

BATH AND NORTH EAST SOMERSET

CABINET

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

Thursday, 12th September, 2019

Present:

| | |
|---------------------------|-----------------------------------------------------------------|
| Councillor Dine Romero | Council Leader and Liberal Democrat Group Leader |
| Councillor Rob Appleyard | Cabinet Member for Adult Services |
| Councillor Tim Ball | Cabinet Member for Housing, Planning, and Economic Development |
| Councillor Neil Butters | Cabinet Member for Transport Services |
| Councillor Paul Crossley | Cabinet Member for Community Services |
| Councillor Kevin Guy | Cabinet Member for Children's Services |
| Councillor Richard Samuel | Deputy Council Leader and Cabinet Member for Resources |
| Councillor Sarah Warren | Cabinet Member for Climate Emergency and Neighbourhood Services |
| Councillor David Wood | Cabinet Member for Climate Emergency and Neighbourhood Services |
| Councillor Joanna Wright | Cabinet Member for Transport Services |

15 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting.

16 EMERGENCY EVACUATION PROCEDURE

The Senior Democratic Services Officer drew attention to the evacuation procedure as set out in the Agenda.

17 APOLOGIES FOR ABSENCE

There were no apologies for absence.

18 DECLARATIONS OF INTEREST

There were none.

19 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was none.

20 QUESTIONS FROM PUBLIC AND COUNCILLORS

There were 14 questions from Councillors and no questions from members of the public.

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

21 STATEMENTS, DEPUTATIONS OR PETITIONS FROM PUBLIC OR COUNCILLORS

There were none.

22 MINUTES OF PREVIOUS CABINET MEETING

RESOLVED that the minutes of the meeting held on 10th July 2019 be confirmed as a correct record and signed by the Chair.

23 CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

There were none.

24 MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES

There were none.

25 SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING

The Cabinet agreed to note the report.

26 BATH CLEAN AIR PLAN- SEPTEMBER 2019 UPDATE

Councillor Sarah Warren introduced this item by reading out the following statement:

'Today, we are launching a final consultation on Bath's Clean Air Zone. Air pollution causes 140 deaths per day in the UK, as well as being a contributory factor in the onset of heart disease and cancer. It particularly affects the most vulnerable: children and older people, those with heart and lung conditions; and new evidence continues to emerge of its adverse impacts on every organ of the body. Areas with poor air quality are often the least affluent areas. This is why Client Earth took the UK government to court to demand cleaner air, and why I marched with hundreds of others as part of the "Breathe in Bath" demo through the city centre on 16th August this year.

In response to Client Earth's action and the ruling in the supreme court, the UK government required councils with poor air quality to implement clean air zones. Last autumn, Bath and North East Somerset council consulted on introduction of a "Class D" zone, which would have charged not only HGVs, buses, vans, and taxis, but also private cars, to drive into the city centre. There was a huge response to the consultation, many respondents pointing out the adverse impacts on local families of charging cars, especially in the absence of convenient, affordable alternatives. This prompted the council to revisit the traffic and pollution modelling, and a way was found to avoid charging cars, by introducing traffic lights at Queen Square to limit

traffic flows when pollution levels are high in that particular hotspot. This “Class C” scheme is the one on which we are currently inviting comments from the public. On being elected in May, the Liberal Democrat administration immediately commissioned a brief independent review of the work completed to date. This is a highly technical area at the cutting edge of modelling. Any responsible administration taking on such a project would check to ensure that decisions taken to date had been based on reliable assumptions and data, and that no opportunities had been missed, before spending millions implementing a clean air zone. For the record, the review cost £,9000 not the scaremongering figure of £100,000 cited by opposition parties.

The review confirmed that legally compliant nitrogen dioxide levels are likely to be met under the current proposal, ahead of the extremely challenging deadline imposed upon us by government, of 2021. To be on the safe side, we have stepped up nitrogen dioxide monitoring at numerous sites around the district, so that we can be sure that pollution levels do fall as projected, and will have early warning if they don't.

I want to emphasise that, as an administration, we would prefer not to charge local businesses, but the structure of the scheme, based around charging vehicles, has been defined by national government. The tight deadlines mean that since taking office in May, we have been unable to make the improvements to the scheme that we would have wished – at Queen Square, and to the boundaries.

Alongside the charging scheme, we have so far secured up to £10 million to invest in measures to mitigate the impact on local people and businesses. These funds will provide (1) financial support to help retrofit and upgrade business vehicles; (2) electric charge points to encourage uptake of electric vehicles; and (3) enforcement of anti-idling and weight restrictions. We have also received funding to employ travel advisors to help residents and businesses to access support, and encourage the switch to cleaner modes of transport. Later this year, we will submit further bids to government for funding for last mile delivery, and additional electric charge points. I want to stress that this type of scheme represents a real missed opportunity by the national Conservative government. They could have given councils greater powers and funding to bring in improved and affordable, comprehensive public transport and cycle networks, the sort of measures you see in many continental cities. This is a huge source of frustration to me, as our aspiration, as an administration, is to see Bath become an exemplar of sustainable transport in a heritage setting. We certainly don't want our children choking on vehicle exhaust fumes. However, we would also prefer streets that were not choked with traffic, and this scheme alone has no ability to deliver that outcome.

We have declared a climate emergency as an authority, and have committed to providing leadership to achieve zero carbon emissions as a district by 2030. This is one of our highest priorities as an administration, and will necessitate a significant reduction in vehicle mileage, in order to reduce carbon emissions from transport. So, this clean air zone is just the start of our aspirations in relation to addressing both air pollution and the climate emergency. We will be following it up, using every tool at our disposal, to provide people with cheaper and more convenient alternatives to the car, and to encourage them to use these where possible.'

Councillor Sarah Warren moved the recommendations.

Councillor Richard Samuel seconded the motion by reading out the following statement:

'They say that a week is a long time in politics. Well 2 years is even longer. That is how long it has taken to get to this point after the motion I put to council proposing the setting up of a zone to tackle the shocking vehicle caused air pollution in the city of Bath.

Two years ago, this vital issue was not even on the council's radar but today it most certainly is. I must thank the officers who have worked so hard on this project within the limitations imposed by the government and the courts and my colleague Councillor Warren for getting to grips with what is not only a political hot potato but also one that has levels of technical complexity.

Is it a perfect solution? No

Why do I say that?

Well for a start it only sought to tackle the problems caused by vehicle pollution in the narrowest way in that it only seeks to control levels of NOx. No action is possible to reduce PM2.5 and PM10 particulates emitted by vehicles, nor are the emissions of tyre and brakes dust regulated. Neither does the scheme tackle CO2 emissions or do anything to limit congestion. All these were ignored by the Conservative Environment Secretary when he approved this scheme.

So, what will happen?

I am hopeful that with all these limitations B&NES council will reach compliance with the NOx targets at the end of 2021. However, this aspiration has been heavily caveated because all the predictions are solely based on best case modelling because the business case approved by the last administration shows bare compliance. The independent review we have carried out – at a cost of £9000 by the way and not the £100k claimed by the Labour and Conservative groups – clearly shows that other measures may be needed to ensure we pass the finish line. Few additional measures were set out in the original business plan approved in March. Indeed, on many occasions the former Cabinet Member for Transport specifically disregarded my calls for additional traffic measures.

Thankfully the LD manifesto published in April set out a comprehensive set of traffic management measures which will ensure the council reaches its mandated air quality objectives.

The Queen Square conundrum.

I want to illustrate the problem by referring to what I describe as the Queen Sq problem.

When the last administration published its plans for Queen Sq in March I raised many objections to this scheme. The plans proposed 2 sets of traffic lights at the southern and eastern ends of the square whose explicit purpose is hold up traffic and encourage its diversion towards the west and thence through Lansdown ward. This is so that pollution levels at the corner of Gay St and George St can be brought down under legal limits. All this contortion was so that the last administration could avoid charging cars.

My colleagues and I have tried our best to avoid implementing this scheme in this way but sadly we have failed and it will have to go ahead. The reason for this is that every traffic model we have seen increases traffic elsewhere to unacceptable levels.

In other words no matter how you cut it the only answer in Bath is to reduce vehicle volumes overall and that is a massive challenge.

So, Queen Sq designed and built by John Wood the Elder will remain a glorious roundabout ruined by traffic until we can find a more sustainable solution.

That is the conundrum and the challenge. Do we as a community accept that the dominance of fossil fuel vehicles must continue with ever higher levels of congestion and emissions of toxins and climate changing gases or do we say enough is enough and try to do something about it.

Finally, I want to say halleluiah for the adoption of anti-idling enforcement powers 17 years late maybe but finally there. As a starting point I want to see these used at Bog Island where coaches continue to stand empty with their engines on summer and winter. Businesses in the area will at last welcome this change 2 years after I first proposed it at the then CTE.'

The Chair thanked Councillors Warren and Samuel for their statements and for their contribution towards Clean Air Zone matter. The Chair also thanked officers for their hard work and outlined that this administration would not charge private vehicles for entering the Clean Air Zone.

Councillor Tim Ball reiterated that the Council would not charge private vehicles for entering the Clean Air Zone. Councillor Ball also said that this was about helping people with health problems caused by pollution, and was about the future of our children, and our children's children.

Councillor Rob Appleyard commented that the reasons for the Clean Air Zone were to allow people to breathe better air in Bath and for the future of our children.

RESOLVED (unanimously) that the Cabinet agreed to:

2.1 Note the progress on the delivery of the Clean Air Zone (CAZ) Project with a view to ensuring compliance in the shortest possible time, including;

- a) The revised project programme (Appendix 1).
- b) The outcome of the independent peer review and any recommended actions.

2.2 Approve the incorporation of the CAZ scheme into the Council's capital programme, with a total current cost budget of £17.996m, of which £5.944m is to be fully approved and £12.052m provisionally approved, subject to future grant awards.

2.3 Note the current estimates of revenue costs and funding as set out in paragraph 5.6 totalling £31.365m, of which £0.231m of grant funding has been awarded. The remainder is subject to future grant awards and Full Business Case approval.

2.4 Grant authorisation for officers to use the following powers:

- a) The use of anti-idling enforcement powers under The Road Traffic (Vehicle Emissions) (Fixed Penalty) (England) Regulations 2002;
- b) The use of environmental weight limit enforcement powers under the Road Traffic Regulation Act 1984.

2.5 Following an appropriate tender process, delegate to the Corporate Director and Director of Finance (s.151 Officer) in consultation with the Cabinet member for Resources and Deputy Leader, the decision to appoint a financial partner to administer the proposed financial assistance schemes on behalf of the Council.

2.6 Agree that the consultation on the CAZ Charging Order and scheme overview can commence on 23 September 2019.

2.7 Note the updated Equalities Impact Assessment (EqIA) as published at (<https://www.bathnes.gov.uk/bath-breathes-2021-overview/outline-business-case>)

27 MEDIUM TERM FINANCIAL STRATEGY & CORPORATE PLAN UPDATE

Councillor Richard Samuel introduced this item by saying that the Corporate Strategy and MTFs set out the aims this Administration wished to achieve for communities, and sets out how the Council intends to finance these.

Councillor Samuel read out the following statement:

‘Our starting points are the budget position we inherited from the previous administration, our clearly stated manifesto commitments on which we were elected to run the council, and the prospects for income both from government and sources of revenue that we can raise ourselves.

Our manifesto commitments are being shaped into a new corporate plan for the council and work is underway to cost these commitments. This work will conclude with the setting of the 2020/21 budget in February.

Members will be aware that the full details of central government allocations are rarely available until December and so the projections before the cabinet today are the best available at the time of writing. Recent spending review announcements have already changed working assumptions and these are currently being update. For example the government have announced a reduction in the council tax referendum cap from 2.99 to 2% which reduces the maximum tax raising possibility by 900k. So members can expect further adjustments as time proceeds. Fuller details have been issued in the recently circulated briefing note.

The MTFs confirms the continuing funding challenges facing the council in areas of children’s and adult social services together with the continuing need to achieve economies. Whatever scenario is considered there will still be a need to generate economies through efficiencies or direct savings. I am proposing a change to previous practice. Previous savings have tended to be routed within departmental economies. In the future this is unlikely to be adequate to produce the levels of savings required. I am therefore intending to drive these programmes from the centre and reduce the number of savings plans accordingly. A new corporate transformation board will be established to oversee these programmes which I will chair.

The guiding principles behind the MTFs will remain largely unchanged:

Balancing the budget

Making provision for demographic and inflation and only adding new priorities where headroom is created.

Maximising every available source of income

Our manifesto means the competition for new resources is very crowded so we will be examining how we can create the headroom to deliver our programme as part of the 20/21 budget preparation and will report this at the time.

The high level estimates are set out in the report and I do not intend to repeat these but I need to emphasise that the assumed figures for council tax increases are only indicative and no decisions have been taken.

Turning to capital we need to ensure that the council can afford to run the same level of capital programme as in the past. Capital projects are funded either by use of external grant, receipts from asset sales, or by borrowing. The latter has a direct implication for revenue spending. We will therefore review all current capital schemes to assess their desirability and affordability, and prioritise those that meet our stated corporate priorities. However capital spending will still be required to support new investment and service improvement and key programmes with partners. To this end we will continue to work closely with WECA to deliver projects that meet both authorities' priorities.

Lastly turning to risk within the MTFs. There are many risks set out in the report and I will be working with officers to tackle and mitigate each risk to ensure we can deliver our programme to the electorate.

In November and December we will be talking to local communities across B&NES about the future funding of our priorities and how they can influence the decisions we will make in February.'

Councillor Samuel concluded his statement by thanking officers for their hard work and commitment to take this matter forward.

Councillor Richard Samuel moved the recommendations.

Councillor Dine Romero seconded the motion by saying that this was essential strategy to enable this administration to deliver its priorities for the next four years. However, the document reflected the unprecedented scale of financial challenge that the Council was still under, and on the growing demand for services provided by Children Services and Adult Social Care. There would be a need for changes on how to create the headroom and where the funding would come from, and for that reason the Council would need to work with WECA to meet some of the funding opportunities. It was also good that the administration have set up how they would communicate with different parts of community and engage them in their vision.

RESOLVED (unanimously) that the Cabinet agreed to:

2.1 Approve the attached Corporate Strategy and Medium Term Financial Strategy.

28 REVENUE AND CAPITAL BUDGET MONITORING, CASH LIMITS AND VIREMENTS - APRIL 2019 TO JULY 2019

Councillor Robin Moss made an ad-hoc statement. He expressed slight concern that the changes in savings would be centralised which could create a risk of unforeseen circumstances happening on the ground.

Councillor Richard Samuel introduced the report by saying that the Revenue budget outturn was currently forecast to be £1.68m over budget. The areas over budget were mainly due to additional demand in Children's Services and a shortfall in income from the Commercial Estate. Whilst the Children's Services budget was re-

based for 2019/20 there has been an unexpected increase in specialist Health and Social Care placements, the Commercial Estate was due to a slowing down of high street retail income. To provide mitigation Managers had been requested to develop cost reduction plans and to minimise spend wherever possible. That would further improve the year-end position. The capital budget was currently showing an expected under budget position of £30.5m mainly due to re-phasing of Bath Quays and ACL/ADL loan drawdowns into future financial years to reflect revised project spend profiles.

Council reserves would be required to mitigate the current position if the actions being put in place were not successful. The current position would require use of £1.68m of the Budget Contingency Reserve (which was set up to mitigate budget risk). Provision would need to be made within the 2020/21 budget to replenish the Budget Contingency Reserve for any drawdown made during 2019/20.

Councillor Richard Samuel moved the recommendations.

Councillor Dine Romero seconded the motion by thanking Councillor Samuel and the Section 151 Officer for the report.

Councillor Samuel thanked Councillor Moss for his statement, agreed with the comments he made in his ad-hoc statement, and encouraged Councillor Moss and other Members of the Council to question the new ways of managing savings in the Council through the scrutiny process.

RESOLVED (unanimously) that the Cabinet agreed to:

- 2.1 To note the 2019/20 forecast over budget of £1.68m (as at the end of July 2019) and the recovery plan actions outlined in Appendix 1;
- 2.2 To note the mitigations that will be required shown in paragraph 3.6, if the over budget position cannot be reduced by the end of the financial year;
- 2.3 To approve the revenue virements listed for approval in Appendix 3(i) and to note those virements listed for information only;
- 2.4 To note the capital year-end forecast detailed in paragraph 3.15 of this report;
- 2.5 To note the changes in the capital programme including capital schemes that have been agreed for full approval under delegation listed in Appendix 4(i)

29 TREASURY MANAGEMENT 2019-20 QUARTER 1 PERFORMANCE REPORT

Councillor Richard Samuel introduced the report by saying that the average rate of interest earned over the first quarter was 0.95%, which was 0.33% above the benchmark (7 day LIBID +0.05%). This reflected the placement of £3m long term strategic investment in the CCLA Local Authority's Property Fund during the quarter.

The Council's external borrowing as at 30th June 2019 totalled £225.1 million.

The Council's Capital Financing Requirement (CFR) as at 31st March 2019 was £300.7 million. The difference from actual borrowing reflected self-investment of

reserves and the savings from avoiding new borrowing were greater than the interest rate achieved on investments.

The report highlighted that the Strategic Diversified Income Funds the Council were considering investing in as part of the MTFS target to generate additional investment income from strategic longer terms investments, did have a small proportion of investments directly in Fossil Fuel related companies (4%-8% of investments). If these investments were not made it was estimated there would be a reduction in forecast income in the region of £100-£150k. The Council would look to seek to influence the investment managers to reduce the element of fossil fuel companies in their portfolios or the Council would withdraw gradually from investment in Fossil Fuel related companies over a period of time.

Councillor Richard Samuel moved the recommendations.

Councillor Dine Romero seconded the motion by welcoming the initiative of gradual movement away from investment in Fossil Fuel related companies.

Councillor Samuel added that he would involve Councillor Sarah Warren (with her Climate Change Emergency portfolio) in discussions on future long term investments in companies that were not Fossil Fuel related.

RESOLVED (unanimously) that the Cabinet agreed to:

2.1 The Treasury Management Report to 30th June 2019, prepared in accordance with the CIPFA Treasury Code of Practice, is noted.

2.2 The Treasury Management Indicators to 30th June 2019 are noted.

The meeting ended at 7.30 pm

Chair _____

Date Confirmed and Signed _____

Prepared by Democratic Services