

# Cabinet Agenda



**Date:** Tuesday, 6 September 2016

**Time:** 6.00 pm

**Venue:** City Hall, College Green, Bristol, BS1 5TR

## Distribution:

**Cabinet Members:** Marvin Rees, Mark Bradshaw, Clare Campion-Smith, Craig Cheney, Fi Hance, Claire Hiscott, Helen Holland, Paul Smith, Estella Tincknell and Asher Craig

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**Issued by:** Ruth Quantock, Democratic Services

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**Date:** Friday, 26 August 2016



# Agenda

## **PART A - Standard items of business:**

### **1. Welcome and safety information**

### **2. Public Forum**

Up to one hour is allowed for this item

Any member of the public or Councillor may participate in Public Forum.

Petitions, statements and questions received by the deadline will be taken at the start of the agenda item to which they relate to.

#### **Petitions and statements (must be about matters on the agenda):**

- Members of the public and members of the council, provided they give notice in writing or by e-mail (and include their name, address, and 'details of the wording of the petition, and, in the case of a statement, a copy of the submission) by no later than 12 noon on the working day before the meeting, may present a petition or submit a statement to the Cabinet.
- One statement per member of the public and one statement per member of council shall be admissible.
- A maximum of one minute shall be allowed to present each petition and statement.
- The deadline for receipt of petitions and statements for the 06 September Cabinet is 12 noon on Monday 5<sup>th</sup> September. These should be sent, in writing or by e-mail to: Democratic Services, City Hall, College Green, Bristol, BS1 5TR  
e-mail: [democratic.services@bristol.gov.uk](mailto:democratic.services@bristol.gov.uk)

#### **Questions (must be about matters on the agenda):**

- A question may be asked by a member of the public or a member of Council, provided they give notice in writing or by e-mail (and include their name and address) no later than 3 clear working days before the day of the meeting.
- Questions must identify the member of the Cabinet to whom they are put.
- A maximum of 2 written questions per person can be asked. At the meeting, a maximum of 2 supplementary questions may be asked. A supplementary question must arise directly out of the original question or reply.



- Replies to questions will be given verbally at the meeting. If a reply cannot be given at the meeting (including due to lack of time) or if written confirmation of the verbal reply is requested by the questioner, a written reply will be provided within 10 working days of the meeting.
- The deadline for receipt of questions for the 06 September Cabinet is 5.00 pm on Wednesday 31<sup>st</sup> August. These should be sent, in writing or by e-mail to: Democratic Services, City Hall, College Green, Bristol BS1 5TR.  
Democratic Services e-mail: [democratic.services@bristol.gov.uk](mailto:democratic.services@bristol.gov.uk)

When submitting a question or statement please indicate whether you are planning to attend the meeting to present your statement or receive a verbal reply to your question

### **3. Apologies for Absence**

To note any apologies

### **4. Declarations of Interest**

To note any declarations of interest from the Mayor and Councillors. They are asked to indicate the relevant agenda item, the nature of the interest and in particular whether it is a **disclosable pecuniary interest**.

Any declarations of interest made at the meeting which is not on the register of interests should be notified to the Monitoring Officer for inclusion.

### **5. Matters referred to the Mayor for reconsideration by a scrutiny commission or by the Full Council: (subject to a maximum of three items)**

None on this occasion

### **6. Reports from scrutiny commissions:**

None on this occasion

### **7. Chair's Business**

To note any announcements from the Chair



## **PART B - Key Decisions**

- 8. Engine Shed 2 Development** (Pages 5 - 18)
- 9. DfT Access Fund revenue competition 2017/18 – 2019/20** (Pages 19 - 61)
- 10. Horizon 2020 Bid – Nature Based Solutions** (Pages 62 - 106)
- 11. Extension of Temple Quarter Enterprise Zone (TQEZ)** (Pages 107 - 125)
- 12. Regionalisation of Adoption Service** (Pages 126 - 192)
- 13. Extension of advice funding agreements** (Pages 193 - 209)

## **PART C - Non-Key Decisions**

- 14. Quarter 1 Financial report 2016/17** (Pages 210 - 236)





## CABINET – 6th September 2016 - EXECUTIVE SUMMARY OF AGENDA ITEM 8

**Report title: ENGINE SHED 2 DEVELOPMENT**

**Wards affected: Central and Lawrence Hill**

**Strategic Director: Barra Mac Ruairí / Strategic Director: Place**

**Report Author: Robert Orrett / Service Director - Property**

### **Recommendation for the Mayor's approval:**

1. To agree that the Council will enter into an agreement for a lease from Skanska UK Limited subject to development and completion of Engine Shed 2 by Skanska.
2. To agree that the Council will also enter into an agreement to grant a sub-lease to an incubator manager for them to manage and operate Engine Shed 2. Commitment on these two agreements for lease will be managed on the basis that there is no net revenue cost to the Council from the rent commitments over the length of the sub-lease.
3. To authorise the Strategic Director: Place to approve the detailed terms of the agreement for lease and sub-lease following briefing of the Cabinet Member for Place, and to approve completion of the agreements.

### **Key background / detail:**

- a. Approval for the Council to enter in an agreement for lease from Skanska Developments also granting a new sub lease to the operator.
- b. Key details:
  1. The Bristol Temple Quarter Enterprise Zone (BTQEZ) is a Council priority and pace of redevelopment is fundamental to overall success.
  2. On 4 August 2015 Cabinet approved funds and a delegation to the Strategic Director: Place to buy strategic land in the BTQEZ to improve the quality and speed of regeneration delivered by the Council through strategic land ownership.
  3. On 1 March 2016 Cabinet approved that the Council would enter into a joint development and land agreement with Skanska UK Limited relating to their land ownership at Temple Meads, and the Council's land ownership the George & Railway and Temple Gate to achieve comprehensive regeneration and development of the land.
  4. Heads of Agreement have been concluded with Skanska, and lawyers are engaged on detailed agreements. Skanska have committed significant resources to strong progress with the project in advance of completing legal agreements.
  5. Development of Engine Shed 2 is the priority phase of the overall project. The role of incubator is a key one, helping to drive business rates growth in the Enterprise Zone. To help

the scheme come forward, Bristol City Council has secured £4m of Local Growth Fund round 2 funding from the LEP and Government to support its development.

6. Engine Shed 1 opened in the Old Station at Temple Meads in December 2013, delivered by the Council, in partnership with the LEP and HCA, and leased overall to Science Research Foundation and Set Squared. Engine Shed 1 has proved to be very successful.
7. It is proposed to sell the George and Railway site at Temple Meads, and neighbouring car park, to Skanska. Skanska will develop it to house the second phase of the Engine Shed project – Engine Shed 2. Skanska will provide or secure funding for the development and use their proven expertise to deliver the development project. Bristol City Council will lease the property from Skanska on a long term basis to secure the facility for the city; the Council will then lease the space to Science Research Foundation (SRF), part of the University of Bristol for the operation of Engine Shed 2.
8. It is important to note that whilst the priority in these discussions is to deliver space designed to meet needs of Engine Shed 2, the Council aims for the proposals to feature sufficient flexibility to be attractive to other occupiers should the operators of Engine Shed wish to terminate their lease at some point.
9. Over the length of the sub-lease the Council will achieve an aggregate position on rents paid and received that involves no net revenue costs
10. The allocation of part of an operating surplus to a fund to support economic development, as is the case with Engine Shed 1, is intended.



**BRISTOL CITY COUNCIL  
CABINET  
6 SEPTEMBER 2016**

**REPORT TITLE: ENGINE SHED 2 DEVELOPMENT**

**Ward(s) affected by this report: Central and Lawrence Hill**

**Strategic Director: Barra Mac Ruairí / Strategic Director: Place**

**Report author: Robert Orrett / Service Director - Property**

**Contact telephone no. 0117 922 4086  
& e-mail address: robert.orrett@bristol.gov.uk**

**Purpose of the report:**

Approval for the Council to enter in an agreement for lease from Skanska Developments also granting a new sub lease to the operator.

**RECOMMENDATION for the Mayor's approval:**

- 1. To agree that the Council will enter into an agreement for a lease from Skanska UK Limited subject to development and completion of Engine Shed 2 by Skanska.**
- 2. To agree that the Council will also enter into an agreement to grant a sub-lease to an incubator manager for them to manage and operate Engine Shed 2. Commitment on these two agreements for lease will be managed on the basis that there is no net revenue cost to the Council from the rent commitments over the length of the sub-lease.**
- 3. To authorise the Strategic Director: Place to approve the detailed terms of the agreement for lease and sub-lease following briefing of the Cabinet Member for Place, and to approve completion of the agreements.**

**The proposal:**

1. The Bristol Temple Quarter Enterprise Zone (BTQEZ) is a Council priority and pace of redevelopment is fundamental to overall success.
2. On 4 August 2015 Cabinet approved funds and a delegation to the Strategic Director: Place to buy strategic land in the BTQEZ to improve the quality and speed of regeneration delivered by the Council through strategic land ownership.
3. On 1 March 2016 Cabinet approved that the Council would enter into a joint development and land agreement with Skanska UK Limited relating to their land

ownership at Temple Meads, and the Council's land ownership the George & Railway and Temple Gate to achieve comprehensive regeneration and development of the land.

4. Heads of Agreement have been concluded with Skanska, and lawyers are engaged on detailed agreements. Skanska have committed significant resources to strong progress with the project in advance of completing legal agreements.
5. Development of Engine Shed 2 is the priority phase of the overall project.
6. Exempt appendix 1 is provided with confidential information for Cabinet to consider this matter.

## Regeneration and Economic Growth

7. Bristol Temple Quarter, one of the largest urban regeneration projects in the UK, is set right in the heart of Bristol. With Bristol Temple Meads at its core, it is already home to rapidly growing clusters of small and start-up businesses, particularly in the creative, digital and hi-tech sectors.
8. The 70 hectare site was officially declared open for business by the Chancellor in April 2012, and the project will last for 25 years. There are various key sites in the enterprise zone, and a Spatial Framework has been created, illustrating how it might be developed over its life span.
9. Enterprise zones have been set up by the government to drive local growth and create jobs. They offer a range of incentives to businesses, such as business rates relief, simplified planning and superfast broadband. They also offer benefits to the communities surrounding them by unlocking key development sites, consolidating infrastructure, attracting business and creating jobs. All business rates growth generated by the enterprise zones is kept by the relevant local enterprise partnership and local authorities for 25 years, allowing them to reinvest in local economic growth.



*Artist impression of Temple Gate Public Square. Image courtesy BCC City Design and Richard Carman*

10. Alongside incentives for business growth and jobs creation, the zone will benefit from significant investment in infrastructure, including £21 million to improve the



vehicle, cycling and pedestrian access in the area; £11 million to provide superfast broadband for companies and £200 million for the citywide MetroBus scheme.

11. The Bristol Temple Quarter aims to attract 4,000 jobs by 2017 and around 17,000 over the 25 year lifespan of the project. In 2015, the 2,000 jobs mark was reached and over 300 businesses are already in the Zone, including prestigious Top 50 law firm Burges Salmon, IBM, Osborne Clarke, the Real Adventure Company and Kevin McCloud's HAB Housing.
12. The project is being delivered by four key partners:
  - West of England Local Enterprise Partnership, which is tasked with creating 95,000 jobs in the region by 2030.
  - Bristol City Council, the local authority with planning responsibility for the Zone.
  - Homes and Communities Agency (HCA), which owns several sites in the Zone.
  - Network Rail, who are responsible for Temple Meads railway station, a crucial part of the development.
13. Estimates suggest that around 400 new businesses could be accommodated in the area, leading to around 17,000 new jobs over the project's 25 year lifecycle. These projected jobs would be delivered alongside more than 240,000 m<sup>2</sup> of new or refurbished space, featuring offices, research and development space, new homes and retail units, an arena and a redeveloped, 21st century railway station.

## Engine Shed

14. It is proposed to sell the George and Railway site at Temple Meads, and neighbouring car park, to Skanska. Skanska will develop it to house the second phase of the Engine Shed project – Engine Shed 2. Skanska will provide or secure funding for the development and use their proven expertise to deliver the development project. Bristol City Council will lease the property from Skanska on a long term basis to secure the facility for the city; the Council will then lease the space to Science Research Foundation (SRF), part of the University of Bristol for the operation of Engine Shed 2.



*Image courtesy BCC City Design and Blom Photography*

15. The intention is that Engine Shed 2 will provide about 4,600 m<sup>2</sup> (50,000 sq ft) of accommodation. The Engine Shed concept is based on containing, curating and connecting a number of 'Components' to make up the whole. The mix of the Components will change over time to match the needs and opportunities that emerge. Skanska are aiming that the building is capable of flexibility in the longer term so that it may be adapted to changing needs. The intention is for the development to include a cycling hub and recycling space.



16. Engine Shed 1 opened in the Old Station at Temple Meads in December 2013, delivered by the Council, in partnership with the LEP and HCA, and leased overall to SRF. That arrangement was selected due to the proven experience and success that SRF and SETsquared (part of SRF) had already established curating incubator space. Set up to drive business growth in Bristol and the West of England from this highly accessible location, Engine Shed 1 has proved to be very successful. In its first year of operation alone, it added £7m of GVA to the West of England economy and provided workspace for over 300 people, despite having capacity to accommodate much less. This is testament to its success as a business incubator facility, with it supporting the award of world's best university incubator status to SETsquared, one of its foremost residents.

17. The role of business incubation is a key one, helping to drive business rates growth in the Enterprise Zone. Rates growth in the EZ in turn provides funding for investment in projects to support economic development, by directly supporting the West of England Economic Development Fund.

18. Within a month of opening, Engine Shed became fully occupied. Since then demand for space and incubator support in the Engine Shed has outstripped supply.

19. Between August – December 2013 Engine Shed received circa 10 enquiries for space at the facility that it could not satisfy and this trend has continued. Engine Shed has also been receiving enquiries from companies currently resident that need more space but are at a stage in their development where continued co-location with the services the Engine Shed offers the best guarantee of future growth, and this type of enquiry cannot be accommodated in phase 1.

20. The success of the Engine Shed model has also given rise to interest from other organisations in joint working to develop further incubator facilities. This includes the social enterprise sector wanting to set up an incubator for social entrepreneurs. Interest has also been received from the education and internet security sectors, amongst others.

21. Currently Engine Shed's capacity to fully contribute to economic growth is being

missed because it cannot meet this demand. Engine Shed 2 would resolve this and reduce the risk of the companies and incubators which Engine Shed is accelerating losing momentum because they have to leave the immediate cluster before they are ready, due to lack of space.

22. From the early success of Engine Shed, the contribution incubator space makes to economic growth in the Enterprise Zone, and the evidence of demand outstripping supply, there was an early commitment to initiatives aimed at providing additional capacity. This was supported by the HCA providing grant funding for the purchase of the George & Railway building and site, and the LEP approving £4m of Local Growth Fund 2 funding to support the inherent gap between the cost of providing additional accommodation and the commercially based returns that can be generated. The intention at that stage was that the Council would be the freehold owner of Engine Shed 2 and procure the construction project using Council capital and Prudential Borrowing. The approach has been changed in light of the broader objective to secure a potential to control the Station Approach site through a multi-site development arrangement with Skanska. This approach has been reinforced by the advantage of avoiding a further ask for Council funding and borrowing, which would not be supported at present.
23. As a short term solution, Engine Shed have leased land next to their building to house Boxworks. Boxworks features 20 container units providing temporary office space, and provides access to the business lounge and other facilities within Engine Shed. Bristol City Council supported the Boxworks scheme by granting Engine Shed £35,000 for enabling works on site. This provides a temporary increase in space but has a temporary planning permission and is located on land that will be released for redevelopment by its owners.
24. The concept of Engine Shed 2 has been developed as a long-term solution. Research by officers suggests that the private sector is unlikely to take on the entire risk of developing such a facility itself. The costs of providing dedicated business incubation support plus managing a multitude of tenancies, with many of the occupiers being fledging businesses from whom income is more at risk, makes delivery by the private sector alone less likely to be viable. The financial returns from the occupiers are insufficient to support the capital cost of a new build facility. To help the scheme come forward, Bristol City Council has secured the principle of £4m of Local Growth Fund round 2 funding from the LEP and Government to support its development. This incorporation of that grant will be a significant requirement for this project.
25. Engine Shed 2 is based on a similar occupancy model to Engine Shed 1, with the addition of grow on space, room to showcase the strengths of the area as one in which to invest, learn and/or live and – potentially, although discussions are still ongoing – the University of Bristol’s Centre for Innovation. It is intended that it will provide a mix of conventional lets, meeting rooms, incubator space and business lounge-like space for interaction between business people, the public sector and academia.
26. The Cabinet decision in March 2016 approved the overall arrangement to enter into a multi-site development agreement with Skanska. A critical objective for the Council via this arrangement was to use the Council’s existing site ownerships to

provide a means to secure future influence over the release of the key Station Approach site which continues to be fundamental to the future shaping of the Temple Meads locality, and the impact of that locality on the movement of people in the area. That in turn impacts on the successful regeneration of land around the station, which the Council has invested in to secure regeneration. A reasonable requirement from Skanska in agreeing to defer development of their Station Approach site was early progress of Engine Shed 2. This also is meeting pent-up incubator demand and building on achievement of Engine Shed 1.

27. It is proposed that Engine Shed 2 is brought forward on the George and Railway site, and neighbouring car park, at Temple Meads. Following receipt of an initial brief outlining potential space requirements commissioned by the Engine Shed team, Skanska have – at their own risk – prepared initial proposals for the new development. Skanska, the Council and Engine Shed team are working together to ensure that they are workable. It is important to note that whilst the priority in these discussions is to deliver space designed to meet needs of Engine Shed 2, the Council aims for the proposals to feature sufficient flexibility to be attractive to other occupiers should the operators of Engine Shed wish to terminate their lease at some point.
28. Skanska will undertake responsibilities as developer and for construction of the project. This includes procuring a design to meet the requirements of the Council and SRF, achieving viability for the project, and securing funding. The Council will need to enter into an agreement for lease in order that the project proceeds. The Council is requiring a long-term lease of 30-35 years so that this important, sustainable and flexible facility is retained for the city. The LGF2 funding and the investment capitalisation of the rent obligation from the Council will enable the construction cost to be met, and a slight discount on the level of rent commitment from the Council to be achieved. The project also needs to deliver a site value as the site was purchased by the Council under a grant agreement with funds from HCA.
29. The lease to the Council will enable completion of a sub-lease to SRF as operator of Engine Shed 2. The terms of leases are being negotiated. The lease to SRF is expected to be coterminous with their lease on Engine Shed 1. SRF will require a reduced rent in years one and two of the term to support their build up of occupiers and set up costs. This reduced rent will be a set allowance and SRF will carry the risk for the success they actually achieve. The rent beyond this will be the Market Rent. This will provide a risk premium for the Council in return for holding the overriding lease and enabling a reduced rent in the early years of the project. Over the length of the sub-lease the Council will achieve an aggregate position on rents paid and received that involves no net revenue costs.
30. The allocation of part of any operating surplus to a fund to support economic development, as is the case with Engine Shed 1, is intended.
31. The leases will complete shortly after the practical completion of the development project, at which point freehold ownership of the site will transfer to Skanska, or their funding partner.

## Consultation and scrutiny input:

### a. Internal consultation:

Regular briefings are held with the Mayor and Deputy Mayor.

### b. External consultation:

There are strong governance links via the Bristol Temple Quarter Enterprise Zone (BTQEZ) programme with stakeholders such as Network Rail and the Homes and Communities Agency (HCA). The Local Enterprise Partnership (LEP) is a key funder.

There has been consultation on the Spatial Strategy which includes this property, and there will be further consultation on that strategy, and any planning application for development of this property.

## Other options considered:

1. No expansion of incubator provision – this option has been ruled out as incubator provision is fundamental to the growth for the city through Bristol Temple Quarter, demand and operating model have been established.
2. Other sites – a high level analysis of this site compared to three other sites in the *Bristol Temple Quarter Enterprise Zone Development Prospectus* has been carried out on behalf of the Council. There are pros and cons for each site but each of the others has significant timescale concerns and deliverability issues. Despite the separation of the George & Railways site from Engine Shed 1 by the road, it is considered to be the optimum solution.
3. No Council involvement – the evidence of market failure means that it is considered that Engine Shed 2 will not be delivered without Council involvement. Other public sector bodies might address this but there is no expectation they are willing or authorised to. The Council works closely with HCA on Bristol Temple Quarter. On Engine Shed 1, the agreed delivery approach was for the Council to be the direct partner. HCA has enabled the site acquisition of George & Railway and provided funding for that, but this is by means of the grant agreement approach.
4. Direct Council development – there are advantages to this as the Council would be freehold owner of the new Engine Shed 2 enabling permanent retention. This was the expectation when the general aim of Engine Shed 2 was being considered, and engagement with the LEP for the grant support was being progressed. However, this would involve a substantial financial commitment in excess of £15m capital. The Council is no currently in a position to make that commitment. There would also be resourcing pressure of this additional major project.

## Risk management / assessment:

<b>FIGURE 1</b>							
<b>The risks associated with the implementation of the (subject) decision :</b>							
No.	RISK  Threat to achievement of the key objectives of the report	INHERENT RISK  (Before controls)		RISK CONTROL MEASURES  Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK  (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Development of Engine Shed 2 is not progressed in the short term	High	High	The development approach adopted brings experienced resources and project momentum to Engine Shed 2. The site selected is already within Council ownership	High	Medium	Service Director: Property
2	The development project is not delivered by Skanska	High	Medium	The agreement for lease will provide contractual obligations on Skanska which will have been carefully considered by the parties before final commitment	High	Low	Service Director: Legal
3	The lease to the operator is not completed	High	Medium	The Council will not enter into the agreement for lease without confidence that it will complete the sub-lease agreement	High	Low	Service Director: Legal
4	Project costs overrun	High	Medium	The basis of the agreement will allocate this risk to Skanska as developer, moving it away from the Council	Low	Medium	Service Director: Legal

<b>FIGURE 2</b>							
<b>The risks associated with <u>not</u> implementing the (subject) decision:</b>							
No.	RISK  Threat to achievement of the key objectives of the report	INHERENT RISK  (Before controls)		RISK CONTROL MEASURES  Mitigation (ie controls) and Evaluation (ie effectiveness of	CURRENT RISK  (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Economic growth for the city falls below target	High	High	Seek to improve other components of Economic Growth activity	High	Medium	BTQEZ Strategic Directors Board
2	Development asset values are reduced	Medium	High	Work on alternative development proposals	Medium	Medium	BTQEZ Strategic Directors Board

### Public sector equality duties:

Covered in Cabinet Report dated 4th August 2015, entitled Capital Funding for Enterprise Zone Property Purchases.

### Eco impact assessment

The development will be designed and built to connect to the council's adjacent heat network, achieve BREEAM Excellent, be built to maintain a steady internal temperature when outside temperatures are above 30°C for five days or more and be resilient to minor flooding. During building works, a site waste management plan and nuisance avoidance plan will be implemented, as will any measures necessary to avoid disturbing any protected bat species that are present in the existing buildings.

There will be some harmful environmental impacts associated with the building works, but the design, location and transport links have the potential to provide accommodation with

lower environmental impacts than alternative buildings.

**Advice given by** Giles Liddell, Environmental Project Manager  
**Date** 10 August 2016

**Resource and legal implications:**

**Finance**

**a. Financial (revenue) implications:**

The transaction has no recurring or one off revenue costs for the council. Bristol City Council will sign a long term head lease with the developer and a sub-lease with SRF. This sub-lease will more than cover the cost of the head lease providing a “risk premium” for the council.

The only risk to which the council is exposed is over the longer term. SETsquared will periodically have the ability to serve notice on the sub-lease. The risk of this occurring is most likely to be associated with their need for space. The risk of SETsquared not requiring this additional space is at present low. This is demonstrated by the success of Engine Shed 1 and the current need for space which is currently satisfied by Boxworks. This temporary provision of space will remain open until Engine Shed 2 becomes operational.

Further risk mitigation is provided by the proposed design of Engine Shed 2. The design will allow easy conversion to good quality office space of the type that is in high demand in Bristol. The risk premium charged will also buffer the council from any delay in the requirement to find a new tenant.

**Advice given by** Mike Allen / Finance Business Partner  
**Date** 24 August 2016

**b. Financial (capital) implications:**

There are no borrowing or additional capital implications for the Council from this matter. The project will link to the sale of the freehold interest in the George & Railway property owned by the Council, purchased with grant from HCA, and triggering repayment of that grant from the land sale proceeds achieved.

**Advice given by** Mike Allen / Finance Business Partner  
**Date** 24 August 2016

**Comments from the Corporate Capital Programme Board:**

Not applicable as no net capital implications.

**c. Legal implications:**

If the recommendations are agreed, legal advice will be needed to ensure compliance with relevant legislation. In particular to address the following;

- In negotiating the detail of the agreement to avoid this becoming subject to the Public Contracts regulation 2015(which would require a fully complaint tendering process)

- To ensure that the arrangement is and remains a property disposal.
- If the proposed agreement contains legally binding obligations (direct or indirect) on the developer/tenant to execute works specified by the Council and where there is some form of pecuniary interest (which will be very broadly construed) the proposed agreement for lease risks being classed as a public works contract.
- In the absence of any competition for the development agreement, in order to avoid any risk of a state aid challenge (on the basis of a failure to secure market value and so in essence provide a subsidy) the terms for the disposal of the site(s) should be certified by an independent valuer as representing market value. There is EU Commission guidance on this which would need to be followed.
- The terms of any property disposal would also need to have regard to the Council's general obligation to secure best value.

**Advice given by** Eric Andrews, Team Leader Corporate legal team  
**Date** 12 August 2016

**d. Land / property implications:**

This proposal is to secure redevelopment of a property owned by the Council, subject to a grant agreement with HCA. It will be necessary to discharge the grant conditions, primarily to repay the HCA grant, in order to proceed. The structure proposed will enable the redevelopment of a building which has been a city eyesore for many years. Whilst the building is in Council ownership, the approach will not require the Council to provide the capital for the project nor to make a revenue funding contribution. The Council acquired the freehold several years ago with the HCA and would transfer the freehold to the developer provided that the redevelopment is secured. The Council would enable the building to be used for incubator or other agreed use for a long period by means of the lease it enters into.

**Advice given by** Robert Orrett, Service Director Property  
**Date** 18 August 2016

**e. Human resources implications:**

There are no HR implications arising from this report.

**Advice given by** Mark Williams, Business Place, Strategy and Policy  
**Date** 12 August 2016

**Appendices**

Appendix 1 Background document – Not for publication by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)).



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted



## **Executive Summary of Agenda Item No. 9**

**Report title:** DfT Access Fund revenue competition 2017/18 – 2019/20

**Wards affected:** Citywide

**Strategic Director:** Barra Mac Ruairi

**Report Author:** Colin Rees

### **Recommendation for the Mayor's approval:**

1. That Bristol City Council submits a bid to the Department for Transport's Access Fund revenue competition for £6.9m (2017/17 – 2019/20) in partnership with the West of England Authorities.

### **Purpose of report:**

1. To seek approval that Bristol City Council submits a bid to the Department for Transport's Access Fund revenue competition for £6.9m (2017/17 – 2019/20) in partnership with the West of England Authorities, to provide continued funding to support and promote sustainable travel. Bristol's share of this bid would be £2.6m.

### **Key details:**

1. The DfT announced the Access Fund revenue competition (2017/18-2019/20) on the 5th July with a deadline for submission on the 9th September. The maximum bid on offer is £7.5m revenue over 3 years. The WoE plans to submit a £6.9m bid (Bristol £2.6m) with Bristol as the lead bidder.
2. The core objective of the fund is to support the local economy by improving access to new and existing employment, education and training, to support sustainable transport modes and to promote increased levels of physical activity through greater uptake of walking and cycling.
3. The bid will provide revenue funding for the next three years to continue work undertaken since 2011 through previous sustainable travel funding streams; the Local Sustainable Transport Fund (LSTF) and this year's Sustainable Travel Transition Year Fund (STTY). Currently 8 FTEs who are engaged in promoting sustainable transport in Bristol are supported by STTY.
4. The funding will continue to deliver a wide range of schemes including community, schools and business engagement activity. Some specific examples include support for family cycle training; school travel plans and match-funded grants for businesses to install onsite sustainable transport facilities.
5. The funding is also critical in maintaining levels of marketing/communications support for sustainable transport, including the West of England's transport website TravelWest. An element of this funding will be used to launch the MetroBus operation in the West of England in 2017, and to provide good quality information at MetroBus stops.
6. Not securing funding would be a significant blow at a time when the city is seeing unprecedented levels of capital investment to improve the transport network – the Access Fund seeks to link with this investment to break non-essential, car dominated travel patterns.



# Cabinet

## Date of Meeting



**Report Title:** DfT Access Fund revenue competition 2017/18 – 2019/20

**Ward:** Citywide

**Strategic Director:** Barra Mac Ruairi (Place)

**Report Author:** Colin Rees, Transport Manager

**Contact telephone no. & email address** 0117 922 4857  
colin.rees@bristol.gov.uk

### Purpose of the report:

1. To seek approval that Bristol City Council submits a bid to the Department for Transport's Access Fund revenue competition for £6.9m (2017/18 – 2019/20) in partnership with the West of England Authorities, to provide continued funding to support and promote sustainable travel. Bristol's share of this bid would be £2.6m.

### Recommendation for the Mayor's approval:

1. That Bristol City Council submits a bid to the Department for Transport's Access Fund revenue competition for £6.9m (2017/17 – 2019/20) in partnership with the West of England Authorities.
2. Should the bid be successful that Bristol City Council, through a formal legal agreement, will deliver the project in collaboration with Bath and North East Somerset, North Somerset and South Gloucestershire Councils.
3. That the Service Director for Transport, in consultation with the Service Director for Legal Services and Cabinet Member for Transport, be given delegated authority to enter into a legal agreement with the Bath and North East Somerset, North Somerset and South Gloucestershire Councils to proceed with the project.



## The proposal:

1. Since 2011 the West of England (WoE) authorities have delivered a series of projects aimed at promoting sustainable transport and supporting economic growth. These projects have largely focused on ‘soft’ transport measures such as behaviour change initiatives (i.e. personalised travel planning), targeted marketing campaigns (i.e. ‘get around the road works’) and support services (i.e. family cycle training and match-funded grants for businesses). These schemes are funded through competitively won Department for Transport (DfT) grants. The Access Fund competition is the latest round of this funding and looks to build on the success of its predecessors; Key Component (2011-2012) The Local Sustainable Transport Fund (2012-2015); LSTF extension (2015-16); Sustainable Travel Transition Year (2016-17).
2. The DfT announced the Access Fund revenue competition (2017/18-2019/20) on the 5th July with a deadline for submission on the 9th September. The maximum bid on offer is £7.5m revenue over 3 years. The WoE plans to submit a £6.9m bid (Bristol £2.6m) with Bristol as the lead bidder.
3. The predecessor to the Access Fund (the Sustainable Travel Transition Year) currently supports 8 FTEs who are engaged in promoting sustainable transport in Bristol. The Access Fund would secure funds to cover the ongoing costs of these staff for the next 3 years.
4. The core objectives of the fund is to support the local economy by improving access to new and existing employment, education and training and to promote increased levels of physical activity through greater uptake of walking and cycling.
5. Most journeys within the WoE are local, but high levels of car use for these trips are a major cause of congestion and poor journey time reliability. Over two thirds of all journeys are under five miles, and more than half (55%) of these are made by car. A quarter of car journeys are less than two miles. These journeys, and the overall demand for transport in the City, contribute substantially to congestion and unreliability on existing networks, which in turn is a cost to the local economy.
6. The Joint Local Transport Plan objective is to promote a low carbon, accessible, integrated, health enhancing, efficient and reliable transport network. This will be achieved with more people travelling sustainably for local journeys by walking, cycling, using public transport or car sharing.
7. In 2011 the white paper ‘Creating Growth, Cutting Carbon’ recognised the role smarter travel plays in creating places people want to work and live and explained how changes to local transport could cut carbon emissions and create local growth. This aligns with our Local Transport Plan objectives. The government launched the Local Sustainable Transport Fund in 2011. From this the WoE authorities have benefited from a £29M grant programme which has delivered walking and cycling infrastructure, support to schools and businesses and, in particular, focused on supporting people to switch to sustainable modes of travel at a key life-transition point.
8. Bristol City Council has led the way nationally over the last fifteen years in the delivery of smarter travel initiatives - interventions that prompt us to think about how and why we make transport

choices, challenging us to consider the impact our travel decisions have on others and on ourselves. Daily travel behaviours, in particular mode of choice, are seen as a habitual.

9. The funding will deliver a wide range of schemes including community, schools and business engagement activity. Some specific examples include support for family cycle training; school travel plans and match-funded grants for businesses to install onsite sustainable transport facilities. In terms of promoting walking, the focus is on investing in initiatives that encourage schoolchildren to walk to school as well as providing information and support to employees and community groups to encourage walking for both commuting and leisure purposes. The scheme will also link in with the employer Workplace Well-Being Charter initiative making the connection between public health and transport.
10. The funding is also critical in maintaining levels of marketing/communications support for projects such as MetroBus, MetroWest and Cycling Ambition Fund 2. An element of this funding will be used to launch the MetroBus operation in the West of England in 2017, and to provide good quality information at MetroBus stops.
11. Not securing funding would be a significant blow at a time when the city is seeing unprecedented levels of capital investment to improve the transport network – the Access Fund seeks to link with this investment to break non-essential, car dominated travel patterns.

### **Consultation and scrutiny input:**

**a. Internal consultation:**

Extensive consultation was carried out as part of the Sustainable Travel Transition Year and Local Sustainable Transport Fund programmes. Detailed consultation has taken place with all relevant officers within the Transport Service and across the Council in developing the bid for the Access Fund.

**b. External consultation:**

The delivery of the predecessors to the Access Fund (The Sustainable Travel Transition Year and Local Sustainable Transport Fund) were an ongoing collaborative approach delivered in partnership with stakeholders such as businesses, schools, universities, job centres and community groups. Throughout the delivery of both of these projects we have reviewed what has worked well and listened to stakeholders to inform the Access Fund bid. We have consulted with and received letters of support of from Business West, North Bristol SusCom, SevernNet and the Local Enterprise Partnership as well as from employers, communities and educational institutions.

### **Other options considered:**

The only alternative option identified is for revenue funding to be provided directly by the Council, however the Council's revenue budget is under pressure and it would be challenging to identify additional resource to fund the ongoing support and promotion of sustainable transport.

The Access Fund competition is a vital source of revenue funding and currently supports 8FTE members of staff. The funding sought is from a DfT grant and as such there are no clear alternatives, i.e. equivalent funding mechanisms.

### Risk management / assessment:

<b>FIGURE 1</b>							
<b>The risks associated with the implementation of the (subject) decision :</b>							
No.	RISK  Threat to achievement of the key objectives of the report	INHERENT RISK  (Before controls)		RISK CONTROL MEASURES  Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK  (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Insufficient authority or partner delivery resource	High	Medium	<p>Accept: Build on the well-established delivery teams For the Local Sustainable Transport Fund and Sustainable Travel Transition Year Fund projects. Ensure realistic Project Plans that are signed off by Programme Board.</p> <p>Reduce: Ensure sufficient resources are identified and available to progress delivery.</p> <p>Reduce: Early arrangements for continuation of commencement of partnering arrangements.</p>	Medium	Low	SRO/PM
2	Schemes in the Access Fund do not deliver projected outcomes	High	Medium	<p>Avoid: Ensure project outcomes are well defined and reflected in Evaluation Plan.</p> <p>Reduce: Review projects through established outputs and outcomes reports to identify improvements to delivery.</p> <p>Accept: Programme and change management process to have agreed scheme benefits.</p>	Medium	Low	SRO/PM
3	Impact on reputation from poor project delivery or outcomes	High	Medium	<p>Reduce: Establish robust governance and programme/project management arrangements.</p> <p>Avoid: Regular liaison and progress reporting to DfT to ensure expectations met.</p>	Medium	Medium	SRO/PM

<b>FIGURE 2</b>							
<b>The risks associated with <u>not</u> implementing the (subject) decision:</b>							
No.	RISK	INHERENT RISK  (Before controls)		RISK CONTROL MEASURES	CURRENT RISK  (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	

	Threat to achievement of the key	Impact	Probability	Mitigation (ie controls) and	Impact	Probability	
1	Loss of team members and resources to effectively promote sustainable travel across the city and the subsequent negative impact on congestion, air quality, carbon emissions and cost to the Health Service through lower levels of physical activity	High	High	Evaluate how activities that would have been funded through the Access Fund grant could be incorporated into the Transport Service's business as usual operations whilst managing a reduced budget.	High	High	Transport Service
2	Reputational risk for not bidding to the DfT's Access Fund	High	High	Demonstrate commitment to promoting sustainable transport by competing for future funding opportunities.	High	High	Transport Service
3	Impact on relationship with neighbouring authorities who are committed to bidding to the Access Fund	High	High	Evaluate how Bristol could support a bid developed by the other councils.	High	High	Transport Service

## Equalities Impact Assessment

The Access West Equality and Diversity Action Plan will prioritise specific actions which need to be addressed to ensure people with protected characteristics benefit from the sustainable travel projects. In respect of equality and diversity, central principles relating to the Access West project are:

- Ensuring accessible sustainable travel modes are in place;
- Encouraging more cycling and walking by those who are already more likely to use these methods (e.g. Males);
- Encouraging those who are less likely to use these methods to participate (e.g. Females).

The action plan prioritises:

- Women and older people will benefit from improved cycling infrastructure through bicycle paths and lanes that provide a high degree of separation from motor traffic. Design principles and good management can address conflicts that can occur within shared spaces (e.g. cyclists and pedestrians). This is important information in respect of promotion for disabled people and both younger and older people.
- Children and young people will benefit from cycle training, which is valuable in terms of cycling safety skills, and promoting cycling to school
- Older people will benefit from age-targeted cycling skills courses, encouragement for Bicycle User Groups to reach out to older people, widespread availability of cycling maps, advertising the multiple benefits of cycling and continued improvement to cycle paths.

Disabled people will benefit from promoting facilities and options which are suitable for a wide range of impairment types; these include hand cycles, trikes, wheelchair friendly cycles, side-by-side cycles, one up one down cycles, recumbent, tandems and steer from rear tandems

**Advice given by** Anne James, Equality and Community Cohesion  
**Date** 01/08/16

**Eco impact assessment**

In the short and medium term the project's impacts will include staff travel and use of energy in offices, however, these are not significant due to the small number of staff involved. No additional mitigation measures are proposed, since staff have existing access to low and zero emission pool vehicles, e-bikes, and cycling facilities.

The proposal is considered to have long-term positive impacts: promotion of sustainable transport providing for a reduction in car journeys and associated emissions of greenhouse gases and harmful pollutants. The resilience of the city to travel disruption and variability of fuel security and costs will be increased. Staff will work with the Strategic Resilience Officer and air quality Project Officers to enhance the opportunities to improve the city's resilience and air quality.

Although it is not directly environmental, it is noted that there is significant scope for health benefits from improving air quality and encouraging more active forms of travel, so it is also suggested that staff work with the Public Health team to enhance these opportunities.

The net effects of the proposals are positive.

**Advice given by** Giles Liddell and Steve Ransom, Environment Project Managers  
**Date** 01/08/16

#### **Resource and legal implications:**

#### **Finance**

##### **a. Financial (revenue) implications:**

This bid is for revenue funding to allow Bristol City Council to maintain its efforts in achieving sustainable transport by promoting low carbon, accessible, integrated, efficient and reliable transport networks within the context of the current JTP agreement between the West of England Authorities.

This revenue grant from the DfT is for 2017/18 – 2019/20 only and for a total of £6.9m, Bristol City Council's share of this being £2.6m, BANES £1.0m, NSC £1.3m and SGC £1.7m, Metrobus £300k

Bristol City Council is the accountable body for the claim overall.

The s151 Officer for Bristol City Council will need to sign off the claim for funds on behalf of the West of England Councils at the end of August and, as part of this process an extensive document will be delivered by finance and transport colleagues to provide an evidence trail for:

- Sufficient budget allocated to deliver the scheme
- The match funding required by each Local Authority, and
- All necessary governance and assurance arrangements in place

The evidence will demonstrate that the match funding requirement of at least 10% of DfT is guaranteed. This match funding is a condition of the grant and capital funding is eligible. Bristol's commitment will be for its share of £2.6m, hence a match of £260k over three accounting periods.



Transport Team is currently reviewing its plans for these years and will have identified where this match will be found before accepting any such grant and associated conditions.

**Advice given by** Mike Allen / Finance Business Partner  
**Date** 28/07/16

**b. Financial (capital) implications:**

This is a revenue grant and has no capital implications for the council.

**Advice given by** Mike Allen / Finance Business Partner  
**Date** 28/07/16

**Comments from the Corporate Capital Programme Board:**

N/A - funding is for revenue only measures

**c. Legal implications:**

The existing agreement between the four Unitary Authorities dated 19th November 2012 would need to be amended to allow for an extension to the implementation of the Access Fund programme for the further period. Other than this there are no specific legal implications arising from this report.

**Advice given by** Pauline Powell, Team Leader, Transport Planning and Regulatory Law  
**Date** 01/08/16

**d. Land / property implications:**

There are no Land/Property implications contained within the Access Fund. The funding is for revenue only and does not involve procuring or building on land/property within Bristol.

**Advice given by** Robert Orrett, Service Director, Property  
**Date** 04/08/16

**e. Human resources implications:**

The Access Fund will be delivered through Sustainable Transport's existing staffing establishment.

**Advice given by** Mark Williams, People Business Partner  
**Date** 05/08/16

**Appendices:**

Appendix 1 – Access Fund equalities note  
Appendix 2 – Access Fund EQIA relevance check note  
Appendix 3 – Access Fund Eco Impact Assessment

**Access to information (background papers):**

1. Department for Transport Access Fund bidding Guidance and Application Form:  
<https://www.gov.uk/government/publications/access-fund-for-sustainable-travel-application-form>

**Scheme – The Access Fund project**  
(Adapted from LSTF equality note)

**Equality and Diversity Impact Assessment and Plan**

**Introduction**

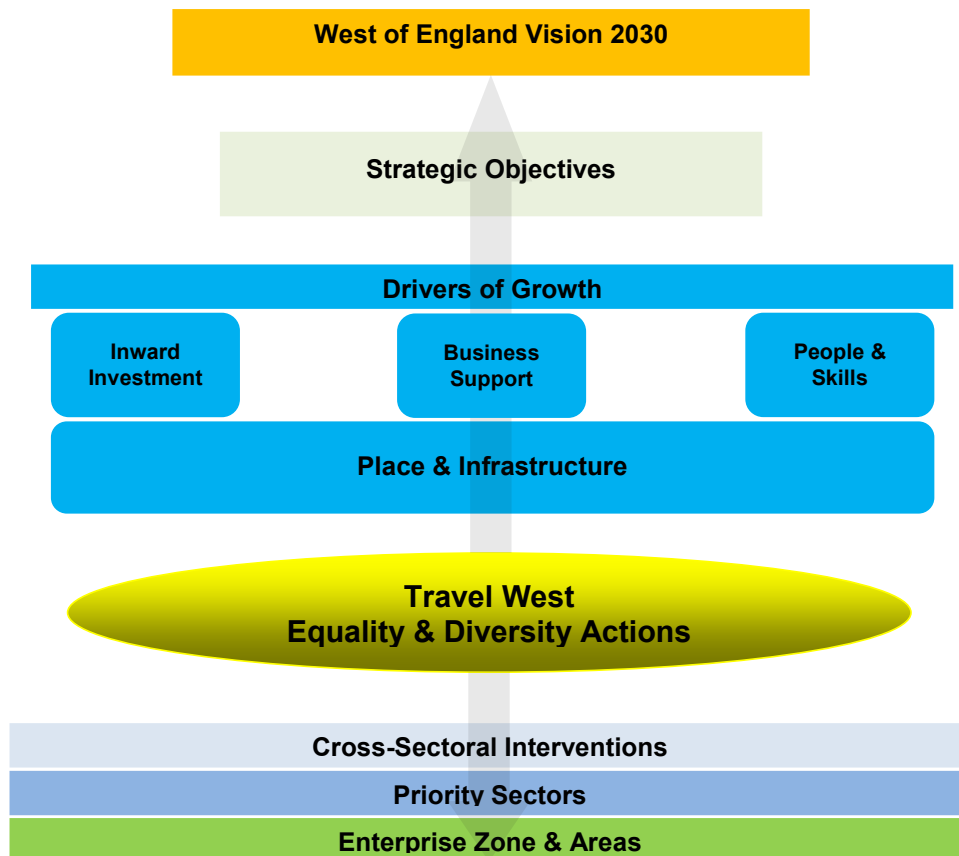
The over-arching message communicated via the West of England Vision is that of an **“Economic Region Built on Success and Delivering Success”**.

Underpinning the Vision are five Strategic Objectives:-

1. Create the right conditions for business to thrive. Give confidence and certainty to our investors to attract and retain investment to stimulate and incentivise growth.
2. Enhance & protect our natural & built environmental assets to build our resilience to climate change.
3. Create places where people want to live and work, through delivery of essential infrastructure including transport and housing to unlock suitable locations for economic growth.
4. Shape the local workforce to provide people with skills that businesses need to succeed and that will provide them with job opportunities.
5. Ensure all our communities share in the prosperity, health and well-being and reduce the inequality gap.

The Access West project has a role to play in the delivery of each of these strategic objectives, and in particular, objective 3 aligns with our central purpose.

Access West recognises that delivering excellence in Equality & Diversity is intrinsically linked to the successful achievement of the WoE 2030 Vision and as such we have set out carefully considered actions, the delivery of which will ensure our work has maximum impact on the achievement of the strategic objectives and ultimately the realisation of the 2030 Vision.



## Equality & Diversity and the Access West Project

The central principle of the project concerns increasing the accessibility by sustainable travel which is critical to supporting growth in our Enterprise Zone and Enterprise Areas where we expect to see up to 70,000 new jobs. Existing road conditions are a barrier to many people choosing to walk and cycle and there is a need to make improvements to facilitate safe independent mobility for all and not just for those able to cope with high levels of traffic. In addition, by providing improved facilities for walking and cycling, the scheme will enhance the health of the local population by promoting active modes of travel. The benefits will be realised by employers, who will have a healthier, fitter workforce with a reduction in absence through sickness, and by the Health Authorities, through reduced demand upon healthcare services arising from a healthier population.

In respect of equality and diversity, central principles relating to the Access West project are:

- Ensuring accessible sustainable travel modes are in place;
- Encouraging more cycling and walking by those who are already more likely to use these methods (e.g. Males);
- Encouraging those who are less likely to use these methods to participate (e.g. Females).

Taking approaches which are tailored to the needs of diverse groups in society is a core way of ensuring that the number of people using these methods is maximised, which contributes to the identified strategic objectives and drivers of growth as stated above and within the below table.

There is a valuable evidence base from which the project has drawn key equality & diversity related information as shown below:

<b>Gender</b>	Improved cycling infrastructure through bicycle paths and lanes that provide a high degree of separation from motor traffic is likely to be important for increasing transportation cycling amongst under-represented population groups such as women <sup>i</sup> .
<b>Children &amp; Young People</b>	<p>Independent mobility appears to be an important independent determinant of weekday physical activity for both boys and girls. Physical activity and factors such as independent mobility are likely to be influenced by the type of neighbourhood (housing density, land use mix, available green space) as well as perceptions of neighbourhood. Parents may be much more likely to allow independent mobility if they perceive their environment to be safe and traffic density to be low<sup>ii</sup>.</p> <p>There is a significant positive relationship between physical activity, improved cognitive performance and academic achievement<sup>iii</sup>.</p> <p>Research has found a possible link between traffic-related air pollution outside people's homes and the onset of asthma in children during the first eight years of life. Higher levels of nitrogen dioxide, PM2.5 and soot (generated by greater traffic volumes) were more likely to be recorded at the homes of those children who developed asthma and asthma symptoms<sup>iv</sup>.</p> <p>Cycle training is valuable in terms of cycling safety skills. However, other strategies are needed when promoting cycling to school such as that any training should focus more on real cycling experiences, so that children are able to deal with traffic on school journeys, and on providing educational support to ensure safe journeys to school<sup>v</sup>.</p> <p>Research has shown that far more English children were accompanied by an adult on the journey home from school in 2010 than in 1971. In 1971, 86 per cent of the parents of primary school children surveyed said that their children were allowed to travel home from school alone. By 1990, this had dropped markedly to 35 per cent, and there was a further drop to 25 per cent being allowed to do so in 2010. In 2010, in England there was a marked increase in adult accompaniment on non-school journeys, with 62 per cent of the journeys in 2010 being accompanied, compared to 41 per cent in 1971<sup>vi</sup>.</p>

<p><b>Older Age</b></p>	<p>The intensity of physical effort during cycling on an electrically assisted bicycle is sufficiently high to contribute to the physical activity guidelines for moderate-intensity health-enhancing physical activity for adults<sup>vii</sup>.</p> <p>The risk of increasing falls among a largely sedentary older population can be reduced through physical activity. Walking, as the most readily available physical activity, can contribute to the prevention of falls through maintaining or increasing leg muscle and bone strength<sup>viii</sup>.</p> <p>Cycling is a form of physical activity with particular benefits for older people. It is non-weight bearing and therefore has less impact on the joints than jogging or other running sports, and several studies of disease causation have shown significant risk reduction for all-cause and cancer mortality, cardiovascular disease, colon and breast cancer, and obesity morbidity in middle-aged and elderly cyclists. Cycling may also contribute to improved quality of life for older people, by enhancing social networks and building empowerment, and can be incorporated easily into a daily routine. Successful methods used to promote cycling to older people include: age-targeted cycling skills courses, encouragement for Bicycle User Groups to reach out to older people, widespread availability of cycling maps, advertising the multiple benefits of cycling and continued improvement to cycle paths. Fear of cars and other motorised traffic is a strong barrier to cycling across all age groups so investment in infrastructure should also have benefits across the population<sup>ix</sup>.</p>
<p><b>Disability (including mental health)</b></p>	<p>Psychologists have long recognised the potentially detrimental effect of the commute. Most studies of the commute and stress find that active travel, followed by public transport use are the least stressful modes and that active travel is often reported as a positive experience in terms of stress management<sup>x</sup>.</p> <p>The intensity of physical effort during cycling on an electrically assisted bicycle is sufficiently high to contribute to the physical activity guidelines for moderate-intensity health-enhancing physical activity for adults<sup>xi</sup>.</p> <p>There are more accessible options for cycling today than ever before. These include hand cycles, trikes, wheelchair friendly cycles, side-by-side cycles, one up one down cycles, recumbents, tandems and steer from rear tandems. As such there is large potential for promoting facilities and options which are suitable for a wide range of impairment types.</p>
<p><b>Safety</b></p>	<p>Research has noted that there would be substantial implications of a policy approach which seeks to mitigate barriers to walking and cycling so that (door to door) networks can be travelled on foot or bicycle without disproportionate risk<sup>xii</sup>. This is important information in respect of promotion for females, younger and older people.</p> <p>Evidence also informs us that design principles and good management can address conflicts that can occur within shared spaces (e.g. cyclists and pedestrians). This is important information in respect of promotion for disabled people and both younger and older people.</p>
<p><b>Economic Benefit</b></p>	<p>Economic analysis of cycling interventions suggests that average benefit per additional cyclist is £590 per year, and that small increases in cycling numbers can justify investment in new cycling infrastructure principally due to the health benefits which accrue<sup>xiii</sup>.</p> <p>There is a high cost to employers from absenteeism and potentially even greater costs from presenteeism. Increasing physical activity through active travel opportunities and activities during the work day are highly likely to be cost effective in improving health<sup>xiv</sup>.</p> <p>Within schemes, there is also an identified benefit in relation to tourism. Using the principle that diverse groups have diverse needs and promoting opportunities accordingly has the potential to maximise usage amongst visitors to our areas.</p>

<p><b>Health</b></p>	<p>The most substantive epidemiological study to date was carried out in Copenhagen involving 13,375 women and 17,265 men aged 20-93 who were randomly selected from a population of 90,000 living in central Copenhagen<sup>xv</sup>. Of this cohort, 14,976 cycled regularly to work, for about three hours per week on average. The researchers concluded that:  “Even after adjustments for other risk factors, including leisure time activity, those who did not cycle to work experienced a 39% higher mortality rate than those who did.”  This is a very important finding. It provides direct evidence from a large scale study that regular cyclists are likely to have a lower risk of death compared to non-cyclists, irrespective of other physical activity they do. Additionally, later analysis has shown higher death rates among those who reduced their level of cycling compared to those who continue to cycle<sup>xvi</sup>.</p> <p>Walking is the most basic form of physical activity humans can undertake to maintain good health. A key paper setting out the benefits of walking was published in 1997 and remains an important resource for walking promotion<sup>xvii</sup>. This set out that regular walking reduces the risk of cardiovascular and respiratory diseases, type 2 diabetes, some cancers, deaths from all causes, and helps to counter depression and maintain mental wellbeing.</p> <p>Countries with the highest levels of active travel generally have the lowest obesity rates<sup>xviii</sup>.  Mixed use developments, at high density, with good connectivity for walking and cycling significantly affects body weight and reduce the risk of weight gain<sup>xix</sup>.</p> <p>The order of the difference in fitness in favour of cyclists is equivalent to that enjoyed by being five years younger (cycling in general) or up to 10 years younger (for regular cyclists)<sup>xx</sup>.</p> <p>A growing body of research reveals that road transport noise can cause sleep disturbance, cardiovascular disease, elevated hormone levels, psychological problems and even premature death; studies on children have identified cognitive impairment, worsened behaviour and diminished quality of life. People with existing mental or physical health problems are the most likely to be sensitive to traffic noise. Fifty-five per cent of those living in urban areas with more than 250 000 inhabitants in the EU - almost 67 million people - endure daily road noise levels above the lower EU benchmark for excess exposure<sup>xxi</sup>.</p>
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As a result of the analysis of the messages emerging from the Strategic Economic Plan Equality & Diversity Impact Assessment, and our specific research, we have set our objectives for equality & diversity which will accelerate the successful delivery of the WoE SEP.

## Our Aim, Objectives and Actions

### Aim

Our overall aim is to ensure that within all of our work, equality & diversity principles and values are applied, and actions proactively taken which contribute to the maximisation of our success in delivering and promoting sustainable travel options.

### Objectives and Actions

Objectives	Key Actions	Intended Impact
To ensure that our extensive research portfolio is utilised to enhance the attractiveness of schemes.	We will conduct a review of the schemes to ensure that all research is taken account of during scheme design.	Features that meet the needs of and attract diverse groups are planned for from the earliest stages.
To promote schemes pre and post builds, ensuring that the needs of diverse groups are targeted (as highlighted via our equality & diversity related research above).	As part of the consultation of schemes we will tailor our engagement and promotion activity with: <ul style="list-style-type: none"> <li>• Businesses</li> <li>• Leisure sector</li> <li>• Communities</li> <li>• Schools</li> </ul> to deliver key motivating messages to target groups as identified within our research.	Maximised usage by all, in particular identified target groups, through the delivery of messages that motivate and are relevant to the needs of diverse groups.
To measure the success of our planning and promotion of schemes.	We will undertake relevant activities at one of our interventions to understand the impact of our interventions in relation to diverse groups.	<p>An enhanced understanding of how the needs of diverse groups can be met.</p> <p>An enhanced understanding of successful interventions and engagement in developing usage amongst diverse groups.</p> <p>The above will enable us to influence best practice both now and in the future.</p>

The above objectives will be continuously monitored in order to gauge both progress and the impact of these actions on the achievement of our project objectives.

## References

- <sup>i</sup> Adrian Davis, 23/10/2009, Essential Evidence on a page: No. 38 “Women and commuter cycling”
- <sup>ii</sup> Page, A. et al, 2009 Independent mobility in relation to weekday and weekend physical activity in children aged 10-11 years: The PEACH project, *International Journal of Behavioural Nutrition and Physical Activity*, 6(2) Open Access
- <sup>iii</sup> Sibley, B. Etnier, J. 2003 The relationship between physical activity and cognition in children: A meta-analysis, *Pediatric Exercise Science*, 15: 243-256.
- <sup>iv</sup> Gehring, U., Wijga, A.H., Brauer, M. et al. 2010 Traffic-related Air Pollution and the Development of Asthma and Allergies during the First 8 Years of Life. *American Journal of Respiratory and Critical Care Medicine*, 181: 596-603.
- <sup>v</sup> Adrian Davis, 02/05/14, Essential Evidence on a page: No.120 Effects of a cycle training course on children’s cycling skills and cycle use
- <sup>vi</sup> PSI, 2013 Children’s independent mobility in England and Germany, 1971-2010. London: PSI. [http://www.psi.org.uk/index.php/site/news\\_article/851](http://www.psi.org.uk/index.php/site/news_article/851)
- <sup>vii</sup> Simons, M., Van Es, E., Hendriksen, I. 2009 Electrically assisted Cycling: A new ode for meeting physical activity guidelines?, *Medicine and Science in Sports and Exercise*, 2097-2102.
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- <sup>ix</sup> Zander, A., et al, 2013 Joy, exercise, enjoyment, getting out: A qualitative study of older people’s experience of cycling in Sydney, Australia, *Journal of Environmental and Public Health*, <http://dx.doi.org/10.1155/2013/547453>
- <sup>x</sup> Gatersleben, B., Uzzle, D. 2007 Affective Appraisals of the Daily Commute. Comparing Perceptions of Drivers, Cyclists, Walkers, and Users of Public Transport, *Environment and Behaviour*, 39(3): 416-431.
- <sup>xi</sup> Simons, M., Van Es, E., Hendriksen, I. 2009 Electrically assisted Cycling: A new ode for meeting physical activity guidelines?, *Medicine and Science in Sports and Exercise*, 2097-2102.
- <sup>xii</sup> Mullen, C., Tight, M., Whiteing, A., Jopson, A. 2014 Knowing their place on the roads: What would equality mean for walking and cycling? *Transportation Research Part A*, 61: 238-248.
- <sup>xiii</sup> Adrian Davis, 12/06/09, Essential Evidence on a page: No.24 “Economic Benefits of Cycling”
- <sup>xiv</sup> Main, C., Glozier, N. Wright, I. 2005 Validity of the HSE stress tool: an investigation within four organisations by the Corporate Health and Performance Group. *Occupational Medicine*, 55:208–214
- <sup>xv</sup> Andersen, L. B., Schnohr, P., Schroll, M., Hein, H. 2000 All-cause mortality associated with physical activity during leisure time, work, sports, and cycling to work, *Archives of Internal Medicine*, 160: 1621-1628. Freely available from <http://archinte.amaassn.org/cgi/search?fulltext=cycling+to+work>
- <sup>xvi</sup> Anderson, L.B. 2000 Personal communication, cited in Cavill, N. and Davis, A. 2007 Cycling and health. What’s the evidence? London: Cycling England
- <sup>xvii</sup> Morris, J., Hardman, A. 1997 Walking to health, *Sports Medicine*, 23(5): 306-332.
- <sup>xviii</sup> Bassett, D., Pucher, J., Buehler, R., Thompson, D., Crouter, S. 2008 Walking, cycling, and obesity rates in Europe, North America and Australia, *Journal of Physical Activity and Health*, 5: 795-814.
- <sup>xix</sup> Frank, L., Andresen, M., Schmid, T. 2004 Obesity relationships with community design, physical activity, and time spent in cars, *American Journal of Preventive Medicine*, 27(2): 87-96.
- <sup>xx</sup> Tuxworth, W., Nevill, A., White, C., Jenkins, C. 1986 Health, fitness, physical activity, and morbidity of middle aged male factory workers, *British Journal of Industrial Medicine*, 43: 733-753.
- <sup>xxi</sup> Stansfeld, S., Haines M. 1997 Environmental noise and health: a review of non-auditory effects. In: *IEH report on the non-auditory effects of noise*. Leicester: Institute for Environment and Health.



## Bristol City Council Equality Impact Relevance Check



This tool will identify the equalities relevance of a proposal, and establish whether a full Equality Impact Assessment will be required. Please read the guidance prior to completing this relevance check.

<b>What is the proposal?</b>	
Name of proposal	Access Fund
Please outline the proposal.	<ul style="list-style-type: none"> <li>• Since 2011 the West of England (WoE) authorities have delivered a series of projects aimed at promoting sustainable transport and supporting economic growth. These projects have largely focused on ‘soft’ transport measures such as behaviour change initiatives (i.e. personalised travel planning), targeted marketing campaigns (i.e. ‘get around the road works’) and support services (i.e. family cycle training and match-funded grants for businesses). These schemes are funded through competitively won Department for Transport (DfT) grants, the Access Fund competition is the latest round of this funding and looks to build on the success of its predecessors; Key Component (2011-2012) The Local Sustainable Transport Fund (2012-2015); LSTF extension (2015-16); Sustainable Travel Transition Year (2016-17).</li> <li>• The predecessor to the Access Fund (the Sustainable Travel Transition Year) currently supports 8 FTEs who are engaged in promoting sustainable transport in Bristol. The Access Fund would secure funds to cover the ongoing costs of these staff for the next 3 years.</li> <li>• The core objectives of the fund is to support the local economy by improving access to new and existing employment, education and training and to promote increased levels of physical activity through greater uptake of walking and cycling.</li> <li>• Bristol City Council has led the way nationally over the last fifteen years in the delivery of smarter travel initiatives - interventions that prompt us to think about how and why we make transport choices, challenging us to consider the impact our travel decisions have on others and on ourselves. Daily travel behaviours, in particular mode of choice, are seen as a habitual.</li> <li>• The funding will deliver a wide range of schemes including community, schools and business engagement activity. Some specific examples include support for family cycle training; school travel plans and match-funded grants for businesses to install onsite sustainable transport facilities.</li> <li>• The funding is also critical in maintaining levels of marketing/communications support for projects such as MetroBus, MetroWest and Cycling Ambition Fund 2. An element of this funding will be used to launch the MetroBus operation in the West of England in 2017, and to provide good quality information at MetroBus stops.</li> </ul>

	<ul style="list-style-type: none"> <li>Not securing funding would be a significant blow at a time when the city is seeing unprecedented levels of capital investment to improve the transport network – the Access Fund seeks to link with this investment to break non-essential, car dominated travel patterns.</li> </ul>
What savings will this proposal achieve?	The proposal will not result in any savings, it's focus being to secure funding for staff posts and supporting resources for the next 3 years.
Name of Lead Officer	Colin Rees

**Could your proposal impact citizens with protected characteristics?**

(This includes service users and the wider community)

Please outline where there may be significant opportunities or positive impacts, and for whom.

The Access West Equality and Diversity Action Plan will prioritise specific actions which need to be addressed to ensure people with protected characteristics benefit from the sustainable travel projects. In respect of equality and diversity, central principles relating to the Access West project are:

- Ensuring accessible sustainable travel modes are in place;
- Encouraging more cycling and walking by those who are already more likely to use these methods (e.g. Males);
- Encouraging those who are less likely to use these methods to participate (e.g. Females).

The action plan prioritises

- Women and older people will benefit from improved cycling infrastructure through bicycle paths and lanes that provide a high degree of separation from motor traffic. Design principles and good management can address conflicts that can occur within shared spaces (e.g. cyclists and pedestrians). This is important information in respect of promotion for disabled people and both younger and older people.
- Children and young people will benefit from cycle training, which is valuable in terms of cycling safety skills, and promoting cycling to school
- Older people will benefit from age-targeted cycling skills courses, encouragement for Bicycle User Groups to reach out to older people, widespread availability of cycling maps, advertising the multiple benefits of cycling and continued improvement to cycle paths.
- Disabled people will benefit from promoting facilities and options which are suitable for a wide range of impairment types, these include hand cycles, trikes, wheelchair friendly cycles, side-by-side cycles, one up one down cycles, recumbents, tandems and steer from rear tandems

Please outline where there may be significant negative impacts, and for whom.

There are no projected negative impacts for citizens with protected characteristics

**Could your proposal impact staff with protected characteristics?**

(i.e. reduction in posts, changes to working hours or locations, changes in pay)

Please outline where there may be significant opportunities or positive impacts, and for whom.

This project will not have a negative impact in terms of a reduction in posts, changes to working hours or changes in pay. Indeed the Access Fund would provide continued funding for 8 FTE staff over 3 years,

allowing them to continue to promote sustainable travel to business and community groups.
Please outline where there may be negative impacts, and for whom.
There are no projected negative impacts for staff with protected characteristics

<b>Is a full Equality Impact Assessment required?</b>	
<p>Does the proposal have the potential to impact on people with protected characteristics in the following ways:</p> <ul style="list-style-type: none"> <li>• access to or participation in a service,</li> <li>• levels of representation in our workforce, or</li> <li>• reducing quality of life (i.e. health, education, standard of living) ?</li> </ul>	
<p>Please indicate yes or no. If the answer is yes then a full impact assessment must be carried out. If the answer is no, please provide a justification.</p>	<p>No. The project seeks to maintain funding for staff posts and will have no impact on existing posts, working hours or changes in pay. The project will continue to progress positive action projects recognising that people with different protected characteristics need specific initiatives to ensure the funding has an equal impact across all groups. More work is needed to review how effective is the current Equality and Diversity Action Plan and whether it needs revision before it is rolled out for the next three years</p>
<p>Service Director sign-off and date:</p>	<p>Equalities Officer sign-off and date: Anne James – Equality and Community Cohesion</p>

## Background Document

### Eco Impact Checklist

<b>Title of report: DfT Access Fund revenue competition 2017/18 – 2019/20</b>
<b>Report author: Jacob Pryor</b>
<b>Anticipated date of key decision: Cabinet 6<sup>th</sup> September</b>
<b>Summary of proposals:</b> <ul style="list-style-type: none"><li>• Since 2011 the West of England (WoE) authorities have delivered a series of projects aimed at promoting sustainable transport and supporting economic growth. These projects have largely focused on ‘soft’ transport measures such as behaviour change initiatives (i.e. personalised travel planning), targeted marketing campaigns (i.e. ‘get around the road works’) and support services (i.e. family cycle training and match-funded grants for businesses). These schemes are funded through competitively won Department for Transport (DfT) grants, the Access Fund competition is the latest round of this funding and looks to build on the success of its predecessors; Key Component (2011-2012) The Local Sustainable Transport Fund (2012-2015); LSTF extension (2015-16); Sustainable Travel Transition Year (2016-17).</li><li>• The predecessor to the Access Fund (the Sustainable Travel Transition Year) currently supports 8 FTEs who are engaged in promoting sustainable transport in Bristol. The Access Fund would secure funds to cover the ongoing costs of these staff for the next 3 years.</li><li>• The core objectives of the fund is to support the local economy by improving access to new and existing employment, education and training and to promote increased levels of physical activity through greater uptake of walking and cycling.</li><li>• Bristol City Council has led the way nationally over the last fifteen years in the delivery of smarter travel initiatives - interventions that prompt us to think about how and why we make transport choices, challenging us to consider the impact our travel decisions have on others and on ourselves. Daily travel behaviours, in particular mode of choice, are seen as a habitual.</li><li>• The funding will deliver a wide range of schemes including community, schools and business engagement activity. Some specific examples include support for family cycle training; school travel plans and match-funded grants for businesses to install onsite sustainable transport facilities.</li><li>• The funding is also critical in maintaining levels of marketing/communications support for projects such as MetroBus, MetroWest and Cycling Ambition Fund 2. An element of this funding will be used to launch the MetroBus operation in the West of England in 2017, and to provide good quality information at MetroBus stops.</li><li>• Not securing funding would be a significant blow at a time when the city is seeing unprecedented levels of capital investment to improve the transport network – the Access Fund seeks to link with this investment to break non-essential, car dominated travel patterns.</li></ul>

<b>Will the proposal impact on...</b>	<b>If yes...</b>
	<b>Briefly describe impact</b>
<b>Emission of Climate Changing Gases?</b>	









Bristol's vulnerability to the effects of climate change?





Consumption of non-renewable resources?





Production, recycling or disposal of waste

The appearance of the city?













Pollution to land, water, or air?











Wildlife and habitats?

**Consulted with:**

Giles Liddell, Environmental Performance team.

Andrew Edwards, Sustainable City and Climate Change team

**Summary of impacts and Mitigation - to go into the main Cabinet/ Council Report**

In the short and medium term the project's impacts will include staff travel and use of energy in offices, however, these are not significant due to the small number of staff involved. No additional mitigation measures are proposed, since staff have existing access to low and zero emission pool vehicles, ebikes, and cycling facilities.

The proposal is considered to have long-term positive impacts: promotion of sustainable transport providing for a reduction in car journeys and associated emissions of greenhouse gases and harmful pollutants. The resilience of the city to travel disruption and variability of fuel security and costs will be increased. Staff will work with the Strategic Resilience Officer and air quality Project Officers to enhance the opportunities to improve the city's resilience and air quality.

Although it is not directly environmental, it is noted that there is significant scope for health benefits from improving air quality and encouraging more active forms of travel, so it is also suggested that staff work with the Public Health team to enhance these opportunities.

The net effects of the proposals are positive.

**Checklist completed by:**

Name:

Dept.:

Extension:

Date:

Verified by  
Environmental Performance Team

**CABINET – 06/09/2016**

**EXECUTIVE SUMMARY OF AGENDA ITEM 10**

**Report title: EU Horizon 2020 Bid – Nature based Solutions**

**Wards affected:** Knowle Ward

**Strategic Director:** Barra Mac Ruairi

**Report Author:** Patrick Goodey, Flood Risk Manager

**RECOMMENDATION for the Mayor’s approval:**

To seek approval for officers to submit a bid to the European Union (EU) Horizon 2020 initiative, which has the potential (if BCC are successful) to commit the Council to spend over £1.5m of EU grant funding to deliver natural based solutions to water and flood risk management in the Knowle Park area of Bristol. Approval also sought to commence the project, should the bid be successful.

**Key background / detail:**

1. Bristol, as one of the top 10 cities in the country at risk from surface water flooding, has identified, via our Local Flood Risk Management Strategy, sustainable drainage (SuDS) and green infrastructure as a substantial method to mitigate this risk, deliver improved urban realm and place making. SuDS align with the aspirations of the European Green Capital and 100 Resilient Cities initiatives.
2. Bristol City Council (primarily Flood Team, Neighbourhoods and Sustainable City teams) has identified an opportunity to work with city partners (UWE, Avon Wildlife Trust, Local Nature Partnership and Wessex Water) and partner cities Utrecht and Bologna to deliver nature based solutions in the form of SuDS to flood risk issues in Knowle Park. Team and city partner roles have been clarified during the bid stage.
3. The opportunity is a bid for EU grant funding under the Horizon 2020 initiative. The EC has confirmed we are eligible for this funding, despite the EU referendum result. BCC will bid for up to £1.5m to fund construction of SuDS as well as reimburse staff time on the project. The project is 100% grant funded, no match funding would be required.
4. The project would have a strong community engagement and internal BCC policy focus to identify mechanisms to incentivise and encourage the uptake of smaller scale SuDS.
5. Whilst alternative maintenance arrangements are to be investigated as part of the project, it is likely that future maintenance of any features would be undertaken by BCC Neighbourhoods teams. Such maintenance could have ongoing resource pressures (in the region of £150k-£200k across a 15-20 year period) and as a result, the BCC Flood Team and Wessex Water have made a commitment in principle to provide a significant contribution (in the region of £120k-£150k) to meet these pressures.

**BRISTOL CITY COUNCIL  
CABINET  
6<sup>th</sup> September 2016**

**REPORT TITLE: EU Horizon 2020 Bid – Nature Based Solutions**

**Ward(s) affected by this report: Knowle Ward**

**Strategic Director: Barra Mac Ruairi**

**Report author: Patrick Goodey, Flood Risk Manager**

**Contact telephone no. 0117 9223206  
& e-mail address: [Patrick.goodey@bristol.gov.uk](mailto:Patrick.goodey@bristol.gov.uk)**

**Purpose of the report:**

Following SLT briefing in February 2016, BCC, with partners, have made it to the second bid stage for EU funding as part of Horizon 2020. The overall bid is for approximately £10m - £12m (€12 - €14m), of which Bristol City Council would be allocated in the region of £1.5m (100% funded, no BCC match funding required). The funding will be to deliver natural based solutions to water and flood risk management in the Knowle Park area of Bristol. The funding, and UK cities ability to bid for it, has been confirmed by the European Commission despite the referendum outcome for the UK to leave the EU in June 2016.

**RECOMMENDATION for the Mayor's approval:**

To seek approval for officers to submit a bid to the European Union (EU) Horizon 2020 initiative, which has the potential (if BCC are successful) to commit the Council to spend over £1.5m of EU grant funding to deliver natural based solutions to water and flood risk management in the Knowle Park area of Bristol. Approval also sought to commence the project, should the bid be successful.

**The proposal:**

1. Bristol, as one of the top 10 cities in the country at risk from surface water flooding, has identified, via our Local Flood Risk Management Strategy, natural based solutions such as sustainable drainage (SuDS) as a substantial method to mitigate this risk, deliver improved urban realm and place making. SuDS align with the aspirations of the European Green Capital and 100 Resilient Cities initiatives.
2. SuDS are a way of using natural methods to manage drainage and surface water runoff, as opposed to more traditional methods such as pipes and sewers. SuDS reduce flood risk by slowing water down, sometimes allowing it to absorb into the ground and ensuring a more resilient drainage system. They also have many wider benefits over traditional systems as they improve water quality, air quality, create a more attractive urban realm and hence have benefits to the health and wellbeing of communities. Plates 1 and 2 give some examples of SuDS both installed and in

design phase in Bristol.



Plate 1 – Roadside SuDS recently installed by BCC in Southmead (note the plants have not matured)



Plate 2 – concept design of SuDS in an open space in Knowle

3. Green infrastructure and SuDS interventions achieve many co-benefits from water quality improvements, biodiversity and health and wellbeing for people. However, such interventions can be difficult to fund as current funding mechanisms are relatively rigid. We have already explored such funding from sources such as the EA, without success. As such, the lack of funding is significantly limiting the potential ambition of potential SuDS schemes such that their benefits cannot be fully realised.
4. Given our commitment to promoting SuDS, we are currently completing (resourced and funded from Flood Team budgets) a feasibility study that has identified the Knowle Park area of the Brislington Brook catchment as the most appropriate area of Bristol to consider a retrofit SuDS scheme, based on a multi-criteria analysis. We will use the outputs and concept designs (such as Plate 2 above) from this in our bid.
5. We have identified an opportunity, through the European Union (EU) Horizon 2020 initiative, to bid for grant funding to deliver an innovative SuDS scheme that would fund construction of SuDS features but also explore methods to future-proof the delivery of such scheme through exploring incentivising the uptake of local-level SuDS (e.g. household level SuDS).
6. Bristol would join with Utrecht and Bologna as Lead Demonstrator Cities. The Bristol team consists of BCC, Wessex Water, Avon Wildlife Trust, WoE Nature Partnership and UWE.
7. Team roles on the bid and project are clear. Within BCC, the Flood Team would lead on technical aspects and delivery/construction of the SuDS, Neighbourhoods to lead on investigating and monitoring the revenue funding implications and community benefits, Sustainable City team will lead on further embedding NBS in BCC policies (e.g. Local Plan). We have strong and clear links with the roles our city partners have on the project – UWE will be leading on data dissemination, Avon Wildlife Trust will be leading on community engagement and Wessex Water will be leading on exploring methods of incentivising uptake of small scale SuDS.
8. Our bid will be strengthened by the design and construction knowledge gained through completion of a retrofit SuDS scheme on Embleton Road in Southmead (Plate 1).

9. The Flood and Sustainable City teams are also currently leading on discussions with internal colleagues to embed the method of sustainable drainage within our own schemes and projects designs. Such methods require a change in culture that also requires a strategic lead, which the proposed project would assist with.
10. The project would have a strong community and stakeholder focus and provide funding for the Bristol team to undertake customer engagement. This would include exploring future potential funding mechanisms that could incentivise the uptake of future green infrastructure/SuDS schemes, on a property scale. An important action for the project is to therefore produce and maintain an engagement plan.
11. The total funding for the project is approximately £10m - £12m (€12 - €14m), of which Bristol City Council will be allocated approximately £1.5m (100% funded, no BCC match funding required). This funding will be used for staff time recharging and direct costs, such as construction.
12. The bid is two-stage, Bristol were successful in Stage 1. The Stage 2 deadline is 6<sup>th</sup> September 2016. If successful, the project timescale would be from 2017-21.
13. The decision as to the components of the bid is in our control. Through discussions with stakeholders we have agreed that a Bristol proposal would fund construction and monitoring of green infrastructure/SuDS as a pilot scheme, building on the existing SuDS feasibility study and our scheme at Embleton Road in Southmead.
14. An important consideration of the construction of any scheme is the cost of their maintenance. We estimate (based only on 'scaling up' the costs from the Embleton Road scheme) that maintenance costs could be in the region of £150k - £200k in total to cover a 15-20 year period (therefore approximately £8k-£15k per year). Maintenance costs cannot be included in the EU grant claim and therefore needs to be found by the project team. Options to obtain such costs will be explored during the completion of the bid with project partners and the community. If required (depending on the outcome of the above explorations), the Flood Team have confirmed that they can contribute approximately £60k as a commuted sum towards the maintenance costs, with options to provide ongoing, annual contributions. Outline discussions with Wessex Water have indicated that they are, in principle, also potentially willing to contribute a significant sum (at least matching the BCC contribution) towards the maintenance provided the scheme meets their justification criteria. A Memorandum of Understanding is currently (at the time of writing) being agreed with Wessex Water to confirm project roles and commitments, we aim to have the MoU signed before the Cabinet meeting.
15. Given the importance of community engagement on the scheme, discussions have commenced with the relevant local community engagement officers.
16. This is a fantastic opportunity for BCC to implement and embed nature-based solutions, if successful, the funding will ensure we deliver a much more ambitious and beneficial scheme than we can deliver without the funding.

**Consultation and scrutiny input:**



Given the nature of the potential project, there would be various teams within BCC involved in the project, notably the Flood Risk Team (which sits in Strategic City Transport); Neighbourhoods and Sustainable City. Colleagues from all teams have been heavily involved in preparing the bid and have briefed their management teams. Given the nature of the bid, it was not deemed necessary to liaise with a scrutiny commission.

**a. Internal consultation:**

As above and outlined in Cabinet report 1 – Version Checker

**b. External consultation:**

No public consultation is required at this stage. We have, and continue to, liaise closely with the wider Bristol team, which consists of external partners such as UWE, Wessex Water, Avon Wildlife Trust and West of England Nature Partnership. Local Ward members have been informed of the bid.

**Other options considered:**

The alternative option is to not submit a bid, but this was ruled out on the basis that this would limit the ambition of a potential scheme.

**Risk management / assessment:**

<b>FIGURE 1</b>							
<b>The risks associated with the implementation of the (subject) decision :</b>							
No.	RISK  Threat to achievement of the key objectives of the report	INHERENT RISK  (Before controls)		RISK CONTROL MEASURES  Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK  (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	BCC teams would not have the resources to complete the project	Med	Med	The bid allows us to reimburse our time, as well as any external support (e.g. consultants) required to help with resourcing	Med	Low	Service Director - Transport
2	Project timescales too short to allow construction of SuDS interventions	High	Med	We have completed a feasibility study. Ensure appropriate level of investigation and consideration complete for the bid. Utilise existing designs e.g. Embleton Road	Med	Low	Service Director - Transport

<b>FIGURE 2</b>							
<b>The risks associated with <u>not</u> implementing the (subject) decision:</b>							
No.	RISK  Threat to achievement of the key objectives of the report	INHERENT RISK  (Before controls)		RISK CONTROL MEASURES  Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK  (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Size and scale of the scheme is significantly reduced, which would result in no reduction of flood risk (or achieving wider benefits) in the area	Med	High	Progressing with the bid will ensure our ambitions are achievable	Low	Medium	Service Director - Transport

### **Public sector equality duties:**

***Before making a decision, section 149 of the Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:***

***i) eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.***

***ii) advance equality of opportunity between persons who share a relevant protected characteristic and those do not share it. This involves having due regard, in particular, to the need to:***

***- remove or minimise disadvantage suffered by persons who share a relevant protected characteristic.***

***- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);***

***- encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.***

***iii) foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to tackle prejudice and promote understanding.***

***Guidance:***

Bristol City Council Equality Impact Relevance Check is attached at Appendix A

### **Eco impact assessment**

By their very nature this type of intervention is designed to improve the natural environment and help to mitigate the impact of climate change. A range of retrofitted sustainable urban drainage interventions will be made by Bristol City Council that will decrease the risk of local surface water flooding in parts of Bristol and have co-benefits of increasing natural habitats, improving the public realm by changing it from hard surface to softer greener places and reducing diffuse urban pollution. The community engagement part of the project will promote additional natural solutions for gardens and other urban spaces with communities and individuals that will serve to benefit the environment for the life of the project and beyond. There are minimal negative impacts such as using non-natural membranes and fittings in the drainage systems but these are greatly outweighed by the positive impacts.

The net effects of the proposals are significantly positive.

Kathy Derrick, Environment Team Manager, 12<sup>th</sup> July 2016

### **Resource and legal implications:**

#### ***Finance***

#### **a. Financial (revenue) implications:**

The completed capital works will present a need for ongoing maintenance which we estimate will have a revenue cost of £15k / annum. Through the project we are exploring mechanisms to fund this maintenance with external partners that benefit from the scheme, and this is a key output from the project to ensure future uptake of similar schemes. As a last resort maintenance will be funded through existing revenue budgets.

**Advice given by** Mike Allen / Finance Business Partner  
**Date** 27 July 2016

**b. Financial (capital) implications:**

See above, there are no capital implications from the grant application or indeed from the application of grant funds to a single project.

**Advice given by** Mike Allen / Finance Business Partner  
**Date** 14 July 2016

**Comments from the Corporate Capital Programme Board:**

Not applicable at this time. If ACQUA bid is successful officers will take report to Capital Board as appropriate.

**c. Legal implications:**

The implementation of the interventions would be done so using powers under the Highways Act and the Flood and Water Management Act 2010. BCC are a competent authority in both pieces of legislation

**Advice given by** Pauline Powell  
**Date** 14<sup>th</sup> July 2016

**d. Land / property implications:**

Property implications are restricted to interventions within the adopted highway or adjacent BCC existing land ownership. No land acquisition or disposal activity is expected as a consequence of this report

**Advice given by** Steve Matthews, Asset Delivery Manager  
**Date** 27 July 2016

**e. Human resources implications:**

If the bid is successful, there will be a requirement for an additional post (1 FTE) which will be funded through the grant. Beyond this, the project will be delivered within in existing staffing resources

**Advice given by** Mark Williams, HR Business Partner  
**Date** 27 July 2016

**Appendices:**

Appendix A - Bristol City Council Equality Impact Relevance Check  
Appendix B – Eco Impact Checklist

**Access to information (background papers):**

None

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## Bristol City Council Equality Impact Relevance Check




This tool will identify the equalities relevance of a proposal, and establish whether a full Equality Impact Assessment will be required. Please read the guidance prior to completing this relevance check.

<b>What is the proposal?</b>	
Name of proposal	Horizon 2020 Bid – Nature Based Solutions
Please outline the proposal.	Bid for EU grant funding to deliver natural based solutions to flood risk issues in the Brislington Brook catchment
What savings will this proposal achieve?	None – it is a bid for EU grant money so cost neutral for BCC
Name of Lead Officer	Patrick Goodey

<b>Could your proposal impact citizens with protected characteristics?</b> (This includes service users and the wider community)
Please outline where there may be significant opportunities or positive impacts, and for whom.
The bid is for funding to deliver features that would increase the flood resilience of the Knowle Park area of the Brislington Brook catchment, therefore it will have a positive impact for the local community. Flooding, due to its nature, is non-discriminatory as it follows natural topography and physical land form. If successful in bidding, community engagement would be central to the project and therefore we would seek to only design features that meet the needs of the local community.
Please outline where there may be significant negative impacts, and for whom.
Any negative impacts are likely to be temporary and short lived during the construction phase of the project, if we are successful in the bid. Such impacts could be noise and disruption. These impacts would be mitigated through design and construction methods, for example following the CDM regulations 2015. Any interventions designed or constructed in the highway or footway would need to pass a Road Safety Audit under the Highways Act 1980.

<b>Could your proposal impact staff with protected characteristics?</b> (i.e. reduction in posts, changes to working hours or locations, changes in pay)
Please outline where there may be significant opportunities or positive impacts, and for whom.
If our bid is successful, there would be neutral impacts on existing staff
Please outline where there may be negative impacts, and for whom.
If our bid is successful, there would be neutral impacts on existing staff

<b>Is a full Equality Impact Assessment required?</b>
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<p>Does the proposal have the potential to impact on people with protected characteristics in the following ways:</p> <ul style="list-style-type: none"> <li>• access to or participation in a service,</li> <li>• levels of representation in our workforce, or</li> <li>• reducing quality of life (i.e. health, education, standard of living) ?</li> </ul>	
<p>Please indicate yes or no. If the answer is yes then a full impact assessment must be carried out. If the answer is no, please provide a justification.</p>	<p>No, if anything the impacts will be positive by reducing flood risk and improving the public realm. Please also note that if the bid is successful a separate EqlA relevance check will be produced for the delivery phase of the project</p>
<p>Service Director sign-off and date:</p>  <p>18.7.16</p>	<p>Equalities Officer sign-off and date:</p> <p>Anneke van Eijkern</p> <p>26 July 2017</p>

## Eco Impact Checklist

**Title of report:** Horizon 2020 Stage 2 Bid – ‘Demonstrating innovative nature-based solutions’

**Report author:** Patrick Goodey

**Anticipated date of key decision :** 6/09/2016

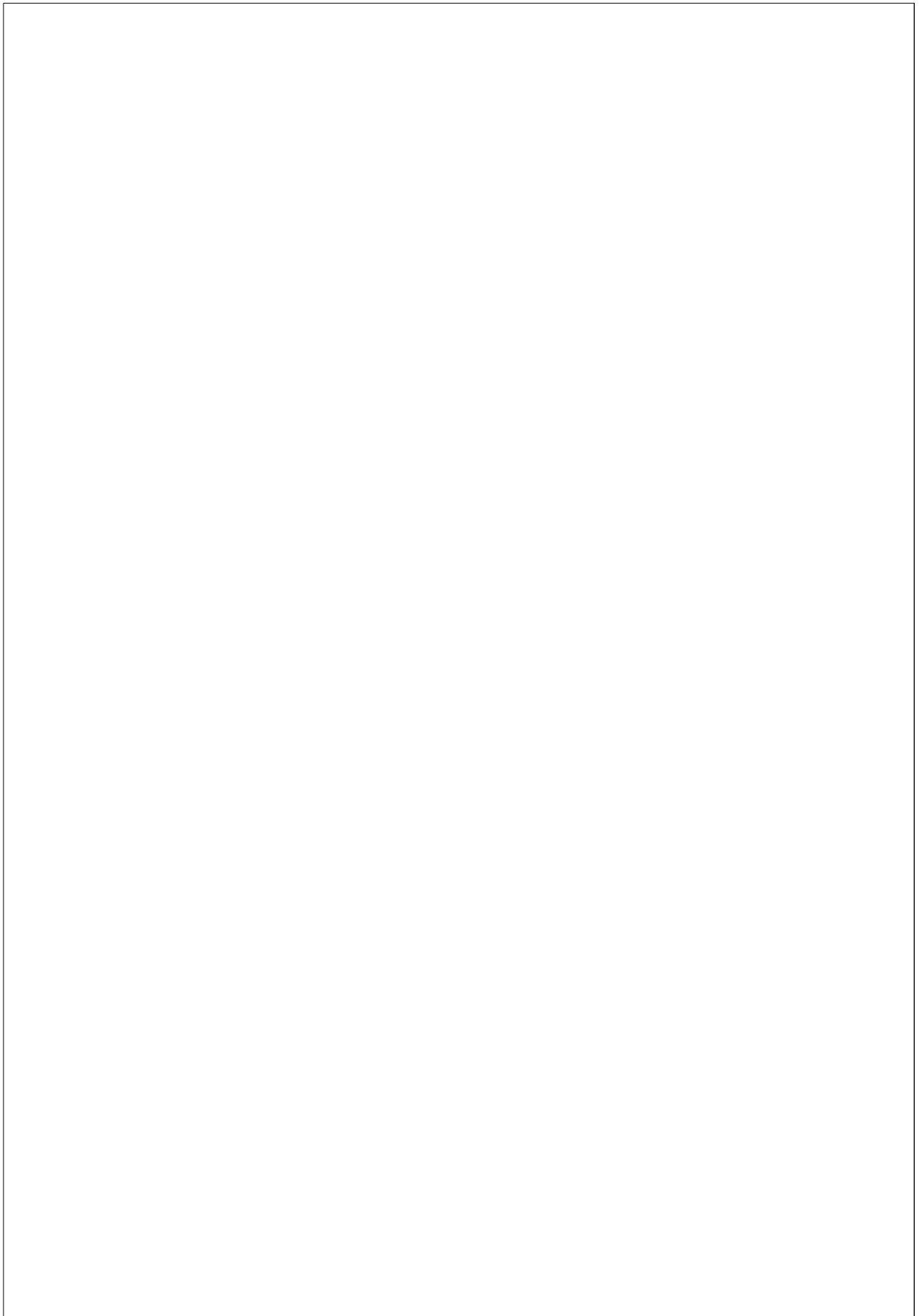
**Summary of proposals:** BCC has made it to the second bid stage for EU funding as part of Horizon 2020. The bid is to help establish natural based solutions to water and flood risk management in the Bristol area with city partners including Wessex Water, UWE, Avon Wildlife Trust and the West of England Nature Partnership. Through provisional discussions with potential stakeholders we have agreed that a Bristol bid could fund construction and monitoring of green infrastructure/SuDS as a pilot scheme, building on the existing SuDS feasibility study, as well as customer engagement and exploring future potential funding mechanisms that could pay for future green infrastructure/SuDS schemes. The total funding would be in the region of €3-4m for the Bristol project for staff and the direct costs.

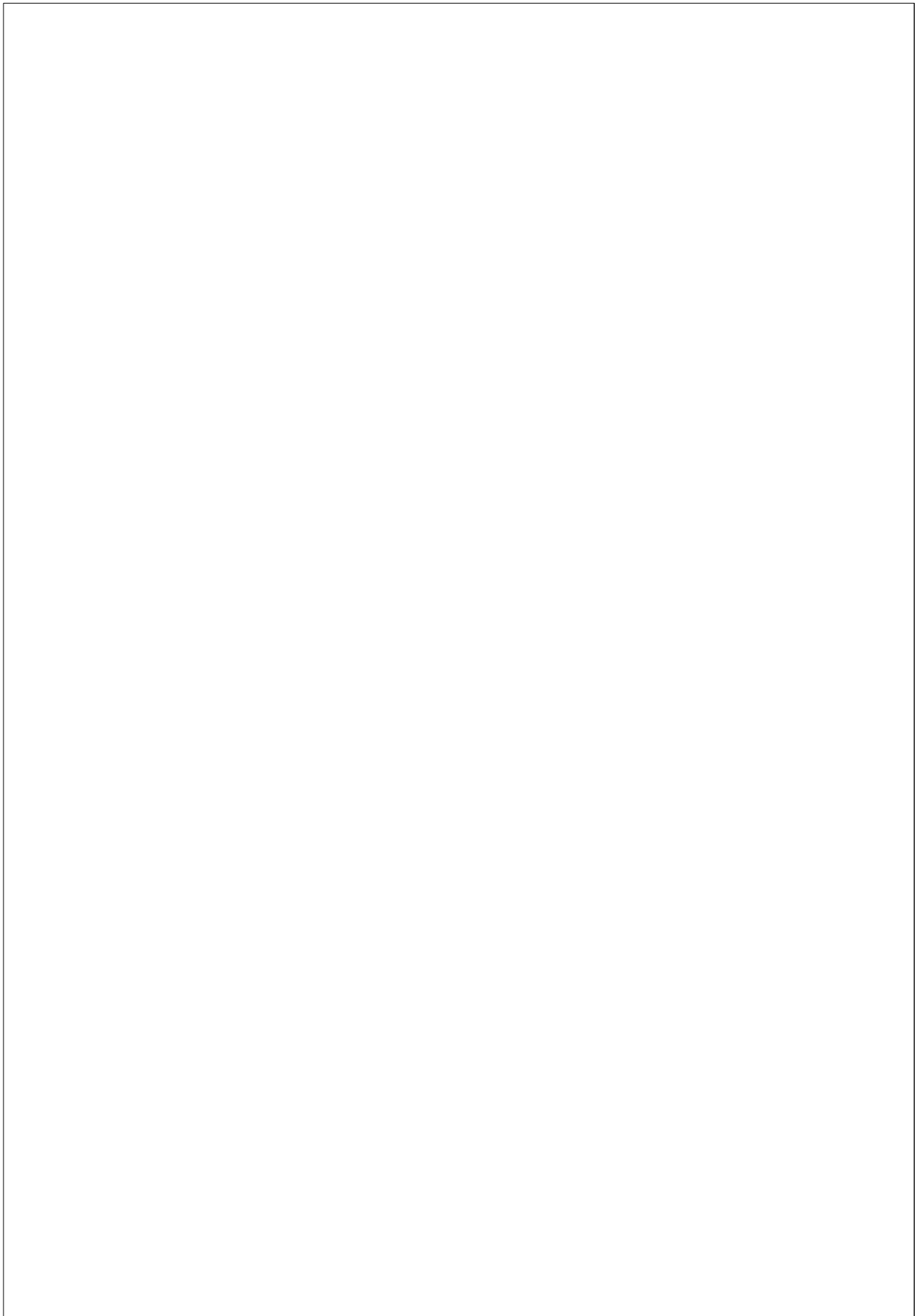
**Will the proposal impact on...**

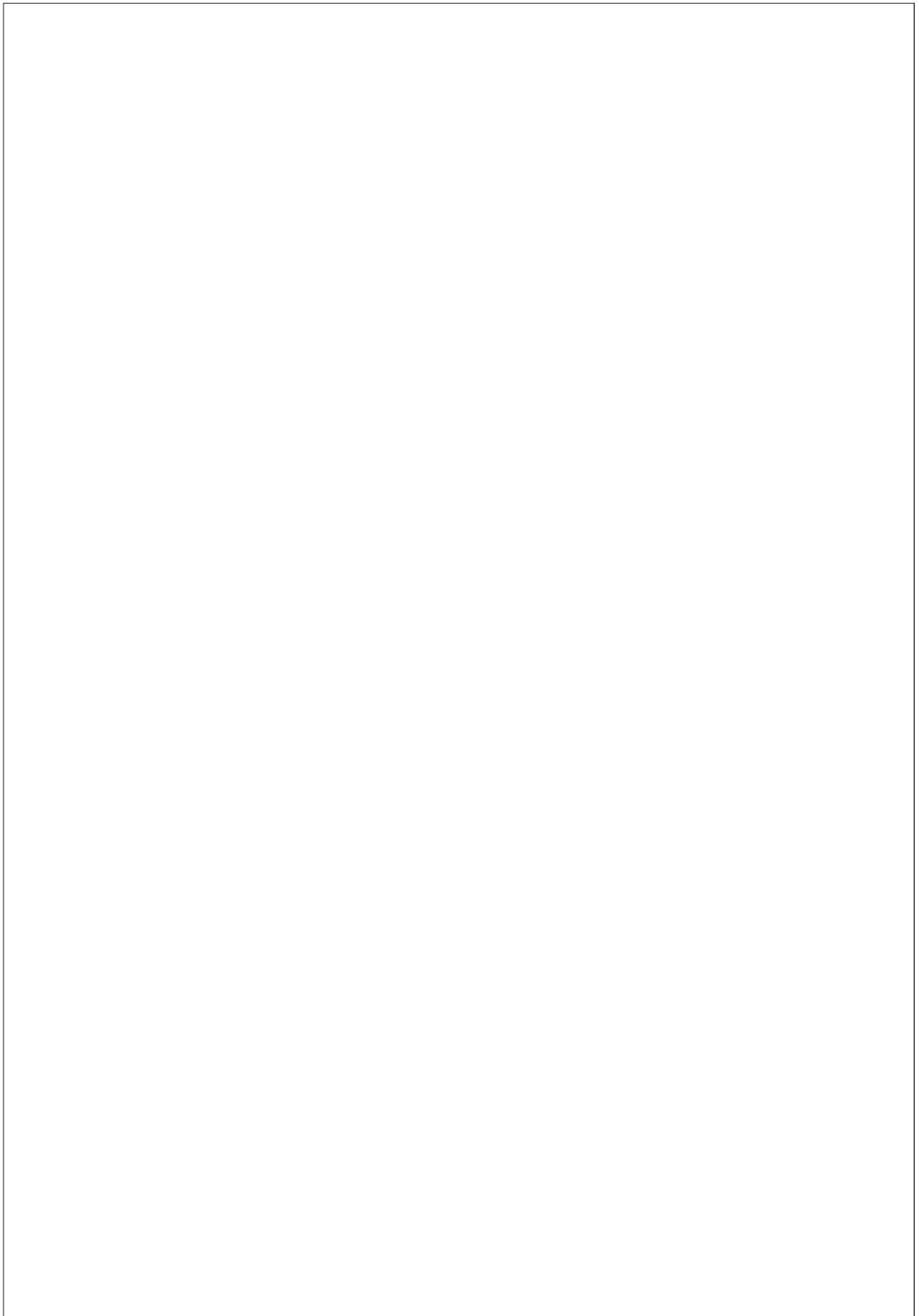
Emission of Climate Changing Gases?

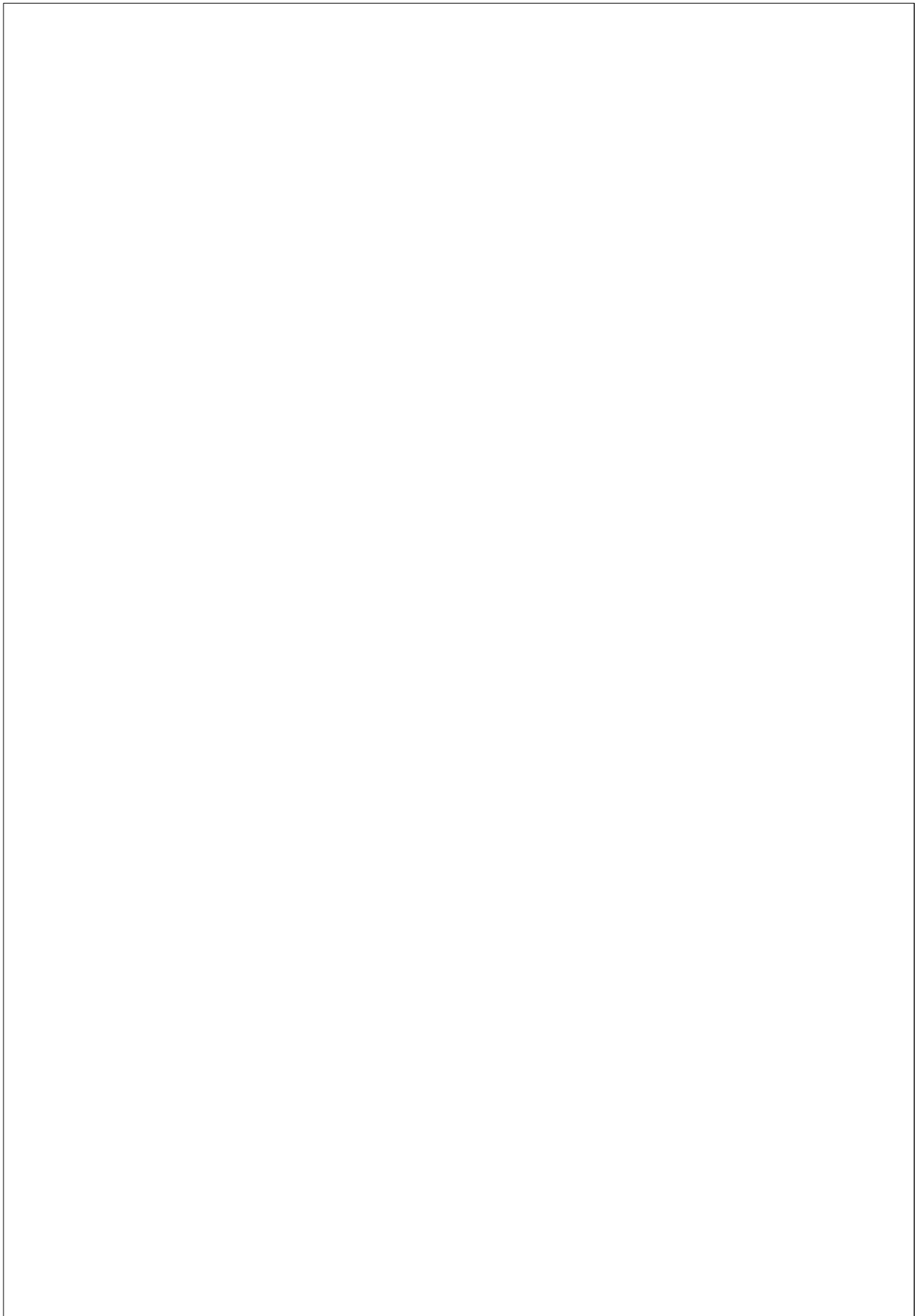
Bristol's resilience to the effects of climate change?

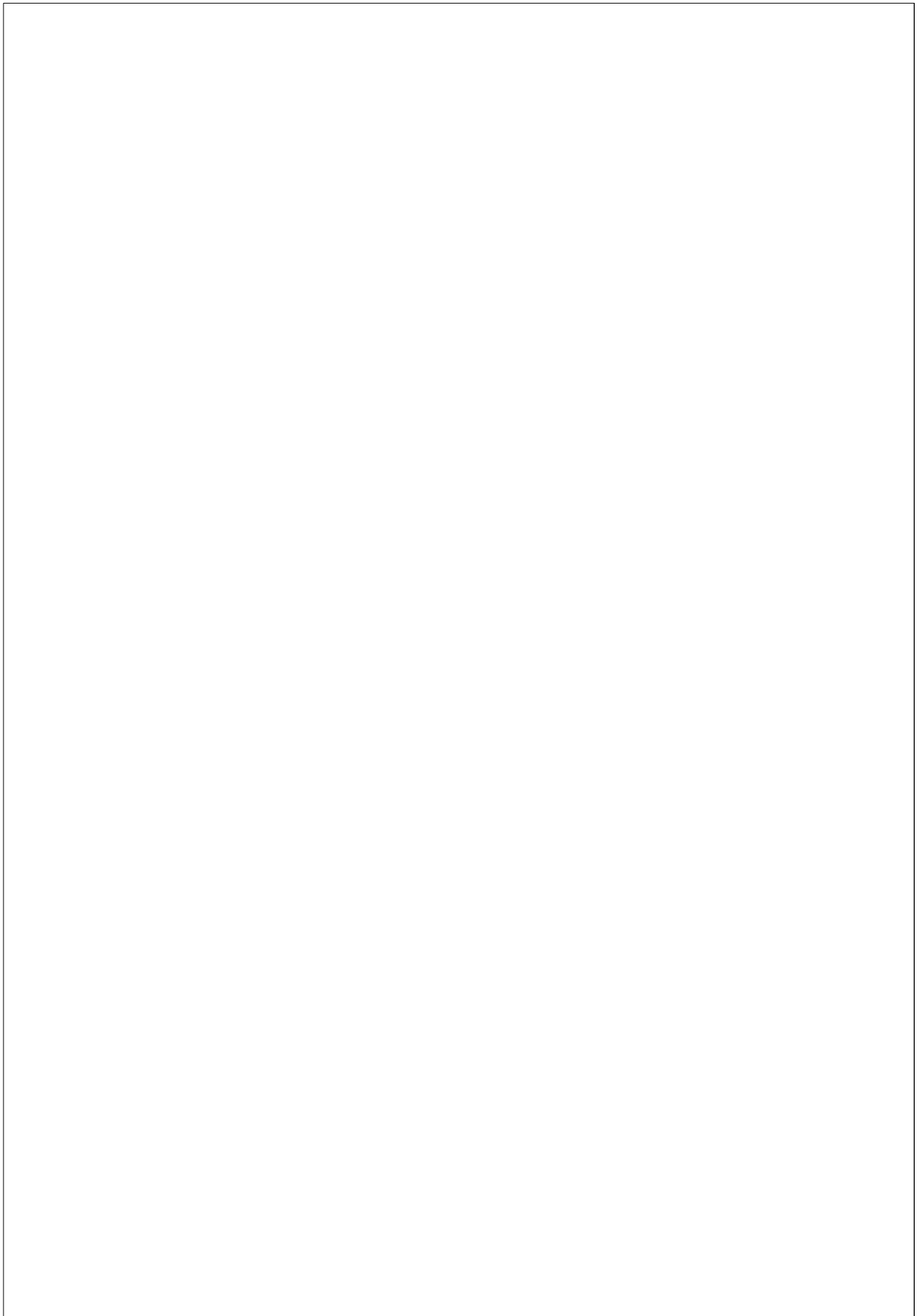


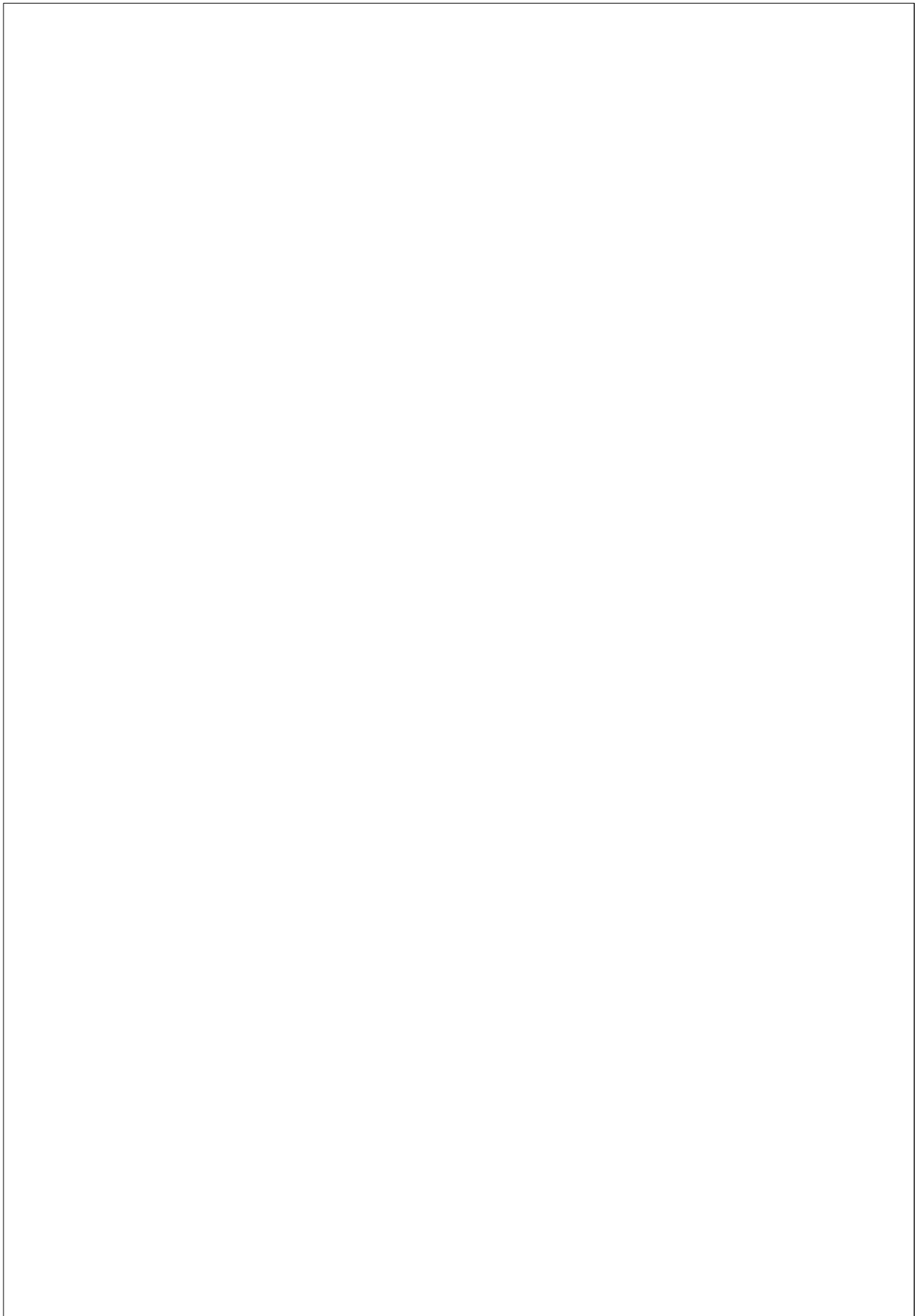


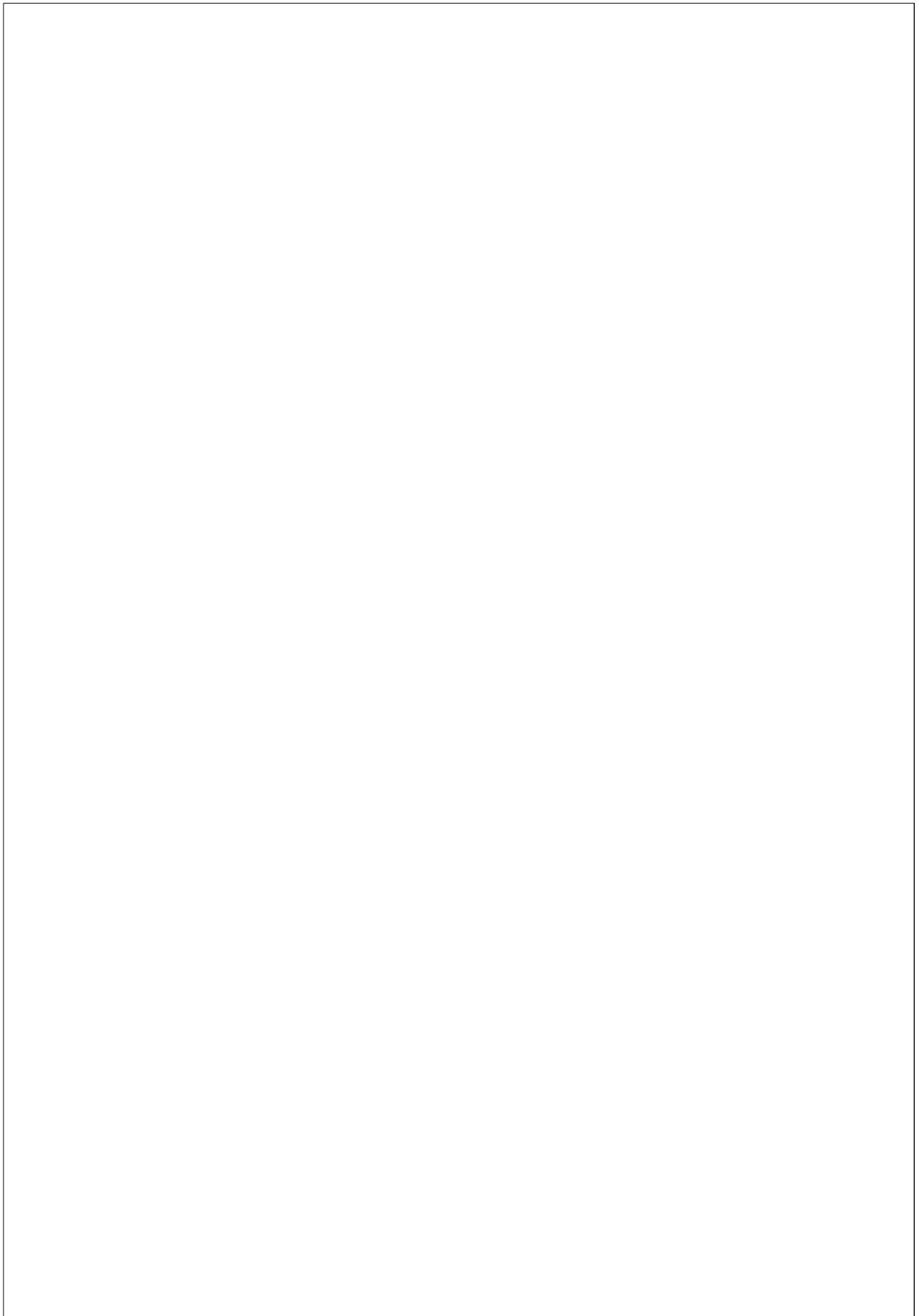


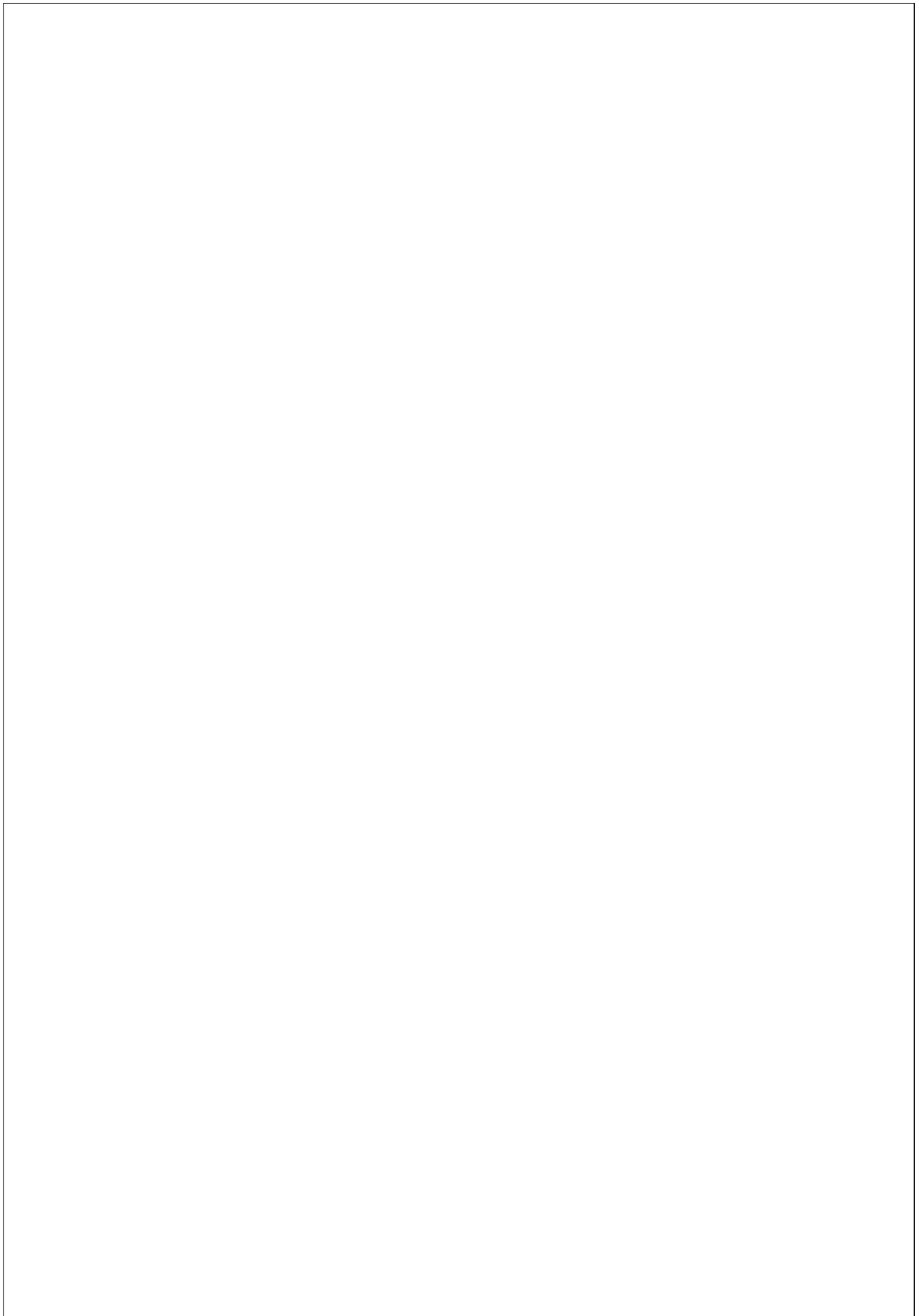




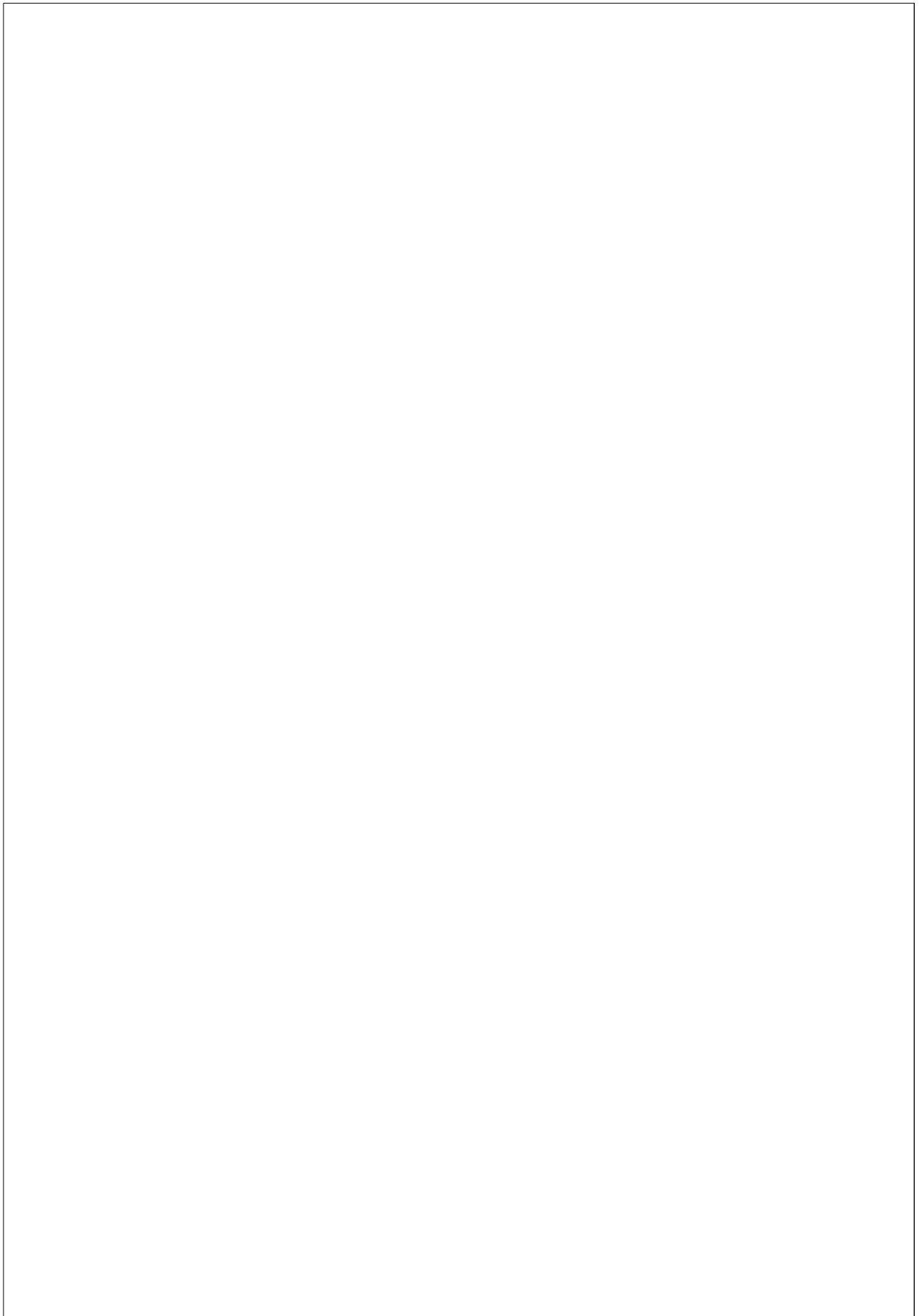


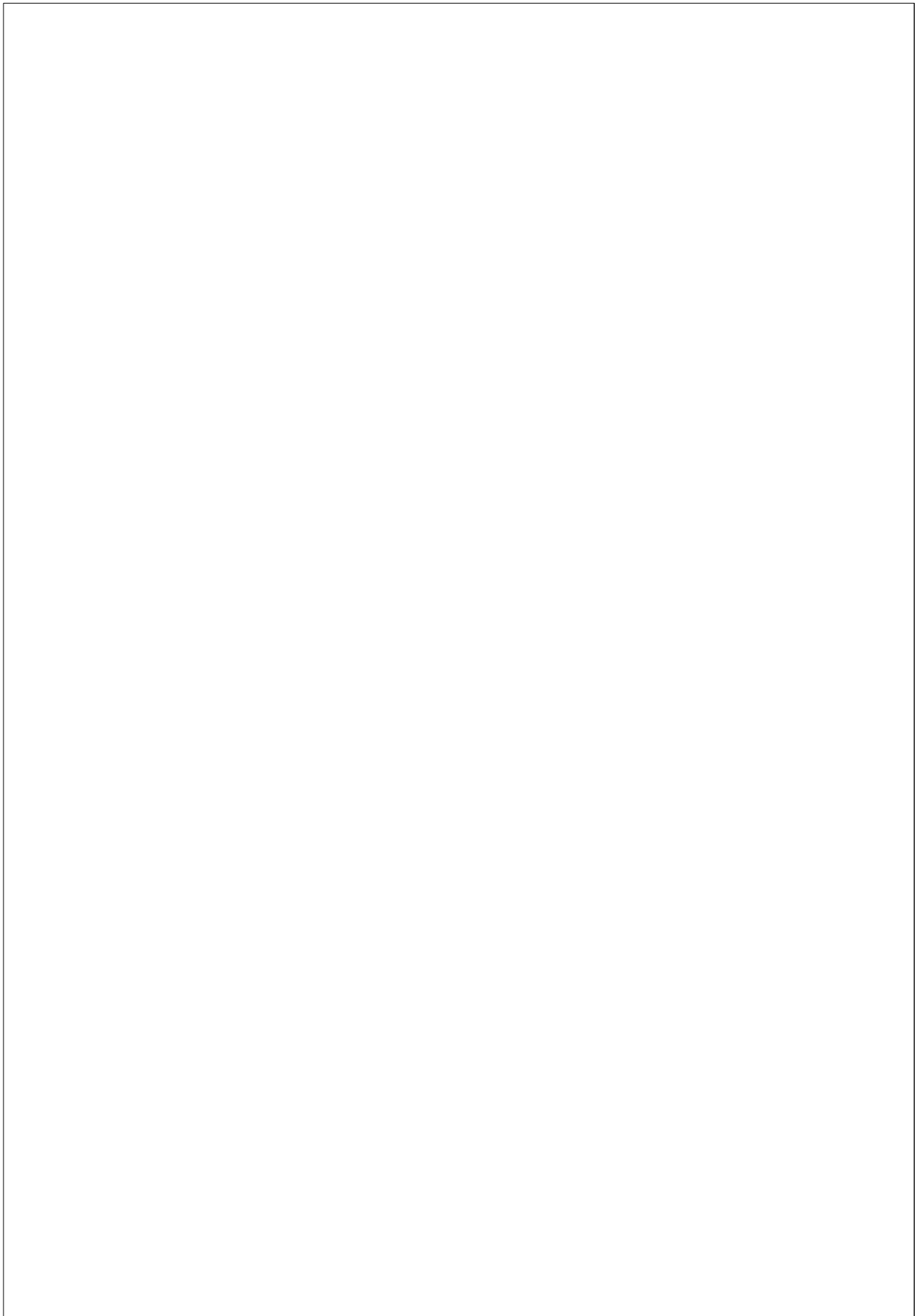




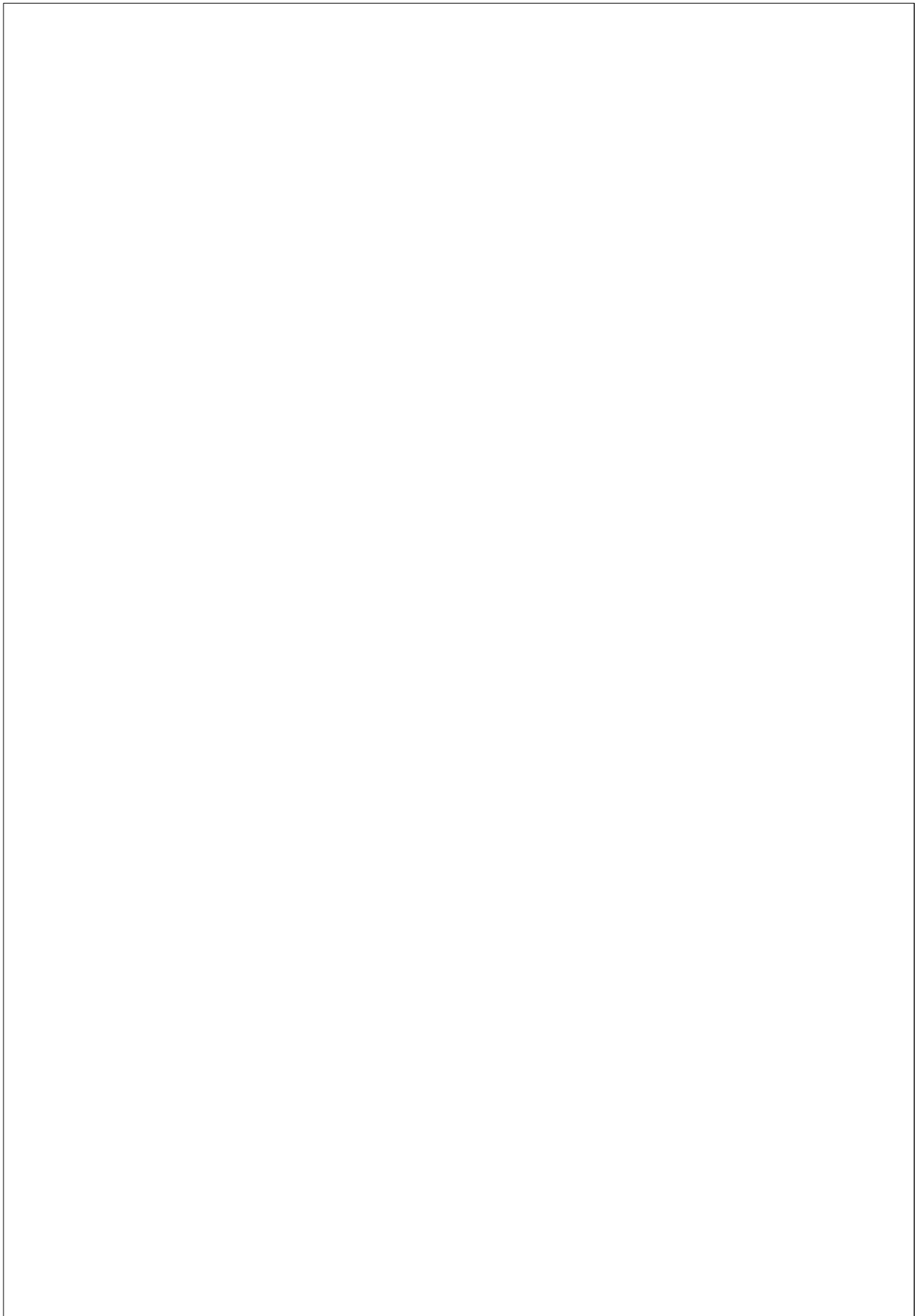


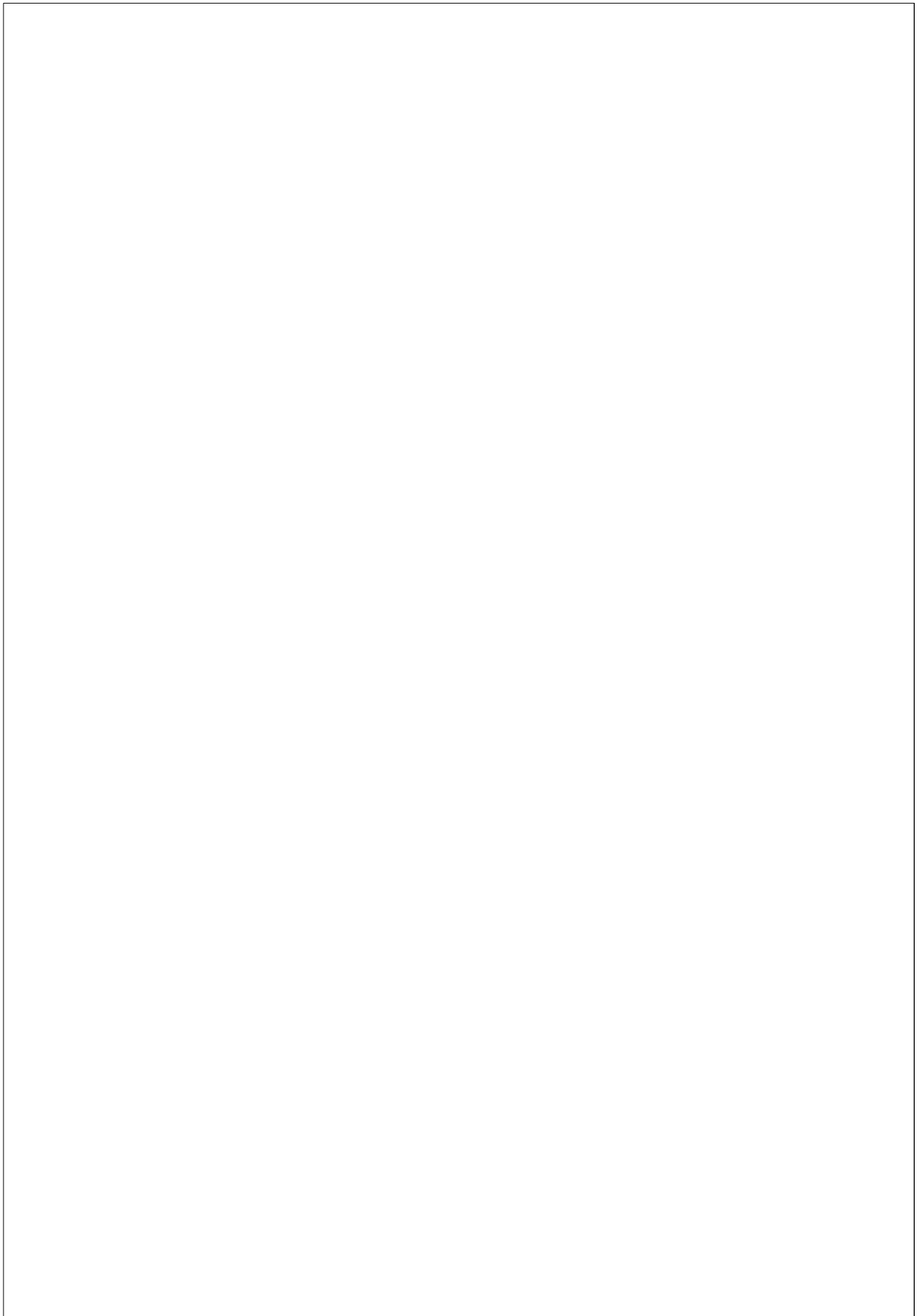


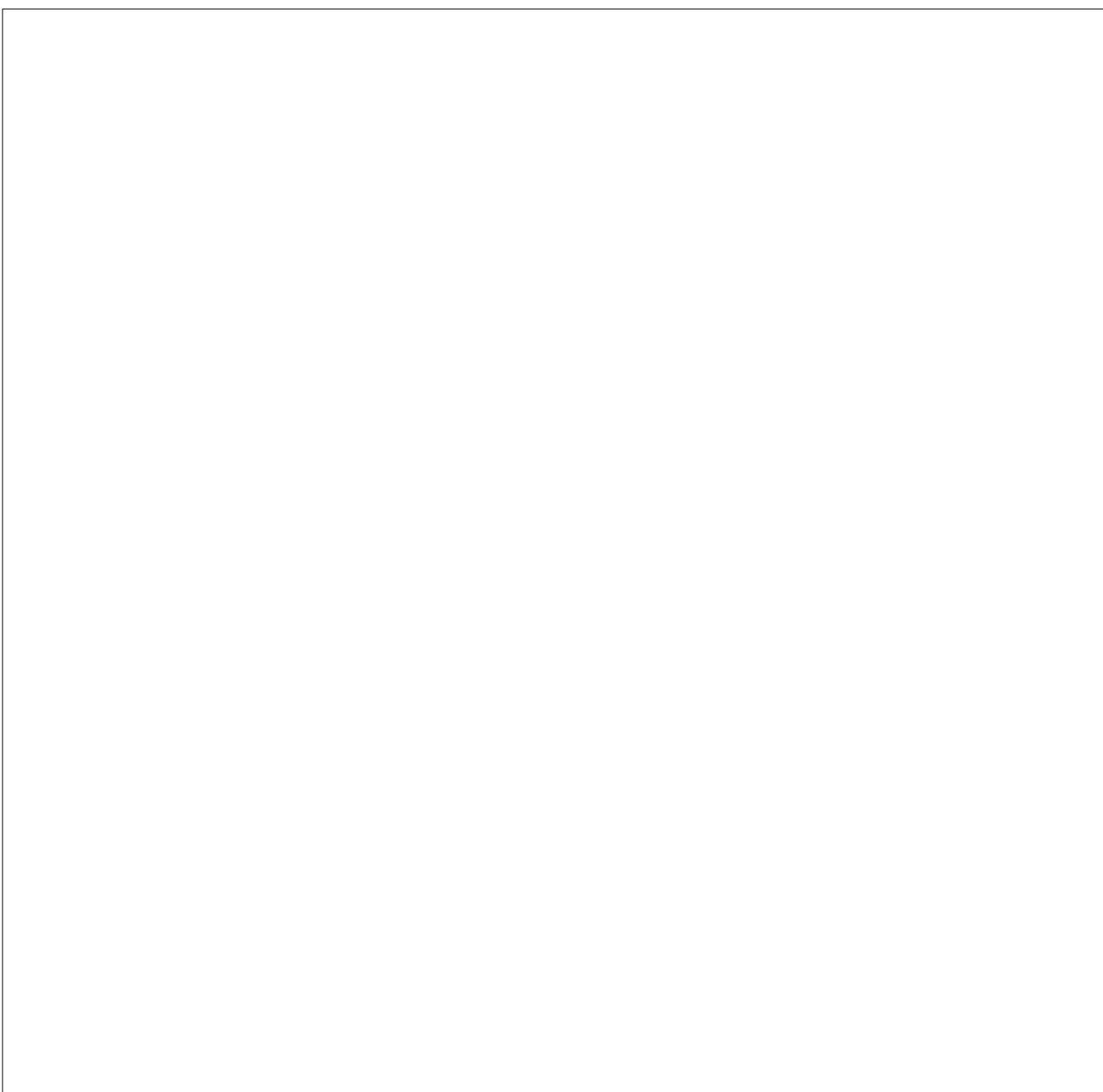




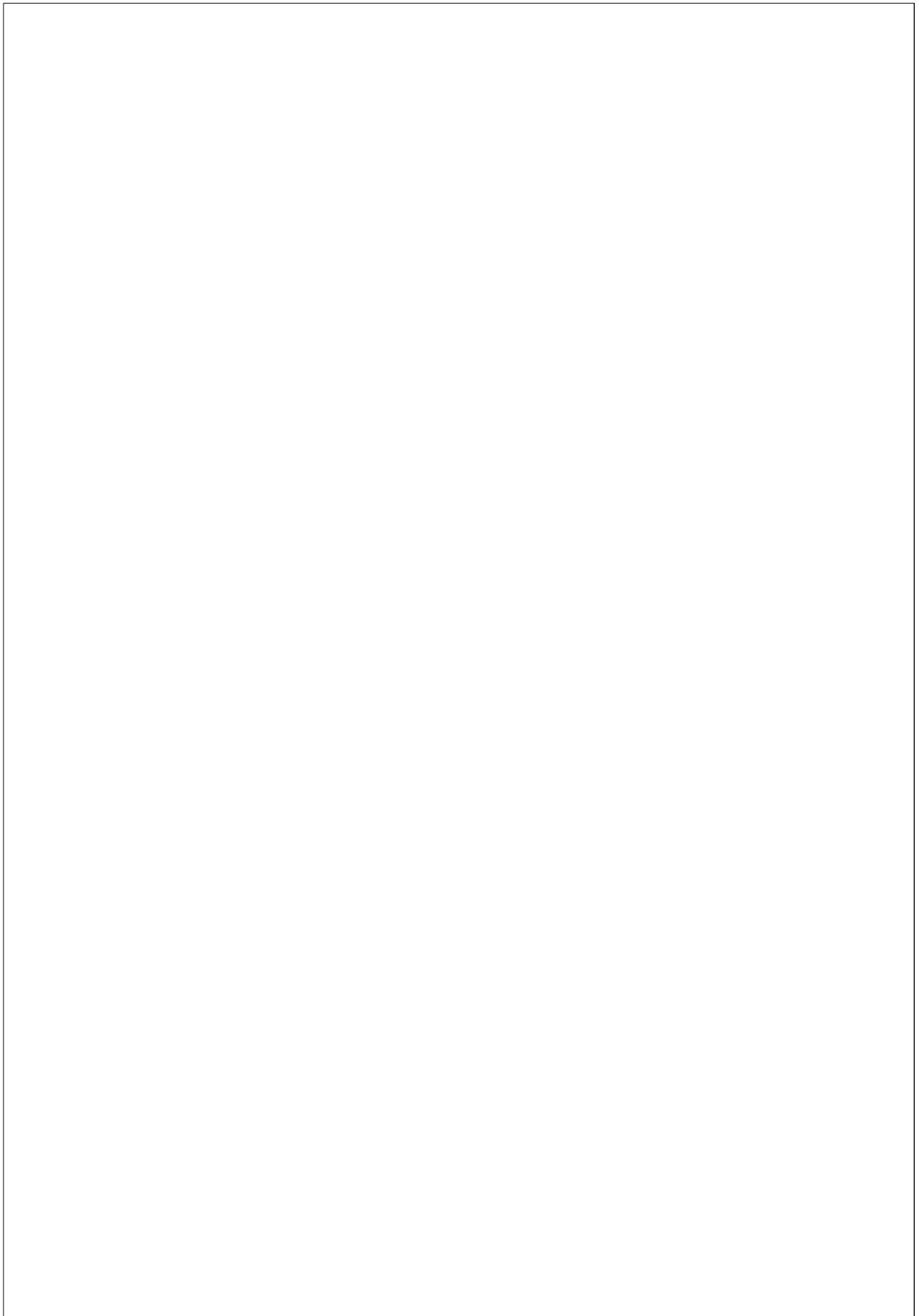
Consumption of non-renewable resources?

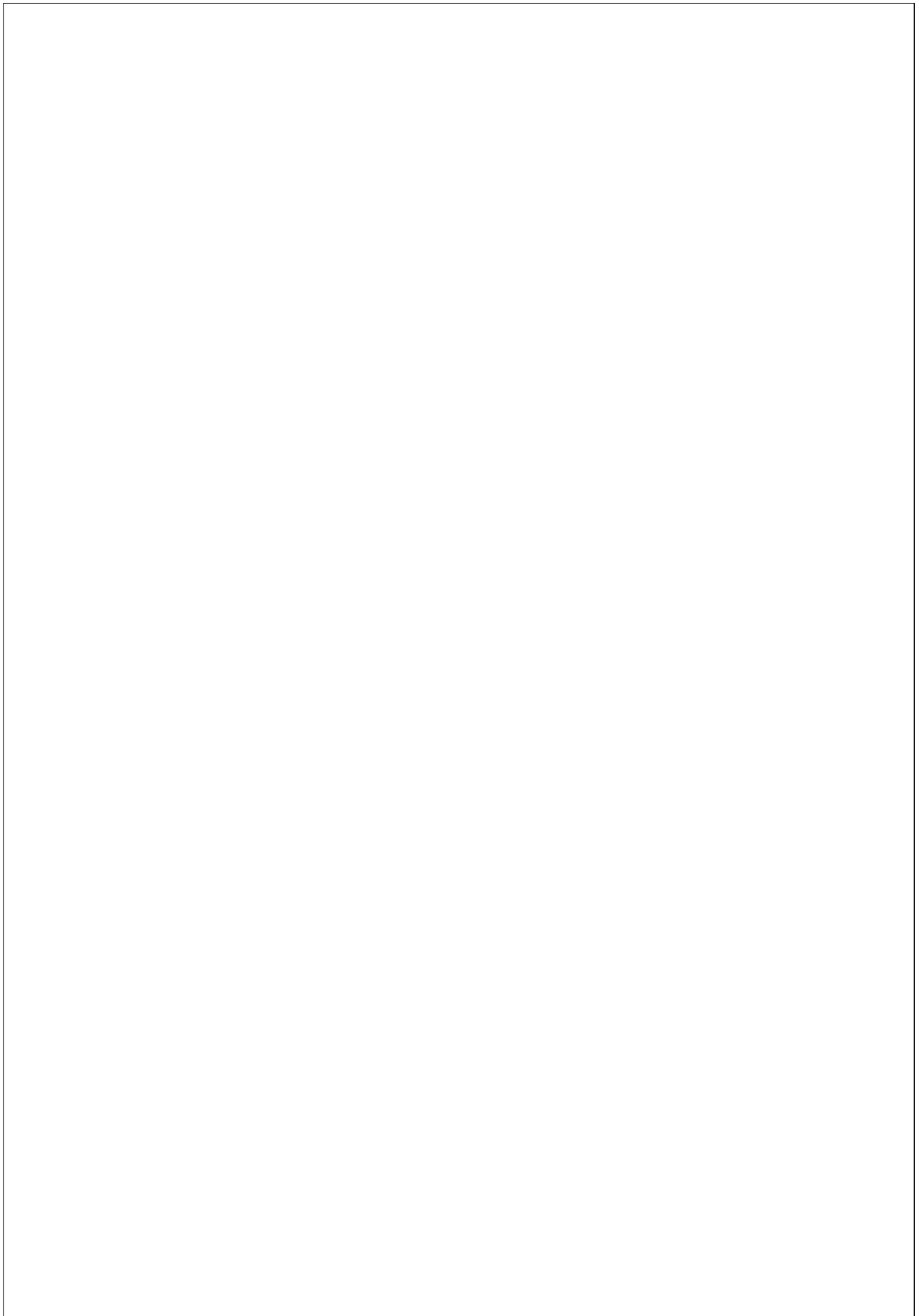




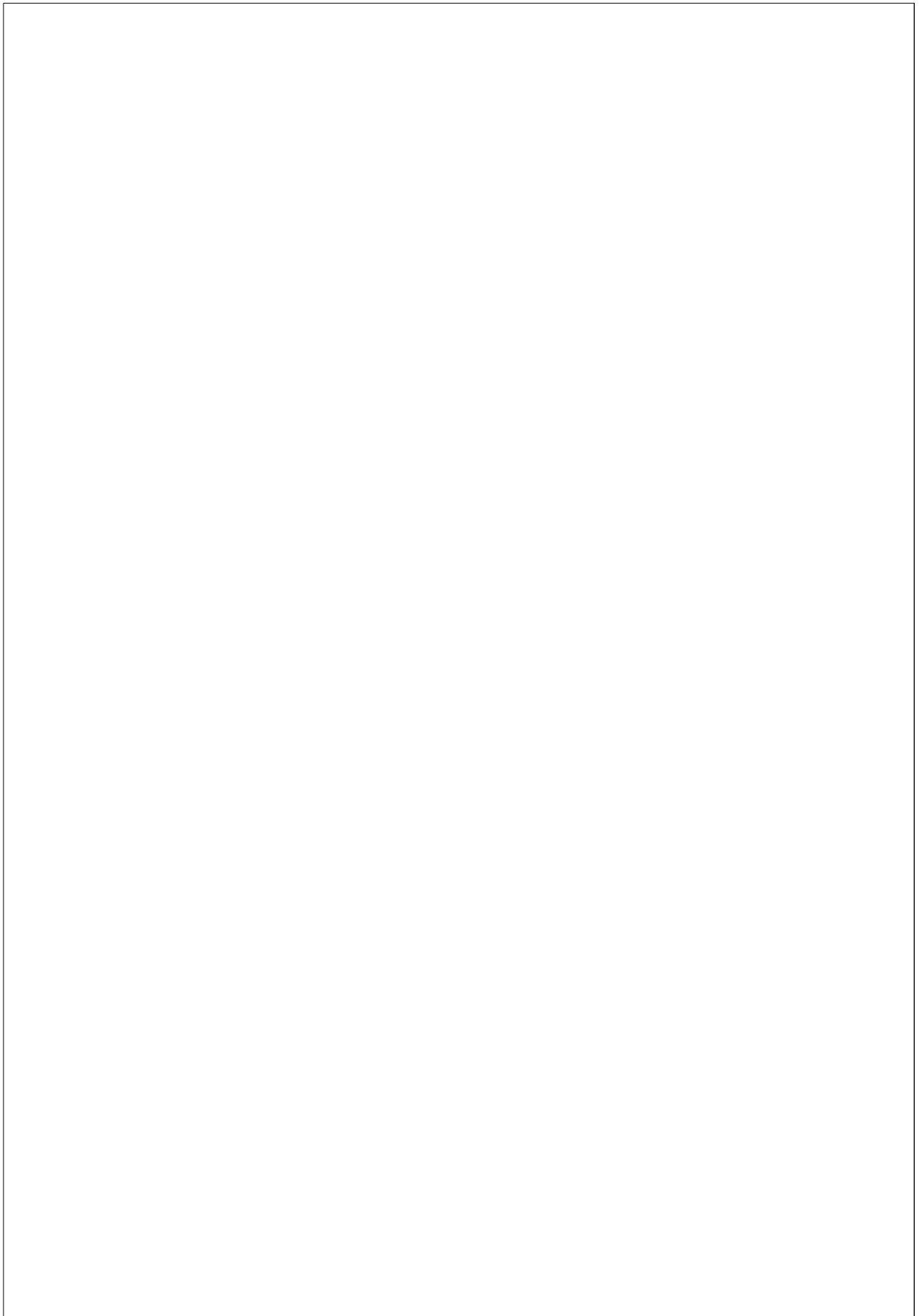


Production, recycling or disposal of waste

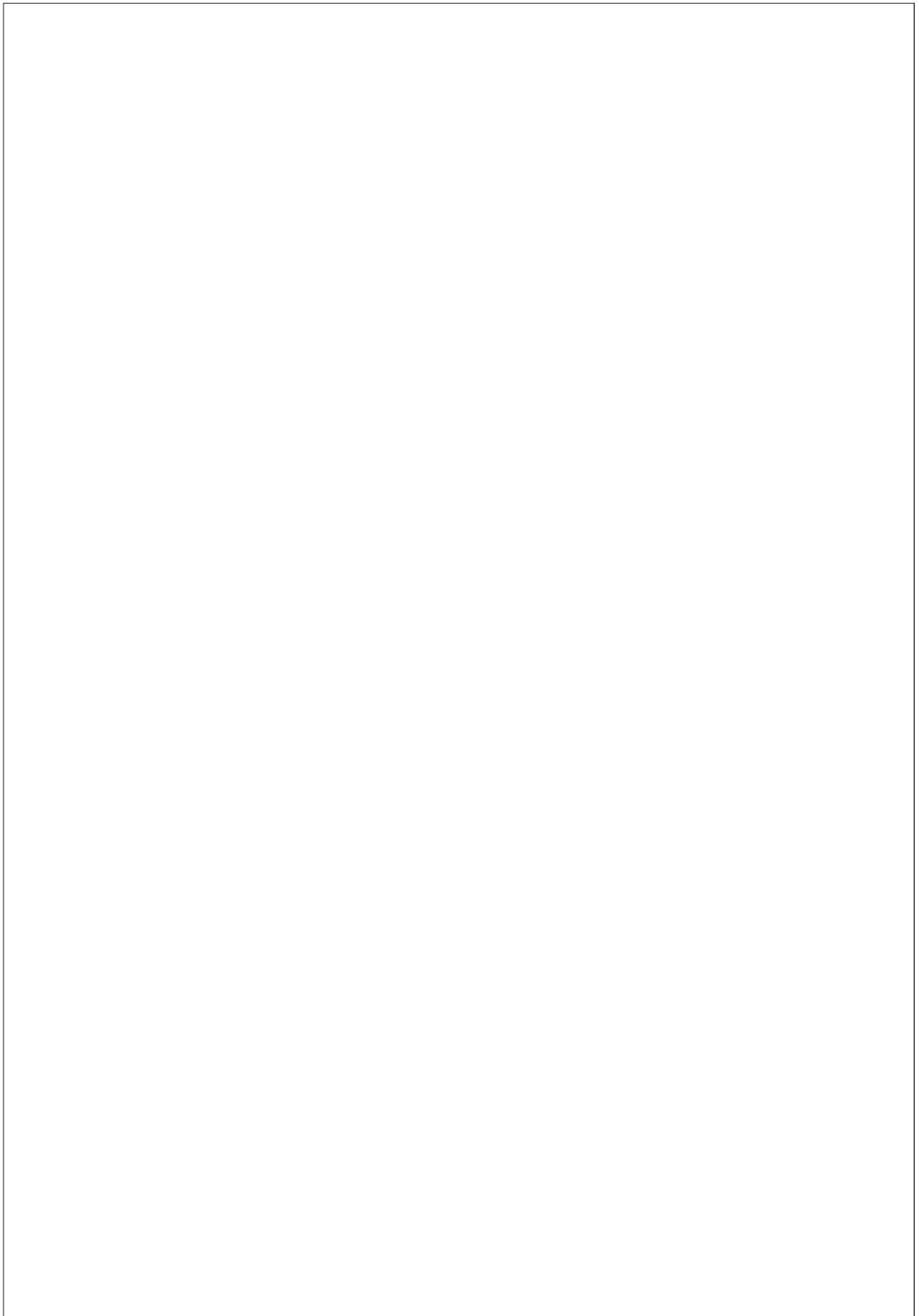


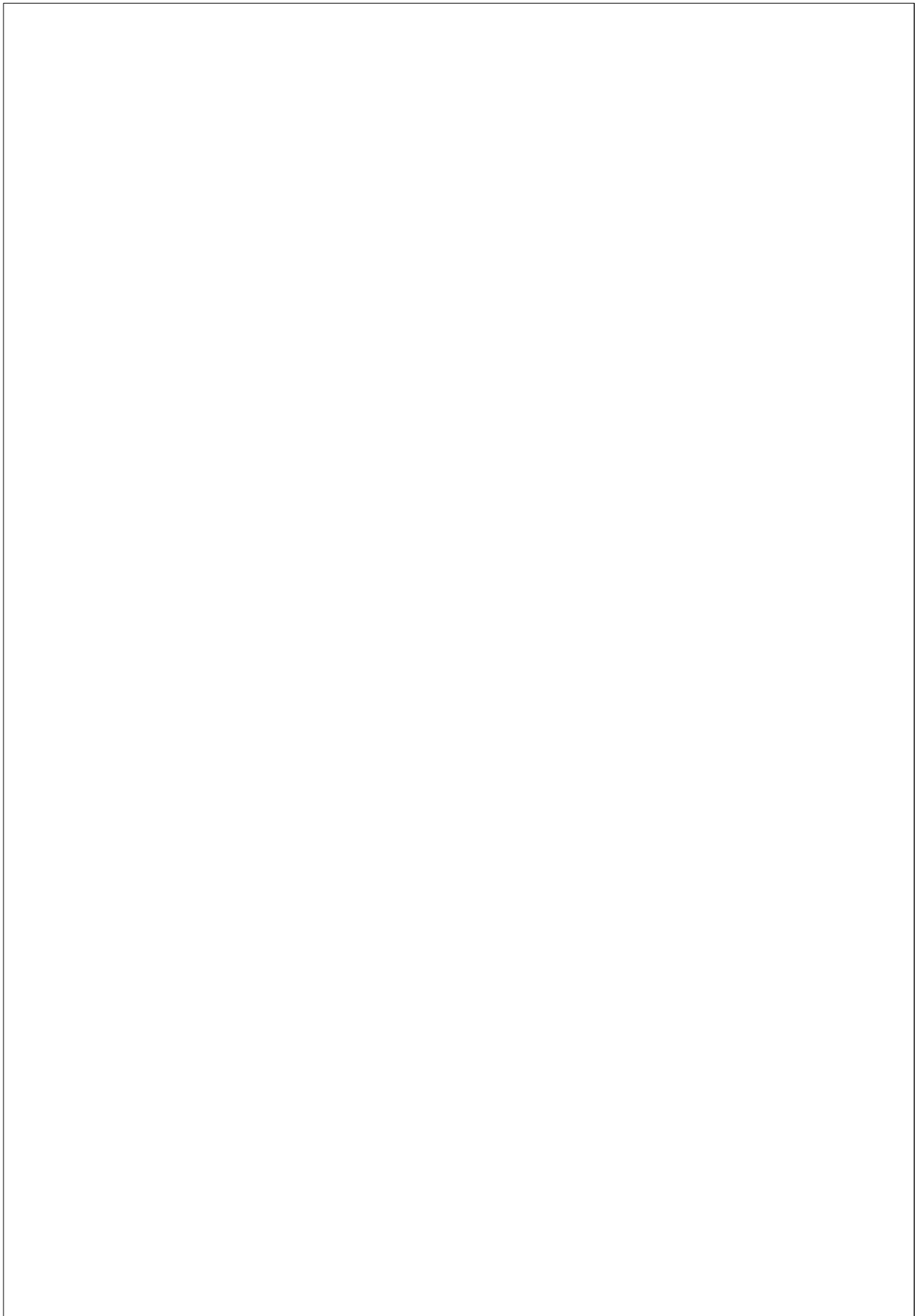


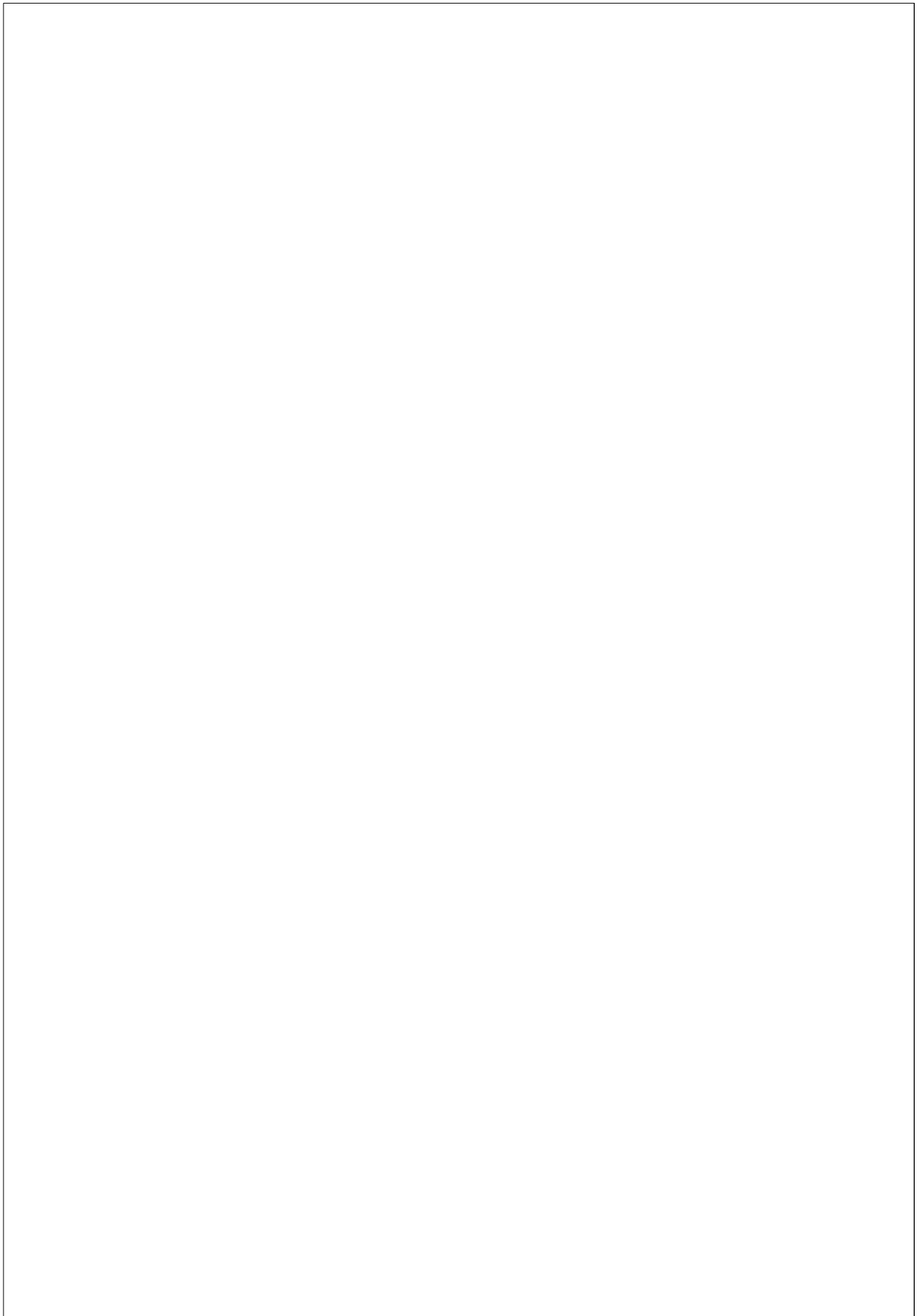




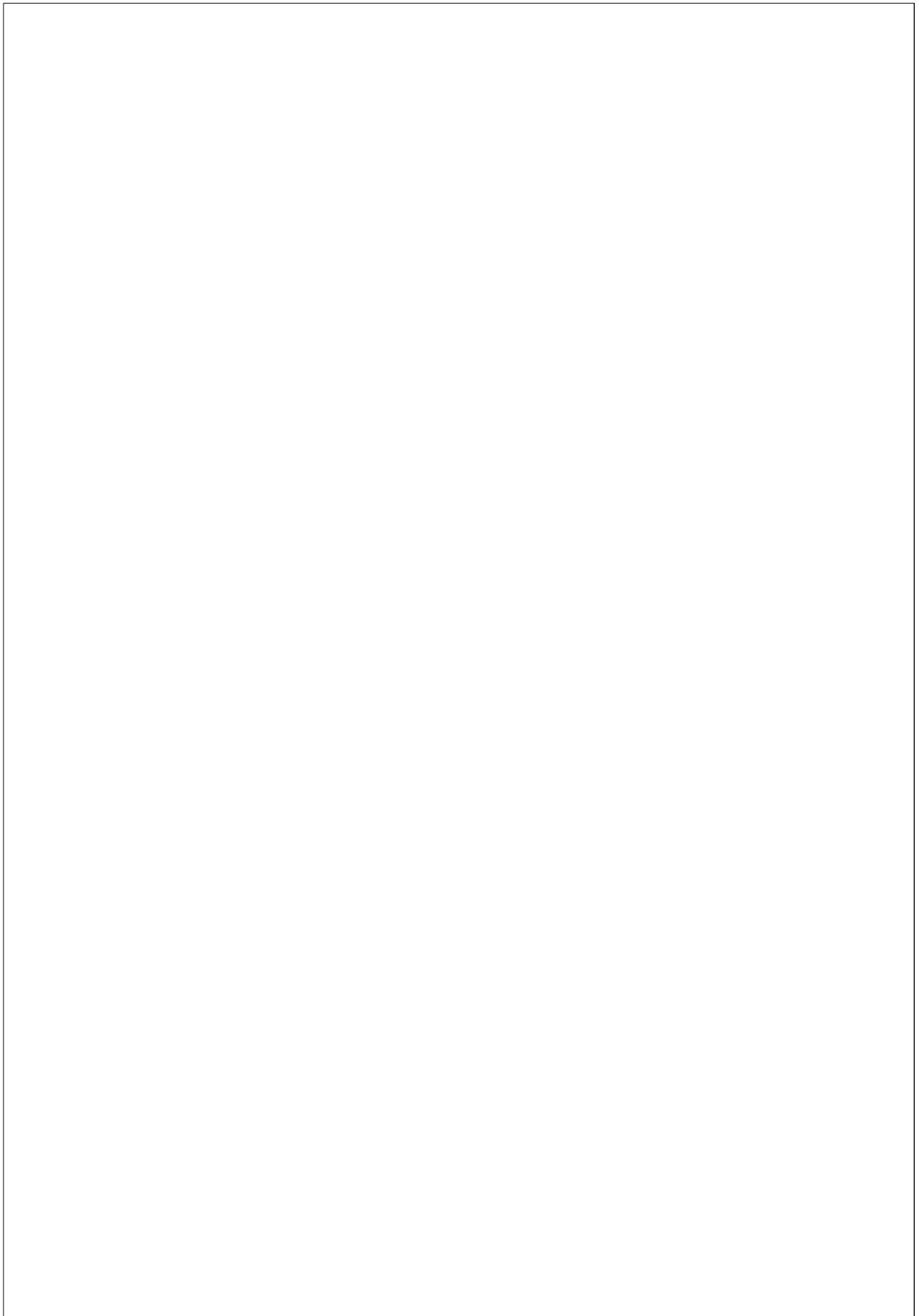
The appearance of the city?

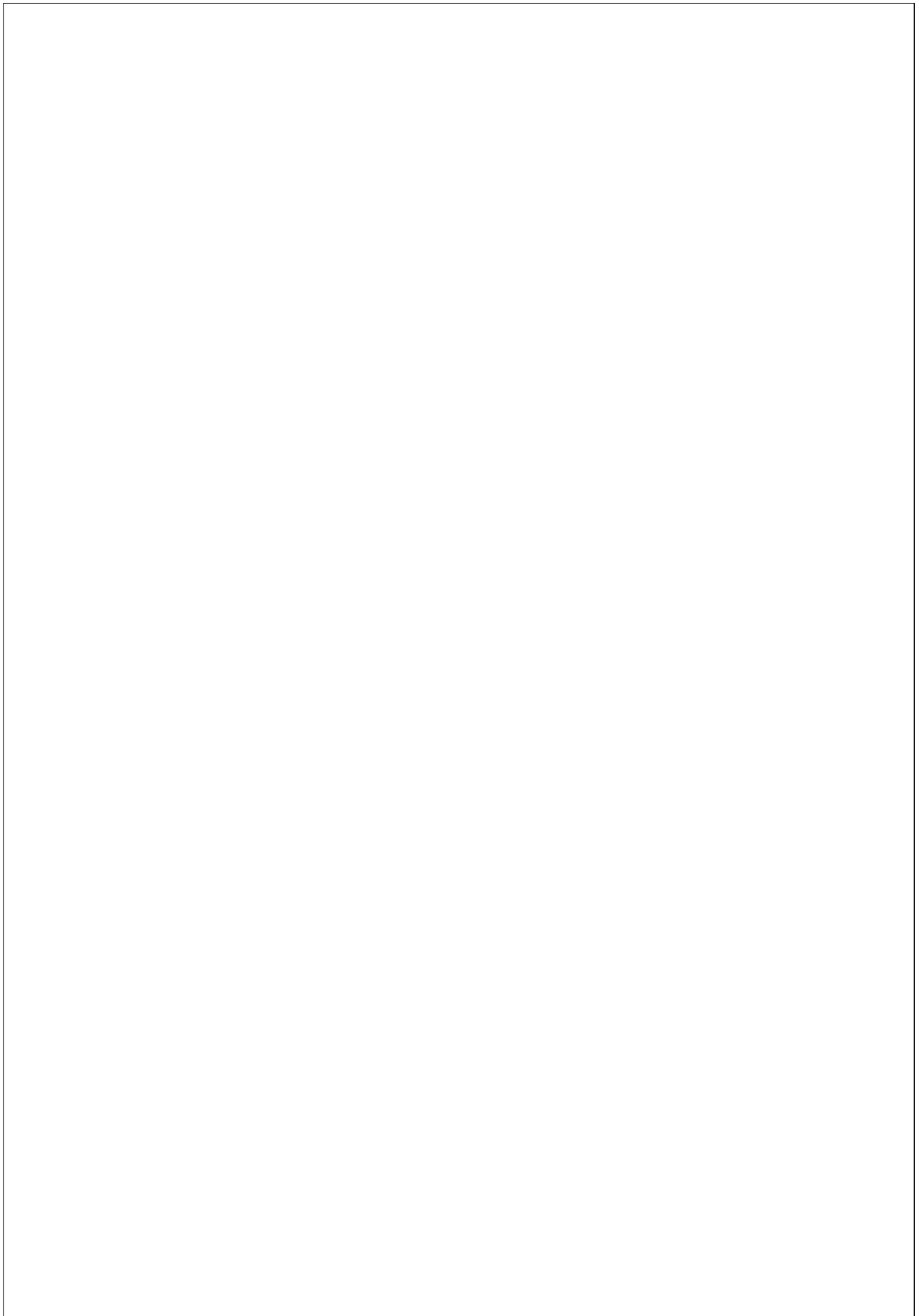




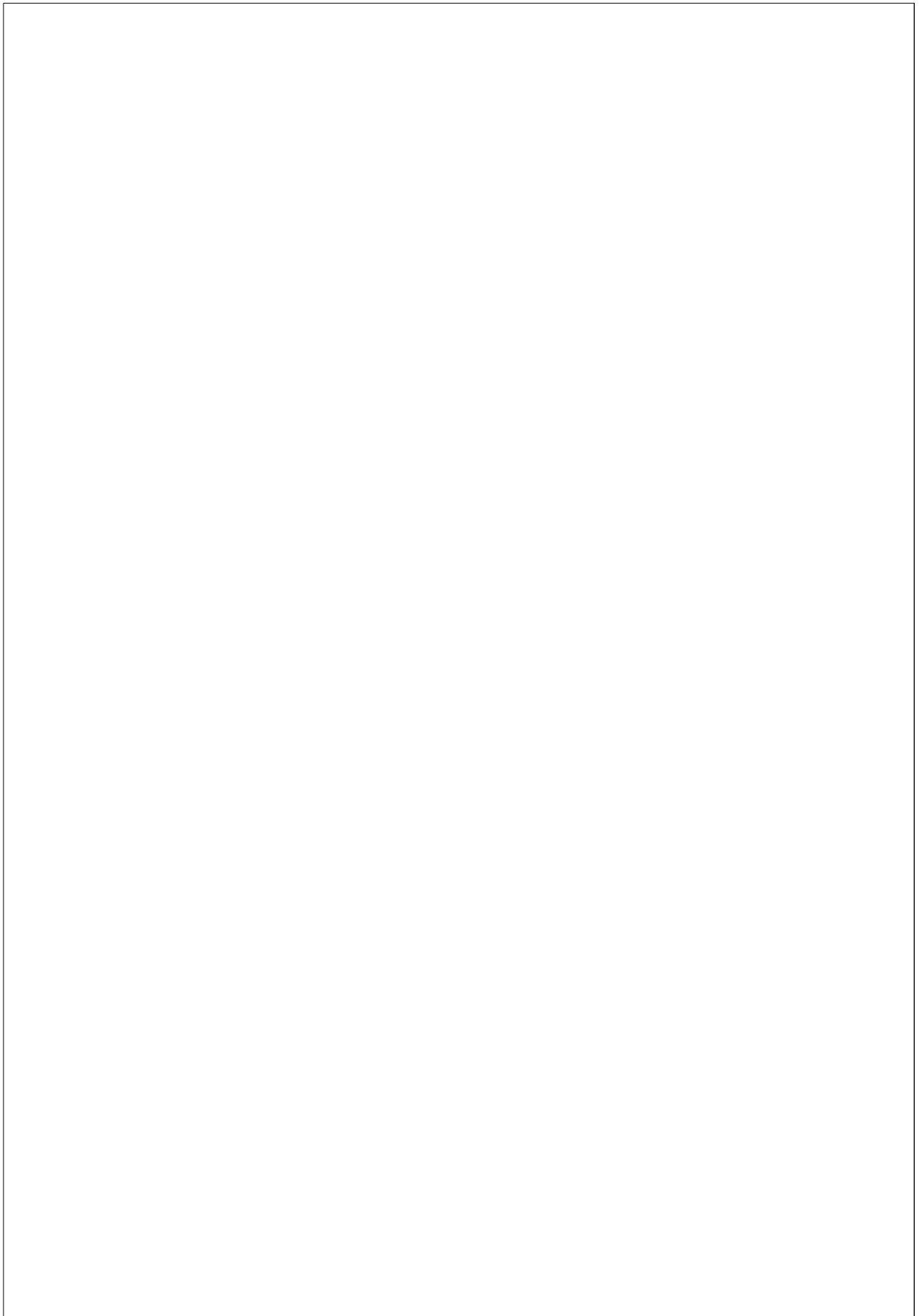


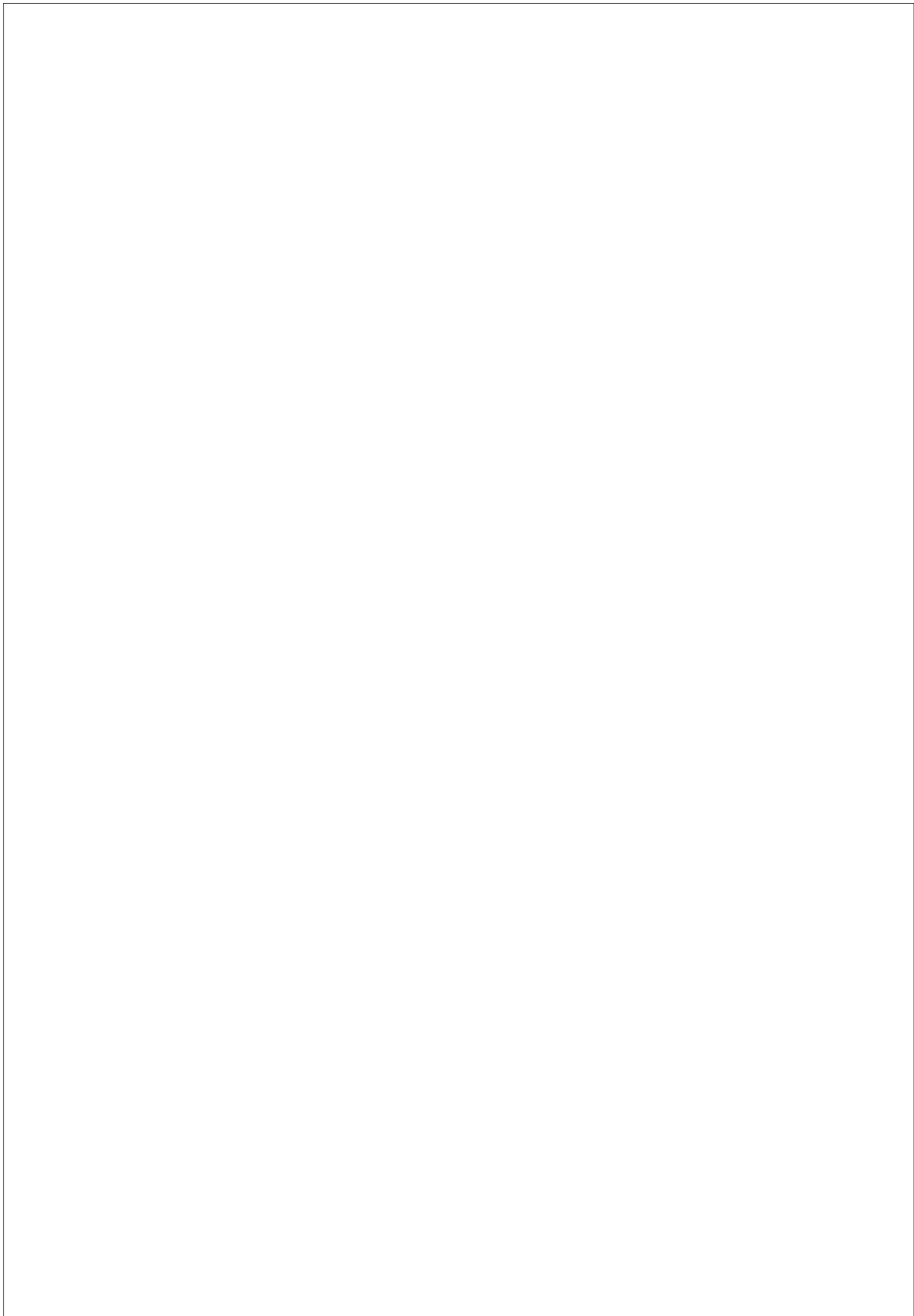
Pollution to land, water, or air?

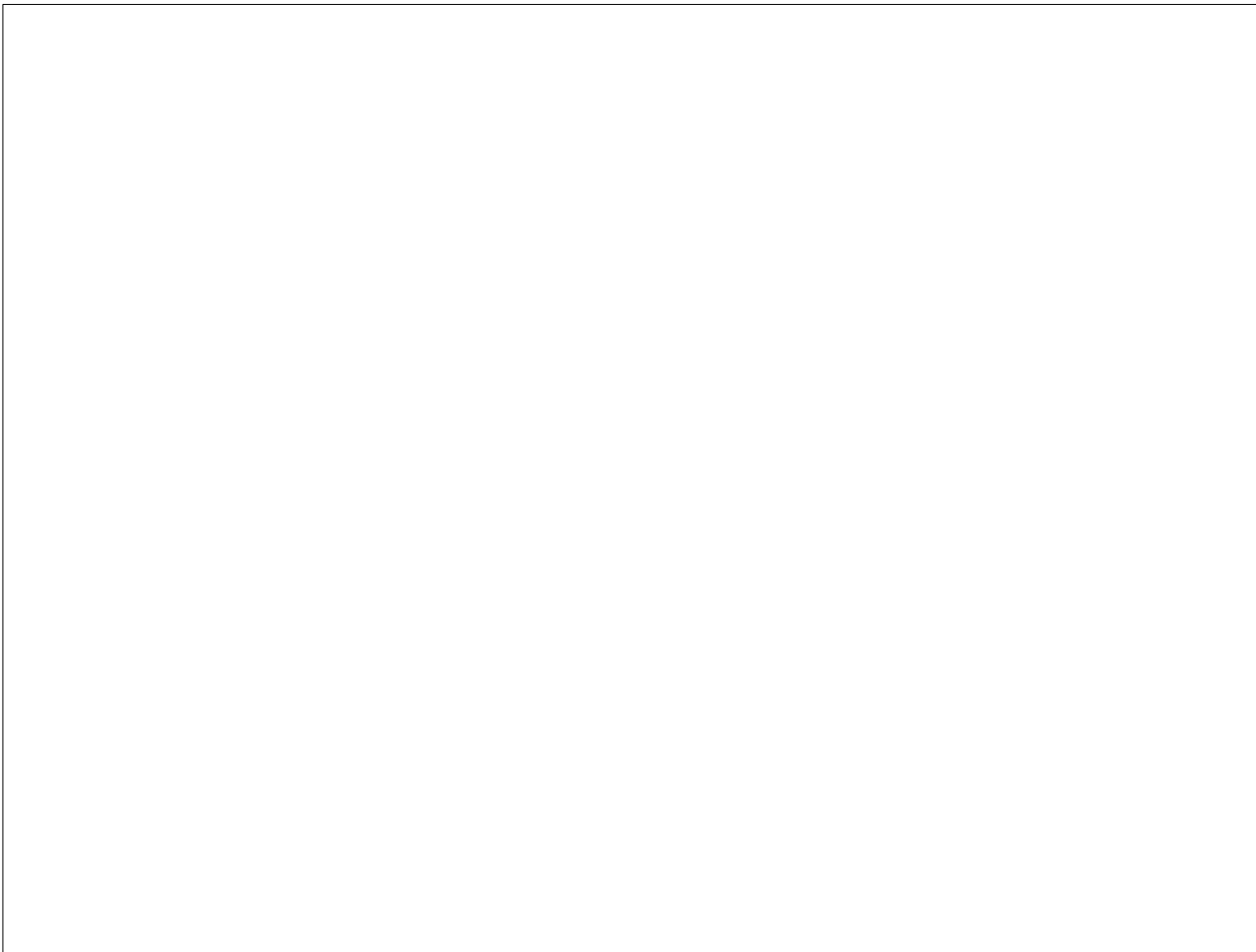




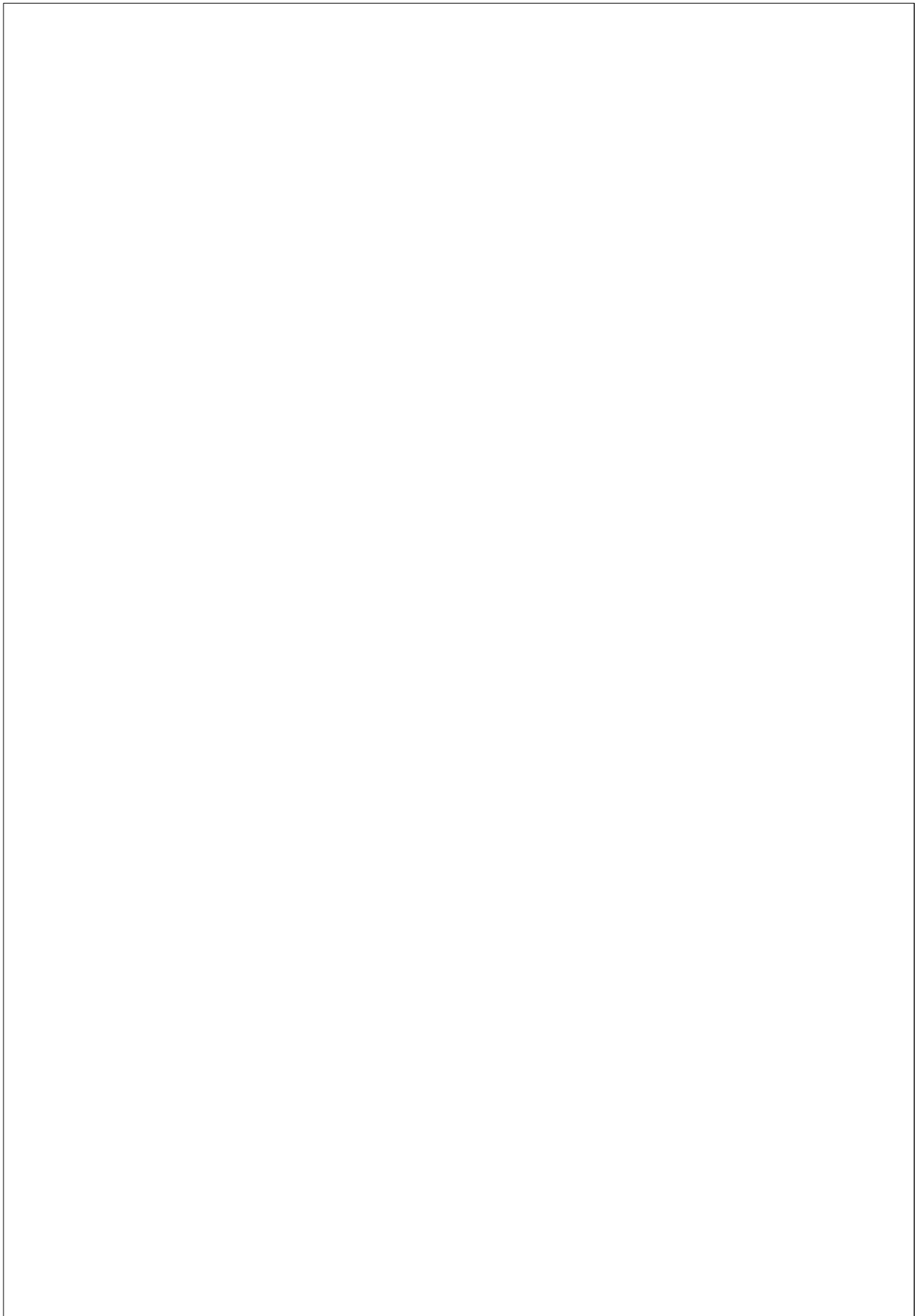


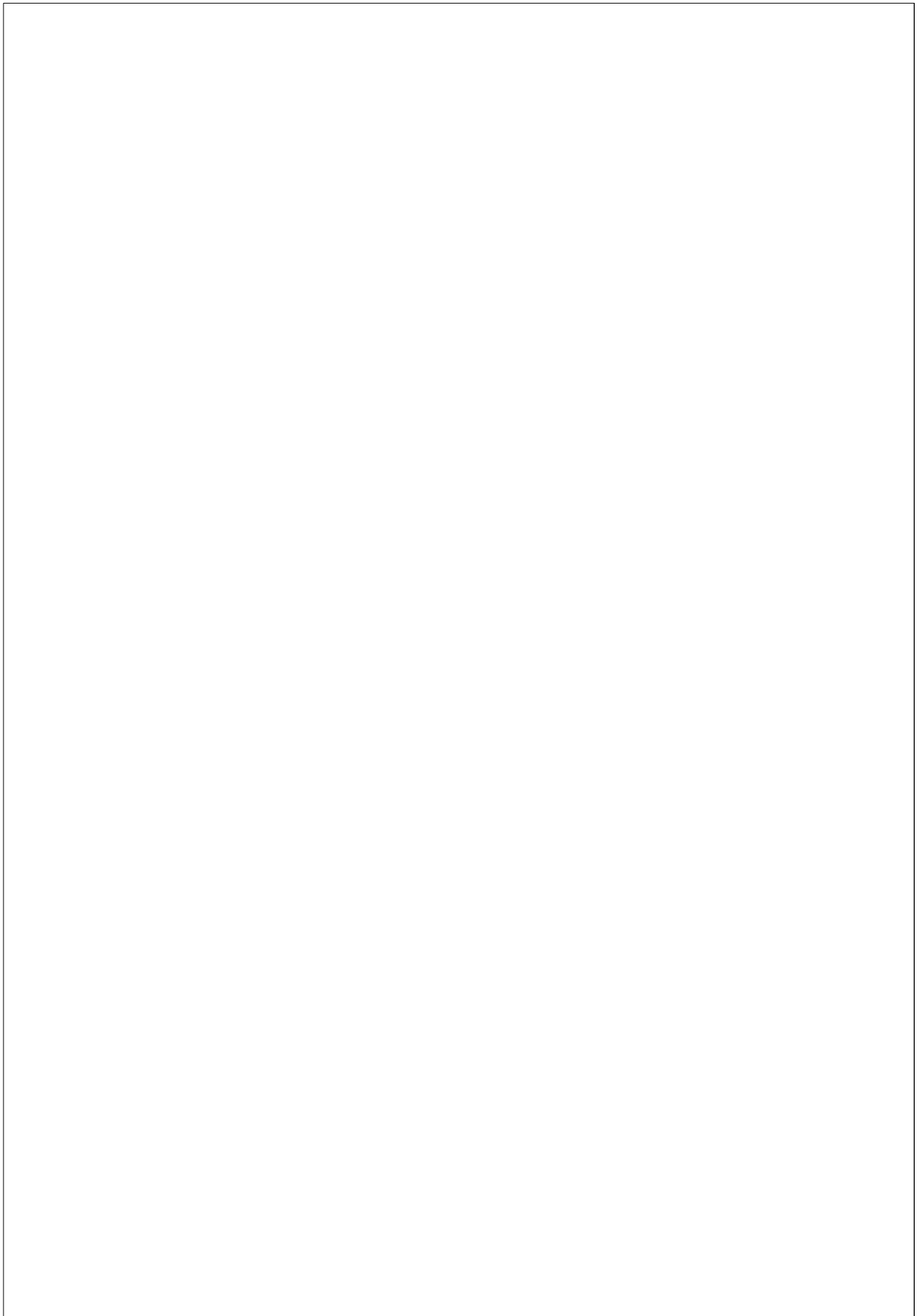


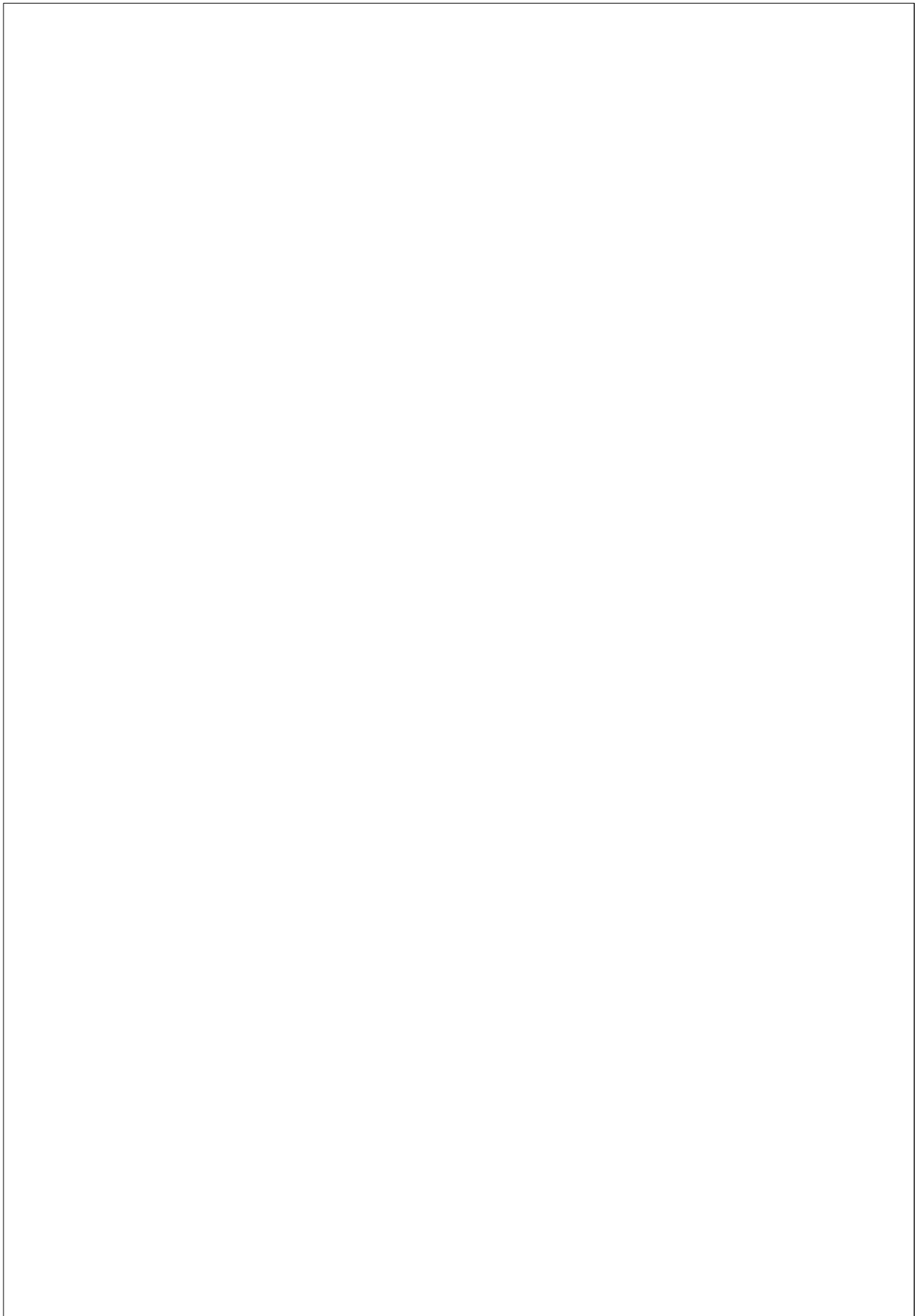


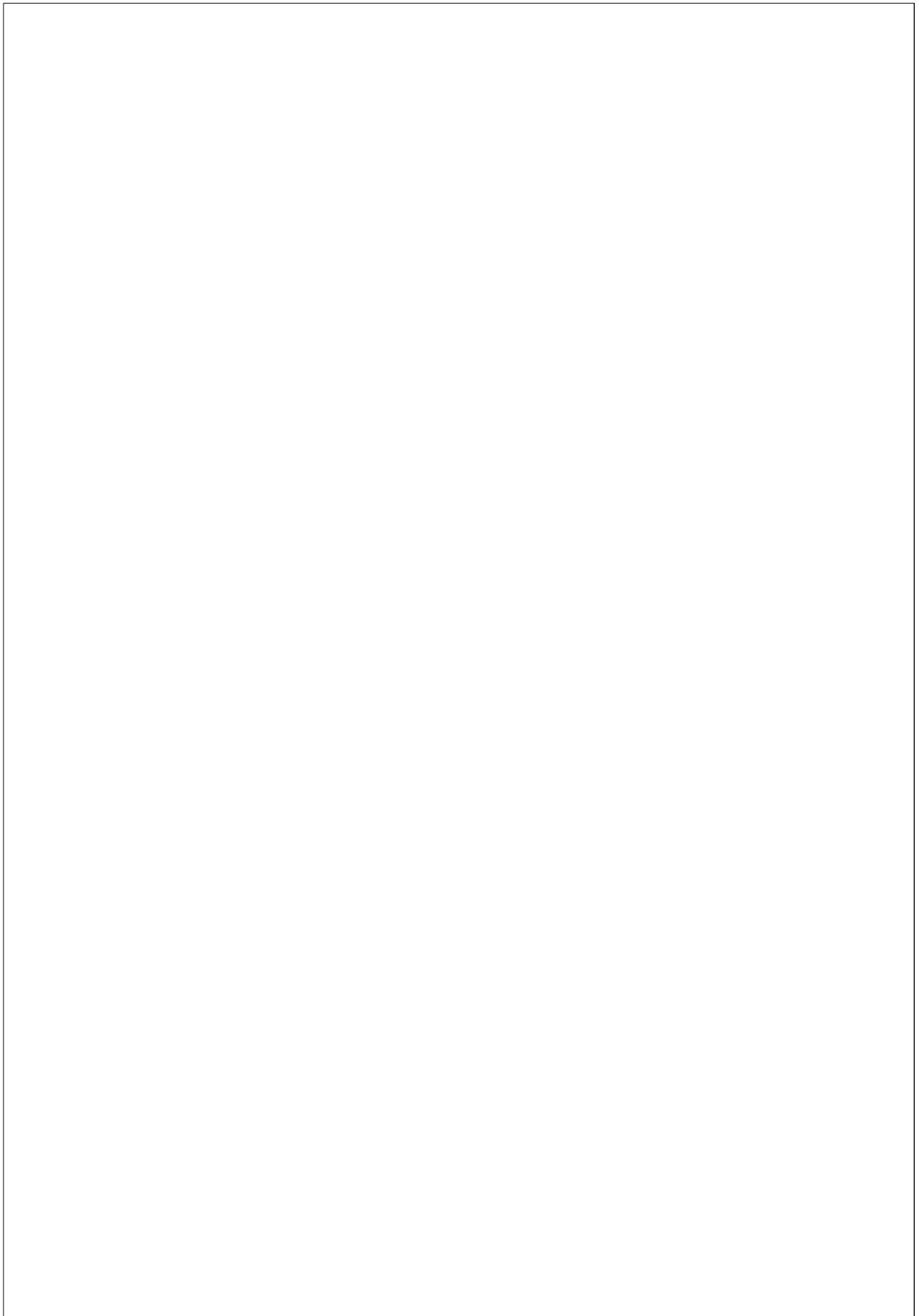


Wildlife and habitats?









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**Consulted with: Sustainability Team, CD & Natural Environment Team, NHD.**

**Summary of impacts and Mitigation - to go into the main Cabinet/ Council Report**

By their very nature this type of intervention is designed to improve the natural environment and help to mitigate the impact of climate change. A range of retrofitted sustainable urban drainage interventions will be made by Bristol City Council that will decrease the risk of local surface water flooding in parts of Bristol and have co-benefits of increasing natural habitats, improving the public realm by changing it from hard surface to softer greener places and reducing diffuse urban pollution. The community engagement part of the project will promote additional natural solutions for gardens and other urban spaces with communities and individuals that will serve to benefit the environment for the life of the project and beyond. There are minimal negative impacts such as using non natural membranes and fittings in the drainage systems but these are are greatly outweighed by the positive impacts.

The net effects of the proposals are significantly positive.

**Checklist completed by:**

Name:

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Dept.:
Extension:
Date:
Verified by Environmental Performance Team

## Cabinet – 06.09.16 Executive Summary of Agenda Item 11

**REPORT TITLE: EXTENSION OF TEMPLE QUARTER ENTERPRISE ZONE (TQEZ)**

**Ward(s) affected by this report: Central, Lawrence Hill, Windmill Hill, Brislington West and Southville Wards**

**Strategic Director: Barra Mac Ruairi**

**Report author: Neil Bradbury, TQEZ Interim Programme Director  
Alistair Reid, Service Director Economy**

**Contact telephone no. 07891 124866  
& e-mail address: neil.bradbury@bristol.gov.uk**

**Purpose of the report:** The purpose of this report is to seek approval for the extension of the boundary of the Temple Quarter Enterprise Zone and to seek approval from Government for the extension of the life of the Zone to the end of 2052.

### **RECOMMENDATION for the Mayor's approval:**

- i. To approve the extension of the Temple Quarter Enterprise Zone in accordance with the proposals set out in this report and within the boundaries shown on the map in Appendix 1.
- ii. To authorise the Strategic Director of Place to submit the proposals set out in this report in the form of a draft implementation plan to the West of England LEP prior to 30<sup>th</sup> September 2016 for onward submission to DCLG for formal consideration and approval, and to include a request to Government that the Enterprise Zone Extension and existing Bristol Temple Quarter Enterprise Zone be extended to both end on 31st March 2052
- iii. To authorise the Strategic Director of Place to enter into discussions with partners including Network Rail, Homes and Communities Agency, and Departments of Government, through the Bristol Temple Quarter Strategic Directors Board with the aim of bringing forward an affordable and jointly funded proposal for the comprehensive development of Bristol Temple Meads Station. This will secure an integrated transport hub and the opening up of Temple Meads East. These proposals to be brought forward to Cabinet for consideration at a later date.

### **The proposal:**

1. In July 2015, government announced an open competition for the submission of bids for new and extended Enterprise Zones (EZs) in England. A proposal to double the size of TQEZ by a further 70ha. on land in and around the Redcliffe/City Centre fringe was approved by Government in principle in the

autumn. The approval was made as a joint one with BANES who also received approval for the re-designation of Bath's Waterside Enterprise Area as an EZ and a newly designated rural EZ in the Somer Valley area of the district.

2. The purpose in seeking a TQEZ extension was to provide a funding mechanism to secure the comprehensive renovation of Temple Meads Station. Whilst good progress is being made in the generation of new jobs and development since TQEZ was designated in 2012, renovation of Temple Meads is seen as the cornerstone of the EZ growth strategy. At this stage it is not yet clear how a funding package to secure the comprehensive development of the station, including an integrated transport hub, and the opening up of Temple Meads East can be brought together. However a substantial contribution to this programme of works can be generated through EZ expansion
3. Temple Meads is one of the last remaining unimproved UK mainline city train stations. The business case for extending the EZ rests on the argument that a fit for purpose 21<sup>st</sup> century regional transport hub with Brunel's Grade 1 listed station at its heart is needed if the full economic, social and place making potential of a new and inclusive urban quarter for Bristol is to be achieved.
4. NR's current funding programme provides for the electrification of the Great Western Rail network linking London and Bristol with quicker and more frequent services. The Metrobus and Metrowest transport investments will similarly boost journey and rail accessibility in the region. Passenger usage of the station is projected to rise from 11 million to over 22 million by the end of the next decade. Network Rail's current investment plans will provide for the reconfiguration of the station to accommodate electrification, including substantial investment in signalling and engineering operations. However, much of the station estate will remain untouched.
5. Feasibility work undertaken by NR gives a provisional estimate of £250 million to fund extended and improved public and ticketed areas in the station. It would provide for more associated retail and leisure uses, a multi-storey car park to replace surface parking on adjacent development sites. In particular, it would also provide a new underground "street" underneath the station linking a new northern station entrance facing the Friary through to the east onto the Council owned Cattle Market Road site (former sorting office depot). The latter is seen as an important component in creating an integrated transport hub, opening up Temple Meads East and providing much improved public access between the station, Arena Island and adjacent neighbourhood communities such as the Dings.
6. Those wider improvement works are currently unfunded. In recognising that substantial investment is needed in the station estate and surroundings, the Council and its EZ partners have explored funding options in consultation with Government over the last two years. In brief summary, these have included a bid for Government infrastructure funding for the station as one of its "top 40" national infrastructure priorities; a Growth Strategy bid made as part of the wider funding allocation for HS2 and latterly, a bid to expand TQEZ and use retained projected business rate revenues over the 25 year life of the EZ as a basis for borrowing and funding the capital costs of station improvements.
7. To date, Government has been unequivocal in confirming that the only funding

option on the table is the EZ business rate revenue funding option. This places much of the financial risk directly on to the Council, potentially as a joint major contributor to a partnership funding agreement with Network Rail. The financial implications of this route are presented in the internal consultations section below.

8. NR will embark on a masterplan exercise later this year to refine the station development proposals and provide a more robust cost estimate based on site investigation works. On NR's assessment, it is unlikely that the new appraisal and costings will be available before mid-2017 at the earliest. This major piece of work is essential if a more robust cost plan is to be obtained with a more accurate assessment of investment priorities from each of the partners' perspective. It is this work that will form the basis of future discussions with partners including Network Rail, Homes and Communities Agency, and Departments of Government, through the Bristol Temple Quarter Strategic Directors Board with the aim of bringing forward an affordable and jointly funded proposal for the comprehensive development of Bristol Temple Meads Station.
9. The Council is required to submit its proposals and implementation strategy for the extended TQEZ to Government by 30<sup>th</sup> September 2016 and therefore in advance of any further more reliable projected redevelopment costs for the station. There will be further consultations after this date on the proposals with the Council, its partners and other Government departments in the following months. Subject to government approval, it is anticipated that legislation for the latest round of new or extended EZs will be presented to Parliament early in 2017, with the extended TQEZ going live on 1<sup>st</sup> April 2017.

# BRISTOL CITY COUNCIL

## CABINET 6<sup>th</sup> September 2016

**REPORT TITLE:** EXTENSION OF TEMPLE QUARTER ENTERPRISE ZONE (TQEZ)

**Ward(s) affected by this report:** Central, Lawrence Hill, Windmill Hill, Brislington West and Southville Wards

**Strategic Director:** Barra Mac Ruairi

**Report author:** Neil Bradbury, TQEZ Interim Programme Director  
Alistair Reid, Service Director Economy

**Contact telephone no.** 07891 124866  
**& e-mail address:** neil.bradbury@bristol.gov.uk

**Purpose of the report:** The purpose of this report is to seek approval for the extension of the boundary of the Temple Quarter Enterprise Zone and to seek approval from Government for the extension of the life of the Zone to 2052.

### **RECOMMENDATION for the Mayor's approval:**

- i. To approve the extension of the Temple Quarter Enterprise Zone in accordance with the proposals set out in this report and within the boundaries shown on the map in Appendix 1.
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Redcliffe/City Centre fringe was approved by Government in principle in the autumn. The approval was made as a joint one with BANES who also received approval for the re-designation of Bath's Waterside Enterprise Area as an EZ and a newly designated rural EZ in the Somer Valley area of the district.

2. The purpose in seeking a TQEZ extension was to provide a funding mechanism to secure the comprehensive renovation of Temple Meads Station. Whilst good progress is being made in the generation of new jobs and development since TQEZ was designated in 2012, renovation of Temple Meads is seen as the cornerstone of the EZ growth strategy. At this stage it is not yet clear how a funding package to secure the comprehensive development of the station, including an integrated transport hub, and the opening up of Temple Meads East can be brought together. However a substantial contribution to this programme of works can be generated through EZ expansion
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7. To date, Government has been unequivocal in confirming that the only funding option on the table is the EZ business rate revenue funding option. This places much of the financial risk directly on to the Council, potentially as a joint major contributor to a partnership funding agreement with Network Rail. The financial implications of this route are presented in the internal consultations section below.
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9. The Council is required to submit its proposals and implementation strategy for the extended TQEZ to Government by 30<sup>th</sup> September 2016 and therefore in advance of any further more reliable projected redevelopment costs for the station. There will be further consultations after this date on the proposals with the Council, its partners and other Government departments in the following months. Subject to government approval, it is anticipated that legislation for the latest round of new or extended EZs will be presented to Parliament early in 2017, with the extended TQEZ going live on 1<sup>st</sup> April 2017.

### **Background to TQEZ and Proposed Extension**

10. TQEZ was designated in 2012. It comprises 70ha. of predominantly former industrial and commercial uses clustered around the station, with a significant proportion of semi-derelict or underused land. Although edge of city centre, it presents a physical barrier between the city centre and adjacent communities to the north, north west and east of the station.
11. At designation, ambitious targets for its economic development were set, including 17,000 jobs over the 25 year life of the EZ, 190,000 sq m of new commercial, residential and ancillary leisure and retail uses with a supporting network of high quality open spaces, improved infrastructure and better access for pedestrians and cyclists. It included a lifetime target of 2,200 new homes as an integral part of the place shaping objectives for the new urban quarter. An updated Spatial Planning Framework is to be presented for formal approval by the Council this autumn to provide guidance to investors and developers on density, design and land uses for the EZ.
12. Bristol has internationally recognised strengths in the new "high tech" growth economies of financial services, digital and low carbon industries. TQEZ has proved successful in attracting these jobs and is acknowledged as one of the top performing EZs nationally. As of August 2016, nearly 3000 jobs have located in the area, demonstrated in the on-going development of new high quality commercial space to the north west of the station and the success of the fully occupied Engine Shed and Temple Studios adjacent to the station approach.

13. Bristol's "front door" at Temple Meads projects a very unsatisfactory first and last impression of a major UK city, despite its underlying strengths and international reputation. The land and property surrounding the station is either predominantly derelict or presents a mix of poor standard 1960's architecture and surface car parking.
14. Rather than rely or wait for speculative development interest to transform this image, the Council and its EZ partners have taken a much more proactive role in the last two years to promote growth with the acquisition of prominent sites adjacent to the station. Arena Island and Cattle Market Road are the major examples for the Council. It also owns land fronting 100 Temple Gate, which after the completion of current transport infrastructure improvements, will provide a new commercial development opportunity. Earlier this year, the Council completed the acquisition of leasehold commercial property facing the station approach. It will provide longer term redevelopment potential.
15. The HCA and Network Rail either jointly or separately own the undeveloped sites currently used for car parking to the north and west of the station fronting Temple Way. Redevelopment of the station is an important part of the key to unlocking their potential.

### **TQEZ Development and Infrastructure Pipeline**

16. TQEZ is poised to make significant progress in realising its long term objectives. The pipeline includes :
  - i.) Construction of Bristol's new 12,000 seat Arena. The appointed contractor, Bouygues is scheduled to break ground on Arena Island later this year. The HCA funded bridge to the island was completed in May this year. Designs for an adjacent pedestrian bridge to St Phillips are well advanced.
  - ii.) Cabinet has approved expenditure for the demolition and site treatment of the former sorting office at Cattle Market Road. Tenders for the work are in preparation with an anticipated start on site in early 2017.
  - iii.) A recent feasibility exercise has demonstrated around 50,000 sq m of new commercial, residential and leisure space could be built on the site with new open spaces linking between a new eastern station entrance and the Arena. The site is attracting significant investor and developer interest.
  - iv.) Following on the success of the Engine Shed, proposals for Engine Shed 2 are advancing. The Council has agreed heads of terms with Skanska for the development of a new high quality commercial building adjacent to Temple Gate. It also paves the way for future phases of development on the remainder of the site. Skanska also purchased the vacant development site adjacent to Temple Studios on the station approach earlier this year.
  - v.) The HCA is currently funding infrastructure works on plot 3 (The Friary) immediately to the north west of the station in advance of a proposed new hotel development and conference centre.
  - vi.) Momentum has also built on a substantial programme of infrastructure works promoted by BCC to improve and facilitate development. As an early example, the provision of a service trench for a district heating and super fast broadband network for TQEZ is progressing in phases.



- vii.) Improved access facilities for pedestrians, cyclists and more efficient traffic management are key elements of the infrastructure programme. Works scheduled for completion in 2017 will provide for the removal of the existing gyratory fronting 100 Temple Gate (to create the development site referred to above) creating a signal controlled junction and safer movement for pedestrians and cyclists. It is part of a wider scheme which will also see improvements to Bath Road and the existing bridges. Work has already commenced on the service diversions needed as part of the improvements.
- viii.) There is an on-going programme of connecting river and harbourside walk and cycleways. The latest section scheduled for completion in 2017 will link Cattle Market Road via waterside pontoons with the Friary area to the north.
- ix.) Last but not least, private sector confidence in the EZ continues with several significant development schemes either in the pipeline or the subject of planning applications. As soon as commercial confidentiality allows, announcement of the details will be made.

## **An Expanded TQEZ**

17. On present performance, TQEZ is making good progress in delivering its original targets. As one key indicator, around 3000 additional jobs have located in the EZ since designation in 2012, against the lifetime 25 year target of 17,000. Bristol remains one of the very few core UK cities outside London that makes a net contribution to the nation's economy. There is already solid evidence that the EZ is successful in attracting growth industries in the digital, financial services and low carbon sectors through such ventures as the Engine Shed, Temple Studios and Paintworks. The fact that they have quickly filled to capacity shows there is a substantial demand for this type of accommodation in the market.
18. Both the EZ expansion bid and the Growth Strategy submission made in 2015 made the case that improved public realm, station quality and greater connectivity delivered by Temple Meads redevelopment would accelerate growth in the existing EZ and beyond in broadly four ways:
  - i.) Existing businesses in the EZ become more productive as enhanced connectivity (eg from the Metrobus and MetroWest projects, improved pedestrian routes and public spaces) and improved public realm results in increased attraction and efficiencies for businesses. Resulting clustering of specialist uses creates its own internal growth
  - ii.) Businesses and jobs relocate to the EZ or surrounding area and the sector mix changes in response to the offered productivity gains; clustering of business activity, referred to as agglomeration, supports enhanced business activity
  - iii.) Businesses outside the EZ throughout the city and West of England also benefit because the clustering around Temple Meads of businesses, homes and people all contribute to business to business activity and labour market connectivity to other destinations via the rail link to London and local/regional transport networks. Enhanced connectivity results in productivity gains and supports job creation in these locations.
  - iv.) A thriving business location with a state of the art redeveloped station creates its own environment and a locus in which to enjoy leisure, live in and generate its own identity as a new urban quarter. It becomes a fully integrated transport hub for the city region, maximising the benefits of improved national, regional and local train and bus services

19. Empirical evidence to support the above has been demonstrated in recent years through a number of post development economic impact studies on major station redevelopments. An extract from one of the main sources has been included as a background paper to this report based on UK case studies.
20. The above includes evidence on land values, job creation and business sectoral growth adjacent to Manchester Piccadilly and Sheffield stations, where major public and private sector investment has created new or regenerated urban quarters. A similar case is currently being made in Birmingham to advance proposals for its new HS2 station.
21. In the context of increasingly competitive city economies nationally and internationally, the case for EZ extension rests on a similar argument that there is a once in a lifetime opportunity to accelerate the economic and place shaping impact of EZ designation for the benefit of Bristol and the wider region.

### **Funding Mechanisms and Options**

22. Since the approval in principle for an expanded TQEZ was given in November last year, detailed appraisal of the development potential of the expanded area and potential business rate growth has been undertaken. It is also being supplemented by market testing in consultation with experienced Bristol based property agents.
23. The boundary is a logical extension in so far as it takes in largely mixed commercial uses in the central area of the city with scope for further improvement and development (the Redcliffe area being the prime example). (See Appendix 1) It also encompasses adjacent areas in proximity to the Arena and Cattle Market Road which it is anticipated will benefit from their development.
24. A detailed development model assessing the development potential site by site with projected business rate growth over the 25 year life of the extended area has been prepared. It takes a far more conservative approach to that used when the bid to Government was made last year. This is a reflection of current market sentiment but also due to delays arising from the Government's review of NR's national investment programme.
25. In taking a cautious approach, a business rate "take" of £100 million over the 25 year period is considered realistic. It must be emphasised that as an estimate of the likely revenue figure generated, it is not an assessment of what the Council might borrow to support station redevelopment. Whilst this does not meet the provisional £250 million estimate for a comprehensive renovation programme of the station, it could make a major contribution to EZ growth and place making objectives if, for example, it included the north and west access points and street underneath the station. An enhanced figure in the region of £300m could be expected in the event of extending the life of the zone to the end of 2052.
26. Of all the proposed station improvements, the proposed "street" is the key component to improving accessibility throughout the area and beyond and accelerating the agglomeration benefits described above. Certainty of funding of this element is also important to the Council in maximising the development

potential of Arena Island and Cattle Market Road.

27. A more accurate assessment of redevelopment costs and preferred options will emerge from Network Rail's masterplan exercise. There are also on-going discussions between the partners and government on a realistic and equitable funding package for a comprehensive scheme, its timing and how a phased programme of works could be delivered using available resources.
28. At the present time, a key area of risk for the Council is the potential debt burden that would arise as a contributor to the proposed redevelopment of Temple Meads through the ring fencing of business rate growth within the expanded EZ for this purpose. Further clarification is currently being sought from Government, which is undertaking a national review of business rate retention by local authorities. The risk must be measured against the many competing demands on the Council's limited budget and the requirement for significant budget savings in the coming years.
29. Deciding not to proceed with EZ expansion now would nullify that risk. However, it would send a strong message into the market that public sector funding in the EZ was perceived to be faltering at a time of fragile investment confidence. Not least, it could threaten the development value of the Council's and its partners' landholdings by, at best, postponing prospects for the redevelopment of the station and stalling the momentum it has achieved over the last two years.

### **Partnership Funding**

30. The Council has maintained an open dialogue with Government on potential avenues of funding for the station over the last two years. To date, the Council has been successful in securing funding through the existing LEP West of England regional EZ funding mechanism to invest in the Arena and current infrastructure improvements within BTQEZ referred to above. There is insufficient funding within the existing BTQEZ/regional funding mechanism to tackle a project the size and complexity of the station improvement.
31. The Council's EZ partners, HCA and NR, have been active in using their own investment resources in BTQEZ over this period. HCA has acquired land and facilitated "land swaps" with BCC to secure public ownership of key development sites such as Arena Island and funded the new Arena Island bridge from Cattle Market Road. That investment continues with a proposed hotel on HCA land at the Friary adjacent to the station and investment in accommodation works and landscaping for the project currently on site.
32. HCA has confirmed its willingness to continue investment in BTQEZ, specifically in the immediate locality of the station estate such as entrance improvements. However, this would be subject to its own business case justification and assessment against competing national priorities.
33. Temple Meads is currently part of a £2 billion investment by NR in the electrification of the Great Western route. Although often not visible to the travelling public, this includes multi-million pound investment in new signalling in and around Bristol and upgrading of the rail network to increase traffic and

platform capacity. It will also invest nearly £2 million for a masterplan for the station, starting later this year, which will have a significant benefit in providing a more detailed and reliable cost plan for the current £250 million estimate for the station improvement package. Despite the scale and impact of the electrification investment which will deliver the major benefits of increased frequency and faster journey times for passengers, there is no additional allocation for the improvement of the station itself.

### **Prolonging the Life of the Existing and Proposed TQEZ Extension**

34. The modelling to date demonstrates the financial burden placed on the Council because of the need to borrow money to fund the station improvements in advance of sufficient business rate generation. This issue was considered in the original extension bid made last year and also in the Growth Strategy bid. The conclusion at that time was that the extended TQEZ should have an additional life of 10 years (ie, assuming the extension is formally designated on 1<sup>st</sup> April 2017, its life should extend to 2052). By association, the time extension would also need to include the existing EZ to ensure business rate generation was maximised and governance arrangements across the zone standardised.
35. The justification for the time extension was based on the projected timeline for new developments to come on stream and generate business rate returns. Because of the inevitable time lag in securing “critical mass” for both the existing and proposed EZ extension, the Council would want the security of a minimum base of £10 - £12m rate generation per annum and increasing annually thereafter to cover the front loaded cost of station improvements and minimise its borrowing costs.
36. Whilst the principle of the time extension and financial modelling used remains true (and in the continuing absence of any other form of funding), the figures used last year must be used with caution and need to be re-visited. This is partly due to a more fragile investment climate but also because of the assumption last year that station improvements would commence earlier than currently scheduled. Current indications are that a 10 year extension may have the potential to fund the current projected costs of £250 million station improvements, rather than partially. If this remains true, it provides much greater scope for further discussions with both partners and government on how a more equitable spread of funding, risk and other mechanisms such as loan guarantees might be secured. The issues for the Council would remain those of costs of borrowing and borrowing risks, which would need to be mitigated before entering into this sort of arrangement.

### **Conclusion**

37. On the current timeline, the Council is required to submit its draft implementation plan to Government for expanding BTQEZ by 30<sup>th</sup> September. In recognising the funding difficulties the partners, and Council in particular, face in securing a station improvement package, DCLG has recently confirmed that it is reasonable for the Council to continue to review its options and investment risks in refining the extension plan over the next few months before any formal designation in April 2017.
38. Extending the EZ on the current timeline does not commit the Council to

borrowing, but allows the dialogue with partners and government to continue. It gives confidence to NR in proceeding with the masterplan exercise, which in turn will provide a more accurate assessment of station development costs. It will make progress towards developing a “shovel ready” programme of works which could take advantage of any new government initiative on national infrastructure spending.

39. The Council has already demonstrated to Government that even with limited resources, it is making good progress in delivering an ambitious economic growth agenda with BTQEZ which aligns with national priorities. It could do substantially better for the benefit of the wider regional economy if an affordable and workable investment could be agreed.

40. While not guaranteed, submitting the implementation plan will provide more time for further options on station redevelopment funding options to be pursued and what may be packaged by the partners to secure the critical east-west connectivity underneath the station. Despite the difficulties, there is no lack of resolve by the partners in continuing to look at potential solutions. It continues to send positive messages into the investment and development market for BTQEZ at an uncertain time and safeguards the landholding positions and business models of the Council and its partners.

## **Consultation and scrutiny input:**

### **a. Internal consultation:**

41. A number of Council officers were contacted for their views during the initial submission phase for the EZ extension commencing in July 2015.

42. BTQEZ has a governance structure (Appendix 2) modelled on Government recommended best practice with regular reporting on the proposed extension. The Strategic Director for Place is the Senior Responsible Officer for the proposal and chairs the TQEZ Strategic Directors Board at which formal review of EZ strategy, delivery programme and project proposals are considered.

### **b. External consultation:**

43. During the initial submission phase, a number of external parties were contacted for their views on the proposal. They included Network Rail, the Homes and Communities Agency, Historic England and briefing for members of the Redcliffe Neighbourhood Partnership. Advice was also procured from local commercial agents with knowledge of the Bristol property market on the robustness of development values.

## **Other options considered:**

44. There is a “do nothing” scenario whereby the Council decides not to proceed with the proposed extension. It would save the Council money by not having to borrow

against future business rate revenue streams to help fund the station improvements. However, the Council has already made a significant financial and partnership investment in TQEZ, including major initiatives such as the Arena and strategic land acquisitions. Without an extension of TQEZ, station improvements will remain unfunded and the full potential of the existing EZ and the Council's existing investments will not be realised.

45. Variations in the size of the EZ expansion have also been considered. There is an optimum size which, measured against the scale of investment borrowing risk to the Council, seeks to balance long term commercial development potential and business rate revenue retention with sufficient critical mass to have the necessary impact on station redevelopment. The proposed boundary seeks to achieve that balance by exploiting areas of long term development potential and generate a meaningful level of business rate retention.

### Risk management / assessment:

The risks associated with the expansion of TQEZ:							
No.	RISK  Threat to achievement of the key objectives of the report	INHERENT RISK		RISK CONTROL MEASURES  Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
		Impact	Probability		Impact	Probability	
1	Projected rateable values in extended EZ fall below targets	High	Medium	Ensure modelling projections for the area and servicing the borrowing debt are at all ranges and cover a range of business confidence scenarios. Current modelling is based on low growth targets	Med	Low	TQEZ Strategic Board
2	Network Rail's masterplan exercise demonstrates an increase on the provisional £250 million redevelopment estimate for Temple Meads	High	Medium	Examine development package options and priorities to optimise accessibility and development objectives	Med	Low	TQEZ Strategic Board

The risks associated with <u>not</u> implementing the TQEZ Extension:							
No.	RISK  Threat to achievement of the key objectives of the report	INHERENT RISK		RISK CONTROL MEASURES  Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
		Impact	Probability		Impact	Probability	
1	Full economic potential of the EZ will not be realised, or at best delayed	High	High	Examine options for achieving economic objectives in the longer term	High	Medium	TQEZ Strategic Board
2	Accessibility within the EZ and beyond remains restricted	High	High	Examine lower cost options including developer contributions to secure improvements	Med	Med	TQEZ Strategic Board

### **Public sector equality implications:**

No Equalities Impact Assessment has been carried out for this proposal. It is unlikely that the decision to expand the Enterprise Zone will impact on those with protected characteristics. To conform to the Equalities Act 2010 and the public sector equality duty future proposals regarding the implementation of the EZ renewal scheme, if agreed, will need to have a full equalities impact assessment. Key issues will include accessibility and the impact of construction works on those living and working in the area.

**Advice given by: Wanda Knight/Equalities and Community Cohesion Officer**  
**Date: 23<sup>rd</sup> August 2016**

### **Eco impact assessment**

There are unlikely to be any environmental impacts from these proposals, so a full Eco-impact assessment has not been carried out. Any increases in the pace of development in the newly extended Enterprise Zone as a result of this decision will be managed through existing planning policy (it is possible that multiple-simultaneous developments could magnify the impact of traffic congestion, or nuisance such as noise or dust). An Eco-Impact Assessment was produced for the Cabinet report proposing the approval of the Temple Quarter Spatial Framework.

Environmental impacts from the proposed redevelopment works at Bristol Temple Meads Station and revising the Temple Quarter Spatial Framework to cover the extended Enterprise Zone will be assessed when the Cabinet reports are produced for those areas of work.

**Advice given by: Giles Liddell/Environmental Project Manager**  
**Date: 19<sup>th</sup> August 2016**

### **Resource and legal implications:**

#### ***Finance***

A key impact of the redevelopment of Bristol Temple Meads would be to facilitate value that can be extracted from the existing enterprise zone and associated developments around the station site. This is a reasonable aim.

There is a clear difference between the proposed EZ extension and ring fencing of income to a single project and projects supported from City Deal and in particular the Economic Development Fund. Income to the EDF is based upon income generated from the existing EZ and EAs across the LEP region. The clear difference is exposure to risk

Bristol City Council has successfully applied for financial support from the EDF for the Bristol Arena project. This means that any risk to the council from reductions or delay in income into the EDF is mitigated in two ways. Firstly, any delay in income would be made up once funds were received and secondly, if the long term prognosis was a reduced total EDF, risk would be mitigated by the cancellation of projects which had not started.

In contrast, the proposal for the EZ extension exposes the council to risk without the ability to mitigate it. An investment in the station would necessarily be an upfront payment during the development period and of such a size that would require prudential borrowing. The risk to the council would be that income to the EZ extension did not meet the cost of the loan repayments.

The risk is due to the requirement to meet loan repayments from the start of the station redevelopment for a long period of up to 25 years without clear evidence of the expected value of income generated from business rates in the EZ extension and the impact of the EZ extension on business rate income to the existing EZ and EA in Bristol and across the LEP region.

Further work may allow a better judgement to be made over the level of risk the council would be exposed to and the potential impact upon the existing City Deal arrangements.

#### **a. Financial (revenue) implications**

The model provided to accompany the proposal suggests that income would rise to around £5 million per year by 2030. Assuming that an investment was required in the station in 2025, and that the council borrowed the maximum possible after making allowance for accumulated income from 2017 to 2025, the maximum that might be invested in the project is in the region of £90 million. This would be made up of £25 million of accumulated income to 2025 plus borrowing of £65 million. This would be subject to acceptance of risk in respect of attaining and maintaining the level of business rates over the period from 2017 to 2041. This is discussed above.

**Advice given by Mike Allen/Finance Business Partner**  
**Date 10<sup>th</sup> August 2016**

#### **b Financial (capital) implications:**

If the EZ expansion went ahead, it is likely that the council would need to borrow up to £65 million to be repaid from the business rates generated and ring fenced from the EZ extension. The risk to the council in respect of repayment of such loans is explained in the section above.

The key risks associated with these assumptions are that borrowing in 2025 is available at current low rates and that actual business rate income matches that modelled. If borrowing was required to be taken out earlier to secure low rates then the project would have increased costs which would in turn reduce the total amount available for investment in the project. An allowance for risk in income from business rates would also lead to a recommendation for a lower amount invested in the project.

**Advice given by Mike Allen/ Finance Business Partner**  
**Date 4<sup>th</sup> September 2016**

#### **c. Legal implications:**

Provided the funds that will be generated by the projected business rate growth can be ring fenced for the purpose set out in the report, this will be legally permissible.

**Advice given by Sinead Willis/ Solicitor**



**Date** 1<sup>st</sup> August 2016

**d. Land / property implications:**

The improvement of Temple Meads, secured with the contribution of the Business Rates growth receipts from the proposed extension of the EZ, will ensure that the Council's development proposals for Arena Island, former Royal Mail sorting office site, Temple Circus and many other Council property holdings surrounding Temple Meads and within the EZ will become more viable and deliverable. It will improve public realm and connectivity between Council owned sites surrounding Temple Meads and this in turn will create significant capital and revenue receipts for the Council. It will also improve the opportunities within the EZ for both Council and privately owned land thereby enabling further major regeneration and also increasing additional Business Rate growth receipts. It will also increase the potential for the Council to achieve the outputs expected by its grant funding agreement with HCA for Arena Island.

**Advice given by** Robert Orrett/ Service Director: Property  
**Date** 11<sup>th</sup> August 2016

**e. Human resources implications:**

There are no workforce implications arising from the main recommendations. However, there are likely to be HR implications arising when further detailed proposals are developed and brought to Cabinet at a later stage.

**Advice given by:** Mark Williams, HR Business Partner - Place  
**Date:** 27.07.16

**Appendices:**

- I) Existing boundary of TQEZ (red line) and Proposed Boundary Extension (yellow line)
- II) BTQEZ Governance Structure

**Access to information (background papers):**

S:\Reports\2011-12\Executives 2011-2012\Cabinet\general\decision making\cab

**Background Paper 1**

Supporting information on the wider economic benefits of station redevelopment was provided by KPMG in the submissions made for the Expansion of Temple Meads Enterprise Zone and Growth Strategy bid by Bristol City Council to DCLG in 2015. The work was based (among others) on "*The Value of Station Investment: Research on Regenerative Impacts*" published by Steer, Davis Gleave, November 2011. An extract from the Executive Summary of the report comments as follows;

"Property and Economic Analysis

Building on...stakeholder evidence..., we have also undertaken quantitative analysis to determine the extent of any changes in property values and economic activity as a result of station investment. This aspect of the research focused on the Manchester Piccadilly and Sheffield improvement schemes as, in both cases, sufficient time has elapsed since project completion to allow some assessment of the impacts.

We were able to undertake detailed statistical analysis of property impacts in Sheffield using data sourced from the Valuation Office Agency (VOA) on line property database. We examined changes in rateable values within areas defined by 300m, 400m and 500m radii from ... (the station) and compared these with the average changes for the city as a whole, differentiating between different types of property and new and existing buildings. Within a 400m radius of the station, total rateable value (RV) rose from £8.7 million to £14.7 million between 2003 and 2008 (dates broadly corresponding to the start and completion of the Sheffield Station Gateway project), an increase of 67%. This is more than three times the corresponding increase for Sheffield as a whole and reflects the increase in both the quantity of commercial development and value per square foot.

Equivalent VOA data were not available for Manchester, but we were nevertheless able to assemble some evidence of the scale and value of development following the station investment at Manchester Piccadilly. This indicates that the additional 65,000 sq m of new and refurbished office space accompanying the scheme has generated an increase in rental value of approximately £10 million. In addition, property agents interviewed in the course of the study suggested that property values in the vicinity of the station increased by some 33% following scheme completion.

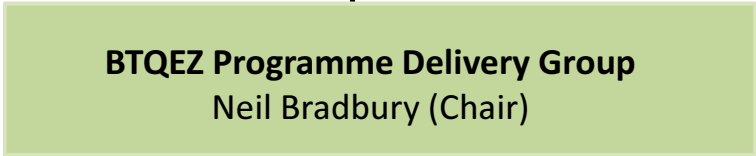
...In the case of Sheffield, we estimated the economic impact suggested by the change in property values in the areas immediately around the station to be equivalent to an inward investment of £74 million. This, in turn, could be expected to generate an uplift in annual GVA of £3.4 million. The corresponding values for Manchester were respectively, £130 million and £6.6 million. In both cases, the estimated GVA impacts are between five and seven times those derived using conventional appraisal benefits.

Finally, we investigated the direct impacts on employment of each station scheme. For Sheffield, the direct employment impact was estimated to be 185 additional jobs, while the increase in employment in areas around station developments following station investment for each of Sheffield and Manchester was estimated to be up to 3,000 jobs. While it is difficult to attribute employment impacts specifically to station investment, there was a clear view among stakeholders that, over the long term, improvements delivered by station investment and associated regeneration were key to supporting the overall growth of city centre economies and employment.”



Temple Quarter Enterprise Zone

DRAFT





## **Executive Summary of Agenda Item No.12**

**Report title:** Regionalisation of Adoption Proposals (Adoption West)

**Wards affected:** All

**Strategic Director:** John Readman

**Report Author:** Hilary Brooks – Service Director, Care & Support – Children and Families

### **Recommendation for the Mayor's approval:**

1. That the Mayor endorses the outline proposals for the development of the Adoption West Regional Adoption Agency (RAA) following changes in legislation and new statutory guidance.
2. That the Mayor notes that proposals have been endorsed by Cabinet or the equivalent in Bath & North East Somerset, Gloucestershire, North Somerset, South Gloucestershire and Wiltshire local authorities.
3. That the Mayor endorses the preferred option to work towards developing the Regional Adoption Agency in the form of a Local Authority Controlled Entity, leading to final decision by all local participating authorities in March 2017.
4. That the Mayor notes a full business case will be presented for consideration to cabinet in 2016

### **Key background / detail:**

a. Purpose of report: To inform Cabinet of the outline proposals for the development of the Adoption West Regional Adoption Agency (RAA) and approve public engagement on these outline proposals.

b. Key details:

1. Regionalisation of adoption services is part of the government agenda set out in 'Regionalising Adoption' (July 2015), and further developed in 'Adoption; A Vision for Change' (March 2016). Government guidance makes it clear that it is committed to working with the sector to ensure that, where possible, all local authorities move to Regional Adoption Agencies (RAAs) voluntarily and in a way that works for them and for the overall national response to the needs of our most vulnerable children.
2. The paper outlines the South West region's proposals regarding development of a regionalised agency in response.
3. The preferred option is to work towards developing the Regional Adoption Agency in the form of a Local Authority Controlled Entity, leading to final decision by all local participating authorities in March 2017 and a full business case will be presented to Cabinet in due course.



# Cabinet

6<sup>th</sup> September 2016



**Report Title:** Regionalisation of Adoption Proposals (Adoption West)

**Ward:** All

**Strategic Director:** John Readman (People)

**Report Author:** Hilary Brooks – Service Director, Care & Support – Children and Families

**Contact telephone no. & email address** 0117 9037947  
hilary.brooks@bristol.gov.uk

## **Purpose of the report:**

To inform Cabinet of the outline proposals for the development of the Adoption West Regional Adoption Agency (RAA) and approve these outline proposals.

## **Recommendation for the Mayor's approval:**

1. **That the Mayor endorses the outline proposals for the development of the Adoption West Regional Adoption Agency (RAA) following changes in legislation and new statutory guidance.**
2. **That the Mayor notes that proposals have been endorsed by Cabinet or the equivalent in Bath & North East Somerset, Gloucestershire, North Somerset, South Gloucestershire and Wiltshire local authorities.**
3. **That the Mayor endorses the preferred option to work towards developing the Regional Adoption Agency in the form of a Local Authority Controlled Entity, leading to final decision by all local participating authorities in March 2017.**
4. **That the Mayor notes a full business case will be presented for consideration to cabinet in March 2017.**



## The proposal:

### 1. Policy

The development of Regional Adoption Agency proposals is part of the national regionalising adoption agenda as set out in 'Regionalising Adoption' (July 2015), and further developed in 'Adoption; A Vision for Change' (March 2016). These proposals layout the Government's agenda for the transformation of children services over the next five years.

### 2. Background

- 2.1. In 2012, the Government set out its action plan to transform adoption for children to prevent delay. At this time, it was felt that children were languishing in care for far too long and thus being denied the chance of a successful adoption.
- 2.2. The Government implemented changes to legislation to enable Local Authorities to place children for adoption without delay. They also implemented the Adoption scorecard for Local Authorities which demonstrated how long children had been in care before they were adopted.
- 2.3. One of the outcomes from the Government reforms ,was to create a regionalised adoption agency whereby all the neighbouring authorities would come together to form one adoption agency along with the Voluntary Adoption agencies (VAAs), thus the Adoption West Steering Group was formed in July 2013.
- 2.4. Government guidance makes it clear that it is committed to working with the sector to ensure that, where possible, all local authorities move to Regional Adoption Agencies (RAAs) voluntarily and in a way that works for them and for the overall national response to the needs of our most vulnerable children. If local authorities fail to do so by 2017 however, Government will consider using the powers in the Education and Adoption Act 2016 to do so. In light of this the Adoption West Steering Group was formed in July 2013.
- 2.5. This steering group was formed to consider the policy in a more collaborative way of working to improve adoption and permanence service delivery across potentially eight local authorities (Bath & North East Somerset, Bristol, Gloucestershire, North Somerset, South Gloucestershire, and Wiltshire. Somerset and Swindon have subsequently joined other regional agencies). Initial work was undertaken by commissioning leads from Gloucestershire and Wiltshire before engaging the Institute of Public Care (IPC) to complete more detailed work. IPC presented a commissioning plan to the Directors of Children's Services for the Adoption West area and on the 18th July 2014 it was agreed that work should be undertaken to move towards a collaborative model of providing adoption services. Work began in April 2015 on activity to concentrate on and jointly commission a number of adoption service functions regionally.
- 2.6. Following the general election in May 2015 the context within which the Adoption West project was operating changed with the publication of 'Regionalising Adoption' (July 2015). In which, the government set out their proposals to move to Regional Adoption Agencies (RAA) by the end of the Parliament in 2020 and invited expressions of interest from local partnerships. The paper included an emphasis on getting adoption/permanence right for harder to place children, whilst ensuring adoption support is available and accessible to these adoptive families and set out three key aims:
  - To speed up matching and improve the life chances of neglected children

- To improve adopter recruitment and adoption support
  - To reduce costs
- 2.7. The Department of Education (DFE) expects to see VAA / ASAs (Adoption Support Agencies) actively included in whichever delivery model is agreed and implemented and they are particularly keen to consider models that have an element of cross-sector collaboration.
- 2.8. It was agreed that 6 VAA / ASAs would be contributors to the design and development of Adoption West.:
- Action for Children
  - Adoption UK
  - After Adoption
  - Barnardo's
  - CCS Adoption
  - PAC UK
- 2.9. The Adoption West expression of interest was submitted in September 2015 and DfE agreed funding, £92,252 to begin in November 2015. Funding was agreed for resources to support the project including project management, professional leadership and independent specialist legal, financial and technical advice
- 2.10. Adoption West was included in the 'Scope and Define' category of projects and has achieved the following objectives during this period
- confirmed commitment to an agreed approach along with delegated authority to take the work forward
  - project mobilisation team is in place
  - vision statement and the key outcomes to be achieved by the RAA (Appendix 1)
  - project scope including the adoption/permanence functions to be provided by the RAA (Appendix 2)
  - an agreed profile of the RAA cohort including service user data, staffing information and budgets (Appendix 3)
  - process for an options appraisal, gateway criteria and success factors has been followed to ensure sound decision making
  - preferred delivery model agreed, following due consideration of possible models and legal advice informing a detailed options appraisal (Appendix 4)
  - project plan to enable delivery of the approved model is in place and is being implemented (Appendix 5)
  - key stakeholders including council members, adopters, and staff have been engaged in the development
  - engagement with Adoption Panel chairs, NHS commissioners and providers to explore options for collaborative working recognising their centrality to the adoption process
  - analysis of the stocktake of existing services is completed to inform the development and delivery of the RAA
  - a transition plan is developed to take the project into the next phase and to ensure maintenance and improvement in existing services during the change process
  - critical underpinning plans relating to ICT and information sharing, financial, risk management, and communication are in place



## 2.11 Preferred delivery model

As part of the scope and define phase Adoption West has developed and potentially agreed a preferred delivery model. The process comprised a review of provisional options, business case development, legal advice, and option appraisal. Project groups considered 4 initial options shown in Appendix 4.

Legal advice was procured from Bevan Brittan LLP to assist in the development of outline business cases for each of the options and to conduct a thorough and independent options appraisal based on a clear brief and input from the Governance Group and Service Manager Group. The Service Manager Group provided input from the perspective of operational teams and service users to propose weighted criteria for assessing options. Appraisal criteria were used as a basis against which to assess the models under consideration.

## 2.12 The options were as follows:

2.12.1 Option 1- Hosted by a single local authority on behalf of a number of local authorities (single local authority). An example of this is that Windsor and Maidenhead host services for four local authorities.

2.12.2 Option 2- Joint venture between local authorities - A new public sector owned entity (local authority trading entity). Achieving for Children is run this way by Kingston and Richmond.

2.12.3 Option 3 - Creation of a new VAA - possibly a joint venture (flexibility and third sector ownership). Staffordshire use this option - Entrust School Service

2.12.4 Option 4 - Outsourcing to an existing VAA - Local authorities involved commission to an existing VAA to deliver the service (this option was dismissed following a soft market test).

2.13. The options appraisal exercise highlighted the potential benefits and, on balance recommended option 2, a joint venture local authority owned entity. Option 2 is further supported by legal advice evidencing the feasibility and advantageous procurement position of such a model. The options appraisal has been reviewed by the Governance Group and Directors of Children's Services and they have approved the development of a full business case. Within this model and as stated in the delivery model options appraisal (Appendix 4) there is scope to include VAA / ASAs on the Board arrangements limited by specific legal parameters.

## 2.14 Option 2 is preferred due to the following key strengths:

- A corporate joint venture between the participating authorities creates a new entity which offers a neutral platform which affords all participating authorities equal status within the arrangements and avoids the perception of control which the required role of a "lead authority" can create.
- The structure allows governance arrangements to be straightforward with all partners represented on the Board of Directors (although the VAA / ASAs would have limited voting rights).
- It will be easier to establish a new identity and brand distinct from the local authorities, providing a better platform to engage adopters, build trust and innovate while maintaining effective connections with LA children services teams

- The procurement position is more favourable as certain exemptions are afforded if the RAA is local authority controlled and the essential part of the RAA activities is with the controlling local authorities.

2.15 Option 2 involves slightly higher set-up costs and longer implementation timescales than option 1. This is due to the requirement to establish new legal structures and involve regulators in the formation of the entity. All implementation costs are to be covered by DfE RAA grant funding subject to approval. Given the strategic benefits of the preferred model, the strengths outlined above, and DfE support for innovative delivery models, the additional cost and time is considered to be justified.

### 3. Proposed plan and decision making process

The high level plan is to engage and gather feedback on outline proposals in order to develop a full business case for decision making by March 2017. This will be followed by a period of workforce change processes, infrastructure set up and other implementation activity. It is anticipated that some service improvements identified may be implemented during the transition period to achieve incremental change and trial new ways of working ahead of a formal implementation date. The new service is planned to be operational from April 2018.

Milestone	Date
DfE response to transition plans and funding application	May 2016
Business case development, legal & financial advice	May - Nov 2016
Local Authority political decision making and VAA / ASA decision making on 'In principle' approval of preferred model and public engagement	Sept 2016
Engagement with public, service users and staff on outline proposals.	July - Oct 2016
Local Authority political decision making and VAA / ASA decision making on implementation of preferred model including service specification, budget and staffing	March 2017
Implementation – workforce change, establish legal structures and organisational infrastructure	March – Dec 2017
Implement new delivery model	April 2018

### 4. Adoption – Current performance in Bristol

Bristol's adoption service was rated as good in the Ofsted inspection 2014. The findings from this inspection stated "The local authority is successful in ensuring timely adoptions for children when this is in their best interests and children in Bristol are adopted quicker than the national average. In Bristol the average number of days between a child entering care and placed with an adoptive family is 559 days compared to the national average 647 days, therefore Bristol is 88 days quicker than the national average and 79 days quicker than its statistical neighbours."

#### Adoption statistics

15/16		
Number of adoption orders	45	
Timelines of adoption placement after	73.3%	33 out of 45 children adopted between 01

agency decision		April 2015 and 31 March 2016 were placed for adoption within 12 months of adoption having been judged to be in their best interests.
Number of children placed for adoption	28	

<b>16/17 Q1</b>		
Number of adoption orders	5	
Timelines of adoption placement after agency decision	80%	4 out of 5 children adopted between 01 April 2016 and 30 June 2016 were placed for adoption within 12 months of adoption having been judged to be in their best interests.
Number of children placed for adoption	8	

In the last year, out of 152 local authorities, Bristol was placed:

- 11th on the measure of number of days between a child entering care and moving in with their adoptive family
- 21st on the number of days from Placement Order to match
- 8th for percentage of children who wait less than 16 months before entering care and moving in with their adoptive family

Since the inspection in 2014 the adoption service has continued to do well. In January this year, Edward Timpson MP, wrote a letter to Bristol in recognition of all the good work the adoption service had undertaken over the past year, as this was reflected with the statistical data in the national score card.

## 5. Governance and Accountability

Each Local Authority and VAA / ASA partner is represented on relevant groups. Representatives are responsible for feeding back to their respective adoption services and collecting views and ideas to feed into the groups.

- 5.1 The participating authorities will enter into a members or shareholders agreement. Any members' agreement will set out clearly what the purpose of the collaboration is and will clearly assign roles and responsibilities to each of the participating authorities. It will also deal with governance and issues such as dispute resolution. Adoption is regulated by statutory provisions and administered through the courts in line with these principles. Adoption services are administered through agencies approved by the secretary of state and are subject to inspection by OFSTED. Proposals will consider the potential impact of the inspection requirements, acknowledging that DfE and OFSTED are working together to agree the best approach for new delivery models. The Adoption Leadership Board and Regional Adoption Boards provide leadership to the adoption system, improve its performance and tackle the key challenges it currently faces by supporting the collection, analysis and dissemination of timely performance data and the sharing of best practice.

- 5.2 In addition to the Members Agreements each of the participating authorities will need to commission services from the RAA and this will require a further Services Agreement to be entered into jointly between the participating authorities and the corporate RAA or singularly between each participating authority and the corporate RAA.
- 5.3 Each of the participating authorities will have a role to play in the Board of Directors of the Corporate RAA. Statutory entity directors are required to have the necessary skills and experience to carry out their duties effectively and to do so in good faith and in a way that would be most likely to promote the success of the Corporate RAA for the benefit of its members as a whole. All members or officers of an LA expected to act as statutory directors will receive detailed and appropriate training and appropriate support.
- 5.4 The six council's will wish to consider how effective member scrutiny of, and influence on, the Joint Venture Entity is best achieved. Further work will be undertaken to develop a range of options for consideration at a second Member's workshop in September.
- 6. Bristol's Code of Practice**
- 6.1 Bristol's Code of Practice provides a reference point to the Council and interested parties in understanding the requirements for setting up a Local Authority entity and, in particular, a trading entity. It also highlights how the governance arrangements for that entity will work once set up.
- 6.2 Even though the government's agenda is to regionalise adoption, the Adoption west proposal is to create a new entity which will be a joint venture partnership with other local authorities. The next stage if Cabinet agree with this paper is to involve client function and to bring back another Cabinet report in the autumn with clear proposals around governance.
- 7. Health provision**
- Initial engagement with Health service commissioners from the 6 Clinical Commissioning Groups has identified opportunities for more joined up working. However, current commissioning cycles and the complexity of disaggregating adoption and permanence related health services from wider children's services health provision may limit the potential for regional commissioning. Options are being discussed collaboratively to enable greater consistency of health provision across the region. Processes will also be established to coordinate demand, and manage the administrative and financial implications of more flexible health services regionally.
- 8. Voluntary Adoption Agency and Adoption Support Agency (VAA / ASA) roles and considerations**
- VAA / ASAs will form an integral part of new regional working arrangements. Further work will be undertaken to clarify the specific nature and extent of involvement of different agencies but partners are committed to engaging positively with VAA / ASAs and incorporating VAA / ASAs fully within any future RAA and as part of the wider permanence service mix. Partners anticipate thriving VAA / ASAs to be an essential part of the mixed local market of adoption service provision in the future and voluntary agencies will play a central part in defining their future role in further detail. Detailed consideration of the anticipated capacity and capability of a future RAA and other adoption service providers will be analysed in coordination with VAA / ASA partners and options considered that will ensure the continued strength of commissioned provision. Opportunities for expansion and diversification in the voluntary sector will be explored to address potential capacity gaps and growth areas by providing greater certainty and encouraging more collaborative working

within regional arrangements to enable providers to develop new services and engage in longer term planning.

## **9. Service delivery and focus on operational practice excellence**

9.1 The new RAA will focus on excellent practice and improved outcomes for children through ensuring that new processes, activities and structures reflect the objectives and enable the planned benefits of the new entity. Service excellence will be supported through developing a clear service specification and embedding effective processes and practices. This will be sustained through appropriate governance and performance management arrangements. Service excellence will be central to all aspects of the next phase of developing proposals and the fundamental criteria against which decisions will be made. The development and delivery of proposals will continue to benefit from detailed input of adopters, the voice of the child and voluntary sector partners.

9.2 Funding for the new RAA will be provided by the partner LAs, the mechanism for agreeing funding requires further work and agreement as part of the process of developing the full business case, governance and operational practices. Options include Local Authority funding for the new service based on:

- historic and projected numbers of children looked after and number of adoptions and permanence solutions;
- historic and projected volume of activity to be delivered;
- inter-agency fixed fee per adoption;
- a combination of the above

## **10. Public, service user and staff engagement**

Plans are in place for more thorough engagement with adopters working with Adoption UK to facilitate surveys, focus groups and various forums to ensure proposals are informed by service users. Following consideration of these outline proposals by decision makers within partner organisations involved in the Adoption West project, there is a planned period of public, service user and staff engagement. Equality considerations will be explored through this engagement process and will inform the development of the Equality Impact Assessment. During this process there will also be a members' workshop currently being planned for September to follow up on the event in April 2016. The engagement period is planned to run for 12 weeks from Monday 25th July to Monday 3rd October 2016. The purpose, approach and specific nature of the engagement process is set out in the engagement document appendix 6. The principal stakeholders include:

- Adoptees
- Adopters
- Birth families
- Local Authority, Voluntary Adoption Agency and Adoption Support Agency Staff
- Health service commissioners and providers
- Adoption panel members
- Education services

## **11. Rationale**

This proposal meets the requirements placed upon the Council to develop a new form of service to deliver our statutory adoption functions. The preferred model secures best outcomes for children, prospective adoptive families and enables the Council to ensure that its excellent record and reputation in relation to adoption is secured into the future.

**12. Social Implications**

There are significant social implications arising from the successful implementation of the Regional Adoption Agency. Positive outcomes for looked after children, and specifically improvements in adoption and permanence services, are more likely to result in positive contributions to society. Timely and successful adoption / permanence solutions are important and can have far reaching consequences particularly in terms of the social impact on the lives of children, young people and their families.

**13. Economic Implications**

A thriving local market of voluntary adoption service providers is central to the development of the regional adoption agency and improved outcomes for service users.

**Consultation and scrutiny input:****a. Internal consultation:**

Cabinet Member for Children and Young People, Chief Executive, Legal Services.

Staff have supported the process through an engagement event in November 2015 and ongoing communication with service managers and the project team through operational team meetings. Trade Unions have been informed of outline proposals and arrangements are in place for ongoing consultation as proposals are developed further. The adopter voice is provided through adopter champion representation within the governance structures and plans are in place for more structured involvement of service users, including the voice of the child. The report and specifically appendix 6 sets out the approach to engagement and consultation with residents, service users and staff. The outcomes of this engagement process will inform the development of proposals for a decision paper to return to this committee later in the year.

Full consultation with the Section 151 and Chief Legal and Monitoring Officer will be undertaken within the next phase of the project.

**Other options considered:**

See Section 2.11 and Appendix 4

**Risk management / assessment:**

A full Risk Assessment of all financial, legal, human resource and operational delivery issues will be undertaken as part of the next stage of the project and reported back to Cabinet in Autumn 2016. This Risk Assessment will be fully compliant with the Council's decision making risk management guidance.

A risk register will be maintained as part of regular project management practice with mitigating actions identified to ensure the likelihood and impact of risks is managed proactively.

**Key risks identified**

- **Risk:** Disruption during the period of transition and managers/staff becoming focussed on the change process rather than service delivery may lead to delays in plans for children.  
**Mitigation:** Thorough and effective transition planning agreed with service managers and flexibility to enable service delivery priorities to be managed. Plans to reduce the workload on adoption managers and staff, thereby enabling them to maintain direct service provision.

- **Risk:** Adopters may lose confidence during the change process resulting in the potential for fractured relationships and breakdown in service delivery

**Mitigation:** Communications planning and involvement of adopters throughout the process. Service monitoring during transition to ensure no impact on service delivery.
- **Risk:** ICT system change may impact on service information, governance and records. Potential impacts include loss of personal information, delays in processes, safeguarding risk and cost of information security failures, undermining confidence in the new service and reputational damage.

**Mitigation:** ICT lead officers involvement and collaboration in planning and developing appropriate solutions. Detailed information gathering and analysis prior to service implementation will reduce potential confusion and error. Privacy Impact Assessment process to identify, minimise and address the privacy risks associated with the transition.
- **Risk:** Potential for fragmentation and loss of good working relationships with child care teams in authorities, and disrupted links with health, education and other services.

**Mitigation:** Engagement of child care teams in the project and specific input into service specification and process changes to ensure links are maintained. Engagement with all partner agencies, service providers and child care services will be needed to include them in the service plans and ensure robust systems are in place to maintain ongoing relationships into the future.
- **Risk:** Set up and running costs may be underestimated leading to unforeseen liabilities for partners and/or the new RAA.

**Mitigation:** Financial analysis and modelling involving expert advice is included in the financial and transition plans. Sufficient time will be allocated to these activities and engagement of all partners in agreeing proposals to ensure estimates are understood by all and are as accurate as possible.

#### **Public sector equality duties:**

**Before making a decision, section 149 of the Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:**

**i) eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.**

**ii) advance equality of opportunity between persons who share a relevant protected characteristic and those do not share it. This involves having due regard, in particular, to the need to:**

**- remove or minimise disadvantage suffered by persons who share a relevant protected characteristic.**

**- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);**

**- encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.**

**iii) foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to tackle prejudice and promote understanding.**

1. Actions included in this report target support for the most vulnerable young people and therefore will have a positive impact on equalities. Further research is being undertaken to identify and analyse potential equality impacts for service users and staff and the project will continue to explore and address equality impacts throughout the life of the project.
2. The implementation plans aim to ensure that the requirements of the Equalities Act 2010 are complied with. All public bodies involved in the project are subject to the public sector equality duties as will the new organisation as it will be 'in receipt of public money'. The project will consider how those equality duties will continue to be considered by the new organisation. The Council is reminded of its statutory duty, in the exercise of its functions, to have due regard to the need to:
  - eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act 2010.
  - advance equality of opportunity between persons who share a protected characteristic and persons who do not share it; this means:
    - removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
    - taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
    - encouraging persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
  - foster good relations between persons who share a protected characteristic and persons who do not share it; this means:
    - tackling prejudice;
    - promoting understanding
3. Equalities considerations and monitoring is an integrated part of our Joint Strategic Needs Assessment and Joint Health & Wellbeing Strategy process to help promote equality and discharge our responsibilities under the Public Sector Equality Duty. Relevant information from these strategic processes will inform the equality impact assessment for this project which will be shared with decision makers to ensure they have adequate information prior to the final decision.
4. It will be important to include in the data analysis results by protected characteristics to ensure that the actions outlined in this report are targeted to those areas that require it the most. Consultation on equality impacts will inform the design of the project and result in specific actions to address any identified issues.
5. An initial Privacy Impact Assessment has been conducted and will be developed as part of a process which assists the council in identifying, minimising and addressing the privacy and information risks associated with any new initiative.

### **Eco impact assessment**

1. The proposals are intended to provide sustainable long term solutions and environmental considerations will be factored into specific proposals relating to service delivery changes. There are no perceived explicitly environmental implications arising directly from this report.



2. Environmental impacts will need to be reconsidered in a fuller Eco-impact assessment if the proposals reach the operational model consultation stage. Impacts may arise such as from increased travel & energy usage in buildings or consumption of non-renewable resources during building projects, to accommodate the new service. However the hub & spoke model that is proposed, along with flexible & remote working using ICT solutions & the intended use of existing accommodation, should mitigate many of these potential environmental impacts.

### **Resource and legal implications:**

#### **Finance**

1. A full business case detailing projected costs and setting out funding arrangements will form part of the next stage of the process and will be reported back to Cabinet in Autumn 2016 (as it will for the other five local authorities).
2. The proposal is to establish a local authority trading entity which as such will be controlled by each of the participating local authorities which will form the membership (shareholders) of the entity. Each local authority has a fiduciary duty to look after the funds entrusted to it and to ensure that the taxpayer's money is spent appropriately. For that reason, a local authority must carefully consider any trading venture that it embarks on. The 2009 Trading Order England requires the local authority to prepare a business case. The participating authorities (or their executives) should approve the business plan before trading starts. This will form part of the subsequent report to Cabinet.
3. The development of the full business case will be facilitated through specific funding for external advice in conjunction with finance officers from partner organisations to support financial modelling for the new delivery model, interrogate unit costs analysis, agree estimates for projected future costs, develop funding formula, advise on apportionment of costs / risks, recommend appropriate financial systems and establish an effective accounting structure. The Adoption West RAA will explore options for any potential redundancy and pension liabilities to be covered by the partner LAs so as not to expose the new entity to an undesirable level of risk.
4. The plans for Adoption West RAA will not increase costs and will seek to deliver efficiencies.
5. Tax implications, working capital arrangements and insurances will be subject to further specialist advice and will be agreed during the next phase as part of developing the funding agreement; these considerations will be further defined in the full business case.
6. For the purposes of the applicable VAT legislation, the RAA will be providing "welfare services". This would bring the RAA within a VAT exemption. The consequences of the VAT exemption are twofold:
  - The RAA will not be required to charge VAT to the participating authorities in respect of the welfare services it provides.
  - Since it will be making exempt supplies, the RAA may not be able to recover the VAT it incurs in procuring support services from third parties, such as finance, human resources advice and ICT. As such the potential costs of these services to the RAA should be factored into the full business case as part of the final decision making process.

#### **a. Financial (revenue) implications:**

There are currently no direct revenue implications as a result of recommendations in the report however before final approval of the operating model of a regional adoption agency a detail financial analysis needs to be considered.

It is expected that the operating model will seek to deliver financial efficiencies for all partners involved. However there may be start up, working capital, redundancy and/or pension liabilities to the local authority from establishing a trading entity.

**Advice given by** Michael Pilcher / Finance Business Partner  
**Date** 04/08/16

**b. Financial (capital) implications:**

It is not expected there will be any capital related expenditure resulting from this proposal

**Advice given by** Michael Pilcher / Finance Business Partner  
**Date** 04/08/16

**Comments from the Corporate Capital Programme Board:**

Not applicable

**c. Legal implications:**

The recommendations in this report are lawful and comply with the relevant legislation ( as set out in the report).

Setting up a Regional Adoption agency is not mandatory at this point, but the Government has the power to direct authorities to do so and has indicated that it will consider using this power if necessary.

A full business plan will be brought to Cabinet for approval following public engagement.

Legal advice will be given to ensure that consultation complies with public law principles.

Procurement and State Aid

Whenever the Council procures goods works or services, it must comply with the Public Contracts Regulations 2015. This includes services provided by companies established by the Council, unless the entity falls under the Teckal exemption. This option will be low risk in terms of procurement law provided the entity established by the Council meets the requirements of the Teckal exemption.

Whenever the Council gives an “undertaking” an advantage (such as funds, resources etc), there is a risk this advantage may constitute State Aid. An organisation will only be an undertaking if it sells services on an open market. Provided the entity does not sell the services it provides on the open market, there will be a low risk that the resources given to the entity by the Council will constitute State aid.

Equalities and Consultation

The Council will need throughout this process (including prior to any decisions being made) to

- a. comply with its public sector equality duty imposed by the Equality Act 2010
- b. comply with its duty to consult if such a duty is imposed by statute, or arises in public law either because of the duty to act fairly, or as a result of a legitimate expectation.

Provided these duties have been and continue to be complied with, the actions set out in this report will be lawful.

**Advice given by** Nancy Rollason, Service Manager Legal and Sinead Willis, Solicitor  
**Date** 8<sup>th</sup> August 2016

**d. Land / property implications:**

Options are being developed around various hubs and spoke models for delivering a regional service. Any such model will be enabled by flexible and remote working and utilisation of existing accommodation. The details relating to locations and provision of support functions are to be informed by analysis of service volumes and input from service users, staff and other stakeholders.

**Advice given by**      **Insert name / job title**  
**Date**                      **Insert**

**e. Human resources implications:**

1. The project will define the operating model and how the new organisation will be staffed/managed and structured once agreement has been reached on the options above and the next phase of service design can begin. This will be developed in collaboration with current employees and stakeholders during a period of engagement and consultation.
2. Staff equality data is being gathered and will be analysed as part of a detailed equality impact assessment that will be maintained during development and delivery of proposals. The Equality Impact Assessment will also include actions to mitigate any identified impact for staff.
3. Initial advice has been taken regarding staffing implications relating to staff transfer and pensions. Once the preferred delivery model for the RAA is approved and required information has been gathered on the staff potentially affected more detailed work is planned.
4. It is anticipated that appropriate current employees of the LAs will transfer to the new agency under the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations 2006 to the LA entity as responsibility for the delivery of all aspects of the Adoption Services are transferred. A due diligence review of the T&Cs which currently apply to employees is underway to identify what T&Cs the LA entity would inherit on any TUPE transfer. The LA entity will consider how the variety of terms would fit in with its structure of T&Cs and identify potential issues and/or conflicts which may arise. There is a potential equal pay risk whenever two or more sets of terms and conditions exist within a workforce. However, we are not aware of the extent of the difference between the sets of terms and conditions and therefore the extent of the equal pay risk and this would therefore be an issue for the Local Authority Trading entity to deal with. This is therefore simply flagged as a risk that the LAs should be aware of under this option at this stage
5. As the transferring employees who would transfer under TUPE from the LAs to the LA owned agency are likely to be members of or entitled to join the LGPS, the LAs will be obliged to ensure that when their employment transfers to the LA owned agency, appropriate 'pension protection' is provided for them. It is anticipated that this would therefore be a case of the LA owned agency also participating in the LGPS to allow the transferring employees to continue with their membership or entitlement to join following the transfer. There are three different LGPS Pension Funds which are applicable in relation to the LAs (Avon Pension Fund, Gloucestershire Pension Fund and Wiltshire Pension Fund). Therefore there could be potential transfer issues to be considered between the LGPS Pension Funds of the transferring employees accrued benefits. The actuaries of the LGPS Pension Funds will be consulted as to the basis of any such transfers. The LAs will ensure that any potential negative effects on them and their participation in the relevant LGPS Pension Fund are minimised.

It is anticipated that this would therefore be a case of the Local Authority Trading entity also participating in the LGPS to allow the transferring employees to continue with their membership of entitlement to join following the transfer. Issues which the LAs would need to consider include:

- whether the Local Authority Trading entity would participate in only one of the relevant LGPS Pension Funds or whether it participated in all of the relevant LGPS Pension Funds;
- whether future staff employed by the Local Authority Trading entity were:
  - going to be provided with membership of the LGPS; or
  - going to be provided with membership of an alternative pension arrangement which satisfies the requirements to be a 'qualifying scheme' in order to comply with auto enrolment requirements.;
- where future staff employed by the Local Authority Trading entity are to be provided with membership of the LGPS, depending on the Local Authority Trading entity's participation arrangements in the LGPS, which of the relevant LGPS Pension Funds those future staff participate in.

All internal policies and processes to minimise disruption to staff and services during this period will be implemented. If were not to transfer to the Trading entity, for whatever reason, we would ensure all employees have full support through the redeployment process.

**Advice given by**            **Lorna Laing, HR Business Partner People & Head of L & OD**  
**Date**                            **28th July 2016**

**Access to information (background papers):**

**Guidance:**

The appendices marked EXEMPT are not for publication under Part 1 of Schedule 12(A ) Local Government Act 1972 (Information relating to the financial or business affairs of any Particular person (including the authority holding that information), information in respect of which a claim for legal professional privilege could be maintained in legal proceedings and information relating to any contemplated consultations or negotiations, in connection with any labour relations matter)

**Appendices:**

**Appendix 1 - Vision statement and the key outcomes to be achieved by the RAA**

**Appendix 2 - Project scope including the adoption/permanence functions to be provided by the RAA**

**Appendix 3 – Agreed profile of the RAA cohort including service user data, staffing information and budgets**

**Exempt Appendix 4 – Preferred delivery model and options appraisal**

**Exempt Appendix 5 - Project plan to enable delivery of the approved model is in place and is being implemented**

**Appendix 6 - sets out the approach to engagement and consultation with residents, service users and staff.**

## Appendix 1

### Vision / Mission statement:

**“Together we will deliver the best service, enabling children to live and flourish in adoptive families that provide them with security and lifelong relationships”.**

### Outcomes

- More children will be identified earlier for an adoption plan
- We will recruit a larger pool of adopters with diverse skills and abilities including more adoptive parents able to consider “hard to place” children
- Fewer children will wait more than 6 months for an adoptive family
- Children will experience fewer moves before being settled into a permanent home
- Our adopters will be better prepared with relevant training and support
- There will be fewer disrupted adoptions
- We will be more efficient with our resources to achieve best value
- An increased range of post-adoption services will reach more adoptive families to maintain lifelong family relationships

## Appendix 2: Adoption West: In / Out of scope

Adoption West RAA will bring together the Recruitment, Matching and Adoption Support services across the six local authorities and establish formal arrangements with voluntary sector partners in order to provide the following services. Where references are made to adoption / adopters this also relates to special guardianship orders / special guardians.

For the child/ren:

- a. Family finding – shared responsibility with LAs and VAAs
- b. Matching – providing a range of options for selection
- c. Introductions
- d. Specialist work to prepare the child for adoption
- e. Supporting the life story work with the child (lead - local authority)
- f. Development of staff through supervision and training
- g. Early identification of potential for adoption – tracking of needs
- h. Challenge regarding timescales to ensure swift planning for children
- i. Review and inform sibling attachment assessments and advise the LA
- j. Oversight of concurrent/foster to adopt placements
- k. There is also potential to develop the RAA role in providing quality assurance on aspects of the child's journey, providing a greater level of challenge to custom and practice and, providing concurrency services
- l. Counselling and support in accessing birth records and liaison with LA that holds the file

For adopters:

- a. Family finding for adopters
- b. Marketing campaigns
- c. Assessment of adopters
- d. Role in introductions, adoption support assessments, adopter training
- e. Court process for adoption applications
- f. Support and supervision of placements
- g. Matching
- h. Panel and ADM
- i. Recruitment activity
- j. Provision of information
- k. Preparation groups
- l. Feedback from adopters
- m. Work with adoption link / and other providers.
- n. Services for post adoption contact
- o. Step-parent adoption assessments
- p. The arrangement of inter-country adoption

#### Adoption support for families:

- a. Creation and review of support plans
- b. Re-assessment of support needs as required
- c. Creation of a menu of support and ability to tailor support and commission
- d. Create and maintaining clear criteria for support – tiered approach
- e. Advertising the availability of support
- f. Commissioning bespoke packages
- g. Provision of training
- h. Direct provision of adoption support
- i. Health/psychological and therapeutic support services
- j. Seeking innovation, new income streams
- k. Planning support based of the need – analysis and review
- l. Contact – including letter box
- m. Intermediary services
- n. Birth relative counselling and support
- o. Creating and supporting an adoption community
- p. Support to Adult Adoptees
- q. Complaints

#### For the Regional Adoption Agency

- a. Strategic development and promotion of adoption including senior level influence with key stakeholders
- b. Relationship building and working arrangements / good practice with courts and other agencies
- c. Innovation and continuous improvement

#### Outside of scope

- a. The child's journey up to the point at which the decision that the child should be placed for adoption is made (local authorities)
- b. Timely agency decision maker (ADM) decision making for children (local authorities)
- c. The provision of post adoption financial allowances (local authorities – based on single agreed approach across all LAs)
- d. Duty to fund post adoption support for children (local authorities – subject to consideration of forecasting and agreement on funding model)
- e. Storage and retrieval of a child's file (remain with the placing local authority, as with all children looked after files that LAs are required to retain, but initial contact and process managed with RAA involvement and support)

**APPENDIX 3 - SUMMARY PROFILE OF SERVICE USER, HR & FINANCE INFORMATION**

	B&NES	Bristol	Gloucs	N Somerset	South Gos	Wilts	Total	Average
<b>SERVICE USER DATA</b>								
1. Average number children looked after	147.50	699.25	495.50	233.00	180.25	415.00	2,170.50	361.75
% Children looked after within RAA	7%	32%	23%	11%	8%	19%	100%	
5. Average length of care proceedings (weeks) during the 3 years ending 31st March	29.67	31.33	38.74	32.00	31.67	44.60	208.01	34.67
6. Number of looked after children adopted	11	38	39	16	16	28	146.25	24.38
% Children looked after adopted within RAA	7%	26%	26%	11%	11%	19%	100%	
% CLA adopted (adoption conversion rate)	7.2%	5.4%	7.8%	6.7%	8.7%	6.7%		7.09%
7. Children waiting for an adoption placement with a “should be placed for Adoption decision” – made by ADM, but no placement order yet.	6	7	3	3	2	13	34.00	5.67
8. Numbers of children waiting for an adoption placement with a Placement Order.	3	12	36	1	4	24	80.00	13.33
7 & 8 combined	9	19	39	4	6	37	114.00	19.00
12. Waiting: Average time (days) from child entering care and moving in with their adoptive family, for children who have been adopted.	451.47	482	516.37	687.33	633.33	581.33	3,351.83	558.64
<b>FINANCE DATA</b>								
1. Staffing Costs	120	560.65	473.6	378.25	188.85	516.8	2,238.15	423.63
Staffing cost %	5%	25%	21%	17%	8%	23%	100%	
Unit costs (Staff Cost / Adoptions)	11.25	14.85	12.30	24.14	12.05	18.46	93.06	16.36
<b>HR DATA</b>								
1. Posts within Adoption Team – Substantive posts only, use additional boxes to add in any roles in your team that have not been included.	UN	14.15	15.77	7.4	5.5	15.70	58.52	
Posts % within RAA	#VALUE!	24%	27%	13%	9%	27%	100%	



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

## Public, service user and staff engagement on outline proposals for the development of the Adoption West Regional Adoption Agency

### Introduction

The Adoption West Regional Adoption Agency proposals are part of the national [Regionalising Adoption](#) agenda. The outline proposals set out a vision of a single combined adoption and permanence service for Bath and North East Somerset, Bristol, Gloucestershire, North Somerset, South Gloucestershire and Wiltshire working collaboratively with partner Voluntary Adoption and Adoption Support Agencies across the region.

This document sets out the outline proposals and key areas that we are requesting feedback on and begins by explaining the purpose of engagement and the approach to be taken.

### Purpose

The purpose of the engagement programme on proposals for developing a Regional Adoption Agency is to:

- work in partnership with service users, Voluntary Adoption Agencies, Adoption Support Agencies and colleagues in health to ensure that all stakeholders are fully engaged in the development of proposals and delivery of the new service;
- inform stakeholders about the current position and rationale for proposed changes affecting the service and the anticipated timescales for the project;
- provide stakeholders with the relevant information necessary to enable them to make informed representations as part of the engagement process;
- clearly explain to stakeholders the different options, financial and service implications and any project constraints;
- provide a framework for engagement that enables stakeholders to participate in a timely, accessible and appropriate manner suitable to their needs;
- ensure a suitable response level to the engagement so that decision makers can make informed decisions based on the needs and views of service users and wider stakeholders;
- gather a clear evidence base to support the implementation of the project and future service delivery;
- ensure that the engagement and consultation meets statutory responsibilities, legal requirements and relevant policies.

### Engagement and consultation approach

The formal engagement process is planned over 10 weeks from 25 July 2016 until 3 October 2016. To engage as many people as possible, there will be a wide range of engagement and consultation techniques including:

- The publication of an engagement document that outlines the vision and proposals in detail.
- A supporting website which provides access to all the documents, event information, surveys, presentation and impact assessment.
- A survey to gather views on key points available in various formats. We also welcome comments and views in writing, email or by phone.
- Engagement will also be facilitated by a series of workshops and events aimed at service users and other organisations and stakeholders.
- The project will also deliver presentations and opportunities for feedback on proposals at various other meetings, groups, forums and networks
- The project is also working with Adoption UK to coordinate specific engagement work with adopters.

The engagement will be promoted using local and social media and through existing adoption and permanence forums and networks.

## Outline proposals and request for feedback

*Each of the areas below will be clearly explained with outline options / proposals and feedback requested on specific aspects along with an opportunity for comments where appropriate. This outline is to provide a sense of the consultation document and key question areas.*

### 1. Vision and Outcomes (*detail to be added*)

Question areas:

- How strongly do you agree or disagree with the overall vision?
- Do you have any comments you would like to feedback relating to the RAA vision?
- How strongly do you agree or disagree with the RAA outcomes?
- Do you have any comments you would like to feedback relating to the RAA outcomes?

### 2. Services to be included (*detail to be added*)

Question areas:

- How strongly do you agree or disagree with the range of services that will be brought together into the RAA?
- Do you have any comments you would like to feedback relating to the range of services that will be brought together into the RAA?
- What aspects of the current service do you think are important and should be retained or strengthened as part of the new service?

### 3. Service design (*detail to be added*)

#### Question areas:

- How strongly do you agree or disagree with the proposed service processes for adopters, the child, matching, post-adoption support?
- Do you have any comments that you would like to feedback relating to the proposed service processes for adopters, the child, matching, post-adoption support?
- How do you want to access RAA services?
- How strongly do you agree or disagree that services should be delivered locally?
- From your experience are there current gaps in the availability of the types of support you would like to be able to access? If so, what would you like to see improved?
- How strongly do you agree or disagree with proposals for working collaboratively with partner agencies?
- Do you have any comments that you would like to feedback relating to how the RAA could improve services by working differently with partner agencies?

### 4. General

#### Question areas:

- How satisfied are you with the current level of service and support that you receive?
- What impact do you think these changes will have on you and your family?
- What impact do you think these changes will have on improving outcomes for children?
- How should we measure success / improved outcomes?
- How can we involve service users, parents / carers, children, young people and families in the design, delivery and monitoring of services?
- What would you like to see in terms of equalities objectives for the new RAA?

### 5. Stakeholder information for monitoring

#### Question areas:

- Nature of interest in RAA developments (adopter, prospective adopter, foster carer, Partner Agency etc.)?
- Which services do you currently access?
- Equalities information (postcode, age, gender, ethnicity, disability etc.)?

## **What happens next?**

The process and implementation timetable including key decision making points

## 03/08/2016 CABINET – 06 09 2016 EXECUTIVE SUMMARY OF AGENDA ITEM 13

**Report title: Extension of advice funding agreements**

**Wards affected: City-wide**

**Strategic Director: Alison Comley**

**Report Author: Hywel Caddy**

### **RECOMMENDATION for the Mayor's approval:**

That the Mayor approves the extension of ten funding agreements to seven VCS advice providers. The total funding commitment will be £586,957 (of which £57,089 comes from Public Health and the remainder from the Community Investment budget).

### **Key background / detail:**

a. Purpose of report: To seek approval to extend existing advice grant agreements to the VCS advice agencies until 31<sup>st</sup> July 2017 to give the council the opportunity to consider holistically all council investment in advice services to find the optimum funding and delivery model for advice services for the future.

b. Key details:

1. Current calculations show that approximately £7-8m of council funding is invested in delivering advice or related services.
2. An opportunity has been identified to consider a 'whole system' approach to the provision of advice in the city, designing around the individual not the specialism so that the customer journeys are explicit and services aligned to them. This would be facilitated by a digital repository and self-assessment search tool that can reduce demand for advice and generate savings from advice investment and provision across the city.
3. Development of a potential new "whole system" approach has not yet commenced but will be completed by 1<sup>st</sup> August 2017. As such, this report asks to extend existing advice funding provision until 31<sup>st</sup> July 2017 to cover this period until any proposed new approach can be implemented. If necessary, the report asks to extend for a further 3 months to October 31<sup>st</sup> 2017 should there be any delays to this process.
4. It is proposed that savings will be identified when the whole system piece of work is implemented. If funding is reduced at this point without efficiencies being explored across the whole advice system, it is likely to result in a detrimental impact on the city's most disadvantaged and vulnerable citizens.
5. The funded advice network has delivered coordinated, responsive and well-targeted services to support some of the most disadvantaged citizens in the city. The services have demonstrated an ability to flex and adapt to demand, and have shown value for money for the council and the citizens of Bristol.

**BRISTOL CITY COUNCIL  
CABINET  
6<sup>th</sup> September 2016**

**REPORT TITLE:** Extension of advice funding agreements

**Ward(s) affected by this report:** City-wide

**Strategic Director:** Alison Comley, Strategic Director for Neighbourhoods

**Report author:** Hywel Caddy, Investment & Grants Manager

**Contact telephone no. & e-mail address:** (0117) 9036437  
h.caddy@bristol.gov.uk

**Purpose of the report:**

To seek approval to extend existing advice grant agreements to the VCS advice agencies until 31<sup>st</sup> July 2017 to give the council the opportunity to consider holistically all council investment in advice services to find the optimum funding and delivery model for advice services for the future.

**RECOMMENDATION for the Mayor's approval:**

That the Mayor approves the extension of ten funding agreements to seven VCS advice providers. The total funding commitment will be £586,957 (of which £57,089 comes from Public Health and the remainder from the Community Investment budget).

That the Mayor delegates authority to extend the ten funding agreements for up to a further three months to the Strategic Director for Neighbourhoods in consultation with the Cabinet Member for Neighbourhoods should there be any delays to the process.

**The Proposal:**

**Background**

1. The council and its partners fund a number of different advice services in a number of different ways – including commissioning advice services, in-house teams delivering advice services and grant funding advice services through the Voluntary and Community Sector (VCS). Current calculations show that approximately £7-8m of council funding is invested in delivering advice or related services.
2. An opportunity has been identified to consider a 'whole system' approach to the provision of advice in the city, designing the system around the individual not the specialism so that the customer journeys are explicit and services aligned to them. There is an opportunity to build on the digital information, advice and guidance (IAG) repository and self-assessment search tool that is currently being developed to ensure that BCC complies with the Care Act (2014) and extend this approach to all advice provision. It is anticipated that development of the repository and triage

system can reduce demand for advice and generate savings from advice investment and provision across the city.

3. A new approach has the potential to improve outcomes and access for advice in the city facilitated by four key elements:
  - Adoption of three tier model by all providers and funders to ensure that investment is targeted to the most appropriate level of provision;
  - Agreed triage and access to advice;
  - Clear pathways into advice services following triage;
  - Agreed universal outcome/impact measures.
4. The development of any new approach would need to be co-produced with advice providers through the Joint Planning Board for Welfare Reform an Advice Provision for the visioning and scoping stages to set an agreed direction of travel for all information advice and guidance. This work has not yet commenced.
5. This potential approach to advice provision links to the recommendations from the *Low Commission for the Cabinet Social Justice Committee on the Future of Advice and Legal Support*:
  - national strategy, maximising advice funding using on-line technology by all but the most vulnerable;
  - local strategies to maximise local sources of funding in LAs and with partners;
  - targeting provision where people access services (such as GP surgeries, Children’s Centres, Libraries) and notes the physical and mental health benefits of advice;
  - transforming dispute resolution to introduce greater proportionality into court proceedings;
  - strategic co-ordination between different funding channels, consolidating funding and delivery.
6. We are proposing a phased approach to the development of this new “whole system” of delivering Information, Advice & Guidance, with the complete review of internal and external provision fully implemented by 1<sup>st</sup> August 2017. This phased approach will enable BCC to identify any early internal efficiencies against the agreed direction of travel, which would contribute to addressing our current in year financial pressures.
7. This report asks to extend BCC’s existing advice funding provision to the voluntary community sector until 31<sup>st</sup> July 2017 to cover this period of work. If necessary, the report asks to extend for a further 3 months to October 31<sup>st</sup> 2017 should there be any delays to this process. The extension of up to three months will be delegated to the Strategic Director for Neighbourhoods in consultation with the Cabinet Member for Neighbourhoods.

### **Context for this report**

8. £791,945 of grant funding is currently invested in advice services through the Community Investment Strategy 2012 – 2017 (extended from 2015). This grant funding provides funding for a Community Advice Network which is made up of 7



organisations which work together to cooperatively deliver advice services across the city and the Health Related Benefits Programme that provides advice from health centres. 9 of the current funding agreements are due to expire on 31<sup>st</sup> October 2016 and 1 is due to expire on 31<sup>st</sup> March 2017 (see appendix 1 for full details).

9. Over the past five years, the VCS advice services have built a strong and effective advice network, which has delivered coordinated, responsive and well-targeted services to support some of the most disadvantaged citizens in the city. The services have demonstrated an ability to flex and adapt to demand, and have shown value for money for the council and the citizens of Bristol by working strategically with BCC to mitigate the impact of Welfare reform and by ensuring consistency of delivery during a period of significant change. Extending the grant agreements will ensure that these services continue to be provided until a potential new city approach is agreed.
10. Demand for advice services far exceeds supply, as a result of recession and Welfare Benefit Reform. Consideration was given to whether savings could be achieved at this point, but the conclusion was that the opportunity for savings and efficiencies comes when looking at the whole system of advice in the city, and making savings via the VCS grant funding agreements at this point would result in a detrimental impact on some of the most disadvantaged people in the city.

## **Conclusion**

11. An extension until 31<sup>st</sup> July 2017 of £586,957 of current grant funding agreements will allow the city to develop a 'whole system' approach to advice provision underpinned by a digital repository and triage system. This approach will enable the city council to realise savings from the overall investment in advice provision.

## **Consultation and scrutiny input:**

### **a. Internal consultation: Insert details**

Information on the consultation has been sent out widely to all commissioners within the BCC Directorates. The consultation also sought feedback from housing and homelessness officers and was linked with the aims of the Housing and Homelessness Strategies.

### **b. External consultation:**

During the production of the needs analysis, members of the Joint Planning Board for Welfare reform and Advice Provision were consulted.

The draft Commissioning Strategy and the Needs Analysis were also sent out to all the voluntary and community sector (VCS) contacts and equalities forums with an online feedback form; a series of 12 consultation meetings were held including meetings with all Equalities VCS groups and service users.

## **Other options considered:**

Consideration was given to begin tendering for services with adequate time for new services to be in place for the 1<sup>st</sup> November 2016. This was rejected on the basis that in order to best cater for the existing and future demands for advice in the city, a thorough review and re-design of advice in the city is required, and it is important that all commissioned services align with this process.

### Risk management / assessment:

#### Guidance:

\* Ensure a full risk assessment is completed and insert the details here. It must be an honest and open appraisal of the risks. It is never justifiable to set out the risks in private to the Executive but not include them in the report. Responsibility for undertaking the risk assessment lies with the report author. Advice and guidance can be sought from the Directorate Risk Champion.

<b>FIGURE 1</b>							
<b>The risks associated with the implementation of the extension of advice funding agreements:</b>							
No.	RISK  Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES  Mitigation (ie controls) and Evaluation (ie effectiveness of	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Under- performance by the advice providers, impacting on service provision through the city	High	Low	There have been no performance concerns with the advice funding agreements. Continued formal and informal monitoring to ensure that performance and impact of services continues to be effective.	High	Low	Hywel Caddy
2	A reduction of other funding streams could threaten the viability of the advice provider organisations.	High	Low	Organisations have worked to mitigate the worst effects of reductions in legal aid funding and have worked collaboratively to reduce overheads and find other sources of funding.	High	Low	Advice providers and Advice Network
3	Potential complaint from other providers not given the opportunity to provide services.	High	Medium	Legal Advice has been sought.	High	Low	Hywel Caddy

<b>FIGURE 2</b>							
<b>The risks associated with <u>not</u> implementing the extension of advice funding agreements:</b>							
No.	RISK  Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES  Mitigation (ie controls) and Evaluation (ie effectiveness of	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	There would be significant disruption to service provision if the decision is taken not to extend agreements. This could lead to a loss of service continuity, a loss of volunteer experience, a loss of advice service collaboration and networking for local benefit and	Medium	Medium	A clear rationale has been set out as to why grant funding should be extended for a year and support has been sought in ensuring that the decision to extend finding agreements is made.	Medium	Low	Hywel Caddy

	new services having to be established from scratch.						
2	If there was no agreement to extend BCC may consider undertaking a tendering/purchasing exercise for services during 2017-18. This would cause significant disruption to advice services at a time when demand for advice is increasing and other sources of advice funding have ended.	<b>High</b>	<b>Medium</b>	A clear rationale has been set out as to why grant funding should be extended for a year and support has been sought in ensuring that the decision to extend funding agreements is made.	<b>High</b>	<b>Low</b>	Hywel Caddy
	If there was no agreement to extend funding, the funding agreements would end. This would impact on the viability of the currently-funded advice agencies. Reduction or loss of advice services would lead to vulnerable citizens not having access to free advice and would inevitably result in increasing levels of deprivation and homelessness in the city, leading to increased costs to the city in other departmental areas. If advice services had to close as a result of becoming financially unviable, this would result in the loss of skills, expertise, long-standing local presence and relationships or partnerships with other organisations, loss of volunteer expertise, loss of potential to lever in additional funding into the City and loss of an active and effective strategic advice network.	<b>High</b>	<b>Medium</b>	A clear rationale has been set out as to why grant funding should be extended for a year and support has been sought in ensuring that the decision to extend funding agreements is made.	<b>High</b>	<b>Low</b>	Hywel Caddy

## Public sector equality duties:

The original Equality Impact Assessment is included as Appendix 2.

## Eco impact assessment

The Eco-Impact Assessment Report appended to the Cabinet Report for Commissioning Community Advice Services (25<sup>th</sup> Nov 2010) is still relevant as there are no material changes to the proposals. The link to the report is given below.

## Resource and legal implications:

### *Finance*

#### a. Financial (revenue) implications:

The recommendation seeks the extension of ten funding agreements to seven VCS advice providers due to expire 31 October 2016. The individual grants are set out in Appendix 1

confirming the annual financial value and the value of the proposed extended period. All but one of the grants are being proposed to be extended for a period of nine months through to July 2017; the Disability Information and Advice Service is proposed to be extended from March 2017 only. The total funding required for the extended period for all of the grant extensions is £586,957, which is the total of £510,211 for the Community Advice Network and £76,746 for the Health Related Benefit Programme.

Funding for 2016/17 comes from the existing community investment and public health budgets. Should the recommendation be approved, funding for 2017/18 will need to be identified in the medium term financial strategy and specifically the annual budget for 2017/18.

**Advice given by** Robin Poole, Finance Business Partner  
**Date** 28 July 2016

**b. Financial (capital) implications:**

There are no capital implications for this report

**Advice given by** Robin Poole, Finance Business Partner  
**Date** 28 July 2016

**Comments from the Corporate Capital Programme Board:**  
n.a.

**c. Legal implications:**

Local authorities are entitled to make grants under the General Power of Competence (s.1 Localism Act 2011). Grants are not subject to the Public Contracts Regulations 2015 and therefore an extension of these agreements should carry minimal risk from a legal perspective.

**Advice given by** Eric Andrews  
**Date** 12 July 2016

**d. Land / property implications:**

Three of the advice centres are based in Bristol City Council owned premises. North Bristol Advice Centre are based at 6 Gainsborough Square on a 10 year lease at a peppercorn rent. Citizens Advice Bureau are based at 48 Fairfax Street and pay a concessionary rental of £15,000 pa (the full market rental is £50,000 pa). St Pauls Advice Centre are based at 146 Grosvenor Road. North Bristol Advice Centre and occupy on the basis of an annual tenancy at a peppercorn rent.

The City Council currently provides the premises on a concessionary basis in support of the services. The rental value that the City Council would receive if the premises were let on the open market would be in the region of £60,000 per annum.

**Advice given by** Chris Woods, Principal Portfolio Management Officer, Strategic Property  
**Date** 28 July 2016

**e. Human resources implications:**

Bristol City Council has grant-funded 7 external VCS advice agencies. There are no reductions, restructuring and/or redundancy implications for Bristol City Council staff.

**Advice given by** Sandra Farquharson, HR People Business Partner  
**Date** 04 July 2016

**Appendices:**

*Guidance:*

Appendix 1 – Detail of funding agreements to be extended.

Appendix 2 - Welfare Benefit Reform Impact Bristol.

Appendix 3 – EQIA.

**Access to information (background papers):**

Commissioning Community Advice Services Cabinet Report 25<sup>th</sup> November 2010  
(no longer on BCC website, available on request).

Community Investment Strategy 2012-15 Cabinet Report 21<sup>st</sup> July 2011  
(no longer on BCC website, available on request).

[Extending Advice Funding Agreements from April 2015 to October 2016](#)

[Low Commission: Future of Advice and Legal Support](#)

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Appendix 1: Detail of funding agreements to be extended.

<b>Community Advice Network (funded by BCC from the Community Investment Budget)</b>				
<b>Specialist Advice Services (city-wide)</b>	<b>Organisation</b>	<b>Funding p.a.</b>	<b>Date funding agreement ends</b>	<b>Funding required to extend to July 31<sup>st</sup> 2017</b>
Specialist Legal Advice city-wide	<b>Avon &amp; Bristol Law Centre</b>	<b>£208,506</b>	<b>31-10-2016</b>	<b>£156,380</b>
Specialist Debt Advice city-wide	<b>Talking Money</b>	<b>£49,043</b>	<b>31-10-2016</b>	<b>£36,782</b>
<b>General Advice Service (city-wide)</b>				
General advice service, city-wide	<b>Citizens Advice Bureau</b>	<b>£160,600</b>	<b>31-10-2016</b>	<b>£120,450</b>
<b>General Geographical-based Advice Services</b>				
General advice, North Bristol	<b>North Bristol Advice Centre</b>	<b>£55,347</b>	<b>31-10-2016</b>	<b>£41,510</b>
General Advice, South Bristol	<b>South Bristol Advice Service</b>	<b>£50,208</b>	<b>31-10-2016</b>	<b>£37,656</b>
General Advice, East Bristol	<b>St Pauls Advice Centre</b>	<b>£40,019</b>	<b>31-10-2016</b>	<b>£30,014</b>
<b>General &amp; Specialist Geographical-based Advice service</b>				
General & Specialist Advice, St Pauls	<b>St Pauls Advice Centre</b>	<b>£86,626</b>	<b>31-10-2016</b>	<b>£64,970</b>
Advice Services for Disabled people				
Disability Information and Advice Service	<b>Wecil</b>	<b>£66,974</b>	<b>31-03-2017</b>	<b>£22,449</b>
<b>TOTAL</b>		<b>£717,323</b>		<b>£510,211</b>

<b>Health Related Benefit Programme (£76,188 Public Health and £26,141 Community Investment Budget)</b>				
<b>Welfare Benefit Advice in Health related settings</b>	<b>Applicant</b>	<b>Amount awarded</b>	<b>Date funding agreement ends</b>	<b>Funding required to extend to July 31<sup>st</sup> 2017</b>
East Central & South Bristol	<b>Citizens Advice Bureau</b>	<b>£51,259</b>	<b>31-10-2016</b>	<b>£38,444</b>
East Bristol	<b>St Pauls Advice Centre</b>	<b>£25,535</b>	<b>31-10-2016</b>	<b>£19,151</b>
North Bristol	<b>North Bristol Advice Centre</b>	<b>£25,535</b>	<b>31-10-2016</b>	<b>£19,151</b>
<b>TOTAL</b>		<b>£102,329</b>		<b>£76,746</b>

## Summary: Welfare Benefit Reform Impact Bristol

Implementation date	Measure to be implemented	Households affected (Bristol)	Losses annually (Bristol)
Nov-Dec 2015	Universal Credit is introduced for single jobseekers without children who make a new claim for benefit (approximately 2,600 claimants for 2015/16)	1,800 per annum with housing costs (based on new claims analysis)	N/A
April 2016	The family premium in HB will be removed for new claims or new births	1,100 per annum	£630k
	Backdating for HB reduced from six months to four weeks	400 per annum	£370k
	Most working age benefits and tax credits (including Local Housing Allowance) frozen for four years	35,000 out of work benefits 27,000 HB working age caseload 30,000 tax credit caseload	'loss' through increases in private rent and other living costs
	Work allowance in UC is reduced to £2,304 per annum for those with housing costs and removed altogether from non-disabled households without children	20,000 (based on current working tax credit caseload and working households receiving child tax credit)	N/A
	1% reduction in social rents for four years	40,000 council and social tenants	'gain' for tenants through reduced rent
November 2016 onwards	Overall benefit cap is reduced from £26,000 to £20,000 per annum and lower cap for single person households (phased implementation)	919 households	£2.5million
March 2017	UC rollout is extended to all new claims for 'legacy' benefits (i.e. those replaced by UC) and households types	4,000 new claims anticipated in 2017/18	N/A
April 2017	Child element for tax credits and UC will be limited to two children for new claims and births after 6 <sup>th</sup> April 2017	476 (based on households accessing HB for support with housing costs)	Over £1million
	Family element in tax credits and first child element in UC will be removed for new claims. Six months protection applies for those previously receiving tax credits	2,200 (based on households accessing HB for support with housing costs)	Over £1million
	New claims for Employment and Support Allowance will not include the Work Related Activity component, making rates the same as if for jobseekers	4,200	£6million
	Automatic entitlement to Housing Costs for 18 to 21 year olds will stop. This will not apply to parents, certain vulnerable groups and those who cannot return to live with their parents	436	£1.5million
2018/19	Managed migration to UC (est)	Transitional protection provided but does not cover a change in circumstances	N/A



## Bristol City Council Equality Impact Assessment Form

(Please refer to the Equality Impact Assessment guidance when completing this form)



Name of proposal	Extending Advice Funding Agreements for one year (October 31st 2016 - Oct 31 <sup>st</sup> 2017)
Directorate and Service Area	Neighbourhoods
Name of Lead Officer	Hywel Caddy

### Step 1: What is the proposal?

Please explain your proposal in Plain English, avoiding acronyms and jargon. This section should explain how the proposal will impact service users, staff and/or the wider community.

#### 1.1 What is the proposal?

To extend existing advice grant agreements to the VCS advice agencies from 31<sup>st</sup> October 2016 until 31st October 2017 to give the council the opportunity to consider holistically all council investment in advice services to find the optimum funding and delivery model for advice services for the future.

### Step 2: What information do we have?

Decisions must be evidence-based, and involve people with protected characteristics that could be affected. Please use this section to demonstrate understanding of who could be affected by the proposal.

#### 2.1 What data or evidence is there which tells us who is, or could be affected?

Service user monitoring for the seven VCS funded advice agencies in 2015-16 shows that:

- 54% of service users were women (slightly higher than the Bristol population figure of 50.2%;
- 45% were BME (significantly higher than the 16% recorded in the Census 2011 for Bristol),
- 43% were disabled people (again, significantly higher than the 17%

recorded for those people in Bristol whose day to day activities are limited)

- 9% were older people (slightly below the Bristol population of 13%, however, 3 of the smaller services had higher levels of older people as their service users),
- 6% were younger people aged 16-25 (well below the overall level in Bristol), and
- 17% were recorded as people of faith. This is far lower than the census level in Bristol of 54.5% but this is largely because this has only recently started to be collected;
- 3% identified as bisexual, gay or lesbian with 25% of those responding preferring not to say;
- Only 13 people or 0% responded yes to be asked if their gender identity was different to that assigned to you at birth with 12% of those responding preferring not to say.

## 2.2 Who is missing? Are there any gaps in the data?

There is currently poor information and response rates recorded across the some of the providers for sexual orientation of service users and scant monitoring for transgender service users. Prior to 2014-15 this information was not asked for but organisations have collected this information during 2014-15.

There are still some improvements to be made particularly in working with providers to improve overall responses regarding information on faith, sexual orientation and gender identity.

## 2.3 How have we involved, or will we involve, communities and groups that could be affected?

There was significant involvement with equalities groups during the initial consultation on the needs analysis and the recommendations for the Commissioning Plan and the delivery of advice services in 2010.

There were specific consultation events in January and February for:

Refugee community groups and service users

Disabled led groups and service users

Women led groups and service users

Young People

Women-led groups and service users

LGB & Transgender groups and service users

Faith groups

### Step 3: Who might the proposal impact?

Analysis of impacts on people with protected characteristics must be rigorous. Please demonstrate your analysis of any impacts in this section, referring to all of the equalities groups as defined in the Equality Act 2010.

3.1 Does the proposal have any potentially adverse impacts on people with protected characteristics?

The proposal is seeking to continue funding to provide advice services that are accessible to and very well used by equalities groups and the most vulnerable citizens in the city. If this proposal is rejected this will impact negatively on women, people from BME communities, and older people in some of the smaller local services.

3.2 Can these impacts be mitigated or justified? If so, how?

If the proposal is rejected this would severely limit the availability of face to face and accessible advice through the city and may lead to some of the organisations becoming unviable in their present form and potentially closing.

In the current climate with the on-going impact of recession, Welfare reform, demographic pressures and the loss in 2013-14 of over £500,000 of advice delivery in the city as a result of the Legal Aid Reforms, it would not be possible to mitigate or justify a decision to reject the recommendation of this Cabinet report.

3.3 Does the proposal create any benefits for people with protected characteristics?

The commissioning process was very much focussed on improving access to services for people with protected characteristics.

As a result of the findings from the needs analysis and the feedback from the consultation, the grant funded applications were required to reflect recommendations for improved access to services for the following groups across the advice network:

- BME communities & New Communities
- The delivery of asylum and immigration advice
- Young people

- Older people
- LGB & Transgender service users
- Disabled people

Service monitoring data shows that advice services are extremely well used by a number of equalities groups (See Section 2 above). The advice services provide free advice targeted at the most vulnerable people in the city in the following areas:

- Welfare Benefits
- Community Care
- Debt
- Housing
- Employment
- Immigration

Access to free face to face advice services helps mitigate against the impact of recession and welfare benefit reforms, likely to impact in the following areas:

- Reduced household income and increasing risk of debt;
- Increased need for money and debt advice, if individuals whose benefits are reduced do not enter employment;
- An increase in homelessness and a growing need for social housing;
- Lack of preparation for the changes by some individuals who may not understand what is happening and how they will be affected resulting in crisis situations developing (homelessness, bankruptcy);
- The potential increase in poverty could result in social and community cohesion issues (particularly in the light of the European Referendum and the increase in recorded hate Crime);
- The potential increase in poverty could result in increased family breakdown and greater need for social services intervention.

The proposal to extend grant funding to the existing advice agencies for a further year would create a number of benefits for people with protected characteristics, allowing them to continue to access high quality free advice services at a time when central government funding from legal aid has been reduced in the city by over £500,000 pa in 2013-14.

The impact of the advice network in the city is has been strengthened by the money awarded by government through the Advice Services Transition Fund

that focussed on improving service delivery, improving the infrastructure and efficiency of the network and lever in additional funding and resources to advice provision in the city.

Longer term, it is hoped that the proposal to build on the digital Information, Advice and Guidance repository and self-assessment search tool that is currently being developed to ensure that BCC complies with the Care Act, and extend this approach to all advice provision. It is anticipated that development of the repository and triage system could improve uptake and access to advice due to the ability to access information on-line.

### 3.4 Can they be maximised? If so, how?

Reviewing access to services for protected characteristics will be taken forward by ACFA, an umbrella body that supports the development of the advice services.

There needs to be a particular focus on access to services from young people. Although there has been some delivery of services to young people from venues where they are comfortable accessing services in the city (such as the Station), take up of services compared to the Census 2011 profile for young people in the city is relatively low. Some further analysis and consultation with young people is needed to address this as young people are disproportionately affected by the impact of recession and welfare reform.

All organisations also need to ensure they record information on people of faith accessing services as this is not recorded but from the profile of people taking up services it is not likely that many people of faith access services but this information is still not asked for of all clients.

## **Step 4: So what?**

The Equality Impact Assessment must be able to influence the proposal and decision. This section asks how your understanding of impacts on people with protected characteristics has influenced your proposal, and how the findings of your Equality Impact Assessment can be measured going forward.

4.1 How has the equality impact assessment informed or changed the proposal?

The information from the EQIA will be highlighted in the Cabinet report to demonstrate the impact on access to advice services to people with protected characteristics if the proposal is rejected.

4.2 What actions have been identified going forward?

1. Continue to improve monitoring by all organisations around LGB, transgender service users and people of faith.
2. Review and consult on access to services for young people during the needs analysis and commissioning process.
3. Measuring increase in demand for advice as a result of the impact of Welfare reform.

4.3 How will the impact of your proposal and actions be measured moving forward?

There will feedback to the organisations around the need to improve responses to the equalities monitoring framework to ensure that all people with protected characteristics access the funded advice services will be recorded.

Providers will be asked to provide training to staff to ensure that they understand why they are asking clients for this information and how improved responses and information in relation to communities of interest can be used to improve access to services and service provision.

The advice network will be encouraged to undertake a joint equality impact assessment on an annual basis in order to improve recording of equalities data and access to services as a result of the analysis of this data.

Service Director Sign-Off: Di Robinson	Equalities Officer Sign Off: Wanda Knight
Date: 2/8/16	Date: 27/7/16

## **CABINET – 6 September 2016**

### **EXECUTIVE SUMMARY OF AGENDA ITEM X**

**Report title:** Quarter 1 Finance Report

**Wards affected:** All

**Strategic Director:** Anna Klonowski

**Report Author:** Annabel Scholes: Interim Service Director: Finance & S.151 Officer

### **RECOMMENDATION for the Mayor's approval:**

It is recommended that the Mayor:

1. Notes the contents of the Report and in particular the seriousness of the General Fund financial position of £29.1m forecast outturn deficit;
2. And Cabinet where appropriate, work with Officers in undertaking mitigating actions to bring the General Fund position closer to balance, in particular endorsing the actions to be led by the Interim Chief Executive, Interim Service Director: Finance and Strategic Leadership Team set out at paragraph 11;
3. Approves the changes to the current advertised opening hours of Museums, as outlined in page 8 of the report, under Economy;
4. And Cabinet to note that capital slippage from 2015/16 of £46.8m has been combined with the 2016/17 Capital Programme, as detailed at paragraph 32 and Table 5.

### **Key background / detail:**

1. To provide a progress report on the Council's overall financial performance against revenue and capital budgets for the 2016/17 financial year that were approved by Council on the 16th February 2016. The report focuses on significant variances to meeting the budget in 2016/17 in order to take timely actions to deliver a balanced position at year end.

### **Key details:**

2. Key messages from the Quarter 1 Budget Monitoring:

The Council is in a serious financial position forecasting a General Fund revenue position of £29.1m outturn deficit before further mitigating actions or use of reserves. This must be addressed now to ensure that we end the financial year in a balanced position and avoid unnecessarily making the financial challenges in future years larger.

The situation arises from a combination of under delivered savings from 2015/16, 2016/17 and other budget pressures, which are outlined within the report.

The interim Chief Executive has put in place a number of activities which should bring the position closer to balance but, as yet it is too early to quantify the impact. This will be updated in future reports (see paragraph 11).

Future reports will include further recommendations on mitigating actions. The recommendation on museum opening hours is the first of these mitigating actions and is included in this report as proposals were already developed.

Capital spending in year is forecast to be £268.4m compared to a current budget of £294.7m. The budget changes arise from 2015/16 capital programme slippage to 2016/17. The transfer of the project delivery of the Bristol Operation Centre from the Business Change Directorate to Neighbourhoods in 2016/17 should also be noted.



**BRISTOL CITY COUNCIL  
CABINET  
6<sup>th</sup> September 2016**

**REPORT TITLE:** Quarter 1 Finance Report

**Ward(s) affected by this report:** All

**Strategic Director:** Anna Klonowski

**Report Author:** Annabel Scholes (Interim Service Director – Finance & S.151 Officer)

**Contact telephone no. & e-mail address:** 0117 9222419  
annabel.scholes@bristol.gov.uk

**Purpose of the report:**

To provide a progress report on the Council's overall financial performance, including against the approved revenue and capital budgets for the 2016/17 financial year that were approved by Council on the 16<sup>th</sup> February 2016.

**RECOMMENDATION for the Mayor's approval:**

It is recommended that the Mayor:

1. Notes the contents of the Report and in particular the seriousness of the General Fund financial position of £29.1m forecast outturn deficit;
2. And Cabinet where appropriate, work with the Officers in undertaking mitigating actions to bring the General Fund position closer to balance, in particular endorsing the actions to be led by the Interim Chief Executive, Interim Service Director: Finance and Strategic Leadership Team set out at paragraph 11;
3. Approves the changes to the current advertised opening hours of Museums, as outlined in page 8 of the report, under Economy;
4. And Cabinet to note that capital slippage from 2015/16 of £46.8m has been combined with the 2016/17 Capital Programme, as detailed at paragraph 32 and Table 5.

**Background**

1. The Report provides information and analysis on the Council's financial performance and use of resources to the end of the first quarter of 2016/17. Council set its budget for 2016/17 on 16<sup>th</sup> February 2016. The report focuses on forecast variances to meeting the budget in 2016/17 in order to take timely actions to deliver a balanced position at year end.

2. The Council is in a serious financial position forecasting a General Fund revenue position of £29.1m outturn deficit before further mitigating actions or use of reserves. This must be addressed now to ensure that we end the financial year in a balanced position and avoid unnecessarily making the financial challenges in future years larger.
3. The situation arises from a combination of under delivered savings from 2015/16, 2016/17 and other budget pressures which are outlined within the report.
4. The interim Chief Executive has put in place a number of activities which should bring the position closer to balance but, as yet it is too early to quantify the impact. This will be updated in future reports (see paragraph 11).
5. Future reports will include further recommendations on mitigating actions. The recommendation on museum opening hours is the first of these and is included in this report as proposals were already developed.
6. During quarter 1, as a result of the senior management restructure of the organisation, some service areas have moved between directorates. The main changes have been the transfer of Citizen Services from Business Change to Neighbourhoods and Procurement Services has transferred from Business Change to People. In addition, it is planned to transfer all of the Housing Service to Neighbourhoods and this and other subsequent changes, including transfer of Bristol Futures to the Business Change, will be reflected in future reports.
7. Agreed items within the MTFs in February 2016 to cover spending pressures in social care during 2016/17, totalling £9.5m, have now been transferred to the relevant directorate service areas.

## **A - Revenue Expenditure**

8. The Council's overall annual revenue spend is managed across a number of areas:
  - a. The General Fund with a net budget of £345.4m, providing revenue funding for the majority of the Council's services:
  - b. The Dedicated Schools Grant (DSG) (£176.8m in 2016/17), which is ring-fenced for schools funding, overseen by the Schools' Forum, and managed within the People Directorate;
  - c. Public Health, a ring-fenced grant of £36.2m in 2016/17, must be spent to support the delivery of the,Public Health Outcomes Framework and is managed within Neighbourhoods.
  - d. The Housing Revenue Account (HRA) of £152.7m gross spend in 2016/17, is reported separately to the general fund, and is managed within Neighbourhoods;
9. Each area represents a significant element of the Council's overall revenue expenditure. Further details of the current spend position against budget is provided in the remainder of this section.

## General Fund

10. Table 2 provides a summary of how each directorate is performing against the general fund revenue budget for the 2016/17 financial year. Actions are in progress and further actions are being identified to manage and mitigate the identified budget pressures and risks. The Interim Chief Executive, Strategic and Service Directors are actively identifying proposals to minimise the gap, with all budget holders ensuring the forecasting is as accurate as possible.

11. Given the scale of the forecast outturn deficit, officers have established a series of workstreams designed to reduce the deficit including, but not limited to:

- A review of the capital programme, see section D;
- A voluntary severance programme;
- Technical accounting adjustments;
- Capital disposals programme;
- Reduction in non-essential expenditure;
- Review of income;
- Assurance on the validity of expenditure e.g. utility bills, VAT and procurement (including contracts);
- Vacancy freeze;
- Review of all agency spend;
- Series of detailed savings and budget review meetings with the Interim Chief Executive, Interim Service Director: Finance and Strategic and Service Directors to identify further mitigations.

Further updates will be included in future finance reports.

12. The following forecasts are based on actual expenditure to the end of June 2016 and Budget Managers' estimates of future spending for the rest of the financial year, as approved by each DLT. The net overall forecast outturn of £29.1m represents 8.4% of the General Fund net revenue budget.

13. The following table provides a summary of the general fund revenue position at directorate level. A more detailed analysis is provided at Appendix A.

**Table 1: General Fund Forecast Net Expenditure**

General Fund Revenue Budgets – QTR1			Forecast Outturn Variance (Under)/ Over Spend £m
Directorate	Net Budget £m	Forecast Outturn £m	
People	222.6	233.6	11.0
Place	20.1	26.9	6.8
Neighbourhoods	54.8	53.3	(1.5)
Business Change	25.9	30.2	4.3
City Director	9.4	9.4	0.0
Change Programme (Net Budget)	(15.6)	(1.8)	13.8
<b>SUB TOTAL – SPENDING ON SERVICES</b>	<b>317.2</b>	<b>351.5</b>	<b>34.3</b>
Other Budgets *	28.2	23.0	(5.2)
<b>TOTAL</b>	<b>345.4</b>	<b>374.5</b>	<b>29.1</b>

\*Other Budgets includes capital financing & borrowing costs, un-apportioned central overheads and contingencies.

14. The following sections provide more detail of the main variances and any mitigating actions being proposed.

#### 14.1 People Directorate - £11m Overspend

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m
People Directorate	491.8	(269.2)	222.6

The major areas of identified pressures within the People Directorate are within Social Care. The reported position of £11m is after mitigating actions identified through the corporate workstreams of £2.6m, have been taken into account.

#### Care & Support Adults - £3.7m:

Growth in demand for services as more older people meet increased eligibility criteria due to statutory legislation on Local Authorities as a result of the Care Act implementation from April 2015 has led to significant budget pressures across Care & Support – Adults. Between April 2015 and April 2016 there was an additional 200 people in receipt of care services, from around 6,000 to almost 6,200.

In addition, high costs of high need and complex cases that have long term conditions and the lack of alternatives in the care home market are driving up the costs of placements. Expenditure across all settings of Adult Social Care is showing budget pressures.

There are pressures in home care budgets due to delays in delivery of planned savings because of the slow transfer of service users to new providers and no reduction in demand as a result of the maximising independence model of care.

There are pressures in purchasing residential and nursing placements due to delays in long term re-commissioning projects in achieving price savings through brokering placements via a dynamic purchasing system and more effective use of block contracts.

There is significant pressure in Community Support Services due to the increase in the number of service users receiving support and in the average unit cost paid to suppliers.

#### Care & Support Children & Families- £2.7m:

Budget pressures are being faced in Children in Care. Whilst the numbers of Children in Care have remained around 700 over the last five year, against a rising child population, the average unit cost has increased due to an increase in the number of out of authority placements from an average of 26 during 2014/15 to currently 39, resulting in budget pressure of £2m.

There also continues to be a significant pressure as a result of increases in special guardianship orders (SGOs) and residency orders (ROs). The number of SGOs and ROs has increased from 375 in 2014/15 to just fewer than 500 in 2016.

**Early Intervention & Targeted Support - £3.9m:**

The majority of the pressure in this area is as a result of increased costs for “Preparing for Adulthood” Placements. These are services for young people with more complex disability and Special Educational Needs which Local Authorities now have a duty to support until 25 years old.

There is also a pressure within the Home to School Travel budgets as the third year of planned savings are not yet being delivered.

**The main areas for planning and mitigation are:**

The People Directorate have increased restrictions of recruitment to vacancies to help mitigate the budget pressures, it is acknowledged this has high risks and isn't a sustainable solution. Recruitment to vacant posts will be assessed to determine the absolute necessity. In addition, the directorate will be reviewing all non-pay related expenditure with a view to managing spend down in these areas.

Care & Support – Adults have implemented a significant review of vulnerable adults in receipt of home care. The Strategic Director (People) is continuing the review of social care budgets, including benchmarking with core cities and regional authorities to manage:

- spend pressures whilst also planning for meeting the statutory eligibility requirements of the Care Act;
- growing ageing population in the City, the area of highest spend in all local authorities.

There are national concerns about the pressure on reducing overall local authority budgets to meet growing demand and eligibility.

There are recommissioning exercises for Community Support Services, Residential and Nursing Care and Out of Hours Home Care to ensure commissioned services represent best value for money.

Significant work is being undertaken to embed a model of care that ensures citizens are supported to maintain their independence as long as possible where appropriate by improving our information, advice and guidance and ensuring conversations with citizens is focussed around care that builds on the strengths and abilities of people, their families and their local communities.

The impact of the remodelling of Children Social work is expected to reduce the upward trend of spend within the children in care (CiC) and care after. The number of Children in Care has maintained at around 700 despite an increasing local population. Within Care and Support – Children's, the redesign of the social work function and investment in early help are targeted at reducing the number of looked after children in the medium to long term, but the directorate is reviewing spend to mitigate the impact of and manage the increased demand of rising child population.

A panel has recently been established to strengthen the existing review processes for all residential placements on a regular basis to make sure only children who need to be in care are, and to safely minimise placement cost and duration.

New incentives in fostering are being used to increase the capacity of in-house foster carers to ensure the most appropriate forms of care are used rather than being constrained by capacity.

#### 14.2 Place Directorate - £6.8m overspend

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m
Place Directorate	109.9	(89.8)	20.1

The directorate is reporting a £6.8m variance to budget which consists of a £9m pressure within Property, £0.4m in Economy and £0.4m in Energy offset by surpluses or underspends of £2.5m in Transport, £0.3m in the Place ABS team and £0.2m in Planning.

#### Economy

£0.2m of the £0.4m total overspend is due to the existing cost of operating advertised opening hours at Museums. As part of a service redesign, it is proposed that from 1<sup>st</sup> January 2017 some small changes to the current advertised Museum Opening hours be made and these are recommended to Cabinet for approval.

The hours are proposed to be as follows:

- M Shed will be open Tuesday to Sunday, as currently, and will also open every Monday from 10am-5pm during school holidays following a successful trial of this in 2016;
- Both M Shed and Bristol Museum and Art Gallery will close at 5pm rather than 6pm on Saturdays and Sunday in order to allow private groups to hire the museums in the evening. Visitor figures between 5-6pm on weekends are generally low (below 1% of our total figure), so there is little impact on the visitor offer;
- Bristol Museum and Art Gallery (which is currently open Monday to Sunday) will be closed on Monday during the school terms but open on Mondays in the school holidays, in line with the proposed opening hours of M Shed. It will still be available to private groups by appointment The Historic House's opening will remain the same:
  - Red Lodge and Georgian House open from 11am-4pm Saturday to Tuesday;
  - Blaise castle house being open from 11am-4pm Wednesday to Sunday from 1<sup>st</sup> April to 31<sup>st</sup> Dec.

The public will see a slight reduction in access to museums on a Monday, but should experience improvements in customer care when visiting all the museums. This will result in a £0.2m saving in year and a whole year saving of £0.4m which will bring the team back to base budget.

Printing costs which are held centrally are also forecasting a further pressure of £0.2m in Economy. These costs are being reviewed as one of the workstreams established to address the in year pressures.

Following the report to Cabinet in June 2016; "Support for capital development of Cultural venues, with particular focus on Colston Hall", the most appropriate funding options are being considered and any revenue financial implications will be incorporated into future reports.

### **Energy**

Within the Energy division there are budget pressures totalling £0.6m resulting from unachievable income targets in Energy Utility purchase (£0.5m) and Solar Energy (£0.1m). These are partly offset by increased income of £0.2m from the Wind turbines at Avonmouth and £0.1m lower than budgeted cost of capital financing of the turbines.

### **Place Admin and Business Support (ABS) Team**

There are forecast savings against salary budgets in the Admin and Business Support (ABS) service of £0.3m.

### **Property**

The structural pressure in the Property service relates mainly to a forecast £7.7m shortfall in the delivery of the MTFS savings target (relating to 2015/16 and 2016/17), which broadly to assumed savings in the following areas:

- Increased return on investment property holdings;
- Reduced running costs from the disposal of admin buildings;
- Reductions in facilities management costs.

In addition, there is a £0.6m pressure caused by costs of 100 Temple St for which there is no budget set aside.

There are £160k costs due to increased workload in Security/ staff sickness/ vacancies and an urgent review is in hand to mitigate this.

There is a £100k shortfall in income within Building Practice due to a reduced volume of projects and there will be an urgent review of workload and staffing levels before the next forecast period.

There is a £100k shortfall in income at the Create centre resulting from loss of external tenants due to reduced parking; a letting rationalisation is underway to mitigate this.

There is a £87k pressure due to unbudgeted rental payments required re: Underfall Yard.

There is a £83k shortfall in conference services income from the Passenger shed (old station building Temple Meads) due to its poor condition, but the position is expected to improve.

### **Planning**

In the Planning division there is a forecast surplus of £0.2m and this is largely due to increased income from Development Management fees as well as from savings plans being implemented.

### **Transport**

There is a net underspend position in the Transport division of (£2.5m) in total as a result of income surpluses and savings released in Parking Services (£0.9m) and

Sustainable transport (£0.6m). There are also forecast savings in costs of street lighting (£0.2m) and Highways (£0.4m).

### 14.3 Neighbourhoods – (£1.5m) underspend

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m
Neighbourhoods	310.9	(256.1)	54.8

The main variance in this area relates to Waste (£1.2m) within Environment & Leisure due to accrued expenditure from the previous year, which is no longer required.

Waste Collection is forecasting savings of £0.3m in third party payments, bad debt and consultants costs. There is a forecast £150k overspend on payments to Bristol Waste Company, but this is offset by additional income from sale of recyclates. Traded Services are forecasting a £0.3m underspend mainly due to additional income from cremation fees.

The forecast pressure within Citizen Services relates to an error in setting of income targets within regulatory services, including Pest Control (£0.2m) and Trading Standards (£0.1m). The Service is taking measures to address this and since the close of quarter 1 have identified £25k against these pressures, which will be included in period 4 forecasting.

The underspend in General Fund Housing Delivery services (£0.2m) is as a result of additional license scheme income.

### 14.4 Business Change - £4.3m overspend

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m
Business Change	39.2	(13.3)	25.9

The main variance within Business Change is within the ICT Service. This relates to additional hardware and maintenance costs (£2.8m), software development service increases (£1.3m) as a result of growth in additional demand for license costs. This is in part as a result of investment in new technology and digital developments.

#### Historical ICT budget management

The cost of ICT within BCC has reduced by 47% since 2013/14, equating to a £7.4m reduction (from £16.9m to £8.5m by the end of 2015/16). This was achieved by an internal project that:

- Reduced ICT headcount from 129 (at end of 2014) to 105 (by end of 2015)
- Saved £3.0m by reviewing other major ICT costs and strict management of ICT contracts. A contracts register was built, bringing the number of contracts managed within IT procurement from 12 to 319 and allowing us to renegotiate costs savings from, for example, major contracts with IBM and Vodafone2b.



### Sources of budget overspend

However, despite the above, the overspend has grown on ICT budgets to £4.4m, at present the analysis is believed to be as follows but, the Interim Strategic Director of Business Change is planning to undertake some detailed investigatory and remedial action sessions with the team over the next few weeks to assure herself of the causes and solutions going forward:

Name	£k	Description
Data Centre Relocation	740	Data centre was moved, at necessary increased scope, from council-run to outsourced supplier to allow release of capital asset of Romney House
Digital Services platform licences and support	530	Change Programme: Charges to provide web based digital services. E.g. Liferay, Experian, Salesforce.
Alfresco	266	As a result of the move to reduce storage of paper associated with more agile and flexible ways of working there has been a significant growth in the number of licences to support use of Electronic Document (EDRM) storage (700 to 5000) which was not budgeted for.
Laptop and other mobile working support and replacement costs	250	As part of the move to more agile ways of working there has been a need to support and replace laptops, accessories and related infrastructure.
Small service/support contracts	70	For additional systems support, e.g. Election System
Data Centre ongoing costs	276	There has been a growth in kit, usage and connectivity due to new systems and new more agile ways of working associated with the changes
Web platforms	300	Change Programme: PFIKS support contract (£75k), AWS (£125k), Arcus (£14k), plus various other smaller platforms
Storage Growth	50	Anticipated EDRM driven growth
Unanticipated further systems	255	Vision HR unanticipated contract renewal (£240k), plus unanticipated additional costs for more users and additional licences on other platforms
<b>TOTAL</b>	<b>£2,737</b>	

There is also significant use of interims in ICT (52) which needs to be reviewed. This will part of the Interim Strategic Director's review agenda.

Total (above)	£2.7m
Under delivery in previous MTFP	£1.4m
Miscellaneous items	£0.3m
Sum total:	£4.4m

The following paragraphs provide more detail in relation to the above but needs further investigation and verification:

- a) The Change Programme  
As projects in the Change Programme were scoped out it was identified that there would be an ongoing dis-benefit to the ICT budgets of a minimum of £1.5m per annum from 15/16 onwards.
- b) Variations from the planned Change programme business case  
The Change Programme was agreed in October 2013 but it subsequently grew and added projects outside of its original scope, such as the new Council website. In total, 12 additional projects were added without any further contribution to ICT budgets being made.
- c) Agile and mobile working  
The original BWP Business Case incorporated £5.8m for ICT expenditure; this consisted of a budget for devices, software for those devices and software to support flexible working. No year on year ICT revenue budget was identified but, it is believed that ICT were left with the challenge of rationalising existing services to address this but no plan was put in place, This will be verified as part of the Interim Strategic Director's investigations.
- d) Data centre relocation project  
Two aspects have been identified as leading to the increased the costs of the data centre on an ongoing basis from that included in the original business case because of:
  - i. the need to improve the resilience because of necessary protection, and service levels;
  - ii. the need to include additional capacity as more of our storage is digital rather than physical.
- e) Increased demand for ICT services
  - a. The additional 12 new systems in 2 (above) were initiated without the additional revenue costs being recognised on an ongoing basis.
  - b. In addition, the Change Programme original business cases were based on an estimated number of users, whereas, in practice this has proven to be an under-estimate in almost all cases.
- f) Previous under-delivery  
The ICT Sourcing programme was expected to deliver savings totalling £7.6m between 2013/14 and 2018/19 which was incorporated into the approved MTFS and relevant year's budgets. However, this was based on estimates which have not come to fruition. There is therefore a shortfall of circa £1.3m at present.
- g) Interim management costs  
As stated above there are circa 52 interim and agency staff currently engaged within the delivery of ICT services, including the projects listed above.

## Mitigation

As previously highlighted, the Interim Strategic Director for Business Change will be undertaking a series of meetings with the ICT management team to investigate the causes overspend, opportunities for mitigation and further savings opportunities.

Stronger governance, and an understanding from ICT of the Bristol Plan strategy, are the two biggest factors that can mitigate this overspend.

The first factor, strong governance, reduces spend immediately by limiting access. The second, required direction, ensures any remaining spend is strategic.

Governance has immediately been changed. All requests for ICT services must have a fully structured business case including approval by Finance and budget transfer. ICT's own expenditure requests are analysed externally via the PMO team. That same PMO team also analyse business requests before they get to ICT, those are then subject to a second layer of ICT analysis.

Towards further mitigating this overspend, a service improvement plan has been drafted and will be tested during the meetings above. This plan, now in progress, will be implemented to move towards an effective, benchmarked ICT service.

The Service Director meets with his team daily to discuss actions, forward planning and meeting structures. In addition, all ICT management staff are attending twice weekly management team meetings.

## Other areas of cost pressure in Business Change

Cost pressures in other areas are mainly as a result of additional agency/interim staffing costs. Business Change are proactively recruiting permanent staff with two of the vacant Service Directors Roles out to recruitment currently.

### 14.5 City Director - £0.0m

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m
City Director	15.6	(6.2)	9.4

Overall, the directorate is currently forecasting a balanced position by year end. There are additional cost pressures in year as a result of the cost of running elections, but these will be managed over a period of years through an offsetting arrangement, whereby budget is set aside in non-election years to fund election years.

### 14.6 Change Programme - £13.8m Overspend

At the beginning of the financial year, the Council had a savings target against the Change Programme of £34.7m, which comprised £15.2m undelivered savings from 2015/16 and £19.5m relating to 2016/17. For the purposes of this report, we have shown a net figure. The following table provides estimates of the forecast savings delivery split between items previously identified within the change programme and newly identified (non-change programme) savings.

**Table 2: Summary of Net Change Programme Budget Position**

2016/17 Change Programme Savings	£19.5m
2015/16 Undelivered change programme savings	£15.2m
<b>TOTAL</b>	<b>£34.7m</b>
Less:	
Change Programme Savings Secured or in Delivery	£6.3m
New Savings Identified/secured to address the gap	£9.7m
Release of Change Programme Contingency	£6.3m
<b>TOTAL TO BE IDENTIFIED</b>	<b>£12.4m</b>
Overspend against change programme expenditure	£1.4m
<b>TOTAL CHANGE PROGRAMME</b>	<b>£13.8m</b>

The Council has initiated a Council Wide programme of activities and workstreams to specifically focus on delivering the savings needed in the current financial year. This has included:

- A review of all spend against corporate budget lines resulting in reduced budgets across areas such as staff expenses, conference and training budgets, printing etc;
- A review of all vacancies to delete any vacant posts that are no longer required, resulting in budget reductions;
- All services and directorates developing and preparing savings proposals for delivery through the remainder of this financial year;
- A contingency was included in the original programme to mitigate against risks of non-delivery of savings or savings double counts. This has been released;
- A review is underway of all the Council's service directorate earmarked reserves.

As savings are validated, budgets across services and directorates are being reduced to secure these savings.

Within this budget line, there is investment required to facilitate the delivery of some of the savings. There is a current forecast overspend of £1.4m against these items. As part of the current programme of activity and to mitigate this overspend, all current planned expenditure is subject to review.

The reported pressure in this area mainly relates to savings yet to be identified.

#### **14.7 Other / Corporate Budgets – (£5.2m) Underspend**

The main budget in this area is the capital financing budget of £19.3m. It is currently forecast that this budget will be underspent by £4.1m as a result of re-profiling of the capital programme. This area also includes certain contingency budgets and other expenditure budgets of a corporate nature, including expenditure on levies.

The general contingency included in other budgets stands at £2.8m. This is held as a contingency to cover miscellaneous cost pressures across all service areas. To date, there has been no call on this contingency in this financial year, but it is assumed that it will be required by the end of the financial year. Other budget contingencies of £1.6m have been released to support the overall financial position.

In this quarter, the Council has identified a potential workforce pressure as a result of a court case ruling on annual leave entitlements for staff in receipt of regular overtime. The current estimated cost of this is £0.5m, and this is included in this section.

The Medium Term Financial Plan agreed items to support social care expenditure have been transferred to the People Directorate. In addition, the Council Tax levy collected in support of adult social care has been transferred to the Social Care Adults division.

### **Dedicated Schools' Grant (DSG) (Included in Directorate analysis above)**

15. In 2016/17, the Council will receive £176.8m Dedicated Schools' Grant, which is ring-fenced and passported through to fund schools. Schools that have transferred to academy status receive their funding directly from the Department of Education – this amounts to a further £132.9m.
16. There continues to be pressures against the high needs block, which is forecast to be c£5m in the financial year, which includes brought forward pressures from 2015/16 of £1.9m. There has been significant pressure on the "Top Up" element of the high needs block during 2015/16 and into 2016/17, as a result of:
  - a) there has been an increase in the level of demand of pupils requiring "Top Ups", by 9% in Primary Schools (£0.5m) and 20% in Secondary Schools (£1m);
  - b) there has been a 52% increase in pupil exclusions within the secondary sector which has resulted in an increase of spend within pupil referral units of £1.0m to accommodate these pupils;
  - c) the service implemented a minimum banding level within special schools to provide a more stable budget however this resulted in an increase spend of £1m.
17. The service is undertaking significant level of work in conjunction with Schools Forum in order to manage this budget:
  - a) the top up rates have been reviewed and reduced across mainstream schools;
  - b) an inclusion panel has been created with the aim of reducing pupil exclusions;
  - c) work has started with special schools to review the top up rates paid to them.
18. The balance on the DSG will have to be managed through the DSG and should therefore have no effect on the Council's general fund budget.

### **Public Health**

19. The ring-fenced Public Health service is currently forecasting an overspend of £2m. This is mainly due to a government in year cut of the grant of 7.6% in year during 15/16 and further 2% cut to the grant this year. As a reduction in the grant was anticipated, Public Health are managing this overspend to prevent impact on service delivery through the Public Health reserves built up for this purpose. The reserve currently has a balance of £4.8m and is as a result of underspends in previous years. Therefore, there is no impact on the general fund of this overspend in this financial

year. However the service is currently undertaking a thorough financial review to ensure that delivery is brought within the new budget envelope, reflecting key priorities.

### Housing Revenue Account (HRA)

20. The following is a summary of the HRA budget position as at the end of Quarter 1. Further detail is included as part of Appendix A to the report.

**Table 3: Housing Revenue Account Budget Forecast**

Housing Revenue Account	Gross Exp £m	Gross Income £m	Net Budget £m	Forecast Outturn £m	Forecast Outturn Variance £m
Strategy, Planning & Governance	27.7	(131.3)	(103.6)	(104.2)	(0.6)
Responsive Repairs	49.1	(17.4)	31.7	31.9	0.2
Planned Programmes	18.1	(1.3)	16.8	15.8	(1.0)
Estate Management	11.6	(2.2)	9.4	9.3	(0.1)
Corporate Funding	46.2	(0.5)	45.7	45.7	0.0
<b>TOTALS</b>	<b>152.7</b>	<b>(152.7)</b>	<b>0.0</b>	<b>(1.5)</b>	<b>(1.5)</b>

21. There is currently a forecast underspend within the HRA of £1.5m. This is the result of the following budget variances:

- Savings released in Strategy, Planning and Governance through staff vacancies and stationery budget reviews;
- There are pressures in responsive repairs due to greater than budgeted relets (£0.5m), with these being offset by staffing savings in Admin and Business Support;
- The Investment Review Plan (in response to rental changes planned for the HRA) has changed the paint programme in planned programmes resulting in a saving against budget;

22. Any under or overspend at the year-end will increase or decrease the HRA Reserve and therefore this does not impact on the General Fund. However, the impact of the 1% rent reduction and other proposed government changes mean that the current HRA Business Plan is not sustainable in the long term. The Business Plan is being recalibrated to reflect what is a very financially challenging future.

## **B - Managing Savings**

23. To ensure that there is transparency and clarity in relation to the source of savings (from which department and service area from which the saving is to be delivered) and avoid any possible double counting etc, we will in future monitor a single savings tracker. This will be reported under each directorate heading and will be risk assessed for full delivery within the planned timescales.
24. Due to the severity of the forecast outturn variance (potential deficit of £29.1m), the Interim Chief Executive, supported by the Interim Service Director: Finance (s.151 Officer), are putting in train a number of actions as outlined in paragraph 8.

## **C - Reserves**

25. The balance on the general reserve will be reviewed annually in setting the budget and in the context of the MTFs and the risks to which the Council is exposed. The balance on the General Reserve is £20m and at present the Interim Chief Executive and Interim Service Director: Finance (s.151 officer) are taking all appropriate actions to avoid any utilisation in 2016/17. This will be kept under constant review.
26. At the start of the financial year the Council had general fund earmarked reserves of £106m. Some of these reserves will be spent during this financial year, others are set aside for specific purposes to be incurred in future periods. Included within this total, as part of the risk based reserves is a £2.4m Operational Reserve, which is earmarked to fund emerging operational pressures during the year.
27. A review of all existing earmarked reserves is being concluded and where reserves are identified as no longer required for the purpose that they were earmarked, they will be released to the Operational Reserve, which will be reported in the next report.

## **D - Capital Programme**

28. The capital programme changes during the year as the phasing of schemes is reviewed and the notifications of additional schemes and resourcing are received (to the extent that these projects are fully funded). Variations to the 2016/17 capital programme approved by Council on 16 February 2016 are shown in table 5. Recommendation 3 to this report relates to these.. The Capital Board (an officer working group) oversees the coordination of the Capital Programme, ensuring that projects are delivered within their allocation of funding and planned timescales. Responsible Officers will be challenged on the projected variances. Monitoring indicates that capital spending in 2016/17 will be £268.4m compared to the latest revised budget of £294.7m.
29. The following table sets out a summary of the proposed capital programme changes and forecast spending by Directorate. Additional detail is provided at Appendix B. It is important to note that the presentation of the capital programme will be reviewed as part of the review referred to in paragraph 27 below.

**Table 4: Capital Programme Forecast Expenditure**

	<b>2016/17 Budget £m</b>	<b>Capital Slippage from 2015/16 £m</b>	<b>Combined Budget 2016/17 £m</b>	<b>Forecast Outturn £m</b>	<b>Forecast Outturn Variance £m</b>
People	56.9	1.9	58.8	41.5	(17.3)
Place	94.6	36.5	131.1	120.3	(10.8)
Neighbourhoods	0.6	7.9	8.5	8.4	(0.1)
Business Change	11.2	0.5	11.7	11.7	0.0
City Director	12.3	-	12.3	11.3	(1.0)
Housing Revenue Account	56.0	-	56.0	58.9	2.9
Corporate	16.3	-	16.3	16.3	0.0
<b>Totals</b>	<b>247.9</b>	<b>46.8</b>	<b>294.7</b>	<b>268.4</b>	<b>(26.3)</b>
<b>Finance By:</b>					
Prudential Borrowing			154.8	154.8	0.0
Capital Grants			65.0	65.0	0.0
Capital Receipts			5.0	1.8	3.2
Revenue Contributions			13.9	13.9	0.0
Housing Revenue Account (Self-Financing)			56.0	56.0	0.0
<b>TOTAL CAPITAL FINANCING</b>			<b>294.7</b>	<b>291.5</b>	<b>3.2</b>

30. The actual capital spend to the end of quarter one is £35m. Whilst historic trends indicate that capital spending increases towards the end of the financial year, the level of forecast spend to date (30th June 2016) year suggest a degree of caution in the forecasts. The Capital Board agreed at its meeting on 26th July 2016 to undertake a Strategic Leadership Team review of the forecasts to identify any potential slippage into 2017/18 which will be reflected in the next report to cabinet. Capital resources to finance the programme will also be reviewed as part of this process.

31. The following sections provide more detail of the main variances.

### **31.1 People Directorate – Forecast Variance (£17.3m) Underspend**

The majority of the forecast variance is in relation to the Education Capital Programme (Programmes 2 & 3), in the following areas:

- Individual school project delays as a result of a variety of reasons including, land contamination, establishing planning permission requirements and the requirement to amend project scope;
- The Education Programme's capital spend has been re-profiled in response to individual project specific constraints, risks and issues. These risks and issues are being managed through the Education Capital Board but have resulted in some slip to the next financial year. The capital programmes key objectives remain on programme for realisation in particular ensuring sufficient school places are delivered within the City. The projects are being delivered in accordance with the agreed business case objectives and budgets.

Where spend is now expected to take place in 2017/18 due to delays, or is now planned to happen in 2017/18, the budgets will be re-profiled into future years.



### 31.2 Place Directorate – Forecast Variance (£10.8m) Underspend

The majority of the forecast variance relates to transport projects, where the expenditure is now expected to happen in 2017/18. This includes the Cycle Ambition Fund, Long Ashton Park & Ride and also spend as part of the Metro Bus Scheme in relation to Ashton Vale to Temple Meads and North Fringe / Hengrove.

### 31.3 Neighbourhoods – Forecast Variance (£0.1m) Underspend

Capital expenditure is broadly forecast to be in line with the budget for the current financial year.

### 31.4 City Director – Forecast Variance (£1m) Underspend

The forecast underspend relates to capital expenditure on Super Connected Cities. The spending profile for this project will be reviewed and where the expenditure is now expected to happen in 2017/18, the budget will be re-profiled.

### 31.5 Housing Revenue Account – Forecast Variance £2.9m Overspend

There are projected overspends in “Investment in Blocks” projects due to works showing greater than expected costs (£3m) and spend in 2016/17 on Biomass Projects (£0.8m). These have been offset by reducing expenditure and delaying projects in some areas, including on low rise cladding and laundries (£3m).

In addition there are projected overspends in New Build and Land Enabling projects, mainly due to procurements issues causing delayed starts in 2015/16.

32. The following variations to the Capital Programme were considered by the Capital Board. Note the re-profile of spend from 2015/16 to 2016/17 has been reported in further detail within the 2015/16 outturn report presented to Cabinet on 16<sup>th</sup> July 2016.

**Table 5: Changes to the Capital Programme, being slippage from 2015/16**

<b>People</b>	<b>£m</b>
- Re-profile spend from 2015/16 to 2016/17 primarily for the integrated Education Management system.	1.9
<b>Sub-total People</b>	<b>1.9</b>
<b>Place</b>	
Re-profile spend from 2015/16 to 2016/17 (£36.5m) and 2017/18 (£7.9m) primarily for the Arena, project and Transport and Energy related schemes,	36.5
<b>Sub-total Place</b>	<b>36.5</b>
<b>Neighbourhoods</b>	
- Re-profile spend from 2015/16 to 2016/17 (£2.3m) and 2017/18	2.4

(£0.7m) primarily investment in Parks.	
- Bristol Operations Centre Project vired to Neighbourhoods.	5.5
-	
<b>Sub-total Neighbourhoods</b>	<b>7.9</b>
<b>Business Change</b>	
- Re-profile spend from 2015/16 to 2016/17 in relation to the Bristol Workplace programme.	6.0
- Bristol Operations Centre Project vired to Neighbourhoods.	(5.5)
<b>Sub-total Business Change</b>	<b>0.5</b>
<b>Total</b>	<b>46.8</b>

### Capital Receipts

33. The assumed level of Capital Receipts to support the general fund element of the Capital Programme (excluding HRA) is £5m pa. The current disposal programme estimates general fund receipts of £1.8m for 2016/17, £18m for £2017/18 and £14m for 2018/19.

### Capital Financing

34. The capital financing assumptions are detailed in Table 4 above. As part of the overall review of the capital programme already referred to, the capital financing assumptions and the future revenue implications will be revised. However, with a programme of this size, it is unlikely that there will be future underspends on the capital financing budget, and therefore the contribution being made towards the 2016/17 forecast outturn variance should be assumed to be a one-off position.

### E – Managing Income

35. Collection rates for both business rates and council tax are broadly on target. However, for future reports officers will provide further information to confirm the actual position and highlight any upsides or downsides resulting from current performance. Officers are closely monitoring business rates appeals applications. The Council has received applications from a number of health care trusts for mandatory charitable rates relief. In line with advice from the Local Government Association, all claims have been rejected and, to date, no counter applications have been made. The trusts are continuing to pay their business rates.

### F - Treasury Management

36. No borrowing has been undertaken to date during 2016/17. Net debt (borrowing less investment) increased by £8m from £271m to £279m due to a small change in working balances as at the end of quarter one.

37. The average level of funds available for investment purposes during the quarter was £175m. The return for period was 0.60% compared to the recognised benchmark of 0.36% (7 day Libid).

38. In addition the Council's agreed policy is to defer borrowing while it has significant levels of cash balances (£136m at June 2016), £75m estimated for March 2017). This strategy is prudent as investment returns are low and counterparty risk is relatively high. However, due to the significant change in the financial markets and fall in interest rates due to the referendum long term borrowing rates are at historic low levels and external borrowing will be considered if rates are expected to rise significantly from their current position. If implemented, this action will reduce the authority's exposure to interest rate risk.

39. The Council has complied with all treasury management legislative and regulatory requirements during the period and all transactions were in accordance with the approved Treasury Management Strategy.

## **G – Bristol City Council Owned Companies**

40. During quarter 1 2016/17, no additional loans / investments have been made to the Council's Subsidiaries. The amount of loans / investments as at the 30th June 2016 is set out below:

Bristol Holding Company - £6.5m

Bristol is Open - £0.1m

41. A list of further funding requests are currently being considered. The next tranche of investment in Bristol Energy via Bristol Holding Company is planned to be £3m, the majority of which will be used to repay the outstanding debt on intercompany service transactions with the Council.

42. Since the 30<sup>th</sup> June 2016 Bristol is Open has received further investments of £250k in addition to the above mentioned £100k, bringing the total investments to £350k.

## **Risk Assessment**

43. In the Budget Report presented to Full Council in February 2016, a number of significant risks were identified. This report identifies that a significant number of these risks have come to fruition in the early part of the financial year, or remain relevant. The list below highlights the most significant of these risks:

- the scale of overall reductions to all directorate budgets (£35.4m identified and included in the approved budget) and the potential of non-delivery of these savings;
- the potential of overspends against budgeted net expenditure;
- Care placements & budgets, both in terms of activity as a result of demographic pressures and also unit costs;
- Potential delay in delivery of capital receipts;
- Increase in pension liabilities;

- volatility in business rate income including the level of successful appeals and the result of the application for mandatory charitable relief made by a number of hospital trusts;

As well as the risks highlighted above, the following additional risks have been identified:

- wholly owned company delivery of agreed business plans;
- Sustainability of Council owned and managed assets, including infrastructure previously identified, property, fleet and ICT.
- Schools PFI contracts;
- Living Wage Accreditation – this will require a full review of all external contracts and may result in additional contractual costs;
- inflationary pressure on contract and energy costs;
- increased capital costs of major projects, Metrobus and Bristol Temple Meads Easts (development area around the arena);
- Current lack of policy clarity on proposed changes to business rate retention;
- The effect of Brexit both on house building industry and general economic confidence;
- There will be other costs, such as the Mayoral Combined Authority, still to be fully quantified.

Any risk assessment requires constant review and will form part of the ongoing future monitoring.

#### **Consultation and scrutiny input:**

##### **a. Internal consultation:**

Strategic Directors, Service Directors and the finance team.

##### **b. External consultation:**

Not applicable

#### **Other options considered:**

No other options are considered at the present time.

#### **Public sector equality duties:**

There are no proposals in this report which require either a statement as to the relevance of public sector equality duties or an Equalities Impact Assessment.

#### **Environmental checklist / eco impact assessment**

Not applicable.

#### **Resource and legal implications:**

##### ***Finance***

##### **a. Financial (revenue) implications – Interim Service Director - Finance:**

As set out in the Report, the Council is currently forecasting an overspend based on service spending from April to June and service projections for the remainder of the year, offset by savings in other corporate budgets. Failure to take action to contain

spending within budget and to manage and monitor expenditure and income could result in a requirement to draw on reserves. The level of reserves is limited and a one off resource that cannot be used as a long term sustainable strategy for financial stability. Budget monitoring and management, of which this report forms part of the control environment, is a mitigating process to ensure early identification of pressures and action plans.

Budget risks and pressures have been identified, as outlined above, and are currently being managed and closely monitored. Due to the severity of the forecast outturn variance (potential deficit of £29.1m), the Interim Chief Executive, supported by the Interim Service Director: Finance (s.151 Officer), are putting in train a number of actions as outlined in paragraph 11.

Finance staff resources have been targeted to ensure that support for budget monitoring is concentrated on areas of particularly high risk.

**b. Financial (capital) implications:**

Set out within the report.

**c. Legal implications:**

No significant legal issues are raised by the recommendations in this report. The rationale to the changes in museum hours are clearly set out in the report and the other recommendations are in accordance with the Council's constitution and financial regulations.

Advice given by Shahzia Daya – Service Director Legal & Services

Date: 18th August 2016

**d. Land / property implications:**

**e. Human resources implications:**

In line with the financial position and the mitigating actions set out in this paper (paragraph 10) a Section 188 notice will be issued in August 2016. The s188 notice will provide formal notification to Trade Unions that the scale of the potential workforce reduction is estimated to be up to 975 employees by 31 March 2017.

The identified actions to close the budget gap are likely to result in redundancies; we are however seeking to avoid compulsory redundancies wherever possible. Full consultation with Trade Unions will be undertaken throughout the period of organisation change and restructure and we will seek to reach agreement with the recognised Trade Unions on how to mitigate the need to make any further compulsory redundancies.

If, after meaningful consultation and after mitigating actions have taken place, compulsory redundancies are unavoidable, employees will be given notice of dismissal in accordance with the Council's agreed policies.

Advice given by Richard Billingham – Service Director HR & Workplace

Date: 18<sup>th</sup> August 2016

## BRISTOL CITY COUNCIL REVENUE BUDGET MONITORING STATEMENT

	2016/17 BUDGET			FORECAST OUTTURN			Forecast Outturn Variance £m
	Expenditure £m	Income £m	Net Budget £m	Expenditure £m	Income £m	Net Budget £m	
<b>DIRECTORATE: PEOPLE</b>							
Strategic Commissioning	23,518	(2,963)	20,555	24,664	(5,119)	19,545	(1,010)
Housing Solutions	34,782	(19,236)	15,546	36,691	(20,811)	15,880	334
Care & support - Adults	154,651	(36,094)	118,557	164,562	(42,343)	122,219	3,662
Care & Support – Children & Families	45,510	(2,325)	43,185	50,509	(4,608)	45,901	2,716
Education & Skills	25,875	(17,875)	8,000	26,057	(17,297)	8,760	760
Dedicated Schools Grant	176,703	(176,703)	0	180,267	(180,267)	0	0
Management - People	3,866	(3,893)	(27)	3,821	(3,128)	693	720
Early Intervention & Targeted Support	26,862	(10,066)	16,796	30,769	(10,123)	20,646	3,850
<b>PEOPLE DIRECTORATE TOTAL</b>	<b>491,767</b>	<b>(269,155)</b>	<b>222,612</b>	<b>517,340</b>	<b>(283,696)</b>	<b>233,644</b>	<b>11,032</b>
<b>DIRECTORATE: BUSINESS CHANGE</b>							
ICT	14,142	(5,518)	8,624	17,994	(4,999)	12,995	4,371
Legal Services	9,623	(4,304)	5,319	9,807	(4,417)	5,390	71
Finance	8,444	(2,122)	6,322	8,448	(2,090)	6,358	36
Human Resources (HR)	7,027	(1,346)	5,681	7,331	(1,827)	5,504	(177)
<b>BUSINESS CHANGE TOTAL</b>	<b>39,236</b>	<b>(13,290)</b>	<b>25,946</b>	<b>43,580</b>	<b>(13,333)</b>	<b>30,247</b>	<b>4,301</b>
<b>DIRECTORATE: NEIGHBOURHOODS</b>							
Citizen Services	207,031	(198,221)	8,810	207,387	(198,204)	9,183	373
Environment & Leisure	48,204	(16,382)	31,822	46,716	(16,649)	30,067	(1,755)
Housing Delivery - General Fund	3,322	(1,581)	1,741	3,308	(1,801)	1,507	(234)
Neighbourhoods	10,359	(481)	9,878	10,530	(561)	9,969	91
Public Health	41,909	(39,407)	2,502	40,841	(38,243)	2,598	96
Management - Neighbourhoods	5	0	5	5	0	5	0
<b>NEIGHBOURHOODS TOTAL</b>	<b>310,830</b>	<b>(256,072)</b>	<b>54,758</b>	<b>308,787</b>	<b>(255,458)</b>	<b>53,329</b>	<b>(1,429)</b>
<b>DIRECTORATE: PLACE</b>							
Property	28,947	(36,440)	(7,493)	29,703	(28,211)	1,492	8,985
Planning	5,797	(5,504)	293	5,882	(5,811)	71	(222)
Transport	48,448	(32,340)	16,108	48,518	(34,897)	13,621	(2,487)
Economy	12,829	(6,815)	6,014	13,587	(7,170)	6,417	403
Economy - ABS Team	2,485	(465)	2,020	2,211	(465)	1,746	(274)
Energy	11,381	(8,264)	3,117	11,527	(8,058)	3,469	352
<b>PLACE TOTAL</b>	<b>109,887</b>	<b>(89,828)</b>	<b>20,059</b>	<b>111,428</b>	<b>(84,612)</b>	<b>26,816</b>	<b>6,757</b>
<b>DIRECTORATE: CITY DIRECTOR</b>							
Policy, Strategy & Communications	8,162	(3,303)	4,859	8,248	(3,307)	4,941	82
Electoral Services	1,584	(564)	1,020	1,593	(573)	1,020	0
Bristol Futures	3,948	(2,345)	1,603	3,734	(2,205)	1,529	(74)
Management - City Director	1,967	0	1,967	1,971	(29)	1,942	(25)
<b>CITY DIRECTOR TOTAL</b>	<b>15,661</b>	<b>(6,212)</b>	<b>9,449</b>	<b>15,546</b>	<b>(6,114)</b>	<b>9,432</b>	<b>(17)</b>
<b>CHANGE PROGRAMME TOTAL</b>	<b>(7,487)</b>	<b>(8,142)</b>	<b>(15,629)</b>	<b>1,001</b>	<b>(2,874)</b>	<b>(1,873)</b>	<b>13,756</b>
<b>SERVICE NET EXPENDITURE</b>	<b>959,894</b>	<b>(642,699)</b>	<b>317,195</b>	<b>997,682</b>	<b>(646,087)</b>	<b>351,595</b>	<b>34,400</b>
<b>OTHER CORPORATE BUDGETS</b>	<b>29,876</b>	<b>(1,635)</b>	<b>28,241</b>	<b>24,619</b>	<b>(1,635)</b>	<b>22,984</b>	<b>(5,257)</b>
<b>TOTAL REVENUE NET EXPENDITURE</b>	<b>989,770</b>	<b>(644,334)</b>	<b>345,436</b>	<b>1,022,301</b>	<b>(647,722)</b>	<b>374,579</b>	<b>29,143</b>

## BRISTOL CITY COUNCIL HOUSING REVENUE ACCOUNT SUMMARY

	2016/17 BUDGET			FORECAST OUTTURN			Forecast Outturn Variance £m
	Expenditure £m	Income £m	Net Budget £m	Expenditure £m	Income £m	Net Budget £m	
<b>HOUSING REVENUE ACCOUNT</b>							
Strategy, Planning & Governance	27,678	(131,293)	(103,615)	27,062	(131,261)	(104,199)	(584)
Responsive Repairs	49,090	(17,384)	31,706	49,288	(17,438)	31,850	144
Planned Programmes	18,098	(1,312)	16,786	17,189	(1,321)	15,868	(918)
Estate Management	11,667	(2,237)	9,430	11,543	(2,251)	9,292	(138)
HRA Financing & Funding	46,228	(535)	45,693	46,228	(535)	45,693	0
<b>HOUSING REVENUE ACCOUNT TOTAL</b>	<b>152,761</b>	<b>(152,761)</b>	<b>0</b>	<b>151,310</b>	<b>(152,806)</b>	<b>(1,496)</b>	<b>(1,496)</b>

## APPENDIX B

### 2016/17 Capital Proposed Budget, Forecast and Variance Analysis

Directorate	COMBINED BUDGET 2016/17 £000'S	FORECAST OUTTURN £000'S	FORECAST OUTTURN VARIANCE
<b>People</b>			
<b><u>Education Capital Programme 2</u></b>			
Major Projects Programme 2	28,351	19,474	(8,877)
Site Acquisitions	134	132	(2)
Early Years	84	54	(30)
Primary	89	0	(89)
Feasibility	179	7	(172)
Universal Free School Meals	7	7	0
Schools Access Initiative SAI/DDA	252	119	(133)
Lifecycle (R&M)	86	37	(49)
Urgent/Emergency	80	80	0
<b>Total - Education Capital Programme 2</b>	<b>29,262</b>	<b>19,910</b>	<b>(9,352)</b>
<b><u>Schools' Devolved Capital</u></b>			
Capital, Assets & Access 1	4,528	4,528	0
<b>Total - Schools' Devolved Capital</b>	<b>4,528</b>	<b>4,528</b>	<b>0</b>
<b><u>CYPS non-Schools</u></b>			
CYPS non-Schools	1,508	1,508	0
<b>Total - CYPS non-Schools</b>	<b>1,508</b>	<b>1,508</b>	<b>0</b>
<b><u>Education Capital Programme 1</u></b>			
BSF ICT Wave 4 Commitments	11	0	(11)
<b>Total - Education Capital Programme 1</b>	<b>11</b>	<b>0</b>	<b>(11)</b>
<b><u>Education Capital Programme 3</u></b>			
Major Projects	14,338	8,391	(5,947)
Site Acquisitions	1,500	1,500	0
Commissioning	752	0	(752)
Feasibility	1,198	100	(1,098)
Lifecycle (Capital R&M)	485	485	0
<b>Total - Education Capital Programme 3</b>	<b>18,273</b>	<b>10,476</b>	<b>(7,797)</b>
<b><u>Children &amp; Families</u></b>			
0-25 Integrated Service	620	190	(430)
Fostering and Adoption	129	129	0
Youth & Play	204	204	0
<b>Total - Children &amp; Families</b>	<b>953</b>	<b>523</b>	<b>(430)</b>
<b><u>Care Management</u></b>			
Transformation - Capital	(346)	0	346
<b>Total - Care Management</b>	<b>(346)</b>	<b>0</b>	<b>346</b>
<b><u>Care Services</u></b>			
Operations - Capital	209	377	168
<b>Total - Care Services</b>	<b>209</b>	<b>377</b>	<b>168</b>
<b><u>Strategic Housing</u></b>			
Private Housing & Adaptations	1,892	3,365	1,473
Extra Care Housing	2,469	803	(1,666)
<b>Total - Strategic Housing</b>	<b>4,361</b>	<b>4,168</b>	<b>(193)</b>
<b>Totals - Directorate: People</b>	<b>58,759</b>	<b>41,490</b>	<b>(17,269)</b>

**APPENDIX B****2016/17 Capital Proposed Budget, Forecast and Variance Analysis**

<b>Directorate</b>	<b>COMBINED BUDGET 2016/17 £000'S</b>	<b>FORECAST OUTTURN £000'S</b>	<b>FORECAST OUTTURN VARIANCE</b>
<b>Place</b>			
<b>Strategic Property</b>			
Building Practice Capital	4,364	4,304	(60)
Corporate Property	434	190	(244)
<b>Total - Strategic Property</b>	<b>4,798</b>	<b>4,494</b>	<b>(304)</b>
<b>Major Projects</b>			
Place, Major Schemes	30,038	36,623	6,585
Docks	22	0	(22)
Filwood Broadway	184	182	(2)
Hengrove Park	27	30	3
Kingswear and Torpoint Flats	722	715	(7)
Filwood Green Business Park	473	0	(473)
Economy Development	818	875	57
Strategy & Commissioning	3,466	1,320	(2,146)
<b>Total - Major Projects</b>	<b>35,750</b>	<b>39,745</b>	<b>3,995</b>
<b>Museums</b>			
Museums - Capital	101	0	(101)
Museums - Capital 1	20	0	(20)
<b>Total - Museums</b>	<b>121</b>	<b>0</b>	<b>(121)</b>
<b>Planning &amp; Sustainable Development</b>			
City Design Group	342	574	232
<b>Total - Planning &amp; Sustainable Development</b>	<b>342</b>	<b>574</b>	<b>232</b>
<b>Transport</b>			
City Transport	10,326	6,304	(4,022)
City Transport 1	13,823	14,670	847
Highway Drainage Capital Works	2,771	7,503	4,732
Highways & Traffic	5,301	923	(4,378)
Highways & Traffic 1	1,100	1,189	89
Parking Services	82	82	0
Passenger Transport	2,279	1,328	(951)
Residents Parking Zone	2,177	2,496	319
Transport Major Projects (Metrobus)	39,082	27,753	(11,329)
<b>Total - Transport</b>	<b>76,941</b>	<b>62,248</b>	<b>(14,693)</b>
<b>Energy Services</b>			
Energy Management Unit	5,433	4,966	(467)
Warm Up Bristol	5,769	6,355	586
Energy Services	1,923	1,923	0
<b>Total - Energy Services</b>	<b>13,125</b>	<b>13,244</b>	<b>119</b>
<b>Totals - Directorate: Place</b>	<b>131,077</b>	<b>120,305</b>	<b>(10,772)</b>



**APPENDIX B****2016/17 Capital Proposed Budget, Forecast and Variance Analysis**

<b>Directorate</b>	<b>COMBINED BUDGET 2016/17 £000'S</b>	<b>FORECAST OUTTURN £000'S</b>	<b>FORECAST OUTTURN VARIANCE</b>
<b><u>Neighbourhoods</u></b>			
<b><u>Bristol Operations Centre</u></b>			
Bristol Operations Centre	1,436	1,436	0
Bristol Operations Centre (Projects)	766	766	0
Bristol Operations Centre (BWP)	3,307	3,307	0
<b>Total - Bristol Operations Centre</b>	<b>5,509</b>	<b>5,509</b>	<b>0</b>
<b><u>Environment &amp; Leisure</u></b>			
Cemeteries & Crematoria	109	109	0
Neighbourhood Engagement	(3)	0	3
Parks	1,862	1,902	40
Waste Services	36	36	0
<b>Total - Environment &amp; Leisure</b>	<b>2,004</b>	<b>2,047</b>	<b>43</b>
<b><u>Neighbourhoods &amp; Communities</u></b>			
Libraries	1,014	853	(161)
<b>Total - Neighbourhoods &amp; Communities</b>	<b>1,014</b>	<b>853</b>	<b>(161)</b>
<b>Totals - Directorate: Neighbourhoods</b>	<b>8,527</b>	<b>8,409</b>	<b>(118)</b>
<b><u>Business Change</u></b>			
<b><u>Information &amp; Communication Technology</u></b>			
BWP - Buildings	4,669	4,669	0
<b>Total - Information &amp; Communication Technology</b>	<b>4,669</b>	<b>4,669</b>	<b>0</b>
<b><u>Bristol Workplace Programme - Design</u></b>			
BWP - Design Contract	5,827	5,826	(1)
BWP - Dilapidations & Holding Codes	1,325	1,325	0
<b>Total - Bristol Workplace Programme - Design</b>	<b>7,152</b>	<b>7,151</b>	<b>(1)</b>
<b><u>Bristol Workplace Programme - Buildings</u></b>			
BWP - Technology	(121)	(120)	1
<b>Total - Bristol Workplace Programme - Buildings</b>	<b>(121)</b>	<b>(120)</b>	<b>1</b>
<b>Totals - Directorate: Business Change</b>	<b>11,700</b>	<b>11,700</b>	<b>0</b>
<b><u>City Director</u></b>			
<b><u>Bristol Futures</u></b>			
Sustainable City & Climate Change	12	0	(12)
City Innovation	12,263	11,306	(957)
<b>Total - Bristol Futures</b>	<b>12,275</b>	<b>11,306</b>	<b>(969)</b>
<b>Totals - Directorate: City Director</b>	<b>12,275</b>	<b>11,306</b>	<b>(969)</b>
<b><u>Housing Revenue Account</u></b>			
Planned Programme	40,330	41,414	1,084
Responsive Repairs	700	700	0
Strategy, Planning & Governance	14,989	16,786	1,797
<b>Total - Housing Revenue Account</b>	<b>56,019</b>	<b>58,900</b>	<b>2,881</b>
<b><u>Corporate</u></b>			
<b><u>Capital Funding</u></b>			
Capital Funding	16,384	16,384	0
<b>Total - Capital Funding</b>	<b>16,384</b>	<b>16,384</b>	<b>0</b>
<b>Totals - Directorate: Corporate</b>	<b>16,384</b>	<b>16,384</b>	<b>0</b>
<b>TOTALS - CAPITAL PROGRAMME</b>	<b>294,741</b>	<b>268,494</b>	<b>(26,247)</b>