

Cabinet

Date: Thursday, 7th September, 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 Neighbourhood Services), Councillor Alison Born (Cabinet Member for Adult Services), Councillor Mark Elliott (Cabinet Member for Resources), Councillor Paul May (Cabinet Member for Children's Services), Councillor Matt McCabe (Cabinet Member for Built Environment and Sustainable Development), Councillor Manda Rigby (Cabinet Member for Highways), Councillor Paul Roper (Cabinet Member for Economic and Cultural Sustainable Development), Councillor Sarah Warren (Deputy Council Leader (statutory) and Cabinet Member for Climate Emergency and Sustainable Travel) and Councillor David Wood (Deputy Council Leader (non-statutory) and Cabinet Member for Council Priorities & Delivery)

Chief Executive and other appropriate officers
Press and Public

The agenda is set out overleaf.



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NOTES:

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

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

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

3. Recording at Meetings

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

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

4. Public Speaking at Meetings

The Council has a scheme to encourage the public to make their views known at meetings. They may make a statement relevant to what the meeting has power to do. They may also present a petition 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, 7th September, 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 an undertaking 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 - 13TH JULY 2023 (Pages 5 - 18)

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

9. CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

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

10. MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES

This is a standing agenda item (Constitution rule 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.

11. SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING (Pages 19 - 21)

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

12. YOUTH JUSTICE PLAN 2023-24 (Pages 22 - 72)

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

13. TREASURY MANAGEMENT MONITORING REPORT TO 30TH JUNE 2023 (Pages 73 - 92)

This report gives details of performance against the Council's Treasury Management Strategy for the first three months of the 2023/24 financial year.

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, 13th July, 2023

Present:

Councillor Kevin Guy (Ch)	Leader of the Council, Liberal Democrat Group Leader
Councillor Tim Ball	Cabinet Member for Neighbourhood Services
Councillor Alison Born	Cabinet Member for Adult Services
Councillor Mark Elliott	Cabinet Member for Resources
Councillor Paul May	Cabinet Member for Children's Services
Councillor Matt McCabe	Cabinet Member for Built Environment and Sustainable Development
Councillor Manda Rigby	Cabinet Member for Highways
Councillor Paul Roper	Cabinet Member for Economic and Cultural Sustainable Development
Councillor Sarah Warren	Deputy Council Leader (statutory) and Cabinet Member for Climate Emergency and Sustainable Travel
Councillor David Wood	Deputy Council Leader (non-statutory) and Cabinet Member for Council Priorities & Delivery

1 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting.

2 EMERGENCY EVACUATION PROCEDURE

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

3 APOLOGIES FOR ABSENCE

There were no apologies for absence.

4 DECLARATIONS OF INTEREST

There were no declarations of interest.

5 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

Cllr Sarah Warren made the following statement regarding bus services:

“As many residents are aware, several essential bus services in North East Somerset have now stopped running due to an ongoing funding crisis, including services 82, 179 and 768, and further services are currently at risk. I want to provide an urgent update on the work that we are doing to address this situation.

The West of England Combined Authority is the regional transport authority responsible for planning bus services in cooperation with local bus operators. The combined authority has a budget of many **tens of millions dedicated solely to transport and to economic development**.

Bath and North East Somerset Council pays an annual contribution towards the provision of supported services – those that are not deemed financially viable - through the regional Transport Levy. In this financial year we have increased our contribution by 30% to **£1m**, recognising the significant increases in costs to provide bus services. Unfortunately, however, the prices of our bus services increased by some 200%.

Like other councils, B&NES has no significant funding for buses over and above that which is already transferred annually to WECA as our transport levy. The remainder of our budget is fully committed to other purposes (including statutory services that we **cannot** choose to withdraw), such as social care, children's services (which together consume the vast majority of our budgets), housing, parks, waste management, libraries and so on, so there is very little remaining for discretionary expenditure such as on buses.

We now need the Metro Mayor to contribute a portion of the **£57m** of bus service improvement grant that he received from government **specifically and solely for bus services**, on our lost and at-risk services, as the Secretary of State has **indicated** he should. Other local authorities, who are not part of the West of England Combined Authority, have been able to do this – including North Somerset and Gloucestershire.

In the New Year, we were informed that the Metro Mayor planned to commission several new rural buses throughout North East Somerset. The 522, designed without consultation by the West of England Combined Authority, was introduced, and takes far longer than previous buses, travelling through areas with good bus services rather than villages with none.

The Mayor also decided to put a large proportion of his Bus Service Improvement Plan funding into the Westlink Demand Responsive Transport (or DRT) service. As many residents have found, DRT in its current form is not working. Westlink has proved unreliable and hard to access, and as the vehicles are usually seen almost empty, must be costing **much** more per passenger journey than the bus services they replaced, and that residents are desperate to see returned.

The Mayor has also chosen this month to commit **some £8m** to free travel on buses for residents in the month of their birthday. This birthday bonanza is of huge benefit to Bristolians with frequent bus services but is a further insult to our more rural residents, having recently lost all access to public transport and some now newly confined to their homes.

Residents in North East Somerset have been left with a public transport service which simply isn't working, some communities with frequent bus services and others with none. This is a deeply unsatisfactory situation and residents of all ages are impacted.

To address this desperate situation, my team and I have spent the last few months talking to B&NES and parish councillors from across North East Somerset, Cabinet

leads from neighbouring councils, bus experts, campaigners and residents, as well as to the Metro Mayor and his staff. We have developed a proposal that provides a cost-effective solution to improve local services.

Key elements of the proposal are:

- Targeted new bus routes to help re-connect towns and villages that have been abandoned by the Metro Mayor.
- Additional Westlink services along fixed routes at key commute and school times - to build trust in the new service, and to support other services.
- Funding solutions: including working with neighbouring councils on cross-boundary routes.

These proposals will safeguard threatened buses, and fill gaps where services have been lost – connecting communities with Bath and Bristol and between larger towns and villages in B&NES. We are very keen to work with the Metro Mayor to find a solution. This week, Cllr Guy has written to him to put our innovative ideas forward, and we hope he will respond positively to our constructive proposals.

We encourage members of the public who are concerned about bus services to write to the Metro Mayor to ask for his support.”

6 QUESTIONS FROM PUBLIC AND COUNCILLORS

There were 14 questions from Councillors and 15 questions from members of the public.

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

7 STATEMENTS OR PETITIONS FROM PUBLIC OR COUNCILLORS

Members of the public and Councillors made statements as follows:

- Robbie Bentley – Public Transport Issues *(a copy of which is attached as appendix 2 to these minutes)*
- Joy Arnold – Loss of 179 Bus *(a copy of which is attached as appendix 3 to these minutes)*
- Paul Roles (Rosewell Court Residents' Association) – Damage to Pavement *(a copy of which is attached as appendix 4 to these minutes)*
- Nicolette Boater – Draft Corporate Strategy 2023-27 - *(a copy of which is attached as appendix 5 to these minutes)*
- Cllr Dine Romero – The Future of Culverhay - *(a copy of which is attached as appendix 6 to these minutes)*
- Malcolm Baldwin – Time to press the re-set button - *(a copy of which is attached as appendix 7 to these minutes)*

8 MINUTES OF PREVIOUS CABINET MEETING - 9TH MARCH 2023

RESOLVED that the minutes of the meeting held on Thursday 9th March 2023 be confirmed as a correct record and signed by the Chair.

9 CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

No single member items were requisitioned to Cabinet.

10 MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES

Cllr Robin Moss, Chair of the Corporate PDS Panel attended the meeting and gave feedback following the Panel's consideration of the draft Corporate Strategy 2023-27 at its meeting on 11th July 2023.

Cllr Moss highlighted the following issues:

- Concerns were expressed by the Panel regarding the cost-of-living crisis and how this would impact the Council over the next couple of years.
- There are three main elements to consider within a Corporate Strategy – internal (i.e., budgets and staffing), external factors not within our control and unforeseen consequences (such as the Covid pandemic).
- It is likely that Local Government will have to deal with the financial crisis with no help from Central Government.
- He thanked the Chief Executive and the Cabinet Member for Council Priorities and Delivery for attending the PDS Panel meeting to present the Corporate Strategy.

The Leader thanked Cllr Moss for attending the meeting and Cabinet noted the feedback from the Panel.

(A document setting out the detailed feedback from the Corporate PDS Panel is attached as Appendix 8 to these minutes).

11 SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING

The Cabinet agreed to note the report.

12 UPDATE ON PROGRESS ON DELIVERING THE CORPORATE STRATEGY 2020-24 AND ANNUAL PERFORMANCE REPORT 2022-23

Cllr Dave Wood introduced the report, moved the officer recommendation, and made the following statement:

“This is a moment to really reflect on the last four years and the incredible achievements this Council and its staff have made against the backdrop of the Covid pandemic and rising inflation.

We have:

- Invested extra millions into road repairs and cleaner streets, starting to reverse a decade of cuts to local government
- Introduced the first charging clean air zone (CAZ) outside of London
- Invested in high streets in Midsomer Norton, Keynsham and Bath
- Sharply increased renewable energy in the district
- Achieved and sustained our best recycling rate ever
- Built more pedestrian crossings, segregated cycle lanes and 20mph zones than ever before
- Created the Chew Valley recreational trail
- Found new ways of engaging people through Citizens' Juries
- Created the first new social rent properties in a generation
- Built a state-of-the-art new recycling centre in Keynsham
- Is the first Council in England to adopt a net zero based housing plan

These are the building blocks of future success as we embark on the historic second term voters have given us. The first administration to prove itself worth being re-elected for another four years. This is our record of action and I'll go on to talk about our promise of more in the next item."

Cllr Alison Born seconded the motion and made the following statement:

"As has been noted, this systematic approach to planning and performance was introduced by the previous Liberal Democrat administration. It has provided a structure for articulating our aims and our planned programmes of work; it has increased transparency and accountability to the residents we serve. Our clear guiding principle is to improve people's lives and this report accounts for progress across our services.

When developing the strategy for our first term, we were not expecting to spend two years in the grip of an unprecedented global pandemic that had a massive impact on people's lives, but the authority responded well to that challenge, we continued to deliver services throughout the pandemic, supporting residents and businesses and adapting to meet changing needs and circumstances. Our focus during the height of the pandemic was to protect, contain and mitigate the impact of the emergency and to lay the foundations for an effective and sustainable recovery.

The 2022/23 performance report provides information on the extent of that recovery and demonstrates the success of that strategy. I am going to focus particularly on actions we have taken to meet the needs of vulnerable people. We have continued to invest in social care and are now supporting significantly more looked after children with many more on child protection plans. Our Connecting Families Service has continued to provide effective support for families with complex needs and our children's services were rated Good by recent OFSTED inspection.

We have increased support to local third sector groups through the Community Contribution Fund and through targeted use of community Infrastructure Levy funds. We have responded positively and robustly to issues in local care homes, ensuring rapid improvements. We have worked with the community to welcome refugees to the area and have provided support and warm spaces to help residents deal with the cost-of-living crisis; we have provided free internet access at council libraries.

Our public health services responded very well throughout the pandemic, helping to keep local residents safe, they have also invested in social prescribing and other preventative measures that aim to improve the health and wellbeing of the local population.

This is not an exhaustive list, and it is not the end of the story, we plan to build on this progress over this current term and I am happy to second this motion.”

Cllr Tim Ball noted that the authority has delivered services and moved forward throughout the Covid pandemic, and he looked forward to continuing this in the next four years.

Cllr Paul May spoke regarding the new footbridge which is now operational and providing access to a school in Radstock. This is an example of how the Council is improving people’s lives as it will enable children to walk to school safely and will reduce the need for parents to drive pupils to school in line with the Council’s policy on climate change.

Cllr Matt McCabe noted that the Council’s Planning Team had been under a lot of pressure during the pandemic. He congratulated Planning Officers on winning two awards in the last year – the RTPI South West Award, Planning Authority of the Year and an Award for Planning Excellence.

Cllr Sarah Warren noted the declaration of a climate emergency and the introduction of an ecological emergency action plan. She welcomed the Local Plan Partial Update and highlighted the fact the B&NES was the first council to require net zero emissions for new housing developments and one of the first councils to require a net gain in biodiversity. She also welcomed the outcome of the clean air zone as there has been a 20% reduction in nitrogen dioxide levels.

RESOLVED (unanimously):

To note the progress made in delivering the Corporate Strategy and the highlights of Council performance and activity during 2022-23.

13 CORPORATE STRATEGY 2023-2027

Cllr Dave Wood introduced the report, moved the officer recommendation and made the following statement:

“The Corporate Strategy is a framework for what the Council will deliver for residents over the next four years. It brings together what you’ve told us is important, what you voted for in the election in May – and integrates this into the Council’s plans and way it makes decisions.

Listening to residents and acting on their concerns is our commitment. We will find new ways to reach residents to find out their views and priorities. We will work with communities to identify the local priorities that people really care about. Area working will ensure Council thinking is joined up and focussed on local communities.

We will continue to improve frontline services. Services declined after a decade of central government cuts to local government, but over the last four years we have started to reverse those cuts – millions extra invested in road repairs and cleaner

streets as one example. We will continue to improve frontline services and take pride in our area.

We will continue to put climate at the heart of everything that we do and will use an evidence-based approach to ensure all our decisions are helping us on our journey to Net Zero.

I'd like to thank the residents of B&NES for trusting us and giving the Lib Dems a historic second term in control of the Council, and with an increased majority. We will repay that trust by listening to you and focussing on the issues that matter to you the most."

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

"This evening I am proud to support this corporate strategy, the first time ever that an administration in Bath and North East Somerset has been entrusted by voters with a second term to really embed their policies. This will be an opportunity to double down on action on the climate and ecological emergencies declared in the last four years.

This month, the world has repeatedly recorded the hottest day since records began, and it follows the UK's warmest year on record. Lord Deben, Chair of the Committee on Climate Change told the Prime Minister a fortnight ago that, "the UK has lost its clear global climate leadership", and that, "game-changing interventions from the US and Europe, which will turbocharge growth of renewables, are leaving the UK behind."

The situation also remains serious for nature. The Department for Environment, Farming and Rural Affairs published biodiversity indicators for the UK last December, showing declines since 2015 in biodiversity of marine life, of habitats and species of European importance, of wild birds, and of pollinating insects. Bearing in mind of course, that the natural world provides our food, our clean air and water, and ultimately disposes of our biodegradable waste. The same report also shows declining investment in biodiversity over the same period.

It is in this context, of an ambivalent UK government that has lost interest in developing net zero industries, backtracked on fossil fuel commitments, and whose progress the Climate Change Committee has criticised as too slow and lacking urgency, that it is beholden now on local government to show leadership, and this is what Bath and North East Somerset's Corporate Strategy aims to do for the next four years.

We are in no doubt that we will be delayed and stymied at times by lack of government support: for instance, by restrictive national planning rules, by government prevarication around support for making homes energy efficient, by a profit-led bus industry, by an inadequate electricity grid, by transport ministers actively undermining our efforts to enable walking, wheeling and cycling, and by government's failure to control airport expansion, to mention just a few.

Nevertheless, I am proud that our latest corporate strategy shows a clear determination that Bath and North East Somerset council will continue to do all within our power to provide the support to enable our community to be carbon neutral and nature positive by 2030. Over the next four years, we will further embed these values into all our decision-making, which will be made in the context both of an

understanding of the environmental limits of our planet, and overlaid on a social and economic foundation, in line with the principles of doughnut economics.

I am delighted to second the recommendation this evening.”

Cllr Tim Ball stated that he was happy to see Liberal Democrats working hard for residents and stressed the importance of remaining focussed on the delivery of this strategy.

RESOLVED (unanimously):

- (1) To approve the draft Corporate Strategy 2023-2027 attached at Appendix 1 of the report and to recommend it to Council for adoption.
- (2) To delegate authority to the Chief Executive in consultation with the Deputy Leader (Cabinet member for Council Priorities and Delivery) to develop and implement an organisational decision framework tool to support implementation of the Corporate Strategy.

14 TREASURY MANAGEMENT OUTTURN REPORT 2022/23

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

“Just to provide some context, this is an information report on Treasury Management performance for the last year in line with the Chartered Institute of Public Finance and Accountancy Code of Practice which requires council to approve an annual Treasury Management report within 6 months of the end of the financial year.

So, it's a backward-looking report, detailing how the council's savings and borrowing performed over the financial year from April 2022 to March 2023.

Treasury management is obviously a vital part of the council's financial activity and whilst it can seem a dry topic, sound and successful treasury management is a major part of the bedrock on which the council's finances are built.

Looking at our investment performance – the average rate of interest earned across the portfolio was 2.09% but that obviously hides some volatility. It's important to remember this period starts in April 2022, when the economic environment was very different - prior to the disastrous period of Trussanomics and the KamaKwasi budget in the early Autumn. Bank of England Base Rate increased to 4.25% from 0.75% over the year with Bank of England interest rate action remaining robust in line with their remit for tackling inflation. This trend has continued with rates now 5% following further increases as inflationary pressures remained elevated.

The average return has continued to increase during the year from around 1% in April to just below 4% in March, as the Bank of England interest rate rises over the period fed through to our investments.

The report highlights the impact on the investment market of persistent inflation, increasing interest rates and risk of recession which has led to decrease in the valuation of the Council's strategic long terms investments which reduced from £10.3m to £8.8m over the year. However, this change does not directly impact on the

revenue position of the Council as there is currently a statutory override in place. Under the current rules any movement would only affect the revenue position if the investments were sold - and these are long term investments, so that is not our intention.

Turning to borrowing - at the end of the year our total borrowing was £210m - a reduction of around £9m from the start of the year. This is because we didn't take out any new borrowing during the year, and obviously principal capital repayments continued on our long-term Annuity Public Works Loan Board loans, and some shorter-term borrowing was repaid as loans reached maturity.

Overall - an underspend of £2.8m was achieved in respect of interest and capital financing, as result of higher than budgeted investment income, a delay in borrowing and savings on Minimum Revenue Provision due to capital spend reprofiling.

Finally - The report includes performance against all the indicators set in the Treasury Management Strategy and confirms that these are all within approved limits. I'd like to commend officers on both the production of the report and more importantly on their sound handling of the council's investments over the period."

Cllr Matt McCabe seconded the motion noting that Local Authorities have been affected by the current economic situation.

Cllr Kevin Guy highlighted the sound financial management of the Liberal Democrats in difficult circumstances.

RESOLVED (unanimously):

(1) To note the Treasury Management Report to 31st March 2023, prepared in accordance with the CIPFA Treasury Code of Practice.

(2) To note the Treasury Management Indicators to 31st March 2023.

15 REVENUE AND CAPITAL OUTTURN REPORT 2022/23

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

"Again, this is a backward-looking report, this time setting out the revenue and capital outturn for 2022/23 - in other words, it reports how the council performed compared to the budget set out at the beginning of the year.

The main headline here is the extremely positive news that the council had a favourable outturn position of £60,000 in 2022/23. In other words, we finished the year £60k better off than the budget predicted.

This is all the more impressive given that at Quarter 3 last year we were forecasting a £1.54m negative position, and in Q2 that figure was well north of £4m. Balancing the books has been made extremely difficult for everyone by the national Tory government's financial incompetence, with the current Sunak administration seeming unable to stop the rot started by Johnson and accelerated by Truss and Kwarteng, and that affects local government as much as everyone else.

It's nothing I can take credit for of course, having only taken up this role in May, but I'd like to congratulate my predecessor, the officers and the previous cabinet, on their hard work in pulling that position back in line despite the pressures outside their control. It demonstrates a really constructive, collaborative and positive approach to dealing with the financial pressures we, along with all other local authorities, are facing.

However, the overall figure does smooth over some significant variability between different services. The main pressure continued to be in Children's Services which resulted in an over budget position for that service of £5.4m during the year.

This was largely mitigated by increased income in both Heritage & Transport services, by reduced borrowing costs, by higher interest earned on cash balances and by the release of corporate contingencies.

The year-end position of uncommitted non-earmarked reserves was £12.6m which is in line with the risk assessed requirements agreed in the 2022/23 Budget Report.

The capital spend in 2022/23 was £74m against a budget of £107m giving a variance of £33m. This is primarily because of the delivery time to complete some projects moving them into future financial periods.

The report seeks the Cabinet approval to the revenue carry forwards of £158k to fund commitments that will now take place in 2023/24, and to transfer the £60k net underspend to the Revenue Budget Contingency Reserve which provides for future revenue pressures during the year which can't be mitigated by management action. So again, I'd like to thank officers for the production of the report, and for their hard work throughout the year."

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

"I am very pleased to second this report and endorse all that my colleague Cllr Elliott has said.

First, I need to wholeheartedly echo his praise and thanks for all those who worked so hard to bring us in on budget. You don't have to look too far to see examples of where local councils have not been able to do this. The quality of reporting is also worth highlighting, we have the information made available to us in a timely fashion to be able to make the decisions we need to in order to claw back overspends, or support income generation.

That bit is important. We haven't managed to hit budget by stopping all activity and cutting it to the statutory bone. We have managed to hit it, whilst also delivering the vast majority of our priorities and what our community needs.

Being able to deliver our commitments has also relied a lot on external funding, and or grant applications. I long for a return to a time when local government is adequately funded, does not have to burn up cycles of officer time in preparing speculative bids against changing criteria, forcing councils to compete against each other for resources in an inefficient and non-strategic way. It is entirely in the governments gift to choose to fund local councils correctly, they have chosen not to do so.

I want to give special thanks whilst seconding this report to the highways team. Anyone who has tried to do personal construction work over the past year knows how both labour and materials costs have rocketed. Highways work in the council has not been immune to these pressures, but through good negotiation and management we have retained best value for our residents and have protected the income so necessary to the council's finances.

Absolutely we can't take for granted that we came and will continue to come in on budget. But we can rest assured we have a great team who have delivered and are best placed to deliver again.

I'm delighted to second the report."

RESOLVED (unanimously):

- (1) To note the revenue budget outturn on budget position for 2022/23, after allowing for carry forwards and transfers to reserves.
- (2) To approve the revenue carry forward proposals listed in the tables in paragraph 3.7 of the report.
- (3) To approve that all other over budgets are written-off as an exception to the Budget Management Rules for 2022/23.
- (4) To approve the transfer of £0.06m to corporate earmarked reserves.
- (5) To note the revenue virements for 2022/23 reported for information in Appendix 2(i) of the report.
- (6) To note the reserve positions and the use of flexible capital receipts shown in paragraph 3.21 of the report.
- (7) To note the outturn position of the 2022/23 capital programme in paragraph 3.30, and the funding outlined in paragraph 3.32 of the report.
- (8) To approve the capital rephasing and write-off of net underspends as listed in Appendix 3 of the report. This reflects the outturn spend position on projects against final budgets as detailed in Appendix 4(ii) of the report.

16 REVENUE & CAPITAL BUDGET MONITORING, CASH LIMITS AND VIREMENTS – APRIL TO JUNE 2023

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

"Rather than being a backward-looking report, this one is giving the current, in-year position compared against this year's budget. It's designed to give an early review of budget performance using the first two months of financial data. This is to help us identify budget risks early.

I mentioned in previous reports the national Tory government's inability to get inflation under control, and UK Inflation (CPI) is still proving very stubborn - holding at around 8.7% - which is obviously affecting the cost of delivering Council services.

To cover the easy topic first, the 2023/24 Capital Programme is a forecast of £92.8m against a budget of £95.0m - so a small underspend. Whilst we want to see our capital programme proceeding according to plan, I don't think there is anything of serious concern here.

With regard to the Revenue Budget, the current forecast to the end of the year has identified above budget pressures of £3.96m. For context that's against an overall revenue budget of just over £135m - so just shy of 3% over budget. Whilst 3% might not sound like a lot, this is in the first two months of the financial year - there is absolutely no room for complacency and we, the whole cabinet, need to be working to bring this back in line as quickly as possible.

The major part of the overage is down to the continuing pressure on Children's services which makes up £3.3m of the forecast budget pressure. This is a national problem being faced by all councils across the country - central government simply isn't providing enough funding into the system to cope with the constantly rising pressures in this area.

There are also workforce pressures across Council services which is creating a reliance on higher cost agency staff, and we need to reduce that reliance as quickly as possible.

On the upside, we have seen good income performance across our corporate budgets and chargeable services that is helping to mitigate some of the rising costs in other areas.

I don't want to be too gloomy - identifying the issue this early in the financial year is a really good thing. I know the council's leadership team are now working on financial recovery plans to bring us back into budget, this will be reported back to Cabinet as part of our Quarter 2 monitoring. I urge all cabinet colleagues to continue to work closely with their senior directors and other senior leaders over the coming couple of months to quickly identify, and then monitor, mitigation plans for your individual portfolios. Whilst we're seeing particular pressures in one portfolio, getting the budget back on track is something for us all to pull together to resolve.

I'll finish with thanks again to officers both in the finance dept and across the council. We have a great team and I'd like to thank them for their efforts in less-than-ideal financial conditions."

Cllr Paul May seconded the motion and made the following statement:

"Thank you I wish to second this item and specifically address the children's services pressures.

The previous council resources cabinet member made it clear we would be transparent re council budgets and monitoring, so it is essential to the public that we manage and show pressures where they exist at the earliest stage possible.

B&NES children's services is respected and well run being rated as 'Good' across all services by Ofsted at our latest inspection confirmed by them recently in their annual assessment. The predicted overspend is in addition to additional support given in the approved Council budget for this year.

We deal with the most vulnerable children in our community and the work of our staff to support them and their families is something to admire.

The forecast is based upon the Conservative government allocating non-resident unaccompanied asylum-seeking children to local authorities. We welcome them, but the funding does not reflect their needs. Their status takes years to resolve by the Home Office, so as they become adults at the age of 18, our legal commitments then continue until the age of 25. We have no control over this system, and it creates officer and financial pressures at a time of increasing needs of local families following the pandemic. This is not just a local pressure and national discussions are taking place.

There are two other main drivers of this over-budget position. One is the demand-led placement and package budgets and the other is the increasing pressures from ongoing cost increase across Home to School Transport.

The service continues to look at all its costs and pressures to minimise long term these revenue increases, but I welcome the openness of our system to report things so early.”

RESOLVED (unanimously):

- (1) To note the 2023/24 revenue budget position (as at the end of June 2023).
- (2) To note the revenue virements listed for information in Appendix 3(i) of the report.
- (3) To note the capital year-end forecast detailed in paragraph 3.19 of the report.
- (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) of the report.

The meeting ended at 7.42 pm

Chair _____

Date Confirmed and Signed _____

Prepared by Democratic Services

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Bath & North East Somerset Council

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

published from 5 July 2023 until 29th August 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>

Bath and West Community Energy (BWCE) Co-operation Agreement Renewal

Since 2011, the Council has had in place a Cooperation Agreement with Bath & West Community Energy (BWCE). The Agreement has enabled strong partnership working between the Council and BWCE due our aligned vision for increasing renewables across the district.

The Agreement was last renewed in 2016. This report proposes the renewal of the Agreement for a further five years, up to 2028. The draft Agreement has been updated to reflect current Council policy and strategies.

Decision Maker: Cabinet Member for Climate Emergency and Sustainable Travel

Decision Published: 15/08/2023

Effective from: 23/08/23

Decision:

The Cabinet Member agrees that the cooperation agreement between B&NES and Bath and West Community Energy should be renewed for a further 5 years, up until 2028.

Wards affected: All Wards

Lead Officer: Jackie Clayton and Louise Morris

Cycle Hangar Project - Phase 2

Report on the proposed installation of up to 20 cycle hangars in a second phase of our cycle hangar pilot.

Decision Maker: Cabinet Member for Climate Emergency and Sustainable Travel

Decision Published: 20/07/2023

Effective from: 28/07/2023

Decision:

To proceed with the proposed installation of up to 20 cycle hangars in a second phase of our cycle hangar trial.

Wards affected: All Wards

Lead Officer: Tom Gaze

Community Services Transformation Programme - Update on Contract Arrangements for 2024/25

Update on contracting arrangements for 2024/25.

Decision Maker: Cabinet Member for Adult Services

Decision published: 18/07/2023

Effective from: 26/07/2023

Decision:

(1) To endorse the proposal for an interim arrangement for commissioning of the Community Health Contract, Public Health and Community Partners with the Integrated Care Board (ICB) as Coordinating Commissioner and the Council as Co-Commissioner for a one-year period from 1st April 2024. Services commissioned are to be delivered within approved policy and budget frameworks subject to approval of the ICB in July 2023.

(2) To note the intention of the ICB to continue the existing provision of services with HCRG Care Group for a 1-year period from 1st April 2024 to 31st March 2025, subject to formal ICB approval in July 2023.

Wards affected: All Wards

Lead Officer: Claire Thorogood

Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	7 September 2023	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3476
TITLE:	Youth Justice Plan	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Youth Justice Plan 2023-24		

1 THE ISSUE

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

2 RECOMMENDATION

The Cabinet is asked to:

- 2.1 Recommend approval of the Youth Justice Plan to full Council.

3 THE REPORT

- 3.1 The principal, statutory aim of the youth justice system is to prevent youth offending by 10–17 year olds. The Youth Justice Plan includes the latest performance indicators for work with children at risk of offending and re-offending and sets out how services will be resourced and delivered in 2023-24.
- 3.2 Actions in the work plan will help to make Bath and North East Somerset a safer place and support children to lead crime-free lives with better prospects for their futures. This includes working with the Violence Reduction Partnership to address knife crime and other serious violence.
- 3.3 The Youth Justice Plan 2023-24 is attached as an appendix to this report.

4 STATUTORY CONSIDERATIONS

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

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 The above statutory partners share responsibility for resourcing the Youth Justice Service with staff and financial contributions. The Council continues to make the greatest contribution, together with significant in-kind support including access to buildings and finance, IT and human resources support. In 2023-24, the Council will contribute £427,662 (48%) for staffing and the pooled budget, as part of a total budget of £885,277. Whilst the amount remains the same, this is now a smaller proportion of the overall budget compared with last year, due to a new grant funding stream for the Turnaround initiative. The contribution is within the existing Council approved budget.

The work of the Service also depends on a core national grant from the Ministry of Justice, via the Youth Justice Board. This year, there is a small uplift to £230,904. The Police and Crime Commissioner's direct contribution remains at £10,217.

- 5.1 Submission of a Youth Justice Plan and quarterly data returns are conditions for receipt of the Youth Justice Board grant. In 2023-24, this will include reporting on an additional ten new key performance indicators and the introduction of a new oversight framework.

6 RISK MANAGEMENT

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

7 EQUALITIES

- 7.1 An Equalities Impact Assessment has been undertaken and has confirmed workstreams already identified within the Youth Justice Plan including addressing disproportionality amongst children from Black, Asian and Minority Ethnic backgrounds and children with Special Educational Needs and Disabilities.

8 CLIMATE CHANGE

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

9 OTHER OPTIONS CONSIDERED

- 9.1 None

10 CONSULTATION

- 10.1 This report has been shared with the Section 151 Officer and approved by the Monitoring Officer.
- 10.2 The Youth Justice Plan draws on feedback from children and parents who worked with the Youth Justice Service during 2022-23.
- 10.3 The Plan has been approved by the Youth Justice Partnership Board and members of the Youth Justice Service itself.

Contact person	Sally Churchyard, Head of Young People's Prevention Services and the Violence Reduction Unit Sally_Churchyard@bathnes.gov.uk Mobile: 07980 998711
Background papers	None
Please contact the report author if you need to access this report in an alternative format	

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Bath and North East Somerset Youth Justice Plan 2023-24



Working in Partnership for Child First Justice

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1. Introduction, Vision, and Strategy

In recent years, there has been considerable success both locally and nationally in reducing the number of children coming to the attention of the youth justice system¹. However, those who remain experience considerable challenges and need support to overcome the barriers they face and build more positive futures. Whether harmed by others and/or as a consequence of their own behaviour, they are amongst the most vulnerable children in Bath and North East Somerset. Some are already known to wider children's preventative and statutory services because of the difficulties they face; they may find it hard to access education and health services and so miss out on the full universal support intended to give all children a good start in life. There is also increasing recognition of the complex nature and hold of sexual and criminal exploitation of children, including into drug dealing and associated violence. Their experience is made even harder by the lasting legacy of the national pandemic, affecting physical and emotional and mental health and family poverty.

This Plan sets out how services to meet the needs of children at risk of offending will be provided and resourced in Bath and North East Somerset's Youth Justice Service in 2023-2024. It draws on learning from children, their carers and those harmed by their offending and has been developed with the Partnership Board and staff in the Youth Justice Service. It is written in accordance with the Crime and Disorder Act 1998 and national guidance from the Youth Justice Board and has been approved by the Local Authority and its statutory partners. The Plan will be submitted and published in accordance with the directions of the Secretary of State. Thereafter, delivery of the commitments within the Plan will be monitored by the Youth Justice Partnership Board and overseen by the Youth Justice Board.

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

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

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

¹ Principally, Police, Courts and Youth Justice Services but extending to include the Crown Prosecution Service, defence solicitors and services that support those harmed by offending.

The multi-agency Youth Justice Service works as part of this safeguarding partnership to fulfil a statutory responsibility to prevent children from offending. It does this in an age-appropriate way that takes account of their individual experiences including any adverse childhood experiences, discrimination and/or exploitation by others. Services are individually planned with children to help them and their families build on their strengths and make positive changes for their futures. At the same time, the impact of children's offending on individuals and communities is recognised and those harmed – often children themselves - are offered a voice and opportunity to become involved in restorative work.

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

Local ambitions are consistent with the YJB outcomes:

- Reduce the number of children in the youth justice system.
- Reduce reoffending by children in the youth justice system.
- Improve the safety and wellbeing of children in the youth justice system.
- Improve outcomes for children in the youth justice system.

B&NES' Health and Wellbeing Strategy 2023 - 2030 sets out an ambition to reduce inequalities and improve health and wellbeing outcomes for all living in Bath and North East Somerset. Although the health of people locally is generally better than the England average, there are increasing needs that impact on health and wellbeing and affect children and families. These include demand for social housing outstripping supply, low wages, increasing numbers of children receiving support or social, emotional and mental health needs and pressures on health and social care systems. Children eligible for free school meals (FSM) and those with Special Educational Needs/Disabilities (SEND) are doing less well in school. This disadvantage starts at the early years phase and remains across all educational stages. The four priorities are:

- Ensure that children and young people are healthy and ready for learning and education.
- Improve skills, good work and employment.
- Strengthen compassionate and healthy communities.
- Create health promoting places.

2. Child First Justice

The guiding principle for the youth justice system, including the Service and Partnership Board in Bath and North East Somerset, is 'Child First.' This means keeping children at the heart of all work undertaken and privileging their needs according to their age and particular circumstances ahead of treating them as 'offenders.' Supporting children to overcome structural barriers including prejudice and discrimination and focusing on better outcomes for them will in turn help to reduce the number of victims and contribute to a safer society for everyone.

There is evidence that a Child First approach is effective in addressing the offending behaviour of the small number of children within the youth justice system today, and in preventing offending by those children who are more likely to enter the system. However, we also need to be aware that some of those we work with wish to be regarded as young people or young adults rather than children and may experience some of the ways we work with them as unhelpful.

At its recent away-day, the Partnership Board refreshed its vision of working in partnership for Child First justice and each member made a brief statement in support of this. This includes:

- Promoting Child First principles
- Ensuring the Youth Justice Service and Partnership Board work in accordance with known best practice
- Supporting the Youth Justice Service to report on the Key Performance Indicators and work with partners to show improvements
- Ensuring children are supported and treated fairly
- Enabling a learning culture
- Resourcing the Youth Justice Service to achieve the vision.
- Supporting children and their carers to recognise and build on their strengths and fulfil their potential
- Encouraging children to repair the harm to victims and restore relationships within their communities to increase public confidence and safety

These principles have been adopted in B&NES and some examples are given below:

1. Seeing children as children	
Prioritise the best interests of children and recognise their particular needs, capacities, rights and potential. All work is child-focused, developmentally informed, acknowledges structural barriers and meets responsibilities towards children.	B&NES is shifting its terminology and making greater use of the term 'children' in order to highlight their legal status and rights and the responsibilities of the adults in their lives to support and safeguard them. Following consultation with children and staff, the Service and its Board have been re-named as Youth Justice Service and Youth Justice Partnership Board respectively. The Service still addresses children's presenting behaviour but is increasingly working on wider unmet need in the interests of meeting its statutory responsibility to prevent youth offending.

2. Helping children build a pro-social identity	
Promoting children's individual strengths and capacities to develop their pro-social identity for sustainable desistance, leading to safer communities and fewer victims. All work is constructive and future-focused, built on supportive relationships that empower children to fulfil their potential and make positive contributions to society	In B&NES, continued participation in the trauma informed Enhanced Case Management initiative has focused attention on the importance of assessment, planning and delivery taking full account of the developmental needs of each individual child. Reducing caseloads have enabled practitioners to develop strong professional relationships and create individual support programmes.
3. Collaborating with children	
Encourage children's active participation, engagement and wider social inclusion. All work is a meaningful collaboration with children and their carers.	Children's involvement in innovative reparation projects enables them to contribute to the wider community. Locally, children have chosen to write leaflets for their peers, for example, explaining what reparation is and addressing the issue of carrying knives, using language and an approach that is more likely to be effective.
4. Diverting children from the justice system	
Promote a childhood outside the justice system, using pre-emptive prevention, diversion and minimal intervention. All work minimises criminogenic stigma from contact with the system.	B&NES' Compass prevention work is now extended with Turnaround funding to support children on the very cusp of the youth justice system. 'Outcome 22' to defer prosecution has been extended locally to allow more children to engage with planned support for low gravity offences, as recommended in the Lammy Report, 2017. Most of the Service's work now takes place pre-Court.

3. Voice of the Child

The Partnership Board is committed to hearing children's voices and each business meeting starts with a case study or a child attending to tell their story or raise an issue. This has sometimes led to the Board taking up matters on behalf of them. For example, two of the Board members promoted feedback about how to make children feel more welcome in a new placement.

Since 2000, B&NES has been signed up to the United Nations Convention on the Rights of the Child. Article 12 states that 'children and young people have a right to be involved in all decisions that affect their lives.' In compliance with the Children Acts 2004 and 1989 and the Human Rights Act 1998, B&NES' Participation Strategy commits staff to 'ensure all children, young people and their families have opportunity to participate in decisions which affect their lives and to help shape some of those decisions.' The Youth Justice Service has adopted the five standards:

Standard 1: Service users are given a range of opportunities to give feedback on the service they receive and are clear about how that feedback will be used

Child's example: Eddie joined the Youth Justice Partnership Board meeting in September 2022 to speak about his experiences of arriving in new residential placements. He spoke powerfully about more needing to be done to ensure children are made to feel welcome and are given a positive start. His recommendations were for:

- A more rounded introduction where the child's interests and achievements are shared with all placement staff rather than just "risks and negative things."
- Welcoming meetings with all staff so that children don't arrive back home to find a member of staff they don't know
- A welcoming pack with some nice toiletries and also things to personalise their bedrooms such as photo pegs, fairy lights or posters or paint

The commissioner member of the Board shared a summary of what he had said to providers nine of whom committed to share it with staff. The Director of Children and Education shared the information with the Children Looked after Team. This was all fed back to Eddie.

Parents/carers' example: Parent/carers have highlighted the distress caused by delay between the offence(s) being committed and their child's contact with the Youth Justice Service, as they have been unclear what is happening in this time. The Youth Justice Service has escalated the issue of delays to the Local Criminal Justice Board which is now monitoring data on this and looking at ways the system can address the issue. At a local level, the new Turnaround funding now enables the Youth Justice Service to offer voluntary support to some children who have been released under investigation.

Standard 2: Service users are encouraged and supported to participate and contribute to service delivery and development.

Child's example: Billy said there was no information on knife crime that didn't focus on reporting someone who carries a knife. He felt this was a strategy that doesn't work and alienates the community. The Reparation Worker supported him to create a leaflet on knife crime that he was proud of and he felt that talking about trauma and the needs of people in his local community was really important. The leaflet is now being made available to others.

Child's example: Danielle said she thought there should be more education about the pressures on boys and girls around "being sexual." She thought there wasn't enough mutual education i.e learning about it from others' perspectives. She made a poster highlighting sexual pressures and misinformation, which is now displayed in the Youth Justice office.

Standard 3: We actively ensure those service users in minority groups have equal capacity to participate within our organisation

Child's example: Connor said that all the ADHD resources he had seen were negative and he felt that impacts on bullying and misunderstanding of those with ADHD. He said that he got diagnosed late in school and had not had the support or understanding he needed and that this contributed to his offending behaviour. Connor made a leaflet about the positive traits of children with ADHD and sent it to his school. It is also available for staff and children in the Youth Justice Service. He was proud of his work.

Standard 4: We have a clear commitment to participation within our organisation, which all staff are aware of

Child's example: Adrian said that at first, there weren't any staff he could relate to in the Youth Justice Service. He said he wanted to talk to people who had more of a similar life experience and who could understand where he was coming from. Staff supported him to explore what values and beliefs he held around this and role models in his current community. They then explored how this could be translated into a job advert which could be used in advertising for jobs and in interview questions for the Youth Justice Service. These have started to be used in recruitment and they will also be used to update practitioner Person Specifications.

Whenever a practitioner is appointed, children are asked to convene a children's panel to meet with candidates and test out their skills; sometimes, a child will join the main recruiting panel instead. This means that children have a say in our appointments and that staff's first encounter with the Service shows our commitment to participation and sets an expectation. At the end of contact, some parents and carers have said the Youth Justice Service is the best service they have experienced due to its good communication with them. They have valued its non-judgmental and compassionate approach and consistently have good relationships with staff. This may be a result of children's involvement in selecting staff with the right attributes.

Standard 5: Sufficient budget and finance is made available to support participation.

Staff are encouraged to incorporate participation into all the work they are doing with children and the Reparation Worker in particular, has been able to mainstream this into her work. To help take this further, the new Senior Practitioner appointed will take a lead and have dedicated capacity to strengthen children's and parents' participation

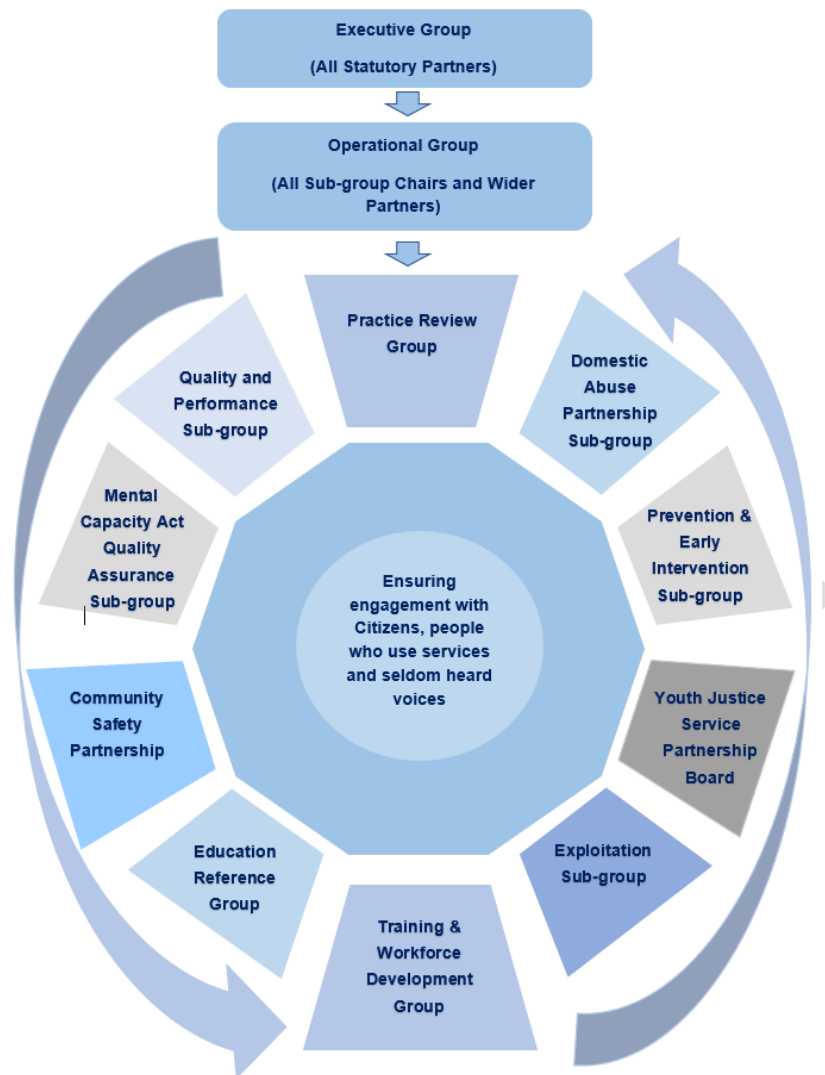
4. Governance, Leadership and Partnership Arrangements

4.1 Overarching Governance Arrangements

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

Multi-agency strategic oversight of Youth Justice Services is provided at a number of levels. Its dedicated Partnership Board operates as a sub-group of the B&NES Community Safety and Safeguarding Partnership (BCSSP). This partnership embraces the functions of the previous Local Children's Safeguarding Board, Adult Safeguarding Board and Community Safety Partnership, recognising their shared responsibilities and interfaces. It operates across all ages, being well placed to address the challenges of transition, and encourages a focus on

families and communities. Its structure is currently being reviewed but it is expected that the Partnership board will remain as a dedicated Sub Group.



Relationships between Youth Justice and the BCSSP are supported in the following ways:

- The Chair of the Youth Justice Partnership Board provides the Operational Group with quarterly updates of key achievements, outcomes, challenges and priorities and links the work of the Youth Justice Service with other developments.
- The Youth Justice Service reports any high-risk incidents through the BCSSP in addition to following national reporting requirements.
- The Head of Service sits on the Prevention and Early Intervention Sub Group, the Domestic Abuse Partnership and the Exploitation Sub Group and helps to integrate their work with the work of the Youth Justice Service and its Partnership Board.
- She also chairs the Serious Violence Steering Group (the local Violence Reduction Partnership) which formally reports to the Exploitation Sub Group and directly to the BCSSP Operational Group and makes regular briefings to the other groups she attends.

4.2 The Youth Justice Partnership Board and its Sub Groups

The Partnership Board includes all required statutory members from the Local Authority (Social Care and Education), Health (through the Integrated Care arrangements), Probation and Police. The Cabinet Member for Children's Services also attends, together with the Chair of the Avon and Somerset Youth Bench, the local Further Education College, the local Health provider and the Child and Adolescent Mental Health Service. Additionally, a volunteer representative from the Referral Order Panel has recently joined the Board, together with a representative from the Youth Justice Board. Meetings are currently chaired by the Director of Children and Education and serviced by the Youth Justice administrative team. Attendance at quarterly business meetings and the annual development event is monitored and is generally very good from all agencies, sometimes including named substitutes. All new members are offered induction into the work of the Youth Justice Service and their responsibilities as members of the Board, and feedback from this continues to be positive.

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

There is commitment to maintaining strong links between youth justice practitioners and Board members. Each meeting begins with a focus on children through a practitioner's case study illustrating an aspect of work undertaken or, from time to time, through a practitioner supporting a child working with the Service to attend and tell their story or present an issue. These presentations highlight challenges in the work undertaken and sometimes seek support in raising issues at a strategic level. Some practitioners also compile and present reports about aspects of the work they are involved in. This gives opportunity to raise awareness and allows for some scrutiny of work undertaken. In turn, Board members are encouraged to participate in case audits and to meet with individual practitioners to observe or discuss their work, to deepen their understanding.

4.3 Partnership Arrangements

In accordance with the Crime and Disorder Act 1998, professionals from Police, Health, Social Care, Education and Probation make up the multi-agency Youth Justice Service and work in an integrated way alongside a dedicated Reparation Worker who facilitates opportunities for children to make amends for their offending and two Assessment and Information Officers. One of these supports the volunteer Referral Order Panel Members and the other co-ordinates return home interviews with children who have returned from a missing episode; they both support use of Early Help Assessments across the Authority, including within Compass. An organisational chart in the appendices summarises the posts, a number of which are part-time. The lowest number of hours in a post is the Probation Service Officer and it is a challenge to make full use of this small resource. There are continuing conversations with the probation Service about this.

Case manager staff including qualified Probation Officers and Registered Social Workers have key statutory functions, including the assessment and supervision of young people aged 10-17 who are subject to voluntary and conditional Out-of-Court Disposals and community and custodial Court Orders, and supporting parents/carers to strengthen their parenting skills. The Police Constables (one full-time equivalent) undertake a range of tasks including facilitating information sharing but also giving those harmed a voice and an opportunity to become involved in restorative work with children if they wish to do so. This work is supplemented locally by a prevention service, Compass, which works with children aged 8-17 years who are assessed as being at high risk of offending, and with their families. The new Turnaround initiative for children on the very cusp of the youth justice system, is being rolled out alongside Compass.

The Youth Justice Service benefits from close working with a range of partners. Those most often providing services to children at risk of offending include:

- DHI Project 28, which receives a small annual grant from the Police and Crime Commissioner as part of their core Council commission. With this, they provide substance misuse services for children subject to Youth Alcohol and Drugs Diversion (Outcome 22) interventions and programmes for those subject to voluntary and statutory supervision.
- Youth Connect South West, commissioned by the Council, provides targeted support and access to universal youth services, together with programmes to support access to training and employment opportunities.
- Social Care's Adolescent and Criminal Exploitation Team works with children who have been exploited, some of whom are also known to the Youth Justice Service. Managers in the two services endeavour to co-ordinate their work in the best interests of the children concerned, and usually identify a 'lead' worker with whom the child engages best.
- The Early Intervention Team, part of the Police contribution to the Violence Reduction Partnership, and including a Sergeant, two Constables and two Police and Community Support Officers. They undertake early intervention work with children on the fringes of involvement in serious violence and have joined the Youth Crime Prevention Board to help 'join up' preventative approaches.
- The Violence Reduction Partnership, managed by the same Head of Service as the Youth Justice Service, including a Co-ordinator and Development Officer for the Council. The Violence Reduction Partnership hosts a multi-agency information sharing meeting – the Partnership for Preventing Exploitation and Serious Violence. Individuals at risk of serious violence, networks and places of concern are all identified, the nature and level of risk is discussed and actions are agreed to strengthen risk management. The Youth Justice Service plays an active role in this.
- Southside, a community-led project for supporting those affected by domestic abuse and also commissioned by the Violence Reduction Partnership to offer lived-experience mentoring to those involved in serious violence.

5. Youth Justice Partnership Board Development

The Board has welcomed new members during the last year, including the incoming Chair of the Avon and Somerset Youth Bench, an additional Police representative to provide better links with thematic Police work across Avon and Somerset and a representative from the Youth Justice Board. A Referral Order Panel member has also joined, to strengthen links with the community and the work of Referral Order Panels.

The Board is continuing to meet remotely on a quarterly basis although a blended meeting, with some attending in person and some online, was trialled in January. Limitations with the technology made this a challenging meeting but it did usefully lead to a consultation with the Board about how to make meetings more productive. This led to changes to reduce the length of agendas, including by moving some annual reports to 18-monthly reports, and a decision to circulate papers 2 weeks in advance rather than one week, to allow members time to properly review them. It has also updated its Terms of Reference and Partnership Agreement.

The Board continues to hold face-to-face annual development events, the most recent in May 2023 having focused on the principles of Child First Justice and the Anti-Racism Plan. The October Partnership Board meeting will follow up on how Child First Justice is put into practice, including an item on the Youth Court.

Practitioners are keen to further strengthen links with the Board and are continuing to offer opportunity for them to participate in audit activity and observe work.

6. Progress on Previous Plan

The priorities agreed for last year were to increase participation, address discrimination, extend effective practice models, tackle exploitation and support and equip staff.

The associated actions have all been progressed and many have been completed but it proved to be an ambitious programme of work for a small Service. A number of actions are in relation to longer-term pieces of work that will continue into this year and beyond. The recent appointment of a (two-year fixed-term) Senior Practitioner enables some welcome additional capacity for development of participation work as well as supporting the Turnaround programme.

An end of year position on all actions is included in appendix 3.

7. Resources and Services

All statutory partners contribute in-kind staffing resources and a contribution towards the pooled budget to meet the costs of employing a Business and Performance Manager and IT costs. Contributions have not changed for a number of years.

The Youth Justice core grant is used entirely to support the work of the Youth Justice Service. Expenditure is agreed annually, monitored at monthly finance meetings and overseen quarterly by the Partnership Board. It is used in accordance with the Terms and Conditions of Grant, specifically, towards the costs of employing two administrative staff, a Deputy Team Manager, a qualified Youth Justice Officer and a Reparation Worker. The Grant also covers professional subscriptions, travel costs, room hire, equipment and other related expenses.

Performance in 2023 - 2024 will be improved through the appointment of a fixed-term Senior Practitioner post, as outlined above through the pooled budget, with a contribution from the Turnaround fund. In addition to supervising some staff and undertaking some direct work with more complex children in Turnaround, she will be leading on participation.

8. Performance

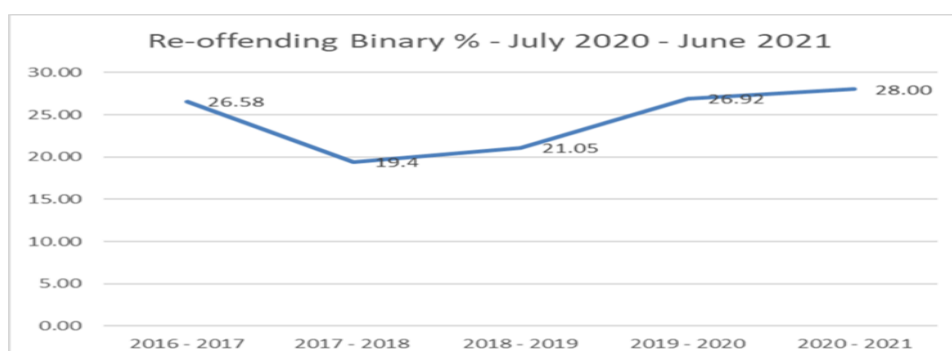
8.1 Re-Offending

One of the YJB's key measures of effectiveness in the youth justice system is the known re-offending of children who have previously been supported by the Youth Justice Service. The indicator is the rate of re-offending after 12 months by a cohort of children who received substantive outcomes (Cautions, Conditional Cautions or Convictions). This does not include children who received other types of Out-of-Court Disposals. It is shown as a binary rate (the overall percentage of children who re-offended) and as the average rate of new offences committed by each child who re-offended.

For the period July 2020 - June 2021, the YJB reports on a cohort of 18 children, 6 of whom re-offended, committing 28 new offences between them. This gives a re-offending rate of 33.3%, an increase of 1.33% on the previous year. YJB data shows local re-offending as higher than in most comparator groups, with 32.7% re-offending across the South West, 31.1% re-offending in England and Wales and 31% re-offending in England; only in the Avon and Somerset Police and Crime Commissioner area do they show re-offending as higher, at 35.5%

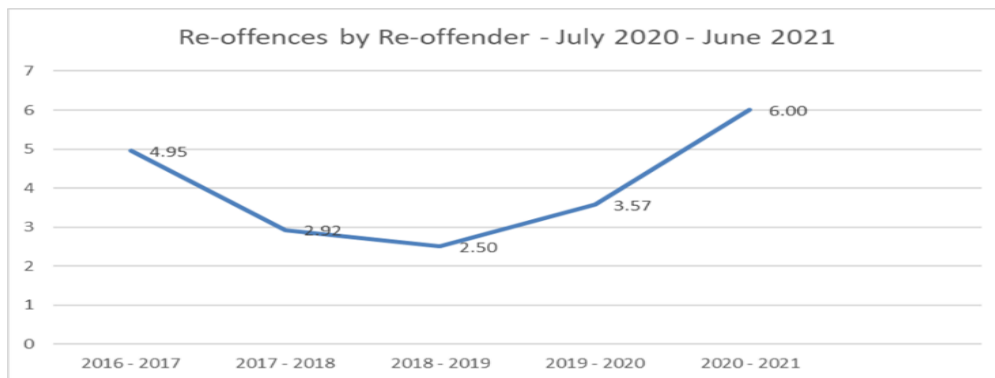
There continue to be discrepancies between YJB data and local data. The reasons for this are not fully understood but are in part because the YJB data is taken from the Police National Computer which does not include motoring offences. B&NES' own data is for a cohort of 25 children, 7 of whom re-offended, committing 42 known new offences between them, compared with 9 children from the previous cohort of 30. This gives a binary re-offending rate of 28.0% (an increase by +1.08 on local data from the previous year). There is comparative data available from other areas.

An analysis of the local data highlighted that 72% of children did *not* re-offend. Of those who did re-offend, all did so within 3 months and 57% committed a more serious offence. All those who re-offended were White British, 43% were Children Looked After and 86% were male. It is not possible to recount the individual circumstances of these children in a public document but it is fair to say they were a particularly troubled group of children. Most had experience of adverse childhood experiences and there is evidence that the majority had been exploited into drug dealing. There is also a view that not all these children were best supported through the youth justice system due to their individual medical circumstances.



Frequency of Reoffending

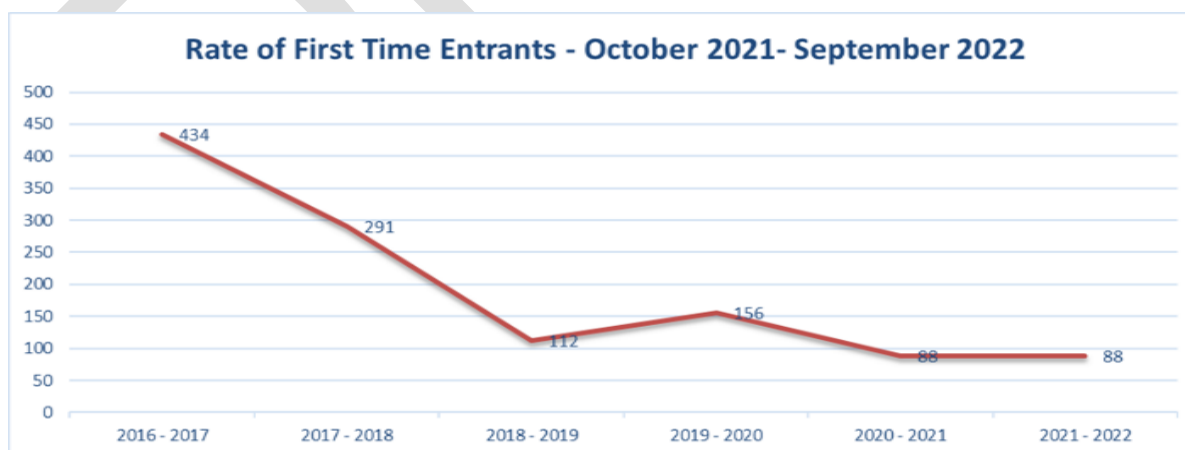
National data reports just 6 children re-offending and committing 28 new offences between them, giving a rate of 4.67. This is higher than all comparator rates - South West (3.30), Police and Crime Commissioner area (3.51), England and Wales (3.63) and England (3.65). Local data shows a rate increase from 3.57 to 6.00 based on 7 children re-offending, committing 42 new offences between them, compared with 9 children committing 53 new offences between them in the previous period.



8.2 First Time Entrants

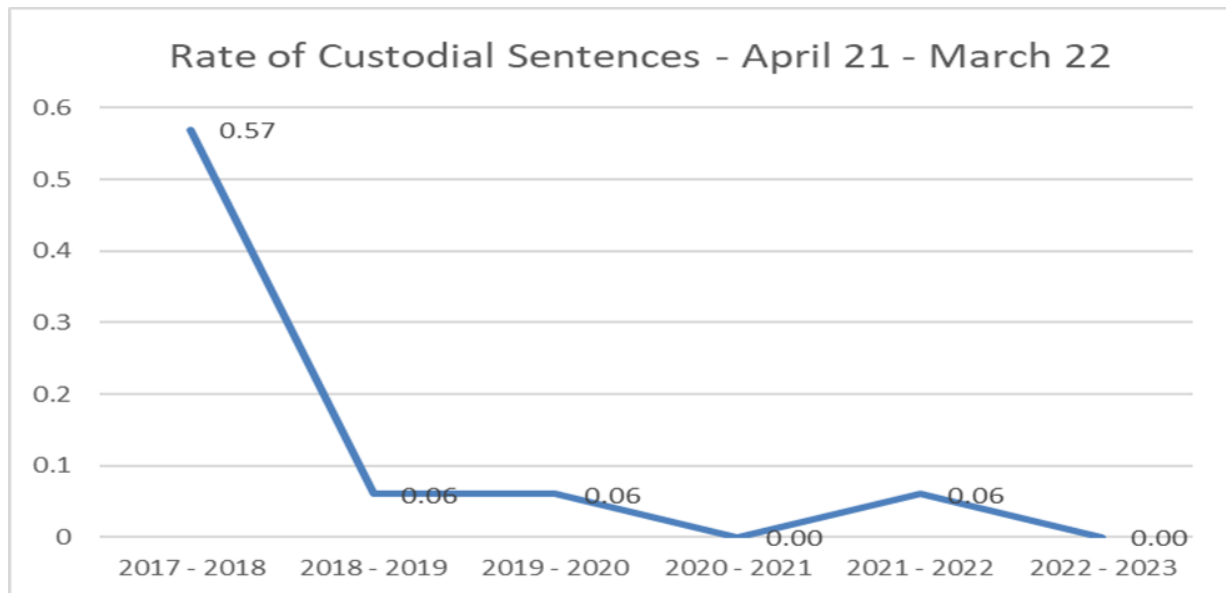
Our rate has remained the same at 88 (14 individual children) per 100,000 in the population as the previous reporting period. The MOJ published data shows no data for B&NES due to there being less than 10 - this again highlights the discrepancies between our data and the data provided by PNC as our local data shows 10+ in the cohort. The rates for our comparators are: South West (125), PCC area (115), England and Wales (148) and England (149).

For the period January to December 2022 - 83% of First Time Entrants were White British and 27% were from Black and Ethnic Minority Backgrounds which is an increase in disproportionality from the previous reporting period of 18%. There were 25 children in this cohort, 76% were White British and 24% were from Black and Ethnic Minority Backgrounds. 80% of children from Black and Ethnic Minority Backgrounds received an outcome at Court in this cohort compared to 31% of White British Children.



8.3 Custody

There were no custodial sentences in this reporting period. Our rate has remained at 0.00 per 1,000 in the population. The MOJ published data matches our local data and our rate decrease remains at -0.06. The rates for our comparators are:- South West -(0.05), PCC area (0.04), England and Wales (0.11) and England (0.11).



8.4. Additional Key Performance Indicators

The YJB will be introducing ten additional key performance indicators during 2023-24. This data will first be reported to the Youth Justice Board at the end of August. Some of this data is already reported to the Partnership Board.

8.4.1 Suitable Accommodation

The key performance indicator will be the percentage of children in the community and being released from custody with suitable accommodation arrangements on their last day of contact with the Youth Justice Service.

There were 34 case closures in the 12 months ending March 2023 and 33 (97%) were assessed by youth justice practitioners to be living in suitable accommodation at the end of their intervention. The measure masks some unsettledness in children's accommodation whilst working with the Youth Justice Service, as it only measures their status on the last day of contact. The challenge identified is provision of suitable accommodation during the transition to adult services. Imminent changes to the regulation of post-16 provision may influence this going forward.

8.4.2 Education, Training and Employment

The key performance indicator will be the percentage of children in the community and custody attending a suitable Education, Training and Employment arrangement. This data is not currently reported.

8.4.3 Special Educational Needs and Disabilities

The key performance indicator will be the percentage of children who have an identified special educational need and/or disability who are in suitable Education, Training and Employment and have a formal learning plan. This data is not currently reported.

8.4.4 Mental Health Care and Emotional Wellbeing

The key performance indicator will be the percentage of children in the community and custody with a screened or identified need for an intervention to improve their wellbeing; and of that, the percentage of planned or offered interventions; of that, the percentage of children accessing interventions. This data is not currently reported but recording changes have been agreed to enable reporting going forward.

The Specialist Community Public Health Nurse offers a holistic health screening to all children who come into the service in order to identify any mental health or emotional well-being needs and provide direct support or refer to specialist services including CAMHS. Her last annual report to the Partnership Board identified emotional health as the second most prevalent need (with physical health needs most prevalent). Support provided includes direct intervention using Brief Solution Focused approaches and supporting practitioners and the wider team around the child.

8.4.5 Substance Misuse

The key performance indicator will be the percentage of children with a screened or identified need for specialist intervention to address substance misuse; and of that, the percentage of children with an offer of intervention/treatment; and of that, the percentage of children attending intervention/treatment.

The same Specialist Community Public Health Nurse also provides a holistic health screen for all children who come into the service and seeks to identify any substance misuse needs. In addition to this the allocated case manager will also look at any substance misuse needs as part of their assessment. The local substance misuse partner DHI (Project 28) provides specialist intervention for children in the area. In preparation for the introduction of the KPI to capture substance misuse need and delivery of support, we have been working with them to capture the data of those who have been accessing support prior to their involvement with the YJS, those that were screened and offered support via referral to them (including commencement of intervention).

8.4.6 Out-of-Court Disposals

The key performance indicator will be the percentage of Out of Court Disposals that are completed and not completed. Local data already reported shows 41 Out of Court Disposal Panel cases closed between 1st April 2022 and 31st March 2023 and of these, 87% successfully completed, 2% refused, 7% no programme was offered, 2% completed other and 2% did not complete. New national guidance including a standard assessment tool will be published in the autumn of 2023 and a Police-led tactical group is supporting greater consistency across Avon and Somerset.

8.4.7 Management Board Attendance

The key performance indicator monitors senior (statutory) partner attendance at Board meetings and monitoring if partners contribute data from their individual services that identify areas of racial and ethnic disproportionality. Police currently report data on stop and search and strip search by ethnicity. This has been reported for a number of years. For the period 2022–23, statutory partners' attendance was 95%.

8.4.8 Wider Services

The key performance indicator will be the percentage of children who are currently on either an Early Help plan or Child Protection Plan or classified as a Child in Need or a Child Looked

After. This data is not currently reported on the statutory caseload but the Youth Crime Prevention Board has been receiving this data on first time entrants for many years.

8.4.9 Serious Violence

The key performance indicator is the rate of children convicted for a serious violent offence on the Youth Justice Service caseload. The YJB definition for serious violence is harm caused that has a gravity score 5+. This data is reported but despite an apparent rise in serious violence in the area, in the last year, numbers fitting the criteria for reporting have been very low.

8.4.10 Victims

The key performance indicator is the percentage of victims who consent to be contacted by the Youth justice Service, and of those, the percentage of victims who are engaged with restorative justice opportunities, asked their views prior to Out of Court Disposal decision-making and planning for statutory Court Orders, provided information about the progress of the child's case (when requested) and provided with information on appropriate services that support victims (when requested). This data is not currently reported.

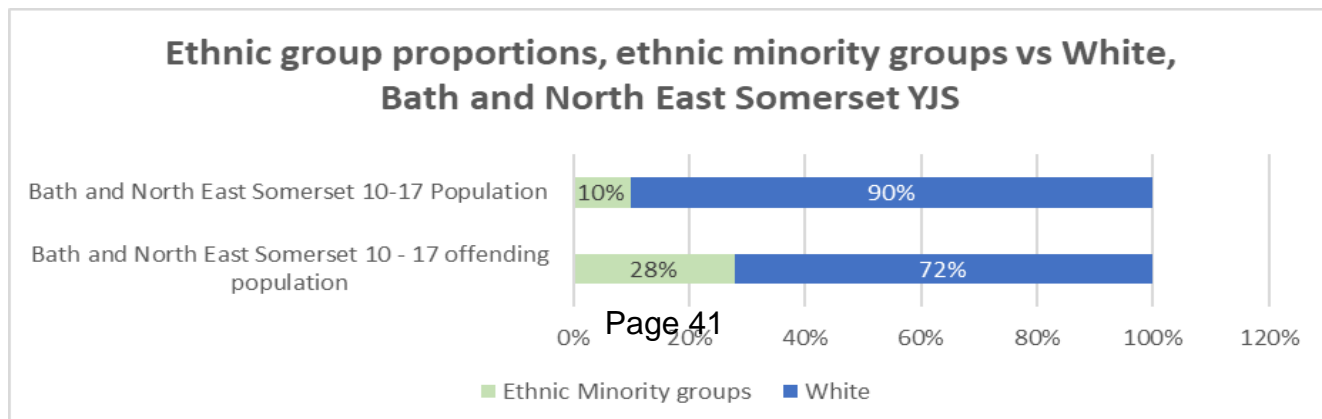
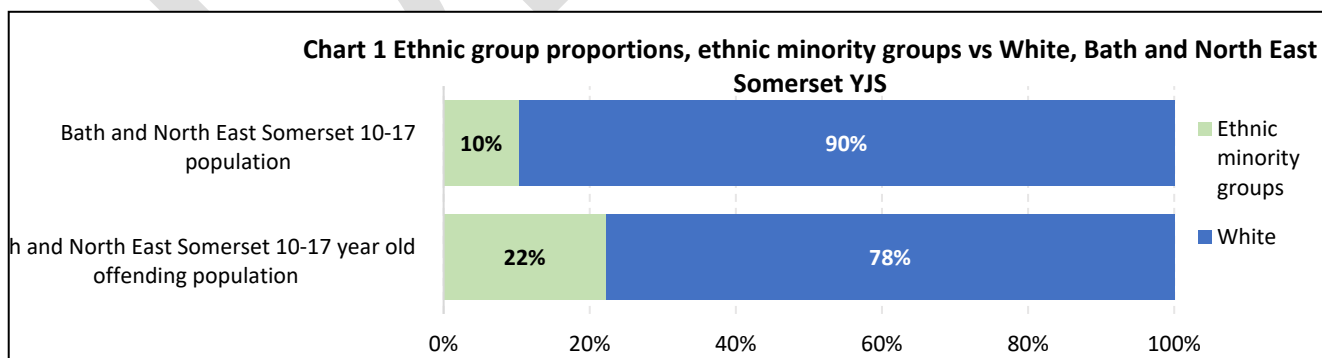
9. National Priorities

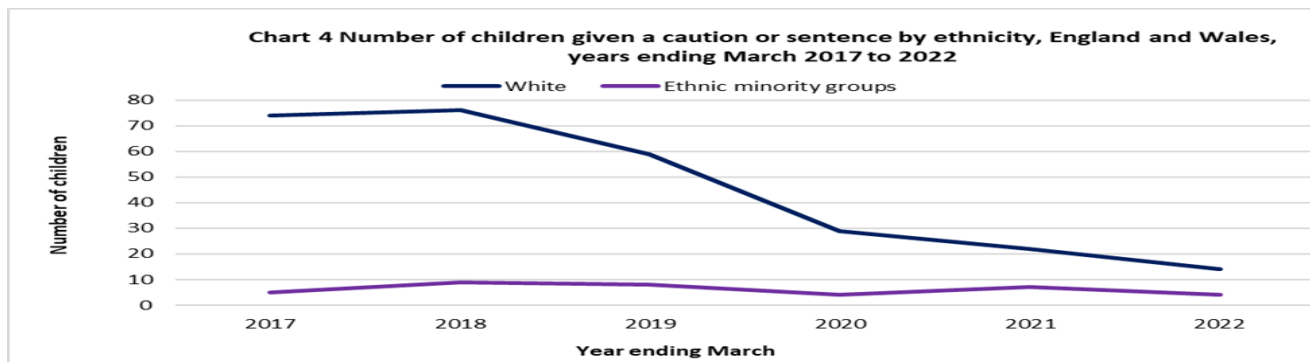
9.1 Children from groups which are over-represented

Children from a range of backgrounds are over-represented in the youth justice system. In Bath and North East Somerset, the most over-represented groups are children with special educational needs or disabilities and children from certain ethnicities, particularly those with a mixed heritage.

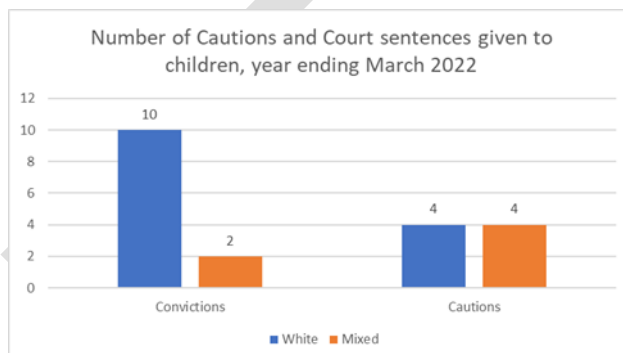
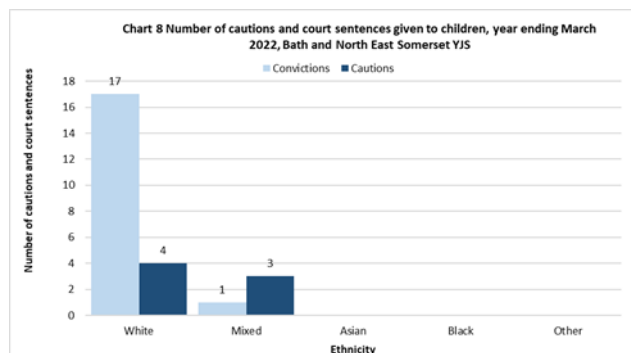
A significant percentage of children in the Compass prevention team have identified special educational need and would benefit from support in preventing permanent exclusions, brokering improved SEN support. As an illustration of the level of need, in 2021-22, 25% of children were in receipt of an EHCP and a similar percentage supported by an SEN Plan. 46% of the young people had an identified Speech, Language and Communication needs. This increasing evidence of additional needs means we are supporting children who are also at risk of education exclusions.

Local data shows White Children accounting for 72% of those cautioned or sentenced whereas YJB data shows 78% children from a White background.



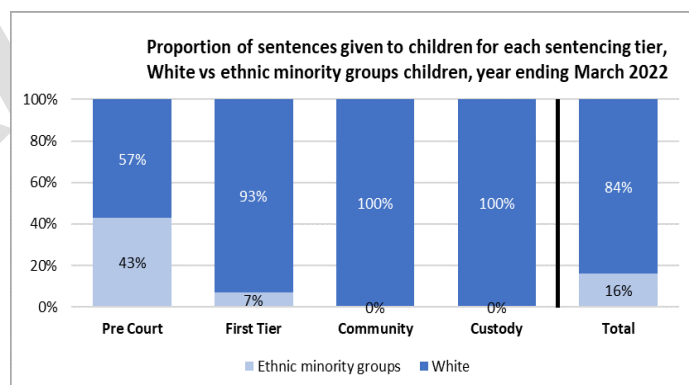
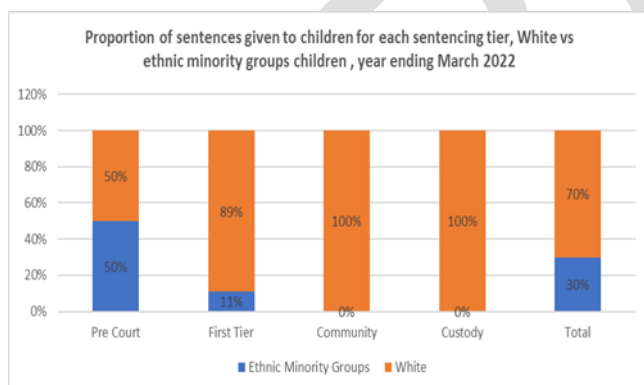


White Children received the most convictions and are more likely to receive a Court Sentence and mixed ethnicity children are more likely to receive a caution.

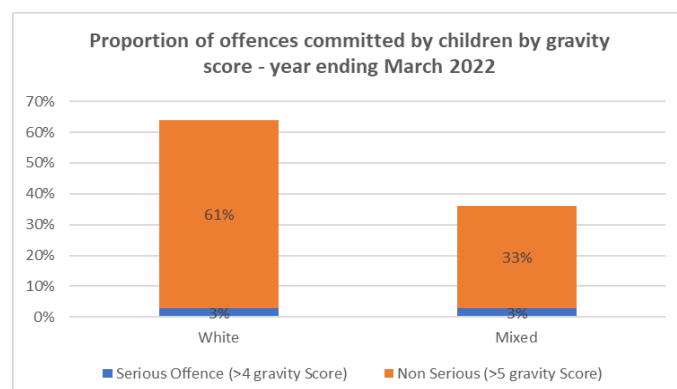
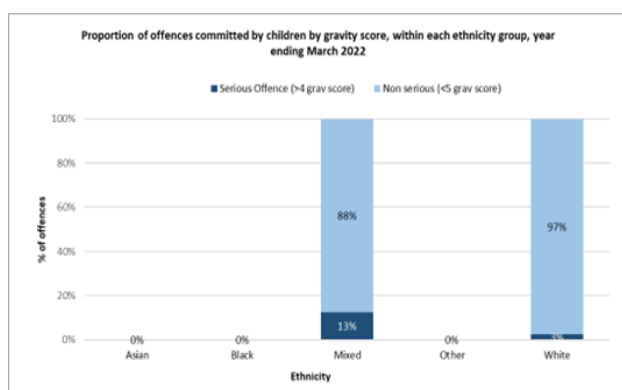


Proportion of outcomes given to children

White children are more likely to receive a community or custodial sentence whereas mixed ethnicity children are more likely to receive a pre-Court outcome or a first tier penalty.



Proportion of offences committed



9.2 Prevention

Prevention is defined by the YJB and the Association of Youth Justice Heads of Service as “support and intervention with children (and their parents/carers) who may be displaying behaviours which may indicate underlying needs or vulnerability.” The overall aims of both levels of support are the same, to address unmet needs, safeguard children, promote positive outcomes through positive interaction and stop them entering the formal youth justice system.” Early Prevention support is generally offered by universal and voluntary sector services to children with no linked offence to address unmet need and welfare concerns. Targeted Prevention is more specialist support for children who have had some contact with the youth justice system but are not currently being supported by the Youth Justice Service.

The Youth Justice Service is an active partner in the Prevention and Early Intervention Sub Group of the local safeguarding arrangements and contributes to its Strategy. With the introduction of Turnaround, it now offers two prevention interventions under the umbrella Compass team. Compass is a well established prevention initiative funded by the Local Authority and the Police and Crime Commissioner. It works with children aged 8-17 years old who are assessed as being at risk of offending, sometimes at early prevention level but mostly at a targeted prevention level. The Compass model has adapted to the changing landscape of risk for adolescents and an increasing understanding of trauma informed practice and systemic practice. It follows a key-worker framework of working with children and parents/carers to complete an Early Help Assessment to identify need, agreement of a plan and use of Team around the Family meetings to review plans. The Service monitors individual improvement in the areas of social well-being, emotional well-being, engagement in education/training/employment and child-parent relationships.

In 2022, the Compass Decision-Making Panel was introduced to

- Review completed Early Help Assessments, taking account of risk and protective factors, and agree a level of service to be offered to the child and their family. The options are Full Compass (up to 12-months), Medium (up to 6-months), Short (up to 3-months) and Parenting Support only. The proposed plan will also be reviewed with suggestions offered.
- Improve throughput in supporting children when needed but also review cases that are due to close but where additional needs / change in circumstances suggest an extended period of support could be beneficial.
- Utilise current thinking around the onset and desistance from criminal behaviour. This includes Desistance Theory that children move on from law-breaking behaviour through the process of being supported to develop social capital (social networks), cultural capital (education/training/employment attachment) and human capital (capacities). We believe that children’s unmet needs can contribute to the behavioural concerns (Good Lives Model).

Compass also supports parents/carers who have struggled with a combination of life challenges such as managing separated parenting, difficulties in the school-parent relationship and conflict in child-parent relationship.

Case example

A child was supported for 12 months and their mother's feedback was:

"The child always knew he could talk to the Compass key worker about anything and she would listen and support him. I always found that whatever the situation, or however low I felt with the issues I was facing, a chat through with the Compass key worker always helped. She would listen, show such empathy and understanding, would never judge and always find the positives. I think my child and I will always have our 'bumps in the road' but the help and support that we have received from Compass will always stay with us".

Between 2022 – 23, 24 children were supported by Compass (21 male, 3 females; average age range 11-15, 22 White British, 1 Irish & 1 White & Black Caribbean). It is recognised that in order to address over-representation in the youth justice system, more children with black and ethnic minority heritages need to be offered support through Compass and other preventative Services.

Since December 2022, Compass has also been offering targeted support to children who have had an encounter with the youth justice system but have not had an offer of support. For example, children can be released under investigation by Police and wait for long periods of time to learn whether they are to be charged. Turnaround can offer them tailored support in the interim, following an Early Help Assessment to identify needs. The aims of Turnaround are to:

- Achieve positive outcomes for children with the ultimate aim of preventing them going on to offend;
- Build on work already done to ensure all children on the cusp of the youth justice system are consistently offered a needs assessment and the opportunity for support;
- Improve the socio-emotional, mental health and wellbeing of children;
- Improve the integration and partnership working between 'YOTs' and other statutory services to support children.

Ministry of Justice funding will support this work until March 2025, by which time the target is for 44 local children to have received this support.

9.3 Diversion⁵

Diversion is offering children with a linked offence an alternative outcome to entry into the formal youth justice system, thus avoiding the stigma of a criminal record. It can take a number of forms and may involve the Youth Justice Service providing voluntary or conditional support and/or signposting children (and their parent/carers) into relevant services. All support should be proportionate, aimed at addressing unmet needs and supporting prosocial choices. When dealing with offences committed by children, the Police have a range of outcomes available under the Legal Aid, Sentencing and Punishment of Offenders Act 2012. These include:

- Community Resolution (Out of Court Disposal): used when children have accepted responsibility for an offence. It is an outcome commonly delivered, but not limited to, using restorative approaches.
- No Further Action: used when Police decide not to pursue an offence because there is not enough evidence, or it is not in the public interest. Voluntary support can be offered to children to address identified needs.
- No Further Action – Outcome 22: used when diversionary, educational or intervention activity has taken place or been offered, and it is not in the public interest to take any further action. An admission of guilt or acceptance of responsibility is not required for this outcome to be used.
- No Further Action – Outcome 21: used when further investigation is not in the public interest. This includes dealing with sexting offences without criminalising children.

Between April 2022 – March 2023, 71 children received diversionary activity directly from Police (24 Outcome 22's and 47 Community Resolutions). In the same period, 36 children received support from the Youth Justice Service (10 Outcome 22's and 26 Community Resolutions). The use of Outcome 22 has increased in last 12 months and the trend is for these to increase and for more of this work to arise from assessment by the Youth Justice Service. A national assessment tool and guidance is to be issued in autumn 2023 and there is also a Police-led piece of work to standardise processes across Avon and Somerset.

9.4 Education

Attendance and engagement in education, training and employment is a significant protective factor in helping children not to offend and the Youth Justice Service ensures there is a focus on supporting all children who come to its attention to make improvements in these areas. The YJS has a very proactive Education Officer who acts in a consultative capacity with colleagues and takes on direct work with children. She links closely with colleagues in the Education Inclusion Service and its Director, the Education representative on the Partnership Board. There is an annual Education report to the Management Board to keep members abreast of activity, outcomes and continuing needs and issues. The Education, Training and Employment support in the Youth Justice Service has been formalised and the Education Officer and case managers have a monthly review for each child to set, record and review related goals.

School Age Children

In the last year, more school aged children than post 16 young people have been supported. Most have had provision in place but this year we have had one child with no provision. The majority of children coming into the Service have low attendance and are finding education challenging in some way. More than 60% have been in some kind of Alternative Provision. Several children have spent long periods in Alternative Provision due to a lack of places in Special Schools. Over 50% have had an Education, Health and Care Plan and a further 20 to 25% having an Special Educational Need Support Plan. A number of children have been Permanently Excluded and this is now being monitored more closely as a response to the Identifying Disproportionality report. Many have a history of multiple suspensions. The number of Permanent Exclusions would undoubtedly be higher if not so many children had an Education, Health and Care Plan; these children who are also at risk of exclusion are generally moved to an assessment or preventative Alternative Provision placement to avoid exclusion. Following a pilot with the Violence Reduction Unit, the Local Authority has now created a permanent post in the Inclusion Service to work with schools to reduce the risk of exclusion.

Poor attendance, challenging behaviour, unmet special educational needs and risk of exclusion are all barriers to learning. Disruption of learning due to the Covid pandemic continues have an impact on many of our children.

Examples of how the YJS team have helped improve education outcomes include:

- Working with schools and SEND team to improve the education programme or support for children struggling in education
- Supporting schools in developing and delivering Alternative Provision packages, and supporting students to engage with these programmes notably for students with Special Educational Needs
- Supporting children and parents navigate their way through Education, Health and Care Plan processes and following up delays
- Contributing to child in need and child protection core meetings and, and bring a greater focus on education and support to improve attendance and engagement and support provided
- Setting up and convening a 'team around the child' meeting and developing a plan which focuses on engagement, attendance and increased support
- Supporting special educational needs assessment processes
- Supporting Year 11 students in making post-16 choices and supporting them with making applications and plans for the future and providing transition support over the summer
- High levels of face to face and practical support, for example, taking children to their provision, visiting new provision, helping children and parents understand their education rights and entitlement

Post 16 children

Over the past year there has been a steady decrease in the number of post 16 children working with the Youth Justice Service. Recently, over 80% have been engaged in Education, Training and Employment. We need to be cautious commenting on trends with such low numbers but generally, the post-16 children are being more successful in education and employment. In B&NES, a Further Education programme called Learning4Work is provided by Bath College and Youth Connect South West. This is a bespoke and flexible programme designed for young people with an Education, Health and Care Plan who have had problems in education. Students attend a community learning centre and have one-to-one key worker engagement support and a bespoke time table designed around their needs and situation. The Youth Justice Service has strong links with this programme and 6 children have had a place

this year. The strong employment market has also meant some children have found it easier to secure employment.

9.5 Restorative approaches and victims

As part of the statutory duty to comply with the Code of Practice for Victims (2015), the Youth Justice Service has a dedicated Victim Worker (Police Officer) who is responsible for contacting victims of crime at both Out of Court Disposal stage and for matters disposed through the Court process. As part of this duty, victims of crime are offered opportunity to request participation in a restorative justice process, either directly (face-to-face meeting) or indirectly (through shuttle mediation). In addition, they are consulted on their views of reparation for the harm caused and this may include community reparation or a letter of explanation or responsibility to person harmed. The Service is not undertaking as much direct reparation as it would like and this will be a focus for development in 2023-24.

Indirect reparation, where children are able to give something back to the community, participate in development of services or design ways of sharing information with others, continues to be a strength in the Service. Children are not always clear what is being asked of them and a significant part of the work involves building confidence. One child helped develop a leaflet explaining reparation to others and this is now used in introductory work. It is clear that children can build on strengths and develop new skills through undertaking reparation and that they are often proud of and affirmed by their work

Case example of indirect reparation

“At first M said there was nothing she wanted to do for reparation and she did not want to meet the Reparation Worker. When we did meet, we talked about her strengths and what she felt she liked doing at home. She said she liked cooking but didn’t want to be around people. We arranged to cook and make hot meals for the local foodbank. M then took the food there and started to do reparation in the café there. It was a huge success and she has been asked if she would like to stay on volunteering in the café. She will also have a good reference. M has now completed 30 hours of reparation and has painted the chairs in the café, making a real impact in the local community. Working in this way, step by step, has meant that M has been able to achieve a lot and has informed my working practice for reparation. I now offer reparation step by step, working in a trauma informed way, making sure that a child does not feel too overwhelmed.

9.6 Serious Violence and Exploitation

Bath and North East Somerset is an area of comparatively low reported crime, including serious violent crime, and even saw a reduction in knife-related offences in 2022. However, there have been three fatal stabbings of teenagers in little under a year and the community has a heightened awareness of the dangers of carrying knives; parents and carers in particular are understandably very concerned about this. These incidents have raised questions about how children travel and mix across a wider footprint than just their local areas. Also, although not necessarily a direct causal factor in these critical incidents, experience of exploitation may have normalised carrying knives for some children. Addressing knife crime is a local priority for the Council and partner agencies.

Since late 2019, this area has participated in an Avon and Somerset 'hub and spoke' Violence Reduction Unit, utilising Home Office funding to undertake strategic needs assessments and agree partnership plans for addressing the issues identified and procuring some direct services. The ambition of B&NES' Violence Reduction Unit is that all children and adults lead lives free of serious violence at home and in their communities. B&NES has also participated in a central strategic group convened by the Police and Crime commissioner. Locally, this cross-cutting agenda has been overseen by the multi-agency Serious Violence Steering Group which reports to the Exploitation Sub Group and a number of other Sub Groups of the Community Safety and Safeguarding Partnership, including the Youth Justice Partnership Board. The work adopts a public health approach to addressing serious violence, prioritising under-25s with a particular focus on sharing information at a multi-agency level about individuals, networks and places of concern in order that issues can be addressed collaboratively. The Youth Justice Service has been closely involved in this work from the outset as both areas of work are led by the same Council Head of Service.

From 31 January 2023, under the Police, Crime, Sentencing and Courts Act 2022, specified authorities including Youth Justice Services, have been required to work together to prevent and reduce serious violence. Specified authorities are required to

- Engage fully with the relevant local partnership to prevent and tackle serious violence
- Share relevant aggregated and anonymised data, where practicable, to support the development of the evidence-based problem profile/strategic assessment (for example; information on local serious violence hotspots, information on county lines drug dealing networks and wider child criminal exploitation etc.)
- Support publication and implementation of the strategy to address the risks identified, ensuring that children and their interests are fairly represented in such discussions
- Identify and act to ensure children's best interests, including safeguarding requirements and reducing vulnerability to criminal exploitation, are kept at the forefront of any strategic planning
- Advise on appropriate responses to increase levels of safety within the local partnership area and enable children to be able to move beyond their offending behaviour and status.
- Assist in the delivery of prevention and early intervention initiatives where possible, and explain to partners how their input can help enhance this work
- Work across local authority areas and organisational boundaries where children are not located in the partnership area (for example, when leaving custody, transitioning from youth to adult custody or in county lines drug dealing cases where children may be far from their home area)

9.7 Detention in Police Custody

The youth justice partnership works to prevent children from being remanded or sentenced to custody or held overnight in Police custody wherever possible, and to challenge, understand, address and/or learn from the instances when children are detained. The long established, multi-agency Custody Review Panel meets quarterly and reviews instances of B&NES children being detained. It undertakes multi-agency self audits against national and local standards and guidance² to ensure that legal and other agreed processes have been followed and that no opportunities to influence a different outcome have been missed. The Panel also promotes excellent standards of information sharing, assessment and planning by the Youth Justice Service and Children's Social Care so that Courts receive high quality information on which to base its remand and sentencing decisions. Membership is drawn from:

- Youth Justice Service
- Police
- Children's Social Care
- Strategy and Commissioning
- Deputy Head of Safeguarding
- Emergency Duty Team

The Custody Review Panel reviews all episodes where a B&NES child was held overnight in Police custody in Avon and Somerset, whether charged or not. For the purposes of the review, a child is considered to have been held overnight if they were arrested before midnight and stayed in Police custody until at least 8:00 am. Police review their Custody Records to ensure that local guidance was followed³ and where a child was charged, they review practice against the national Concordat.⁴ The Emergency Duty Team audit against their own guidance⁵ to ensure they were proactive in seeking placements where asked and Children's Social Care audit to ensure a detained child received a welfare visit.⁶ Identified learning is recorded and actions agreed, often including sharing the learning with colleagues to influence future practice. In recent months, there has been a marked increase in the number of episodes of children detained in police custody.

9.8 Remands

The Custody Review Panel reviews secure remands to ensure opportunities to influence a community remand were not missed and to understand whether there are grounds for supporting a Bail application. There were no secure remands in the area during 2023-2024

² B&NES Safeguarding Children in Police Custody, March 2020

³ Avon and Somerset Constabulary Detention of Children and Young People in Police Custody Procedural Guidance, July 2021

⁴ Concordat on Children in Custody: Preventing the detention of children in police stations following charge (Home Office ISBN: 978-1-78655-576-2)

⁵ EDT Guidance: Young People in Custody

⁶ B&NES Social Care Guidance: Children in Custody Policy and Procedure for Professional Contact

9.9 Use of Custody

The Custody Review Panel also reviews instances of children sentenced to custody and at high risk of a custodial sentence. Pro-active cross-agency identification of children considered to be at risk of custody in the foreseeable future leads to seeking assurance that they have a positive relationship with a professional who is supporting them:

- to keep them safe, and particularly to screen them to understand and help address any exploitation
- to address their likelihood of offending and manage any risk they present to others
- to retain or access suitable accommodation
- to retain or access education, employment or training
- where relevant, to support compliance with Court expectations.

There were no secure sentences in 2023-24.

9.10 Constructive Resettlement

Children sentenced to custody are amongst those with greatest needs but they can also present the highest risk of re-offending and risk to the public. Therefore, resettlement of these children from custody back into the community is a statutory responsibility and a priority for all youth justice partners and the Youth Custody Service.

Constructive resettlement begins when a child is convicted through assessment of the likely impact on them of a custodial sentence. Key elements include a continued focus on resettlement throughout the sentence, early preparation for release including, where applicable, release on temporary license to support access to accommodation or employment, effective communication between the secure establishment and community agencies and a co-ordinated holistic response involving multi-agency partnerships. After transfer into the community, support, supervision and risk management should always take a Child first approach. Effective sharing of information, collaborative planning, and provision of services by all relevant agencies are fundamental to constructive resettlement. As in all work in the youth justice system, ensuring the child and their parents/carers play a full part in the planning and support provided and that their voice is heard throughout the process, is a priority. Children with black and ethnic minority heritages are significantly over-represented and may experience particular difficulties within custodial institutions and staff should be ready to acknowledge and address this.

B&NES Youth Justice Service has a Custody and Resettlement Policy dated June 2022 and due for review in 2025, although it will be updated shortly with changes due to be made to release on temporary license arrangements. As so few children from this area are sentenced to custody, staff will not always be experienced in the processes needed when it does happen and so it is particularly important that this policy is accessible.

10. Standards for Children in the Justice System

The Youth Justice Service follows National Standards, last updated in 2019, in its work to support Out of Court Disposals, at Court, in the community, in secure settings and on transition and resettlement. There has been no national requirement to undertake self assessments against these Standards in the last year. An annual assessment of Out of Court Disposals is undertaken in B&NES each year and reported to the Partnership Board; staffing shortages mean this has been postponed from spring until the autumn 2023. An agreement and methodology has also been reached with North Somerset and South Gloucestershire Youth Justice Services, to undertake peer audits against some elements of National Standards for work undertaken in the community, based on supervision of Court Orders.

The next formal self assessment will be against the National Standards that apply to work in Court. These ask the Partnership Board to be assured of the quality of assessments and Court reports, processes to ensure Court is reserved for children who cannot be dealt with by less formal means, that children are supervised in the community rather than on Bail wherever possible, that Courts have confidence in the effectiveness of recommended supervision of children who have offended, that children's voices are heard and that there is clear communication with the secure estate.

11. Workforce Development

The last year has seen a turn-over of experienced Youth Justice staff and some challenges in recruitment. This means the Service has carried some vacancies for longer than expected and although it has now made strong appointments, a significant proportion of the team is new to this area of work. The workforce development priority is to complete thorough inductions and ensure new staff undertake required training as soon as possible.

There is significant support for staff through monthly Supervision, team reflective practice, team CAMHS' consultations, harmful sexual behaviour consultations and clinical supervision for trauma recovery cases. Mentoring is also available within the Council. The Head of Service sits on the national Youth Justice Sector Improvement Panel and the national YJB Workforce Development Council and the management team is considering accessing training from the sector.

B&NES Youth Justice Service produces an annual training and development plan for all staff, including administrators, practitioners, volunteers and managers. Training needs are identified through discussions with individual staff in Supervision and through Wellness Action Plans and Performance Development and are also informed by:

- Strategic priorities and developments set out in the Youth Justice Plan
- Children and Young People's Plan 2018-2021, now extended to 2023
- B&NES Children's and Adults' Workforce Training Strategy 2021-2024
- B&NES Community Safety and Safeguarding Partnership Strategy and learning from its Sub Groups
- Feedback from children and families. For example, Jack said he didn't like the way that the panel talked to him in an old fashioned way and didn't feel that they understood him at all.
- Feedback from other agencies working with children known to the Youth Justice Service
- Learning from case audits and self assessments undertaken
- Essential training required by the parent agency for any seconded staff

- Learning from inspection reports and serious case reviews
- Continuing learning about the impact of the Covid-19 pandemic on the needs of children and families and the longer term issues and new insights arising
- Team development needs arising from feedback in meetings, the wider annual staff survey and other sources.

Training is delivered in accordance with principles set out in the Service's Training Policy. The commitment to at least 5 days' training per member of staff per annum remains and the impact of training is reviewed with individuals and collated across the Service where possible. This may include individual training, commissioned training procured specifically for the Youth Justice Service or the wider Children's Service, required safeguarding training, local conferences, stakeholder events and coaching.

The following core requirements remain:

- a. individually designed induction programmes according to role, skills and experience
- b. Staff registration on the Youth Justice Resource Hub and support from supervisors to undertake individual modules
- c. All social workers are supported to maintain the required level of professional development to enable continuing professional registration
- d. Other staff will be supported to maintain required training directed by their parent organisation
- e. Supervisors are required to complete required management training modules and may have opportunity to access sector-led training or study for a management qualification.

Training intentions for the team for 2023-2024 include:

Training need	Who	Delivered by
Trauma Recovery model	New practitioners who have not previously had this training	Enhanced Case Management Senior Practitioners
Trauma informed workshops	All practitioners needing refresher training	In-house by B&NES Children's Service
Exploitation		Police
Understanding new Key Performance Indicators	All staff	Business and Performance Manager
Introduction to systemic practice and key techniques	New practitioners who have not previously had this training and those who would like a refresher	Deputy Team Manager and colleagues
Special Educational Needs	All practitioners	Education Officer
Harmful sexual behaviour assessment and intervention	Practitioners who have not been trained before, number to be confirmed	AIM3
How to help keep children safe on social media	All practitioners	
Age-appropriate communication and confidence with terminology	All practitioners and volunteer Panel Members	Speech, Language and Communication therapist

Changes in reparation practice	All practitioners and volunteers	Reparation Worker
Family Links parenting course	Some preventative practitioners including from Turnaround.	Family Links
Restorative Justice training/refresher training	Police Constables, Reparation Worker and Assessment and Information Officer	Restorative Solutions
New KPI reporting on the ChildView database	Information and Business Manager	
Health, Safety and Wellbeing Fire Safety for Evacuation Assistants Display Screen Equipment Personal Safety and Lone Working Accident and Incident reporting	All staff – and to be added in to induction programme for new staff	B&NES Council – mostly on line

12. Evidence-based practice and innovation

12.1 Systemic Practice Model

As part of Children's Transformation Programme and supported by DfE funding, the Local Authority has adopted a Systemic Practice model for Children's Services. This is integrated within a trauma informed, relationship aware approach and is attachment focused.

The adoption of a systemic practice model has seen a significant proportion of the Children's Service workforce (from practitioners, supervisors to senior leaders) being trained by the Centre for Systemic Social Work. It is based on the view that human challenges are always embedded within the context of human relationships across family, community and wider society systems. The model provides theory, models and techniques to support practitioners in their support for families to seek a broader and deeper understanding of what could be creating challenges and ideas to change.

The Youth Justice Service has benefited from this training and as part of the wider Children's Service's Workforce will be accessing further training. Incremental changes are being made through the influence of the systemic model including acknowledgement and consideration of people's personal and social identity in assessments, planning and support plans, to adoption of a systemic reflective supervision framework in the longstanding monthly reflective practice meetings. Systemic tools including Burnham's Social GRACES⁷, developed to address inequality, have been used in training and Supervision to encourage reflection on individual characteristics that inform how the world is seen and experienced. We will seek to utilise specific models that will be beneficial for Youth Justice in 2023-24 and will deliver short workshops to all our staff in addition to the wider workforces training.

12.2 Harmful Sexual Behaviour 'AIM3' Model

Although not many children in the local area are identified with a risk of harmful sexual behaviour, the Service has staff trained in the Assessment of Adolescents and Harmful Sexual

⁷ Burnham J (2012) Developments in the Social GGRRAACCEEESSS in Krause I (ed) *Culture and Reflexivity in systemic Psychotherapy: Mutual Perspectives*. London: Karnac

Behaviour model developed by Marcella Leonard and Simon Hackett, otherwise known as 'AIM3.' This is a suite of evidence-based frameworks and guidance to support practitioners to assess risk and develop interventions for use with children, including how to work with their parents/carers as well. Although the core approach is to be used with adolescents, tools have also been developed to assess and support children aged under 12 years. The resources are trauma-informed and holistic and are a good fit with other intervention approaches used within the service. The tools are used alongside standard youth justice assessment tools and plans to support a focus on particular presenting needs. Assessments are generally undertaken in partnership with a Social Worker and interventions are likely to then be co-delivered. The service has two staff who work with the CAMHS Harmful Sexual Behaviour Co-ordinator to deliver awareness raising training to colleagues in preventative services and universal settings such as schools in support of early identification.

12.3 Mentoring

The Service has started to offer mentoring to children who complete their work with the Youth Justice Service and would like some continued support on a voluntary basis. This is generally provided by staff but in the last year, 2 volunteer Panel Members have been trained to offer mentoring and the first child to enroll is just coming to the end of a year's mentoring.

12.4 Enhanced Case Management

The Service is now in its fifth year of working in partnership with three other Youth Justice Services to deliver trauma recovery, Psychology-led support to children in the youth justice system. The model has been developed by Johnny Matthews and Tricia Scuse, based on Maslow's hierarchy of need and a seven-stage trauma recovery model, and builds on work previously undertaken in Wales. An external evaluation of the work undertaken between September 2019 and March 2022 has recently been published. The evaluation report confirms that the model has been implemented consistently in line with guidance although it notes a gap in case formulations when the original Psychologist changed roles. The flexibility of the Psychologists' approach has been identified as central to the success of the pilot. The work is perceived to have contributed to improvements in a range of psychosocial outcomes and linked with placement in more appropriate accommodation and re-building of family relationships. There has also been an improvement in children's mental health, coping skills and understanding of the impact of their behaviour on others. Improved relationships with staff in Youth Justice Services have also been noted and overall, no negative impacts have been identified for children. The evaluation has also noted the embedding of trauma informed practice in staff throughout the participating Youth Justice Services and beginning within some partner agencies. Staff have an improved knowledge and understanding of recognising and working with children who have experienced trauma and are developing more flexible practices which are very child-focused and individually tailored.

It is not yet possible to draw firm conclusions of the impact of this work. A second phase of evaluation, which will compare re-offending data with a national cohort of children who did not benefit from this approach, will be published later in 2023. Bath and North East Somerset is keen to remain a partner in this work which is currently funded until October 2024. It will work with partner Youth Justice areas to review and address the recommendations in the evaluation report including reviewing eligibility criteria, development of a quality assurance framework, using case reviews to plan closure and transition with input from relevant adult services and continuing to monitor effectiveness and value for money. There are also a number of recommendations about continuing to embed the model and engage partner agencies.

13. Service Development Plan 2023-24

This year's plan incorporates a number of work streams commenced last year and includes work that will continue beyond March 2024. Supporting and equipping staff is an ongoing priority, as this work is demanding and can take its toll on individuals. Detail is included in the Training Plan, summarised above.

The Development Plan is shorter this year, to enable sufficient attention to be given to each action and because it is accompanied by an Anti-Racism Plan. It is set out according to the strategic priorities that have been agreed with the Partnership Board and the Youth Justice Service:

1. Strengthen participation – a continuing priority as youth justice work is most effective – perhaps only effective – when it accurately addresses the needs and views of children, carers and those harmed by children's offending.
2. Address disproportionality – a continuing priority as children from some ethnic backgrounds and with Special Educational Needs are still over-represented in the youth justice system (locally and nationally).
3. Embed Child First principles – a new priority, but not new work. This reflects the YJB's strategic approach and central guiding principle.
4. Address serious violence – a new priority, but not new work. This also marks the introduction of the Serious Violence Duty.

Much of this work can only be undertaken in partnership with other organisations and with the active support of the Partnership Board. This plan will be reviewed regularly by the Partnership Board at its business meetings and it will report on successes and escalate issues to the Community Safety and Safeguarding Partnership.

The plan is supplemented by a separate Training Plan, summarised above.

Youth Justice Development Plan 2023-2024

Strategic Priority 1: Strengthen participation

Themes		Actions	Intended Impact	Owner	By
1.1	Victims' participation	Ensure victims' views about how they can participate more fully are incorporated into the updated Youth Justice Victim Policy and practice	The youth justice offer to those harmed will reflect their views, take full account of their needs and meet new legislative requirements. Our ambition is to see more direct involvement of victims in our work with children.	Deputy Team Manager	Dec 2023
1.2	Parents' and carers' participation	Complete a Practice Guide for work with parents/carers across the whole Service and communicate a clear local offer to them, including the Family Links parenting course.	Parents/carers will understand the support available to help them develop and uphold their parenting skills. Our ambition is greater take up of this support, including the courses.	Senior Practitioner	Dec 2023
1.3	Children's participation	Ensure the whole Service seeks out the voices of children, including those from minority groups, and can demonstrate how it learns from them.	Services to children will be more effective because they will reflect what they have told us they want and need and they will be fully involved (B&NES Participation Standard 3)	Senior Practitioner	March 2024
1.4	Community participation	Recruit and train a new cohort of volunteer Referral Order Panel Members	Sustaining our Panel and ensuring a representative group of volunteers.	Operational Manager	March 2024

Strategic Priority 2: Address disproportionality

Themes		Actions	Intended Impact	Owner	By
2.1	Children with Black, Asian and other Minority Ethnic heritages	Progress actions in the Youth Justice Anti-Racism Plan 2023-24 (see below)	Fewer mixed heritage children in the justice system and the response to children's offending to be proportionate to their offence seriousness and meet their individual needs.	Head of Service	March 2024
2.2	Special Educational	Work with Inclusion managers and the SEND Strategy Group to address disproportionality	More of these children to be appropriately diverted from the justice system including by	Head of Service and	March 2024

	Needs and Disabilities	issues for children with SEND in the justice system as per the ETE Thematic HMIP report.	partnership response to meeting their needs and offering support to their parents/carers.	Inclusion Service	
2.3	Re-Offending	Provide more support to children at the highest risk of offending in the first 3 months of their Court Order and hold quarterly reviews when a high risk of re-offending or a medium to high risk of seriousness is assessed	Reduced re-offending rates, in response to review of re-offending data showing children who re-offend tend to do so very soon after sentence.	Operational Manager	Dec 2023

Strategic Priority 3: Embed Child First principles					
Themes		Actions	Intended Impact	Owner	By
3.1	Early Help	Ensure the Child First principles are reflected in the values and practice of the whole Service including Compass and Turnaround	The Youth Justice Service can evidence the progress it is making to embed Child First as a core value	Operational Manager	Dec 2023
3.2	Youth Justice System	Work with the Partnership Board to promote a Child First approach throughout children's experience of the youth justice system	All partners can evidence this approach in the work they undertake to benefit children in the justice system. (October Partnership Board).	Head of Service	Dec 2023
Strategic Priority 4: Address serious violence					
Themes		Actions	Intended Impact	Owner	By
4.1	Serious Violence Duty	Work with the Violence Reduction Partnership to develop a strategic needs assessment and Strategy	Compliance with the Police, Crime, Sentencing and Courts Act 2022	Head of Service	Dec 2023
4.2	Knife crime	Ensure all children in the justice system and their parents/carers have an appropriate intervention in relation to knife crime	Bespoke work with this cohort of children who may be at the highest risk, and a reduction in knife crime	Operational Manager	March 2024
4.3	Safeguarding reviews	Address actions identified through the (not yet published) safeguarding review following a fatal stabbing and participate in further reviews.	Children who need it the most benefit from early help support and fewer children are involved in serious violence.	Operational Manager	March 2024

Youth Justice Anti-Racism Plan 2023-24

Key: HMIP = thematic inspection of the experiences of black and mixed heritage boys in the youth justice system, October 2021
ID = Identifying Disproportionality in the Avon and Somerset criminal justice system, July 2022

1. Vision

Recommendations and themes	Actions	Intended Impact	Owner	By
Vision and strategy for improving outcomes for black and mixed heritage boys (HMIP 11) Action plan to deliver objectives set out in YJB Business Plan (ID 21)	a. Agree a vision statement and strapline	Clear leadership aspirations and well understood purpose	Chair and Board	Sept 2023
	b. Add these to all relevant documents and webpage.	Ambition shared with children, families, communities and partners	Business Manager	Sept 2023
	c. Consult with children and staff and write an Anti-Racism Strategy	Shared commitments, cross-referenced with national objectives	Senior Practitioner	March 2024

2. Understanding

2.1 Ensure all YJS data collected, analysed and reported uses '18+1' ethnicity categories	Support staff to listen to children to understand how they identify and ensure records are accurate	Children are supported to reflect on their identity and records are as accurate as possible.	Operational Manager	June 2023+
2.2 Analyse offence outcomes data by offence type and ethnicity groups (ID 20) and diversion schemes by ethnicity (ID 25)	Include 18+1 data in all reports to the Partnership Board	Quantify disproportionality and make direct comparisons	Business Manager	Sept 2023+

3. Workforce

3.1 Make sure staff understand what is expected of them in their work with black and mixed heritage boys and that they are inducted, trained and supported to work effectively with this group of children (HMIP 15)	Create an induction guide to ensure staff understand our vision, the Council Anti-Racism Charter, Schools' Equality Charter and HMIP Practice Guide	Supplement training and help staff understand, recognise and challenge racism and discuss its impact with children, using systemic tools such as Social GRACEs.	Senior Practitioner	Dec. 2023
3.2 Work with B&NES and statutory partners to baseline the 'HR life-cycle' across ethnicity groups (ID 79)	a. Work with members of Partnership Board to apply learning from staff experience	Ensure Youth Justice Service treats and develops staff fairly.	Head of Service	March 2024+
	b. Continue to explore ways of attracting a more representative workforce, including volunteers	A workforce that better represents children and reflects the community in which they live	Operational Manager	March 2024+

	c. Support staff participation in Council Equalities Groups	Staff feel connected and know how to contribute to wider change	Operational Manager	March 2024+
4. Representation				
Ensure we work in buildings and with services where there are positive, representative images of children and adults on noticeboards and in any materials used, including videos and games.	Review our office environment and resources to ensure inclusive imagery	Children see themselves represented and included	Business Manager	Sept 2023 / March 2024
5. Participation				
Establish effective processes for gaining feedback from black and mixed heritage boys on the services they receive and use this feedback to assess, review and improve the quality and suitability of service provision (HMI 14)	Ensure we hear the voices of all children with Black, Asian and Minority Ethnic heritages and respond positively	We understand and affirm lived experience and address specific needs and all children get the services they need to support positive outcomes.	Senior Practitioner	Dec 2023
5. Criminal Justice Process				
5.1 Collaborate with all relevant partners to identify and tackle any disproportionality through each stage of the youth justice process (ID 24)	Actively support work led by Chief Constable and participate in specific work group(s) as advised	Identify and address disproportionality	Head of Service	Dec 23+
5.2 Agree with A&S Youth Justice Services and Education Inclusion colleagues about how best to scrutinise and tackle links between exclusion and entry into the youth justice system (ID 19)	a. Work with peers in the Avon and Somerset Youth Group and the Education Inclusion Co-ordinator to agree approach and methodology	Understand best times and ways to intervene, in keeping with B&NES Early Help Strategy	Operational Manager	June 2023
5.3 Collect and scrutinise school exclusion data and develop a strategy and action plan to tackle any disproportionality. Include a focus on any links with entry into the youth justice system (ID 16, 17, 18 and 19)	Support Education Inclusion colleagues in undertaking this		Business Manager & Education Worker	
6. Service Delivery				
6.1 Prevention and Diversion	Actively promote referral of ethnic minority heritage children into Compass and Turnaround	Keep children with ethnic minority heritages out of the formal youth justice system wherever possible	Deputy Team Manager	June 2023+

Page 60	6.2 Management Oversight - improve the quality of management oversight to make sure it is sufficiently focused on diversity and what this means in practice and that there are clear escalation routes to address any barriers to black and mixed heritage boys accessing the services they need (HMIP 16)	<p>a. Add a section in the local Out of Court Disposal assessment tool on personal and social identity.</p> <p>b. Update the Pre Sentence Report Quality Assurance checklist to ensure a focus on individual characteristics and re-order this and the template itself to be Child First.</p> <p>c. Include a focus on race in pan-Authority audits</p>	A Child First focus on individual children	Operational Manager	June 2023
		<p>d. Use revised Council Equalities Impact Assessment template for impact assessing significant reports and policies</p> <p>e. Revisit how we use diversity and equalities agenda items in staff Supervision</p> <p>f. In accordance with B&NES Equality Improvement Plan, agree how escalations are recorded</p>	Ensure that the management oversight is focused on diversity	Youth Justice Manager Group	Sept 2023+
	6.3 Targets - Partnership Board to have a joint set of partnership targets, for example with schools and children's services, for improving service delivery to black and mixed heritage boys, and make sure mechanisms are in place to track, monitor and evaluate outcomes (HMIP 13)	Consult with Partnership Board and ask for a member to lead this piece of work	Strategic ownership of this issue All children's education needs are met	Chair of Board	Dec 2023
	6.4 Gaps in Provision - address gaps in specialist provision for black and mixed heritage boys, either by delivering it in-house or by commissioning it from appropriate local community organisations and evaluate referral and uptake rates for the services provided (HMIP 17)	Consult with staff, children and families to identify gaps and bring to attention of commissioners; Agree how the effectiveness of provision will be evaluated	All children's needs are met, not necessarily by the Youth Justice Service, but we ensure there is provision in place	Senior Practitioner	March 2024

6.5 Parents and Carers - offer suitable and appropriate support and intervention to the parents and/or carers of black and mixed heritage boys and regularly review the uptake and suitability of this provision (HMIP 18)	<p>a. Ensure children and parents/carers receive written information about the justice system and resources available to support them at the outset of their contact</p> <p>b. Review the support offered to parents and carers of black and mixed heritage boys and take a paper to the Partnership Board for review of provision.</p>	Parents/carers are empowered with information and skills to support their children through complex systems	Operational Manager	March 2024
6.6 Accommodation - Provide suitable and timely accommodation placements and support packages for black and mixed heritage boys who are facing remand or being released from custody (HMIP 8) and Make sure that, where children and families are moved to a new location as a result of concerns about their safety, the accommodation and placements provided are suitable and sustainable to meet their needs (HMIP 9)	Work with the Placements Team and Housing Team to promote the needs of individual children and use our learning about how to make children more at home when they first arrive.	Placements provided are suitable and sustainable to meet their needs, when they need them	Operational Manager	March 2024

14. Challenges, Risks and Issues

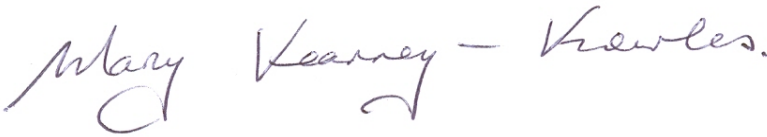
The Partnership Board actively encourages professional challenge between members, enabling each agency to be held to account for the part it plays in supporting the Youth Justice Service and preventing children's offending. It has been recording these challenges for 8 years in a well-established register that is reviewed and updated at each meeting, noting when challenges have been answered or resolved and whether this has had a positive impact. There are a number of examples of positive change that has resulted from these challenges, but some matters have remained unresolved. It also keeps a risk register that is similarly updated. Risks that remain very high despite action to mitigate their potential impact are also recorded on the wider Children's Services risk register and may be escalated within the Council.

As a Sub Group, the Board reports quarterly on achievements, outcomes, challenges and priorities to the B&NES Community Safety and Safety Partnership Operational Group. This enables matters that cannot be resolved at Board level, to be escalated.

15. Approval and sign off

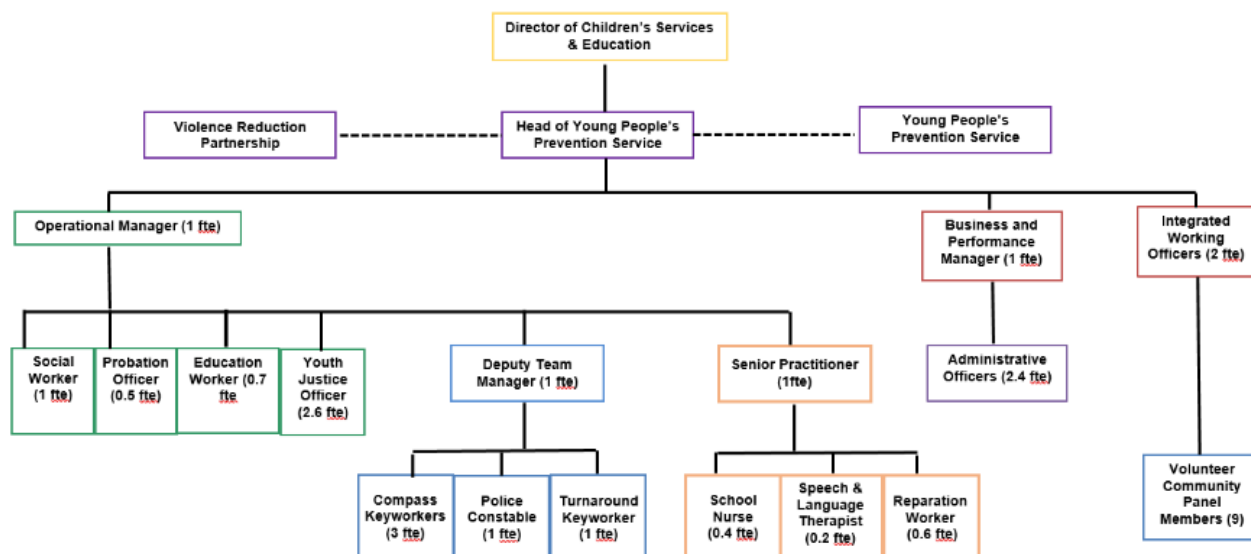
The Chair has approved this Plan on behalf of the Partnership Board and confirms it covers all sections required by the Youth Justice Board.

Final sign-off will be sought from the Council's Cabinet (on 7 September) and Council (on 21 September), in accordance with local democratic processes and the final version will then be submitted to the Youth Justice Board.

Chair of Board	Mary Kearney-Knowles, Director of Children and Education
Signature	
Date	27 July 2023

Appendix 1: Youth Justice Service Organisational Structure

Youth Justice Service Organisational Chart



	Strategic Manager		Team Manager		Practitioner		Administrator		Sessional		Student		Volunteers		Total	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
Asian or Asian British - Bangladeshi																
Asian or Asian British – Indian													1			1
Asian or Asian British - Other Asian																
Asian or Asian British - Pakistani																
Black or Black British - African					1										1	
Black or Black British – Caribbean													1		1	
Black or Black British - Other Black																
Chinese																
Mixed - Other Mixed																
Mixed - White and Asian																
Mixed - White and Black African																
Mixed - White and Black Caribbean																
Not stated																
Other Ethnic Group - Any Other																
Other Ethnic Group - Arab																
White – British		1	1	1		14		3					2	5	3	24
White - Gypsy or Irish Traveller																
White - Irish																
White - Other White						1										1
Total		1	1	1	1	15		3					3	6	5	26

This shows staffing by gender and ethnicity as on 1 April 2023. Staff disability is not published as numbers are low and any shown could be identifiable.

Appendix 2: Budget Costs and Contributions 2023-2024

There has been no change in any partner contributions into the pooled budget for this year. There may be subsequent cost of living increases for staffing.

The Turnaround budget has reduced as it does not contain any set-up costs

The Youth Justice Board grant has increased but no secure remand grant has been allocated.

Agency	Staffing costs	Payments in kind	Pooled budget	Total
Police	61,053	Access to PNC and Niche	5,000	66,053
Police and Crime Commissioner	10,217	—	—	10,217
Probation	27,016	—	5,000	32,016
B&NES Clinical Commissioning Group (Health)	47,826	—	14,885	62,711
B&NES Council (Education and Social Care)	408,977	Keynsham office, HR and finance support	18,685	427,662
Youth Justice Board	194,554	36,350	0	230,904
Ministry of Justice (Turnaround)	54,011	1,703	0	55,714
Total	803,654	38,053	43,579	885,277

Appendix 3: Outturn of last year's Youth Justice Work Plan 2022-2023

Actions	Progress and impact
Set up a SurveyMonkey to consult with local children on new name for the YOS	Completed - following consultation, re-named Youth Justice Service, with a re-named Youth Justice Partnership Board. Administrators have notified partners and updated documentation.
Establish an internal task and finish group to refresh the YOS's participation policy and practice	Completed - a small practitioner group has refreshed the feedback processes including creating a new semi-structured interview for children and parents. The reparation worker is developing reparation activities to have a focus on participation and utilising children's knowledge and experiences to improve services and upskill professionals.
Develop a Practice Guide / Framework for work with parents/carers, setting out the local offer	In progress - information has been gathered from practitioners to create a practice guide that covers the breadth of work that the YJS does with parents
Refresh the YOS policy and practice with victims	In progress – the review was undertaken by the new YJS Police Officer in February and it is hoped that this can draw on the work of the A&S wide RJ working group when it is re-convened and the updated Victims Code of Practice
Address recommendations in Avon and Somerset Criminal Justice Board 'Identifying Disproportionality'	Completed in-year but continuing work - the Head of Service has kept this on the agenda in B&NES, keeping partners abreast and promoting ways to incorporate the actions into relevant work plans. Following work with an external consultant, which B&NES Youth Justice Service played an active role in, an Avon and Somerset-level SteerCo has now been established with senior representation from across Avon and Somerset. B&NES' Head of Service will be joining a delivery group to be established shortly. B&NES representatives have been nominated for the community Scrutiny Panel. A number of the recommendations are being taken forward by the Avon and Somerset Out of Court Tactical Group and work to explore links between exclusion and offending continues.
Compile and deliver a local Action Plan	Completed in-year and continuing work – an anti-Racist Action Plan has been agreed, in discussion with the Partnership Board. Actions for next year will be incorporated in the Youth Justice Plan 2023-24
Work with the Violence Reduction Unit to increase our understanding and response to	Completed in-year and continuing work – through the SurveyMonkey, practitioners raised concern that girls' involvement in serious violence was increasing, despite lack of

girls' involvement in serious violence	evidence through the youth justice system. Youth Connect South West has now convened a girls' group to focus on this issue and will be consulting with children and young people to understand this issue better.
Convene a working group with key local authority managers to consider and investigate disproportionality issues for children with SEND in the youth justice system and formulate a response and action plan in light of the Thematic HMIP report on Education, Training and Employment.	In progress - at a YJS team level, we have agreed some developments in response to the HMIP Thematic report on ETE. These include ensuring that each individual child has a stated and agreed EET goal and that this is regularly reviewed with their case manager and Education Worker. The disproportionality has been flagged with the local SEND Strategy Group and work is continuing into the new planning year.
Work with all key partners to participate in a 'trauma-informed Avon and Somerset'	In progress - YJS staff training attended to (original ECM and TIP Award) and will be a priority for new members joining in January. Work has lost momentum at an Avon and Somerset level and it is unclear whether this will be a priority for the BSW ICB.
Work with partner Local Authorities to review and sustain a model for the Enhanced Case Management initiative	Completed in-year and continuing work - the ECM project has been fully functioning again since Clinical Psychologists were appointed to FCAMHS in October 2022. B&NES YJS has referred two children for the full ECM formulation with positive developments. The local Partnership Board has received presentations about the initiative and B&NES has contributed to another year of participation, now continuing until at least March 2024. Local Health funding is sought. The external evaluation report has now been published.
Apply learning from other areas and take next steps towards implementing systemic practice in the Youth Offending Service	Completed in-year and continuing work – the DTM has now completed training and has been supporting use of systemic terminology and practice, aligned with wider Children's Services development.
Support wider development of model within B&NES Children's Service	In progress - systemic Workshops and Systemic Skills Groups are in progress of being planned by Principal Social Worker. YJS DTM will contribute when timetable is in place.
Review and develop the Compass decision-making panel for stated aims of targeting areas of need; increasing multiple perspectives to reduce individual bias and improving throughput.	Completed – the decision-making panel meets to review assessments and agree an appropriate plan and length of involvement. The arrangements will be further developed and consolidated during 2023-24.

Work with partners to strengthen support to children who may be at risk of offending	Completed – national funding has enabled the introduction of Turnaround, focused support for children and families where the children have had a direct encounter with the youth justice system.
Contextual safeguarding Conduct an audit of YOS contextual safeguarding knowledge and practice and identify development action	Continuing into new year - the YJS is participating in use of one of the Contextual Safeguarding Scale-Up Toolkit tools to carry out a contextual assessment of place. The will introduce a local methodology
Serious violence statutory duty Consult on and develop YOS role in collaborating to address children's serious violence	Completed – details of the Serious Violence Duty were published in December and have been discussed with the Partnership Board. Youth Justice data was contributed to the latest Avon and Somerset-wide strategic needs assessment and will be made available for the next B&NES' assessment. Partnership protocols on Missing Children and Harmful Sexual Behaviour have been updated.
Support staff to return to Keynsham Civic Centre, addressing individual needs, promoting flexible working and strengthening team identity	Completed - YJS staff still work from home but also work flexibly across a number of locations and generally, office attendance is increasing, which is good for morale and team identity. Staff supervision and team meetings are held face-to-face wherever possible and staff have been trained to use the new technology for hybrid meetings.
Work with Human Resources Department to recruit a workforce that better reflects the gender and ethnicity of the children worked with	In progress - the recommendation has been brought to the attention to the Director of B&NES Council HR Department and the YJS has undertaken some work with HR to attract a more representative pool of applicants, with marginal success to date. Updates needed from Police, Probation and Health.
Revise reporting dashboard to incorporate new Key Performance Indicators when agreed, and use this to develop YOS and Management Board understanding of local data	Completed and ongoing – agreed the layout of the new dashboard pending finalisation of YJB data publication in October 2023. As the new KPIs are on cases closed in a quarter and so we will explore production of an annual assurance report, summarising this data on all cases closed in each year.
Compile and deliver training plan to support effective practice models and maintain safeguarding and other skills	Completed - Training Plan agreed by managers' group and training needs are regularly discussed and updated.
Strengthen staff skills when exploring identity and potential discrimination	Completed - three Reflective Practice workshops have been held this year to look at the HIMP Thematic Inspection Report on working with Black and Mixed Heritage Boys. This has been followed up with two full-day whole Service training sessions with Stand

	against Racism and Inequality, focusing on cultural competence and unconscious bias and helping staff have more reflective discussions with children about their identity.
Develop and deliver local responses to recommendations in HMI Probation's thematic Inspections	Completed - various Reflective Practice workshops have been held with practitioners to review the findings of the HMIP Thematic Inspections. These have helped colleagues to become more aware of the pertinent issues and develop our practice locally, specifically in ensuring we prioritise conversation with children about the discrimination they may have faced and that we work with children to develop specific EET goals to support them to reach their potential.
Advocate re support for children leaving Care and understand the difference in support available for them, in particular with regard to accessing suitable accommodation	In progress - work is continuing to support transition to Probation Service in a very small number of cases. The Chair of the Board and the Health representative have shared feedback from a young person who attended the Board to describe his placement experiences.
Represent the YOS's views over possible changes in Police youth justice department, and the furtherance of child-first policing	Completed - Head of Service and Operational Manager are involved in a new Avon and Somerset Police-led tactical meeting seeking to standardise processes across Avon and Somerset and in light of national (YJB) changes due to be introduced in the autumn of 2023
Understand the impact of delays in prosecutions on both children and victims and seek to influence this.	Completed and ongoing - Head of Service has requested the Local Criminal Justice Board produce under 18-level data and this is now regularly reported. It shows Avon and Somerset to be an outlier and there is ongoing work to understand and address this. The Police Area Commander is now reviewing the Release Under Investigation names and is reviewing practice
Discuss with Court staff and Magistrates the importance of child-first arrangements within the Court setting	Completed and ongoing. - Head of Service has initiated email correspondence with the Court about this. No specific guidance found. Have previously raised concerns about use of Court space. Agreement with neighbouring YJSs to update the Partnership Agreement.

Appendix 4: Serious Violence Duty

Under the Police, Crime, Sentencing and Courts Act 2022 (Chapter 1 of Part 2) which commenced on 31st January 2023, the Youth Justice Service is required to work alongside other specified authorities to prevent and reduce serious violence. Additionally, relevant authorities are asked to co-operate with local arrangements.

The specified authorities are:

- ❖ Chief Officers of Police
- ❖ Integrated Care Boards or local Health Boards
- ❖ Local Authorities
- ❖ Probation Service providers
- ❖ Youth Offending Teams
- ❖ Fire and Rescue Services

The relevant authorities are:

- ❖ Education
- ❖ Prison
- ❖ Youth Custody authorities

The statutory guidance requires nomination of a representative to

- ❖ Engage fully with the relevant local partnership to prevent and tackle serious violence, and where applicable, as a core member of the local Violence Reduction Unit
- ❖ Share relevant aggregated and anonymised data, where practicable, to support the development of the evidence-based problem profile/strategic assessment (for example; information on local serious violence hotspots, information on county lines drug dealing networks and wider child criminal exploitation etc.)
- ❖ Support publication and implementation of the strategy to address the risks identified, ensuring that children and their interests are fairly represented in such discussions
- ❖ Identify and act to ensure children's best interests, including safeguarding requirements and reducing vulnerability to criminal exploitation, are kept at the forefront of any strategic planning Serious Violence Duty Statutory Guidance 83
- ❖ Advise on appropriate responses to increase levels of safety within the local partnership area and enable children to be able to move beyond their offending behaviour and status.
- ❖ Assist in the delivery of prevention and early intervention initiatives where possible, and explain to partners how their input can help enhance this work
- ❖ Work across local authority areas and organisational boundaries where children are not located in the partnership area (for example, when leaving custody, transitioning from youth to adult custody or in county lines drug dealing cases where children may be far from their home area)

The Head of Service for Youth Justice is the nominated representative to lead on this work. As they also lead on the Violence Reduction Partnership and chair the local Serious Violence Steering Group, the Service is well placed to participate going forward. This work is well supported by the Council's Public Health and Community Safety staff.

Appendix 5: Glossary of Terms

Attention Deficit Hyperactivity Disorder or ADHD	A neurodivergent condition that affects people's behaviour - they may appear restless, have difficulty in concentrating or act on impulse. By no means all people with ADHD offend but a high proportion of children in the justice system have this condition, and 45% of those in Young Offender Institutions.
Black, Asian and Minority Ethnic or BAME	A term used by some in the criminal justice system and elsewhere to describe those who have diverse racial and ethnic heritages. This term is not universally accepted and will be replaced.
B&NES Community Safety & Safeguarding Partnership or BCSSP	A merger of the Local Safeguarding Children Board, Local Safeguarding Adults Board and the Community Safety Partnership. The Youth Justice Partnership Board is one of its Sub Groups.
Child or children	Anyone who has not yet reached their 18th birthday. We are respectful of some older children preferring to be known as 'young people' but are still mindful of their rights as children in all our work.
Child First	A system wide approach to children in the justice system, seeing the child before the offender. Work with them is developmentally informed, strength-based, participative and encourages diversion
Child Looked After or CLA	Child Looked After, where a child is looked after by the local authority
Compass	A local preventative service for 8-17-year-olds assessed as at high risk of offending, and for their parents/carers
Contextual safeguarding	An approach to safeguarding children outside the family home, taking account of the wider community and peer influences on a child's safety
Core 20PLUS5	An NHS England approach to reducing health inequalities for children and young people
Evidence based practice	The YJB definition is 'integration of the best available and accessible evidence with professional expertise, in the context of working with children in contact with the youth justice system'
Education, Health and Care Plan or EHCP	An assessment and plan specifying additional support for children with significant and complex special educational need or disability when needs cannot be met through mainstream school settings.
First Time Entrant or FTE	A child who receives a first statutory criminal justice outcome (Youth Caution, Youth Conditional Caution, or Court disposal)
His Majesty's Inspectorate of	An independent arms-length body who inspect individual Youth Justice Services and Probation

Probation or HMIP	Services and also undertake thematic Inspections.
Key Performance Indicators or KPIs	Youth Justice Services are required to report on 10 new quantifiable indicators, bringing the total to 13. These are set out on pages 14-16 of this Plan
Ministry of Justice or MoJ	A major government department that works to “protect and advance the principles of justice”
National Referral Mechanism or NRM	The national framework for identifying and referring potential victims of modern slavery in order to gain help to support and protect them. Courts may take account of this exploitation in sentencing.
Office of the Police and Crime Commissioner or OPCC	Team supporting an elected representative who is responsible for cutting crime and delivering an effective Police Force
Return Home Interviews or RHI	These are interviews completed after a child has been reported missing. In B&NES, these are undertaken by the YJS, usually through its preventative Compass team.
Referral Order Panel	A decision-making restorative meeting led by trained volunteers who agree a written contract with a child to work with the Youth Justice Service to address identified needs and make amends.
Thematic HMIP report on ETE	HMIP Thematic Inspection of Education, Training and Employment - Services in Youth Offending Teams in England and Wales
Turnaround	A new Ministry of Justice-led project across England and Wales, offering preventative support to children on the cusp of the youth justice system
Youth Justice Partnership Board or YJPB	Senior staff from the five statutory partners (Police, Probation, Social Care, Education and Health) and others who oversee the Youth Justice Service’s work in accordance with national guidance.
Youth Justice Board or YJB	Now part of the Ministry of Justice, created under the Crime and Disorder Act 1998 to oversee youth justice provision across England and Wales
Youth Justice Service or YJS	A multi-agency team established by the Crime and Disorder Act 1998 to prevent youth offending. This replaces the original name (Youth Offending Service), reflecting a more Child First approach.

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Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING DATE:	7 th September 2023	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3464
TITLE:	Treasury Management Performance Report to 30 th June 2023	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 – Performance Against Prudential Indicators		
Appendix 2 – The Council’s Investment Position at 30 th June 2023		
Appendix 3 – Average monthly rate of return for first three months of 2023/24		
Appendix 4 – The Council’s External Borrowing Position at 30 th June 2023		
Appendix 5 – Arlingclose’s Economic & Market Review Q1 of 2023/24		
Appendix 6 – Interest & Capital Financing Budget Monitoring 2023/24		
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 2021 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 within six months after the end of each financial year.
- 1.2 This report gives details of performance against the Council's Treasury Management Strategy for the three months of 2023/24.

2 RECOMMENDATION

That Cabinet agrees that:

- 2.1 The Treasury Management Report to 30th June 2023, prepared in accordance with the CIPFA Treasury Code of Practice, is noted.
- 2.2 The Treasury Management Indicators to 30th June 2023 are noted.

3 THE REPORT

Summary

- 3.1 The estimated average rate of investment return for 1st April 2023 to 30th June 2023 is 4.30%, which is in 0.12% below the benchmark rate of 4.42% over the period.
- 3.2 The Council's Prudential Indicators for 2023/24 were agreed by Council in February 2023 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 2023/24 is £0.71m under budget, due to higher than budgeted investment returns as a result of interest rate rises since budget setting, and also a delay to borrowing requirements and associated interest costs. The breakdown of the 2023/24 revenue budget for interest and capital financing, and the forecast year end position, is included in **Appendix 6**.

Summary of Returns

- 3.4 The Council's investment position as at 30th June 2023 is given in **Appendix 2**. The balance of deposits as at 30th June 2023 are set out in the charts in this appendix, along with the equivalent details for the previous quarters position for comparison.
- 3.5 Estimated gross interest earned on investments totalled £583k. **Appendix 3** details the investment performance, showing the average rate of interest earned over this period was 4.30%, which is below the benchmark rate of average 7-day SONIA (4.42%). This shortfall is mainly due to existing short-term loans being locked in at a lower rate prior to the Bank of England base rate rises. The prior year comparators are also included in this appendix.

Summary of Borrowings

- 3.6 The Council's external borrowing as at 30th June 2023 totalled £219.1m and is detailed in **Appendix 4**. This includes £10m in new short-term loans taken out in April 2023 to cover the annual pension prepayment and allow us to maintain our liquidity indicator above £15m. A summary of the movement in borrowing during the final quarter and over the full year is shown in the following tables:

Borrowing Portfolio Movements	Financial Year 2023/24 £m
Balance as at 1 st April 2023	210.254
New Loans Taken	10.000
PWLB Annuity Loan principal repayments	(1.143)
Balance as at 31 st June 2023	219,111

- 3.7 The Council's Capital Financing Requirement (CFR) is forecast to be £462.1m at 31st March 2024, based on the Capital Programme agreed in February 2023, including both fully and provisionally approved schemes. The actual CFR at 31st March 2023

was £341m. 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.

- 3.8 The lower level of current borrowing of £219.1m represents re-investment of the internal balances including reserves, reducing the in-year borrowing costs in excess of the potential investment returns.
- 3.9 The Liability Benchmark in **Appendix 1** illustrates the gap between current borrowing and the liability benchmark. This gap is a useful guide to the optimal amount and duration of borrowing to minimise interest and credit risk. This is currently £109m and circa 20 years. This is lower than the CFR as it takes account of the Council ability to internally borrow to fund capital.
- 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 2023 apportioned to Bath & North East Somerset Council is £10.1m. 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 3.6.

Strategic & Tactical Decisions

- 3.11 As shown in the charts in **Appendix 2**, the investment portfolio of £52.85m as at 30th June 2023 is diversified across Money Market Funds, Strategic funds, the Government's Debt Management Account Deposit Facility and in highly rated UK Banks. The Council uses AAA rated Money Market funds to maintain short term liquidity.
- 3.12 Of the Council's total investment portfolio, £10m is in externally managed strategic pooled funds, where the objectives are regular revenue income and long-term price stability. These investments have been made in the knowledge that there is a risk that capital value could move both up and down on a frequent basis and are intended to be held over a long period of time to help manage any price fluctuations.

This investment includes £5m in Environmental Social and Governance (ESG) focused 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.

In the current economic environment of high inflation and interest rates, the value of equity, bonds and property have fallen significantly and as a result the fair value of our strategic investments has decreased from £8.78m at 31 March 2023 to £8.31m at 30 June 2023. This is shown in the table below:

	CCLA Local Authorities Property Fund	FP Foresight UK Infrastructure Income Fund	VT Gravis Clean Energy Income Fund	Total
Historic Cost	5,000,000	3,000,000	2,000,000	10,000,000
Fair Value as at:				
30/06/2023	4,330,486	2,354,436	1,626,336	8,311,258
31/03/2023	4,342,727	2,586,831	1,852,212	8,781,770
31/03/2022	5,199,881	3,065,260	2,045,847	10,310,988

This change in valuation does not have an impact on the revenue account due to a statutory override, and gains/losses will instead go to an unusable reserve. These will only be transferred to revenue if/when the Council's holding in the pooled funds are sold, or if the Government removes the override. The next review of the statutory override will take place prior to the end of 2024/25. The Council has in place a Capital Financing Reserve which can be used to help mitigate any future revenue impacts should the statutory override be removed.

- 3.13 The Council's average investment return for short-term investments was 4.29%, which is 0.49% above the budgeted level of 3.80%. The average return for the £10m long-term strategic investments is 4.35%, 0.55% above the budgeted rate of 3.80%. The combined average return on all investments is 4.30%.

Investment Type/	Average YTD Investment Return
Short Term Investments Total	4.29%
Long Term Strategic Investments:	
CCLA Local Authorities Property Fund	4.13%
FP Foresight UK Infrastructure Income Fund	4.34%
VT Gravis Clean Energy Income Fund	4.83%
Long Term Strategic Investments Total (Est.)	4.35%
Overall Total	4.30%

- 3.14 The Council currently estimates that we should achieve £200k of additional income above the budgeted level by 31st March 2024. This is due to the impact of the higher than budgeted returns, and additional interest received from non-treasury activity.

Future Strategic & Tactical Issues

- 3.15 The Council's Treasury Management Advisor's economic and market review for the first quarter of 2023/24 is included in **Appendix 5**.
- 3.16 Interest rates have risen from 4.25% at 31 March 2023 to 5.00% on 30th June 2023 as the Bank of England's Monetary Policy Committee continues to tackle inflation, as core inflation continues to rise despite falls in headline inflation falling to 8.7%. As a result, Arlingclose's current interest rate forecast is for interest rate to continue to rise, peaking at 5.5% over the summer of 2023 and taking longer to fall.

- 3.17 The Council currently hold £20m in Lender Option Borrower Option (LOBO) debt, with an interest rate of 4.50%. Given the Bank rate is currently 5.00%, there is an increasing risk that these interest rates will be increased at the next call date in October 2023. If the lender seeks to increase the interest rate on these loans the Council has the option to repay the loan with no penalty. The Council is reviewing potential refinancing options with our Treasury Management advisors.
- 3.18 Current cashflow forecasts indicate that the Council will need to borrow to fund its Capital Programme from December 2023, as internal balances have fallen over the last year.

Budget Implications

- 3.19 The breakdown of the 2023/24 revenue budget and the forecast year end position for interest and capital financing, based on the period April to June 2023 is included in **Appendix 6**. An overall underspend of £710k is reported towards the Council's net revenue outturn, because of higher than budgeted investment income and a delay in borrowing.

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 has been included the Treasury Management Strategy document for 2023/24, 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 3.12.

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	Claire Read - 01225 477109; Jamie Whittard - 01225 477213 Claire_Read@BATHNES.GOV.UK ; Jamie_Whittard@BATHNES.GOV.UK
Background papers	2023/24 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.

	2023/24 Prudential Indicator	Actual as at 30th June 2023
Operational boundary – borrowing	£433m	£219.1m
Operational boundary – other long-term liabilities	£4m	£0m
Operational boundary – TOTAL	£437m	£219.9m
Authorised limit – borrowing	£462m	£219.1m
Authorised limit – other long-term liabilities	£4m	£0m
Authorised limit – TOTAL	£466m	£219.1m

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**.

	2023/24 Prudential Indicator	Actual as at 30th June 2023
	Rating	Rating
Minimum Portfolio Average Credit Rating	A-	AAA-

* 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	2023/24 Prudential Indicator	Minimum During Quarter	Date of minimum
Minimum total Cash Available within 3 months	£15m	£24.9m	26-May-23

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.

	2023/24 Prudential Indicator	Actual as at 30 th June 2023
Upper limit on one-year revenue impact of a 1% rise in interest rates	+/- £1m	£0.408m
Upper limit on one-year revenue impact of a 1% fall in interest rates	+/- £1m	£0.408m

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 30th June 2023
	%	%	%
Under 12 months	50	Nil	4.6
12 months and within 24 months	50	Nil	0.0
24 months and within 5 years	75	Nil	0.0
5 years and within 10 years	75	Nil	6.8
10 years and within 25 years	100	25	52.0
Over 25 years	100		36.6

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.

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

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

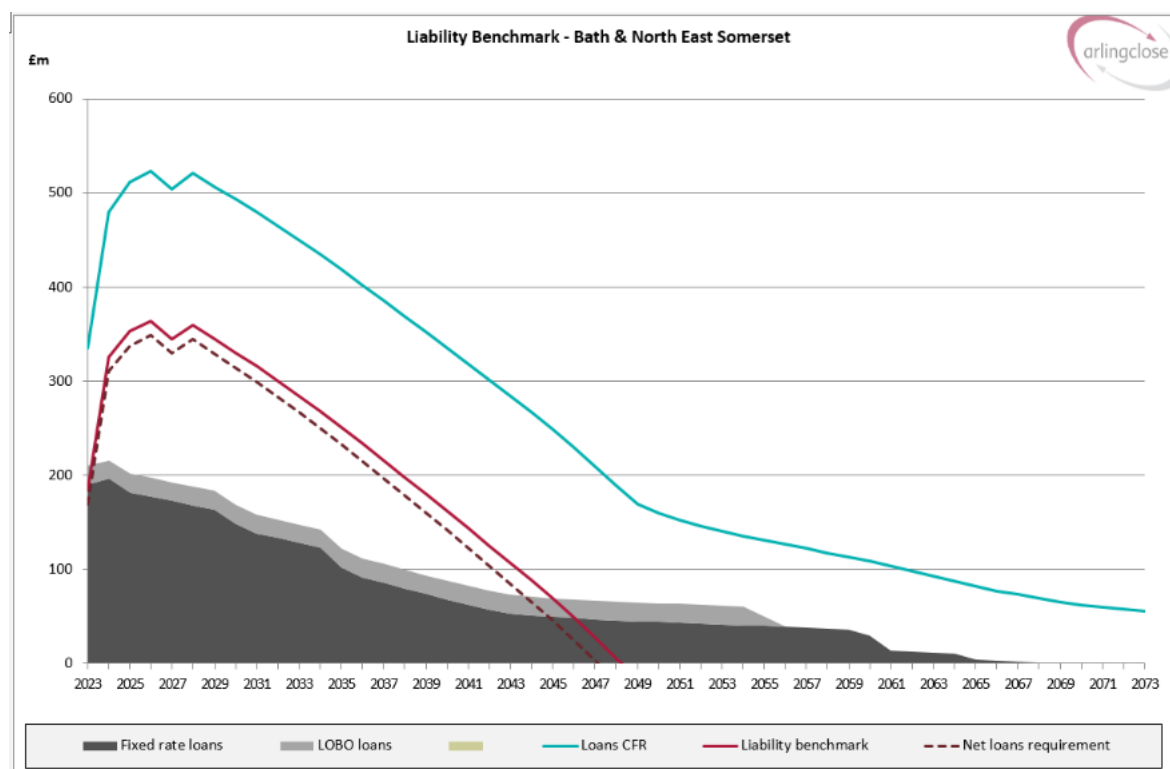
The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2023/24 Prudential Indicator	Actual as at 30 th June 2023
Limit on principal invested beyond 31 st March 2024	£50m	£10m*
Limit on principal invested beyond 31 st March 2025	£20m	£10m*
Limit on principal invested beyond 31 st March 2026	£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.

7. 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.



The difference between actual borrowing (the grey slopes) and the liability benchmark (the solid red line) shows that the Council is under borrowed by around £109m in 2023/24. When it comes to considering new borrowing this funding gap can be used as a guide to the optimal amount and length of borrowing required to minimise interest rate and credit risk.

APPENDIX 2

The Council's Investment position at 30th June 2023

The term of investments is as follows:

Term Remaining	Balance at 30 th June 2023	Comparator
		Balance at 31 st March 2023
	£m	£m
Notice (instant access funds)	37.85	27.30
Up to 1 month	5.00	5.00
1 month to 3 months	0.00	0.00
3 months to 6 months	0.00	0.00
6 months to 12 months	0.00	0.00
Strategic Funds	10.00	10.00
Total	52.85	42.30

The investment figure is made up as follows:

	Balance at 30 th June 2023	Comparator
		Balance at 31 st March 2023
	£m	£m
B&NES Council	50.00	40.45
Schools	2.85	1.86
Total	52.85	42.30

The Council had a total average net positive balance of £49.6m during the period April 2023 to June 2023.

Chart 1: Council Investment Balances

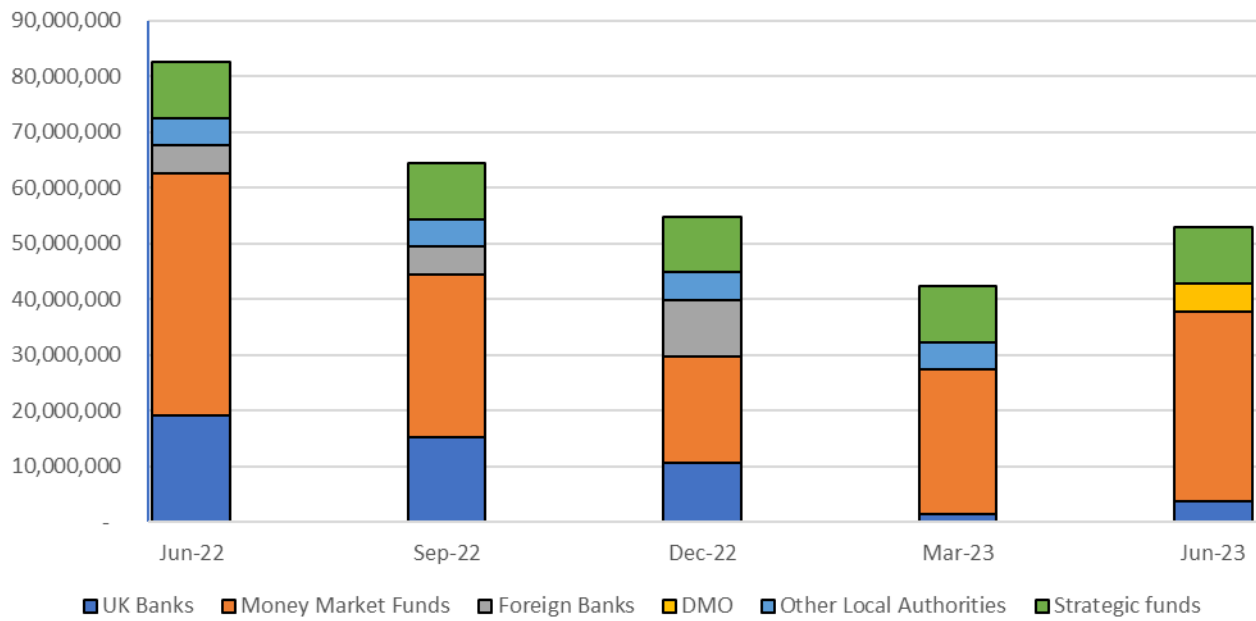


Chart 1a: Council Investments as at 30th June 2023 - £52.85m

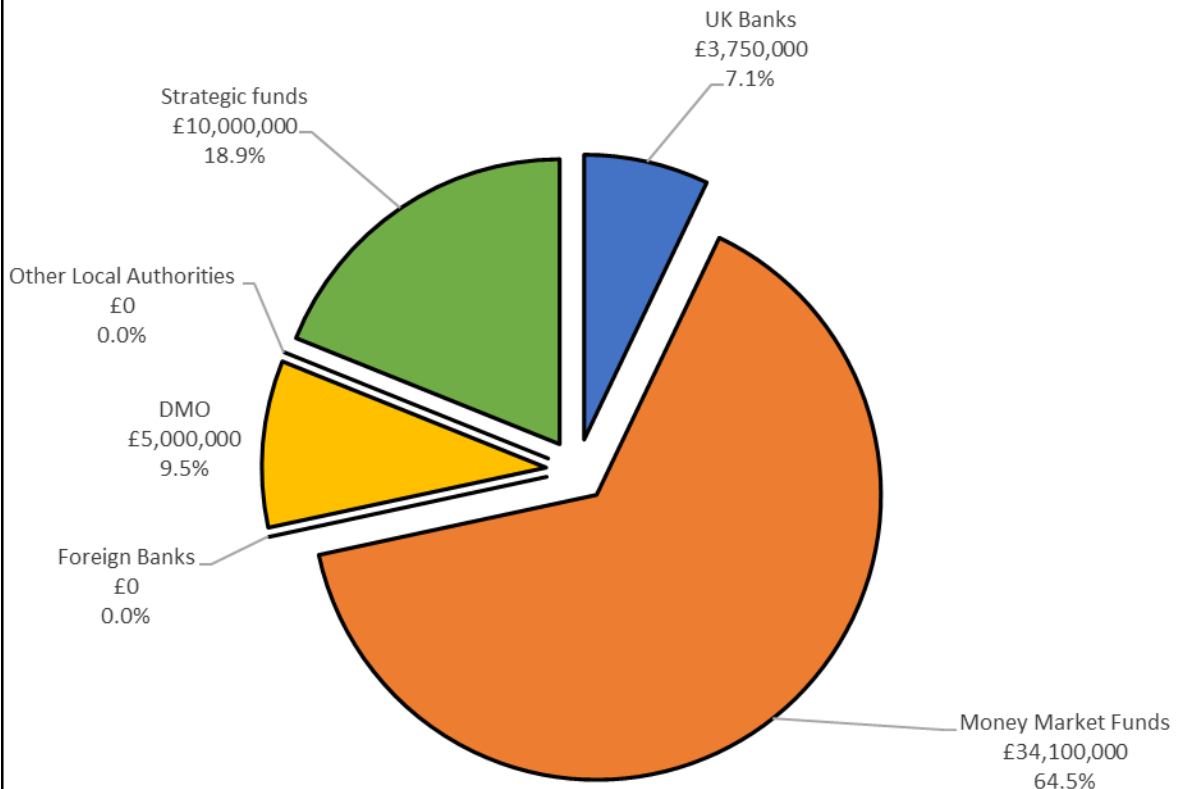


Chart 2: Council Investments Per Lowest Equivalent Long Term Credit Rating

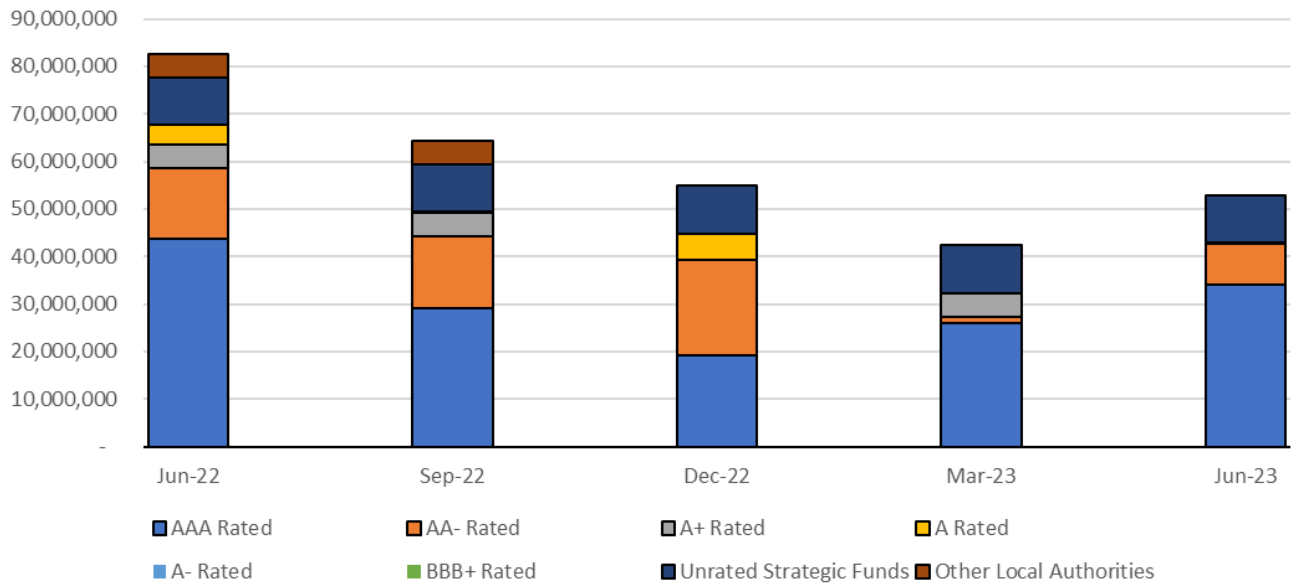
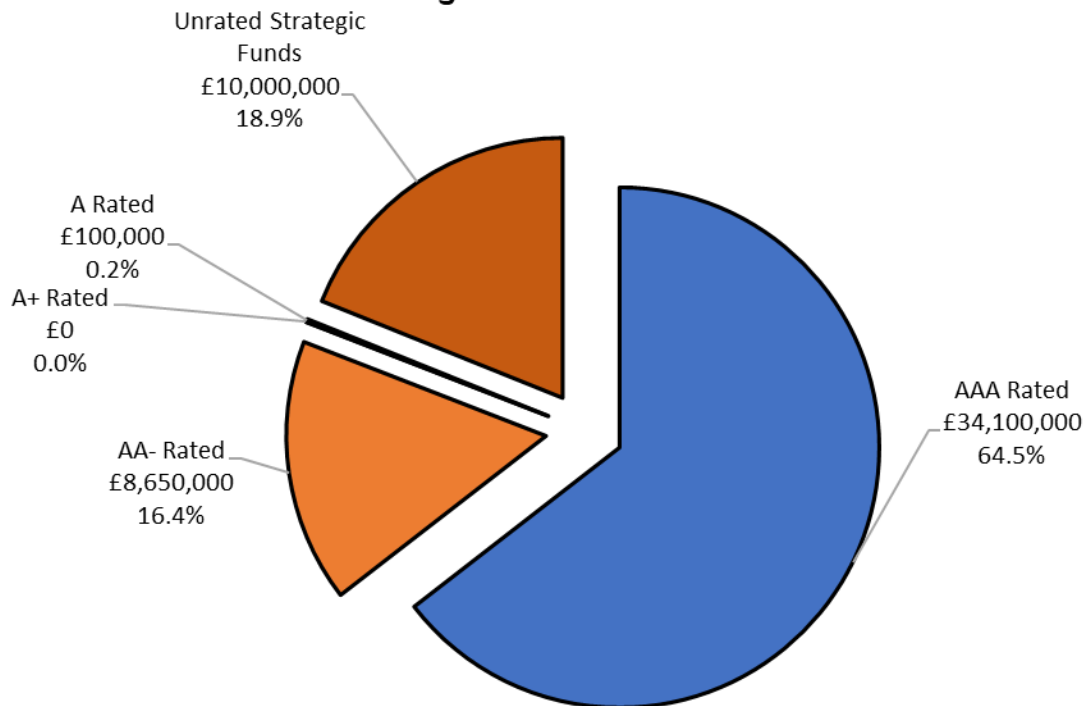


Chart 2a: Council Investments Per Lowest Equivalent Long Term Credit Rating as at 30th June 2023 £52.85m



APPENDIX 3

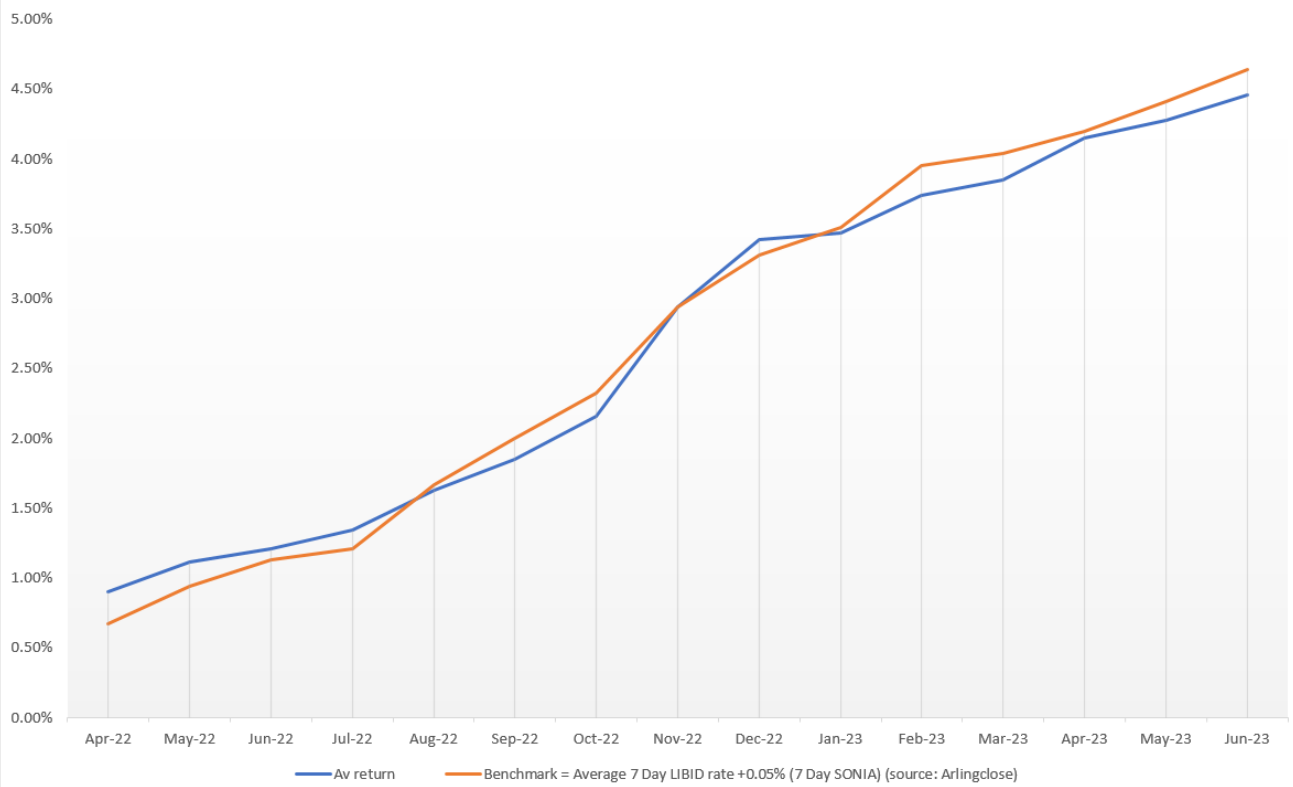
Average rate of return on investments for 2023/24

	Average rate of interest earned	Benchmark = Average 7 Day SONIA rate	Performance against Benchmark
April 2023	4.15%	4.20%	-0.05%
May 2023	4.28%	4.41%	-0.13%
June 2023	4.46%	4.64%	-0.18%
Average	4.30%	4.42%	-0.12%

For Comparison, the average rate of return on investments for 2022/23 was as follows:

	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	2.16%	2.32%	-0.16%
November 2022	2.94%	2.94%	0.00%
December 2022	3.42%	3.31%	+0.11%
January 2023	3.47%	3.51%	-0.04%
February 2023	3.74%	3.95%	-0.21%
March 2023	3.85%	4.04%	-0.19%
Average	2.09%	2.30%	-0.21%

Average Return on Investments 2021/22 & 2022/23 compared to Benchmark



APPENDIX 4

Council's External Borrowing at 30th June 2023

Lender	Amount outstanding @ 31st March 2023	Change in Quarter	Amount outstanding @ 30th June 2023	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	15,869,859	(344,561)	15,525,299	20/06/2016	20/06/2041	2.36%
PWLB508126	8,607,342	(164,092)	8,443,250	06/12/2018	20/06/2043	2.38%
PWLB508202	9,531,537	(55,480)	9,476,058	12/12/2018	20/06/2068	2.59%
PWLB508224	4,293,391	(82,994)	4,210,397	13/12/2018	20/06/2043	2.25%
PWLB505744	7,810,341	-	7,810,341	24/02/2017	15/08/2039	2.28%
PWLB505966	8,085,202	-	8,085,202	04/04/2017	15/02/2042	2.26%
PWLB506052	6,870,715	-	6,870,715	08/05/2017	15/02/2042	2.25%
PWLB506255	6,599,366	(39,369)	6,559,998	10/08/2017	10/04/2067	2.64%
PWLB506729	8,438,087	(166,462)	8,271,625	13/12/2017	10/10/2042	2.35%
PWLB506995	8,467,200	(164,102)	8,303,098	06/03/2018	10/10/2042	2.52%
PWLB506996	8,825,459	(126,082)	8,699,377	06/03/2018	10/10/2047	2.62%
PWLB507749	8,613,628	-	8,613,628	10/09/2018	20/07/2043	2.42%
PWLB508485	19,141,417	-	19,141,417	11/02/2019	20/07/2068	2.52%
PWLB509840	8,800,947	-	8,800,947	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%
Short Term						
West of England Combined	-	5,000,000	5,000,000	28/04/2023	26/04/2024	4.45%
Portsmouth C.C.	-	5,000,000	5,000,000	28/04/2023	26/04/2024	4.45%
Total Borrowing	210,254,492	8,856,859	219,111,351			

*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: From the start of the quarter until May it looked like peak global monetary policy rates were in sight as inflation continued to ease and central banks turned more dovish in tone. Only a few weeks later, stronger, and more persistent inflation data, particularly in the UK, changed the picture.

The UK situation was not welcome news for the Bank of England. GDP growth was weak, confirmed at 0.1% in Q1, although more recent monthly GDP data has been somewhat better. The housing market has stalled, consumer demand is weak but seemingly recovering despite higher interest rates, and labour demand remained strong, with repercussions for wage growth which is accelerating.

April data showed the unemployment rate increased to 3.8% (3mth/year) while the employment rate rose to 76.0%. Pay growth was 6.5% for total pay (including bonuses) and 7.2% for regular pay, the largest growth rate of the latter outside of the Covid pandemic. Once adjusted for inflation, however, growth in total pay and regular pay remained negative.

Inflation fell from its peak of 11.1% reached in October 2022, but annual headline CPI in May 2023 was higher than the consensus forecast at 8.7% (8.4% expected), largely driven by services inflation, while the annual measure of underlying core inflation rose to 7.1% from 6.8%.

After a sharp rise in interest rate expectations, with clearly serious implications for mortgage markets due to higher inflation and wage data, the Bank of England's Monetary Policy Committee reaccelerated monetary policy tightening over the period with a 0.25% rise in May to a 0.5% rise in June, taking Bank Rate to 5.0%. At both meetings the vote was 7-2 in favour of increasing rates, with the two dissenters preferring to keep rates on hold.

Interest rate expectations priced in further hikes in policy rates. Arlingclose, the authority's treasury adviser, revised its forecast to forecast a further 0.5% of monetary tightening to take Bank Rate to 5.5%. The risks, however, are that rates could be higher; financial markets are forecasting policy interest rates above 6%.

With many mortgages at low fixed rates now systematically being re-set over the next 12-24 months at higher rates at the end of their fixed rate period, there has been a lagged effect of the feed through of monetary policy on households' disposable income. The economic slowdown is expected to develop over time and therefore, despite the GfK measure of consumer confidence rising to -24 in June, it is likely confidence will be negatively affected at some point. The manufacturing sector contracted during the quarter according to survey data, which will eventually feed into services, whose expansion is slowing.

Despite the US Federal Reserve increasing its key interest rate to 5.00-5.25% over the period, activity in the region continued to defy monetary tightening, particularly in labour markets which have so far appeared robust, supporting the Fed's assertions of two more

rate hikes after it paused in June. Annual US inflation continued to ease, falling from 4.9% in April to 4.0% in May, the lowest level since March 2021. US GDP growth at 2% annualised in the first calendar quarter of 2023 was also significantly stronger than expected against the initial estimate of 1.3%.

In the euro zone, the picture was somewhat different. The European Central Bank maintained its hawkish tone and increased its key deposit, main refinancing, and marginal lending interest rates to 3.50%, 4.00% and 4.25% respectively. There were signs of weakening activity, particularly in Germany whose manufacturing sector has taken a hit from high energy prices and weaker global demand. However, inflation remained sticky, annual headline CPI fell to 5.5% in June while annual core inflation rose to 5.4% from 5.3%, which means the ECB is unlikely to stop monetary tightening.

Financial markets: Financial market sentiment and bond yields remained volatile, the latter continuing their general upward trend as uncertainty and concern over higher inflation and higher interest rates continued to dominate.

Gilt yields rose over the period. The 5-year UK benchmark gilt yield rose from 3.30% to 4.67%, the 10-year gilt yield from 3.43% to 4.39%, and the 20-year yield from 3.75% to 4.51%. The Sterling Overnight Rate (SONIA) averaged 4.37% over the quarter.

Credit review: Having completed a review of its credit advice on unsecured deposits at UK and non-UK banks following concerns of a wider financial crisis after the collapse of Silicon Valley Bank purchase of Credit Suisse by UBS, as well as other well-publicised banking sector issues, in March Arlingclose reduced the advised maximum duration limit for all banks on its recommended counterparty list to 35 days.

Over the period S&P upgraded NatWest Group and related entities to A+ (except NatWest Markets which was upgraded to A), revised the UK sovereign outlook to stable from negative, and upgraded both Barclays Bank PLC and Barclays Bank UK PLC to A+.

Fitch put the US sovereign rating on Rating Watch Negative following increased political partisanship which at the time was hindering the latest resolution to raise the debt ceiling. It also upgraded the outlook on United Overseas Bank to stable, the outlook on Clydesdale to positive, and the outlook on Bank of Montreal to stable.

Moody's withdrew Guildford BC's rating (who chose not to continue being rated) and affirmed the Aaa rating of the European Investment Bank.

Arlingclose continued to monitor and assess credit default swap levels for signs of ongoing credit stress but made no changes to the counterparty list or recommended durations over the quarter. Nevertheless, heightened 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 2023/24

April 2023 to June 2023	YEAR END POSITION			ADV/FAV
	Budgeted Spend or (Income) £'000	Actual Spend or (Income) £'000	Actual over or (under) spend £'000	
Interest & Capital Financing				
- Debt Costs	8,873	8,373	(500)	FAV
- Internal Repayment of Loan Charges	(14,708)	(14,708)	0	-
- Ex Avon Debt Costs	910	900	(10)	FAV
- Minimum Revenue Provision (MRP)	11,164	11,164	0	-
- Interest on Balances*	(1,450)	(1,650)	(200)	FAV
Total	4,789	4,079	(710)	FAV

APPENDIX 7

Summary Guide to Credit Ratings

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

APPENDIX 8

Extract from Treasury Management Risk Register – Top 5 Risks

			Current Risk Score										Trend			Management Action	
	Risk Nr	Description	Likelihood					Impact					This Period	Periods Ago			
			1	2	3	4	5	1	2	3	4	5					
			L	M	H	L	M	H	1	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				4		16	16	12	12	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	