

Cabinet

Date: Thursday, 12th September, 2024

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, Housing 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.

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4. **Public Speaking at Meetings**

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

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

Further details of the scheme can be found at:

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

5. **Emergency Evacuation Procedure**

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Cabinet - Thursday, 12th September, 2024

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 - 11TH JULY 2024 (Pages 7 - 18)

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

9. CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

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

10. MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES

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

11. SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING (Pages 19 - 22)

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

12. ANNUAL CLIMATE AND NATURE PROGRESS REPORT (Pages 23 - 94)

The report sets out the Council's progress on tackling the climate and ecological emergencies over the last financial year (2023-24).

13. PUBLIC SPACES PROTECTION ORDER (PSPO) RENEWAL (Pages 95 - 142)

The report invites the Cabinet to determine whether to renew the Public Spaces Protection Orders (PSPOs) and restrictions on street drinking in Bath City and Midsomer Norton, following a consultation as required by the legislation.

14. REVISED NATIONAL PLANNING POLICY FRAMEWORK AND IMPLICATIONS FOR THE LOCAL PLAN (Pages 143 - 156)

The government recently published for consultation the revised National Planning Policy Framework (NPPF) and other changes to the planning system. The Council needs to respond to this consultation and the report sets out the recommended key elements of the response. The revised NPPF will also have significant implications for the Council's Local Plan and the report outlines some of the main implications and the recommended next steps in respect of Local Plan preparation.

15. B&NES PROCUREMENT STRATEGY (Pages 157 - 172)

The Cabinet is asked to approve the revised Procurement Strategy for publication.

16. 2025/26 MEDIUM TERM FINANCIAL STRATEGY (Pages 173 - 208)

The Medium Term Financial Strategy 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.

17. TREASURY MANAGEMENT MONITORING REPORT TO 30TH JUNE 2024 (Pages 209 - 230)

The report gives details of performance against the Council's Treasury Management Strategy for the first three months of 2024/25.

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, 11th July, 2024

Present:

Councillor Kevin Guy (Ch)	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, Housing 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

15 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting.

16 EMERGENCY EVACUATION PROCEDURE

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

17 APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr Dave Wood.

18 DECLARATIONS OF INTEREST

There were no declarations of interest.

19 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was no urgent business.

20 QUESTIONS FROM PUBLIC AND COUNCILLORS

There were 11 questions from Councillors and 18 questions from members of the public.

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

21 STATEMENTS OR PETITIONS FROM PUBLIC OR COUNCILLORS

Members of the public and Councillors made statements as follows:

- Chad Allen – Hedera Helix (English Ivy) and the need for trees and wildlife in B&NES. Mr Allen raised issues regarding the need to maintain and clear bridleways and footpaths. He also requested that water fountains be provided in graveyards to help wildlife and provide water for hedges. He stressed the need to maintain trees and retain natural habitats to ensure the capture of CO2.
- Richard Samuel – Future Funding of services in B&NES (a copy of the statement is attached as an appendix to these minutes).
- Ceris Humphreys – Debate not Hate Campaign (a copy of the statement is attached as an appendix to these minutes).
- Stefan Steinhoff – Sydney Road Liveable Neighbourhood (a copy of the statement is attached as an appendix to these minutes).
- Cllr Dave Harding – Bishop Sutton Football Field and Surrounds (a copy of the statement is attached as an appendix to these minutes).

22 MINUTES OF PREVIOUS CABINET MEETING - 6TH JUNE 2024

RESOLVED that the minutes of the meeting held on Thursday 6th June 2024 be confirmed as a correct record and signed by the Chair.

23 CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

No single member items were requisitioned to Cabinet.

24 MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES

No matters were referred by Policy Development and Scrutiny Panels.

25 SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING

The Cabinet agreed to note the report.

26 TRANSPORT ACTION PLAN MAP

Cllr Manda Rigby, Cabinet Member for Highways, introduced the report, moved the officer recommendation, and made the following points:

- Looking at all the individual transport schemes in isolation can make it difficult to see the overall picture and to understand how the plan is working in context. This is why the Council is working towards having a Transport Action Plan.
- Over the next three years the Council will be investing an unprecedented amount in transport interventions across the whole of B&NES to deliver more travel choices for our residents and visitors. The Council will be delivering nearly 200 policies and schemes to take us forward in meeting our strategic aims and deliver on our council objectives. The Transport Action Plan provides greater transparency on proposed interventions and enables residents to have a greater say on our plans to achieve net zero goals, provide more travel choices, and improve accessibility to jobs and services.
- We have been working on an interactive map which will bring together all the proposed interventions making it easier for residents and visitors to see what is proposed in their area. It will be the main tool for people to view all the transport proposals in the area and be signposted to further information to include consultation dates, scheme details, funding status and construction timelines.
- In its first iteration the map will include areas we have under Council control, but it will expand to include WECA schemes and third parties such as Wessex Water or Network Rail who also have to do work on our highways. It will be fully reflective of our hierarchy of users which reflects the recent highway code revision which emphasises that pedestrians and wheelers are at the top, cyclists second, public transport next and private cars last in terms of allocating scarce road resources to different types of users.
- The map will be kept up to date as schemes progress and will provide the relevant contact details for each scheme. We expect the map to be available on the council's website from 2nd September 2024 and will work with our strategic partners to provide new information on interventions as and when they arise. It will be a definitive source of what is happening where and when in our road network.

Cllr Sarah Warren seconded the motion and stated that this is an important example of how the Council is trying to improve openness and accessibility.

RESOLVED (unanimously):

To approve the Transport Action Plan interactive digital map for publication in Summer 2024.

27 YOUTH JUSTICE PLAN 2024 TO 2026

Cllr Paul May, Cabinet Member for Children's Services, introduced the report, moved the updated officer recommendation, and made the following statement:

“I’m pleased to propose that the Cabinet endorse the Youth Justice Plan for 2024 to 2026 and it will be a recommendation through to the full Council that will make the final decision.

The overall goal of the Plan, and the Youth Justice Service, is to help make Bath and North East Somerset a safer place and support local children to live crime-free lives.

Our annual Plan is developed through the Bath and North East Somerset Youth Justice Service – a statutory, wide partnership with Avon and Somerset Police, the Probation Service, NHS Bath, Swindon, and Wiltshire (BSW) Integrated Care Board (ICB), Oxford Health, housing, Curo, housing, colleges and the Youth Bench plus other members. It is a wide partnership.

This year’s plan comes in an important year for the Youth Justice Service. Our long-standing and very much valued head of service has retired, and an external inspection is scheduled for later this year, so it’s vital we have a robust plan in place.

There are four strategic priorities for 2024 to 2026, as affirmed by the Youth Justice Service Partnership Board.

Firstly, working to reduce disproportionality – this means working to reduce the over-represented groups in B&NES who are in the Youth Justice service, such as children with Special Educational Needs and from minority ethnic backgrounds. We have clear targets for our future efforts to tackle overrepresentation.

Secondly, strengthening participation for children and families within the service and continuing to develop a more collaborative approach. This includes initiatives such as focus groups, new ways of gathering feedback, and more support.

The third strategic priority is embedding ‘Child First’ Principles to addressing offending behaviour. This will include offering individually tailored assessments, plans and interventions that are trauma-informed and recognise the child’s needs.

Finally, and importantly, we aim to reduce serious violence. The issue of knife crime is still high on the agenda and high in residents’ concerns. This has been a focus over the past year, with continuing weapons awareness work with children, education in schools, Street Doctors first aid and safety training as well as targeted prevention services. Four knife crime awareness events for parents and carers have taken place and further events are planned.

Reducing serious violence and making Bath and North East Somerset a safer place will continue to be an important priority. We are looking forward to the report from the Children, Adults, Health and Wellbeing Panel task and finish group later this year.

I also want to highlight that we have low numbers of children in the formal justice system – a real plus for this area. The Youth Justice Team does incredible work ensuring that children and young people avoid custodial sentences and steer away from offending again. Bath and North East Somerset has a low number of first time ‘entrants’ compared to the average in the South West and across England and Wales. In addition, reoffending rates are falling and are lower than our comparators, which is very encouraging.

In addition to the strategic priorities already mentioned, the Service will continue to ensure that children and their families are prepared for court and children are treated fairly, ensuring reports prepared for court reflect the impacts on the victims. And will ensure the workforce delivering the plan have the right training and support to make a difference to the children they work with.”

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

“The service provided by the Youth Justice team is truly multi-agency in nature, which enables it to provide supportive, holistic, child-centred interventions that help the young people and their families engaged with the service to make the changes they need to reduce the likelihood of further offending.

By intervening earlier, there is far greater chance of changing patterns of behaviour which is reflected in the outcomes achieved.

This is a model of intervention that has been eroded as budgets have been cut in recent years, but it is something that we should seek to replicate in other services wherever possible.”

Cllr Tim Ball stressed the importance of keeping children out of the Youth Justice System and thanked the Youth Justice Team for the valuable work that they undertake.

RESOLVED (unanimously):

To recommend that full Council approves the Youth Justice Plan 2024-26.

28 SOMER VALLEY ENTERPRISE ZONE - COMPULSORY PURCHASE ORDER

Cllr Paul Roper, Cabinet Member for Economic and Cultural Sustainable Development, introduced the item, moved the officer recommendation and made the following statement:

“The Somer Valley Enterprise Zone (SVEZ) is a key component for the delivery of our Economic Strategy for our authority. This is an ambitious and complex project. What we are doing is delivering an exemplar, net zero, green business park creating around 1,300 jobs of the type that we aspire to. That is good quality, secure, well paid, fulfilling and local employment. We are convinced that this will provide a much needed and significant economic boost to the local area and the authority as a whole.

I would like to remind cabinet of one of the key points I made back in February this year when we adopted the Local Development Order to enable the delivery of this scheme. The communities of Midsomer Norton, Paulton and Radstock used to be almost completely self-sufficient in terms of local employment, but the loss of key employers over the last few decades has completely reversed that, with most employment opportunities now being outside the area. And the land that was once used for employment now contains housing and this compounds the problem of insufficient local employment opportunities.

To try and reverse the damage caused by the decline of local employment, the land in question was allocated as a potential site for industrial development in 2007, but

the market failed to deliver it. So, this administration has set about the enabling and delivery of the scheme. That is no small undertaking, and I am proud of the ambition that this authority has in this regard.

To deliver this scheme requires the acquisition of at least 47 separate parcels of land from 40 landowners. It is hoped that most, if not all, the land purchases can be carried out on the basis of willing buyer and seller, and negotiations continue to try and secure land on this basis.

What we cannot allow to happen is for the scheme to fail because any one of the multiple land interests cannot be acquired on a voluntary basis. It is therefore deemed necessary to have the powers to compel and these powers are enshrined in a Compulsory Purchase Order. In short, this will enable delivery of the scheme. On 1st Feb this year cabinet approved an in-principle decision to pursue a Compulsory Purchase Order (CPO) process and this paper before us this evening enables officers to progress to the detailed phase of the CPO process.

I am acutely aware of the sensitivities of this and the implications it has on the landowners affected. I am aware of the continued resistance by some to the creation of this employment site. What we do believe however, is that the benefits to the local communities associated with the creation of the SVEZ do justify the use of this land. Indeed, for the CPO to be successful, we must pass certain prescribed tests for viability. We are of the view that our aspirations for the use of this land will meet the requirements for a valid CPO.

To reiterate, this decision is not one taken lightly, and we will only use these powers as a last resort. It is our preferred route to reach a negotiated settlement with all interested parties.

I would like to underline the fact that the landowners will be compensated at fair value. The principle of compulsory purchase compensation is generally to place the owner of an interest (land or other affected interest) in no better or worse position than prior to the compulsory purchase. Compensation is assessed and paid in accordance with the statutory compensation code which applies to the compulsory acquisition of land, property and other interests.

In addition, landowners may also claim reasonable costs incurred in the transaction, including surveyors or agents' fees for negotiating compensation and legal costs properly incurred in the purchase by the acquiring authority."

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

"The community of Midsomer Norton has seen a combination of two major pressures.

First, because so much of the area of Bath and North East Somerset is green belt, Midsomer Norton, Paulton and Radstock have seen high levels of new housing.

Secondly, many of the traditional major employers in the area have disappeared.

This has caused a real community need for more employment, including to provide young people with local job opportunities and training.

The pressure created by local people having to travel to work is awkward for them and is contrary to the need to reduce car travel.

This local authority does not ever lightly use CPO powers, but this is a case of the sub regional need vs the local concerns. We do not take local concerns lightly, and I have seen how hard the council officers have worked to improve the designs in response – as much as they can. We have worked towards local agreement, but if that cannot be achieved then we must consider this proposal for the future benefit of the wider community.

I am therefore pleased to support these proposals which are complicated but necessary to move the overall scheme forward.”

RESOLVED (unanimously):

- (1) To approve the area to be the subject of a compulsory purchase order (CPO) or supplemental CPO shown edged red on the plan at Appendix 1 (the CPO Map), which identifies the outline area of the land, interests, and new rights to be acquired for the SVEZ Scheme (the CPO Land) by voluntary acquisition or compulsory purchase.
- (2) To authorise the making of a CPO or supplemental CPO pursuant to s226(1)(a) and 226(3) of the Town and Country Planning Act 1990 and s13 of the Local Government (Miscellaneous Provisions) Act 1976 for the acquisition of land, interests, and new rights within all or part of the area identified as the CPO Land, for the purposes of facilitating the development of the SVEZ Scheme.
- (3) To authorise all necessary steps to be taken to secure the making, confirmation and implementation of a CPO(s) including the publication and service of all notices, requisitions for information, statement of reasons and the preparation and presentation of the Council's case at any public inquiry required to secure confirmation of the CPO(s) by the Secretary of State.
- (4) To note and give due regard in determining whether or not to authorise the promotion of the CPO(s), the public sector equality duty contained in section 149 of the Equality Act 2010 (PSED) and the requirements of the Human Rights Act 1998, as detailed further in section 11 and Appendix 2 of the report.
- (5) Subject to confirmation of the CPO(s), to delegate authority to the Executive Director of Sustainable Communities to acquire all the land and rights over the CPO Land, including service of a general vesting declaration, notice to treat and/or notice of entry, subject to any compensation to be paid being within the SVEZ Scheme budget as set out in section 8 of the report.
- (6) To delegate authority to the Executive Director of Sustainable Communities to make any necessary amendments to the CPO(s) including, if required, to reduce the extent of the CPO Land to align with works and land requirements and (once the boundary is finalised)

update the CPO Map to reflect on a plot-by-plot basis the extent of acquisition and rights required.

- (7) To delegate to the Executive Director of Sustainable Communities for payments of over £500,000), in consultation with the S151 Officer authority to:
- (i) Authorise agreements to be entered into with landowners to secure the withdrawal of objections to the COP(s) and to authorise the Executive Director of Sustainable Communities to take all necessary steps to acquire by agreement land and/or rights forming part of the CPO Land, subject to any consideration payable being within the SVEZ Scheme budget as set out in section 8 of the report;
 - (ii) to negotiate and settle all necessary compensation and professional fees (including interim payments) either as agreed with landowners or as determined by the Lands Chamber of the Upper Tribunal in relation to the acquisition of land and/or rights forming part of the CPO Land in accordance with the Land Compensation Act 1961, the Compulsory Purchase Act 1965 and the Land Compensation Act 1973 provisions in force at the relevant time and the body of case law relevant to the assessment of compensation, where any compensation to be paid is within the SVEZ Scheme budget as set out in section 8 of the report.
- (8) To authorise the instruction of the SVEZ Scheme Project Team's legal advisers, Burges Salmon LLP, to prepare and serve such documentation as may be required for the CPO(s).
- (9) To note the ongoing progress which has been made towards the acquisition of land required to develop the SVEZ Scheme and the previous decisions outlined in the report.

29 REVENUE AND CAPITAL OUTTURN 2023-24

Cllr Mark Elliott, Cabinet Member for Resources, introduced the item, moved the officer recommendation and made the following statement:

"This report presents the council's final figures for the financial year which ended in April.

When we talk about "the budget" we really mean two budgets - the Revenue budget for ongoing costs and income, and the Capital Budget for one-off income and spending on assets.

Starting with the Revenue Budget, I'm delighted to say that we finished the year essentially in balance, which really is a fantastic achievement. In order to recognise how much of an achievement this is, it's worth reminding ourselves of a little history. This report covers the financial year which started in April 2023. We were only 6

months on from the disastrous Truss-Kwarteng train crash. Inflation was still very high, borrowing costs were still rising rapidly, and the impact of inflation on the council's contract spending was severe. By October 2023 it was clear that, without urgent action, the council would be severely over budget at year end - the projection at that point was for a £6.5m negative position. At that point we implemented corporate interventions such as recruitment and vacancy controls and controls on all non-essential spend, and we asked Directors to develop mitigation plans for individual departments. By the end of December, through those actions, the projected position had improved, but we were still looking at a £1.7m negative position by the April year end. So, pulling it back to being basically on target by the end of the financial year is no mean feat, and all the council officers need congratulating on their joint efforts to achieve this. It's a position many councils will be very envious of.

However, we cannot be complacent - the reality is, as you can see in the report, that whilst the budget came in balanced overall, the variances between departments were quite large. Most obviously, social care costs - particularly in Children's Services - face eye-watering rates of increase. These pressures still seem to be ongoing. We also need to be vigilant about the overspend in Waste and Fleet management where staffing costs were significantly higher than budgeted, and again there is continued pressure in that department.

That said, we should celebrate the successes - Heritage Services continues to go great guns, with visitor numbers significantly higher than projected. And with visitor numbers high our Parking income is also up. I know everyone is aware how important our Heritage Assets and our Tourism Industry is, but I want to emphasise how fortunate we are to have these as council owned assets, meaning that the income that comes in via tourism doesn't just get focused on Bath, but is then redistributed across the authority area, as it is used to help mitigate things like the huge increase in social care costs. Having highly capable, commercially aware officers running these departments so successfully is one of the reasons why, despite the huge pressures in social care and elsewhere, we're able to balance the books whilst still having the fourth lowest council tax in the south west. Turning to the Capital Budget, we spent just under £19m less than we had budgeted for in the year. £63.5m against a budget of £82.2m. Whilst spending £18.7m less than planned sounds great, what this really represents is mostly projects slipping into this financial year, so whilst it does save the council some money on financing costs, it's not necessarily a good thing. Ideally, we'd be budgeting for what we are able to spend, rather than over-estimating in the budget and then under-spending. Spending 77% of the capital budget is an improvement on the previous four years and I'd like to see that trend continue.

There is a genuine underspend of about £1.3m included in in the £18.7 figure, so that is good news. And I'd also like to highlight that our Capital Financing Requirement is over £121m higher than our borrowing - that's the gap between what, on paper, we could have needed to borrow in order to finance our capital programme, and what we actually borrowed, and that's because of the great work done by our Treasury Management function.

I'd like to reiterate that this really is a "good news" story - "Council Balances Budget" is unlikely to get many headlines, but given the very, very difficult financial landscape we have all experienced over the last couple of years, it really is something to celebrate."

Cllr Kevin Guy seconded the motion and thanked the Finance Team and Cllr Elliott for the work they have undertaken to address the financial pressures faced by the Council.

Cllr Paul May noted that the Children's Services budget was under pressure and highlighted the importance of openness when dealing with public money.

RESOLVED (unanimously):

- (1) To note the revenue budget outturn on budget position for 2023/24, after allowing for carry forwards and transfers to reserves.
- (2) To approve the revenue carry forward proposals listed in the tables in paragraph 3.7 of the report.
- (3) To agree that all other over budgets are written-off as an exception to the Budget Management Rules for 2023/24.
- (4) To approve the transfer of £0.13m from corporate earmarked reserves.
- (5) To note the revenue virements for 2023/24 reported for information in Appendix 2(i) of the report.
- (6) To note the reserve positions and the use of flexible capital receipts shown in paragraph 3.21 of the report.
- (7) To note the outturn position of the 2023/24 capital programme in paragraph 3.34, and the funding outlined in paragraph 3.36 of the report.
- (8) To approve the capital rephasing and write-off of net underspends as listed in Appendix 3 of the report. This reflects the outturn spend position on projects against final budgets as detailed in Appendix 4(ii) of the report.

30 REVENUE & CAPITAL BUDGET MONITORING, CASH LIMITS AND VIREMENTS – APRIL TO JUNE 2024

Cllr Mark Elliott, Cabinet Member for Resources, introduced the item, moved the officer recommendation and made the following statement:

“This report is looking at progress since April against this year's budget. It's an early indication based on the first two month's data, which will allow us to spot risks early and, I hope, allow us to act on them early so that we're not having to take more dramatic action later in the year.

The main headline is that the pressure on Children's Services which we experienced throughout last year isn't showing much sign of abating. Of the £3.95m forecast overspend we're currently projecting, nearly £2.5m is in Children's Services. Obviously, areas like this where we have a statutory, and moral, duty to provide care, and there is demand-led pressure, are the most difficult to mitigate. But we have work already underway internally to try to address this, and we think some progress can be made. The other significant area of pressure is the operational cost of the council's estate, and we have work ongoing in this area to make sure we're making

best use our assets, to dispose of assets we no longer need, and to bring back into use assets where that's appropriate. A good example of this is the decision we made at the last Cabinet meeting to place the specialist SEND and Alternative Provision schools on the Culverhay site.

So, for those areas where there is significant pressure, I've scheduled regular meetings with the responsible senior officers and cabinet members over the coming weeks so we can make sure everyone is focused on bringing those budgets back in line where possible, and making sure we understand exactly what the pressures are if it really isn't possible to bring the budgets back on track.

With regard to the Capital Budget, we're currently projecting we will spend £64.8m of the budgeted £76.6m, and if we can keep that on track, we'll be at around 85% which will meet the objective of improving upon the 77% we managed last year.

So, overall, the story is one of continuing pressure, but we've seen it early, and that gives us the best chance of being able to introduce mitigating measures before things get out of hand."

Cllr Tim Ball seconded the motion.

RESOLVED (unanimously):

- (1) To note the 2024/25 revenue budget position (as at the end of June 2024).
- (2) To note the revenue virements listed for information in Appendix 3(i) of the report.
- (3) To note the capital year-end forecast detailed in paragraph 3.22 of the report.
- (4) To note the changes in the capital programme including capital schemes that have been agreed for full approval under delegation listed in Appendix 4(i) of the report.

31 TREASURY MANAGEMENT PERFORMANCE REPORT TO 31ST MARCH 2024

Cllr Mark Elliott, Cabinet Member for Resources, introduced the item, moved the officer recommendation and made the following statement:

"The Treasury Management report for the last financial year sets out the council's performance with regard to its investments and borrowing. As usual, our treasury management performance is very good. We're within the approved limits set out in our Treasury Management Strategy, which are set out in appendix 1 of the report. Persistent high inflation meant that the Bank of England kept rates at relatively high levels compared to recent times, and our average return on our investments over the period was 4.85%. Borrowing increased by £36m compared with the start of the year, but with most of that borrowing being taken towards the end of the year, in line with our strategy to minimise borrowing costs and, and as noted in the earlier outturn report, we had an overall underspend of £3.4m on Capital Financing Costs.

I'm grateful for the diligent work done by our Treasury Management team - it's not a glamorous part of the council's activity but it really does underpin everything else we do."

Cllr Tim Ball seconded the motion.

RESOLVED (unanimously):

- (1) To note the Treasury Management Report to 31st March 2024, prepared in accordance with the CIPFA Treasury Code of Practice.
- (2) To note the Treasury Management Indicators to 31st March 2024.

32 REVISIONS TO STRATEGIC PERFORMANCE INDICATORS

Cllr Manda Rigby, Cabinet Member for Highways, introduced the item, moved the officer recommendation and made the following points:

- The expansion of the performance indicators is important to the residents of B&NES in terms of transparency, demonstrating delivery and ensuring the use of public funds is driven by data and evidence.
- The Council collects, monitors and reports on data regardless of what it says. We are open with the public and willing to show how we are working to get back on track where necessary.
- Officers have worked hard to expand the range of indicators we monitor and report on so that they better reflect the manifesto for delivery and to align the priorities to those issues that are important to residents.
- Preventative measures are now included in the data.

Cllr Matt McCabe seconded the motion and noted the work that has been undertaken to produce the Corporate Strategy and stated that it is right to revise the indicators to obtain a clear picture of our performance.

RESOLVED (unanimously):

To agree revisions to the Strategic Performance Indicators as set out in the report.

The meeting ended at 7.30 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 3rd July 2024 until 3rd September 2024

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>

Local Authority Housing Fund (Round 3)

To agree a Memorandum of Understanding with MHCLG to provide 5 units of accommodation in return for £907k of funding as part of the Local Authority Housing Fund (LAHF) Round 3 funding agreement.

Decision Maker: Cabinet Member for Built Environment, Housing and Sustainable Development

Decision published: 19/08/2024

Effective from: 19/08/2024

Decision:

- (1) To accept the MHCLG offer of £944k grant to expand the scheme by a further 5 properties in accordance with the principles articulated and agreed in the original LAHF Round 1 decision (E3480) and supported by the additional high-level business case attached in Appendix 1 of the report.
- (2) To delegate all operational decisions, including agreement of Memorandum of Understanding with MHCLG, individual property business cases, to the Director of Capital & Housing and Aequus loan funding decisions to the s151 Officer.
- (3) To increase the capital programme for the Local Authority Housing fund, having regard to the existing full approval of £3.567m, as follows:
 - (i) Full approval of additional capital budget of £1.175m which reflects estimates for purchases of five properties on the open market funded by £938k government grant from MHCLG, £75k Afghan Integration Tariff, £139k Homelessness Prevention Grant and £23k from developer S106 contributions.
 - (ii) Noting estimated loans of £637k to Aequus will be reflected in the existing Approval for Property Company Investment - Council (Loan): Developments.

Wards affected: (All Wards)

Lead officer: Graham Sabourn

Bath West Children's Centre Service

In-sourcing the Bath West Children's Centre Services, to be delivered by the Council-run Bright Start Children's Centre Services from 1st April 2025.

Decision Maker: Cabinet Member for Children's Services

Decision published: 07/08/2024

Effective from: 15/08/2024

Decision:

To agree that the Bath West Children's Centre Service will be in-sourced from 1st April 2025.

Wards affected: Southdown; Twerton

Lead officer: Ellie Weyman

Fixed Penalty Notices for Environmental and Anti-Social Behaviour Offences

In July 2023, the Government laid out a statutory instrument, the Environmental Offences (Fixed Penalties) (Amendment) (England) Regulations 2023 increasing the upper limits for various Fixed Penalty Notices (FPNs) to provide the ability to further deter offenders. The Council currently have agreed levels for these offences, and these will be increased to reflect the new upper limits.

Decision Maker: Cabinet Member for Neighbourhood Services

Decision published: 05/08/2024

Effective from: 13/08/2024

Decision:

(1) To set the fixed penalty charges at the level specified in the table below:

Offence	Fixed Penalty Charge
Dropping litter in the street or any place open to the air to which the public have access or littering from a vehicle	£200(£150 if paid within 14 days)
Not putting out domestic waste or recycling properly	£60
Not putting commercial or industrial waste out properly – EPA section 47	£110
Giving household waste to an unlicensed company for disposal	£300

Failure to produce a waste transfer note for commercial waste	£500
Fly tipping – bag/sack of domestic/commercial waste left next to a litter bin	£200
Flytipping – Individual Flytipping own household waste	£400
Flytipping – All other incidents not covered above	£600
Allowing your dog to foul a street or public space	£200
Graffiti	£500
Flyposting	£500
Unauthorised distribution of literature on designated land	£200
Failure to comply with a Community Protection Notice issued for an environmental related offence.	£100

(2) To agree that the implementation of all future changes to Fixed Penalty charges are delegated to and implemented by the Director of Place Management, or any successor or equivalent role to that post, in consultation with the relevant Cabinet Member.

Wards affected: (All Wards)
Lead officer: Sarah Alder

Aequus, Shareholder Reserve Matters Decision - Appointment of Executive Director

The existing Executive Director of Operations is retiring at the end of September 2024 and as such Aequus Group have undertaken a robust recruitment campaign to appointment a new Executive Director and a preferred candidate has now been identified for the role for Shareholder approval.

Decision Maker: Council Leader
Decision published: 11/07/2024
Effective from: 11/07/2024

Decision:
To agree the appointment of Andrew Johnston as the Aequus – Executive Director of Operations.

Wards affected: (All Wards)
Lead officer: Simon Martin

B&NES Homes: Annual Rent Increase 2024/25

To agree B&NES Homes rent increases for 2024/25.

Decision Maker: Cabinet Member for Built Environment, Housing and Sustainable Development

Decision published: 08/07/2024

Effective from: 16/07/2024

Decision:

To agree that the rent increases documented in the report are implemented.

Wards affected: (All Wards)

Lead officer: Graham Sabourn

Bath & North East Somerset Council			
MEETING/ DECISION MAKER:	Cabinet		
MEETING/ DECISION DATE:	12 September 2024	EXECUTIVE FORWARD PLAN REFERENCE:	
		E	3551
TITLE:	Annual Climate & Nature Progress Report		
WARD:	All		
AN OPEN PUBLIC ITEM			
List of attachments to this report:			
Appendix 1: Annual Climate & Nature Progress Report			
Appendix 2: Progress on Actions (Annex A to Annual Climate & Nature Progress Report)			

1 THE ISSUE

- 1.1 This report sets out our progress on tackling the climate and ecological emergencies over the last financial year (2023-24). We have a commitment to report on our climate progress each year as set out in the Climate Emergency Strategy, and it is the first time we are reporting on the Ecological Emergency Action Plan. As Tackling the Climate & Ecological Emergencies is one of the council's core priorities set out in the Corporate Strategy, this report brings together both elements for the first time.
- 1.2 This report notes that there is significant activity underway and planned within the council and across the district to tackle the climate and ecological emergencies. It recognises that more action is needed if we are to meet our climate change targets to be a carbon neutral council by 2030 and lead the district to net zero by 2030.

2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 Note the positive progress achieved over the past year across the priorities set out in the Climate Emergency Strategy and Ecological Emergency Action Plan.
- 2.2 Approve the Annual Climate & Nature Progress Report before presentation of the report to full Council on 19th September 2024.

3 THE REPORT

- 3.1 This report sets out our overall progress with reducing emissions and highlights some of the key work that has been undertaken over the past year.
- 3.2 Bath and North East Somerset district has seen a 39% decrease in emissions between 2005 and 2021, which is consistent with the average across the UK. Data from 2021 is the most recently available at the district level. As a council, we have successfully reduced our own emissions by 36% between the 2016-17 financial year and the 2023-24 financial year.
- 3.3 We have been recognised by independent organisations for our leadership, including our first B score by the Carbon Disclosure Project and ranking 7th of all UK local authorities by Climate Scorecards UK (including ranking 1st for buildings and heating, and joint 1st for biodiversity).
- 3.4 Progress on decarbonising our own operations includes the installation of air source heat pumps, LED lighting and rooftop solar on two care homes resulting in estimated annual carbon savings of approximately 100 tonnes CO₂. The Keynsham Recycling Hub has opened and includes a 3800m² rooftop solar PV array, rainwater harvesting for vehicle washing and plant watering, and planting of more than 200 trees and 500m of perimeter hedgerows to support biodiversity net gain.
- 3.5 Decarbonising our vehicle fleet remains a key challenge, and trials have begun for electric HGV refuse trucks with the potential to replace existing diesel models. This trial complements progress elsewhere in our vehicle fleet, with 20% of light commercial vehicles now electric.
- 3.6 Where the council has more limited control, we use regulatory levers and our convening role to drive change at the district level. Examples include the enforcement of minimum energy efficiency standards which has led to energy efficiency improvements in more than 70 privately rented homes, resulting in a fall in annual energy costs by an average of £388 per property and enabling the saving of more than 125 tonnes of CO₂. The Green Open Homes weekend in November 2023 saw 22 homeowners open their homes to showcase energy saving measures to almost 800 people. Bath and West Community Energy has secured funding to run more Green Open Homes events in BANES communities in 2024.
- 3.7 The council has renewed its cooperation agreements with Bath and West Community Energy and Keynsham Community Energy, enabling continued joint working to deliver local energy projects and opportunities for local people to invest in renewable energy. B&NES is currently in the second phase of Solar Together West of England, a group-buying scheme delivered in partnership with WECA and their partner iChoosr Ltd. This second phase will see around 280 installations of solar panels on BANES residents' rooftops.
- 3.8 The number of people choosing to travel by rail, bus and active travel options (walking, wheeling and cycling) has increased and further projects and investment is planned to continue to encourage such mode shift. Bath now has its first electric bus route, operated by community interest company The Big Lemon and subsidised by the council, providing a vital link between Bath city centre, the University of Bath and the Royal United Hospital.

- 3.9 The council was one of the first to adopt Biodiversity Net Gain, meaning developments in the district will be delivering net gains for nature ahead of much of the UK. A new development at Englishcombe Lane, delivering 16 new homes built for people with autism and/or learning difficulties, has been designed to create a nature-rich setting, aiming to achieve the Building with Nature accreditation and deliver 20% biodiversity net gain.
- 3.10 The Somer Valley Rediscovered project has delivered over 1000 hours of wellbeing activities as part of a Green Social Prescribing offer and has been working with local communities to improve the management of sites across the Somer Valley. This includes work in Waterside Valley where a masterplan has been developed with local people and landscape architects, and ongoing actions to help nature and improve access for local people.
- 3.11 The council is continuing to support people's access and engagement with nature. A successful bid to the UK Shared Prosperity Fund is enabling Avon Wildlife Trust to deliver the Nextdoor Nature project, which empowers local communities to manage green spaces for nature. Bathscape continues to engage thousands of people through walks, events and volunteering opportunities. Bathscape's Footprints podcast was nominated for Best Local Show for the second time at the Audio and Radio Industry Awards.
- 3.12 We are working in partnership to deliver new woodland across BANES. The Great Avon Wood is well underway to becoming a 100 acre woodland near Pensford as part of a crucial partnership with Avon Needs Trees and the Forest of Avon Trust. This will be joined by 422 acres of woodland made possible by the recent purchase of land by Avon Needs Trees. This new woodland, the Lower Chew Forest, will be home to 100,000 trees and a mosaic of nature-rich habitats, including wetlands, miles of hedgerow and species-rich grassland.
- 3.13 The Report also sets out the council's next steps for the series of actions set out in the Climate and Ecological Emergency Action Plans, published in 2023.

4 STATUTORY CONSIDERATIONS

- 4.1 The Council's climate action plans are in keeping with the role identified for local government in the Climate Change Act 2008 and the regular reports of the UK's climate advisory body, the UK Climate Change Committee.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 The Annual Climate & Nature Progress Report outlines the next steps that are covered by existing budgets or notes where there are resource constraints associated with delivery. Business case development will be undertaken and opportunities to increase external funding will be sought.

6 RISK MANAGEMENT

- 6.1 This report recommends that Council note the positive progress achieved over the past year across the priorities set out in the Climate Emergency Strategy and Ecological Emergency Action Plan. As such, a risk assessment has not been conducted in relation to this report.

7 EQUALITIES

7.1 An EIA has not been carried out as this is a report on progress, not new policy. It should be noted that actions to tackle the climate and ecological emergencies have benefits that extend beyond just climate and nature. Home energy efficiency improvements and domestic retrofit can reduce household energy bills. Improved access to public transport and active travel can improve health outcomes and reduce social isolation. Access to nature and green social prescribing can have positive impacts for people experience limiting health conditions.

8 CLIMATE CHANGE

8.1 This Report provides a direct update on the council's progress towards tackling the climate and ecological emergencies, built on the climate and ecological emergency declarations in 2019 and 2020 respectively. It delivers on our commitment to report annually.

8.2 The Report presents the combined actions of services across the council and sets out the next steps across the identified priority areas for climate (decarbonising buildings, decarbonising transport, increasing renewable energy generation and decarbonising council operations) and ecology (leadership and evidence, land and water management, nature-based solutions, access and engagement, evidence and monitoring, and working in partnership).

9 OTHER OPTIONS CONSIDERED

9.1 None – providing an annual progress report was a commitment set out in the Climate Emergency Strategy and Ecological Emergency Action Plan.

10 CONSULTATION

10.1 As part of the council's response to the climate and ecological emergencies we conduct regular community engagement, the highlights of which are included within the Report.

10.2 The Annual Climate & Nature Progress Report has been reviewed by the S151 Officer and the Monitoring Officer.

Contact person	Eleanor McGhie – Team Manager – Climate and Engagement eleanor_mcghie@bathnes.gov.uk
Background papers	Climate Emergency Strategy – available online - https://beta.bathnes.gov.uk/read-our-climate-strategy-and-action-plan Ecological Emergency Action Plan – available online - https://beta.bathnes.gov.uk/ecological-emergency-action-plan

Please contact the report author if you need to access this report in an alternative format	

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Bath & North East
Somerset Council

Improving People's Lives

Bath & North East Somerset Annual Climate and Nature Progress Report 2023-24



TACKLING THE CLIMATE &
ECOLOGICAL EMERGENCY

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Foreword

In 2019, we were one of the first councils to declare a climate emergency. We committed to providing the leadership to enable the Bath and North East Somerset area to become carbon neutral by 2030 while doing the same for our own operations. In 2020, we declared an ecological emergency, recognising the severity of the degradation of the natural environment and loss of wildlife, and the urgent need to take action to restore nature.

This year we have redoubled our efforts to tackle the climate and ecological emergencies. We have installed new heat pumps, solar PV and LED lighting upgrades on our estate. We have commenced a significant IT infrastructure project, shifting our on-site, energy intensive servers to an off-site, low carbon alternative. We have opened the new Keynsham Recycling Hub, with a 783 KWP solar PV array, rainwater harvesting and more than 200 trees and 500 metres of perimeter hedgerows. We have made three through-traffic restrictions permanent under the Liveable Neighbourhoods programme, with a further five currently being trialled.

Our Biodiversity Net Gain policy is already delivering on sites across the district, including Englishcombe Lane and Charlcombe Meadows. Our new Local Plan will include additional requirements for nature: sustainable urban drainage systems, more and better-quality green infrastructure, and local targets for tree cover. Our place-based projects are delivering for people and nature, the Somer Valley Rediscovered project for example, has seen over 1,000 people attend 36 events in the first few months of 2024.

We continue to collaborate with partners, supporting the Green Open Homes and Green Heritage Homes projects to increase understanding and uptake of domestic retrofit measures. Our cooperation agreements with Bath & West Community Energy and Keynsham Community Energy have been renewed, enabling us to continue to deliver local renewable energy projects. Working with our partners Avon Needs Trees and the Forest of Avon Trust has led to new projects including the Great Avon Wood and the Lower Chew Forest, creating 522 acres of nature-rich woodland and grassland collectively.

Looking ahead, I am hopeful for key policy changes from the new UK Government. A step change in action at a national level is critical for us to achieve our goals and continue delivering for local people. We will be updating our response to the climate and ecological emergencies in 2025, drawing together our approach with a new joint strategy. I hope that you will continue to engage with us as we work to reduce our emissions, adapt to the changing climate and restore nature.



**Councillor Sarah Warren,
Deputy Council Leader and
Cabinet Member for Climate
and Sustainable Travel**

Working with Communities

Working with our local communities is an important part of delivering action for climate and nature. By encouraging individuals to share their views, participate in action and connect with local landscapes we can tackle the climate and ecological emergencies together. This section shares some of the highlights of our work with communities.

- A collaboration between Somer Valley Rediscovered and Youth Connect South West, has enabled young people to connect with nature through the delivery of short courses on bush craft and film and editing skills in nature video creation.
- Page 32 A Green Social Prescribing offer in Somer Valley, has provided over 1000 hours of well-being activities, attended by 142 local people. These activities have been led by expert facilitators to enable adults to benefit from local nature and support mental and physical health.
- The [Bathscape Podcast, Footprints](#), offers educational and engaging programming on the countryside around Bath. The podcast was nominated for Best Local Show at the 2023 and 2024 Audio and Radio Industry Awards.
- Communities have been supported to connect with the natural landscape surrounding the city of Bath, keep active and improve their wellbeing, through Bathscape's rolling programme of weekly well-being walks. Details are available on the [Bathscape website](#).

CASE STUDY: Collaboration with the Prince's Trust

In September 2023, a collaboration between Somer Valley Rediscovered and the Prince's Trust Programme at Bath College, set out to raise young people's awareness of local nature and the importance of climate awareness.

To date, two teams of young people have been supported to gain skills and confidence through practical volunteering experiences, with a third beginning in June 2024. These experiences have opened the door to further opportunities, with one young person proceeding to a work placement within the Somer Valley Rediscovered project.



A group of young people volunteer as part of a collaboration between Somer Valley Rediscovered and the Prince's Trust.

Working with Communities Continued

- In March 2024, Students aged 11- 18 spoke with Councillor Sarah Warren about priority areas for decarbonisation and nature recovery during the BANES Youth Climate Summit, attended by almost 100 students. The students were invited to share their experiences and perspectives to feed into the council's Active Travel Masterplan.
- In June 2023, charity Climate Hub BANES, took over a vacant unit in Bath city centre, offering activities and information about the climate and ecological emergencies. The temporary use of the property was part of Bath & North East Somerset Council's Vacant Unit Action Project to breathe new life into vacant spaces. We will continue to work with Climate Hub BANES to secure them a more permanent base.
- The council has collaborated with partners in support of community engagement events such as the Festival of Nature, where we facilitated a joint panel discussion on how renewable energy can benefit nature in June 2023, and the Climate Hub Springtime Assembly.
- Nature-based activities and sharing of ideas and action to tackle climate and ecological emergencies, have been delivered through green infrastructure projects including Bathscape and Somer Valley Rediscovered.

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CASE STUDY: Doughnut Economics at Bath Abbey

In October 2023, community groups, voluntary organisations and social enterprises came together at Bath Abbey as part of the Gaia & Treasuring Creation Festival, to hear economist Kate Raworth, talk about Doughnut Economics – an innovative approach to economic thinking that can meet people's needs within the capacity of the planet.

Participants mapped initiatives already underway as well as the challenges and opportunities to further the approach in our district. The mapping work will be used to better inform community engagement on climate and nature across the district, helping to reach a range of people and cover the topics people feel most resonate with them.



Pictured: Economist Kate Raworth (left) and Councillor Sarah Warren (right) in front of the Gaia installation in Bath Abbey.

Climate Emergency

Tackling the Climate Emergency

Our Climate Emergency Strategy sets our ambition and priorities to tackle the climate emergency, with actions targeted across the Bath and North East Somerset area and our own operations. Our four priorities are to:

1. Decarbonise Buildings;
2. Decarbonise Transport;
3. Increase Renewable Energy Generation; and
4. Decarbonise the council's own operations.

Our principles for delivery of these priorities include working in partnership, providing leadership and enabling community action.

As a council, our scope 1 and 2 emissions account for <1% of the total emissions for the wider Bath and North East Somerset area. In alignment with our principles, we see tackling our own operational emissions as important work to provide local leadership on the climate emergency.

To date, much of our emissions progress as a council has been facilitated by the decarbonisation of the electricity grid as renewable energy generation has increased nationally. We are now looking to deliver a step-change in action as a council. The pathway to net zero will not be linear, and many of the projects

highlighted in this report may not deliver carbon savings until the coming years as it takes time for impact to filter through into data. We look forward to reporting our progress in future years, alongside further projects already in the pipeline.

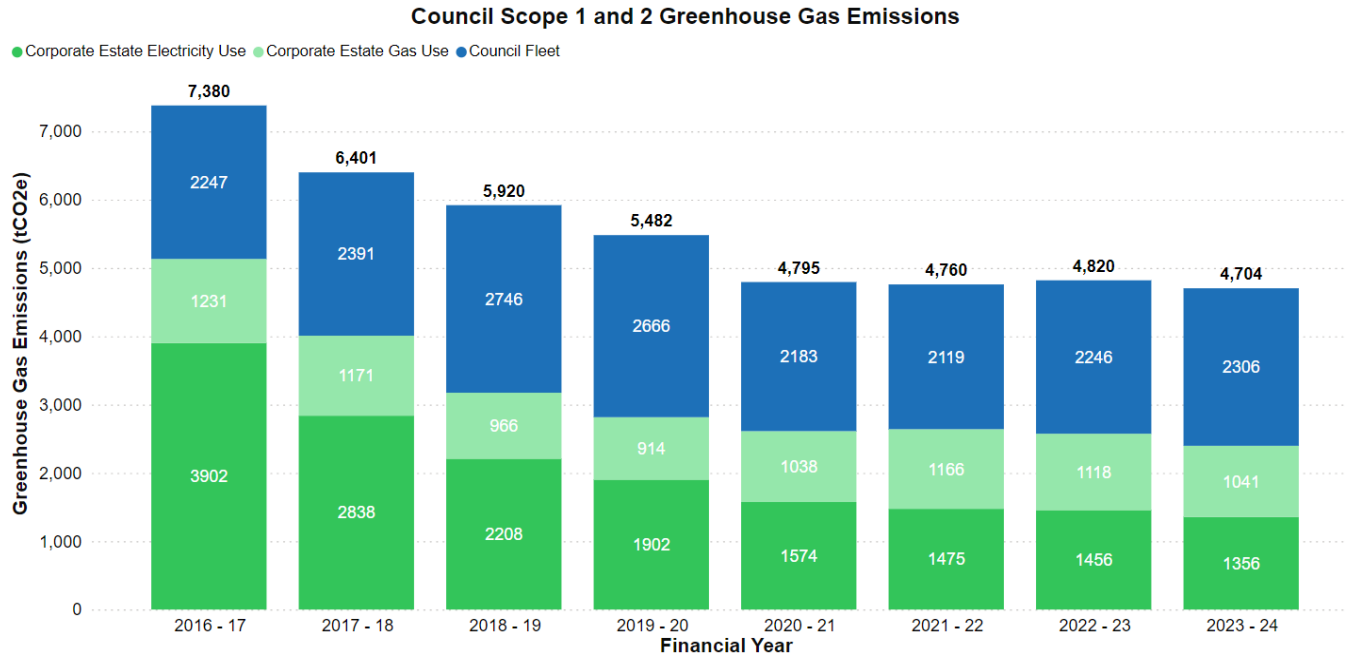
Alongside working on our own emissions as a council, we also work in partnership to support emissions reductions across the whole of the Bath and North East Somerset area. This section of the report highlights some of the key pieces of work completed or underway to tackle the climate emergency.



Pictured left to right: Mandy Lake (Climate Hub), Councillor Oli Henman, Carmen Jones (Climate Hub), Alanna Wright (National Trust) at the Climate Hub Springtime Assembly.

Where We Are Now: Decarbonising Council Operations

The graph below focuses on Scope 1 and 2 emissions for the council's own operations. This includes emissions from gas and electricity use in buildings under our control, and our own vehicle fleet. The council's emissions make up less than 1% of emissions for the Bath and North East Somerset area.



Between 2016-17 and 2023-24*, we have successfully reduced our emissions by 36%. A significant drop in emissions was experienced during the onset of the Covid-19 pandemic and this reduction has been sustained with emissions for the 2023-24 reporting year even lower than those reported during the pandemic. Historic emissions reductions have largely been due to the decarbonisation of the electricity grid, but the following pages provide detail on some of the recently completed or currently underway projects that we expect will reduce our operational emissions over the coming years. We are continuing to explore options for new projects that will lead to a step change in emissions reductions across the council.

***Note:** electricity and gas consumption values for the latter half of 2023-24 are based on conservative estimates due to ongoing billing issues. These values may be subject to change in subsequent reporting cycles.

Highlights: Decarbonising Council Operations

Decarbonising our own operations is crucial to lead action on climate change in the region. We have been recognised by independent organisations for our leadership and are making practical progress on decarbonising our electricity and heating, while decarbonising our vehicle fleet remains a significant challenge.

- Our new Corporate Strategy 2023-2027 sets out our two core policies – tackling the climate and ecological emergencies and giving people a bigger say.
- Tackling the climate emergency has been embedded in all Council decision making via our Doughnut Decision Tool. This requires all Council decisions to be considered through the lens of doughnut economics, capturing the impact on our planetary boundaries and our social foundation.
- In 2023, B&NES were awarded our first B Score from the Carbon Disclosure Project (CDP), for our progress on tackling the climate emergency. Last year, 109 states and regions around the world disclosed their climate data through the Project.
- We were ranked 7th of UK local authorities by Climate Scorecards UK, which assessed action across seven categories: buildings & heating, transport, planning & land use, governance & finance, biodiversity, governance & finance, and waste reduction & food.

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CASE STUDY: Keynsham Recycling Hub

B&NES has invested £41.8m in a state-of-the-art waste facility in Keynsham. The first phase, a public household waste, reuse and recycling centre, opened in April 2023. The final phase of the project, an operational hub to deliver frontline services such as recycling, waste collections and vehicle servicing, is now complete, opening in February 2024.

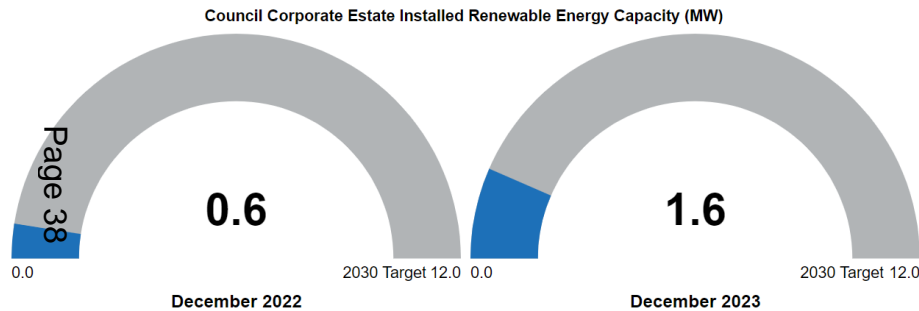
The scheme has been designed with carefully considered sustainability measures built in, including a 3800m² (783KWp) solar PV array on top of the buildings and rainwater harvesting, used for vehicle washing and plant watering. More than 200 trees and 500m of perimeter hedgerows have been planted, strengthening wildlife corridors and supporting biodiversity net gain.



Pictured left to right at the opening of Keynsham Recycling Hub: B&NES Council leader, Councillor Kevin Guy, B&NES Council Chair, Councillor Sarah Moore and Cabinet Member for Neighbourhood Services, Councillor Tim Ball.

Highlights: Decarbonising Council Operations Continued

- In 2023, two care homes (Combe Lea and Cleeve Court) had air source heat pumps, LED lighting and rooftop solar installed. This will result in estimated annual carbon savings of approximately 100 tonnes CO₂, around 4% of the council's corporate estate emissions.
- Renewable energy capacity on the council's corporate estate increased from 0.6 MW to 1.6 MW in December 2023:



- An electric HGV refuse truck has been trialled to replace existing diesel models that are reaching the end of their life. This trial compliments progress elsewhere in our vehicle fleet, with 20% of light commercial vehicles now electric.
- Heat Decarbonisation Plans are underway for our highest emitting buildings and a bid has been submitted for £122k to the Low Carbon Skills Fund for 'Bath Major Assets Energy Network' including Guildhall; Victoria Art Gallery; Roman Baths & Pump Rooms; and Bath Sports & Leisure Centre.

CASE STUDY: Upgrading IT Infrastructure

A significant project to transition our IT infrastructure from on-site servers to off-site cloud servers is currently underway. The council's current servers are located onsite in Keynsham and Bath and are energy-intensive. This project will see the servers transitioned to an off-site cloud-based solution with a low carbon partner.

The project will deliver estimated carbon savings of 124 tonnes of CO₂e over a five-year period. The project is partway through its first year with the impact on energy use and emissions not yet reflected in our data.

Highlights: Decarbonising Council Operations – Scope 3 Emissions

Scope 3 emissions are those that are produced indirectly by activities outside an organisation's own operations. For the council, this includes emissions associated with our procurement of goods and services, the buildings we own but do not occupy and our corporate travel.

Scope 3 emissions are difficult to measure and reduce as they fall outside our direct control. As a council we are making progress in identifying our Scope 3 emissions sources and what actions we can take to reduce them.

- The percentage of council-owned commercial units with an EPC of A-C has increased from 27% to 56% in March 2024. This means that buildings that are leased from us will be more energy efficient and have lower emissions associated with them.

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CASE STUDY: Pension Fund's Net Zero Goals

Avon Pension Fund provides the Local Government Pension Scheme pension for 400+ local employers and has over 130,000 members, including over 11,000 B&NES council members (employees, pensioners, etc).

Last year the Fund engaged key stakeholders in a review of the net zero targets it sets for its £5.8 billion of investments. Their member survey received over 5,000 responses.

The climate goal review led to the Fund bringing forward its net zero target from 2050 to 2045. This target is underpinned by near-term targets, designed to reduce emissions and finance climate transition. For example, by 2030 they will divest from all companies within high impact sectors that are not on target to reach net zero by 2050.

In 2023 the Fund agreed to allocate 3% of its assets to local impact investments.

In January 2024 they invested alongside five other pension funds into a portfolio of 17 solar farms in the south-west. The collaborative investment will generate around 196MW of electricity, equivalent to powering nearly 70,000 homes.

This investment in local renewable energy will deliver attractive financial returns to help protect Avon Pension Fund members' pensions.

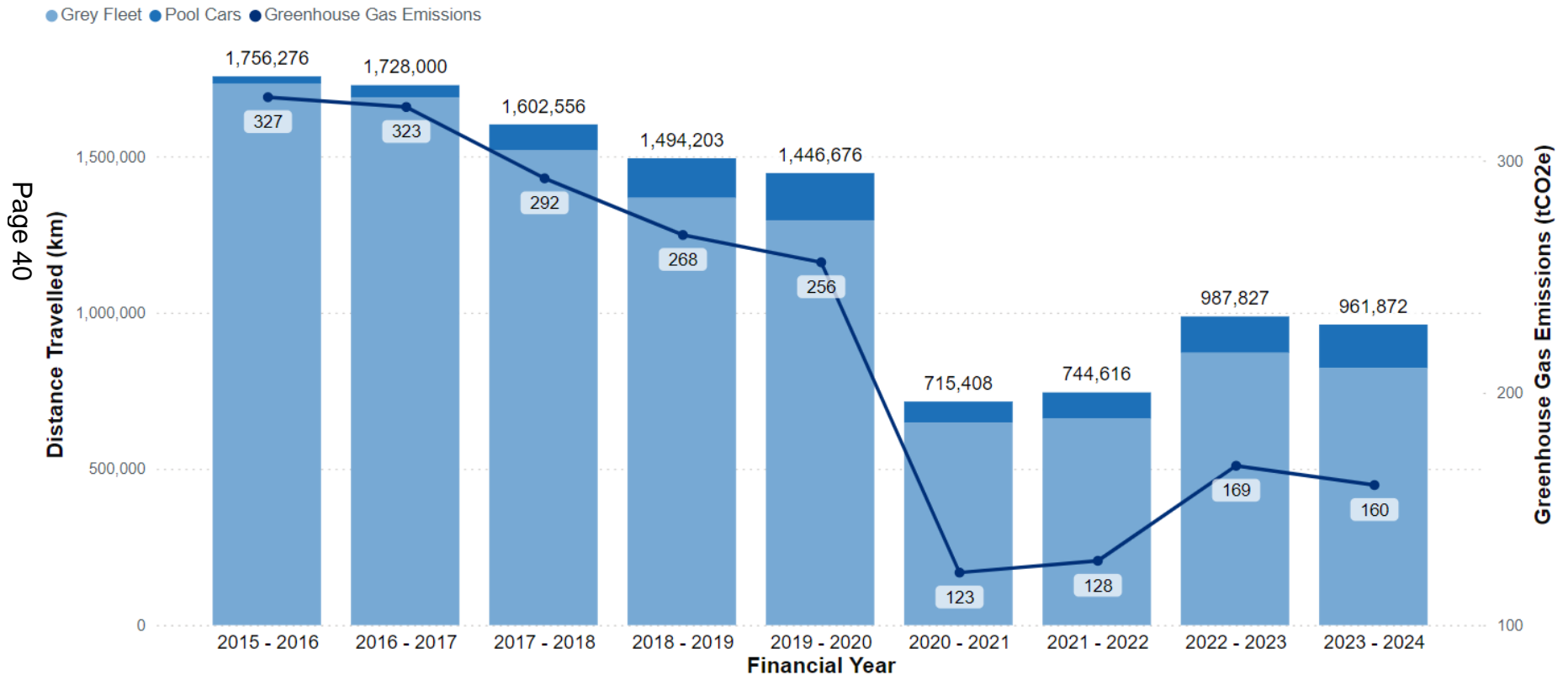


A visit to an Avon Pension Fund investment, a solar farm in South Gloucestershire.

Highlights: Decarbonising Council Operations – Corporate Travel

The emissions from council staff business travel are not captured as part of our Scope 1 and 2 emissions which are reported on page 10. These emissions are classified as part of our Scope 3 emissions. We are making progress at reducing overall business travel mileage and increasing the number of electric vehicles in our pool car fleet, while encouraging staff to use pool cars rather than their own cars for business travel. The emissions associated with business travel have fallen by **51%** since 2015-16.

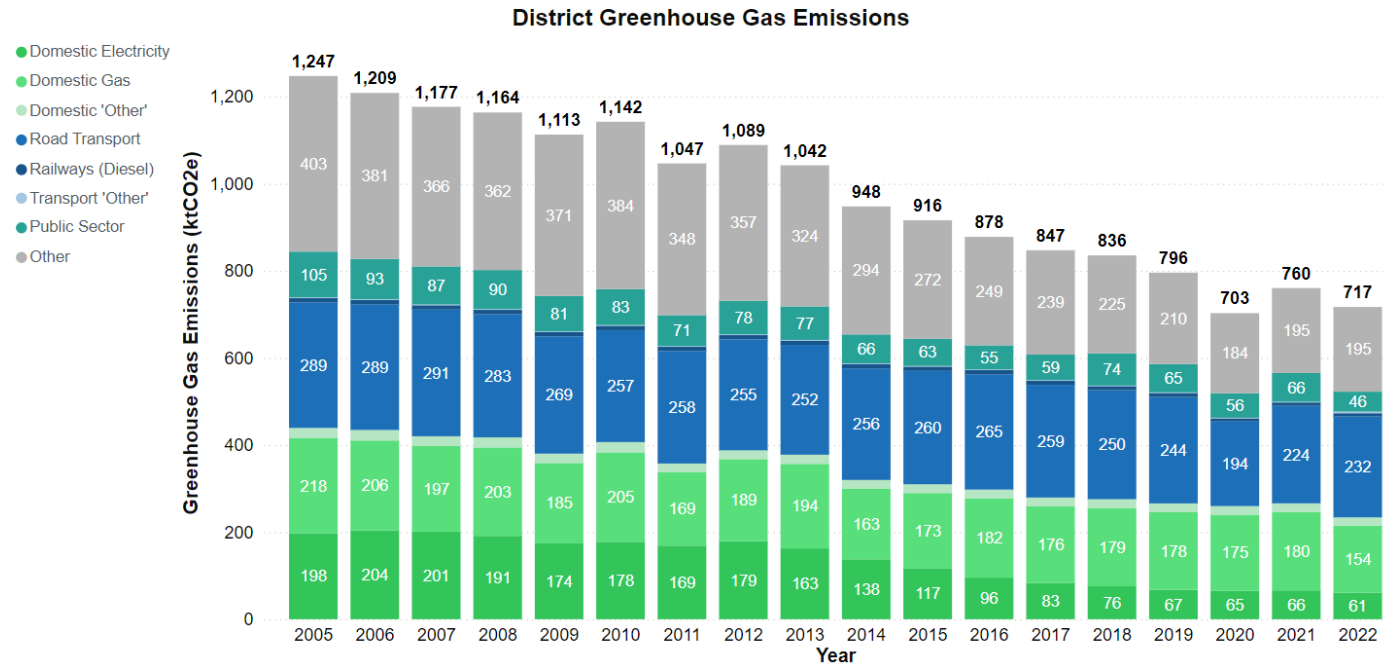
Council Staff Business Travel



Where We Are Now – Decarbonising Bath and North East Somerset District

The graph below shows the Scope 1 and 2 emissions for the Bath and North East Somerset area.

These emissions arise from the direct (gas, petrol, diesel) and indirect (electricity) use of energy, including: homes; commercial and public sector buildings; industry; transport; land use, land use change and forestry; agriculture; and waste management.



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Between 2005 and 2022, greenhouse gas emissions for the district fell by 43%. This is significant progress indicating that we have returned to a falling trajectory after the temporary post-Covid bounce back.

The Climate Change Committee estimates that local authorities in the UK have power or influence over roughly a third of emissions in their local areas². Although B&NES does not have direct control across all areas, we prioritise action where we can have the most impact and deliver for residents – working to decarbonise buildings, transport, and increase renewable energy generation. The following pages share some highlights of projects that are completed or underway to support and deliver emissions reductions across the district.

Highlights: Decarbonising Buildings

Roughly a third of emissions in Bath and North East Somerset come from electricity and gas use in our domestic buildings. Retrofitting existing buildings to improve their energy efficiency, and decarbonising electricity and heating sources are crucial to reduce these emissions. Through unique partnerships, we are balancing the need for decarbonisation with our World Heritage Status in Bath and have been recognised as the leading UK local authority for our action on buildings and heating.

- The Buildings & Heating section for Climate Scorecard UK ranked B&NES 1st of all local authorities in the UK.
- The council is a key partner in the WECA Retrofit West programme, providing grant funding and free retrofit advice to residents and local businesses, as well as delivering green skills development to encourage the scale up of retrofit in the district.
- Residents who are interested in retrofitting their homes have been connected to local services through an advice line. Calls from people in Bath and North East Somerset make up 18% of total enquiries to the Retrofit West programme, and homes in the region make up 20% of housing stock.

CASE STUDY: Minimum Energy Efficiency Standards

The Domestic Minimum Energy Efficiency Standard Regulations require private rented homes to have an Energy Performance Certificate (EPC) rating of E or above.

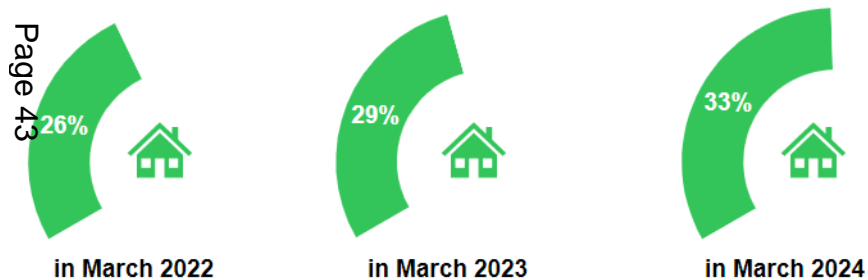
In 2022, Bath & North East Somerset council identified domestic rental properties in BANES with an EPC below that level. Where properties fell short of the minimum E energy rating, the landlords were issued with Compliance Notices, requiring them to improve energy performance or pay a £5000 fine per property.

Improvements have now been completed in more than 70 properties. The introduction of energy efficiency measures has resulted in a fall in annual energy costs by an average of £388 per property and enabled the saving of more than 125.7 tonnes of CO₂ across the district, an average of 3 tonnes per property.



Highlights: Decarbonising Buildings Continued

- The council is a key partner in [Green Heritage Homes](#), a collaborative project to improve understanding of energy efficiency works to listed buildings. The project has a new dedicated Conservation Officer helping to develop pre-application advice for retrofit.
- There were 132 heat pumps installed on domestic buildings in the 2023-24 financial year.
- The percentage of domestic homes in Bath and North East Somerset with an EPC rating of A-C has increased from 26% in March 2022, to 33% in March 2024.



CASE STUDY: Green Open Homes

The Green Open Homes BANES weekend in November 2023 saw 22 homeowners across Bath and the Chew Valley open their homes to showcase energy saving measures to inspire visitors to act on their own home energy. The weekend was made possible by 46 volunteers, including B&NES Green Transformation staff, and attracted 788 visits.

Bath and West Community Energy (BWCE) has secured funding to run further Green Open Homes events in communities throughout BANES in 2024, this time taking a community-led approach. B&NES council is currently supporting with the search for 'champions' to run local events in their area.



A group of people look at solar panels on a roof at one of last year's Green Open Homes.

Highlights: Decarbonising Transport

Decarbonising transport remains one of our biggest challenges, in part due to the rural-urban nature of our district and the combination of changes needed to policy, behaviour and technology. We focus on creating an environment that makes it easier to travel by public transport or active travel, including walking, wheeling and cycling.

- The number of passenger journeys in Bath and North East Somerset taking place on local bus services has increased from 8 million in 2021-22 to 9 million in 2022-23.
- A feasibility study for reopening Salford rail station has been completed, with report publication expected by the end of this year.
- The numbers of rail passenger entries and exits (rail use) has increased at all BANES train stations between 2021-22 and 2022-23. At Bath Spa station there were an estimated 5,468,466 passenger entries and exits in 2022-23, compared to 4,085,704 in 2021-22.
- Since TIER took over the e-Bike/Scooter trials in September 2023 148,111 kilometres have been clocked. There's been more than 70,000 trips taking place and nearly 10,000 riders travelling sustainably.
- 21 bike hangars have already been installed to give people easy and safe storage for bicycles, with a further 20 consulted on.

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CASE STUDY: Electric Bus Service

Travel between the busiest locations in Bath has become greener thanks to the introduction of a new electric bus service. Operated by community-interest company The Big Lemon, the bus, which is the first in the region, provides a vital link between Bath city centre, the University of Bath and the Royal United Hospital. The number 20 route, which is subsidised by the B&NES council Transport Bus Levy, benefits residents, students, tourists and hospital visitors, by providing a greener transportation option.

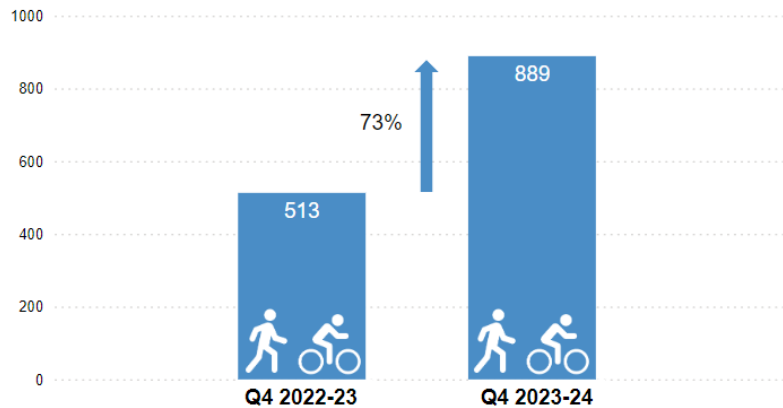


Left to right: Jason Freeman, Operations Manager Bristol & The West at The Big Lemon; Colin Morris, General Manager at The Big Lemon; Georgia-Rose Gleeson, Sustainability Officer at The Royal United Hospital; Councillor Sarah Warren; Tom Druitt, CEO at The Big Lemon.

Highlights: Decarbonising Transport Continued

- Key transport projects have been put forward to consultation including Bath City Centre, the Bristol to Bath Strategic Corridor and Somer Valley Links, with nearly 7,000 responses.
- ModeSHIFT stars awarded to numerous schools. The ModeSHIFT scheme recognises schools, businesses and other organisations that have shown excellence in supporting cycling, walking and other forms of sustainable and active travel.
- Three Liveable Neighbourhood through traffic restrictions were made permanent, one new trial has been introduced and approval given for two more trial Liveable Neighbourhoods later this year.
- Average daily bicycle and pedestrian volumes per counting site have increased by 73% when comparing Q4 (Jan-March) 2023 to Q4 2024:

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CASE STUDY: Queen Charlton Lane, Whitchurch

As part of the Liveable Neighbourhoods programme, through-traffic restrictions were introduced on a trial basis in three locations in 2022, including Queen Charlton Lane, Whitchurch. The aim of the restrictions was to prevent residential areas being used as short cuts and to increase the choice and safety for people who choose to walk, wheel or cycle.

During the trial period for the through-traffic restriction in Queen Charlton Lane, the council gathered feedback from residents and monitored changes to traffic volumes. The monitoring demonstrated that there were no significant traffic impacts on primary alternative routes. Feedback from residents has been positive, with 65% more likely to walk for a short journey since the scheme had been introduced and 54% more likely to cycle or wheel.

Following the success of the three trials, the schemes were made permanent in 2024. The council is now delivering five more through-traffic restriction trials under the Liveable Neighbourhoods programme.



Highlights: Increasing Renewable Energy Generation

Increasing renewable energy generation across the district helps to decarbonise the electricity grid and reduce the emissions associated with our electricity use. We work in close partnership with local energy organisations to identify and develop renewable energy projects that benefit local people. Significant growth in installed capacity is expected but further work is still needed to identify enough suitable sites to meet our 300MW target by 2030.

- The council has renewed its cooperation agreement with Bath & West Community Energy (BWCE) for a further five years, through to 2028 and its cooperation agreement with Keynsham Community Energy. These agreements enable the organisations to continue working together to identify energy projects within the district, opportunities for joint research about community-based projects and opportunities for people in the area to invest in renewable energy projects.
- The council hosted a Wessex Community Energy Network conference in November 2023 on the theme of “Energy Local”- a model that allows renewable energy to be sold to local communities via an “Energy Local Club”. Over 40 people participated in the event at Guildhall, and it has led to the Council and BWCE partnering to develop an Energy Local pilot.
- B&NES council has been awarded £173,166 from the Swimming Pool Support Fund (SPFS) to install rooftop photo voltaic (PV) panels on Bath Sports and Leisure Centre. Installing the solar PV is expected to cut carbon dioxide emissions by 23.04 tonnes and save £41,000 in energy costs each year.

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CASE STUDY: Solar Together

B&NES is currently in the second phase of Solar Together West of England, a group-buying scheme delivered in partnership with the West of England Combined Authority (WECA) and their partner iChoosr Ltd. The scheme offers an easy way for residents and local business to invest in solar panels and battery storage to power their homes and support the council’s carbon neutral ambitions.

The first round, launched as a pilot in 2021, resulted in around 1 MW of installed capacity, with a carbon reduction of 207,518kg. Following this success, the scheme has been approved for a second and third round. The second round is in the delivery phase, with around 280 installations of solar panels due to be completed on BANES residents’ rooftops.

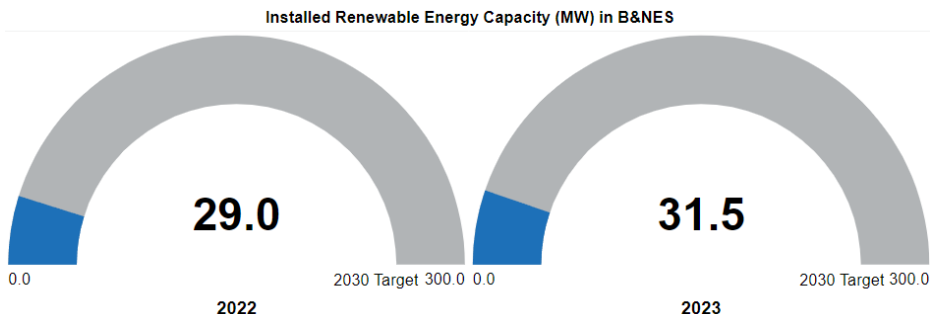


A person installs solar panels on a rooftop.

Highlights: Increasing Renewable Energy Generation Continued

- The Marksbury Plain commercial solar farm is currently under construction and will provide up to 15 megawatts (MW) of capacity. A 9 MW solar farm has planning consent at Howgrove Farm (north of Nempnett Thrubwell) and a pre-application submission has been made for a 6.7 MW solar farm with 49.5 MW of battery storage. The council is looking at options for development of larger renewables projects to meet a generation gap within our own 12 MW target.
- The council is a partner to the £5m Mission Net Zero project led by Bristol City Council. The project will develop a Local Area Energy Plan and Climate Investment Plan for the West of England region. This will give B&NES detailed data on which to base its energy strategy going forward in support of meeting the target for 300 MW new renewables generation by 2030.
- There were 587 domestic solar PV installations in the 2023-24 financial year.
- Installed renewable energy capacity has increased from 23 MW in 2022, to 31.5 MW in 2023:

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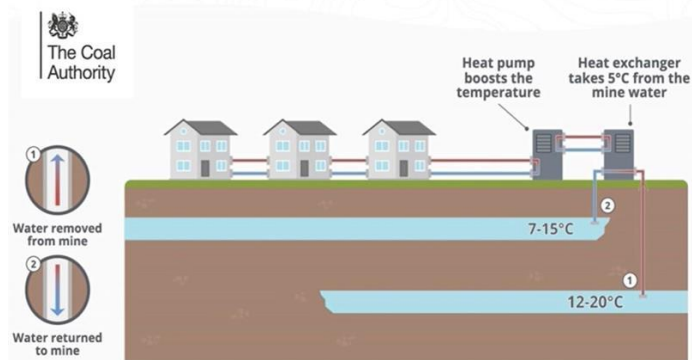


CASE STUDY: Heat from Mines

The council are working with the West of England Combined Authority (WECA) with £1.6m WECA funding to see if heat pumps could utilise warmer water in old mine pits for heating and cooling. There is the potential to heat more than 100,000 homes, schools and hospitals across the West of England.

350 homes, offices, a college and an arts centre in Gateshead (Tyne and Wear) are among the existing schemes that inform the viability of such a scheme in this area.

A successful scheme utilises water that is warmer than the water closer to the surface and goes through a heat exchanger and heat pumps. This can also be used for cooling in times of extreme heat. These pumps use electricity but can generate two to four times the electricity units in heat. With growing decarbonisation of the electricity grid, this provides a very low carbon opportunity for heating and cooling.



Explanation of heat recovery from mines.
Credit: The Coal Authority.

Ecological Emergency

Tackling the Ecological Emergency

Our Ecological Emergency Action Plan sets our priorities and the actions we are taking to tackle the ecological emergency. Our three priorities are to:

1. Increase the extent of land and waterways managed positively for nature;
2. Increase the abundance and distribution of key species; and
3. Enable more people to access and engage with nature.

We are not able to tackle the Ecological Emergency alone, but we recognise that we have an important role to play in tackling the Ecological Emergency, both through our own delivery and policy-making, and through supporting others to take action.

Much of our work on nature recovery so far is being delivered through our Strategic Green Infrastructure Projects, which have led place-based partnerships to benefit nature and people. We are now looking to step up our ambition by better integrating nature recovery across the Council, in areas such as planning, regeneration, management of our estate, and day-to-day operations.

This report provides an update on our progress in tackling the ecological emergency and summarises the work we have done as a council so far.

We look forward to reporting our progress in delivering the Ecological Emergency Action Plan in future years, and to deliver other exciting projects that are in the pipeline.



HM Lord-Lieutenant Mr Mohammed Saddiq, the Chair of Council, Councillor Sarah Moore, the Mayor of Bath, Councillor Dine Romero and council Leader, Councillor Kevin Guy, and Children from Widcombe Junior School planting an English oak in Victoria Park.

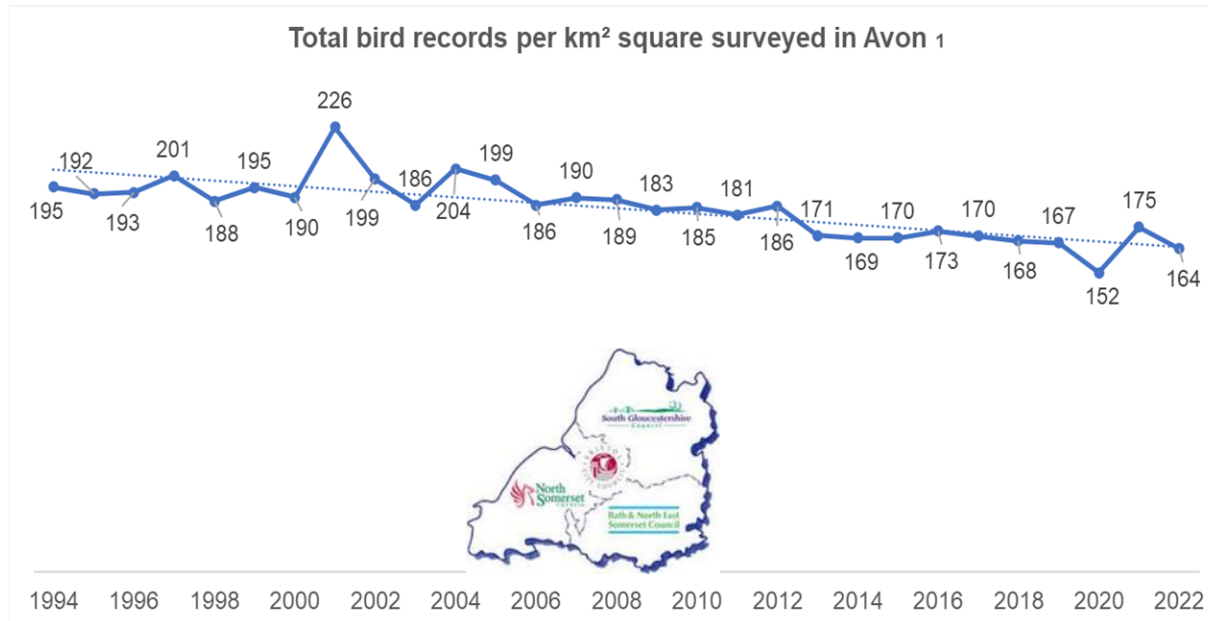


Participants on a Somer Valley Rediscovered Green Social Prescribing course in Midsomer Norton.

Ecological Emergency: Where We Are Now – Bath and North East Somerset District

This section of the Annual Report looks at the data we have on wildlife across the whole of the Bath and North East Somerset area.

The best data we have on wildlife populations is derived from the British Trust for Ornithology's annual Breeding Bird Survey. This data is only currently available for the whole of the West of England, but we expect the declines in BANES will mirror these changes.



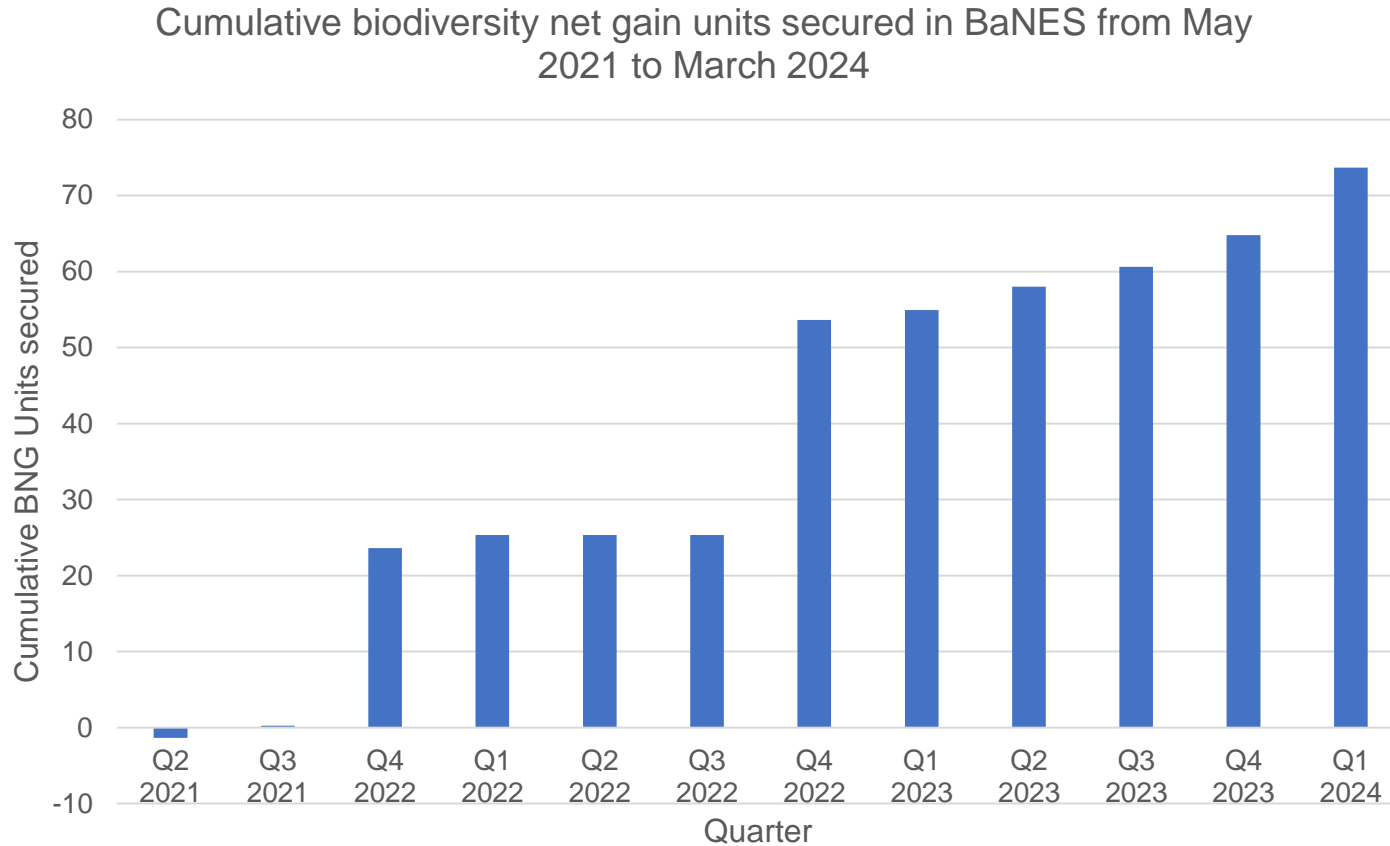
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Between 1994 and 2022, bird populations across the West of England (Avon) fell by approximately 16%. Although these records only go back to 1994, from UK records we can be confident that populations would have fallen significantly before the mid-1990s. The overall decline also masks more drastic decline in certain species, particularly 'specialist' species and insect-eating birds. For example, the swift count in the region fell by 91%, and the cuckoo count by 98%.

As the decline in wildlife is associated with land use change, agricultural intensification, and pollution across the district (as well as climate change), B&NES council does not have direct control over the majority of actions that are needed to reverse the decline in wildlife. That is why we are committed to showing leadership and working in partnership to enable action across the district.

Ecological Emergency: Where We Are Now – Bath & North East Somerset Council

This section of the Annual Report looks at the amount of habitat improved as a result of our Biodiversity Net Gain policy.



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Between May 2021 and February 2024, a cumulative 74 'Biodiversity Units' were secured through planning applications, equivalent to restoring 23 ha of neutral grassland from poor to moderate condition. Most of these Units were secured **before** 10% Biodiversity Net Gain was made mandatory through Planning Policy (January 2023), through a proactive approach. Two large developments were responsible for the majority of the Units delivered.

Highlights: Leadership and Evidence

Having declared an ecological emergency in 2020, it is crucial that B&NES council shows leadership in responding to the crisis facing nature. This year, we have been recognised as the joint-leading local authority nationwide for our response to nature's decline, helped by our ambitious approach to biodiversity net gain. Monitoring the state of nature in the district remains a significant challenge.

- B&NES was ranked joint first out of all local authorities in the country for action on biodiversity by Climate Scorecards UK.
- B&NES was one of the first councils to adopt Biodiversity Net Gain (BNG), meaning developments in the District will be delivering net gains for nature ahead of most places. Our Biodiversity Net Gain policy gained full statutory weight in January 2023, more than a year ahead of national requirements.
- Our developing Local Plan will be our most ambitious for nature recovery. In addition to BNG, emerging policies include a requirement for 'Sustainable Urban Drainage Systems', requirements for developments to have more and better 'green infrastructure', and local targets for tree cover.
- Our Nature Recovery Manager is leading development of the Local Nature Recovery Strategy (LNRS) for the West of England, which is on course to be first in the country to go to publication. The LNRS will set priorities and 'focus areas' for nature recovery across the region, enabling us to better target resources.

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- We have produced the first Strategic Evidence Base for nature in the district, which will help to show how we are progressing towards our ambitions for nature recovery. We are continuing to work with neighbouring local authorities to improve our monitoring of habitats and wildlife.

CASE STUDY: Englishcombe Lane

The council is delivering 16 homes for people with autism and/or learning disabilities at Englishcombe Lane.

The development has been designed to create a tranquil and nature-rich setting, with the aim of achieving 'Building with Nature' Full Accreditation.

As well as the site being nature-rich, the decision to pursue 20% BNG has created the potential for community led biodiversity enhancement schemes in the Englishcombe area.



Opportunities for Biodiversity Net Gain at Englishcombe Lane

Highlights: Land and Investment

Managing more of our land for nature is one of the key ways the council can directly contribute to nature recovery. This year, we have utilised a variety of funding sources and projects to manage more of our land for nature, although challenges such as dealing with the impact of ash dieback remain.

- Having identified council owned sites where there are opportunities for nature recovery, including Odd Down, Entry Hill, and Lansdown, we have secured funding for a Landscape City project that will improve the city's ecological network and develop masterplans for these sites. The project will take forward ideas for an Eco Hub at Entry Hill and a proposed nature trail at Odd Down Sports Ground.
- We are beginning to utilise funding received through Biodiversity Net Gain (BNG) to fund nature recovery on council-owned sites. This includes enhancing 0.5 hectares of bramble scrub to more biodiversity-rich 'mixed scrub' at Charlcombe Meadows, and we expect to replicate this approach on other sites as the demand for BNG grows.
- Bath West Community Energy's proposed solar farm at Fairy Hill will deliver 20% BNG by delivering grassland meadow, shrub and tree planting. This demonstrates how renewable energy and nature recovery can go hand-in-hand.
- The Somer Valley Rediscovered Project is improving the management of five sites across the Somer Valley for nature. This includes delivering 34 hectares of improved, nature-rich green space in Waterside Valley, with better access for local communities and visitors.

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CASE STUDY: Waterside Valley

Through the Somer Valley Rediscovered project, we are working with local communities to improve the management of five sites across the Somer Valley for nature, including Waterside Valley.

Waterside Valley was purchased in July 2021 by Westfield Parish Council with the purpose of enhancing the land as public open space, retaining its wildlife value and natural aspect.

Further to developing a masterplan for the site in 2022 with local people and landscape architects, we are now carrying out actions to help nature and improve access for local people. This includes improving grassland management, tree planting, hedge laying, improving paths, and new interpretation boards.

Through training and volunteer days, we are empowering the local community to manage habitat and monitor wildlife on site.



Volunteers undertaking scrub management in Waterside Valley

Highlights: Land and Investment Continued

- The [Bathscape Landscape Partnership](#) continues to be an effective vehicle for improving the value of the landscape surrounding Bath for nature, while maintaining its unique character. So far, Bathscape has improved the management of 80 hectares of woodland and 100 grasslands, as well as creating 12 new flower-rich meadows.
- We awarded £90,000 of CiL funding to Your Park Bristol and Bath to manage more space for pollinators in our parks and green spaces. This was topped up by £75,000 from the West of England Combined Authority's Pollinator Fund, enabling the creation of new meadows, ponds, planting of new trees and hedgerows.
- Our '[Call for Nature Sites](#)' has resulted in 12 landowners submitting proposals for nature recovery on their land, which we can match with funding through, for example, biodiversity net gain. The proposals include the creation of species-rich grassland, hedgerows, orchards, woodland, ponds and more. The approved sites can be viewed on our [online map](#).
- Our flagship urban green infrastructure project, the [Bath River Line](#) is being delivered this year through a £1.6m investment to improve the river corridor through western Bath. The project will include a number of interventions across the route, including 7ha of green space and path being improved for nature.

CASE STUDY: Improving Bath's parks for pollinators and people

In August 2023, we awarded £90,000 of CiL funding to Your Park Bristol and Bath to manage more space for pollinators in Bath's parks and green spaces. Together with £75,000 from the Combined Authority's Pollinator Fund, this totals £165,000 to transform 18 parks for nature across the city.

In Brickfields park, Your Park has been working with University of Bath students to rejuvenate a bug hotel, sow wildflower seed around the nature pond margins, and take care of hundreds of trees planted in 2022.

And in Henrietta Park, Bee Active has been making the most of a felled tree by working with volunteers to build a stumpery. The stumpery contains sunken logs that provide habitat for invertebrates, amphibians, reptiles and small mammals, as well as being home to a variety of pollinator plants and ferns.



© Your Park Bristol and Bath

Volunteers helping to build a bug hotel.

Highlights: Access and Engagement

Alongside restoring nature, one of our key commitments is increasing residents' access to and engagement with nature. We have a variety of projects that are engaging and empowering people to take action for nature locally, especially where this helps to tackle inequalities in access to green spaces.

- The Somer Valley Rediscovered project has seen over 1,000 people attend 36 events so far in 2024, with 1,038 people attending 33 events in 2023. It has also created numerous volunteering opportunities for residents, including habitat management, wildlife surveying, and monitoring water quality.
- Page 15 Bathscape continues to engage thousands of people in and around Bath in the city's landscape through walks, events and volunteering opportunities. Bathscape's Footprints podcast was again nominated for Best Local Show at the Radio Academy Audio & Radio Industry Awards in 2024, following its first nomination last year.
- WaterSpace Connected is facilitating the construction of a new bridge across the River Avon at Somerdale, opening new opportunities for communities to connect with nature. It is also working with local residents through the Somerdale Shed to manage local green spaces for nature.
- We have published new webpages related to the [Ecological Emergency on the council website](#), enabling residents to better understand our work and how they can help wildlife in the district.

CASE STUDY: Nextdoor Nature

Following a successful bid by B&NES to the UK Shared Prosperity Fund, Avon Wildlife Trust is delivering the 'Nextdoor Nature' project in the Somer Valley. Nextdoor Nature is empowering local communities to manage green spaces for nature, working alongside 'Somer Valley Rediscovered'.

Through Nextdoor Nature, community-led projects have blossomed, including an accessible sensory garden in Peasedown, a community food-growing space outside a pub in Paulton, and improving the Manor Copse woodland and playpark for residents and wildlife.



Residents in the Somer Valley gathering to clear space for a new community garden as part of the Somer Valley Nextdoor Nature project.

Highlights: Working in Partnership

We are not able to reverse nature's decline alone, and we are fortunate to have lots of ambitious organisations taking action for nature in the district.

This year has seen several exciting developments that we have either led or supported in partnership, which are helping progress towards regional ambitions for nature recovery and meeting our manifesto commitment to double tree coverage by 2050 .

- We have supported Avon Needs Trees and the Forest of Avon Trust in securing two huge opportunities for woodland creation in BANES: the 100-acre Great Avon Wood, and the 422-acre Lower Chew Forest. These are significant contributions towards our ambition to double tree coverage across the district by 2050.
- Together with the Forest of Avon Trust, we led a successful bid to be one of the four areas in the country shortlisted for a £10 million grant to create a new 'Forest for the Nation'. If successful, this would enable us to work across the West of England, Gloucestershire and Wiltshire to expand woodland cover and improve woodland management at scale.
- We have published Guidance and Templates for Parish and Town Councils to create their own 'Nature Action Plans', empowering them to identify local opportunities and actions for nature recovery. A number of Parish and Town councils are using this opportunity to create a plan for nature.

- We supported Bristol Avon Rivers Trust in a successful bid to the West of England Green Recovery Fund to develop 'farmer clusters' in the Chew, Cam and Wellow catchments. These will be transformative in enabling us to better engage with farmers and landholders on delivering our ambitions for nature recovery.
- We have established the Chew Valley Reconnected Partnership to strengthen the Nature Recovery Network and improve the water environment in the Chew Valley. The partnership brings together members representing natural environment and community interests in the Chew Valley, led by an independent Chair.
- The Bristol Avon Catchment Partnership, which we are a supporting member of, published the [Bristol Avon Fish Recovery Strategy](#) in August 2023. The Strategy sets out how we can restore the health of our rivers and bring back thriving fish populations across the catchment.
- Building on the Fish Recovery Strategy, Bristol Avon Rivers Trust has finalised an Action Plan for improving biodiversity along the River Chew. The Action Plan will help us to focus our efforts to restore the health of the Chew through Chew Valley Reconnected.

Highlights: Working in Partnership Continued

CASE STUDY: Great Avon Wood and Wick Farm

Partnership working is proving critical to achieving our ambition to double woodland cover across BANES, demonstrated by two landmark new woodlands in the district

The '[Great Avon Wood](#)', a ground-breaking partnership between Avon Needs Trees (ANT) and the Forest of Avon Trust, is well on its way to creating a 100-acre woodland north of Pensford, the largest woodland creation project on record for the West of England.

This impressive new woodland will soon be trumped in size by the ANT's recent purchase of 422 acres of land near Compton Dando, which will be transformed into the [Lower Chew Forest](#). Lower Chew Forest will be home to 100,000 trees and a mosaic of nature-rich habitats, including wetlands, miles of hedgerow, and species-rich grassland.



Volunteers planting trees in the Great Avon Wood

Together, the two new woodlands could increase woodland cover across B&NES by almost 7%, making a significant contribution towards our ambition of doubling tree coverage across the district by 2050.

In addition to this, a successful Landscape Recovery Fund bid led by ANT will lead to farmers and landholders collaborating to deliver more trees and woodlands across 2,500 acres of land near to Lower Chew Forest. This could include new woodland, hedgerows, field trees and agroforestry, where trees are incorporated alongside grazing or crop production.



Trees planted in the Great Avon Wood

Economic Strategy

Our new [Economic Strategy 2024-2034](#) sets out our priorities across six pillars: greener economy, good work, resilient business, creativity and innovation, housing affordability, and stronger places. Actions across these pillars will drive our overarching vision – *Bath with North East Somerset: Ambitious Together for a Fair, Green, Creative and Connected City Region*.

Tackling the climate and ecological emergencies is at the heart of our Economic Strategy, as our new economy must be a green one. Actions relating to the climate and ecological emergencies cut across the pillars, with headlines including:

Greener Economy: Delivering net zero & nature positive and enhancing our natural assets.

- Build local energy generation capacity and demand for energy saving measures.
- Support businesses to deliver net zero and nature positive in BANES.
- Create opportunities for residents to train and upskill for future green economy jobs.
- Develop BANES to be a broad green economy.

Resilient Business: Building a diverse, creative and sustainable business base.

- We will invest in the infrastructure businesses need.
- We will promote alternative business models and community-led action.

Housing Affordability: Ensuring residents have access to affordable and high quality housing.

- We will deliver high quality and sustainable housing for future generations.

Stronger Places: Enabling all people and places to share in prosperity.

- We will improve & invest in sustainable connectivity within Bath and North East Somerset and to the subregion.
- We will promote place-based strengths to drive economic growth in urban centres and rural areas.
- We will support local food supply chains and food security.

Specific actions set out within the Strategy bolster our response to the climate and ecological emergencies and are included in Annex A. Progress and next steps will be shared in future reports.

References

- 1 – Kate Raworth (2017), Doughnut Economics: Seven Ways to Think Like a 21st Century Economist
- 2 – The Climate Change Committee (2020), [Local Authorities and the Sixth Carbon Budget](#).

Progress on Actions

Progress on Actions – Climate and Ecological Emergency Action Plans

The following pages provide an update on our key actions contained within both our Climate Action Plan for 2023-24 and Ecological Emergency Action Plan. Alongside each action, progress update and next steps, there is a numbered progress rating. The ratings correspond to the below:

- 1 = Action/strategy still in formation
- 2 = Action/strategy in place, but with no current outputs
- 3 = Action/strategy well underway with current outputs
- 4 = Action/strategy mature, with plans for redevelopment or additions
- 5 = Bespoke action/strategy now complete and considered finished

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The Ecological Emergency Action Plan will remain the same for the 2024-25 year, but an updated Climate Action Plan has been included.

Progress on Actions – Climate Emergency – Decarbonising Buildings

No.	Action	Progress Update	Next Steps	Progress Rating
1.1	Development of strategic approach to home energy efficiency retrofit and decarbonisation of heat.	<p>In partnership with the Mayoral Combined Authority, we have been involved in the setup of Retrofit West which aims to accelerate delivery of retrofit outside of the grant funded schemes for low-income households.</p> <p>The new Green Heritage Homes project, in partnership with BWCE and Bath Preservation Trust aims to increase the rate of sensitive retrofitting of historic and listed buildings by growing knowledge and confidence among householders and professionals.</p>	<p>Create of a cross-council working group to ensure a shared approach to retrofit of council-owned buildings.</p> <p>Respond to the outcome of Heat Network Zoning consultation from Government (date TBD).</p> <p>Identify further opportunities to partner with community organisations and bring in funding to support uptake of retrofit measures.</p> <p>Work with WECA, Bristol and South Gloucestershire on the Heat from Mines desktop feasibility study, by May 2025.</p>	1
1.2	Energy profiling of the housing stock in BANES and analyse cost effective interventions.	Completed		5

Progress on Actions – Climate Emergency – Decarbonising Buildings 2

No.	Action	Progress Update	Next Steps	Progress Rating
1.3	Promote government grant schemes including for low-income households, to maximise uptake locally. Explore options to increase direct support for low-income households.	Currently delivering Bright Green Homes scheme with Bristol City Council (City Leap) and North Somerset Council, with 52 eligible households from Bath and North East Somerset to date. Work is ongoing to widen reach of the scheme.	Continue to bid for further Government funding for grants. Continue to raise awareness and use of current support offers, for example, through the Energy at Home website.	3
1.4 Page 63	Develop communication strategies to drive public interest and access to information about retrofit and domestic renewables.	<p>Retrofit Plan Builder tool using Parity Projects data now available for residents to use on the Energy at Home website.</p> <p>Communications are ongoing across the Combined Authority area to raise the profile of the Retrofit West Programme.</p> <p>Our Green Open Homes weekend in November, delivered in partnership with BWCE, Bath Preservation Trust, Buro Happold and Transition Bath, saw nearly 800 people visit 22 properties in Bath and the Chew Valley.</p>	<p>Continue to update the Energy at Home website to make it more useful to residents.</p> <p>Further develop communications approach to amplify support available for retrofit and renewables, e.g. via Green Heritage Homes, Green Open Homes and Solar Together projects.</p> <p>Ongoing preparations for Green Open Homes 2024 with more events with partners including BWCE.</p>	3

Progress on Actions – Climate Emergency – Decarbonising Buildings 3

No.	Action	Progress Update	Next Steps	Progress Rating
1.5	Develop planning policies and guidance to enable energy efficiency improvement of buildings.	<p>The Local Plan Partial Update was adopted in 2023, which amended or updated parts of the adopted Core Strategy and Placemaking Plan to better address the council's priorities, in particular, the climate and ecological emergencies. The Local Plan 2022-42 Options document public consultation closed in April 2024. Policy approaches consulted on included: energy based sustainable construction requirements for new residential and non-residential development, embodied carbon assessment requirements and a retrofit/reuse-first approach to applications involving demolition of an existing building.</p>	<p>The representations received from the public consultation will be reviewed and further evidence work will be undertaken if needed. This will inform the policy approach taken forward in the Draft Plan, which is due to be completed by end 2024.</p>	1

Progress on Actions – Climate Emergency – Decarbonising Transport

No.	Action	Progress Update	Next Steps	Progress Rating
2.1	Development of a suite of capital programmes to contribute to a reduction in car use by 25% in BANES.	Significant investment is planned as part of the CRSTS. Projects funded through this scheme should enable a shift towards lowering transport emissions and giving people more travel choices. Public engagement undertaken on projects including the Bristol to Bath, Somer Valley Links, and Bath City Centre.	Bristol to Bath Sustainable Corridor - tendering for detailed design. Somer Valley Links - Project handover from WECA to B&NES due Summer 2024 for full business case and delivery.	3
2.2	Increasing ability to estimate whole-life carbon emissions of transport impact from development projects.	West of England Regional Transport Model (WERTM) is now in use to allow for the estimation of the user impacts of proposed interventions. CRSTS projects are producing Carbon Management Plans (CMP) to design out high embedded carbon early in the design process and to influence choices. Embedded carbon in materials to be quantified (part of CMP).	Ensure that all infrastructure projects have a Carbon Management Plan as part of the brief. Ensure embedded carbon is quantified and included in the monetised impacts assessments so that it is included in the Benefit Cost Ratio.	3

Progress on Actions – Climate Emergency – Decarbonising Transport 2

No.	Action	Progress Update	Next Steps	Progress Rating
2.3	Work with NGED as DNO/DSO to increase grid capacity in BANES to allow for faster rollout of EV fast chargers.	Delivery of EVI is mainly limited by local infrastructure at sub-station level, resolved through project build upgrades. Apr'23 saw project related network upgrade costs become DNO responsibility, amortised across all customer bills. Continued DNO operational engagement meetings, discussing EVI plans with DNO officers.	DNO plans introduction of automated application assessment software, addressing admin bottleneck. Continue DNO operational meetings, focusing on supporting significant EVI work packages of WECA Green Recovery Fund (GRF) and OZEV Local Electric Vehicle Infrastructure (LEVI) fund.	3

Progress on Actions – Climate Emergency – Increasing Local Renewable Energy Generation

No.	Action	Progress Update	Next Steps	Progress Rating
3.1	Develop an evidence base to inform new Local Plan and future workstreams regarding potential deployment of renewable energy in BANES.	<p>The evidence base, the Renewable Energy Resource Assessment (technical resource assessment) has been published.</p> <p>The Local Plan Partial Update was adopted in 2023. The Local Plan 2022-42 is in progress with the Options document setting out the proposed updates to renewable energy policies. The public consultation closed in April 2024.</p>	<p>The representations received on the Options document from the public consultation will be reviewed and further evidence work will be undertaken if needed. This will inform the policy approach taken forward in the Draft Plan, which is to be completed for the end of the year.</p>	4
3.2	Develop communication and engagement strategies to drive public interest and access to information and expertise about renewable energy.	[Action combined with #1.4]		n/a
3.3	Development of Energy Strategy to provide strategic framework and outline of short and longer-term actions.	<p>The Mission Net Zero project has launched. The project will develop a Local Area Energy Plan and Climate Investment Plan for the West of England region. This will give the council detailed data on which to base our Energy Strategy.</p>	<p>Work under way to develop the Energy Strategy with internal and external stakeholders.</p>	1

Progress on Actions – Climate Emergency – Decarbonising Council Operations 2

No.	Action	Progress Update	Next Steps	Progress Rating
4.2	Put in place the framework and policies for measuring and reducing the council's Scope 3 emissions.	Limited progress on Scope 3 emissions to date. Analysis is available on where our scope 3 emissions are coming from and we have continued to learn from partners about best practice in this area. Specific work has been undertaken for our heritage estate scope 3 which will provide a pilot for a full-council approach.	Develop and pilot approaches to measurement with key teams and suppliers. Set out approach as part of updated Climate Emergency Strategy.	2
4.3	Waste Services action to reduce operational carbon emissions.	The Pixash Lane site is completed and opened to the public in 2023. The site includes a 780 KWP solar array, EV charging, waste-water recycling for vehicle washing and >10% biodiversity net gain.	Further scoping for potential electrification of waste fleet, more detail under action 4.5.	4
4.4	Property Services projects to reduce carbon emissions from the Council's corporate estate.	[Action combined with #4.1]		n/a

Progress on Actions – Climate Emergency – Decarbonising Council Operations 3

No.	Action	Progress Update	Next Steps	Progress Rating
4.5	<p>Decarbonising Council fleet programme.</p>	<p>Set up Fleet Transition working group, including data analysis and electric vehicle infrastructure expertise.</p> <p>Robust initial assessment of baseline emissions from fleet operations, based on existing organisational fuel usage data.</p> <p>Outlined fleet replacement schedule. Assessing the provision of electric vehicle infrastructure at Pixash to support future fleets.</p> <p>Determined feasibility and requirements for a support study by external Fleet Transition experts.</p> <p>Identified current availability of battery electric Refuse Collection Vehicles (RCV).</p> <p>Trialled one type of electric refuse truck in 2024 over several weeks.</p>	<p>The Energy Savings Trust (EST) will be carrying out a detailed feasibility study starting at the end of May to cover:</p> <ol style="list-style-type: none"> 1. Establish zero emission vehicle alternatives to current fleet 2. Assess whether alternatives are fit for purpose and required duty cycles 3. Analyse CO2 savings and whole life costs of alternatives 4. Establish the charging infrastructure requirements. <p>Further trials of electric refuse trucks with different manufacturers will be carried out over the coming months. Once the feasibility study is complete and vehicle trials have been carried out, an initial Fleet Transition Plan will be produced for review by Council.</p>	3

Progress on Actions – Climate Emergency – Decarbonising Council Operations 4

No.	Action	Progress Update	Next Steps	Progress Rating
4.6	Aligning council policies and plans.	<p>The updated Corporate Strategy, agreed in July 2023, continues to prioritise tackling the climate and ecological emergencies. In addition, the Corporate Strategy is informed by doughnut economic principles, which are being further embedded across Council strategic planning and decision making through the use of a bespoke doughnut decision tool.</p> <p>The Council's Economic Strategy is informed by doughnut economic principles, and supports dedicated action on climate and nature, through a focus on creating a Greener Economy, as well as actions promoting green skills, resilient businesses and places, and sustainable tourism.</p> <p>The Local Plan Options consultation included strengthened policies supporting climate and nature goals.</p>	<p>Continue to ensure that the Local Plan development supports strong environmental policies.</p> <p>Develop implementation plans for the Economic Strategy, including action to deliver Greener Economy commitments through the annual updating of our Climate Action Plan.</p> <p>Continue to develop climate and nature KPIs/reporting.</p> <p>Develop and agree internal business case guidance on costing non-delivery of net zero targets to prioritise options that reduce emissions.</p>	4

Climate Action Plan – New actions for 2024-25

No.	Action for 2024-25
Buildings	
1.1	a) Deliver level 0 planning advice to 24 homeowners and 10 full pre-app advice
	b) Develop online guidance pages for Green Heritage Homes project
	c) Engage planners in GHH training modules to enable more planning approvals for retrofit of listed buildings
1.2	Support the programme of Green Open Homes events with Bath and West Community Energy
1.3	Work with West of England Combined Authority and local delivery partners to promote Retrofit West advice and support to B&NES residents ensuring uptake is proportional to other Unitary Authority areas
1.4	Support town and parish Councils and community groups to access funding and expertise to retrofit Community Buildings
1.5	Promote WECA Green Business Grants to support rollout of rooftop solar and heat pumps to commercial buildings
Transport	
2.1	Detailed plans for transport are set out in the Journey to Net Zero plans for Bath and for North East Somerset
Renewables	
3.1	Ensure the Local Plan provides a supportive policy environment to reach the target of 300MW of in-District generation by 2030 with updated policy re enabling wind development in line with new central government policy.
3.2	Develop a Local Area Energy Plan for Bath & North East Somerset through the regional Mission Net Zero project (completion date November 2025).

Climate Action Plan – 2024-25

No.	Action
3.3	Develop a business case for Council to co-invest in renewables sites for local Community Energy projects via a Joint Venture
3.4	Support development of local Community Energy groups through Cooperation Agreements, exploring opportunities for joint projects to accelerate delivery (including solar project with Keynsham Community Energy on Keynsham Leisure Centre)
3.5	Work with Distribution Systems Operator and new Regional Energy System Planner to understand grid opportunities and constraints locally, and unlock new investment to meet future demand
Council	
4 Page 74	Develop an implementation plan for decarbonisation of the council's own vehicle fleet.
	Develop a full plan for heat decarbonisation of Corporate Estate by 2030 including costed Heat Decarbonisation Plans for each significant building
	Develop pipeline and costing for 12MW Council owned renewable generation by 2030 (including a minimum 2MW of wind), and deliver an additional 230KW installed capacity in 2024-25
	Develop and pilot approaches to measure and reduce Council Scope 3 emissions. Set out approach as part of updated Climate & Nature Strategy.
Other	
5.1	As part of the development of the new Climate & Nature Strategy, set out our approach to climate change adaptation and resilience, including identifying priority actions.

Progress on Actions – Ecological Emergency – Leadership and Evidence

No.	Action	Progress Update	Next Steps	Progress Rating
1.1	Integrate the ecological emergency into the strategic framework that will be set out in the next Corporate Strategy (2024-)	Corporate Strategy published in 2023, including references to the Ecological Emergency. Action Completed.		5
1.2	Roll-out and embed a Council-wide decision support tool to ensure potential impacts on nature inform all major decisions and projects across the Council, mitigating impacts where necessary.	We have developed a decision support tool, the 'outer ring' of which reflects considerations needed for addressing the Ecological Emergency.	Continue roll-out of the tool across the Council and help to refine the outer ring as needed. Develop advice and guidance on how to determine project outcomes for the considerations in the outer ring.	4
1.3	Ensure the Council's Commercial Strategy supports the vision of being Nature Positive by 2030 and helps tackle the ecological emergency. This should include a framework for using the West of England Nature Recovery Network and, when published, the West of England Local Nature Recovery Strategy, to inform land acquisition, management and disposal.	Initial discussions have been held to identify the best opportunities for nature recovery within the corporate landlord programme.	Integrate nature recovery into the objectives and measures into the corporate landlord programme. Develop the asset challenge framework and drafting of the policy.	2

Progress on Actions – Ecological Emergency – Leadership and Evidence 2

No.	Action	Progress Update	Next Steps	Progress Rating
1.4	Produce and deliver an ecological emergency literacy training programme for Council employees and members.	We have searched for any national resources that we could utilise, which do not exist. From initial scoping of content that would be useful, developing a programme for B&NES alone will be resource intensive.	Explore options for a regional (West of England) programme with the Combined Authority and other Unitary Authorities to make better use of regional resources.	2
1.5 Page 76	Produce a guidance note for renewable energy projects, including solar and wind developments, to embed management for nature into their schemes.	We are working on including guidance on integrating biodiversity in solar development into the pre-application process for solar developments.	<p>Confirm suitability of guidance, integrate into pre-application process and publish on website.</p> <p>Following publication, check that guidance it is being used by applicants.</p>	3
1.6	Ensure policies and guidance in the new Local Plan address the ecological emergency and improve access to nature, and consider adopting Building with Nature standards.	<p>The Local Plan Options Document included options to adopt the Natural England GI Framework standards, including an Urban Greening Factor, and to Incorporate Natural England Green Space standards.</p> <p>There is also a policy option to include a requirement for new street lined trees, a locally agreed tree canopy cover target, and incorporate the 'right tree, right place' principle.</p>	The representations received from the public consultation on the Local Plan will be reviewed and further evidence work will be undertaken if needed. This will inform the policy approach taken forward in the Draft Plan, which is due to be completed by end 2024.	4

Progress on Actions – Ecological Emergency – Leadership and Evidence 3

No.	Action	Progress Update	Next Steps	Progress Rating
1.7	Evaluate the feasibility of setting a higher requirement for biodiversity net gain, above the mandatory figure of 10%.	<p>Mandatory biodiversity net gain (BNG) has been in force since January 2023, over a year ahead of the national deadline. The policy has resulted in 74 ‘Biodiversity Units’ being required so far, equivalent to restoring 27 ha of neutral grassland from poor to moderate condition.</p> <p>The Local Plan Options Document included options to require 20% biodiversity net gain.</p>	<p>Develop an evidence case for 20% BNG policy to support the next stage of the Local Plan.</p> <p>Ascertain the BNG requirements for the site allocations in the Local Plan, and consider how these will be delivered.</p>	2
1.8	Review and update the Council’s approach to food to integrate opportunities to reduce the impact of food production on nature.	Internal stakeholder group for Food Strategy development first met in Feb 2024.	Publish Food Strategy and ensure it helps to address Ecological Emergency.	1
1.9	Incorporate standards related to nature recovery in the council’s minimum standards for procurement.	Our procurement form has been updated to better reflect Ecological Emergency. We have discussed the best opportunities to reduce impact on nature through procurement in March 2024, ahead of the updating of the B&NES Procurement Strategy in 2024.	Update the B&NES Procurement Strategy to ensure it better reflects opportunities to reduce impact on nature.	3

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Progress on Actions – Ecological Emergency – Land and Water Management

No.	Action	Progress Update	Next Steps	Progress Rating
2.1	Identify and deliver opportunities for nature recovery and biodiversity net gain on the following sites as a priority: Entry Hill, Odd Down Sports Ground, The Approach Golf Course and Lansdown, and then on B&NES Council’s wider estate.	<p>Funding from West of England Green Recovery Fund (GRF) for development of Entry Hill Ecology Centre has been secured.</p> <p>An Odd Down nature trail and habitat creation through biodiversity net gain has been included in a planning application for a new Odd Down Sports Pavilion.</p> <p>The potential for a nature park at Lansdown is being explored.</p>	<p>Develop proposal for Entry Hill Ecology Centre if GRF bid successful.</p> <p>Continue delivery of nature improvements at Odd Down.</p> <p>Ascertain potential for joint solar and nature park at Lansdown.</p> <p>Opportunities for use of additional council assets for nature recovery will also be explored, including through the expansion of the council’s BNG Pathfinder project and the possible recruitment of a land advisor.</p>	3
2.2	Package together and fund already-identified opportunities for improving the management of our parks and green spaces for nature.	<p>Successful application to Pollinator Fund to provide more nature-rich space for pollinators in our parks and green spaces. Site database produced with potential for nature recovery action, but lack of bid opportunities/resource to develop bids has meant this hasn't progressed beyond the fund.</p>	<p>Continue to monitor opportunities for funding.</p>	3

Progress on Actions – Ecological Emergency – Land and Water Management 2

No.	Action	Progress Update	Next Steps	Progress Rating
2.3	Design, fund and deliver a training programme for operational staff on how to better manage parks and green spaces for nature.	Parks and Green Spaces staff have completed training on managing grassland for nature. The CPRE Hedgerow Heroes project has also provided training on hedgerow laying and management	Continue to monitor potential funding sources that could enable us to deliver additional training.	3
2.4	Adjust cutting regimes of highways verges where there is scope for improved management for nature.	Not progressed in 2023/24.	Review the Wildthings verges project from ~2000, which assessed verge habitat interests and need for improved management. Explore restarting the project and calling out for other verges of interest to be identified.	1
2.5	Produce a B&NES Tree and Woodland Strategy for 2023-30, including plans for increasing tree and woodland cover, and improving woodland management on our own estate.	A first draft of the Strategy was produced in early 2024.	Finalise the Strategy and ensure it adequately addresses the ecological emergency.	4

Progress on Actions – Ecological Emergency – Land and Water Management 3

No.	Action	Progress Update	Next Steps	Progress Rating
2.6	Create an improved 45-hectare nature park at Somerdale, Keynsham as part of WaterSpace Connected and in partnership with Taylor Wimpey.	The WaterSpace Connected project is working with landowners Taylor Wimpey to improve the space. They are currently exploring options for land management that would maximise nature gain and people engagement.	Develop a masterplan for the nature park.	3
2.7	Extend the Bathscape Partnership Scheme to 2025 and develop the project through to 2030.	Awaiting the official sign off from the lottery for an extension to the Bathscape Partnership to 2026. EOI submitted to West of England Green Recovery Fund to support development of next phase submitted Dec 2023, expect to be successful as of May 2024.	Following confirmation of GRF funding, develop next phase of Bathscape.	3
2.8	Deliver 34 hectares of improved, nature-rich green space in and around Midsomer Norton, Westfield and Radstock as part of Somer Valley Rediscovered.	This is being delivered through Somer Valley Rediscovered. See the Somer Valley Rediscovered website for further detail.	Continued delivery through Somer Valley Rediscovered; completion planned for 2025.	3
2.9	Establish the Chew Valley Reconnected Partnership (CVRP) to coordinate activity among stakeholders and communities to enhance the natural environment of the Chew Valley.	Partnership established in 2023, and is ongoing through the Chew Valley Reconnected project.	Continue to support and coordinate the Chew Valley Reconnected Partnership (CVRP).	4

Progress on Actions – Ecological Emergency – Nature-Based Solutions

No.	Action	Progress Update	Next Steps	Progress Rating
3.1	Identify priority areas for nature-based solutions to localised flooding and runoff of pollutants from the road network and developments; and facilitate partners, including Bristol Avon Rivers Trust and FWAG SW, delivering targeted solutions with landowners.	<p>Met with Bristol Avon Rivers Trust (BART) to discuss opportunities and provide mapping to facilitate identifying of opportunities.</p> <p>Further progress has not yet been possible due to competing priorities but will be picked up in the coming year.</p>	<p>Explore further whether investment in nature-based solutions is feasible at this stage.</p> <p>South Gloucestershire Council and BART are working on a Green Recovery Fund-funded project on this subject, which we will be able to engage with and learn from.</p>	1
3.2	As part of the development of the Local Plan 2025, require developments to deliver Sustainable Urban Drainage Systems (SuDS) that meet adoptable standards and benefit wildlife.	Included as an Option in Local Plan Consultation.	<p>The representations received from the public consultation on the Local Plan will be reviewed and further evidence work will be undertaken if needed. This will inform the policy approach taken forward in the Draft Plan, which is due to be completed by end 2024.</p> <p>Ensure any policy reflects best practice and opportunities, and links with Green Infrastructure policy and standards.</p>	4

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Progress on Actions – Ecological Emergency – Nature-Based Solutions 2

No.	Action	Progress Update	Next Steps	Progress Rating
3.3	Work with Bristol Avon Rivers Trust to restore the River Chew. This will involve identifying, costing and evaluating options for removal or retrofitting of weirs and other barriers to fish passage within the Chew catchment, river habitat restoration, and accessing funding for priority projects.	<p>Bristol Avon Rivers Trust (BART) has completed the detailed Chew Fish Recovery Action Plan, which fulfils the first part of this action.</p> <p>We are working with BART to undertake feasibility work for the removal of the weir and creation of a new wetland area in Keynsham Memorial Park. This has been funded through the Water Environment Investment Fund, BART and the Council with in-kind support provided by EA.</p>	Engage with BART and farm cluster on delivery of the Action Plan, particularly through Chew Valley Reconnected. We anticipate that the proposed Chew Farm Cluster (see 6.8) will better enable delivery of the Chew Fish Recovery Action Plan.	3
3.4	Pilot bat-friendly lighting to reduce the impact on light pollution on wildlife along the Avon River corridor (as part of WaterSpace) and use this to inform our approach to street lighting.	We have begun working with the Bath University bat research lab to explore a joint research project on bat-friendly lighting solutions in BaNES.	We are developing a new partnership approach with the University to developing bat-friendly lighting solutions on the Bristol Bath Railway Path, along the River Avon corridor, and other active travel routes.	2

Progress on Actions – Ecological Emergency – Nature-Based Solutions 3

No.	Action	Progress Update	Next Steps	Progress Rating
3.5	Produce a toolkit of ecological interventions for highways, infrastructure and regeneration projects that are easy to deliver at low cost and that can contribute to delivery of biodiversity net gain.	A report on the most beneficial interventions has been produced.	Scope out initial list of interventions from this report for internal discussion. Explore links with Green Infrastructure standards	2
3.6 Page 83	Scope out opportunities for the use of nature-based solutions for climate change mitigation (carbon sequestration) and adaptation across the district, and options for funding/financing these.	B&NES is part of a West of England group set up to work on climate adaptation, including the potential for nature-based solutions.	Continue to work with WoE Group to ascertain the need for climate adaptation and identify opportunities for nature-based solutions and how these might be funded. Work with / support carbon off-setting policy requirements.	2
3.7	Use the Invest in B&NES website, as well as other established channels of communication, to better communicate the opportunities to invest in nature for businesses.	The West of England Local Nature Recovery Strategy development involved engaging with businesses on opportunities to invest in nature. Following this, we are now part of regional work to develop a nature forum for businesses.	Continue to support the development of a regional nature forum for businesses. Once the forum is established, identify any resulting opportunities to better engage businesses in B&NES in nature recovery.	3

Progress on Actions – Ecological Emergency – Access and Engagement

No.	Action	Progress Update	Next Steps	Progress Rating
4.1	Seek funding for a dedicated post (or posts) for the Neighbourhood Nature Areas scheme, supporting communities in active management of their local green and blue spaces for nature.	We submitted a successful bid to the UK SPF for a 'Nextdoor Nature' project in the Somer Valley, which delivers these objectives in that area and is run by Avon Wildlife Trust (AWT). The project started in mid-2023.	Continue to support Avon Wildlife Trust in delivering the 'Nextdoor Nature' project in the Somer Valley. Monitor opportunities for funding posts in other areas or across the whole of BANES.	3
4.2 Page 84	Create a dedicated Council webpage on the ecological emergency, and use this as a hub to communicate the work we are doing to address the ecological emergency and how residents can contribute towards nature recovery.	Action completed. A number of webpages were published in 2023, providing residents with more accessible information on the ecological emergency.	Maintain and add to webpages as required to ensure information on how we are tackling the ecological emergency is kept up-to-date.	5
4.3	Embed tackling the ecological emergency within the Bath World Heritage Site Management Plan, explore opportunities for celebrating our natural environment as heritage, and better integrate the ecological emergency within communications related to heritage.	The Bath World Heritage Site Management Plan is currently being drafted, and we are working to ensure it best reflects opportunities for nature recovery.	Finalise and publish the updated Bath World Heritage Site Management Plan and deliver any relevant actions resulting from that Plan.	3

Progress on Actions – Ecological Emergency – Access and Engagement 2

No.	Action	Progress Update	Next Steps	Progress Rating
4.4	Work with partners to establish a social prescribing network within B&NES and make available grants for providers of nature-based activities to build their capacity.	A BANES Green Social Prescribing Providers meeting has been set up through Somer Valley Rediscovered, and Bath City Farm are hosting an event on 20th June to showcase GSP to health professionals.	The West of England Nature Partnership (WENP) Nature and Health Coordinator now has additional capacity to take this forwards due to funding arrangements. The new 3SG Social Prescribing Manager is in the process of creating a BANES social prescribing strategy, which we are now engaging with.	3
4.5	Incorporate actions to improve people's access to nature within the developing Joint Health and Wellbeing Strategy for Bath and North East Somerset.	Joint Health and Wellbeing Strategy published in 2023.	Explore opportunities resulting from the Strategy to improve people's access to nature.	5
4.6	Create apprenticeships, work placements and/or other opportunities for work within the GI & Nature Recovery team, land management and/or ecologists within B&NES.	We have not progressed this action due to a lack of resource to define and develop roles, and to support roles once in place.	Explore opportunities with universities for student placements or projects, which would be less resource intensive.	1

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Progress on Actions – Ecological Emergency – Evidence and Monitoring

No.	Action	Progress Update	Next Steps	Progress Rating
5.1	Produce a ‘State of Nature’ framework for B&NES, including an ‘ecological baseline’ and wildlife index for B&NES to measure progress against, and targets for nature recovery.	<p>Strategic Evidence Base, including information on the natural environment, finalised and published. Ecological emergency indicators have been developed for our internal reporting hub.</p> <p>We are now working in partnership through the West of England Environmental Data Group to develop a regional wildlife index, which could be refined for B&NES, and to develop a regional monitoring framework for nature recovery.</p>	<p>Update our Strategic Evidence Base and ecological emergency indicators with new information as it becomes available.</p> <p>Continue to work with the West of England Environmental Data Group to agree a regional monitoring framework for nature recovery and a regional wildlife index this year.</p>	3
5.2	Trial repeatable techniques for monitoring wildlife populations (such as insect traps or standardised bird counts) on sites owned or managed by B&NES Council, to help evaluate of the effectiveness of interventions for nature.	<p>We are now working on this action in partnership through the West of England Environmental Data Group.</p>	<p>Continue to progress through West of England Environmental Data Group.</p> <p>Explore opportunities for trialling novel monitoring solution such as acoustic monitors, perhaps through the council's pathfinder sites in conjunction with community groups.</p>	2

Progress on Actions – Ecological Emergency – Evidence and Monitoring 2

No.	Action	Progress Update	Next Steps	Progress Rating
5.3	Continue to monitor change in tree canopy cover across BANES, updating the figure at least every three years based on a baseline of 16.5% in 2020.	Approach to monitoring agreed at the West of England level through the regional Tree and Woodland Group.	Use agreed West of England approach to monitor tree cover in BANES.	4
5.4	Survey the condition of Sites of Nature Conservation Interest (SNCIs) within BANES to identify those that lack management plans or are in unfavourable condition and use this evidence to prioritise improvements in management, with an initial focus on SNCIs under B&NES Council ownership.	<p>Desktop exercise completed, and initial round of visits to council-owned SNCIs completed.</p> <p>Engaging with West of England Environmental Data Group on a regional approach to prioritising monitoring of all SNCIs (i.e. not just council-owned).</p>	<p>Further analysis of management needed and actions to be identified to get council-owned SNCIs to good management.</p> <p>Apply regional approach to BANES once agreed.</p>	3
5.5	Combine access to green space mapping with data on multiple deprivation to identify priority areas for improving access to green space.	The developing Green Infrastructure Strategy will be mapping access to green space across the district and using this information alongside data on multiple deprivation to identify priority areas.	To be progressed through the Green Infrastructure Strategy, which is expected to be published in December 2024.	5

Progress on Actions – Ecological Emergency – Evidence and Monitoring 3

No.	Action	Progress Update	Next Steps	Progress Rating
5.6	Include questions in the Council's Voicebox survey from 2023 onwards that monitor people's interest in and engagement with nature.	Questions regarding people's engagement with nature and green spaces included in Voicebox survey 2023 (Question 5). The findings from this report can be found online (link).	Refine questions for 2024 as needed.	5
5.7	Develop and implement a single corporate reporting approach that aligns reporting to government on the implementation of the enhanced NERC duty on Local Authorities with internal reporting on delivery of the Ecological Emergency Action Plan.	NERC duty first consideration completed and presented to senior leadership in 2023.	Approach and scope of reporting to be developed, including regional collaboration.	3

Progress on Actions – Ecological Emergency – Working in Partnership

No.	Action	Progress Update	Next Steps	Progress Rating
6.1	Produce guidance and a template to support parish and town councils in producing Local Nature Action Plans, and ensure these are linked with Avon Wildlife Trust’s Wildlife Champion Network.	‘Nature Action Plan’ guidance and template published in early 2024 and communicated to Parish and Town Councils.	Continue to support Parish and Town Councils in producing NAPs as required.	5
6.2	Support the Forest of Avon Trust and Avon Needs Trees in delivering the ‘Great Avon Wood’ within BANES, providing a new woodland for nature and people, and in their work to establish more trees and woodlands across BANES.	Support provided to the design of the Great Avon Wood. Work now ongoing by Forest of Avon Trust and Avon Need Trees to establish the woodland.	Provide support to Forest of Avon Trust and Avon Needs Trees as required.	4
6.3	Engage with the Beaver Management Group to identify opportunities for restoring biodiversity, re-naturalising waterways and delivering nature-based solutions to flooding, as well as potential challenges, related to the beaver population in BANES.	In contact with Avon Wildlife Trust regarding B&NES being represented on the Beaver Management Group.	Secure representation on the Beaver Management group. Identify ways in which the presence of beavers can deliver nature-based solutions, and how B&NES Council can help to overcome any potential challenges.	2

Progress on Actions – Ecological Emergency – Working in Partnership 2

No.	Action	Progress Update	Next Steps	Progress Rating
6.4	With partners, agree and implement robust measures to sustain and enhance the bat populations of our European-designated sites, including securing a long-term plan for Combe Down Stone Mine and finalising the bat SAC guidance for B&NES.	Joint visit undertaken to review scheme and explore options for securing legacy of mine stabilisation project.	Update and publish SAC guidance for B&NES. Establish internal working group to guide long term legacy of stabilisation project.	2
6.5	Work with National Trust and local residents to establish a nature-rich, accessible wildlife corridor from Bath to Bathampton Meadows.	National Trust led community engagement on what is important to residents in 2023 - the responses indicated there is widespread support for habitat improvements. Some habitat improvements have also begun, including hedge laying.	Continue to support and engage with National Trust in improving management for nature and improving access to Bathampton Meadows for residents.	3
6.6	With partners, ascertain the need and capacity for a sustainable strategy for long-term restoration and management of key grassland sites across BANES or the wider West of England region.	Pathfinder Project through Somer Valley Rediscovered has explored options and feasibility of bringing derelict grasslands sites into active management. Progress on a wider strategy has been put on hold while the West of England Local Nature Recovery Strategy (LNRS) is being developed.	Following publication of the LNRS, explore the appetite for developing an approach for restoring and managing grassland sites across WoE. Explore opportunities for grassland restoration on corporate estate, including working to develop countryside management service.	2

Progress on Actions – Ecological Emergency – Working in Partnership 3

No.	Action	Progress Update	Next Steps	Progress Rating
6.7	Enable and support partners in engaging farmers and landholders on managing land for nature in strategic locations and directing them to funding to do so, focusing initially on the Somer Valley and the River Avon corridor.	West of England Local Nature Recovery Strategy (LNRS) development is ongoing, which will provide farmers and landholders with a tool to ascertain how they can best help nature in strategic locations, and links to funding and guidance.	LNRS to be published later this year. If the establishment of a farmer cluster (see 6.8) in the Somer Valley is successful, begin engagement with this Cluster. Scope out engagement in Avon Corridor with BART and Natural England through Waterspace Connected.	3
6.8	Support farmers in creating farmer clusters within BANES, enabling us to engage with farmers and landholders at a landscape scale; and work with the Duchy of Cornwall, FWAG SW and other partners to spread good practice from exemplar farms.	Bristol Avon Rivers Trust (BART) submitted a successful bid to establish Farm Clusters in the Chew Valley, and the Cam & Wellow, both key areas for BANES.	Support BART in the establishment of farm clusters and use these as opportunities to engage with farmers on delivery of strategic priorities.	3

Progress on Actions – Economic Strategy – Greener Economy

No.	Action [Progress Updates & Next Steps Provided 2025]
Build local energy generation capacity and demand for energy saving measures.	
1.2	Promote the Energy@Home service to residents on low incomes to increase take up of grant support and advice.
1.3	Work with Bath and West Community Energy to increase awareness of their renewable energy projects and support.
1.4	Scope community green bonds to help local residents to invest in local projects across our city, town and rural centres.
1.5	Explore the development of a Local Area Energy Plan, working with sector and regional partners, to ensure our electricity grid supports electrification and decarbonisation.
Support businesses to deliver net zero and nature positive in BANES.	
2.1	Promote WECA's free carbon surveys for SMEs and Green Business grants to help businesses invest in improving the energy efficiency of their premises.
2.2	Develop and promote BANES as a location for leading sustainable businesses (e.g. with B Corp status).
Create opportunities for residents to train and upskill for future green economy jobs.	
3.1	Work with WECA's Retrofit Academy to help local people access training for careers in retrofit.
3.2	Develop an apprenticeship programme for routes into nature and environment jobs.
3.3	Work with our education providers – including schools, Bath College, independent training Providers and universities' - to promote awareness of green jobs and green skills to the current and future workforce (such as through the FWD project).

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Progress on Actions – Economic Strategy – Greener Economy 2

No.	Action [Progress Updates & Next Steps Provided 2025]
Develop BANES to be a broad green economy.	
4.1	Continue the roll out of the council's climate literacy training, and develop ecological literacy modules, to increase understanding of climate and nature issues.
4.2	Work with WECA and regional partners to capitalise on the opportunities of the regional green economy.
4.3	Support the work of Retrofit West in developing the business supply chain for retrofit within the district.

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Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING DATE:	12th September 2024	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3542
TITLE:	Proposed Public Spaces Protection Orders to restrict alcohol consumption (resulting in anti-social behaviour) in public spaces in Bath and Midsomer Norton	
WARD:	All wards in Bath City, Midsomer Norton Redfield and Midsomer Norton North wards.	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1. Consultation responses on draft Public Spaces Protection Order for Bath City and Midsomer Norton		
Appendix 2. Draft Order: Bath City (map attached)		
Appendix 3. Draft Order: Midsomer Norton (map attached)		
Appendix 4. Equality Impact Assessment for Bath City and Midsomer Norton		
Appendix 5. Bath City & Midsomer Norton PSPO Consultation Equality Data Analysis		

1 THE ISSUE

1.1 The Public Spaces Protection Orders which restrict street drinking operating in Bath City and Midsomer Norton expire in September 2024. Public Spaces Protection Orders (PSPOs) are implemented under the Anti-Social Behaviour Crime and Policing Act 2014 (“the Act”). This report invites the Cabinet to determine whether to renew the PSPOs and therefore restrictions on street drinking in these areas, following a consultation as required by the legislation.

2 RECOMMENDATION

The Cabinet is asked to:

2.1 Consider the outcome of the consultation on Public Spaces Protection Orders to restrict street drinking in the City of Bath and Midsomer Norton.

- 2.2 Consider the legislative criteria for adopting PSPOs, as set out in Section 4 of this report.
- 2.3 In the light of 2.1. and 2.2 above make the Bath City Order and Midsomer Norton Order as set out in Appendix 2 and Appendix 3 of the report.
- 2.4 Request the Head of Legal Services or an authorised signatory on their behalf to sign and seal the Bath City Order and the Midsomer Norton Order.
- 2.5 Request the Head of Corporate Office to undertake publicity relating to any agreed Order.
- 2.6 Request the Community Safety Partnership to receive regular monitoring reports on the impact of the PSPOs, including equality impacts, and updates on support and treatment available for people who misuse alcohol including street drinkers.
- 2.7 Thank those who were involved in the consultation process and publicise the outcomes of the consultation.
- 2.8 Consider whether the decision for future PSPO Order Renewals for Bath City and Midsomer Norton should be treated as a single member decisions.

3 THE REPORT

- 3.1 The Criminal Justice and Police Act 2001 gave the Police the power to seize and dispose of alcohol if they believed someone is, has or is about to consume it where a Designated Public Place Order is in force. Failure to comply with the Police request was made an arrestable offence and punishable by a fine. Councils were given the power to “designate” and make a Designate Public Place Order where they were satisfied that nuisance or annoyance to members of the public or a section of the public, or disorder, had been associated with consumption of alcohol in that place.

The Act

- 3.2 The Anti-social Behaviour, Crime and Policing Act 2014 made a number of changes to the law on anti-social behaviour. A key change was the introduction of Public Spaces Protection Orders (PSPOs) to replace Designated Public Place Orders.
- 3.3 Statutory Guidance states that PSPOs are intended to deal with a particular nuisance or problem in an area that is detrimental to the local community’s quality of life, by imposing conditions on the use of that area which apply to everyone.

3.4 A PSPO can be made where the Cabinet is satisfied that the legal test is met in 4.1 below. In 2017 the Council agreed to implement a PSPO for the whole of the City of Bath and a further Order for public spaces around the Midsomer Norton Town Centre.

3.5 In September 2021, the Cabinet adopted the above and agreed to their continuation until September 2024.

4 STATUTORY CONSIDERATIONS

The Legal Test

4.1 Section 59 of the Act outlines the legal test which must be satisfied in order for a PSPO to be made. The Cabinet needs to be satisfied on reasonable grounds that two conditions are met:

(1) The first condition is that:

(a) activities carried on in a public place within the authority's area have had a detrimental effect on the quality of life of those in the locality, or

(b) it is likely that activities will be carried on in a public place within that area and that they will have such an effect.

(2) The second condition is that the effect, or likely effect, of the activities –

(a) is, or is likely to be, of a persistent or continuing nature,

(b) is, or is likely to be, such as to make the activities unreasonable, and

(c) justifies the restrictions imposed by the notice.

4.2 "Public place" is defined in section 74(1) of the Act as "any place to which the public or any section of the public has access, on payment or otherwise, as of right or by virtue of expressed or implied permission."

4.3 A legal challenge to a PSPO must be made to the High Court within 6 weeks of being made and can only be made by an individual who lives in, regularly works in, or visits the restricted area.

4.4 A PSPO can remain in force for up to a maximum of three years and should be reviewed before expiry in order to determine whether or not it should be extended.

Premises to which an alcohol prohibition does not apply

4.5 Section 62 of the Act prescribes premises to which alcohol prohibition does not apply as:

(1)(a) premises (other than council-operated licensed premises) authorised by a premises licence to be used for the supply of alcohol;

(b) premises authorised by a club premises certificate to be used by the club for the supply of alcohol;

(c) a place within the curtilage of premises within paragraph (a) or (b);

(d) premises which by virtue of Part 5 of the Licensing Act 2003 may at the relevant time be used for the supply of alcohol or which, by virtue of that Part, could have been so used within 30 minutes before that time;

(e) a place where facilities or activities relating to the sale or consumption of alcohol are at the relevant time permitted by virtue of a permission granted under section 115E of the Highways Act 1980 (highway-related uses).

4.6 A prohibition in a public spaces protection order on consuming alcohol also does not apply to council-operated licensed premises –

(a) when the premises are being used for the supply of alcohol, or

(b) within 30 minutes after the end of a period during which the premises have been used for supply of alcohol.

Equality and convention rights

4.7 The Council must have particular regard to the rights of freedom of expression and freedom of assembly and association set out in articles 10 and 11 of the Convention for the Protection of Human Rights and Fundamental Freedoms when deciding whether to make, extend, vary or discharge a PSPO and what it should include, if appropriate.

4.8 Article 10 protects the right to freedom of expression but this is a qualified right which may be interfered with if such interference is in accordance with the law and necessary in a democratic society, in the interests of national security, territorial integrity or public safety, for the prevention of disorder or crime, for the protection of health or morals, for the protection of the reputation or rights of others, for preventing the disclosure of information received in confidence, or for maintaining the authority or impartiality.

4.9 Article 11 protects the right to freedom of assembly and association, but this is a qualified right which may be interfered with if such interference is in accordance with the law and is necessary in a democratic society in the interests of national security or public safety, for the prevention of disorder or crime, for the protection of health or morals or for the protection of the rights and freedoms of others. This article shall not prevent the imposition of lawful restrictions on the exercise of these rights by members of the armed forces, of the police or the administration of the State.

4.10 It is considered that any infringement of these Convention rights through the making of the proposed PSPO would be properly regulated by the law including the Act and is necessary in a democratic society. Any such infringement would be in the promotion of a legitimate aim namely for the prevention of disorder or crime, for the protection of the rights and freedoms of others.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 The legal costs of preparing any agreed Order will be met from within existing budgets. Subject to Cabinet agreeing any Order, further work will be undertaken on updating any required statutory signage and additional publicity relating to the Order. Wherever possible this will be sought from within existing budgets with funds also sought from external sources and partners.

6 RISK MANAGEMENT

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

7 EQUALITY

7.1 An [Equality Impact Assessment](#) was carried out prior to consultation. (Appendix 4). Through our Equality Impact Assessment, a number of positive impacts were identified as arising from a PSPO, particularly where this reduces the fear of crime and anti-social behaviour.

7.2 Further equality impacts were identified through the consultation process, to clarify whether those with protected characteristics are disproportionately impacted by a PSPO. This data is summarised in Appendix 5.

8 CLIMATE CHANGE

8.1 Not Applicable. There are no known impacts of a PSPO on climate change.

9 OTHER OPTIONS CONSIDERED

9.1 Take no action. This would result in reduced enforcement powers for Avon and Somerset Police to tackle anti-social behaviour.

10 CONSULTATION

Consultation requirements

10.1 Under Section 72 of the Act, Councils must consult with the Chief Officer of Police, local policing body (in this case the PCC), community representatives it thinks appropriate to consult and the owner or occupier of the land within the restricted area.

10.2 The requirement to consult with the owner or occupier of land within the proposed restricted area does not apply to land that is owned and occupied by the local authority; and applies only if, or to the extent that, it is reasonably practicable to consult the owner or occupier of the land.

10.3 The proposal for Bath City and Midsomer Norton subject to consultation was to renew the PSPOs as far as possible on a 'like-for-like' basis, with regard to both the geographical scope of the areas and the framing of the orders themselves. A 6-week formal consultation period ran from 08th of July 2024 to 16th of August 2024 for both Bath City and Midsomer Norton, details of which can be found in Appendix 1.

Key Considerations

10.4 There are complaints about groups of people who regularly congregate in certain areas and often behave in an unpleasant manner to anyone passing by.

10.5 Key areas of concern include Widcombe, Manvers Street, Abbey Church Yard, Kingsmead Square, Riverview Court Area, Palace Yard Mews sheltered car parks, Westgate, North Parade Bridge, river yards from the weir, Milsom Street, Union Street, High Street and also Hedgemoor Park, Moorland Road, Memorial Gardens at Shaftesbury Road and the lane between Canterbury Road and Junction Road. Issues have also been identified surrounding Henrietta Park.

10.6 Consultation comments have highlighted the importance of active enforcement of PSPOs and police presence with regards to enforcing these.

10.7 Evidence from the consultation demonstrates that antisocial behaviour caused by alcohol consumption has had a detrimental effect on the quality of life of people in the City of Bath and Midsomer Norton. This includes:

- Reports of residents avoiding the city centre because of feeling intimidated or having concerns for their safety due to anti-social drinking.
- Intimidation caused by anti-social behaviour such as aggressive begging, shouting, swearing, and abuse targeted at passersby.
- Frequent noise, littering and damage caused by alcohol related anti-social behaviour. This includes broken glass from alcohol bottles anywhere in the city centre.

10.8 To make any Order, the Cabinet needs to be satisfied on reasonable grounds that the conditions set out at 4.1 are met.

Contact person	Samantha Jones Tel: 01225 396364
Background papers	Public Spaces Protection Orders to restrict alcohol consumption in public spaces in Bath 2021-2024 (signed and sealed) – Can be found here: https://democracy.bathnes.gov.uk/mgIssueHistoryHome.aspx?IIId=39062&PlanId=399&RPID=87196579 Previous Cabinet decision & papers from 2021 can be found here: https://democracy.bathnes.gov.uk/ieDecisionDetails.aspx?ID=1607
Please contact the report author if you need to access this report in an alternative format	

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Consultation responses on draft Public Spaces Protection Orders for Bath City and Midsomer Norton:

Consultation review

The proposal for Bath City and Midsomer Norton subject to consultation was to renew the PSPOs as far as possible on a 'like-for-like' basis, with regard to both the geographical scope of the areas and the framing of the orders themselves. In summary the formal consultation proposals were:

- To “mirror” the previous PSPOs following national guidance, by only making it an offence to fail to comply with a request to cease drinking or surrender alcohol in a restricted area. A person may get an instant Fixed Penalty Notice (FPN) of £100 for breaking a PSPO. A person guilty of an offence arising from breach of a PSPO would normally be liable on summary conviction to a fine not exceeding level 3 (£1000) on the standard scale.
- To “mirror” the previous geographical scope of the previous PSPOs – i.e., the whole of the City of Bath and Midsomer Norton town centre. To reflect the Act, the PSPO would apply to all “public spaces” within the boundary line set out in the proposals. Public spaces are defined in the legislation as those to which “the public or any section of the public has access, on payment or otherwise, as of right or by virtue of express or implied permission.” This means the proposed PSPOs would include public car parks and public parks as well as other public spaces such as streets.

Bath City and Midsomer Norton Proposed PSPO Consultation Engagement

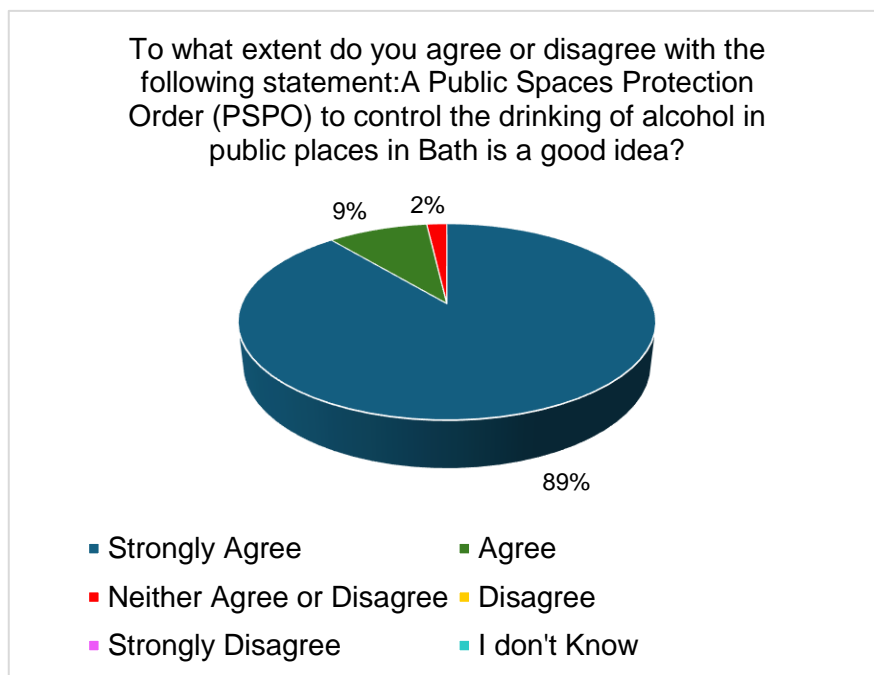
A 6-week formal consultation period ran from 08th of July 2024 to 16th of August 2024 for both Bath City and Midsomer Norton. This included:

- An online questionnaire including links to the proposal and background information.
- Communications to a wide range of partners and stakeholders, including City of Bath and Midsomer Norton Town Councils, Avon & Somerset Police, Ward Councillors, Bath Community Safety and Safeguarding Partnership, Bath Bid and Nighttime Economy Group.
- A Press Release, circulated to a wide range of stakeholders, and subsequent press coverage.

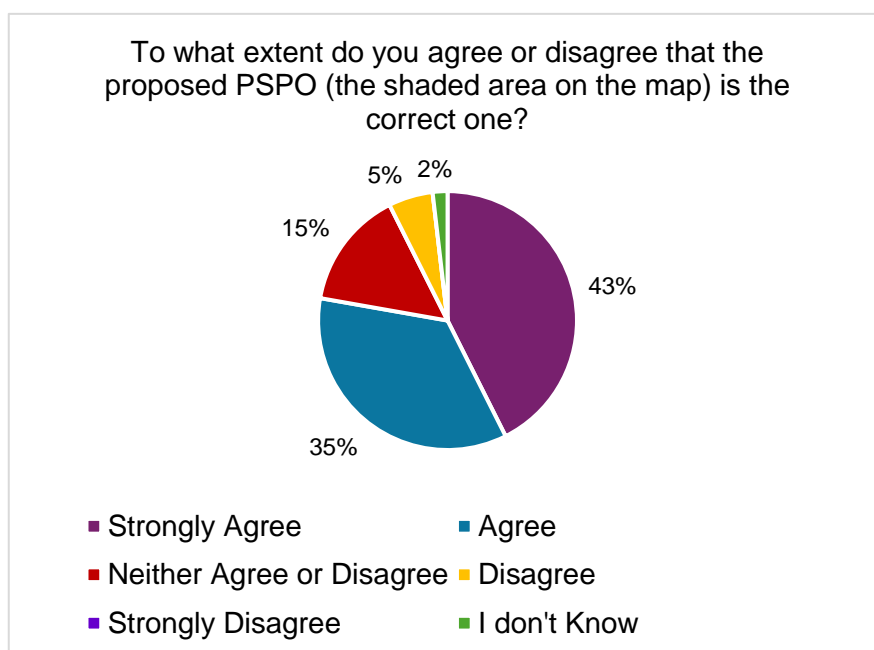
A Bath City Draft PSPO Consultation Feedback

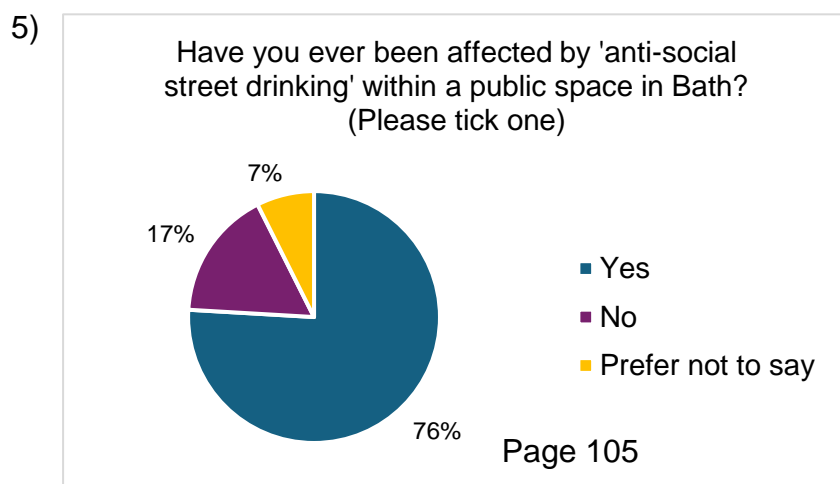
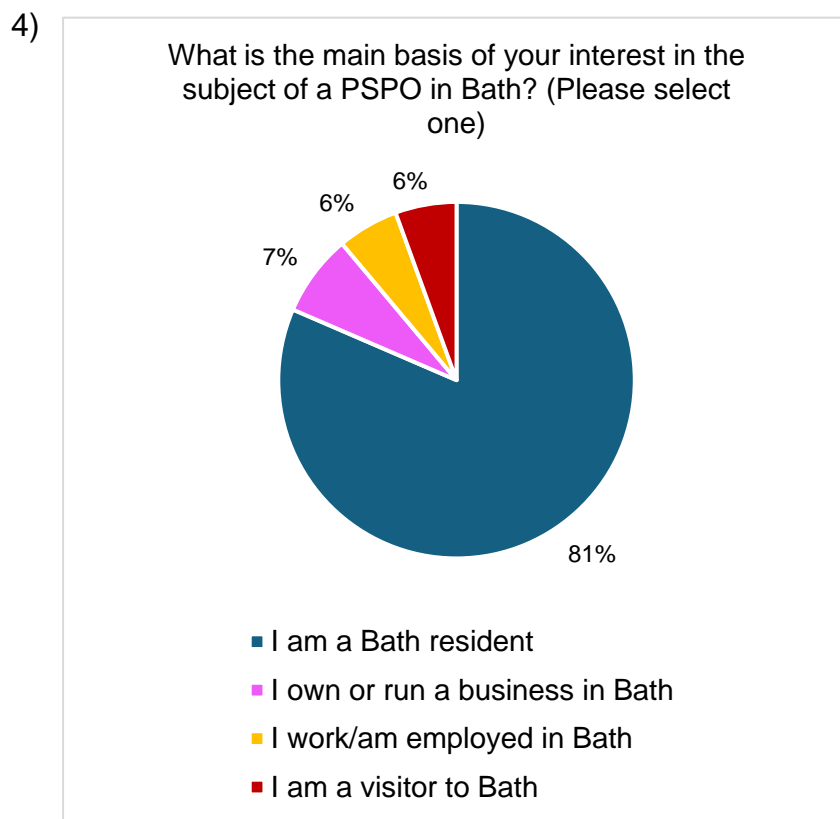
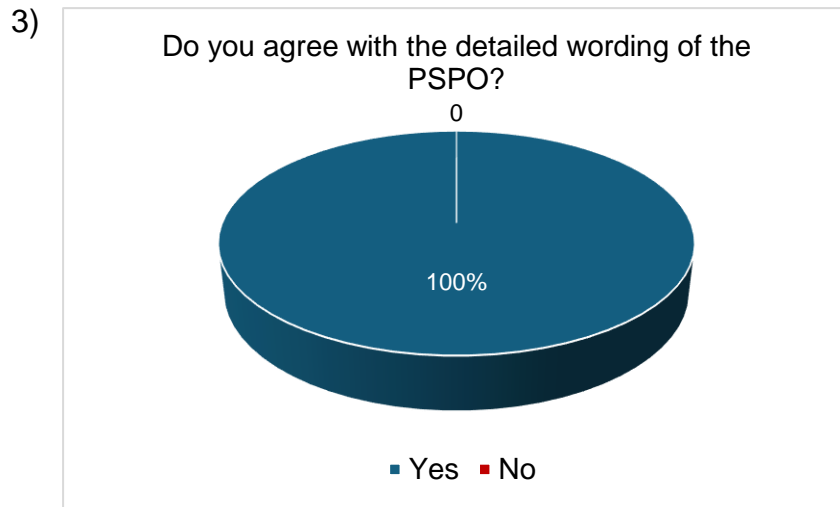
Fifty-four replies were received in response to the consultation. A summary of responses is set out below:

1)

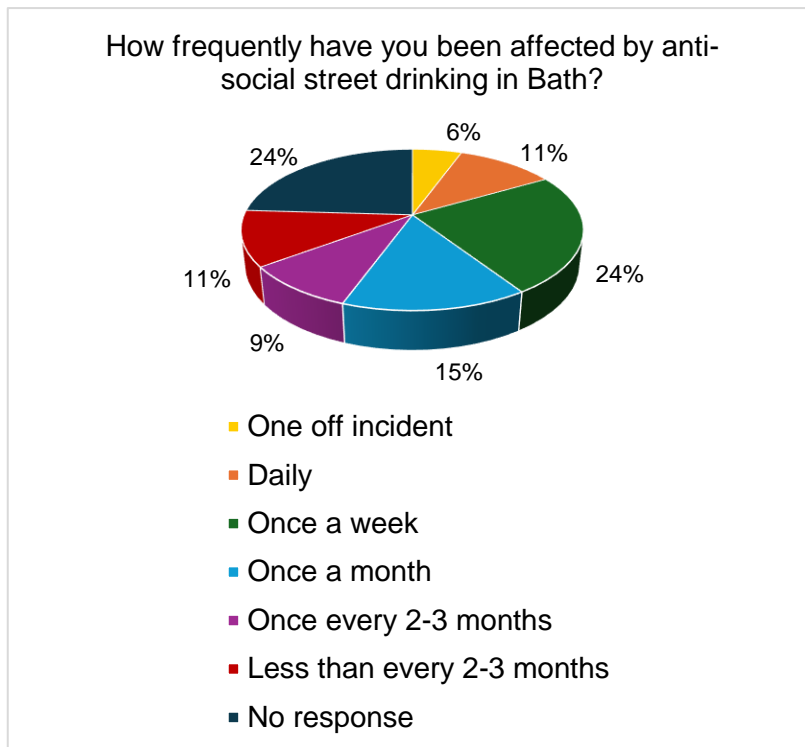


2)





6)



B Of those who had been affected, the following issues were identified:

(NB these are direct quotes from respondees):

1. "Regularly encounter groups of homeless people drinking on the street and becoming more aggressive as the day goes on. Large groups of **loud drunk stag and hen parties** in the city centre every weekend."
2. "We live next to a public footpath which is often frequented by noisy and drunken people, whether **students, hen/stag groups, drug dealers** etc."
3. "Hen/Stag parties partying loudly, walking around openly carrying alcohol, and generally **being loud and antisocial**."
4. "Groups drinking on the river footpath and steps and doorways on town are **intimidating** for passersby, especially lone women."
5. "Anti-social behaviour sparked by drinking and drugs **has increased significantly over the last few years** in our area (Widcombe Parade). This includes **intimidating, noise, lewdness and littering and fouling** of the area. Any action to help address this is supported."
6. "Drinking in public places can be **intimidating** to other users of the space."
7. "Widcombe and the wider area of Bath are **plagued by street drinkers** who are **intimidating and abusive** to the public and staff in shops. More enforcement of the PSPO needs to be carried out."
8. "It seems fair to have some control over drinking in public places as sometimes it can get very rowdy, **unpleasant and intimidating** particularly for women, the young and the elderly."
9. "There is an increase in anti-social behaviour in society currently and alcohol only makes this worse. The area near Kingsmead Square where there is a group of regular addicts and **alcohol drinkers is incredibly intimidating** and as a woman, I **do not feel safe** going down there. It is also horrible to see and for tourists/people living in Bath."
10. "There is a very bad problem with street drinking in Bath in all the areas that are easily accessible from the bus and train station, including Widcombe to the South. Drinkers often become **abusive and are intimidating the** general public. The police need to have the powers to deal with this."
11. "Homeless people drinking on the steps of Manvers Street Church and in doorways of Milsom Street **calling out for money as you walk past** is very intimidating or staggering around the streets carrying beer. The anxiety is that because they are **drunk, they are uninhibited**, so you don't know what they'll do next."
12. "I frequently cross the road or **change my route to avoid** groups of people drinking on the street as I am a woman often walking alone and don't feel comfortable getting close to them."
13. "Daily at times on Widcombe High St, the PSPO has been **a useful tool** for managing this."

14. "There's a group of drunks sitting by the river yards from the weir that are **constantly drinking and very swearsy**. Embarrassing to see our visitors to the city being exposed to that."
15. "Outside the Sainsburys Local by Kingsmead Square. On the river footpath under North Parade Bridge. Widcombe High St. **Feel threatened** by the behaviour and by being accosted and asked for money."
16. "Milsom Street, Union Street and High Street. Also, in Hedgemoor Park. I have experienced or witnessed antisocial street drinking in all these places, **several times in recent years**. It is **offensive and distressing** to see and makes a **mockery of Bath's reputation as a genteel, visitor-friendly city**."
17. "Henrietta Park - the effects are **noise and litter**, which the park volunteers have to clear up. This environment also attracts **drug dealers** and may have been the cause of a stabbing nearby."
18. "**Accosted by drunk** on street holding bottle."
19. "Had to step in to assist a tourist family being **harassed by drunken youths**."
20. "Drugs and drink. **Residential areas. Not just the city centre**."
21. "Street drinkers being **aggressive and accosting the public**."
22. "**Shouted at** in Widcombe and Bath. Seen others abused for no reason than just walking past them. Not a great example for children to see. Just really unpleasant."
23. "Yelled at, the numbers are frightening. I feel intimidated and **see young women crossing the road**. Also working on green spaces nearby we need to contend with **human faeces** where individuals go behind bushes to urinate and defecate. It's extremely upsetting and an infringement on ones right to a peaceful environment."
24. "Drinking alcohol early in the morning until dusk along Widcombe Parade is frequently evident on the bench at the top end and in the middle of the Parade where mainly men sit on steps drinking, surrounded by cans, calling out to passersby and often begging then leaving detritus on the pavements that the residents volunteers need to clear. Often, they are **loud, use scatological language and are frightening** requiring residents to **cross the road** to avoid them."
25. "It is a **frightening environment** if drunks are lolling around in the city. Please continue the PSPOs."
26. "Yobs in Gravel Walk kicking fencing. Frequently picking up empty bottles thrown onto the Crescent lawn."
27. "I continue to see, on a regular basis, people sitting around drinking in Bath. Today, there was a beggar **laying on the pavement** outside of Lloyds Bank, Milsom Street, with empty bottles of drink next to him. **Completely comatose**. What sort of impression does that give of the city to visitors? There are known pockets within the city centre where these people group together to drink with what appears to be impunity. Someone really needs to get a grip of this problem and set a deterrent."

28. "Groups of drinkers (particularly around Manvers Street area), **urinating, begging, shouting.**"
29. "**Loud, disorderly behaviour** near to where I'm walking. Drunk people (often homeless) ranting and shouting abuse at nobody in-particular. I've been **shouted at for not giving money to beggars who have been intoxicated.**"
30. "Around Moorland Road, Memorial Gardens at Shaftesbury Road and the lane between Canterbury Road and Junction Road."
31. "It's not hard to find a patch of **broken glass** from alcohol bottles anywhere in the city centre, which I see near enough daily. The main issue is the group of homeless people by Sainsbury's local on Kingsmead Square causing a nuisance. Some of these repeat individuals have **claimed their patch** under sheltered car parking areas in River View Court area where they openly drink, smoke glass pipes and break into the refuse store to camp out. The same ones again can be found on a daily basis also Palace Yard Mews sheltered car parks."
32. "Bath on a Saturday and Friday night is an awful place to be full of groups of **people binge drinking** and has a completely different feel. Something needs to be done and put in place before it gets worse. Hen parties make the situation worse also."
33. "Our office is sited alongside a spot where individuals regularly drink alcohol, they can leave the passing general public and individuals working in the office feeling vulnerable, these individuals **regular urinate and open their bowels** beside or behind the building, litter is left for us to clear up and dispose of."
34. "There are a few people who spend time on the streets of Bath who can be noisy, disruptive or hassle for money - they can seem drunk at times and then can be worse. They regularly interrupt my walks/time in Bath in a negative manner and I try to avoid the areas where they are, however, it is difficult to avoid them if I am sat outside a café or bar and they then **approach to ask for money** and/ or cause disruption nearby due to drink."
35. "Homeless people mouthing off."
36. "The homeless community regularly drink on the streets in area such as Westgate Street, Kingsmead Square and Manvers Street. I have walked these streets many times and have had **abuse shouted at me.**"
37. "At least once a month. People who have been refused entry on venues then obtaining alcohol to be able to then sit in the **street drinking and giving abuse to staff and the general public.**"
38. "In work in town and I am regularly **abused** by people drinking outside Sainsburys Local on Westgate Buildings. **This needs to stop.**"
39. "Every day something happens, especially in the Kingsmead square area. Selling of stolen goods to antisocial behaviour."
40. "**Abusive** drunk vagrants in the street."
41. "Observed anti-social behaviour and been **shouted at** by a drinker."

C Of those who agreed with a PSPO in Bath City, the following points were made:

- 1) "Trying to reduce anti-social behaviour due to excessive alcohol is a good thing for the city and would **make residents and tourists feel much safer.**"
- 2) "Street drinking creates a **threatening environment.**"
- 3) "We need to do everything possible to **prevent unruly, disruptive, inconsiderate** and anti-social behaviour."
- 4) "There is a lot of **noise** in Bath in the late and very early hours, on occasion from people drunk or drinking nearby."
- 5) "**Alcohol-fuelled disorder and disruptive behaviour** is a real problem, and this assists the police and others to deal with it."
- 6) "I live in Bath city centre and value being able to **walk home without fear** of antisocial behaviour."
- 7) "Because it allows action to be taken where there is alcohol related antisocial behaviour."
- 8) "**Unthinkable not to have those powers.**"
- 9) "There is a problem with certain groups of drunk people who regularly congregate in certain areas and behave in an unpleasant manner to anyone passing. **Bath feels like a threatening place.** E.g. Currently by the footpath under North Parade Bridge."
- 10) "I want the **police to have robust powers** to stop or pre-empt alcohol related anti-social behaviour in public places, including public parks and open spaces."
- 11) "The **police do their best in often difficult circumstances.** This order will help them to carry out their job in ensuring that well-behaved citizens and visitors can enjoy the city without fear of anti-social behaviour associated with drinking in public places."
- 12) "For a more **friendly and less threatening perception** of the city."
- 13) "Safety of the general public (including tourists)."
- 14) "To keep Bath City Centre free of **people sitting drinking on the curb side** and steps and door ways."
- 15) "I am a regular to Bath and it's not nice to see drunk or drugged people on the streets, you **automatically feel threatened.**"
- 16) "As long as the PSPO is there to deal with excessive/aggressive drinking then this has my backing. **Drinking in public per se is not the issue, it is those that drink to excess and cause a nuisance to others that is the problem.**"
- 17) "Too rowdy on Saturday nights especially."
- 18) "Behind the train station near Widcombe, **regularly shouted at or intimidated by street drinkers who want money and can get very aggressive,** I try to avoid now."
- 19) "Peaceable social drinking is fine but drinking to excess such that behaviour become **disruptive and/or threatening** to others should continue to be subject to police action."
- 20) "It deters antisocial behaviour."

- 21) "Lots of nightlife in Bath which can make it **feel somewhat edgy at night.**"
- 22) "To **keep the streets safe** from people abusing alcohol on the streets."
- 23) "When the consumption of alcohol gets out of hand the consequences are mind altering of the perpetrator, and unpleasant at best, argumentative and challenging at worst. **It makes me feel unsafe and can be frightening.**"
- 24) "The **scheme has worked well to date.** Any change is also likely to increase litter and broken glass."
- 25) "**Important for the safety** of residents and visitors."
- 26) "Anything to mitigate unwarranted bad behaviour in a city that relies on tourism can only be a good thing for both residents and visitors."
- 27) "Having someone police the situation, when necessary, makes total sense."
- 28) "Increasing episodes of anti-social behaviour experienced which are made worse by alcohol, which coupled with an almost zero police presence makes **walking through bath late at night** unpleasant at times."
- 29) "The **streets in Bath are starting to become quite a scary place for elderly** with lots of people disregarding them. People drunk being abusive and young people going on pavements with e-scooters, bikes, and skateboards. If something can start to turn that tide and make the streets more inclusive, then that has to be a good thing."
- 30) "It is good to have policies in place to restrict any antisocial behaviour related to drinking."
- 31) "Provides a means to address the anti-social behaviour aspects that may arise from alcohol consumption, while allowing responsible alcohol consumption from other residents and visitors."
- 32) "Good idea if it keeps everyone safe. Especially **if you are on your own, you feel more vulnerable.**"
- 33) "People should be able to enjoy visiting, living, and working in Bath without having their time spoilt by a few individuals. I do understand that people can continue to drink in a sociable manner in public places and this will help to manage just those **few people who can spoil things.**"
- 34) "It is good to limit anti-social behaviour where possible and ensure there is policy that allows action to be taken when necessary."
- 35) "Bath is a heritage city that attracts visitors, I think it is **an embarrassment for the city** to present visitors with drunken and disorderly behaviour."
- 36) "It helps to keep antisocial behaviour to a minimum keeping our young people, vulnerable people and older people safe, as well as discouraging unpleasant behaviour."
- 37) "Too much antisocial drinking in the area."
- 38) "I strongly agree as criminality and ASB in the city centre is bad enough at the moment with in the homeless community, and if we were to remove the PSPO, I **feel it would only get worse in the city.**"
- 39) "There is no need to be drinking in the streets of Bath. There are enough venues for people to go to. Excessive alcohol consumption in the streets leads

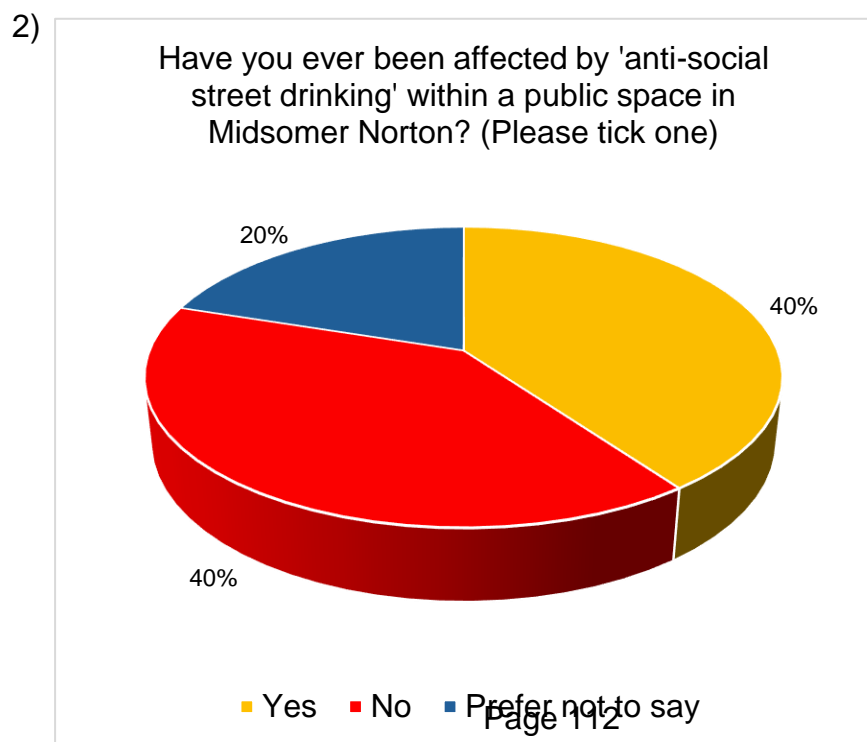
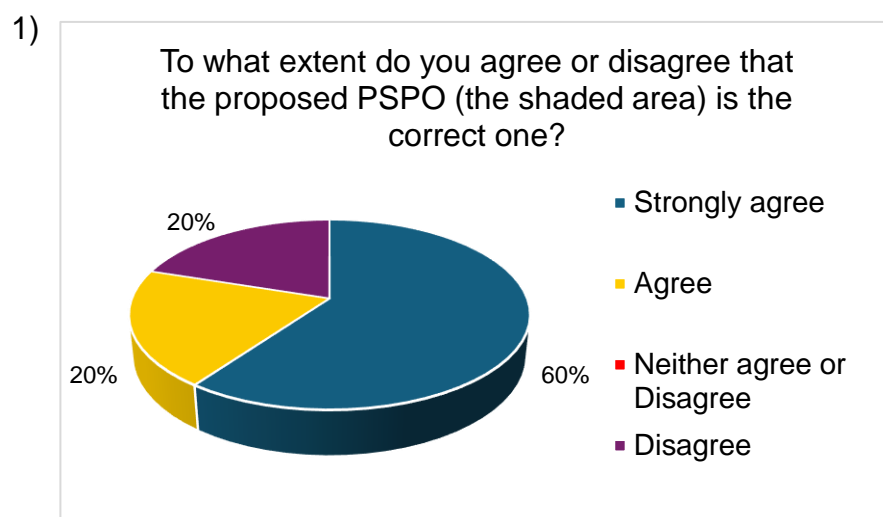
to issues in venues and illness. This puts **pressure on the NHS** services and venues.”

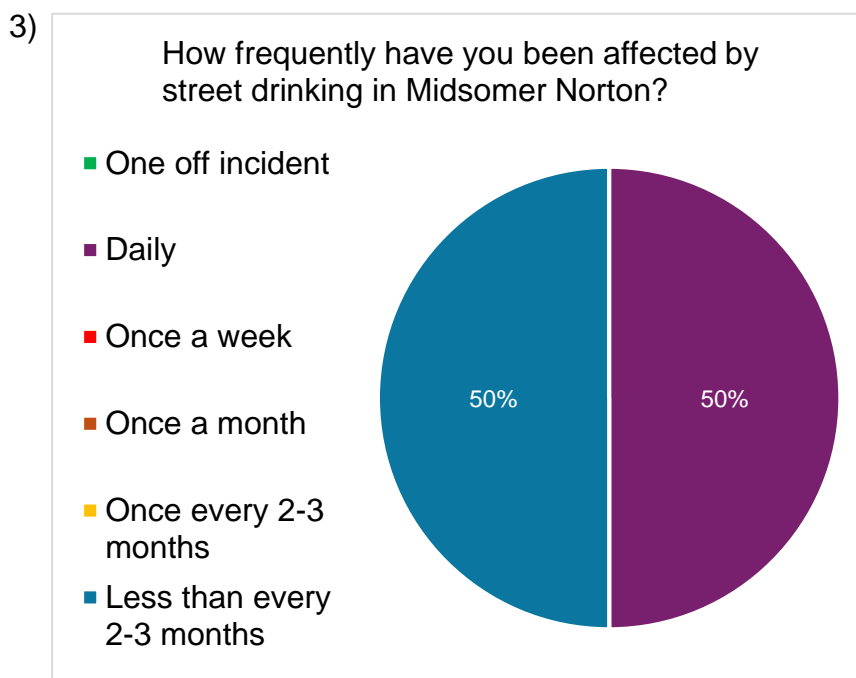
40) “Drinking in public areas promotes anti-social behaviour and I do not feel safe going into the city centre and seeing loud drunk people. There are allocated places to drink - most bars, pubs and restaurants have a late licence or outside seating.”

41) “Seems a reasonable idea.”

D Midsomer Norton PSPO Consultation Feedback

Five replies were received in response to the consultation, 100% of which are residents of Midsomer Norton. A summary of responses is set out below:





- 4) 100% of respondents strongly agreed that a PSPO to control drinking in Midsomer Norton would be welcome and 100% of respondents agreed with the specific wording of the proposed PSPO.

E Of those who *agreed* with a PSPO in Midsomer Norton, the key points made were:

- 1) "Controlling street drinking can only be a good thing for the **town to help make it a safer and more welcoming** space."
- 2) "The area is **becoming increasingly unsafe** for residents' particularly young people. I want to feel assured that my daughters are safe when out socialising."
- 3) "Sensible drinking in public places is fine. The police should have the ability to stop people causing trouble."
- 4) "The PSPO is a **good incentive** to stop the ever-growing trend of antisocial drinking."
- 5) "Ensures that Midsomer Norton can **remain a safe place** to go out in the evening with the knowledge that anti-social behaviour relating to alcohol can be addressed quickly and smoothly."

F Police response to consultation

Avon & Somerset Police have responded to the consultation as summarised below:

- 1) Broadly speaking the powers conferred under the existing PSPO are considered by officers as an essential tool to manage street crime and disorder. They provide an opportunity to engage with street drinkers, and people involved in Anti-Social Behaviour to intervene at an early stage. They are an important deterrent.
- 2) National Guidance issued in support of the implementation of PSPOs makes it clear that this is a discretionary power, and not to be used to disrupt peaceful activities. The advice given is not to challenge those persons consuming alcohol where that individual is not causing a problem, or likely to cause a problem.
- 3) PSPOs relating to alcohol consumption in public spaces should make it clear to both officers and members of the public the intentions of the orders. The Order in bold, would prohibit:

Any person from having in their possession, care, or control in any Public Place within the restricted area alcohol where that person-

- i. Is or has been consuming alcohol in any Public Place in the Restricted Area, or*
- ii. Intends to consume alcohol in any Public Place in the Restricted Area, and*
- iii. Is behaving in a way likely to cause, or where the authorised officer reasonably suspects will lead to, harassment, alarm or distress, or crime or disorder in the Restricted Area.*

END.

Draft Public Spaces Protection Order for Consultation - Bath City

ANTI-SOCIAL BEHAVIOUR CRIME AND POLICING ACT 2014

**THE ANTI-SOCIAL BEHAVIOUR CRIME AND POLICING ACT 2014
(PUBLICATION OF PUBLIC SPACES PROTECTION ORDERS) REGULATIONS
2014**

**BATH AND NORTH EAST SOMERSET COUNCIL (PROHIBITION ON THE
CONSUMPTION OF ALCOHOL) PUBLIC SPACES PROTECTION ORDER (BATH
CITY NO. 1 OF 2024)) (“The Order”)**

Notice is hereby given that Bath and North East Somerset Council (“the Council”) in exercise of its powers and being satisfied that the conditions set out in section 59 Anti-social Behaviour Crime and Policing Act 2014 (“the Act”) are met, makes the following Public Spaces Protection Order (“PSPO”) in relation to the Public Places in Bath City as shown outlined in red in the Schedule (“the Restricted Area”) to this Order.

This Order may be cited as the Bath and North East Somerset Council (Prohibition on the Consumption of Alcohol) Public Spaces Protection Order (Bath City No. 1 of 2024)) and comes into force on 17th September 2024. This Order will have effect for a period of 3 years, until 17th September 2027.

Pursuant to section 74(1) of the Act Public Place is defined as “any place to which the public or any section of the public has access, on payment or otherwise, as of right or by virtue of express or implied permission”. The plural of Public Place namely “Public Places” has the same definition.

The Council is satisfied on reasonable grounds that:

(a) the consumption of alcohol (“the Activity”) carried on in a Public Place within the authority’s area has had a detrimental effect on the quality of life of those in the locality, or

(b) it is likely that the Activity will be carried on in a Public Place within that area and that it will have such an effect.

The Council is further satisfied that the effect, or likely effect, of the Activity–

(a) is, or is likely to be, of a persistent or continuing nature,

- (b) is, or is likely to be, such as to make the Activity unreasonable, and
- (c) justifies the restrictions imposed by the notice.

For the purposes of the following prohibitions and requirements an “Authorised Officer” is any Police Officer, or person authorised for the purposes of the Act by the Council.

The following prohibitions and requirements apply to all persons at all times unless one of the Exceptions applies.

Therefore, having consulted as required by section 72, the Council under section 59(4) **prohibits (the Prohibition):**

(1)

- a) Any person from having in their possession, care or control in any Public Place within the Restricted Area alcohol where that person-
 - i. is or has been consuming alcohol in any Public Place in the Restricted Area, or
 - ii. intends to consume alcohol in any Public Place in the Restricted Area; and
 - iii. is behaving in a way likely to cause, or where the authorised officer reasonably suspects will lead to, harassment, alarm or distress, or crime or disorder in the Restricted Area

And **requires:**

(2)

- a) Any person not to consume in any Public Place within the Restricted Area, in breach of the Prohibition, alcohol or anything which the Authorised Officer reasonably believes to be alcohol.

- b) Any person to surrender to an Authorised Officer on request anything in their possession which is, or which the Authorised Officer reasonably believes to be, alcohol or a container for alcohol. An Authorised Officer may dispose of anything surrendered under (2)(b) in whatever way he or she thinks appropriate.

Pursuant to section 63 of the Act, where an Authorised Officer requires that a person complies with 2(a) or (b) or both and the person fails to do so without reasonable excuse, that person shall be committing a criminal offence and is liable on summary conviction to a fine not exceeding level 2 on the standard scale.

Pursuant to section 68 of the Act an Authorised Officer may issue a fixed penalty notice to anyone he or she has reason to believe has committed an offence under section 63 in relation to this Order.

EXCEPTIONS TO THE TERMS OF THIS ORDER

Section 62 Anti-social Behaviour Crime and Policing Act 2014

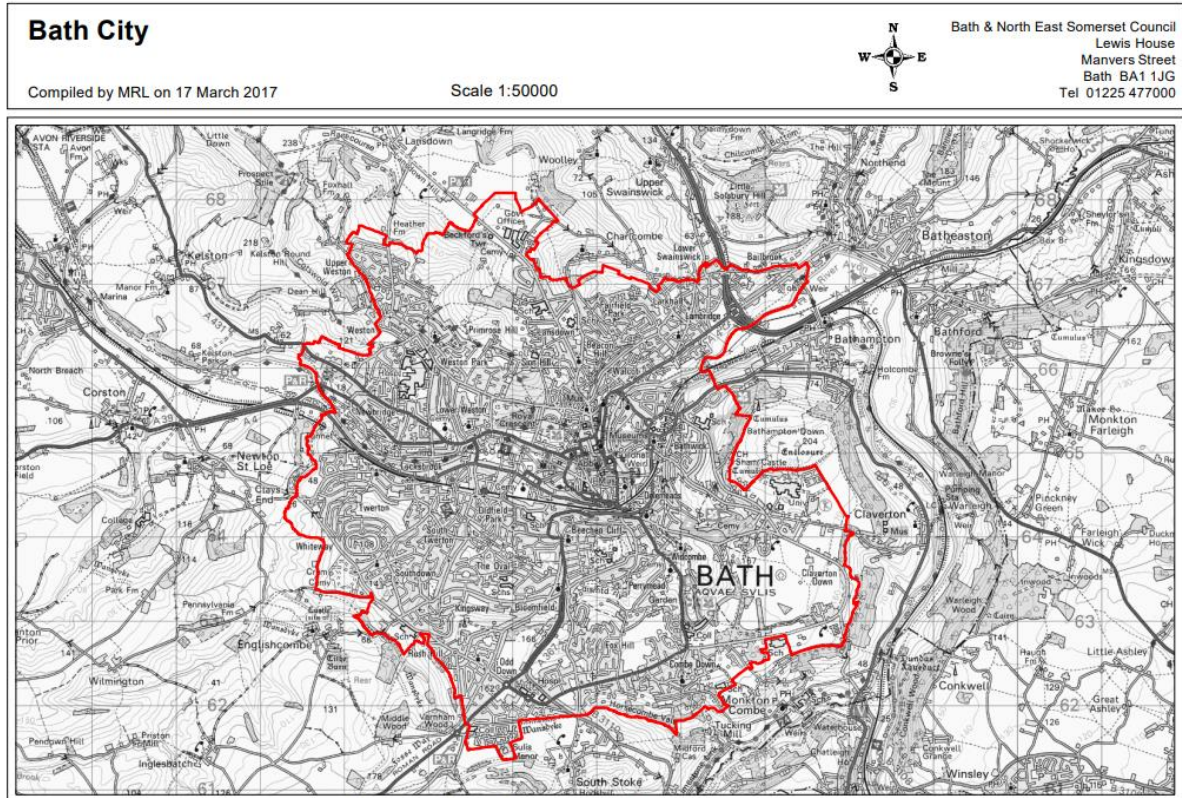
Premises etc to which alcohol prohibition does not apply

- (1) A prohibition in a public spaces protection order on consuming alcohol does not apply to—
 - (a) premises (other than council-operated licensed premises) authorised by a premises licence to be used for the supply of alcohol;
 - (b) premises authorised by a club premises certificate to be used by the club for the supply of alcohol;
 - (c) a place within the curtilage of premises within paragraph (a) or (b);
 - (d) premises which by virtue of Part 5 of the Licensing Act 2003 may at the relevant time be used for the supply of alcohol or which, by virtue of that Part, could have been so used within the 30 minutes before that time;

- (e) a place where facilities or activities relating to the sale or consumption of alcohol are at the relevant time permitted by virtue of a permission granted under section 115E of the Highways Act 1980 (highway-related uses).
- (2) A prohibition in a public spaces protection order on consuming alcohol does not apply to council-operated licensed premises—
- (a) when the premises are being used for the supply of alcohol, or
 - (b) within 30 minutes after the end of a period during which the premises have been used for the supply of alcohol.
- (3) In this section—
- “club premises certificate” has the meaning given by Section 60 of the Licensing Act 2003;
- “premises licence” has the meaning given by section 11 of that Act;
- “supply of alcohol” has the meaning given by section 14 of that Act.
- (4) For the purposes of this section, premises are “council-operated licensed premises” if they are authorised by a premises licence to be used for the supply of alcohol and—
- (a) the licence is held by a local authority in whose area the premises (or part of the premises) are situated, or
 - (b) the licence is held by another person but the premises are occupied by a local authority or are managed by or on behalf of a local authority.

SCHEDULE

Schedule: Proposed Restricted Area- see map



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Draft Public Spaces Protection Order for Consultation - Midsomer Norton

ANTI-SOCIAL BEHAVIOUR CRIME AND POLICING ACT 2014

**THE ANTI-SOCIAL BEHAVIOUR CRIME AND POLICING ACT 2014
(PUBLICATION OF PUBLIC SPACES PROTECTION ORDERS) REGULATIONS
2014**

**BATH AND NORTH EAST SOMERSET COUNCIL (PROHIBITION ON THE
CONSUMPTION OF ALCOHOL) PUBLIC SPACES PROTECTION ORDER
(MIDSOMER NORTON NO. 1 OF 2024) (“The Order”)**

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anything surrendered under (2)(b) in whatever way he or she thinks appropriate.

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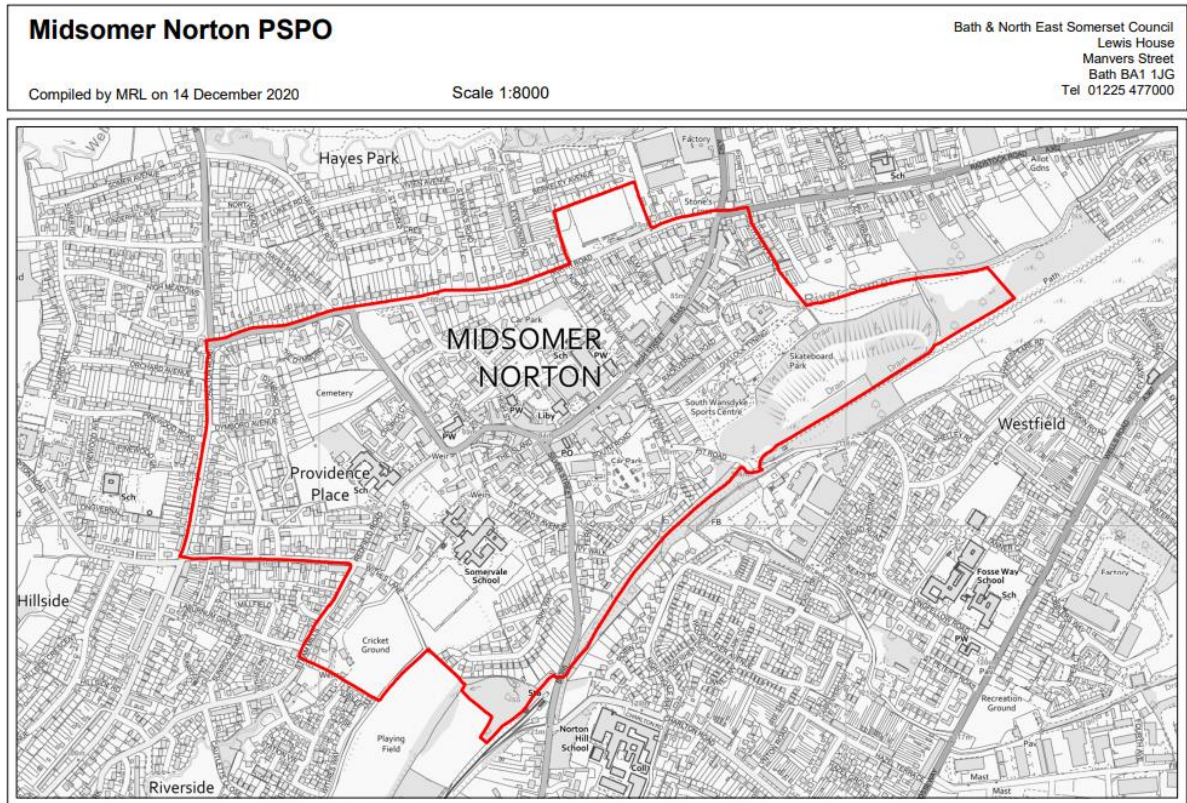
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(d) premises which by virtue of Part 5 of the Licensing Act 2003 may at the relevant time be used for the supply of alcohol or which, by virtue of that Part, could have been so used within the 30 minutes before that time;

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SCHEDULE

Schedule: Proposed Restricted Area- see map



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Equality Impact Assessment / Equality Analysis

(Updated December 2022)

Item name	Details
Title of service or policy	Public Space Protection Order to control street drinking (related to anti-social behaviour) in public open spaces in Bath and within the designated area of Midsomer Norton
Name of directorate and service	People and Change, Community Safety
Name and role of officers completing the EIA	Emily Patterson, Business Admin Apprentice, Inclusive Communities
Date of assessment	24.04.2024

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.

1.1 Identify the aims of the policy or service and how it is implemented

Key questions	Answers / notes
<p>1.1 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>The Anti-social Behaviour, Crime and Policing Act 2014 created a range of new powers to deal with antisocial behaviour including the Public Spaces protection Order (PSPO).</p> <p>Purpose of a PSPO</p> <ul style="list-style-type: none"> ● Designed to stop people committing anti-social behaviour in a public space. ● To address behaviour having or likely to have a detrimental effect on quality of life. The behaviour must be persistent or continuing in nature.
<p>1.2 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 PSPOs in the City of Bath and a designated area of Midsomer Norton end in September 2023. A consultation will take place on new orders to employ the same terms and be applicable under the same circumstances. The current PSPO prohibits any person from having in their possession, care, or control in any Public Place within the Restricted Area alcohol where that person (i) is or has been consuming alcohol in any Public Place in the Restricted Area, or (ii) intends to consume alcohol in any Public Place in the Restricted Area; and is behaving in a way likely to cause, or where the authorised officer reasonably suspects will lead to, harassment, alarm or distress, or crime or disorder in the Restricted Area.</p>

	<p>Under the PSPO the police officer or accredited person is empowered to seize and dispose of alcohol which is in an open or closed container where the conditions above apply. Failure to comply with such a request made by a police officer is an arrestable offence punishable by a fine.</p> <p>Intended outcome:</p> <p>The main aim of the PSPOs is to reduce street drinking which local communities have raised as having a detrimental effect in their areas. The PSPOs would not constitute a ban on drinking alcohol in public but do allow a level of control where consuming alcohol is problematic and associated with antisocial behaviour.</p>
1.3 Do the aims of this policy link to or conflict with any other policies of the Council?	This links to the Corporate Strategy priority for “clean, safe and vibrant neighbourhoods”

2. Consideration of available data, research, and information

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?	<ul style="list-style-type: none"> • Avon and Somerset Police Inclusion and Diversity Plan 2019-2024. • Member of the National Equalities Standard (NES) • Disability Confident Employer • Corporate Equalities Training
2.2 What is the equalities profile of service users?	The PSPO may be applied in a variety of settings. The police have not gathered data on the equalities make-up of the people who have been subject to the PSPO. This is because they do not set out to use the PSPO as a formal measure or to enforce action against individuals. It has been used as a tool to persuade people who are using alcohol to fuel antisocial behaviour

	<p>to give up or throw away the alcohol. The police are able to confiscate alcohol from people who may or are behaving in an anti-social manner.</p> <p>A further persuasive measure is that they can indicate the potential sanctions where people fail to comply with a lawful request to dispose of alcohol when asked to do so by a police officer.</p>
<p>2.3 Are there any recent customer satisfaction surveys to refer to? What were the results? Are there any gaps? Or differences in experience/outcomes?</p>	n/a
<p>2.4 What engagement or consultation has been undertaken as part of this EIA and with whom? What were the results?</p>	<p>Equality considerations are documented as part of the consultation process and the EIA is considered a working document and will be updated with relevant information gained from this process. A public consultation was conducted in 2021 to support the renewal of the then PSPO, overwhelmingly respondents supported the PSPO.</p>
<p>2.5 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>A public consultation will be conducted. All residents and stakeholders will have the opportunity to engage in the consultation process. The consultation process will assist in identifying any groups with shared protected characteristics which the PSPO may have a disproportionate impact on.</p> <p>We will ensure our consultation survey includes equality monitoring.</p> <p>Consultation materials and surveys will be available on request in a range of formats to accommodate different needs, such as large print and easy read.</p> <p>A dedicated team will be available to answer email and phone calls in support of digital exclusion and individual needs. The result of this consultation will influence the drafting of the Order.</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:

- 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.

Key questions	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
<p>3.1 Issues relating to all groups and protected characteristics.</p>	<p>PSPOs help control street drinking relating to anti-social behaviour and provide councils with the ability to tackle the issue by providing an authorised officer to enforce against a list of specified anti-social behaviours.</p> <p>PSPOs can be a positive device that help to prevent anti-social behaviour and can provide an effective response to some of the issues local residents and businesses face on a daily basis.</p> <p>A PSPO is likely to enhance the area in terms of improving the environment and reducing fear of crime and ASB. These positive outcomes have helped foster good relations between communities.</p>	<p>Rather than targeting specific individuals, PSPOs focus on the identified problem or behaviour in a specific location.</p> <p>Some groups may be more likely to carry out ASB and therefore more likely to be impacted by the PSPO. Enforcement action will be taken where an individual is engaging in anti-social drinking or crime to the detriment and risk of others.</p> <p>B&NES Council does not expect enforcement officers' actions to be influenced by a person's race; the treatment and process of applying for a PSPO is solely focused on the restricted activities.</p> <p>Avon & Somerset police are governed by the Code of ethics Ethical policing principles College of Policing and the Equality Act. They are fully certified for the National Equality Standard and have achieved the NES compliant</p>

		<p>accreditation for best practice in Equality, Diversity, and Inclusion – as such they aim to ensure greater dignity, fairness and respect in treatment and outcomes, tackling prejudice, unintended bias and reducing inequalities in service delivery.</p>
<p>3.2 Sex – identify the impact/potential impact of the policy on women and men.</p>	<p>Safe spaces - women are significantly more likely than men to say they feel unsafe in their area after dark, and therefore this group may feel safer to be in an area where PSPO's are implemented.</p> <p>To ensure the PSPOs do not disproportionately impact one sex, the decision to take enforcement action will not be based on the sex of the perpetrator of the anti-social drinking behaviour. Decisions will be made on the anti-social behaviour taking place and the impact this has on others.</p> <p>PSPOs will assist in creating a safer and cleaner environment and positively impact on both males and females.</p>	<p>B&NES Council does not expect enforcement officers' actions to be influenced by a person's sex; the treatment and process of applying a PSPO is solely focused on the restricted activities.</p> <p>The PSPO will assist in creating a safer environment and positively impact both men and women, particularly those at risk of alcohol- related crime.</p> <p>Avon and Somerset Police has a force wide trigger plan to identify and support victims of drink spiking under the umbrella of Op. Heartland. There have been dedicated training packages delivered to front line officers to support their understanding. Crime prevention campaigns relating to VAWG (Violence against women and girls) and other NTE (night -time economy) issues continues. This year will see an OPCC - led campaign for training nighttime economy staff to identify victims of VAWG in the NTE, as part of the Safer Streets VAWG initiative. Officers will be cognisant of</p>

		potential spiking victims, whether they are female or male that may lead to ASB or offending behaviours.
3.3 Pregnancy and maternity	<p>Alcohol misuse use during pregnancy can cause birth defects and developmental disabilities collectively known as foetal alcohol spectrum disorders (FASDs). It can also cause other pregnancy problems, such as miscarriage, stillbirth, and prematurity.</p> <p>PSPOs would positively impact by virtue of children being in an environment with less ASB.</p>	<p>B&NES Council does not expect enforcement officers' actions to be influenced by pregnancy or maternity; the treatment and process of applying a PSPO is solely focused on the restricted activities.</p> <p>The police are trained to be able to identify and assess situations they may encounter and to identify any present risk in order that they may ensure that they react appropriately in any situation.</p> <p>For example, if a person is intoxicated and needs to be hospitalised, they will call for an ambulance. Safeguarding referrals are made through the lighthouse unit who can share information with other partners including the NHS.</p>
3.4 Gender reassignment – identify the impact/potential impact of the policy on transgender people	Transgender people or people undertaking gender reassignment may feel safer in an environment where PSPOs are in place.	<p>We don't presently hold any data to suggest that this group would be any more or less likely than other groups to live in the area of the PSPO or breach its terms. Therefore, it is anticipated that the PSPO will not have a disproportionate impact on this protected characteristic.</p> <p>B&NES Council does not expect enforcement officers' actions to be influenced by gender reassignment; the</p>

		<p>treatment and process of applying a PSPO is solely focused on the restricted activities.</p> <p>The council will monitor the implementation of the PSPOs to ensure that no equalities impacts emerge.</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>Disabled residents are often more vulnerable and may feel safer in an environment where PSPOs are in place.</p>	<p>The council does not expect enforcement officers' actions to be influenced by a disability; the treatment and process of applying a PSPO is solely focused on the restricted activities.</p> <p>Avon & Somerset police are a disability confident employer and work to challenge and change attitudes towards disabled people, providing support and removing barriers.</p> <p>Signs are erected around the area designated by the PSPO to ensure that people entering the area are advised that they are in a PSPO designated area. It is recognised that there may be individuals who for a variety of reasons may not be able to read or fully understand the wording on the signage.</p> <p>The Police recognise the need for clarity when dealing with people who may be infringing the terms of the PSPO. In</p>

		<p>requesting that an individual give up or dispose of alcohol they are trained as with all legislation to ensure that individuals understand how they have fallen foul of the legislation.</p> <p>Where enforcement of a PSPO is taking place, considerations will need to be taken regarding disabled people who are neurodivergent and or with learning difficulties as they may need time to process information and respond & react accordingly.</p> <p>Within the police toolkits would be the use of appropriate adults, advocates/ interpreters including BSL. Follow-up activity would take place with those who support the individual.</p>
<p>3.6 Age – identify the impact/potential impact of the policy on different age groups.</p>	<p>PSPOs will contribute to a safer environment for all age groups</p> <p>Elderly people and children may feel safer in an environment where PSPOs are in place.</p>	<p>There is no specific age of individuals engaging in street drinking. Previous offenders have been noted to range from 18 to those in their 60s. Avon & Somerset Police have advised that a PSPO cannot be used against young people (under 18); the Police would utilise alternative powers in relation to underage drinking. The treatment and process of applying a PSPO is solely focused on the restricted activities.</p> <p>The police are trained to be able to identify and assess situations they may</p>

		<p>encounter and to identify any present risk in order that they may ensure that they react appropriately in any situation. For example, if a person is intoxicated and needs to be hospitalised, they will call for an ambulance.</p>
<p>3.7 Race – identify the impact/potential impact on across different ethnic groups.</p>	<p>The 2021 Census identifies that 85.6% of people in B&NES identified their ethnic background within the White British category.</p> <p>Drink-related anti-social behaviour in the area has a negative impact on all residents in the area, including those from protected characteristic groups. It is, however, important to recognise that minority ethnic people or groups may feel more vulnerable and would benefit from an environment where PSPOs are in place. The PSPO will help to create a safer environment and should have a positive impact on all ethnic groups by reducing crime and ASB.</p>	<p>B&NES Council does not expect enforcement officers' actions to be influenced by a person's race; the treatment and process of applying for a PSPO is solely focused on the restricted activities.</p> <p>Our <u>Joint Community Safety Plan</u> has a shared B&NES and Avon & Somerset Police's key priority to protect the most vulnerable from harm. PSPOs may decrease the likelihood of hate crime being perpetrated.</p> <p>Avon & Somerset police are governed by the Code of ethics <u>Ethical policing principles College of Policing</u> and the Equality Act. They are fully certified for the National Equality Standard and have achieved the NES compliant accreditation for best practice in Equality, Diversity, and Inclusion .As such they aim to ensure greater dignity, fairness and respect in treatment and outcomes, tackling prejudice, unintended bias and reducing inequalities in service delivery.</p>

<p>3.8 Sexual orientation – identify the impact/potential impact of the policy on lesbian, gay, bisexual, heterosexual people</p>	<p>LGBTQ+ people may feel safer in an environment where PSPOs are in place. The PSPO should have a positive impact on residents regardless of their sexual orientation.</p>	<p>B&NES Council does not expect enforcement officers' actions to be influenced by a person's sexual orientation; the treatment and process of applying a PSPO is solely focused on the restricted activities.</p> <p>The council will monitor the implementation of the PSPO to ensure there are no equalities impacts emerge.</p>
<p>3.9 Marriage and civil partnership – does the policy/strategy treat married and civil partnered people equally?</p>	<p>PSPOs should have a positive impact on all residents regardless of their married or civil partnership status by reducing crime and anti-social behaviour.</p>	<p>B&NES Council does not expect enforcement officers' actions to be influenced by marital or partnership status; the treatment and process of applying a PSPO is solely focused on the restricted activities.</p>
<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.</p>	<p>PSPOs should have a positive impact on all residents regardless of their religion/belief by reducing crime and anti-social behaviour.</p>	<p>B&NES Council does not expect enforcement officers' actions to be influenced by religion/ belief; the treatment and process of applying a PSPO is solely focused on the restricted activities.</p>
<p>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>	<p>PSPOs seek to ensure the designated areas remain safe places to live, visit and work. This has a positive impact on society as well as helping to assist the vibrancy and economy of the areas.</p> <p>PSPOs should have a positive impact on all residents by reducing crime and anti-social behaviour.</p>	<p>It is acknowledged that most of the street community who engage in street drinking within B&NES are categorised as economically disadvantaged and are more likely to come to the attention of the police as their behaviour is often in a public space.</p> <p>This does not mean that they are street homeless; known street drinkers are</p>

	Literature is available to officers to distribute for some local services including DHI / Julian House in interactions.	securely- housed, whether with a social landlord or in private accommodation.
3.12 Rural communities* identify the impact / potential impact on people living in rural communities.	PSPOs are currently only proposed to be enforced in Bath and Midsomer Norton.	
3.13 Armed Forces Community ** serving members; reservists; veterans and their families, including the bereaved. Public services are required by law to pay due regard to the Armed Forces Community when developing policy, procedures and making decisions, particularly in the areas of public housing, education, and healthcare (to remove disadvantage and consider special provision).	B&NES Council does not expect enforcement officers' actions to unduly impact on the armed forces community.	The treatment and process of applying a PSPO is solely focused on the restricted activities.

*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 Bill (which came in on 22 Nov 2022) introduces a requirement to pay 'due regard' to make sure the Armed Forces Community are not disadvantaged when accessing public services.

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/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
There will be additional information as the consultation is implemented.	Ongoing updating of the EqIA with all relevant new information.	PSPO consultation to close by end of August 2024. This EqIA will be updated based on consultation responses.	Lores Savine	30/08/2024.

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: Andy Thomas
senior officer)

(Divisional Director or nominated

Date: 13.05.24

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Bath City & Midsomer Norton PSPO Consultation Equality Data Analysis

Of the 59 respondents participating across both the City of Bath PSPO consultation and Midsomer Norton consultation, 69% responded to equality-based questions and 31% chose not to respond. Of those who responded to equality-based questions we have the following breakdown:

Age: 66% of respondents were aged 55+, 17% aged between 45-54, 10% aged between 35-44 and 7% aged between 25-34.

Disability: 93% did not consider themselves to be disabled. 5% identified as disabled and responded that this had 'a little effect' on their ability to carry out day to day activities. 2% of people did not respond to this specific equality-based question.

Ethnicity: Of the 41 respondents who answered this equality-based question, 88% identified as white. (English, Welsh, Scottish, Irish, Northern Irish or British, Any other White background). 7% identified as Mixed or multiple ethnic groups (White and Black Caribbean/ White and Asian/ Any other Mixed or Multiple ethnic background). 2% identified as 'Other ethnic group' and 3% 'preferred not to say' or chose not to respond.

Sex: Of the 41 respondents answering this question, 59% identified as female and 41% identified as male. 100% of those who responded to this question identified as having the same sex as the sex registered at birth, with 90% identifying as heterosexual or straight, 7% gay or lesbian, and 3% preferring not to say.

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Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING	12th September 2024	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3569
TITLE:	Revised National Planning Policy Framework and Implications for the Local Plan	
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report:</p> <p>Appendix 1: Summary of the Government’s proposed revisions to the National Planning Policy Framework</p>		

1 THE ISSUE

1.1 The government recently published for consultation the revised National Planning Policy Framework (NPPF) and other changes to the planning system. The Council needs to respond to this consultation and this report sets out the recommended key elements of the response. The revised NPPF will also have significant implications for the Council’s Local Plan and this report outlines some of the main implications and the recommended next steps in respect of Local Plan preparation.

2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 note the government’s proposed changes to the NPPF and to agree the key elements of the Council’s response to the consultation on the revised NPPF and other changes to the planning system as set out in paragraph 3.6 of this report**
- 2.2 delegate authority to the Executive Director for Sustainable Communities, in consultation with the Cabinet Member for Built Environment, Housing and**

Sustainable Development, to agree and submit the Council's response to the government's consultation on the revised NPPF and other changes to the planning system

- 2.3 agree that the Local Plan needs to be reset and that preparation should progress towards submission in advance of the Government's new deadline of December 2026**
- 2.4 delegate authority to the Executive Director for Sustainable Communities, in consultation with the Cabinet Member for Built Environment, Housing and Sustainable Development, to agree and publish a revised Local Development Scheme setting out the revised programme for Local Plan preparation**
- 2.5 agree that we continue to co-operate with our neighbouring authorities and the West of England Combined Authority (WECA) to ensure that strategic planning delivers the affordable housing we need, as well as the supporting infrastructure**
- 2.6 authorise the Executive Director for Sustainable Communities, in consultation with the Cabinet Member for Built Environment, Housing and Sustainable Development, to issue communications relating to the resetting of the Local Plan and the proposed next steps as set out in Section 10 of this report**

3 THE REPORT

Draft Revised NPPF and other changes to the Planning System

- 3.1 In late July the Government launched consultation on its proposed approach to revising the National Planning Policy Framework (NPPF) in order to achieve sustainable growth through the planning system. The Government considers that sustained economic growth is the only route to improving the prosperity of our country and the living standards of working people. In order to help deliver economic growth and facilitate the delivery of 1.5 million new homes over the next five years the Government is proposing to reform the planning system. In addition to revising the NPPF the Government is also seeking views on a series of wider policy proposals in relation to increasing planning fees, local plan intervention criteria and appropriate thresholds for certain Nationally Significant Infrastructure Projects Outline. This report focusses on proposed revisions to the NPPF.
- 3.2 The revisions to the NPPF and other changes to the planning system which are being proposed by the government are subject to public consultation. Therefore, there remains some uncertainty regarding the final nature of these changes. This council will need to adapt to the final version of the revised NPPF and other wider changes and adjust its Local Plan making process accordingly.
- 3.3 The Government's focus on sustained economic growth will help to enable B&NES Council to deliver its Corporate objectives, Economic Strategy and the spatial priorities of the Local Plan. The overall ambition for places set out in the revised NPPF is welcomed by the Council.

- 3.4 The proposed revisions to the NPPF are significant. Alongside revising the NPPF the Government is also proposing to revise the standard method for calculating housing need in each local authority area. The main proposed revisions to the NPPF are outlined in Appendix 1 and relate to the following key areas:
- Significant uplift in housing numbers for B&NES
 - Clear requirement to review Green Belt and introduction of the concept of 'grey belt'
 - Focus on housing affordability and particularly meeting the needs of those on lower incomes
 - Commitment to regional/strategic planning and emphasis on its role in delivering the housing needed
- 3.5 As referenced above a significant uplift in housing numbers is proposed. The standard method for calculating housing need has been revised and is now mandatory. The revisions to both the housing figures and the NPPF are aimed at stimulating increased delivery of housing in order that the national target of 1.5 million homes over the next five years is met. For B&NES the proposed revised standard method results in a 104% increase from 717 per annum to 1,466 per annum. The government has also emphasised the important role of regional strategic planning in delivering the homes that are needed. Therefore, our response to the NPPF revisions and Local Plan preparation sits within a regional context and the role of our neighbouring authorities and WECA.
- 3.6 The proposed revisions to the NPPF also include transitional arrangements in respect of Local Plan preparation. These mean that if a local authority wishes to prepare and have their plan examined in accordance with the current NPPF it either needs to submit it for examination within one month of the final revised NPPF being published or consult on a Draft Local Plan under Reg 19 within the same time frame as long as it plans for a requirement which is no more than 200 lower than the revised standard method housing figure (for B&NES this would be 1,266 per annum). The Government intends to publish the final revised NPPF during the autumn and no later than the end of this year.
- 3.7 Consultation on the NPPF and the other changes to the planning system is open until 24th September and the Government asks 106 questions to which it requests a response. This Council should respond to the consultation by answering these questions as appropriate and officers will draft a technical response that should be agreed for submission by the Executive Director for Sustainable Communities, in consultation with the Cabinet Member for the Built Environment, Housing and Sustainable Development.

Key elements of B&NES Response to the Draft Revised NPPF

- 3.8 Whilst the proposed revisions to the NPPF align with this Council's priority of delivering more affordable housing and therefore, provides opportunities to consider how this should be planned for through the Local Plan, there are also some key issues that this Council needs to raise in its response to the consultation. The key elements of our recommended response and therefore, asks of Government are set out below:

- The methodology by which the revised standard method housing figures needs to be further interrogated. It is now founded on a proposed baseline addition to the existing housing stock of 0.8% per annum, which is then adjusted in respect of the affordability (or unaffordability) of housing. The Council acknowledges that housing is unaffordable in B&NES and that increasing the provision of housing that is affordable is a local as well as a national priority. The increase in the standard method housing figure is high in comparison to other areas in the south-west that also have a high median income to house price ratio similar to B&NES.
- The revised standard method housing figure is crude and is simply based on the two factors identified above. It should also be adjusted to take account of the circumstances and presence of NPPF acknowledged constraints within a local authority area. The revised NPPF continues to retain protection for National Landscapes and designated heritage assets, including World Heritage Sites (WHS) (maximum weight of protection applied). Within B&NES the main economic centre and city is a double inscribed WHS and a significant proportion of the District lies with the Cotswolds and Mendip Hills National Landscapes. These changes are necessary in order to ensure that the housing figure is achievable and deliverable.
- If options for the growth of the city of Bath are to be properly and strategically considered the request to Government is made to facilitate discussion between the key agencies in respect of the relationship between WHS inscriptions/status and the implications of sustainable growth
- The need within B&NES is primarily for affordable housing, rather than market housing that is out of reach for many households. The emphasis on delivering affordable housing in the revised NPPF is welcomed and in particular the proposed requirement that development of land released from the Green Belt should deliver 50% affordable housing. However, the reference to delivering 50% affordable housing on such land being 'subject to viability' needs to be amended. Within the main body of the NPPF and therefore, definitively part of national policy it needs be clear that where the price paid for the land is more than the set 'benchmark value', viability negotiations to reduce affordable housing delivery for this reason cannot take place and permission will be refused. As such viability should only be exceptionally negotiated where developers can clearly demonstrate they can't meet all the policy requirements assuming no more than the benchmark value for the land.
- The above approach and requirement for delivering 50% affordable housing on land removed from the Green Belt should be rolled out to encompass other greenfield sites where development costs are generally lower. It would need to be carefully implemented in order to avoid stalling delivery. Changes are required in order to ensure the land value uplift from planning permission and subsequently development is better captured through the planning system to enable key policy objectives to be achieved. Such a mandatory requirement would fundamentally alter the housing market and ensure landowners do not receive an inflated price for their land, which in turns undermines the viability of delivering residential schemes that should be providing much needed affordable housing and meeting other important

policy requirements e.g. related to zero carbon construction, Biodiversity Net Gain etc

- Infrastructure: the scale of growth and housing development that needs to be planned for and delivered requires the timely delivery of infrastructure. A key request of Government is to properly consider infrastructure funding models and future investment levels in order to ensure that strategic and local infrastructure required to support development is brought forward. Relying on developer contributions to fund the substantial levels of strategic infrastructure needed (as well as that required locally to specifically mitigate the impact of development) is not realistic
- Delivery: a further key ask of government is to properly fund local planning authorities to plan for significant levels of growth both through plan-making and decision-making in respect of planning applications. Reference in the Government consultation and 30 July 2024 letter from the Deputy Prime Minister/Secretary of State for Housing, Communities & Local Government to financial support being available to progress the necessary additional plan-making work and potential increasing fees related to certain types of planning/listed building applications is welcomed. However, further detail is awaited and it is vital such mechanisms do provide sufficient funding/resources
- Renewable energy: proposed revisions to the NPPF that seek to support on-shore wind and other renewable energy installations are broadly welcomed. These revisions should help the Council in planning for increased renewable energy infrastructure in order to help meet targets associated with the Climate Emergency declaration. It is important that these NPPF revisions are supported by action and funding to ensure the grid capacity and connections are readily available to enable delivery

Bath and North East Somerset Local Plan

- 3.9 Preparation of the Local Plan 2022-2042 is well underway. The Council published an Options document for consultation earlier this year and is currently aiming to consider a Draft Local Plan at a Council meeting in January next year for public consultation under Reg 19, prior to submitting the Local Plan for examination before the end of June 2025. As set out below this preparation programme will need to be revised.
- 3.10 The Local Plan is a key corporate document in helping to address the Council's priorities and objectives that have a spatial manifestation. In the Options document the Council outlined the spatial priorities for the plan, which guide what it seeks to achieve. The spatial priorities are closely aligned with the Corporate Strategy. The spatial priorities are restated below and remain appropriate in the context of the draft revised NPPF. The thrust of government policy reflected in the draft revised NPPF aligns with and places renewed emphasis on the priority of delivering housing that is more affordable within the District. However, the Local Plan is not solely about planning for more housing, it is about facilitating the creation and maintenance of attractive, healthy and sustainable places. The spatial priorities are as follows:

Our Local Plan will plan for development in response to local needs to create attractive, healthy and sustainable places in line with the Council's Corporate Strategy.

The Plan will:

- *Maximise the delivery of housing that is more **affordable***
- *Create a **fairer, more prosperous and sustainable** economy*

In doing so, our plans for development must:

- *Enable B&NES to become **carbon neutral by 2030** and deliver a climate resilient district*
- *Protect and enhance nature through facilitating **nature recovery***
- *Improve **health and well-being** outcomes for all, including through planning health promoting and inclusive places and providing for cultural enrichment*
- *Reduce the need to travel unsustainably and enable **improved connectivity** for all through sustainable modes of transport and facilitating locally available services and facilities*
- *Respect, conserve and enhance our **heritage assets** and their landscape settings, in particular the World Heritage Site of Bath and National Landscapes*
- *Align the timely provision of **transport, health, education, social, cultural and green infrastructure** with development*

3.11 The Local Plan 2022-2042 as published is based on planning for the delivery of housing based on the then standard method figure of 725 per annum (14,500 over the plan period). The Options document set out the emerging approach to the spatial strategy; options for strategic development to meet needs; the approach to smaller local or non-strategic sites; and District-wide Development Management policy approaches/options.

3.12 The recently published draft revised NPPF, encompassing transitional arrangements for plan-preparation, has significant implications for our Local Plan, not least with regards to the amount of housing to be planned for (as summarised below). These implications mean that it is recommended that the Local Plan is re-set in order that it complies with and reflects the revised NPPF. Re-setting the Local Plan means that the work undertaken to date will continue to inform the Local Plan as appropriate, but that some of the key parameters have changed. In re-setting the Local Plan it is also important that it facilitates achieving the ambitions set out in the Economic Strategy, enabling sustainable economic growth in line with the Government's growth plans, as well as additional affordable housing. The next steps for our Local Plan are broadly outlined below.

Main Implications of the Revised NPPF for the Local Plan

3.13 The substantial increase in the housing figure for B&NES (and assuming the magnitude of the increase in the final revised standard method figure is similar) and changes to Green Belt policy will require significant further work to consider how significantly more housing development can be sustainably accommodated and in a way that delivers much needed affordable housing. The specified outcomes now sought from the Duty to Co-operate, allied to the revised calculation of Bristol housing need, will also have implications and make it even more important that we work closely with our neighbouring authorities and WECA.

- 3.14 A range of additional and updated evidence work will also need to be undertaken e.g. a revised Local Housing Needs Assessment to identify the type, size and tenure of housing needed within the context of a new standard method figure and affordable housing policy approach; further Green Belt assessment work including identification of 'grey belt' land; review of economic land requirements; and transport modelling to understand the impacts of further development.
- 3.15 The above issues and work will require significant further engagement with communities and other stakeholders, in line with the Council's objective of 'giving people a bigger say'.
- 3.16 The transitional arrangements set out in the revised NPPF cannot be met and a sound Local Plan secured. Therefore, the current preparation programme for the Local Plan (see para 3.9 above) will need to be amended. Further engagement on options and/or preferred options under Reg 18 will be necessary, before moving towards a Draft Local Plan to be consulted upon under Reg 19.
- 3.17 The Government's deadline for preparing Local Plans under the existing planning system, but in compliance with the revised NPPF, now requires submission of the Plan for examination by December 2026. Further assessment of a revised preparation programme needs to be undertaken, but the Council will progress preparation of the re-set Local Plan as quickly as is practicable and in order to achieve a sound plan. As such it is intended that the Local Plan will be submitted for examination in advance of the December 2026 deadline.
- 3.18 Once established the new programme for preparing the Local Plan will be set out in a revised Local Development Scheme (LDS). The LDS sets out the Council's planning policy work programme over a three-year period to assist those who want to engage in the process of local plan preparation.
- 3.19 Alongside preparation of the Local Plan the role of developer contributions in helping to fund both strategic infrastructure and that required to specifically mitigate the impacts of proposed development will need to be undertaken. This means that the programmes for the review of the CIL charging schedule and the Planning Obligations SPD will also need to be amended in the LDS so that they remain aligned with preparation of the re-set Local Plan. Furthermore, some Local Plan policies may require an associated Supplementary Planning Document (SPD) to be amended and therefore, the changes to the Local Plan preparation programme may also have knock-on effects or changes to the preparation of SPDs or Supplementary Plans.
- 3.20 It is recommended that delegated authority be granted to the Executive Director of Sustainable Communities, in consultation with the Cabinet Member for Built Environment, Housing and Sustainable Communities to agree and publish the revised LDS. The revised LDS will be published as soon as is practicable.

4 STATUTORY CONSIDERATIONS

- 4.1 Planning decisions must be taken in accordance with the development plan unless material considerations indicate otherwise (Section 38(6) of the Planning and Compulsory Purchase Act 2004, Section 70(2) Town and Country Planning Act 1990).

- 4.2 Section 19(1B) - (1E) of the Planning and Compulsory Purchase Act 2004 sets out that each local planning authority must identify their strategic priorities and have policies to address these in their development plan documents (taken as a whole). The development plan for an area is made up of the combination of strategic policies (which address the priorities for an area) and non-strategic policies (which deal with more detailed matters).
- 4.3 In light of the UK Plan-led system, Regulation 10A of The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) requires that Local Planning Authorities must review local plans and the NPPF states that this must take place at least once every 5 years, and Plans should then be updated as necessary. This must in whole or in part be to ensure that policies remain relevant and effectively address the needs of the local community.
- 4.4 The Council updated parts of its Local Plan (comprising the Adopted Core Strategy and Placemaking Plan) through the LPPU. The LPPU was adopted in January 2023. However, a full update of the Local Plan now needs to be prepared in order to ensure that the needs for development within the district (e.g. for housing and employment space) over the longer term can be objectively assessed and responded to positively. Work commenced on the full update of the Local Plan and an Options consultation took place earlier this year. The draft revised NPPF will almost certainly require the Local Plan to be re-set and further engagement undertaken.
- 4.5 The Levelling Up and Regeneration Act (2023) received Royal Assent on 26 October 2023 which will make some changes to plan-making. Regulations by the Secretary of State are required to bring these changes into force. The previous Government said local planning authorities (LPAs) must submit their local plans for examination by 30 June 2025 (and adopt them by 31 December 2026) if they want their local plans to be adopted under the current system. Under the revised NPPF the submission deadline is proposed to be extended to December 2026 to enable local authorities to undertake potentially significant further work on their Local Plans. If LPAs are not able to meet these deadlines (or if their local plans fail at examination), then LPAs must prepare their local plans under the new plan-making system. The Council's Local Plan is being prepared under the current system and it is anticipated it will be submitted before the December 2026 deadline.
- 4.6 The first formal stage in preparing the Council's new Local Plan is Regulation 18 of Town and Country (Local Planning)(England) Regulations 2012/767 which provides the opportunity to gather evidence and test options with local communities and stakeholders. Following consultation on the Options document earlier this year it is envisaged that further options/preferred options engagement and consultation will need to be undertaken in respect of the re-set Local Plan.
- 4.7 The Planning and Compulsory Purchase Act 2004 requires all local planning authorities to prepare a Local Development Scheme (LDS). The LDS which will be revised as described above sets out the programme, resources and arrangements for the production and review of statutory planning documents required by the Council. The LDS must be kept up-to-date.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 The Local Plan has been prepared utilising existing staff resources, led by the Planning Policy team and involving various other teams across the council, and also both council and WECA funding. Council funding has been primarily from the existing Local Development Framework (LDF) budget, although it has been supplemented in 2023/24 by funds via an agreed facility to draw-down from central reserves. In addition, this council successfully bid for strategic masterplanning funding from WECA and this has also been utilised in preparing the Local Plan Options document.
- 5.2 Re-setting the Local Plan and undertaking the additional work needed will require significant resources. In consulting on the draft revised NPPF the Government has announced that further funding will be available to local authorities in recognition of the further work and engagement now required in progressing Local Plans. The amount and nature of funding is unknown at this stage, but the Council will look to apply for any funding that is made available. Government funding will supplement that which is available via the existing LDF budget, the remaining WECA strategic masterplanning funding and the remainder of funds from the previously agreed draw-down facility that have not yet been utilised. At this stage it is anticipated that preparation of the Local Plan will be undertaken within the budget and resources available from the above sources. However, this may be subject to change dependent on the funding made available by government.

6 RISK MANAGEMENT

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

7 EQUALITIES

- 7.1 Preparation of the Local Plan to date, including the Options document has been subject to an Equalities Impact Assessment (EqIA) which ensures that the council understands the implications for people with protected characteristics of each of the Options presented for consultation. The impacts recorded through the EqIA will be taken into account in the next stages of plan-making. Following re-setting of the Local Plan preparation of an options/preferred options document will also be subject to an EqIA. The Local Plan is also subject to a Sustainability Appraisal (statutory requirement) throughout its preparation that also considers, at a more general level, equalities issues.

8 CLIMATE CHANGE

- 8.1 Helping to address the climate and ecological emergencies through contributing to achieving carbon neutrality by 2030 e.g. reducing carbon emissions arising from new development; and facilitating nature recovery are key spatial priorities of the Local Plan. Policy approaches or options set out in the document specifically aimed at meeting these priorities were set out previously in the Options document published earlier this year for consultation. The re-set Local Plan will continue to be underpinned by addressing the climate and ecological emergencies, including through:

- Locating new development where it is best served by sustainable modes of travel and minimises car travel
- Policy approaches to minimise energy use or carbon emission rates in new development and ensure they are, as a minimum, zero carbon
- Options to help further reduce embodied carbon from all scales of development
- Setting out policies that are aimed at better enabling the delivery of renewable energy installations in the most appropriate locations
- Looking at how to increase Biodiversity Net Gain in new development and working with the Local Nature Recovery Strategy to maximise nature recovery opportunities/benefits

9 OTHER OPTIONS CONSIDERED

9.1 In progressing the Local Plan the other option which was considered was accelerating preparation of the Local Plan in order that the transitional arrangements are met by submitting it for examination within one month of publication of the revised NPPF. However, it was concluded that this would be very likely to result in the Local Plan being found unsound at examination.

10 CONSULTATION

10.1 In preparing this Report the Cabinet Member for Built Environment, Housing and Sustainable Development, the Executive Director for Sustainable Development, the S151 Officer and Monitoring Officer have been consulted. It has been cleared for publication by the S151 and Monitoring Officer.

10.2 Re-setting of the Local Plan and the next steps in its preparation will need to be clearly and carefully communicated to communities and other stakeholders. Discussions are underway with Communications and Marketing colleagues in this respect.

10.3 Preparation of the re-set Local Plan will also be informed by significant stakeholder engagement and involvement. Future consultation will be undertaken in accordance with the Council's published Statement of Community Involvement and a range of engagement methods will be used, likely to include:

- Community representatives workshops, including parish & town councils, stakeholders and ward councillors
- Meetings and workshops with other stakeholders, including landowners and developers
- In-person consultation events/exhibitions and on-line briefings
- On-going tailored engagement with a number of seldom heard groups
- Publication of documents for consultation and comment
- On-going communication of progress and next steps

10.4 Engagement will be undertaken at key stages of plan preparation including through the remainder of Reg 18 (encompassing publication of a further Options/Preferred Options document) and via formal consultation on the Draft Local Plan under Reg 19. The programme for the next stages of Local Plan preparation will be set out in the revised Local Development Scheme and

subsequently, the timings of future consultation and engagement activities will be communicated and publicised, including via the Council's website and mail outs to those individuals and organisations on the Council's Planning Policy mailing list.

Contact person	<i>Richard Daone, Deputy Head of Planning - 01225 477546</i>
Background papers	<i>Government's consultation on the Revised NPPF and other changes to the Planning System:</i> https://www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system <i>Local Plan 2022-2042 Options document:</i> https://beta.bathnes.gov.uk/sites/default/files/Options%20Document.pdf
Please contact the report author if you need to access this report in an alternative format	

APPENDIX 1

SUMMARY OF GOVERNMENT'S PROPOSED REVISIONS TO THE NPPF

- a) Make the standard method for assessing housing needs mandatory and required to plan for the resultant housing figure. Before a lower Local plan housing requirement will be considered must demonstrate that have *“taken all possible steps, including optimising density, sharing need with neighbouring authorities, and reviewing Green Belt boundaries”*.
- b) Alongside the NPPF the government has also published revised standard method housing figures. The current standard method housing figure is based on population and household projections, with an affordability adjustment to reflect in some areas housing is increasingly unaffordable. This affordability adjustment is capped. The proposed revised standard method figure is based on an annual increase in the existing housing stock, to which an affordability adjustment is then applied. The affordability adjustment is no longer proposed to be capped. The current standard method housing figure for B&NES is 717 per annum, Under the proposed method the housing figure increases by 104% to 1,466 per annum.
- c) Reverse other changes to the NPPF made in December 2023 which were detrimental to housing supply. This includes reinstating the requirement to be able to demonstrate a 5 Year Housing Land Supply (5YHLS), with a 5 % buffer and which can no longer include past over supply
- d) Presumption in favour of sustainable development applies if local planning authorities can't demonstrate a 5YHLS or policies relating to the supply of land are out of date, albeit there is an emphasis on affordable housing provision and design quality in such circumstances
- e) Broaden the existing definition of brownfield land, set a strengthened expectation that applications on brownfield land will be approved and that plans should promote an uplift in density in urban areas
- f) Green Belt:
 - if cannot meet housing need in any other way required to review Green Belt to release land to meet housing need in full, unless *“the review provides clear evidence that such alterations would fundamentally undermine the function of the Green Belt across the area of the plan as a whole*
 - review the Green Belt to identify grey belt land, which is defined as brownfield sites and any areas that only make a limited contribution to Green Belt purposes. Grey belt land should be brought forward into the planning system through both plan and decision-making to meet development needs
 - in releasing land from the Green Belt for development first consider brownfield sites, then other grey belt areas in sustainable locations and finally greenfield sites elsewhere in the Green Belt

- development of land in the Green Belt is subject to 'golden rules' to ensure it delivers in the public interest, this includes providing 50% affordable housing (subject to viability)
- g) Affordable housing: meeting diverse needs with greater emphasis on meeting needs of those on lower incomes through social rented housing, and less emphasis on affordable home ownership. A minimum proportion of social rented homes as part of affordable housing provision needs to be identified and there is no longer a requirement for 25% of affordable housing to be First Homes
- h) Duty to co-operate remains, but role of strategic planning in delivering sustainable growth emphasised and that as a result of co-operating should be able to demonstrate consistency of Local Plans across boundaries e.g. with regard to planning for infrastructure and meeting unmet housing need
- i) Support economic growth in key sectors, aligned with the Government's industrial strategy and future local growth plans
- j) Support clean energy and the environment. Greater support for onshore wind and renewable energy including removal of caveats relating to impacts being made acceptable and securing community support. Restrictions still apply in National Landscape areas and with regard to designated heritage assets

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Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	12 September 2024	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3570
TITLE:	Refreshed Procurement Strategy	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Draft Procurement Strategy		

1 THE ISSUE

The council’s current Procurement Strategy covers the period 2020 - 2024. The proposed new strategy builds on the successes of the previous strategy and ensures that the requirements of the new procurement legislation coming into force October 2024 (The Procurement Act 2023) have been considered, as well as the ambitions and priorities laid out in the Corporate Strategy.

2 RECOMMENDATION

The Cabinet is asked to;

2.1 Approve the revised Procurement Strategy for publication.

3 THE REPORT

3.1 The Procurement Strategy has been developed to support B&NES Council’s strategic aims and priorities. It outlines the ambition and direction of travel for procurement activity across the council.

3.2 The Procurement Strategy sits alongside the council’s Contract Standing Orders, which are the regulatory framework for all staff to follow in respect of purchasing goods, services and works regardless of value.

3.3 It is recognised that procurement activity can be powerful and support the council toward its long-term vision, contributing towards the ambitions and priorities set out in the Corporate Strategy.

3.4 The strategy is framed around 6 priority themes. They interrelate as a balance of considerations, are not in order of priority nor are they exhaustive. Putting our energy into these areas will have the biggest impact on supporting the council's aims and ambitions:

- (1) Delivering Best Value & Good Governance
- (2) Embedding Sustainability & Climate Action into all Procurement Activity
- (3) Providing Opportunity for Economic, Social & Environmental Wellbeing
- (4) Enhancing the Supply Market
- (5) Improving Contract & Commercial Management
- (6) Building Skills & Capability

3.5 Under each strategy theme a range of outcomes are outlined, along with activities. The strategy is supported by an action plan, with key dates and milestones. The action plan will be a working document that will be used to monitor the delivery of the strategy.

3.6 The proposed strategy is for the organisation, not just the Strategic Procurement Team and supports our Being our Best culture programme. Commitment is required at all levels across the organisation, to help deliver this strategy.

4 STATUTORY CONSIDERATIONS

4.1 There are no known legal implications of adopting the strategy. However, adopting an up-to-date procurement strategy will assist the council in working within the relevant legislative framework.

4.2 Procurement operates in a highly regulated environment governed by the council's Contract Standing Orders and legislation such as the UK Public Contract Regulations 2015, the Concession Contracts Regulations 2016 and the Utilities Contracts Regulations 2016, which are soon to be replaced by the Procurement Act 2023. The Public Services (Social Value) Act 2012 will be applicable to pre-procurement procedures and the Council must consider how any services it is considering procuring might improve social priorities and the wellbeing of the service area.

4.3 The Procurement Strategy does not replace any of the council's internal rules (Financial Regulations or Contract Standing Orders) or statutory procurement legislation. It provides guidance and support for officers involved in procurement activity and can be accessed by members of the public and potential suppliers, providing assurance around our procurement activities.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 Whilst there are no direct financial implications arising from the agreement of the Procurement Strategy, clearly the absence of an agreed strategy could lead to increased costs being incurred by the council, or indeed missed opportunities to secure value for money.

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. There are no known risks related to introducing a revised Procurement Strategy.

7 EQUALITIES

7.1 There are no known equalities impacts of introducing a revised Procurement Strategy.

8 CLIMATE CHANGE

8.1 There are no direct implications arising from this report, however climate change has been considered in drafting the strategy and is the focus of one of the strategy's key themes. This will help ensure climate and ecological impacts are considered when buying goods, services, and works and therefore support the councils' priority to tackle the climate and ecological emergencies.

9 OTHER OPTIONS CONSIDERED

9.1 An alternative option, which is not recommended, is to not have a defined Procurement Strategy. This option has been discounted because it is best practice to have an overarching procurement strategy which supports the organisation's corporate priorities and objectives.

10 CONSULTATION

10.1 A range of internal stakeholders have been engaged in formulation of the strategy and any feedback received has, where practical to do so, been incorporated into this draft.

- (1) Procurement Steering Group
- (2) Corporate Policy & Scrutiny Panel
- (3) Corporate Management Team
- (4) Leading & Managing Together Groups

Contact person	Cheryl Hansford, Acting Head of Procurement Cheryl_hansford@bathnes.gov.uk Jeff Wring, Director of Financial Services, Assurance & Pensions Jeff_wring@bathnes.gov.uk
Background papers	Attached draft Procurement Strategy
Please contact the report author if you need to access this report in an alternative format	

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Procurement Strategy

2024



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Introduction

We are at an exciting time in public sector procurement with the UK's Procurement Act 2023 coming into force, bringing with it the challenges of a major overhaul of the procurement rules for many decades. However, along with the challenges, this brings with it the opportunity to ensure our procurement activities are ambitious, robust and fit for purpose, and to take advantage of a new procurement regime.

The purpose of this strategy is to set out the council's guiding principles and ambitions for our procurement activity. Whether you're a councillor, senior manager or budget holder at the council, or one of our suppliers or partners it will help you understand what the council is aiming to achieve through our procurement activity. The Strategy will define our organisational approach to procurement and will provide assurance that we will continue to spend public money in a way which is fair, accountable and achieves the very best value.

Our vision is to ensure that all of the council's procurement activity is delivered in a manner that considers our guiding principles and ambitions, not only from a purely procurement perspective but also taking into account the wider commitments in our Corporate Strategy.

Our procurement activity and decisions have a direct impact on the council's budget, the quality and cost of services to our citizens and delivery of our corporate and service objectives. The way in which we conduct our procurement activity also has an impact on our suppliers and potential suppliers to the council and we hope that this strategy will enable us to provide greater transparency and consistency in our activities.

There are six priority themes in this strategy; delivering on the first three will ensure that we achieve our procurement and council aims and ambitions; the second three are the strong enablers that will ensure that we have the tools in place to do so. We have a devolved procurement structure and embedding the six priority themes will ensure that procurement activity across the council is robust and consistent.

1. Delivering best value and good governance
2. Embedding sustainability and climate action in to all procurement activity
3. Providing opportunity for economic, social and environmental wellbeing
4. Enhancing the supply market
5. Improving contract and commercial management
6. Building skills and capability



1. Delivering best value and good governance

1.1 Ambition

Delivering best value is at the heart of procurement and is of critical importance within the wider context of financial challenges and increased demand for services within local government. Achieving the very best value is about more than efficiency, savings and managing risk.

The operating environment for local authorities has shifted significantly in recent years as a result of wider geo-political events, meaning less surety in the outcome of commercial contracting and greater financial risks.

The council must ensure that procurement activity is robustly planned, to deliver the desired outcomes, deliver best value and to take advantage of collaborative opportunities available to us.

Strong governance processes will ensure appropriate oversight of the council's procurement activity, alignment with the Corporate Strategy, adherence to relevant legislation and the council's own Contract Standing Orders.

1.2 Outcomes

The expertise of the Strategic Procurement Team is focussed on high value, high risk procurement processes, working with services across the council.

Council contracts are awarded and managed to optimise council funding, taking into account cost, delivery and whole life benefits.

Verified spend data is utilised and informs our future procurements and current contracting in an appropriate and proportionate manner.

Internal processes, procedures and Contract Standing Orders are optimised and efficient, enabling the council to procure effectively.

Opportunities to collaborate with other local authorities and public bodies are explored and taken where appropriate.

Improved visibility and transparency of council procurement options and decisions, to increase the opportunity for scrutiny and market engagement.

1.3 Activities

Build upon and promote the use of spend data dashboards in the development of reports, business cases and options analyses across the whole council.

Introduce Commissioning & Procurement Plans, gateways and contract award reports into the governance processes to ensure all relevant factors are considered and relevant parties are engaged before spend decisions are taken.

Work with local partners and public bodies to develop and deliver a joint collaborative working project plan, with outcomes recorded.

Implement procurement tools and methodologies for council officers, ensuring that they are able to maximise opportunities to deliver best value outcomes through the procurement cycle activity.

Review and update the Contract Standing Orders to ensure effort and resource is focussed on the high-cost and high-risk commercial relationships.



2. Embedding sustainability and climate action in to all procurement activity

2.1 Ambition

B&NES council declared a Climate Emergency in 2019 and an Ecological Emergency in 2020 and have embedded the resolution to focus on sustainability in the Corporate Strategy.

The council's spending can have a significant impact on helping the council to achieve its carbon net zero ambitions, influencing the approach to climate change mitigation and driving sustainability within the local authority area. Whilst we have made progress, we must try to do more.

Therefore, the council's approach to procurement and contract management must be harnessed to support the council's resolution and strategy.

Our decisions about what we buy, who we buy it from and the way we buy it can have significant wider environmental, economic and social impacts, thereby contribute to achieving one of the council's core policies: tackling the climate and nature emergency.

2.2 Outcomes

The climate and sustainability impact of the council's spending decisions are fully considered and appropriately built into procurement requirements, driving down carbon emissions and contributing towards the net zero ambition.

Measurable sustainability and climate data is available in contracts and is used to improve services and drive change.

Council contracting considers the changing climate and takes action to reduce detrimental impacts, influencing emission reductions from outsourced and contracted council services.

A supply base that is aware of and embraces the council's declarations, policy and strategy in relation to sustainability, passing that commitment on to other organisations and supporting delivery of "a Greener and more sustainable B&NES" (Economic Strategy).

2.3 Activities

Explore the establishment of a methodology for measuring and reporting of climate and sustainability targets and impacts during contract delivery, creating data that can be used to improve services and drive change, including (but not limited to) utilising the existing baseline data for Scope 3 emissions.

Engage with the Sustainable Economy team to provide expertise to service teams in procurements and ensure standard documentation contains minimum standards for supplying to the council.

Develop and deploy workable models in conjunction with the Sustainable Economy team for use in procurement evaluations to allow assessment of climate and sustainability.

As part our market engagement activities and plans we will work with our supply markets to ensure they are aware of our ambitions and learn from them what constitutes current sustainability best practice.

3. Providing opportunity for economic, social and environmental wellbeing

3.1 Ambition

The Public Services (Social Value) Act 2012 was enacted to ensure public sector organisations are taking the social, economic and environmental value delivered by their contracts into account.

The Act places a duty on the council to "consider, prior to undertaking the procurement/ commissioning process, how any services procured might improve economic, social and environmental well-being".

Whilst we operate in a challenging environment, in which savings will always be a factor for consideration, we need a strategy which also focuses on achieving additional outcomes from our procurement activity, at no extra cost.

By leveraging our procurement expenditure and engaging with suppliers we can help the council enhance outcomes for our communities through increased social, economic and environmental value.

This will directly support the overall priorities of the council as set out in the Corporate Strategy.

3.2 Outcomes

A proportionate and effective Social Value Policy, with supporting methodology / toolkit, is embedded across the council.

The council is able to record and track Social Value outcomes delivered through contracts with third parties.

Procurement processes consistently consider Social Value and are designed to ensure suppliers make worthwhile and deliverable Social Value commitments through the tender process.

The council seeks to improve economic, social and environmental wellbeing from our contracts, over and above the delivery of the services directly required by exploring how those activities can deliver the council's wider strategic outcomes at no extra cost.

Expenditure on contracts is leveraged and suppliers are engaged to enhance our communities through increased social value.

3.3 Activities

Review and re-launch the B&NES social value policy and model, including provision of templates, processes and training to all relevant officers.

Implement a clear impact measurement mechanism, for delivery of Social Value and wellbeing outcomes and impact to be reported on.

Ensure that Social Value is built into Contract Management processes, so that commitments made by suppliers during tender processes are delivered during the contract term.

Explicitly link Social Value to the Corporate Strategy to create a clear strategic link between council aims and outcomes, including (but not limited to) consideration of the efforts to reduce health inequalities.

4. Enhancing the supply market

4.1 Ambition

B&NES external spend is in excess of £300m per annum which must be used to both deliver services now and plan ahead to ensure future delivery.

We recognise the importance of a supply market that has developed to meet our needs and understand that by directing our spend effectively and engaging with the market appropriately we can help the market grow and create a vibrant and sustainable marketplace who can create innovative and lasting service solutions.

We will seek to maximise the benefit offered by our local supply base, supporting our Corporate and Economic Strategies.

4.2 Outcomes

All suppliers are able to access opportunities to apply to work for the council if they wish to do so.

The council works with our local supply market, helping to develop “a prosperous new economy”, in support of the council's Economic Strategy and to support delivery of the council's sustainability targets, seeking to take advantage of legislation updates where appropriate.

The supply market has early visibility of upcoming opportunities and a good understanding of how they access these opportunities.

Supplier markets are appropriately engaged during the pre-tender phase, allowing input and development of Commissioning and Procurement Plans and encouraging innovation that drives best value.

The council engages with, and influences, the supply market and potential suppliers in order to drive innovation and develop new ideas around service delivery.

4.3 Activities

B&NES regularly update and publish a pipeline of upcoming procurement opportunities and work with partners such as FSB and the council's Business and Skills Team to raise awareness across the market.

Commissioners and procurers ensure an appropriate level of early market engagement is included in projects when developing Commissioning and Procurement Plans.

Conduct a review of procurement documentation and processes to ensure suitability for all markets and suppliers.

Assess and review B&NES engagement with supplier groups, including but not limited to SME and VCSE organisations, to develop an action plan for improved market access.

Analyse and assess the council's supply base to understand market pressures and composition.

Maximise the opportunities offered by the Procurement Act 2023 in respect of engaging with local supply market where appropriate.

5. Improving contract and commercial management

5.1 Ambition

Many of the council's key services are delivered by third-party suppliers. It is therefore vitally important to effectively manage these commercial relationships, ensuring that the organisation delivers better services, mitigates risk and has improved control over costs.

Failure to manage contracts properly may lead to inefficiencies, poor contractor performance or commercial failure which can seriously damage the council's reputation and ability to deliver effective services, support our communities and deliver against our corporate ambitions and priorities.

We will embed improved contract management throughout the contract lifecycle, providing the framework and tools to comply with the Procurement Act 2023 and to manage the exposure to commercial, contractual and reputational risk.

5.2 Outcomes

Contracts with third-parties are robustly managed by the council, using an established and consistent corporate approach to contract management which includes the tiering of suppliers ensuring proportionality.

Introducing a new contract management framework will improve contract management across the council with clear lines of reporting and responsibility, ensuring that contracts are delivering or exceeding their quality, service and cost targets.

There is visibility of contract performance in relation to the council's key contracts and improved assurance on delivery.

Contracts are proactively managed to ensure that the value negotiated through the procurement process is retained, continuous improvement is realised and additional value is unlocked where possible.

5.3 Activities

Introduce a consistent, risk-based contract management framework with accompanying tools, comprehensive training and support for all officers who are involved in managing contracts with third-parties.

All key contracts have a named contract manager who has clear responsibilities and understands the contract performance reporting requirements and the importance of developing appropriate relationships with suppliers.

Contracts are based on terms and conditions which allow for appropriate and proactive contract management.

Ensure that data on contract performance is reported on corporately for the council's key contracts. Introduce a consistent approach to commercial risk management using established tools and techniques.

6. Building skills and capability

6.1 Ambition

Public procurement is a skills and knowledge grounded discipline which requires regular development to maintain an up-to-date skill set. We will ensure that procurement officers have the right skills and capabilities to support the council appropriately and effectively.

The Strategic Procurement Team will provide advice, guidance and supporting documentation to increase procurement and contract management skills and knowledge levels across the council, improving our overall compliance, governance and contracting strategies.

As procurement is undertaken by officers outside the procurement team, appropriate skills and understanding must be shared and held across the council.

6.2 Outcomes

The council is supported by a skilled and knowledgeable Strategic Procurement Team who are able to offer support, advice and guidance on procurement activity.

Officers influencing procurement outside of the Strategic Procurement Team are appropriately trained and are able to access guidance, documentation, templates, training and advice to support their procurement activity.

The Strategic Procurement Team have a clear understanding of their capabilities and development plans in place to support ongoing development of technical skills.

The organisation has a good understanding of the Procurement Act 2023, is able to harness the opportunities presented by the new legislation and has embedded the requirements across the organisation.

Officers involved in procurement and contract management activity apply a commercial mindset, harnessing opportunities to secure best value and maximise added value in contractual relationships.

6.3 Activities

Develop clear multi-year training & development plans for the Strategic Procurement Team.

A full suite of guidance, templates, advice and training is developed and made easily available for council officer use.

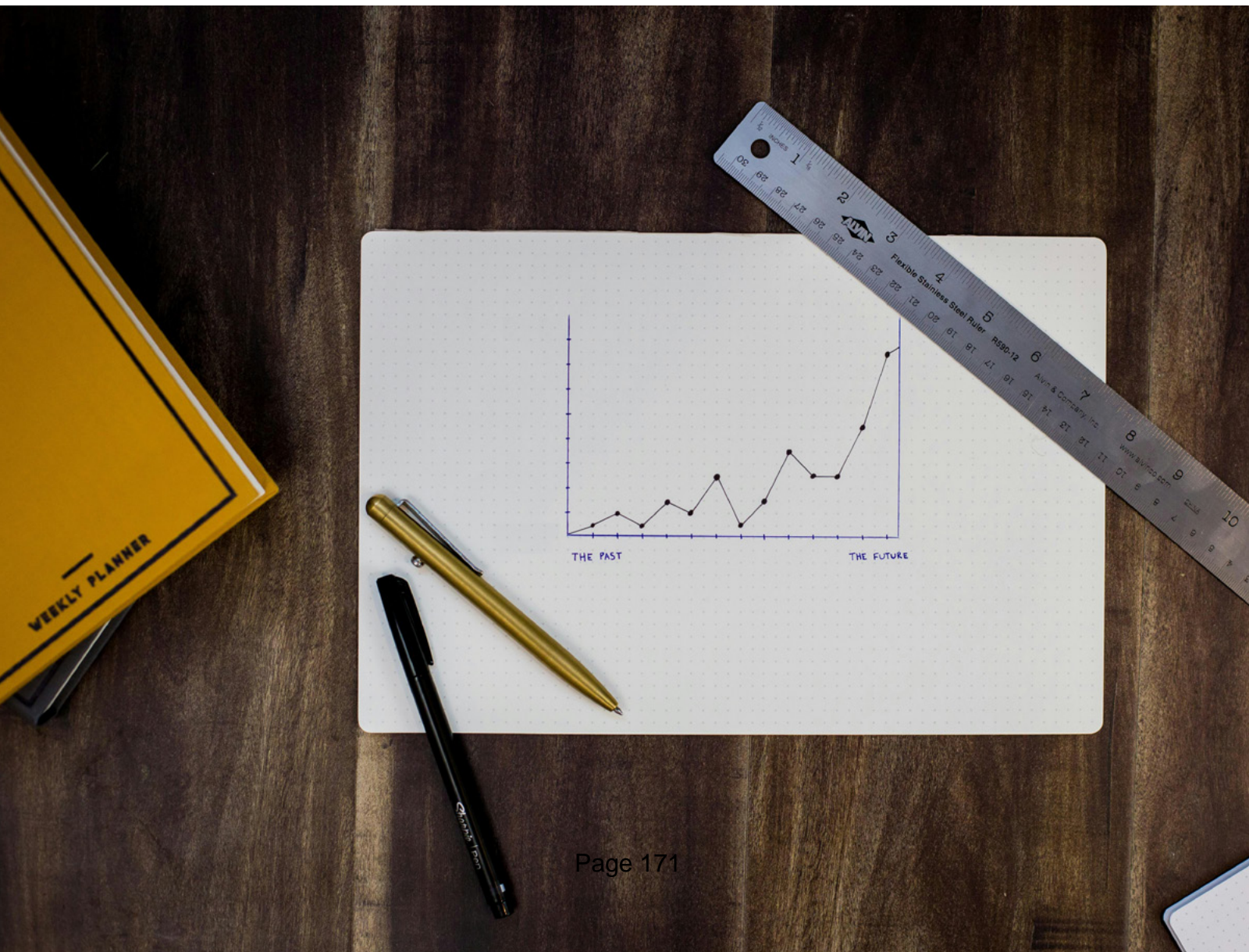
Strategic Procurement Team members keep fully abreast of the Procurement Act 2023 changes, become familiar with the new requirements and are able to provide support and guidance across the organisation to ensure we maximise the opportunities and meet the various requirements of the legislation.

Consider the impact of any changes to the organisation's commissioning approach and structure, and the subsequent implications in respect of procurement related skills and capability.

Implementing, monitoring and tracking progress of delivery

We will develop a realistic and achievable Delivery Plan which will include metrics to evaluate the progress of the activities contained in the strategy. The timeframes for delivery will be subject to various factors such as level of appropriate resources and organisational readiness.

The Delivery Plan will be reviewed on an annual basis and will be reported to the Procurement Steering Group for oversight.



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Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING DATE:	12 September 2024	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3564
TITLE:	2025/26 Medium Term Financial Strategy	
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report:</p> <p>Appendix 1 – Medium Term Financial Strategy Appendix 2: (i) 2025/26 to 2027/28 Budget Savings and Income proposals & (ii) 2025/26 to 2027/28 Funding Requirements.</p>		

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 in Appendix 1.

3 THE REPORT

3.1 The Medium Term Financial Strategy (MTFS) provides the 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 models future years funding requirement for the Council’s revenue budget and identifies where there are income shortfalls that require new savings plans. The strategy sets out the approach to address funding gaps prior to budget setting and the associated risks. Due to the financial challenges the Council faces, the MTFS sets out the strategic management options based on the high level planning assumptions used in the MTFS budget forecast.

3.3 The focus is on the delivery of the second year of a two-year balanced budget, as presented to Council in February 2024, whilst recognising new and emerging risks that may require further action and development of new savings and income plans. At this stage uncertainty remains for next year following a change in government with Council financial settlements 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.

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 2025/26 which will be considered by this Council in February 2025. 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 engagement sessions.

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**Background
papers**

Budget and Council Tax 2024/25 and Financial Outlook –
Council Agenda February 2024

**Please contact the report author if you need to access this report in an
alternative format**

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Appendix 1 - Bath & North East Somerset – Medium Term Financial Strategy 2025/26 - 2029/30

1. Purpose of the Strategy

The Medium Term Financial Strategy (MTFS) provides a budget setting 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 will model the future years funding requirement for the Council's revenue budget and identify where there are income shortfalls that require new savings plans. The strategy will set out the approach to address funding gaps prior to budget setting and the associated risks. 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 delivery of the second year of a two-year balanced budget whilst recognising new and emerging risks that may require further action and development of new savings and income plans. At this stage uncertainty remains for next year following a change in government with Council financial settlements 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 publish existing Council agreed plans and set the future years strategic resourcing plan; recognising the resourcing requirement to meet the administration's priorities to deliver the 2023 – 2027 Corporate Strategy for the Council, whilst maintaining a balanced budget over the next five 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 constrained national public finances due to continued low economic growth 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 2023/24 ended the financial year in a balanced position after transfers from reserves of **£0.13m**. 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 budget statement on 30th October 2024. This will set out the Government's revised spending plans for 2024/25 and 2025/26, with a further 3-year Spending Review covering 2026/27 to 2028/29 now planned to be announced in the Spring of 2025. The announcements will set Government Department budgets, informing the Local Government settlement that will be announced in December. The estimates within this Strategy are largely based on a rollover funding package for 2025/26 given the current national fiscal constraints. Members will be provided with an update once the future funding position is known following the budget announcements.

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 2023/24 the budget had a savings requirement of £14.38m, against this target the Council delivered savings of £11.55m (80%) with the balance either rephased to 2024/25 or addressed through the budget setting proposals. As a result of the ongoing budget challenge the 2024/25 budget requires the delivery of £16.42m in savings and income generation plans.

The MTF base case as set out in the report (section 9) estimates that the Council will need to find up to £28.60m (including the £13.34m already identified) in savings over the next five years. This is based on the assumption that Council tax increases are capped at 3.99% for the five year period 2025/26 to 2029/30. This consists of a general increase of 1.99% and an Adult Social Care Precept increase of 2%.

The main contributing factor that is driving the budget gap is sustained inflation and the higher interest rates due to cost-of-living, these impact the Council's running costs as well as the supply chain for external provision. In addition, the Council continues to see demand and activity rise for essential Social Care services, which is compounded by high market costs and a reliance on out of area provision.

In the shorter term the profile of the savings shows a requirement of £15.98m over the next two years (£8.41m of planned savings in 2025/26, followed by £7.57m in 2026/27, of which there are planned savings of £2.44m).

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, this is reviewed annually as part of the Council's budget proposal where the S151 Officer carries out an assessment of budget risk and reserve levels to manage these risks.

The Council holds Revenue Budget Contingency and Financial Planning / Smoothing reserves that enable on a page 17 transitional funding to meet revenue costs. Over the life of the MTF 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 2025/26 financial year.

Capital spending will focus on the delivery of priority schemes within affordability levels, the 2024/25 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 2025/26 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

2023/24 Outturn

The Council delivered an adverse outturn position of £0.13m as follows:

Portfolio	Revised Budget £m	Outturn £m	Variance Over / (Under) £m
Leader of Council	(0.21)	(0.26)	(0.05)
Climate Emergency and Sustainable Travel	1.48	1.35	(0.13)
Council Priorities and Delivery	7.91	7.60	(0.31)
Resources	6.02	1.74	(4.28)
Economic and Cultural Sustainable Development	(1.58)	(3.92)	(2.34)
Adult Services	66.87	68.26	1.39
Children's Services	41.09	46.14	5.05
Highways	(0.37)	(2.06)	(1.69)
Neighbourhood Services	25.95	27.65	1.70
Built Environment and Sustainable Development	2.84	3.28	0.44
Total (before Carry Forwards)	150.00	149.79	(0.21)
Carry Forward Requests (underspends)			0.34
Total (including Carry Forwards)			0.13

The £0.13m overspend was funded by a transfer from 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 2024/25

The 2024/25 net budget of £135.85m was approved by Council in February 2024. Quarter 1 budget monitoring to the end of June, shows a projected overspend of £3.95m against the revised budget of £136.22m as shown below.

Current monitoring highlights the continued impact of demand pressures on Council services, which have continued to increase since budgets were approved in February 2024.

Portfolio	Revised Budget £'m	Year End Forecast £'m	Variance Over / (Under) £'m
Leader of Council	(0.30)	(0.31)	(0.01)
Climate Emergency and Sustainable Travel	1.27	1.22	(0.05)
Council Priorities and Delivery	2.88	2.85	(0.03)
Resources	15.83	15.31	(0.52)
Economic and Cultural Sustainable Development	(6.84)	(5.30)	1.54
Adult Services	60.82	60.83	0.01
Children's Services	35.95	38.42	2.47
Highways	(1.77)	(2.39)	(0.62)
Neighbourhood Services	25.87	26.97	1.10
Built Environment and Sustainable Development	2.51	2.57	0.06
Quarter 1 Forecast Outturn Variance	136.22	140.18	3.95

The main overspend is in Children's Services where demand-led placement and package costs continue to cause a significant pressure with the service currently forecasting a £2.47m over budget position.

Further pressures are being experienced in the Corporate Estate, Waste Services and the Regeneration Service. There is also demand pressure in Adult Social Care which are being financed by a forecast £1m transfer from the Adult Social Care Reserve. High levels of vacancies across the organisation, strong performance in Parking Services, and increased interest on cash balances and lower capital financing costs due to capital programme re-profiling are providing favourable mitigations.

Directors are actively developing mitigation plans for the service areas which are in an over budget position, identified above, to manage this position in year and bring the Council back into a balanced position. Mitigations will be reported through the quarter 2 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 continued fiscal constraints and reductions in revenue support grant funding that have occurred over the past decade or so.

The Council's revenue support grant has reduced from £31m in 2013/14 to £0.8m per annum in 2024/25, as a result we have become more reliant on external income to help fund core Council services.

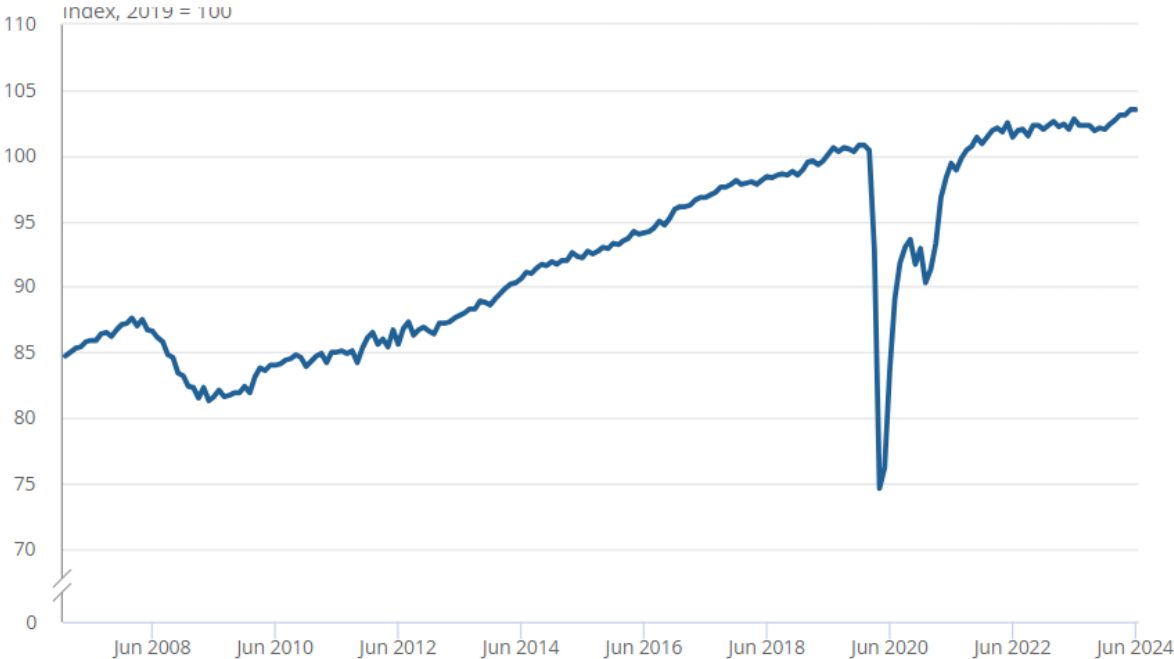
6. Drivers of Demand

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 in Ukraine impacted on energy supply and price that drove inflation to its highest level since the 1970's.

The diagram below shows that there was no growth in monthly real gross domestic product (GDP) in June 2024, following growth of 0.4% in May 2024.

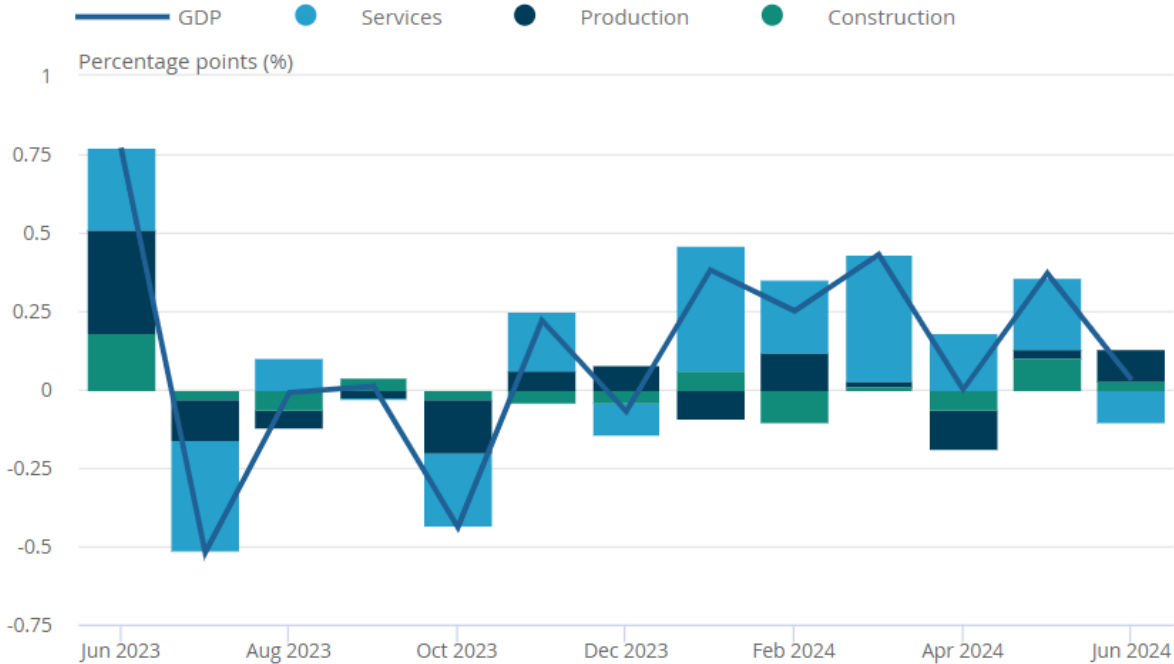
Monthly index, January 2007 to June 2024, UK



Source: Office for National Statistics - Monthly GDP

The chart below shows the monthly sector movements contributing to the changes in UK GDP with overall monthly movements ranging between +0.75% and -0.5% over the past year. This highlights that there has been more volatility in the service industry.

Contributions to monthly GDP growth, June 2023 to June 2024, UK



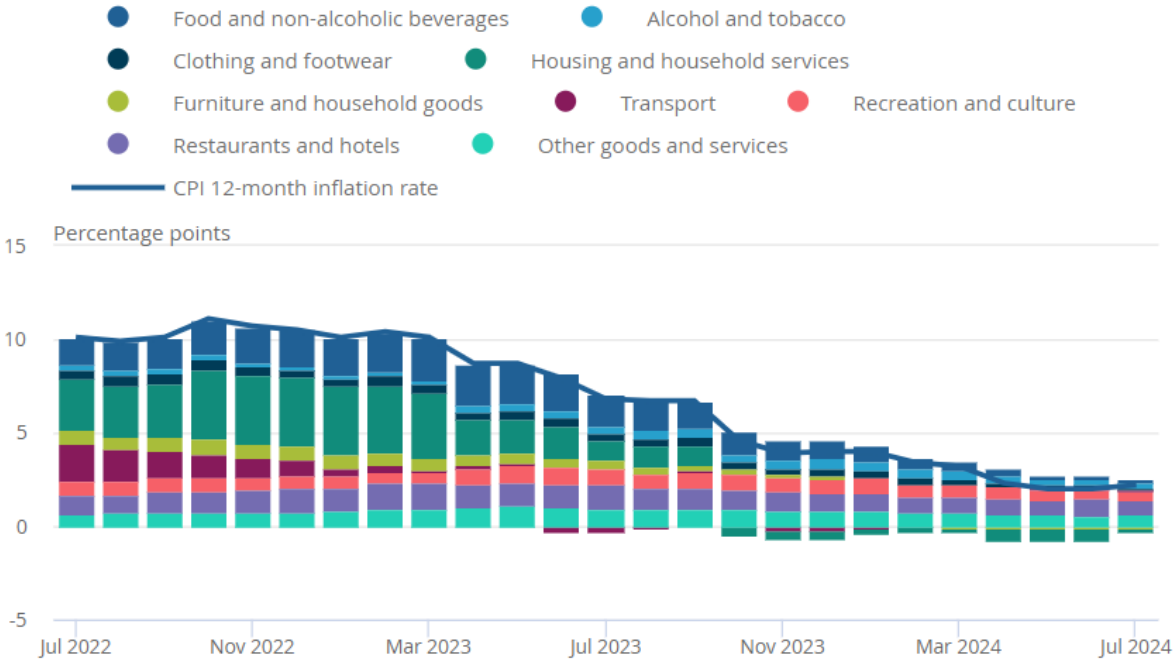
Source: GDP monthly estimate from the Office for National Statistics

The Consumer Prices Index (CPI) rose by 2.2% in the 12 months to July 2024, compared with a rise of 2% in the period to June. On a monthly basis, CPI fell by 0.2% in July 2024, compared with a fall of 0.4% in July 2023.

The previous 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 contract 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 Consumer Prices Index (CPI) inflation rate, UK, July 2022 to July 2024



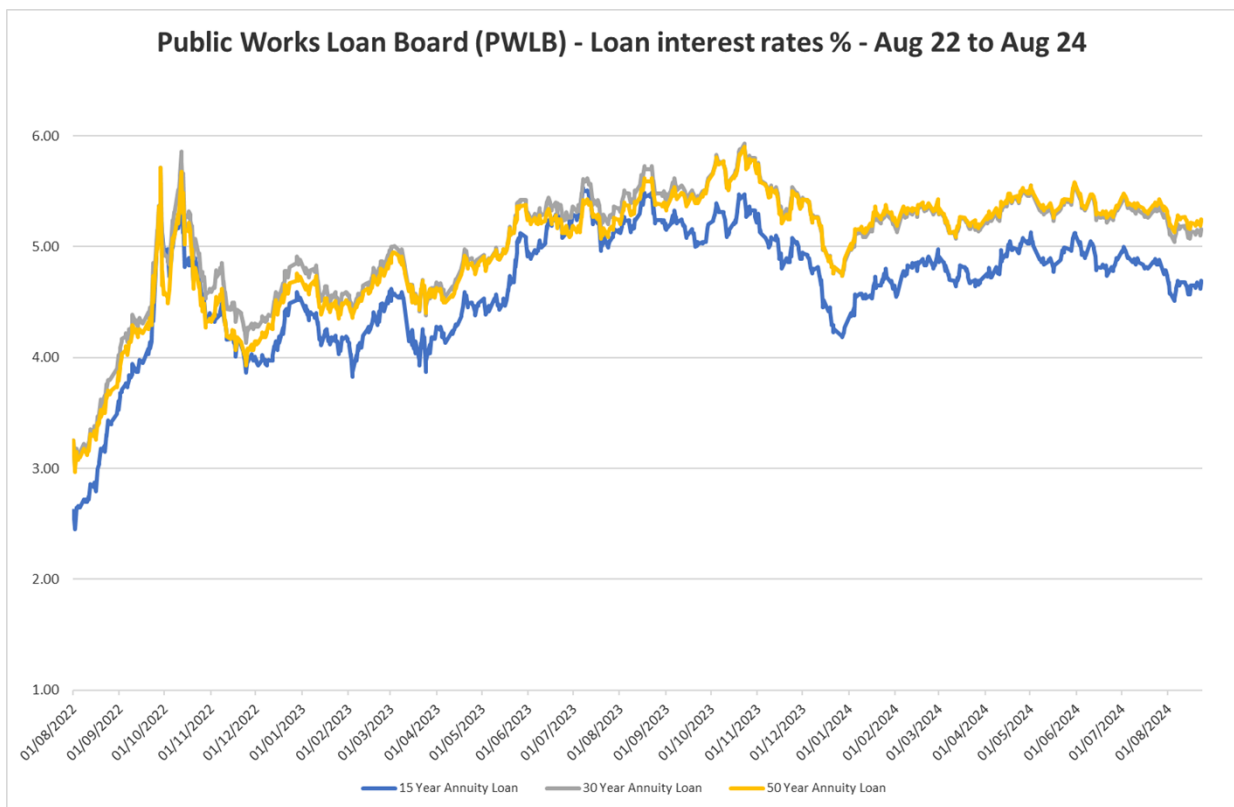
Source: Consumer price inflation from the Office for National Statistics

The Bank of England base interest rate increased from 0.10% during March 2020 to 5.25% on the 21 September 2023 where it remained until a 0.25% rate cut to 5.00% was agreed in August 2024. This has an impact on public works loan board (PWL) 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.

Economic impact on the Councils income budgets

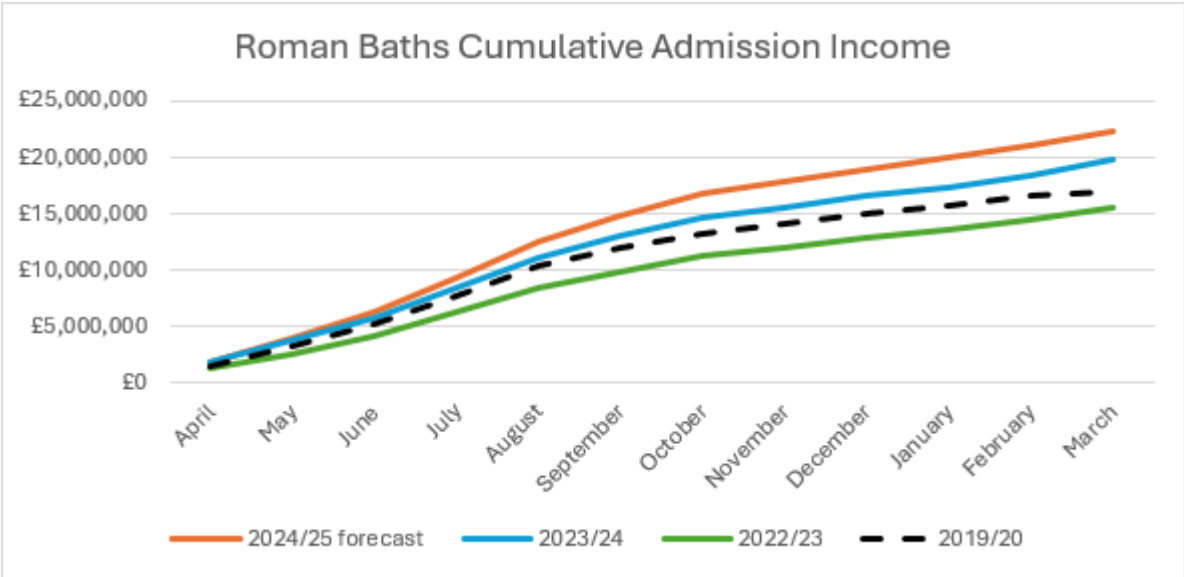
Current performance for the Council's main income generating services are below:

Culture & Heritage Services Income

Culture and Heritage Services income budgets are largely driven by visitor numbers to the Roman Baths. The budget for 2024/25 was set at 1,100,000 visitors, 92% of the pre-pandemic footfall.

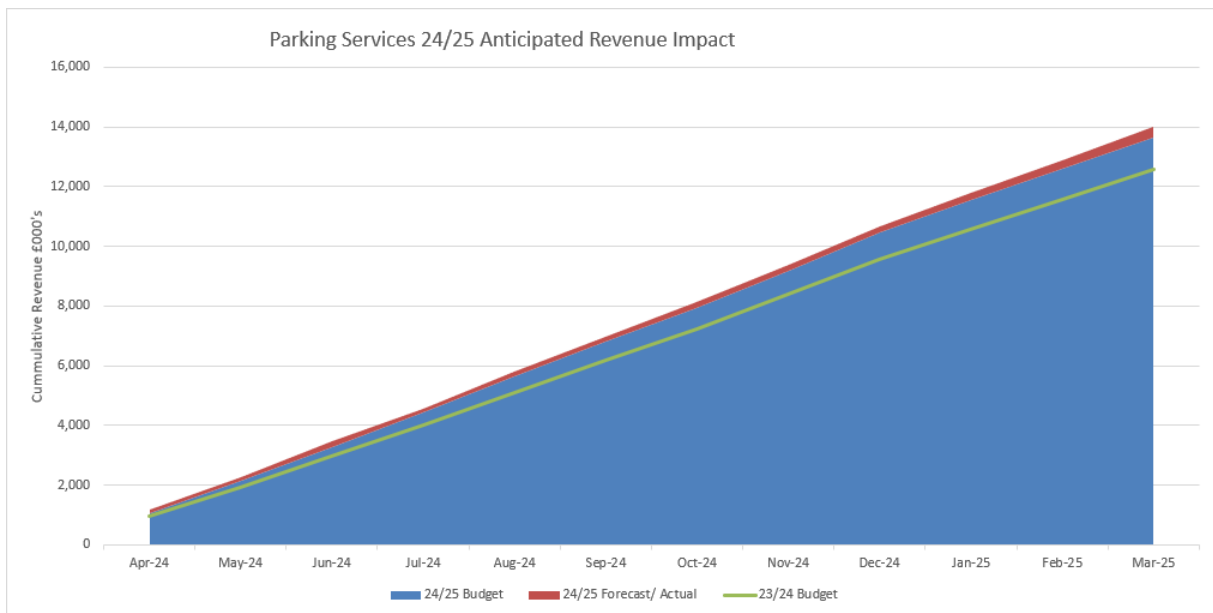
Footfall over the first quarter of the financial year was slightly down on this budget, this was driven by the early Easter and very poor weather during April. Despite being slightly down on budget, visitor numbers were 4% up on prior year during Q1 and 7% up in July.

In 2023/24 Culture and Heritage Services exceeded pre-COVID income and the chart below shows that the Service anticipates 2024/25 surpassing this total and delivering the highest income and surplus that the Service has ever returned to the Council.



Parking Services Income

Prior to the pandemic, the Parking Services income budget was c£12m. For 2023/24 the service income budget was £12.6m, this has increased to £13.7m in 2024/25. This factored in the continued increased income, but also built in revenue associated with new Residential Parking Zones (RPZs) and emissions-based charging and planned price rises. The service is currently projecting an overall year end £0.34m favourable position due to the continued strong performance of all parking locations, with a positive performance during the first quarter of 2024/25.



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 2024/25 settlement will continue throughout the MTFs period, this is made up as follows:

Grant	B&NES Allocation
Social Care support grant	£13.25m
iBCF Grant	£4.9m

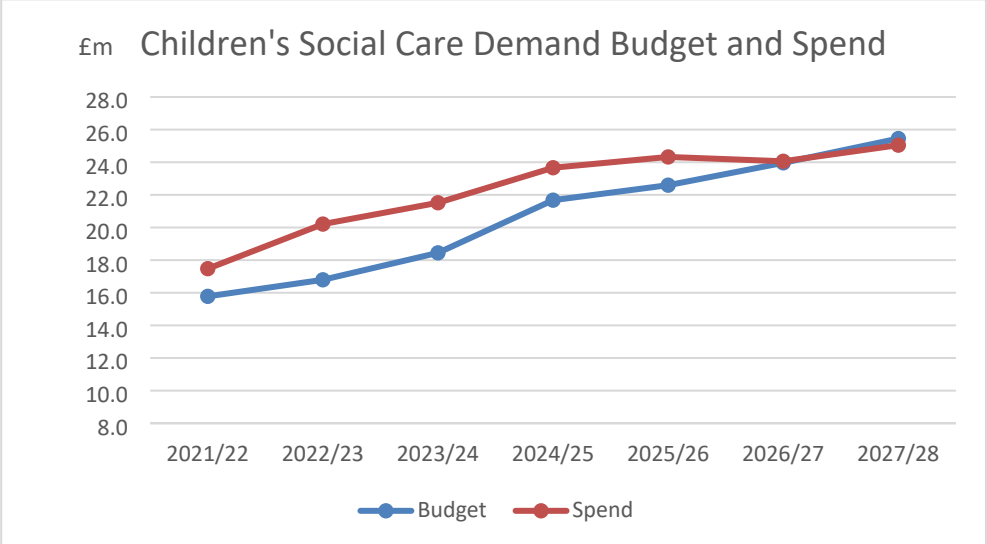
The iBCF grant is part of the pooled budget with the NHS Bath and North East Somerset, Swindon and Wiltshire (BSW) Integrated Care Board (ICB) and ring-fenced to exclusively fund Adult Social Care.

The challenges facing Adult Social Care (ASC) nationally as well as locally continue and include factors such as 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. Continued funding has been received in 2024/25 from the Adults Social Care Discharge Grant (£1.1m). This grant was distributed through the Better Care Fund and is expected again in 2025/26, assumed at the same level. Funding for Market Sustainability of £3.2m was also received from the Market Sustainability and Improvement Fund and this is expected again in 2025/26, assumed at the same level.

The MTFs allocates £11.6m for demographic and contract inflation pressures within ASC over the next five years, service demand levels are being reviewed and the current trend has shown that caseload is back to activity levels previously seen. Complexity of need and provider costs are continuing to increase.

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 is currently 219 . This number includes 21 that are classed as Unaccompanied Asylum Seeking Children (UASC). The MTFs allocates £7.7m 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 2023/24 outturn resulted in a DSG cumulative overspend of £22.26m. The overspend of the DSG in year in 2023/24 was £8.81m. 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 6 year period. In 2022/23, the first payment from the DfE of £7.68m was received and a further payment in 2023/24 of £0.55m has been received. A revised plan was requested by the DfE during 2023/24, this has been submitted and is awaiting agreement. 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 is being 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 continued delays in the planned Fairer Funding Review following the recent change in Government and that the Council will continue to receive the Revenue Support Grant (RSG) in 2025/26 of £0.8m based on a cash flat settlement for local government for 2025/26. The remaining RSG allocated to B&NES has been rolled into the 100% Business Rate Pilot.

Services Grant

The Council received £0.17m from this grant in 2024/25. The MTFs assumes that the Council will receive the same level of funding in 2025/26 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 2025/26. The funding position will be confirmed in the December Provisional settlement.

New Homes Bonus

The Local Government Finance Settlement for 2024/25 confirmed continuation of the changes made to the funding arrangements for New Homes Bonus over the past 4 years, pending consultation on a replacement scheme. This resulted in a payment of £0.327m for new housing growth over the previous year. The settlement announced that the grant element for 2024/25 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 2024/25 grant payment as one-off with no further grant anticipated reflecting the potential ending of the scheme in 2025/26.

	Total New Homes Bonus Grant		
<i>Payment relating to:</i>	2023/24 £'m	2024/25 £'m	2025/26 £'m
2024/25		0.327	
2023/24	0.425		
Total	0.425	0.327	0.000

Retained Local Business Rates – 100% Business Rate Retention Pilot

The 2024/25 Local Government Finance Settlement confirmed that the West of England 100% Business Rate Retention Pilot would continue into 2024/25. The estimated benefit is approximately £3.2m in 2024/25. 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. It is unlikely that these reforms will take place before 2026/27 due to the time needed by the new Government to develop and review options for change and also to carry out the necessary consultation on the impacts of any proposals.

The 2024/25 Budget included assumptions for likely levels of future Business Rate income, together with making specific provision for appeals, increases in reliefs and

growth and deletions. Business Rate bills are normally uplifted each year based on the September CPI figures. 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 2025/26 Business Rate income forecasts currently allows for an inflationary increase of 2% 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 MTFs factors in the increased 2023/24 actual Business Rates collection fund outturn position of £5.34m which is released in 2025/26. The one-off surplus will be transferred to earmarked reserves to provide £3m cover for the one-off costs of implementing the "Being our Best Programme" with a revised pay offer and new structures. The balance of £2.34m will be allocated to the transformation reserve for costs associated with service redesign and systems improvement projects that deliver service efficiencies and savings. This forecast will be reviewed and updated to take account of the 2024/25 in year performance of the Collection Fund as part of finalising the Business Rates income forecasts for the 2025/26 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.

For the 2025/26 financial year the DfE have yet to provide the provisional allocations of DSG increases. Normally these are provided in July but, due to the timing of the election, the DfE have delayed any announcements on the DSG allocations. It is anticipated that the information will be made during September. The DfE have made announcements of a new core schools grant allocation to provide both schools and the local authority with additional funding to support the recently announced pay award for teachers. The grant increase is passported to schools in a formulaic approach and the grant is usually rolled into the National Funding Formula (NFF) allocations for schools in the following financial year. It is anticipated that the schools allocation will include this new grant in 2025/26.

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. In 2022/23 the local authority signed a safety valve agreement with the DfE to agree a plan to recover the deficit in the High Needs Block of the DSG with support from the DfE. During 2023/24 due to continued pressure on the finances of the High Needs Block the DfE placed the LA in enhanced monitoring and required the LA to develop a revised plan to recover the deficit. A new plan was submitted to the DfE in May 2024, but as yet feedback from the DfE has been limited and we await formal feedback.

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 Education, Health and Care Plans (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 were 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 2024/25.

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 2025/26. This continues the transfers that have occurred in prior years, and would amount to approx. £670k.

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. We anticipate that at least 3 of these schools will convert to academy in the coming 18 months.

Social Care Grant

The MTFSS assumes that government will not reduce grant funding into Social Care. The 2024/25 settlement confirmed a further £3.2m Social Care grant funding which was combined with the continuation of the existing Social Care Support grant to give a revised total of £13.25m. This funding is assumed as recurrent in the base budget with no further increase included for 2025/26.

Adult Social Care Market Sustainability & Improvement Fund Grant

The Local Government Finance Settlement includes grant funding for 2024/25 of £3.193m through the Market Sustainability & Improvement Fund Grant. This includes the transfer in of the Workforce Fund grant which was paid separately in 2023/24. Taken together this represents an increase of £0.374m. This funding is assumed as recurrent in the base budget with no further increase included for 2025/26.

Adult Social Care Discharge Fund Grant

The 2024/25 Settlement included an increase in the ring-fenced Adult Social Care Discharge Fund grant funding for 2024/25 of £0.458m taking the total grant for 2024/25 to £1.146m. This funding is assumed as recurrent in the base budget with no further increase included for 2025/26.

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

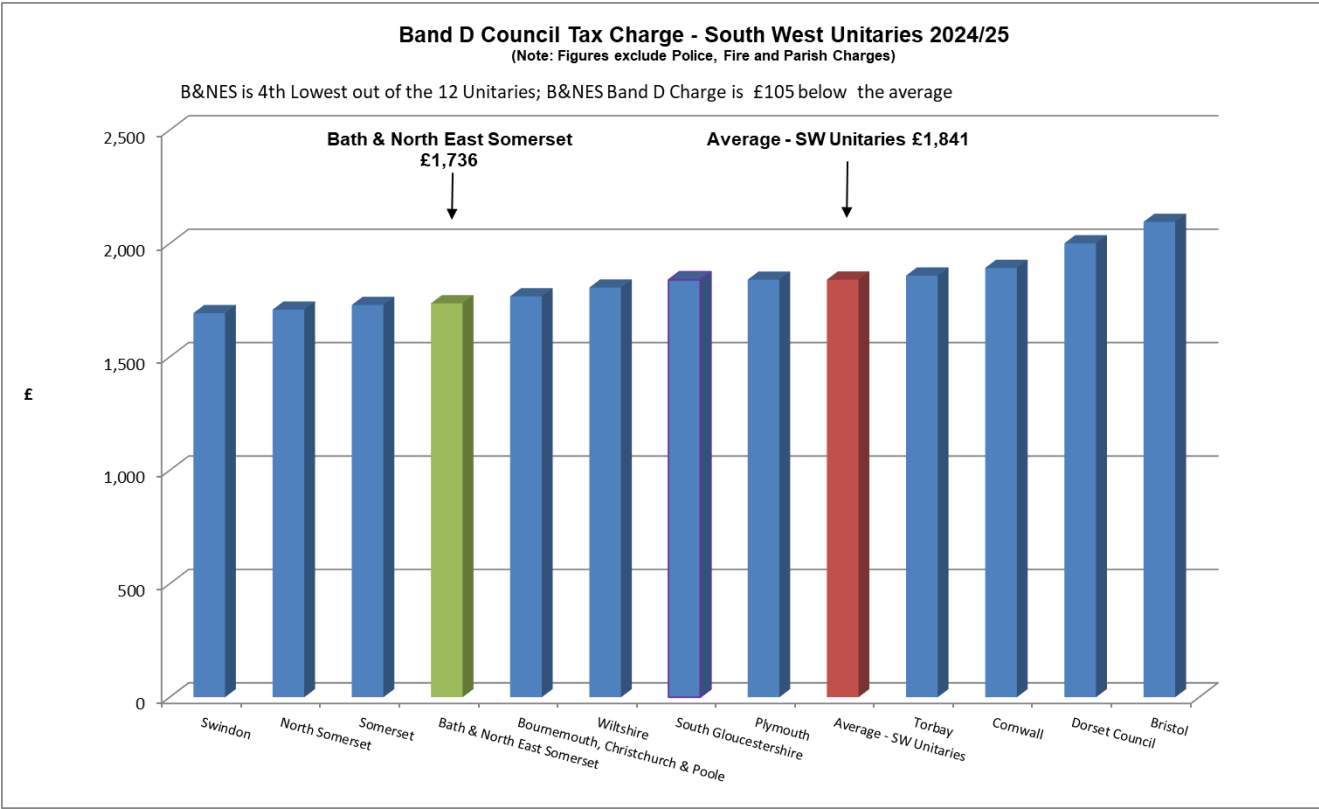
Better Care Fund (BCF) is one of the government’s national vehicles for driving health and social care integration.

The Council and ICB’s Better Care Fund has a minimum funding contribution of £15.7m in 2024/25 a 5.66% uplift on 2023/24. 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 2024/25 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 positive 2023/24 actual Council Tax collection fund outturn position of £0.37m which is released in the 2025/26 Budget. The one-off surplus will be transferred to the financial planning earmarked reserve and held for the investment in the core council customer and financial systems that are being modernised. This forecast will be reviewed and updated to take account of the 2024/25 in year performance of the Collection Fund as part of finalising the Council Tax base and income forecasts for the 2025/26 budget.

Council Tax Precept

The current funding gap in the MTFs assumes a **1.99% increase** in council tax in 2025/26 and future years. This assumes that the Government’s referendum principles in respect of general Council Tax will allow increases of up to 2% in 2025/26 and future years. In addition, the MTFs assumes that the Council tax base will grow with incremental growth of 1% per annum from 2025/26 onwards and factors in the additional income from the increased precept charged on second homes as agreed by Council in November 2023.

Adult Social Care Precept

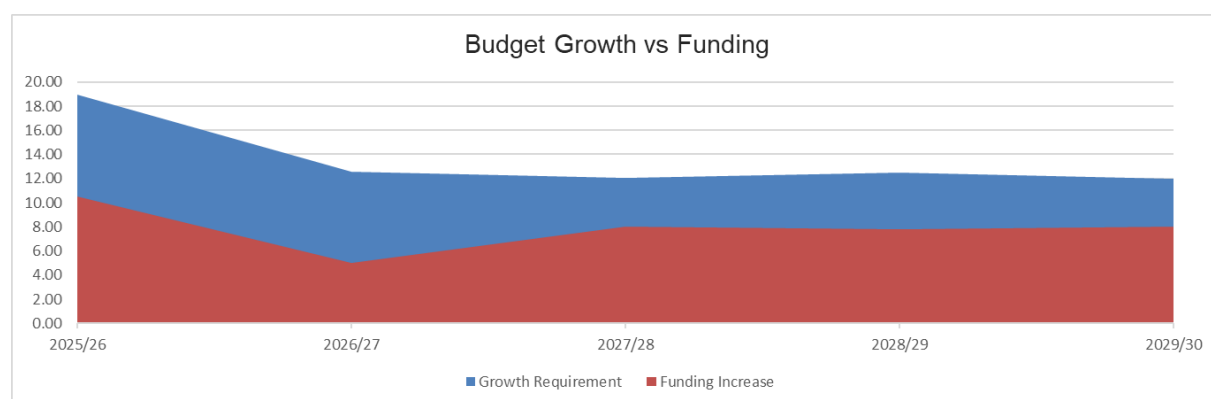
The MTFs assumes that the Government will recognise the continued pressures facing Adult Social Care (ASC) authorities, and continue to allow for a further 2% increase per annum for 2025/26 and future years.

9. Financial Outlook

Currently the MTFs shows a balanced position in 2025/26 with projected budget gaps in each year of the period covering 2026/27 to 2029/30 as follows:

Budget Planning	Future years assumptions £m					Total
	2025/26	2026/27	2027/28	2028/29	2029/30	
Growth Requirement	18.95	12.59	12.05	12.49	11.99	68.07
Funding Increase	10.54	5.02	8.05	7.80	8.06	39.47
Annual Funding gap	8.41	7.57	4.00	4.69	3.93	28.60
Savings Proposals	8.41	2.44	1.16	1.33	0.00	13.34
Remaining Funding Gap	0.00	5.13	2.84	3.36	3.93	15.26

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:



Details of the current Growth Requirement and Savings Proposals are provided in Appendix 2.

Indicative Budget Forecast

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

Budget Planning	Future years assumptions £m				
	2025/26	2026/27	2027/28	2028/29	2029/30
Budget Requirement (Previous Year)	135.85	146.39	151.41	159.47	167.27
Budget Adjustments	3.00	0.00	0.00	0.00	0.00
Pay & Pension	5.80	3.37	3.31	3.39	3.48
Demographic Growth	2.70	3.24	3.39	3.51	3.52
Contract Inflation	2.35	2.36	2.34	2.37	2.38
New Homes Bonus Pressure	0.33	0.00	0.00	0.00	0.00
Capital Financing	1.93	1.29	1.57	1.57	1.00
Settlement grant funding	0.00	0.00	0.00	0.00	0.00
Budget pressure / rebasing	2.84	2.33	1.44	1.65	1.61
Funding Requirement Sub Total	18.95	12.59	12.05	12.49	11.99
Draft Budget Before Savings	154.80	158.98	163.47	171.96	179.26
Proposed Savings Plans	(8.41)	(2.44)	(1.16)	(1.33)	0.00
Estimated Savings Required	(0.00)	(5.13)	(2.84)	(3.36)	(3.93)
Savings Requirement Sub Total	(8.41)	(7.57)	(4.00)	(4.69)	(3.93)
Budget Requirement	146.39	151.41	159.47	167.27	175.33
Funding of Budget Requirement					
Council Tax	128.39	134.46	141.22	148.33	155.67
Business rates retention*	25.42	17.55	18.24	18.94	19.65
Reserve transfers From	0.00	0.00	0.00	0.00	0.00
Reserve transfers (To)	(7.42)	(0.60)	0.00	0.00	0.00
Funding of Budget Requirement Total	146.39	151.41	159.47	167.27	175.33

The forecast includes the following cost pressures and assumptions:

- **Pay Inflation** – Estimated 4.00% in 2025/26 and 3% thereafter.
- **Council tax** – General assumed at 1.99% and Adult Social Care precept 2% in 2025/26 and future years.
- **Pension Costs** – Have been revised in line with the current 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** - Interest rate reductions to follow movement in Bank of England base rate currently 5.00% for treasury management cash investments. The Council will fix budget interest rates following the provisional settlement;
- **Inflation** – CPI projections modelled on current rates of 2% this will be refreshed for the detailed budget proposal based on ONS data.
- **Budget Pressures / Rebasing** – 2025/26 budget rebasing will be informed following the Q2 Council position where emerging pressures cannot be directly mitigated.
- **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;

- **Reserves** – The Council’s earmarked reserves have been reviewed with new allocations made for the implementation of the Being our Best programme and transformation and system improvement projects.

10. Managing the Medium Term Financial Strategy

Current estimates are that £28.6m 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 savings requirement of £15.98m, including the pre-approved savings of £10.85m. Due to the budget impact of rising demand and inflation this puts 56% of the 5 year MTFs savings in 2025/26 and 2026/27 with £8.41m to deliver next year.

Budget management plan

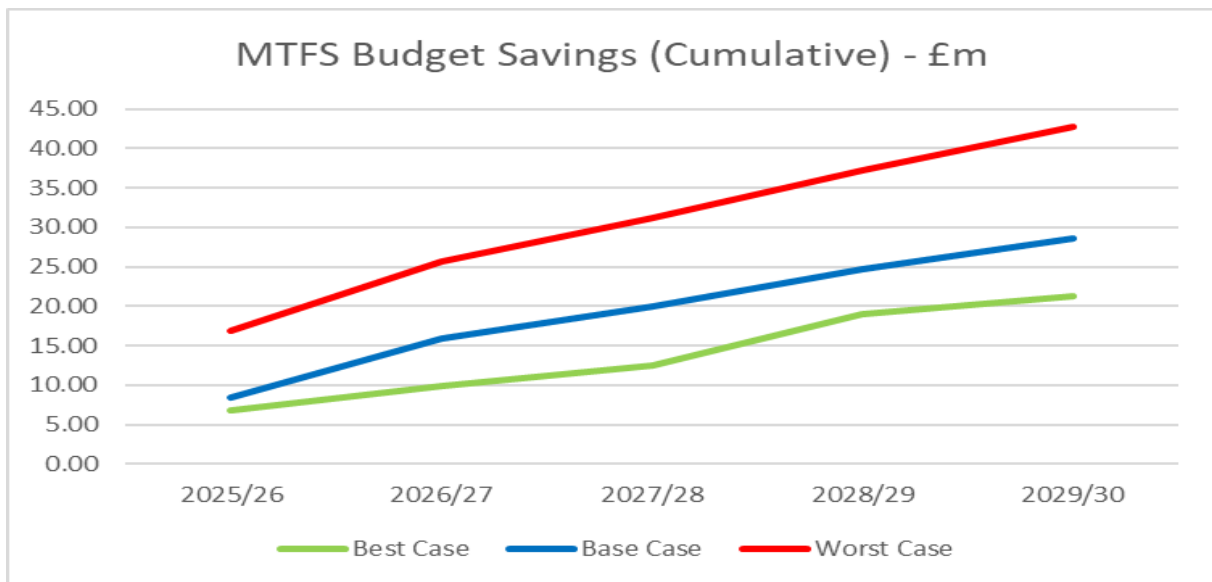
The following approach is recommended to create a robust plan of action, manage change and balance the budget.

Budget Setting Principles

- New policy or service demand funding requirements need to be evidenced with robust and realistic estimates for future years.
- For additional budget funding, 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 enabled by Business Change delivering multiyear savings.
- Stop doing will need to demonstrate how risk is appropriately managed.
- Savings with reputational / political implications need early engagement with Cabinet portfolio holders, with early, proportionate equality impact assessments completed.
- Savings proposals will need to have a budget profile in line with delivery plans that span multiple years.
- Delivery cost and timescale for implementation needs to be fully understood and captured in the budget proposal.

To manage the strategy financially and over a longer term there will need to be cultural changes to the way we approach budget planning to ensure a fully achievable set of proposals can be taken forward from 2025/26 and across the life of the strategy.

The chart below shows how the MTFs base case presented in this report may change due to the ongoing uncertainty over future funding and risks with managing current service demand and delivering savings.



Over the 5 year MTFS period the worst case scenario has a saving requirement of £42.7m, £14.1m higher than the base case and the best case scenario has a savings requirement of £21.3m, £7.3m lower than the base case.

The savings scale below shows how the range of savings requirement for 2025/26 may change based on these risks:



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

The worst case scenario builds in allowance for the following potential adverse variations against the base case assumptions:

- Council Tax increases capped at 2.99% (1% lower than the base case) - £1.2m
- Rebasing risk allowance for 2024/25 unmitigated in year pressures - £5.4m
- 10% delivery risk allowance for 2025/26 savings and income proposals - £0.8m
- Risk allowance for lower government funding settlement in 2025/26 - £1m

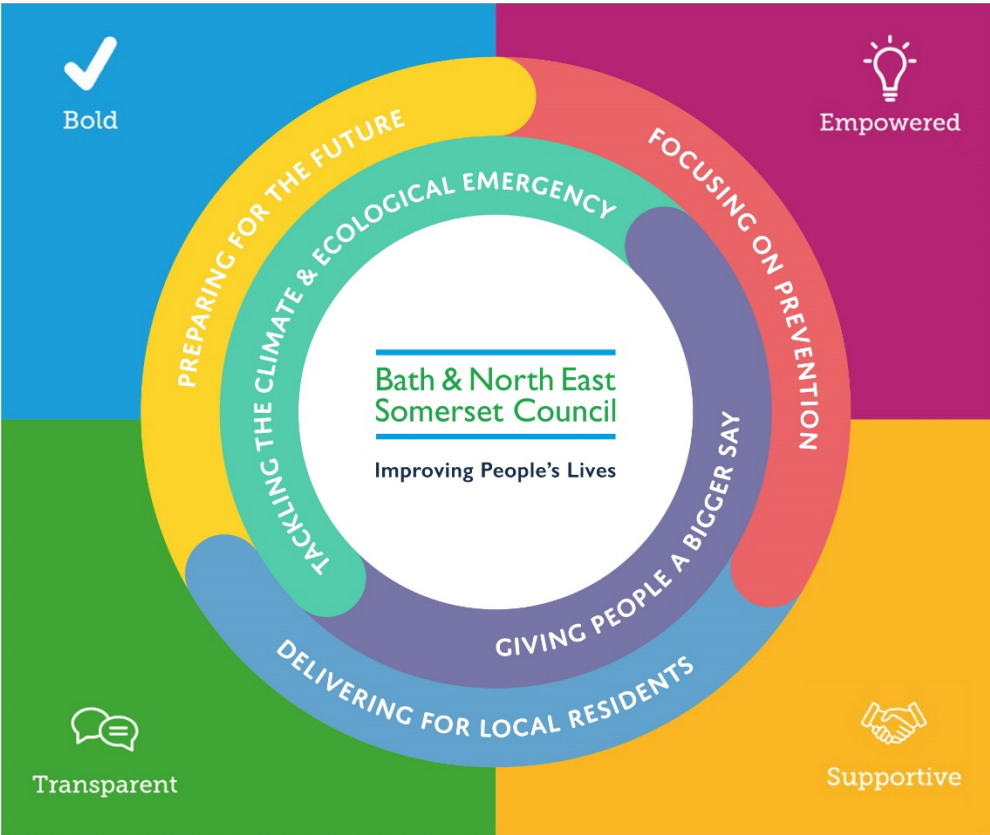
The best case scenario builds in allowance for the following potential favourable variations against the base case assumptions:

- Council Tax increases capped at 4.99% (1% higher than the base case) - £1.2m
- New Homes Bonus funding continues at current levels - £0.3m
- 100% Business Rate Pilot scheme continues for 3 more years instead of 1 more year - £3.2m (pressure moved back from 2026/27 to 2028/29)

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 Council’s Corporate Strategy as set out in the diagram below:



<https://beta.bathnes.gov.uk/document-and-policy-library/corporate-strategy-2023-2027>

Alignment to the strategy creates 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.

Prioritising and allocating resources

To address longer-term financial planning and ensure corporate priorities shape our financial planning, for the 2026/27 and future years’ budgets we are developing a more strategic approach built around:

- Identification of key scenarios, particularly in the light of central government fiscal policy and approach to local government funding
- Agreeing key priorities which will support delivery of our Corporate Strategy, in the light of the resources available to the council over the medium term
- Establishing a longer-term approach to budget planning, including investing in prevention to address budget pressures and reduce costs

- Introducing a new operating model which delivers the council's purpose through innovation in our ways of working

An update on this work will be reported as part of the budget papers in February 2025, with the new strategic approach to budget-setting being put in place beginning with the 2026/27 budget preparation process.

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 to simplify, challenge deliverability and put forward a more accurate funding and expenditure profile over multiple years;
- 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 2024 as part of budget setting:

Capital Schemes for Approval

Cabinet Portfolio: Capital Schemes	Budget 2024/2025 £'m	Budget 2025/2026 £'m	Budget 2026/2027 £'m	Budget 2027/2028 £'m	Budget 2028/2029 £'m	Total £'m
Resources	19.177	0	0	0	0	19.177
Economic & Cultural Sustainable Development	15.175	2.068	8.030	15.846	7.000	48.119
Leader	0	0	0	0	0	0
Climate Emergency & Sustainable Travel	1.948	0.247	0.032	0.008	0	2.235
Built Environment & Sustainable Development	4.002	4.318	0	0	0	8.320
Adult Services	1.800	1.441	1.442	1.442	1.442	7.567
Children's Services	8.287	3.271	0	0	0	11.558
Neighbourhood Services	5.167	0.257	0.020	0.020	0.02	5.484
Highways	16.357	0	0	0	0	16.357
Total	71.913	11.602	9.524	17.316	8.462	118.817

Capital Schemes for Provisional Approval (Subject to)

Cabinet Portfolio: Capital Schemes	Budget 2024/2025 £'m	Budget 2025/2026 £'m	Budget 2026/2027 £'m	Budget 2027/2028 £'m	Budget 2028/2029 £'m	Total £'m
Resources	8.893	4.500	4.500	5.500	5.500	28.893
Economic & Cultural Development	11.309	17.452	14.038	12.605	4.550	59.954
Leader	0.206	0	0	0	0	0.206
Climate Emergency & Sustainable Travel	7.368	7.559	2.460	1.015	0.550	18.953
Built Environment & Sustainable Development	14.359	21.478	8.105	0.382	0	44.324
Adult Services	2.202	0.050	0.050	0.050	0.050	2.402
Children's Services	17.800	10.374	0.359	0	0	28.533
Neighbourhood Services	7.875	7.655	9.607	9.250	1.402	35.789
Highways	11.024	10.027	8.997	8.997	9.122	48.167
Total	81.035	79.096	48.116	37.798	21.174	267.220

Funded By

Financing	Budget 2024/2025 £'m	Budget 2025/2026 £'m	Budget 2026/2027 £'m	Budget 2027/2028 £'m	Budget 2028/2029 £'m	Total £'m
Grant	52.856	40.166	15.828	8.812	8.489	126.151
Capital Receipts/RTB	11.183	0.994	1.000	0	0	13.177
Revenue	3.878	0.020	0.040	0.020	0.020	3.978
Borrowing	77.315	46.028	38.583	43.294	20.124	225.344
3rd Party (inc S106 & CIL)	7.717	3.490	2.189	2.987	1.003	17.386
Total	152.949	90.698	57.640	55.113	29.636	386.036

Note this does not include slippage from 2023/24 which totalled £17.4m.

An allocation of £1.4m revenue budget to support new schemes has been factored into 2025/26, this is fully committed to the schemes and maintenance programmes added in the 2024/25 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 2025/26 and future years revenue budgets. The more detailed capital strategy will be updated for approval as part of the budget in February 2025.

Capital receipts will be used flexibly on appropriate revenue expenditure and further adjustments may be made as part of setting the budget for 2025/26 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 2024/25 capital programme included a funded corporate risk contingency of £2.5m;
- 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 earmarked reserves held for financial planning, the expected opening balance for 2025/26 and anticipated closing balance after the projected use:

	Estimated Balance 31/03/2025	Proposed Transfers	Projected Use in Year	Current Estimated Balance 31/3/26
	£'m	£'m	£'m	£'m
Revenue Budget Contingency	2.88	0.50	0.00	3.38
Financial Planning and Smoothing Reserve	4.77	0.37	0.69	4.45
Transformation Investment Reserve	0.00	3.55	1.00	2.55
Job Evaluation & Pay Structure Reserve	0.00	3.00	1.50	1.50
Restructuring & Severance Reserve	1.88	0.00	1.88	0.00

Where earmarked reserves are used for budget setting purposes, balances will be replenished 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.

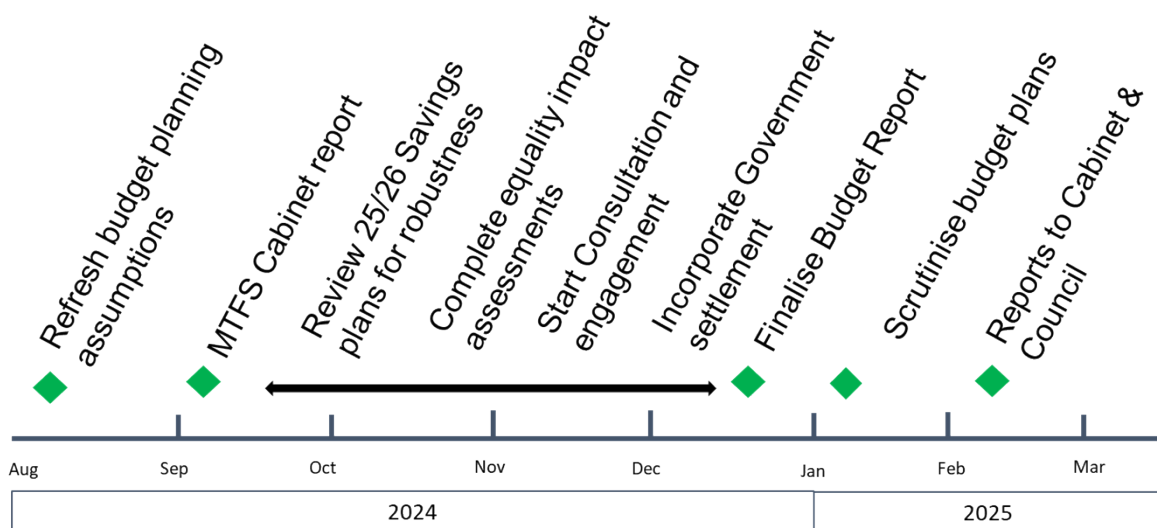
13. Public/Stakeholder Engagement

We will be making more information available on our MTFS for stakeholder engagement in November / December 2024, 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.	Low	High	This is certainly a material risk, whilst not one the Council has direct control over, every step would be 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, particularly in Adult & Children's Social Care.
Viability risk on the Councils Commercial Estate assets held for income generation.	Possible	High	Current asset reviews have identified that due to the age and complexity of the Councils Commercial Estate, some assets operating costs and capital investment needs may exceed annual rental income values. This will be managed through a detailed asset review that informs a programme of prioritisation for investment in the estate.
Contract inflationary pressure	Possible	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 risk contingency for potential 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 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. The latest forecast from our treasury management advisors is that longer term borrowing rates will remain volatile within a relatively narrow range with movements linked to the likelihood of base rate reductions in the US, the UK and the Eurozone.
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 2024/25 this risk has been 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	New government policy and funding decisions that will become clearer following the Chancellor's October Budget Statement are likely to have an impact on resourcing of Council services and priorities.
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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Appendix 2(i): 2025/26 - 2027/28 Savings and Income Generation Proposals

2025/26 - 2027/28 Savings and Income Generation Proposals					
Savings Proposal Title	Description	2025/26 £'000	2026/27 £'000	2027/28 £'000	Impacts to Service Delivery
Portfolio: Leader of the Council					
Development and introduction of City Centre Permit	A review of the current process and procedure is proposed to understand whether this can be streamlined into one City Centre Permit.	(30)			Scheme to be developed to deliver outcomes. Increase reflects current inflationary pressures.
Leader of the Council Total		(30)	0	0	
Portfolio: Council Priorities and Delivery					
Being Our Best programme	The Being Our Best programme is a planned review and rationalisation of our management and operating structures to best serve the authority. Senior management structures will be reviewed first, followed by Heads of Service and service leads. This may result also in savings.	(2,000)			Service delivery risks will be closely monitored and managed at a programme level to enable structural changes to be made without causing undue disruptions to the provision of our services.
Council Priorities and Delivery Total		(2,000)	0	0	
Portfolio: Resources					
Contract management	Review and upgrade the Council's approach to contract management through a phased multi-year programme of improvements.	(50)			This will introduce an improved management approach to specifying, reprocurring and managing contracts to deliver greater value and recurrent savings
Resources Total		(50)	0	0	
Portfolio: Economic and Cultural Sustainable Development					
Business and Skills: recharge officer time to projects	Provide Business and Skills services to employers through external grant funded activity only and reduce additional Council support.	(6)	(6)		Flexibility to add additional services and support for local businesses will reduce and focus will be on external grant funded activity only
Heritage income - updated MTFS projections	Net increases from 25/26 to reflect the latest Heritage Services Business Plan projections.	(3,056)	(635)	(801)	No impact to service delivery
Corporate landlord: centralisation of facilities management	Centralisation of our facilities management activity to generate efficiency savings in the management of Council-owned buildings, and growing income from construction/project delivery service.	(150)	(20)		Assets may not be required any longer and can be rationalised to reduce running costs. Service impacts will be managed through the asset review process.
Corporate Estate operating cost review	Corporate Estate reduction and rationalisation to reduce the revenue running costs including energy consumption, consider investing in energy generation.	(125)	(200)	(200)	No impact to service delivery
Income generation from new regeneration assets	Potential income stream to Corporate Estates team from joint projects with Regeneration to unlock under used assets and support with grant funded activities.	(50)	(50)	(50)	No impact to service delivery
Bath Quays South lettings	New lettings secured for Bath Quays South offices over and above previous financial projections.	(400)			No impact to service delivery
Economic and Cultural Sustainable Development Total		(3,787)	(911)	(1,051)	

Appendix 2(i): 2025/26 - 2027/28 Savings and Income Generation Proposals

2025/26 - 2027/28 Savings and Income Generation Proposals					
Savings Proposal Title	Description	2025/26 £'000	2026/27 £'000	2027/28 £'000	Impacts to Service Delivery
Portfolio: Adult Services					
Social care package review	Review of care packages so that they match user needs in an affordable way.	(50)			Service user needs will be met by alternative provision
Commissioning	Commission local services to match users needs in an affordable way.	(75)			Service user needs will be met by local provision
Review of Better Care Fund	Improved Better Care Fund with enhanced allocation process whilst protecting social care expenditure.	(50)			No impact to service delivery
Community Support Contracts	Review and re-commission community support contracts.	(402)			Impacts to service users will be reviewed, assessed, and where possible mitigated through the re-commissioning process
Royal Victoria Park leisure facilities	Procurement of new operator for RVP café, tennis, adventure golf, and event spaces (incl. ice rink) presents opportunity to increase income.	(15)	(20)		Improved service via contract including added benefits to our other priorities. Project Officer time to deliver and monitor.
Commissioning Review of Community Based Services	Review current provision during 2024-25 to inform future requirement for delivery of services via community partners		(100)		Commissioning input and programme support required to review current arrangements and develop new models of care.
Consistent & Efficient processes	Streamline commissioning processes to create efficiencies for managing demand for care across all age groups.	(50)			Commissioning input and systems improvement support required to review and redesign current processes.
Target Operating Model	Review current and future requirements within a TOM following in sourcing of Statutory and Social Services	(50)			Service user and staff impact into proposals benchmarking with other councils
HCRG Care Group provider services	Review the provider services - day services, shared lives and supported living.	(100)	(100)	(50)	Commissioning resource required to review current arrangements.
Technology	Improve our approach to using technology to reduce resource requirements.	(50)	(75)		Commissioning and project support required to review current arrangements and develop new approaches.
Adult Services Total		(842)	(295)	(50)	
Portfolio: Children's Services					
Specialist commissioning	Rebasing of contracts as part of the commissioning review.	(500)			This will not impact negatively on service delivery
Reprofiled transformation savings	Remodelling of service delivery to increase in house provision.	(540)	(390)		This will not impact negatively on service delivery
Reduce Children's Services discretionary spend	Reduce discretionary spending in areas including family support.	(150)	(150)		Service users will need to be consulted where there are changes to existing support
Residential Provision	New Specialist Residential Unit.		(450)		This will not impact negatively on service delivery
Children's Services Total		(1,190)	(990)	0	
Portfolio: Highways					
Parking Services: income rebasing	Review of price and demand across all Highways Services, including Parking, Park and Ride, and Streetworks services.	(60)	(60)	(60)	Minor impacts to manage changes to prices and deal with feedback from customers
Parking charge increases and implementation of new emissions-based parking charges	Inflationary price rises, alongside the introduction of emission-based parking charges for all vehicles to all locations in Bath (on and off street), Keynsham, Saltford, Midsomer Norton, and Radstock. Motorbikes will also require valid permits in residential parking zones.	(374)	(180)		The proposed introduction of parking charges (based on vehicle emissions) to MSN and Radstock, where parking is currently free of charge, to an equivalent level as those in Keynsham is proposed to enable improvements in pedestrian safety through improved air quality and reduced air pollution to the benefit of the most vulnerable especially, whilst also encouraging turnover for shoppers and visitors.
Highways Total		(434)	(240)	(60)	
Portfolio: Neighbourhood Services					
Income from new fees and charges for businesses	Introduction of new chargeable services for commercial customers in our fleet workshop, and charge developers for waste & recycling containers to be provided for each new build property.	(77)			Increased range of services will be available to commercial fleet customers, and the initial provision of waste & recycling containers will be charged to developers of new housing
Neighbourhood Services Total		(77)	0	0	
OVERALL SAVINGS AND INCOME GENERATION PROPOSALS		(8,410)	(2,436)	(1,161)	

Appendix 2ii - 2025/26 - 2027/28 Budget Funding Requirements

2025/26 - 2027/28 Funding Proposals					
Funding Title	Description of Funding Requirement	Portfolio Holder / Director	2025/26 Funding £000	2026/27 Funding £000	2027/28 Funding £000
Portfolio: Leader of the Council					
Pay Inflation	Salary inflation estimated at 4% in 25/26, 3% from 26/27 onwards, and allowing for annual staff pay increments.	Cllr Kevin Guy / Various	20	15	15
Leader of the Council Total			20	15	15
Portfolio: Climate Emergency and Sustainable Travel					
Contractual Inflation	Annual increases in contract costs within the portfolio.	Cllr Sarah Warren / Various	1	1	1
Pay Inflation	Salary inflation estimated at 4% in 25/26, 3% from 26/27 onwards, and allowing for annual staff pay increments.	Cllr Sarah Warren / Various	49	37	36
Climate Emergency and Sustainable Travel Total			50	38	37
Portfolio: Council Priorities and Delivery					
Pay Inflation	Salary inflation estimated at 4% in 25/26, 3% from 26/27 onwards, and allowing for annual staff pay increments.	Cllr Dave Wood / Various	252	189	185
Council Priorities and Delivery Total			252	189	185
Portfolio: Resources					
Reduction in Clean Air Zone Corporate Overheads	Bring CAZ overheads into baseline budget - reducing the original £280k recharge income applied to the 23/24 budget.	Cllr Mark Elliot / Andy Rothery	85		
Cloud IT Systems Migration	Migration of all IT Systems to Microsoft Azure Cloud Infrastructure.	Cllr Mark Elliot / Andy Rothery	(133)	(76)	(91)
New Recruitment System	Replacement of iTrent recruitment system.	Cllr Mark Elliot / Andy Rothery	(25)		
Cyber Improvements	Following on from the Cyber Investment plan (£600k one-off investment over 2 years). In order to maintain Cyber improvements there are ongoing revenue implications.	Cllr Mark Elliot / Andy Rothery	30		
Corporate Budget Adjustments	Corporate Base Budget Adjustments including Contingency allocation, Capital Financing, and New Homes Bonus.	Cllr Mark Elliot / Andy Rothery	9,950	4,567	5,048
Business Rate Revaluation and Inflation Increases	Business Rate Revaluation and Inflation Increase on Corporate Properties.	Cllr Mark Elliot / Andy Rothery	4		
Contractual Inflation	Annual increases in contract costs within the portfolio.	Cllr Mark Elliot / Andy Rothery	288	243	243
Pay Inflation	Salary inflation estimated at 4% in 25/26, 3% from 26/27 onwards, and allowing for annual staff pay increments.	Cllr Mark Elliot / Andy Rothery	472	362	355
Resources Total			10,671	5,096	5,555
Portfolio: Economic and Cultural Sustainable Development					
Business Rate Revaluation and Inflation Increases	Business Rate Revaluation and Inflation Increase on Corporate Properties.	Cllr Paul Roper / Various	39		
Contractual Inflation	Annual increases in contract costs within the portfolio.	Cllr Paul Roper / Various	32	32	32
Pay Inflation	Salary inflation estimated at 4% in 25/26, 3% from 26/27 onwards, and allowing for annual staff pay increments.	Cllr Paul Roper / Various	112	84	82
Economic and Cultural Sustainable Development Total			183	116	114
Portfolio: Adult Services					
Contractual Inflation	Annual increases in contract costs within the portfolio.	Cllr Alison Born / Suzanne Westhead	1,316	1,343	1,343
Demography	Growth in numbers of service users.	Cllr Alison Born / Suzanne Westhead	999	999	999
Pay Inflation	Salary inflation estimated at 4% in 25/26, 3% from 26/27 onwards, and allowing for annual staff pay increments.	Cllr Alison Born / Suzanne Westhead	708	564	553
Adult Services Total			3,023	2,906	2,895
Portfolio: Children's Services					
Corporate Overhead Rebasing	Dedicated Schools Grant recovery phased over 3 years (£1m) from 2024/25 - 2026/27.	Cllr Paul May / Mary Kearney-Knowles	333	333	
Business Rate Revaluation and Inflation Increases	Business Rate Revaluation and Inflation Increase on Corporate Properties.	Cllr Paul May / Mary Kearney-Knowles	2		
Contractual Inflation	Annual increases in contract costs within the portfolio.	Cllr Paul May / Mary Kearney-Knowles	446	461	478
Demography	Growth in numbers of service users.	Cllr Paul May / Mary Kearney-Knowles	1,408	1,639	1,038
Pay Inflation	Salary inflation estimated at 4% in 25/26, 3% from 26/27 onwards, and allowing for annual staff pay increments.	Cllr Paul May / Various	744	558	547
Children's Services Total			2,933	2,991	2,063
Portfolio: Highways					
Business Rate Revaluation and Inflation Increases	Business Rate Revaluation and Inflation Increase on Corporate Properties (including car parks).	Cllr Manda Rigby / Chris Major	92		
Contractual Inflation	Annual increases in contract costs within the portfolio.	Cllr Manda Rigby / Chris Major	155	158	160
Fees and Charges Income	Annual increases in fees and charges income within the portfolio.	Cllr Manda Rigby / Chris Major	(13)	(14)	(14)
Pay Inflation	Salary inflation estimated at 4% in 25/26, 3% from 26/27 onwards, and allowing for annual staff pay increments.	Cllr Manda Rigby / Chris Major	264	198	194
Technical adjustment relating to 2023/24 Savings Item - Reversal of One-Off Clean Air Zone (CAZ) Financial Assistance Scheme Income	Income from Financial Assistance Scheme use by other Authorities, HGV Euro 6 charge and review of CAZ fee.	Cllr Manda Rigby / Chris Major	24		
Highways Total			522	342	340

Appendix 2ii - 2025/26 - 2027/28 Budget Funding Requirements

2025/26 - 2027/28 Funding Proposals					
Funding Title	Description of Funding Requirement	Portfolio Holder / Director	2025/26 Funding £000	2026/27 Funding £000	2027/28 Funding £000
Portfolio: Neighbourhood Services					
Business Rate Revaluation and Inflation Increases	Business Rate Revaluation and Inflation Increase on Corporate Properties.	Cllr Tim Ball / Various	26		
Contractual Inflation	Annual increases in contract costs within the portfolio.	Cllr Tim Ball / Various	255	260	230
Fees and Charges Income	Annual increases in fees and charges income within the portfolio.	Cllr Tim Ball / Various	(107)	(109)	(110)
Pay Inflation	Salary inflation estimated at 4% in 25/26, 3% from 26/27 onwards, and allowing for annual staff pay increments.	Cllr Tim Ball / Various	818	614	602
Neighbourhood Services Total			992	765	722
Portfolio: Built Environment and Sustainable Development					
Land Charges His Majesty's Land Registry (HMLR) Project	Statutory HMLR take over of LLC1 part of land charge search as part of national scheme.	Cllr Matt McCabe / Chris Major	125		
Contractual Inflation	Annual increases in contract costs within the portfolio.	Cllr Matt McCabe / Various	2	2	2
Fees and Charges Income	Annual increases in fees and charges income within the portfolio.	Cllr Matt McCabe / Various	(20)	(20)	(20)
Pay Inflation	Salary inflation estimated at 4% in 25/26, 3% from 26/27 onwards, and allowing for annual staff pay increments.	Cllr Matt McCabe / Various	197	147	144
Built Environment and Sustainable Development Total			304	129	126
OVERALL FUNDING PROPOSALS			18,951	12,586	12,052

Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING DATE:	12th September 2024	EXECUTIVE FORWARD PLAN REFERENCE:
		E3553
TITLE:	Treasury Management Performance Report to 30th June 2024	
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 June 2024 Appendix 3 – Average monthly rate of return for the first three months of 2024/25 Appendix 4 – The Council’s External Borrowing Position at 30th June 2024 Appendix 5 – Arlingclose’s Economic & Market Review Q1 of 2024/25 Appendix 6 – Interest & Capital Financing Budget Monitoring 2024/25 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 three months of 2024/25.

2 RECOMMENDATION

The Cabinet notes;

- 2.1 The Treasury Management Report to 30th June 2024, prepared in accordance with the CIPFA Treasury Code of Practice; and
- 2.2 The Treasury Management Indicators to 30th June 2024.

3 THE REPORT

Summary

- 3.1 The Council's Treasury Management Indicators for 2024/25 were agreed by Council in February 2024 and performance against the key indicators is shown in **Appendix 1**. All indicators are within target levels.
- 3.2 The estimated average rate of return on operational investments for the period 1st April 2024 – 30th June 2024 is 5.20%, which is 0.04% above the 7 Day SONIA benchmark rate of 5.16%. For the same period, it is estimated that strategic investments earned 4.24% which is just 0.01% below the budgeted return of 4.25%
- 3.3 The Council's revenue budget for interest & capital financing costs for 2024/25 is currently forecast to be £0.55m under budget. This is due to the higher than budget return on investments, as a result of interest rates being higher for longer than anticipated at budget setting, and also a saving on Minimum Revenue Provision (MRP) due to capital spend reprofiling. The breakdown of the 2024/25 revenue budget for interest and capital financing, and the year-end position, is included in **Appendix 6**.

Economic Overview

- 3.4 The Council's Treasury Management Advisor's economic and market review for 2024/25 is included in **Appendix 5**. The main headlines are as follows:
- Interest Rates were cut by 0.25% to 5% on 1st August 2024, previously it had been at 5.25% for nearly a year.
 - UK Inflation declined over the quarter from 3.2% in March to 2% in June in line with the Bank of England target.
 - The UK Economy has emerged from the technical recession at the end of 2023 to expand by 0.7% in the first quarter of 2024.
 - Gilt yields continued to be volatile with the 10-year UK benchmark gilt rising from 3.94% to peak at 4.41% in May and ending the quarter at 4.18%.
 - The 7-day average SONIA (Sterling Overnight rate) for 2023/24 is 5.16%. This is the benchmark rate used by the council for non-strategic investments.

Borrowing

- 3.5 The Council's external borrowing as at 30th June 2024 totalled £254.7m and is detailed in **Appendix 4**. This includes £10m in new short-term loans taken out in April 2024, to cover the annual pension contribution prepayment, and allow us to maintain our liquidity indicator above £15m, as well as £10m of borrowing to replace maturing loans. The summary of the movement in borrowing during the quarter and for the full financial year is shown in the following table:

Borrowing Portfolio Movements	Financial Year 2024/25 £m
Balance as at 1st April 2024	246.010
New Loans Taken	20.00
Maturity Loan Repayments	(10.000)
PWLB Annuity Loan principal repayments	(1.286)
Balance as at 30th June 2024	254.724

- 3.6 The Council's Capital Financing Requirement (CFR) is forecasted to be £441.7m at 31st March 2025 based on the Capital Programme agree in February 2024, including both fully and provisionally approved schemes. The Actual CFR at 31st March 2024 was £367.6m. This represents the Council's underlying need to borrow to finance capital expenditure and demonstrates that the borrowing taken to date relates to funding historical capital spend.
- 3.7 The difference between the CFR and the current borrowing of £254.7m represents re-investment of the internal balances including reserves, reducing the in-year borrowing costs in excess of the potential investment returns.
- 3.8 The Liability Benchmark in **Appendix 1** illustrates the current borrowing and current and projected CFR and liability benchmark. The benchmark is lower than the CFR as it recognises the Council's ability to internally borrow to fund capital, and therefore shows the optimum level of borrowing for the council that minimises risks and costs of borrowing. This gap is a useful guide to the optimal amount and duration of borrowing to minimise interest and credit risk. This is currently £57m and circa 22 years.
- 3.9 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 2024 apportioned to Bath & North East Somerset Council is £9.664m. Since this borrowing is managed by an external body and treated in the Council's Statement of Accounts as a deferred liability, it is not included in the borrowing figures referred to in paragraph 3.5.

Investments

- 3.10 As demonstrated by the liability benchmark in **Appendix 1**, the Council expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day to day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different asset classes and maintain stable investment income over the medium to long term.
- 3.11 At 30th June 2024, the Council had £41.6m in investments, with £31.6m in short term liquid investments and £10m in externally managed strategic funds. The balance of deposits is set out in the charts in this **Appendix 2**, along with the equivalent for the previous quarter and year for comparison.

3.12 **Appendix 3** details the investment performance, showing the average rate of interest earned over this period, which are made up as follows:

Investment Type	Average Investment Return
Money Market Funds (MMF)	5.22%
Call Accounts	4.85%
Fixed Deposits	n/a
Operational Investments Total	5.20%
CCLA Local Authorities Property Fund	4.59%
FP Foresight UK Infrastructure Income Fund	3.75%
VT Gravis Clean Energy Income Fund	4.08%
Strategic Investments Total (Est.)	4.24%

3.13 At 30th June 2024, the Council has earned 5.20% from Operational investments which is 0.04% above the 7-day SONIA benchmark Rate of 5.16%, and Strategic Fund are estimated to have earned 4.24% which is just below the budgeted rate of 4.25%.

3.14 The Council hold £10m invested in externally managed strategic pooled funds, where the objectives are regular revenue income and long-term price stability. These investments were made with 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.

This investment includes £5m in Environmental Social and Governance (ESG) focused funds and £5m in a property fund, as listed below.

- £5m CCLA Local Authorities Property Fund.
- £3m FP Foresight UK Infrastructure Income Fund.
- £2m VT Gravis Clean Energy Income Fund.

In the current economic environment of high inflation and interest rates, the value of equity, bonds and property have fallen significantly, however in the last three months we have seen a small increase in the value of our strategic investments of £119k to £7.817m from £7.696m at 31 March 2024. This is shown in the table below:

	CCLA Local Authorities Property Fund	FP Foresight UK Infrastructure Income Fund	VT Gravis Clean Energy Income Fund	Total
Historic Cost	5,000,000	3,000,000	2,000,000	10,000,000
Fair Value as at:				
30/06/2024	4,146,861	2,249,337	1,420,444	7,816,842
31/03/2024	4,177,465	2,173,120	1,346,161	7,696,746
31/03/2023	4,342,727	2,586,831	1,852,212	8,781,770

This change in valuation does not currently have an impact on the revenue account or usable reserves due to a statutory override, and gains/losses will instead go to an

unusable reserve. These will only be charged to revenue if/when the Council's holding in the pooled funds are sold, or if the Government removes the existing statutory 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 mitigate any future revenue impacts should the statutory override be removed.

Budget Implications

- 3.15 The breakdown of the 2024/25 revenue budget and the forecast year end position for interest and capital financing, based on the period April to June 2024 is included in **Appendix 6**. An overall underspend of £550k is reported towards the Council's net revenue outturn. This is due to the higher than budget return on investments, as a result of interest rates being higher for longer than anticipated at budget setting, and also a saving on Minimum Revenue Provision (MRP) due to capital spend reprofiling.

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 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.

- 6.2 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.

- 6.3 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 2024/25, 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 3.14.

9 OTHER OPTIONS CONSIDERED

9.1 None

10 CONSULTATION

10.1 Consultation has been carried out with the Cabinet Member for Resources, Executive Director - Resources and Monitoring Officer.

Contact person	Claire Read - 01225 477109; Jamie Whittard - 01225 477213 Claire_Read@BATHNES.GOV.UK : Jamie_Whittard@BATHNES.GOV.UK
Background papers	2024/25 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.

	2024/25 Prudential Indicator	Actual as at 30 th June 2024
Operational boundary – borrowing.	£413m	£254.72m
Operational boundary – other long-term liabilities	£9m	£0m
Operational boundary – TOTAL	£422m	£254.72m
Authorised limit – borrowing.	£442m	£254.72m
Authorised limit – other long-term liabilities.	£9m	£0m
Authorised limit – TOTAL	£451m	£254.72m

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**.

	2024/25 Prudential Indicator	Actual as at 30 th June 2024
	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	2024/25 Prudential Indicator	Minimum During year	Date of minimum
Minimum total Cash Available within 3 months	£15m	£15.3m	28-May-24

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.

	2024/25 Prudential Indicator	Actual as at 30 th June 2024
Upper limit on one-year revenue impact of a 1% rise in interest rates	+/- £1m	-£0.221m
Upper limit on one-year revenue impact of a 1% fall in interest rates	+/- £1m	£0.221m

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 June 2024
	%	%	%
Under 12 months	50	Nil	15.7
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	8.0
10 years and within 25 years	100	25	48.9
Over 25 years	100		27.4

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 as the council would only consider repaying these loans if the lenders exercised their option to alter the interest rate.

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

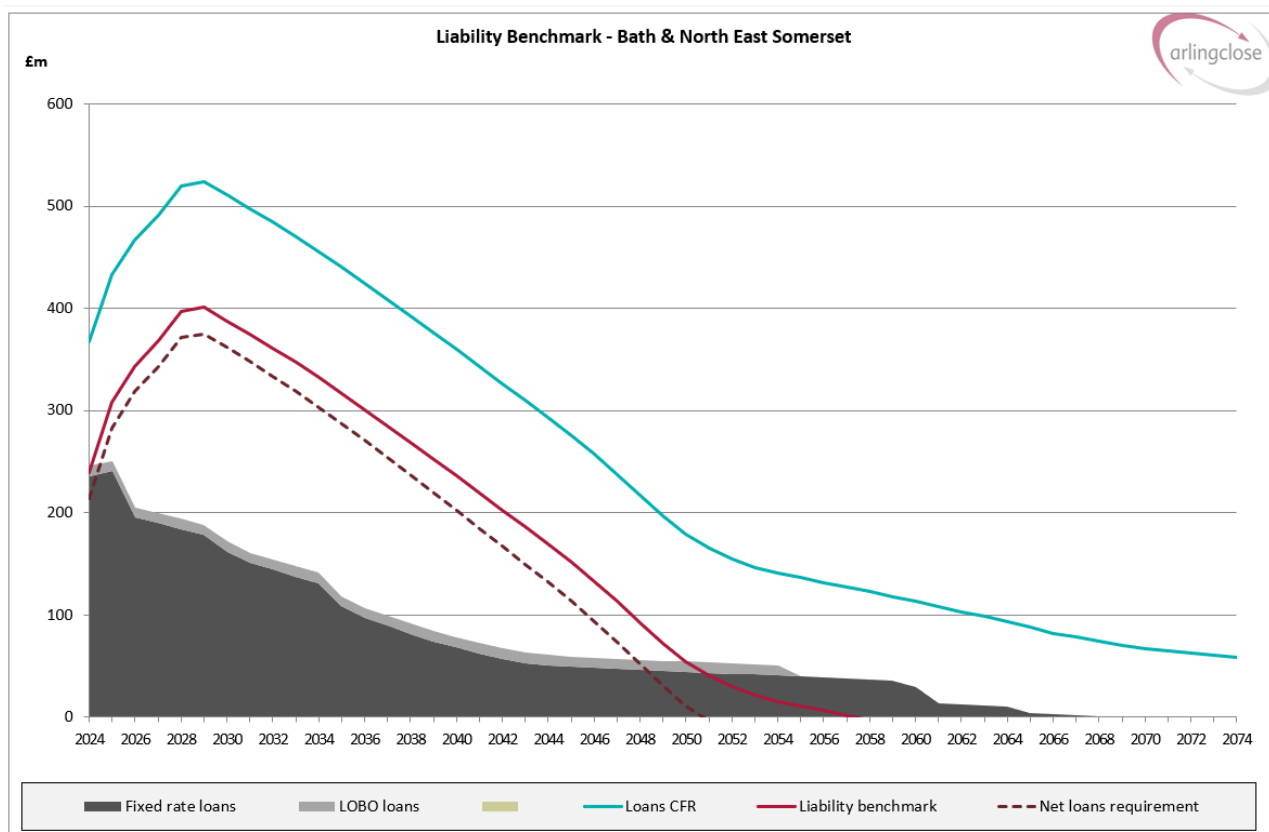
The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2024/25 Prudential Indicator	Actual as at 30 th June 2024
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 the actual borrowing (the grey slopes) and the liability benchmark (the solid red line) shows that the council is under borrowed by around £57m in 2024/25. When it comes to new borrowing this funding gap can be used as a guide to the optimal amount and length of borrowing required to minimise interest rate and credit risk.

APPENDIX 2

The Council's Investment position at 30th June 2024

The term of investments is as follows:

Term Remaining	Balance at 30 th June 2024	Comparator
		Balance at 31 st March 2024
	£m	£m
Notice (instant access funds)	31.60	22.10
Up to 1 month	0.00	0.00
1 month to 3 months	0.00	0.00
3 months to 6 months	0.00	0.00
6 months to 12 months	0.00	0.00
Strategic Funds	10.00	10.00
Total	41.60	32.10

The investment figure is made up as follows:

	Balance at 30 th June 2024	Comparator
		Balance at 31 st March 2024
	£m	£m
B&NES Council	38.18	29.95
Schools	3.42	2.15
Total	41.60	32.10

The Council had a total average net positive balance of £42.73m during the period April 2024 to June 2024.

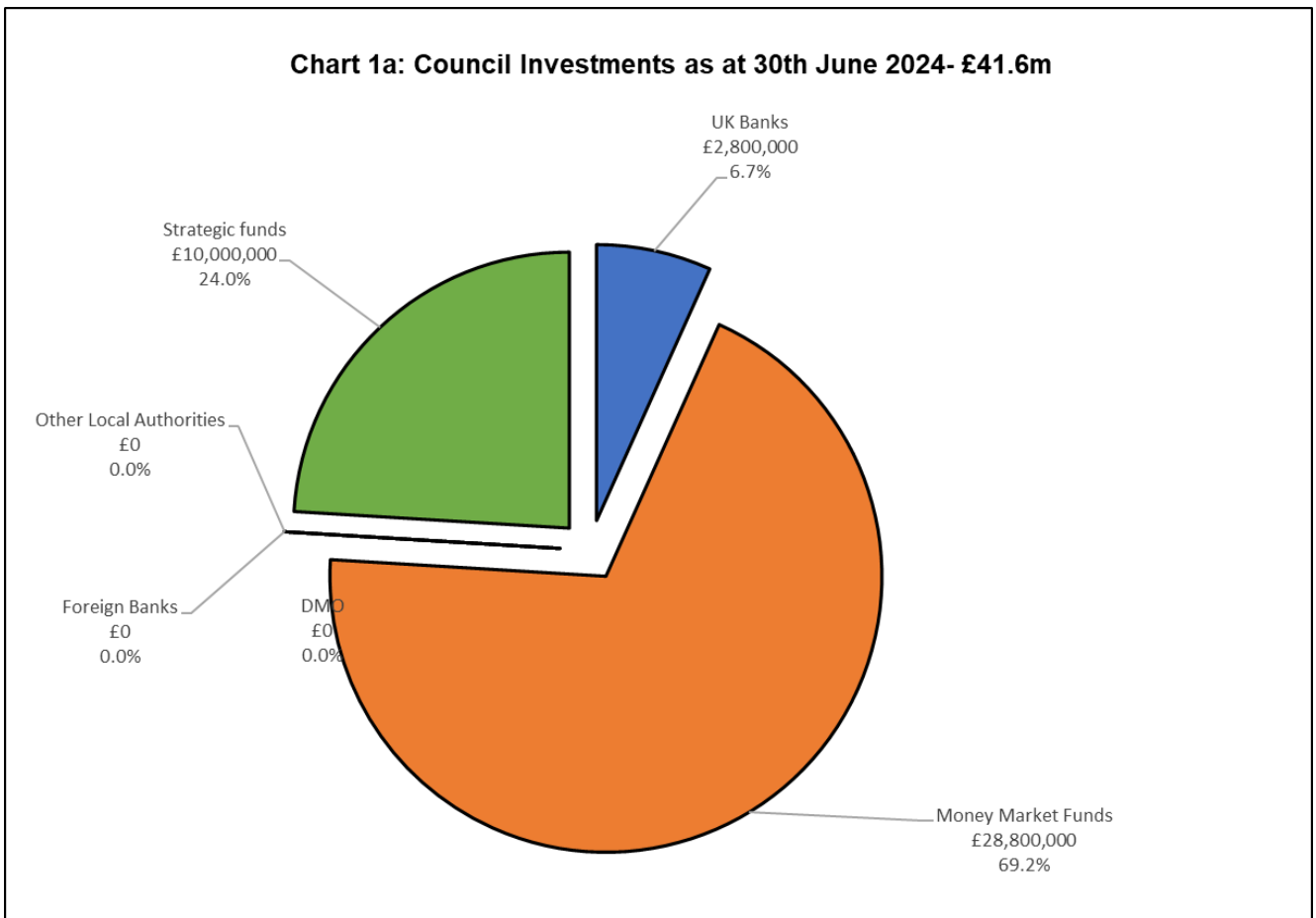
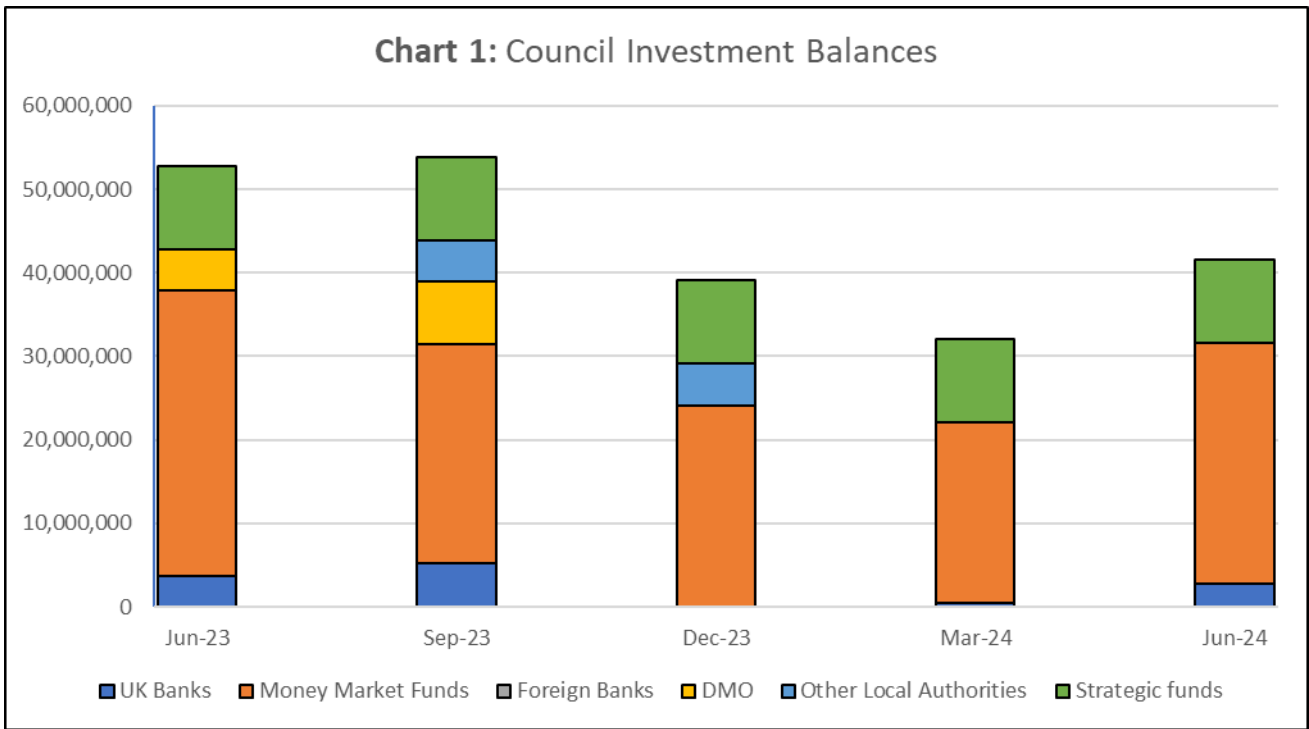


Chart 2: Council Investments Per Lowest Equivalent Long Term Credit Rating

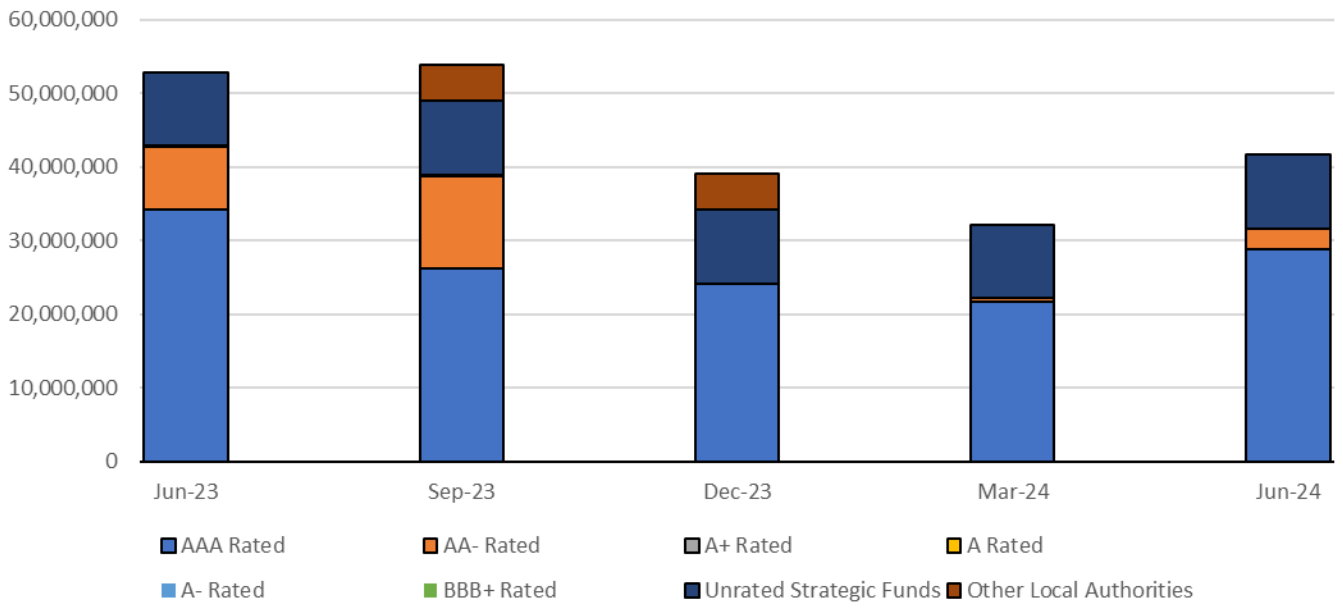
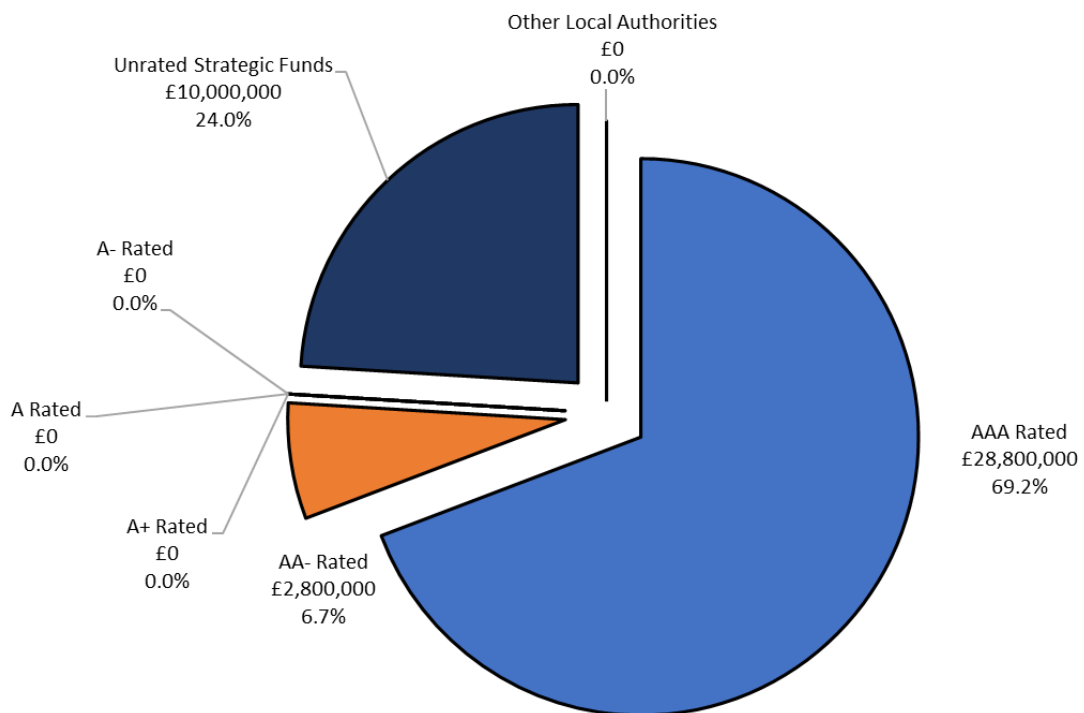


Chart 2a: Council Investments Per Lowest Equivalent Long Term Credit Rating as at 30th June 2024 - £41.6m



APPENDIX 3

Operational investment return

	Average rate of interest earned	Benchmark = Average 7 Day SONIA rate	Performance against Benchmark
April 2024	5.21%	5.15%	0.06%
May 2024	5.20%	5.16%	0.04%
June 2024	5.19%	5.16%	0.03%
Average	5.20%	5.16%	0.04%

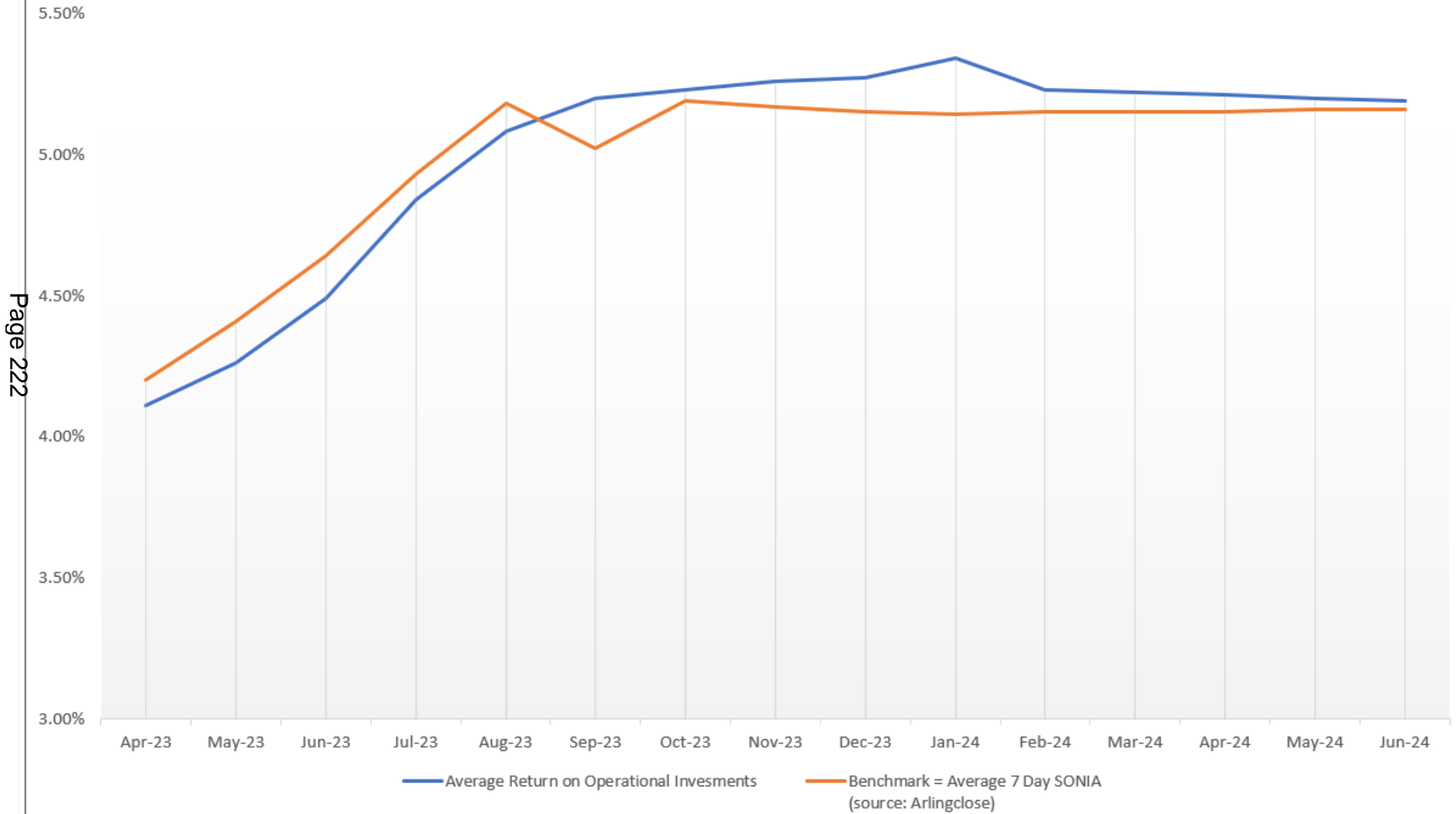
For comparison, the average rate of return on investments in 2023/24 was as follows:

	Average rate of interest earned	Benchmark = Average 7 Day SONIA rate	Performance against Benchmark
April 2023	4.11%	4.20%	-0.09%
May 2023	4.26%	4.41%	-0.15%
June 2023	4.49%	4.64%	-0.15%
July 2023	4.84%	4.93%	-0.09%
August 2023	5.08%	5.18%	-0.10%
September 2023	5.20%	5.02%	0.18%
October 2023	5.23%	5.19%	0.04%
November 2023	5.26%	5.17%	0.09%
December 2023	5.27%	5.15%	0.12%
January 2024	5.34%	5.14%	0.20%
February 2024	5.23%	5.15%	0.08%
March 2024	5.22%	5.15%	0.07%
Average	4.96%	4.94%	0.02%

Strategic investment return

Average return for strategic investments was 4.24% against a budgeted return of 4.25%. In 2023/24 the average return was 4.43%

Average Return on Operational Investments 2023/4 & 2024/25 compared to Benchmark



APPENDIX 4

Council's External Borrowing at 30th June 2024

Lender	Amount outstanding @ 31st March 2024 £	Change in Quarter £	Amount outstanding @ 30 th June 2024 £	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	15,176,672	(352,740)	14,823,932	20/06/2016	20/06/2041	2.36%
PWLB508126	8,277,206	(168,021)	8,109,185	06/12/2018	20/06/2043	2.38%
PWLB508202	9,419,860	(56,926)	9,362,934	12/12/2018	20/06/2068	2.59%
PWLB508224	4,126,469	(84,872)	4,041,597	13/12/2018	20/06/2043	2.25%
PWLB505744	7,415,556	-	7,415,556	24/02/2017	15/08/2039	2.28%
PWLB505966	7,740,207	-	7,740,207	04/04/2017	15/02/2042	2.26%
PWLB506052	6,577,262	-	6,577,262	08/05/2017	15/02/2042	2.25%
PWLB506255	6,520,109	(40,415)	6,479,694	10/08/2017	10/04/2067	2.64%
PWLB506729	8,103,207	(170,397)	7,932,810	13/12/2017	10/10/2042	2.35%
PWLB506995	8,136,929	(168,263)	7,968,665	06/03/2018	10/10/2042	2.52%
PWLB506996	8,571,644	(129,407)	8,442,237	06/03/2018	10/10/2047	2.62%
PWLB507749	8,284,629	-	8,284,629	10/09/2018	20/07/2043	2.42%
PWLB508485	18,912,993	-	18,912,993	11/02/2019	20/07/2068	2.52%
PWLB509840	8,447,468	-	8,447,468	04/09/2019	20/07/2044	1.40%
PWLB677322	5,000,000	(114,981)	4,885,019	22/11/2023	22/11/2038	4.88%
PWLB687799	5,000,000	-	5,000,000	29/12/2023	29/12/2038	4.28%
PWLB700594	10,000,000	-	10,000,000	09/02/2024	09/02/2039	4.54%

Lender	Amount outstanding @ 31st March 2024 £	Change in Quarter £	Amount outstanding @ 30 th June 2024 £	Start date	End date	Interest rate
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%
Medium term						
West of England Combined Authority	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%
PWLB711937	10,000,000	-	10,000,000	15/03/2024	30/04/2025	5.42%
PWLB713077	5,000,000	-	5,000,000	20/03/2024	30/04/2025	5.37%
PW715777	5,000,000	-	5,000,000	28/03/2024	30/04/2025	5.34%
West of England Combined Authority	-	5,000,000	5,000,000	26/04/2024	25/04/2025	5.25%
South Oxfordshire DC	-	5,000,000	5,000,000	26/04/2024	25/04/2025	5.25%
West of England Combined Authority	-	5,000,000	5,000,000	30/04/2024	29/04/2025	5.35%
Portsmouth C.C.	-	5,000,000	5,000,000	08/05/2024	07/05/2025	5.35%
Total Borrowing	246,010,210	8,713,978	254,724,188			

*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 headline consumer price inflation (CPI) continued to decline over the quarter, falling from an annual rate of 3.2% in March to 2.0% in May, in line with the Bank of England's target. The core measure of inflation, however, only declined from 4.2% to 3.5% over the same period, which, together with stubbornly services price inflation at 5.7% in May, helped contribute to the BoE maintaining Bank Rate at 5.25% during the period, a level unchanged since August 2023.

Data released during the period showed that showed the UK economy had emerged from the technical recession at the end of 2023 to expand by 0.7% (upwardly revised from the initial estimate of 0.6%) in the first quarter of the calendar year. Monthly GDP data showed zero growth in April following an expansion of 0.4% in the previous month.

Labour market data continued to provide mixed messages for policymakers, exacerbated by issues the Office for National Statistics is having compiling the labour force survey. In the three months between February and April 2024, unemployment was up, employment fell, while the decline in vacancies slowed and wage growth remained elevated. Unemployment rose to 4.4% (3mth/year) while average regular earnings (excluding bonuses) was 6.0% and total earnings (including bonuses) was 5.9%. Adjusting for inflation, real regular pay rose by 2.3% and total pay by 2.2%. Given how keenly the 'second-round' impact of inflation on wages is watched by the BoE, policymakers will likely want to see more downward movement before cutting interest rates.

Having started the financial year at 5.25%, the Bank of England's Monetary Policy Committee (MPC) maintained Bank Rate at this level throughout the quarter. In line with expectations, at its June meeting, the Committee voted by a majority of 7-2 in favour of maintaining the status quo. The two dissenters preferred an immediate 0.25% reduction in Bank Rate to 5.0%. This continued dovish tilt by the Committee increased financial market expectations that the first cut in Bank Rate will likely be in August.

Earlier in May, in addition to an identical MPC rate decision and voting pattern, the Bank published the latest version of its Monetary Policy Report (MPR). Within the Report, the Committee noted that it expected four-quarter GDP growth to increase over the forecast period, reflecting the declining negative effects of past Bank Rate increases and the predicted downward path of interest rates which should provide support to economic activity. The trajectory of inflation was broadly similar to that in the previous MPR, albeit slightly lower towards the end of the forecast horizon due to the Committee's revised assessment of falling external inflationary pressures from past import price increases. This meant the Committee expected headline inflation to hit the 2% target two quarters sooner than in the February MPR. As was highlighted earlier, inflation data published in June showed that CPI inflation fell to the 2% target in May.

Arlingclose, the authority's treasury adviser, maintained its central view that 5.25% is the peak in Bank Rate and that interest rates will most likely be cut later in H2 2024. The risks over the medium term are deemed to be to the upside as while inflation has fallen to target, it is expected to pick up again later in the year and as services price inflation and

wage growth are still on the firmer side, the MPC could well delay before delivering the first rate cut.

The US Federal Reserve also maintained interest rates over the period, holding the Fed Funds Rate at 5.25%-5.50% for the seventh consecutive month in June, as was expected. US policymakers have maintained a relatively dovish stance throughout the period but have steadily reduced their predictions around the pace and timing of rate cuts in the face of higher inflation and firmer economic growth. At the meeting, economic projections pointed to one rate cut in calendar 2024 and four in 2025.

The European Central Bank cut rates in June, reducing its main refinancing rate from 4.50% to 4.25%. Inflation in the region fell to 2.5% in May, having increased in the previous month, but since February has been fairly sticky at between 2.4% and 2.6%. Economic growth in the region has picked up but remains weak, and with inflation above the ECB's target this continues put pressure on policymakers on how to balance these factors when setting monetary policy.

Financial markets: Sentiment in financial markets showed signs of improvement over the quarter, but bond yields remained volatile. Early in the period yields climbed steadily, but mixed signals from economic data and investors' constant reassessment of when rate cuts might come caused a couple of fairly pronounced but short-lived dips in yields. Towards the end of the quarter yields rose once again and were generally higher than at the start of the period.

Over the quarter, the 10-year UK benchmark gilt yield started at 3.94% and ended at 4.18% having reached 4.41% in May. While the 20-year gilt started at 4.40%, hit 4.82% in May, before ending the period at 4.61%. The Sterling Overnight Rate (SONIA) averaged 5.20% over the quarter to 30th June.

Credit review: Arlingclose maintained its advised recommended maximum unsecured duration limit on all banks on its counterparty list at 100 days.

During the quarter, Fitch revised its outlook on Transport for London (TfL) to stable from negative while S&P upgraded its long-term rating for TfL to AA- from A+, in line with its rating of the UK sovereign.

Fitch also upgraded the long-term ratings for the main four Australian banks – Australia & New Zealand Banking Group, Commonwealth Bank of Australia, National Australia Bank and Westpac.

Having placed Warrington Borough Council on review for a downgrade in March, Moody's subsequently withdrew its ratings for the council in June.

Credit default swap prices started and ended the quarter at broadly similar levels in the UK as they did for the European, Singaporean and Australian lenders on Arlingclose's counterparty list, while Canadian banks generally trended modestly downwards.

Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

APPENDIX 6

Interest & Capital Financing Costs – Budget Monitoring 2024/25

April 2024 to March 2025	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	9,303	9,273	(30)	FAV
- Internal Repayment of Loan Charges	(15,719)	(15,719)	0	-
- Ex Avon Debt Costs	860	890	30	ADV
- Minimum Revenue Provision (MRP)	11,947	11,647	(300)	FAV
- Interest on Balances	(1,485)	(1,735)	(250)	FAV
Total	4,906	4,356	(550)	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	3
			L	M	H	L	M	H				1	2	3			
1	R06	Inflation Risk The risk that prevailing levels of inflation cause an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.			3						4	12	12	12	16	Liaise with Chief Finance Officer to ensure Inflation both current and projected forms part of the medium term financial planning framework.	
2	R09	Legal & Regulatory Risk - Changes Risk that regulatory changes are not planned for and adversely impact the Council's budget and or ability to borrow			4			3				12	12	12	Read, respond and calculate the impact of Local Government accounting, investment and capital financing / borrowing consultations have on treasury management. Plan for the implementation of new regulations, conditions and accounting treatment		
3	R04	Interest Rate Risk The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately			3			3				9	9	9	12	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.	
4	R01	Credit & Counterparty Risk - Default Risk The risk of failure by a third party to meet its contractual obligations to the organisation under an investment, borrowing, capital, project or partnership financing, particularly as a result of the third party's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources.		2							4	8	8	8	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	R08	Legal & Regulatory Risk - Acting Outside Powers The risk that the organisation itself, or a third party with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.		2							4	8	8	8	Obtain independent review of the council's strategy and policies to ensure compliance with the CIPFA Code of Practice on Treasury Management Local Authorities (Capital Finance and Accounting) (England) Regulations, Local Government Act and any other regulation or guidance as specified by the Secretary of State. Stay on top of Government and CIPFA consultations on Treasury and Capital Financing regulations		