	
Liquid capacity measures for making up and checking average quantity packages	0.34	
Templets		
(a) Per scale - first item	0.55	
(b) Second and subsequent items	0.23	

Non-automatic weighing instruments

Licence or Service	Guide Time (hrs)	Charge
Not exceeding 1 tonne	1.25	£154.5 (+VAT) per officer per hour
Exceeding 1 tonne to 10 tonnes	2	£154.5 (+VAT) per officer per hour
Exceeding 10 tonnes	4	£154.5 (+VAT) per officer per hour
A charge to cover any additional costs involved in testing instruments incorporating remote display or printing facilities based on the above fee plus additional costs at an hourly rate.		£154.5 (+VAT) per officer per hour
Where weights are supplied by South Gloucestershire the cost of any van hire incurred will be charged.		£154.5 (+VAT) per officer per hour

Liquid Fuel Dispensers

Licence or Service	Guide Time (hrs)	Charge
1st meter tested on site	1.5	£154.5 (+VAT) per officer per hour
All other meters tested	0.75	£154.5 (+VAT) per officer per hour
Charge to cover any additional costs involved in testing ancillary equipment that requires additional testing on site based on basic fee as above plus additional costs at an hourly rate.		£154.5 (+VAT) per officer per hour

Hours accrued outside of normal working hours (8:30 -5pm Monday to Friday - not including Bank Holidays) may incur surcharge of 50% of the standard fee or standard hourly rate , per officer per hour.

Meter-measuring systems

Licence or Service	Guide Time (hrs)	Charge
(a) Wet hose type with two testing liquids	3	£154.5 (+VAT) per officer per hour
(b) Dry hose type with two testing liquids	3.25	£154.5 (+VAT) per officer per hour
(c) Dual hose wet/dry	4	£154.5 (+VAT) per officer per hour
(d) Standard temperature accounting	0.5	£154.5 (+VAT) per officer per hour
(e) Measure check (non ACTSO)		£154.5 (+VAT) per officer per hour

Reference meters

Licence or Service	Guide Time (hrs)	Charge
(a) Wet hose type with two testing liquids	3	£154.5 (+VAT) per officer per hour
(b) Dry hose type with two testing liquids	3.25	£154.5 (+VAT) per officer per hour
(c) Dual hose wet/dry	4	£154.5 (+VAT) per officer per hour

Miscellaneous

The charges for examining, adjusting, testing, certifying, stamping, authorising or reporting of special weighing or measuring equipment is charged at the officer hourly rate at the place where the service is provided. Such types of equipment, specifically:

Licence or Service	Guide Time (hrs)	Charge
Automatic or totalising weighing machines.		£154.5 (+VAT) per officer per hour
Equipment designed to weigh loads in motion.		£154.5 (+VAT) per officer per hour
Bulk fuel measuring equipment tested following a Regulation 65 or 66 occurrence.		£154.5 (+VAT) per officer per hour
Weighing or measuring equipment tested by means of statistical sampling.		£154.5 (+VAT) per officer per hour
The establishment of calibration curves from templets.		£154.5 (+VAT) per officer per hour
Templets graduated in millilitres.		£154.5 (+VAT) per officer per hour

Certificates

Licence or Service	Guide Time (hrs)	Charge
Calibration certificate (when not normally supplied)	0.25	£154.5 (+VAT) per officer per hour
Duplicate certificate	0.25	£154.5 (+VAT) per officer per hour

Abortive Visits

Licence or Service	Guide Time (hrs)	Charge
Abortive site visits (Non ACTSO) (Only charged after written warning).		£154.5 (+VAT) per officer per hour

Out of area charge

Licence or Service	Guide Time (hrs)	Charge
Vehicle mileage rate (+8p/mile when towing)		45p/mile
½ day	3.5	£154.5 (+VAT) per officer per hour
¾ day	5.25	£154.5 (+VAT) per officer per hour
1 day		£154.5 (+VAT) per officer per hour

Explosives

New Application

Storage between 0 and 250kg	Set by statutory instrument
1 year	£111.00
2 years	£144.00
3 years	£177.00
4 years	£211.00
5 years	£243.00

Renewal

Storage between 0 and 250kg	Set by statutory instrument
1 year	£55.00
2 years	£88.00
3 years	£123.00
4 years	£155.00
5 years	£189.00

Miscellaneous fees

Storage between 0 and 250kg	Set by statutory instrument
Vary Name & Address	£37.00
Transfer Licence	£37.00
Replacement Licence	£37.00
Other variation	£55.00 per officer per hour

Fireworks:

Fireworks Licence	Charge
Licence for the year round selling of fireworks - 1 January to 31 December	£500.00

Petroleum Storage:

Petroleum Storage Licence	Charge
Storage up to 2,500 litres	£45.00
Storage between 2,500 and 50,000litres	£61.00
Storage over 50,000litres	£128.00
Supply of information on Petroleum storage sites.	£140.00 per officer per hour

Trading Standards Buy with Confidence fees

Buy with Confidence membership - Existing Members pre April 2016 *
all prices excluding VAT

Buy with Confidence Membership (existing memebers)	Charge
Sole trader - No employees	£132.00
1-5 employees	£195.00
6-15 employees	£255.00
16+ employees	£325.00

Buy with Confidence Membership - National Scheme - New Members from 01/04/2016

Buy with Confidence categories	Charge
Initial Application Fee (waived from 1/4/2022 - B&NES only)	FREE
Sole trader - No employees (B&NES rate diverging from national scheme)	£132.00
1-5 employees	£270.00
6-20 employees	£405.00
21-50 employees	£540.00
50+ employees	POA

Buy with Confidence + Care membership* all prices excluding VAT

Initial Application Fees

Buy with Confidence plus care membership categories	Charge
Less than £1,000,000 turnover (based on last 2 years)	£125.00
£1,000,000 - £5,000,000 Average Annual Turnover (based on last 2 years)	£167.00
£5,000,000 to £10,000,000 Average Annual Turnover (based on last 2 years)	£208.00
£10,000,000 to £50,000,000 Average Annual Turnover (based on last 2 years)	£300.00
Over £50,000,000 Average Annual Turnover (based on last 2 years)	POA

Annual Fees

Buy with Confidence Annual Fees categories	Charge
Less than £1,000,000 turnover (based on last 2 years)	£250.00
£1,000,000 - £5,000,000 Average Annual Turnover (based on last 2 years)	£542.00
£5,000,000 to £10,000,000 Average Annual Turnover (based on last 2 years)	£708.00
£10,000,000 to £50,000,000 Average Annual Turnover (based on last 2 years)	£1,000.00
Over £50,000,000 Average Annual Turnover (based on last 2 years)	POA

Licensing Charges

Animals

Licence Activity	Statutory fee	23/24 fee
New	No	£534.00
Renewal	No	£405.00
Maintenance (Annual Fee)	No	£127.00
Mid Term Inspection	No	£118.00
Variation	No	£136.00
DWA - New	No	£348.00
DWA - Maintenance (Annual Fee)	No	£131.00
Zoo - New	No	£1,236.00
Zoo - Renewal	No	£1,019.00
Zoo - Maintenance	No	£532.00
All - Replacement Licence	No	£10.50
All - Pre-Application Advice	No	£80.00
All - Checking Service	No	£33.00

Gambling

Licence Activity	Statutory fee	23/24 fee
Casino licence	No	£8,000.00
Casino - Maintenance (Annual Fee)	No	£46.00
Club Machines - New	Yes	£200.00
Club Machines - Variation	Yes	£100.00
Club Machines - Transfer	Yes	£25.00
Club Machines - Change of Name	Yes	£25.00
Club Machines - Copy of Permit	Yes	£15.00
Club Machines - Maintenance	Yes	£50.00
Lottery - Applications	Yes	£40.00
Lottery - Maintenance (Annual Fee)	Yes	£20.00
Premises - New	No	£316.00
Premises - Variation	No	£316.00
Premises - Transfer	No	£191.00
Premises - Maintenance (Annual Fee)	No	£91.00
Pub Machines - New	Yes	£200.00
Pub Machines - Variation	Yes	£100.00
Pub Machines - Transfer	Yes	£25.00
Pub Machines - Change of Name	Yes	£25.00
Pub Machines - Copy of Permit	Yes	£15.00
Pub Machines - Maintenance-Notifications	Yes	£0.00
Pub Machines - Maintenance-Permits	Yes	£50.00
Occasional Use Licence	Yes	£0.00

Licence Activity	Statutory fee	23/24 fee
Temporary Use Licence	Yes	£85.00
All - Pre-Application Advice	No	£80.00
All - Checking Service	No	£33.00

Liquor

Licence Activity	Satutory fee	23/24 fee
Premises - New	Yes	banded on size - please request charge
Premises - Variation	Yes	banded on size - please request charge
Premises - Transfer	Yes	£23.00
Premises - DPS Variation	Yes	£23.00
Premises - DPS Removal	Yes	£23.00
Premises - Minor Variation	Yes	£89.00
Premises - Change of Details	Yes	£10.50
Premises - Replacement Licence	Yes	£10.50
Premises - Provisional Statement	Yes	£315.00
Premises - Notification of Interest	Yes	£21.00
Premises - Interim Authority Notice	Yes	£23.00
Premises - Maintenance (Annual Fee)	Yes	banded on size - please request charge
Premises - Review	Yes	£0.00
Premises - Pre-Application Advice	No	£80.00
Premises - Checking Service	No	£33.00
Club - New	Yes	banded on size - please request charge
Club - Variation	Yes	banded on size - please request charge

Licence Activity	Satutory fee	23/24 fee
Club - Change of Details	Yes	£10.50
Club - Replacement Certificate	Yes	£10.50
Club - Notification of Interest	Yes	£21.00
Club - Interim Authority Notice	Yes	£23.00
Club - Maintenance (Annual Fee)	Yes	banded on size - please request charge
Club - Review	Yes	£0.00
Club - Pre-Application Advice	No	£80.00
Club - Checking Service	No	£33.00
Personal - New	Yes	£37.00
Personal - Change of Details	Yes	£10.50
Personal - Replacement Licence	Yes	£10.50
Personal - Maintenance	Yes	£0.00
Personal - Pre-Application Advice	No	£80.00
Personal - Checking Service	No	£33.00
Temporary Event Notice TEN - New	Yes	£21.00
TEN - Replacement	Yes	£10.50
TEN - Maintenance	Yes	£0.00
TEN - Pre-Application Advice	No	£80.00
TEN - Checking Service	No	£33.00

Pavement Licence

Licence Activity	Statutory fee	23/24 fee
Application	Yes	£100.00
Maintenance (no fee)	No	£0.00
Replacement Licence	No	£10.50
Pre-Application Advice	No	£80.00
Checking Service	No	£33.00

Street Trading

Licence Activity	Statutory fee	23/24 fee
Individual Trader - New (including consultation)	No	£390.00
Individual Trader - Renewal	No	£33.00
Individual Trader - Maintenance	No	£2,993.00
Individual Trader - Variation	No	£65.00
Individual Trader - Consultation (NEW FEE)	No	£130.00
Market Organiser - New	No	£390.00
Market Organiser - Renewal	No	£33.00
Market Organiser - Maintenance	No	£2,786.00
Market Organiser - Variation	No	£65.00
Market Organiser - Consultation (NEW FEE)	No	£130.00
Christmas Market - New	No	£390.00
Christmas Market - Renewal	No	£33.00
Christmas Market - Maintenance	No	£6,354.00
Christmas Market - Variation	No	£65.00

Licence Activity	Statutory fee	23/24 fee
Christmas Market - Consultation (NEW FEE)	No	£130.00
Busker - New	No	£65.00
Busker - Renewal	No	£33.00
Busker - Maintenance	No	£0.00
Mobile Artist - New	No	£65.00
Mobile Artist - Renewal	No	£33.00
Mobile Artist - Maintenance	No	£0.00
All - Badge Fee	No	£12.50
All - Replacement Licence	No	£10.50
All - Pre-Application Advice	No	£80.00
All - Checking Service	No	£33.00

Tables and Chairs

Licence Activity	Statutory fee	23/24 fee
Application	No	£103.00
Maintenance	No	£75.00
Transfer	No	£48.00
Replacement Licence	No	£10.50
Pre-Application Advice	No	£80.00
Checking Service	No	£33.00

Taxi Drivers

Licence Activity	Statutory fee	23/24 fee
New	No	£534.00
Renewal	No	£236.00
Language Test	No	£74.00
Knowledge Retest	No	£59.00
Paper DBS	No	£74.00
Chargeable Admin	No	£0.00
Driver HC Enforcement	No	£0.00
Driver PH Enforcement	No	£0.00
Maintenance	No	£0.00
Replacement Licence	No	£10.50
Pre-Application Advice	No	£80.00
Checking Service	No	£33.00

Taxi Vehicles (inc. Operators)

Licence Activity	Statutory fee	23/24 fee
HC - New (Zone 1)	No	£72.00
HC - New (Zone 2)	No	£47.00
HC - Renewal (Zone 1)	No	£141.00
HC - Renewal (Zone 2)	No	£115.00
HC - Change of Vehicle	No	£47.00
HC - Proprietorship Transfer	No	£30.00
HC - Maintenance	No	£0.00

Licence Activity	Statutory fee	23/24 fee
HC - Roof Sign	No	£115.00
HC - Replacement Licence	No	£10.50
HC - Pre-Application Advice	No	£80.00
HC - Checking Service	No	£33.00
PH - New	No	£47.00
PH - Renewal	No	£114.00
PH - Change of Vehicle	No	£47.00
PH - Proprietorship Transfer	No	£30.00
PH - Maintenance	No	£0.00
PH - Roof Sign	No	£66.00
PH - Replacement Licence	No	£10.50
PH - Pre-Application Advice	No	£80.00
PH - Checking Service	No	£33.00
Operator - New	No	£217.00
Operator - Renewal	No	£217.00
Operator - Maintenance	No	£30.00
Operator - Replacement Licence	No	£10.50
Operator - Pre-Application Advice	No	£80.00
Operator - Checking Service	No	£33.00

Other Licences

Licence Activity	Statutory fee	23/24 fee
Caravans - Applications	No	£330.00
Caravans - Maintenance	No	£131.00
Charity - House to House	Yes	£0.00
Charity - Street Collections	Yes	£0.00
Hypnotism - Applications	No	£59.00
Hypnotism - Maintenance	No	£30.00
Film Classification - Applications	No	£177.00
Film Classification - Maintenance	No	£30.00
Fireworks (Set Periods) - New	Yes	banded on size - please request charge
Fireworks (Set Periods) - Renewal	Yes	banded on size - please request charge
Fireworks (Set Periods) - Maintenance	Yes	£0.00
Fireworks (All Year) - New	No	£64.00
Fireworks (All Year) - Renewal	No	£70.00
Fireworks (All Year) - Maintenance	No	£6.00
Mobile Home Fit & Proper Person - Application	No	£0.00
Mobile Home Fit & Proper Person - Maintenance	No	£0.00
Petrol - Applications	Yes	banded on size - please request charge
Petrol - Maintenance	Yes	£0.00
Piercing - Applications	No	£205.00
Piercing - Maintenance	No	£7.00
Promotional Pitches	No	£80.00

Licence Activity	Statutory fee	23/24 fee
Scrap Metal - New	No	£170.00
Scrap Metal - Renewal	No	£170.00
Scrap Metal - Variation	No	£170.00
Scrap Metal - Change of Details	No	£30.00
Scrap Metal - Maintenance	No	£295.00
Scrap Metal - Maintenance (Unlicensed)	No	£0.00
Sex - New	No	£1,182.00
Sex - Renewal	No	£82.00
Sex - Maintenance	No	£177.00
All - Replacement Licence	No	£10.50
All - Pre-Application Advice	No	£80.00
All - Checking Service	No	£33.00

Fees Not On Time Recording Separately

Licence Activity	Statutory fee	23/24 fee
Business Advice and Support (Pre-App)	No	£80.00
Checking Service	No	£33.00
Replacement Licence	No	£10.50
Office Administration Fee	No	£56.00

Business Waste Collection Service



2023-2024 Bin Costs

Business Waste Prices (No VAT)

Recycling materials: Paper & cardboard (mixed or separated)

Container	Cost 2023/24
240 litre wheeled bin	£5.20
360 litre wheeled bin	£5.45
660 litre wheeled bin	£6.75
1100 litre wheeled bin	£9.55
Sack (minimum order 20)	£2.15
Stickers for cardboard bundles (minimum order 20)	£2.15

Recycling Materials: Cans & Plastics (mixed or separated)

Container	Cost 2023/24
240 litre wheeled bin	£5.20
360 litre wheeled bin	£5.45
660 litre wheeled bin	£6.75
1100 litre wheeled bin	£9.55
Sack (minimum order 20)	£2.15

Recycling Materials: Glass bottles & Jars

Container	Cost 2023/24
240 litre wheeled bin	£5.20
360 litre wheeled bin	£5.45

Recycling Materials: Food

Container	Cost 2023/24
140 litre wheeled bin	£9.25

Rubbish/General Waste

Container	Cost 2023/24
240 litre wheeled bin	£7.95
360 litre wheeled bin	£9.30
660 litre wheeled bin	£16.10
1100 litre wheeled bin	£21.65
Sack (minimum order 50)	£3.05

Waste



Garden Waste Collection Service

Description of Service	Fees 2023/24
Garden waste bin annual charge	£52.25
Garden waste bin delivery	£3.35
Garden waste sack (each)	£3.30

Large Item Collection Service

Description of Service	Fees 2023/24
Collection of 1-3 items	£34.25
Collection of 4-6 items	£59.90
Collection of 7-10 items	£74.70

A 50% discount is given on the above prices for those residents in receipt of receive Council Tax Benefit, Housing Benefit, Disability Living Allowance, or you are a student.

Replacement black wheeled bin

Description of Service	Fees 2023/24
Replacement of lost, stolen, vandalised or misused black wheeled bins	£20.93

Business Waste Clinical Waste Sacks

Historical Service no longer available to new customers

Description of Service	Fees 2023/24
Clinical waste sack	£2.57

Public Weighbridge Facility

Description of Service	Fees 2023/24
Vehicles up to 7.5t	£6.14
Vehicles 7.5t - 16.25t	£9.15
Vehicles over 16.25t	£11.54

Business Waste Transfer Station Charges

Description of Service	Fees 2023/24
Unsorted waste at weighbridge per tonne	£184.58
Unsorted waste minimum charge 0.5 tonnes	£92.29
Sorted recycling including wood at weighbridge per tonne	£103.33
Sorted recycling including wood at weighbridge minimum charge 0.5 tonnes	£51.67
Sorted recycling (with no wood) at weighbridge per tonne	£80.00
Sorted recycling (with no wood) at weighbridge minimum charge 0.5 tonnes	£40.00
Loads containing upholstered domestic seating	£284.50
Mattress Single	£20.30
Mattress Double	£25.57

The transfer station charges may need to increase during the financial year due to external market conditions.

City and Town Centre Management



Events on Council Owned Land

Landhire - Heritage or prime location parks

Service	Cost 23/24	Cost 24/25
Royal Crescent Lower Lawn	£4,429.00	4650.00
PEAK Commercial (Heritage Parks and prime city centre location) Royal Victoria Park, Parade Gardens, Sydney Gardens, Queen Square	£1,528.00	1604.00
OFF-PEAK Commercial (Heritage Parks and prime city centre location) Royal Victoria Park, Parade Gardens, Sydney Gardens, Queen Square	£1,146.00	1204.00
PEAK Charity (Heritage Parks and prime city centre location) 39% of the new commercial hire rate	£764.00	802.00
OFF-PEAK Charity (Heritage Parks and prime city centre location) 39% of the new commercial hire rate	£573.00	602.00
Commercial (All other parks and open spaces in B&NES, eg Sydney Gardens, Henrietta Park, Alexandra Park, Beazers Maze, Firs Field, Brickfields Park, Green Park, Kensington Meadows, Lansdown, Keynsham Memorial Park)	£556.00	584.00
Charity (All other parks and open spaces in B&NES)	£278.00	292.00
Pigeon Park (Flat Rate per day)	£273.00	287.00

Other costs

Service	Cost 23/24	Cost 24/25
Boules bookings per terrain (Queen Square)	£26.00	£27.00
Fitness Trainer Fees, unlimited use - 12 months	£600.00	£600.00
Fitness Trainer Fees, unlimited use - 6 months	£450.00	£450.00
Fitness Trainer Fees, unlimited use - 3 months	£300.00	£300.00
Fitness Trainer Fees, Application Administration Fee per renewal	£83.00	£83.00

Service	Cost 23/24	Cost 24/25
Forest Schools	£27.00 admin plus £6.00 per session or £101 pa	£28.00 admin plus £7.00 per session or £102 pa
Power (utilities electricity/gas) per day	£24.50	£25.70
Water (per day if not meter read)	£24.50	£25.70
Land Security Bond	£500-2000	£500 - £2500
Council Officer requiring to attend an Event	£89 per hour	£93 per hour
Event Administration Fee - One off Events	£83.00	£90.00
Event Administration Fee for NEW Major Events	£165.00	£170.00
Event Administration Fee - Multiple Events within one financial year	£165.00	£170.00

Film Office

Admin fee for filming on the highway

Service	Cost 23/24
1 to 10	£65.00
11 to 19	£120.00
20+	POA

Admin fee for filming in a park or open space

Service	Cost 23/24
1 to 10	£100.00
11+	POA
Admin fee for arranging drone filming	£100.00

Other Fees

Service	Cost 23/24
Recces	£100.00
Officer in attendance	£100.00

Location Fees

Area	Cost 23/24
Unit Base - Lansdown Playing Fields North - Car Park only	£400.00
Unit Base - Lansdown Playing Fields North - Car Park plus field	£600.00
Roman Baths and Guildhall	POA
Culverhay School	POA

Emergency Planning/CCTV

Service	Cost 23/24
CCTV Requests From Insurance Companies	£90
Emergency Planning/Event Multi-Agency Control Room	£1000

Bath Christmas Market

Catering and Bars

Description of Service	2023/2024 (5% increase based on 2023/24)
Zone 1: 1 x large catering chalet	£22,050 plus VAT for 18 days
Zone 1: 1 x medium catering chalet	£7,875 plus VAT for 18 days
Zone 1: 1 x small catering chalet	£5,500 plus VAT for 18 days
Zone 2: 1 x large catering chalet	£16,800 plus VAT for 18 days
Zone 2: 1 x medium catering chalet	£6,500 plus VAT for 18 days
Zone 2: 1 x small catering chalet	£3,000 plus VAT for 18 days
Zone 1: 1 x mobile catering pitch (bicycle or cart only)	£1,260 plus VAT for 18 days
Zone 2: 1 x mobile catering pitch (bicycle or cart only)	£850 plus VAT for 18 days
Zone 3: 1 x mobile catering pitch (bicycle or cart only)	£500 plus VAT for 18 days
Zone 3: 1 x large catering chalet	£4,200 plus VAT for 18 days
Zone 3: 1 x small catering chalet	£2,000 plus VAT for 18 days
Zone 1: 1 x mobile catering vehicle (under 5m in length)	£2,500 plus VAT for 18 days
Zone 2: 1 x mobile catering vehicle (under 5m in length)	£1,650 plus VAT for 18 days
Zone 3: 1 x mobile catering vehicle (under 5m in length)	£1,200 plus VAT for 18 days
Zone 1: 1 x mobile bar vehicle (under 5m in length):	£3,000 plus VAT for 18 days
Zone 2: 1 x mobile bar vehicle (under 5m in length)	£2,500 plus VAT for 18 days

Description of Service	2023/2024 (5% increase based on 2023/24)
Zone 3: 1 x mobile bar vehicle (under 5m in length)	£1,650 plus VAT for 18 days
Fridge space hire: 1 x pallet for 18 days	£150 plus VAT

All areas Additional temporary power:

Service	Cost 23/24
16amp single phase supply	£180 plus VAT for 18 days
32amp single phase supply	£200 plus VAT for 18 days
32amp three phase supply	£280 plus VAT for 18 days

Retail Chalets and on site services

Description of Service	2023/2024 (5% increase based on 2023/24)
All areas PAT testing	£7 per item plus VAT
All areas heater hire	£90.00 for 18 days plus Vat (£5 per day)

All areas Pitch request fee:

Description of Service	2023/2024 (5% increase based on 2023/24)
Zone 1	£250 plus VAT
Zone 2	£200 plus VAT
Zone 3	£150 plus VAT
All areas storage space hire: 1 x pallet	£150 plus VAT for 18 days
Zone 1: Corner Chalet	£4,000 +VAT for 18 days
Zone 1: Countertop Chalet	£3,250 +VAT for 18 days
Zone 1: Barn Door Chalet	£3,250 +VAT for 18 days
Zone 2: Corner Chalet	£3,685 +VAT for 18 days
Zone 2: Countertop Chalet	£2,929+VAT for 18 days

Description of Service	2023/2024 (5% increase based on 2023/24)
Zone 2: Barn Door Chalet	£2,929 +VAT for 18 days
Zone 3: Barn Door Chalet	£1,890 +VAT for 18 days
Short Term Let Barn Door Chalet 7 days	£1,264 +VAT
Short Term Lets Barn Door Chalet 11 days	£1,986 +VAT
Small business carts all Zones: Monday to Thursday	£125 +VAT for 4 days
Small business carts all Zones: Friday to Sunday	£155 +VAT for 3 days

Managed coach drop off/pick up and parking	Service	Cost
Monday	Cost per seat	£1.10
Tuesday	Cost per seat	£1.10
Wednesday	Cost per seat	£1.40
Thursday	Cost per seat	£1.40
Friday	Cost per seat	£1.40
Saturday	Cost per seat	£1.65
Sunday	Cost per seat	£1.65

Service	Cost 23/24
Rides and Attractions	£2,200.00

Service	Cost 23/24
Sponsorship and funding contributions	POA

Service	Cost 23/24
Online advertising and web sales	POA

Clean Air Zone



Clean Air Zone

Service	Cost 23/24	Notes
PHGV	£100.00	
Trucks and Lorries (N2 & N3)	£100.00	
Taxis (M1 & M2)	£9.00	
Buses and coaches (M3)	£100.00	
Minibuses (M2)	£9.00	
Van, light goods vehicle, pick-ups and some campervans and four-by-fours (N1)	£9.00	

Highways Commuted Sums



Highways 2023 to 2024 Commuted Sums

Feature	Units	2023 to 24
High Friction or Coloured Surfacing	Square Metre	£100.11
Knee rail fencing	Linear Metre	£31.28
SuDS Each Site specific quotation	Each	Site specific quotation
Soakaways	Each	£6,256.60
Petrol & Oil interceptors	Each	£6,256.60
Combined kerb drainage systems	Linear Metre	£18.77
Trees	Each	£375.40
Structures	Each	Site specific quotation (120 years)
Illuminated street furniture	Each	£488.01
Signalised junction connected to Fibre	Each	£91,993.00
Signalised junction connected to 4G	Each	£88,371.00
Signalised crossing connected to Fibre	Each	£34,361.00
Signalised crossing connected to 4G	Each	£36,659.00
ANPR and CCTV systems	Each	Site specific quotation (120 years)
Bollards	Each	Site specific quotation (120 years)

Highways Delivery



Permanent Traffic Regulation Orders

Service	Cost 23/24
Permanent Traffic Regulation Orders for developers	£4,780
H markings	£274
H markings - additional cost for use of different road marking in winter months	Add 25% to fee above

Street Works Permit Fees

Service	Cost 23/24
Major (Provisional Advance Authorisation) - category 0, 1 & 2 & all traffic sensitive streets	£42
Major (Provisional Advance Authorisation) - category 3 & 4 & all non-traffic sensitive streets	£30
Major - category 0, 1 & 2 & all traffic sensitive streets	£96
Major - category 3 & 4 & all non-traffic sensitive streets	£60
Standard - category 0, 1 & 2 & all traffic sensitive streets	£52
Standard - category 3 & 4 & all non-traffic sensitive streets	£30
Minor - category 0, 1 & 2 & all traffic sensitive streets	£26
Minor - category 3 & 4 & all non-traffic sensitive streets	£18
Immediate - category 0, 1 & 2 & all traffic sensitive streets	£24
Immediate - category 3 & 4 & all non-traffic sensitive streets	£16
Permit variation - category 0, 1 & 2 & all traffic sensitive streets	£18
Permit variation - category 3 & 4 & all non-traffic sensitive streets	£14

Temporary Traffic Regulation Notices

Service	Cost 23/24
Section 14 Road Closure Notice (planned works) - fees & adverts	£1,486
Section 14 Road Closure Notice (planned works) - late submission fee	£286
Section 14 Road Closure Notice (planned works) - amendment fee	£114
Section 16a Street Closures 1 to 6 roads - fee & advert charge	£177 plus advert charge
Section 16 a Street Closure more than 6 roads - fee & advert charge	£348 plus advert charge
Community Street Party	£0
Playing Out Scheme	£0
Emergency Notice	£264
Town Police Clauses Act Street Closures (processions, crowds etc.)	£180 non charity £139 charity

Traffic signals

Service	Cost 23/24
Permanent Traffic Signal switch on/off charge	£391
Permanent Traffic Signals switch on/off cahnge - out of hours additional charge (if switch-off at weekends or 18.00 - 08.00 weekdays)	20% additional charge
Permanent Traffic Signal switch on/off additional admin fee	£33
Permanent Traffic Signal switch on/off Safety Inspection	£55
Permanent Traffic Signal switch on/off - late notice application (< 10 working days)	£499
Traffic Information on one VMS sign per day	£54
Temporary multi way traffic signals application - utility companies	£0
Temporary multi way traffic signals application - non-utility company applicant	£175
Temporary multi way signals - design advice (all applicants)	£53

Road Safety

Service	Cost 23/24
Supply of accident data to third parties	£205
Road safety audits for external clients	£843

Streetworks and Events

Service	Cost 23/24
NRSWA sample inspections	£54
NRSWA Section 50 licences (new apparatus in the highway)	£485
NRSWA Section 50 licences (new apparatus in the highway)-retrospective licence	£124
NRSWA Section 50 licences (maintenance apparatus in the highway)	£352
NRSWA Section 171 licences (excavation in the highway)	£218
NRSWA Section 74 over-run charges	variable
NRSWA Oversail licences	£181
NRSWA Oversail licences - (under 5 days notice) New (non refundable)	£215
NRSWA Oversail licences - Retrospective - (non refundable)	£270
NRSWA Oversail Licence Emergency Fee	£56
NRSWA Raising Statutory Notices	N/A
NRSWA Section 72 Defects	£51
NRSWA Section 72 Defects	£73
NRSWA Fixed Penalty Charge for incorrect Notices	£127
NRSWA Fixed Penalty Charge for incorrect Notices if a discount applies	£88
Temporary signals application	£43
Street Works Co-ordination Notice (cost per road affected by a commercial event's road closure or diversion route)	N/A

Service	Cost 23/24
Traffic Management Plans	Actual Costs
Bus stop closure (includes visits to close & then reopen a stop)	£167
Additional stop fee per pair of stops	£54
Bus stop closure - fee for additional visit	£83

Road Safety

Service	Cost 23/24
Supply of accident data to third parties	£205
Road safety audits for external clients	£843

Highway Maintenance

Service	Cost 23/24
Skip Licence (over 5 days notice)- New (non refundable)	£78
Skip Licence (under 5 days notice - New (non refundable)	£111
Skip Licence - Renewal (non refundable)	£64
Skip Licence - Retrospective (non refundable)	£132
Scaffold / Hoarding Licence (over 5 days notice)- New (non refundable)	£80
Scaffold / Hoarding Licence (under 5 days notice) - New (non refundable)	£114
Scaffold/Hoarding Emergency Fee	£56
Scaffold / Hoarding Licence - Renewal (non refundable)	£49
Scaffold / Hoarding Licence - Retrospective (non refundable)	£160
Cherry Picker/Mobile Crane Licence (over 5 days notice)-(non refundable)	£67
Cherry Picker/Mobile Crane Licence (under 5 days notice) - (non refundable)	£100
Cherry Picker/Mobile Crane Licence - Retrospective (non refundable)	£132
Building Materials and Container on Highway Licence (over 5 days notice) - (non refundable)	£67
Building Materials and Container on Highway Licence (under 5 days notice)- (non refundable)	£100
Building Materials/Container on Highway Licence - Renewal (non refundable)	£49
Building Materials/Container on Highway Licence - Retrospective (non refundable)	£132
Chase Fee	£12 per reminder
Safety Inspections	£55 per inspection
Banner on Highway Licence - New (non refundable)	£67
Footway Crossing Licence - New (non refundable)	£174
Footway Crossing Licence - Retrospective (non refundable)	£174
Duplicate Letter confirming Approval of Footway Crossing	£28

Service	Cost 23/24
Traffic Survey Equipment on the Highway (non refundable)	£78
Additional Site Inspection by Highway Inspector	£38
s116 Highways Stopping Up	£3,226
Landowner Deposits - primary land	£235
Landowner Deposits - additional land	£30
Public Path Orders	£4,064
Local Search	£42
PROW Maps	£12
Section 14 Road Closure Notice (planned works) - fees & adverts	£1,486
Section 14 Road Closure Notice (planned works) - late submission fee	£286
Section 14 Road Closure Notice (planned works) - amendment fee	£114
Section 14 TTRO Closure by order - SofS extension	£1,486

Land Drainage Consent for work on Ordinary Watercourses

Service	Cost 23/24
Temporary and Permanent works	£50

Street Lighting

Service	Cost 23/24
Permanent Relocation	£1,163
Temporary relocate and reinstall	£2,043
Trenching per metre	£112
Shield to Street light	£94

Transport Planning

Service	Cost 23/24
Temporary Automatic Traffic Counts (ATC)	£312
Hand Held Radar Speed Survey 1hour	£71

Manual Traffic Counts *(2x2hrs peaks)

Service	Cost 23/24
1 Enumerator	£301
Extra cost per Enumerator	£79

Manual Traffic Counts *(12hr 07:00-19:00)

Service	Cost 23/24
1 Enumerator	£398
Extra cost per Enumerator	£195
*Subject to 50% uplift for Out of Hours work (between 19:00 and 07:00 or weekends)	

Ad hoc surveys

Service	Cost 23/24
07:00-19:00	£13.44 per hour plus mileage and expenses
19:00-07:00	£ 20.27 per hour plus mileage and expenses

Miovision Video Camera Surveys

Service	Cost 23/24
Copied onto USB stick and provided to requestor for 1 week's viewing	£31
Erect 1 camera	£334
External Costs for Processing	Cost plus 10%

Supply of Existing Data Manual Classified Counts

Service	Cost 23/24
One peak period	£110
Two peak period	£146
12 Hour Classified	£207

Traffic Modelling

Service	Cost 23/24
Use of existing traffic models	Cost plus 10%

Fees for New Developments under section 38 and 278 highways Act

Estimated Construction costs	Fee %
up to £30,000	15.00%
£31,000 to £75,000	13.00%
£76,000 to £130,000	11.00%
£131,000 to £325,000	9.00%
£326,000 to £650,000	8.00%
Over 651,000	7.00%
Structures Technical Approval	5.00%

Parks



Grounds Maintenance	Fees 2023/2024
Grounds maintenance (range of grass cutting, strimming, weed control, shrubbery maintenance, leafing, sports pitch maint, marking) - price as specified	POA
Japanese knotweed/ Giant Hogweed and other invasive plant treatments - price as specified	POA

Arboricultural services	Fees 2023/2024
Arboricultural services - tree surgery work i.e felling and tree maintenance - price as specified	POA
Arboricultural consultation services - tree condition and BS5837 inspections and reports - price as specified	POA
School Tree inspections - senior	£275.00
School Tree inspections - primary/infant	£130.00

Play Team	Fees 2023/2024
External play area inspections, installations and repairs	£361.00
Play consultancy	POA
Parish Council Annual Play area inspection, installations and repairs	£120.00
Parish Council Operational Play area inspection (recommended at least once per year)	£90.00

Allotment charges	Fees 2023/2024
Allotment annual charge per 25 sqm	£15.69
Allotment annual water charge per plot	£9.00
Allotment key deposit	£10.00

Sport and Parks hire rates	Fees 2023/2024
Western Region combined fee	£525.00
Individual	£88.20
Commercial Balloons up to (and including) a 105 000ft ³ , on a pay per launch basis	£33.60
Commercial Balloons over a 105 000ft ³ , on a pay per launch basis	£40.95
Small Hot air balloon launch fee - commercial per launch (up to 5 people)	£34.27
Lansdown full size football pitch	£69.26
Lansdown pitch booking youth/junior	£46.44

Parks Pitches	2022/ 2023	2023/2024
7 day Pitch licence (per calendar month)	£250	£262.50
Where available power & electrics	recharged	£30.00 PCM
3 day Pitch licence (per calendar month)	£125	£131.25

Parade Gardens	Fees 2023/2024
Parade gardens entry non resident	£2.00
NEW - Parade gardens entry resident	£-
Parade gardens entry concessions	£1.00
Parade gardens entry weddings and groups per person	£1.35

Sponsorships	Fees 2023/2024
Bench sponsorship	£1,950.00
NEW - Bench renewal (renewal existing bench no installation)	£925.00
3d Bed	POA
Flowerbeds	POA
Tree sponsorship	£370.00
Roundabout sponsorship	POA

Horticultural Excellence	Fees 2023/2024
Hanging basket 18 inch with our watering service	£136.50
Hanging basket 18 inch without watering service	£70.00
Window Box 90cm with our watering Service	£134.00
Window Box 90cm without our watering Service	£70.00
Window Box 120 cm with our watering service	£179.00
Window Box 120 cm without watering service	£81.00

Other	Fees 2023/2024
Land access licence arrangement	£36.00
Land use charge (contractor use of space/hire charge per day)	£1.50

Transport



Description of Service	Fees 2023/24	Notes
Taxi Inspections	£55.00	Plus VAT
Taxi Meter Test	£22.00	Plus VAT
Diagnostic Testing	£75.00	Plus VAT
Air Conditioning Refresh	£60.00	Plus VAT
MOT Class 1	£29.65	No VAT
MOT Class 2	£29.65	No VAT
MOT Class 4	£54.85	No VAT
MOT Class 5	£59.55	No VAT
MOT Class 7	£58.60	No VAT
Labour Charge per Hour	£65.00	Plus VAT
Rolling road brake test	£12.00	Plus VAT

Suspension of Parking spaces	Restrictions	Cost per day/bay
Single or first space	All zones and areas	£50
Each additional space and/or day	Central zone and Zone 1	£30
Each additional space and/or day	All other zones and areas	£10

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Bath & North East Somerset Council

MEETING:	Cabinet	
MEETING DATE:	9 th February 2023	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3374
TITLE:	Revenue and Capital Budget Monitoring, Cash Limits and Virements – April 2022 to December 2022	
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report:</p> <p>Appendix 1 – Revenue Monitoring Commentary</p> <p>Appendix 2 – Key Scheme Capital Monitoring Commentary</p> <p>Appendix 3 (i) & 3 (ii) – Proposed Revenue Virements & Revised Revenue Cash Limits 2022/23</p> <p>Appendix 4 (i) & 4 (ii) – Capital Virements & Capital Programme by Portfolio 2022/23</p>		

EXECUTIVE SUMMARY

a) Revenue budget

The Revenue budget outturn is currently forecast to be £1.5m over budget.

The 2022/23 pay settlement was significantly higher than budgeted. The reversal of the Employers' National Insurance increase in-year will offset this in part but will result in a £2.6m unbudgeted cost to the organisation.

Demand-led placement and package costs continue to cause a significant pressure in Children's Services. Combined with staffing pressures as a result of covering absences within teams and responding to increasing complexity of need, the service is currently forecasting a £6.0m overspend.

Further pressures are being experienced in the Bereavement, Corporate Estate, and Planning Services. High levels of vacancies across the organisation, strong performance in Heritage Services and the Commercial Estate, and increased interest on cash balances and delayed need to borrow are providing favourable mitigations.

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

In addition, there is an in-year SEND placement pressure of £6.2m on the Dedicated Schools Grant (DSG). Mitigation plans are being worked up as part of the DFE's Safety Valve programme to recover the ongoing deficit on the DSG over the next 5 years.

Savings of £11.9m were included in the 2022/23 budget. At present £10.6m savings are expected to be delivered, with the majority of the shortfall relating to delays in the Children's transformation project aimed at delivering cost reductions.

b) Capital budget

The current position of the 2022/23 Capital Programme is a forecast of £107.1m against a budget of £159.6m. The variance of £52.5m reflects anticipated rephasing across of schemes into future financial years.

c) Council Tax and Business Rates

There has been a continued reduction in the cost of the Local Council Tax Support Scheme over the period to December, in line with a fall in working age claimants, with the cost at the end of December £9.7m which is £0.85m below the budget estimate. The current forecast on the Council Tax Collection Fund is for an in year £0.8m surplus, of which the Council's share is £0.6m. This represents a positive variance of 0.6% against the 2022/23 budgeted income.

The current in year forecast for the Business Rate element of the collection fund is for a surplus of £0.8m, after allowing for the impacts of s31 grant funding in respect of the retail reliefs and the Covid Additional Relief Fund. The surplus is mainly the result of a favourable position in respect of empty property relief which is currently below budget.

d) Council Reserves

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

1 THE ISSUE

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

2 RECOMMENDATION

The Cabinet is asked:

- 2.1 To note the 2022/23 revenue budget position as at the end of December 2022.
- 2.2 To note the revenue virements listed for information only in Appendix 3(i).
- 2.3 To note the capital year-end forecast detailed in paragraph 3.25 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 The pay settlement was higher than budgeted this year, in part due to high inflation nationally. As such, all services with staffing are experiences pressures associated with not having the full pay budget to meet their full establishments costs. To allow us to analyse the outturn variance between pay award and non-pay award factors, the variance has been split across two memo columns in the table below.

3.4 A summary by Portfolio of the revenue position as at the end of the second quarter is shown in the following table:

Portfolio	Revised Budget £'m	Year End Forecast £'m	Variance Over / (Under) £'m	Memo 1: Pay-Award Impact on Variance	Memo 2: Variance excl Pay Award Impact
Leader of Council	(5.16)	(5.83)	(0.67)	0.01	(0.68)
Resources	12.31	9.34	(2.97)	0.60	(3.57)
Economic Development, Regeneration & Growth	0.59	0.54	(0.05)	0.01	(0.06)
Climate and Sustainable Travel	1.37	1.19	(0.18)	0.03	(0.21)
Adult Services and Council House Building	62.95	63.45	0.49	0.53	(0.04)
Children and Young People, and Communities	31.94	38.06	6.12	0.51	5.61
Neighbourhood Services	25.62	26.36	0.74	0.62	0.12
Transport	(5.63)	(6.62)	(0.99)	0.22	(1.21)
Planning and Licensing	2.38	2.67	0.29	0.10	0.19
Total	126.37	129.16	2.78	2.63	0.15
<i>Use of Corporate Social Care Contingency</i>	0.00	(1.30)	(1.30)		
Quarter 2 Forecast Outturn Variance	126.37	127.86	1.48		

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

3.5 The current **year-end** forecast is a £1.48m over budget position. This position reflects the full utilisation of the remaining Corporate Social Care Contingency budget to mitigate Children Social Care pressures.

3.6 The £1.48m pressure is an improvement from the £4.47m reported last quarter. The Council has been exploring what in year mitigations are available to prevent further use of reserves, which has been governed through a Financial Recovery Board. This Board will maintain strategic oversight of the financial position, with a focus on further mitigations aimed to achieve an on-budget position by year-end. In the event the above budget position cannot be fully mitigated the Council's Revenue Budget Contingency Reserve and Covid Contingency Reserve will need to be utilised, subject to approval.

Portfolio Commentary

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

Leader of the Council (£0.67m under budget, £0.01m favourable movement)

The Leader of the Council portfolio holds Events, World Heritage and External Affairs and Partnerships budgets. All three cash limits continue to forecast a broadly on budget position. Heritage Services are now held within this portfolio and are forecasting a £0.66m favourable position resulting from strong summer and autumn visitor numbers. The service budgeted for 60% of pre-Covid visitor numbers, whereas the forecast shows this has increased to 80%.

Resources (£2.97m under budget, £3.70m favourable movement)

The estimated 2022/23 pay award based on the Local Government Employer's final offer to unions was forecast against Corporate Budgets within this portfolio at quarter 2 reporting. Now the pay settlement has been quantified the unbudgeted pressure is being reflected against each respective service area. The impact of the higher pay award was partially offset by the in-year reversal of the National Insurance increase, with the net estimated cost totalling £2.63m. The change in presentation represents a significant proportion of the favourable portfolio movement.

Costs associated with void properties, including the vacant former school site at Culverhay, result in a forecast £0.43m over budget position in the Corporate Estate. These pressures are partially offset by savings on licensing, contracts and borrowing costs in ICT (£0.51m), lower borrowing costs associated with delays in borrowing for capital projects (£1.00m), and increased interest earned on cash balances (£0.95m). Rental income on the Commercial Estate is also greater than budgeted (£0.63m).

Economic Development, Regeneration and Growth (£0.05m under budget, £0.01m favourable movement)

Vacancies within the Regeneration service are resulting in a minor forecast underspend for the portfolio.

Climate and Sustainable Travel (£0.18m under budget, £0.09m favourable movement)

Vacancies across all services are resulting in a minor forecast underspend for the portfolio.

Adult Services and Council House Building (£0.50m over budget, £0.54m adverse movement)

Aside from the impact of the pay award, the current forecast position for Adult Social Care is balanced as the underlying variances will be covered by a transfer from the Adult Social Care Reserve funds (£2.1m). The forecast use of the reserve has reduced by £0.9m since the previous quarterly forecast. Adverse variances are being forecast in the Learning Disabilities and Autism Pooled services (£2m). This reflects the increasing number of package placements (activity and cost) now being seen in line with continued demand pressures being experienced across the health and social care system. All services are awaiting decisions on a number of Continuing Health Care Cases which, if agreed, would improve the forecast

position. Referrals to the services are increasing in complexity which adds to the budgetary pressure. There is also an underlying adverse variance in the budgets for our Community Resource Centres and Extra Care Units (£1.5m). This is due to the increased use and cost of agency staff. Recruitment issues and high sickness levels within the service have contributed to this high agency usage. Intensive recruitment work commenced earlier in the financial year and will continue for the remaining 3 months of the year to attract permanent staff and reduce agency spend. Funding for a Hospital Discharge pathway was agreed by the Integrated Care Alliance (ICA) board for 2022-23, the Adult Social Care Discharge Fund announced in November 2022, is contributing to this. Transformation and planning work continues to determine a longer-term system approach to this through prevention and early intervention.

An increased level of cost demand is now being seen and is expected to cause continued pressure on existing budgets together with the ongoing inflationary pressures being seen in the provider market. Whilst the social care reforms have now been delayed, work on the Cost of Care review is to continue as this will help to determine future requirements and the planning required to meet them.

Housing are forecasting a £0.04m favourable budget position and is a result of staffing underspends.

Children and Young People, and Communities (£6.12m over budget, £0.68m adverse movement)

The main driver of this over budget position is the continuing and increasing pressures from 2021/22 across the demand-led placement and package budgets totalling £4.20m.

Pressures are due to the increased demand (38% rise in the numbers in Residential placements from 2021/22 to date) and increased packages of care and support costs needed, due to the increased needs our Children and Young People are presenting with. There are also continued increased costs as a result of the complex packages of care needed for those with the highest need in the Disabled Children's Team. Pressures from supporting unaccompanied asylum seeker children are also included totalling £0.17m.

Staffing pressures across the frontline areas of Children's Social Care total £1.30m. This is the result of covering absences within teams, whilst also responding to increasing demand levels and complexity of need. Across Children's Services and Education there is pressure on staffing budgets for 2022/23 of £1.50m.

Home to school transport has been subject to ongoing and worsening market failure leading to upward cost pressures of £0.78m, underlying forecast is £1.10m adverse, reduced by one of use of corporate social care contingency of (£0.36m).

This forecast includes the pressure of £0.60m as a result of delayed delivery of cashable savings in relation to the planned transformation savings budgeted. These are in relation to increasing the usage and availability where appropriate of Foster Care provision. The Transformation Programme has delivered £0.92m cost avoidance savings in 2022/23, but these will not convert to cashable savings until 2025/26 due to the cohort age to which they relate.

There has been in-year mitigation of additional health funding, and use of Covid Reserves totalling £1.20m.

Customer Services are forecasting a pressure of £0.06m linked to staffing costs.

Schools DSG (£6.21m over budget, plus an overspend of £13.44m carried forward from 2021/22)

The DSG has a forecast overspend of £6.21m in 22/23 made up of significant pressures on SEND. The SEND pressures are estimated based on current pupils identified with Education, Health, and Care (EHC) Plans of £7.30m however mitigating actions have identified £1.10m of savings.

The local Authority has submitted its first draft of a recovery plan to the DFE as part of the Safety Valve Programme, and we are working with the DFE currently in order to gain sign off for this. The Safety Valve Programme will provide additional support and funding to the Local Authority to eradicate the deficit over a number of years.

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

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. The DFE and DCLG have recently confirmed that the ringfencing of the DSG deficit in the councils reserves will continue for a further 3 years.

Neighbourhood Services (£0.74m over budget, £0.15m adverse movement)

The main crematorium chapel at Haycombe was closed between April and October for major capital improvement works and has since reopened. As a result, there was a significant reduction in cremations and memorial sales in Bereavement Services. Both Waste and Parks services are undergoing a regrading exercise for some of their staff which will create an in-year pressure on staffing budgets. These pressures are partially offset by surplus recycling income and reduced tonnages on waste disposal costs.

Transport (£0.99m under budget, £0.68m favourable movement)

Staff vacancies across Parking Services, Public and Passenger Transport and Network and Traffic Management, combined with additional income from high levels of visitors to Bath, and across the Traffic Management Service are generating a significant under budget position.

Planning and Licensing (£0.29m over budget, £0.13m adverse movement)

The Planning and Licensing services both have staff vacancies at present, which are partly offsetting a significant £0.61m forecast income shortfall from planning, building control, pest control and licensing fees.

REVENUE BALANCES, CONTINGENCY AND RESERVES

Key Reserves

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

	Balance as at 01/04/2022 £'m	Projected Use / Commitments £'m	Estimated Balance 31/03/2023 £'m
Revenue Budget Contingency	3.74	(0.54)	3.20
Financial Planning and Smoothing Reserve	3.56	(0.68)	2.88
Transformation Investment Reserve	2.40	(0.83)	1.57
Covid Contingency Reserve (Govt grant)	5.57	(3.15)	2.42
Restructuring & Severance Reserve	1.90	0.00	1.90

Reserves and Flexible Capital Receipts

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

	Actual Usage 2017/18 to 2021/22 £'m	Forecast Usage 2022/23 £'m	Available Balance 2023/24 £'m	Est Total Usage £'m
Flexible Capital Receipts	8.09	0.50	2.91	11.50

- 3.9 Unapplied capital receipts of £3.129m was carried forward from 2021/22 and £1.039m has been received in 2022/23. The remaining £3.5m budgeted for receipt in 2022/23 is now expected to be received during 2023/24.

General Fund Un-Earmarked Reserve

- 3.10 The General Fund Un-Earmarked Reserve is retained to meet the Council's key financial risks. The risk assessment has set a range of between £11.9m and £13.2m to meet those risks in the 2022/23 financial year. The reserve has a

current uncommitted balance of £12.6m in line with the level reported in the 2022/23 Budget Report.

SAVINGS PERFORMANCE

- 3.11 The 2022/23 revenue budget approved savings of £11.87m. Delivery of these savings are monitored throughout the year, with £10.63m forecast as achieved at the end of December, representing 90% delivery. Of the £1.24m not current achieved, £0.09m are being mitigated through savings elsewhere in the respective service, £1.12m of savings are delayed until 2023/24 and £0.03m are resulting in unavoidable pressures. The most significant undelivered savings are £0.92m of Children's Transformation Project savings, which have been reprofiled to future years in the 2023/24 – 2025/26 Budget Proposals.
- 3.12 The Council's financial position, along with its financial management arrangements and controls, are fundamental in continuing to plan and provide services in a managed way, particularly in light of the medium-term financial challenge. Close monitoring of the financial situation provides information on new risks and pressures in service areas, and appropriate management actions are then identified and agreed to manage and mitigate those risks.

Revenue Budget Virements

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

COUNCIL TAX, COUNCIL TAX SUPPORT AND BUSINESS RATES

- 3.14 The number of people claiming Local Council Tax Support (LCTS) has continued to fall since the peak experienced in 2020/21 as a result of the economic impact of the pandemic. The 2022/23 tax base allowed for the same number of recipients as at the end of November 2021 to continue into 2022/23 with budgeted costs of LCTS set at £10.56m. The cost at the beginning of April was £10.20m and there has been a gradual reduction over the year, in line with a fall in working age claimants, with the cost at the end of December £9.71m. This is currently £0.85m below the budget estimate which would lead to a Council Tax Collection Fund surplus if the position remained at this level at year end. The number of working age claimants at the end of December was 5,751 compared to the budget assumption of 6,385. The reduction is due to claimants ceasing to be entitled to LCTS, for example where they have returned to employment or their income has increased.
- 3.15 The actual outturn position on LCTSS and the impact on the Council Tax collection fund will depend on a number of variables, including the change in number of claimants and the period claimants remain eligible for support whilst seeking employment and this will continue to be monitored closely during the remainder of the year.
- 3.16 The other factors which can impact on the Collection Fund, including the number of chargeable dwellings and exemptions and discounts, have been reviewed using quarter 3 data and are broadly in line with budgeted levels. This includes a correction to the forecast estimate made in the previous quarter. The current

forecast is for an in year £0.8m surplus on the Collection Fund in respect of Council Tax, of which the Council's share is £0.6m. This represents a positive variance of 0.6% against the 2022/23 forecast income.

- 3.17 The Council's share of the improved 2021/22 Council Tax Collection Fund final outturn position of £0.3m, as reported to Cabinet in July, and the adjustment for the three year spreading of the 2020/21 deficit of £0.5m, and the in-year projected surplus have been reflected in the 2023/24 Budget Report in line with the required Collection Fund accounting arrangements.

Business Rates

- 3.18 The government announced, as part of the Chancellor's Budget Statement in October 2021, that it would introduce a new retail, hospitality and leisure business rate relief scheme for 2022/23. This follows previous relief schemes for these businesses that operated during 2020/21 and 2021/22. The 2022/23 scheme provides for 50% business rates relief, capped at £110,000 per business for eligible properties.
- 3.19 The Council will be recompensed for the reduction in business rate income arising from this relief via a s31 compensation grant. As at the end of December retail relief of £4.4m had been granted. This is £4.6m lower than the £9.0m budget estimate due to changes in eligibility criteria received after the original estimate was made. This will lead to a surplus in the Collection Fund in 2022/23 with a corresponding reduction in s31 compensation grant income which will be smoothed through the business rate reserve.
- 3.20 The government announced a new £1.5bn Covid-19 Additional Relief Fund (CARF) in March 2021. The fund is available to support those businesses affected by the pandemic, but that are ineligible for existing support linked to business rates. Guidance on the fund was issued on 19 December 2021 and the relief has been processed during 2022/23. The CARF allocation for Bath & North East Somerset area is £4.3m of which the Council's share is £4.0m. The actual allocations made as at the end of December are £3.95m. The negative impact on the Collection Fund of granting the relief will be fully mitigated by s31 compensation grant received from the government.
- 3.21 Empty property relief was £5.0m at the end of December which is a reduction of £0.2m on the 2021/22 year end position and is below the £5.8m allowance included when setting the business rate income forecast for 2022/23. The forecast overall impact on the business rates collection fund position in relation to reliefs will be closely monitored during the remainder of the year.
- 3.22 Taking these factors in account, the current in year forecast for the Business Rate element of the collection fund is for a surplus of £0.8m, after allowing for the net impact on s31 grant funding in respect of the retail and CARF reliefs.
- 3.23 The table below shows the overall forecast position on the Collection Fund for Business Rates. Including the surplus carried forward from the 2021/22 outturn position and the adjustment for 3 year deficit spreading, it shows an overall projected surplus of £4.7m of which the Council's share is £4.4m.

Business Rates Collection Fund	Total (£m)	B&NES Share (94%) (£m)
Collection Fund - Projected 2022/23 In Year Surplus	-1.45	-1.36
<i>Less impacts of reliefs funded through s31 grant:</i>		
Reduced Retail Relief	4.58	4.31
Covid Addition Relief Fund	-3.95	-3.71
In Year Surplus after Extended Retail Relief & CARF s31 grant funding	-0.81	-0.76
2021/22 Surplus carried Forward	-4.89	-4.59
3 Year Deficit Spreading Adjustment	0.99	0.93
Total Projected Surplus	-4.71	-4.43

- 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 2023/24 budget. The balance on the Business Rate Reserve as at 1st April 2022 was £5.942m, this includes the £2.2m transfer from the reserve approved in the 2022/23 budget report. The reserve is currently forecast to reduce to £1m by year end, due to the required smoothing of the s31 grant timing impacts, with the reserve returning to £6.5m in 2023/24 after the forecast Collection Fund surplus is transferred in.

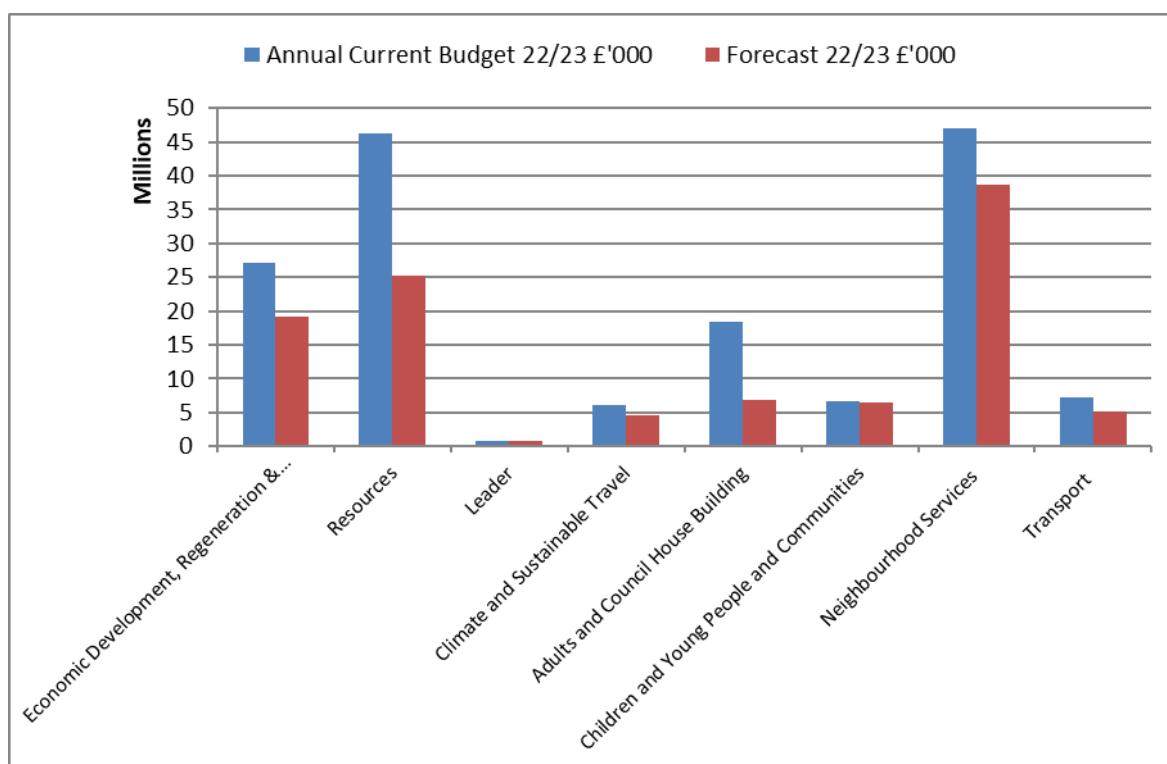
CAPITAL BUDGET

- 3.25 The current position of the 2022/23 Capital Programme is a forecast spend of £107.1m against a budget of £159.6m. The variance of £52.5m is due to project slippage which is detailed below. The full breakdown of the Capital Programme by Portfolio can be found in Appendix 4(ii) with key scheme commentary in Appendix 2. Appendix 4(i) sets out budget changes actioned since the February Budget setting.

Portfolio Summary Monitor	Annual Current Budget 2022/23	Forecast 2022/23	In-Year Variance 2022/23	Forecast Re-phasing to 2023/24	Other Variance 2022/23
	£'000	£'000	£'000	£'000	£'000
Economic Development, Regeneration & Growth	27,117	19,193	7,924	7,924	0
Resources	46,300	25,311	20,989	20,989	0
Leader	798	778	20	20	0
Climate and Sustainable Travel	6,028	4,603	1,425	1,425	0
Adults and Council House Building	18,330	6,850	11,480	11,480	0
Children and Young People and Communities	6,740	6,451	289	289	0
Neighbourhood Services	47,082	38,664	8,418	8,418	0
Transport	7,206	5,230	1,976	1,976	0
Grand Total	159,601	107,079	52,521	52,521	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 A number of schemes are expecting to re-phase into future financial years, the key in-year variances on the programme being:

- **Economic Development, Regeneration & Growth** - £4.1m variance for Bath Quays North reflecting programmed slower scheme delivery while viability continues to be assessed and the £3.1m rephasing on Bath Western Riverside results from a revised delivery programme.
- **Resources** - £12.1m variance for Property Company Investment, as the Aequus construction activity forecast expects their larger schemes now to progress from 2023/24 onwards, resulting in later draw-down of loans. Proposals for Commercial Estate Refurbishment have been developed and prioritised, with £2.5m of works now expected to be delivered in 2023/24. Expected rephasing of Corporate Estate Planned Maintenance is £0.7m and the repairs to Orange Grove of £0.6m will be undertaken in 2023/24 after surveys are completed in quarter 4. Forecast adjustments also include earmarking of £2.9m Flexible Use of Capital receipts in future years and £1.5m Corporate Contingency for City Centre Security Budget Proposals.
- **Climate and Sustainable Travel** - £1.1m variance reflects Clean Air Zone funding and delivery programme which can continue into 2023/24.
- **Adults & Council House Building** – The Social Rent Programme budget approval gave flexibility to allow possible full delivery in 2022/23. As plans have advanced during the year, rephasing of £9.8m to future years has been identified to align to the current delivery profile.
- **Neighbourhoods** – A rephase of £5.5m of Pixash Site Redevelopment is anticipated with the current programme plan being for the public Reuse and Recycling Centre (RRC) to open in Spring 2023 with relocation of operations later in 2023/24. Rephasing of £1.2m Vehicle Replacements also reflects the later delivery of new assets for orders which have been placed during the year.
- **Transport** – Bath Transport Package was jointly funded with Department for Transport (Dft) grant which enhanced public transport infrastructure. Rephasing of £1.6m supports budget proposals to fund other capital schemes including further Park and Ride Improvements in 2023/24.

RISKS

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

Risk	Likelihood	Impact	Risk Management Update
Reinstated government restrictions in the event of new variants impacting vaccine success	Possible	High	This is certainly a material risk, whilst not one the Council has direct control over, every step is being put in place to follow government guidance following the recommendations of our Director of Public Health.
Operational budget pressures due to latent demand and	Likely	High	There is the risk of built-up demand on Council services and backlog because of operational activity that has been diverted to managing the Covid

backlog			pandemic over the last three years. 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	There are risks in the retail & hospitality sector from a challenging labour market that is impacting recruitment to these sectors, so this may have an impact on business viability and income from Council tenants. A potential national recession would increase this risk further.
Contract inflationary pressure	Likely	High	With increase in wage, energy and fuel costs, Council contracted services are at risk of above budget price increases. This is an economic risk that has been recognised in the budget with a corporate inflation contingency for known areas that cannot be mitigated through activity management. Capital Schemes may need to be paused due to unfunded viability gaps due to increased supply chain costs.
The income from Heritage Services may not recover in the short term.	Possible	High	Continue to monitor income levels and impact on business plan in light of changing customer expectations and international travel. We anticipated income will not fully recover in the medium term and growth was built into the medium terms financial plan between 21/22 and 24/25. Net income is budgeted to exceed pre-pandemic levels by 24/25.
Impact on Reserves	Possible	High	Without additional government grant in recognition of unfunded inflationary pressures there is the risk that Council reserve levels are not enough to manage in-year and future years risk.
Interest rates increase	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. Borrowing rates have increased by around 2% since the start of the financial year with increased volatility in recent months following market concern over the UK economy and public finances. The latest forecast from our treasury management advisors is that borrowing rates will remain under upward pressure in the short term on inflation and central bank policy expectations, and investor uncertainty. Yields are forecast to fall slightly over the medium term as weak growth places pressure on central banks to ease policy. The Council will continue to consider shorter term borrowing options alongside the PWLB.
Volatility and uncertainty around business rates	Likely	High	The impacts of the current economic challenges will increase the volatility and uncertainty around business rate income. In 2022/23 this risk will be partly offset by the extension of the business rate relief scheme for Retail, Leisure and Hospitality businesses. We continue to monitor arrears, CVAs, and liquidations with a specific reserve held to manage in-year volatility.
Capital projects not delivered resulting in revenue reversion costs or liabilities from underwriting agreements	Possible	High	The Council has a number of projects within this category. These risks will continue to be monitored and reported. An assessment is made as part of the budget process to ensure that revenue reserves are sufficient to meet these risks. The capital programme methodology looks to de-risk projects wherever possible.
Changes to	Likely	High	Need to monitor and continue to highlight impact

Government Policy that affects future funding			
Brexit risks	Likely	Medium	The short to medium term impacts of Brexit on the Councils supply chain and labour market may result in contractual cost pressures from customs tariffs that previously did not apply.
Funding pressures through WECA, ICB and other partners	Possible	Medium	Ensure good communication links with partner organisations.
Capital receipts in the areas identified are insufficient to meet target	Possible	Medium	There is a risk that a depressed market will impact on current values, in the short to medium term the Council should not rely on capital receipts as a key funding source.

4 STATUTORY CONSIDERATIONS

- 4.1 The annual medium-term financial planning process allocates resources across services with alignment of these resources towards the Council's corporate priorities. This report monitors how the Council is performing against the financial targets set in February 2022 through the Budget setting process.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

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

6 RISK MANAGEMENT

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

7 CLIMATE CHANGE

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

8 OTHER OPTIONS CONSIDERED

- 8.1 None

9 CONSULTATION

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

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

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Background papers	N/A
Please contact the report author if you need to access this report in an alternative format	

Portfolio Number and Description		Cashlimit Number and Description		Current Budget £000	Actuals to date £000	Quarter 3 Published Forecast £000	Change from Previous Quarter Forecast Over / (Under) £000	2022/23 Outturn Variance Over / (Under) £000	Impact of Unbudgeted 22/23 Pay Settlement £000	22/23 Outturn Variance (excl. impact of unbudgeted pay settlement) Over / (Under) £000	Outturn Variance Analysis	Outturn Recovery Plan
Detailed Analysis of Budgets for Leader of Council												
P04	Leader of Council	1018	Heritage Services	(5,725)	(7,175)	(6,380)	0	(656)	0	(656)	The strong autumn performance has been reflected in the forecast outturn at year-end. The budget was for 60% of pre-COVID visitor numbers, the forecast is for 80%. Retail, catering and room hire are all ahead of budget. The wage inflation pressure is mitigated through the recruitment challenges, which mean staff costs are forecast to be underspent at year-end. Exit costs are anticipated at the end of the Assembly Rooms and as such the financial benefits of stronger autumn performance is being earmarked to meet these costs.	Reduced spend in some areas, partly through deferring some spend, in line with the Council financial recovery measures, and partly reflecting our own capacity to get work done over the final quarter.
P04	Leader of Council	1109	World Heritage	161	94	165	0	4	1	3	No material variance reported.	Not applicable
P04	Leader of Council	1121	Events and Active Lifestyles	301	267	279	(16)	(21)	6	(27)	The service is forecasting a favourable position, due to current vacancies and a slight increase in events income.	Not applicable
P04	Leader of Council	1126	Visit Bath	76	114	75	0	(1)	0	(1)	No material variance reported	Not applicable
P04	Leader of Council	1136	External Affairs & Partnerships	30	115	30	0	0	0	0	No variance reported.	Not applicable
P04 Leader of Council				(5,157)	(6,584)	(5,831)	(16)	(673)	7	(681)		
Detailed Analysis of Budgets for Resources												
P26	Resources	1032	Information Technology	5,853	4,945	5,340	9	(513)	92	(606)	Under budget position due to holding vacancies, contract savings realised in year and service supported borrowing (SSB) savings. The 2023/24 has incorporated the recurrent impact of the SSB saving.	Not applicable
P26	Resources	1037	Property Services	572	759	551	(9)	(21)	15	(36)	No material variance reported	Not applicable
P26	Resources	1038	Corporate Estate Including R&M	4,841	4,307	5,274	(2)	433	38	395	The former school site at Culverhay remains vacant and as such the organisation is incurring the energy, security and business rates costs that would otherwise be passed onto the tenant. Similar costs are being incurred in a number of void properties across the estate, as well as lost income and repairs and maintenance costs. This is partially offset by the Construction and Maintenance team recovering more salary costs from capital and grant funded projects than originally budgeted.	Plans are currently being developed to utilise the site for SEN which in the long term should reduce the Council's liabilities.
P26	Resources	1039	Traded Services	0	0	0	0	0	0	0	No variance reported.	Not applicable
P26	Resources	1040	Finance	2,389	1,823	2,308	(7)	(81)	69	(149)	Salary savings due to freeze of vacant posts in Corporate and Project Finance.	Not applicable
P26	Resources	1041	Revenues & Benefits	1,819	3,460	1,745	(72)	(74)	85	(159)	Under budget position from holding vacancies and operating budgets to contribute towards the Council's financial recovery plan.	Not applicable
P26	Resources	1042	Risk & Assurance Services	1,268	916	1,331	63	63	51	12	No material variance reported	Not applicable
P26	Resources	1047	Human Resources & Organisational Development	2,143	2,547	2,156	15	13	59	(46)	Underspend due to staff vacancy savings in the Health, Safety and Wellbeing team.	Not applicable
P26	Resources	1053	Council Solicitor & Democratic Services	2,648	1,968	2,749	(29)	102	68	34	No material variance reported	Ongoing review of external spend and savings being identified where feasible
P26	Resources	1054	Hsg / Council Tax Benefits Subsidy	(195)	1,298	(45)	0	150	0	150	Budget pressures from increased demand for temporary accommodation - high cost bed and breakfast placements are above subsidy levels.	Options to reduce high cost placements are being reviewed and taken where feasible
P26	Resources	1055	Capital Financing / Interest	5,212	5,462	3,262	(1,000)	(1,950)	0	(1,950)	There is an additional £950k investment interest income forecast due to the increase in interest rates since the budget was set, along with the temporary high levels of cash balances currently held following the advance payment of grants and the profiling of capital expenditure. There is also a £500k underspend forecast on borrowing costs due to the associated delay in borrowing requirements. In addition, there is a £500k underspend against the budget for MRP (Minimum Revenue Provision), following the final calculation of the 2022/23 charge.	Not applicable
P26	Resources	1056	Unfunded Pensions	1,488	1,006	1,423	0	(65)	0	(65)	Small underspend forecast based on current spend to date.	Not applicable
P26	Resources	1057	Corporate Budgets including Capital, Audit and Bank Charges	(11,641)	(18,760)	(11,926)	(2,485)	(285)	22	(308)	This includes overspends in E-Payment costs (£70k) due to the additional transactional fees currently being incurred until the Midcall system goes live, and £40k on Apprenticeship Levy partially due to the higher than budgeted 2022/23 pay award. These overspends are offset by £300k income above budget for the Bath Spa Profit Share (including the release of some Bad Debt Provisions), and several unbudgeted income receipts, resulting in a net £286k favourable variance.	Not applicable
P26	Resources	1058	Magistrates	12	6	7	0	(5)	0	(5)	No material variance reported.	Not applicable
P26	Resources	1059	Coroners	370	264	440	0	70	0	70	There is an unavoidable on-going pressures of £25k due to increased overhead recharges from Bristol City Council and £15k for pay award and inflationary pressures. In addition, there are one-off pressures of £5k relating to the Coroner IT database systems and £25k relating to the clearing of the backlog of jury inquests that were delayed due to Covid-19.	These costs are unavoidable.
P26	Resources	1060	Environment Agency	254	254	254	0	0	0	0	No variance reported.	Not applicable
P26	Resources	1061	West of England Combined Authority Levy	5,194	5,194	5,194	0	0	0	0	No variance reported.	Not applicable
P26	Resources	1081	Commercial Estate	(11,149)	(12,679)	(11,777)	(155)	(627)	13	(640)	The forecast for the Commercial Estate income is to overachieve the budgeted income of £14.8m as the market recovers and we negotiate new lettings with varying terms. This position takes into account the lettings of newly refurbished properties within the Commercial Estate and unfavourable cost pressures on the service which includes an increase in service supported borrowing and an under recovery of staff recharges.	Focus is on new opportunities for lettings as the market recovers which will enhance the financial position over a period of time.
P26	Resources	1112	Housing Delivery Vehicle	(2,169)	(1,258)	(2,169)	0	0	0	0	No variance reported.	Not applicable
P26	Resources	1118	Procurement & Commissioning	304	1,122	246	(3)	(57)	18	(76)	Vacant post due to retirement and reduction predicted for stationery spend	Not applicable
P26	Resources	1130	Corporate Governance	1,749	1,384	1,769	44	20	44	(25)	Under budget position from Council retained Local Enterprise Partnership budget not being fully committed.	Not applicable
P26	Resources	1131	Corporate Strategy and Communications	858	(1,750)	720	(60)	(138)	20	(158)	Underspend due to officer time recharge on grant funded Homes for Ukraine scheme	Not applicable
P26	Resources	1132	Business Change	491	691	489	(5)	(2)	1	(4)	No material variance reported	Not applicable
P26 Resources Total				12,309	2,959	9,340	(3,697)	(2,969)	596	(3,565)		

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Detailed Analysis of Budgets for Economic Development, Regeneration and Growth												
P31	Economic Development, Regeneration and Growth	1052	Regeneration	166	896	130	6	(36)	3	(39)	The net favourable variance has been achieved primarily through efficient use of resources available to recharge staff time along with vacancy management.	Not applicable
P31	Economic Development, Regeneration and Growth	1128	Business & Skills	422	409	413	(13)	(10)	7	(17)	No material variance reported	Not applicable
P31	Economic Development, Regeneration and Growth Total			588	1,304	543	(7)	(46)	10	(56)		
Detailed Analysis of Budgets for Climate and Sustainable Travel												
P27	Climate and Sustainable Travel	1127	Environmental Monitoring (Air Pollution)	189	53	69	(96)	(119)	5	(124)	Favourable variance across service due to vacancies and staff recharges.	Not applicable
P27	Climate and Sustainable Travel	1129	Clean Air Zone	0	(3,418)	0	0	0	0	0	Clean Air Zone income levels are currently exceeding budgeted levels with entry charge income slightly down on original budgets but remaining fairly consistent. This is offset by increased levels of penalty charge notice income and recoveries through debt enforcement. Both income streams are forecast to reduce in current modelling, and whilst vehicle compliance rates continue to improve, the total income received remains above budgeted levels. Expenditure budgets are currently being covered by income received. In the short-term, future budgets assume continuing trends, which at this point seem to be aligning close to forecast levels. Any overall shortfall would be covered by the New Burdens Principle.	Not applicable
P27	Climate and Sustainable Travel	1135	Transport Planning, Policy and Sustainable Transport	358	496	353	45	(5)	10	(16)	No material variance reported	Not applicable
P27	Climate and Sustainable Travel	1137	Green Transformation	824	795	771	(40)	(53)	17	(70)	Overall favourable position achieved through underspend on salaries (natural lag in recruitment to vacancies, plus intentional freeze; partially offset by small underperformance on income targets) plus deferral of planned contract spend.	Not applicable
P27	Climate and Sustainable Travel Total			1,371	(2,074)	1,193	(91)	(178)	32	(210)		
Detailed Analysis of Budgets for Adult Services and Council House Building												
P28	Adult Services and Council House Building	1029	Housing	1,443	1,285	1,405	6	(38)	30	(68)	Staffing budget underspends along with an overachievement of staff recharging to projects are generating a favourable variance for the service.	Not applicable
P28	Adult Services and Council House Building	1073	Adults & Older People-Mental Health Commissioning	8,423	6,009	7,897	(591)	(526)	37	(563)	Demand for long term social care remains below budgeted levels to December 2022. Joint working with health over jointly funded packages continues to ensure the correct funding source is in place . Staff vacancies are reflected and the forecast underspend will offsetting adverse variances in other areas of ASC.	Not applicable
P28	Adult Services and Council House Building	1086	Adult Care Commissioning	1,205	1,306	1,125	(54)	(81)	23	(103)	The underspend variance is reflective off staff vacancies and will offset adverse variances in other areas of the service.	Not applicable
P28	Adult Services and Council House Building	1088	Older People & Physically Disabled Purchasing	12,477	7,424	11,689	(743)	(788)	0	(788)	Demand for long term social care remains below budgeted levels to December 2022. Joint working with health over hospital discharge and reablement has helped maintain people's independence. The forecast underspend is offsetting adverse variances in other areas of ASC.	Not applicable
P28	Adult Services and Council House Building	1091	Learning Disabilities Commissioning	19,209	13,105	21,305	2,095	2,095	8	2,087	No use of reserves forecast in Quarter 3, which explains £1.5m of the £2.1m adverse movement. Additional high cost service users transitioning into the service are being reflected. Complex and high cost cases are being closely monitored, reviewed and assessed for NHS Continuing Health Care funding by commissioning managers. Close working with partner organisations continues to discuss health funding contributions of high and complex placements.	Pressure continues in placements/transitions (children reaching 18). Reviews continue via panel process, contract monitoring, close working with Children's Services in Transitions, savings plans, filling voids, utilising blocks, Health & Social care Funding splits, and reducing spend Out of Area. Transitions Social Worker is now in place with an ongoing review of transitions pathway is a key priority
P28	Adult Services and Council House Building	1093	Physical Disability, Hearing & Vision	3,367	2,043	3,367	(7)	(0)	0	(0)	Underlying forecast position of a £131K adverse variance, primarily due to provider uplifts with increases in average package costs. Forecast outturn variance has been balanced to £0 via a transfer from reserves.	Commissioners continue to review this budget area through the panel process, contract re-negotiation, contract monitoring, and continued work on savings plans.
P28	Adult Services and Council House Building	1110	Better Care Fund	7,094	14,344	7,094	0	0	0	0	No variance reported.	Not applicable
P28	Adult Services and Council House Building	1113	CCG B&NES CHC and FNC Payments	0	1,323	0	0	0	0	0	No variance reported.	Not applicable
P28	Adult Services and Council House Building	1114	Community Equipment	203	260	203	0	0	0	0	The joint Community Equipment Store transferred back to Council on 1st October 2022. The one off costs linked to the transfer has been met from the Better Care Fund. The Council's share of higher running costs will be met from reserves in 2022-23. Recurrent funding bid for 2023-24 onwards is included within Councils 2023-24 budget proposals.	Council's share of increased running costs has been included within Medium Term Financial Plan.
P28	Adult Services and Council House Building	1123	Safeguarding Adults	2,387	1,757	2,179	(76)	(208)	43	(251)	The underspend variance is reflective of staff vacancies and will offset adverse variances in other areas of the service.	Not applicable
P28	Adult Services and Council House Building	1124	Community Resource Centres & Extra Care Income	7,144	7,302	7,183	(92)	39	395	(356)	A strong regime of covid testing and isolation remains in place in the CRCs with resultant absence levels. Recruitment and retention of staff is currently a major problem. The resultant high agency usage to backfill vacancies and absence is creating a significant underlying budget pressure of £1.5m. The additional costs will be met from reserves.	Recruitment drive in place to fill vacancies. This commenced in September 2022 and will run for the remainder of 2022-23. Staff and residents have and continue to given covid vaccinations in line with government recommendations.
P28	Adult Services and Council House Building Total			62,952	56,158	63,447	539	495	535	(41)		

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Detailed Analysis of Budgets for Children and Young People, and Communities												
P29	Children and Young People, and Communities	1019	Leisure	488	140	568	80	80	2	78	The restructuring of the Leisure model needed to manage Leisure services through covid and will result in a reprofiling of management fee income over life of contract. Reserves will be used to smooth out budget pressures in 2022/23 and 2023/24. The capital costs linked to Entry Hill bike park now need to be funded from revenue as opposed to capital.	Limited scope to find savings within Leisure revenue budget
P29	Children and Young People, and Communities	1036	Adults Substance Misuse (DAT)	161	(259)	158	(2)	(2)	3	(5)	No material variance reported	Not applicable
P29	Children and Young People, and Communities	1076	Children, Young People & Families	16,785	31,086	21,650	703	4,865	152	4,713	£4.2m of the forecast pressure is due to demand led budgets. These include Joint Agency Panel (JAP), Residential, Disabled Children (DCT), Children in Care (CIC), Staying Put placements, Care Leavers, Foster Carers and all other client expenditure across Children's Services. Pressure in this area continues from 2021/22 due to the increased demand and packages of care and support costs needed as a direct result of accommodating additional needs . New pressures from supporting unaccompanied asylum seeker children are also included totalling £0.2m. The transformation projects are forecast to produce cashable savings in 22/23 of £0.6m within the demand led budgets, which leaves a pressure of £0.6m from cost avoidance savings achieved that will become cashable in future years. Across all salary areas there is a pressure of £1.3m as a result of the cost of covering vacancies in teams whilst also responding to increasing demand and complexity of need. There is £1.2m of one-off in year mitigation from additional health funding and use of Covid Reserves.	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. Costs are being scrutinised via ongoing panels which include Finance, plus the service is working at pace to ensure packages are all meeting the needs of those using them.
P29	Children and Young People, and Communities	1077	Inclusion & Prevention	2,322	1,347	2,251	(115)	(71)	52	(123)	Alternative Learning Team under budget by £45k due to increased income. Balance spread across services.	Continuing financial scrutiny and review.
P29	Children and Young People, and Communities	1078	Education Transformation	8,666	5,367	9,872	33	1,206	193	1,013	£0.8m pressure from the ongoing market forces cost pressure when procuring Home To School Transport. £0.2m pressure from agency staffing use across the services to cover vacancies. £0.1m pressure from supporting asylum seeker children into education.	Continuing financial scrutiny and review.
P29	Children and Young People, and Communities	1079	Schools Budgets	(1,703)	(5,557)	(1,703)	0	0	0	0	Although shown on budget, the Dedicated Schools Grant (DSG) carried forward a deficit balance of £13.44m into 2022/23. This deficit is held on the balance sheet in line with Government guidance. A further increase to this deficit of £6.21m is forecast to occur during 2022/23, increasing the deficit to £19.65m. This pressure is in relation to SEND costs.	A recovery plan to bring spending in line with budget over the next 5 years has been completed and is being reviewed by the DFE. The DFE will look to enter a Safety Valve Agreement (a process set up to support Local Authorities with DSG deficits) with the Local Authority (LA), whereby the LA will show its ability to ensure that spending is controlled within the DSG and the DFE will look to support the accumulated overspend. Initial discussions have been held and further work on the agreement will be made in 2022/23 with a planned agreement in place for 2023/24.
P29	Children and Young People, and Communities	1089	Community Safety	194	430	197	(1)	3	1	2	No material variance reported	Not applicable
P29	Children and Young People, and Communities	1094	Public Health	0	4,086	0	0	0	0	0	Public Health is funded entirely from a Department of Health and Social Care ring fenced grant.	Not applicable
P29	Children and Young People, and Communities	1116	Integrated Commissioning - CYP	2,597	2,705	2,575	1	(21)	11	(32)	Small staffing variance.	Not applicable
P29	Children and Young People, and Communities	1117	Safeguarding - CYP	84	(0)	79	(5)	(5)	4	(9)	Reduced forecast for training.	Not applicable
P29	Children and Young People, and Communities	1122	Customer Services (Including Libraries)	2,351	1,714	2,413	(13)	62	92	(30)	The service has held vacant posts and actively managed discretionary spend to ensure that the budget position will be met at year end. This has resulted in a minor underspend.	Not applicable
P29 Children and Young People, and Communities				31,945	41,059	38,061	680	6,117	510	5,607		
Detailed Analysis of Budgets for Neighbourhood Services												
P05	Neighbourhood Services	1101	Neighbourhoods & Environment - Waste & Fleet Services	17,835	(138,829)	18,154	131	319	457	(138)	An increase in recycling and garden waste income (£563k), combined with savings across general expenditure, and reduced treatment and disposal contracts costs, have resulted in a favourable position, however this has been significantly reduced due to pressures on staffing budgets and inflationary pressures due to rising fuel costs.	Staffing levels will be monitored closely and any turnover during the year will be forecast accordingly
P05	Neighbourhood Services	1102	Neighbourhoods & Environment - Parks & Bereavement Services	1,279	1,868	1,733	20	454	110	344	Bereavement Services - the main crematorium chapel was closed between April and October for major capital improvement works. As a result there is a significant reduction in cremations and memorial sales. Parks - inflationary pressures across parks on fuel and unbudgeted pressures on staffing budgets	Plans are being developed to promote memorial sales once the Crematorium Chapel reopens
P05	Neighbourhood Services	1115	Registrars Service	(30)	(230)	(46)	(11)	(16)	18	(34)	Income forecast to exceed budget for registration services	Not applicable
P05	Neighbourhood Services	1134	Highway Maintenance	6,532	4,536	6,515	7	(17)	34	(51)	The service is forecasting a favourable position, due to current vacancies and an increase in staff recharges.	Not applicable
P05 Neighbourhood Services Total				25,617	(132,655)	26,356	147	739	618	121		

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Detailed Analysis of Budgets for Transport												
P25	Transport	1103	Transport & Parking Services - Parking	(7,459)	(6,425)	(7,862)	(347)	(403)	90	(493)	The service is forecasting improved parking income, due to an increase in visitors to Bath, along with the implementation of new parking charges, this combined with savings on expenditure across the service has resulted in a favourable movement.	Not applicable
P25	Transport	1104	Public & Passenger Transport	155	1,674	(20)	(103)	(174)	61	(235)	Favourable variance across service due to vacancies, reduced fleet and facilities costs and increased income.	Not applicable
P25	Transport	1119	Emergency Planning	547	554	578	26	31	21	10	Slight pressure on staff costs across the service	Not applicable
P25	Transport	1133	Network & Traffic Management	1,130	684	684	(251)	(446)	46	(493)	The service is forecasting a favourable position due to increased streetworks income, and vacancies across the service.	Not applicable
P25 Transport Total				(5,628)	(3,513)	(6,620)	(675)	(992)	218	(1,211)		
Detailed Analysis of Budgets for Planning and Licensing												
P30	Planning and Licensing	1005	Building Control & Public Protection	1,118	795	1,203	149	85	34	51	Pressures on Building Control, Land Charges and Licencing income, reduced by a favourable variance across the service due to a high number of vacancies.	Limited scope to find savings within the service
P30	Planning and Licensing	1106	Development Management	1,260	1,312	1,463	(19)	203	67	136	The service is forecasting an underachievement of planning income from both pre-application fees and direct planning application fees. Planning income across the country is down 12% nationally and 8% in B&NES compared with the same quarter last year. The adverse variance is being substantially offset with a net favourable variance from staff vacancies.	The service will limit any non-essential spending for the remainder of the year and will not fill vacant and new posts for the time being. This will have an impact on service provision.
P30 Planning and Licensing Total				2,378	2,107	2,666	130	288	101	187		
	Council Total			126,374	(41,238)	129,155	(2,990)	2,781	2,629	152		

FINANCE BUDGET MONITORING MONTHLY DASHBOARD - April to December 2022
CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

		2022/23 Budget £'000	2022/23 Forecast £000	RePhasing to Future Years. £'000	Under / Over Spend £'000
Climate and Sustainable Travel					
Clean Air Zone	The Clean Air Zone objective is to achieve, as a minimum, compliance with NO2 limit values to discharge the ministerial direction. The charging zone with the sign and camera infrastructure has been operational since March 2021 and is now embedded as business as usual. Of the capital funding provided, there remains £100k relating to bus retrofit schemes and £250k relating to an E-Cargo delivery scheme. Approximately £250k of funding remains to support remaining applicants of the financial assistance scheme. Other "non-core items" are continuing to be progressed which includes public realm improvements to Queen Square. CAZ funding and delivery can continue into 23/24.	2,705	1,605	1,099	-
Liveable Neighbourhoods	There are two themes within this programme, under which a number of interventions will be delivered. The first theme is made up of 15 Liveable Neighbourhoods (LNs) proposals and the second is a series of 8 Residential Parking Zones (RPZs.) Funding for Resident Parking Zones is approved and WECA business case development is now underway.	1,778	1,778		-
Renewable Energy Development Fund	The installation of low energy lighting is complete and solar panels are on the roofs and being commissioned at Combe Lea and Cleeve Court Care Homes, with all work expected to be complete in 2022/23.	457	457		-
Adults and Council House Building					
Affordable Housing	The Council's contribution towards Pemberley Place extra care scheme with 72 units of affordable elderly persons accommodation is expected to be paid during the 2022/23 financial year.	682	682	-	-
Next Steps Accommodation Programme	Occupants are living in the newly refurbished accommodation at 23 Grosvenor Place, Bath.	306	306		-
Supported Housing Scheme	Works to improve Crescent Gardens Lodge and a property at Westgate Buildings in Bath are forecast to complete in 2022/23. We expect to transfer in a property in Parsonage Way, Bath in Spring 2023. Works at Theobald House are progressing well with planned completion in June 2023.	1,340	1,340		-
Social Rent Programme	Scheme development work is taking place on several sites. Newbridge Road refurbishment completed during 2022/23 and a planning application has been submitted for a scheme for the former Argyle Works. An approval is in progress to add 6-8 Cottrell Court in the programme. The budget is being re-profiled into future financial years to reflect the planned programme of works on schemes.	11,987	2,232	9,755	-
Neighbourhood Services					
Highways Maintenance Block	The programme for £6.5m for Resurfacing is now completed, with good progress being made on the remainder of the programme being £1.4m for Stabilisation and Structures, £0.55m for Street Lighting, £0.55m for Footways and £0.3m Drainage.	9,300	9,300	-	-
Parks S106 Projects	This relates to a number of projects that are mainly s106 funded, £528k of which is allocated for Foxhill for green space improvements and new allotment provision. A masterplan is being developed for works to this area, to include open spaces, play areas and allotment provision. The second stage of consultation is now live and will inform the future capital plans, delivery for which will fall into next financial year. The Council is progressing plans for new allotment facilities in Combe Down. At Sullis Meadows, feasibility works are underway to include works to the footpaths and a play area refurbishment; permissions for some of these works are being sought from Historic England and the works are likely to continue into 23/24. Other projects already completed or on target to deliver this financial year include wall repairs at Hedgemoor and signage at Freefields. Funding for projects at Weston Rec and Brickfields will continue into 23/24.	670	120	550	-

FINANCE BUDGET MONITORING MONTHLY DASHBOARD - April to December 2022

CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

		2022/23 Budget £'000	2022/23 Forecast £000	RePhasing to Future Years. £'000	Under / Over Spend £'000
Sydney Gardens (Round 2)	Since April 2022 the park restoration project has seen the opening of a new play and sport area, a completed pentaque court, a new Community Pavilion, refurbished public toilet and the new Changing Places Facility. Landscaping and planting are complete in the wider gardens and the new northern entrance off the Warminster Road is open, providing additional step free access to the park. Historic buildings in the park have been repaired and conserved. The team completed work on the interpretation and orientation panels to go into the Temple of Minerva and Network rail installed their new fencing. A very successful Gala Opening Event was held in partnership with the Friends of Sydney Gardens at the end of October.	254	254		-
Entry Hill Facilities	This scheme will no longer be progressing. Costs incurred to date are estimated at c£80k and will revert to revenue. Unspent budget will return to the Project Inception Fund	29	29		-
Pixash Site Redevelopment	Above-ground construction continues on the main structures including the public recycling centre as the first area to be completed in Phase 1. Utilities and highways works are largely complete; with work expected to start in January on a new water main in World's End Lane. The current programme plan is for the public Reuse and Recycling Centre (RRC) to open in Spring 2023 with relocation of operations later in 2023/24.	26,811	21,300	5,511	-
Cleveland Bridge Refurbishment	Cleveland Bridge re-opened to two-way traffic under an 18-tonne weight limit on 2nd October 2022. Masonry works, which couldn't be completed while scaffolding was in place, will continue underneath the bridge for a number of weeks. Engineers have installed a monitoring system as a precautionary measure to allow it to reopen to traffic and to provide ongoing confidence that bridge remains safe once brought back into service. A sum of £3m grant funding from £8m WECA CRSTS Maintenance Challenge Fund has now been awarded	3,567	3,567		-
Resources					
Capital Contingency	Contingency for all schemes in the capital programme to be allocated if required. The carry forward is for £1.5m earmarked for the City Centre Security 2023/24 budget proposal.	4,235	2,735	1,500	-
Commercial Estate Refurbishment Programme	This programme of works is under regular review and prioritisation with focus on ensuring empty properties are refurbished ready for tenant occupation and thereby reduce the number of empty units. The budget was re-profiled to reflect costs to be slipped to 2023/24 and the current forecast reflects the current estimate for this slippage. Commercial Property assets are historic and aging with a need for maintenance and refurbishment work that can be complex.	8,202	5,666	2,536	-
Corporate Estate Planned Maintenance	Planned repairs, compliance testing and preventative maintenance are already underway including upgrades to fire alarm, emergency lighting and boiler replacements. Haycombe Crematorium building refurbishment works are completed and works to the cremators are underway these works will give a 5-7 year life span on the asset. Boiler replacements at Bath Children and Family Centre in Charlotte Street and The Hollies are complete. Various works have commenced with anticipated completion by the end of the financial year, such as various Park works including resurfacing, desilting of ponds, wall repairs, fire alarms and general electrical upgrades. Several works are out to tender with appointment of contractors planned for January and February. Budgets for a few projects are being carried forward to the new financial year and further investigative works are underway, e.g. Victoria Art Gallery and the Colonades.	5,053	4,368	684	
Flexible Use of Capital Receipts (Transformation)	This is funding for one-off costs associated with ongoing efficiency savings or service transformation. Forecast to be up to £0.5m in 2022/23 with the balance to carry forward into 2023/24.	3,411	500	2,911	-

FINANCE BUDGET MONITORING MONTHLY DASHBOARD - April to December 2022
CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

		2022/23 Budget £'000	2022/23 Forecast £000	RePhasing to Future Years. £'000	Under / Over Spend £'000
Property Company Investment - Council (Loan): Developments	The Construction Activity Forecast now expects all larger schemes to progress from 2024/25, with no loans expected in this financial year. The budget of £12.152m to be re-profiled into 2023/24 £5.2m & 2024/25 £6.952m in accordance with updated plans. Existing loans for Sladebrook Road and Newbridge Hill developments of over £3m will be fully repaid during 2022/23.	12,152	-	12,152	-
Public Sector Decarbonisation Scheme	Works are complete at Charlton House in Keynsham with PV panels and LED lighting both now in use, with final checks being made during winter usage. Cleveland Pools Trust plan to complete final work for the installation of a Water Source Heat Pump to provide heat for the pools at the end of 2022/23.	188	188		-
Corporate Property Acquisition	The Old Post Office building was purchased in September 2022, to secure a potential site to relocate the Fashion Museum into Milson Quarter as part the regeneration plan for this area of the City. As part of a further WECA grant award for the Milsom Quarter Masterplan, funding has been secured to fit out retail units in the building and to start to design the refurbishment with spending planned from 2022/23 onwards.	8,068	8,068		-
Transport					
Bath Transport Package - Main DfT Scheme	Bath Transport Package was jointly funded with Department for Transport (DfT) grant which enhanced public transport infrastructure. Rephasing of £1.6m supports budget proposals to fund other capital schemes including further Park and Ride Improvements.	1,613	-	1,613	-
City Centre Security - Highways Scheme	The project has delivered enhanced security for priority high footfall areas within the city centre in accordance with the recommendations of the NaCTSO report from the Police. Anti-Terrorism Traffic Regulation Orders (ATTRO's) have been implemented for the scheme, including York Street at Public Inquiry. York Street is now being implemented as pilot site ahead of funding approval for remaining sites being sought in 2023/24 budget process.	1,353	1,353	-	-
Office for Low Emission Vehicles (OLEV) Bid -GULW	New EV charging bays are being installed at seven locations across the district. 24 charging bays have been installed across Kingsmead Square car park, Charlotte St car park, Larkhall car park, Claverton Rd car park, South Road car park MSN and Church Street car park Radstock, and are now available for public use through the LA operated Revive charging network. The two charging bays at Railway Place (adjacent to Bath railway station) have civils work completed and are awaiting scheduled delivery of their charger in March 2023. Work to deliver 8 bays at Keynsham Civic Centre car park is ongoing. Final designs are near completion, no on-site work has started and a completion date is anticipated as Nov '23.	530	530	-	-
Transport Improvement Programme	The 2022/23 programme is currently progressing to plan with no issues anticipated. Budgets are held for schemes including Pedestrian Crossings (£480k), Managing Congestion (£154k), Safe Routes to School (£218k), Traffic Management (£804k), Local Safety (£1,067k), Public Rights of Way (£189k), Cycling (£229k), Public Transport (£64k), and Other (£115k). £203k of budget to be rephased into 2023/24, for Fosseway South, MSN Toucan, Gateway + Speed Limit, 106 funded / Bathwick St Mary School Safety Improvements CIL / Route Review A368.	3,549	3,346	203	-
Economic Development, Regeneration & Growth					
Bath Quays North	Partial demolition of the multi-storey car park at Avon Street is now complete. The impacts on scheme delivery caused by Covid-19 and lockdowns continue to be evaluated for impact on viability. Market risks from occupier interest and construction inflation have also increased delivery risk.	6,060	2,000	4,060	-

FINANCE BUDGET MONITORING MONTHLY DASHBOARD - April to December 2022

CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

		2022/23 Budget £'000	2022/23 Forecast £000	RePhasing to Future Years. £'000	Under / Over Spend £'000
BWR Phase 2	Masterplan developed by Aequus and pre-application submitted. Aequus are undertaking public consultation prior to submission of planning application. Majority of major gas network rationalisation works is complete, site remediation on-going.	7,954	4,805	3,149	-
Radstock Healthy Living Centre	The Radstock Healthy Living Centre was completed on July 18th and the B&NES Children Centre have moved in and are occupying the space. We are currently carrying out a few additional fit out works for the Children Centre and ensuring the project is fully complete.	556	556		-
Somer Valley Enterprise Zone - Infrastructure	A LDO (Local Development Order) is due to be submitted for Planning Approval after extensive pre-application work.	1,084	984	100	-
Keynsham High Street Renewal Programme	Phase 2 is underway and on target to deliver a masterplan, shop front improvements, wayfinding and community engagement and further public realm. We in final stages for a technical approval for a scheme for Temple Street public realm. IPhase 2 is funded by Historic England as a Heritage Action Zone (HAZ). Phase 1 works for the Public Realm scheme for Keynsham High Street are now substantially completed.	702	702		-
Midsomer Norton High Street Renewal Programme	Work on the grant funded Heritage Action Zone works continues to budget. The Town Hall transformation project is on site with good progress being made and on track for phase 1 completion in May 2023. Technical approval is underway for the new Town Square scheme and we plan to go to site in June 2023.	802	802		-
Bath City Centre Renewal Programme	The Bath High Street Renewal programme is progressing well with good progress against project milestones. We are currently procuring new "pattern book" benches to improve accessibility to the city centre. Public realm improvements to Kingsmead Street are in progress.	887	887		-
Bath Quays Bridge, Linking Infrastructure & South	The bridge has been in use since December 2022.	2,331	2,331		-
Children and Young People and Communities					
Basic Needs - School Improvement / Expansion	Planned spend of 3.5m in 22/23 with £250k slippage. Scheme Highlights are :- <ul style="list-style-type: none"> - Cameley Primary. Expansion project complete. - Peasedown St John. Expansion project complete. - St Nicholas Primary. Expansion project complete. Works to provide a pedestrian footbridge are now progressing following completion of a S106 Variation to change location of the bridge. The bridge manufacture has been instructed, final landscaping design progressing and programme for delivery is being drafted and agreed with the school. Expected to complete Spring 2023. £10k future maintenance contribution agreed with the school/MAT to be funded from the expansion project budgets. - St Keyna Primary - Expansion to a 420 place school. A new 6 classroom block, kitchen extension and slight remodelling of existing buildings to complete by September 2024. The new classroom block will be built to Passivhaus standard. Full project funding approved and the Project Team appointed. Planning Application to be submitted December 2023. Progressing well to programme and budget. Completion to be achieved by September 2024. - Somervale School SEND Resource Base – feasibility study in progress to explore building a new purpose built resource base on the Somervale School site. Feasibility Study expected by the beginning of March 2023. - Oldfield School - £250k allocated to fund their CIF bid to the DfE which has not been successful and slips into 23/24 . The school will now progress the works themselves. 	3,778	3,528	250	-

FINANCE BUDGET MONITORING MONTHLY DASHBOARD - April to December 2022

CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

		2022/23 Budget £'000	2022/23 Forecast £000	RePhasing to Future Years. £'000	Under / Over Spend £'000
Schools Capital Maintenance Schemes	<p>Schools Condition Grant is received for maintained schools that we as an LA are responsible for. This grant has been significantly reduced as schools have converted to academy and are funded direct by Government. The following capital maintenance schemes are completing in 2022/23 with defects period to September 2023 and some payments to contractors still to follow.</p> <ul style="list-style-type: none"> - Twerton Infants School – Replacement windows and part replacement of roof. Completed September 2022 in defects period to September 2023. - Newbridge Primary – Heat pump heating replacement for the former Junior Block. Completed August 2022 in defects period to August 2023. - Newbridge Primary – Re-pipe and boiler replacement in the former Infant Block. Completed 2nd September 2022 in defects period to September 2023. <p>We are also holding £1m of budget to carry out small condition projects which are urgent and will use Emergency Works or Minor Works funding provisionally approved for individual scheme delegated authority by Director for Education. Current smaller schemes include a water leak at Paulton Juniors, roof leak repairs at Newbridge Primary and repairs and maintenance to the caretaker's bungalow at St Martin's Garden Primary.</p>	2,074	2,074	-	-
SEND (Special Education Needs & Disability) Capital Programme	<p>Various SEND Capital project works including:</p> <ul style="list-style-type: none"> - Aspire £351k - Scheme complete. -Oldfield £36k - Costs to follow in 2022/23. -Feasibility budget - £100k with a further £39.5k being rephased into 2023/24 for future schemes. -St Mark's MLD £17k. -S&LT Resource Base at Wellsway School site – £4.5k feasibility study funding; S&LT base to be opened in modular building currently occupied by Two Rivers Primary School. -SEND Residential Provision Radstock/Bath College Feasibility Works £25k in progress. -Moorlands Junior School – £2k approved feasibility study funding. Feasibility Study to remodel classrooms and relocate the HERS provision from Broadlands School. - St Gregory's College SEN Resource Base Feasibility Study £30k to be spent in 2022/23. - Ralph Allen SEN Resource Base Feasibility Study £30k. - Hayesfield Girls School Feasibility £500k. - SEND Feasibility Studies £100k - Held for future reviews in 2022/23, £39.5k rephased into 2023/24. 	698	658	40	-
Special Education Needs & Disability (SEND) - Residential Provision at Bath College	Budget to undertake feasibility project at Bath College for SEN residential provision; architects to undertake this work have been appointed and a business case with PID will follow in Q4.	25	25	-	-

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2022/23 Revenue Virements for INFORMATION

Appendix 3 (i)

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

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

INFO 22#20	Head of Information Technology	Resources	Corporate Budgets incl. Capital, Audit & Bank Charges		118,000	Resources	Information Technology		118,000	Allocation of budget for Head of Information Technology post from corporately held Revenue Contingency budget, as approved by Chief Finance Officer.	Budget virement is on-going
INFO 22#21	2022/23 Pay Award Budget	Resources	Corporate Budgets incl. Capital, Audit & Bank Charges		2,469,000	Leader	Various		7,320	Distribution of Corporately held budget for 2022/23 Pay Award following national agreement.	Budget virement is ongoing.
						Resources	Various		591,413		
						Economic Development, Regeneration & Growth	Various		10,894		
						Adult Services & Council House Building	Various		495,098		
						Children and Young People & Communities	Various		462,450		
						Climate & Sustainable Travel	Various		29,794		
						Neighbourhood Services	Various		571,713		
						Transport	Various		201,777		
						Planning & Licensing	Various		98,541		
INFO 22#22	Healthwatch	Resources	Corporate Strategy & Communications		40,000	Adult Services & Council House Building	Adult Services		40,000	Transfer of budget responsibility for contribution to Healthwatch to Adult Services.	Budget virement is on-going
INFO 22#23	Severnside Community Rail Partnership	Transport	Transport & Parking Services - Public & Passenger Transport		6,000	Climate & Sustainable Travel	Transport Strategy		6,000	Transfer between Cash Limits of budget responsibility for annual membership costs for Severnside Community Rail Partnership.	Budget virement is on-going

<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 22#24	Service Redesign Team	Resources	Information Technology		362,987	Resources	Business Change		362,987	Transfer of management responsibility for Service Redesign Team, from Information Technology to Business Change.	Budget virement is on-going
INFO 22#25	2022/23 Place Management Contractual Inflation	Resources	Corporate Budgets incl. Capital, Audit & Bank Charges	405,000	Neighbourhood Services	Neighbourhoods & Environment - Waste & Fleet Services			267,000	Distribution of Corporately held budget for 2022/23 Place Management Contractual Inflation.	Budget virement is on-going.
						Neighbourhoods & Environment - Parks & Bereavement Services			6,000		
						Highways Maintenance			119,000		
					Transport	Network & Traffic Management			6,000		
						Transport & Parking Services - Parking			1,000		
						Transport & Parking Services - Public & Passenger Transport			6,000		
INFO 22#26	2022/23 Energy Inflation - Drawdown from Reserve	Resources	Balances (Energy Inflation Risk Reserve)	250,000	Resources	Various			67,180	Drawdown from Energy Inflation Risk Reserve for 2022/23 energy inflation in excess of the Corporately held budget allocation, as approved by Chief Finance Officer.	Budget virement is one-off.
					Adult Services & Council House Building	Adult Services			30,680		
					Children and Young People & Communities	Various			13,970		
					Climate & Sustainable Travel	Various			1,420		
					Neighbourhood Services	Various			110,610		
					Transport	Various			26,080		
					Planning & Licensing	Various			60		

REF NO	REASON / EXPLANATION	CABINET PORTFOLIO	TRANSFER FROM	Income	Expenditure	CABINET MEMBER	TRANSFER TO	Income	Expenditure	DESCRIPTION	ONGOING EFFECTS
			CASHLIM	(£'s)	(£'s)		CASHLIM	(£'s)	(£'s)		
INFO 22#27	2022/23 Energy Inflation	Resources	Corporate Budgets incl. Capital, Audit & Bank Charges		1,250,000	Resources	Various		269,250	Distribution of Corporately held budget for 2022/23 Energy Inflation.	Budget virement is ongoing.
						Adult Services & Council House Building	Adult Services		114,380		
						Children and Young People & Communities	Various		36,880		
						Climate & Sustainable Travel	Various		11,660		
						Neighbourhood Services	Various		602,740		
						Transport	Various		214,580		
						Planning & Licensing	Various		510		
INFO 22#28	DSG Re-Profiling	Children and Young People & Communities	Education Transformation		109,786	Children and Young People & Communities	Schools' Budgets		109,786	Re-Profiling of cash limits within Education to reflect the actual services' DSG (Dedicated Schools Grant) spend in 2022/23.	Budget virement is on- going
INFO 22#29	Early Years & Children's Services Cash Limit / Director Alignment	Children and Young People & Communities	Inclusion & Prevention		1,174,227	Children and Young People & Communities	Education Transformation		1,174,227	Transfer of Early Years & Children's Services team budgets to correctly align to the Cash Limit with the responsible Director.	Budget virement is on- going
OVERALL TOTALS				0	6,185,000			0	6,185,000		
					6,185,000				6,185,000		

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Portfolio Cash Limits 2022/23 - Revenue Budget

Appendix 3(ii)

CABINET PORTFOLIO	Service	Nov'22 Revised Cash Limits	Technical Adjustments, below BMS limits or already agreed - shown for information	Total Virements for Approval	Feb'23 Revised Cash Limits
		£'000	£'000	£'000	£'000
Leader	World Heritage	159	2		161
	Heritage Services	(5,725)			(5,725)
	Visit Bath	76			76
	Events & Active Lifestyles	295	6		301
	External Affairs & Partnerships	30			30
	PORTFOLIO SUB TOTAL	(5,164)	7		(5,157)
Resources	Property Services	557	15		572
	Corporate Estate Including R&M	4,490	351		4,841
	Business Change	127	364		491
	Human Resources & Organisational Development	2,084	59		2,143
	Council Solicitor & Democratic Services	2,563	85		2,648
	Corporate Strategy & Communications	878	(20)		858
	Finance	2,314	74		2,389
	Revenues & Benefits	1,739	79		1,819
	Risk & Assurance Services	1,203	65		1,268
	Procurement & Commissioning	286	18		304
	Corporate Governance	1,705	44		1,749
	Information Technology	6,004	(151)		5,853
	Commercial Estate	(11,173)	23		(11,149)
	Housing Delivery Vehicle	(2,169)			(2,169)
	Hsg / Council Tax Benefits Subsidy	(195)			(195)
	Capital Financing / Interest	5,212			5,212
	Unfunded Pensions	1,488			1,488
	Corporate Budgets incl. Capital, Audit & Bank Charges	(5,361)	(4,242)		(9,603)
	New Homes Bonus Grant	(2,038)			(2,038)
	Magistrates	12			12
	Coroners	370			370
	Environment Agency	254			254
	West of England Combined Authority Levy	5,194			5,194
	PORTFOLIO SUB TOTAL	15,545	(3,236)		12,309
Economic Development, Regeneration & Growth	Regeneration	163	3		166
	Business & Skills	415	7		422
	PORTFOLIO SUB TOTAL	578	11		588
Adult Services & Council House Building	Adult Services	60,858	651		61,509
	Housing	1,414	29		1,443
	PORTFOLIO SUB TOTAL	62,272	680		62,952
Children and Young People & Communities	Children, Young People & Families	16,599	185		16,785
	Integrated Commissioning - CYP	2,587	10		2,597
	Safeguarding - CYP	79	5		84
	Inclusion & Prevention	3,377	(1,056)		2,322
	Education Transformation	7,513	1,153		8,666
	Schools Budget	(1,812)	110		(1,703)
	Adult Substance Misuse (Drug Action Team)	158	2		161
	Public Health				
	Customer Services (including Libraries)	2,252	100		2,351
	Leisure	485	3		488
	Community Safety	192	1		194
	PORTFOLIO SUB TOTAL	31,431	513		31,945
Climate & Sustainable Travel	Environmental Monitoring (Air Pollution)	179	10		189
	Clean Air Zone				
	Transport Strategy	334	24		358
	Green Transformation	809	15		824
	PORTFOLIO SUB TOTAL	1,322	49		1,371
Neighbourhood Services	Neighbourhoods & Environment - Waste & Fleet Services	17,027	809		17,835
	Neighbourhoods & Environment - Parks & Bereavement Services	1,015	263		1,279
	Highway Maintenance	5,945	587		6,532
	Registrars Service	(48)	18		(30)
	PORTFOLIO SUB TOTAL	23,940	1,677		25,617

CABINET PORTFOLIO	Service	Nov'22 Revised Cash Limits	Technical Adjustments, below BMS limits or already agreed - shown for information	Total Virements for Approval	Feb'23 Revised Cash Limits
		£'000	£'000	£'000	£'000
Transport	Network & Traffic Management	1,019	112		1,130
	Transport & Parking Services - Parking	(7,698)	239		(7,459)
	Transport & Parking Services - Public & Passenger Transport	74	81		155
	Emergency Planning	528	18		547
	PORTFOLIO SUB TOTAL	(6,078)	449		(5,628)
Planning & Licensing	Building Control & Public Protection	1,084	34		1,118
	Development Management	1,195	65		1,260
	PORTFOLIO SUB TOTAL	2,279	99		2,378
	NET BUDGET	126,124	250		126,374

Sources of Funding

Council Tax	106,890			106,890
Retained Business Rates	13,293			13,293
Collection Fund Deficit (-) or Surplus (+)	3,550			3,550
Business Rates Collection Fund Deficit (21/22) - s31 Funded Relief Element	(22,542)			(22,542)
	22,542			22,542
Transfer from Business Rates Relief s31 Grant Reserve Transfers (to) / from Reserves	2,391	250		2,641
TOTAL FUNDING	126,124	250		126,374

Capital Virements Oct -Dec - Additions & Reductions 2022/23

Appendix 4 (i)

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP2223#043	Englishcombe Lane Supported Housing	CSB	320,000		Adults and Council House Building		320,000	Cabinet Report E3392 10/11/2022 to advance scheme to Planning stage.
CAP2223#044	Local Centres Renewal Programme	WECA grant, CIL	43,000		Economic Development		43,000	Officer Delegated Decision by Director of Sustainable Communities 12/10/2022 to accept WECA grant.
CAP2223#045	Bath Christmas Market	Revenue	20,000		Leader		20,000	Officer Delegated Decision on 07/10/2022 by the Director of Place Management - Bath Christmas Market for Chalet and Cart Updates.
CAP2223#046	Keynsham High Street Renewal Programme	CSB	218,500		Economic Development		218,500	Office Delegated Decision on 12/10/22 by Director of Sustainable Communities to reflect funding from Corporate Capital Contingency.
CAP2223#047	Capital Contingency	CSB	-250,000		Resources		-250,000	Office Delegated Decision on 12/10/22 by Director of Sustainable Communities to reflect further funding from Corporate Capital Contingency (note £31.5K in 2023/24).
CAP2223#048	CIL – Library Hublets	CIL	80,000		Children and Young People, Communities and Culture		80,000	Officer Delegated Decision by Director of Business Change and Customer Services on 1/11/2022 for IT Investment (docking stations).
CAP2223#049	Bath Area Forum Grants	Bath CIL	384,570		Leader		384,570	SMD E3354 on 19/12/22 reflecting Bath Advisory Board Recommendations Round Twelve Application for Bath CIL. Amongst projects - food pantry in Twerton, Bath Parks Programme, facilities for homeless people in Kingsmead ward, towpath at Bathwick.
CAP2223#050	Play Area Refurbishment / Equipment	Bath CIL	37,000		Neighbourhood Services		37,000	SMD E3354 on 19/12/22 CIL reflecting Bath Advisory Board Recommendations Round Twelve Application for Bath CIL for Pennywick Park Improvements.
CAP2223#051	Supported Housing Scheme	Revenue	35,000		Adults and Council House Building		35,000	Officer Delegated Decision by Director of Regeneration & Housing on 9/11/2022 for refurbishment of Flat 1, 9 Westgate Street
CAP2223#052	Play Area Refurbishment / Equipment	CSB, Grant, s106, CIL	224,000		Neighbourhood Services		224,000	Officer Delegated Decision by Director of Place on 22nd November 2022, to undertake essential replacement of play equipment and to fund play works at: Sandpits, Weston Rec, Spencer Drive MSN, Manor Copse Writhlington, Widcombe Bath, Corston View Bath, RVP Bath, Clandown, Calton Road Bath, Pennyquick Park
CAP2223#053	Sydney Gardens (Round 2)	CSB	176,000		Neighbourhood Services		176,000	Officer Delegated Decision by Director of Place on 22nd November 2022, to fund play equipment at Sydney Gardens.

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP2223#054	Parks Equipment Replacement Programme	CSB	25,000		Neighbourhood Services		25,000	Officer Delegated Decision by Director of Place on 22nd November 2022, to install access controls at Alexandra Park.
CAP2223#055	Transport Improvement Programme	WECA grant	561,563		Transport Services		561,563	Officer Delegated Decision by Director of Place on 30th November 2022, to undertake a number of cycle infrastructure measures on A4 Upper Bristol Road and Beckford Road, as part of the Government's Active Travel funding allocation.
CAP2223#056	Schools Capital Maintenance Schemes	Govt Grant	-48,893		Children and Young People, Communities and Culture		-48,893	Technical Adjustment to realign budget, approved under delegation by Director of Education & Safeguarding.
CAP2223#057	Affordable Warmth Grant Scheme	Govt Grant	-356,976		Adults and Council House Building		-356,976	Technical Adjustment by Director of Finance to realign budget to grant.
CAP2223#058	City Centre Security	CSB	-66,000		Transport Services		-66,000	SMD E3399 on 1/11/22 for City Centre Security, York Street - realigned to 23/24.
CAP2223#059	Heritage Infrastructure Development	3rd Party Contributions	30,000		Leader		30,000	Officer Delegated Decision by Director of Sustainable Communities on 28/11/2022 to approve funding.
CAP2223#060	Special Education Needs & Disability (SEND) Education Provision	Govt Grant	28,000		Children and Young People, Communities and Culture		28,000	Officer Delegated Decision by Education and Safeguarding Director 13/12/2022 to approve funding for Acoustically Treated Rooms at Hayesfield Girls' School.
CAP2223#061	Cleveland Bridge Refurb	WECA Grant	3,000,000		Neighbourhood Services		3,000,000	Cabinet Report E3373 10/11/2002 to apply CRSTS Highways Maintenance Challenge Fund grant.
CAP2223#062	Liveable Neighbourhoods	CIL	630,000		Climate and Sustainable Travel		630,000	Officer Delegated Decision by Director of Sustainable Communities on 28/11/2022 to approve funding for implementation of residential parking zones.
CAP2223#063	Walking and Cycling	WECA grant	536,000		Transport Services		536,000	Officer Delegated Decision by Director of Place Management 28/12/2022 to accept WECA grant for Cycling & Walking Feasibility for Bath Quays Links and Scholars Way.
CAP2223#064	Milsom Quarter Masterplan Delivery	WECA grant	49,500		Economic Development		49,500	Officer Delegated Decision by Director of Sustainable Communities 23/12/2022 to accept WECA grant and approve funding.
CAP2223#065	Preparing for the Future - New Technology	CSB	500,000		Resources		500,000	Officer Delegated Decision by Director of Finance 21st December 2022 for New Technology.
CAP2223#066	Keynsham Memorial Park Bridge	CSB	319,000		Resources		319,000	Officer Delegated Decision by Director of Regeneration & Housing on 21/12/2022 to replace Keynsham Memorial Park Bridge.
CAP2223#067	Transport Improvement Programme	WECA grant	230,000		Transport Services		230,000	Officer Delegated Decision by Director of Place Management 28/12/2022, to provide bus stop infrastructure on the A4 and A36 in Bath, all WECA funded.
CAP2223#068	Basic Needs - School Improvement / Expansion	Govt Grant	-1,300,000		Children and Young People, Communities and Culture		-1,300,000	Technical Adjustment by Director of Finance to return grant funding from the completed Cameley & Peasedown St John Primary expansion projects from Approved to Provisional Programme.
Total			4,910,263				4,910,263	

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

FY CAP2223#005	Local Centres Renewal Programme	WECA grant, CIL	36,000		Economic Development		36,000	Officer Delegated Decision by Director of Sustainable Communities 12/10/2022 to accept WECA grant - allocation for 23/24 and 24/25.
FY CAP2223#006	Bath Christmas Market	Revenue	40,000		Leader		40,000	Officer Delegated Decision on 07/10/2022 by the Director of Place Management - Bath Christmas Market for Chalet and Cart Updates - allocations for 23/24 and 24/25.
FY CAP2223#007	Supported Housing Scheme	Revenue	151,000		Adults and Council House Building		151,000	Officer Delegated Decision by Director of Regeneration & Housing on 9/11/2022 for purchase of Flat 7, 1 Parsonage Way for 23/24.
FY CAP2223#008	Keynsham High Street Renewal Programme	CSB	31,500		Adults and Council House Building		31,500	Office Delegated Decision on 12/10/22 by Director of Sustainable Communities to reflect funding from Corporate Capital Contingency.
FY CAP2223#009	City Centre Security	CSB	915,000		Transport Services		915,000	SMD E3399 on 1/11/22 for City Centre Security, York Street for 23/24.
FY CAP2223#010	Heritage Infrastructure Development	3rd Party contrib.	45,000		Leader		45,000	Officer Delegated Decision by Director of Sustainable Communities on 28/11/2022 to approve funding.
FY CAP2223#011	Milsom Quarter Masterplan Delivery	WECA grant, CSB	909,000		Economic Development		909,000	Officer Delegated Decision by Director of Sustainable Communities 23/12/2022 to accept WECA grant and approve funding for 23/24 and 24/25.
FY CAP2223#012	Keynsham Memorial Park Bridge	CSB	431,000		Resources		431,000	Officer Delegated Decision by Director of Regeneration & Housing on 21/12/2022 to replace Keynsham Memorial Park Bridge for 23/24
Total			2,558,500				2,558,500	

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Capital Programme by Portfolio - 2022/2023

Capital Scheme	Cap Prog Number	Budget at October 2022 Cabinet	Oct - Dec 2022 virements	Budget at December 2022	Re-Phasing - Subject to Approval at February 23 Cabinet	Revised Budget After February Cabinet
Full Approval						
Resources						
Agresso System Development & Upgrade	Cap1415125	70	0	70	-37	33
Capital Contingency	Cap1415131	5,000	-765	4,235	-1,500	2,735
CCTV Camera Replacement	Cap2223006	70	0	70	0	70
Cleveland Pools Grant	Cap1718065	667	0	667	-48	619
Commercial Estate Refurbishment Programme	Cap1920022	8,202	0	8,202	-2,536	5,666
Corporate Estate Planned Maintenance	Cap1415097	5,053	0	5,053	-684	4,368
Corporate Property Acquisition	CAP2223019	8,068	0	8,068	0	8,068
Customer Payments Security and Channel Shift	Cap1920021	18	0	18	0	18
Equality Act Works	Cap1415104	95	0	95	-70	25
Flax Bourton Mortuary Extension	CAP2223016	206	0	206	0	206
Flexible Use of Capital Receipts	Cap1819080	3,411	0	3,411	-2,911	500
Freshford Village Memorial Hall Grant	CAP2223020	50	0	50	0	50
Grand Parade & Undercroft	Cap1415103	117	0	117	-117	0
IT Asset Refresh	Cap1819061	117	0	117	0	117
Keynsham Memorial Park Bridge	CAP2223003	0	319	319	0	319
Keynsham Regeneration & New Build	Cap1415094	68	0	68	0	68
Office Reconfiguration Costs	CAP2122005	848	0	848	0	848
Preparing for the Future - New Technology	cap2122020	518	500	1,018	0	1,018
Project Inception Fund	Cap1819062	0	0	0	0	0
Property Company Investment	Cap1617027	12,152	0	12,152	-12,152	0
Property Disposals	Cap1415098	378	0	378	-228	150
Property Improvement – Bath Library	Cap2021002	76	0	76	0	76
Property Improvement - Haycombe Crematorium Dignified	CAP1920047	0	0	0	0	0
Property Improvement - Orange Grove Structural Works	CAP1920036	757	0	757	-607	150
Public Sector Decarbonisation Scheme	Cap2122018	188	0	188	0	188
Saw Close RIF Repayment	Cap2122008	19	0	19	0	19
Visitor & Till Management System	Cap1415050	100	0	100	-100	0
Subtotal Full Approval - Resources		46,246	54	46,300	-20,989	25,311
Full Approval						
Economic Development, Regeneration & Growth						
Bath City Centre Renewal	Cap1920026	887	0	887	0	887
Bath Quays Bridge & Linking Infrastructure	Cap1617037	2,331	0	2,331	0	2,331
Bath Quays North	Cap1415114	6,060	0	6,060	-4,060	2,000
Bath Quays South	Cap1415138	3,997	0	3,997	0	3,997
BWR - Council Project Team	Cap1415057	-60	0	-60	0	-60
BWR - Infrastructure	Cap1415059	-91	0	-91	0	-91
BWR - Relocation of Gas Holders	Cap1415065	1,536	0	1,536	0	1,536
BWR Phase 2	Cap1920012	7,954	0	7,954	-3,149	4,805
Digital B&NES	Cap1415069	207	0	207	0	207
Innovation Quay - Strategic Flooding Solution	Cap1415064	143	0	143	0	143
Keynsham High Street Renewal Programme	Cap1718011	483	219	702	0	702
Local Centres Renewal Programme	CAP2122010	0	43	43	0	43
Midsomer Norton High Street Renewal Programme	Cap1819050	802	0	802	0	802
Milsom Quarter Masterplan Delivery	Cap2223030	0	50	50	0	50
North Keynsham SDL	Cap1819091	540	0	540	-535	5
NRR Infrastructure	Cap1415062	51	0	51	-30	21
Radstock & Westfield Implementation Plan	Cap1516014	3	0	3	0	3
Radstock Healthy Living Centre	Cap1718061	556	0	556	0	556
Somer Valley Enterprise Zone - Infrastructure	Cap1718067	1,084	0	1,084	-100	984
York Street Vaults Phase 2	Cap1819059	322	0	322	-50	272
Subtotal Full Approval - Economic Development, Regeneration & Growth		26,806	311	27,117	-7,924	19,193

Capital Programme by Portfolio - 2022/2023

Capital Scheme	Cap Prog Number	Budget at October 2022 Cabinet	Oct - Dec 2022 virements	Budget at December 2022	Re-Phasing - Subject to Approval at February 23 Cabinet	Revised Budget After February Cabinet
Full Approval						
Leader						
Bath Area Forum - CIL Funded Schemes - Approved	Cap1718068	182	385	567	0	567
Bath Christmas Market	cap2122023	19	20	39	0	39
Heritage Collections Centre	CAP1920035	0	0	0	0	0
Heritage Infrastructure Development	Cap1415052	130	30	160	-20	140
Heritage Services Energy Capture Scheme	Cap1819030	89	0	89	0	89
Roman Baths Archway Centre	Cap1617021	-57	0	-57	0	-57
Subtotal Full Approval - Leader		364	435	798	-20	778
Full Approval						
Climate and Sustainable Travel						
Air Quality Management Area and AQ Monitors	Cap1819028	16	0	16	0	16
Bathscape	Cap1819011	245	0	245	-160	85
Chew Valley Recreational Trail	CAP1819090	-2	0	-2	0	-2
Clutton Depot Solar Panels	Cap2223022	144	0	144	-79	65
Clean Air Zone	Cap1920031	2,705	0	2,705	-1,099	1,605
Cycling and Walking Design and Business Case	CAP2122012	-4	536	532	0	532
Liveable Neighbourhoods	Cap1920003	1,148	630	1,778	0	1,778
Renewable Energy Development Fund	CAP2122009	457	0	457	0	457
Renewable energy in B&NES	CAP2122006	67	0	67	0	67
Waterspace Connected	Cap1920016	79	8	87	-87	0
Subtotal Full Approval - Climate and Sustainable Travel		4,854	1,174	6,028	-1,425	4,603
Full Approval						
Adults and Council House Building						
Adult Social Care Database Replacement	Cap1516005	93	0	93	0	93
Affordable Housing	Cap1415091	682	0	682	0	682
Affordable Warmth Grant Scheme	Cap2021004	273	-357	-84	0	-84
Carrswood View Travellers Site	Cap2223021	20	0	20	0	20
Community Resource Centre Capital Investment	Cap1718076	48	0	48	0	48
Disabled Facilities Grant	Cap1415089	2,490	0	2,490	-538	1,952
Englishcombe Lane Development	Cap1920034	467	0	467	-467	0
Englishcombe Lane Supported Housing	CAP2223027	0	320	320	-220	100
Housing Delivery Vehicle	Cap1516042	659	0	659	-500	159
Next Steps Accommodation Programme	Cap2021006	306	0	306	0	306
Shared Ownership Housing Programme	Cap2122024	3	0	3	0	3
Social Rent Programme	cap2122025	11,987	0	11,987	-9,755	2,232
Supported Housing Scheme	cap2122021	1,305	35	1,340	0	1,340
Subtotal Full Approval - Adults and Council House Building		18,332	-2	18,330	-11,480	6,850
Full Approval						
Children and Young People and Communities						
Basic Needs - School Improvement / Expansion	Cap1415135	5,085	-1,307	3,778	-250	3,528
CIL - Library Hubs	Cap2223009	0	80	80	0	80
Schools' Capital Maintenance Schemes	Cap1415073	2,146	-72	2,074	0	2,074
Schools Devolved Capital	Cap1920028	86	0	86	0	86
Special Education Needs & Disability (SEND) Education Provi	Cap1718071	665	33	698	-40	658
Special Education Needs & Disability (SEND) - Residential Pro	Cap2223002	0	25	25	0	25
Subtotal Full Approval - Children and Young People and Communities		7,981	-1,241	6,740	-290	6,451

Capital Programme by Portfolio - 2022/2023

Capital Scheme	Cap Prog Number	Budget at October 2022 Cabinet	Oct - Dec 2022 virements	Budget at December 2022	Re-Phasing - Subject to Approval at February 23 Cabinet	Revised Budget After February Cabinet
Full Approval						
Neighbourhood Services						
Alice Park - Skate Park	Cap1415035	9	0	9	0	9
Bath Leisure Centre Refurbishment	Cap1516006	0	0	0	0	0
Beechen Cliff Woodland & Other Open Spaces Improvement	Cap1415017	2	0	2	0	2
CIL - Social (Inc Recreation & Leisure	CAP2223018	50	0	50	0	50
Cleveland Bridge Refurb	Cap1920040	567	3,000	3,567	0	3,567
Clutton Depot Refurbishment	Cap1920032	0	0	0	0	0
Entry Hill Facilities	CAP2122015	29	0	29	0	29
Haycombe Crematorium	Cap1819029	18	0	18	0	18
Highways Maintenance Programme	Cap1415184	9,300	0	9,300	0	9,300
Improvements at Victoria Park, Bath	CAP2122017	56	0	56	-51	5
Keynsham Memorial Park	CAP2122013	223	0	223	-203	20
Leisure - Council Client / Contingency	Cap1516049	411	0	411	0	411
Leisure Facility Modernisation - Keynsham Sports Centre	Cap1516051	12	0	12	0	12
Neighbourhood Services - Asset & Vehicle Replacement Proj	Cap1718036	3,518	0	3,518	-1,247	2,271
Neighbourhoods Bin & Bench Replacement	Cap1415029	4	0	4	0	4
Odd Down Sports Ground and Other Leisure Feasability	CAP2122007	59	0	59	0	59
Parks and Bereavement Infrastructure	Cap1819051	1	0	1	0	1
Parks Equipment Replacement Programme	Cap1718029	0	25	25	0	25
Parks S106 Projects	Cap1718037	670	0	670	-550	120
Pixash Site Redevelopment	CAP2122022	26,811	0	26,811	-5,511	21,300
Play Area Refurbishment / Equipment	Cap1415039	200	261	461	-164	297
Public Tennis Improvements	Cap1920010	4	0	4	0	4
Street Lighting LED Replacement Programme	Cap1617011	-1	0	-1	0	-1
Sydney Gardens	Cap1415030	78	176	254	0	254
Tree Planting	CAP2021005	116	0	116	0	116
Waste Collection Vehicles In Cab Technology	Cap1920025	24	0	24	0	24
Waste Depot Relocation	Cap1516011	328	0	328	0	328
Waste Service Redesign	Cap1617032	235	0	235	-93	142
Waste Infrastructure Modernisation	CAP2223017	840	0	840	-600	240
Waste Welfare Facilities	Cap2021003	55	0	55	0	55
		0	0	0	0	0
Subtotal Full Approval - Neighbourhood Services		43,620	3,462	47,082	-8,418	38,664

Capital Programme by Portfolio - 2022/2023

Capital Scheme	Cap Prog Number	Budget at October 2022 Cabinet	Oct - Dec 2022 virements	Budget at December 2022	Re-Phasing - Subject to Approval at February 23 Cabinet	Revised Budget After February Cabinet
Full Approval						
Transport						
ANPR Enforcement Camera Replacement	Cap1415027	110	0	110	-109	1
Bath Transport Package Main Scheme	Cap1415001	1,613	0	1,613	-1,613	0
City Centre Security - Highways Scheme	Cap1920027	1,419	-66	1,353	0	1,353
London Road Modification	Cap1718022	51	0	51	-51	0
Office for Low Emission Vehicles (OLEV) Bid	Cap1617008	530	0	530	0	530
Somerdale Bridge, Keynsham – Initial Options Study	Cap1718016	8	-8	0	0	0
Transport Improvement Programme	Cap1415009	2,758	792	3,549	-203	3,346
Subtotal Full Approval - Transport		6,489	718	7,206	-1,977	5,230
TOTAL CAPITAL SCHEME BUDGET		154,690	4,910	159,601	-52,521	107,079

Sources of Funding						
Grants		48,096	2,734	50,749	-6,683	44,066
Council Support including Borrowing & Capital Receipts		98,543	600	99,224	-42,469	56,755
S106		1,038	30	1,068	-636	432
CIL		2,937	1,180	4,116	-243	3,873
3rd Party		2,861	311	3,172	-2,490	683
Revenue		1,216	55	1,271	0	1,271
Total Sources of Funding		154,690	4,910	159,601	-52,521	107,079

Bath & North East Somerset Council		
MEETING:	Cabinet	
MEETING DATE:	9 th February 2023	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3368
TITLE:	Treasury Management Strategy Statement 2023/24	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1 - Treasury Management Strategy 2023/24 Appendix 2 –Authorised Lending List Appendix 3 – Treasury Management Clauses		

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 2021 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 1.2 Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.
- 1.3 Investments held for service or commercial purposes are considered in the Capital and Investment Strategy within the Budget Report which is also included on this meeting's agenda.

2 RECOMMENDATIONS

The Cabinet agrees to;

- 2.1 Recommend the actions proposed within the Treasury Management Strategy Statement (**Appendix 1**) to February Council;
- 2.2 Note the Treasury Management Indicators detailed in **Appendix 1**;
- 2.3 Recommend Council approves the adoption of the Treasury Management Clauses (**Appendix 3**).

The Cabinet is also asked to:

- 2.4 Note the Treasury Management Indicators detailed in **Appendix 1** and delegate authority for updating the indicators prior to approval at Full Council on 21st February 2023 to the Chief Finance Officer and Cabinet Member for Resources, in light of any changes to the recommended budget as set out in the Budget Report elsewhere on the agenda for this meeting.
- 2.5 Note that any comments made by the Corporate Audit Committee at their meeting on 7th February 2023 will be reported to Full Council on the 21st February 2023.

3 THE REPORT

Background

- 3.1 The Local Government Act 2003 requires the Council to 'have regard to' the Prudential Code and to set Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- 3.2 The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare a Treasury Management Strategy; this sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 3.3 The suggested strategy for 2023/24 in respect of the following aspects of the treasury management function is based on the Treasury Officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisor, Arlingclose.

The strategy covers:

•	Treasury limits in force which will limit the treasury risk and activities of the Council;
•	Treasury Management Indicators;
•	The current treasury position;
•	The borrowing requirement;
•	Prospects for interest rates;
•	The borrowing strategy;
•	The investment strategy.

- 3.4 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code). This requires the Treasury Management Strategy and policies to be scrutinised by an individual / group of individuals or committee, and the Corporate Audit Committee have been nominated by Council to carry out this function

2022/23 Treasury Management Strategy Statement

- 3.4 The Strategy Statement for 2022/23 set Treasury Indicators for 2022/23 – 2024/25, which included a forecast for total borrowing requirement at the end of 2022/23 of £464.2 million. At the end of December 2022, actual external borrowing was at £211.21 million, with no further borrowing anticipated this financial year due to the level of cash balances. The level of borrowing is in line with the policy of utilising internal cash to reduce net borrowing costs and investment counterparty risk.
- 3.5 The proposed Treasury Management Strategy is attached as **Appendix 1** and includes the Treasury Management Indicators required by the Treasury Management Code.
- 3.6 Although the indicators provide for a maximum level of total borrowing, this should by no means be taken as a recommended level of borrowing as each year affordability needs to be taken into account together with other changes in circumstances, for example revenue pressures, levels and timing of capital receipts, changes to capital projects spend profiles, and levels of internal cash balances.
- 3.7 The Budget Report, which is also on the agenda, includes appropriate provision for the revenue costs of the capital programme in accordance with this Treasury Management Strategy.
- 3.8 **Appendix 1** also details the Council's current portfolio position as at 31st December 2022, which shows after the netting off of the £54.8 million investments, the Council's net debt position was £156.41 million.
- 3.9 The Treasury Investment Strategy section of **Appendix 1** sets 'outer limits' for treasury management operations. While the strategy uses credit ratings in a "mechanistic" way to rule out counterparties, in operating within the policy, officers complement this with the use of other financial information when making investment decisions, for example Credit Default Swap (CDS) prices, Individual Ratings, and the financial press. This has been the case in previous years, which has protected the Council against losses of investment, for example in Icelandic banks.
- 3.10 The Counterparty listing in **Appendix 2** includes credit ratings from three agencies, as well as a sovereign rating for each country. Counterparties who now meet the minimum criteria as recommended in **Appendix 1** as at 31st December 2022 are included in the listing in **Appendix 2**.
- 3.11 The Treasury Management Clauses in **Appendix 3** are recommended for adoption by Council in line with the CIPFA code.

- 3.12 The Council has met the conditions to opt up to MiFID II professional status and intends for this to continue in 2023/24 in order to continue to have access to products including money market funds, pooled funds, treasury bills, bonds, shares and to continue to receive the same level of support from our treasury management advisors.

4 STATUTORY CONSIDERATIONS

- 4.1 This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 The resource implications are included in the report and appendices.

6 RISK MANAGEMENT

- 6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.
- 6.2 The Council's lending & borrowing list is regularly reviewed during the financial year and credit ratings are monitored throughout the year. All lending/borrowing transactions are within approved limits and with approved institutions. Investment & Borrowing advice is provided by our Treasury Management consultants Arlingclose.
- 6.3 The 2021 edition of the CIPFA Treasury Management in the Public Services: Code of Practice requires the Council nominate a committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies. The Corporate Audit Committee carries out this scrutiny.
- 6.4 In addition, the Council maintain a risk register for Treasury Management activities, which is regularly reviewed and updated where applicable during the year.

7 CLIMATE CHANGE

- 7.1 The 2023/24 Treasury Management Strategy includes options for ESG (Environmental, Social and Corporate Governance) focussed investments.

8 OTHER OPTIONS CONSIDERED

- 8.1 The Chief Financial Officer, having consulted the Cabinet Member for Resources, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are the table below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times.	Interest income will be lower.	Lower chance of losses from credit related defaults, but any such losses may be greater.
Invest in a wider range of counterparties and/or for longer times.	Interest income will be higher.	Increased risk of losses from credit related defaults, but any such losses may be smaller.

Alternative	Impact on income and expenditure	Impact on risk management
Borrow additional sums at long-term fixed interest rates.	Debt interest costs will rise; this is unlikely to be offset by higher investment income.	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain.
Borrow short-term or variable loans instead of long-term fixed rates.	Debt interest costs will initially be lower.	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain.
Reduce level of borrowing.	Saving on debt interest is likely to exceed lost investment income.	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain.

9 CONSULTATION

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

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Background papers	2022/23 Treasury Management & Investment Strategy
Please contact the report author if you need to access this report in an alternative format	

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Appendix 1

Treasury Management Strategy Statement 2023/24

1. Introduction

1.1 Treasury management overview

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.

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 2021 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

Investments held for service or commercial purposes are considered in the Capital & Investment Strategy document which is included as an appendix to the Authorities 2023/24 Budget Report.

1.2 External Context (data/commentary as at 6th January 2023)

1.2.1 Economic background:

The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the Authority's treasury management strategy for 2023/24.

The Bank of England (BoE) increased Bank Rate by 0.5% to 3.5% in December 2022. This followed a 0.75% rise in November which was the largest single rate hike since 1989 and the ninth successive rise since December 2021. The December decision was voted for by a 6-3 majority of the Monetary Policy Committee (MPC), with two dissenters voting for a no-change at 3% and one for a larger rise of 0.75%.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.

The UK economy contracted by 0.3% between July and September 2022 according to the Office for National Statistics, and the BoE forecasts Gross Domestic Product (GDP) will decline 0.75% in the second half of the calendar year due to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024.

CPI inflation is expected to have peaked at around 11% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2% target, in two years' time and to 0% in three years' time if Bank Rate follows the path implied by financial markets at the time of the November MPR (a peak of 5.25%). However, the BoE stated it considered this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target. Market rates have fallen since the time of the November MPR.

The labour market remains tight for now, with the most recent statistics showing the unemployment rate was 3.7%. Earnings were up strongly in nominal terms by 6.1% for both total pay and for regular pay but factoring in inflation means real pay for both measures was -2.7%. Looking forward, the November MPR shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.

Interest rates have also been rising sharply in the US, with the Federal Reserve increasing the range on its key interest rate by 0.5% in December 2022 to 4.25%-4.5%. This rise follows four successive 0.75% rises in a pace of tightening that has seen rates increase from 0.25%-0.50% in March 2022. Annual inflation has been slowing in the US but remains above 7%. GDP grew at an annualised rate of 3.2% (revised up from 2.9%) between July and September 2022, but with official interest rates expected to rise even further in the coming months, a recession in the region is widely expected at some point during 2023.

Inflation rose consistently in the Euro Zone since the start of the year, hitting a peak annual rate of 10.6% in October 2022, before declining to 10.1% in November. Economic growth has been weakening with an upwardly revised expansion of 0.3% (from 0.2%) in the three months to September 2022. As with the UK and US, the European Central Bank has been on an interest rate tightening cycle, pushing up its three key interest rates by 0.50% in December, following two consecutive 0.75% rises, taking its main refinancing rate to 2.5% and deposit facility rate to 2.0%.

1.2.2 Credit outlook:

Credit default swap (CDS) prices have generally followed an upward trend throughout 2022, indicating higher credit risk. They have been boosted by the war in Ukraine, increasing economic and political uncertainty and a weaker global and UK outlook, but remain well below the levels seen at the beginning of the Covid-19 pandemic.

CDS price volatility was higher in 2022 compared to 2021 and the divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities has emerged once again.

The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several local authorities and financial institutions, revising them from negative to stable.

There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability.

However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

1.2.3 Interest rate forecast (December 2022):

The Authority's treasury management adviser Arlingclose forecasts that Bank Rate will continue to rise in 2022 and 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2% target.

While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite looming recession. Arlingclose expects Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the Bank forecasts and remains persistently higher.

Yields are expected to remain broadly at current levels over the medium-term, with 5-, 10- and 20-year gilt yields expected to average around 3.5%, 3.5%, and 3.85% respectively over the 3-year period to December 2025. The risks for short, medium and longer-term yields are judged to be broadly balanced over the forecast horizon. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

A more detailed economic and interest rate forecast provided by Arlingclose is in Appendix A.

For the purpose of setting the budget, it has been assumed that short term treasury investments will be made at an average rate of 3.75% and long-term strategic investments will yield an average rate of 4.0%. It is forecast that new long-term loans will be borrowed at an average rate of 4.75% during 2023/24.

1.3 Local Context

1.3.1 Council's position as of 31st December 2022: The Council held £211.21m of borrowing and £54.8m of treasury investments. This is set out in further detail in Table 1 below.

Table 1: Balance sheet summary

	31/12/2022 Actual portfolio £m	31/12/2022 Average rate %
External borrowing:		
Public Works Loan Board	191.21	3.02%
Local authorities	0.00	0.00%
LOBO loans from banks	20.00	4.50%
Other loans	0.00	0.00%
Total external borrowing	211.21	3.16%
Treasury investments:		
The UK Government	0.00	0.00%
Local authorities	5.00	3.65%
Banks (unsecured)	20.50	1.88%
Building societies (unsecured)	0.00	0.00%
Money market funds	19.30	3.26%
Strategic pooled funds	10.00	3.15%
Other investments	0.00	0.00%
Total treasury investments	54.80	2.76%
Net debt	156.41	

1.3.2 Capital Financing Requirement:

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

The Authorities Capital Financing Requirement (CFR, or underlying need to borrow) as at 31st March 2023 is expected to be £370.9m and is forecast to rise to £462.1m by March 2024 as capital expenditure is incurred.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. The Council expects to comply with this recommendation during 2023/24.

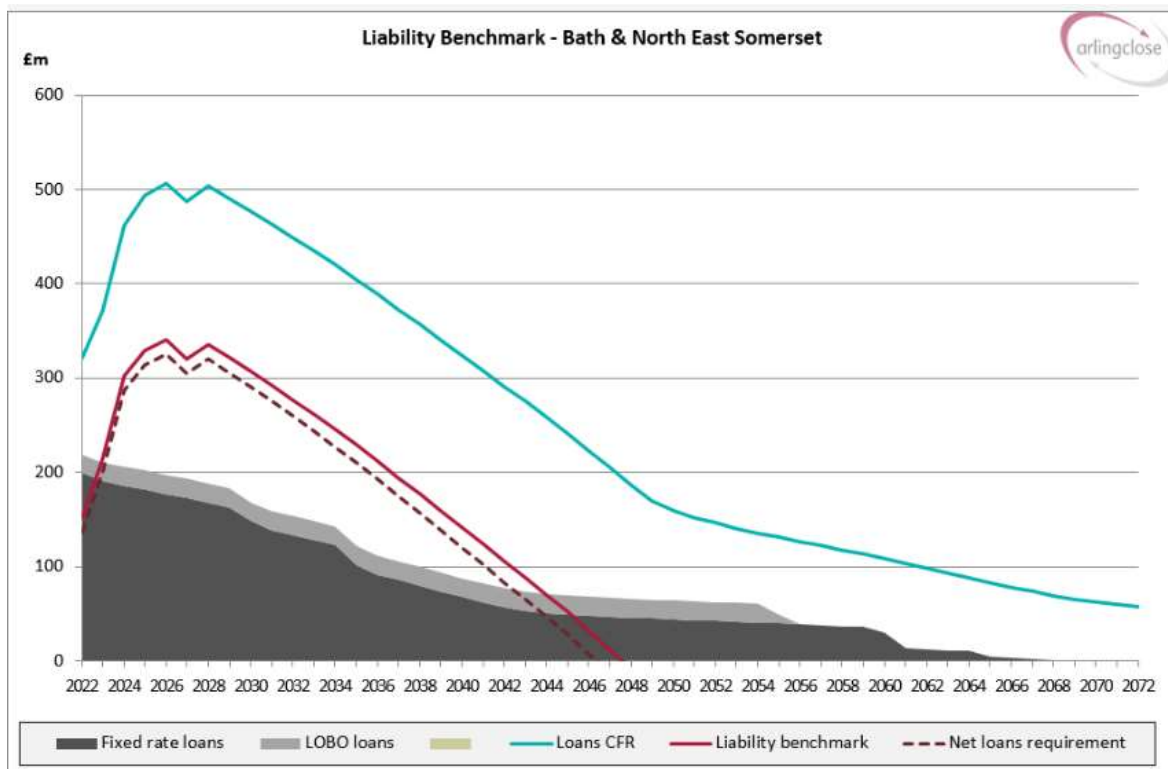
Liability Benchmark

The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Table 2: Prudential Indicator: Liability benchmark

	31.3.22 Actual £m	31.3.23 Estimate £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m
Loans CFR	321.3	370.9	462.1	493.5	506.1
Less: Balance sheet resources	(184.9)	(171.2)	(175.0)	(179.3)	(180.8)
Net loans requirement	136.4	199.7	287.1	314.2	325.3
Plus: Liquidity allowance	15.0	15.0	15.0	15.0	15.0
Liability benchmark	151.4	214.7	302.1	329.2	340.3

Following on from the medium-term forecasts in table 2 above, the long-term liability benchmark assumes capital expenditure funded by borrowing of around £90m for 2023/24, minimum revenue provision on new capital expenditure based on a 25-year asset life and income, and expenditure increasing by inflation of 2.5% a year. This is shown in the chart below together with the maturity profile of the Council's existing borrowing:



When we compare actual borrowing (the grey slopes) to the Liability Benchmark (solid red line) the model anticipates that the Council will be in a under borrowed position between 2023 and 2044. When the Council is considering new long-term borrowing, this funding gap can be used, as a useful guide to the optimal amount and length of borrowing required in order to minimise interest rate and credit risk.

2. Borrowing Strategy

2.1 Current borrowing

The Council currently holds £211.21 million of loans, a decrease of £9.59 million on the previous year due to maturing of short-term loans which did not need refinancing due to high cash balances.

2.2 Objectives

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

2.3 Strategy

Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Where

short-term interest rates remain lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk for example counterparty risk as a result of lower investment balances. The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose may assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2023/24 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Council has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.

Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Council may borrow further short-term loans to cover unplanned cash flow shortages.

2.4 Sources of borrowing

The Approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except the Avon Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

2.4.1 Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject to specific approval in accordance with the Council's appropriate delegation.

2.4.2 LOBOs: The Council holds £20m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. All the LOBOs the Council hold have options during 2023/24, and with interest rates having risen recently, there is now a reasonable chance that lenders will exercise their options. If they do, the Authority will take the option to repay LOBO loans to reduce refinancing risk in later years. Total borrowing via LOBO loans will be limited to the current £20m.

2.4.3 Short-term and variable rate loans: These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

2.4.4 Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

3. Treasury Investment Strategy

3.1 Current investments

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's treasury investment balance has ranged between £50.7m and £107.8m, however it is expected that levels will be lower in 2022/23.

3.2 Objectives

The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

3.3 Strategy

As demonstrated by the liability benchmark above, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments in line with advice from Arlingclose. The Council will continue to hold the £5m long term strategic investment balance in the CCLA LA Property fund as well as the £5m invested into two ESG funds; FP Foresight UK Infrastructure Income fund (£3m) & VT Gravis Clean Energy Income Fund (£2m), further details of this are provided in section 3.8.

The Council has opted up to Professional status for MiFID II purposes which allows it to place its treasury assets in a greater range of financial products which has been of significant importance over the last few years. To be categorised as Professional the Council must hold at least a £10m investment balance, the Council's three pooled investments mentioned above which are medium – long term investments guarantee that this balance will always be held. By placing this required £10m balance in these three pooled funds the Council aims to achieve a total return that is equal or higher than the long-term average rate of inflation thus preserving the spending power of this £10m balance.

The CIPFA Code does not permit local authorities to both borrow and invest long-term for cash flow management. But the Council may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years; to manage inflation risk by investing usable reserves in instruments whose value rises with inflation; and to manage price risk by adding diversification to the strategic pooled fund portfolio.

The total amount borrowed will not exceed the 2023/24 authorised borrowing limit of £466m. The maximum period between borrowing and expenditure is expected to be two

years, although the links loans with its budgeted programme, individual items within that programme are not linked to the loans at a granular level.

Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

3.4 Approved counterparties

The Council may invest its surplus funds with any of the counterparty types in Table 3 below, subject to the limits shown.

Table 3: Treasury investment counterparties and limits

Sector	Minimum credit rating*	Time limit	Counterparty limit	Sector limit
The UK Government	NA	5 years	Unlimited	Unlimited
Local authorities & other government entities	NA	5 years	£10m	Unlimited
Secured investments	A-	5 years	£10m	Unlimited
Banks (unsecured)	A-	13 months	£10m	Unlimited
Building societies (unsecured)	A-	13 months	£10m	£15m
Registered providers (unsecured)	A-	5 years	£5m	£5m
Money market funds	A-	n/a	£10m	£60m
Strategic pooled funds	NA	n/a	£5m	£10m
Foreign countries per country	AA+	13 months	£10m	£10m
ESG focussed short term deposits	A-	13 months	£5m	£5m
Other investments	A-	5 years	£5m	£5m

This table must be read in conjunction with the notes below

*** Minimum credit rating:** Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made where external advice indicates the entity to be of similar credit quality.

3.4.1 Government: Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 5 years.

3.4.2 Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

3.4.3 Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

3.4.4 Registered providers (unsecured): Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

3.4.5 Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

3.4.6 Strategic pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly. Note

that this classification covers the Council's two ESG investments and the investment in the CCLA property fund.

3.4.7 Foreign countries: This category covers investment with both the governments of foreign countries and banks based in foreign countries. Where a bank is domiciled in a foreign country, the bank must meet the minimum credit criteria set out in Table 3 of A- for 'Banks (unsecured)' and be domiciled in a country which meets the minimum credit rating criteria set of AA+.

3.4.8 ESG focussed short term deposits: Some banks and credit institutions now offer deposit accounts where the funds raised by the banks in these accounts are ring fenced to only be lent on for activities with an ESG focus. Such deposit accounts afford the same protections as other deposits with the bank hence allowing the Council to support the ESG agenda whilst acting within the strict requirements for security and liquidity. As detailed in section 3.8 below, where such accounts exist the Council may act with discretion, allowing for some flexibility around duration of the deposit. Any investment will be subject to agreement of the S151 Officer.

Note: Any funds placed with an institution under this category will also count towards the overall limit for that individual counterparty under whichever sector limit it falls. For example, if £5m is placed with a bank on an ESG deposit, that £5m will also count towards the overall £10m limit for that bank.

3.4.9 Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk. Any investment under this category will only be made following a favourable external credit assessment and on the specific advice of the Council's treasury management adviser.

Note: Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

3.4.10 Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

3.5 Risk assessment and credit ratings

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed

in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “negative watch”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

3.5.1 Other information on the security of investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

3.6 Investment limits

The Council’s revenue reserves (including earmarked reserves) available to cover investment losses was £79 million as at 31st March 2022. To limit risk from any a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £10 million which represents 12.5% of reserves. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

3.7 Liquidity management

The Council uses forward looking forecasting based on prior year cashflows combined with knowledge of upcoming income/spending to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

The Council will spread its liquid cash over at least four providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

3.8 Environment Social and Governance investment approach

3.8.1 The Climate Emergency: In 2019 Bath and North East Somerset Council declared a Climate emergency reflecting the concern that the Council has over climate change, and the commitment of the Council to address the issue with regards to evaluating the climate change impact of all our decisions.

3.8.2 Background: The CIPFA Treasury Management Code and DLUHC Investment Guidance state that the main principles in investing are Security, Liquidity and Yield in that order. However, as part of the 2021 Code, CIPFA now requires local authorities to have some consideration of ESG factors when investing.

3.8.3 Long term ESG investments:

In the 2021/22 Treasury Management Strategy the Authority adopted an ESG investment approach as part of its 2021/22 Treasury Management Strategy. Resulting in a long-term investment of £5m investment split across the following two ESG focused funds.

- £3m into FP Foresight UK Infrastructure fund; &
- £2m into VT Gravis Clean energy income fund.

3.8.3 Short term ESG investments:

When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

The Authority may also consider options for investment of up to a total of £5 million of short-term funds with institutions who ring fence the use of such funds for ESG related matters. The criteria for credit rating of security of such deposits will need to remain in line with the wider Authority policy, however where appropriate and at the Authorities discretion, some flexibility will be provided to allow for slightly longer durations of investment and potentially lower returns in order to support the ESG focus. Any

investment will be subject to agreement of the S151 Officer taking these factors into consideration.

Direct involvement and financing of green energy projects is treated as capital expenditure, and as such is not covered within the remit of treasury management.

3.9 Other matters

Avon Pension Fund Investments: The Council's Treasury Management team also manage the Avon Pension Fund's internally held cash on behalf of the Fund. The cash balance held internally is a working balance to cover pension payments at any point in time and it is estimated will be an average of £30 million, being around 0.5% of the overall assets of the Fund. The regulations require that this cash is accounted for separately and invested separately from the Council's cash.

Investments held will operate within the framework of this Investment Strategy, but the maximum counterparty limit and investment term with any counterparty are set annually by the Avon Pension Fund Committee. These limits are in addition to the Council's limits for counterparties as set out in Appendix 2.

The Pension Fund's investment managers are responsible for the investment of cash held within their portfolios, and this policy does not relate to their cash investments. The Brunel Pension Partnership does not have any direct impact on the Authorities treasury management activities.

4. Treasury Management Prudential Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

4.1 Treasury Borrowing Limits for 2023/24 to 2025/26

It is a statutory duty under s.3 of the Local Government Act 2003, and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. This amount is termed the 'Affordable Borrowing Limit'.

The Council must have regard to the Prudential Code when setting the Affordable Borrowing Limit. The Code requires a Council to ensure that its total capital investment remains within sustainable limits and, in particular, that the impact upon its future Council tax levels is 'acceptable'.

The Affordable Borrowing Limit must include all planned capital investment to be financed by external borrowing and any other forms of liability, such as credit arrangements. The Affordable Borrowing Limit is to be set on a rolling basis for the forthcoming year and two successive financial years.

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

The Operational boundary for external debt is based on the same estimates as the authorised limit but without the additional headroom for unusual cash movements. This level also factors in the proposed approach to use internal cash-flow and future capital receipts as the preferred financing method for the capital programme.

Table 4: Operational and authorised borrowing limits

	2023/24	2024/25	2025/26
Operational boundary – borrowing	£433m	£465m	£479m
Operational boundary – other long-term liabilities	£4m	£4m	£4m
Operational boundary – TOTAL	£437m	£469m	£483m
Authorised limit – borrowing	£462m	£493m	£506m
Authorised limit – other long-term liabilities	£4m	£4m	£4m
Authorised limit – TOTAL	£466m	£497m	£510m

4.2 Security

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Table 5: Portfolio average credit rating criteria

Credit risk indicator	Target
Portfolio average credit rating	A-

4.3 Liquidity

The Council 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.

Table 6: Minimum 3-month liquidity limit

Liquidity risk indicator	Target
Total cash available within 3 months	£15m

4.4 Interest rate exposures

This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% rise in interest rates	+/- £1m
Upper limit on one-year revenue impact of a 1% fall in interest rates	+/- £1m

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

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

4.5 Maturity structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Table 8: Borrowing maturity limits

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	75%	0%
5 years and within 10 years	75%	0%
10 years and within 25 years	100%	25%
Over 25 years	100%	

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. For LOBO's this will now be shown as the date of their maturity.

4.6 Long-term treasury management investments

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Table 9: Investment maturity limits

Price risk indicator	2023/24	2024/25	2025/26	No fixed Date
Limit on principal invested beyond year end	£50m	£20m	£10m	£10m

Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

5. Related Matters

The CIPFA Code requires the Authority to include some of the following in its treasury management strategy.

5.1 Treasury management advisers

The Council has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues, although responsibility for final decision making remains with the Council and its officers. The services received include:

- advice and guidance on relevant policies, strategies and reports,
- advice on investment decisions,
- notification of credit ratings and changes,
- other information on credit quality,
- advice on debt management decisions,
- accounting advice,
- reports on treasury performance,
- forecasts of interest rates, and
- training courses.

The quality of this service is monitored by officers on a regular basis, focusing on supply of relevant, accurate and timely information across the headings above.

5.2 Financial derivatives

Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures.

In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

5.3 External Funds

Where schools have not opted to have their own bank account, the Council manages their investment balances as part of their own. The Council treats the schools' balances in its accounts as part of the Council's investment portfolio but assigns a return at a rate of base rate less 0.25% (capped to a minimum of zero where base rate drops below 0.25%) to schools for their respective balances.

5.4 Markets in Financial Instruments Directive

The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

5.5 Staff training

The needs of the Council's treasury management staff for training in investment management are assessed every year as part of the staff performance development review process, and additionally when the responsibilities of individual members of staff change.

Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

5.6 Financial Implications

The budget for treasury management investment income in 2023/24 is £1.4 million, based on an average investment portfolio of £37 million at an interest rate of 3.8%. The budget for debt interest paid in 2023/24 is £8.7 million, based on an average debt portfolio of £267 million at an average interest rate of 3.4%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecasts, performance against budget will be correspondingly different.

Where investment income from strategic pooled funds exceeds budget, then 50% of the revenue savings may be transferred to the Capital Financing Reserve to mitigate the risk of capital losses in future years should valuation losses on fair value treasury assets require recognition, or where capital losses were crystallised on the sale of treasury assets.

5.7 Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer, having consulted the Cabinet Member for Resources, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Table 10: Alternative treasury strategy options considered

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain

Alternative	Impact on income and expenditure	Impact on risk management
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A – Arlingclose Economic & Interest Rate Forecast – 6th January 2023

Underlying assumptions:

- The influence of the mini-budget on rates and yields continues to wane following the more responsible approach shown by the new incumbents of Downing Street.
- Volatility in global markets continues, however, as investors seek the extent to which central banks are willing to tighten policy, as evidence of recessionary conditions builds. Investors have been more willing to price in the downturn in growth, easing financial conditions, to the displeasure of policymakers. This raises the risk that central banks will incur a policy error by tightening too much.
- The UK economy is already experiencing recessionary conditions and recent GDP and PMI data suggests the economy entered a technical recession in Q3 2022. The resilience shown by the economy has been surprising, despite the downturn in business activity and household spending. Lower demand should bear down on business pricing power – recent data suggests the UK has passed peak inflation.
- The lagged effect of the sharp tightening of monetary policy, and the lingering effects of the mini-budget on the housing market, widespread strike action, alongside high inflation, will continue to put pressure on household disposable income and wealth. The short- to medium-term outlook for the UK economy remains bleak.
- Demand for labour appears to be ebbing, but not quickly enough in the official data for most MPC policymakers. The labour market remains the bright spot in the economy and persisting employment strength may support activity, although there is a feeling of borrowed time. The MPC focus is on nominal wage growth, despite the huge real term pay cuts being experienced by the vast majority. Bank Rate will remain relatively high(er) until both inflation and wage growth declines.
- Global bond yields remain volatile as investors price in recessions even as central bankers push back on expectations for rate cuts in 2023. The US labour market remains tight, and the Fed wants to see persistently higher policy rates, but the lagged effects of past hikes will depress activity more significantly to test the Fed's resolve.
- While the BoE appears to be somewhat more dovish given the weak outlook for the UK economy, the ECB seems to harbour (worryingly) few doubts about the short-term direction of policy. Gilt yields will be broadly supported by both significant new bond supply and global rates expectations due to hawkish central bankers, offsetting the effects of declining inflation and growth.

Forecast:

- The MPC raised Bank Rate by 50bps to 3.5% in December as expected, with signs that some members believe that 3% is restrictive enough. However, a majority of members think further increases in Bank Rate might be required. Arlingclose continues to expect Bank Rate to peak at 4.25%, with further 25bps rises February, March and May 2023.

- The MPC will cut rates in the medium term to stimulate a stuttering UK economy, but will be reluctant to do so until wage growth eases. We see rate cuts in the first half of 2024.
- Arlingclose expects gilt yields to remain broadly steady over the medium term, although with continued volatility across shorter time periods.
- Gilt yields face pressures to both sides from hawkish US/EZ central bank policy on one hand to the weak global economic outlook on the other. BoE bond sales and high government borrowing will provide further underlying support for yields.

	Current	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Official Bank Rate													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlingclose Central Case	3.50	4.00	4.25	4.25	4.25	4.25	4.00	3.75	3.50	3.25	3.25	3.25	3.25
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
3-month money market rate													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlingclose Central Case	3.00	4.40	4.40	4.40	4.35	4.30	4.25	4.00	3.75	3.50	3.40	3.40	3.40
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
5yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.43	3.60	3.80	3.80	3.80	3.70	3.60	3.50	3.40	3.30	3.30	3.30	3.30
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
10yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.47	3.50	3.60	3.60	3.60	3.60	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
20yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.86	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
50yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.46	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

UKIB Rate (Maturity Loans) = Gilt yield + 0.60%

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Appendix 2: Proposed Counterparty List - Unsecured Bank Investments (ratings as at 30/12/2022)

Counterparty	Country of Domicile	FITCH RATINGS					MOODY'S RATINGS				STANDARD & POOR'S RATINGS			Banking Group	Accepts Deposits	Notes	AUTHORITY SPECIFIC LIMITS		
		Short-term	Long-term	Viability	Support	Outlook	Short-term	Long-term	Baseline Credit Assess	Outlook	Short-term	Long-term	Outlook				Individual Cash Limit (£/€)	Group Cash Limit (£/€)	Max Investment period
UNITED KINGDOM: BANKS																			
BANK OF SCOTLAND PLC	GB	F1	A+	a		STABLE	P-1	A1	a3	STABLE	A-1	A+	STABLE	Lloyds Banking Group	Yes	Ringfenced bank	10m	10m	13 Months
LLOYDS BANK PLC	GB	F1	A+	a		STABLE	P-1	A1	a3	STABLE	A-1	A+	STABLE		Yes	Ringfenced bank	10m		13 Months
BARCLAYS BANK PLC	GB	F1	A+	a		STABLE	P-1	A1	baa3 +	NEG	A-1	A	POS	Barclays Group	Yes	Non-ringfenced bank	10m	10m	13 Months
BARCLAYS BANK UK PLC	GB	F1	A+	a		STABLE	P-1	A1	a3	STABLE	A-1	A	POS		Yes	Ringfenced bank	10m		13 Months
HANDELSBANKEN PLC	GB	F1+	AA			STABLE					A-1+	AA-	STABLE	Svenska HB	Yes		10m	10m	13 Months
HSBC BANK PLC	GB	F1+	AA-	a		STABLE	P-1	A1	ba1	STABLE	A-1	A+	STABLE	HSBC Group	Yes	Non-ringfenced bank	10m	10m	13 Months
HSBC UK BANK PLC	GB	F1+	AA-	a		STABLE	P-1	A1	a3	STABLE	A-1	A+	STABLE		Yes	Ringfenced bank	10m		13 Months
NATIONAL WESTMINSTER BANK	GB	F1	A+	a		STABLE	P-1	A1	a3	STABLE	A-1	A	STABLE		Yes	Ringfenced bank	10m		13 Months
NATWEST MARKETS PLC	GB	F1	A+			STABLE	P-1	A1	baa3	STABLE	A-2	A-	STABLE	NatWest Group	Yes	Non-ringfenced bank	10m		13 Months
ROYAL BANK OF SCOTLAND PLC/T	GB	F1	A+	a		STABLE	(P)P-1	A1	a3	STABLE	A-1	A	STABLE		Yes	Ringfenced bank	10m	10m	13 Months
SANTANDER UK PLC	GB	F1	A+	a		STABLE	P-1	A1	baa1	NEG	A-1	A	STABLE	Santander	Yes	Ringfenced bank	10m	10m	13 Months
STANDARD CHARTERED BANK	GB	F1	A+	a		STABLE	P-1	A1	baa2	STABLE	A-1	A+	STABLE		Yes		10m		10m
UK: BUILDING SOCIETIES																			
NATIONWIDE BUILDING SOCIETY	GB	F1	A+	a		STABLE	P-1	A1	a3	STABLE	A-1	A+	STABLE		Yes		10m	10m	13 Months
UK: OTHER INSTITUTIONS																			
UK GOVERNMENT	GB	F1+u	AA-u			NEG		Aa3		NEG	A-1+u	AAu	NEG		Yes		Unlimited		5 Years
LOCAL AUTHORITIES	GB	F1+u	AA-u			NEG		Aa3		NEG	A-1+u	AAu	NEG		Yes		10m		5 Years
LCR FINANCE PLC	EN		AA-			NEG		Aa3		NEG		AA					10m	Unlimited	5 Years
NETWORK RAIL INFRASTRUCTURE	GB		AA-			NEG	P-1	Aa3		NEG							10m		5 Years
WELLCOME TRUST FINANCE PLC	GB							Aaa		STABLE		AAA	STABLE				10m		5 Years
AUSTRALIA																			
AUST AND NZ BANKING GROUP	AU	F1	A+	a+		STABLE	P-1	Aa3	a2	STABLE	A-1+	AA-	STABLE		Yes		10m	10m	13 Months
COMMONWEALTH BANK OF AUSTRAL	AU	F1	A+	a+		STABLE	P-1	Aa3	a2	STABLE	A-1+	AA-	STABLE		Yes		10m	10m	13 Months
NATIONAL AUSTRALIA BANK LTD	AU	F1	A+	a+		STABLE	P-1	Aa3	a2	STABLE	A-1+	AA-	STABLE		Yes		10m	10m	13 Months
WESTPAC BANKING CORP	AU	F1	A+	a+		STABLE	P-1	Aa3	a2	STABLE	A-1+	AA-	STABLE		Yes		10m	10m	13 Months
AUSTRIA																			
OESTERREICHISCHE KONTROLLBAN	AS	F1+u	AA+u			NEG	P-1	Aa1		STABLE	A-1+	AA+	STABLE		Yes	"OKB"	10m	10m	13 Months
CANADA																			
BANK OF MONTREAL	CA	F1+	AA	aa-		NEG	P-1	Aa2	a3	STABLE	A-1	A+	STABLE		Yes		10m	10m	13 Months
BANK OF NOVA SCOTIA	CA	F1+	AA	aa-		STABLE	P-1	Aa2	a3	STABLE	A-1	A+	STABLE		Yes		10m	10m	13 Months
CAN IMPERIAL BK OF COMMERCE	CA	F1+	AA	aa-		STABLE	P-1	Aa2	a3	STABLE	A-1	A+	STABLE		Yes		10m	10m	13 Months
EXPORT DEVELOPMENT CANADA	CA						P-1	Aaa		STABLE	A-1+	AAA	STABLE		Yes		10m	10m	13 Months
NATIONAL BANK OF CANADA	CA	F1+	AA-	a+		STABLE	P-1	Aa3	baa1	STABLE	A-1	A	STABLE		Yes		10m	10m	13 Months
ROYAL BANK OF CANADA	CA	F1+	AA	aa-		STABLE	P-1	Aa1	a2	STABLE	A-1+	AA-	STABLE		Yes		10m	10m	13 Months
TORONTO-DOMINION BANK	CA	F1+u	AAu	aa-u		STABLE	P-1	Aa1	a1	STABLE	A-1+	AA-	STABLE		Yes		10m	10m	13 Months
DENMARK																			
KOMMUNEKREDIT	DE	F1+	AAA			STABLE	P-1	Aaa		STABLE	A-1+u	AAu	STABLE						
FINLAND																			
MUNICIPALITY FINANCE PLC	FI	F1+	AA+			STABLE	P-1	Aa1		STABLE	A-1+	AA+	STABLE				10m	10m	13 Months
NORDEA BANK ABP	FI	F1+	AA	aa-		STABLE	P-1	Aa3	a3	STABLE	A-1+	AA-	STABLE		Yes		10m	10m	13 Months
OP CORPORATE BANK PLC	FI						P-1	Aa3	baa2	STABLE	A-1+	AA-	STABLE		Yes		10m	10m	13 Months
GERMANY																			
BAYERISCHE LANDESBANK	GE	F1	A	bbb		STABLE	P-1	Aa3	baa2	POS	NR	NR			Yes	"BayernLB"	10m	10m	13 Months
DZ BANK AG DEUTSCHE ZENTRAL-	GE	F1+	AA			STABLE	P-1	Aa2	baa2	STABLE	A-1	A+	STABLE		Yes		10m	10m	13 Months
FMS WERTMANAGEMENT	GE						P-1	Aaa		STABLE	A-1+	AAA	STABLE		Yes		10m	10m	13 Months
KREDITANSTALT FUER WIEDERAUFBAU (KfW)	GE	F1+u	AAu			STABLE	P-1	Aaa		STABLE	A-1+	AAA	STABLE			"KfW"	10m	10m	13 Months
LANDESBANK BADEN-WUERTTEMBER	GE	F1	A	bbb		STABLE	P-1	Aa3	baa2	STABLE	NR	NR				"LBBW"	10m	10m	13 Months
LANDESBANK HESSEN-THURINGEN	GE	F1+	AA-			STABLE	P-1	Aa3	baa2	STABLE	NR	NR			Yes	"Helaba"	10m	10m	13 Months
LANDESKRED BADEN-WUERTT FOER	GE	F1+u	AAu			STABLE	P-1	Aaa		STABLE	A-1+	AA+	STABLE		Yes	"L-Bank"	10m	10m	13 Months
LANDWIRTSCHAFTLICHE RENTENBA	GE	F1+	AAA			STABLE	P-1	Aaa		STABLE	A-1+	AAA	STABLE		Yes	"Rentenbank"	10m	10m	13 Months
NETHERLANDS																			
BNG BANK NV	NE	F1+u	AAu			STABLE	P-1u	Aaa		STABLE	A-1+u	AAu	STABLE						
COOPERATIEVE RABOBANK UA	NE	F1+	AA-	a+		STABLE	P-1	Aa2	a3	STABLE	A-1	A+	STABLE		Yes	"Rabobank"	10m	10m	13 Months
NEDERLANDSE WATERSCHAPSBANK	NE						P-1	Aaa	a1	STABLE	A-1+	AAA	STABLE		Yes		10m	10m	13 Months
NORWAY																			
KOMMUNALBANKEN AS	NO	F1+u	AAu			STABLE	P-1	Aaa	a1	STABLE	A-1+	AAA	STABLE		Yes		10m	10m	13 Months
SINGAPORE																			
DBS BANK LTD	SI	F1+	AA-	aa-		STABLE	P-1	Aa1	a1	STABLE	A-1+	AA-	STABLE		Yes		10m	10m	13 Months
OVERSEA-CHINESE BANKING CORP	SI	F1+	AA-	aa-		STABLE	P-1	Aa1	a1	STABLE	A-1+	AA-	STABLE		Yes		10m	10m	13 Months
UNITED OVERSEAS BANK LTD	SI	F1+	AA-	aa-		NEG	P-1	Aa1	a1	STABLE	A-1+	AA-	STABLE		Yes		10m	10m	13 Months
SWEDEN																			
SVENSKA HANDELSBANKEN-A SHS	SW	F1+u	AAu			STABLE	P-1	Aaa		STABLE	A-1+u	AAu	STABLE						
SVENSK EXPORTKREDIT AB	SW	F1+	AA+	aa		STABLE	P-1	Aa2	a2	STABLE	A-1+	AA-	STABLE	Svenska HB			10m	10m	13 Months
UNITED STATES OF AMERICA	US	F1+u	AAu			STABLE		Aaa		STABLE	A-1+u	AA+u	STABLE				10m	10m	13 Months
SUPRANATIONAL																			
COUNCIL OF EUROPE DEVELOPMENT BANK (CEDB)	FR	F1+	AA+			POS	P-1	Aa1 +			A-1+	AAA	STABLE				10m		5 Years
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)	GB	F1+	AAA			STABLE	P-1	Aaa		STABLE	A-1+	AAA	STABLE				10m		5 Years
EUROPEAN INVESTMENT BANK (EIB)	LX	F1+	AAA			STABLE	P-1	Aaa		STABLE	A-1+	AAA	STABLE				10m		5 Years
INTER-AMERICAN DEVELOPMENT BANK (IADB)	US	F1+u	AAu			STABLE	(P)P-1	Aaa		STABLE	A-1+	AAA	STABLE				10m		5 Years
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (THE WORLD BANK)	US	F1+u	AAu			STABLE	P-1	Aaa		STABLE	A-1+	AAA	STABLE	World Bank Group		"World Bank"	10m		5 Years
NORDIC INVESTMENT BANK (NIB)	FI						P-1	Aaa		STABLE	A-1+	AAA	STABLE				10m		5 Years

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Appendix 3

Treasury Management Clauses

The Council adopts the CIPFA Treasury Management in the Public Services Code of Practice and Cross-Sectional Guidance Notes 2021.

As part of this it also adopts the following four clauses:

1. This Council will create and maintain, as the cornerstones for effective treasury and investment management:
 - a treasury management policy statement stating the policies, objectives and approach to risk management of its treasury management activities
 - suitable treasury management practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities
 - investment management practices (IMPs) for investments that are not for treasury management purposes.

The content of the policy statement, TMPs and IMPs will follow the recommendations contained in Sections 6, 7 and 8 of the TM Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the TM Code's key principles.

2. Full Council will receive reports on its treasury and investment management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, 6 monthly review and an annual report after its close in the form prescribed in its TMPs and IMPs.
3. This organisation delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for the execution and administration of treasury management decisions to Chief Finance Officer, who will act in accordance with the organisation's policy statement, TMPs and IMPs, and if they are a CIPFA member, CIPFA's Standard of Professional Practice on treasury management.
4. This organisation nominates Corporate Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

The Treasury Management Code has introduced a requirement to produce IMPs for non-Treasury Management investments, and these will be developed during 2023/24 for the agreement of the Section 151 Officer.

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Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING DATE:	9 th February 2023	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3367
TITLE:	Treasury Management Performance Report to 31 st December 2022	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 – Performance Against Prudential Indicators		
Appendix 2 – The Council’s Investment Position at 31 st December 2022		
Appendix 3 – Average monthly rate of return for nine months to 31 st December 2022		
Appendix 4 – The Council’s External Borrowing Position at 31 st December 2022		
Appendix 5 – Arlingclose’s Economic & Market Review Q3 of 2022/23		
Appendix 6 – Interest & Capital Financing Budget Monitoring 2022/23		
Appendix 7 – Summary Guide to Credit Ratings		
Appendix 8 – Extract from Treasury Management Risk Register		

1 THE ISSUE

- 1.1 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy’s Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code), which requires the Council to approve a Treasury Management Strategy before the start of each financial year, review performance during the year, and approve an annual report after the end of each financial year.
- 1.2 This report gives details of performance against the Council’s Treasury Management Strategy for 2022/23 for the nine months up to 31st December 2022.

2 RECOMMENDATION

The Cabinet agrees that;

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

3 THE REPORT

Summary

- 3.1 The estimated average rate of investment return for the nine months to 31st December 2022 is 1.75%, which is 0.05% below the benchmark rate which has averaged 1.80% over the period.
- 3.2 The Council's Prudential Indicators for 2022/23 were agreed by Council in February 2022 and performance against the key indicators is shown in **Appendix 1**. All indicators are within target levels.
- 3.3 The Council's revenue budget for interest & capital financing costs for 2022/23 is currently forecast £1.950m under budget, due to higher than budgeted investment returns due to interest rate rises and the continuing high levels of cash balances currently held following the advance payment of grants, a delay to borrowing requirements and associated interest costs, and a saving on Minimum Revenue Provision payments due to capital reprofiling. The breakdown of the 2022/23 revenue budget for interest and capital financing, and the forecast year end position is included in **Appendix 6**.

Summary of Returns

- 3.4 The Council's investment position as at 31st December 2022 is given in **Appendix 2**, along with the previous quarter's position for comparison. The balance of deposits as at 31st December 2022, compared to those of the previous four quarters, are also set out in the charts in this appendix.
- 3.5 Gross estimated interest earned on investments totalled £1.07m. **Appendix 3** details the investment performance, showing the average rate of interest earned over this period was 1.75%, which was 0.05% below the benchmark rate of average 7 day SONIA (1.80%). This shortfall is mainly due to existing short-term loans being locked in at a lower rate prior to the recent Bank of England base rate rises. These investments have matured during the quarter and in December, the average interest rate earned on investments exceeded the benchmark. The prior year comparators are also included in this appendix.
- 3.6 Following the discontinuation of published 7 Day LIBID rates, from 2022/23 onwards the Council is benchmarking its investments rates to the average 7 Day SONIA (Sterling Overnight Index Average) rate as an alternative. This is being used as the comparative benchmark as SONIA can be seen as the average interest rate at which a selection of financial institutions lend to one another with a maturity of 1 day (overnight), therefore reflecting the callable nature of the majority of the Council's short-term investments.

Summary of Borrowings

- 3.7 The Council's external borrowing as at 31st December 2022 totalled £211.2 million and is detailed in **Appendix 4**. Due to the levels of cash balances currently held by the Council, there has not been any new borrowing taken out during the quarter, and a fixed term loan of £5m was repaid during December. A summary of the current movement in borrowing during the quarter is shown in the following table:

Borrowing Portfolio Movements	£m
Balance as at 30th September 2022	217.340
New Loans Taken	0.000
Loans Repaid	(5.000)
PWLB Annuity Loan principal repayments	(1.129)
Balance as at 31st December 2022	211.211

3.8 The Council's Capital Financing Requirement (CFR) as at 31st March 2022 was £328.2 million. This represents the Council's underlying need to borrow to finance capital expenditure, and demonstrates that the borrowing taken to date relates to funding historical capital spend.

3.9 The difference between the CFR and the current borrowing of £211.2 million represents re-investment of the internal balances including reserves, reducing the in-year borrowing costs in excess of the potential investment returns.

3.10 Following Local Government Reorganisation in 1996, Avon County Council's residual debt is administered by Bristol City Council. All successor Unitary Authorities make an annual contribution to principal and interest repayment, for which there is a provision in the Council's revenue budget. The amount of residual debt outstanding as at 31st March 2022 apportioned to Bath & North East Somerset Council is £10.5m. Since this borrowing is managed by an external body and treated in the Council's Statement of Accounts as a deferred liability, it is not included in the borrowing figures referred to in paragraph 3.7.

Strategic & Tactical Decisions

3.11 As shown in the charts in **Appendix 2**, the investment portfolio of £54.8 million as at 31st December 2022 is diversified across Money Market Funds, Local Authorities, Strategic funds and in highly rated UK & Foreign Banks. The Council uses AAA rated Money Market funds to maintain short term liquidity.

3.12 The Council does not hold any direct investments with banks in countries within the Eurozone reflecting both on the underlying debt issues in some Eurozone countries and the low levels of interest rates.

3.13 The Council's investment portfolio as at 31st December 2022 includes a total of £10m invested longer term, including £5m in ESG focussed funds and £5m in a property fund, as listed below:

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

3.14 The Council's average investment return for the nine months to 31st December 2022, for short-term investments, is currently 1.41%, which is 1.16% above the budgeted level of 0.25%. The estimated average return for the £10m long-term strategic investments is estimated to be 4.18%, 0.68% above the budgeted rate of 3.5%. The combined average return on all investments is 1.75%. The current forecast is for an overachievement of interest income from investments of £950k due

to the recent increases in interest rates earned and the Council's cash balances being higher than was forecast when the budget was set.

Investment Type	Average YTD Investment Return
Short Term Investments Total	1.41%
Long Term Strategic Investments (Estimated)*:	
CCLA Local Authorities Property Fund	3.81%
/ FP Foresight UK Infrastructure Income Fund	4.80%
VT Gravis Clean Energy Income Fund	4.16%
Long Term Strategic Investments Total (Est.)	4.18%
Overall Total (Estimated)	1.75%

* The investment returns on the Long Term Strategic Investments are currently estimates based on the previous quarter. The actual return for the third quarter is not available until it's been declared a month after the quarter has finished.

Future Strategic & Tactical Issues

- 3.15 The Council's Treasury Management Advisor's economic and market review for the third quarter of 2022/23 is included in **Appendix 5**.
- 3.16 Interest rates ended quarter 3 at 3.5%, up 2.75% since April 2022 as the Bank of England's Monetary Policy Committee tackles inflation, as inflationary pressures are expected to remain high. As a result, Arlingclose's current interest rate forecast is for interest rate to continue to rise, peaking at 4.25 % by May 2023.
- 3.17 CPI headline inflation reached a high of 11.1% in October before falling back to 10.7% in November, showing tentative signs it may have peaked.
- 3.18 Bond markets have been extremely volatile so far this year and are expected to remain, driven by high inflation, high interest rates and continuing uncertainty. This has resulted in a high level of volatility in PWLB rates with the 5 year maturity certainty rate rising from 2.30% on 1st April 2022 to 4.48% on 30th December 2022, having peaked at 5.43% in September. Over the same period the 30-year maturity certainty rate rose from 2.6% to 4.8%.
- 3.19 The benefits of the Council's current policy of internal borrowing will continue to be monitored against forecast movements in borrowing rates and the Council's cash position. Any future borrowing decisions, should they be required during the remainder of the year, will be discussed with our treasury advisors in terms of duration and timing given the current volatility in the gilt market and PWLB interest rates.

Budget Implications

- 3.20 The breakdown of the 2022/23 revenue budget for interest and capital financing, and the forecast year end position based on the period April to December 2022, is included in **Appendix 6**. An overall underspend of £1.950m is currently forecast due to higher than budgeted investment income, a delay in borrowing and a saving on MRP due to capital reprofiling. This is due to both the increase in investment interest rates since the budget was set, along with the temporary high levels of cash balances currently held following the advance payment of grants and the profiling of capital expenditure.

4 STATUTORY CONSIDERATIONS

4.1 This report is for information only.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

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

6 RISK MANAGEMENT

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

6.2 The Council's lending & borrowing list is regularly reviewed during the financial year and credit ratings are monitored throughout the year. All lending/borrowing transactions are within approved limits and with approved institutions. Investment and borrowing advice is provided by our Treasury Management consultants, Arlingclose.

6.3 The CIPFA Treasury Management in the Public Services: Code of Practice requires the Council nominate a committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies. The Corporate Audit Committee carries out this scrutiny.

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

7 EQUALITIES

7.1 As this report contains performance information for noting only, an Equality Impact Assessment is not considered necessary.

8 CLIMATE CHANGE

8.1 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.

8.2 An ESG section is included the Treasury Management Strategy document for 2022/23, with the treasury team monitoring investment options permitted under the new guidelines.

8.3 The Council holds £5m in longer term investments, split across two ESG focussed Strategic Funds, as detailed under 3.13.

9 OTHER OPTIONS CONSIDERED

9.1 None

10 CONSULTATION

10.1 Consultation has been carried out with the Cabinet Member for Resources, Chief Finance Officer and Monitoring Officer.

Contact person	Gary Adams - 01225 477107; Jamie Whittard - 01225 477213 Gary_Adams@BATHNES.GOV.UK : Jamie_Whittard@BATHNES.GOV.UK
Background papers	2022/23 Treasury Management & Investment Strategy
Please contact the report author if you need to access this report in an alternative format	

APPENDIX 1

Performance against Treasury Management Indicators agreed in Treasury Management Strategy Statement

1. Treasury Borrowing limits

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

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

The Operational boundary for external debt is based on the same estimates as the authorised limit but without the additional headroom for unusual cash movements. This level also factors in the proposed approach to use internal cash-flow and future capital receipts as the preferred financing method for the capital programme.

	2022/23 Prudential Indicator	Actual as at 31 st Dec. 2022
Operational boundary – borrowing	£435m	£211.2m
Operational boundary – other long-term liabilities	£4m	£0m
Operational boundary – TOTAL	£439m	£211.2m
Authorised limit – borrowing	£464m	£211.2m
Authorised limit – other long-term liabilities	£4m	£0m
Authorised limit – TOTAL	£468m	£211.2m

2. Security: Average Credit Rating*

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. A summary guide to credit ratings is set out at **Appendix 7**.

	2022/23 Prudential Indicator	Actual as at 31 st Dec. 2022
	Rating	Rating
Minimum Portfolio Average Credit Rating	A-	AA

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

3. Liquidity

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

Liquidity risk indicator	2022/23 Prudential Indicator	Minimum During Quarter	Date of minimum
Minimum total Cash Available within 3 months	£15m	£35.7m	23-Dec-22

4. Interest rate exposures

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

	2022/23 Prudential Indicator	Actual as at 31 st Dec. 2022
Upper limit on one-year revenue impact of a 1% rise in interest rates	+/- £1m	£0.399m
Upper limit on one-year revenue impact of a 1% fall in interest rates	+/- £1m	£0.399m

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

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

5. Maturity Structure of borrowing

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

	Upper Limit	Lower Limit	Actual as at 31 st Dec. 2022
	%	%	%
Under 12 months	50	Nil	0
12 months and within 24 months	50	Nil	0
24 months and within 5 years	75	Nil	0
5 years and within 10 years	75	Nil	7.1
10 years and within 25 years	100	25	54.8
Over 25 years	100		38.1

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

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

The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

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

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

APPENDIX 2

The Council's Investment position at 31st December 2022

The term of investments is as follows:

Term Remaining	Balance at 31 st Dec. 2022	Comparator
		Balance at 30 th Sept 2022
	£m	£m
Notice (instant access funds)	29.8	39.4
Up to 1 month	0	5.0
1 month to 3 months	10.0	10.0
3 months to 6 months	5.0	0
6 months to 12 months	0	0
Strategic Funds	10.0	10.0
Total	54.8	64.4

The investment figure is made up as follows:

	Balance at 31 st Dec. 2022	Comparator
		Balance at 30 th Sept 2022
	£m	£m
B&NES Council	51.71	61.5
Schools	3.09	2.9
Total	54.8	64.4

The Council had a total average net positive balance of £81.6m during the period April 2022 to December 2022.

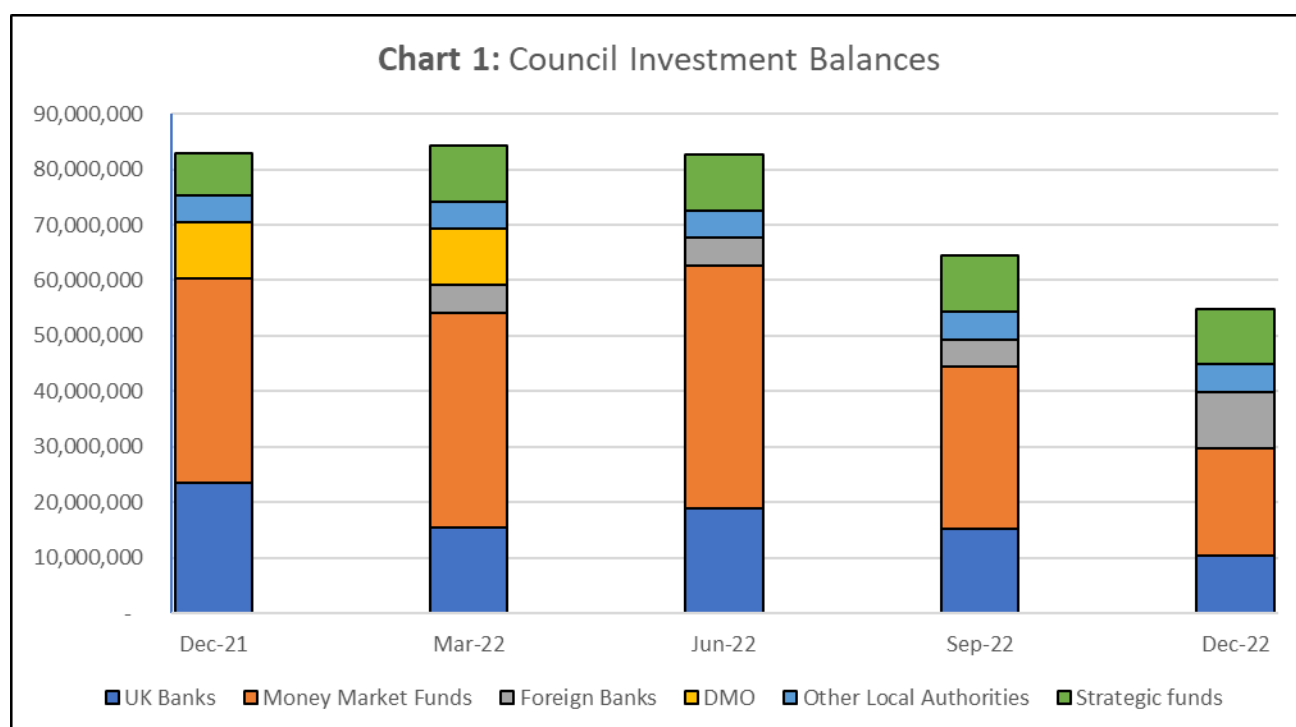


Chart 1a: Council Investments as at 31st December 2022 - £54.8m

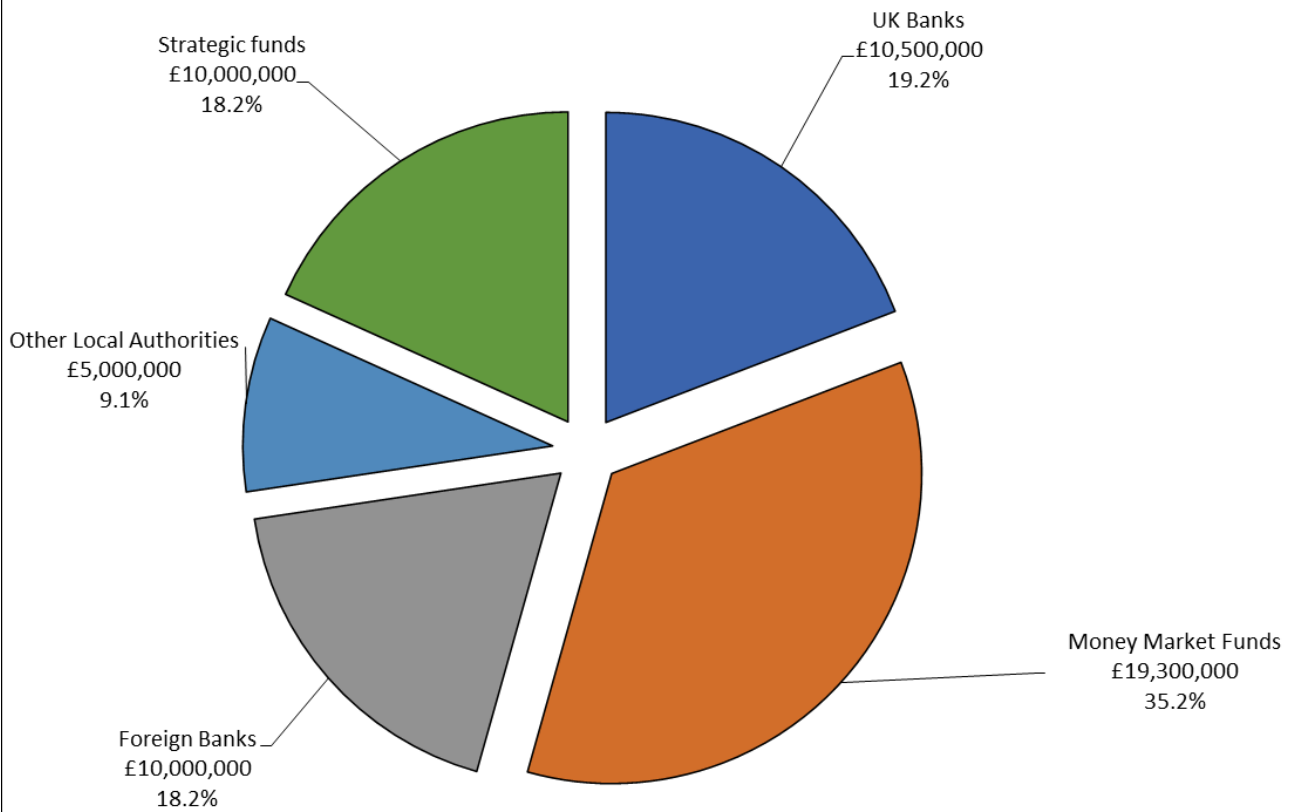
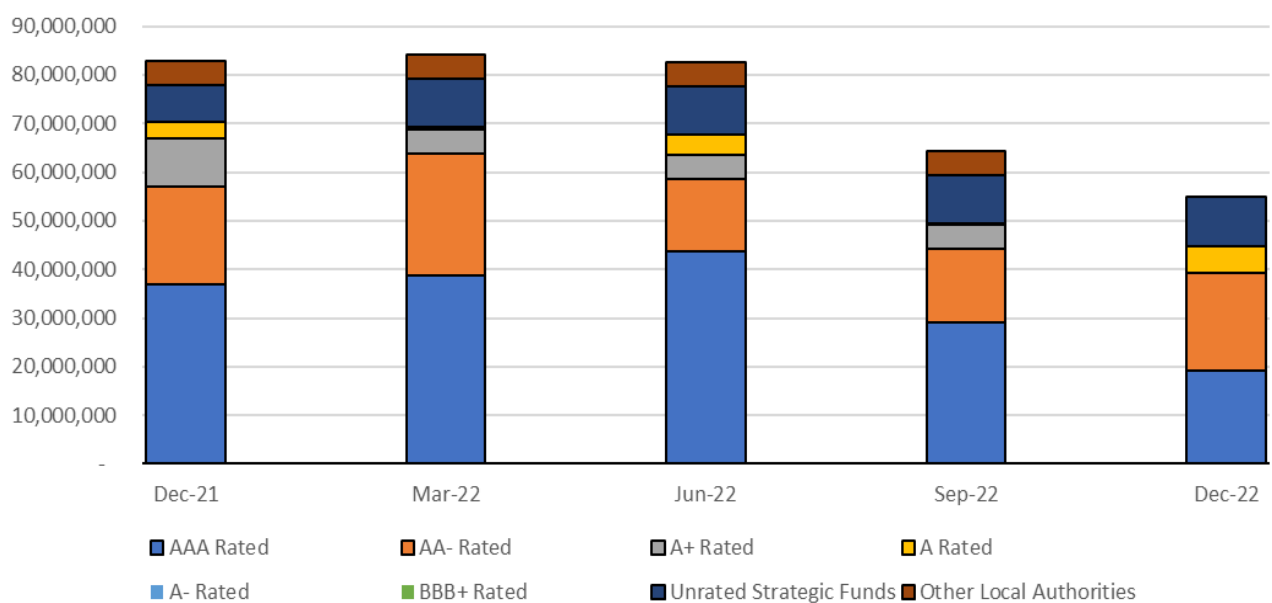
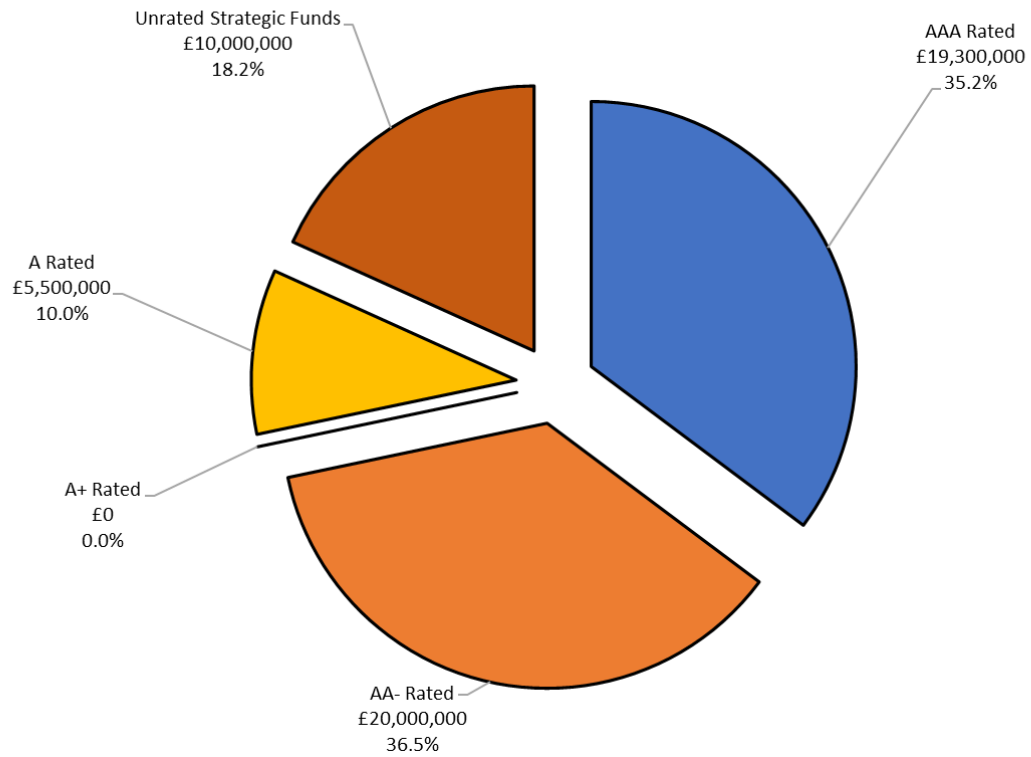


Chart 2: Council Investments Per Lowest Equivalent Long Term Credit Rating



**Chart 2a: Council Investments Per Lowest Equivalent Long Term Credit Rating as at
31st December 2022 - £54.8 m**



APPENDIX 3

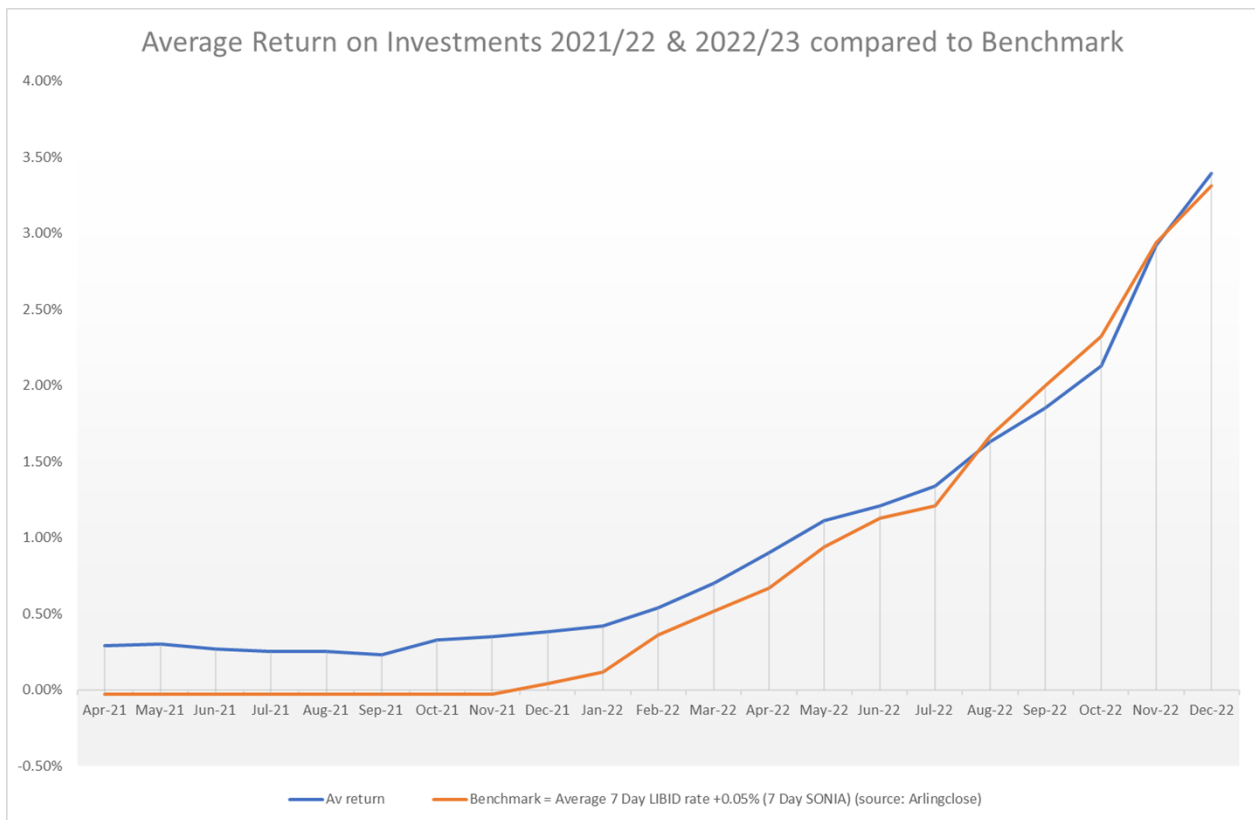
Average rate of return on investments for 2022/23

	Average rate of interest earned	Benchmark = Average 7 Day SONIA rate	Performance against Benchmark
April 2022	0.90%	0.67%	+0.23%
May 2022	1.11%	0.94%	+0.18%
June 2022	1.21%	1.13%	+0.08%
July 2022	1.34%	1.21%	+0.13%
August 2022	1.63%	1.67%	-0.04%
September 2022	1.85%	2.00%	-0.15%
October 2022#	2.13%	2.32%	-0.19%
November 2022#	2.92%	2.94%	-0.02%
December 2022#	3.39%	3.31%	0.08%
Average#	1.75%	1.80%	-0.05%

Includes **estimates** for Q3 Strategic Investments returns – actuals will not be known until after dispatch so will be updated in Q4 report.

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

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



APPENDIX 4

Council's External Borrowing at 31st December 2022

Lender	Amount outstanding @ 30th Sept 2022	Change in Quarter	Amount outstanding @ 30th Dec. 2022	Start date	End date	Interest rate
	£	£	£			
Long term						
PWLB489142	10,000,000	-	10,000,000	15/10/2004	15/10/2034	4.75%
PWLB497233	5,000,000	-	5,000,000	12/05/2010	15/08/2035	4.55%
PWLB497234	5,000,000	-	5,000,000	12/05/2010	15/02/2060	4.53%
PWLB498834	5,000,000	-	5,000,000	05/08/2011	15/02/2031	4.86%
PWLB498835	10,000,000	-	10,000,000	05/08/2011	15/08/2029	4.80%
PWLB498836	15,000,000	-	15,000,000	05/08/2011	15/02/2061	4.96%
PWLB503684	5,300,000	-	5,300,000	29/01/2015	08/04/2034	2.62%
PWLB503685	5,000,000	-	5,000,000	29/01/2015	08/10/2064	2.92%
PWLB505122	16,210,402	(340,542)	15,869,860	20/06/2016	20/06/2041	2.36%
PWLB508126	8,769,505	(162,162)	8,607,342	06/12/2018	20/06/2043	2.38%
PWLB508202	9,586,307	(54,770)	9,531,537	12/12/2018	20/06/2068	2.59%
PWLB508224	4,375,462	(82,071)	4,293,391	13/12/2018	20/06/2043	2.25%
PWLB505744	8,004,402	-	8,004,402	24/02/2017	15/08/2039	2.28%
PWLB505966	8,254,813	-	8,254,813	04/04/2017	15/02/2042	2.26%
PWLB506052	7,014,998	-	7,014,998	08/05/2017	15/02/2042	2.25%
PWLB506255	6,638,222	(38,856)	6,599,366	10/08/2017	10/04/2067	2.64%
PWLB506729	8,602,616	(164,529)	8,438,087	13/12/2017	10/10/2042	2.35%
PWLB506995	8,629,260	(162,060)	8,467,200	06/03/2018	10/10/2042	2.52%
PWLB506996	8,949,910	(124,452)	8,825,459	06/03/2018	10/10/2047	2.62%
PWLB507749	8,775,184	-	8,775,184	10/09/2018	20/07/2043	2.42%
PWLB508485	19,253,502	-	19,253,502	11/02/2019	20/07/2068	2.52%
PWLB509840	8,975,845	-	8,975,845	04/09/2019	20/07/2044	1.40%
KBC Bank N.V *	5,000,000	-	5,000,000	08/10/2004	08/10/2054	4.50%
KBC Bank N.V *	5,000,000	-	5,000,000	08/10/2004	08/10/2054	4.50%
Commerzbank AG Frankfurt*	10,000,000	-	10,000,000	27/04/2005	27/04/2055	4.50%
Medium term						
Portsmouth C.C.	5,000,000	(5,000,000)	-	19/12/2019	19/12/2022	1.65%
Total Borrowing	217,340,428	(6,129,442)	211,210,986			

*All LOBO's (Lender Option / Borrower Option) have reached the end of their fixed interest period and have reverted to the variable rate of 4.50%. The lender has the option to change the interest rate at 6 monthly intervals. Should the lender use the option to change the rate, then at this point the borrower has the option to repay the loan without penalty.

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

APPENDIX 5: Arlingclose Economic & Market Review

Economic background: The conflict in Ukraine continued to keep global inflation elevated and the UK and global economic outlook remains weak. Political uncertainty in the UK improved in the later part of the period following a change in government to what financial markets perceived as being more fiscally prudent.

The economic backdrop during the April to December period continued to be characterised by high energy and commodity prices, high inflation and the associated impact on consumers' cost of living, as well as little likelihood that the Russia-Ukraine hostilities will end any time soon. China started to lift some of its zero-Covid policy restrictions at the end of the period causing a sharp increase in infections, but also leading to questions over potential under reporting of the number of cases by the Chinese government due to how it is counting the figures.

Central Bank rhetoric and action continued to remain robust. The Bank of England, Federal Reserve and the European Central Bank all increased interest rates over the period and committed to fighting inflation, even in the face of potential recessions in those regions.

UK inflation remained high, but there were tentative signs it may have peaked. Annual headline CPI registered 10.7% in November, down modestly from 11.1% in October. RPI was 14% in November, down from 14.2% in October, but slightly above expectations for a larger fall to 13.9%.

The UK government under Rishi Sunak and Jeremy Hunt reversed some of the support to household energy bills announced under the previous Liz Truss leadership. The previous support package which would have seen average consumption cost £2,500 annually until 2024 was replaced by a less generous scheme which was only maintained at this level until March 2023, to be replaced by a higher cap of £3,000 per year for the typical household from April onwards.

The labour market remained tight but with some evidence of softening demand for new labour. The unemployment rate 3m/year for April-June was 3.8%, which declined to 3.6% in July-September and picked up again to 3.7% in October-December. The inactivity rate was 21.5% in the latest quarter, down by 0.1% compared to the previous period. Pay growth in October-December was 6.1% for both total pay (including bonuses) and for regular pay. Once adjusted for inflation, however, both measures fell by 2.7%.

Household disposable income remained under pressure, pushing consumer confidence down to a record low of -49 in September, but following months showed registered modest improvements to December's reading of -42. Quarterly GDP for the April-June quarter was revised upwards to 0.2% (from -0.1%), following revisions to household and government spending, but fell by -0.3% in the July-September quarter, a larger decline than the -0.2% predicted.

The Bank of England increased the official Bank Rate to 3.5% over the period. From 0.75% in March, the Monetary Policy Committee (MPC) pushed through rises at every subsequent meeting over the period, with outsized hikes of 50bps in August and

September, 75bps in November and then another 50bps in December. November's rise was voted by a majority of 7-2, with one MPC member preferring a 0.5% rise and another a 0.25% rise. The December vote was 6-3, with two members preferring to keep Bank Rate on hold at 3% while one member wanted a larger increase of 0.75%. Once again, the Committee noted that domestic inflationary pressures are expected to remain strong and continuing rhetoric around combating inflation means further rate rises are predicted.

After hitting 9.1% in June, annual US inflation slowed for a further five consecutive months, with relatively strong falls in October to 7.7% and then in November to 7.1%. The Federal Reserve continued raising interest rates over the period with four consecutive increases of 0.75% in June, July, September, and November respectively, followed by 50bp in December taking policy rates to a range of 4.25% - 4.50%.

Eurozone CPI inflation hit a record-high of 10.6% y/y in October following rises in each month over the period. In November inflation fell to 10.1%, the first decline since June 2021. Energy prices remained the largest upward contribution to the price increase. The European Central Bank continued increasing interest rates over the period, pushing rates up by 0.50% in December following two consecutive months of 0.75% rises, taking the deposit facility rate to 2% and the main refinancing rate to 2.5%.

Financial markets: Uncertainty remained a key driver of financial market sentiment and bond yields remained relatively volatile due to concerns over elevated inflation and higher interest rates. In September and October, volatility in financial markets was significantly exacerbated by the fiscal plans of the then UK government (under Liz Truss), leading to an acceleration in the rate of the rise in gilt yields and decline in the value of sterling. However, the subsequent change of government leadership to Rishi Sunak and Jeremy Hunt lead to gilts yields falling in November and December, albeit at higher levels compared to earlier in the period.

Over the period the 5-year UK benchmark gilt yield rose from 1.41% to peak at 4.70% in September before ending the calendar year at 3.62%. Over the same timeframe the 10-year gilt yield rose from 1.61% to peak at 4.51% before falling back to 3.67%, while the 20-year yield rose from 1.82% to 4.96% and then declined to 4.03%. The Sterling Overnight Rate (SONIA) averaged 1.75% over the period.

Credit review: During the last few months of the period, in October Fitch revised the outlook on the UK sovereign to negative from stable following the largely unfunded fiscal package announced at the time, and a few weeks prior revised the outlook on HSBC to stable from negative.

Over the same timeframe Moody's also revised the UK sovereign to negative from stable, following swiftly after with a similar move for a number of local authorities and UK banks including Barclays Bank, National Westminster Bank (and related entities) and Santander.

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

recommended list is 100 days. These recommendations were unchanged at the end of the period.

Although local authorities remain under financial pressure, Arlingclose continues to take a positive view of the sector, considering its credit strength to be high. Section 114 notices have been issued by only a handful of authorities with specific issues. While Arlingclose's advice for local authorities on its counterparty list remains unchanged, a degree caution is merited with certain authorities.

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

APPENDIX 6

Interest & Capital Financing Costs – Budget Monitoring 2022/23

April 2022 to December 2022	YEAR END POSITION			ADV/FAV
	Budgeted Spend or (Income) £'000	Forecast Spend or (Income) £'000	Forecast over or (under) spend £'000	
Interest & Capital Financing				
- Debt Costs	8,031	7,531	(500)	FAV
- Internal Repayment of Loan Charges	(13,052)	(13,052)	0	
- Ex Avon Debt Costs	980	980	0	
- Minimum Revenue Provision (MRP)	9,678	9,178	(500)	FAV
- Interest on Balances	(425)	(1,375)	(950)	FAV
Total	5,212	3,262	(1,950)	FAV

APPENDIX 7

Summary Guide to Credit Ratings

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

APPENDIX 8

Extract from Treasury Management Risk Register – Top 5 Risks

			Current Risk Score										Trend				
	Risk Nr	Description	Likelihood					Impact					This Period	Periods Ago			Management Action
			1	2	3	4	5	1	2	3	4	5					
			L	M	H	L	M	H	1	2	3						
1	R01	Liquidity Risk - The risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the organisation's business/service objectives will be thereby compromised.		2						3			6	6	6	6	Obtain approval of annual Treasury Management Strategy by February Council. Carry out weekly reviews of investment portfolio and planned actions. Carry out monthly dashboard meeting with Chief Finance Officer. Consider short and medium term cash balances and cashflows to inform any short - medium term borrowing requirement.
2	R02	Interest Rate Risk - The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately				4				3			12	12	9	9	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. Discussion with our treasury advisors on any new borrowing in terms of duration and timing given the current volatility in the gilt market and PWLB interest rates.
3	R04	Inflation Risk - The risk that prevailing levels of inflation cause an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.				4				3			12	12	12	9	Liaise with Chief Finance Officer to ensure Inflation both current and projected forms part of the medium term financial planning framework.
4	R05	Credit and Counterparty Risk - The risk of failure by a third party to meet its contractual obligations to the organisation under an investment, borrowing, capital, project or partnership financing, particularly as a result of the third party's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources.			3						4		12	12	12	12	Complete annual review of Counterparty List with external advisors to feed into Treasury Management Strategy. Regular review of counterparty financial standing through use of credit ratings, credit default swap rates and national press coverage and liaison with Chief Finance Officer and external advisors to consider any issues / change in circumstances of counterparties.
5	R09	Key Personnel - There is a risk that staff absence results in the inability to process Treasury Management transactions.			3					3			9	9	9	9	Produce & maintain a Business Continuity Plan to manage staff absences Provide refresher training and periodically ask secondary process operators to run the treasury process to ensure that there are a number of people able to perform the treasury activity