

Cabinet

Date: Thursday, 9th November, 2023

Time: 6.30 pm

Venue: Council Chamber - Guildhall, Bath

Agenda

To: All Members of the Cabinet

Councillor Kevin Guy (Leader of the Council, LD Group Leader, Member Advocate for Armed Forces and Veterans), 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

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

Cabinet - Thursday, 9th November, 2023

in the Council Chamber - Guildhall, Bath

AGENDA

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 - 7TH SEPTEMBER 2023 (Pages 7 - 10)

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 11 - 16)

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

12. COMMUNITY SERVICES TRANSFORMATION PROGRAMME - PREFERRED DELIVERY OPTIONS FOR 2024-25 AND 2025-26 (Pages 17 - 72)

The report provides an update on the Community Services Transformation Programme and sets out a number of recommendations.

13. 2024/25 MEDIUM TERM FINANCIAL STRATEGY (Pages 73 - 102)

The Medium Term Financial Strategy (MTFS) sets out the strategic direction and priorities for the Council as well as outlining the financial context and challenges the Council faces over the next five years and the strategy that will be used to inform its annual budget process.

14. REVENUE AND CAPITAL BUDGET MONITORING, CASH LIMITS AND VIREMENTS – APRIL TO SEPTEMBER 2023 (Pages 103 - 138)

The report presents the financial monitoring information for the Authority as a whole for the financial year 2023-24, using information available as at the end of September 2023.

15. TREASURY MANAGEMENT PERFORMANCE REPORT TO 30TH SEPTEMBER 2023 (Pages 139 - 160)

The report gives details of performance against the Council's Treasury Management Strategy for the first half of 2023-24.

16. QUARTER 2 STRATEGIC PERFORMANCE REPORT 2023/24 (Pages 161 - 174)

The report updates Cabinet on the progress made against a key set of strategic performance measures which assess our progress on delivering the Corporate Strategy, other key strategies, and key aspects of service delivery.

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

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BATH AND NORTH EAST SOMERSET

CABINET

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

Thursday, 7th September, 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

17 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting.

18 EMERGENCY EVACUATION PROCEDURE

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

19 APOLOGIES FOR ABSENCE

There were no apologies for absence.

20 DECLARATIONS OF INTEREST

There were no declarations of interest.

21 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was no urgent business.

22 QUESTIONS FROM PUBLIC AND COUNCILLORS

There were 10 questions from Councillors and 18 questions from members of the public.

Cllr Robin Moss asked a supplementary question relating to question M10 and Cllr Paul May provided a response.

[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.]

23 STATEMENTS OR PETITIONS FROM PUBLIC OR COUNCILLORS

Members of the public and Councillors made statements as follows:

- Chad Allen – Environmental Protection. Mr Allen expressed concern about the potential damage to buildings and the environment caused by English Ivy. He stated that action needed to be taken to prevent this.
- Cllr Tim Warren – Green spaces. Cllr Warren expressed concern regarding the lack of maintenance at the entrance to an estate in Midsomer Norton. Cllr Tim Ball, Cabinet Member for Neighbourhood Services, agreed to meet with Cllr Warren to discuss this issue.
- Cllr Fiona Gourley – Petition re rural bus services (*a copy of which is attached as appendix 2 to these minutes*)
- David Redgewell – Mr Redgewell was unable to attend the meeting, however, a copy of his statement is attached as *appendix 3* to these minutes.

24 MINUTES OF PREVIOUS CABINET MEETING - 13TH JULY 2023

RESOLVED that the minutes of the meeting held on Thursday 13th July 2023 be confirmed as a correct record and signed by the Chair.

25 CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

No single member items were requisitioned to Cabinet.

26 MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES

No matters were referred by Policy Development and Scrutiny Panels.

27 SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING

The Cabinet agreed to note the report.

28 YOUTH JUSTICE PLAN 2023-24

Cllr Paul May introduced the report, moved the officer recommendation, and made the following statement:

“I would like to thank Sally Churchyard for her dedication to B&NES and youth justice for the last 18 years. She has maintained such a strong commitment to working effectively with partners that we can feel assured re this year’s plan.

We are the lead partner under the Crime and Disorder Act, aimed at preventing offending and reoffending for children aged 10-17. This report, if approved this evening, will be reported to Council for formal approval.

Despite many worries by parents and children re recent deaths, the area still has relatively low reported crime and small numbers of children in the formal youth justice system.

Fear generally is rightly a concern, and we now have a Violence Reduction duty, so we work effectively with the violence reduction partnership to produce a strategic needs assessment plus a strategy to address serious violence (Appendix 4).

In the past, the annual plan has been relatively non-controversial but the genuine community worries highlight the importance of various agencies working together effectively.”

Cllr Tim Ball seconded the motion and stressed the importance of keeping children out of the Youth Justice system.

RESOLVED (unanimously):

To recommend approval of the Youth Justice Plan to full Council.

29 TREASURY MANAGEMENT MONITORING REPORT TO 30TH JUNE 2023

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

“In line with the Chartered Institute of Public Finance Accountancy (CIPFA) Code of Practice, this report sets out the council’s Treasury Management performance for the first quarter of the financial year. So, it’s a report about how the council’s financial investments are performing and our borrowing levels.

Given the news headlines about the very, very difficult financial environment that all local authorities find themselves operating within at the moment, and the consequences of that for some of them, I guess there might be a little more public interest in these financial reports over the coming months than is sometimes the case. I’m pleased to say that the report in front of us today sets out the very prudent and responsible approach B&NES council takes to managing its investments and borrowing.

The council's investments at 30th June 2023 totalled £52.85 million. There are no high risk or complicated investment vehicles and I'm delighted we're maintaining our £5m investment in Environmental Social and Governance funds. The average rate of interest earned over the period was 4.30% and the average return has continued to increase during the first quarter as the Bank of England interest rate rises fed through to our investments, with the rate on investment returns always lagging a little behind the base rate increases.

The Bank of England's interest rate action continues to be robust in line with their remit for tackling inflation. The Base Rate has increased from 4.25% to 5% during the first quarter. This trend has continued with rates now 5.25% following a further increase in August. I commend to you the report from the Economic and Market Review set out by the council's investment advisors, Arlingclose, in Appendix 5. It doesn't make for very pretty reading in its assessment of the general economic environment. The public will know from their own pockets about our Conservative government's mismanagement of the national economy and inability to tackle inflation, and this affects the council along with everyone else. Given that high inflation means high interest rates Arlingclose currently predict that rates will top out at 5.5% but acknowledges that there is a risk of the base rate reaching 6% before it peaks. Whilst that will be good news for our investments, as a net borrowing authority, that means we have to manage our borrowings very carefully. Borrowing at the end of the quarter was £219m an increase of £9m from the start of the year mainly reflecting a short-term loan taken out in April in line with cashflow requirements. And whilst it's not the subject of this report, the persistently high underlying inflation level is having a very significant effect on the council's revenue budget.

The sound management of our borrowing and investments can help alleviate some of that, however, and an overall underspend of £710k is currently forecast in respect of Capital Financing costs due to the higher than budgeted investment income and delays in the council's need to borrow. This was reported in the Quarter One revenue & capital budget monitoring report as part of the July Cabinet meeting.

The report includes figures showing performance against all the indicators set out in the Treasury Management Strategy and confirms that these are all within approved limits.

I would like to commend the work of the officers in managing our treasury function so carefully and competently, and for the production of this report, and I move the recommendations set out in 2.1 and 2.2.”

Cllr Sarah Warren seconded the motion and congratulated officers on their good financial management.

RESOLVED (unanimously):

- (1) To note the Treasury Management Report to 30th June 2023, prepared in accordance with the CIPFA Treasury Code of Practice.
- (2) To note the Treasury Management Indicators to 30th June 2023.

The meeting ended at 6.55 pm

Chair _____

Date Confirmed and Signed _____

Prepared by Democratic Services

Bath & North East Somerset Council

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

published from 28th August 2023 until 31st October 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>

Revised Street Naming and Numbering Policy

Revised Street Naming and numbering Policy, to take account of various changes that have come about in recent years.

Decision Maker: Cabinet Member for Built Environment and Sustainable Development

Decision published: 13/10/2023

Effective from: 21/10/2023

Decision:

To approve and adopt the revised street naming and numbering policy.

Wards affected: All Wards

Lead officer: Martin Laker

AGHL Interim Dividend to Shareholder

Approval of Reserved Matter 32 to allow AGHL to progress with payment of the interim dividend for financial year 2022/23.

Decision Maker: Council Leader

Decision published: 10/10/2023

Effective from: 10/10/2023

Decision:

To approve the reserved matter below to allow AGHL to progress with paying the interim dividend of £848K for 2022/23 to the Shareholder in order to meet the total Council Returns target set of £1m for the financial year 2022/23.

Reserved Matter 32 - Declaring or paying any end of year dividend of the Company (where applicable).

Wards affected: All Wards

Lead officer: Susan Hayter

Market Sale of 7 Riverside View Apartments owned by Aequus Developments Ltd (ADL)

Approval of Reserved Matter 22 covering disposal of assets that will exceed £500k but less than £5m in order to reduce level of debt.

Decision Maker: Council Leader

Decision published: 10/10/2023

Effective from: 10/10/2023

Decision:

To approve the reserved matter below, to allow ADL to progress with the disposal of 7 Riverside View apartments on the open market using a phased approach using the surplus monies to reduce the level debt on the 5 remaining apartments to ensure continued viability.

Reserved Matter 22 – approval of total asset disposals that will exceed £500,000 but less than £5M.

Wards affected: All Wards

Lead officer: Susan Hayter

Local Authority Housing Fund Delivery Programme

Decision to support the delivery of the Local Authority Housing Fund (LAHF) programme which will deliver 22 homes for Ukrainian and Afghan families. Purchase of the open market properties will be via LAHF grant passported via the Council together with additional borrowing from the existing ADL Loan Agreement. Therefore, in accordance with the Shareholder Agreement 2018, updated in 2022, Aequus must seek approval from the Shareholder for Reserved Matters 22 and 28.

Decision Maker: Council Leader

Decision published: 02/10/2023

Effective from: 02/10/2023

Decision:

To approve the reserved matters below, to allow ADL to progress with supporting the Council to deliver this programme:

- Reserved Matter 22 – approval of total asset acquisitions that will exceed £500,000 but less than £5M
- Reserved Matter 28 – Making any borrowing

Wards affected: All Wards

Lead officer: Susan Hayter

Bath College SEND Residential Provision

The proposal is to build a 12-bed residential unit linked to the SEND Wellow Centre at Bath College, Somer Valley site. The college is providing the land on which this is to be built. This would accommodate young people with special educational needs aged 16+. This is a stepping stone between living at home and moving to either supported living or independent living. The proposal is for 12 bedrooms each with en-suite plus a carers room, together with communal kitchen and living areas. The rationale for this provision is to offer a residential element in B&NES thereby preventing expensive out of area placements at independent residential colleges. There are many benefits to the young people remaining in their local area for example - local employment, social, economic and environmental reasons. A capital loan of £4m has been agreed in principle.

Decision Maker: Cabinet Member for Children's Services

Decision published: 26/09/2023

Effective from: 04/10/2023

Decision:

(1) To give full approval to the capital project of £4m as a grant allocation to Bath College to build a 12-bed residential unit on the College land at the Somer Valley campus. This is within the spend set by the Council.

(2) To delegate to the Director of Education & Safeguarding, in consultation with the 151 Officer, to enter into capital grant and operating agreements with Bath College for the provision of SEND residential placements - through a new build unit.

Wards affected: All Wards

Lead officer: Rosemary Collard

RULE 3.5.15 - Local Authority Housing Fund Delivery Programme

To provide Afghan and Ukraine households who have arrived in the UK via specified resettlement and relocation schemes with safe and suitable long-term accommodation. On 14th March the Council agreed a Memorandum of Understanding with the Department for Levelling Up, Housing and Communities to provide 22 units of such accommodation in return for funding.

Decision Maker: Cabinet Member for Built Environment and Sustainable Development

Decision published: 21/09/2023

Effective from: 21/09/2023

Decision:

In consultation with the Cabinet Member for Resources, the Cabinet member agrees to:

- 1.1 The acceptance of the principles of the scheme as articulated in the:
- (1) LAHF Memorandum of Understanding dated 14th March, including providing 22 units of suitable accommodation in return for accepting £3.04m of DLUHC funding, attached in Appendix 1 of the report.
 - (2) The LAHF High-Level Business case, attached in Appendix 2 of the report.
 - (3) The contracting of Aequus to deliver and manage the homes required as detailed within the report.
- 1.2 In consultation with the Cabinet Member for Resources, to delegate:
- (1) Entry to the B&NES and Aequus LAHF Agreement contracting delivery of the programme and;
 - (2) All operational decisions, including agreement of individual property business cases, to the Director of Regeneration & Housing in consultation with the s151 and Monitoring Officers.
- 1.3 To safeguard the properties purchased through the grant funding by imposing a restrictive covenant on title requiring that the Council hold the properties solely for affordable housing purposes.
- 1.4 To amend the capital programme, having regard to the existing full approval of programme initiation costs of £250k, as follows:
- (1) Full approval of a further sum of £1,812k reflecting estimates for 10 Open Market Purchases funded by DLUHC grant and full recognition of earmarked Homelessness Prevention Grant contribution of £267k.
 - (2) Provisional Programme of £1,245k for the balance of DLUHC funding to be contingency for above and a sum for transferring Council Properties (creating 12 units) when estimates are fully completed (to be updated by future Officer Delegated Decisions).
 - (3) Noting estimated loans of £1,328k to Aequus will be reflected in existing Approval for Property Company Investment - Council (Loan): Developments.

Wards affected: All

Lead officer: Graham Sabourn

CIL for Bath Advisory Board Recommendations Round Fourteen

To agree the recommendation from the CIL for Bath Advisory Board relating to the round fourteen allocation of funding (£171,301) for five projects from Bath's "neighbourhood portion" of the Community Infrastructure Levy.

Decision Maker: Council Leader
Decision published: 21/09/2023
Effective from: 29/09/2023

Decision:

To agree:

- (1) An allocation of £15,000 to St Andrews Community Church towards the refurbishment of the community centre.
- (2) An allocation of £3,640 to Percy Community Centre for the replacement of the Annexe Doors.
- (3) An allocation of £25,353 to Percy Community Centre for the resurfacing of the outdoor multi use sports court.
- (4) An allocation of £52,389 to Bath Youth for Christ for the refurbishment of the toilets and kitchen facilities at the Roundhill Hub.
- (5) An allocation of £74,919 to Your Park Bristol & Bath to create the UK's first park to meet young females needs at Brickfields.

Wards affected: All Wards
Lead Officer: Mark Hayward

Bath West Children's Centre Service Procurement

To consider directly awarding the Bath West Children's Centre Service to the existing provider for a further year (until 31st March 2025), in order to align commissioning intentions with other strategic aims.

Decision Maker: Cabinet Member for Children's Services
Decision published: 05/09/2023
Effective from: 13/09/2023

Decision:

To agree that a direct award for the Bath West Children's Centre Service be made to the existing provider for a further year (until 31st March 2025).

Wards affected: Moorlands; Twerton
Lead Officer: Ellie Weyman

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Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	9 November 2023	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3489
TITLE:	Community Services Transformation Programme – Preferred delivery options for 2024/25 and 2025/26	
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report:</p> <p>Equalities Impact Assessment for Adult Social Care Transfer – Appendix 1</p> <p>Equalities Impact Assessment for Community Partners – Appendix 2</p> <p>Equalities Impact Assessment for Public Health Services – Appendix 3</p>		

1. THE ISSUE

Summary of the recommendations:

- Update on the progress of the Adult Social Care (ASC) transfer.
- Approve funding for the Interim Contractual Arrangement for 2024/25.
- Approve the proposal for the Council to directly commission Public Health and Community Partner services as of April 2025.
- Endorse continued engagement of relevant officers in the procurement process for the Integrated Community Based Care (ICBC) programme (Children’s and Adult’s Health).
- Agree next phase for the Community Wellbeing Hub.

It should be noted that the decisions requested now and in the future, and the progress of the workstreams do not replace the Council’s existing budget setting or policy frameworks. They will, however, form the gateways of governance and approvals in the next stage of the process in the delivery of Community Based Care for the B&NES population.

2. RECOMMENDATION

2.1. Regarding the transfer of ASC services:

- (1)** To note the update on progress of the transfer of ASC services and the outcome of the internal audit;
- (2)** To endorse continuation of the delegated responsibility for the transfer of ASC services to the Director of Adult Social Services, in consultation with the Lead Cabinet member for Adult Services, noting the November 2022 Cabinet approval for the transfer of ASC to B&NES Council (Transfer Decision Ref: E3393) including the delegated responsibility for the transfer of ASC services to the Director of Adult Social Services, and the commitment held against the social care reserve as a mitigation against any financial risk associated with the transfer following due diligence on current and future operating costs. Members will be aware of the underlying pressure on the Q2 ASC revenue budget due to increasing demand in learning disability and older people services. The service is working hard to deliver in year mitigations to address revenue pressures. This is expected to place a demand on the ASC reserve to support the move to a balanced budget.

2.2. Regarding the commissioning of Public Health services:

- (1)** Approve the delegated responsibility for the commissioning of Public Health services to the Director of Public Health and Prevention, in consultation with the Lead Cabinet member for Adult Services.
 - (2)** Endorse the proposal for the direct commissioning of Public Health services as of 1 April 2025 (through current arrangements via a mix of directly delivered and sub-contracted services by HCRG Care Group through existing contract arrangements until 31 March 2024) and subsequently the interim arrangements until 31 March 2025, as referred to below. Noting delegated authority for the future commissioning of these services sits with the Director of Public Health and Prevention.
- 2.3.** Approve the revised best estimate of funding liability of £18,116,521 which includes contributions for Community Health, Public Health and Community Partners delivered services and the Council's contribution towards the Better Care Fund (BCF) for 2024/25 in respect of the approved proposal for an interim contractual arrangement. This is in accordance with the decision taken in July 2023 (see Update on Contractual Arrangement Decision 23/24 Ref: E3469) and services will be delivered within the existing budgetary envelopes.
- 2.4.** Approve the proposals for the Council to commission Community Partner delivered services directly (excluding those in the Health strategic commissioning group, see Section 3.17) as of 1 April 2025 (currently delivered through the existing arrangement with the HCRG Care Group and proposed interim arrangements until 31 March 2025 as referred to below). Noting delegated authority for the future commissioning of these services sits with the Director of Adult Social Services and the Director of Public Health and Prevention services.
- 2.5.** Endorse the continued engagement and involvement of relevant officers in the procurement process for the Integrated Community Based Care programme, including the approach to selection, timelines and public engagement for

community services beyond April 2025, as per the request from colleagues on the ICB Board noting any future decisions around commissioning decisions will be in accordance with existing delegations.

- 2.6. Agree ongoing support from officers to determine the strategic case for a Community Wellbeing Hub (CWH) and agree to Phase 2 of the Outline Business Case (OBC) commencing to inform a final OBC. A subsequent paper will be presented to Cabinet at a later date (note existing arrangements from Section 3.26).

3. THE REPORT

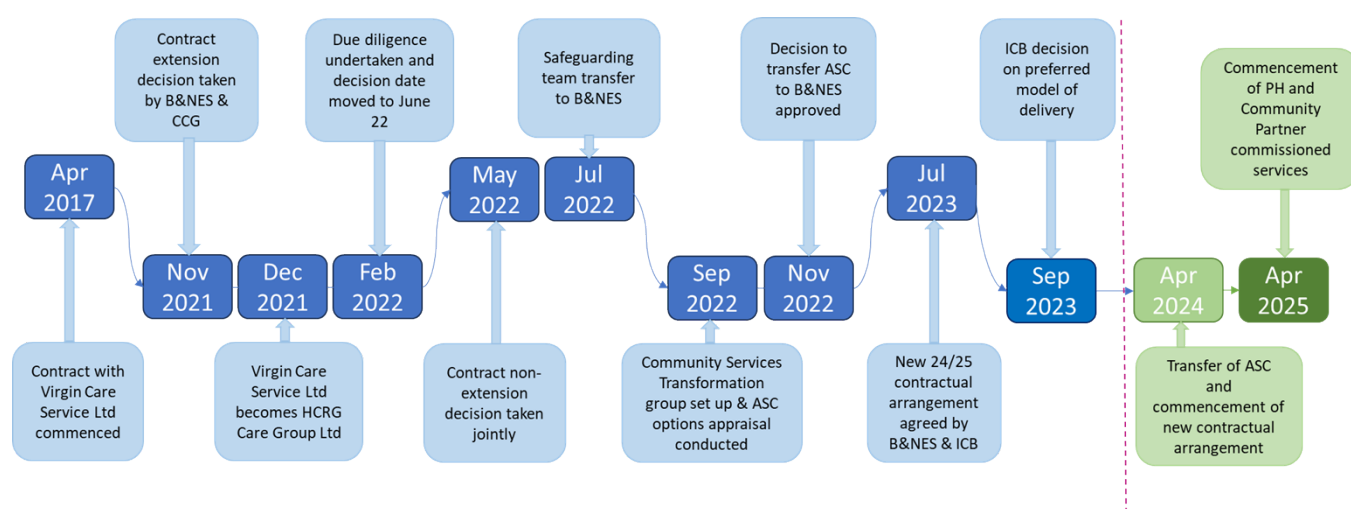


Figure 1: Community Services Transformation Timeline

BACKGROUND

3.1. Bath and North-East Somerset Council (B&NES) and what is now the Bath, Swindon & Wiltshire Integrated Care Board (ICB) made a decision not to extend the HCRG Care Group contract for the three-year extension term in May 2022 (Non-extension Decision Ref: E3362). The Council completed a detailed options appraisal, and a decision was taken to transfer Adult Social Care (ASC) to B&NES Council (Transfer Decision Ref: E3393). An update on the progress of the transfer of ASC is provided from Section 3.3.

3.2. In July 2023 a new contractual arrangement was approved by B&NES and the ICB for a one-year period covering 2024/25 (see Update on Contractual Arrangement Decision 24/25 Ref: E3469). Under this arrangement the ICB are the Coordinating Commissioner for Children's and Adults Health services, Public Health and Community Partner delivered services, with B&NES as Co-Commissioner.

PROGRAMME 1: ADULT SOCIAL CARE REDESIGN UPDATE

3.3. The transfer of Statutory Adult Social Work, Direct Payments Support, and Adults with a Learning Disability services back to the Council, in line with the standard operating model was presented as part of a Strategic Outline Business Case (SOC) and ratified by B&NES Cabinet on 10 November 2022 (see Decision Reference E3393). This also includes the Shared Lives service which

was reviewed through a separate options appraisal process and sits within the Learning Disability service.

- 3.4.** The internal audit for Programme One has now been concluded and the Assurance Rating given was Level 4 – Substantial Assurance: The systems of internal control are good, with a number of strengths evident and substantial assurance can be provided. It found that the assessment of the Key Control Objectives were all rated as "Good" and the overall governance and programme management arrangements in place for Programme One – ASC Transfer are "robust and comprehensive".
- 3.5.** A Local Government Association (LGA) Peer Review of adult social work was carried out during September 2023. The peer review team noted the traditional nature of elements of the operating model and commented that other local authorities have had to take tougher financial decisions over recent years due to the financial challenges they have faced. The key findings from this review are detailed in the table below and provide assurance over the provision of adult social work for the B&NES population.

Table 1: Summary of Peer Review

Strengths	Considerations
Well led organisation with a positive workforce culture built upon mutual respect and values	How systems, processes and data are used to best effect to inform practice and performance oversight
Clear corporate purpose with strong political and corporate leadership in supporting Adult Social Care	Opportunities for further development of practice and oversight through simplification of structures and insourcing plans
Kind, collegiate, generous staff <i>"we don't keep a good idea to ourselves"</i>	Ambitious plans with many strategic and operational initiatives planned in next 6 months as part of longer-term plan
Self-aware – no surprises and plans in place to address some of the challenges as reflected in the Self-Assessment	To support delivery of plans may wish to consider the range of support and advice that is available externally as well as internal resource required
Partnerships and strong relationships	Co-production

- 3.6.** Further work is ongoing to determine the full impact of the future cost of ASC service delivery. This will include full details on the transitional contingency costs associated with the transfer in year one. This will include the mitigations that will need to be put in place to manage costs within the budgetary envelope in subsequent years. Cabinet approved the transfer of ASC to B&NES Council in November 2022 (Transfer Decision Ref: E3393). The agreement that a commitment would be held against the adult social care reserve as a mitigation against any financial risk associated with the transfer for one year will be reviewed in light of the increasing pressures on the ASC reserve due to the additional current Q2 ASC pressures that have materialised. The in-housed model for adult

social care will need to be cost neutral from 2025/26. It is therefore likely that there will be services changes and consequences.

3.7. Any potential future decisions on ASC service provision after year one will be brought back to Cabinet if further governance gateways are triggered in line with existing policy and approvals frameworks.

3.8. The table below details ASC transfer mobilisation spend to date.

Table 2: ASC Mobilisation Costs to Date

Cost Type	Actual Spend to Sep 2023/24 (rounded to '000)
Internal	£360
External	£260
Total	£619

3.9. The three Community Partners who deliver subcontracted services to support the Adults with Learning Disabilities and their Families Service are included in the one-year interim contractual arrangement. All Community Partner delivered services will be reviewed during 2024/25 and then commissioned as required once this arrangement ends on the 31 March 2025.

3.10. A separate appraisal was conducted for the Complex Health Team, and it was decided it should remain within the one-year contractual arrangement. This option preserves the existing model of clinical governance, prevents a risk of double TUPE for the staff, and ensures the "safe landing" (see Section 4.1 for a definition) of a high-performing service for the interim period. Any future service review will be dependent on the ICB review and decision-making process.

DELEGATED RESPONSIBILITY TO OFFICERS FOR ASC AND PUBLIC HEALTH

3.11. The continuation of the delegated responsibility for the transfer of ASC services to the Director of Adult Social Services, and the commissioning of Public Health services to the Director of Public Health and Prevention ensures that these two programmes can progress effectively and that governance and assurance on both is appropriate.

3.12. Both programmes are delivered in consultation with the Lead Cabinet member for Adult Services who has oversight and is kept regularly informed of progress, risks, mitigations, and any potential constraints to overall programme delivery.

VARIATIONS TO THE INTERIM CONTRACTUAL ARRANGEMENT

3.13. The interim contractual arrangement means B&NES is required to contribute a best estimate of funding liability of £18,116,521 to fund Public Health services and services delivered by Community Partners, along with the continuation of the contributions towards some Adults and Children's Health Services to the ICB.

3.14. There is no material change in the service provision from the decision taken in July 2023, however it is to note that the costs included in the Update on Contractual Arrangement Decision 24/25 Ref: E3469 did not include the Better Care Fund (BCF) contribution, this is now included in the table in section 3.15. The interim arrangement will be delivered within the existing budgetary envelope for these services.

3.15. The table below shows the best estimate of the contributions required to support the interim arrangement.

Table 3: Interim Arrangement Funding

Funding Stream	Values to Remain in Interim Contractual Arrangement
Overall Council Funding	£6,574,011
Overall Public Health	£6,704,517
Overall BCF Funding	£4,837,993
Total	£18,116,521

Included:

- Adults' and Children's Community Health Services
- Public Health Services
- Community Partner Provided Services
- Complex Health Team (excluded from the ASC & LD transfer)

COMMUNITY PARTNERS

3.16. During 2024/25 a full review of future commissioning intentions will be undertaken to optimise the preferred service specifications for the commissioning of Community Partner delivered services. This will support future service transformation and enable a full value for money assessment across delivery of the services provided to ensure they best meet the needs of B&NES residents. This will provide the strategic direction to inform the commissioning of these services with the existing budgetary envelopes from April 2025.

3.17. Community Partners have been organised into the following strategic commissioning groups:

- Children's
- Adult's
- Public Health
- Housing
- and Health (which will sit with the ICB for commissioning)

Delegated authority for the future commissioning of these services sits with the relevant B&NES Council officers in accordance with existing Council policy.

3.18. Following a joint options appraisal with the ICB it was determined that the contract management function within the existing HCRG Care Group contract would (4FTEs) return to the Council in line the funding allocation, as this represented the most effective solution. This will then be reviewed in line with the Council's own internal Commissioning and Contract Management function

reviews, and alongside the redesign of all Community Partner delivered services in collaboration with the ICB.

PROGRAMME 2: PUBLIC HEALTH

3.19. There are interdependencies with the ICBC (Children’s and Adult’s Health) programme across the delivery of Public Health Nursing and Wellness services. The optimal solution for these is to have them aligned to ICBC programme. To enable these services to potentially benefit from a collaborative solution they are on the Reserve list under the ICBC scope for procurement (see Section 3.23).

3.20. A summary of the preferred commissioning options for the Public Health services are included in the table below. Delegated authority for the future commissioning of these services sits with the Director of Public Health and Prevention in accordance with existing Council policy, and services will be delivered within the budgetary envelope of the Public Health grant for 2025/26. These options are for 2025/26 delivery as these services are delivered under the new contractual arrangement and within the budgetary envelope for 2024/25.

Table 4: Preferred Options for Delivery of PH Services

Service Line	Currently directly delivered or sub-contracted	Preferred Option
Public Health Nursing	Directly delivered	Commissioning collaboratively with ICB-delivered B&NES Children's Community Health for integrated service delivery
Wellness Service	Is delivered through a mixture but mainly directly delivered	Commission core Wellness services collaboratively with ICB Mental Health and Wellbeing service element of SD14 for integrated service delivery for B&NES
Substance Misuse	Sub-contracted	Commission for service delivery for B&NES
Sexual Health (GP, LARC and Community Pharmacy)	Sub-contracted	Commission ongoing service provision with GP's and Pharmacies
NHS Health Checks	Mainly sub-contracted with one employee doing outreach	Commission the outreach element as part of the Wellness service and NHS Health Checks with GP practices

INTEGRATED COMMUNITY BASED CARE (ICBC) PROG 3 (CHILDREN’S AND ADULT’S HEALTH): UPDATE

3.21. A delivery plan has been developed and approved by the ICB Board on the 14 September. This is a critical document which will inform next steps in the next phase of ICBC Programme and includes strategic transformation priorities, which will be set out in detail in the market engagement documentation. Specifications, linked to the Delivery Plan, are well developed and will provide high-level

strategic documents to develop and build with Providers through the negotiation process.

- 3.22.** A Services in Scope document sets out what is expected to be in the scope of the ICBC contract from April, including those services in Reserve that may be brought into the contract at a later date.
- 3.23.** The ICB is working closely with Bath, Swindon & Wiltshire Local Authorities to ensure that governance timelines are aligned for the decisions being asked of Cabinets in respect of the service in the Core or Reserve lists.
- 3.24.** There are significant interdependencies with the ICBC Programme that is seeking to maximise the opportunity for transformational change in the way that health and care services are delivered in the B&NES, Swindon and Wiltshire areas, following the expiry of the existing contracts for the current provision of community services, including the HCRG Care Group contract. These require collaborative solutions and careful management across both organisations. A continued B&NES officer presence is requested by the ICB to ensure alignment and to support the decision-making process.
- 3.25.** In due course the Cabinet will be asked to endorse the specifications, scope and the financial envelope for the Integrated Community Base Care (ICBC) programme (Children's and Adult's Health) for services delivered from April 2025. Best estimates of funding liabilities from April 2025 will continue to be refined as the process progresses.

COMMUNITY WELLBEING HUB (CWH)

- 3.26.** The CWH is not a commissioned service, and while it works in parallel and with existing schemes in the HCRG Care Group contract, it is not part of this contract. The CWH was set up to support communities during the Covid pandemic and has developed and coordinated elements of the wellbeing offer since this time. It is not a Council run service but is governed as a partnership model between the CWH delivery partners. The overarching aim of the Community Wellbeing Hub is to be the "front door" for prevention and early help support for residents across B&NES and seeks to: "sustain, support and improve the wellbeing of B&NES residents by working together across partner organisations to be collectively responsive to the changing needs of our communities".
- 3.27.** This front door approach and collaborative joined up response, enables organisations within the system to deliver on their statutory duties related to wellbeing duty, information and advice. The CWH also delivers upon national, Bath, Swindon & Wiltshire and B&NES strategic objectives to support a system shift towards prevention and integrated working.
- 3.28.** Preliminary cost effectiveness work suggests that there is a strong invest to save case for the CWH. The Outline Business Case (OBC) is already well developed with completion of the core requirements for a CWH, design principles for the delivery model, cost effectiveness estimations and a draft budget beyond April 2025.
- 3.29.** Funding for 2024/25 has been secured, however there are elements of the OBC that cannot be confirmed until wider strategic decisions have been made in

relation to Community Transformation Programmes 2 and 3 work. Cabinet is therefore asked to agree to Phase 2 of the OBC commencing so that the OBC can be completed and the proposed sustainable business model for the CWH from April 2025 can be presented to Cabinet (at a date to be confirmed). This involves the allocation of officer time to support this phase of work, which will enable work to commence from Jan 2024 to implement the Delivery Plan to secure all elements of the CWH by April 2025.

- 3.30.** If approved, Phase 2 of the CWH OBC will be completed to inform a future paper to Cabinet. As this is not a B&NES Council led service, this will ask if Cabinet agree to the proposed sustainable business model and the Council's funding contribution required for the Community Wellbeing CWH (from April 2025). Maintaining the CWH will be very challenging based on our current resource profile, unless we can deliver this through a more robust partnership model.

COMBINED FUNDING STREAMS

- 3.31.** In the existing contract, all funding is pooled funding from both B&NES and the ICB, which is then used to provide shared community-based care services. This will need to be managed for the duration of the interim award and at the end of the contract to ensure an equitable solution for both organisations, and in recognition of the new arrangements to be put in place from April 2025.

- 3.32.** Legal advice has been sought (see from Section 6.5) which has identified that all services that are to be jointly commissioned should be covered by a Section 75 (of the National Health Act 2006) agreement, stating the governance arrangements for contract management and monitoring for the 2024/25 contract award. This should also reflect the funding arrangements, including details on risk sharing around under/overspend on any pooled funds, visibility around financial performance reporting and will identify the payment arrangements (some services are block payments and others are activity based).

4. STATUTORY CONSIDERATIONS

- 4.1.** Statutory areas of consideration have been assessed to ensure there is a "safe landing" of services. Safe landing refers to delivery of a regulatory compliant service from day one, with continuity of service provision and no impact on service users, that prevents destabilisation of the workforce and has a change process that is evidenced through audit.
- 4.2.** The areas reviewed cover all Statutory duties of the Council, Safeguarding, Equalities, and Crime and Disorder.

5. RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1.** Interim Contractual Arrangement – the best estimate of the total contribution required and within the budgetary envelope is £18,116.521 for the interim contractual arrangement for 2024/25
- 5.2.** ASC – Mobilisation costs of £619k have been incurred up to the end of September 2023. Structured work is ongoing to identify the future mobilisation costs required up to the end of March 2024 to ensure a safe landing of ASC services. This work also includes assessment of the operational funding requirements for year one

(2024/25) and the mitigations required to reduce the impact of any transitional contingency. Further approvals from Cabinet will be sought if any additional governance gateways are triggered.

5.3. Public Health – all services to be managed within the Public Health grant envelope.

5.4. Community Partners – a full review of future commissioning arrangements for Community Partner delivered services will be undertaken during 2024/25 to optimise delivery within the budgetary envelope for these services.

5.5. Community Wellbeing Hub – to continue to provide resources to support the workstream activity (see Section 3.26 to 3.30) and the CWH steering group. This will inform the business plan, the funding requirements and sustainable funding arrangements from April 2025 onwards.

6. RISK MANAGEMENT

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

6.2. The key risks in respect of the interim contractual arrangement identified for B&NES are shown below. It should be noted though that these are balanced against the high potential for loss of service had the interim arrangement not been agreed.

Table 5: Interim Arrangement Key Risks

Key Risk	Mitigation
Service delivery costs must align with existing budgets.	B&NES is working closely with the ICB to ensure the cost of the interim arrangements remains within the existing budgetary envelopes.
12-month delay to the strategic transformation of services.	The proposal allows a further 12 months to review and assess the optimal long term transformational strategies.
Fair apportionment of any shared costs.	This will form a part of the contractual negotiation between both B&NES Council and the ICB with HCRG Care Group.
Procurement risk around the interim arrangement.	Legal guidance has been sought to mitigate against any potential procurement risks as far as possible for the duration of the interim arrangement.

6.3. Summary of key risks and mitigations: Public Health

Table 6: Public Health Key Risks

Key Risk	Mitigation
Tight timelines for procurement activity.	Detailed procurement timetables factored into an overall PH programme plan and timeline.
Destabilisation of market providers and existing third-sector organisations.	Gather evidence to assess the potential impact. Assess the combined impact of any changes on overall services provision. Draft strategy on managing any potential impacts.

6.4. Summary of key risks and mitigations: Community Partners

Table 7: Community Partners Key Risks

Key Risk	Mitigation
Existing Community Partners concerned over the timescale for redesign and commissioning	The interim contractual arrangement ensures timelines are appropriate and manageable. This will be supported through identification of strategic requirements and effective communication with the provider market.
Inflationary pressure on future contractual arrangements	Optimisation of service delivery, to ensure value for money in provision is maximised, supported through a detailed and effective consultation process.

LEGAL ADVICE

INTERIM CONTRACTUAL ARRANGEMENT

6.5. B&NES has sought independent legal advice around the proposed interim contractual arrangement which could be taken to help (i) mitigate against procurement challenge; and (ii) protect against some of the consequences of a procurement challenge, the application of which officers are considering with ICB colleagues. This advised that the Council will retain the procurement risk relating to the future award and provide advice on potential risk mitigating strategies. Noting such strategies should be coordinated with that of the ICB to agree a joint mitigation strategy.

6.6. The advice supplied to the Council included how best to mitigate the procurement risk of directly awarding the New Contract alongside the ICB. No formal contractual documentation has been issued but Council officers continue to liaise with the ICB over implementation of the interim award and to agree commissioning intentions and agreement of the negotiated contract for 2024/25.

- 6.7.** The legal advice provided has supported the provision of Community Provider services through the interim contractual arrangement to allow the council time to review the service provision prior to commissioning and while a potential new procurement regime settles in.
- 6.8.** Officers will continue to seek expert legal advice up until April 2025 at governance gateways in respect of the Community Service transformation programme to provide ongoing assurance to Cabinet members.

PROCUREMENT

- 6.9.** Legal advice was sought by the Council in April 2023 to provide initial guidance to support the Council in their planning activities in relation to the re-procurement of the Council funded Community Partner delivered Services.
- 6.10.** The following areas have been discussed in this advice as the focus of the Council's request:
- a) Estimation of value and aggregation rules;
 - b) Thresholds and light-touch services under the Public Contract Regulations (PCR) 2015;
 - c) Direct award (regulation 32);
 - d) Mitigation; and
 - e) The impact of the Provider Selection Regime (PSR) which is intended to come into force on 1 January 2024 and would supersede points b) and c) above.

BUSINESS TRANSFER AGREEMENT

- 6.11.** Officers are developing the contractual documentation necessary to effect the transfer in of ASC services, with support from the Council's external legal advisors Bevan Brittan.

7. EQUALITIES

7.1. The impact on health inequalities and duties to those with protected characteristics under equalities legislation has also been considered and documented in fulfilment of the legal duties in these areas. No specific EIA issues have been raised because of the impact assessment carried out for the proposed new service delivery arrangement for 2024/25 and 2025/26 because the proposed models do not change the service offered to residents.

7.2. The Council has completed proportionate EIA reviews for ASC Transfer, Public Health and Community Partners delivered services. The ICB will complete the EIA for Community Health services.

8. CLIMATE CHANGE

8.1. No negative impacts are expected from the proposed new delivery models on climate change. The proposed service delivery arrangements will be comparable to the existing provision for Adult Social Care, Public Health and Community Partner delivered services.

8.2. The implementation of revised service specifications, the phased transition to a new Target Operating Model for ASC and efficiencies in commissioning and service delivery should aim to support a reduction to the impact of service delivery on climate change.

9. OTHER OPTIONS CONSIDERED

9.1. All feasible options have been considered as part of the drafting of the business cases. This includes an HMT Green Book compliant long-list to short-list options appraisal process. The options selected to be taken forward represent those that best met the Investment Objectives and Critical Success Factors. These then underwent an economic appraisal, and the preferred option is the one found to deliver the highest cost-benefit ratio (CBR) and net present social value (NPSV).

10. CONSULTATION

- 10.1.** There has been extensive collaborative consultation between the Council and the ICB throughout the delivery of the programme workstreams to date. Representatives from the ICB have been involved in all applicable workshops and have provided comments and review of all preparatory documentation to inform the options appraisal process.
- 10.2.** There have been detailed briefings and reviews through the delivery of the programmes carried out by internal Council stakeholders including the Council's Statutory Officers, Directors, and the Senior Leadership Team.
- 10.3.** As there will be no significant change to the structure and arrangements of the service provision, nor the scope of services provided up to March 2025, there is no requirement for public consultation until services are reviewed in line with the service transformation plans during 2024/25.
- 10.4.** The council has been informing and consulting our council Trade Union representatives monthly since November 2022. Additional funding for trade union facilities time was built into the mobilisation costings to support this programme. UNISON have been exploring with HCRG Care Group the release of an HCRG Care Group union member to join these sessions as an HCRG Care Group employee representative, although to date this is not in place.
- 10.5.** HCRG Care Group have invited Council officers (not the Trade Unions representatives) to attend their staff sessions to give information about TUPE, share information about the Council service and respond to questions. There have been two staff sessions (22 May and 8 June 2023) and 3 further group sessions have taken place on the 27 September 2023. Sessions scheduled for 22 and 23 November 2023 are expected to include the formal consultation regarding the 'measures' (changes) the council envisages taking in relation to affected employees.
- 10.6.** Following a council enquiry requesting the detail of the HCRG Care Group employee representatives in accordance with TUPE Regulation 13 and 14, HCRG Care Group have confirmed they will make arrangements to elect employee representatives and that our council trade union representatives can also attend the joint formal consultation meetings with their staff in November.
- 10.7.** The table below shows all engagement to date with the provider market.

Table 8: Market Engagement

Provider Event Description	Date	Lead
Community Partners Engagement Event	22 Sept 2022	Lead jointly by B&NES, the ICB and HCRG
Second Community Partners Engagement Event	8 March 2023	Lead jointly by B&NES, the ICB and HCRG
Engagement event to inform Community Partners of contracting arrangements April 2024 to March 2025	6 June 2023	ICB
Market engagement for providers following the release of ICB PIN (c.70 individuals from c.30 organizations)	4 July 2023	ICB
ICBC Market Engagement event	1 August 2023	ICB

Contact person	Mandy Bishop – Chief Operating Officer Claire Thorogood – Assistant Director Strategy, Transformation and Governance
Background papers	<ul style="list-style-type: none"> • Non-extension Decision Ref: E3362 • Decision Reference E3393 • Community Services Transformation Programme – Update on Contract Arrangements for 2024/25 Ref: E3469 <p>These are available for inspection on B&NES Council website</p>
Please contact the report author if you need to access this report in an alternative format	

Equality Impact Assessment / Equality Analysis

(Updated July 22)

Title of service or policy	Adult Social Work (statutory function) and Adults with a Learning Disability Service
Name of directorate and service	Adult Social Care
Name and role of officers completing the EIA	Ann Smith, Assistant Director Operations
Date of assessment	September 2023

Equality Impact Assessment (or 'Equality Analysis') is a process of systematically analysing a new or existing policy or service to identify what impact or likely impact it will have on different groups within the community. The main aim is to identify any discriminatory or negative consequences for a particular group or sector of the community, and also to identify areas where equality can be better promoted. Equality impact Assessments (EIAs) can be carried out in relation to services provided to customers and residents as well as employment policies/strategies that relate to staffing matters.

This toolkit has been developed to use as a framework when carrying out an Equality Impact Assessment (EIA) or Equality Analysis. **Not all sections will be relevant – so leave blank any that are not applicable.** It is intended that this is used as a working document throughout the process, and a final version will be published on the Council's website.

1.	Identify the aims of the policy or service and how it is implemented.	
	Key questions	Answers / Notes
1.1	<p>Briefly describe purpose of the service/policy e.g.</p> <ul style="list-style-type: none"> ● How the service/policy is delivered and by whom ● If responsibility for its implementation is shared with other departments or organisations ● Intended outcomes 	<p><u>How the service is delivered:</u></p> <p>There is a requirement to develop and deliver a new Target Operating Model (TOM) for Adult Social Care (ASC) due to the transfer of Adult Social Work Statutory Functions (Health and Care Act) and Adult Learning Disability Service back to the Council - decision taken by cabinet to in-source services on 10th November 2022. The services are current delivered by HCRG Care Group.</p> <p>The in-sourcing of the two services is being led by B&NES Council ASC Directorate as part of the wider Community Services Transformation Programme – Programme One: ASC Redesign between B&NES Council and B&NE, Swindon and Wiltshire (BSW) Integrated Care Board (ICB)</p> <p>The services will be transferred back to the Council as of 1st April 2024 and the contractual relationship with HCRG Care Group will cease.</p> <p>Future TOM Objectives</p> <ul style="list-style-type: none"> ● Single point of access for social care support. ● Safeguarding owned at a team level – Making safeguarding personal. ● Community Resources as an integral part of our offer. ● Integrated transitions offer. ● Case management approach regardless of setting. ● Reduce reliance on restrictive settings. ● Specialist input alongside case management. ● Ownership at a locality level align with Neighbourhood Teams. ● Workforce/OD and progression framework

<p>1.2</p>	<p>Provide brief details of the scope of the policy or service being reviewed, for example:</p> <ul style="list-style-type: none"> ● Is it a new service/policy or review of an existing one? ● Is it a national requirement?). ● How much room for review is there? 	<p>The current service specification for PD01 Adult Social Work and SD43 Adults with Learning Disabilities and their Families (within HCRG Care Group contract) will be reviewed as part of Programme One: Adult Social Care Redesign within the wider Community Services Transformation Programme.</p> <p>The review of the service specification and development of the new Target Operating Model (TOM) is not a national requirement as it is the result of the decision taken by B&NES 10th November 2022 to insource the services.</p> <p>Other legislative changes in line with ASC Reforms will have an impact on these services and the Council is working towards implementation of requirements of the legislative changes as part of ongoing ASC transformation strategy over the next three years and forms part of the 2023/2024 service plan for ASC.</p>
<p>1.3</p>	<p>Do the aims of this policy link to or conflict with any other policies of the Council?</p>	<p>Programme One: ASC Redesign is not in conflict with other Council policies and the project team leading the safe transfer of services for 1st April 2024 are working in conjunction with the Corporate Strategy, the Place Plan and other related strategies for the BSW integrated health and social care system.</p> <p>Demand for Adult Social Care is impacted by many wider determinants of health, including economy, housing, education and therefore it is required to align with existing and developing policies and strategies of the Council and BSW ICB</p> <p>Linkages to existing and developing strategies within BSW ICB as determined by strategic priority setting and the Inequalities Strategy.</p> <p>B&NES Council are working closely with the Bath, Swindon and Wiltshire Integrated Care Board (BSW ICB) to support integration of the Complex Health Team into the wider Learning Disabilities provision. This will support an improved customer journey and deliver integrated support.</p>

2. Consideration of available data, research and information

Monitoring data and other information should be used to help you analyse whether you are delivering a fair and equal service. Please consider the availability of the following as potential sources:

- **Demographic** data and other statistics, including census findings
- Recent **research** findings (local and national)
- Results from **consultation or engagement** you have undertaken
- Service user **monitoring data** (including ethnicity, sex, disability, religion/belief, sexual orientation and age)
- Information from **relevant groups** or agencies, for example trade unions and voluntary/community organisations
- Analysis of records of enquiries about your service, or **complaints** or **compliments** about them
- Recommendations of **external inspections** or audit reports

	Key questions	Data, research and information that you can refer to
2.1	What equalities training have staff received to enable them to understand the needs of our diverse community?	<p>The workforce delivering the service have received a specific programme of training in the following areas:</p> <ul style="list-style-type: none"> ● Council induction and NHSE protected characteristics. ● HCRG Care Group equality and diversity training (at induction and every 3 years after) 207 colleagues are up to date with their training at the end of July which is 90% This training is completed by eLearning. ● ‘Oliver McGowan learning disabilities & autism training’ mandatory for all colleagues 163 colleagues had completed this at the end of July which is 70.9% This consists of an eLearning component and a face-to-face component after the eLearning is completed. ● Equalities eLearning ● All colleagues have an individual electronic record of their training requirements and associated compliance which is monitored by their line manager who has access to training data for their team. Training

		<p>compliance is monitored at management supervision and annual appraisal.</p> <ul style="list-style-type: none"> Professional registration requirements 																												
2.2	What is the equalities profile of service users?	<p>Profile data taken from LAS – 2021/22 clients receiving funded social care</p> <p>Total 2315</p> <p>Sex</p> <p>Female 1295 – 56%</p> <p>Male 1020 – 44%</p> <p>Disability</p> <table> <tr> <td>Learning Disability Support</td> <td>23%</td> </tr> <tr> <td>Mental Health Support</td> <td>15%</td> </tr> <tr> <td>Physical Support</td> <td>45%</td> </tr> <tr> <td>Sensory Support</td> <td>2%</td> </tr> <tr> <td>Social Support (includes Autism)</td> <td>5%</td> </tr> <tr> <td>Support with Memory and Cognition</td> <td>10%</td> </tr> </table> <p>Age</p> <table> <tr> <td>18-24</td> <td>6%</td> </tr> <tr> <td>25-49</td> <td>20%</td> </tr> <tr> <td>50-64</td> <td>15%</td> </tr> <tr> <td>65-74</td> <td>10%</td> </tr> <tr> <td>75-84</td> <td>18%</td> </tr> <tr> <td>85-94</td> <td>24%</td> </tr> <tr> <td>95+</td> <td>7%</td> </tr> <tr> <td>18-64</td> <td>41%</td> </tr> </table>	Learning Disability Support	23%	Mental Health Support	15%	Physical Support	45%	Sensory Support	2%	Social Support (includes Autism)	5%	Support with Memory and Cognition	10%	18-24	6%	25-49	20%	50-64	15%	65-74	10%	75-84	18%	85-94	24%	95+	7%	18-64	41%
Learning Disability Support	23%																													
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95+	7%																													
18-64	41%																													

		<p>65+ 59%</p> <p>Race</p> <p>White British 88%</p> <p>Other white 2%</p> <p>Mixed background 1%</p> <p>Other non-white 3%</p> <p>Not known 6%</p> <p>Data is not sufficiently recorded for:</p> <p>Sexual Orientation</p> <p>Marriage and Civil Partnership</p> <p>Religion/Belief</p> <p>No data available for:</p> <ul style="list-style-type: none"> • Socio/economic disadvantaged • Rural Communities • Armed Forces Communities
<p>2.4</p>	<p>Are there any recent customer satisfaction surveys to refer to? What were the results? Are there any gaps? Or differences in experience/outcomes?</p>	<p>Strategic Evidence Base: difference in health outcomes for those living in particular areas an ageing population with multiple co-morbidities mental health and emotional wellbeing having impact on younger women and girls (eating disorders and self-harming)</p>

		<ul style="list-style-type: none"> • Customer satisfaction surveys are completed throughout the Learning Disability (LD) Provider services (SD43) these vary to meet the needs of the service users. • Shared Lives – information is obtained as part of the Shared Lives Carers’ review process and feedback received 6 monthly by the scheme. • Day Services – verbal feedback received as part of IPP process. • Supported Living Service – annual easy read survey sent to service users, professionals and family members of service users. • Complex Health Needs Service – annual easy read survey sent to service users. • Single point of access for social care support • Safeguarding owned at a team level – Making safeguarding personal. • Community Resources as an integrated part of our offer • Integrated transitions offer • Case management approach regardless of setting • Reduce reliance on restrictive settings • Specialist input alongside case management • Ownership at a locality level align with Neighbourhood Teams • Workforce/OD and progression framework <p>In addition to this, compliments and complaints are recorded and shared with the teams for continuous improvements and developments.</p> <p>It has been HCRG Care Groups’ experience that obtaining feedback when providing our delegated functions from the Care Act can be difficult as an intervention, for example, through safeguarding may lead to a restriction for the service user. Also, the ‘micro commissioning’ role which the service undertakes leads to comments received on the commissioned service rather than the social work team.</p> <p>The Autism team is trialling a bespoke survey running for 6 weeks with questions designed around the social work intervention. In addition to this all teams review complaints and compliments received by the teams.</p>
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<p>2.5</p>	<p>What engagement or consultation has been undertaken as part of this EIA and with whom? What were the results?</p>	<p>The communication and engagement strategy for Programme One: ASC Redesign sets out:</p> <ul style="list-style-type: none"> • Situational analysis to identify the context and challenges for communications and engagement. • Identification of the stakeholder groups and how and when each will be engaged with and who will be responsible for each. • How we will provide timely, clear and consistent communications on an ongoing basis, proactively seeking engagement opportunities where appropriate. • Core principles to ensure inclusivity, transparency, fairness and consistency. • Ongoing monitoring and evaluation of the plan during implementation. • Ensuring staff and stakeholders understand what is happening, when, and what it means for them. Making sure they feel supported and know where to get advice and information. • How we will use insight from staff to inform the communications. • Support for the formal TUPE consultation.
<p>2.6</p>	<p>If you are planning to undertake any consultation in the future regarding this service or policy, how will you include equalities considerations within this?</p>	<p>Our communication and engagement plan will be updated following the B&NES cabinet decision on the future operating model for the services. Any consultation and engagement needed will be detailed in this plan and equalities considerations will be a key element of this.</p> <p>At points of engagement / consultation we will set out to reach as many stakeholders as possible, using accessible forms of communication to reach them. We will clearly communicate how people can get involved, what they can influence, how their feedback will be used and what has been done as a result.</p>

3. Assessment of impact: 'Equality analysis'			
	Based upon any data you have considered, or the results of consultation or research, use the spaces below to demonstrate you have analysed how the service or policy: <ul style="list-style-type: none"> • Meets any particular needs of equalities groups or could help promote equality in some way. • Could have a negative or adverse impact for any of the equalities groups 		
		Examples of what the service has done to promote equality	Examples of actual or potential negative or adverse impact and what steps have been or could be taken to address this
3.1	Issues relating to all groups and protected characteristics	<p>As standard practice, HCRG Care Group assess any new service provision with an Equality Impact Assessment (EIA) to ensure that the new proposed service does not impact adversely on any groups with protected characteristics. This ensures that the new service has equal access to all.</p> <p>HCRG Care Group's organisational values of Care, Think, Do ensure that everyone's individual needs are considered and that we strive for a culture of equality and diversity.</p>	<p>Strategy may need to move resources/investment from groups with better health outcomes to those with worse</p> <p>Need political backing and support/understanding from the community</p>
3.2	Sex – identify the impact/potential impact of the policy on women and men.	The Adult Social Care (ASC) teams ensure where specific requests for the gender of the worker to be aligned that of the service user or carer is respected and accommodated within reason e.g., in safeguarding investigations, matching to residents when making residential placements, ensuring the provision of advocacy services.	

		Within our provider services, when providing personal care to individuals, the preference of whether this is provided by a male or female worker is obtained and recorded in people's care plan to follow.	
3.3	Pregnancy and maternity	ASC Teams will support people under the Care Act with meeting their eligible needs around parenting. Joint packages of care have been commissioned between the Learning Disability team and Children's for specialist agencies to support adults with a learning disability at home.	
3.4	Gender reassignment – identify the impact/potential impact of the policy on transgender people	The Autism Case Management Service has worked with a number of service users going through gender re-assignment. The service has linked individual with community support groups.	<p>Group at risk of depression and suicide, may have issues accessing care from Primary Care who may not have right training/understanding of key issues</p> <p>Trans men, who still have a cervix, may have difficulties accessing cervical screening</p> <p>Health services may be uncertain how to treat transgender with dignity and respect</p>
3.5	Disability – identify the impact/potential impact of the policy on disabled people (ensure consideration both physical, sensory and mental impairments and mental health)	<p>Focus on resident areas with higher health inequality, represent higher levels of disability within the population</p> <p>People with a learning disability are more likely to have worse health than those without a learning disability.</p> <p>Poor quality healthcare causes avoidable deaths https://www.mencap.org.uk/learning-disability-explained/research-and-statistics/health/health-inequalities</p>	<p>Primary need or disability for clients is not collected on Liquid Logic. Instead, the 'Reason for Support' is captured (in line with the Care Act 2014)</p> <p>In 2018/19, 88% of the cohort profiled did not have a disability recorded – this rose to 100% in 2019/20</p>

		<ul style="list-style-type: none">- Physically disabled people may find it harder to access services (digital may help?), also may have mental health needs.- Those with mental health support needs, may need more support to access the health care that they need. Adult's mental health has impact on their children <p>People with mental illness are more likely to have higher rates of:</p> <ul style="list-style-type: none">- poverty- homelessness- incarceration- social isolation- unemployment <p>https://www.gov.uk/government/publications/health-matters-reducing-health-inequalities-in-mental-illness/health-matters-reducing-health-inequalities-in-mental-illness</p> <p>Current ASC practice is to have specialist teams for learning disabilities, autism and hearing and vision. Workers ensure people's Care Act eligible needs are met through assessment and care planning. ASC work in a strengths-based way. The current learning disability model is integrated with health and sees social care and health colleagues co located and managed. This supports good joint working arrangements.</p> <p>ASC teams refer to We Work For Everyone and other sub commissioned contracts to support people to find and maintain employment. B&NES</p>	
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		<p>also have a good success record with Project Search which operates in the area. Project Search offers supported internships to those 16-25 with an Educational Health Care Plan as a route into employment. In addition to this, the HCRG Care Group's Employment Inclusion Service is a team of job coaches who support those with a learning disability or Care Act eligible needs with employment funded through Access to Work or individual's Personal Budgets.</p> <p>The Learning Disability Service contribute to a programme that looks at premature deaths of people with a learning disability service.</p> <p>The service offers easy read and accessible information as per accessible standards.</p> <p>The Specialist Social Work Teams have worked alongside Mental Health services to ensure a holistic approach to a person's care and support needs is taken.</p>	
3.6	<p>Age – identify the impact/potential impact of the policy on different age groups</p>	<p>Ageing population, loneliness and wider experience of ill health/diagnosis</p> <p>As part of Care Act assessments ASC will ensure people's community presence is developed and link people with appropriate services such as Day Services, Village Agent, Community Groups.</p>	<p>There are more older clients known to ASC in B&NES than younger clients, peaking at the 86-95-year-old age group. This suggests that most new clients to ASC enter the system aged 75+</p> <p>In contrast, of the cohort profiled, the average age was 45 in 2019/20 and the highest proportion of clients were aged 26-35</p> <p>This project is therefore more likely to impact people in their 20s, 30s and 40s, men in their 40, people who identify as a man and people who identify as a woman.</p>

		Examples of what the service has done to promote equality	Examples of actual or potential negative or adverse impact and what steps have been or could be taken to address this
3.7	Race – identify the impact/potential impact on across different ethnic groups	HCRG Care Group are part of the Workforce Race Equality Standard (WRES). This was implemented to ensure that colleagues of BAME backgrounds have equal access to career opportunities and receive fair treatment in the workplace. In turn, this should help ensure that the workforce is proportionality represented by the community we work with.	<p>The majority of individuals known to ASC in BANES identify as White British, and this reflective of the general population in B&NES. Broadly, the ethnic diversity of those known to ASC in B&NES is in line with national trends</p> <p>Of the cohort profiled, the majority of the clients are White British. The other most represented Ethnic Minorities group was Any Other Mixed, White and Asian, and White and Black Caribbean in 2019/20, but only 1 person in each group</p> <p>The most ethnically diverse age group is the 18-25-year-old age group in 2019/20</p> <p>Therefore, this project is more likely to impact White British people as they make up the majority of clients and therefore, we will monitor all ethnicity information to ensure no group is adversely impacted</p>
3.8	Sexual orientation – identify the impact/potential impact of the policy on lesbian, gay, bisexual, heterosexual people	As part of Care Act assessment ASC will ensure the person develops and maintains family or other personal relationships.	Information on sexual orientation is collected but 76% of clients profiled had no information recorded on their records, it is therefore not possible to use this information to carry out any analysis and this as an area for improvement as we cannot easily identify whether our work will impact this group.
3.9	Marriage and civil partnership – does the policy/strategy treat married and civil partnered people equally?		<p>No information on marriage/civil partnership is available via our standard reporting</p> <p>This as an area for improvement as we cannot easily identify whether our work will impact this group</p>

3.10	Religion/belief – identify the impact/potential impact of the policy on people of different religious/faith groups and also upon those with no religion.	This is considered by ASC as part of Care Act assessments ensuring people’s cultural needs are met. An example is commissioning support for a person on a Sunday to access Church in their local community.	Information on faith is collected but 84% of clients profiled had no information recorded on their records It is therefore not possible to use this information to carry out any analysis and this as an area for improvement as we cannot easily identify whether our work will impact this group																														
3.11	Socio-economically disadvantaged* – identify the impact on people who are disadvantaged due to factors like family background, educational attainment, neighbourhood, employment status can influence life chances (this is not a legal requirement but is a local priority).	<p>Housing affordability, food insecurity, fuel poverty and child poverty continue to be increasing issues over the next few years</p> <p>These all impact on an individuals’ wellbeing and health outcomes, the engagement plan will make sure we hear from and understand the needs of socio-economically disadvantaged residents</p> <p>Signposting to B&NES Community Wellbeing Hub for example, access to food and nutrition advice and Citizen’s Advice for support on welfare benefits and accessing vouchers for food and utilities support</p>	<p>No information on socio-economic disadvantage is available via our standard reporting</p> <p>Riviam data from the Community Wellbeing Hub CWH referrals Dec 22 & Jan 23</p> <table border="1" data-bbox="1491 644 2051 1270"> <tr><td>AGE UK (Discharge support and admissions avoidance)</td><td>4</td></tr> <tr><td>Clean Slate</td><td>3</td></tr> <tr><td>Curo</td><td>1</td></tr> <tr><td>Employment and Skills</td><td>4</td></tr> <tr><td>Enhanced triage</td><td>61</td></tr> <tr><td>Family support</td><td>1</td></tr> <tr><td>Family Support Scheme - Ukraine</td><td>0</td></tr> <tr><td>Food</td><td>40</td></tr> <tr><td>General wellbeing (inc. weight management)</td><td>0</td></tr> <tr><td>Help from a community volunteer</td><td>0</td></tr> <tr><td>Homes for Ukraine Refugees</td><td>13</td></tr> <tr><td>Housing</td><td>6</td></tr> <tr><td>Logistics and transport</td><td>0</td></tr> <tr><td>Mental wellbeing</td><td>32</td></tr> <tr><td>Money matters and work</td><td>48</td></tr> </table>	AGE UK (Discharge support and admissions avoidance)	4	Clean Slate	3	Curo	1	Employment and Skills	4	Enhanced triage	61	Family support	1	Family Support Scheme - Ukraine	0	Food	40	General wellbeing (inc. weight management)	0	Help from a community volunteer	0	Homes for Ukraine Refugees	13	Housing	6	Logistics and transport	0	Mental wellbeing	32	Money matters and work	48
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3.12	Rural communities* identify the impact / potential impact on people living in rural communities	Engagement activities planned to ensure people living in rural communities are heard from Key issues: Access/digital literacy, transport issues, fuel poverty	
3.13	Armed Forces Community ** serving members; reservists; veterans and their families, including the bereaved. Public services are required by law (Armed Forces Act 2021) to pay due regard to both current and former members of the Armed Services when developing policy, procedures and making decisions, particularly in the areas of public housing, education and healthcare (to remove disadvantage and consider special provision).	National data suggests more likely to have mental health needs, drugs/alcohol abuse issues, the Council is committed to the armed forces covenant.	

*There is no requirement within the public sector duty of the Equality Act to consider groups who may be disadvantaged due to socio economic status, or because of living in a rural area. However, these are significant issues within B&NES and have therefore been included here.

** The Equality Act does not cover armed forces community. However, the Armed Forces Act 2021 requires Local Government to pay 'due regard' to the principle that it is desirable to remove disadvantages, when accessing public services, for service people from membership, or former membership, of the armed forces.

4. Bath and North East Somerset Council & NHS B&NES, Swindon and Wiltshire Equality Impact Assessment Improvement Plan

Please list actions that you plan to take as a result of this assessment/analysis. These actions should be based upon the analysis of data and engagement, any gaps in the data you have identified, and any steps you will be taking to address any negative impacts or remove barriers. The actions need to be built into your service planning framework. Actions/targets should be measurable, achievable, realistic and time framed.

Issues identified	Actions required	Progress milestones	Officer responsible	By when
EIA review	Include key EIA review points in all associated project plans – mobilisation and post transfer	EIA review in year one (post transfer) followed by a follow-up EIA review during 25/26.	Assistant Director of Operations, Assistant Director of Strategy, Governance and Transformation and ASC Quality Assurance lead.	Q1 2024 Q1 2025
Gaps in training	Identification of what the available training is and highlighting and filling training gaps	Review as part of ASC service plan. Mid-year review 23/24 Will inform part of the post transfer project plan.	HR and OD lead in conjunction with Assistant Director of Operations	Q3 2023 Q1 2024
Limited equalities profile of some teams delivering some services/policy information available.	Improve ongoing data around staff teams and equalities data as part of routine monitoring and quality assurance	Pre-transfer activity linking directly with the internal BI team and as included in the LAS (Liquid Logic)	Quality Assurance Lead and Assistant Director of Operations	Q1 2024

		development plan. Monitored through the monthly performance and Quality group.		
<p>Limited-service user demographic data available, for example:</p> <p>2.2 What is the equalities profile of service users?</p> <p>3.2 Sex – identify the impact/potential impact of the policy on women and men.</p> <p>3.3 Pregnancy and maternity</p> <p>3.5 Disability – identify the impact/potential impact of the policy on disabled people (ensure consideration both physical, sensory and mental impairments and mental health)</p> <p>3.8 Sexual orientation – identify the impact/potential impact of the policy on lesbian, gay, bisexual, heterosexual people</p> <p>3.12 Rural communities* identify the impact / potential impact on people living in rural communities</p> <p>3.13 Armed Forces Community</p>	<p>Low numbers of data recorded on how we capture our equalities evidence.</p> <p>Improve service user monitoring data (including ethnicity, gender, disability, religion/belief, sexual orientation, and age)</p>	<p>Pre-transfer activity linking directly with the internal BI team and as included in the LAS (Liquid Logic) development plan.</p> <p>Monitored through the monthly performance and Quality group</p>	Quality Assurance Lead and Assistant Director of Operations	Q1
Service specification review	Review the service specification for the point of transfer	Review of service specifications (PD01 and SD43) will become a Q2 project milestone.	Assistant Director of Operations and Assistant Direct of Commissioning.	Q4 2023

5. Sign off and publishing

Once you have completed this form, it needs to be 'approved' by your Divisional Director or their nominated officer. Following this sign off, send a copy to the Equalities Team (equality@bathnes.gov.uk), who will review the document, offer further advice/guidance and publish it on the Council's and/or NHS B&NES', Swindon and Wiltshire website. Keep a copy for your own records.

Signed off by: Ann Smith, Assistant Director of Operations (Divisional Director or nominated senior officer)
Date: 30/10/23

Equality Impact Assessment / Equality Analysis

(Updated July 22)

Title of service or policy	Community Services Transformation
Name of directorate and service	B&NES Community Partners
Name and role of officers completing the EIA	Gary Guest
Date of assessment	8 th September 2023

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Equality Impact Assessment (or 'Equality Analysis') is a process of systematically analysing a new or existing policy or service to identify what impact or likely impact it will have on different groups within the community. The main aim is to identify any discriminatory or negative consequences for a particular group or sector of the community, and also to identify areas where equality can be better promoted. Equality impact Assessments (EIAs) can be carried out in relation to services provided to customers and residents as well as employment policies/strategies that relate to staffing matters.

This toolkit has been developed to use as a framework when carrying out an Equality Impact Assessment (EIA) or Equality Analysis. **Not all sections will be relevant – so leave blank any that are not applicable.** It is intended that this is used as a working document throughout the process, and a final version will be published on the Council's website.

1.	Identify the aims of the policy or service and how it is implemented.	
	Key questions	Answers / Notes
1.1	<p>Briefly describe purpose of the service/policy e.g.</p> <ul style="list-style-type: none"> ● How the service/policy is delivered and by whom ● If responsibility for its implementation is shared with other departments or organisations ● Intended outcomes 	<p>Current contract with HCRG Care Group</p> <p>Community Health, Adult Social Care, some Public Health services and services delivered by Community Partners are currently delivered by HCRG Care Group as an integrated contract between the Council and ICB which will end on 31st March 2024.</p> <p>The current arrangements are complex across many service lines with the following commissioning responsibilities:</p> <ul style="list-style-type: none"> ● Adult Social Care – Adult Social Work and other commissioned adult social services and Adults with a Learning Disability and their Families Service (B&NES) ● Children’s Community Health Services – B&NES & BSW ICB ● Adult Community Health Services – B&NES and BSW ICB ● Public Health - B&NES and BSW ICB ● Community Partners – B&NES & BSW ICB <p>A full list of services within the current contract (year 7 2023/24) with HCRG Care Group (B&NES) is available.</p> <p>Following the decision to end the current contract with HCRG Care Group on 31st March 2024 both B&NES and the ICB agreed to commence three programmes of work to deliver a new operating model for health, adult social care, public health and community partners as part of Community Services Transformation as of April 2025. The programmes focus on high quality services that continue to meet the needs of our local communities.</p>

		<p>The three Community Services Transformation programmes are:</p> <p>Programme One: ASC Redesign and Community Partners for consideration of a new operating model for statutory adult social care services and future strategic commissioning intentions of services delivered by community partners</p> <p>Programme Two: Public Health for a review of the future commissioning framework of Public Health grant funded services</p> <p>Programme Three: Integrated Community Based Care for the future design of children’s and adults community health across BSW</p> <p>The Community Services Transformation Programme offers the opportunity to create a new, exciting, and integrated model for health and social care services for local people and allows BSW ICB and Bath and North East Somerset Council the opportunity to commission these services at scale:</p> <ul style="list-style-type: none">• Enables commissioners to continue to work in a joined-up way to make sure everyone has access to the care and treatment that is right for them, live in communities that help them to lead healthier lives and have access to integrated local and specialised services• To redesign community services to focus even more on prevention and ensure residents get the support and care that is right for them• To explore adult social care statutory services and third sector commissioning of community partners to transfer back into the council <p>On 10th November 2022 B&NES cabinet took the decision to transfer back to the Council two Adult Social Care services, currently directly delivered by HCRG Care Group, following the presentation of a Strategic Outline Business Case. The services include Adult Social Work and Adults with Learning Disabilities and their Families.</p> <p>1 year contract award April 2024 – March 2025</p>
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On 26th July 2023 a Single Member Decision was taken to include services delivered by Community Partners in the new 1 year contract award to HCRG Care Group from April 2024 to end March 2025. BSW ICB will be the Co-ordinating Commissioner and B&NES Council will be a Co-Commissioner for the 1-year contract term. Decision reference E3469.

For B&NES this means:

- Current integrated contract with HCRG Care Group ends 31st March 2024 with B&NES Council as the Co-ordinating Commissioner
- The new contract arrangement is led by BSW ICB to deliver contract negotiations for 2024/25 and issue NHS Standard contract to HCRG Care Group as a prime contract model within the agreed budget framework for B&NES funded services
- Services delivered by Community Partners (sub contractors) will continue to be commissioned by HCRG Care Group for this period

Services delivered by Community Partners as of April 2025

Phase 1 is split into 2 areas of focus:

- a. Review of services delivered by community partners as sub-contractors within the prime contract delivered by HCRG Care Group
- b. Procurement planning and timetable for recommissioning of services

Phase 1a - review of services delivered by community partners in B&NES has been completed and future strategic commissioning responsibility for services agreed between B&NES Council and BSW ICB.

4 services (delivered by 3 community partners) are proposed to be in scope for Programme 3 and the Integrated Community Based Care decision will be taken by BSW ICB on 21st September 2023 and ratified at the 4th October 2023 Finance and Investment Committee. These services will be considered as part of the EIA for Programme Three Integrated Community Based Care.

		<p>These services include:</p> <ol style="list-style-type: none">1. End of Life Care2. Dementia Assessment Service3. Specialist Neurology and Stroke – Communication Support Service4. Specialist Neurology and Stroke – Community Stroke Co-ordinator <p>During this phase 5 services were identified as being required to not be included in the 1-year contract award for 2024/25, by mutual agreement with HCRG Care Group it has been agreed to return these services to be directly commissioned by B&NES as of April 1st 2024. The rationale for this approach ensures alignment with other B&NES commissioned services and the opportunity to consolidate services earlier and future proof service delivery in line with existing council priorities.</p> <p>These services include:</p> <ol style="list-style-type: none">1. Children's Direct Payments2. Community Equipment3. Homelessness/ Temporary Accommodation Somer4. Homelessness/ Temporary Accommodation Dartmouth Avenue5. Homelessness Prevention – Assertive Outreach <p>Phase 1.b - development of a procurement plan and timetable for commissioning of services delivered by community partners as of April 2025 and this is outlined in the decision paper November 2023.</p> <p>All remaining services delivered by community partners are proposed to be directly commissioned by B&NES Council as of April 2025. Strategic commissioning portfolios for these services include:</p> <ul style="list-style-type: none">• Adult Social Care• Housing
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		<ul style="list-style-type: none"> • Children's • Public Health <p>Phase 2 will comprise of a strategic commissioning review of all services and this will commence during 2023/24 ahead of April 2025 when services return to B&NES to be directly commissioned and contract managed. The strategic commissioning review will be led by the Integrated Commissioning Team in partnership with Public Health and Housing commissioners' input. There will be detailed EIA's produced for each service at this stage as part of the strategic commissioning review and co-design process with partners.</p>
1.2	<p>Provide brief details of the scope of the policy or service being reviewed, for example:</p> <ul style="list-style-type: none"> • Is it a new service/policy or review of an existing one? • Is it a national requirement?). • How much room for review is there? 	<p>All services are in place to meet our current statutory obligations. Services will be strategically reviewed during 2023/24 to ensure they continue to meet these requirements under the Health & Care Act 2022 and several other legislative changes that are coming into place. These changes will be identified in specific EIA's as part of Phase 2 as outlined above.</p> <p>This is an opportunity to review collaborative ways of working across the Health & Social Care System to ensure the new service delivery model meets the needs of the B&NES population and optimises delivery within future budgetary envelop.</p>
1.3	<p>Do the aims of this policy link to or conflict with any other policies of the Council?</p>	<p>No, the approach proposed is in line with B&NES priorities and supports wider ambition of BSW health and care system.</p> <p>The contract management of the services delivered by community partners will transfer to the B&NES Integrated Commissioning team as of April 2025. This will support the safe transition of services delivered by community partners from HCRG Care Group contracting for the 8-year term to community partners being directly commissioned and contract managed by B&NES.</p> <p>BSW Integrated Care Strategy - in March 2023 partners across B&NES, Swindon and Wiltshire (BSW) approved the Integrated Care Strategy.</p> <p>The strategy identifies three clear objectives:</p>

		<ul style="list-style-type: none"> • focus on prevention and early intervention • fairer health and wellbeing outcomes • excellent health and care services <p>The strategy recognises the central need to focus attention on delivering personalised care, supporting the development of healthier communities and ensuring health and care professionals in those local communities are working in a joined-up manner.</p>
<h2>2. Consideration of available data, research and information</h2>		
<p>Monitoring data and other information should be used to help you analyse whether you are delivering a fair and equal service. Please consider the availability of the following as potential sources:</p> <ul style="list-style-type: none"> • Demographic data and other statistics, including census findings • Recent research findings (local and national) • Results from consultation or engagement you have undertaken • Service user monitoring data (including ethnicity, sex, disability, religion/belief, sexual orientation and age) • Information from relevant groups or agencies, for example trade unions and voluntary/community organisations • Analysis of records of enquiries about your service, or complaints or compliments about them • Recommendations of external inspections or audit reports 		
	<p>Key questions</p>	<p>Data, research and information that you can refer to</p>
2.1	<p>What equalities training have staff received to enable them to understand the needs of our diverse community?</p>	<p>Individual EIA's resulting from the strategic commission review will review training requirements related to service delivery as part of the strategic commissioning review during 2023/24.</p>
2.2	<p>What is the equalities profile of service users?</p>	<p>The community services will be delivered across the whole population of B&NES.</p>

		<p>Strategic Evidence Base Bath and North East Somerset – published 8th September 2022.</p> <p>Population</p> <ul style="list-style-type: none"> • In 2021, the population of B&NES was estimated to be 193,400, a 9.9% increase since the 2011 census (176,016) - this increase is higher than the overall increase for England (6.6%) and the South West (7.8%) • Since 2011, there has been a 17.5% increase in people aged 65 years and over in B&NES, lower than the national increase of 20.1%. We have also seen an increase of 8.2% in people aged 15-64 years and an increase of 7.6% in children under 15 years <p>Ageing Population</p> <ul style="list-style-type: none"> • The population of B&NES is projected to increase by 8% from 2018 to 2028, from 192,106 to 207,919 • The working age population (15-64) is projected to increase by 7% by 2028 • The 65+ population is projected to increase by 15% over the same period • Within the 65+ group, the largest increase is projected to be in the 75-84 age range (33%), followed by the 85+ age group (20%)
2.4	Are there any recent customer satisfaction surveys to refer to? What were the results? Are there any gaps? Or differences in experience/outcomes?	Individual EIA's that result from the strategic commission review during 2023/24 will refer to any known differences in experience and outcomes.
2.5	What engagement or consultation has been undertaken as part of this EIA and with whom? What were the results?	A communication and engagement plan has been established as part of the programme plan for Programmes led by the Council as part of the Community Services Transformation programme. Community partners have attended a number of engagement meetings to be updated on governance timelines and next steps.

2.6	If you are planning to undertake any consultation in the future regarding this service or policy, how will you include equalities considerations within this?	<p>There is no requirement for consultation on the proposal for B&NES to directly commission current services delivered by community partners as of April 2025 because there are no changes to current services that are delivered to residents and services will be delivered in line with exiting policy framework and budget.</p> <p>The future strategic commission review of services could require commissioners to undertake consultation and this will be considered once this phase commences.</p>	
3. Assessment of impact: 'Equality analysis'			
<p>Based upon any data you have considered, or the results of consultation or research, use the spaces below to demonstrate you have analysed how the service or policy:</p> <ul style="list-style-type: none"> • Meets any particular needs of equalities groups or could help promote equality in some way. • Could have a negative or adverse impact for any of the equalities groups 			
		Examples of what the service has done to promote equality	Examples of actual or potential negative or adverse impact and what steps have been or could be taken to address this
3.1	Issues relating to all groups and protected characteristics	Individual EIA will highlight activities to promote equality	Individual EIA will highlight impacts and action that may be taken to mitigate adverse impacts.
3.2	Sex – identify the impact/potential impact of the policy on women and men.	Individual EIA will highlight activities to promote equality	Individual EIA will highlight impacts and action that may be taken to mitigate adverse impacts.

3.3	Pregnancy and maternity	Individual EIA will highlight activities to promote equality	Individual EIA will highlight impacts and action that may be taken to mitigate adverse impacts.
3.4	Gender reassignment – identify the impact/potential impact of the policy on transgender people	Individual EIA will highlight activities to promote equality	Individual EIA will highlight impacts and action that may be taken to mitigate adverse impacts.
3.5	Disability – identify the impact/potential impact of the policy on disabled people (ensure consideration both physical, sensory and mental impairments and mental health)	Individual EIA will highlight activities to promote equality	Individual EIA will highlight impacts and action that may be taken to mitigate adverse impacts.
3.6	Age – identify the impact/potential impact of the policy on different age groups	Individual EIA will highlight activities to promote equality	Individual EIA will highlight impacts and action that may be taken to mitigate adverse impacts.
		Examples of what the service has done to promote equality	Examples of actual or potential negative or adverse impact and what steps have been or could be taken to address this
3.7	Race – identify the impact/potential impact on across different ethnic groups	Individual EIA will highlight activities to promote equality	Individual EIA will highlight impacts and action that may be taken to mitigate adverse impacts.
3.8	Sexual orientation – identify the impact/potential impact of the policy on	Individual EIA will highlight activities to promote equality	Individual EIA will highlight impacts and action that may be taken to mitigate adverse impacts.

	lesbian, gay, bisexual, heterosexual people		
3.9	Marriage and civil partnership – does the policy/strategy treat married and civil partnered people equally?	Individual EIA will highlight activities to promote equality	Individual EIA will highlight impacts and action that may be taken to mitigate adverse impacts.
3.10	Religion/belief – identify the impact/potential impact of the policy on people of different religious/faith groups and also upon those with no religion.	Individual EIA will highlight activities to promote equality	Individual EIA will highlight impacts and action that may be taken to mitigate adverse impacts.
3.11	Socio-economically disadvantaged* – identify the impact on people who are disadvantaged due to factors like family background, educational attainment, neighbourhood, employment status can influence life chances (this is not a legal requirement, but is a local priority).	Individual EIA will highlight activities to promote equality	Individual EIA will highlight impacts and action that may be taken to mitigate adverse impacts.
3.12	Rural communities* identify the impact / potential impact on people living in rural communities	Individual EIA will highlight activities to promote equality	Individual EIA will highlight impacts and action that may be taken to mitigate adverse impacts.

3.13	Armed Forces Community ** serving members; reservists; veterans and their families, including the bereaved. Public services are required by law (Armed Forces Act 2021) to pay due regard to both current and former members of the Armed Services when developing policy, procedures and making decisions, particularly in the areas of public housing, education and healthcare (to remove disadvantage and consider special provision).	Individual EIA will highlight activities to promote equality	Individual EIA will highlight impacts and action that may be taken to mitigate adverse impacts.
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*There is no requirement within the public sector duty of the Equality Act to consider groups who may be disadvantaged due to socio economic status, or because of living in a rural area. However, these are significant issues within B&NES and have therefore been included here.

** The Equality Act does not cover armed forces community. However, the Armed Forces Act 2021 requires Local Government to pay 'due regard' to the principle that it is desirable to remove disadvantages, when accessing public services, for service people from membership, or former membership, of the armed forces.

4. Bath and North East Somerset Council & NHS B&NES, Swindon and Wiltshire Equality Impact Assessment Improvement Plan

Please list actions that you plan to take as a result of this assessment/analysis. These actions should be based upon the analysis of data and engagement, any gaps in the data you have identified, and any steps you will be taking to address any negative impacts or remove barriers. The actions need to be built into your service planning framework. Actions/targets should be measurable, achievable, realistic and time framed.

Issues identified	Actions required	Progress milestones	Officer responsible	By when
Data and insight into services delivered by community partners could be strengthened to better evidence impact on residents	Through contract management governance request HCRG Care Group to provide regular performance reports on service delivery with stronger focus on experiences of and impact on residents	Incorporate this requirement into the B&NES & BSW ICB contract management arrangements for 2024/25 Quarterly performance reports produced by HCRG Care Group	Gary Guest, Head of Contracting and Performance	February 2024 June 2024
Services delivered by community partners need to be closer aligned to the review of B&NES wellbeing and prevention offer to residents	Use information and insight developed through phase 1 review of services to inform B&NES wellbeing and prevention offer being developed	Incorporate review of B&NES wellbeing and prevention offer into Adults Social Care Service Plan 2024/25	Natalia Lachkou, Assistant Director – Integrated Commissioning	December 2023

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5. Sign off and publishing

Once you have completed this form, it needs to be 'approved' by your Divisional Director or their nominated officer. Following this sign off, send a copy to the Equalities Team (equality@bathnes.gov.uk), who will review the document, offer further advice/guidance and publish it on the Council's and/or NHS B&NES', Swindon and Wiltshire website. Keep a copy for your own records.

Signed off by: Natalia Lachkou, Assistant Director – Integrated Commissioning
(Divisional Director or nominated senior officer)

Date: 22 October 2023

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Equality Impact Assessment / Equality Analysis

Title of service or policy	Public Health Community Services Transformation Programme Board – Programme 2
Name of directorate and service	Public Health and Prevention
Name and role of officers completing the EIA	Marcia Burgham, Public Health Principal & Heather Brumby, Development and Commissioning Manager
Date of assessment	October 2023

Equality Impact Assessment (or ‘Equality Analysis’) is a process of systematically analysing a new or existing policy or service to identify what impact or likely impact it will have on different groups within the community. The primary concern is to identify any discriminatory or negative consequences for a particular group or sector of the community. Equality impact Assessments (EIAs) can be carried out in relation to service delivery as well as employment policies and strategies.

This toolkit has been developed to use as a framework when carrying out an Equality Impact Assessment (EIA) or Equality Analysis on a policy, service or function. It is intended that this is used as a working document throughout the process, with a final version including the action plan section being published on the Council’s and NHS Bath and North East Somerset’s websites.

1.	Identify the aims of the policy or service and how it is implemented.	
	Key questions	Answers / Notes
1.1	<p>Briefly describe purpose of the service/policy including</p> <ul style="list-style-type: none"> ● How the service/policy is delivered and by whom ● If responsibility for its implementation is shared with other departments or organisations ● Intended outcomes 	<p>The Public Health Community Services Transformation Programme Board (Programme 2) is responsible for ensuring the future delivery and commissioning of Public Health services meet the Health and Social Care Act 2012 statutory requirements for Local Authorities following the expiration of the existing HCRG Care Group contract.</p> <p>Programme Two is one of three Community Services Transformation programmes working alongside:</p> <p>Programme One: Adult Social Care Redesign and Community Partners for consideration of a new operating model for statutory adult social care services and future strategic commissioning intentions of services delivered by community partners.</p> <p>Programme Three: Integrated Community Based Care for the future design of children’s and adults’ community health across B&NES, Swindon and Wiltshire (BSW)</p>

		<p>Following the decision not to extend the prime contract with HCRG Care Group, Programme 2 aims to achieve the following outcomes:</p> <ol style="list-style-type: none"> 1. To ensure future commissioning of public health services focuses on prevention and tackling health inequalities. 2. To review, redesign and optimise public health contract delivery to ensure future models are based on evidence of effectiveness and good practice. 3. Ensure public health services are able to meet both national requirements and emerging local priorities and needs in a timely manner. 4. To ensure that the commissioning of future public health services and programmes is person-centred and based on identified population needs. 5. To ensure statutory public health functions are undertaken. 6. To build on learning from successful initiatives and integrated ways of working delivered within existing public health contracts 7. To collaborate and consider ways to achieve positive population health outcomes across the system. 8. Collaboratively encourage innovation for sustainable solutions
<p>1.2</p>	<p>Provide brief details of the scope of the policy or service being reviewed, for example:</p> <ul style="list-style-type: none"> ● Is it a new service/policy or review of an existing one? ● Is it a national requirement?). ● How much room for review is there? 	<p>This assessment covers the following Public Health services which are included in the Community Services Transformation programme:</p> <ol style="list-style-type: none"> 1. Public Health Nursing Services 2. Wellness Service 3. NHS Health Checks 4. Sexual Health Services (General Practice and Community Pharmacy) 5. Children’s Community Safety Equipment 6. Substance Misuse <p>Under the 2012 Health and Social Care Act, all upper-tier and unitary authorities in England have a duty to take appropriate steps to improve the health of the people who live in their areas.</p>

		<p>Part of this duty is exercised through the requirement for the provision of certain public health functions as set out by regulations made under Section 6C of the NHS Act 2006; and The NHS Bodies and Local Authorities (Partnership Arrangements, Care Trusts, Public Health and Local Healthwatch) Regulations 2012, Part 4 Some of which are delivered by the services above:</p> <ul style="list-style-type: none"> • Public health advice service • Protecting the health of the local population • National Child Measurement Programme • NHS Health Check programme • Sexual health services • Oral health promotion and participation in surveys • Public health services for children 0-5
1.3	Do the aims of this policy link to or conflict with any other policies of the Council?	The updated service specifications and contracts will ensure each service is aligned with the Council's corporate strategy and priorities.
2. Consideration of available data, research and information		
<p>Monitoring data and other information should be used to help you analyse whether you are delivering a fair and equal service. Please consider the availability of the following as potential sources:</p> <ul style="list-style-type: none"> • Demographic data and other statistics, including census findings • Recent research findings (local and national) • Results from consultation or engagement you have undertaken • Service user monitoring data (including ethnicity, gender, disability, religion/belief, sexual orientation and age) • Information from relevant groups or agencies, for example trade unions and voluntary/community organisations • Analysis of records of enquiries about your service, or complaints or compliments about them 		

<ul style="list-style-type: none"> Recommendations of external inspections or audit reports 		
	Key questions	Data, research and information that you can refer to
2.1	What is the equalities profile of the team delivering the service/policy?	This data is not currently available; however, requests will be made to current provider(s) to provide full details of the team(s) delivering each Public Health Service to inform future service specifications and ongoing provision.
2.2	What equalities training have staff received?	This data is not currently available; however, requests will be made to the provider(s) to provide full details of all relevant training systems and Continuing Professional Development and will be specified in future service specifications. Public Health Team attended in-person Equalities training on 10/10/23
2.3	What is the equalities profile of service users?	The Public Health services will be delivered across the whole population of B&NES, each individual service EIA will breakdown the overall profile further. Examples of some of equalities profiles of service users being considered are as follows: Strategic Evidence Base Bath and North East Somerset – published 8 th September 2022. Population <ul style="list-style-type: none"> In 2021, the population of B&NES was estimated to be 193,400, a 9.9% increase since the 2011 census (176,016) - this increase is higher than the overall increase for England (6.6%) and the South West (7.8%) Since 2011, there has been a 17.5% increase in people aged 65 years and over in B&NES, lower than the national increase of 20.1%. We have also seen an increase of 8.2% in people aged 15-64 years and an increase of 7.6% in children under 15 years

		<p>Ageing Population</p> <ul style="list-style-type: none"> • The population of B&NES is projected to increase by 8% from 2018 to 2028, from 192,106 to 207,919 • The working age population (15-64) is projected to increase by 7% by 2028 • The 65+ population is projected to increase by 15% over the same period • Within the 65+ group, the largest increase is projected to be in the 75-84 age range (33%), followed by the 85+ age group (20%) <p>Sexual Orientation</p> <ul style="list-style-type: none"> • In B&NES, 88.3% identified as straight or heterosexual, which aligns closely with the national figure of 89.4% for England & Wales. • 4.0% identified with an LGB+ orientation (“Gay or Lesbian”, “Bisexual” or “Other sexual orientation”), a higher proportion when compared to England & Wales (3.2%). • In B&NES, 2.0% identified as Bisexual, a higher proportion compared to England & Wales (1.3%) <p>Children and Young People</p> <ul style="list-style-type: none"> • Since 2017/18, the proportion of overweight or obese Reception aged children has been lower in B&NES than nationally (2021/22: 19% B&NES, 22% England). • The proportion of overweight or obese Year 6 children continues to be lower in B&NES than nationally (2021/22: 29% B&NES, 38% England). • The FSM attainment gap at all stages of education is higher in B&NES compared to England, both in 2021/22 and 2018/19 (i.e. the most recent year prior to any Covid-19 disruption). • In 2021/22, the FSM attainment gap worsens as children progress through the education system in B&NES and
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		nationally (28% at Age 5 vs 34% at Age 16 in B&NES; 20% at Age 5 vs 27% at Age 16 in England)	
2.4	What other data do you have in terms of service users or staff? (e.g results of customer satisfaction surveys, consultation findings). Are there any gaps?	Individual Public Health service EIAs refer to any known differences in experience and outcomes and are informed by a range of methods including satisfaction surveys. Further exploration of any emerging gaps will occur during future consultations.	
2.5	What engagement or consultation has been undertaken as part of this EIA and with whom? What were the results?	There is no requirement for consultation at this stage as there is no imminent change of service offer to residents. Once service specifications are confirmed, any required consultations will be carried out in line with our communications plans and aligned with consultations required for Programmes 1 and 3.	
2.6	If you are planning to undertake any consultation in the future regarding this service or policy, how will you include equalities considerations within this?	There is no requirement for consultation at this stage as there is no imminent change of service offer to residents. Once service specifications are confirmed, any required consultations will be carried out in line with our communications plans and aligned with consultations required for Programmes 1 and 3.	
3. Assessment of impact: 'Equality analysis'			
	Based upon any data you have considered, or the results of consultation or research, use the spaces below to demonstrate you have analysed how the service or policy: <ul style="list-style-type: none"> • Meets any particular needs of equalities groups or helps promote equality in some way. • Could have a negative or adverse impact for any of the equalities groups 		
		Examples of what the service has done to promote equality	Examples of actual or potential negative or adverse impact and what steps have been or could be taken to address this
3.1	3.1 Issues relating to all groups and protected characteristics	The profile and characteristics of the activities to promote equality are	The individual service specific EIAs detail and monitor the steps taken to

		specific to each service and detailed within the individual service EIAs.	plan for and mitigate against any adverse impacts.
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4. Bath and North East Somerset Council & NHS B&NES Equality Impact Assessment Improvement Plan

Please list actions that you plan to take as a result of this assessment. These actions should be based upon the analysis of data and engagement, any gaps in the data you have identified, and any steps you will be taking to address any negative impacts or remove barriers. The actions need to be built into your service planning framework. Actions/targets should be measurable, achievable, realistic and time framed.

Issues identified	Actions required	Progress milestones	Officer responsible	By when
Limited-service user demographic data available within some commissioned Public Health services	Improve service user monitoring data (including ethnicity, gender, disability, religion/belief, sexual orientation and age) so that it is consistent across all Public Health services.	Monitoring baseline agreed Monitoring baseline and requirements inform future service specification and clear in contract management framework Monitoring baseline received in quarterly reports by commissioner	Public Health Development and Commissioning Managers	February 2024 From April 2025
Limited equalities profile of some teams delivering some services/policy information available	Improve ongoing data around staff teams and equalities data as part of routine	Quality assurance standards around equalities and training confirmed	Public Health Development and	February 2024

	monitoring and quality assurance	Quality assurance framework agreed and specified as part of future contract management and oversight Quarterly and annual verification process in place and implemented	Commissioning Managers	February 2024 From April 2025
Information on risks to protected groups for each service is expected to be presented through the completion of individual Equality Impact Assessments	Service completion of EIA			

5. Sign off and publishing

Once you have completed this form, it needs to be 'approved' by your Divisional Director or their nominated officer. Following this sign off, send a copy to the Equalities Team (equality@bathnes.gov.uk), who will publish it on the Council's and/or NHS B&NES' website. Keep a copy for your own records.

Signed off by: Rebecca Reynolds, Director of Public Health and Prevention

Date: 23rd October 2023

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Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING DATE:	9 November 2023	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3485
TITLE:	2024/25 Medium Term Financial Strategy	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1 – Medium Term Financial Strategy		

1 THE ISSUE

1.1 The Medium Term Financial Strategy (MTFS) sets out the strategic direction and priorities for the Council as well as outlining the financial context and challenges the Council faces over the next five years and the strategy that will be used to inform its annual budget process.

2 RECOMMENDATION

The Cabinet is asked to;

2.1 Approve the attached Medium Term Financial Strategy.

3 THE REPORT

3.1 The Medium Term Financial Strategy (MTFS) provides framework for strategic planning, articulating the organisation’s key aims and ambitions and guiding our activities with medium term budget setting and planning. This sets out the current financial challenge, strategic direction and financial priorities for the Council, as well as the financing mechanisms available to the Council to achieve this.

3.2 The MTFS does not detail how individual savings will be made, nor how categories of additional income will be achieved. The focus of the report is on the scope of the work required, and taking place, to meet these targets together with some of the anticipated impacts. Due to the unprecedented financial challenge following the Covid pandemic, the cost of living crises and inflationary pressures, the MTFS sets out how the Council will continue to strategically manage and transition the Councils financial recovery.

3.3 The focus is on the next two years for financial planning purposes. However, there remains significant uncertainty in the future because the approach to funding Government nationally and locally is still subject to review after the next general election.

4 STATUTORY CONSIDERATIONS

4.1 The Medium Term Financial Strategy as outlined is part of the preparation for the budget and Council Tax setting for 2024/25 that will be considered by this council in February 2024. Equality analysis will be carried out on specific budget proposals as part of that process.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 The resource implications are outlined within the Medium Term Financial Strategy attached to this 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 Medium Term Financial Strategy includes a section on specific risks.

7 CLIMATE CHANGE

7.1 The Corporate Strategy highlights that "Addressing the Climate Emergency" is one of the key themes reflected in the administration's priorities. This includes plans to work with local communities to deliver the Council resolution agreed in March 2019 to declare a climate emergency, and for the area to become carbon neutral by 2030.

8 OTHER OPTIONS CONSIDERED

8.1 The supporting paper outlines options for balancing future budgets.

9 CONSULTATION

9.1 A consultation plan is being prepared to ensure stakeholder engagement for the key aspects of the strategy and this will take place in the autumn period, including a series of community engagement sessions.

Contact person	Andy Rothery, Chief Financial Officer (S151 Officer) – 01225 477103; andy_rothery@bathnes.gov.uk
Background papers	Budget and Council Tax 2023/24 and Financial Outlook – Council Agenda February 2023
Please contact the report author if you need to access this report in an alternative format	

1. Purpose of the Strategy

The Medium Term Financial Strategy (MTFS) provides a framework which details the available resources for strategic financial planning, articulating the organisation's key aims and ambitions and guiding our activities with medium term budget setting and planning.

The MTFS does not detail how individual savings will be made, nor how categories of additional income will be achieved. Nevertheless, it describes the scope of the work required, and taking place, to meet these targets together with some of the anticipated impacts. Due to the current financial challenges the Council faces the MTFS sets out strategic management options based on the high-level planning assumptions in section 9.

The focus is on the next two years for financial planning purposes with the emphasis on creating a budget to allow the Council to recover from the financial impacts of Covid and to deliver services to improve people's lives. At this stage uncertainty remains for next year and beyond because the national approach to funding local government is currently under review. The MTFS assumes that despite significant cuts in previous years funding, constraints will continue and will therefore be guided by the priority areas of service delivery as set out in the Corporate Strategy.

2. Expected Outcomes from the Strategy

The objective of this document is to set the future years financial recovery and strategic resourcing plan; alongside meeting the administration's priorities for the Council within the context that enables the delivery of a balanced budget over the next five years, but with specific focus on the next two years.

A balanced budget requires the financial plan to set out how income will equal spend over the short and medium term. Plans will take into account cost savings alongside income growth strategies as well as useable reserves.

Operating and funding the Council in a post Covid economic environment with high inflation levels continues to be challenging, the Council is impacted due to services being exposed to either people or contract inflation, alongside the additional demands on Children's and Adult Social Care. The Council has responded to this challenge over the past three years and in 2022/23 ended the financial year slightly under budget with transfers to reserves of **£0.06m**. The strategy focusses on how this approach can be adopted in the current and future years addressing the short, medium and long-term financial planning requirements.

3. Executive Summary and recommendations from the MTFS for consideration

The overall aim of the Medium Term Financial Strategy is to:

- Set out and deliver the Council's priorities within affordable and sustainable financial constraints;

- Ensure that the administration's (Council's) strategic priorities are reflected in its capital programme and also that the capital programme is affordable;
- Ensure that cash flows are adequately planned so that cash is available when required and the Council can meet its capital spending obligations; and
- Set a sound financial planning framework to underpin the effective financial management of the Council.

There is a continued lack of clarity around future funding for Local Government, however this will be informed by the Chancellor's autumn budget statement on 22nd November 2023. This will set out the Governments spending plans for the Parliament and Government Department budgets, informing the Local Government settlement that will be announced in December. The estimates within this Strategy have not made any assumptions on new Government funding that may be allocated in 2024/25. Members will be provided with an update once the changes are known.

Despite this uncertainty the Council still needs to plan its finances for the medium to longer term and therefore the Strategy is based on best estimates at this stage. The Council has a good track record in savings delivery, in 2022/23 the budget had a savings requirement of £11.87m, against this target the Council delivered savings of £10.63m (90%) with the balance rephased to 2023/24 and mitigated through other budget reductions. As a result of the ongoing budget challenge the 2023/24 budget requires the delivery of £14.38m in savings and income generation plans.

The MTFs base case as set out in the report (section 9) estimates that the Council will need to find up to £35.3m (including the £1.74m already identified) in savings over the next five years. This is based on the assumption that Council tax increases of 2.99% remain for the spending review period up to 2024/25 with Council tax reverting to 1.99% from 2025/26. Adult Social Care Precept of 2% has been added for 2024/25 in line with the current government spending review period.

The main contributing factor that is driving the budget gap is the rising inflationary pressures as a result of the cost-of-living crisis alongside the need to operate with a lower commercial income base budget. In addition, the Council continues to see demand and activity rise for essential Social Care services, which is compounded by traditional operating models for these services which has embedded additional costs relative to other local authorities.

In the shorter term the profile of the savings shows a requirement of £23.19m over the next two years (£17.31m in 2024/25 of which there are planned savings of £0.69m, followed by £5.88m in 2025/26). This gives a front-loaded profile after taking account of the increases in pay and contract inflation.

To manage this risk section 10 of the report sets out the savings range and the level that has been used for planning purposes.

To manage financial risk the Council holds £12.58m of unearmarked reserves, if unutilised in 2023/24 the MTFs proposes that the Council makes an assessment of ongoing inflationary risk that is in addition to the amount built into the revenue budget proposal and holds a commitment against unearmarked reserves.

The Council holds Revenue Budget Contingency and Financial Planning / Smoothing reserves that enable one-off transitional funding to meet revenue costs. Over the life of the MTFs these reserves when drawn down will be replenished to ensure financial resilience and availability for future years budgets. These reserves

are replenished within the five year MTFS period. Flexible capital receipts will continue to be utilised to fund severance costs that result in delivering ongoing savings, this use will be in line with the revised government guidance covering the period until the end of the 2024/25 financial year.

Capital spending will focus on the delivery of priority schemes within affordability levels, the 2023/24 Capital programme is being reviewed to ensure the most accurate delivery timetable, resulting in a more accurate budget profile.

As part of delivering this strategy plans are being put in place to engage with all elected members, partners and the public as part of the budget process for 2024/25 and the following years.

4. The Medium Term Financial Strategy

The MTFS outlines the factors which are expected to drive future costs and sets out the funding projections and our strategy for addressing the funding gap. It supports the medium term policy and financial planning process at the heart of setting revenue and capital budgets.

The core principles underlying the MTFS are as follows:

- That the Council will seek to maintain a sustainable financial position over the course of the planning period and balance the budget on a two year rolling programme;
- That the Council will make provision for pressures, demographic changes, and inflation where appropriate with new priorities added only if “headroom” is achieved;
- The deployment of the Council’s limited resources will be focused towards essential services and those that contribute to the delivery of the Corporate Strategy, tackling the Climate Emergency and giving residents a bigger say.
- Council tax increases have been included within the term of the MTFS to support essential services.
- New sustainable income opportunities are to be identified and maximised wherever possible while maintaining current income streams through current economic uncertainty.

5. The Current Financial Position

2022/23 Outturn

The Council delivered a favourable outturn position of £0.06m as follows:

Portfolio	Revised Budget £m	Outturn £m	Variance Over / (Under) £m
Leader of Council	(4.12)	(4.74)	(0.62)
Resources	7.51	3.18	(4.32)
Economic Development, Regeneration and Growth	0.80	0.86	0.06
Climate and Sustainable Travel	1.36	1.12	(0.24)
Adult Services and Council House Building	65.01	65.35	0.34
Children and Young People, and Communities	37.45	42.90	5.44
Neighbourhood Services	26.87	27.58	0.71
Transport	(5.10)	(6.95)	(1.84)
Planning and Licensing	2.38	2.63	0.25
Total (before Carry Forwards)	132.15	131.93	(0.22)
Carry Forward Requests (underspends)			0.16
Total (including Carry Forwards)			(0.06)

The £0.06m underspend was transferred to the Revenue Budget Contingency Reserve, which is used to fund unbudgeted revenue pressures which are unable to be mitigated by management and recovery actions.

Budget 2023/24

The 2023/24 net budget of £131.026m was approved by Council in February 2023. Quarter 2 budget monitoring to the end of September, shows a projected overspend of £6.50m against the revised budget of £135.06m as shown below.

Current monitoring highlights the impact of inflationary and demand pressures on Council services, which have continued to increase since budgets were approved in February 2023.

Portfolio	Revised Budget £'m	Year End Forecast £'m	Variance Over / (Under) £'m
Leader of Council	(0.34)	(0.33)	0.01
Climate Emergency and Sustainable Travel	1.33	1.19	(0.14)
Council Priorities and Delivery	9.08	9.11	0.03
Resources	10.13	10.69	0.56
Economic And Cultural Sustainable Development	(1.98)	(3.58)	(1.60)
Adult Services	59.65	62.85	3.20
Children's Services	31.80	36.38	4.58
Highways	(1.31)	(2.57)	(1.26)
Neighbourhood Services	24.23	24.94	0.72
Built Environment and Sustainable Development	2.46	2.88	0.41
Quarter 2 Forecast Outturn Variance	135.06	141.56	6.50

The main overspend is in Children's Services where demand-led placement and package costs continue to cause a significant pressure. Combined with pressures on Home to School Transport arising from market pressures, including reduced availability of drivers, cost inflation and reduced tendering activity for many routes, the service is currently forecasting a £4.58m over budget position.

The current Employer's national pay offer for 2023/24 is estimated at 7%, which is significantly higher than the 4% increase included in the budget. Consequently, all corporate contingency budgets have been earmarked to fund the gap which is currently estimated at £2.4m. Service budgets will be adjusted once the final pay award is agreed.

Further pressures are being experienced in the Adult Social Care, Commercial Estate, Corporate Estate, Waste Services and Housing Benefit Subsidy. High levels of vacancies across the organisation, strong performance in Heritage Services and Parking Services, and increased interest on cash balances and delayed need to borrow are providing favourable mitigations.

To mitigate the £6.5m pressure the Council is urgently exploring what in year mitigations are available to prevent further use of reserves. Vacancy management, corporate spend controls, and stopping or pausing discretionary spend are all mitigations that will be implemented with immediate effect. Mitigations will be reported through the quarter 3 monitoring to Cabinet. In the event the above budget position cannot be fully mitigated the Council's Revenue Budget Contingency Reserve and unearmarked reserves will need to be utilised, subject to approval. Should this be required there would be a requirement to replenish these reserves in future years, putting further pressure on meeting the medium-term budget gaps.

Analysis of Current Position

Local Government has built its budget plans based on reductions in revenue support grant funding that have occurred over the past decade.

The Council's revenue support grant has reduced from £31m in 2013/14 to £0.8m per annum in 2023/24, as a result we have become more reliant on external income to help fund core Council services.

6. Drivers of Demand

The Economic outlook

The post pandemic UK economy made a good recovery leading to an increase in activity, this created a shortage of supply at an international level resulting in a rise in inflation. In addition, the war on Ukraine has impacted on energy supply and price that has driven inflation to its highest level since the 1970's.

The diagram below shows that monthly real gross domestic product (GDP) is estimated to have grown by 0.2% in August 2023, following a fall of 0.6% in July 2023

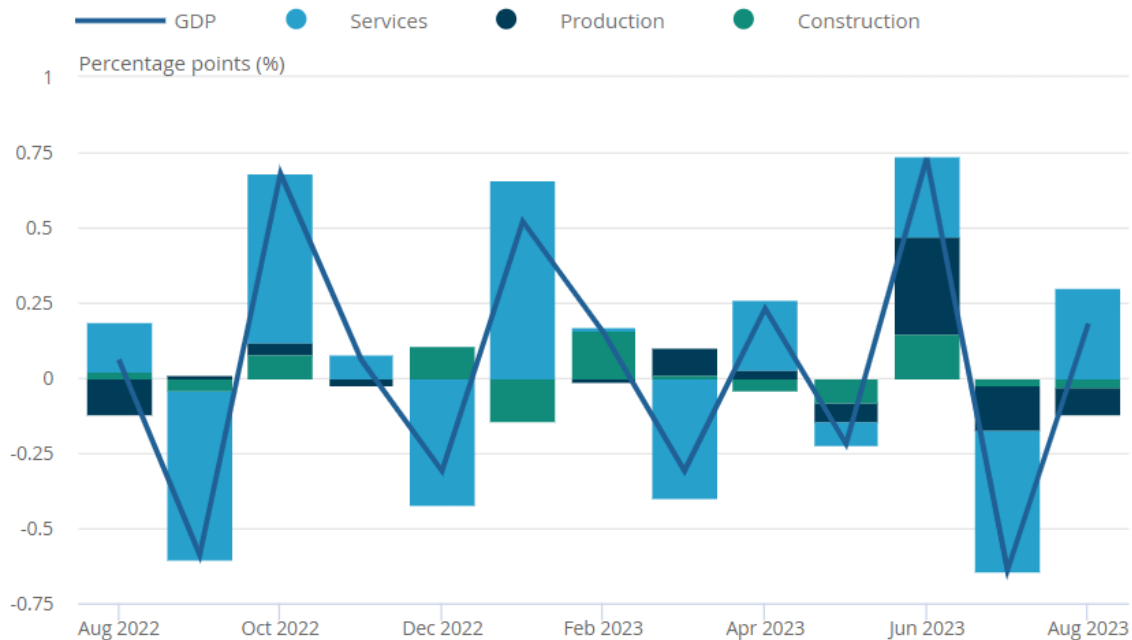
Monthly index, January 2007 to August 2023, UK



Source: Office for National Statistics - Monthly GDP

The chart below shows the monthly sector movement and contribution of reduction in UK GDP. This highlights that there has been the most volatility in the service industry.

Contributions to monthly GDP growth, August 2022 to August 2023, UK



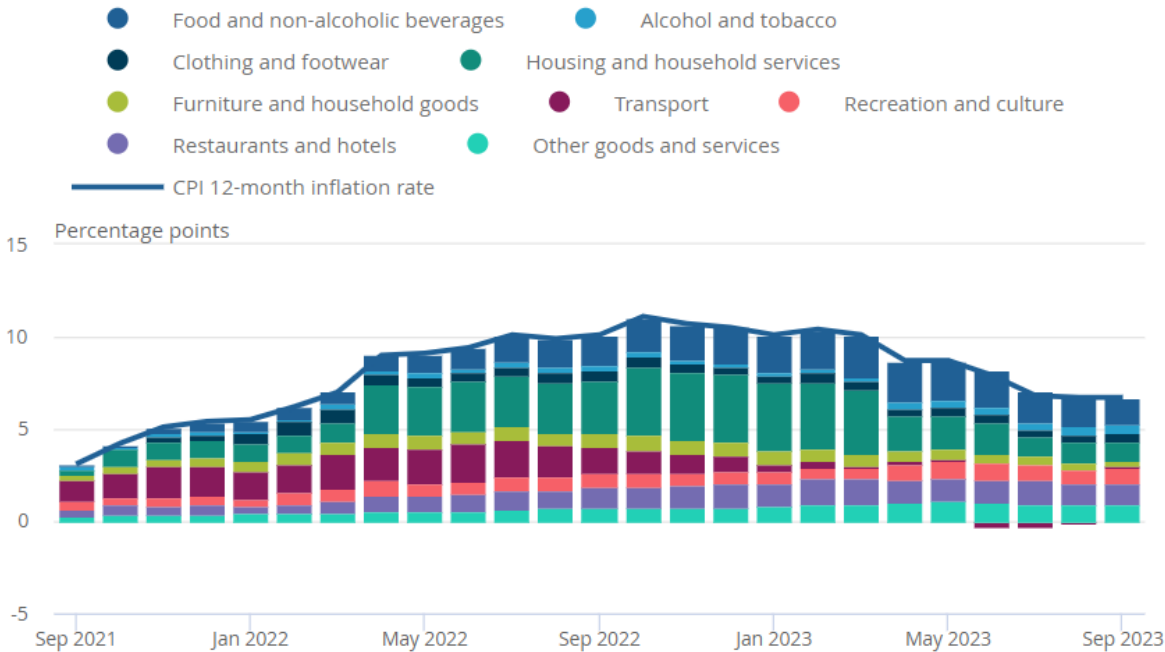
Source: GDP monthly estimate from the Office for National Statistics

The Consumer Prices Index (CPI) rose by 6.7% in the 12 months to September 2023, the same rate as in August. On a monthly basis, CPI rose by 0.5% in September 2023, the same rate as in September 2022. Page 80

The high levels of inflation have impacted on the cost of running the Council and its budgets resulting in an increase in staffing costs for employed and contracted employees, also on its supplies and services provided through contracts. Pay and contact inflation estimates have been refreshed to take into account the economic outlook.

The make up by sector in the movement in CPI can be found in the graph below.
Contributions to the annual CPI inflation rate, UK, September 2021 to

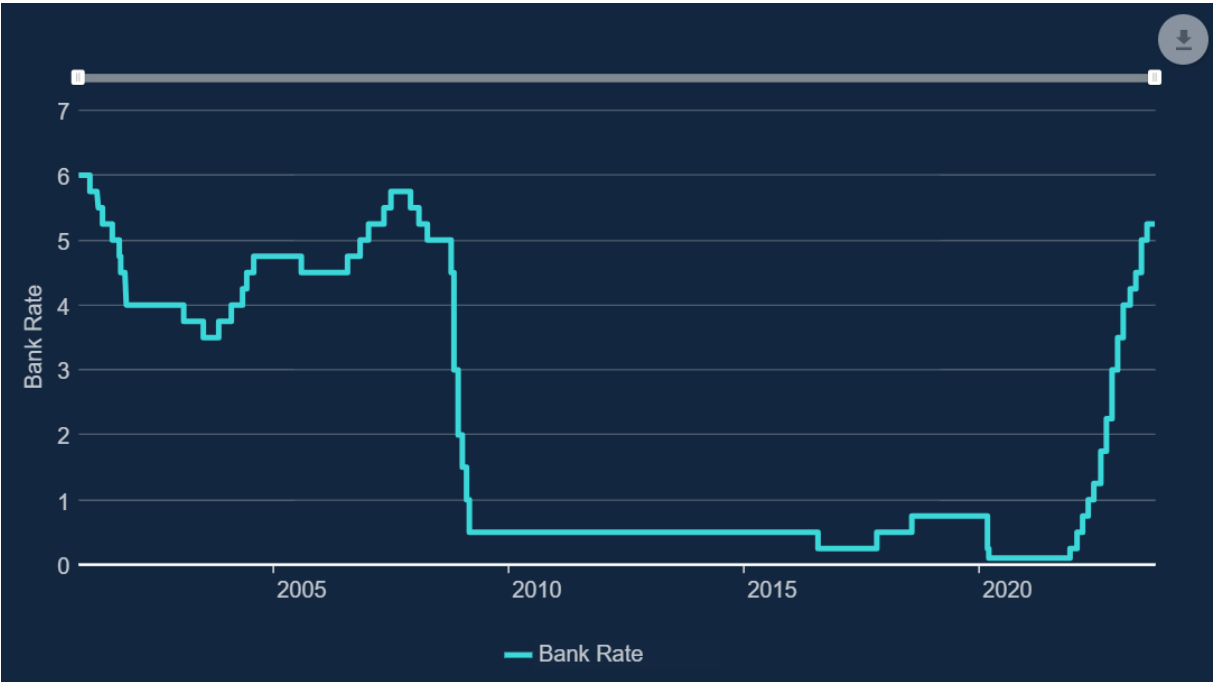
September 2023



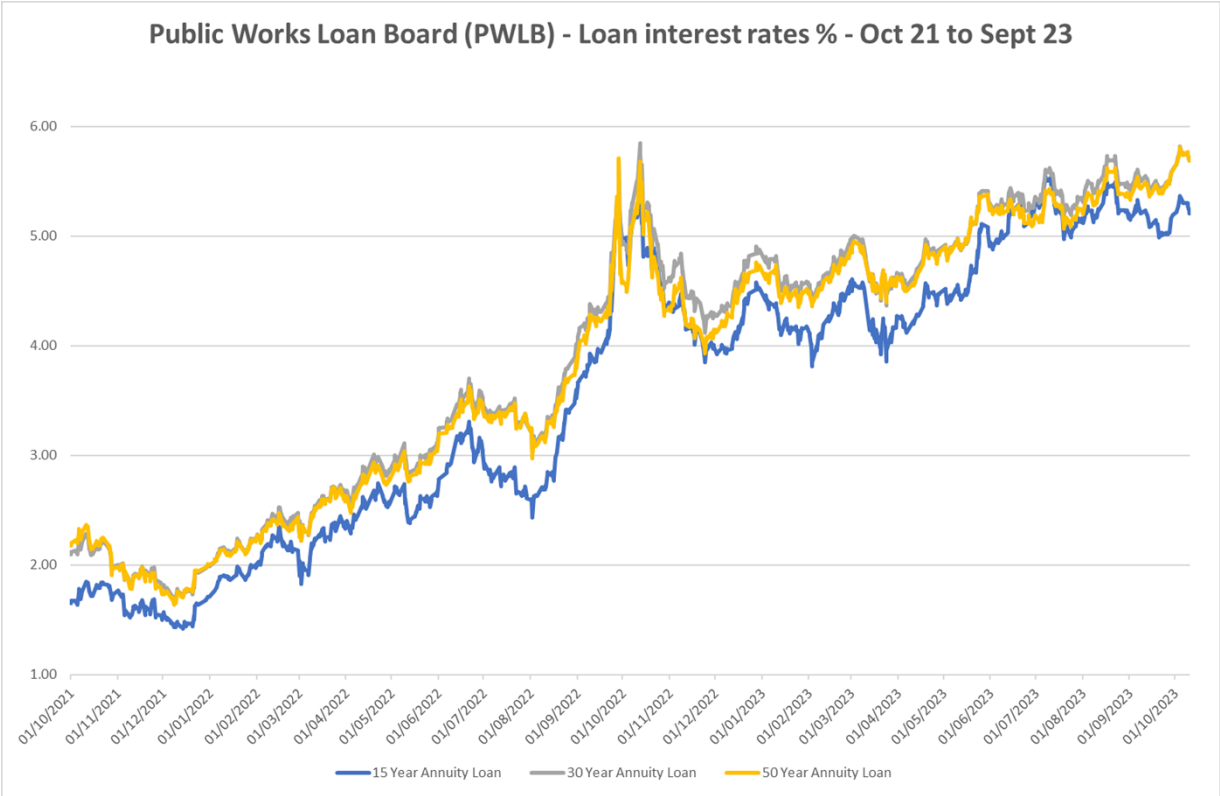
Source: Consumer price inflation from the Office for National Statistics

Increases to the bank of England base interest rate from 0.10% during March 2020 to 5.25% on the 21 September 2023, this has an impact on public works loan board (PWLB) interest rate for borrowing required to fund the Council’s capital programme.

Official Bank of England Interest rate



The graph below shows the latest PWLB interest rates trend:



For new Capital borrowing scheme affordability is being calculated with a 5% cost of capital rate, although there is risk to the upside. To mitigate the risk of scheme affordability a review of the capital programme is being carried out to ensure that where schemes require borrowing to fund, the Council is following the approach set out in section 12 of this report.

Economic impact on the Councils income budgets

Current performance for the Council's main income generating services are below:

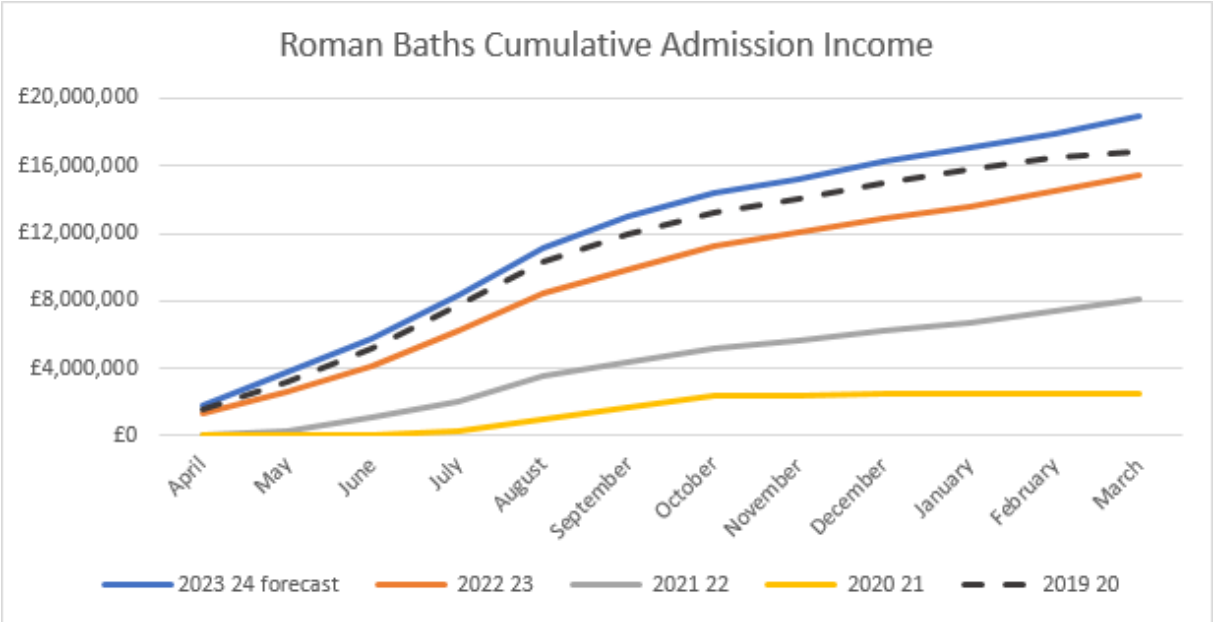
Heritage Services Income

Heritage Services income budgets are largely driven by visitor numbers to the Roman Baths. The budget for 2023/24 was set at 888,000 visitors, around 75% of the pre-pandemic footfall.

This budget was set at the end of the summer 2022, and prior to, a significant acceleration in the Baths' recovery from the pandemic. During the autumn of 2022, the US inbound tourist market recovered significantly, stimulated in part by the value of the USD. Roman Baths has historically performed well during a recession, particularly when GBP is weak as inbound tourism is stimulated and domestic visitors chose to stay in the UK rather than travel abroad.

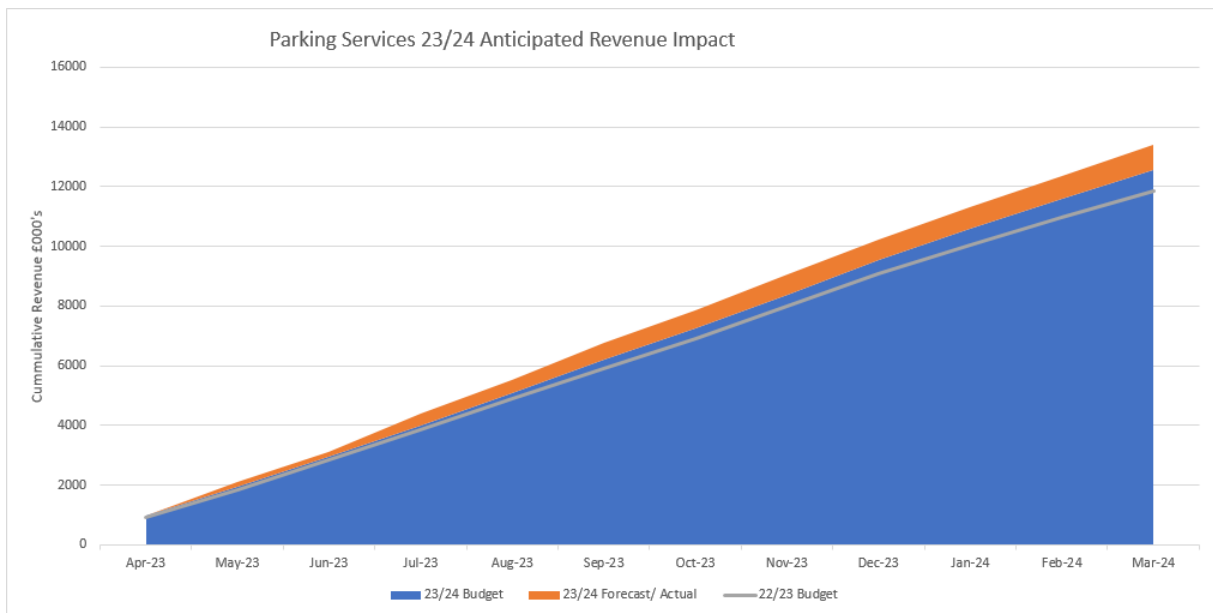
During spring / summer 2023, the Roman Baths has prospered in this environment; the torchlight evenings, Champagne bar and marketing focus on the 2000 years of history to be experienced have given visitors the opportunity to create memories. This performance has been reflected in an increased forecast to 1,000,000 visitors in the financial year.

Throughout the pandemic Heritage Services have sought to maximise the income from visitors, as mitigation against the reduced footfall. This uplifted income per visitor means that in 2023/24 the Roman Baths admission income is forecast to exceed pre-pandemic levels.



Parking Services Income

Prior to the pandemic, the Parking Services income budget was c£12m. For 2023/24 the service income budget was increased to c£12.6m. This factored in the recovery in income post covid, but also built in revenue associated with new Residential Parking Zones (RPZs) and emissions-based charging. The service is currently projecting an overall year end £0.7m favourable position due to the strong performance of all parking locations, with income now over and above pre pandemic averages with a positive performance during the first two quarters of 2023/24. Income from Bus Lane Enforcement has been lower than budgeted because of camera outages due to third party scaffolding, while anticipated Financial Assistance Scheme Framework income is lower than anticipated due to limitations within the framework agreement itself.



Demand Led Services - Social Care

Adult Social Care

The Council has sought to set realistic and deliverable budgets through the MTFs and budgeting process. Significant resource has been added to Adult and Children's services over the last few years whilst both services have delivered other savings and efficiency gains.

The MTFs assumes that the Social Care funding included in the 2023/24 settlement will continue throughout the MTFs period, this is made up as follows:

Grant	B&NES Allocation
Social Care support grant	£10.1m
iBCF Grant	£4.9m

The iBCF grant is part of the pooled budget with the B&NES Integrated Care Alliance (ICA) and ring-fenced to exclusively fund Adult Social Care.

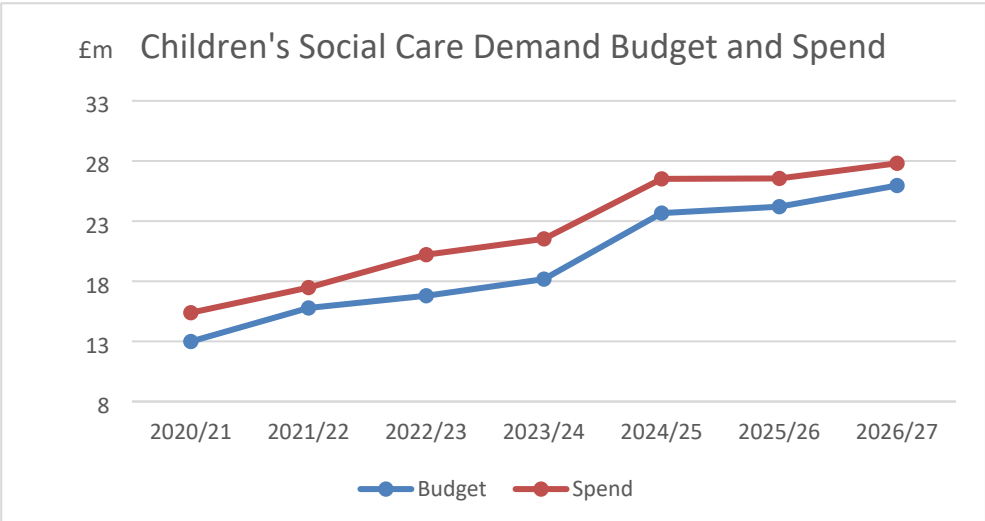
The challenges facing Adult Social Care (ASC) nationally as well as locally continue and include factors such as returning/increasing demand, both in activity and complexity, capacity to deliver required care, Inflationary pressures and market stability issues in the independent sector. These challenges are impacting all ASC users and carers and include all support reasons. Additional funding has been received in 2023/24 from the Adults Social Care Discharge Grant (£0.6m). This grant was distributed through the Better Care Fund and is expected again in 2024/25 with an anticipated further increase of £0.5m. Funding for Market Sustainability of £1.7m was also received from the Market Sustainability and Improvement Fund and this is expected again in 2024/25 with an anticipated further increase of £0.9m.

The MTFs allocates £11.2m for demographic and contract inflation pressures within ASC over the next five years, service demand levels are being reviewed in detail as the current trend has shown that caseload is increasing back to activity levels previously seen and complexity of need and provider cost has increased.

The Council’s model of practice provides effective care for service users. However, a recent LGA peer review concluded current practices are very traditional and in some cases we are overproviding care relative to need. This contributes to the growing cost and needs to be addressed over the period of this MTFS.

Children’s Social Care

As demonstrated from the graph below Children’s Services expenditure has not been manageable within the budget envelope. Rebasing exercises were previously completed for the services budgets, however the service continues to see increasing cost and numbers of children in care, in addition to the increasing costs of supporting disabled children at home. The number of children looked after (LAC) by the Council has risen from 215 to 238 an increase of 11%, in the last 12 months. This number includes 33 that are classed as Unaccompanied Asylum Seeking Children (UASC). The MTFS allocates £12.95m for demographic and contractual inflationary pressures within Children’s Services over the next five years.



A further area of pressure within Children’s Services is the significant increases in children and young people with Special Educational Needs and Disability (SEND). This is adding to the pressure on the Dedicated Schools Grant (DSG) managed by the Council. The 2022/23 outturn resulted in a DSG cumulative overspend of £13.45m. The overspend of the DSG in year in 2022/23 was £7.7m. The historical deficit and in year overspends are being addressed via the Safety Valve project in conjunction with the Department for Education (DfE) over a 5 year period. In 2022/23, the first payment from the DfE of £7.68m was received and a further payment in 2023/24 of £1.65m is planned. In 2023/24, the current year forecast is an overspend of £6.8m which exceeds our planned safety valve programme position by £3m. The latest Quarterly submission to the DfE detailed this and highlighted that the plan would still come to balance but at a later date than the original plan. The overspend is recorded as a specific unusable reserve in the Local Authority (LA) accounts.

Children’s Services are very cognizant of the continued financial pressure that is resultant from the expense of providing appropriate care and placements to meet the needs of our children and young people. The service will continue to review the models of care we utilise, opportunities to bring in external investment and good practice, and to scrutinise individual needs and placement costs in order to mitigate these financial pressures wherever possible.

One particular area of focus will be on how packages of care are commissioned as current practice is disjointed and not in line with best practice across local government.

There are also challenges around the quality of data which need to be addressed as this will help us to make more effective decisions for service users.

7. Outlook for Government Grant Funding

Revenue Support Grant (RSG)

It is anticipated that there will be further delays in the planned Fairer Funding Review and that the Council will continue to receive the Revenue Support Grant (RSG) in 2024/25 of £0.8m based on the last spending review projections of a cash flat settlement for local government for 2024/25. The remaining RSG allocated to B&NES has been rolled into the 100% Business Rate Pilot.

Services Grant

The Council received £0.96m from this grant in 2023/24. The MTFS assumes that the Council will receive the same level of funding in 2024/25 in line with the current predictions of a cash flat rollover settlement. There is a potential risk to this funding level if the government decides to distribute the funding in a different way or reduces the level of funding for 2024/25. The funding position will be confirmed in the December Provisional settlement.

New Homes Bonus

The Local Government Finance Settlement for 2023/24 confirmed continuation of the changes made to the funding arrangements for New Homes Bonus over the past 3 years, pending consultation on a replacement scheme. This resulted in a payment of £0.425m for new housing growth over the previous year. The settlement announced that the grant element for 2023/24 would only be paid for one year without the further 3 years of legacy payments which are made for growth rewarded in 2019/20 and prior years.

The table below shows that the MTFS treats the 2023/24 grant payment as one-off with no further grant anticipated reflecting the potential ending of the scheme in 2024/25.

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

Retained Local Business Rates – 100% Business Rate Retention Pilot

The 2023/24 Local Government Finance Settlement confirmed that the West of England 100% Business Rate Retention Pilot would continue into 2023/24. The estimated benefit is approximately £3.2m in 2023/24. The MTFS currently reflects the risk that this benefit could be removed as part of the 2026/27 financial settlement, with the Council reverting to the national funding scheme following the Local Government Financing and Fairer Funding review by the government. The government confirmed in the December 2022 Local Government Finance Policy Statement that these reforms

would not take place in the current parliament. Therefore, it is unlikely that these reforms will take place before 2026/27 due to the time needed to develop and review options for change and also to carry out the necessary consultation on the impacts of any proposals.

The 2023/24 Budget included assumptions for likely levels of future Business Rate income, together with making specific provisions for appeals, increases in reliefs and growth and deletions. Business Rate bills are normally uplifted each year based on the September CPI figures, which for 2024/25 would represent a 6.7% increase. If the government decides to protect businesses from this level of increase through capping charges it would normally fully compensate Council's for the impact on retained business rate income. The 2024/25 Business Rate income forecasts currently allows for an inflationary increase of 5% whilst confirmation of the government's decision on charge increases and funding for next year is awaited. These assumptions will be kept under review as the final budget is developed. Any surplus or deficit on the Business Rate Collection Fund and associated income will be transferred to or from the Business Rates Reserve for consideration as part of the Business Rates calculations for future years. This approach will include any changes that arise from the final settlement announcement relating to Business Rates.

Business Rates collection fund

The MTFFS factors in the increased 2022/23 actual Business Rates collection fund outturn position of £0.62m which is released in 2024/25. This forecast will be reviewed and updated to take account of the 2023/24 in year performance of the Collection Fund as part of finalising the Business Rates income forecasts for the 2024/25 budget.

Schools Funding

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

As schools convert to academies the DfE take back the element of DSG payable to the local authority in order to make payments direct to the academies.

Provisional school allocations have been received from the DfE and show an overall increase of approx. 1.25% in the total allocations. This equates to a 1.8% increase per pupil as the number of pupils funded through the National Funding Formula for B&NES has slightly decreased from 2023/24. Individual schools are protected under the National Funding Formula (NFF) to a 0.5% per pupil increase though many will receive a larger increase.

With the introduction of the NFF the DSG was ring-fenced for schools from 2018/19 making the local authority responsible for the demographic pressures being observed in the SEND / High Needs element of the DSG. The local authority has signed a safety valve agreement with the DfE to recover the deficit that exists at the end of 2021/22. The plan sets out our spending patterns and recovery of the deficit (with DfE support) by 2027/28.

The deficit recovery plan shows our proposals to review our processes to encourage schools to develop early support for pupils with SEND thus limiting the need for EHCPs. We are also creating more localised provision to limit expenditure on expensive non

maintained special school places The Education Capital Programme has been utilised to direct resources to provide additional SEND places in mainstream schools and extend special school provision.

We have also successfully bid for a new Special School, to be built under the free school programme. We have also bid for a new Alternative Provision school under the same programme and we await to hear the outcome.

As part of the recovery the schools asked to contribute resources from schools allocations to support the SEND expenditure. Regulations allow up to 0.5% of the schools block to be transferred to the high needs block to support the SEND expenditure providing approval of schools through the Schools forum is obtained. The Schools forum has agreed this transfer every year up to 2023/24.

The school's contributions are limited to 1 year under the NFF regulations and therefore further consultation is currently underway to gain a transfer from the schools block in 2024/25. This continues the transfers that have occurred in prior years, and would amount to approx. £656k.

When schools convert to academies their reserves transfer to them and therefore school reserves have reduced significantly as a result reflecting that only 7 schools (1 Secondary and 6 Primary) remain as maintained schools.

Social Care Grant

The MTFs assumes that government will not reduce grant funding into Social Care as outlined in the section 6 of the report. The 2023/24 settlement confirmed a further £4.1m Social Care grant funding which was combined with the continuation of the existing Social Care Support grant to give a revised total of £10.1m. This funding is assumed as recurrent in the base budget.

Adult Social Care Market Sustainability & Improvement Fund Grant

The 2023/24 settlement included grant funding of £1.709m through the Market Sustainability & Improvement Fund Grant, an increase of £1.216m on the 2022/23 grant of £0.493m. This funding is assumed as recurrent in the base budget with a further increase of £0.860m anticipated.

Adult Social Care Discharge Fund Grant

The 2023/24 settlement included new ring-fenced grant funding of £0.687m through the Adult Social Care Discharge Fund Grant. This funding is assumed as recurrent in the base budget with a further increase of £0.459m anticipated.

Better Care Fund

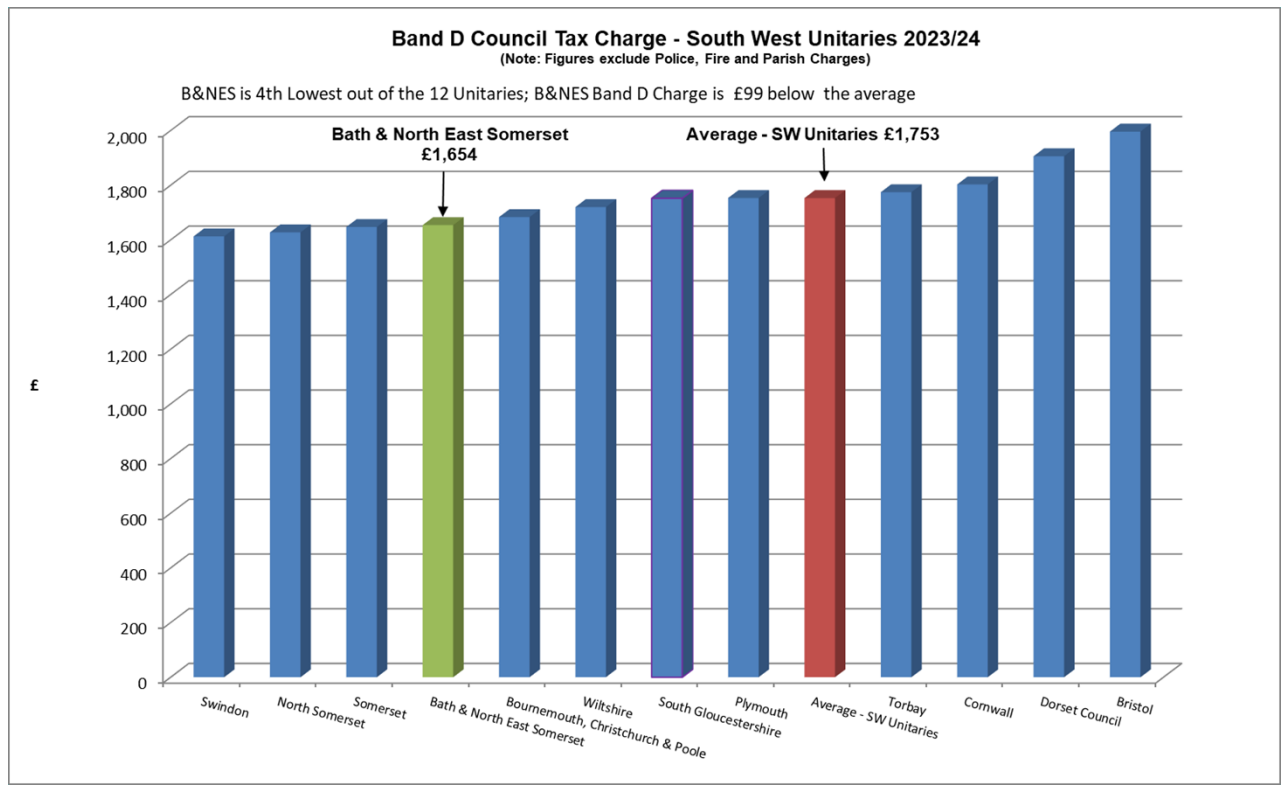
The Better Care Fund is intended to incentivize the integration of health and social care, requiring Integrated Care Boards (ICBs) and Local Authorities to pool budgets and agree an integrated spending plan. Greater integration is seen as a potential way to use resources more efficiently, by enabling people to stay well, safe and independent at home for longer and to provide the right care in the right place at the right time. The Better Care Fund (BCF) is one of the government's national vehicles for driving health and social care integration.

The Council and ICB's Better Care Fund has a minimum funding contribution of £14.9m in 2023/24 a 5.66% uplift on 2022/23. The Strategy currently estimates that funding will continue at current levels with inflationary uplift given annually to help fund the known pressures on both the Council and the ICB

8. Council Tax

Comparison of 2023/24 Council Tax

The chart below shows how B&NES compares (4th lowest) to other South West unitary authorities:



Council Tax collection fund

The MTFs factors in the reduced 2022/23 actual Council Tax collection fund outturn position of £0.34m which needs to be funded in 2024/25. This forecast will be reviewed and updated to take account of the 2023/24 in year performance of the Collection Fund as part of finalising the Council Tax base and income forecasts for the 2024/25 budget.

Council Tax Precept

The current funding gap in the MTFs assumes a **2.99% increase** in council tax in 2024/25 and 1.99% in future years. This assumes that the Government's referendum principles in respect of general Council Tax will continue to allow increases of up to 3% in 2024/25, and then reduce to 2% in future years, before a referendum is required. In addition, the MTFs assumes that the Council tax base will grow with incremental growth of 0.5% for 2024/25 and then 1% per annum from 2025/26 onwards.

Adult Social Care Precept

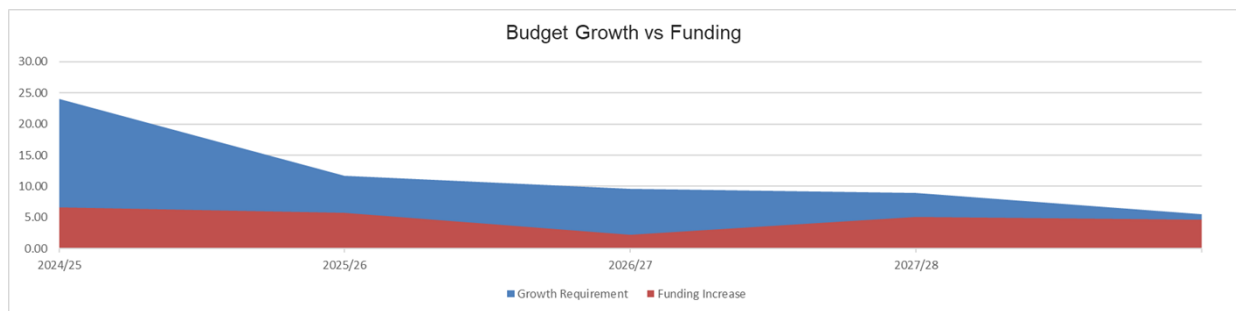
The Government, in recognising the continued pressures facing Adult Social Care (ASC) authorities, has allowed for a further 2% increase per annum for the final two years of the spending review period from 2023/24 to 2024/25. The Medium-Term Financial Plan assumes that this applies up to 2024/25 only, with any future years increases subject to further government announcement.

9. Financial Outlook

Currently the MTFS shows a projected budget gap for each year of the plan as follows:

Budget Planning	Future years assumptions £m					Total
	2024/25	2025/26	2026/27	2027/28	2028/29	
Growth Requirement	23.98	11.68	9.63	8.97	5.58	59.84
Funding Increase	6.67	5.79	2.29	5.11	4.64	24.50
Annual Funding gap	17.31	5.88	7.34	3.85	0.95	35.33
Savings Proposals	0.69	1.05	0.00	0.00	0.00	1.74
Remaining Funding Gap	16.62	4.84	7.34	3.85	0.95	33.60

The funding gap over the medium term can be analysed further to identify additional pressures on expenditure and the impact of funding reductions in income as follows:



Indicative Budget Forecast

The detail of the budget gap is shown in the table below and outlines additional cost pressures and reduced funding:

Budget Planning	Future years assumptions £m				
	2024/25	2025/26	2026/27	2027/28	2028/29
Budget Requirement (Previous Year)	131.03	143.23	149.03	151.32	156.43
Budget Adjustments	3.00	1.00	0.00	0.00	0.00
Pay & Pension	4.54	3.64	3.37	3.23	3.23
Demographic Growth	3.63	2.00	1.74	2.41	0.30
Contract Inflation	7.17	4.51	2.51	2.50	0.74
New Homes Bonus Pressure	0.42	0.00	0.00	0.00	0.00
Capital Financing	2.01	1.78	0.99	1.21	1.21
Settlement grant funding	(2.54)	0.00	0.00	0.00	0.00
Budget pressure / rebasing	5.74	(1.25)	1.03	(0.40)	0.09
Funding Requirement Sub Total	23.98	11.68	9.63	8.97	5.58
Draft Budget Before Savings	155.00	154.91	158.66	160.29	162.02
Proposed Savings Plans	(0.69)	(1.05)	0.00	0.00	0.00
Estimated Savings Required	(16.62)	(4.84)	(7.34)	(3.85)	(0.95)
Savings Requirement Sub Total	(17.31)	(5.88)	(7.34)	(3.85)	(0.95)
Budget Requirement	137.69	149.03	151.32	156.43	161.07
Business Rate Relief Adjustment*	5.54	0.00	0.00	0.00	0.00
Revised Budget Requirement	143.23	149.03	151.32	156.43	161.07
Funding of Budget Requirement					
Council Tax	119.39	123.34	127.05	130.87	134.81
Business rates retention*	27.34	27.39	24.87	25.56	26.26
Reserve transfers From	0.00	0.00	0.00	0.00	0.00
Reserve transfers (To)	(3.50)	(1.70)	(0.60)	0.00	0.00
Funding of Budget Requirement Total	143.23	149.03	151.32	156.43	161.07

The forecast includes the following cost pressures and assumptions:

- **Pay Inflation** – Estimated 5.00% in 2024/25, 4% 2025/26, 3% thereafter.
- **Council tax** – General assumed at 2.99% in 2024/25 then 1.99% thereafter, Social Care precept 2% until 2024/25.
- **Pension Costs** – Have been revised in line with the recent revaluation no increase up to 2026/27.
- **Demographic Growth & Increase in Service Volumes** – Additional demand from new placement and market pressures in Adult & Children Social Care;
- **Interest Rates** - Higher interest rate to follow movement in Bank of England base rate currently 5.25% for treasury management cash investments. The Council will fix budget interest rates following the provisional settlement;
- **Inflation** – CPI projections modelled on a higher rate between 5-8% this will be refreshed for the detailed budget proposal based on ONS data.
- **Budget Pressures / Rebasing** – 2024/25 budget rebasing takes into account current pressures identified in Q2 monitoring on demand driven services including Children's Services.
- **Capital Spending** – an allowance has been made to fund previously agreed provisional schemes requiring borrowing.

- **Borrowing** – longer term borrowing costs have been factored into the MTFS however the authority will continue to optimise the use of cash balances subject to market conditions and the overriding need to meet cash outflows;
- **New Priorities** – from April 2024 these will be developed with the administration as part of the Corporate Strategy and at this stage have not yet been factored into the budget figures.
- **Reserves** – In recognition of inflation pressures commitment against un-earmarked general reserve for unbudgeted in year risks.

10. Managing the Medium Term Financial Strategy

Current estimates are that £35.3m savings will now be required over the next five years including savings already approved.

The strategy has outlined that the savings will be reviewed on a two-year rolling profile which means that there is currently a gap of £23.19m, including the pre-approved savings of £1.74m. Due to the budget impact of rising demand and inflation this puts 66% of the 5 year MTFS savings in 2024/25 and 2025/26 with £17.31m to find next year.

This gives a challenging target next year which is 12% of the estimated net budget of £143.23m. Through early engagement and service planning options are being worked up to address this funding gap through cost reduction and income generation plans.

Budget management plan

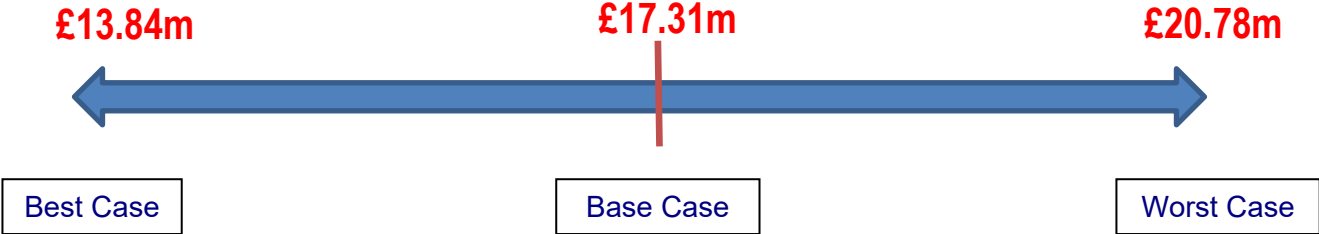
The following approach is recommended to create a robust plan of action, manage change and balance the budget.

Budget Setting Principles

- New policy and service demand funding requirements need to be understood with robust and realistic estimates for future years.
- For new budget items un-avoidable growth only – other growth will require a defined funding source / saving.
- New savings will need to be material and over £50k per item, savings below this value will not be accepted (no use of one-off service reserves).
- The focus needs to be on high value strategic areas of change facilitated by Business Change delivering multiyear savings.
- Stop doing will need to demonstrate how risk is appropriately managed.
- Savings with reputational / political implications need early discussion with portfolio holders, with early, proportionate equality impact assessments completed.
- Savings proposals will need to have a budget profile in line with delivery plans.
- Cost and timescale for implementation needs to be fully understood and captured in the budget proposal.

To manage the strategy financially and in practice there will need to be fundamental changes to the way we approach budget planning to ensure a fully achievable set of proposals can be taken forward in the 2024/25 Budget proposal.

The savings scale below show's how the MTFFS base case presented in this report may change due to ongoing economic uncertainty that exposes the Council to fluctuations in price and demand on its services.



The base case is based on the budget assumptions and figures in section 9 of this report

The worst case builds in a 20% adverse variance to the 2024/25 budget growth items that are impacted by inflation. For the best case this is as above with a favourable 20%.

For financial planning purposes the base case is the most realistic assessment that recognises that numbers may move between now and the end of December. In the event that the local government funding position moves to the worst case the Council will need to consider further mitigations from the revenue budget.

11. Corporate Strategy and Council priority areas

The Medium Term Financial Strategy sets out the financial framework for allocating resources across the Council. How this is achieved will require close alignment to the Corporate Strategy as set out below.

One: We have one overriding purpose – to improve people’s lives.

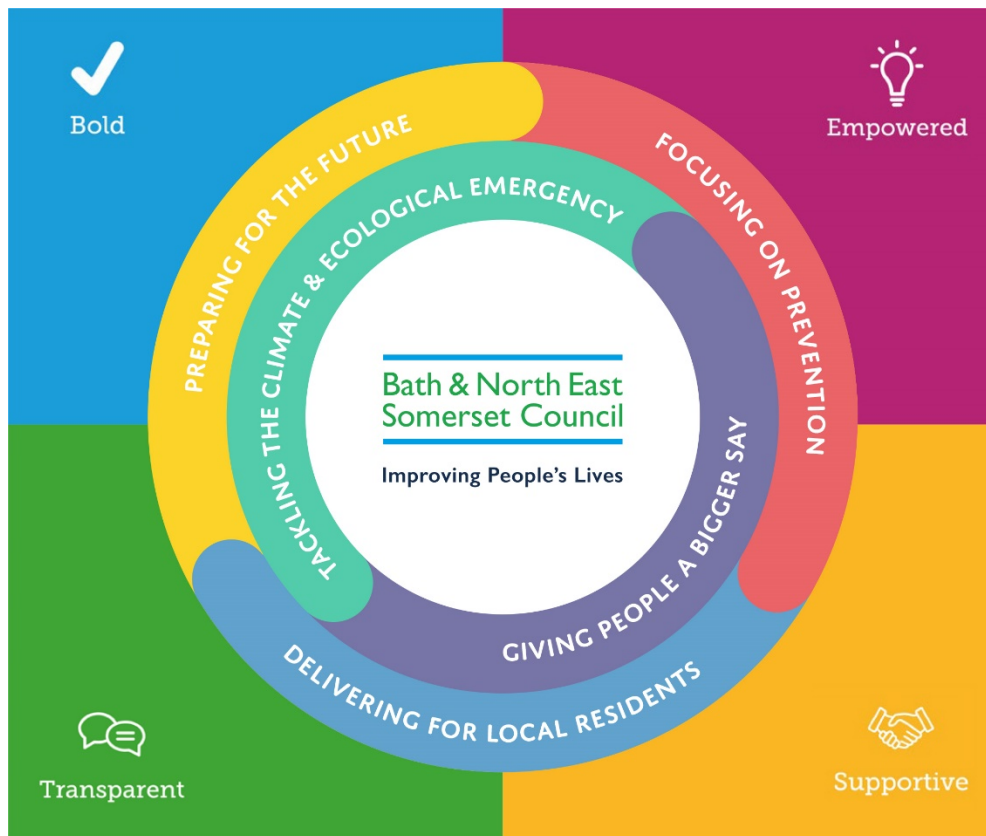
Two: We have two core policies – tackling the climate and ecological emergency and giving people a bigger say. These will shape everything we do.

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

Our four values - **bold**, **empowered**, **transparent** and **supportive** - continue to underpin all of our work.

Our Corporate Strategy to 2027 builds on our achievements and reflects the ambitions and priorities of the council’s administration elected in May 2023. It provides a clear and ambitious framework for delivery, it also sets out how shared outcomes will be embedded through partnerships such as our Future Ambition Board and Health and Wellbeing Board.

This is all set out clearly in the diagram below:



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

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

- Delivery of the Council’s Being Our Best programme to enable a joined up organisational structure that meets the objectives of providing the Council with Great Jobs, Smarter Structures and a Culture of Excellence.
- Develop a new strategy and service provision of Adult Social Care services to the residents of Bath and North East Somerset.
- Focus on ensuring financial sustainability in Children’s services. This recognises the increased demand and complexity of caseload which creating more effective financial and information management which are key to creating a modern and resilient service.
- Delivery against an ambitious new Economic Strategy for Bath and North East Somerset, prioritising green growth, good jobs and affordable housing.
- Manage the Councils operational assets through the introduction of a Corporate landlord model that ensure the best use for the Council’s services and its communities.
- Continued investment to support the most vulnerable people in our communities.
- Continued commitment to secure action to address the climate and ecological emergency.

- Continue to focus on council wide business change programmes which balance service improvement within a clear return on investment framework.
- Deliver new ways for our residents, businesses, partner organisations, visitors and internal service teams to interact and receive council information and services, using digital channels.
- Ensuring that we are able to manage labour market demands and fluctuations across our workforce but particularly in operational roles in both social care and neighbourhood services.

12. Capital Programme

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

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

The Council follows this approach through:

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

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

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

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

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

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

The following shows the capital programme approved in February 2023 as part of budget setting:

Capital Schemes for Approval

Cabinet Portfolio: Capital Schemes	Budget 2023/2024 £'m	Budget 2024/2025 £'m	Budget 2025/2026 £'m	Budget 2026/2027 £'m	Budget 2027/2028 £'m	Total £'m
Resources	17.539	7.292	0	0	0	24.831
Economic Development, Regeneration & Growth	22.244	15.126	3.869	0	0	41.239
Leader	0.185	0.020	0.020	0.020	0.020	0.265
Climate & Sustainable Travel	1.693	0.313	0.146	0.032	0.008	2.192
Adults & Council House Building	7.563	1.442	6.636	1.442	1.442	18.525
Children & Young People & Communities	4.126	0.196	0.000	0.000	0.000	4.322
Neighbourhood Services	27.654	2.331	0.031	0.000	0.000	30.016
Transport	6.883	0.000	0.000	0.000	0.000	6.883
Total	87.887	26.720	10.702	1.494	1.470	128.270

Capital Schemes for Provisional Approval (Subject to)

Cabinet Portfolio: Capital Schemes	Budget 2023/2024 £'m	Budget 2024/2025 £'m	Budget 2025/2026 £'m	Budget 2026/2027 £'m	Budget 2027/2028 £'m	Total £'m
Resources	28.259	3.700	4.000	4.000	4.000	43.959
Economic Development, Regeneration & Growth	17.330	8.228	0.020	0.000	0.000	25.578
Leader	1.894	0.350	0.350	0.350	0.350	3.294
Climate & Sustainable Travel	16.204	0.773	0.875	2.410	1.005	23.267

Adults & Council House Building	4.085	4.912	0.691	0.655	0.432	10.775
Children & Young People & Communities	21.472	1.500	0.000	0.000	0.000	22.972
Neighbourhood Services	5.292	16.065	20.150	10.084	16.003	67.594
Transport	3.675	4.476	1.293	1.163	1.163	11.770
Total	98.211	40.004	29.379	18.662	22.953	209.209

Funded By

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

Note this does not include slippage from 2022/23 which totalled £32.7m.

An allocation of £0.9m revenue budget to support new schemes has been factored into 2024/25, this is fully committed to the schemes and maintenance programmes added in the 2023/24 and previous years budgets. Any further capital investment requiring funding from corporately supported borrowing will require either the reduction of existing schemes or for the additional costs of borrowing to be incorporated in the 2024/25 and future years revenue budgets. The more detailed capital strategy will be updated for approval as part of the budget in February 2024.

Capital receipts will be used flexibly on appropriate revenue expenditure and further adjustments may be made as part of setting the budget for 2024/25 subject to any revision to government guidance being published. The current programme will continue to be reviewed to ease this financial impact.

The intention is to take a measured approach between borrowing in the current market climate and the utilisation of internal cash flow wherever possible. Borrowing has been factored into the strategy to ensure that the authority can meet its future borrowing obligations. The decision on the timing of new borrowing will still be driven by market factors, particularly movements in interest rates to provide overall value for money to the Council.

New capital schemes will be considered on a priority basis to minimise the impact on Council funded borrowing, and where appropriate maximise the use of external funding including the application of grants.

Capital Risk Contingency

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

- Individual major projects within the capital programme hold their own contingency in accordance with good project management practise to meet unavoidable and unforeseen costs;
- The 2023/24 capital programme included a funded corporate risk contingency of £2.7m;
- The corporate risk assessment on which the general reserves target is based includes an element in the context of the capital programme based on the risks of the current programme.

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

Minimum Revenue Provision (MRP) Policy

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

11. Earmarked and Non-Earmarked Reserves

Earmarked Reserves are set aside for specific purposes whereas Non-Earmarked Reserves are retained to meet unforeseen risks. A regular review of financial risks to assess the optimum levels of balances and reserves will be reported to members annually. This ensures that the authority has sufficient funds to meet its key financial risks. The strategy remains that balances remain at a level that covers these key risks.

To manage financial risk the Council holds £12.58m of unearmarked reserves.

The following table shows each of the key reserves held for financial planning, the expected opening balance for 2024/25 and anticipated closing balance after the projected use:

	Estimated Balance 31/03/2024	Proposed Transfers	Projected Use in Year	Current Estimated Balance 31/3/25
	£'m	£'m	£'m	£'m
Revenue Budget Contingency	3.20	0.00	0.00	3.20
Financial Planning and Smoothing Reserve	2.18	3.50	2.00	3.68
Restructuring & Severance Reserve	1.81	0.00	0.00	1.81

Following on from the Council’s planned use of reserves for 2021/22 & 2022/23 during the Covid pandemic, reserve balances will be replenished where used for budget setting purposes over the 5-year planning period.

Flexible use of Capital receipts

The strategy requires flexibility around capitalising costs and the flexible use of capital receipts to fund redundancy, transformation, and ICT costs where appropriate to free up reserves.

The Council is taking forward the being our best programme that is reviewing and implementing a new staffing structure, as a result of this programme there may be redundancies, where a redundancy generates an ongoing budget saving flexible use of capital receipts will be utilised.

12. Reviewing the Strategy

This strategy will naturally span the life of the Council Plan but will be reviewed annually to take into account changes within and external to the organisation. In more uncertain times the strategy will be reviewed more frequently.

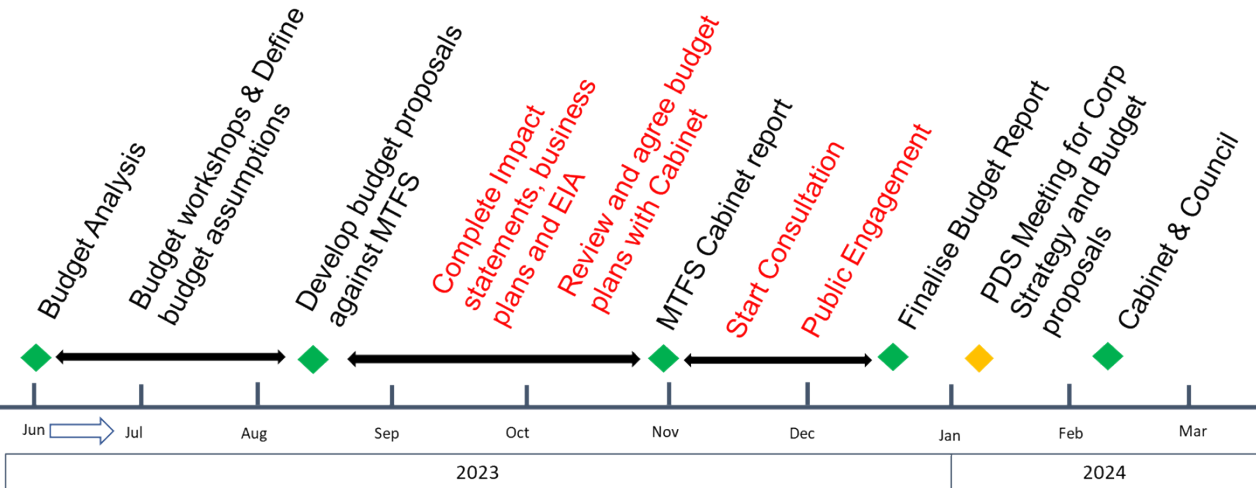
13. Public/Stakeholder Engagement

We will be making more information available on our MTFs for stakeholder engagement in November / December 2023, this will also be subject to scrutiny by the Corporate Policy Development and Scrutiny Panel.

Subject to the timing of central Government funding announcements we hope to engage on more detailed budget proposals in December / January including reporting to Policy Development and Scrutiny.

14. Budget Setting Timetable

The diagram below sets out the budget planning timetable.



15.Risks to the Medium Term Financial Strategy

The Strategy and Plan make regular risk predictions. The key risks to the plan are currently seen as:

Risk	Likelihood	Impact	Risk Management Update
Reinstated government restrictions in the event of new Covid variants.	Possible	High	This is certainly a material risk, whilst not one the Council has direct control over, every step is being put in place to follow government guidance following the recommendations of our Director of Public Health.
Operational budget pressures due to rising demand	Likely	High	There is the risk of unplanned and unbudgeted growth in demand on Council services as a result of the cost of living crises.
Ongoing impacts on the Councils Commercial Estate over and above anticipated levels.	Possible	High	Current modelling has been prudent following the Covid pandemic and impact on retail economy. There are risks in the retail & hospitality sector from a challenging labour market that is impacting recruitment to these sectors, so this may have an impact on business viability and income from Council tenants.
Contract inflationary pressure	Likely	High	With increase in wage, energy and fuel costs, Council contracted services are at risk of above budget price increases. This is an economic risk that has been recognised in the budget with a corporate inflation contingency for known areas that cannot be mitigated through activity management. Capital Schemes may need to be paused due to unfunded viability gaps due to increased supply chain costs.
Impact on Reserves	Possible	High	Without additional government grant in recognition of unfunded inflationary pressures there is the risk that Council reserve levels are not enough to manage in-year and future years risk.
Interest rates increase	Possible	Medium	A reserve is available for borrowing to manage market risk and long-term borrowing costs have been factored into the longer-term MTFs. Borrowing rates have continued to increase since the budget was set, as the Bank of England tackles more persistent

			inflation pressures. The latest forecast from our treasury management advisors is that longer term borrowing rates will eventually start to fall from current levels once service inflation and wage growth eases, with Bank of England rate cuts forecast from Q3 of 2024. However, rates will remain relatively higher than in the past with continued elevated volatility. The Council will continue to consider shorter term borrowing options alongside the PWLB.
Volatility and uncertainty around business rates	Likely	High	<p>The impacts of the current economic challenges will increase the volatility and uncertainty around business rate income. In 2023/24 this risk has been partly offset by the extension of the business rate relief scheme for Retail, Leisure and Hospitality businesses.</p> <p>We continue to monitor arrears, CVAs, and liquidations with a specific reserve held to manage in-year volatility.</p>
Capital projects not delivered resulting in revenue reversion costs or liabilities from underwriting agreements	Possible	High	The Council has a number of projects within this category. These risks will continue to be monitored and reported. An assessment is made as part of the budget process to ensure that revenue reserves are sufficient to meet these risks. The capital programme methodology looks to de-risk projects wherever possible.
Changes to Government Policy that affects future funding	Likely	High	Need to monitor and continue to highlight impact
Funding pressures through WECA, ICB and other partners	Possible	Medium	Ensure good communication links with partner organisations.
Capital receipts in the areas identified are insufficient to meet target	Possible	Medium	There is a risk that a depressed market will impact on current values, in the short to medium term the Council should not rely on capital receipts as a key funding source.

The key risks will continue to be monitored throughout the budget setting process and subsequently outlined in each budget setting report to Council and will be reviewed regularly, and reported through budget monitoring to Cabinet.

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Bath & North East Somerset Council

MEETING:	Cabinet	
MEETING DATE:	9th November 2023	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3468
TITLE:	Revenue and Capital Budget Monitoring, Cash Limits and Virements – April 2023 to September 2023	
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report:</p> <p>Appendix 1 – Revenue Monitoring Commentary</p> <p>Appendix 2 – Key Scheme Capital Monitoring Commentary</p> <p>Appendix 3 (i) & 3 (ii) – Proposed Revenue Virements & Revised Revenue Cash Limits 2023/24</p> <p>Appendix 4 (i) & 4 (ii) – Capital Virements & Capital Programme by Portfolio 2023/24</p>		

EXECUTIVE SUMMARY

a) Revenue budget

The Revenue budget outturn is currently forecast to be £6.50m over budget.

Demand-led placement and package costs continue to cause a significant pressure in Children's Services. Combined with pressures on Home to School Transport arising from market pressures, including reduced availability of drivers, cost inflation and reduced tendering activity for many routes, the service is currently forecasting a £4.58m over budget position.

Pressures in the Corporate Estate service linked to the holding costs of vacant buildings and the costs of maintaining the estate, increased costs coupled with reduced income in the Commercial Estate, and temporary accommodation costs exceeding that which can be offset through housing benefit subsidy, are further adding to the adverse forecast financial position.

High levels of visitor numbers to Bath city centre have resulted in a strong first half of the year for both Heritage and Parking services income, while higher interest rates and reprofiling of borrowing costs have resulted in favourable forecast capital financing and interest variances, which partially mitigate the aforementioned pressures.

In addition, there is an in-year Special Educational Needs and Disability (SEND) placement pressure of £6.80m on the Dedicated Schools Grant (DSG). The local Authority has agreed with the Department for Education (DfE) a Safety Valve Programme plan that will provide additional support and funding to the Local Authority, to eradicate the deficit over several years.

Savings of £14.4m were included in the 2023/24 budget. At present £10.6m savings are forecast as delivered, with the remainder either being mitigated through alternative measures, or included as unachievable in the service forecasts. Savings delivery will be monitored closely through the year and management action plans identified when delivery is at risk.

In light of the forecast over budget position, urgent recovery actions are being developed to manage the in-year financial position. Directors are continuing to develop mitigation plans, while corporate cost control measures are being put in place to prevent the need to utilise reserve funding at year-end.

b) Capital budget

The current position of the 2023/24 Capital Programme is a forecast of £98.9m against approved budget of £132.7m. The variance of £33.8m reflects anticipated rephasing of schemes into future years.

c) Council Tax and Business Rates

The current forecast on Council Tax is for an in year collection fund deficit of £0.06m mainly due to LCTSS costs being slightly above budget. The Council's share of the deficit is £0.05m and this represents a negative variance of less than 0.1% against the 2023/24 forecast income.

The current in year forecast for the Business Rate element of the collection fund is for a surplus of £0.19m, of which the council's share is £0.18m.

d) Council Reserves

The Council holds general unearmarked reserves of £12.6m, this is held corporately to manage in year financial pressures that cannot be mitigated within existing budget levels.

1 THE ISSUE

- 1.1 This report presents the financial monitoring information for the Authority as a whole for the financial year 2023/24, using information available as at the end of September 2023.

2 RECOMMENDATION

The Cabinet is asked:

- 2.1 To note the 2023/24 revenue budget position (as at the end of September 2023).
- 2.2 To note the revenue virements listed for information only in Appendix 3(i).
- 2.3 To note the capital year-end forecast detailed in paragraph 3.26 of this report;
- 2.4 To note the changes in the capital programme including capital schemes that have been agreed for full approval under delegation listed in Appendix 4(i).

3 THE REPORT

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

REVENUE BUDGET

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

Portfolio	Revised Budget £'m	Year End Forecast £'m	Variance Over / (Under) £'m
Leader of Council	(0.34)	(0.33)	0.01
Climate Emergency and Sustainable Travel	1.33	1.19	(0.14)
Council Priorities and Delivery	9.08	9.11	0.03
Resources	10.13	10.69	0.56
Economic And Cultural Sustainable Development	(1.98)	(3.58)	(1.60)
Adult Services	59.65	62.85	3.20
Children's Services	31.80	36.38	4.58
Highways	(1.31)	(2.57)	(1.26)
Neighbourhood Services	24.23	24.94	0.72
Built Environment and Sustainable Development	2.46	2.88	0.41
Quarter 1 Forecast Outturn Variance	135.06	141.56	6.50

Note 1: Some of the figures in this table are affected by rounding.

- 3.4 The current **year-end** forecast is £6.50m over budget position.
- 3.5 In light of the forecast over budget position and the increase since the Q1 report, urgent recovery action is now required consisting implementation of specific controls on recruitment to vacant posts and expenditure controls on all non essential spend. In addition, Directors continue to actively develop mitigation plans to manage this position in year. In the event that the overspend is not fully mitigated, the Council's Revenue Budget Contingency reserve and unearmarked

reserves would need to be utilised. These reserves would need replenishing in future years. An updated position will be provided in the Quarter 3 monitoring report.

Portfolio Commentary

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

Leader of the Council (£0.01m over budget, no change from previous quarter)

The Leader of the Council portfolio holds the Housing Delivery Vehicle, Emergency Planning and External Affairs and Partnerships budgets. There is a minor cost pressure relating to corporate subscriptions forecast within External Affairs and Partnerships.

Climate Emergency and Sustainable Travel (£0.14m under budget, £0.04m favourable movement)

Recovery of staff costs from projects in the Environmental Monitoring team is causing a favourable financial position for the portfolio.

Council Priorities and Delivery (£0.03m over budget, £0.01m favourable movement)

Some minor staffing pressures in Human Resources (£0.02m) and Corporate Governance (£0.04m) are partially offset by a small salary underspend in Corporate Strategy and Communications (£0.03m).

Resources (£0.56m over budget, £0.47m adverse movement)

Unmet savings targets in Legal services are contributing to a £0.15m pressure within the service, while increased use of temporary accommodation for the homeless is provided at a cost higher than the claimable subsidy, resulting in a forecast £0.58m overspend in Housing Benefit Subsidy. The IT service is forecasting a £0.15m pressure relating to high contract inflation, and Commercial Estate has both staffing pressures and a shortfall in budgeted rental income totalling £0.85m. These pressures are partially offset by an under-budget forecast on borrowing costs as a result of reprofiling capital programme spend (£0.80m), and increased income from investment interest (£0.30m) as a result of higher interest rates than anticipated at budget setting.

Economic And Cultural Sustainable Development (£1.60m under budget, £1.93m favourable movement)

Heritage Services' visitor numbers continue to perform strongly this year, with admission and retail income net of costs forecast to be £2.14m in excess of the budgeted target. The Corporate Estate is forecasting an adverse budget position of £0.50m resulting from high costs of un-let buildings and an ongoing savings target to reduce maintenance costs across the estate.

Adult Services including Leisure (£3.20m over budget, £3.03m adverse movement)

The forecast position for Adult Social Care is £3m over budget after £2.4m use of reserves to cover underlying services overspends. The forecast use of reserves is to cover adverse variances in the Learning Disability and Autism (LDA) Pooled

Service (£2.1m) and Older Peoples Services (£0.3m). These adverse variances reflect the impact of both the increase in the number of packages now being seen (activity and cost) and the known demand in year. Work continues to review this activity.

Whilst success has been achieved in working with clients to identify alternative solutions, the joint review of the funding sources within the LDA pooled arrangements is not progressing as planned and the achievement is now at risk. The forecast over budget variance of £3m recognises this risk.

An established interim pathway is in place and is a continuation from the last 2 years. Whilst the numbers currently in this arrangement have been high, this was forecast for the first quarter and the requirements for long term care after this interim pathway are now being seen in the Older peoples service forecast. A reducing trend is now being seen.

Leisure Services are currently forecasting an overspend of £0.2m, this is due to the level of fee income being received being below the expected value.

Children's Services (£4.58m over budget, £1.29m adverse movement)

There are two main drivers of this over budget position, firstly the continuing cost and demand pressures from 2022/23 across the demand-led placement and package budgets, and secondly the increasing pressures from ongoing cost and demand increases across Home to School Transport (HTST).

Demand-led placement pressures are due to a mix of increased demand, especially around Unaccompanied Asylum Seeker Children (UASC) and increased packages of care and support costs needed, due to the increased needs our Children and Young People continue to present with. There are also continued increased costs because of the complex packages of care needed for those with the highest need in the Disabled Children's Team (DCT). In total these areas are £4.30m over budget. The biggest area of pressure is UASC which is £1.41m over budget (an increase of £1.01m versus Quarter 1), driven by increases in numbers. The other principal areas of pressure are packages of care to support those not in care to remain so (£0.82m over budget), Independent Foster Carers (£0.70m over budget), DCT (£0.64m over budget) and Residential (£0.76m over budget).

The £4.30m pressure across the demand-led budgets has been partially mitigated by an additional £1.01m in-year savings. This is in addition to the £1.19m planned Transformation savings being delivered in 2023/24 already budgeted. The in-year savings are a result of focussed work across multiple areas, with £0.51m being delivered to date and a further £0.50m in train to be delivered by the end of the financial year.

The new academic year's routes have increased the HTST over budget position by £0.23m, with an overall pressure of £1.01m. This is due to significant pressure from ongoing market forces creating cost pressures when procuring HTST, including reduced availability of drivers, cost inflation and reduced tendering activity for many routes. The HTST project board is now well established and is actively developing and pursuing mitigations in response to the over budget position.

Schools DSG (£6.80m over budget, plus an overspend of £13.45m carried forward from 2022/23)

The DSG has a forecast overspend of £6.80m in 2023/24 made up of significant pressures on Special Educational Needs and Disability (SEND). The SEND pressures are estimated based on current pupils identified with Education, Health and Care (EHC) Plans of £7.90m however mitigating actions have identified £1.10m of savings. The £6.80m overspend exceeds the planned Safety Valve Programme position by £3.00m. The latest Quarterly submission to the DfE detailed this and highlighted that the plan would still come to balance but later than the original plan.

The Local Authority has agreed with the DfE a Safety Valve Programme plan that will provide additional support and funding to the Local Authority to eradicate the deficit over several years. In 2022/23 the DfE provided an additional £7.68m of DSG funding to support the pressures in SEN and have committed to providing a further £11.54m over the next 6 years including £1.65m in 2023/24.

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

Capital Bids for new free schools as part of a DfE programme have been successful for a new Special School and funding towards a new Residential Special School has also been agreed. A further bid for an Alternative Provision School is in the pipeline and an outcome to this bid is expected shortly. These capital projects will result in significant additional provision locally that will ease the financial burden of utilising independent specialist provision.

Any overspend on the DSG is currently ringfenced to the grant allocation and the DfE have issued guidance to restrict the supporting of the pressures from council revenue funding. This ring fence has been extended by the DfE and DCLG until March 2026.

Highways (£1.26m under budget, £0.63m favourable movement)

Parking income is exceeding budget across the majority of locations. This, combined with a number of staff vacancies, means the service is forecasting a £0.74m favourable budget position. Street-works income within the Network and Traffic Management service is also over and above budgeted levels, which combined with staffing underspends totals a £0.31m favourable variance.

Neighbourhood Services (£0.72m over budget, £0.25m adverse movement)

Pressure on staffing budgets is creating a £0.44m pressure in the Waste service, while forecast underachievement of income throughout Public Protection services is adding a further £0.18m pressure.

Built Environment and Sustainable Development (£0.41m over budget, £0.12m adverse movement)

Market conditions are having an adverse impact on both Planning (£0.17m) and Building Control (£0.20m) income.

REVENUE BALANCES, CONTINGENCY AND RESERVES

- 3.7 The current Employer's national pay offer for 2023/24 is estimated at 7%, which is significantly higher than the 4% increase included in the budget. Consequently, all corporate contingency budgets have been earmarked to fund the gap which is currently estimated at £2.4m. Service budgets will be adjusted once the final pay award is agreed.
- 3.8 The current forecast revenue position includes planned and approved use of earmarked reserves as set out in the table below.

Key Reserves

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

	Balance as at 01/04/2023 £'m	Projected Use/ Commitments / Transfers £'m	Estimated Balance 31/03/2024 £'m
Revenue Budget Contingency	3.47	(0.27)	3.20
Financial Planning and Smoothing Reserve	3.20	(0.69)	2.51
Transformation Investment Reserve	1.89	(1.89)	0.00
Covid Contingency Reserve (Govt grant)	3.35	(3.35)	0.00
Restructuring & Severance Reserve	1.81	0.00	1.81

Reserves and Flexible Capital Receipts

Flexible Capital Receipts are being utilised for revenue spend that results in ongoing revenue savings. A five-year estimated use of £11.5m was agreed as part of budget setting in February 2023, this has now been updated to reflect the re-profiled requirement and re-phasing into 2023/24 as follows:

	Actual Usage 2017/18 to 2021/22 £'m	Actual Usage 2022/23 £'m	Available Balance £'m	Est Total Usage £'m
Flexible Capital Receipts	8.09	0.16	3.25	11.50

- 3.10 Commitment has been approved to allocate £1.35m to the Council's "Being our Best" programme that will identify future organisational efficiencies.
- 3.11 Unapplied capital receipts of £3.843m were carried forward from 2022/23, with under a £1,000 received so far in 2023/24 and £9m budgeted.

General Fund Un-Earmarked Reserve

- 3.12 The General Fund Un-Earmarked Reserve is retained to meet the Council's key financial risks. The risk assessment has set a range of between £11.6m and £12.8m to meet those risks in the 2023/24 financial year. The reserve has a current uncommitted balance of £12.6m in line with the level reported in the 2023/24 Budget Report.

SAVINGS PERFORMANCE

- 3.13 The 2023/24 revenue budget approved savings of £14.38m. Delivery of these savings will be monitored throughout the year, with £10.57m forecast as achieved at the end of September, representing 73% delivery. Of the £3.92m not currently achieved, £0.06m are being mitigated through savings elsewhere in the respective service, £0.12m of savings are delayed and £3.74m are resulting in unavoidable pressures.
- 3.14 The Council's financial position, along with its financial management arrangements and controls, are fundamental in continuing to plan and provide services in a managed way, particularly in light of the medium-term financial challenge. Close monitoring of the financial situation provides information on new risks and pressures in service areas, and appropriate management actions are then identified and agreed to manage and mitigate those risks.

Revenue Budget Virements

- 3.15 Any revenue budget virements which require Cabinet approval are listed in Appendix 3(i). Technical budget adjustments are also shown in Appendix 3(i) for information purposes, as required by the Budget Management Scheme. This is further summarised at a portfolio and cash limit level in Appendix 3(ii).

COUNCIL TAX, COUNCIL TAX SUPPORT AND BUSINESS RATES

- 3.16 The 2023/24 tax base allowed for the same number of recipients as at the end of November 2022 to continue into 2023/24 with budgeted costs of LCTS set at £10.26m. The cost at the end of September is slightly above budget at £10.30m. This is currently £0.04m above the budget estimate which would lead to a Council Tax Collection Fund deficit if the position remained at this level at year end. The number of working age claimants at the end of September was 5,883 compared to the budget assumption of 5,803 and the number of Pensioner claimants was 3,406 compared to the budget assumption of 3,469.
- 3.17 The actual outturn position on LCTSS and the impact on the Council Tax collection fund will depend on a number of variables, including the change in number of claimants and the period claimants remain eligible for support whilst seeking employment and this will continue to be monitored closely during the remainder of the year.

- 3.18 The non LCTSS elements of the Collection Fund are also trending broadly in line with budget with a slight deficit of £0.02m currently forecast based on the position to end of September. Taking this and the LCTSS position together, the current forecast is for an in year £0.06m deficit on the Collection Fund in respect of Council Tax, of which the Council's share is £0.05m. This represents a negative variance of less than 0.1% against the 2023/24 forecast income.
- 3.19 The Council's share of the reduced 2022/23 Council Tax Collection Fund final outturn position of £0.34m, as reported to Cabinet in July has been reflected in the Medium Term Financial Strategy update which is also being reported to this meeting.

Business Rates

- 3.20 The government announced, as part of the Chancellor's Autumn Statement in November 2022, that it would introduce a new retail, hospitality, and leisure business rate relief scheme for 2023/24. This follows previous relief schemes for these businesses that operated since 2020/21. The 2023/24 scheme provides for 75% business rates relief, capped at £110,000 per business for eligible properties.
- 3.21 The Council will be recompensed for the reduction in business rate income arising from this relief via a s31 compensation grant. As at the end of September, retail relief of £6.6m had been granted against the £5.9m budgeted.
- 3.22 Empty property relief was £3.8m at the end of the first quarter, this has increased to £4.6m as at the end of September which remains below the £4.8m allowance included when setting the business rate income forecast for 2023/24. The forecast overall impact on the business rates collection fund position including reliefs will continue to be reviewed during the remainder of the year.
- 3.23 The current in year forecast for the Business Rate element of the collection fund is for a surplus of £0.19m, of which the council's share is £0.18m.
- 3.24 Section 31 grant income from Business rate compensation grants is currently forecast to be £1.3m above budget, this relates to increased relief granted in respect of Retail Relief and the Supporting Small Business Rate Relief.
- 3.25 As set out in the Budget Report, any surplus or deficit on the Business Rate Collection Fund and associated income will be transferred to or from the Business Rates Reserve for consideration as part of the Business Rates calculations for future years and this position will be reflected in the 2024/25 budget. The balance on the Business Rate Reserve as at 1st April 2023 was £8.7m, this includes the £7.24m transfer from the reserve approved in the 2023/24 budget report.

CAPITAL BUDGET

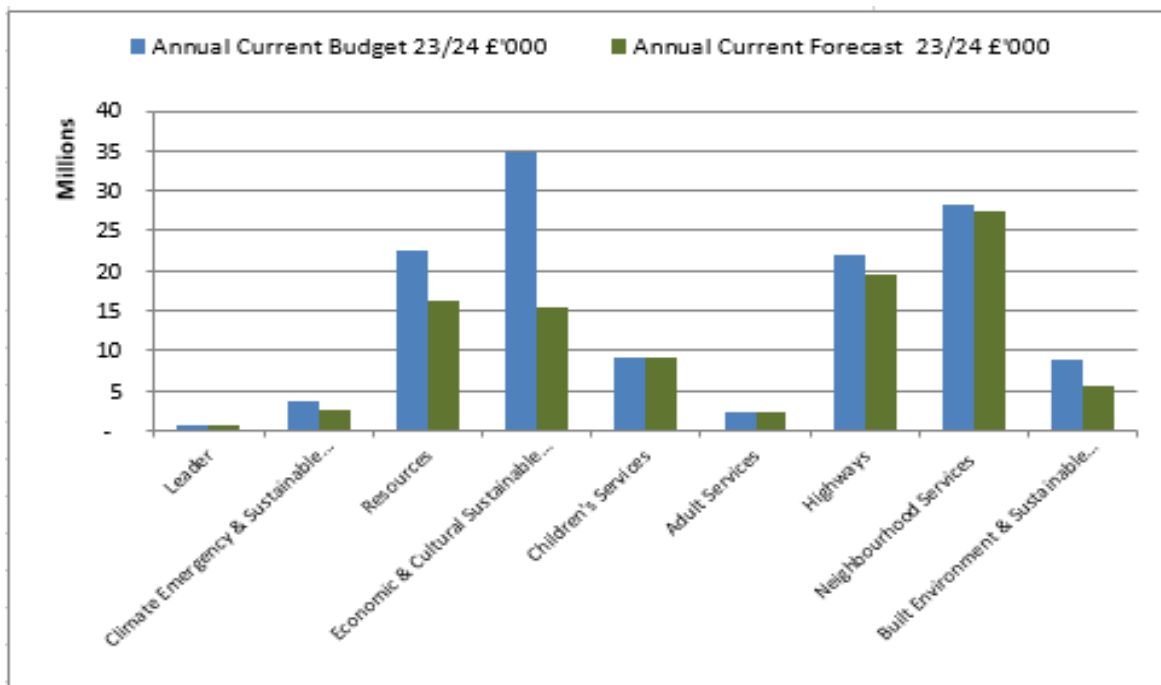
- 3.26 The current position of the 2023/24 Capital Programme is a forecast of £98.9m against approved budget of £132.7m, a variance of £33.8m, mainly forecast to be re-phased to future years. A significant part of the variance is related to a £15.5m forecast under budget position for Bath Quays North in the Economic and Sustainable Development Portfolio with most spending paused whilst a review is undertaken with the development partner. The following table show a summary of the current position by Cabinet Portfolio. The full breakdown of the Capital Programme by Portfolio can be found in Appendix 4(ii) with key scheme

commentary in Appendix 2. Appendix 4(i) sets out budget changes actioned since the last Cabinet Meeting.

Portfolio Summary Monitor	Annual Current Budget 2023/24	Forecast 2023/24	In-Year Variance 2023/24	Forecast Re-phasing to 2024/25
	£'000	£'000	£'000	£'000
Leader	638	638	-	-
Climate Emergency & Sustainable Travel	3,721	2,534	(1,188)	1,188
Resources	22,542	16,249	(6,294)	6,294
Economic & Cultural Sustainable Development	34,848	15,429	(19,418)	19,418
Children's Services	9,150	9,150	-	-
Adult Services	2,424	2,424	-	-
Highways	22,103	19,472	(2,630)	2,630
Neighbourhood Services	28,239	27,422	(817)	722
Built Environment Sustainable Development	8,991	5,587	3,404	3,404
Grand Total	132,656	98,904	(33,751)	33,657

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

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



Capital Commentary

3.27 The key in-year variance on the programme being:

- **Climate Emergency & Sustainable Travel** - £1.2m under budget variance due to later contractor engagement on the Bath River Line project.

- **Resources**- £6.3m under budget variance with lower take-up of loans by Aequus in respect of Property Company Investment (£2.8m) and slower progress in the Commercial Estate Refurbishment Programme (£3.5m).
- **Economic & Cultural Sustainable Development**- £19.4m under budget variance from pause in Bath Quays North (£15.5m) and re-phasing of Bath Western Riverside (£6.6m).
- **Highways** £2.6m under budget variance mainly due to the re-alignment of Liveable Neighbourhoods Programme with WECA grant submission (£1.2m) and City Centre Security measures for Upper Borough Wall reprogrammed into 2024/25 (£1.2m).
- **Neighbourhood Services** - £0.8m under budget variance mainly arising from delivery delays for Vehicle purchases. There is also an anticipated underspend on leisure schemes including Keynsham Sport Centre (£100k).
- **Built Environment & Housing Sustainable Development** - £3.4m under budget variance in the Social Housing Rent Programme as the majority of the programme of conversion and refurbishment works at the Argle Works property will now take place in 2024/25.

RISKS

The key risks to the budget were outlined in the Councils 2023/24 Budget Report, in compliance with the Council's decision-making risk management guidance. These have been reviewed and are listed below, along with any additional emerging risks:

Risk	Likelihood	Impact	Risk Management Update
Operational budget pressures due to latent demand and backlog	Possible	High	There is the risk of built-up demand on Council services and backlog post pandemic. This may result in one-off cost pressures to clear the backlog.
Long term impacts on the Councils Commercial Estate over and above anticipated levels.	Likely	High	There are continuing risks in the retail & hospitality sector from rising inflation and a challenging labour market, so this is impacting market rent levels and the income from Council tenants.
Contract inflationary pressure	Likely	High	With increase in wage, energy and fuel costs, Council contracted services are at risk of above budget price increases. This is an economic risk that has been recognised in the budget with a corporate inflation contingency for known areas that cannot be mitigated through activity management.
Volatility in income from Heritage Services.	Possible	Medium	Continue to monitor income levels and impact on business plan in light of changing customer expectations and international travel. Current in year income performance is strong with net income forecast to be £2.14m above budget.
Impact on Reserves	Possible	High	Without additional government grant in recognition of unfunded inflationary pressures there is the risk that Council reserve levels are not enough to manage in-year and future years risk.
Interest rates increase	Likely	Medium	A reserve is available for borrowing to manage market risk and long-term borrowing costs have been factored into the longer-term MTFs. Borrowing rates have continued to increase since the budget was set, as the Bank of England tackles more persistent inflation pressures. The latest forecast from our treasury management advisors is that longer term borrowing rates will eventually start to fall from current levels once service inflation and wage growth eases, with Bank of England rate cuts forecast from Q3 of 2024. However, rates will remain relatively higher than in the past with continued elevated volatility. The Council will continue to consider shorter term borrowing options alongside the PWLB.
Volatility and uncertainty around business rates	Likely	High	The impacts of the current economic challenges will increase the volatility and uncertainty around business rate income. In 2023/24 this risk will be partly offset by the extension of the business rate relief scheme for Retail, Leisure and Hospitality businesses. We continue to monitor arrears, CVAs, and liquidations with a specific reserve held to manage in-year volatility.
Capital projects not delivered resulting in revenue reversion costs or liabilities from underwriting agreements	Possible	High	The Council has a number of projects within this category. These risks will continue to be monitored and reported. An assessment is made as part of the budget process to ensure that revenue reserves are sufficient to meet these risks. The capital programme methodology looks to de-risk projects wherever possible.
Changes to Government Policy that affects future funding	Likely	High	Need to monitor and continue to highlight impact

Brexit risks	Likely	Medium	The short to medium term impacts of Brexit on the Councils supply chain and labour market may result in contractual cost pressures from customs tariffs that previously did not apply.
Funding pressures through WECA, CCG and other partners	Possible	Medium	Ensure good communication links with partner organisations.
Capital receipts in the areas identified are insufficient to meet target	Possible	Medium	There is a risk that a depressed market will impact on current values.

4 STATUTORY CONSIDERATIONS

4.1 The annual medium-term financial planning process allocates resources across services with alignment of these resources towards the Council's corporate priorities. This report monitors how the Council is performing against the financial targets set in February 2023 through the Budget setting process.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

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

6 RISK MANAGEMENT

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

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

7 CLIMATE CHANGE

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

8 OTHER OPTIONS CONSIDERED

8.1 None

9 CONSULTATION

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

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

Contact person	<p>Gary Adams – Head of Financial Management Gary_Adams@bathnes.gov.uk</p> <p>Paul Webb – Finance Manager, Budget Reporting Paul_Webb@bathnes.gov.uk</p>
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Background papers	N/A
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Please contact the report author if you need to access this report in an alternative format
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Appendix 1 - Revenue Monitoring Commentary Quarter 2 2023/24

Portfolio Number and Description	Cashlimit Number and Description	Current Budget £000	Actuals to date £000	Quarter 2 Published Forecast £000	Change from Previous Quarter Forecast Over / (Under) £000	2023/24 Outturn Variance Over / (Under) £000	Outturn Variance Analysis	Outturn Recovery Plan		
Detailed Analysis of Budgets for Leader of Council										
P04	Leader of Council	1112	Housing Delivery Vehicle	(1,000)	(88)	(1,000)	0	0	No variance reported	Not applicable
P04	Leader of Council	1119	Emergency Planning	659	369	646	(24)	(12)	Favourable movement across the service due to staff vacancies.	Not applicable
P04	Leader of Council	1136	External Affairs & Partnerships	0	60	20	20	20	Key external subscriptions for Sustainable Communities and the Council (Key Cities and Western Gateway) where we have no budget.	Vacancy management and reduction in discretionary spend will be targeted across the Sustainable Communities department.
P04	Leader of Council			(341)	342	(334)	(4)	8		
Detailed Analysis of Budgets for Climate Emergency and Sustainable Travel										
P27	Climate Emergency and Sustainable Travel	1127	Environmental Monitoring (Air Pollution)	191	48	80	(4)	(111)	Favourable staffing variance due to vacancies and recovery of staff time charged to projects	Not applicable
P27	Climate Emergency and Sustainable Travel	1135	Transport Planning, Policy and Sustainable Transport	381	829	381	0	0	No variance reported	Not applicable
P27	Climate Emergency and Sustainable Travel	1137	Green Transformation	760	943	727	(33)	(33)	Vacancy savings within the service along with a reduction in non-staffing spend.	Not applicable
P27	Climate Emergency and Sustainable Travel Total			1,333	1,821	1,189	(37)	(144)		
Detailed Analysis of Budgets for Council Priorities and Delivery										
P32	Council Priorities and Delivery	1047	Human Resources & Organisational Development	2,192	2,413	2,208	(19)	16	Staff turnover savings partially offset by net vacancy saving in Health & Safety team	Both staffing and running costs will be monitored closely throughout the year to establish any opportunities to mitigate the current adverse variance forecast
P32	Council Priorities and Delivery	1130	Corporate Governance	1,819	864	1,863	4	44	Vacancy saving not expected to be delivered	Both staffing and running costs will be monitored closely throughout the year to establish any opportunities to mitigate the current adverse variance forecast
P32	Council Priorities and Delivery	1131	Corporate Strategy and Communications	4,249	1,078	4,214	2	(35)	Underspend due to recharging of officer time to Homes For Ukraine Grant	Not applicable
P32	Council Priorities and Delivery	1132	Business Change	821	658	821	0	0	No material variance	Not applicable
P32	Council Priorities and Delivery Total			9,081	5,014	9,106	(12)	25		
Detailed Analysis of Budgets for Resources										
P19	Resources	1032	Information Technology	5,355	4,286	5,506	109	150	Over budget position due to contract inflation, partially mitigated through holding staff vacancies.	A large percentage of IT costs are fixed contracts which there is little room for mitigation against. Efforts are therefore being focused on variable costs such as telephony (both landline and mobile phones) as well as user licenses. This is in an effort to reduce costs and become more streamlined.
P19	Resources	1040	Finance	2,167	1,293	2,175	(79)	9	Adverse variance due to revised timetable for efficiency savings with delivery in Quarter 4.	Recurrent savings to be delivered in Quarter 4.
P19	Resources	1041	Revenues & Benefits	1,893	2,420	1,833	(55)	(60)	The forecast underspend is linked to staffing vacancies	Not applicable
P19	Resources	1042	Risk & Assurance Services	1,284	559	1,284	0	0	No variance reported	Not applicable
P19	Resources	1053	Council Solicitor & Democratic Services	2,655	1,801	2,801	(53)	146	Unmet savings target in Legal and Democratic Services and vacancy savings target. This projected overspend will be mitigated over the year by a reduction in external legal spend costs across Council services	Projected overspend will be mitigated over the year by a reduction in external legal spend costs across Council services and holding vacant posts
P19	Resources	1054	Hsg / Council Tax Benefits Subsidy	(195)	2,878	385	130	580	Ongoing budget pressure due to temporary accommodation being provided at a cost higher than the claimable subsidy.	Cost management actions to be implemented by Housing team to bring placement costs in line with subsidy.
P19	Resources	1055	Capital Financing / Interest	4,789	4,027	3,679	(400)	(1,110)	There is a £800k underbudget forecast on borrowing costs, mainly due to reprofiling of borrowing requirements throughout the year. Income from investment interest is currently forecast to be £300k in excess of budgeted levels due to the further increases in interest rates since the budget was set. There is also a small under budget position on the Ex-Avon Debt repayments.	Not applicable
P19	Resources	1056	Unfunded Pensions	1,388	107	1,388	0	0	No variance reported	Not applicable
P19	Resources	1057	Corporate Budgets including Capital, Audit and Bank Charges	(2,779)	(6,678)	(2,779)	0	0	This includes higher than budgeted E-Payment costs of £30k due to the additional transactional fees and volume of transactions, and £15k on Apprenticeship Levy partially due to the higher than budgeted 2022/23 pay award. These are offset by lower forecast spend on Audit Fees due to some of the additional work charged in 2022/23 not currently anticipated to be required in 2023/24.	Not applicable
P19	Resources	1058	Magistrates	12	3	12	0	0	No variance reported	Not applicable
P19	Resources	1059	Coroners	450	331	510	60	60	The £60k over budget position is a result of inflationary pressures and increased costs in deceased transportation.	These costs are unavoidable and will be built into future years' budget planning
P19	Resources	1060	Environment Agency	258	193	258	0	0	No variance reported	Not applicable
P19	Resources	1061	West of England Combined Authority Levy	5,194	3,636	5,194	0	0	No variance reported	Not applicable
P19	Resources	1081	Commercial Estate	(12,650)	(10,059)	(11,796)	830	854	Increased fees and costs relating to the Commercial Estate (including an increase in Service Supported Borrowing costs) along with agency staff costs forecast for the whole year and unachieved income.	Service expenditure is being closely scrutinised to realise in year savings (including reduction in agency costs), whilst void properties will be readied for let as soon as possible.
P19	Resources	1118	Procurement & Commissioning	313	1,369	238	(78)	(75)	The forecast underspend is linked to staffing vacancies and contract underspends	Not applicable
P19	Resources Total			10,133	6,166	10,688	465	555		

Appendix 1 - Revenue Monitoring Commentary Quarter 2 2023/24

Portfolio Number and Description		Cashlimit Number and Description	Current Budget £000	Actuals to date £000	Quarter 2 Published Forecast £000	Change from Previous Quarter Forecast Over / (Under) £000	2023/24 Outturn Variance Over / (Under) £000	Outturn Variance Analysis	Outturn Recovery Plan	
Detailed Analysis of Budgets for Economic And Cultural Sustainable Development										
P33	Economic And Cultural Sustainable Development	1018	Heritage Services	(8,233)	(8,608)	(10,373)	(1,499)	(2,140)	Current performance has been reflected in a confident Quarter 3-4 forecast for visitor numbers. Additional income forecast partially offset by variable costs linked to the visitor business (retail cost of sales, credit card charges etc.) Pay pressure forecast at Quarter 1 is unchanged, the weighting of grade 1-7 staff in the service means the provisional pay award is significantly higher than budgeted.	Not applicable
P33	Economic And Cultural Sustainable Development	1037	Property Services	580	755	559	(35)	(21)	Staff vacancy	Not applicable
P33	Economic And Cultural Sustainable Development	1038	Corporate Estate Including R&M	4,789	3,930	5,289	(444)	500	The Corporate Estate has improved its reporting of overspend down to £500k. Ongoing un-let buildings along with an ongoing target to reduce costs of £500k result in an adverse financial position being reported. This is mitigated by appointment of compliance team and estate management team lead mid-way through financial year (but forecast for longer), reduced security costs at Culverhay and savings in business rates and improved energy costs owing to solar panel installations across the corporate office buildings.	Work is ongoing to identify potential opportunities to reduce running costs and also to attract prospective tenants into our estate.
P33	Economic And Cultural Sustainable Development	1039	Traded Services	0	1	0	0	0	No variance reported	Not applicable
P33	Economic And Cultural Sustainable Development	1052	Regeneration	(33)	830	(5)	23	28	Favourable staff vacancies are offsetting income generation opportunities which results in an overall adverse position for the department.	Posts are being filled.
P33	Economic And Cultural Sustainable Development	1109	World Heritage	120	80	136	16	16	Future expenditure on salaries and consultancy is partly offset by a reduction in World Heritage Enhancement Fund fees that will be funded from CIL resulting in an adverse forecast.	Consultancy costs may be able to be reduced but this is a new working model for World Heritage so we will have to see how this works out first.
P33	Economic And Cultural Sustainable Development	1121	Events and Active Lifestyles	332	(212)	343	5	10	Pressures on events income budgets across the service. In part mitigated by stopping non essential spend	Staffing levels and expenditure being closely monitored and any savings opportunities will be realised.
P33	Economic And Cultural Sustainable Development	1126	Visit Bath	76	81	76	0	0	No variance reported	Not applicable
P33	Economic And Cultural Sustainable Development	1128	Business & Skills	385	359	395	3	10	No material variance	Not applicable
P33	Economic And Cultural Sustainable Development Total			(1,983)	(2,784)	(3,581)	(1,932)	(1,598)		
Detailed Analysis of Budgets for Adult Services										
P20	Adult Services	1019	Leisure	342	257	544	34	202	GLL (Greenwich Leisure Limited) annual management fee is lower than expected plus BRT (Bath Recreation Trust) rent review has resulted in an uplift in annual rental.	The Council is exploring ways of reducing energy bills (including energy efficiency measures and increasing income on GLL contract).
P20	Adult Services	1036	Adults Substance Misuse (DAT)	64	847	64	0	0	No variance reported	Not applicable
P20	Adult Services	1073	Adults & Older People-Mental Health Commissioning	9,009	5,191	9,009	528	0	The Market Sustainability and Improvement Grant (MSIF) has been applied in line with Market Uplifts and the service is reporting a balanced position.	Not applicable
P20	Adult Services	1086	Adult Care Commissioning	1,147	339	1,078	(70)	(70)	Small underspend resulting from staff vacancies.	Not applicable
P20	Adult Services	1088	Older People & Physically Disabled Purchasing	12,405	7,304	12,405	16	0	A rise in demand for Adult Social Care (ASC), particularly around support for hospital discharge. Nursing placements have risen by 31% , residential placements by 7% and homecare by 33% between Sep 22 and Sep 23. The underlying adverse variance of £395k will be covered by a transfer from the ASC reserves.	Commissioners are working with providers to effectively manage market and a forum of ASC professionals are meeting weekly to review high cost and complex placements.
P20	Adult Services	1091	Learning Disabilities Commissioning	15,312	10,554	18,327	2,719	3,015	Significant cost increase have been experienced in Supported Living and Residential resulting in an underlying adverse variance of £2.1m, which will be covered by a transfer from the ASC reserves. Whilst success has been achieved in working with clients to identify alternative solutions, the joint review of the funding sources within the Pooled arrangements is not progressing as planned and the achievement is now at risk. The forecast adverse variance of £3m recognises this risk.	Supported Living schemes (w.e.f. Jan '24) continue being progressed with the aim to offset expensive spot purchased packages. Commissioning are also reviewing expenditure on several transitions from Children's with the aim to drive down costs. This has already led to £0.6m savings this quarter
P20	Adult Services	1093	Physical Disability, Hearing & Vision	3,499	1,540	3,422	(295)	(77)	Small favourable balance resulting from various package movements.	Not applicable
P20	Adult Services	1094	Public Health	0	2,166	0	0	0	No variance reported	Not applicable
P20	Adult Services	1110	Better Care Fund	6,781	12,473	6,781	(2)	(0)	No material variance	Not applicable
P20	Adult Services	1113	CCG B&NES CHC and FNC Payments	0	(281)	0	0	0	No variance reported	Not applicable
P20	Adult Services	1114	Community Equipment	237	416	319	82	82	Demand pressures around hospital discharge and helping to live independently for longer have resulted in an increase in the use of equipment.	New requests are being actively challenged and alternative funding streams are being explored
P20	Adult Services	1123	Safeguarding Adults	2,497	(18)	2,497	12	(0)	No material variance	Not applicable
P20	Adult Services	1124	Community Resource Centres & Extra Care Income	8,356	4,203	8,405	10	49	Demand for agency to maintain safe staffing levels is creating a small budget pressure. Management are taking action to mitigate this demand and cover internally wherever possible.	Management are working with HR to improve and streamline recruitment processes. Strict monitoring and controls are in place to limit use of agency.
P20	Adult Services Total			59,649	44,990	62,851	3,034	3,202		

Appendix 1 - Revenue Monitoring Commentary Quarter 2 2023/24

Portfolio Number and Description		Cashlimit Number and Description	Current Budget £000	Actuals to date £000	Quarter 2 Published Forecast £000	Change from Previous Quarter Forecast Over / (Under) £000	2023/24 Outturn Variance Over / (Under) £000	Outturn Variance Analysis	Outturn Recovery Plan	
Detailed Analysis of Budgets for Children's Services										
P21	Children's Services	1076	Children, Young People & Families	17,215	25,901	20,790	1,226	3,575	£3.3m pressure across all demand led budget areas. This pressure occurs as follows; Unaccompanied Asylum Seeker Children care (UASC) £1.4m, Independent Foster Care £0.7m, Residential Care £0.8m, Disabled Children care £0.6m and spend to support those not in care £0.8m. These gross spend pressures have been offset by £1m in-year mitigations. There is a further £0.2m pressure across salaries, which is the amount of agency spend (£0.7m) that is not mitigated from the under budget position of base staffing salaries. £1.9m demand led budget pressures continued from 22/23, due to ongoing increased demand and complexity of supporting our children and young people.	Detailed monitoring of UASC numbers and costs. Continued monitoring and scrutiny of High Risk Areas, predominantly demand led budgets, savings targets and agency spend. £1.1m in-year recovery achieved in addition to £1.2m base budgeted Transformation savings.
P21	Children's Services	1077	Inclusion & Prevention	2,522	1,061	2,444	(54)	(79)	Reduction in non-salary spend across the cash limit.	Not applicable
P21	Children's Services	1078	Education Transformation	11,083	1,118	12,045	140	962	Main pressure £1m from Home to School Transport costs; primarily due to inflationary increases.	HTST process is being reviewed from end to end to ensure the most efficient and effective delivery of our statutory responsibility in a challenging market place; new Routing software being introduced. Longer term cost savings will be achieved when additional more local education placements are available as part of the Safety Value Project (SEN Recovery Plan).
P21	Children's Services	1079	Schools Budgets	(1,767)	(4,037)	(1,767)	0	0	Although Dedicated School Grant (DSG) shows a balanced position, the deficit carried into this year on the balance sheet was £13.5m. The overspend of the DSG in year last year was £7.7m. This historical deficit and in year overspends are being address via the Safety Value project in conjunction with the Department for Education (DFE) over a 5 year period. In 2022/23 the first payment from the DFE of £7.68m was received and further payment in 2023-24 of £1.65m is planned. The current in year forecast for the DSG is an overspend of £6.8m, which exceeds our planned safety valve programme position by £3m.	Recovery plan via Safety Valve Project, being monitored by Department for Education, alongside B&NES.
P21	Children's Services	1116	Integrated Commissioning - CYP	2,662	2,160	2,792	(15)	130	Increased contract costs to ensure statutory services are provided.	Review of all contract and departmental costs ongoing.
P21	Children's Services	1117	Safeguarding - CYP	85	34	80	(4)	(6)	Reduction in training spend.	Not applicable
P21 Children's Services Total			31,800	26,238	36,383	1,293	4,583			
Detailed Analysis of Budgets for Highways										
P34	Highways	1103	Transport & Parking Services - Parking	(8,668)	(4,819)	(9,405)	(109)	(737)	Income levels for on street and off street parking are exceeding budget across the majority of locations (£879k), plus staff savings of (£326k) across the service. This favourable position has been reduced by pressures on Bus Lane Enforcement (£156k), and an under recovery of Financial Assistance Scheme Framework Income (£312k).	Not applicable
P34	Highways	1104	Public & Passenger Transport	216	513	37	(196)	(179)	Favourable movement across the service due to staff vacancies, and underspend on fleet costs and non essential spend.	Not applicable
P34	Highways	1129	Clean Air Zone	0	(2,119)	0	0	0	Income levels are slightly exceeding budgeted levels in part due to increased level of penalty charge notice derived income and debt recovery. Whilst there was a minor dip in this recovery due to an internal printing matter this was resolved swiftly bringing with it an anticipated return to a favourable budget. Entry charge income is slightly down on original budgets but remaining fairly consistent, there is projected downturn with increased vehicle compliance, although this is less favourable to budget it is offset by increased levels of penalty charge notice income and recoveries through debt enforcement. Future budget assume continuing trends, which at this point seem to be aligning close to forecast levels. Any overall shortfall should be covered by the new burdens principle	Not applicable
P34	Highways	1133	Network & Traffic Management	728	219	413	(266)	(314)	Favourable movement across the service due to staff vacancies, and increased streetworks income.	Not applicable
P34	Highways	1134	Highway Maintenance	6,416	3,707	6,389	(61)	(27)	Favourable movement across the service due largely due to staff vacancies.	Not applicable
P34 Highways Total			(1,308)	(2,499)	(2,565)	(632)	(1,257)			
Detailed Analysis of Budgets for Neighbourhood Services										
P05	Neighbourhood Services	1089	Community Safety	194	282	198	(1)	5	No material variance	Not applicable
P05	Neighbourhood Services	1101	Neighbourhoods & Environment - Waste & Fleet Services	19,086	(142,209)	19,529	184	443	Pressures on staffing budgets across the service, this has been reduced by £94k due to an increase in recycle income sales, due to current market conditions	Staffing levels being closely monitored and any opportunity for vacancy management will be realised. The planned relocation to the Pixash Depot during Quarter 3 will impact on running costs, although quantification of this won't be known until the facility is occupied.
P05	Neighbourhood Services	1102	Neighbourhoods & Environment - Parks & Bereavement Services	1,536	1,276	1,563	(100)	27	Pressures on staffing budgets across the service (£127k), partly mitigated due to a reduction in non essential spend, and recovery of staff time charged to projects.	Staffing levels and expenditure being closely monitored and any savings opportunities will be realised.
P05	Neighbourhood Services	1115	Registrars Service	(98)	(300)	(94)	4	4	No material variance	Not applicable
P05	Neighbourhood Services	1122	Customer Services (Including Libraries)	2,405	1,025	2,466	(10)	60	Vacancy saving not expected to be delivered	Both staffing and running costs will be monitored closely throughout the year to establish any opportunities to mitigate the current adverse variance forecast
P05	Neighbourhood Services	1139	Public Protection	1,107	621	1,283	172	176	The adverse position on Public Protection is due to the underachievement on Pest Control, Dog Warden and Licensing income.	Limited scope to find savings within the service. Expenditure being closely monitored and any savings opportunities will be realised.
P05 Neighbourhood Services Total			24,229	(139,307)	24,945	248	716			

Portfolio Number and Description	Cashlimit Number and Description	Current Budget £000	Actuals to date £000	Quarter 2 Published Forecast £000	Change from Previous Quarter Forecast Over / (Under) £000	2023/24 Outturn Variance Over / (Under) £000	Outturn Variance Analysis	Outturn Recovery Plan		
Detailed Analysis of Budgets for Built Environment and Sustainable Development										
P35	Built Environment and Sustainable Development	1029	Housing	1,295	358	1,346	31	52	The adverse financial position reflects an underachievement of income in relation to homesearch fees, a write off in relation to Homefinders Scheme, borrowing costs and staffing movements.	We will be trying to mitigate the adverse position by reviewing our grant income and spend closely.
P35	Built Environment and Sustainable Development	1106	Development Management	1,208	2,141	1,373	52	165	The adverse position is due to the predicted underachievement of planning income which has been partly offset by vacancy management.	To help recover the financial position, in year mitigations are planned including new income streams and vacancy management and an expected national increase to planning fees in the new year. Also a number of large planning applications and Planning Performance Agreements are expected over the next few months which will partly mitigate the current underachievement of income as we haven't forecasted them all due to the risk if they don't come in.
P35	Built Environment and Sustainable Development	1138	Building Control	(39)	41	158	41	197	Pressures on Building Control and Land charges income due to current market conditions, slightly reduced due to reduction in expenditure.	Limited scope to find savings within the service. Expenditure being closely monitored and any savings opportunities will be realised.
P35	Built Environment and Sustainable Development Total	2,464		2,540	2,877	124	124	413		
	Council Total	135,056		(57,480)	141,560	2,546	2,546	6,504		

FINANCE BUDGET MONITORING QUARTERLY DASHBOARD - April to September 2023

CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

		23/24 Budget £000	23/24 Forecast £000	23/24 Variance - Budget vs Forecast £'000	Sum of Re- phasing to Future Years £'000
Neighbourhood Services					
Parks S106 Projects	Smaller projects all on track and will come in on budget. Key S106 Projects: 1) Sullis Meadow £46k budget. Currently have a vacant Project Manager post creating capacity issues. Have organised a meeting with the funder to agree how we will proceed. Still hopeful this will be completed this year. 2) Foxhill, Mulberry Park, open space and allotments, £528k budget. As with Sullis, vacant Project manager post effecting capacity. Carried out Ecology survey w/c 11/9/23. There have been no bids to carry out the work, we are looking at the supply chain to highlight different routes to market to be able to deliver the project. 3) Parks Pollinator, £105k budget. Will carry out works October and November and some in February. This project is mainly WECA funded. We will have confirmation of costings by the end of September and if required will submit a Change Request to WECA. 4) Keynsham projects: Manor Road Woodlands, Abbots Wood & Teviot Road. Total budget across the 3 sites and split across financial years from 23/24 to 25/26 is £518k. The 23/24 budget is £84k fully aligned to Manor Road Woodland. Looking at improving access, signage and pathways.	789	789	-	
Pixash Site Redevelopment	The new Reuse and Recycling Centre opened on 17th April 2023. The MOT Centre and MRF (Materials Recovery Facility) are expected to complete in November 2023. Work on Phase 2 development of Depot Operations continues, with services programmed to relocate later in 2023/24.	21,202	21,202	-	
Resources					
Commercial Estate Refurbishment Programme	This programme of works is under regular review and prioritisation with the focus to ensure empty properties are refurbished ready for new tenant occupation. Eleven priority projects are currently being scoped to go out to tender and eight are out to tender. Five projects have work being completed on site and two have been completed this year. For each asset included within the capital programme, an assessment is undertaken to ensure the investment in that asset delivers value for money and a return on investment.	8,494	5,000	3,494	3,494
Property Company Investment - Council (Loan): Developments	Budget requirement for 2023/24 of £2.4m is predominately capital for the Aequus investment in Properties supported by Local Authority Housing Fund and the remaining budget will be rolled forward into future years in line with indicative loan requirements.	5,200	2,400	2,800	2,800
Economic & Cultural Sustainable Development					
Bath Quays North	We will be minimising expenditure in 2023/24 whilst we review the various development plots in collaboration with our delivery partner to reflect current economic conditions.	15,785	300	15,485	15,485
BWR Phase 2	The masterplan was developed by Aequus and outline planning application submitted. The majority of major gas network rationalisation works is complete and site remediation is on-going. The work to remove the redundant Pipe Bridge, previously used for delivery of gas, has started with removal planned for November 2023.	6,633	2,700	3,933	3,933

FINANCE BUDGET MONITORING QUARTERLY DASHBOARD - April to September 2023

CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

		23/24 Budget £000	23/24 Forecast £000	23/24 Variance - Budget vs Forecast £'000	Sum of Re- phasing to Future Years £'000
Corporate Estate Planned Maintenance	The annual programme of planned work to ensure continued compliance with statutory obligations is underway. Planned, preventative maintenance work scheduled for 2023/24 includes upgrades to the lifts in the care homes and other corporate assets, boiler repairs and replacement along with control systems repair, emergency lighting, fire alarms, resurfacing at Station Road Car Park Keynsham and improvements at several parks. So far, this financial year we have completed 99 pieces of repair and remedial works, a further 76 pieces of work are currently underway and tenders are still to come in for further works. A large improvement to the Haycombe Crematorium cremators was completed in August 23 which adds a life span of 5-7 years to this asset. Works to the Upper Gallery roof at Victoria Art Gallery will protect the Grade II listed building and tenders for the roof are currently being evaluated. Phase 1 of works to Fairfield house is nearing completion and phase 2 starts in the autumn. Drainage and resurfacing work at Royal Victoria Park is scheduled to start in the autumn thereby avoiding disruption of services during busy summer months.	5,097	5,097	-	
Somer Valley Enterprise Zone - Infrastructure	Revised statutory consultation due to conclude in October 23 with the Local Development Order to be taken to Cabinet for Approval. An enhanced Outline Business Case requesting grant funding for the next phase of delivery is planned to be submitted to WECA in January 2024.	382	382	-	
Keynsham High Street Renewal Programme	Phase 2 is underway and on target to deliver a masterplan, shopfront improvements and Temple Street public realm improvements. The shopfront improvements are the only remaining element to complete.	376	376	-	
Midsomer Norton High Street Renewal Programme	High Street Action Zone project work continues to budget. The Town Hall transformation project is on site with good progress being made, phase 1 completion is due in November 2023. Technical approval is pending and due in October 23 for the new Town Square. Shopfront improvements continue.	1,474	1,474	-	
Bath City Centre Renewal Programme	The Bath High Street Renewal programme is progressing within the project milestones. The new "pattern book" benches, to improve accessibility to the city centre, are in fabrication for installation in Q3. Public realm improvements to Kingsmead Square public realm are being reviewed in line with traffic restraints.	904	904	-	
Milsom Quarter Masterplan Delivery	We have accepted a £2.475m WECA grant to support the Milsom Quarter Masterplan Delivery, £808.5k capital funding and £1.6665m revenue funding. Programme governance, plans and resourcing are in place. Initial project work on the Fashion Museum, Public Realm and Broad Street Yards has commenced. Compliance works for the meanwhile uses at the Old Post Office were progressed during the summer with completion forecast in October.	785	785	-	
Radstock Regeneration	Capital funding was approved to improve Radstock Town Centre with provision of new facilities for the community including a Changing Places toilet for Tom Huyton Park and a contribution towards retrofitting Trinity Church.	330	330	-	

FINANCE BUDGET MONITORING QUARTERLY DASHBOARD - April to September 2023

CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

		23/24 Budget £000	23/24 Forecast £000	23/24 Variance - Budget vs Forecast £'000	Sum of Re- phasing to Future Years £'000
Children's Services					
Basic Needs - School Improvement / Expansion	Scheme Highlights are :- - St Keyna Primary - Expansion by one form entry to a 420 place school. A new 6 classroom block built to Passivhaus standard, kitchen extension and some remodelling of existing accommodation. Further Planning consent is due soon to additional requirements for ecology, highways and Sport England with expected & project completion by January 25. A contractor is appointed and a cost review undertaken. - Oldfield School - Contribution for the Academy Trust to build a new design & technology block. Planning application has been submitted pending decision. When Planning decisions are made, a review of project phasing will be completed.	6,001	6,001	-	
Schools Capital Maintenance Schemes	Schools Condition Grant is received for maintained schools that we as an LA are responsible for, with general project budgets for Emergency Works, Minor Works, Schools Conditions Survey & Radon Works, to inform larger budgets for specific projects. Current specific projects are 1) Newbridge Primary, Roof Repairs & Temporary Building Removal. 2) St Martins Garden Primary, maintenance to the caretaker's bungalow.	1,522	1,522	-	-
SEND (Special Education Needs & Disability) Capital Programme	The programme focus is on various feasibility studies for additional SEND placements to bring forward new proposals later in the year & then deliver on those proposals, such as Resource bases at schools across BANES. Scheme highlights include: 1) Aspire School Remodel now completed 2) Midsomer Norton Primary - Resource Base now completed 3) Ralph Allen Resource Base, recent approval given for Palladian Academy Trust to deliver capital project to build a resource base and we hope to complete a funding agreement soon. 4) Bath College Wellow Centre Adaptations - work carried out over the summer period. 5) Somervale School SEND Resource Base. Council to deliver the project. Currently working on pre construction work, detailed design, tendering for contractor and planning application submission. Anticipated to start on site July 24 with completion by May 25. Build programme to be updated once contractor appointed.	1,450	1,450	-	
Special Education Needs & Disability (SEND) - Residential Provision at Bath College	The business case has now been approved with Cabinet Member Decision implemented 23.09.23. The Project will now proceed to a formal Council Funding Agreement with the college, to define a full project programme of agreed works and enable the budget to be uploaded with appropriate phasing. The anticipated completion for the project is September 2025.	25	25	-	-
Climate Emergency & Sustainable Travel					
Bath River Line	The Bath River Line aims to create a linear park following the River Avon from Batheaston to Newbridge. The first approved phase is the western section from Newbridge to Bath Quays (value £1.4m). The technical designs are almost complete with contractor engagement anticipated later in 2023-24 and the majority of capital delivery likely to be 2024/25.	1,438	250	1,188	1,188
Cleeve Court and Combe Lea Heating Upgrades	These measures are part of a decarbonisation package with air source heat pumps replacing existing heating systems for these two care homes following the Charlton House example.	680	680	-	

FINANCE BUDGET MONITORING QUARTERLY DASHBOARD - April to September 2023

CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

		23/24 Budget £000	23/24 Forecast £000	23/24 Variance - Budget vs Forecast £'000	Sum of Re- phasing to Future Years £'000
Highways					
City Centre Security - Highways Scheme	Protective measures including sliding/ static bollards in York Street were completed in May 2023. Works in Cheap Street and Hot Bath Street are ongoing with completion due in October 2023. Advance diversion works for statutory undertakers' services have now commenced at Upper Borough Walls, with these works being paused for the Christmas embargo period. Works will recommence at Upper Borough Walls in January 2024 with completion anticipated in July 2024. Works at Lower Borough Walls are planned to commence in 2024. Potential cost pressures on contingency are being continuously monitored.	5,064	3,840	1,224	1,224
Clean Air Zone	Clean Air Zone and CAZ Public Realm are progressing, with full spend expected. Any CAZ capital underspend is DfT grant funded and potentially may need returning, we're currently in discussions with JAQU about decommissioning and/or evolution and what happens to any such funding. RPZ's for Oldfield and Walcot are now installed. The Financial Assistance Scheme is heading towards it's last few transactions, looking to be completed in this financial year. CAZ Queen Square Public Realm projects are currently being scoped with works to commence in Autumn 2023, currently expecting full spend in this financial year. We await further instructions from JAQU regarding any residual underspends of the grant funding that may arise.	1,679	1,679	-	
Highways Maintenance Block	Carriageway and Footway Surfacing programmes now substantially completed to all be done by end of October 2023. Footway Paving Programme ongoing to end of December 2023. Both Street Lighting and Drainage Works programmes progressing well to programme with view for completion end of March 2024.	9,118	9,118	-	-
Transport Improvement Programme	Most schemes are progressing with no issues identified at this stage for delivery in 2023/24. For better co-ordination with the Liveable Neighbourhoods programme, Local Safety and Traffic Management schemes and some Public Right of Way have been re-programmed for delivery in summer 2024.	2,061	1,858	203	203
CRSTS Liveable Neighbourhoods	This programme is made up of two themes; the first is a series of 8 residential parking zones, all of which are now operational. The second theme is for 15 Liveable Neighbourhoods, which will include a range of traffic intervention measures. Three of which have been piloted resulting in no-through traffic restriction trials in Church Street, Widcombe, Southlands, Weston and Queen Charlton Lane, Queen Charlton. A full business case identifying proposed interventions for the 15 Liveable Neighbourhoods will be submitted to WECA in November, in order to access £4.1m of CRSTS funding for delivery. It is anticipated that delivery of these interventions will begin in Q1 of 24/25.	2,040	836	1,204	1,204
CRSTS Manvers Street Remediation	Capital budget for a Manvers Street and Pierrepoint Street Refurbishment project to investigate and confirm the cause of deterioration of the road surface, and propose and implement a cost effective, future-proof solution to protect the integrity of the highway. The project also supports the wider objectives of the CRSTS, the forthcoming Bath circulation plan and planned development, in particular the adjacent Central Bath Riverside Development. Survey work is being undertaken by our external consultants and a draft Options Appraisal Study is expected to be provided during October. The outcome of this will inform how the project moves forward.	662	662	-	

FINANCE BUDGET MONITORING QUARTERLY DASHBOARD - April to September 2023

CAPITAL APPENDIX 2 - KEY SCHEME VARIANCE ANALYSIS

		23/24 Budget £000	23/24 Forecast £000	23/24 Variance - Budget vs Forecast £'000	Sum of Re- phasing to Future Years £'000
Built Environment & Sustainable Development					
Affordable Housing	There is a £300k commitment to Pemberley Place extra care scheme (72 units of affordable elderly persons accommodation) which is now complete. We are experiencing high customer demand for this service.	801	801	-	-
Supported Housing Scheme	Refurbishment of Crescent Garden Lodge and Westgate Street complete. However, Theobald House refurbishment delayed due to contractor issues with completion now expected Q3 2023/24. We continue to develop a pipeline of future projects.	716	716	-	
Social Rent Programme	Planning permission has been secured for former Argyle Works and the site will be secured with the re-location of the current Highway Depot in November. We expect to start on site early in 2024, the current forecast reflecting the works now due to be completed in 2024/25. Works have also been progressing at 19 Westgate Street, with completion due by end of March 2024.	4,536	1,131	3,404	3,404

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2023/24 Revenue Virements for INFORMATION

Appendix 3 (i)

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

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

INFO 23#10	Social Care Contingency	Children's Services	Education Transformation		48,291	Children's Services	Children, Young People & Families		48,291	Realignment of Social Care Contingency Budget between Children's Services cash limits, as agreed with Director of Children's Services & Education.	Budget Virement is ongoing.
INFO 23#11	Supported Lodgings	Built Environment & Sustainable Development	Housing		146,523	Children's Services	Children, Young People & Families		146,523	Transfer of management of the Supported Lodgings Service from Housing to the Foster Care Team within Children's Services, as approved by Director of Sustainable Communities & Director of Children's Services & Education.	Budget Virement is ongoing.
INFO 23#12	CCTV Maintenance	Resources	Information Technology		78,194	Leader	Emergency Planning		78,194	Transfer of management of CCTV maintenance from Information Technology to Emergency Planning.	Budget Virement is ongoing.
INFO 23#13	Electronic Payments Lead Post	Resources	Finance		13,953	Resources	Revenues & Benefits		13,953	Contribution of funding for new Electronic Payments Lead post in Income Services from PCI (Payment Card Industry) compliance consultancy budget, as approved by Chief Finance Officer.	Budget Virement is ongoing.
INFO 23#14	Executive Support Posts	Adult Services	Adult Services		50,059	Council Priorities & Delivery	Corporate Governance		50,059	Transfer of budget from Adult Services to Corporate Governance to fund 1.5 Executive Support posts.	Budget Virement is ongoing.
INFO 23#15	City & Town Centre Business Development Manager	Neighbourhood Services	Neighbourhoods & Environment - Waste & Fleet Services		19,887	Economic & Cultural Sustainable Development	Events & Active Lifestyles		59,662	Transfer of responsibility & associated budget for Business Development Manager to Events & Active Lifestyles services, as approved by Director of Place Management.	Budget Virement is ongoing.
			Neighbourhoods & Environment - Parks & Bereavement Services		39,775						

REF NO	REASON / EXPLANATION	CABINET PORTFOLIO	TRANSFER FROM	Income	Expenditure	CABINET MEMBER	TRANSFER TO	Income	Expenditure	DESCRIPTION	ONGOING EFFECTS
			CASHLIM	(£'s)	(£'s)		CASHLIM	(£'s)	(£'s)		
INFO 23#16	Highways Savings Target Correction	Highways	Network & Traffic Management		22,000	Highways	Highway Maintenance		22,000	Correction to savings target which was incorrectly allocated to Network & Traffic Management Cash Limit during budget setting. Approved by Director of Place Management 13/06/23.	Budget Virement is ongoing.
INFO 23#17	Children's Services Base budget Correction	Children's Services	Schools' Budgets		109,786	Children's Services	Education Transformation		109,786	Realignment to Children's Services 2023/24 Base Budget distribution across	Budget Virement is ongoing.
INFO 23#18	PE & Schools Sports Grant	Children's Services	Education Transformation		45,737	Children's Services	Schools' Budgets		45,737	Budget allocation to individual schools to reflect PE & Schools Support Grant funding.	Budget Virement is one- off.
OVERALL TOTALS				0	574,205			0	574,205		

Portfolio Cash Limits 2023/24 - Revenue Budget

Appendix 3(ii)

CABINET PORTFOLIO	Service	Jul'23 Revised Cash Limits	Technical Adjustments, below BMS limits or already agreed - shown for information	Total Virements for Approval	Nov'23 Revised Cash Limits
		£'000	£'000	£'000	£'000
Leader	Housing Delivery Vehicle	(1,000)			(1,000)
	Emergency Planning	581	78		659
	External Affairs & Partnerships				
	PORTFOLIO SUB TOTAL	(419)	78		(341)
Climate Emergency & Sustainable Travel	Environmental Monitoring (Air Pollution)	191			191
	Transport Strategy	381			381
	Green Transformation	760			760
	PORTFOLIO SUB TOTAL	1,333			1,333
Council Priorities & Delivery	Human Resources & Organisational Development	2,192			2,192
	Business Change	821			821
	Corporate Governance	1,769	50		1,819
	Corporate Strategy & Communications	4,249			4,249
	PORTFOLIO SUB TOTAL	9,031	50		9,081
Resources	Council Solicitor & Democratic Services	2,655			2,655
	Finance	2,181	(14)		2,167
	Revenues & Benefits	1,879	14		1,893
	Risk & Assurance Services	1,284			1,284
	Procurement & Commissioning	313			313
	Information Technology	5,434	(78)		5,355
	Commercial Estate	(12,650)			(12,650)
	Hsg / Council Tax Benefits Subsidy	(195)			(195)
	Capital Financing / Interest	4,789			4,789
	Unfunded Pensions	1,388			1,388
	Corporate Budgets incl. Capital, Audit & Bank Charges	(2,354)			(2,354)
	New Homes Bonus Grant	(425)			(425)
	Magistrates	12			12
	Coroners	450			450
	Environment Agency	258			258
	West of England Combined Authority Levy	5,194			5,194
	PORTFOLIO SUB TOTAL	10,211	(78)		10,133
Economic & Cultural Sustainable Development	Property Services	580			580
	Corporate Estate Including R&M	4,789			4,789
	Regeneration	(33)			(33)
	Business & Skills	385			385
	Heritage Services	(8,233)			(8,233)
	World Heritage	120			120
	Visit Bath	76			76
	Events & Active Lifestyles	273	60		332
	PORTFOLIO SUB TOTAL	(2,043)	60		(1,983)
Adult Services	Adult Services	59,293	(50)		59,243
	Public Health				
	Adult Substance Misuse (Drug Action Team)	64			64
	Leisure	342			342
	PORTFOLIO SUB TOTAL	59,699	(50)		59,649
Children's Services	Children, Young People & Families	17,020	195		17,215
	Integrated Commissioning - CYP	2,662			2,662
	Safeguarding - CYP	85			85
	Inclusion & Prevention	2,522			2,522
	Education Transformation	11,067	16		11,083
Schools' Budget	(1,703)	(64)		(1,767)	
	PORTFOLIO SUB TOTAL	31,654	147		31,800

CABINET PORTFOLIO	Service	Jul'23 Revised Cash Limits	Technical Adjustments, below BMS limits or already agreed - shown for information	Total Virements for Approval	Nov'23 Revised Cash Limits
		£'000	£'000	£'000	£'000
Highways	Transport & Parking Services - Parking	(8,668)			(8,668)
	Transport & Parking Services - Public & Passenger Transport	216			216
	Network & Traffic Management	750	(22)		728
	Highway Maintenance	6,394	22		6,416
	Clean Air Zone				
	PORTFOLIO SUB TOTAL	(1,308)			(1,308)
Neighbourhood Services	Neighbourhoods & Environment - Waste & Fleet Services	19,105	(20)		19,086
	Neighbourhoods & Environment - Parks & Bereavement Services	1,575	(40)		1,536
	Customer Services (including Libraries)	2,405			2,405
	Public Protection	1,107			1,107
	Community Safety	194			194
	Registrars Service	(98)			(98)
	PORTFOLIO SUB TOTAL	24,289	(60)		24,229
Built Environment & Sustainable Development	Building Control	(39)			(39)
	Development Management	1,208			1,208
	Housing	1,441	(147)		1,295
	PORTFOLIO SUB TOTAL	2,611	(147)		2,464
	NET BUDGET	135,056			135,056

Sources of Funding

Council Tax	113,474			113,474
Retained Business Rates	19,254			19,254
Collection Fund Deficit (-) or Surplus (+)	5,442			5,442
Transfers (to) / from Reserves	(3,114)			(3,114)
TOTAL FUNDING	135,056			135,056

Capital Virements July - September Additions & Reductions 2023/24

Appendix 4 (i)

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP2223#004	Affordable Housing	s106	195,000		Built Environment & Housing Sustainable Development		195,000	Officer Delegated Decision by the Director of Regeneration & Housing on 6th July 2023 for £195k for Affordable Housing Grant for Homes in Radstock.
CAP2223#005	Heritage Infrastructure Development	SSB	54,000		Economic & Cultural Sustainable Development		54,000	Officer Delegated Decision by the Director of Sustainable Communities on 28th June 2023 for £54k for Victoria Art Gallery - Building Management System Upgrade.
CAP2223#006	Special Education Needs & Disability (SEND) Education Provision"	Govt grant	45,000		Children's Services		45,000	Officer Delegated Decision by Director of Education Transformation on 22nd June 2023 £45k to create a SEND places at the Bath College, SEND Wellow Centre.
CAP2223#007	Special Education Needs & Disability (SEND) Education Provision"	Govt grant	18,000		Children's Services		18,000	Officer Delegated Decision by Director of Education Transformation on 22nd June 2023 £18k to create a SEND Resource Base at Midsomer Norton Primary School.
CAP2223#008	Bath Quays South	3rd Party Contribs	-281,421		Economic & Cultural Sustainable Development		-281,421	Technical Adjustment by Director of Finance to align to 3rd Party income.
CAP2223#009	Special Education Needs & Disability (SEND) Education Provision"	Govt grant, CIL	370,000		Children's Services		370,000	Officer Delegated Decision by Director of Education Transformation on 17th April 2023 of £1,264k to create a SEND Resource Base at Somervale School.
CAP2223#010	Refurb of Roman Baths Shop	SSB	50,000		Economic & Cultural Sustainable Development		50,000	Officer Delegated Decision by the Director of sustainable Communities on 12th July 2023 for £50k for Roman Baths Shop Refit.
CAP2223#011	Special Education Needs & Disability (SEND) Education Provision"	Govt grant	544,325		Children's Services		544,325	Officer Delegated Decision by the Education and Safeguarding Director on 17 July 2023 to deliver a SEND Resource Base at Ralph Allen School to provide accommodation for a 20 pupil site for Autistic children.
CAP2223#012	Parking Body Worn Video Cameras for Civil Enforcement Officers	SSB	35,000		Highways		35,000	Officer Delegated Decision by Director of Place Management on 20th July 2023 for £35k to replace end of life body worn video cameras with a new equivalents.
CAP2223#013	Waste Service Redesign	SSB	-57,550		Neighbourhood Services		-57,550	Officer Delegated Decision by the Director of Place on 13th July 2023 to align budget to procurement of vehicles.
CAP2223#014	Neighbourhood Services Asset & Vehicle Replacement	CSB, SSB	1,423,380		Neighbourhood Services		1,423,380	Officer Delegated Decision by the Director of Place on 13th July 2023 to fully approve £1.423m for the procurement of vehicles.
CAP2223#015	Transport Improvement Programme	s106, Govt grant	-122,388		Highways		-122,388	Technical Adjustment by Director of Finance to align to s106 & Grant contributions.
CAP2223#016	Parks S106 Projects	S106	84,000		Neighbourhood Services		84,000	Officer Delegated Decision by the Director of Place on 14th July 2023 to fully approve mitigation work at Manor Road Woodland and enhancements to green spaces at Teviot Road Open Space and Abbots Wood.
CAP2223#017	Bath Christmas Market	Revenue	-12,715		Neighbourhood Services		-12,715	Technical Adjustment by Director of Finance to re-align to revenue contribution expected.
CAP2223#018	Cleeve Court and Combe Lea Heating Upgrades	Gov't grant	-92,198		Climate Emergency & Sustainable Travel		-92,198	Technical Adjustment by Director of Finance to align to revised grant offer.
CAP2223#019	Basic Needs - School Improvement / Expansion	Gov't grant	-187,776		Children's Services		-187,776	Technical Adjustment by Director of Education and Safeguarding to align with budget underspend for Peasedown St John school expansion.
CAP2223#020	Leisure – Approach Golf Course Kiosks	CSB	30,000		Neighbourhood Services		30,000	Single Member Decision E3378 by Cabinet Member for Neighbourhood Services on 09/08/22 to approve £30k to be used to upgrade the kiosk and get the site operational. Realignment of Leisure budget with this decision.
CAP2223#021	Tree Planting	Gov't grant	-345		Neighbourhood Services		-345	Technical Adjustment by Director of Finance to re-align to funding.
CAP2223#022	Local Authority Housing Fund (Ukrainian/Afghan homes)	Gov't grant	1,812,083		Built Environment & Sustainable Development		1,812,083	Single Member Decision E3480 by Cabinet Member for Built Environment and Sustainable Development on 21st Sept 2023 to provide 22 units of refugee accommodation.
CAP2223#023	Social Rent Programme	Gov't grant	204,375		Built Environment & Sustainable Development		204,375	Officer Delegated Decision by the Director of Regeneration & Housing on 29th September 2023 for grant of £204k for Social Housing Programme (Argyle Works, Bath).
CAP2223#024	Disabled Facilities Grant	Gov't grant	125,820		Adult Services		125,820	Technical Adjustment by Director of Finance to align to revised grant award.
CAP2223#025	CCTV Camera Replacement	CSB, SSB	543,794		Neighbourhood Services		543,794	Officer Delegated Decision by the Director of Place Management on 9th August 2023 for £544k for CCTV System Management Platform & Camera replacement.
CAP2223#026	Bath Area Forum Grants	Bath CIL	171,301		Leader		171,301	SMD E3477 on 21st of Sept 2023 CIL for Bath Advisory Board Recommendations Round Fourteen. Among the projects money for St Andrews Community Church towards the refurbishment of the community centre , Your Park Bristol & Bath to create the UK's first park to meet young females needs at Brickfields and Percy Community Centre.
CAP2223#027	York Street Vaults Phase 2	CSB	31,500		Economic & Cultural Sustainable Development		31,500	Technical Adjustment by Director of Sustainable Communities to align programme funding to budget need.
CAP2223#028	Keynsham High Street Renewal Programme	CSB	-31,500		Economic & Cultural Sustainable Development		-31,500	Technical Adjustment by Director of Sustainable Communities to align programme funding to budget need.
Total			4,951,685				4,951,685	

Capital Virements - Additions & Reductions Future Years

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income	Expenditure	TRANSFER TO	Income	Expenditure	Notes
FY CAP2223#001	Special Education Needs & Disability (SEND) Education Provision"	Govt grant	894,000		Children's Services		894,000	Officer Delegated Decision by Director of Education Transformation on 17th April 2023 of £1,264k to create a SEND Resource Base at Somervale School over 24/25 and 25/26.
FY CAP2223#002	Special Education Needs & Disability (SEND) Education Provision"	Govt grant	1,361,500		Children's Services		1,361,500	Officer Delegated Decision by the Education and Safeguarding Director on 17 July 2023 to deliver a SEND Resource Base at Ralph Allen School to provide accommodation for a 20 pupil site for Autistic children over 24/25 and 25/26.
FY CAP2223#003	Parks S106 Projects	s106	433,763		Neighbourhood Services		433,763	Officer Delegated Decision by the Director of Place on 14th July 2023 to fully approve mitigation work at Manor Road Woodland and enhancements to green spaces at Teviot Road Open Space and Abbots Wood.
FY CAP2223#004	York Street Vaults Phase 2	CSB	31,500		Economic & Cultural Sustainable Development		31,500	Technical Adjustment by Director of Sustainable Communities to align programme funding to budget need in 24/25.
FY CAP2223#005	Keynsham High Street Renewal Programme	CSB	-31,500		Economic & Cultural Sustainable Development		-31,500	Technical Adjustment by Director of Sustainable Communities to align programme funding to budget need in 24/25.
Total			2,689,263				2,689,263	
			2,689,263				2,689,263	

Capital Scheme	Cap Prog Number	Budget after July 2023 Cabinet	July - Sep virements	Budget at November 2023 Cabinet
Full Approval				
Resources				
Agresso System Development & Upgrade	Cap1415125	36	0	36
Commercial Estate Improvement and Regeneration Fund	CAP2122019	0	0	0
Capital Contingency	Cap1415131	2,735	0	2,735
Cleveland Pools Grant	Cap1718065	54	0	54
Commercial Estate Refurbishment Programme	Cap1920022	8,494	0	8,494
Customer Payments Security and Channel shift	Cap1920021	18	0	18
Flax Bourton Mortuary Extension	CAP2223016	175	0	175
Flexible Use of Capital Receipts (Transformation)	Cap1819080	3,249	0	3,249
IT Asset Refresh	Cap1819061	692	0	692
Keynsham Memorial Park Bridge	Cap2223003	651	0	651
Keynsham Regeneration & New Build	Cap1415094	68	0	68
Office Reconfiguration Costs (project - Preparing for the future)	CAP2122005	135	0	135
Orange Grove	CAP1920036	639	0	639
Preparing for the Future - New Technology	Cap2122020	64	0	64
Property Company Investment - Council (Loan): Developments	Cap1617027	5,200	0	5,200
Property Disposals (Disposals Programme (Minor))	Cap1415098	313	0	313
Saw Close RIF Repayment	CAP2122008	19	0	19
Subtotal Full Approval - Resources		22,542	0	22,542

Capital Scheme	Cap Prog Number	Budget after July 2023 Cabinet	July - Sep virements	Budget at November 2023 Cabinet
Economic & Cultural Sustainable Development				
Bath City Centre Renewal Programme	Cap1920026	904	0	904
Bath Quays North	Cap1415114	15,785	0	15,785
Bath Quays South, Bridge & Linking Infrastructure	Cap1415138	649	-281	367
BWR Phase 2	Cap1920012	6,633	0	6,633
Carrswood Day Centre Roof	CAP2223004	44	0	44
Corporate Estate Planned Maintenance	Cap1415097	5,097	0	5,097
Corporate Property Acquisition	CAP2223019	208	0	208
Digital B&NES	Cap1415069	200	0	200
Equality Act Works	Cap1415104	80	0	80
Grand Parade & Undercroft	Cap1415103	117	0	117
Haycombe Cemetery Top Chapel Refurbishment	CAP2223033	98	0	98
Heritage Collections Centre	CAP1920035	459	0	459
Heritage Infrastructure Development	CAP1415052	101	54	155
Heritage Services Energy Capture Scheme	Cap1819030	0	0	0
Heritage Services Retail System	CAP1415050	100	0	100
Innovation Quay - Strategic Flooding Solution	Cap1415064	251	0	251
Keynsham High Street Renewal Programme	Cap1718011	344	32	376
Local Centres Renewal Programme	CAP2122010	44	0	44
Major Projects NRR Infrastructure - HCA	Cap1415062	51	0	51
Midsomer Norton High Street Renewal Programme	Cap1819050	1,474	0	1,474
Milsom Quarter Masterplan Delivery	CAP2223030	785	0	785
North Keynsham SDL - External Fees	Cap1819091	540	0	540
Radstock and Westfield Implementation Plan	CAP1516014	3	0	3
Radstock Healthy Living Centre	Cap1718061	298	0	298
Radstock Regeneration	CAP2223034	330	0	330
Refurb of Roman Baths Shop	Cap1819037	0	50	50
Roman Baths Archway Project	Cap1617021	0	0	0
Somer Valley Enterprise Zone - Infrastructure	Cap1718067	382	0	382
York Street Vaults Phase 2	Cap1819059	47	-32	16
Subtotal Full Approval - Economic & Cultural Sustainable Development		35,025	-177	34,848
Leader				
Bath Area Forum - CIL Funded Schemes - Approved	Cap1718068	467	171	638
Subtotal Full Approval - Leader		467	171	638

Capital Scheme	Cap Prog Number	Budget after July 2023 Cabinet	July - Sep virements	Budget at November 2023 Cabinet
Climate Emergency & Sustainable Travel				
Active Travel Prescribing Project	CAP2223032	145	0	145
Bath River Line	CAP1920030	1,438	0	1,438
Bathscape	Cap1819011	194	0	194
Canal Tow Path: Bathwick Hill to Deeplock, Widcombe	CAP2122016	94	0	94
Chew Valley Recreational Trail	CAP1819090	0	0	0
Cleeve Court and Combe Lea Heating Upgrades	Cap2223025	772	-92	680
Clutton Depot Solar Panels	CAP2223022	79	0	79
CRSTS Cycling and Walking Design and Business Case	CAP2122012	740	0	740
Renewable Energy Development Fund	CAP2122009	0	0	0
Renewable energy in B&NES	CAP2122006	67	0	67
Somer Valley Rediscovered	CAP2223028	199	0	199
Waterspace Connected	Cap1920016	87	0	87
Subtotal Full Approval - Climate Emergency & Sustainable Travel		3,814	-92	3,721
Built Environment & Sustainable Development				
Affordable Housing	Cap1415091	606	195	801
Englishcombe Lane Supported Housing	CAP2223027	291	0	291
Housing Delivery Vehicle/ Schemes (Capital Disposals ADL)	Cap1516042	579	0	579
Local Authority Housing Fund (Ukrainian/Afghan homes)	CAP2223035	250	1,812	2,062
Next Steps Accommodation Programme	CAP2021006	5	0	5
Social Rent Programme	CAP2122025	4,331	204	4,536
Supported Housing Scheme	CAP2122021	716	0	716
Subtotal Full Approval - Built Environment & Sustainable Development		6,780	2,211	8,991
Adult Services				
Carrswood Site Alterations	CAP2223021	0	0	0
Community Resource Centre Capital Investment	Cap1718076	41	0	41
Community Resource Centre Equipment Replacement	CAP2324007	105	0	105
Disabled Facilities Grant	Cap1415089	2,152	126	2,278
Subtotal Full Approval - Adult Services		2,298	126	2,424

Capital Scheme	Cap Prog Number	Budget after July 2023 Cabinet	July - Sep virements	Budget at November 2023 Cabinet
Children's Services				
Basic Needs - School Improvement / Expansion	Cap1415135	6,189	-188	6,001
Schools Capital Maintenance Schemes	Cap1415073	1,522	0	1,522
Schools Devolved Capital	Cap1920028	165	0	165
SEND (Special Education Needs & Disability) Capital Programme	Cap1718071	472	977	1,450
Southside Youth Centre	CAP2223026	-12	0	-12
Special Education Needs & Disability (SEND) - Residential Provision at Bath College	Cap2223002	25	0	25
Subtotal Full Approval - Children's Services		8,361	790	9,150
Neighbourhood Services				
Air Quality Management Area and AQ Monitors	Cap1819028	4	0	4
Alice Park - Skate Park	Cap1415035	9	0	9
Bath Christmas Market	Cap2122023	33	-13	20
Beechen Cliff Woodland & Other Small Projects	Cap1415017	2	0	2
CCTV Camera Replacement	Cap2223006	61	544	605
CIL – Library Hublets	CAP2223009	13	0	13
CIL - Social (Inc Recreation & Leisure	CAP2223018	0	0	0
Emergency Response Equipment	CAP2324001	12	0	12
Entry Hill Facilities	CAP2122015	0	0	0
Haycombe Crematorium	Cap1819029	9	0	9
Improvements at Victoria Park, Bath	CAP2122017	44	0	44
Keynsham Memorial Park	CAP2122013	236	0	236
Leisure – Approach Golf Course Kiosks	CAP2223031	0	30	30
Leisure - Council Client / Contingency	Cap1516049	26	0	26
Leisure Facility Modernisation - Keynsham Sports Centre	CAP1516051	157	0	157
Neighbourhood Services Vehicles	Cap1718036	2,282	1,423	3,705
Odd Down Sports Ground and Other Leisure Feasibility	CAP2122007	56	0	56
Parks Equipment Replacement Programme	Cap1718029	-1	0	-1
Parks S106 Projects	Cap1718037	705	84	789
Pixash Site Redevelopment	CAP2122022	21,202	0	21,202
Play Area Refurbishment / Equipment	Cap1415039	222	0	222
Property Improvement – Bath Library	Cap2021002	9	0	9
Public Tennis Improvements	CAP1920010	0	0	0
Sydney Gardens (Round 2)	Cap1415030	0	0	0
Tree Planting	CAP2021005	11	0	10
Waste Depot Relocation	Cap1516011	260	0	260
Waste Infrastructure Modernisation	CAP2223017	733	0	733
Waste Container Replacements	Cap1617032	89	-58	31
Waste Welfare Facilities	Cap2021003	55	0	55
Subtotal Full Approval - Neighbourhood Services		26,228	2,011	28,239

Capital Scheme	Cap Prog Number	Budget after July 2023 Cabinet	July - Sep virements	Budget at November 2023 Cabinet
Highways				
ANPR Enforcement Camera Replacement	Cap1415027	110	0	110
Bath Transport Package - Main DfT Scheme	Cap1415001	0	0	0
City Centre Security - Highways Scheme	Cap1920027	5,064	0	5,064
Clean Air Zone	Cap1920031	1,679	0	1,679
Cleveland Bridge Refurbishment	Cap1920040	374	0	374
Highways Maintenance Block	Cap1415184	9,118	0	9,118
CRSTS Liveable Neighbourhoods	Cap1920003	2,040	0	2,040
London Road Modification	Cap1718022	51	0	51
CRSTS Manvers Street Remediation	CAP2324005	662	0	662
Office for Low Emission Vehicles (OLEV) Bid -GULW	Cap1617008	379	0	379
Parking Body Worn Video Cameras for Civil Enforcement Officers	Cap1920041	0	35	35
Pay & Display Machines - New Coin Acceptance	Cap1617014	530	0	530
Transport Improvement Programme	Cap1415009	2,183	-122	2,061
Subtotal Full Approval - Highways		22,190	-87	22,103
TOTAL CAPITAL SCHEME BUDGET		127,704	4,952	132,656

Sources of Funding				
Grants		28,369	2,575	30,944
Council Support including Borrowing & Capital Receipts		88,929	2,042	90,970
S106		2,663	170	2,832
CIL		4,099	459	4,558
3rd Party		2,933	-281	2,652
Revenue		711	-13	699
Total Sources of Funding		127,704	4,952	132,656

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Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING DATE:	9th November 2023	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3465
TITLE:	Treasury Management Performance Report to 30th September 2023	
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report:</p> <p>Appendix 1 – Performance Against Prudential Indicators Appendix 2 – The Council’s Investment Position at 30th September 2023 Appendix 3 – Average monthly rate of return for first half of 2023/24 Appendix 4 – The Council’s External Borrowing Position at 30th September 2023 Appendix 5 – Arlingclose’s Economic & Market Review Q2 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</p>		

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 first half of 2023/24.

2 RECOMMENDATION

The Cabinet agrees that;

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

3 THE REPORT

Summary

- 3.1 The estimated average rate of investment return for 1st April 2023 to 30th September 2023 is 4.64%, which is in 0.09% below the benchmark rate of 4.73% 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 £1.110m 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 September 2023 is given in **Appendix 2**. The balance of deposits as at 30th September 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 £907k. **Appendix 3** details the investment performance, showing the average rate of interest earned over this period was 4.64%, which is below the benchmark rate of average 7-day SONIA (4.73%). 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 September 2023 totalled £218.1m 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 to allow the Council to maintain its liquidity indicator above £15m. The summary of the movement in borrowing during the quarter is shown in the following table:

Borrowing Portfolio Movements	£m
Balance as at 30th June 2023	219.111
New Loans Taken	0.000
PWLB Annuity Loan principal repayments	(0.967)
Balance as at 30th September 2023	218.144

- 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 £218.1m 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 the Council's 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 £53.9m as at 30th September 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 persistent high core inflation and interest rates, the value of equity, bonds and property have been falling, whereas yield has stayed strong. Expectation is that value will stabilise and start to recover once when there is certainly that peak interest rates have been reached. The fair value of our strategic investments has decreased from £8.78m as at 31 March 2023 to £8.04m as at 30 September 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:				
30/09/2023	4,284,580	2,251,477	1,508,369	8,044,426
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 4.70%, which is 0.95% above the budgeted level of 3.75%. The average return for the £10m long-term strategic investments is 4.36%, 0.36% above the budgeted rate of 4%. The combined average return on all investments is 4.64%.

Investment Type/	Average YTD Investment Return
Short Term Investments Total	4.70%
Long Term Strategic Investments:	
CCLA Local Authorities Property Fund	4.13%
FP Foresight UK Infrastructure Income Fund	4.35%
VT Gravis Clean Energy Income Fund	4.83%
Long Term Strategic Investments Total (Est.)	4.36%
Overall Total	4.64%

- 3.14 The current forecast is to achieve £300k of additional income above the budgeted level by the end of the year. 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 quarter two of 2023/24 is included in **Appendix 5**.
- 3.16 Interest rates have risen from 4.25% at 31 March 2023 to 5.25% as at 30th September 2023. At its meeting on 21st September 2023 the Bank of England's Monetary Policy Committee kept rates the same for the first time since 2021, in a vote of 5-4, leading to speculation that interest rates might have reached their peak. In fact, this is Arlingclose's view in their current interest rate forecast with a fall in rates not expected until August 2024 at the earliest.

- 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 5.25% and with longer term borrowing rates above 5%, there is an increasing risk that these interest rates will be increased/called at the next call date during October 2023. The Council have planned should this happen, and will look to repay and refinance the loan with a mix of long-term PWLB borrowing and short-term Local Authority borrowing.
- 3.18 Current cashflow forecasts indicate that the Council will need to borrow to fund its Capital Programme from January 2024, as internal balances reduce during the remainder of the 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 September 2023 is included in **Appendix 6**. An overall underspend of £1.110m 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 47 7109; Jamie Whittard - 01225 47 7213 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 30 th September 2023
Operational boundary – borrowing	£433m	£218.1m
Operational boundary – other long-term liabilities	£4m	£0m
Operational boundary – TOTAL	£437m	£218.1m
Authorised limit – borrowing	£462m	£218.1m
Authorised limit – other long-term liabilities	£4m	£0m
Authorised limit – TOTAL	£466m	£218.1m

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 30 th September 2023
	Rating	Rating
Minimum Portfolio Average Credit Rating	A-	AA+

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

3. Liquidity

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

Liquidity risk indicator	2023/24 Prudential Indicator	Minimum During Quarter	Date of minimum
Minimum total Cash Available within 3 months	£15m	£30.0m	28-Sept-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 September 2023
Upper limit on one-year revenue impact of a 1% rise in interest rates	+/- £1m	£0.357m
Upper limit on one-year revenue impact of a 1% fall in interest rates	+/- £1m	£0.357m

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

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

5. Maturity Structure of borrowing

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

	Upper Limit	Lower Limit	Actual as at 30 th September 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	6.9
10 years and within 25 years	100	25	51.8
Over 25 years	100		36.7

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

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

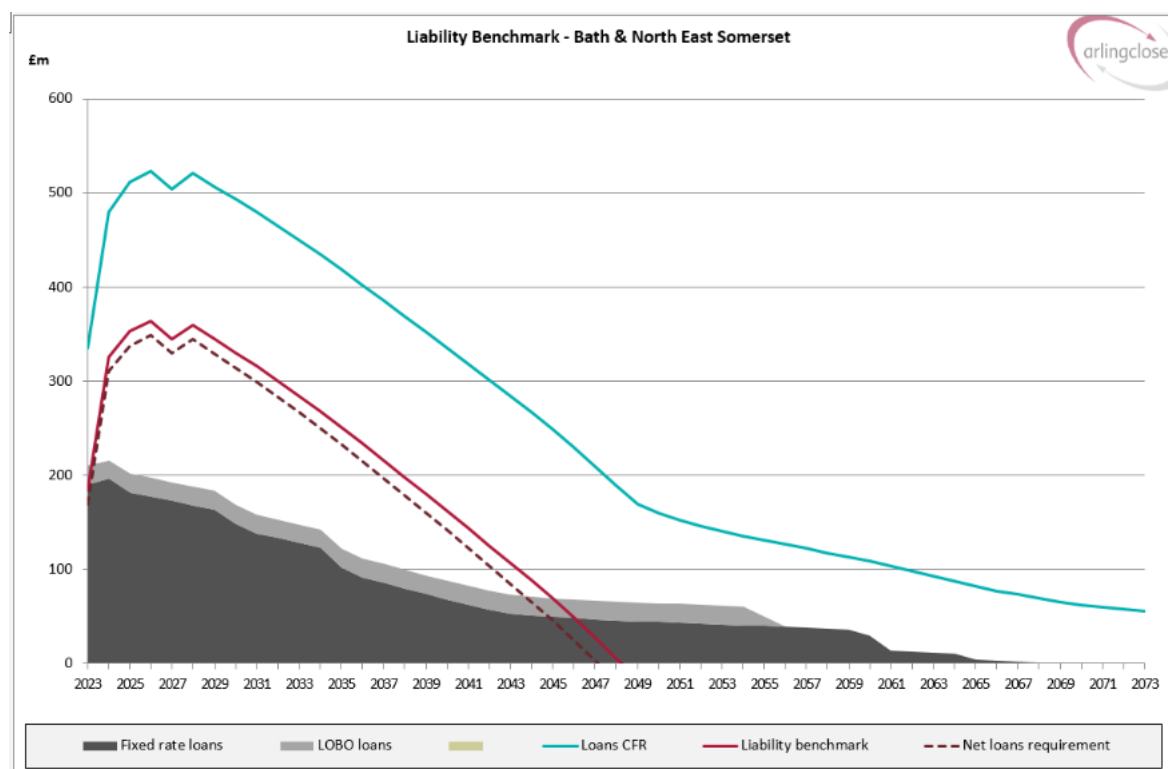
The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2023/24 Prudential Indicator	Actual as at 30 th September 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 September 2023

The term of investments is as follows:

Term Remaining	Balance at 30 th September 2023	Comparator
		Balance at 30 th June 2023
	£m	£m
Notice (instant access funds)	31.40	37.85
Up to 1 month	7.50	5.00
1 month to 3 months	0.00	0.00
3 months to 6 months	5.00	0.00
6 months to 12 months	0.00	0.00
Strategic Funds	10.00	10.00
Total	53.90	52.85

The investment figure is made up as follows:

	Balance at 30 th September 2023	Comparator
		Balance at 30 th June 2023
	£m	£m
B&NES Council	50.77	50.00
Schools	3.13	2.85
Total	53.90	52.85

The Council had a total average net positive balance of £54.11m during the period April 2023 to September 2023.

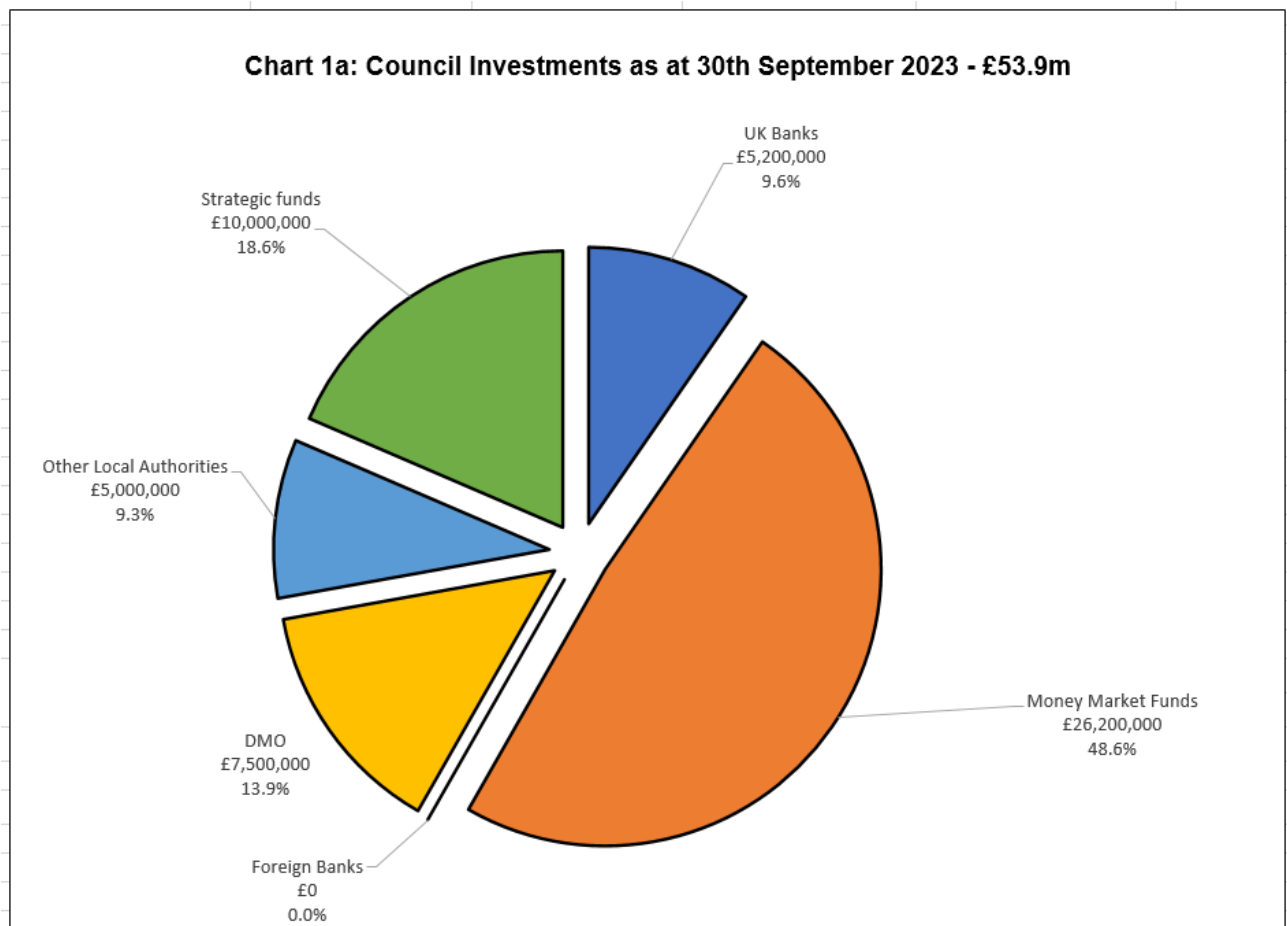
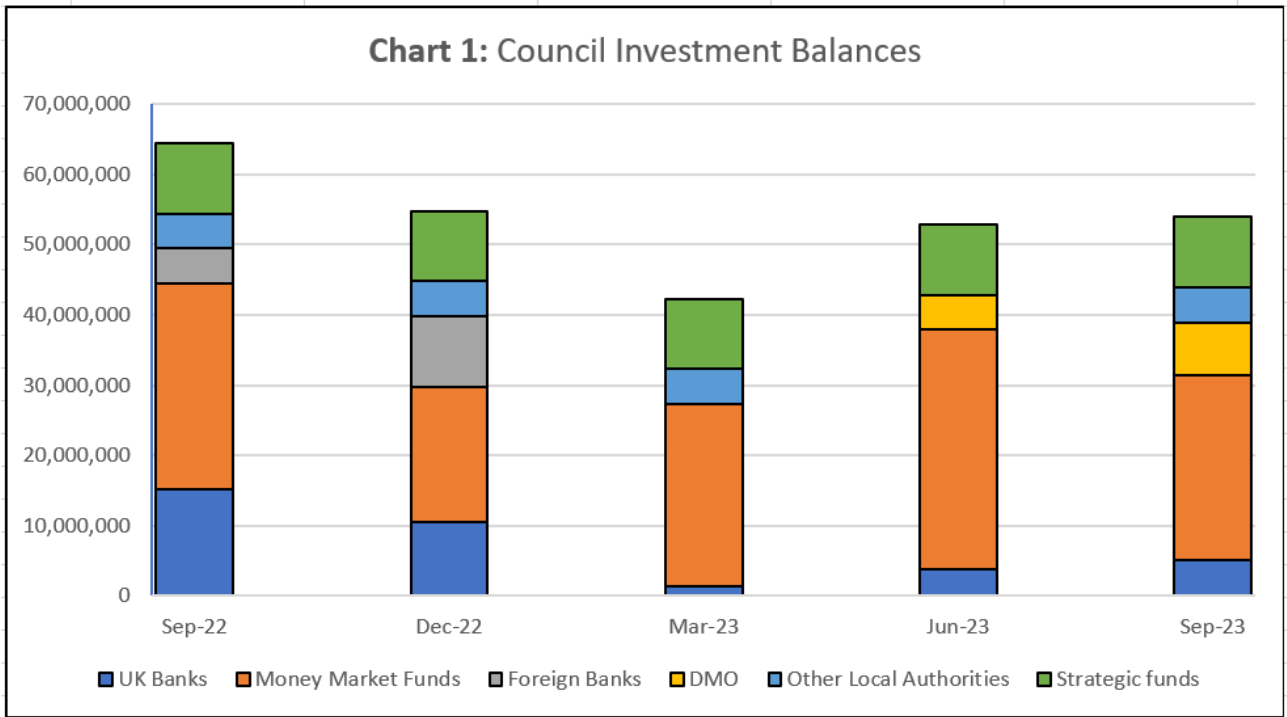


Chart 2: Council Investments Per Lowest Equivalent Long Term Credit Rating

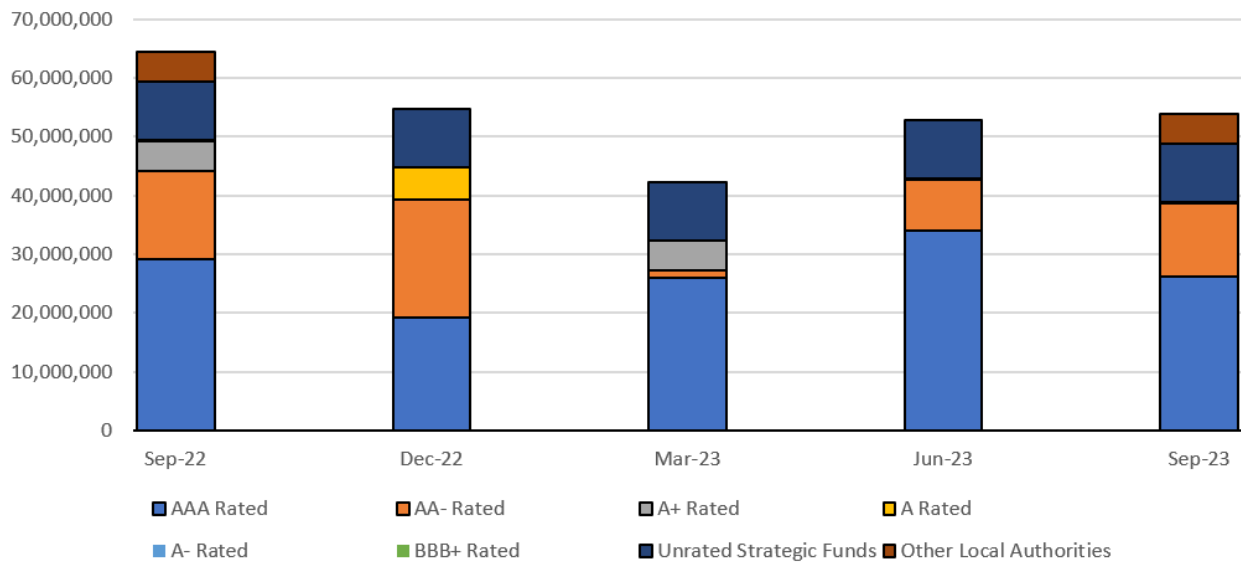
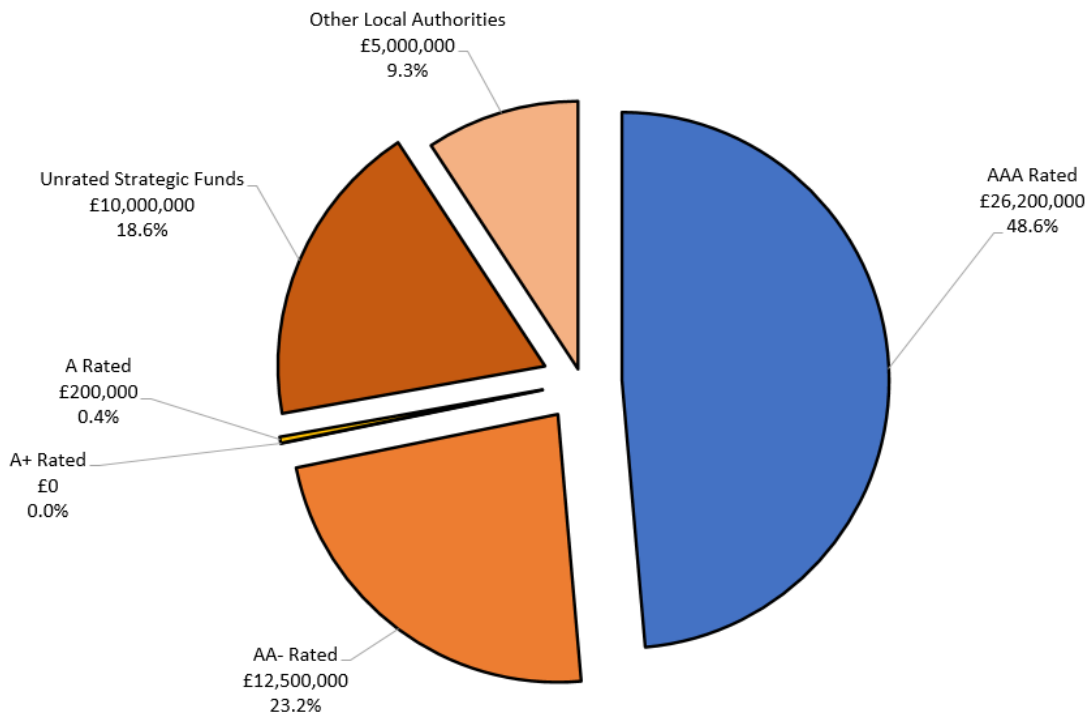


Chart 2a: Council Investments Per Lowest Equivalent Long Term Credit Rating as at 30th September 2023 £53.9m



APPENDIX 3

Average rate of return on investments for 2023/24

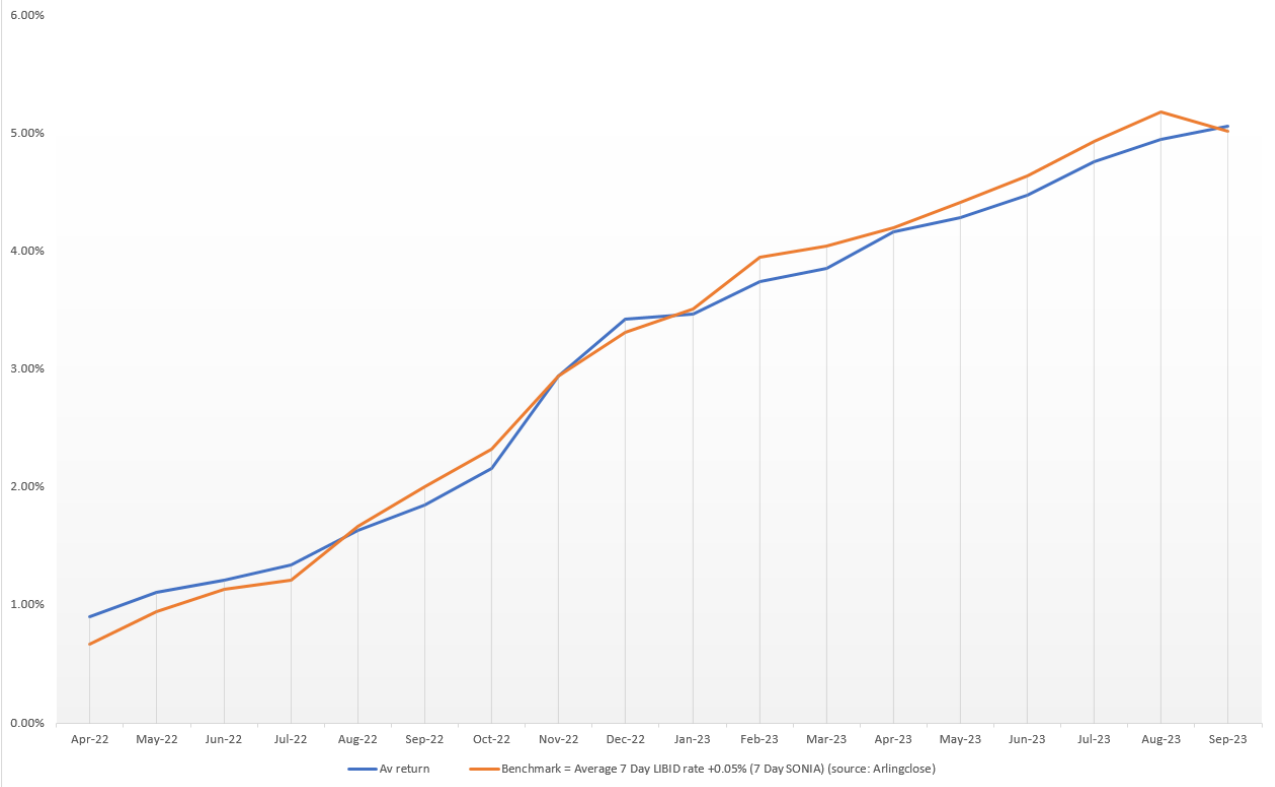
	Average rate of interest earned	Benchmark = Average 7 Day SONIA rate	Performance against Benchmark
April 2023	4.15%	4.20%	-0.04%
May 2023	4.28%	4.41%	-0.13%
June 2023	4.46%	4.64%	-0.17%
July 2023#	4.76%	4.93%	-0.17%
August 2023#	4.95%	5.18%	-0.23%
September 2023#	5.06%	5.02%	0.04%
Average	4.64%	4.73%	-0.09%

Includes **estimates** for Q2 Strategic Investments returns – actuals will not be known until after dispatch so will be updated in Q3 report

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 2022/23 & 2023/24 compared to Benchmark



APPENDIX 4

Council's External Borrowing at 30th September 2023

Lender	Amount outstanding @ 30th June 2023	Change in Quarter	Amount outstanding @ 31st August 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	15,525,299	-	15,525,299	20/06/2016	20/06/2041	2.36%
PWLB508126	8,443,250	-	8,443,250	06/12/2018	20/06/2043	2.38%
PWLB508202	9,476,058	-	9,476,058	12/12/2018	20/06/2068	2.59%
PWLB508224	4,210,397	-	4,210,397	13/12/2018	20/06/2043	2.25%
PWLB505744	7,810,341	(196,274)	7,614,067	24/02/2017	15/08/2039	2.28%
PWLB505966	8,085,202	(171,528)	7,913,674	04/04/2017	15/02/2042	2.26%
PWLB506052	6,870,715	(145,906)	6,724,810	08/05/2017	15/02/2042	2.25%
PWLB506255	6,559,998	-	6,559,998	10/08/2017	10/04/2067	2.64%
PWLB506729	8,271,625	-	8,271,625	13/12/2017	10/10/2042	2.35%
PWLB506995	8,303,098	-	8,303,098	06/03/2018	10/10/2042	2.52%
PWLB506996	8,699,377	-	8,699,377	06/03/2018	10/10/2047	2.62%
PWLB507749	8,613,628	(163,510)	8,450,118	10/09/2018	20/07/2043	2.42%
PWLB508485	19,141,417	(113,497)	19,027,920	11/02/2019	20/07/2068	2.52%
PWLB509840	8,800,947	(176,123)	8,624,824	04/09/2019	20/07/2044	1.40%
KBC Bank N.V *	5,000,000	-	5,000,000	08/10/2004	08/10/2054	4.50%
KBC Bank N.V *	5,000,000	-	5,000,000	08/10/2004	08/10/2054	4.50%
Commerzbank AG Frankfurt	10,000,000	-	10,000,000	27/04/2005	27/04/2055	4.50%
Medium term						
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	219,111,351	(966,838)	218,144,513			

*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: UK inflation remained stubbornly high over much the period compared to the US and euro zone, keeping expectations elevated of how much further the Bank of England (BoE) would hike rates compared to the regions. However, inflation data published in the latter part of the period undershot expectations, causing financial markets to reassess the peak in BoE Bank Rate. This was followed very soon after by the BoE deciding to keep Bank Rate on hold at 5.25% in September, against expectation for another 0.25% rise.

Economic growth in the UK remained relatively weak over the period. In calendar Q2 2023, the economy expanded by 0.4%, beating expectations of a 0.2% increase. However, monthly GDP data showed a 0.5% contraction in July, the largest fall to date in 2023 and worse than the 0.2% decline predicted which could be an indication the monetary tightening cycle is starting to cause recessionary or at the very least stagnating economic conditions.

July data showed the unemployment rate increased to 4.3% (3mth/year) while the employment rate rose to 75.5%. Pay growth was 8.5% for total pay (including bonuses) and 7.8% for regular pay, which for the latter was the highest recorded annual growth rate. Adjusting for inflation, pay growth in real terms were positive at 1.2% and 0.6% for total pay and regular pay respectively.

Inflation continued to fall from its peak as annual headline CPI declined to 6.7% in July 2023 from 6.8% in the previous month against expectations for a tick back up to 7.0%. The largest downward contribution came from food prices. The core rate also surprised on the downside, falling to 6.2% from 6.9% compared to predictions for it to only edge down to 6.8%.

The Bank of England's Monetary Policy Committee continued tightening monetary policy over most of the period, taking Bank Rate to 5.25% in August. Against expectations of a further hike in September, the Committee voted 5-4 to maintain Bank Rate at 5.25%. Each of the four dissenters were in favour of another 0.25% increase.

Financial market Bank Rate expectations moderated over the period as falling inflation and weakening data gave some indication that higher interest rates were working. Expectations fell from predicting a peak of over 6% in June to 5.5% just ahead of the September MPC meeting, and to then expecting 5.25% to be the peak by the end of the period.

Following the September MPC meeting, Arlingclose, the authority's treasury adviser, modestly revised its interest forecast to reflect the central view that 5.25% will now be the peak in Bank Rate. In the short term the risks are to the upside if inflation increases again, but over the remaining part of the time horizon the risks are to the downside from economic activity weakening more than expected.

The lagged effect of monetary policy together with the staggered fixed term mortgage maturities over the next 12-24 months means the full impact from Bank Rate rises are still

yet to be felt by households. As such, while consumer confidence continued to improve over the period, the GfK measure hit -21 in September, it is likely this will reverse at some point. Higher rates will also impact business and according to S&P/CIPS survey data, the UK manufacturing and services sector contracted during the quarter with all measures scoring under 50, indicating contraction in the sectors.

The US Federal Reserve increased its key interest rate to 5.25-5.50% over the period, pausing in September following a 0.25% rise the month before, and indicating that it may have not quite completed its monetary tightening cycle.

Having fallen throughout 2023, annual US inflation started to pick up again in July 2023, rising from 3% in June, which represented the lowest level since March 2021, to 3.2% in July and then jumping again to 3.7% in August, beating expectations for a rise to 3.6%. Rising oil prices were the main cause of the increase. US GDP growth registered 2.1% annualised in the second calendar quarter of 2023, down from the initial estimate of 2.4% but above the 2% expansion seen in the first quarter.

The European Central Bank increased its key deposit, main refinancing, and marginal lending interest rates to 4.00%, 4.50% and 4.75% respectively in September, and hinted these levels may represent the peak in rates but also emphasising rates would stay high for as long as required to bring inflation down to target.

Although continuing to decline steadily, inflation has been sticky, Eurozone annual headline CPI fell to 5.2% in August while annual core inflation eased to 5.3% having stuck at 5.5% in the previous two months. GDP growth remains weak, with recent data showing the region expanded by only 0.1% in the three months to June 2023, the rate as the previous quarter.

Financial markets: Financial market sentiment and bond yields remained volatile, with the latter generally trending downwards as there were signs inflation, while still high, was moderating and interest rates were at a peak.

Gilt yields fell towards the end of the period. The 5-year UK benchmark gilt yield rose from 3.30% to peak at 4.91% in July before trending downwards to 4.29%, the 10-year gilt yield rose from 3.43% to 4.75% in August before declining to 4.45%, and the 20-year yield from 3.75% to 4.97% in August and then fell back to 4.84%. The Sterling Overnight Rate (SONIA) averaged 4.73% over the period.

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. This stance continued to be maintained at the end of the period.

During the second quarter of the period, Moody's revised the outlook on Svenska Handelsbanken to negative from stable, citing concerns around the Swedish real estate sector.

Having put the US sovereign rating on Rating Watch Negative earlier in the period, Fitch took further action in August, downgrading the long-term rating to AA+, partly around ongoing debt ceiling concerns but also an expected fiscal deterioration over the next couple of years.

Following the issue of a Section 114 notice, in September Arlingclose advised against undertaking new lending to Birmingham City Council, and later in the month cut its recommended duration on Warrington Borough Council to a maximum of 100 days.

Arlingclose continued to monitor and assess credit default swap levels for signs of ongoing credit stress and although no changes were made to recommended durations over the period, Northern Trust Corporation was added to the counterparty list.

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 September 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	8,073	(800)	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)	(1,750)	(300)	FAV
Total	4,789	3,679	(1,110)	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

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

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Bath & North East Somerset Council

MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	9th November 2023	EXECUTIVE FORWARD PLAN REFERENCE:
		E3484
TITLE:	Quarter 2 Strategic Performance Report 2023/24	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1 - Strategic Indicator Report Quarter 2 2023/24		

1 THE ISSUE

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

2 RECOMMENDATION

The Cabinet is asked to:

- 2.1 Note progress on the delivery of key aspects of the Council's service delivery, details of which are highlighted in section 3.6 and Annex 1.
- 2.2 Indicate any other key service areas to be highlighted and included in the strategic indicator report.

3 THE REPORT

- 3.1 Full Council adopted a new four-year Corporate Strategy at its meeting on 13th July 2023. The document set a new direction for the Council, reflecting the aims of the administration elected in May 2023 and providing a clear approach to the Council's activities and priorities.

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

- 1) We have one overriding purpose - **to improve people's lives**. This brings together everything we do, from cleaning the streets to caring for our older people. It is the foundation for our strategy, and we will ensure that it drives our commitments, spending and service delivery.
- 2) We have two core policies - **tackling the climate and ecological emergency** and **giving people a bigger say**. These will shape our work.
- 3) To translate our purpose into commitments, we have identified three principles. We want to **prepare for the future, deliver for residents** and **focus on prevention**. These, in turn, help us to identify specific delivery commitments across our services.

The set of strategic indicators being reported in this report will include indicators to show the delivery of the Councils main strategies and requirements namely.

- Corporate Strategy
- Economic Strategy
- Health & Wellbeing Strategy
- Local Plan (delivery plan)
- Safeguarding requirements

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

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

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

- Corporate Data and Intelligence

3.5 The IRF has well over 300 performance indicators that officers use to measure Council performance. Many of these are of a statutory nature and need to be reported to central Government. There are also a lot of local indicators developed by services to allow them to measure the delivery of Council services. This is considered far too many to meaningfully report to Members through the democratic process, therefore a strategic set of indicators (shown at Annex 1 to this report) has been chosen to allow Members to focus on some key areas of strategy and operational delivery.

3.6 Members will be aware that progress against the delivery of the Corporate Strategy and the other key strategies will allow residents to judge the performance of the Council. Annex 1 also includes key operational indicators, these indicators measure key statutory, and service demands which could have a safeguarding, reputational or financial impact for the Council and it is felt that Cabinet should be aware of these areas of performance. Some good progress has been made, and a list of is shown reported in Annex 1. A summary of some of the performance is shown below:

Overall, there are some positive trends in the key performance indicators for Bath and Northeast Somerset. However, there are also some areas where improvement is needed including Adult Social Care service user satisfaction.

Tackling the Climate and Nature Emergencies

- Whilst trajectories for CO2 emissions are positive and houses are becoming more energy efficient, overall increases in dwelling stock mean that overall district CO2 levels for residential emissions are increasing.
- Renewable energy generation, both in overall terms and on Council Estate is increasing, however these increases are below target. Initial progress on solar on council buildings has been made, but further options and decision making is required in relation to the provision of larger sites to meet the target.
- Percentages of household waste being reused, recycled, composted, or removed remains well above target at 96%.
- Nature recovery and road transport indicators are still in development.

Giving People a Bigger Say

- Performance regarding the % of the population who feel they can influence decisions as measured through the Voicebox annual resident's survey has remained stable at 20% since the 2019 baseline.

Preparing for the Future

- The median resident wage increased in Apr 2022, following a decrease during Covid-19 pandemic and remains relatively high compared to national and West of England figures. By comparison workplace wages remain low.
- Key stage four achievement average attainment for all pupils remains relatively high compared to national levels and most similar authorities.

- The number of children receiving Education, Health and Care Plans, remains at historically high levels and is subject to additional government support through the Safety Valve programme.
- The % of Mental Health service users in employment is experiencing an increase, following a reduction the period of pandemic restrictions.

Delivering for Local Residents

- 84% of the population remain satisfied with the area as a place to live as measured through the Voicebox annual resident's survey. This performance has remained consistent over a prolonged period.
- The proportion of people receiving adult social care with an up-to-date review has seen improved performance in recent quarters due to proactive work with provider teams.
- New home completions are under target, but cumulative housing delivery over the period of the current core strategy exceeds the requirement. The new local plan process will identify revised growth requirements.
- Households with EPCs (Energy Performance Certificate) rated A-C, representing good energy efficiency, are increasing on a steady trajectory.
-

Focusing on Prevention

- Following a gap in recording due to pandemic restrictions, the Early Years attainment gap between Free School Meal and non-Free School meal pupils remains persistent and significantly greater than national averages.
- After previously benchmarking positively, Adult Social Care service user satisfaction now benchmarks poorly compared to similar local authorities and is within the lower quartile nationally. Revised figures will be available for the qtr 3 report.
- B&NES experiences higher rates of self-reported anxiety amongst adults than national levels, although the reported % with a high anxiety level reduced between 2021 and 2022.
- With regards the health of the population, inequalities in life expectancy still exist across the population, but have reduced for both men and women in recent years. Please note, that due to delays in the availability of data, this information is not fully available for the period of the pandemic.
- Conversely, healthy life expectancy has started to reduce slightly, for both women and men, these rates are higher than national levels.
- The proportion of mothers known to be smoking at the time of delivery has been slowly reducing over time.
- The gap in healthy weight between pupils from the most deprived communities (as measured by the Indices of multiple deprivation) has reduced for girls, whereas has increased for boys.
- Children's services outcome indicators are being redeveloped and will be reported from Q3 23/24.

3.7 This set of indicators will be supplemented with additional indicators as the year progresses, there are further indicators which are currently in development and will be reported later in the year to give a rounded view of Council performance.

- 3.8 Officers are constantly reviewing the corporate performance framework with the intention of developing additional performance indicators to be able to report against the delivery of all the Councils key strategies which will be adopted by the administration following the May 2023 results.

4 STATUTORY CONSIDERATIONS

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

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 Council agreed the resourcing requirements for 2023/24 at its Budget meeting in February 2023.

6 RISK MANAGEMENT

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

7 CLIMATE CHANGE

- 7.1 A detailed report was presented to Council in January 2021 on our progress in tackling the climate and ecological emergency. The current report provides an opportunity to re-emphasise how these commitments are reflected as “core policies” in delivering the Corporate Strategy. Tackling the climate ecological emergency is also at the centre of our renewal vision.
- 7.2 Monitoring the effectiveness of delivering on Climate Change is one of the key components of this strategic report. Indicators have been developed to allow further monitoring against the Council target during 2023/24. This work will continue, and further metrics will be developed to ensure that a more holistic view of performance against the climate change targets can be reported upon.

8 OTHER OPTIONS CONSIDERED

- 8.1 None

9 CONSULTATION

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

Contact person	<ul style="list-style-type: none">• Steve Harman, Head of Corporate Governance & Business Insight• Jon Poole, Business intelligence Manager
Background papers	<ul style="list-style-type: none">• Corporate Strategy 2023 – 2027
Please contact the report author if you need to access this report in an alternative format	

Corporate Strategy (2023-27) Performance

Improving People's Lives

[Report Details](#) >

Buttons will not work in PDF versions of this report

Bath & North East Somerset Council exists for one clear purpose - to improve people's lives. The 2023-2027 Corporate Strategy sets out how we will continue to do this over the next four years. This report shows how we are performing against our strategy's aims.

[View the full Corporate Strategy](#) >

Core Policies

Tackling the climate and ecological emergencies

We will lead the UK in climate and nature action, building a sustainable future for Bath and North East Somerset - net zero, nature positive, by 2030

Page 167

[View performance](#) >

Giving people a bigger say

We will listen to and work with residents to act on their concerns

[View performance](#) >

Principles

Preparing for the future

We will work towards a resilient, sustainable economy that is fair, green, creative and connected

[View performance](#) >

Delivering for local residents

We will continually improve frontline services across our communities, whilst protecting the most vulnerable

[View performance](#) >

Focusing on prevention

We will invest in prevention across all services to tackle inequalities and improve local areas

[View performance](#) >

We will lead the UK in climate and nature action, building a sustainable future for Bath and North East Somerset - net zero, nature positive, by 2030

Find out more about an indicator

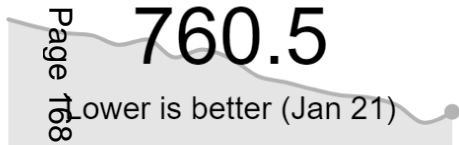
Select an indicator

All

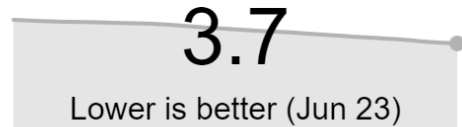
[See details >](#)

Climate

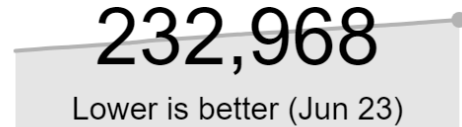
CO2 equivalent emissions (kt CO2e) for B&NES



Average estimated CO2 emissions per residential property



Total estimated CO2 emissions for residential properties in B&NES



Installed renewable energy capacity across B&NES (mw)



Installed renewable energy capacity on the Council's estate (mw)



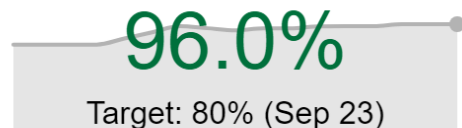
Air

Number of air quality monitoring locations in B&NES exceeding the tar...



Materials and resources

% of household waste reused, recycled, composted or recovered



We will listen to and work with residents to act on their concerns

Find out more about an indicator

Select an indicator

All

[See details >](#)

Citizen's Voice

% of residents who feel they can influence decision making

Page 109

20.0%

Higher is better (Dec 22)

We will work towards a resilient, sustainable economy that is fair,
green, creative and connected

Find out more about an indicator

Select an indicator

All

See details 

Income

Median wage for B&NES
residents

Page 170
£36,389

Higher is better (Apr 22)

Activity & demand

Children on Education
Health & Care Plans
(EHCP)

2,155

Lower is better (Sep 23)

Key Stage 4 Average
Attainment for all pupils

52%

Higher is better (Jul 22)

Mental Health: Adult service
users in employment

12.2%

Higher is better (Sep 23)

We will continually improve frontline services across our communities, whilst protecting the most vulnerable

Find out more about an indicator

Select an indicator

All

[See details >](#)

Clean, safe and ...

Activity & demand

% of residents satisfied with the area as a place to live

84.3%

Higher is better (Dec 22)

Page 171

Proportion of people with an up-to-date Adult Social Care review

74.0%

Target: 80% (Sep 23)

Housing Delivery Targets - Net new homes

511

Target: 722 (Mar 23)

EPC Score A-C for B&NES residential

30.1%

Higher is better (Jun 23)

% of household waste recycled/composted

58.0%

Target: 60% (Sep 23)

We will invest in prevention across all services to tackle inequalities and improve local areas

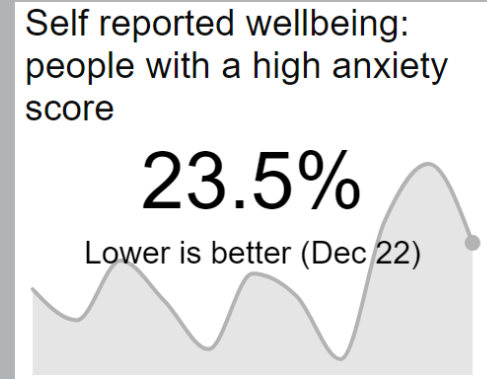
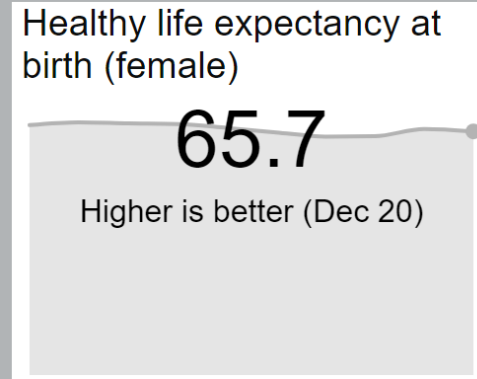
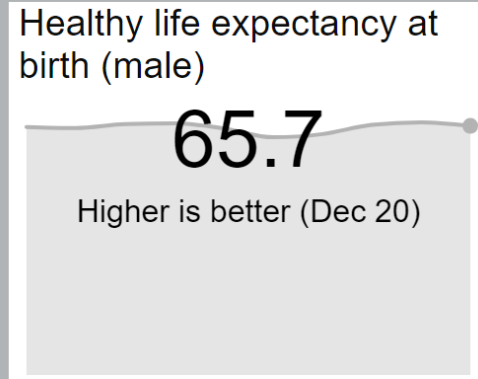
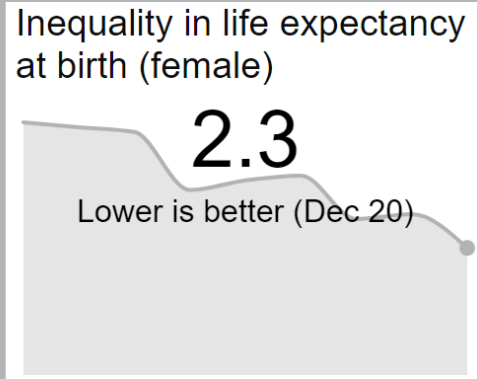
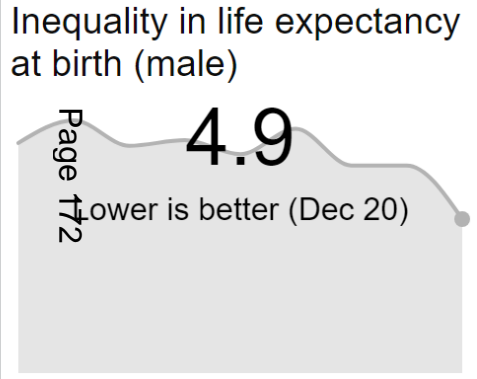
Find out more about an indicator

Select an indicator

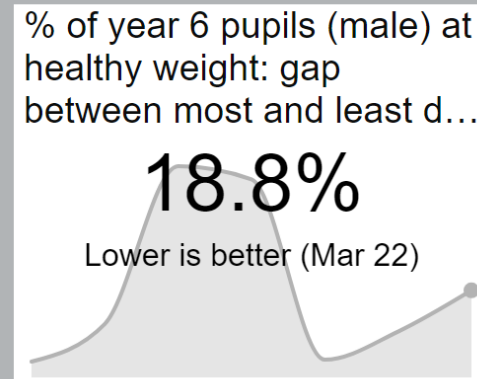
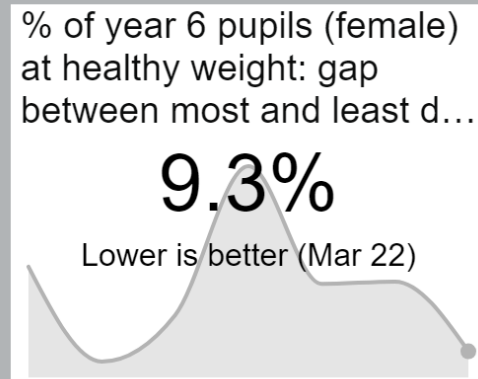
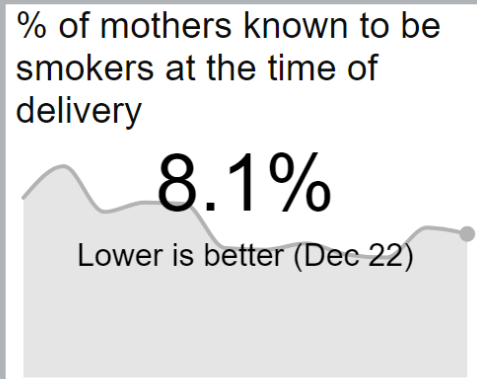
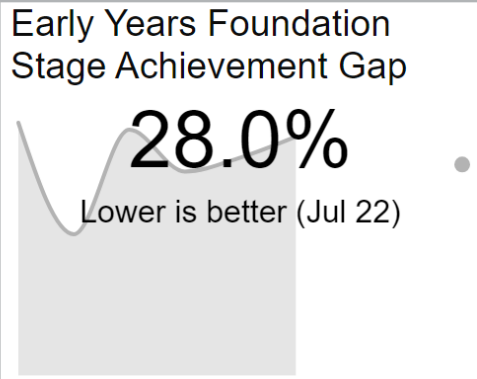
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See details >

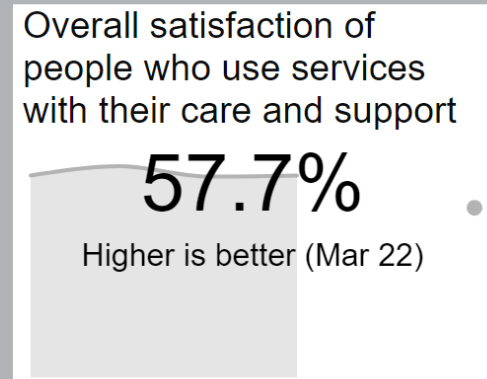
Places that promote good health



Deliver for children & young people



Support vulnerable adults



We will invest in prevention across all services to tackle inequalities and improve local areas

Find out more about an indicator

Select an indicator

All

See details

Activity & demand

Children looked after per 10k

67.1

Lower is better (Sep 23)

Page 173

Children on Child Protection plan per 10k

38.2

Lower is better (Sep 23)

Adult Safeguarding: % enquiries where risk removed/reduced

100%

Higher is better (Sep 23)

Adult Social Care: Care Home admissions per 100k

37.9

Target: 48.6 (Sep 23)

% Adults at home 91 days after reablement service

78.9%

Target: 77% (Jun 23)

Households in temporary accommodation

85

Lower is better (Sep 23)

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