

Cabinet Agenda



Date: Tuesday, 6 December 2016

Time: 4.00 pm

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

Distribution:

Cabinet Members: Marvin Rees - Mayor, Cllrs Mark Bradshaw, Clare Champion-Smith, Craig Cheney, Fi Hance, Claire Hiscott, Helen Holland, Paul Smith, Estella Tincknell (Deputy Mayor) and Asher Craig

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Issued by: Ruth Quantock, Democratic Services

City Hall, Po Box 3167, Bristol, BS3 9FS

Tel: 0117 92 22828

E-mail: democratic.services@bristol.gov.uk

Date: Monday, 28 November 2016

Agenda

PART A - Standard items of business:

1. Welcome and introductions

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 deadlines below 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 6 December Cabinet is **12 noon on Monday 5 December**. 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

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 6 December Cabinet is **5.00 pm on Wednesday 30 November**. 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

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

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 Full Council

(subject to a maximum of three items)

None on this occasion

6. Reports from scrutiny commission

None on this occasion

7. Chair's Business

To note any announcements from the Chair



PART B - Key Decisions

8. Bristol City Council’s Adult Social Care Strategic Plan 2016-2020

To provide an overview of the context and rationale for the development of Bristol City Council’s Adult Social Care Strategic Plan 2016-2020 and approval is sought for the approach

(Pages 6 - 30)

9. Tender for the supply of Books to Library Service

Approval is sought to continue to procure the supply of books for Bristol Libraries, via Consortium for United Stock Purchase using the library stock supply framework agreement

(Pages 31 - 36)

10. St Pauls Carnival

To consider the recommendations of the Carnival Commission in term of their vision for St Paul’s carnival and their recommended organisational governance model

(Pages 37 - 131)

11. Treasury Management Strategy Mid-year report 2016/17

To meet the treasury management regulatory requirement that the Council receive a mid-year treasury review report and to ensure adequate monitoring of the capital expenditure plans and the Council’s prudential indicators (PIs).

(Pages 132 - 145)

12. Council Tax Base

To agree, in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Bristol City Council as its Council Tax base for the financial year 2017/18

(Pages 146 - 155)

13. Period 6 (End of September) Budget Finance Report

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.

(Pages 156 - 201)







Executive Summary of Agenda Item No. 8

Report title: Bristol City Council's Adult Social Care Strategic Plan 2016-2020

Wards affected: Citywide

Strategic Director: John Readman

Report Author: Mike Hennessey (Rachel Allbless / Geraldine Summers)

Recommendation for the Mayor's approval:

1. That the Mayor notes the national and local context in which the Council is undertaking its statutory duty to provide adult social care.
2. That the Mayor notes the rationale for the development of Bristol City Council's Adult Social Care Strategic Plan 2016-2020.
3. That the Mayor approves the framework and approach set out in the Adult Social Care Strategic Plan 2016-2020.

Purpose of report:

4. To provide an overview of the context and rationale for the development of Bristol City Council's Adult Social Care Strategic Plan 2016-2020 and seek approval for the approach.

Key details

5. Bristol City Council's Adult Social Care Strategic Plan outlines the Council's vision, approach and the priorities for adult social care for 2016 – 2020. It is intended to address the challenges faced by adult social care and be the basis of our work with partners including health. It will be supported by annual delivery plans which will contain the detailed delivery information.
6. It is aligned with, and forms an integral part of, Bristol City Council's Corporate Strategy which is currently under consultation, and will deliver key outcomes within it.
7. We have developed this strategic plan at a time of significant change and pressures in the health and social care system nationally and locally, including:
 - demographic growth;
 - reduction in funding;
 - changes in the health and social care system - the collaboration on the Bristol, North Somerset and South Gloucestershire Sustainability and Transformation Plan and the requirement to produce local plans for the integration of health and social care by 2017;
 - legislative changes – the Care Act 2014 and plans to introduce a cap on care costs by 2020.
8. In this context it is increasingly important that in Bristol we have a clear vision and strategic plan for the delivery of adult social care. This will mean we reflect clear and consistent messages about the unique and important role that adult social care plays within this wider system, both for staff and colleagues across the Council and with colleagues across the whole system.



9. The ASC Strategic Plan is primarily an internal, operational framework outlining the approach to delivering adult social care in Bristol during the period 2016-2020.
10. The Council's **vision** for adult social care is that:
 - People can get the right level and type of support, at the right time to help prevent, reduce or delay the need for ongoing support, and to maximise people's independence
11. The approach is based on a three-tiered model of care and support:
 - Help to help yourself (Tier 1)
 - Help when you need it (Tier 2)
 - Help to live your life (Tier 3)
12. The approach is designed to ensure that people can get the right level and type of support, at the right time to help prevent, reduce or delay the need for ongoing support, and to maximise people's independence. People may receive a combination of support at any one time and may move around the levels of support or may no longer need support.
13. The model is an asset-based approach, it has been tested with 4 teams across the city and the evaluation after 3 months of delivering this approach has received excellent feedback from practitioners, service users and unpaid carers.



Cabinet

6th December 2016



Report Title: Bristol City Council's Adult Social Care Strategic Plan 2016-2020

Ward: City wide

Strategic Director: John Readman

Report Author: Mike Hennessey (Rachel Allbless / Geraldine Summers)

Contact telephone no. & email address 9037033 / 9037331
rachel.allbless@bristol.gov.uk / geraldine.summers@bristol.gov.uk

Purpose of the report:

To provide an overview of the context and rationale for the development of Bristol City Council's Adult Social Care Strategic Plan 2016-2020 and seek approval for the approach.

Recommendation for the Mayor's approval:

1. That the Mayor notes the national and local context in which the Council is undertaking its statutory duty to provide adult social care.
2. That the Mayor notes the rationale for the development of Bristol City Council's Adult Social Care Strategic Plan 2016-2020.
3. That the Mayor approves the framework and approach set out in the Adult Social Care Strategic Plan 2016-2020.

The proposal:

Introduction

1. Bristol City Council's Adult Social Care Strategic Plan (Appendix 1) outlines the Council's vision, approach and the priorities for adult social care for 2016 – 2020. It is intended to address the challenges faced by adult social care and be the basis of our work with partners including health. It will be supported by annual delivery plans which will contain the detailed delivery information.
2. It reflects changes from the Care Act 2014, and the current context of increasing demand and reducing budgets. It emphasises all of us taking responsibility for our own health and lives.
3. It is aligned with, and forms an integral part of, Bristol City Council's Corporate Strategy which is currently under consultation, and will deliver key outcomes within it.
4. We have developed this strategic plan at a time of significant change and pressures in the health and social care system nationally and locally.

Adult social care in Bristol

5. Adult social care provides support in a variety of ways to people living in Bristol who have a disability or long-term illness, some older people, and to unpaid carers. The number of people who might need social care services in the future is expected to rise significantly. The numbers of people living with dementia, learning disability or poor mental health will all increase and the rise in demand for health and social care comes at a time when funding is decreasing.
6. Demographic change will place increased pressures on adult social care. By 2039:
 - there is projected to be 84,300 people aged 65 and over living in Bristol (an additional 25,600 older people between 2014 and 2039, an increase of 44%)
 - there will be an estimated 16,670 people aged 85 and over living in Bristol, an increase of 54% from 2014 figures
7. In Bristol, the Council has continued to prioritise social care and has adopted the 'Adult Social Care Precept'. In 2015 Central Government announced that Councils would be permitted to increase their share of Council Tax by up to an extra 2% if the additional funding is all used to fund the increasing costs of adult social care services. The Government has said that this precept must be shown as a separate charge on all council tax bills. The income generated from this charge is 'ring-fenced', meaning it can only be used for adult social care services.
8. The health and social care system in which we operate is widening beyond the Bristol city boundaries and it is increasingly important that in Bristol we have a clear vision and strategic plan for the delivery of adult social care. This will mean we reflect clear and consistent messages about the unique and important role that adult social care plays within this wider system, both for staff and colleagues across the Council and with colleagues across the whole system.
9. Having this shared understanding of our approach to adult social care will enable us to have this conversation and work differently with our partners, communities and citizens.

Why develop the Adult Social care Strategic Plan now

Health and social care system

10. In December 2015, the NHS Shared Planning Guidance 16/17 – 20/21 outlined a new approach to help ensure that health and care services are built around the needs of local populations. Every health and care system in England is now required to produce a multi-year Sustainability and Transformation Plan (STP), showing how local services will evolve and become sustainable over the next five years – ultimately delivering the Five Year Forward View vision of better health, better patient care and improved NHS efficiency.
11. In January the local ‘footprint’ of Bristol, North Somerset and South Gloucestershire (BNSSG) was agreed. NHS England required an initial draft to be submitted in June 2016 and a subsequent draft in October 2016; called ‘checkpoint reviews’, to confirm local progress. The development of the local BNSSG STP has been ongoing throughout this period and they are considered to be ‘work in progress’. The BNSSG STP submissions to NHS England and a short summary setting out the emerging thinking is published [here](#), alongside videos of some of the STP leaders discussing their work streams.
12. There is also an expectation that each health and social care system in England must submit local plans for integration by March 2017, ahead of implementation of full integration by 2020.

National policy

13. The Care Act 2014 brought new responsibilities for local authorities, and a move away from a previous ‘dependency culture’, with new eligibility for services, support for carers, new areas of work around information, advice, prevention, support for the care market and safeguarding.
14. The Care Act also includes proposals for the introduction for a cap on care costs, heralding the biggest reform to how care is paid for since 1948. In July 2015, in response to concerns raised by the Local Government Association about the additional costs to local authorities the Government announced a delay to the introduction of this until 2020. Our local planning now needs to take into account the additional pressure that the introduction of this cap on care costs will place on the Council budget from 2020.
15. Other national changes include:
 - the Supreme Court judgment of 19th March 2014 – in the cases of P v Cheshire West and Chester Council and P&Q v Surrey County Council. The ruling– threw out previous judgements that had defined deprivation of liberty more restrictively and has resulted in a sharp increase in the number of Deprivation of Liberty Safeguards (DoLS) cases;
 - the transfer of the Independent Living Fund for adults with disabilities to local authorities from 1st July 2015.
16. Nationally, social care budgets have been reduced by 26% in real terms over the last four years. Half of this has been through spending reductions and half through managing demand differently. To continue to do this means new ways of working.

Adult social care funding challenge – national coverage

17. The 2016 Association of Directors of Adult Social Service (ADASS) budget survey identifies the following key messages:
 - funding doesn’t match increased needs for, and costs of, care for older and disabled people;
 - more people’s lives are affected by reductions in social care funding;
 - Directors are increasingly unclear where the funding needed will come from;
 - the continuity of the care market is under threat;
 - investment in prevention is being further squeezed;
 - reduction in funding for social care has wider impact across the system e.g. in health.

18. The joint report of the Kings Fund and the Nuffield Trust [Social care for older people, Home truths](#), published on 15th September 2016, states:
‘The picture that emerges is of social care providers under pressure, struggling to retain staff, maintain quality and stay in business; local authorities making unenviable choices about where to make reductions; a complex set of causes of delays in discharging older people from hospital; and the voluntary sector keeping services going even when funding was curtailed’.
19. The LGA report [Adult social care funding: 2016 state of the nation](#) published on 2nd November 2016 makes a strong case for raising the profile of adult social care and its funding. It provides evidence about adult social care funding and through a series of essays from a range of people including elected members, and representatives from health, social care, carers, user led and provider organisations outlines the concerns about the state of adult social care funding and its implications on the ground. One of the conclusions of the report is:
‘While adult social care desperately needs more funding to relieve urgent and ongoing pressures, it is apparent that a pre-condition for being successful with such calls in the longer-term will depend in part on raising awareness amongst the public of what social care is, why it matters and why it must be valued.’

Adult Social Care Strategic Plan

20. The ASC Strategic Plan is primarily an internal, operational framework outlining the approach to delivering adult social care in Bristol during the period 2016-2020.
21. The Council’s **vision** for adult social care is that:

People can get the right level and type of support, at the right time to help prevent, reduce or delay the need for ongoing support, and to maximise people’s independence

22. Our work in adult social care will be underpinned by the following set of **principles**:
- Sharing learning and building on evidence based practice
 - Listening and incorporating the voice of the citizen and carer about what works
 - Making decisions based on evidence, data and intelligence
 - Delivering within budget
23. The approach is based on a three-tiered model of care and support. It is designed to ensure that people can get the right level and type of support, at the right time to help prevent, reduce or delay the need for ongoing support, and to maximise people’s independence. People may receive a combination of support at any one time and may move around the levels of support or may no longer need support.
24. The model is an asset-based approach, it has been tested with 4 teams across the city and the evaluation after 3 months of delivering this approach has received excellent feedback from practitioners, service users and unpaid carers.



Figure 1: Bristol's strategic approach to adult social care

25. The case studies below show the approach in practice:

Case study 1 – Listening, sharing knowledge and providing information and advice

(Tier 1 – help to help yourself)

A daughter with increasingly frail, elderly parents contacted our First South team seeking help. They engaged in a 'supportive conversation' that helped them find the ways to manage their own personal care and medication. They were helped to use their attendance allowance to buy in help with chores, organise daily hot meals and arrange specialist home deliveries. In the past, we would have carried out an assessment, with an expensive agency support package for many years

Case study 2 – Use of assistive technology to promote independence and self care

(Tier 2 – help when you need it)

A very overweight person was provided with a 'floor bed' meaning they can operate the controls themselves, raise the bed so they can get in and out, and manage their own personal care needs at night. This removes the need for hoists and carers and means there is no longer a need to consider a residential care placement. The person can remain independent in their own home.

26. As part of this approach we will shift (increase) the proportion of resources invested in prevention and early intervention (Tier 1 - help to help yourself) and Tier 2 (help when you need it), and reduce the proportion invested in Tier 3 year on year; investment in Tier 1 will result in a reduction in demand in Tiers 2 and 3.
27. The approach reflects the direction of the Council's developing Corporate Strategy and the refresh of the Bristol Health and Wellbeing Strategy. The focus is to promote, maintain and enhance people's independence in their communities, so that they are healthier, stronger, more resilient and less reliant on formal social care services.
28. The approach is also in line with other work locally across the health and voluntary, community and

social enterprise sector to promote prevention, early intervention and self care, for example:

- [Bristol Ageing Better](#) to reduce the social isolation and loneliness of older people, including the work to support individuals through peer to peer support and the whole city approach for Bristol to become an Age Friendly City;
- Penny Brohn's use of [Patient Activation Measure](#) (PAM) analysis to measure a person's knowledge, skills and confidence to self-manage their health;
- the new Bristol Impact Fund, the co-designed approach to VCS grant funding (the [Bristol VCS grant fund](#)), which aims to see by 2020 reduced disadvantage and inequality experienced by Bristol's residents, improved health and wellbeing and increased resilience (people being more able to manage); and
- the BNSSG STP workstreams: Prevention & Self Care; Integrated Primary and Community Care; and Acute Care Collaboration.

29. The ASC Strategic Plan has been developed whilst the full Council budget is out for consultation as it has been designed to be a framework that will allow for flexibility (as we face a range of unknowns: from health system changes to numbers of younger people with needs living longer), and to deliver adult social care within the available budget.

Consultation and scrutiny input:

a. Internal consultation:

Cross-directorate working group

This plan has been shaped and developed by a cross-directorate working group. The group includes adult social care team managers and colleagues from: commissioning, public health, finance, communications, strategic planning, performance, information and intelligence, and Bristol Clinical Commissioning Group.

Cabinet Member for People

The Cabinet Member for People has been engaged in the development of the strategic plan, and has been involved at the initial stage in June 2016 and during Cabinet Member briefings in September and October 2016.

People Scrutiny Commission, 26th September 2016

There was concern that the approach is driven by cost savings and that there needs to be an emphasis on quality assurance, and not just financial savings. As a result this has been made clearer in the ASC Strategic Plan.

The issue that many people do not have access to or choose to use the internet was raised as a factor to be taken into account when providing information, advice and guidance. Our approach has acknowledged this concern and the information, advice and guidance will include assisted access.

Cabinet Executive Board, 25th October 2016

The Board fully supported the implementation of the ASC Strategic Plan. Key points raised during the discussion:

- the involvement of GPs in the development of the 3 tier model approach;
- whether savings will be made as a result of implementing the Plan;
- digital access for citizens;
- ensuring staff have appropriate technology.

The request was made that the annual delivery plan be shared.

b. External consultation:

Care Act Panel

This Panel, comprising up to 50 service users, carers and representatives from Partnership Boards, were consulted on the Three Tier Model and helped shape and develop the approach, and its trial and implementation.

Partnership Boards

We have consulted with the Learning Disabilities Partnership Board and the Older People's Partnership Board. We have engaged with the Provider Forum, and we have taken account of the existing priorities of Bristol Carers Voice and the Physical and Sensory Impairment Board.

Key points and issues raised:

- People want to have access to what the city has to offer, including activities and services, and to be able to lead independent lives
- Need for accessible information, advice and guidance
- If the voluntary and community sector is to be expected to fill gaps in services and support then there needs to be adequate funding
- Carers need to be valued and have support to maintain their caring role
- There is some excellent practice but need to ensure there is consistency of social work practice

Health and social care system colleagues

The Service Director, Care and Support (Adults) invited health and social care system colleagues to share their views about and provide input to the draft ASC Strategic Plan. Details of the organisations are included in Appendix 2. Key points and issues raised in the responses:

- General agreement with the summary of the issues that are affecting adult social care
- Concern about government funding for adult social care
- Support for the overall approach and the emphasis on early intervention and prevention
- Concern that the proposal to reduce the proportion of resources spent on Tier 3 (Help to live your life) is unrealistic
- Can the increase in the proportion of resources spent on Tier 1 (Help to help yourself) and Tier 2 (Help when you need it) be achieved without having a detrimental effect on those people who need resources to live in care homes and other care settings?
- Concern about a reliance on digital means of communication. Highlighting the need for the approach to provide a variety of methods of communication to meet the range of access needs of citizens and acknowledge how these may change over time.

Other options considered:

The work to look at a new approach to social care based on a 3 tier model involved a range of discovery work with other local authorities, looking at service improvement and budget implications. Fourteen councils were involved and it was evident that a 3 tier model and reformulated Resource Allocation System were large factors in successful change. The learning and feedback showed that the approach requires whole system change including information, advice and guidance, self-assessment and relevant commissioning work. It did result in improved experience for citizens and staff. National coverage of this approach is available in this article published on 1st November 2016 "[The 'three conversations' model: turning away from long-term care](#), New social care initiative is helping individuals hold on to their independence. And it's saving money, too".

Risk management / assessment:

The risks associated with the implementation of the *Adult Social Care Strategic Plan 2016-2020* decisions :

No.	RISK Threat to achievement of the key objectives of the report	CURRENT RISK (Controls now in place) Green/amber/red/purple		RISK CONTROL MEASURES Existing mitigations (ie controls) and proposed actions with evaluation (ie effectiveness of mitigation/ actions).	TARGET RISK (After new mitigations/actions) Green/amber/red/purple		RISK OWNER
		Impact 1-4	Probability 1-6		Impact	Probability	
1	Failure to develop marketplace to deliver Tier 1 and 2 services. The marketplace is not able to support delivery of 3-tier model and savings cannot be realised	3	4	Develop a commissioning strategy that ensures effective market engagement to develop T1 and T2 services. Links with VCS Grants prospectus work. Clear mechanisms developed to identify gaps in services to commissioners.	2	3	Netta Meadows
2	Failure to communicate and promote public awareness of the Council's approach to social care effectively. Potential reputational risk to the Council if perceived to not be meeting unrealistic public expectations; Increased numbers of complaints and potential judicial reviews	3	3	Ensure the approach is reflected in the Corporate Strategy. Ensure staff have necessary training, knowledge and materials to explain the approach.	2	2	Mike Hennessey/ Lorna Crouch
3	Scale of	4	4	Single project has	2	3	Lorna Laing

	<p>internal cultural change may mean teams are not ready for new way of working. Skills & knowledge training to support change in workforce not in place and failure to deliver the new approach consistently.</p>			<p>been co-ordinated to ensure a coherent approach across internal and external communications to deliver cultural change in a planned way.</p>			
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FIGURE 2
The risks associated with not implementing the *Adult Social Care Strategic Plan 2016-2020 decision*:

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	People remain dependent on public/social services (rather than independent)	4	6	Implement the approach to adult social care	2	3	Mike Hennessey
2	Costs rise beyond the available budget	4	5	Implement the approach to adult social care	2	3	Mike Hennessey

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.

An equalities impact assessment has not been carried out on this framework. Equalities impact assessments will be carried out on the activity required to implement the ASC Strategic Plan.

Eco impact assessment

There are no significant environmental impacts arising directly from the Strategic Plan. Indirectly, positive impacts may arise from actions implemented to meet the Strategic Plan – for example preventative measures and assistive care are likely to reduce the need for staff travel and residential care. Services that are commissioned to support the Plan will be reviewed with council environmental officers to mitigate any negative impacts arising.

Steve Ransom, Environmental Programme Manager

Resource and legal implications:

Finance

a. Financial (revenue) implications:

There are significant financial pressures for Bristol City Council on Adult Social Care that need to be addressed in the short and medium term. This includes increased demographic demand, National Living Wage, and new Legislation increasing statutory obligations. This strategy seeks to address some of the medium term pressures by focussing on early intervention and preventative solutions to avoid future high cost support.

Although there are no direct finance implications relating to the overarching strategy, any specific pressures and efficiencies are picked up the current Medium Term Financial Plan.

Advice given by	Michael Pilcher, Finance Business Partner - People
Date	10/10/16

b. Financial (capital) implications:

There are no direct capital implications.

Advice given by	Michael Pilcher, Finance Business Partner - People
Date	10/10/16

Comments from the Corporate Capital Programme Board:

There are no corporate capital implications.

c. Legal implications:

The vision for adult care in Bristol as set out in the Adult Social Care Strategic Plan is that people can get the right level and type of support, at the right time to help prevent, reduce or delay the need for ongoing support, and to maximise people's independence in accordance with the principles of the Care Act and the statutory guidance

Advice given by Sarah Sharland, Senior Solicitor
Date 06/10/2016

d. Land / property implications:

There are no land/ property implications.

Advice given by Not applicable
Date

e. Human resources implications:

The organisational desire to use the three tier model has needed a shift in the culture of the workforce and how things have been traditionally done with the service. Changes have been made to the way our social care is accessed and allocated, new conversations are happening to ensure we base peoples care on their strengths and what they can do, rather than what they can't do.

The workforce has been supported throughout the change via a range of mechanisms and will continue to have support whilst the model is rolled out to all parts of Adult Care.

Any further changes will be fully consulted on with the appropriate staff and their representatives.

Advice given by Lorna Laing, HR Business Partner, ABS Manager and L & OD Manager
Date 6th October 2016

Appendices:

Appendix 1 – Bristol City Council's Adult Social Care Strategic Plan 2016-2020

Appendix 2 – Health and social care system colleagues

Access to information (background papers):

Local Government Information Unit summary and analysis of the recent report [Social care for older people: Home truths](#)

[Don't be left in the dark: Adult Social Care](#), Local Government Association, 27th October 2016.



Bristol City Council

Adult Social Care Strategic Plan 2016 - 2020

November 2016 v9

Introduction

Adult social care provides support in a variety of ways to people living in Bristol who have the highest level of need, for example those with a disability or a long-term illness, older people, and to unpaid carers. Social care helps people do everyday things, and safeguards people from significant harm.

During the period of this plan we will be integrating health and social care services across Bristol and work is already taking place as part of Better Care Bristol and the Bristol, North Somerset and South Gloucestershire Sustainability and Transformation Plan. Evidence shows that redesigning services around the needs of individuals provides the best opportunities to improve people's health and wellbeing including closing health inequalities, and helping to bring financial sustainability to the system.

This Adult Social Care Strategic Plan describes the Council's approach to adult social care over the next four years. It provides the strategic context to drive future commissioning, care management and our role in the integration of health and social care.

It sets out how we will:

- Put in place a new, more cost effective approach to delivering adult social care.
- Provide services within budget
- Work with partners to provide a more joined up health and social care system
- Focus on preventative services which help people to remain independent or regain the independence they want and value
- Reduce demand and focus resources on those who most need them

Context

The number of people who might need social care services in the future is expected to rise significantly. The numbers of people living with for example, dementia, learning disability or poor mental health will all increase and the rise in demand for health and social care comes at a time when funding is decreasing.

Projections estimate that the number of people aged over 65 in Bristol will increase by 13% by 2024, and by 44% by 2039. (ONS 2014-based Sub-national Population Projections).

The Care Act 2014 brought new responsibilities for local authorities, with new eligibility for services, support for carers, new areas of work around information, advice, prevention, support for the care market, and safeguarding.

However, nationally, social care budgets have been reduced by 26% in real terms over the last four years. Half of this has been through spending reductions and half through managing demand differently. To continue to do this means new ways of working.

In Bristol, the council has continued to prioritise social care and has adopted the 'Adult Social Care precept'. In 2015 Central Government announced that Councils would be allowed to increase their share of Council Tax by up to an extra 2% if the additional funding is all used to fund the increasing costs of Adult Social Care services. The Government has said that this precept must be

shown as a separate charge on all council tax bills. The income generated from this charge is ‘ring-fenced’, meaning it can only be used for adult social care services.

The needs of people who use our services

In 2015/16 32,629 people contacted adult social care services. The following charts show a breakdown of the 6,986 people who used adult social care services in 2015/16, by their primary support needs. They are divided into two age groups, ‘18-64 year olds’ (1,937 service users in 2015/16) and ‘aged 65 and over’ (5,049 service users in 2015/16). Some people receive more than one service.

Chart 1: Primary Support Reason (18-64)

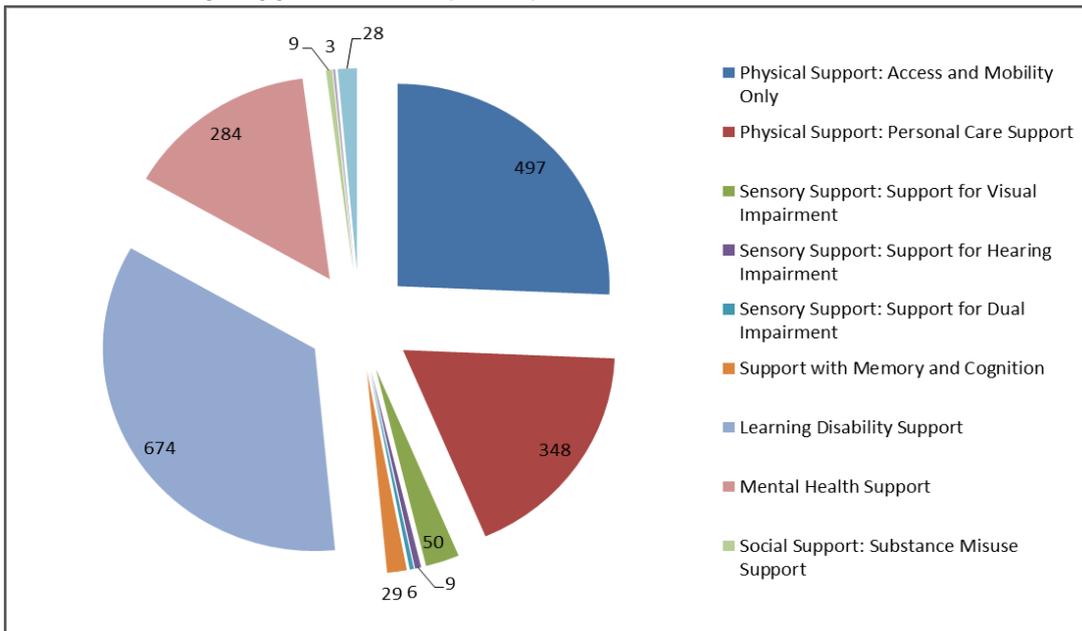
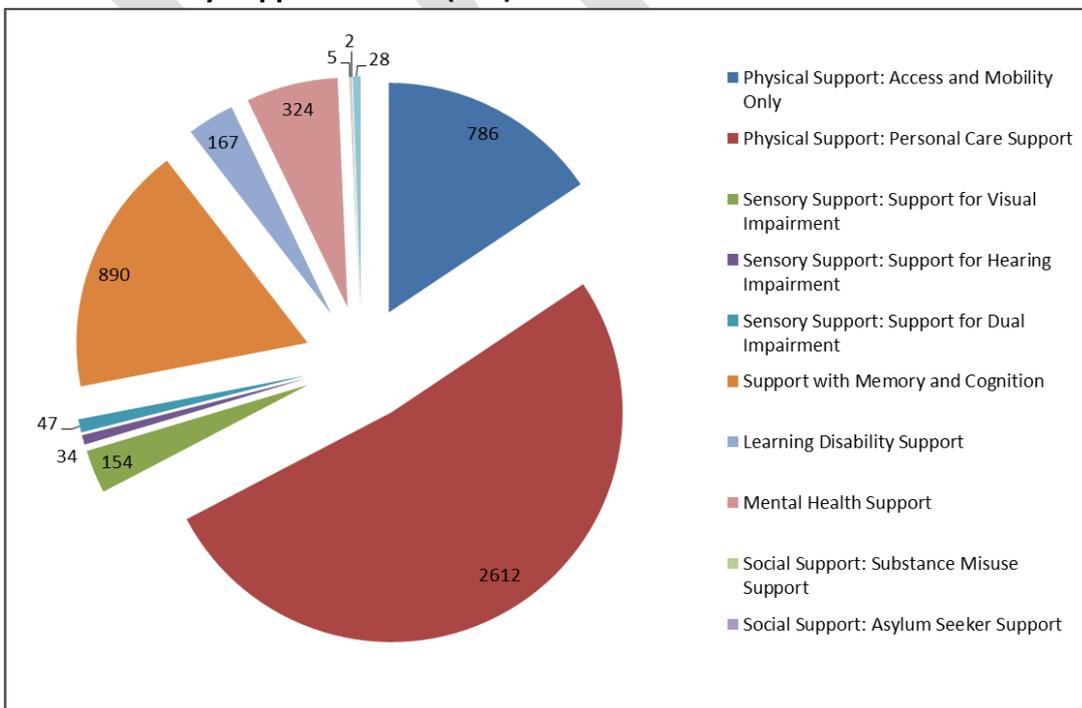


Chart 2: Primary Support Reason (65+)



In 2015/16 we spent £144.5 million on adult social care, which is 34% of the Council's total revenue spend. Of this, on the two most significant primary support reasons we spent:

- £32.2m on physical support for people aged 65+
- £44.5m in supporting people with a learning disability

Read more:

- To find out more about the evidence base, please read the 'Joint Strategic Needs Assessment'
- Information on how well we are doing can be found in the council's 'Local Account for Adult Social Care'

Our vision for adult social care in Bristol

In this context, adult social care in Bristol is changing. Our focus is to promote, maintain and enhance people's independence in their communities, so that they are healthier, stronger, more resilient and less reliant on formal social care services.

Vision: People can get the right level and type of support, at the right time to help prevent, reduce or delay the need for ongoing support, and to maximise people's independence.

There is growing understanding that councils cannot do many of the things that have been done previously. We want to focus on what we can do, what our partners and communities can do, and what individuals can do. We believe that people know best how to meet their own needs, and we will support people to do that. Within available resources we need to:

- Ensure that everyone has access to information and advice which supports their wellbeing. Increasingly this will be online information, and telephone advice supported by trained customer service staff. This means information can be more responsive, up to date and tailored to individual requirements. Information will be available to enable people to assess their own needs, their eligibility for services and to understand the financial consequences of the decisions they are making. This will allow people to think ahead and plan for their future.
- Ensure that there is a wide range of information on services which may support people outside of the statutory social care services. This will enable people and families to help themselves through a range of preventative local services which can help people to stay healthy and well.
- Work with local communities and other providers of health and care services to develop local, community-based support that helps people stay independent and safe.
- Work with partners to identify people who may be at risk of needing help in the future and for whom support in the short-term may prevent longer term needs developing. This will include working with colleagues in health services to ensure people's needs are diagnosed early, their care needs identified, and wherever possible people are enabled to manage their own care. Where people experience a crisis in their lives, rather than intervening to

remove people from the crisis, we will work with people and families to manage the crisis, become more resilient and develop skills to deal with issues in the future.

- Make it as easy as possible to access support when people need it. People will be able to get the help, advice and support they need online, by phone, through clinic appointments or where required through pre-scheduled home visits. On first contact with people we will ensure that our support conversations enable people to access both community and family resources, as well as, where relevant, paid-for services, to maximise their independence and achieve the things that matter to them. We will do this because we know that it helps people to be more resilient and to be more in control of their lives; it reduces isolation and is more cost-effective.
- Work with partners, sharing information, and joining up services will help us to avoid duplication wherever possible and also to understand people's total health and care needs.
- Aim to deliver services which will enable people to gain or regain skills to help them to live independently and recover from illness. We will do this in the most unobtrusive and least restrictive manner possible. This means that we will support people in the short term whilst expecting that wherever possible people will support themselves in the longer term. For most people, long term support from the local authority will be the exception rather than the rule. We will provide 'just enough' support to assist people to build on their current strengths and develop their abilities to look after themselves without creating dependency on council support.
- Seek to use equipment and technology to provide less intrusive and more costs-effective care. Wherever possible we will keep people at home, with families and friends to enhance their social and personal experience.

This represents a significant cultural shift for staff, citizens, and partners away from a model of focussing on/assessing problems rather than strengths, and towards the promotion of social and individual responsibility, cohesive communities, and ensuring that the most vulnerable citizens can access the right support at the right time.

Of course for some people, social care services are required for longer to enable them to live fulfilling lives. Where people need ongoing support we will share this responsibility with the individual, their families and their communities. We will try to meet people's needs in a personalised way which delivers the outcomes that people seek.

However, in delivering and commissioning services we want to achieve the best value and most cost-effective means of delivering high quality care. This is important, not just because local authorities are receiving less funding from government to provide care, but also because the vast majority of people using support services contribute to the cost, and many thousands of Bristol residents fund their own care entirely. Everyone should expect that the services they are buying or receiving represent the best possible value.

Therefore whilst choice is an important factor in people being able to manage their own care, it cannot be unrestricted. Wherever possible we will work with individuals to deliver personalised social care and health services, but we will only do this in the context that the services people receive will maximise their independence and provide the very best value for money. Working

with providers of care we will constantly review people's care arrangements to ensure their outcomes are being met in a cost-effective way.

We recognise that for some people there is an enhanced risk to their personal safety because of their particular disabilities or frailties, or due to wider issues in society. However we also recognise that we all need to take and accept a level of risk in order that we grow and develop as individuals. We will therefore work with people to enable them to understand and manage risks appropriately, whilst also providing arrangements to safeguard people from significant harm. Our response to concerns about people's safety will be proportionate, flexible and personal and will always be based upon the individual's wishes and feelings alongside the best interests of the wider community.

Our work in adult social care will be underpinned by the following set of principles:

- Sharing learning and building on evidence based practice
- Listening and incorporating the voice of the citizen and carer about what works
- Making decisions based on evidence, data and intelligence
- Delivering within budget

How we plan to achieve our vision

To meet our obligations within the Care Act 2014 we have developed a three tiered model of care and support. It is designed to ensure that people can get the right level and type of support, at the right time to help prevent, reduce or delay the need for ongoing support, and to maximise people's independence.

In order to deliver this, the model has been tested with three teams in Bristol initially, with very promising results. An evaluation after 3 months of delivering this new approach has received excellent feedback from practitioners, service users and carers alike. Of the people interviewed who had been through this new approach, 67% of service users and carers were satisfied with the outcome they received, with the remaining 33% neutral. There was no negative feedback. One carer stated: "It's good, she [daughter] is really happy. She goes to the park and also to another support group and does pottery. When she is happy, I am happy." This approach has also been adopted in other authorities in the UK with excellent results.



Figure 1: Bristol's strategic approach to adult social care

1. Help to help yourself

How it works now:

In depth research with existing users of services and carers highlights that:

- People don't know how to find the information they want
- When people do find information it is difficult to understand and take in
- There is an assumption that 'paid for' services are the only option available to people – whether they want them or not
- People feel confused about what might happen to them, and when it might happen
- People do not understand (and do not need or want to understand) the differences between health, social care, and other community based services. The language used by the Council which makes these distinctions just causes more confusion

In four years' time:

- We will have an easily accessible digital information service, supported by an online self-assessment process, to enable people to identify their own solutions without needing to contact the council or other services
- Bristol will have a single coordinated approach to information, advice and guidance that will mean citizens do not need to know the difference between health, social care, housing, welfare
- Bristol will have an integrated approach with the NHS, particularly with primary and community care, to our work to keep people living independently

- Citizens in Bristol will be supported to maintain their own health and wellbeing, and engage with the resources in their own community, with the right information, advice, and tools to do so
- Citizens in Bristol will be enabled and supported to think about their own futures, and plan ahead in case they or their family members need support

We will:

- Develop and implement our information, advice and guidance offering, taking a whole system approach to include all areas of the council and health where relevant
- Support initiatives in the community which help people to stay independent
- Promote and facilitate access to 'universal services'
- Further improve our work with the voluntary and community sector to enable greater signposting, links, and sharing of resources and consistency of approach
- Support the whole system culture change across the whole health, social care and housing pathway to ensure effective access for all citizens of Bristol.

Case study 1 – Listening, sharing knowledge and providing information and advice

A daughter with increasingly frail, elderly parents contacted our First South team seeking help. They engaged in a 'supportive conversation' that helped them find the ways to manage their own personal care and medication. They were helped to use their attendance allowance to buy in help with chores, organise daily hot meals and arrange specialist home deliveries. In the past, we would have carried out an assessment, with an expensive agency support package for many years

2. Help when you need it

How it works now:

- Short term packages of care, for example, on discharge from hospital, can sometimes create dependency
- People are sometimes unable to access services as quickly as they need to avoid crisis, which often results in costly interventions such as hospital admissions

In four years' time:

- Health and social care staff will be supported to take managed risks
- When people reach, or are close to, a point of crisis, they will be able to access immediate short term support to enable them to regain their independence after the crisis has passed
- We will help those who need extra support for a period of time. This means offering swift and appropriate support to them to regain their independence they want and value. It means sticking with people to see what works
- We will, where appropriate, promote the use of assistive technology to support people to maintain independence

We will:

- Ensure that short term packages of care are outcomes focused, and with a clear end date, to enable people to return to independence
- Ensure that reviews of short term packages of care and support are undertaken in a timely manner, as agreed with the individual

- Ensure that we communicate with people to let them know what is happening, when it is happening, and how they can plan for their own future
- Work to support staff and health colleagues to undertake the cultural shift needed to deliver a new approach and support people to take responsibility for their own health

Case study 2 – Use of assistive technology to promote independence and self-care

A very overweight person was provided with a 'floor bed' meaning they can operate the controls themselves, raise the bed so they can get in and out, and manage their own personal care needs at night. This removes the need for hoists and carers, and means there is no longer a need to consider a residential care placement. The outcome is that the person can remain independent in their own home.

3. Help to live your life

How it works now:

- Our current approach creates dependency
- Research has shown that service users and carers find the system confusing, complicated, and with a lack of transparency about what will happen to them
- Reviews are not completed in a timely manner, with people often waiting several months after a change in circumstances before they have their packages of care looked at
- Our model is based on meeting needs rather than maximising independence and achieving outcomes for people

In four years' time:

- People in Bristol with the greatest vulnerabilities will be enabled to access the right support to meet the outcomes that are important to them, to help them live their life in the way in which they want
- People will be able to access a wide range of support options to achieve what they want to in life – including community based support, friends and family, and where relevant, appropriate paid for packages of care
- We will have integrated management of people's needs across social care and health, with the most appropriate practitioner co-ordinating care

We will:

- Ensure that our support conversations enable people to access both community and family resources, as well as, where relevant, paid for services, to maximise their independence and achieve the outcomes that matter to them
- Where people do require a full assessment of their care and support needs, these will be undertaken in a way that puts the individual at the heart of their care
- Work closely with health colleagues to develop a whole system approach to delivering health and social care, and maximising people's independence

Case study 3 – Working together to make a positive difference to lives

A woman with ongoing mental health concerns was at risk of losing her council tenancy due to disputes with her neighbours over excessive noise late at night. A discussion with her highlighted that she uses music as a form of therapy to positively control her mental health and prevent crisis. The social worker supported her to purchase a pair of good quality headphones to enable her to continue to do this, meaning that she is no longer at risk of eviction. She also agreed that the ongoing dispute had prevented her from engaging with support services to reduce her isolation, develop her independence, and build her self-esteem. With this dispute resolved, she feels able to focus on this, and agreed to engage with her support service. This will be monitored and reviewed by the social worker and the support provider in six months' time.

Key activities to deliver the approach

We will need to take action to underpin our approach and help us to deliver what we have set out.

Workforce

We will:

- Develop our staff to ensure that people have the right skills and knowledge and the right tools available to deliver the Bristol approach.
- Acknowledge the importance of the support, management, working environment and wellbeing of staff.
- Support staff to work collaboratively with partners in health and the community; and to understand each other's roles

Strategic commissioning

We will:

- Gather and use good information about the needs of the Bristol population, what the market is supplying and what works.
- Further develop our relationship with current and potential providers to achieve a diverse and responsive market place.
- Ensure value for money and effectiveness of services
- Continue to maintain quality providers
- Increase the proportion of our resources invested in prevention and early intervention year on year, aiming to shift from:

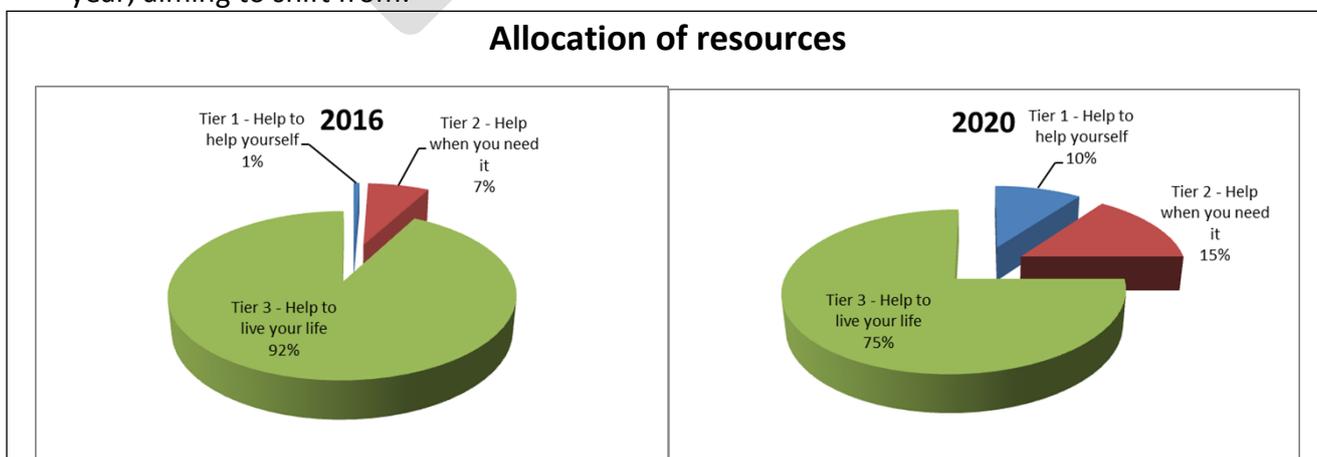


Figure 2: This illustrates how resources will be shifted over the next four years

Technology

We will:

- Maximise the use of assistive technology where appropriate to promote independent living.
- Provide mobile digital technology, supported by training, to staff to enable more effective working.

Collaboration

We will:

- Explain and promote understanding about what adult social care does and its role and contribution within the wider community, health and social care system.
- Work together across the Council and with partners in health and the voluntary and community sector to prevent the need for care services, and promoting and supporting the focus on strengths and assets of each individual.

How will we know it is a success?

In four years' time we will know the approach has been successful when:

- We have reallocated resources, and evidence demonstrates that the Bristol approach is preventing and reducing the need for care.
- We operate within the budget available.
- The workforce is highly skilled, effective, productive and enjoying their jobs.
- We exploit the potential of technology for citizens, carers and staff.
- Citizens and carers tell us that they are able to achieve the things they want to.
- We are planning and commissioning effectively and have strong and constructive relationships with providers.

Safeguarding adults

Local authorities have a statutory duty under the provisions of the Care Act 2014 to lead a multi-agency, local adult safeguarding system that seeks to prevent the abuse and neglect of adults at risk, and stop it quickly when it happens. Bristol City Council will continue to enact this duty through the Bristol Safeguarding Adults Board (BSAB), working closely with the Police, Clinical Commissioning Group (CCG) and other partners in the delivery of a three year strategic plan to reduce harm to adults at risk in Bristol.

The BSAB also commissions Safeguarding Adult Reviews, lessons-learned enquiries into the death or serious harm of an adult at risk, where there is a concern that agencies have not worked together to address the situation. The current BSAB Strategic Plan 2015-2018 and annual action plan will be reviewed and refined during 2017, ready for implementation in 2018.

Monitoring our performance

We will have an annual delivery plan with detailed measures, and progress will be reported through the Local Account each year.

We will also report annually to the Association of Directors of Social Services (ADASS), and must submit performance data against the measures set out in the Adult Social Care Outcomes Framework (ASCOF).

Health and social care system colleagues

Colleagues from the following groups/organisations have been invited to share their views on the draft Adult Social Care Strategic Plan 2016-2020:

- Bristol Disability Equality Forum
- Bristol Older People's Forum
- Bristol Women's Voice
- LGBT Bristol
- Carers Voice
- Learning Disabilities Partnership Board
- Mental Health Partnership
- Older People's Partnership Board
- VOSCUR
- Provider Forum
- Bristol Clinical Commissioning Group
- Care Forum
- Carers Support Centre
- Care and Support West



Executive Summary of Agenda Item No. 9

Report title: Tender for the supply of Books to Library Service

Wards affected: All

Strategic Director: Alison Comley

Report Author: Kate Murray, Head of Libraries

Recommendation for the Mayor's approval:

1. To recognise the requirement for flexible contract terms, in line with local changing circumstances in all partner local authorities.
2. To agree to continue to procure the supply of books for Bristol Libraries, via CUSP using the ESPO framework 376F (library stock supply framework agreement).
3. To authorise the Strategic Director Neighbourhoods to participate in the CUSP tendering process and to appoint the preferred supplier/s from this process to supply book materials to Bristol Libraries

Key background / detail:

a. Purpose of report:

The current CUSP (Consortium for United Stock Purchase made up of 14 local authorities) book contract is due to expire at the end of March 2017. In order to ensure no break in the supply of books, a tender process must be undertaken now, with a contract to be in place for the beginning of April 2017.

There will be no commitment to a minimum, or indeed any spend, as part of the contract, thus ensuring flexibility in the changing circumstances that Bristol City Council is operating in.

b. Key details:

1. A tender process is the best way to ensure that Bristol Libraries are obtaining the best efficiencies and savings by going out to the market
2. The approximate annual spend is £400,000 on adult and children's books for Bristol libraries. This represents 63% of the current budget for expenditure on library materials of £630,000. The proposed contract length is 4 years plus an option to extend for a further 12 months. The maximum combined value over five years is £2,000,000, but could be lower.
3. CUSP is planning to use an existing ESPO Framework 376F (library stock supply framework agreement) with a mini competition for best value.



**BRISTOL CITY COUNCIL
CABINET
INSERT DATE OF MEETING**

REPORT TITLE: Tender for the supply of Books to Library Service

Ward(s) affected by this report: All

Strategic Director: Alison Comley/Strategic Director Neighbourhoods

Report author: Kate Murray/Head of Libraries

**Contact telephone no. 0117 352 1264.
& e-mail address: K.Murray@bristol.gov.uk**

Purpose of the report:

The Library Service's stock of books is at the core of its service. In order to provide customers with the widest possible range of up to date, relevant, high quality material, within the constraints of the budget allocated, it is essential to have a purchasing contract that is flexible, has no minimum spend and delivers the best possible value for money, for Bristol.

In 2012 in order to obtain the best value for money we could in the tendering process, Bristol Libraries joined a larger buying consortium 'Consortium for United Stock Purchase' (CUSP) which is based in the South West. CUSP still gives us the best method of obtaining value for money in the supply of books to the Library Service because of the joint buying power of the 14 local authorities who are members of CUSP

The current CUSP Book contract is due to expire at the end of March 2017. In order to ensure no break in the supply of books, a tender process must be undertaken now, with a contract to be in place for the beginning of April 2017. If the contract is not undertaken, the library service may not be able to purchase enough books at a cost effective price to enable it to meet its statutory duty to provide a comprehensive and efficient library service. As the contract is for 5 years, and it is not possible to join during that period, this situation could continue until 2022.

Book materials are to include adult fiction, adult non-fiction, reference items, and children's books. These materials need to be supplied shelf ready. We also require suppliers to offer other services which contribute to efficiency and cost effectiveness, such as supplier selection.

There will be no commitment to a minimum, or indeed any spend, as part of the contract, thus ensuring flexibility in the changing circumstances that Bristol City Council is operating in.

The council wide budget consultation is scheduled to finish in January 2017, with targets for savings in library services, and possible changes in how the service is delivered. Any decisions about the future service will not conflict with this tender process as any books purchased can be scaled depending on the number of council run libraries and any possible relationship with the community libraries. However the tender ensures a continuous flow of

books which is core business to Bristol Libraries.

RECOMMENDATION for the Mayor's approval:

- 1. To recognise the requirement for flexible contract terms, in line with local changing circumstances in all partner local authorities.**
- 2. To agree to continue to procure the supply of books for Bristol Libraries, via CUSP using the ESPO framework 376F (library stock supply framework agreement).**
- 3. To authorise the Strategic Director Neighbourhoods to participate in the CUSP tendering process and to appoint the preferred supplier/s from this process to supply book materials to Bristol Libraries.**

The proposal:

1. A tender process is the best way to ensure that Bristol Libraries are obtaining the best efficiencies and savings by going out to the market. To further enhance our efforts to obtain the best possible value we intend to tender via CUSP, a large buying consortium based in the South West. CUSP is planning to use an existing ESPO Framework 376F (library stock supply framework agreement)

2. Due to the value of the contract and in line with the Council's financial regulations and constitution a competitive tender process is required. Based on 2016-17 agreed expenditure, the approximate annual spend is £400,000 on adult and children's books for Bristol libraries. This represents 63% of the current budget for expenditure on library materials of £630,000. The proposed contract length is 4 years plus an option to extend for a further 12 months. The maximum combined value over five years is £2,000,000, but could be lower.

3. In Bristol the majority of the book fund is spent on physical books and periodicals. This year, we plan to spend £100,000 on e-resources which include online reference tools as well as e Books. The balance between e books and hard copy fiction is not like for like as most of the newly published titles are not available to public libraries as e books, because of digital rights management issues. For example, this prevents British libraries offering Amazon kindle e books. Therefore we have not reduced the amount spent on hard copy lending books. We are subscribing to an additional e book service for Bristol to meet demand with a range of different titles. The e book offer is still developing for public libraries and we are not in a position yet to replicate the range of stock we have in hard copy. We have endeavoured to expand our reference, newspapers and periodicals offer through online services such as Zinio and Newsbank. We constantly consider the cost of electronic resources that are sometimes extremely expensive against the possible usage and the benefit of increased access.

4. The ESPO library stock supply framework, which was established in 2014, will be used as all the main suppliers in the market are on the framework and it provides a route to a contract that has already been let in accordance with EU and national procurement regulations and advertised through the Official Journal of the European Union. A mini competition will be used within the framework to ensure that best value is obtained for the CUSP members and individual consortium members will then enter into call-off contracts with the successful bidder(s).

5. There is no exclusivity clause, but it is a contract for library stock, which makes reference to spending 70% of the available budget with the awarded supplier/s and so it is strongly implied that the awarded supplier would receive the vast majority of business from each member. However the council is not committed to actual spend – only a percentage of the available budget. The available budget could be altered.

6. If there is a delay to the contract, Bristol Libraries will not have a book supplier, ceasing supply of new and annually published books. There is no other commercial bookshop that can provide the same service with the same discounts. As a statutory service Bristol could be contravening the statutory duty and face a legal challenge. Procurement with a group of 14 local authorities is a very time effective and cost effective way of managing contract renewal instead of Bristol procuring as a single authority.

Consultation and scrutiny input:

a. Internal consultation:

BCC Procurement Service consulted in relation to the procurement process.

b. External consultation:

Discussions with our LibrariesWest Consortium partners in North Somerset, Bath and North East Somerset, South Gloucestershire and Somerset who are also members of CUSP.

Other options considered:

We could have gone out to tender independently of CUSP but decided against this because CUSP offers us the best way to obtain the best terms available for the supply of book material. CUSP as a group has considerably greater buying power than any individual authority and so is in a better position to obtain the best value for money. The size of the CUSP contract makes it more attractive to prospective suppliers, which in a difficult market, is an advantage.

Risk management / assessment:

FIGURE 1							
The risks associated with the implementation of the (subject) decision :							
No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK		RISK CONTROL MEASURES Mitigation (i.e. controls) and Evaluation (i.e. effectiveness of mitigation).	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
		Impact	Probability		Impact	Probability	
1		High	Medium		High	Low	
2							

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

	Threat to achievement of the key	Impact	Probability	Mitigation (i.e. controls) and Evaluation	Impact	Probability	
1	The total value of our spend is less attractive to prospective suppliers due to contractions within the library book supply market.	High	High	None – use tender process	Low	Low	Kate Murray
2	The impact on staff capacity would be considerably higher and would necessitate additional staffing resources, and therefore cost, to support the procurement process.	High	High	None – use tender process	Low	Low	Kate Murray
3	Disruption in the supply chain. Bristol Libraries being unable to put alternative procurement arrangements in place in time to enable the continuity of stock supply starting 17/18. A period with no new stock is a risk to the reputation of Bristol Libraries and Council.	High	High	None – use tender process	Low	Low	Kate Murray

Public sector equality duties:

The contract will enable Library Service to supply lending materials to fulfil needs of all customers as regards access, equality & diversity and human rights. A full assessment of the impact any resources will have on citizens with protected characteristics must be undertaken to ensure that we meet the duty and give due regard to any adverse impacts, when the contract is awarded. Consultation with community groups will ensure that the needs of communities are considered in both what and how items are loaned.

Eco impact assessment

The significant impacts of this proposal are...

- Consumption of resources to produce books
- Travel, primarily through deliveries
- Creation of waste through packaging and disposal of redundant stock

The proposals include the following measures to mitigate the impacts...

Within the tender prospective suppliers are required to develop and implement a comprehensive environmental policy that sets out that it will be energy efficient and committed to recycling and reusing goods and products in respect to:

- a) Waste and recycling
- b) Transport and travel
- c) Purchasing of goods and services
- d) Energy use and efficiency

We also require that all cartons are either reusable or recyclable.

The net effects of the proposals are...

As this is a continuation of existing arrangements, no net change is anticipated.

Resource and legal implications:

Finance

A. Financial (revenue) implications:

The nature of the proposed purchasing arrangements means that there is no financial commitment arising from the recommendations. The Library materials fund expenditure budget is currently £630k. The Council is currently consulting on proposals to reduce the number of council run libraries with different options to be explored and the level of savings to be achieved from the material fund will depend upon the approach taken

Advice given by Robin Poole, Finance Business Partner
Date 18 October 2016

B. Financial (capital) implications:

N/A

Comments from the Corporate Capital Programme Board: N/A

c. Legal implications:

The Council must satisfy itself that CUSP has complied with the relevant mini-competition process for the ESPO framework agreement and that the terms of the call-off contract are acceptable to it.

Advice given by Kate Fryer, Solicitor
Date 3 October 2016

d. Land / property implications:

As the proposals in this report relate to a procurement contract for the purchase of books, there are no property implications

Advice given by Steve Matthews, Project Leader Asset Strategy
Date 14 October 2016

e. Human resources implications:

As proposals in this report relates to a procurement contract for the purchase of books, there are no HR implications.

Advice given by Sandra Farquharson, HR Business Partner, Neighbourhoods Directorate
Date 10/10/2016

Appendices:

Access to information (background papers):
www.espo.org/Frameworks/Social-care/Library-stock-Supply



Executive Summary of Agenda Item No. 10

Report title: St Pauls Carnival

Wards affected: All

Strategic Director: Barra Mac Ruairi

Report Author: Laura Pye

Recommendation for the Mayor's approval:

1. The Mayor approval for the new organisation as the preferred organisation to take forward a new vision for St Pauls Carnival and agree that we will support that organisation in partnership with the Arts Council.
2. The mayor agrees to release the Key Arts Provider funding on the delivery of the key milestones set out in appendix 1 and on meeting of the conditions outline within this paper.

Key background / detail:

a. Purpose of report: To confirm we are supportive of the recommendations of the Carnival Commission in term of their vision for St Paul's carnival and their recommended organisational governance model and to publicly thank the commission for their work.

To approve the new organisation as the preferred organisation to take forward a new vision for St Pauls Carnival and agree that we will support that organisation in partnership with the Arts Council.

b. Key details:

1. Following the withdrawal of funding from St Paul's Carnival Ltd, a meeting was held with interested members of the community, they formed themselves into a carnival commission and committed to undertake a piece of work to establish a vision for the future of carnival and to recommend the best delivery vehicle to deliver that vision.

2. This has now been completed and the vision and governance model recommended are included within the paper for approval. This has already been subject to extensive public consultation.

3. In order to deliver the new vision a new organisation (a CIC) needs to be set up with the right people to take this forward. Members of the Carnival commission and other interested member of the community have worked with Voscur to develop a terms of reference for the recruitment of the new organisation directors.

4. Following discussion with the Arts Council we agreed that a new organisation, recruited in lines with the terms of reference would be capable of delivering the vision for carnival set out by the commission and could form an organisation with the governance required.

5. We are therefore recommending that we support the organisation to do this by releasing the Key Arts Provider funding that is ring-fenced for this event in line with the criteria set out in this paper.



Cabinet

06 December 2016



Report Title: *St Pauls Carnival*

Ward: *Ashley*

Strategic Director: *Barra Mac Ruairi*

Report Author: *Laura Pye Head of Culture*

**Contact telephone no.
& email address** *0117 9224084
Laura.pye@bristol.gov.uk*

Purpose of the report:

To confirm we are supportive of the recommendations of the Carnival Commission in term of their vision for St Paul's carnival and their recommended organisational governance model and to publicly thank the commission for their work.

To approve the new organisation as the preferred organisation to take forward a new vision for St Pauls Carnival and agree that we will support that organisation in partnership with the Arts Council.

Recommendation for the Mayor's approval:

- 1. The Mayor approval for the new organisation as the preferred organisation to take forward a new vision for St Pauls Carnival and agree that we will support that organisation in partnership with the Arts Council.**
- 2. The mayor agrees to release the Key Arts Provider funding on the delivery of the key milestones set out in appendix 1 and on meeting of the conditions outline within this paper.**



The proposal:

1. Background

- 1.1 Following the withdrawal of funding from St Paul’s Carnival Ltd, a meeting was held with interested members of the community, they formed themselves into a carnival commission and committed to undertake a piece of work to establish a vision for the future of carnival and to recommend the best delivery vehicle to deliver that vision.
- 1.2 The Commission appointed researchers Armstrong Cameron Pitter (ACP) to undertake a public consultation and research piece to highlight the issues and recommend some options. This piece of work is complete (see attached Appendix 2).
- 1.3 This was presented to the community on Thursday 16th June. At the public meeting they explain to the audience what research and consultation has taken place, what they believe is the best way forward and why they believe this. The commission at this stage shared their initial thoughts on the best way forward.
- 1.4 Following this meeting they distributed the report created by ACP and carried out further consultation with the community on what it suggested.
- 1.5 On the 27th July they held a final public event to present their final findings and suggested way forward. Following the research which was carried out, the public consultation done and discussions, they presented their own conclusion on what they believe should be the vision for Carnival and how this can best be delivered.
- 1.6 The Key Arts Provider that was set aside for St Paul’s Carnival Limited has been ring-fenced by both ourselves and ACE meaning there is £140,000 available in 2016/17 and £140,000 in 2017/18 (£50,000 per year from BCC and £90,000 per year from ACE)

2. Carnival Commission Recommendations

- 2.1 A full copy of the commission recommendations is attached to this briefing (Appendix 3) but the headline recommendations are as follows:
 - Focus on artistic delivery and presentations that upholds African Caribbean heritage and history of African Caribbean Carnival.
 - Embrace an entrepreneurial approach to ensuring that St Paul’s Carnival is sustainable and less dependent on historic core funders
 - Commit to a new culture of collaborative working and value-adding partnership arrangements nationally and internationally
 - Open up to digital innovation in the artistic expression of St Paul’s Carnival, through to diversification in income streams and Carnival audience engagement
 - Ensure that there is authenticity, integrity and corporate governance experience in the executive and decision making body for the delivery of St Paul’s Carnival
 - Be approachable, responsive and transparent to all vested stakeholders
 - Embed the culture of community ownership and accountability is at the heart of all operations of St Paul’s Carnival
- 2.2 The Carnival Commission also recommends the return of St Paul’s Carnival in 2017 with a minimal programme of activities that allows the operator to:
 - Build trust and confidence in its delivery capabilities

- Develop a core team and strategic plans to ensure the sustainable return of St Paul’s Carnival
- Establish working partnerships with organisations in and around St Paul’s, key Bristol institutions and corporations and other agencies of artistic and cultural relevance for St Paul’s carnival.

3. Setting up the new organisation

- 3.1 The Carnival Commission have now presented their findings and have disbanded
- 3.2 Some members of the Commission have offered to form a new organisation to take forward their recommendations and have approach ACE and BCC for support.
- 3.3 Following discussion with ACE we agreed that a new organisation are capable of delivering the vision for carnival set out by the commission and could form an organisation with the governance required.
- 3.4 We recommend that we support the organisation to do this by releasing the Key Arts Provider funding that was ring-fenced when the funding was withheld from St Paul’s Carnival Ltd (Arts Council have also agreed to release the funding ring-fenced from the National Portfolio Organisation funding)
- 3.5 Full details of milestones to be achieved and the activities which will be delivered for the funding are outlined in appendix 1. We will be placing the following conditions on the release of our funding-

	Due	On the condition that we have received	Amount
1	7 th Dec 2016	<ul style="list-style-type: none"> • your bank account details • a signed acceptance letter • an interim activity report and income and expenditure statement to date - Interim report to include confirmation of organisation structure, identity and incorporation, together with confirmed appointment of Chair and Non Exec board members 	£10,000
3	06 Jan 2017	<ul style="list-style-type: none"> • an interim activity report and income and expenditure statement to date - Interim report to include confirmation of appointment of officers and receipt of outline plans and budgets for 2017 carnival event 	£30,000
4	30 Apr 2017	<ul style="list-style-type: none"> • a final report on your project to include a statement of income and expenditure signed by a senior officer of your organisation - A final report on your activity to include a statement of income and expenditure signed by a senior officer of your organisation and an updated delivery plan for 2017/18 	£10,000
Total			£50,000

- 3.6 Funding for 2017/18 will be released in line with our normal Key Arts Provider funding programme and the new organisation will be expected to take part in the application process for any funding beyond this point

Consultation and scrutiny input:

As part of the work the commission carried out to develop an vision for Carnival a wide range of public consultation took place. Since then we have consulted with the following people about their vision for Carnival and the suggestion of them forming a new organisation to take it forward

a. Internal consultation:

Place Leadership team
 Di Robinson- Neighbourhood
 Kurt James- Neighbourhoods officer
 Nick Carter- SAGE
 Local Ward Members- Cllr Davies, Johnson and English

b. External consultation:

Nick Green- Arts Council
 Phil Gibby – Arts Council
 Members of SAGE including emergency services

Other options considered:

1. Reinstate the funding to St Pauls Carnival Limited- Since the funding was withdrawn in November 2015 there has been some changes to the board however we don't believe there has been significant enough change to put them in a position to deliver the vision set out by the commission. They also don't represent the type of governance or organisation that the commission believed was needed to deliver a sustainable carnival longer term. Back in 2010 when there was concerns about carnival ACE but in interventions to support the organisation and refresh the board this was unsuccessful and we don't believe would be success in the future.
2. Open tender for organisation to deliver the vision set out by the commission- We wanted to ensure the funding and deliver stays within the community and there would be a risk with open tender of it being won by an event management company from outside of Bristol. Also because the funding is from both ourselves and ACE we need to align our process with theirs in order to ensure we both fund the same organisation moving forward

Risk management / assessment:

FIGURE 1							
The risks associated with the implementation of the (subject) decision :							
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	St Pauls Carnival Limited object to the proposal and campaign to rally support in the community	Medium	High	Carnival Commission carried out a number of public sessions and have consulted widely on their proposals. They have been open in their approach and do have wide spread support in the community. On the whole the feeling is people just want to see carnival back and if the new organisation can deliver they will support them	Low	High	
2	The new organisation fails to deliver against the milestones set out in appendix 1	High	Medium	The organisation includes key individual who are believed to have the skills and experience to deliver the vision. They will be part of an open recruitment process which will be support by ourselves and ACE and we will monitor closely and support were	High	Low	Culture team and ACE

needed

FIGURE 2**The risks associated with not implementing the (subject) decision:**

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	
2	The new organisation will not have the funding required to develop as an organisation and to deliver carnival	High	High				

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.

A full equalities impact assessment is included in Appendix 4 but overall we believe the proposal will have a positive impact. Carnival is about the celebrations of African Caribbean Heritage and the proposal will ensure this is delivered in years to come

Eco impact assessment

Full assessment attached

The significant impacts of this proposal are around the waste generated by St Pauls Carnival and the impact this has had in the past. This was highlighted in the reports as a major issue and one that needed addressing.

The proposals include the following measures to mitigate the impacts the new organisation are aware of the issues and one of the milestone to draw down the funding includes the development of an action plan to deal with this

The net effects of the proposals are positive

Resource and legal implications:

Finance

a. Financial (revenue) implications:

The proposal seeks approval to release the Kay Arts Provider funding to support the St Pauls Carnival. £57,728 has been earmarked under the revenue budget. It has been confirmed that only £50,000 is needed in 16/17.

Advice given by Tian Ze Hao / Finance Business Partner
Date 26/10/2016

b. Financial (capital) implications:

N/A

Advice given by Insert name / job title
Date Insert date

Comments from the Corporate Capital Programme Board:

N/A

c. Legal implications:

Advice given by Insert name / job title
Date Insert

d. Land / property implications:

N/A

Advice given by Insert name / job title
Date Insert

e. Human resources implications:

N/A

Advice given by Insert name / job title
Date Insert

Appendices:

Appendix 1 – Key Milestones for draw down of KAP funding

Appendix 2 - Armstrong Cameron Pitter report

Appendix 3- Carnival Commission Recommendations

Appendix 4- Equalities Impact Assessment

Appendix 5- Eco impact assessment

Funding Proposal for drawdown of “ring fenced funds” for St Paul’s Carnival.

The purpose of this document is to outline and agree a mechanism to achieve the drawdown of ring fenced funds from Bristol City Council (BCC) and Arts Council England (ACE) (collectively “the funders”) which will be applied to bring a new organisation into being to deliver an annual programme of events including, the St Paul’s Carnival.

Funding available for the financial year ending March 2017

ACE	£90,000
Bristol City Council	£50,000

Funds will initially be applied to support and resource a ‘Stakeholders Reference Group’ (terms of reference attached) which will be responsible for agreeing on the structure of the new organisation; advertising, recruiting and appointing the chair and non-execs to the new organisation, and incorporation of new organisation.

Funds will be held by the Bristol Cultural Development Partnership, until such time that the new organisation is incorporated and has appropriate banking and governance controls in place.

Application of the use of funds for the reference group will need to be agreed in advance with the chair of the reference group, Jonathan Jackson, and be supported by an appropriate invoice and confirmation of the good or service being received/supplied.

Funding will be applied directly to the new organisation once incorporated in a number of tranches once certain milestones and conditions as describe below have been achieved

It is proposed that funding is drawn down in tranches which match the delivery of key milestones, and conditions in the following manner:

Proposed Step funding Plan

£000s	Funds Received	From		Conditions Attached to Drawdown
		ACE	BCC	
Oct-16	10	10		Formation of Reference group, Signed Funding proposal with Key Drawdowns dates and conditions - Signed by Chair of Reference Group, and funders (ACE, BCC)
Nov-16	40	30	10	Confirmation of organisation structure, identity and incorporation, together with confirmed appointment of Chair and Non Exec board members. Note Funders to be part of interview panel, and appointment
Jan-17	70	40	30	On appointment of officers and receipt of high level outline plans and outline budgets for 2017 carnival event
Mar-17	20	10	10	On receipt of final report to include a detailed expenditure and income account signed off by the board, or delegated representative, of the new organisation; and a detailed programme plan for
Total	140	90	50	

Indicative use of Funds

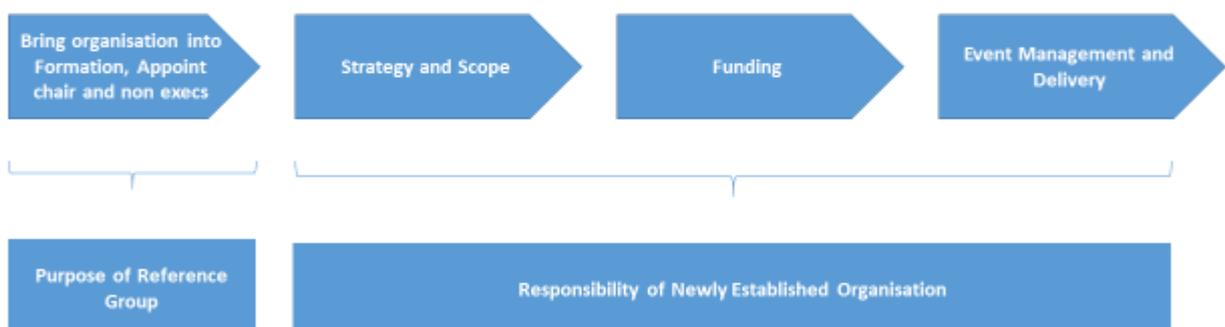
The indicative use of funds is outlined below to the period ending March 2017. This will require a detailed review once the new organisation are in place, but represents a broad outline of the expected application of funds.

Indicative Use of Funds	%	£000s
Organisation incorporation and appointments of board	5%	7
Recruitment and payment of staff and training	25%	35
Core running costs for the organisation	5%	7
Engagement activity - marketing website, work with schools	10%	14
Programme development for 2017 and 2018 events	35%	49
Production and delivery for 2017 and 2018	20%	28
		140

Activities of Reference Group

The high level approach of the reference group and the new organisation are outlined below.

Map To July 17 Event High level Approach



The step plan of activity for the reference group is detailed below

Reference Group Key Actions and Milestones



Attachments:

Terms of Reference for the Reference Group,



30092016 Final
Terms of Reference f

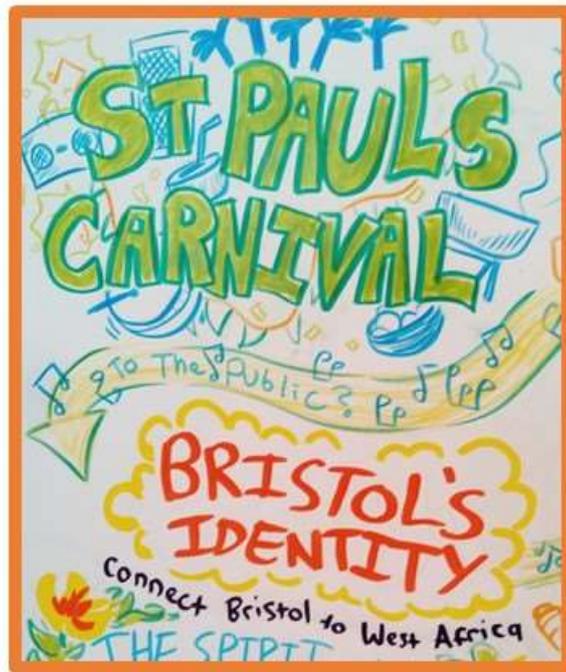
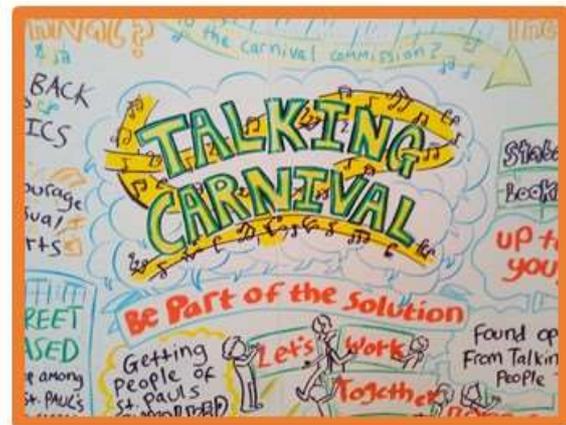
Recommend next steps and immediate actions



20162909 Ref
Group Next Steps ar

TALKING CARNIVAL

Planning a Future for St Paul's African Caribbean Carnival



Report prepared for The Carnival Commission
By Armstrong Cameron Pitter

June 2016
Page 47

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EXECUTIVE SUMMARY

What was the process?

In light of the recent suspension of funding from St Paul's African Caribbean Carnival, we were engaged by the newly formed Carnival Commission to conduct an options appraisal to help support the future development of a St Paul's Carnival. The specific activities undertaken were:

- Two online surveys – one for St Paul's residents and others with an interest in the Carnival, and one for businesses and stakeholders
- Two community consultation exercises held in St Paul's
- Case studies of three large scale outdoor festivals.

What did the online surveys reveal?

The first survey was aimed at individuals with an interest in St Paul's Carnival. 170 people responded, of whom the majority (66%) were women. Six respondents were current or former members of the St Paul's African Caribbean Carnival Board. Almost three quarters of respondents attended Carnival every year. The three most enjoyable aspects of the Carnival were reported as being music, food and celebrating African Caribbean culture.

The second survey – aimed at businesses and stakeholders – yielded 13 responses. 12 respondents were based in Bristol. The vast majority of respondents – 10 – felt that St Paul's Carnival is a central element of Bristol's cultural offer. Asked what might persuade them to support St Paul's Carnival, increased confidence in the organisers was cited as a primary factor alongside greater evidence of partnering and collaboration.

What emerged from the consultation events?

A total of 41 people attended the two consultation events held in St Paul's. We noted a very strong appetite for a vibrant, functioning, sustainable Caribbean Carnival inspired by Caribbean Carnivals but with a uniquely Bristolian flavour.

Consultees felt that there should be a clear differentiation between daytime and night time activities with the former focusing on family friendly activities.

The events revealed a wellspring of ideas which could form the foundation of a revived event.

What came out of the conversations?

We spoke to funders, event managers, commission members, local media and members of the local authority's SAGE group (Strategic Advisory Group).

All the funders we spoke to were keen to emphasise a willingness to support a newly revived St Paul's Carnival which is high quality, inclusive and safe and which celebrates African Caribbean heritage, arts and culture.

SAGE members referred to an event of two distinct halves: a family friendly event followed by a night time sound system themed event which proves much more difficult to manage. They also discussed the relationship between the Carnival Committee and SAGE, describing it as being somewhat fraught at times. This will be a key area which needs to be addressed in future.

Events managers felt that as a celebration of African Caribbean culture, St Paul's is the only event of its type in the South West but that its infrastructure is not currently fit for purpose. Managing growing numbers of attendees has been an intractable problem for organisers over the years.

Local journalists were keen to stress the Carnival's important contribution to the city's cultural offer whilst sharing the same concerns as other interviewees around having confidence in a fit for purpose organisation which could deliver a safe, family event celebrating African Caribbean culture. Members of the media were also clear that the absence of a more considered approach to PR with an accessible press contact has contributed to less than favourable relationship between the Carnival and the press.

What were the common themes arising from the conversations?

Common themes which emerged can be summarised as follows:

- The Carnival is a celebration of African Caribbean culture which is unique in Bristol and the South West. As such it adds something unique to Bristol's artistic and cultural offer.
- It is, however, an event of two halves with the first half being a family friendly Carnival procession and the second a sound system focused event which attracts a very different audience.
- All of the people we spoke to expressed serious concerns about safety, crowd management and the ability of erstwhile organisers to deliver a safe event.
- The current footprint of the Carnival presents some challenges since it is becoming increasingly difficult to accommodate growing numbers of visitors in a residential area.
- The people we interviewed stressed the importance of improving governance arrangements going forwards.

What are the options for St Paul’s Carnival moving forwards?

It is our view that the Commission needs to form a clear, easily communicated vision for St Paul’s Carnival. We would strongly suggest that this is informed by the outcomes of the various exercises we have carried out over the course of this piece of work.

Specifically, in considering future options, the commission will need to form a view on:

- **Agreeing a set of pre requisites** (see Section 8 of this report)
- **Agreeing minimum capability criteria for any organising entity.** These are summarised in Section 8.
- **Agree on an appropriate operating model**, suggestions for which are included in section 8 of this report
- **Agree on a Carnival Content Model.** Again, a number of options are suggested in Section 8 of this report.

We suggest that the Commission considers the four Operating Models we set out before going on to decide on a preferred Carnival content model.

ACKNOWLEDGEMENTS

We are grateful to Carnival Commission members and in particular to Julian Davis whose role as a central contact was invaluable throughout this process. We are also grateful to the 17 individuals who graciously submitted themselves to often lengthy interviews and to repeated requests for information.

The contributions of attendees at the two consultation events were much valued; we were hugely impressed by their enthusiasm, candour and by their considered thoughts. Almost 200 people responded to online surveys in the course of this piece of work; their responses added texture and informed the agenda of the consultation events and the final report.

The input of a number of individuals who have either served as St Paul’s Carnival Board members or helped to shape and deliver the Carnival over the years was both valuable and very much appreciated. We were honoured to be able to speak with founder members of the Carnival, Barbara Dettering and Albert Stewart who attended one of the consultation events.

The contributions of funders to this process have been much appreciated. In particular Phil Gibby and Nick Green (both of Arts Council England), Laura Pye of Bristol City Council and Fiona Spry-Phare of Heritage Lottery Fund provided much needed intelligence on funder interests and priorities going forward.

We have been particularly heartened by the strong political support offered to this process. A number of ward councillors participated in consultation events and we were particularly struck by the ongoing support provided by Bristol's new Mayor, Marvin Rees, and Shadow Minister for Arts and Culture, Thangam Debbonaire MP.

1. CONTEXT AND BACKGROUND

Purpose of this Report

In 2015, a Carnival Commission made up of grass-roots community organisations, local businesses and cultural practitioners was formed in response to the withdrawal of funding by Bristol City Council and

Arts Council England (ACE) from St Paul's African Caribbean Carnival Ltd (the organisers of the St Paul's Carnival). With ACE funding ring fenced for Carnival activity in Bristol, a key aim of the Commission is to explore options and develop strategies to strengthen and stabilise St Paul's Carnival now and for the future.

The Carnival Commission is made-up of local individuals with an interest in and a commitment to reviving

St Paul's Carnival. They are:

Marti Burgess: Lawyer (Gregg Latchams), Colston Hall Trustee & owner of Lakota Nightclub

Julian Davis: Chair of Carnival Network South, Trustee of CYN and External Relationship Manager of Ujima Radio

Naomi Davis: Organiser of the Carnival's children's area & BBC Radio Bristol presenter

Roger Griffiths: Chairman of Ujima Radio & MD of Community Consultancy 2omorrow 2day.

Delroy Hibbert: Full Circle & Docklands

Jonathan Jackson: Finance Director at Icon Films, Former MD at Digital Rights Group significant experience in Media Entertainment from Strategic, Operational and financial perspective.

Cleo Lake: Former St Paul's African Caribbean Carnival Director.

Poku Osei: Founder of Babbasa, a youth empowerment social enterprise and Non-Executive Director for Bristol Community Health Board.

For further information on the Carnival Commission and a summary of the appointment process for this piece of work, please see Appendix One of this report

The purpose of this report is to summarise the outcomes of a programme of work undertaken by us – **Armstrong Cameron Pitter** – to support the Commission in developing its thinking around future options for the delivery of a Carnival event.

About Armstrong Cameron Pitter

Working mainly in the arts, heritage and cultural sectors, *Armstrong Cameron Pitter* is a partnership which comprises Derrick Armstrong, Dawn Cameron and Susan Pitter. We have collaborated on a range of projects in the arts, cultural and third sectors over several years and formed the partnership as a vehicle through which we bring together our complementary areas of expertise in order to develop our own projects and to respond to exciting opportunities. We have a particular interest in, and commitment to, working with and supporting black led arts organisations and have decades of first-hand experience in the support and delivery of Caribbean Carnival in the North of England.

As a partnership which has worked extensively within the Carnival sector and the wider arts and community and voluntary sectors, we are acutely aware of the challenges facing the UK Caribbean Carnival sector.

Our hands on experience of the Caribbean Carnival sector, in particular through our work with Leeds West Indian Carnival provides us with a grasp of those challenges – real and potential, logistical and strategic, in programming and partnerships, delivery, sustainability and resilience

Carnival is an inherently public artform whose stage is the open spaces of cities and towns across the nation. There are a range of explanations for Carnival's current struggles. However, at a time when the wider sector is increasingly having to make a strong case for continued investment and to prove both relevance and appeal, it feels particularly regrettable that one of the most democratic, open and accessible art forms is experiencing such challenges.

About St Paul's African Caribbean Carnival

Bristol is the most diverse centre of population in the South West of England. According to an analysis of the 2011 Census summarised by The Quartet Community Foundation, of a population of approximately 430,000 the number of people in Bristol defining themselves as Black African Caribbean stands at 6727 (1.6% of the population, a slight increase from 1.5% of the 2001 population); the African Caribbean population is ageing with more than half (54%) aged over 40 compared to 41% of the total population and contrasts with a growing, younger population of 12085 which defines itself as Black African. A further 6922 residents self-define as Black Other. The Somali population alone is estimated to be in the region of 10000. The city is also characterised by a large mixed race / dual heritage population of 15438 which represents 3.6% of the city's population compared to a national average of 2.2%.

St Paul's African Caribbean Carnival takes place in the St Paul's neighbourhood of Bristol which forms part of the Ashley ward. The Carnival (known originally as St Paul's Festival) will celebrate its 50th anniversary in 2018. Although its recent history has been chequered, St Paul's Carnival occupies a unique position in Bristol's cultural landscape. It provides a focus for the city's African Caribbean community to celebrate aspects of its history, culture and artistic expression and attracts a growing audience drawn from across the city and beyond. The pre-eminence of sound systems gives this iteration of Caribbean Carnival a uniquely Bristolian twist which reflects and draws upon the strong, independent music traditions of the city.

The Carnival's roots in St Paul's are strong and unbroken and everyone we spoke to over the course of our work felt that its connection to the area needs to be sustained even if – as many have suggested – the footprint of the Carnival is extended. Traditionally home to the city's African Caribbean communities, the profile of the area is changing in part due to creeping gentrification and in part to the arrival of newer migrant communities; the area is home to a sizeable proportion of the city's Somali community, for example.

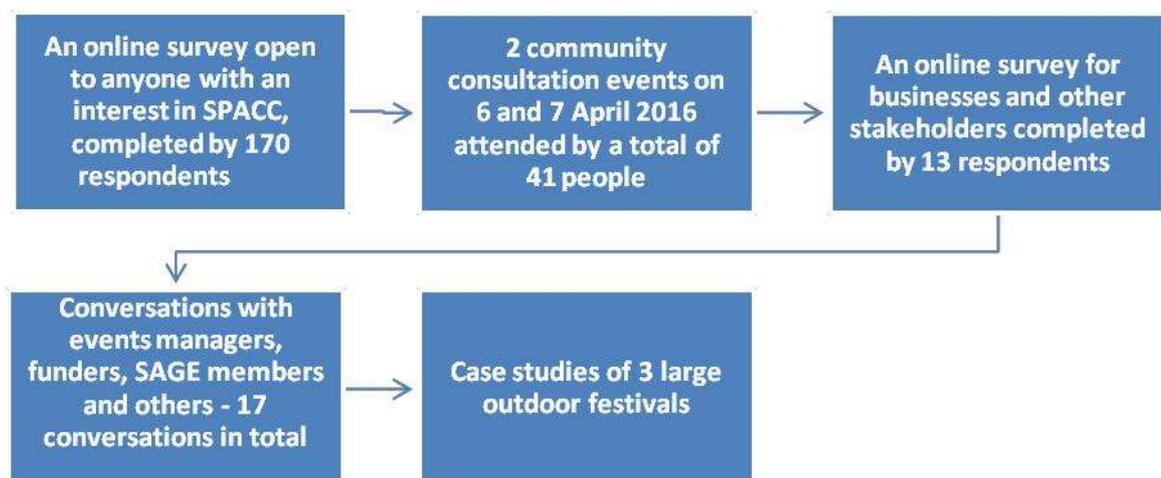
Despite changes within the community of St Paul's, for many its identity remains associated with a history of rebellion, resistance and activism spearheaded by first and second generation African Caribbean communities and going back to the 1960s, extending to the uprisings of the 1980s and beyond.

The last few years have, we understand, been marked by the closure of a number of St Paul's landmark buildings including the Black and White Café, Jamaica Inn and others. We have been left with an impression that St Paul's Carnival's recent troubles have added to a perception amongst some residents and activists of a beleaguered community whose needs and aspirations are not currently met by powerful institutions. In this respect, St Paul's Carnival is not alone: Caribbean Carnivals across England have experienced and continue to experience suspensions, closures and withdrawal of funding.

On the positive side, however, and on the basis of our engagement with a vast range and number of interested and passionate individuals and organisations, there exists a strong desire to see a reborn and revitalised outdoor spectacle which reflects both the artistry, culture and heritage of the African Caribbean diaspora and which showcases Bristol's unique take on Caribbean Carnival. As will become apparent to any reader of this report, a huge challenge lies in combining these twin imperatives.

Our Approach

Following an initial scoping meeting with Commission members, we agreed an approach which centred around the following key activities:



The outcomes of the above have informed the development of a number of options which are summarised in the **Options Appraisal** section of this report (see Section 9, below).

Please note that in the course of our conversations some people referred to the Carnival as *St Paul's Carnival* and others to *St Paul's African Caribbean Carnival*. We use the terms interchangeably throughout this report.

2.0 CONVERSATIONS

Over the course of the *Talking Carnival* exercise we arranged semi structured interviews with a range of individuals who have or have had a stake in the management, funding, logistical and promotional considerations associated with the Carnival. The outcomes of these conversations are summarised in subsequent subsections and in Section 5 of this report.

The individuals we spoke to were as follows:

- **Marti Burgess:** Commission member, lawyer and co-owner of Lakota (a club in St Paul's)
- **Nick Carter:** Regulatory Services Manager for Bristol City Council (BCC) and Chair of SAGE
- **John Conrad:** Environmental Health Officer for BCC and SAGE representative for Health and Safety and Food Hygiene Teams in BCC
- **Phil Gibby:** Regional Director Arts Council England South West
- **Nick Green:** Combined Arts Relationship Manager, Arts Council England
- **Steve Hunt:** Former General Manager of St Paul's Carnival (2009 – 2015)
- **Martin Jones:** Journalist, BBC Points West
- **Cleo Lake:** Former St Paul's Carnival Director, former Chair of St Paul's Carnival Committee and current Carnival commission member
- **Ian Onions:** Politics Editor, Bristol Post
- **Laura Pye:** Head of Arts and Culture, Bristol City Council
- **Miranda Rae:** Presenter, Ujima Radio
- **Martin Rowland:** Member of SAGE responsible for local policing support and operational planning for sporting and other large scale events
- **Tom Solly:** Freelance consultant in event, production and safety manager
- **Kelly Sprye-Phare:** Heritage Lottery Fund South West Development Manager
- **Rich Warren:** Chair of Bristol Festivals Limited
- In addition, we interviewed two Bristol based journalists who wished to remain anonymous.

We also spoke to the following to inform our case studies (see Appendix 2):

- **Tom Paine:** Director, Team Love
- **Arthur France:** Founder and Chair, Leeds West Indian Carnival
- **Daryn Carter:** Director, Bristol Pride

2.0 What the Funders Said

It is our understanding – and one borne out by our conversations – that although Arts Council England (ACE) and Bristol City Council (BCC) have suspended their funding of St Paul’s Carnival, they remain committed to reinstating funding should a suitable, robust delivery model be identified. Funding is currently ring fenced to this end.

Once the *Talking Carnival* exercise has been completed, ACE and Bristol City Council will enter into discussions regarding future funding arrangements.

As part of the *Talking Carnival* exercise, Thangam Debbonaire MP (Shadow Minister for Arts and Culture) introduced us to Heritage Lottery Fund (HLF) regional representatives. We subsequently went on to talk to Kelly Sprye-Phare and her thoughts and suggestions regarding heritage focused activity and funding are included in this section.

How was St Paul’s Carnival funded?

Until 2014 – the last year in which the event took place – St Paul’s Carnival was funded primarily by Arts Council England and Bristol City Council to the tune of £90,000 and £50,000 per annum respectively.

In addition, we understand that some revenue has been generated from sponsorship from time to time and from stalls income. According to a former Carnival General Manager whom we spoke to, at one stage £50,000 was raised from stall hire. Apparently stalls attracted a hire fee of £700, so this would suggest that in excess of 70 stalls paid the fee in that particular year.

Sponsorship appears to have been a little sporadic; sources mentioned to us included Red Bull, Youth Enterprise and the Unite Union. However, we understand that advertising in the official event brochure has also provided a steady – if not hugely sizeable – stream of income.

In recent years, St Paul’s Carnival was also successful in attracting ACE Catalyst funding which provided professional support from a PR company to develop approaches to commercial sponsorship and a more mixed economy of funding. Organisers felt that, considering the expectations of perceived experts in their field, the results generated by the company were disappointing. The Carnival also engaged a freelance fundraiser who succeeded in raising £3000. However, this only resulted in a net surplus of £500 since the fundraiser’s fee was itself £2500.

We have had sight of a report commissioned by the funders in 2005 in response to concerns about the future viability of St Paul’s Carnival. The report recommended that funding to St Paul’s African Caribbean

Carnival Ltd continue under specified conditions including the stepping down of its then Committee and the recruitment of a new Committee. Since there are distinct similarities between the recommendations of the 2005 report and those emerging from this report, we have summarised its outcomes at the beginning of the Options Appraisal section of this document (see Section 8, below).

What does St Paul's Carnival add to Bristol's cultural offer?

Funders are convinced of the value of St Paul's Carnival to the city's cultural offer. The following comment was typical:

St Paul's Carnival is absolutely a key part of the city's identity and artistic programming.

The pre-eminence of sound systems in the Carnival offer is something which is felt to be unique to St Paul's and an aspect which is particularly valued, notwithstanding some issues and challenges which go along with it. According to one funder representative:

Sound systems are indivisible from St Paul's...you kill the proposition if you get rid of sound systems.

Another funder, however, felt that sound systems are not part of the artistic offer and that whilst they are clearly an integral part of the Carnival as it has been delivered to date, it may be difficult to justify funding this aspect of the event as part of its artistic programme.

In the course of other aspects of this exercise – the consultation events and online surveys – a key message has been that there has historically been a strong counter cultural element to St Paul's Carnival with many people reflecting on St Paul's history of resistance, defiance and protest. It was felt that these historical roots remain current and important in the manifestation of Carnival in a St Paul's context.

Whilst funders were unanimous in their understanding of the Carnival's value to the city as a whole, they were equally clear that its identity as an event with its roots in St Paul's needed to be preserved. In particular, some of the funder representatives we spoke to specifically mentioned the importance of the Carnival as a celebration and showcase for African Caribbean artistic and cultural expression.

What is the artistic output of St Paul's Carnival?

Hitherto, artistic output appears to have been dominated by sound systems though we understand that stage shows have also included opportunities for children and young people to perform. The Carnival procession has also been an annual feature of the event though many of the funders and others we spoke to and individuals who completed online surveys felt that this has appeared to be of diminishing significance over recent years.

When funders and others talk about the processional aspect of St Paul's Carnival they tend to refer to children's participation. It feels somewhat as though children provide the manifestation of Mas at St Paul's, although we do understand that some efforts have been made in the past to develop costume design and making more widely. In addition, we are informed that in the past costumed troupes from other towns and cities have featured in the procession. Rampage – the Luton based design team – has, for example, showcased many of its designs at St Paul's.

Funder representatives we spoke to felt that artistic quality is not an area of strength and that this will need to improve if the Carnival is to continue to attract support from arts sector funders. Bristol City

Council's (BCC) arts funding has focused on artistic development and has been provided for the delivery of the following:

- **An event celebrating African Caribbean heritage**
- **Costumed troupes**
- **Family friendly programming**
- **Community and youth engagement**
- **Costumes and costume design and development**

Suspension of BCC funding was – we understand – at least in part a response to the failure to deliver to the above.

One funder representative gave an interesting example of what can happen when there is a failure to clearly articulate the Carnival's artistic vision. Specifically, the theme for Carnival in one particular year was 'migration'. When this was communicated to schools, half produced costumes which interpreted themes around human migration and another produced costumes which were an artistic interpretation of the migration of birds.

What has worked well?

As discussed earlier, there is clearly strong support for the continuation of St Paul's Carnival from all funders.

A key marker of its success and popularity is that St Paul's Carnival's audience has grown exponentially over the past several years – though this rapid expansion has brought with it some challenging logistical issues.

What have been the challenges?

A key challenge for BCC in particular has been around St Paul's Carnival's failure to deliver its contracted artistic programme. The key elements of this are summarised in the preceding subsection.

Working relationships between funders and the Carnival organisers seem to have been fraught at times:

It sometimes feels that the Carnival organisers have under-valued the relationship with the Council.

Another funder representative spoke about the type of relationship – between funders and organisers – which should be aspired to:

There is a way of working that needs to be around partnership and collaboration and responsibility to the community...not an adversarial relationship between Carnival and its funders and stakeholders.

On the positive side, however, one funder mentioned the energy of the current Commission and its efforts to build a coalition of supporting and supportive individuals.

Mention was also made of the lack of internal expertise and capacity to deliver a safe, large scale outdoor event. Specifically, reference was made to a number of violent incidents which occurred during the 2014 Carnival.

Both major funders discussed their concerns about the Carnival Board's ability to provide the necessary governance and operational management of an event of this type and scale. Going forwards, both felt that governance and leadership development would be of key importance.

Funders also observed that hitherto there has been insufficient focus on artistic quality and that efforts in this regard will need to be renewed as the Carnival enters a new stage of its development.

Expectations going forwards:

As discussed earlier, both major funders remain keen to support St Paul's Carnival. However, it is evident that neither will support it without significant change and improvement. We asked them to think about what will need to be in place to attract future investment. Responses to this question can be summarised as follows:

- **Stronger, fit for purpose infrastructure;**
- **A cross art form programme** underpinned by a clear artistic vision which is a celebration of African Caribbean culture but which welcomes all residents of Bristol and beyond;
- **A strong Carnival** which is able to contribute to and draw upon the expertise of National Portfolio Organisations (NPOs) in the city;
- **Skills, capacity and expertise** to deliver and / or oversee the delivery of a large scale, outdoor festival;
- **A safe Carnival** which includes appropriate offers for children and families;
- **Carnival should have a year round presence** – weather dependant activity can put investment at risk;
- **A delineated offer with a daytime Carnival spectacle and a night time offer** which includes sound systems (possibly ticketed and delivered off the streets).

The importance of a robust infrastructure can barely be over emphasised since this is something which was a theme returned to by both existing funders and by the representative of Heritage Lottery Fund whom we spoke to:

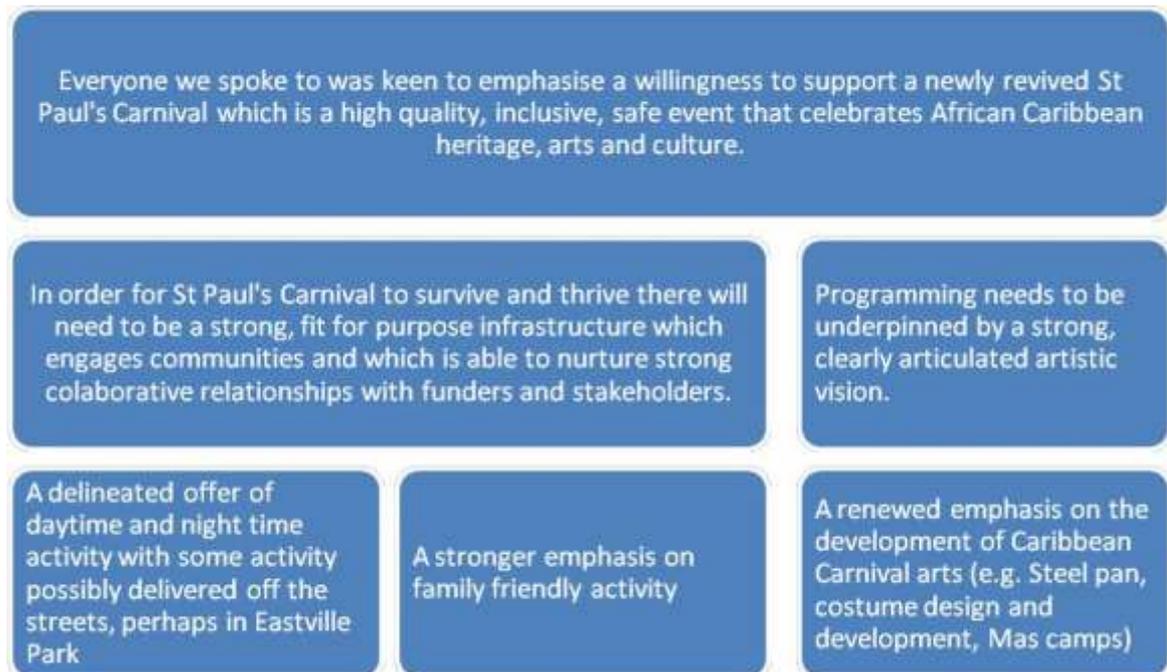
...the best fit for purpose leadership and governance that inspires trust and confidence is at the core of everything.

Discussing possible future investment, the HLF representative stated that:

[St Paul's Carnival] needs year round presence – not just Friday to Sunday. Year round activity of learning and engagement leading up to the Carnival. For example, opportunities in Black History Month, activities that share heritage and engage with other communities that embed themes and traditions citywide with all citizens and communities in Bristol.

Headlines Arising from Conversations with Funders

Please note that the size of the box indicates the frequency with which the following themes were mentioned by funders.



2.2 What SAGE Representatives Said

SAGE is the Strategic Advisory Group. It is a multi-disciplinary, multi-agency group which considers plans submitted by groups to stage large scale events in the city. In the course of this exercise, we spoke to three SAGE members.

Amongst other members of the SAGE group are representatives of ambulance and fire services. SAGE advises event organisers, communicates best practice guidance and meets with organisers in advance of events taking place.

What is the relationship between SAGE and St Paul's Carnival?

Group members we spoke to either inferred or explicitly stated that the relationship which SAGE has with St Paul's Carnival is different to that which it has with other event organisers. According to one interviewee, SAGE has not applied the same rigour to Carnival as it has to other events:

Over the past ten years things have been pretty ineffective in relation to Carnival. This is because of the unique status of St Paul's Carnival.

Another group member referred to a perceived lack of organisation amongst Carnival Board members. For example, event plans are – reportedly - often submitted much later than would be expected of other events. None of the group members we spoke to offered an explanation of why this less than satisfactory approach to events management might have been allowed to continue, referring instead and obliquely to the unique nature of the event.

Two of the three SAGE members we spoke to expressed a lack of confidence in the organisational abilities of the Carnival Board to deliver a safe event. One interviewee discussed specific difficulties:

It's been quite difficult to get a clear direction from the event organisers when they interface with us that we are going to have a safe event. Last time Carnival employed three different event organisers who didn't deliver.

According to the people we spoke to, communications tended to be with engaged event organisers rather than with Board members. Internal infrastructure was also seen as posing challenges to effective communications:

The structure of St Paul's Carnival goes against how other events in Bristol are organised. We see little planning and structure. I would suggest that this will need to change to get the confidence of SAGE.

What does St Paul's Carnival add to Bristol's cultural offer?

All three interviewees felt that historically St Paul's Carnival has made a strong contribution to the city's cultural offer. In particular, its celebration of Caribbean cultures is valued:

It offers a wonderful event for Bristol residents up to about 3p.m. On a warm day it's full of colour and you have the smell of good cooking. You see people celebrating that we have shed the chains of slavery – a celebration of West Indian people.

For this interviewee and for the others we spoke to, however, it is an event of two halves: a daytime procession which is enjoyed by families followed by an evening of sound systems which appeals to a different demographic.

What are the key threats to St Paul's as an outdoor festival?

Operationally, key threats to the Carnival – as to other outdoor events - include inclement weather and individuals who seize upon the event as an opportunity for crime and disorder. Referring to violent incidents which took place in 2014, one interviewee stated:

Being a free event presents huge challenges; you can't control who's coming and it's full of trouble makers. It's almost impossible to manage this out.

Another interviewee spoke about the challenges associated with recent exponential growth. For him, this has posed as yet unresolved questions about how best to create a safe event for the public.

A further key threat for St Paul's Carnival is felt to be the absence of a clear and articulated vision. Without this, the Carnival is in danger of becoming something other than what it was designed to be:

The Carnival has lost its way a little. The original Carnival was about African Caribbean history and the journey people have had. Now it appears to be a drinking event which no longer appears to reflect what Carnival should be about.

It is interesting to note that the concerns expressed by SAGE members closely reflect the ten most frequently mentioned areas for improvement amongst the 170 respondents to the community consultation survey. These were:

AREA FOR IMPROVEMENT	PERCENTAGE OF RESPONDENTS CITING THIS AS AN AREA FOR IMPROVEMENT
Stronger Caribbean artistic Programme	28%
Family friendly	19%
Crowd control	17%
Governance / organisation	16%
Community engagement	16%
More varied programme	15%
Bigger footprint	13%
Litter	13%
Security	11%
Safety	9%

One SAGE member expressed a concern that the Board has traditionally been rather insular and resistant to suggestions for improvement. This potentially poses a serious threat to the Carnival's future sustainability.

Echoing sentiments expressed by funders (see above) SAGE members felt that it is imperative that relationships of trust and collaboration are developed going forwards.

Expectations going forward:

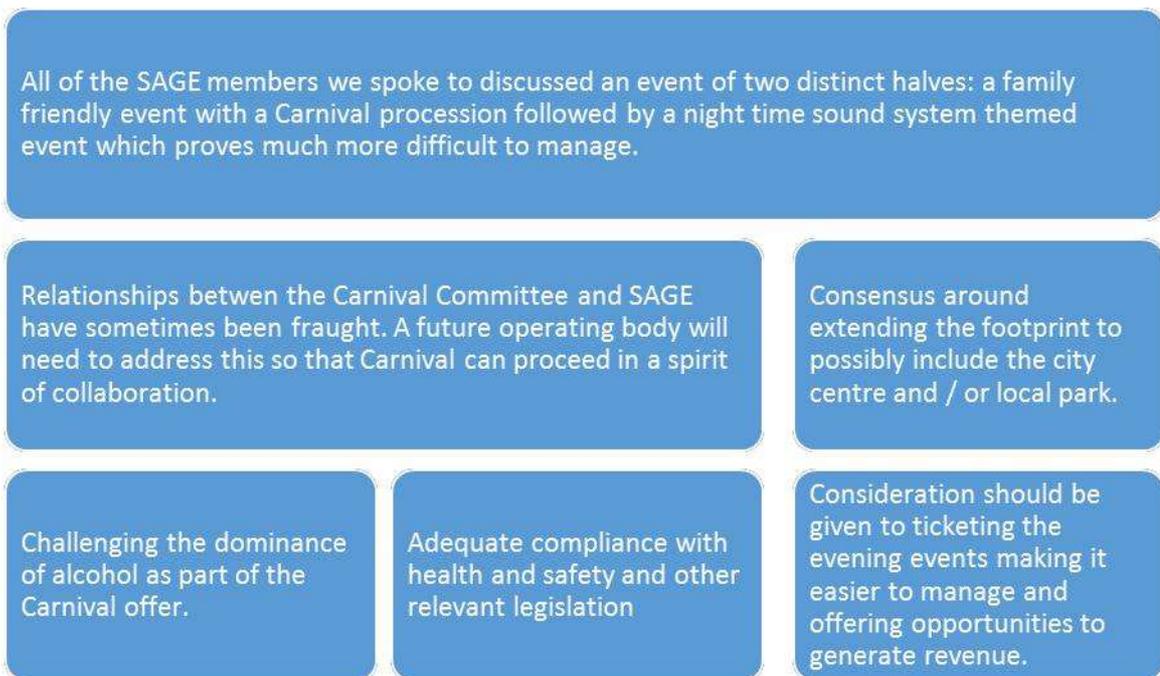
Though broadly supportive of a future St Paul's Carnival, SAGE members felt that it is very much an event of two contrasting halves, the former of which though presenting some logistical concerns – not least the presence of unofficial, unlicensed food stalls which do not meet hygiene regulations and issues concerning processions in very narrow streets – is less challenging than the evening / night time offer. The evening event presents significant challenges in respect of safety, crowd management, criminal and anti-social behaviour. Drawing on experiences in other cities, one SAGE member stated:

One of the things we have been good at over the years is sending people off to football matches but in the cases of Bradford and Hillsborough, the people did not come back. The main thing is that everyone gets to go home.

The SAGE members we spoke to expressed clear priorities which they felt a future Carnival organiser will need to address. These can be summarised as follows:

- **Better planning:** providing event plans in a timely fashion
- **Better structure:** the same level and quality of organisation and structure apparent amongst other Bristol events organisers
- **Working with a robust Carnival organisation** whose members are all heading in the same direction
- **Full compliance with relevant legislation**
- **Professional, accredited, trained events managers**
- **Opportunities for police to engage with communities** rather than simply functioning as additional security in the absence of trained security personnel

Headlines Arising from Conversations with SAGE Members



2.3 What Event Managers Said

Following on from conversations with Bristol City Council officers and Carnival Commission members, we spoke to a number of people who have been engaged to support aspects of St Paul's Carnival over the years and / or who have been involved in the delivery of other outdoor festivals in the city.

What does St Paul's Carnival add to Bristol's cultural offer?

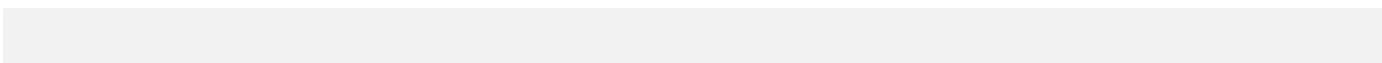
Event managers placed St Paul's Carnival within Bristol's strong tradition as a pioneer for British music of black origin. In particular, they referred to Bristol's sound system culture and the centrality of sound systems in St Paul's Carnival's cultural offer.

One of the people we spoke to mentioned the fact that the Carnival is the only event of its type in the South West and – in particular – the only event which celebrates African Caribbean cultures. For this particular respondent, it was felt that there is a sense in which the Carnival has 'ticked boxes' for both the local authority and Arts Council England. This feels like an important point and one which we have noted from other Caribbean Carnivals across England.

It speaks to a feeling that one of the motives for local authorities' funding of Carnivals has been – however well intentioned – around placating African Caribbean communities. A key problem with this approach is that it can lead to confusion about what the event is for: is its primary purpose social cohesion and a contribution to a multiculturalist agenda or is it funded primarily as an arts event? The answer to this question will help to determine the skills needed by its organisers.

Another interviewee felt that part of its unique contribution was that St Paul's Carnival provides a spatial focus for the gathering a diverse group of people in a place where that would not usually occur.

What are the key threats to St Paul's as an outdoor festival? One of the people we spoke to expressed a concern that St Paul's Carnival has been fulfil an instrumentalist function in expected respect to a range of social and public policy imperatives:



I get the impression that [the Carnival] is expected to mediate, manage and solve society's ills.

Another person spoke about the potential tension between a community led event and the necessity to effectively manage a large outdoor music festival. In particular, he crystallised the challenges associated with rapid growth in the absence of adequate internal production and delivery capacity:

[The event's] popularity and scale require experience of event production. However, it also has community ownership at its heart. How do you balance those two things?

Along similar lines, another person discussed the negative consequences of losing its African Caribbean focus and went on to discuss tensions around expectations of the event:

Losing the African Caribbean ethos and connection for me is a threat. However, the idea that it has to be an event held on the streets until late at night needs to be challenged. Many people don't see why it would need to close earlier – I do. It needs to be scaled back. There are clearly two camps: [on one side those who] want it all; want it to grow bigger; and [on the other side] those who say we want it how it was – family orientated and safer.

Listening to this view – which was echoed by other interviewees and by some attendees at the consultation events - it felt to us that attempting to reverse or control the unfettered growth of the Carnival was a little like trying to put the genie back in the bottle. It speaks to what feels like the central conundrum for anyone wishing to take the event forward:

How do you downsize the event? It's a huge national event. There's potential for big numbers turning up even if you try to downsize.

A further threat identified by the people we interviewed centred around the sometimes adversarial relationship between the Carnival Board and its funders. Again, this echoes issues alluded to by funders (see above). It feels to us – particularly in the light of an ongoing austerity agenda and funding cuts – that this will need urgent resolution since poor relationships with funders seem very likely to result in a lose - lose relationship.

It feels important that both the future operator and Carnival's funders learn from past challenges without dwelling on them, and find ways of moving forwards in a spirit of joint endeavour.

Internal infrastructure considerations and requirements

We understand that through its funding allocations, St Paul's Carnival has been able to meet the costs associated with some employed and freelance roles. The structure was described to us by one interviewee as follows:

- A Board of approximately eight voluntary Trustees

- Full time General Manager
- Part time Admin / Finance
- Freelance artists and arts admin (e.g. Schools Coordination)
- Freelance Artistic Directors
- Outsourced events management
- Volunteers

However, it is our understanding that staffing structures have sometimes altered.

All of the event management / production specialists we spoke to discussed the problems presented by having an internal infrastructure which – for a variety of reasons – has been unable to meet the demands associated with planning and delivering a large – and growing – outdoor event. For one of the interviewees, problems are exacerbated by the spatial limitations of the event: narrow streets in a residential area with insufficient funding to meet stewarding, security and litter management costs.

The dual identity of the event – as a family friendly Caribbean Carnival procession plus a celebration of sound system culture – only adds to the challenges since the infrastructure needed for these two aspects of the event differs hugely. To do either of these two things well would require appropriate investment; to do both arguably requires two different sets of skills. As one interviewee stated:

It needs to clearly communicate what it is and what it isn't. It's kind of been a victim of its own success [and has] filled a vacuum in terms of demand for an outdoor festival. St Paul's has exploded but can't maintain what was at the heart of it...it can do both but will require a different skillset. Perhaps the procession is community run and the sound system element is managed separately since it requires different skills.

We asked the above interviewee if they felt it is possible, plausible and desirable to deliver a large outdoor music festival in a residential area:

It's possible but it's not necessarily desirable for residents...but there is a desire for an outdoor music festival and a Caribbean Carnival.

One interviewee discussed the seemingly insurmountable problems associated with litter management (again an issue in the top 10 of concerns mentioned by respondents to the online survey). According to this particular interviewee, a waste management expert has advised that the litter problems associated with the event cannot be resolved due to the crowd density. This person went on to state that litter clearance represents a sizeable proportion of the Carnival budget, diminishing the amount available to meet the costs of a strong, robust, fit for purpose infrastructure.

How is the sound system element of St Paul's Carnival administered?

On the basis of all of our conversations, responses to surveys and community consultations, it felt very clear that sound systems are at the heart of St Paul's iteration of Caribbean Carnival. We learned from interviewees and others that sound system culture is embedded in Bristol's African Caribbean communities and that – according to at least one interviewee – sound systems are indivisible from St Paul's Carnival.

We were interested to learn how this most central feature of the event is administered. This is our understanding gleaned from the conversations we had. A Sound System Association was formed approximately five years ago; this has a Chair and meets regularly. According to one interviewee, this has helped to provide a clear structure for sound system engagement and has embedded sound systems within the Carnival structure.

In total around 15 sound systems are allocated spaces to play and the majority of these have roots in the heyday of sound system culture in the 1980s. There is an understanding that particular sounds will occupy particular spots year in, year out.

Each 'official' sound system receives a fee of £300 and is provided with a generator in order – we understand - to ensure compliance with electrical safety. Each sound system is provided with a temporary licence which enables it to run its own bar, the proceeds from which go directly to the sound system.

In addition, there is a youth sound system which previously had its own stage, and the Malcolm X Centre and Star and Garter pub have their own sound systems. These are not part of the official Carnival but clearly add to the event.

How are the stalls at St Paul's Carnival administered?

According to all of the events managers we spoke to and others associated with the Carnival, there exists a mixed economy in respect of stalls: formal stalls which pay a fee to the Carnival Committee and informal stalls which may be operated from residents' houses and gardens. This includes the rental of residential toilet facilities.

With respect to formal stall allocation, applications open at the beginning of the year. Many applications come from outside the area. According to individuals we spoke to, anywhere between one fifth and one third of Carnival revenue comes from the allocation of stall space; this represents the only reliable source of income generation. Official stallholders are required to meet minimum criteria around health and safety, for example. These do not apply to informal traders:

Local people trade from their own gardens – alcohol included. Traditionally, local people have not given a penny of any profit to the Carnival pot. There has been a history of rogue traders who are not licensed or regulated.

Over recent years, the local authority has applied pressure on the Carnival Committee to formalise trading and to ensure that residents trading from their properties are appropriately licensed. The arrangement recently has been that the Carnival makes a temporary event notice application on behalf of local residents for an administration fee / donation of £50. This gives them permission to sell hot food after 11p.m. and to sell alcohol. The £50 admin fee / donation contrasts with the £700 stall fee required of stall holders from outside the area.

Expectations going forward:

All of the events specialists we spoke to share the view that a celebration of African Caribbean arts, culture and heritage needs to be at the heart of any future Carnival. In this respect, they echo the views of funders, of consultation event attendees and many respondents to the online surveys.

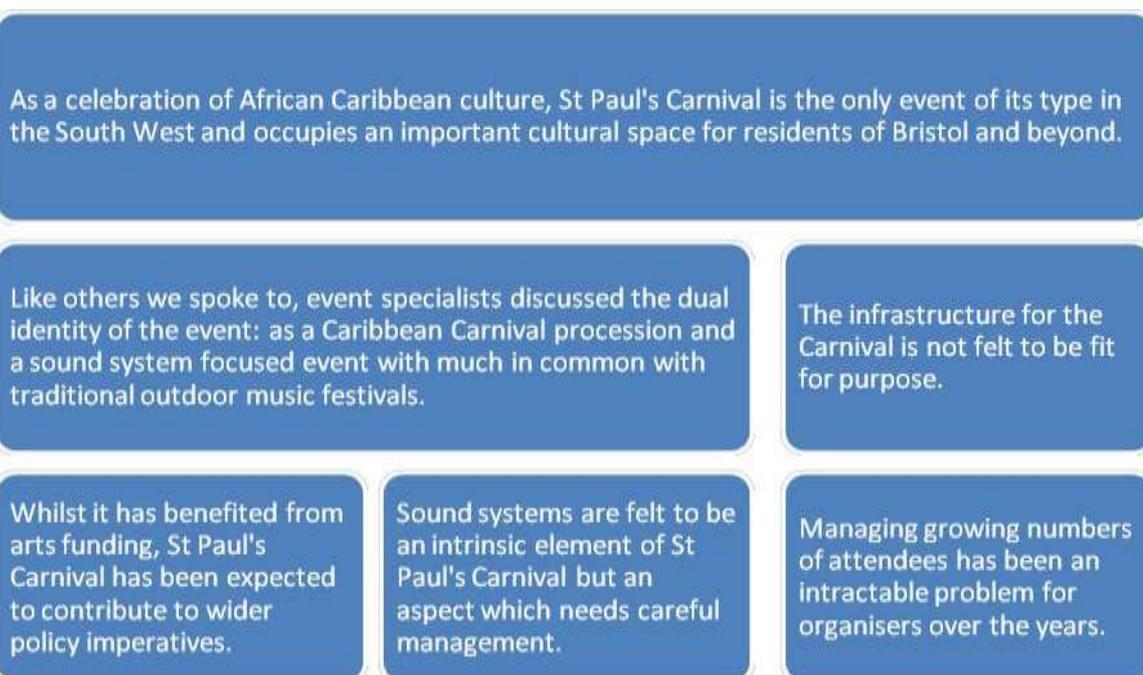
Looking ahead, one of the event managers envisaged:

Amazing processions which take people through African Caribbean history, ensuring that all ages are able to participate from an arts point of view. There should be a year round programme providing opportunities for artistic development.

The same interviewee felt that whilst the Carnival should welcome and be accessible to all communities and in particular to St Paul's changing communities, it should be understood that there may be elements of St Paul's Carnival culture (in particular some of the music and alcohol consumption) which will not be changed but which may not feel accessible to, for example, resident Muslim communities.

From the point of view of another interviewee the mark of a successful St Paul's Carnival will be that it actually goes ahead and that its footprint is extended.

Headlines Arising from Conversations with Events Specialists



2.4 What the Press and Media Said

Our *Talking Carnival* interviewees included five members of Bristol's press and media sector. Without exception, they expressed a great deal of enthusiasm for and willingness to support a revamped, re-energised and sustainable St Paul's Carnival.

What does St Paul's Carnival add to Bristol's cultural offer?

Press and media we spoke with were unequivocal in their view of the valuable contribution that SPACC makes to the city's cultural landscape, captured by this comment by one journalist,

It's the quintessential Bristol event – one of the jewels in the city's cultural crown.

Interviewees were also clear about the value and strength of the Carnival as a cultural event which showcases both a diverse city with a strong cultural offer as well as one of Bristol's most visible platforms for community cohesion, as reflected here:

Bristol has had a history of being 'a bit segregated'. Carnival brings communities together that would never normally do so in everyday life. For example, for some white kids from other neighbourhoods and communities, Carnival is the only time they go into St Paul's.

Whilst respondents were unanimous in their belief that the Carnival is a focal point of Bristol's cultural offer, and shared the view that it has been a great vehicle for bringing communities together, they were also unified in their opinion that one of its strengths is its celebration of African Caribbean culture, history and spectacle.

What also became clear during our interviews with media was the acknowledgement that like other Bristol festivals, the Carnival has outgrown its roots and is far bigger than could have been imagined in 1968.

The Carnival has grown into a different beast. It is now a huge festival, a rave with drum & bass and dancehall sound systems that take over the streets. We can't have carnival without them but it's too big.

So far as the challenges associated with that growth, parallels were made with other festivals, particularly the Harbour Festival. However, journalists also noted that those challenges have been compounded and magnified by what they see as organisational problems and issues of capacity and resources faced by the Carnival.

The question is how do we manage and deliver it so it's safe, enjoyable and attracts people locally, nationally and internationally. Yes, the community needs to be at the heart of its organisation but they MUST take the help available to support delivery and do what they simply cannot do. A fresh new team needs to get a grip on the event and realise things have gotten out of hand and they don't have the skills to deal with it.

Here, one of our interviewees also raised the not unfamiliar concerns about the event's safety and security:

As the Carnival has grown it has become edgier and far too crowded. People that attend – especially families – have serious concerns about safety, being crushed and accidents. There has to be some way to solve the crowd management issues that come with such a small footprint.

Others identified the involvement of sound systems as an aspect of the Carnival which presents opportunities to examine how they impact crowd management asking the following rhetorical questions:

Do we stop sound systems? Do we reduce them? Could they be a part of a wider 'weekender' event?

What coverage does your publication/media house typically give to the Carnival?

Annually, the Carnival has typically received a fair amount of news coverage from both press and broadcast media, focusing on the build up to the day and the Carnival itself. Given the sheer scale of numbers attending, not to mention its historic and cultural significance, local media we interviewed all agreed that covering the Carnival is, in the words of one respondent, "a no brainer", reflected as follows;

Carnival is 'made for TV', so it's really important to cover SPACC as much as possible. We cover the Carnival because so many people come to Bristol just to see it. It's like Bristol's Notting Hill.

Though some broadcast media encounter challenges in terms of scheduling significant coverage on the day of the Carnival, a Saturday when news bulletins are typically shorter, coverage on the following Monday is usually more comprehensive featuring highlights and round ups with images and footage.

Print and online listings journalists we spoke with also outlined Carnival being a news item on the day and also in the run up, providing public information about the route, road closures, programming and visitor information.

One journalist we spoke with felt there was a shift in the tone of coverage before and after the event – positive news in the build-up and crime reporting after the event. That said, she also pointed out that a lack of managed press information following Carnival has arguably contributed to local media relying on official police press office reports which will obviously focus on arrests, crime and disorder.

Whilst coverage of the Carnival as an integral part of Bristol’s cultural landscape has, by and large, been positive, less favourable news and incidents are also reported – not least reports of crime and violence (particularly in 2014 when there were several serious incidents), cancellations of the Carnival and more recently news around the withdrawal of funding for St Paul’s African Caribbean Carnival Ltd.

Journalists interviewed, feel organisers have not responded well to such negative news coverage, with relationships in some instances becoming strained. One interviewee commented;

It’s a huge pity that relationships [with the Carnival] have been difficult because they have not been happy when we have covered news stories that are not always positive but that we have to cover because we are just doing our jobs. If things go off the rails we can’t just pretend it hasn’t happened. We have to be as positive as we can but we can’t hide serious problems. We have to do our jobs.

How does St Paul's Carnival typically engage with you? What are your thoughts on the Carnival's relationship with local media? We asked journalists how they generally received press information and content from the Carnival and how they interacted with organisers. Whilst some respondents were aware of press releases issued by organisers, there was also a consensus that a clearly identified, dedicated go-to media contact would go some way to building relationships with local press and media. In fact, the absence of (or clear sign posting to) someone who, if not expert in terms of media relations is at least media savvy was cited as a particular problem as stated clearly here,

If you asked me who the Chair is, I wouldn't know. Do I have a contact number if I have a query? No. To be honest it's been such a difficult relationship that it has been hard to have any kind of meaningful understanding or rapport.

Those we spoke with noted that though board members and staff have acted as media contacts, a seemingly high turnover of Carnival roles including Artistic Directors and Event Managers has resulted in further lack of clarity around a consistent approach to media relations.

It should be noted, however, that interviewees expressed significant empathy with organisers and overall were keen to point out that they recognise the challenges a community led festival will encounter due to lack of capacity and gaps in expertise – as captured here.

I'm not going to have a go at them. They're mainly volunteers. However well-intentioned they are (and they are 100% well intentioned and passionate) they are not trained in the many details and issues that go with a large event – not just media relations – it's all the other important logistics too – they just don't know.

What are your thoughts on how St Paul's Carnival can maximise and build its media relationships? How can they build their profile? Those we spoke with were clear that essential to efforts to build media relationships based on trust and confidence and to raise the Carnival's profile, is an accessible key media contact: someone who can nurture those relationships with journalists beyond the Carnival weekend itself, and who is part of a strong, capable organising body.

This was reflected throughout including the following statements:

Get the right team in place! The media will need to see a new board or delivery organisation that will instil confidence.

A great event needs a person to take responsibility for press so that we have a contact.

Again, reflected here:

They've got the energy but need a helping hand, an overarching person or infrastructure to steer, guide and support so there's a framework for improvement, action, dealing with issues, safety, logistics and everything that's needed including media relations.

Journalists also felt that a more considered approach to content is key to shaping coverage, building relationships and a more positive profile. Press information – whether good, bad or neutral – which presents clear messaging and which resonates with target audiences by providing a voice for the Carnival and the human angle stories behind one of Bristol's biggest events is important. One journalist's comment captures this perfectly:

The media only reports what they're fed. They need relevant, engaging media information which will be used instead of [the Carnival] falling prey to lazy journalism or relying on police communications info [about crime and policing issues].

Some interviewees felt that the Carnival needs to be clear about its offer by asking itself questions which will underpin not only strategic PR messaging but future priorities too. For example, is it a family event? Is it a music festival? Can it be both?

For the media, press releases and other information which do not feature messaging and content that appeals to their readers and viewers makes coverage (in terms of quality and quantity) less likely;

Our audiences who are typically aged 55+ are not going to see a great DJ line up as important. What they will grasp are stories that focus on the human angle, the spectacle and impact of a cultural festival with a carnival parade and a history that grabs them.

Overall, the consensus amongst the journalists we interviewed was that the Carnival's approach to media relations would benefit from a complete overhaul, underpinned by clear organisational and event objectives which would in turn inform more impactful press information.

How do you see local press and media supporting a re-energised, sustainable St Paul's Carnival?

It was evident that the journalists we spoke to are enthusiastic about the potential for supporting a refreshed and revived St Paul's Carnival. Interviewees stated that this 'revival' could present opportunities for better relations, engagement and understanding on both sides which work for both the event and the media sector as noted here:

If thanks to coverage of the Carnival with its great images and stories newspapers are sold and website hits generated we are going to sell newspapers and generate website hits, then they are pushing at an open door.

During our conversations we explored the approach taken by other UK Caribbean Carnivals, in particular Leeds Carnival, which has successfully built media partnerships and implemented opportunities for young people to shadow media and press professionals.

The response from journalists we interviewed was entirely positive, indicating that such an approach could also contribute to the media's efforts to address diversity targets in staffing, community engagement and audience development.

Are you aware of any other Bristol festivals which have great relationships with the local press? What do they do well? In acknowledging that Bristol has built something of a reputation for large outdoor events over the years, our respondents were also able to identify other festivals in the city that appear to have more positive and mutually beneficial relationships with the press. Both the *International Balloon Fiesta* and *Harbour Festival* were seen to have successful approaches to media relations and relationships. Interestingly, in identifying those festivals, the perception was that they benefitted from large PR budgets (with the implication that SPACC either has very limited equivalent budget, expenditure or both).

The International Balloon Fiesta and Harbour Festival stand out for me but both have big budgets to spend on PR support. Carnival doesn't have the money [to invest in professional PR and media relations].

Harbour Festival handles media relations well - but it has a massive budget and was originally sponsored by EDF which supported PR and marketing efforts which means PR has been a part of its DNA from early on.

What do you think a successful St Paul's Carnival will look like in 5 years' time? Without exception, journalists we interviewed felt that the spectacle of a Caribbean Carnival parade would be an important feature of a successfully revived and re-energised St Paul's Carnival.

I would like to see a St Paul's Carnival that is still true to its Caribbean roots and spectacle, to its great community spirit and the wonderful food and music.

Another journalist commented:

The Carnival needs to be rebranded so it dances from the rooftops about our Afro Caribbean culture.

Despite unanimous concerns about crowd management and safety associated with a relatively small event footprint and an 'edgier' night time entertainment offer, there did not seem to be an apparent desire to relocate the Carnival from St Paul's. One journalist's vision for the Carnival which includes extending the parade element to include a larger, green space to accommodate a contained night time music offer reflects the comments of others we spoke to during this consultation:

I see a massive Caribbean culture led parade spectacle which goes through St Paul's, goes through a closed down city centre and ends up in a big green space like Eastville Park for a big party with stalls and sound systems later on!

The following response goes even further and sums up sentiments and comments throughout our work which have focused on making the event accessible, family friendly, safe, secure and enjoyable:

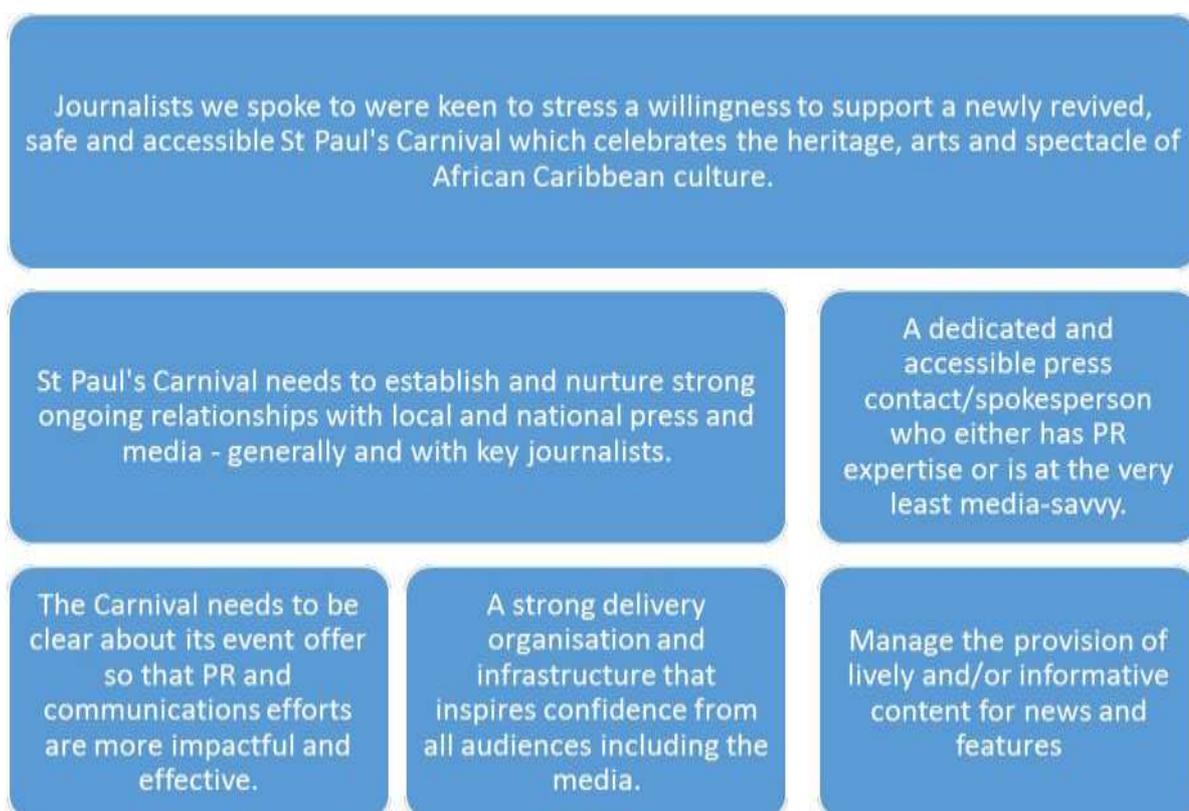
If as a parent I could take my kids to the Carnival and we could get there easily on public transport; if we could enjoy it in safety, and we wouldn't feel intimidated by anyone, and there were no drunks lying on the kerb because they've been drinking since 11am because there's an all-day drink licence and my family could find a spot on the route where we could see the spectacle, the costumes and we could put money in the buckets – then St Paul's Carnival has the potential to be something really special as it has been in the past.

Headlines Arising from Conversations with Press and Media

It should be noted that responses from the journalists we spoke with exactly reflect those of other interviewees. In particular they highlighted the need for,

- **A safe, accessible and family friendly event.**
- **An accountable delivery body and infrastructure which inspires trust and confidence.**
- **A focus on African Caribbean culture and Carnival parade spectacle.**

In terms of the Carnival's approach to media relations, the following headlines emerged from our conversations with local media;



3. SUMMARY OF OUTCOMES OF AN ONLINE SURVEY OF INDIVIDUALS WITH AN INTEREST IN ST PAUL'S AFRICAN CARIBBEAN CARNIVAL.

3.1 In a nutshell:

- The survey attracted responses from **170** people.
- Most **(66%) were women**.
- **There were 6** respondents who identified as being current or former members of the St Paul's Carnival Board
- In descending order, the most frequently cited ethnic groupings of respondents were **UK White (42%), Black Caribbean / Black British (25%) and Mixed Race (12%)**.
- **Over two thirds of respondents were aged 35 and over** with the largest age grouping being age 45 – 59.
- For over three quarters of respondents, the **prime motivation for visiting Carnival was to experience the event** with almost three quarters attending every year.
- The three most enjoyable aspects of Carnival were reported to be – in descending order – **music, food and celebrating African Caribbean culture**.
- Respondents completing the survey had attended a range of cultural events over the previous 12 months, by far the most frequently cited being **music and other outdoor festivals**.
- Respondents suggested a range of ways in which the carnival experience could be improved. Their suggestions were broadly similar to suggestions made in conversations with funders, SAGE
- Members and events specialists.

3.2 Who completed the survey?

A total of **170** people completed the survey. We asked them to state whether or not they were residents of Bristol. Of the 167 people who provided an answer to the question 143 (86%) stated that they live in Bristol and the remainder – 24 (14%) – stated that they were not residents of the city.

Please note that throughout percentages are rounded to the nearest 0.5%.

Respondents were asked to state their gender. A total of 162 responded to this question.

Gender	Number	%
Female	107	66%
Male	55	34%

We also asked respondents to define their ethnic origin. 153 people responded to this question.

Ethnic group	Number	%
UK White	64	42%
Black Carib / Black	38	25%
Mixed Race	18	12%
European	6	4%
African	6	4%
Pakistani	3	2%
Irish	2	1.5%
Jamaican	2	1.5%
Other White	2	1.5%
UK Indian	2	1.5%

The age profile of respondents was as follows:

Age group	Number	% of total respondents
Under 16	1	0.5%
16 – 25	17	10%
26 – 34	35	21%
35 – 44	44	26%
45 -59	59	34.5%
60+	14	8.24%

3.3 Nature of engagement with St Paul's African Caribbean Carnival

We asked respondents to choose from a range of ways in which they have engaged with the Carnival. The most frequently cited types of engagement were as follows:

Type of Engagement	Number	% of total respondents
<i>I visit the Carnival to experience the event</i>	103	77.5%
<i>I have been a Carnival member</i>	14	10.5%
<i>I work as a volunteer for Carnival</i>	11	8%
<i>I play music at Carnival</i>	11	8%
<i>I have a stall at Carnival</i>	10	7.5%

The least frequently cited types of engagement were making costumes and membership of Carnival troupes cited by four (3%) and two (1.5%) respondents respectively.

Asked about the frequency with which they attend the Carnival, responses were as follows:

74% attend every year

13% attend every couple of years or so

7% attend infrequently

7% never attend

3.4 Aspects of the experience which visitors most enjoy

Respondents were asked to consider which aspects of St Paul's African Caribbean Carnival were particularly enjoyable to them. They were invited to tick as many aspects as applied. The top 5 most enjoyable aspects were as follows:

Aspect of Carnival enjoyed by respondents to the survey	% of total respondents
The music	89%
The food	89%
A celebration of African Caribbean culture	86%
Socialising and catching up with people	82%
Being part of a large outdoor event	82%

3.5 How did respondents find out about Carnival events?

Respondents were asked to specify how they learned about Carnival events. Word of mouth was by far the most frequently cited (85% of respondents). Facebook, too, was popular with 42% of respondents mentioning it. Radio and other press were mentioned by 35% and 30% of respondents respectively.

3.6 Respondents' cultural lives

We were interested to learn about the wider cultural interests of the respondents, feeling that this might give us an idea of the types of arts consumers which St Paul's African Caribbean Carnival appeals to.

With this in mind we asked respondents to list up to three cultural events which they had attended over the past 12 months. A total of 94 people provided us with responses to this question.

By far the most frequently cited events were music and other outdoor festivals. These were mentioned by 72% of respondents. The most frequently mentioned events were as follows:

Type of cultural event	Number	% of respondents
Music and other outdoor festival	68	72%
Caribbean / South American / Seychelles Carnival	31	33%
Black history / cultural event	16	17%
Music event	15	16%
Food	12	13%
Theatre	12	13%

3.7 Suggested improvements to the St Paul's African Caribbean Carnival experience

We asked respondents to let us know up to three ways in which the Carnival experience might be improved. A total of 110 people provided responses to this question. We grouped responses together under a number of themes and these are summarised below.

The most frequently cited suggested improvements (mentioned by 10 or more people) are highlighted;

Suggested improvement	Number	% of respondents
Stronger Caribbean artistic programme	31	28%
Family friendly	21	19%
Crowd control	19	17%
Governance / organisation	18	16%
Community engagement	18	16%
More varied programme	17	15%
Bigger footprint	14	13%
Litter	14	13%
Security	12	11%
Safety	10	9%
Later licence	10	9%
Less anti-social behaviour	9	8%
Marketing	9	8%
Improved food offer	9	8%
More funding	7	6%
2-day carnival	5	4.5%
More council support	5	4.5%
Toilets	4	4%
School involvement	3	3%
Fewer outside vendors	3	3%
Earlier ending	3	3%
Business engagement	2	2%
Positive media coverage	2	2%
Less focus on sound systems	1	1%
Separate sound system event	1	1%

As will be apparent from other sections of this report, respondents' views of how the Carnival can be improved largely chime with views expressed by funders, events managers and other stakeholders.

3.8 Finally...

We asked respondents if they'd like to make any further comments about St Paul's African Caribbean Carnival. 40% of respondents chose to make further comments.

We were struck by the enormous thought and energy which respondents put into answering this question – in our experience it is unusual for such a high proportion of survey respondents to provide such fulsome and detailed comments. Even amongst those commenters who were critical of historical and current governance and operational arrangements criticisms tended to be balanced by suggestions about how matters might be improved. This suggests that a future organising group will have plenty of goodwill, enthusiasm and positive input to draw upon.

Comments included those from respondents who wish to reduce the size of the Carnival and what is perceived to be its negative impact on local residents and those who wished to extend its hours and to further strengthen its identity as a music festival dominated by sound systems. This is a tension which is returned to frequently by all groups and individuals who participated in the *Talking Carnival* exercise.

4. SUMMARY OF OUTCOMES OF AN ONLINE SURVEY OF BUSINESSES AND STAKEHOLDERS

4.1 In a nutshell:

- In total **13** people responded to the survey.
- Of these **12** respondents were based in Bristol.
- Though the survey was completed by one business owner and one funder, the remainder of respondents were employees of organisations or trustees.
- Most respondents (**10**) felt that **St Paul's Carnival is a central element of Bristol's cultural offer.**
- **11 of the 13 respondents suggested a range of ways in which the carnival experience could be improved.** Their suggestions were broadly similar to suggestions of other interviewees.

4.2 Who completed the survey?

The survey was completed by **13** people. Of these, **12** represented organisations based in Bristol.

Asked to categorise the type of organisation they represented, respondents replied as follows:

Type of organisation	Number
Statutory sector organisation	2
Private sector business	2
Voluntary sector organisation with paid staff	3
Arts organisation	4
Other:	2
Local authority	
Media	

Specifically, organisations represented in the survey were:

- A law firm in Bristol (unnamed)
- Bristol Culture
- Sustainable Sidekicks
- Leeds West Indian Carnival
- Stand Against Racism and Inequality
- Bristol Cultural Development Partnership (Festival of Ideas) x2
- Bristol City Council
- BBC Radio Bristol
- Circomedia
- Creative Youth Network x2
- Heart Radio

4.3 St Paul's African Caribbean Carnival's contribution to the Bristol cultural offer

Ten of the 12 respondents to this question felt that Carnival is a central part of the city's cultural offer; one felt that its contribution is modest; and one did not know what it offered.

Asked if they attended St Paul's African Caribbean Carnival, responses were as follows:

- Five stated that they attend every year
- Three stated that they attend once every couple of years or so
- Five stated that they attended infrequently

4.4 Aspects of the experience which visitors most enjoy

Respondents were asked to consider which aspects of St Paul's African Caribbean Carnival were particularly enjoyable to them. They were invited to tick as many aspects as applied. The top five most enjoyable aspects were as follows:

Aspect of Carnival enjoyed by respondents to the survey	Number
The music	10
The food	9
A celebration of African Caribbean culture	8
Socialising and catching up with people	8
Troupes and costumes	8

These are remarkably similar to the top five aspects of Carnival which respondents to the other online survey cited (see above).

4.5 Suggested improvements to the St Paul's African Caribbean Carnival experience

We asked respondents to let us know up to three ways in which the Carnival experience might be improved. A total of 11 people provided responses to this question. We grouped responses together under a number of themes and these are summarised below.

Suggested improvement	Number
Marketing, publicity and programming	6
Greater emphasis on African Caribbean arts, costumes etc.	5
Crowd management / extending the footprint	4
More family programming	3
Waste management	2
Partnership with others	2
Less alcohol on sale from private houses	1
Better governance and management	1
Community engagement	1
More stalls	1
Signposting	1
Businesses engaged from outside the area	1

4.6 How did respondents hear about Carnival?

A total of 12 people responded to this question, all of whom stated that they heard via word of mouth. One person learned about Carnival through Facebook, 8 through local press, TV or radio and 2 via other social media.

Other means by which individuals learned about Carnival were as follows (please note these were each cited by one respondent):

- Website
- Digital and press listings
- Email regarding stalls

4.7 Respondents' organisations' support of arts, culture and other events in Bristol.

Ten of the 12 respondents to this question stated that their organisation currently supports arts, cultural and other events in the city. Asked to give examples, responses were as follows:

Through Community Social Responsibility e.g. hosting events for charity / community groups.

Bristol Culture is part of Bristol City Council and we fund Key Arts Providers. Events and festivals, Community Fund and Creative Seed.

Paid for advert in marketing literature and paid for staff.

Bristol 2014, Bristol 2015 arts projects; Bristol800 Programme this year – we apply for additional funding to support and work in partnership with other organisations on arts events.

Bristol City Council supports a wide range of activities via its Key Arts Provider framework.

BBC Introducing had an area there for local music groups to performing.

Through partnerships and engagement with other arts organisations.

Shows and youth arts courses.

Media partner for Harbour Festival and Balloon Fiesta.

Open Doors day: we open up our building for the day at the station.

We asked respondents whether they had ever been asked to support St Paul's African Caribbean Carnival. Ten individuals responded; of these five stated that they had been asked, four stated that they had not and one did not know.

Asked to specify if they had gone on to support Carnival, five responded as follows:

<i>Grant funding to St Paul's Carnival as a Key Arts Provider</i>
<i>Costume workshops</i>
<i>Many years ago, advice about sponsorship. We're currently helping with consultancy.</i>
<i>Financial funding.</i>
<i>Workshops and joint funding.</i>

4.8 What might persuade organisations to support St Paul's African Caribbean Carnival in the future?

In interpreting the responses to this question, note should be taken of the fact that response rates were low to the survey in general and to this question in particular so caution should be exercised in attempting to draw out conclusions.

We provided a list of ways in which respondents might consider supporting the Carnival in future and asked respondents to indicate which aspects were most appealing. 9 people responded; the most frequently chosen elements are summarised in the table below.

Reasons to support St Paul's African Caribbean Carnival	Number
Confidence in the organisers	8
Partnering and collaboration	7
Widening audiences	6
Strong engagement with audiences	5
Strong artistic content	5
Clear artistic vision	5
Working with wider communities across Bristol	5
More Carnival arts / costume spectacle	5

5. OUTCOMES OF TALKING CARNIVAL COMMUNITY CONSULTATION EVENTS

Attended by a total of 41 people with an interest in Carnival, the events took place in community venues in St Paul's and were lively events which yielded some very valuable information which has fed into the *Talking Carnival* process. Amongst the attendees were:

- Founding members of St Paul's Carnival – Albert Stewart and Barbara Dettering
- Community activists
- Chief Inspector Norman Pascal - Avon and Somerset Police Service
- VOSCUR
- Social Enterprise Works
- Circomedia
- Ujima 98FM Radio
- Bristol Refugee Rights Project
- Marvin Rees - Labour mayoral candidate
- Thangam Debonnaire MP - Shadow Arts and Culture Secretary
- Laura Pye - Head of Culture, Bristol City Council
- Sandra Johnson - Labour candidate, Easton

A full summary of the outcomes of the events is contained in a separate appended report. However, our observations can be summarised as follows:

- We were struck by the **positivity and enthusiasm** of attendees at both events, particularly in light of the difficult recent history of St Paul's Carnival.
- The events revealed a wellspring of ideas which could form the **foundation of a revived event** that appeals to traditional and new audiences.
- There is a strong appetite for a **vibrant, functioning, sustainable Caribbean Carnival** in St Paul's, inspired by Caribbean Carnival traditions but which is **uniquely Bristolian**, reflecting the city's strong history as a centre for **black and urban music**.
- It felt to us that the **Mas element of St Paul's Carnival has diminished** and that there might be a case for a **programme of Carnival arts development** in order that the city is able to grow and nurture its own Carnival artists as well as showcasing excellent Carnival arts from outside the city. Attendees at both events were particularly keen to explore ways of **engaging children and schools** in Carnival.
- Many attendees felt that there should be a clear **differentiation between daytime and night time programming** with the former focusing on **family friendly activities**. Some attendees felt that that there is potential to **charge for evening sound system events**.
- Consideration should be given to using the **four key themes** discussed earlier in this document as cornerstones for a set of **principles and values for a new Carnival**.

- **Crowd management** is clearly an issue of concern for stakeholders, residents and Carnivalists. The volume of visitors appears to have a serious and deleterious impact on people's enjoyment of the spectacle and ability to engage fully with the Carnival offer. With such large numbers in attendance it is an increasing challenge to **safeguard visitors' health and safety**.
- Many guests at the events felt that there should be a stronger **cross art form programme** both on Carnival day and in the lead up to the event. Specific mention was made of the performing arts, visual arts, spoken word and film.
- Whilst the presence of sound systems seemed to us to be broadly welcomed, many people felt that **sound culture was too dominant** and that this impacted on families' and children's enjoyment. It was felt that the atmosphere generated by sound systems is not conducive to whole family engagement and enjoyment.
- **Fear of violence** was a key concern amongst many of the guests at the events. Some people spoke of an edgy atmosphere and of a change in atmosphere as it gets later in the day. It felt to us that this may be in part exacerbated by the strong emphasis on sound systems as the primary form of entertainment.
- Many guests expressed exasperation at incidents of **anti-social behaviour**. Many were concerned about a **drinking culture** which – they felt – had become a feature of the event.
- **Littering** was an issue of key concern to both residents and visitors; survey respondents and some attendees at the events stated that residents' gardens are often littered and that rubbish is not cleared in a timely fashion.

6. SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ■ St Paul's African Caribbean Carnival is a popular event with a growing audience of people who – by and large – enjoy the day. ■ The Carnival is viewed as a central part of the city's cultural offer. Funders and other key stakeholders (including communities, SAGE, press and others) are convinced of the value of the Carnival. ■ Funders, communities and others all discussed the importance of Carnival as a celebration of and showcase for African Caribbean artists and cultural expression. ■ There is a broad based desire to see a reborn and revitalised Carnival which reflects the artistry, culture and heritage of the African Caribbean diaspora and which showcases Bristol's unique take on Caribbean Carnival. 	<ul style="list-style-type: none"> ■ Spatial limitations: narrow streets in a residential area ■ Insufficient funding to meet stewarding, security and litter management costs ■ Organisers currently unable to make the event feel safe ■ ACE and BCC have suspended funding ■ Funder reps do not feel artistic quality is an area of strength and that this will need to improve going forward ■ Relationships with funders are uneven and sometimes fraught ■ Lack of expertise within the Board including robust governance arrangements and the capacity to deliver a safe, large scale event ■ Ongoing tensions re what the event is, what it isn't, the relative importance of the event's parade and sound system elements and extension of its footprint beyond St Paul's. ■ Lack of strategic multi-platform marketing, communications and PR plans ■ The absence of an accessible point of contact for press and media ■ Weak and sometimes fractious relationships with local media

OPPORTUNITIES	THREATS
<p>Strong political support from influential politicians e.g. Thangam Debbonaire, Shadow Minister for Arts and Culture; newly elected Mayor Marvin Rees and local councillors who attended consultation events and pledged ongoing support.</p>	<p>Inability to reverse or control the unfettered growth of the Carnival. This speaks to what feels like the central conundrum for anyone wishing to take the event forward.</p>
<p>Opportunities for collaborative, partnership working and community engagement.</p>	<p>The absence of a shared and clearly communicated artistic vision allows for ongoing tension between those who wish to reduce the size of the Carnival and what is perceived to be its negative impact on local residents and those who wish to extend its hours and to further strengthen its identity as a music festival dominated by sound systems.</p>
<p>Reviewing footprint and crowd density Developing a year round programme of activities, particularly – though not exclusively - focused on engaging younger people</p>	<p>Many of the people participating in <i>Talking Carnival</i> discussed major tensions and conflict regarding the control and direction of Carnival. Even with solid support from funders and others, this could sabotage the</p>
<p>Developing strategies to engage businesses across the city</p>	<p>Carnival’s future sustainability.</p>
<p>Press contacts indicate a strong interest in finding ways to engage more closely with Carnival – in particular through partnerships and a dedicated, accessible, media savvy press contact</p>	<p>Major incidents caused by criminal behaviour or overcrowding.</p>
<p>Developing a considered approach to marketing and PR planning and delivery which could also support the delivery of a more appealing sponsorship proposition.</p>	
<p>Opportunity for Lakota (a local club) and potentially other organisations to second staff to Carnival.</p>	

7. OBSERVATIONS

Throughout all of the elements of this exercise, a number of issues were returned to again and again by all consultees. These can be summarised as follows:

- **What is the St Paul's Carnival offer?** A key issue which has arisen from this exercise and has been a common theme in all of our conversations and consultation exercises has been a lack of clarity around what precisely St Paul's African Caribbean Carnival is. For many, the Carnival is rooted in a community focused celebration with a costumed procession which is influenced by Caribbean Carnival artistic and cultural traditions and includes, for example, a food offer. For others, the draw is very much focused around sound systems and alcohol.

It is imperative that St Paul's Carnival is clear about what its identity is as this will have a huge impact on its future sustainability, its funding and sponsorship potential and issues such as public safety. This is an area which the Commission may require further support with.

- **Who is the audience?** Whilst St Paul's Carnival remains an African Caribbean led event, it is our understanding that its audience demographic has shifted considerably over recent years. People we interviewed and consulted with described an audience which is increasingly young and white and which is less interested in the processional element and whose expectations are informed by visits to music festivals. One consultee felt that new audiences of the event expected '*Glastonbury in the city centre.*'
- **Partnership and collaboration:** Partnerships with funders, stakeholders, press and others have often been fraught. Whatever the roots and causes, this will need to be addressed going forwards since it seems inconceivable that the event can survive and thrive without improved collaborations built on a sense of joint endeavour.
- It is notable that despite the South West's unofficial status as festival capital of England, St Paul's Carnival does not appear to benefit from the rich expertise which is present in the region.
- **Leadership and governance:** Many of the people we have spoken to have expressed a lack of confidence in the Carnival Board's capacity to lead and govern the direction of the Carnival effectively. Some people have questioned the skillset of Board members and – looking ahead – it would seem to make sense to develop a checklist of requisite skills for future operators.

These would clearly be informed by whatever choice the Commission makes regarding the options appraisal exercise and – we suggest – should be informed by the minimum capability criteria set out in Section nine of this document.

- **Extending the footprint:** Again, this is an issue which has been raised repeatedly over the course of this exercise and has – we understand – been raised over several years. What is apparent is that the Carnival cannot continue as it has in recent years: volume of numbers is detracting from people’s ability to enjoy the event comfortably; spiralling costs associated with attempting to manage huge crowds in small areas will become unsustainable; and regulatory bodies are at some point likely to refuse permission for the event to continue if it poses a serious threat to public safety.

With all of this in mind, any future operator will have to either extend the events footprint or find ways of substantially reducing footfall within the area.

- **Confidence in the Commission:** It feels to us that the Commission may need to think about how it communicates its work to the wider St Paul’s and Bristol communities. Like any other new organisation, it is imperative that the Commission finds ways of building trust with its key constituencies including audiences and stakeholders. To this end, we would suggest that the Commission considers developing a Communications Strategy so that all messages are consistent.

8. OPTIONS APPRAISAL

8.1 Options Appraisal 2005

We have had sight of an options appraisal which was commissioned by Arts Council England and Bristol City Council in 2005 and carried out by Ruth Hecht. Ms Hecht was asked to assess a number of options for the future of sustainability of St Pau’s Carnival, namely:

- Continuing to fund Carnival as an independent organisation;
- Consider incorporating Carnival into Kuumba arts and outsourcing elements of delivery to an external events management company;
- Supporting programme delivery as an annual activity as distinct from an organisation managed by a board of management with newly defined aims

Identifying an alternative organisation to deliver St Paul’s Carnival.

- She concluded that the preferred option should be continue to fund St Paul’s Carnival as an independent black led organisation under the following provisos:
- A review of the constitution; The appointment of a brand new committee;
- Engagement of a full time Arts Manager to develop internal capacity and work in partnership with others, make the organisation financially viable and develop the organisation’s artistic programme;
- Employment of a part time Production Manager to deal with all elements of Carnival Day regarding health and safety

8.2 Our Suggested Options Appraisal Process

In considering future options, we suggest that the Commission adopts the following process:

1. Agree the **operating principles**
2. Agree **minimum capability criteria**
3. Agree on an **operating model**
4. Agree on a **Carnival content model**

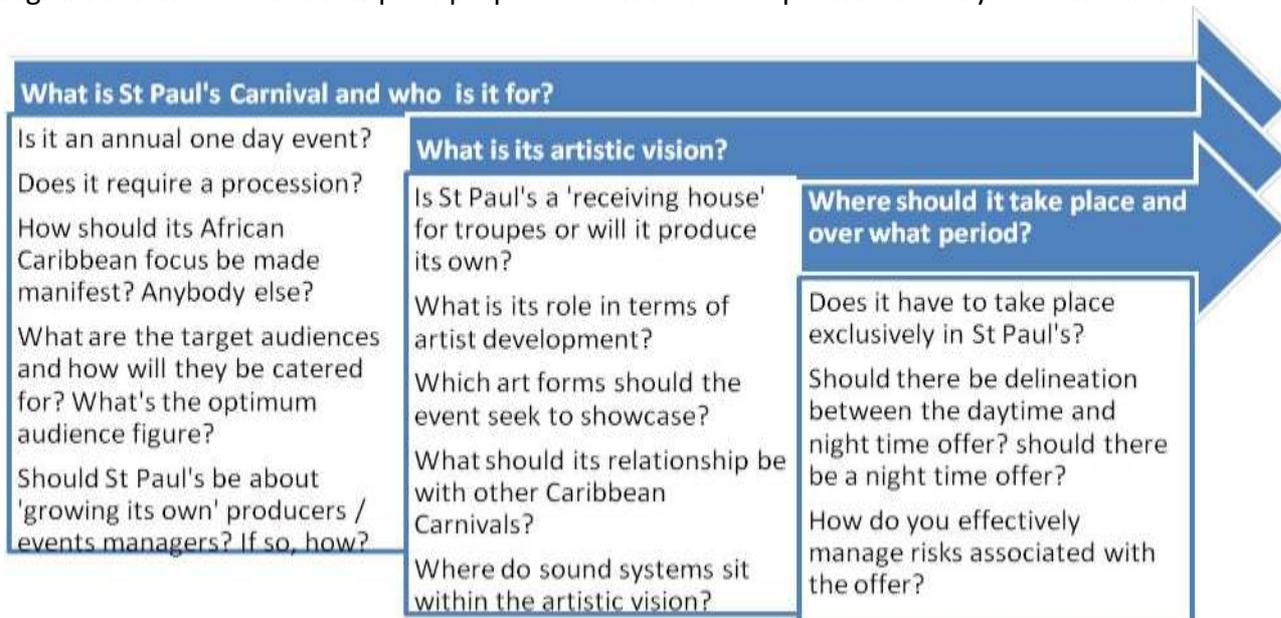
8.3 Operating principles for all future options

Over the course of this exercise we have spoken to and engaged with well over 200 individuals in scoping out the possible reasons and contributory factors which explain the current state of St Paul's Carnival; ideas about how to develop a future annual event with associated (possibly year round) activity; and proposals about internal infrastructure for a future operator. These are summarised as a set of options in sub sections 8.4 and 8.5.

Given the breadth and depth of the consultations carried out thus far, we believe that the Commission has a mandate to agree amongst its membership:

- What St Paul's Carnival is and who it is for
- Its artistic vision
- Where it should take place and over what period

It is our view that only after this exercise is completed can the Commission confidently decide which of the options we propose is the most appropriate vehicle for realising the Carnival's vision. The diagram below sets out a few prompt questions which could provide a catalyst for discussion.



Once the Commission has considered the above – taking into account the outcomes of all the individual exercises which have formed part of the overall *Talking Carnival* project – it should then be in a position to decide on which of the options is likely to be the most appropriate. In subsection 8.4 we set out a number of operational model options and in subsection 8.5 a set of Carnival content options.

8.4 Operational Model Options

It is our view that there are four possible operational models which should be considered. The Commission’s choice of operational model will be at least partly determined by the outcomes of the preceding exercise (see subsection 8.3); the importance of understanding what the Carnival is, who is it for and where it should take place can barely be over emphasised.

We feel that there should be a set of minimum capability criteria which any operator (which ever model is chosen) should be able to evidence. A suggested set of criteria is given below:

Minimum Capability Criteria

Capacity to meet the contract	Requisite policies and procedures (to be agreed by Commission)
Adequate safeguarding arrangements	Requisite insurances
Community engagement strategies with SMART objectives	Ability to engage and work with volunteers
Ability to engage and work effectively with partners, stakeholders, funders and others in a spirit of joint endeavour	An understanding of and commitment to operationalising the African Caribbean focus of the event
A strong set of principles, ethics and values which are evident in all aspects of the Carnival’s delivery	Marketing, PR and communications acumen with an accessible press contact.
Robust governance arrangements	Ambition and a commitment to continuous improvement

Operational Model Options for St Paul's Carnival

Operational model	Features
Bristol based not for profit / social enterprise engaged on the basis of a restricted tender	This could be either a not for profit / social enterprise with existing skills in events management or an organisation which has the capacity to buy in and supervise external events management support.
Open call tender for any operator – commercial or not for profit	The Commission may wish to view the recent tender issued by Leeds City Council for an operator for its annual Black Music Festival.
Engage preferred supplier – commercial or not for profit	If allowed for within tendering and purchasing protocols, a specific operator which meets the minimum capability criteria could be approached.
Engage (by restricted tender) a Bristol based infrastructure support organisation (ISO) or similar with the capacity to develop and support a new operating entity	<p>Strong emphasis on research and development, capacity building, infrastructure and skills development of the new entity factored in for the first few months and ongoing.</p> <p>The ISO would need to be able to demonstrate that it has the internal systems in place to support due diligence in the appointment of an appropriate events management company.</p>

8.5 Carnival Content Options

Having decided on an Operational Model, the Commission should then consider Carnival Content Models. We suggest the following possible models:

Option 1: Do Nothing	
Details	Continue the status quo i.e. funding remains suspended.
Pros	<p>The current Carnival Board may choose to pursue other avenues of investment to deliver an annual event. Arguably, this would make the Carnival an entirely independent venture whose roots would remain firmly in St Paul's.</p> <p>A much smaller event reduces risk.</p>
Cons	<p>This could undermine the work of the Carnival Commission and create confusion about the offer. Audiences may be confused by the messaging.</p> <p>The current Board may struggle to find investors for an event from which its major funders have withdrawn.</p>
Risks	This could create a lose - lose situation where existing investment pledged by funders is inaccessible and the Carnival Board is only able to deliver a much diminished offer with limited appeal.

Option 2: Clearly delineated daytime and night time offer using the existing footprint

Details	<p>Daytime offer: Family friendly Caribbean Carnival costume spectacle with procession Participating troupes from Bristol and / or elsewhere Food and drink stalls Representation of other Caribbean Carnival art forms (e.g. Soca, Calypso, steel pan) Stage shows: Costume competition; music on main stage while the procession takes place</p> <p>Night time offer: Sound system and possibly live music offer Sound systems from Bristol (and beyond?) Live music / PAs on stage Food and drink stalls</p>
Pros	<p>Both current key elements of St Paul's Carnival are preserved Easier to manage since it will be possible to target resources to when there are likely to be more challenges Children and families get an enhanced offer Traditional Caribbean Carnival audiences may be more attracted to a more familiar, traditional Carnival spectacle Could enhance relationships with other Caribbean Carnivals across England Could help to support and sustain the development of Caribbean Carnival arts in Bristol</p>
Cons	<p>Potentially expensive because of the split between day and night time activity and the associated additional stewarding and security costs for night events Would require rapid development and ongoing support of Caribbean Carnival arts development in Bristol Difficulties of managing crowd numbers for the night time activities Continued negative impacts on St Paul's residents</p>
Risks	<p>There are existing concerns about health and safety, crowd management and criminal behaviours. These would not be alleviated if the night time activities continue to take place in St Paul's</p>

Option 3: Clearly delineated daytime and night time offer using extended footprint with night time offer taking place outside St Paul's

Details	<p>Daytime offer: As above in Option 2</p> <p>Night time offer: As above in Option 2 but taking place outside St Paul's – possibly in Eastville Park</p>
Pros	<p>Supports clear delineation of the two offers</p> <p>Noise nuisance, anti-social behaviour, overcrowding and litter minimised in residential area</p> <p>Separates two sets of audiences, helping to ensure that children and families are able to enjoy a peaceable family friendly event</p> <p>Security and stewarding efforts are focused and concentrated on the night time activity</p> <p>Possibilities for ticketing elements of the night time offer</p> <p>Possibilities of the night time offer being run as an entirely commercial event by experienced events / festival company.</p> <p>Increases opportunities for generating income from official licensed stalls and bars</p>
Cons	<p>Reduces well – established and expected opportunities for local residents to generate income from informal trading</p> <p>Reduces the strong association with St Paul's</p>
Risks	<p>Logistical issues surrounding ending one set of activity and starting another in a different location, potentially increasing the possibility of drink related and other anti-social / criminal incidents</p> <p>Residents who live close to Eastville Park may feel unhappy about the impact of a night time event in their neighbourhood</p> <p>This marks a significant change to the historic offer. Bristol City Council and Arts Council England might not feel inclined to fund under these circumstances. The local authority in particular may be concerned about the implications of funding the night time offer since this is the element which has traditionally been most associated with anti-social and criminal behaviour.</p> <p>In addition, sound systems are not currently viewed as artistic programming by the local authority's Arts and Culture lead.</p>

Option 4: Sound System Festival

Details	As in the night time offer element of Option 3
Pros	<p>There is a strong and well established audience for sound systems; the sound system element of St Paul’s Carnival is frequently mentioned as being uniquely Bristolian and would help to solidify the city’s identity as a centre for sound system culture</p> <p>Could provide opportunities to monetise the offer</p>
Cons	<p>It would be difficult to maintain the identity of the event as a Caribbean Carnival in the absence of any traditional Caribbean Carnival artistic programming</p> <p>If the whole event or elements of it were ticketed, it would clearly no longer be an entirely free event and access would be reduced to some audiences</p> <p>It would likely be a draw for audiences, necessitating robust crowd and event management processes which might be costly</p> <p>Of limited interest to a family audience</p> <p>The event’s strong association with the St Paul’s area would be broken</p>
Risks	<p>Existing funding providers may not wish to fund an exclusively sound system offer</p> <p>Licensing and permissions would need to be sought</p> <p>Risks of increased criminality and anti-social behaviour</p> <p>Residents close to Eastville Park may be unhappy with sound system activity taking place late into the night</p>

Option 5: Caribbean Carnival in St Paul's

Details	Daytime offer: as in option 2 with an early evening cut off point
Pros	<p>More traditional float based, costumed procession with restricted sound system programming would make the event more appealing to a family audience</p> <p>Children and families get an enhanced offer</p> <p>Traditional Caribbean Carnival audiences from outside Bristol may be more attracted to a more familiar, traditional Carnival spectacle</p> <p>Could enhance relationships with other Caribbean Carnivals across England</p> <p>Could help to support and sustain the development of Caribbean Carnival arts in Bristol</p> <p>Reduced likelihood of anti-social and criminal behaviour</p> <p>Increased opportunities for sponsorship</p> <p>Retains the identity of St Paul's Carnival with the event</p> <p>Safeguards existing funder investment</p>
Cons	<p>Reduced sound system programming may be very unpopular</p> <p>This represents a significant shift from the traditional St Paul's Carnival and people may be resistant to change</p> <p>Current absence of a Carnival arts infrastructure in Bristol</p> <p>Enhancement of processional aspects could be testing logistically given the inherent restrictions associated with the existing route</p>
Risks	<p>Potential antipathy from some St Paul's residents</p> <p>Possible paucity of expertise around Caribbean Carnival arts in Bristol</p> <p>Issues around overcrowding could remain</p>

AFTERWORD

Over the past year or so, several Caribbean Carnivals across England have experienced postponements, cancellations, scaling down and struggles to attract external funding. For the artform to remain viable going forwards, there has to exist a critical mass of Carnivals at which designers, musicians and other Carnival artists can perform. Without a busy, vibrant and varied Carnival season which operates across many locations, opportunities for artists, makers and designers to hone their craft diminish.

In light of this, our work on this project has felt particularly timely and poignant.

We wish the Commission and the communities of St Paul's and Bristol every success in realising their aspirations for a renewed Carnival which builds on the evident passion which we observed during this exercise and grasps all opportunities for a sustainable and vibrant future.

APPENDIXES

To download the case studies, the original research brief and the projects finances go to www.ujimaradio.com, also the Carnival Commissions [Facebook](#) page or email projects@ujimaradio.com with Carnival report in the header. You can also checkout our short film [‘The Future Of St Paul’s Carnival – The Journey So Far’ by clicking here](#). Otherwise you can listen to [the podcast recorded at the event at which the report was released](#). It features the candid thoughts of the Mayor, the founders, the funders and concerned community groups.



Artist Credit – Bex Burgess

Derrick Armstrong

Dawn Cameron

Susan Pitter

hi@armstrongcameronpitter.co.uk

**CARNIVAL COMMISSION
RECOMMENDATION**

JULY 2016

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EXECUTIVE SUMMARY

Born in 1968, the St. Paul's Carnival originated as a celebration of cultural diversity. Since its birth it has transformed into St. Paul's Carnival, one of Europe's premier street based spectacles of African Caribbean culture.

The Carnival Commission (CC) was formed in response to the withdrawal of funding by Bristol City Council and Arts Council England (ACE) from St Paul's Afrikan Caribbean Carnival Ltd (the organisers of the St Paul's Carnival in past years, also referred to as SPACC).

With ACE funding ring fenced for Carnival activity in Bristol, the aim of the Commission was to explore options and develop a set of informed principles to protect, strengthen and stabilise the going concern of St Paul's Carnival.

CC is made up of independent volunteers from a wide range of private, public and voluntary sector professions. The commission's membership can be found in Appendix A and terms of reference in Appendix B.

Following on from CC's research report developed and produced by the independent research group, Armstrong Cameron Pitter, the Carnival Commission has set out its recommendations for the future stability and growth of the St Paul's Carnival. The headline recommendations are as follows:

- Focus on artistic delivery and presentations that upholds African Caribbean heritage and history of African Caribbean Carnival.
- Embrace an entrepreneurial approach to ensuring that St Paul's Carnival is sustainable and less dependent on historic core funders
- Commit to a new culture of collaborative working and value-adding partnership arrangements nationally and internationally
- Open up to digital innovation in the artistic expression of St Paul's Carnival, through to diversification in income streams and Carnival audience engagement
- Ensure that there is authenticity, integrity and corporate governance experience in the executive and decision making body for the delivery of St Paul's Carnival
- Be approachable, responsive and transparent to all vested stakeholders
- Embed the culture of community ownership and accountability is at the heart of all operations of St Paul's Carnival

The Carnival Commission also recommends the return of St Paul's Carnival in 2017 with a minimal programme of activities that allows the operator to:

- Build trust and confidence in its delivery capabilities
- Develop a core team and strategic plans to ensure the sustainable return of St Paul's Carnival
- Establish working partnerships with organisations in and around St Paul's, key Bristol institutions and corporations and other agencies of artistic and cultural relevance for St Paul's carnival nationally and internationally.

1. INTRODUCTION

- 1.1. As St Paul's Carnival approaches its landmark 50th anniversary, a group of independent individuals recognised the importance of safeguarding the legacy and future of St Paul's Carnival amidst challenges facing its going concern as one of Bristol's oldest and best loved street based spectacles, with social, cultural and economic benefits.
- 1.2. The group herein referred to as the Carnival Commission (CC) met fifteen times between the periods of October 2015 to July 2016.
- 1.3. Bristol City Council and Art Council jointly resourced the CC via a development grant of £10,000 to:
 - Recruit a researcher through an open tender process, examining a wide range of Carnival and large scale event delivery data and best practices, through to hearing directly from local residents, funders and partners through focus groups and online surveys.
 - Produce a set of recommendations which inform future funding decisions and provide a framework for good governance structures for delivering St Paul's Carnival.
- 1.4. In June 2016, the Carnival Commission undertook some initial public consultation on its draft findings, by means of focus groups, which was greatly enriched from additional perspectives. However it is felt that the recommendations would still benefit from wider consultation with larger St Paul's resident groups, big Bristol corporations and more young people.
- 1.5. Due to the timescales that the CC delivered within, it needed to take a specific approach to its work. This primarily was a focus on key principles and good practices that can underpin a robust delivery organisation to ensure the effective resourcing and delivery of a sustainable St Paul's Carnival into the foreseeable future.
- 1.6. The CC therefore presents to the funders and the wider Bristol recommendations categorised under three broad headers;
 - Artistic Vision
 - Structure & Governance
 - Sustainability
- 1.7. The recommendations should not be taken in isolation, but interpreted as a cohesive body of work informed by SPCC discussions and the research report produced by the commissioned researcher herein referred to as ACP.

2. KEY RECOMMENDATIONS

2.1 Artistic Vision

2.1.1 The Carnival should aim is to:

- celebrate the life and evolving stories of Bristol’s African Caribbean communities through the creative spirit of song, art, music and movement”
- In doing so the Carnival will inspire, educate and empower people in and out of St Paul’s, Bristol and the UK as a whole.

2.1.2 A year long programme of fringe activities culminating into a weekend of Carnival celebrations that is embedded into Bristol’s cultural calendar on the first Saturday of July is recommended. The annual programme should have a key focus on ***artistic, cultural and educational excellence***.

2.1.3 The artistic and cultural programme should include the following as a minimum:

- A family friendly procession that embeds traditional and emerging Caribbean masquerade art-forms and troop showcase at its core. Processions should emerge from St Paul’s but with an increased foot-print that makes better use of community spaces within the locality and Bristol as a city.
- Proactive and all year round partnerships with Bristol arts, Sports and cultural groups, institutions and most importantly Bristol’s African Caribbean communities, to ensure an authentic programme of high artistic quality.
- A sound system activities/zone delineated from the family friendly activities to maximize audience interest and revenue generation models to protect the unique sound system culture of St Paul’s Carnival. This could be actualized in the form of separated day and night activities or separated Saturday-Sunday activities

2.1.4 An educational programme that includes the following as a minimum:

- A well resourced annual leadership programme and training for young people particularly from but not exclusively of African Caribbean descent, in the art and skill of curating, production, event management, partnership development, stewarding and project management a large scale event programme.
- A carefully curated series of accredited and non-accredited educational activities/workshops for education institutions, including schools, colleges and Universities in Bristol and beyond. Activities/workshops should have the primary objective of championing the African Caribbean heritage, history and influence of Carnival on contemporary British society.

- A well co-ordinated collaboration with Bristol Arts and Cultural institutions to deliver a range of productions focused on the outlined vision for St Paul's Carnival. This is to be delivered in a way that involves and instills a sense of pride in Bristol's African Caribbean people. It should also communicate the cultural significance of the Carnival to Bristol as a city, to the UK and beyond.

2.2 Structure & Governance

The CC recommends that the chosen operator to deliver St Paul's African Caribbean Carnival possess the minimum requisite of:

2.2.1 A robust and pragmatic 4-5 year business plan that builds on successful strategies of the past and incorporates new opportunities for the ongoing development and sustainability of the Carnival.

2.2.2 Have the necessary sociocultural understanding of Bristol African Caribbean community and St Pauls Carnival as a large scale event, have the technical resources, health and safety, project management and financial expertise at board and decision making level to deliver a safe and inclusive cultural event and year long programme of activities.

2.2.3 A board of directorship that has at least 50% of its members from African Caribbean descent at executive and decision making levels, to ensure diversity of thought at the leadership level.

2.2.4 A not-for-profit profit company structure, with a strong emphasis on a social enterprise model, as a vehicle for delivering the carnival programme of activities. This enables an agile and commercial approach towards delivery, with clear arrangement for management, community participation, scrutiny and challenge.

2.2.5 Salaried individuals independently responsible for managing the following roles, irrespective of the governing model and structure chosen:

- Organisation and overseeing the delivery of the main carnival event
- Relationships with financial and non-financial investment stakeholders
- Delivery of the educational programme
- Delivery of the artistic and cultural programme of activities

2.2.6 Well thought out procedural plans and policies that articulates the understanding and requirements for compliance with key statutory and local authority funders for a large-scale event such as St Paul's Carnival. This includes areas such as Health & Safety, Equal Opportunity and guidance from SAGE.

2.2.7 Interested individuals considering the positions of executive or non executive roles aligned with the management of the future St Paul’s Carnival and programme of activities are to be assessed for their:

- Corporate governance skills or experience;
- Experience and knowledge of African Caribbean Carnival events or large scale event management;
- Leadership integrity and commitment to the success and sustainability of St Paul’s Carnival.

2.3 Sustainability

The CC recommends the following considerations and financial principles to underpin the future delivery of St Paul’s Carnival:

2.3.1 A detailed financial projection over a 5-year period is needed to demonstrate the viability of the organization’s long-term strategic and operational plan. The projection should be broken down by income and cost types, have the ability to sensitise income and costs along with broad assumptions. There is recognition that this work may require an initial capacity building support from the Carnival’s core funders to recruit the needed expertise.

2.3.2 Set short, medium and long-term strategic plans and goals, which should be monitored regularly and reviewed at least once a year. An illustrative set of targets for sources of income can be found below:

	2017	2018	2019	2020
BCC/ACE Funding	61.3%	57.8%	54.5%	50.0%
Grants, Sponsorship , Advertising	14.4%	16.5%	18.2%	21.0%
Operating Income	24.3%	25.7%	27.3%	29.0%
	100%	100%	100%	100%

2.3.3 A fundraising strategy which embraces diversification of income streams to be considered as a minimum requirement for any bid process. Interested delivery organisations are to consider income generation streams such as commercial stalls, trust and foundation giving, crowdfunding, individual and major donor giving, institutional grant funding agencies, corporate sponsorships etc. as part of a broader efforts to reduce dependency on the operating revenue received from the Carnival’s current two core funders; Bristol City Council and Arts Council.

2.3.3 Consider cost reduction strategy that embraces initiatives such as secondment programmes that tap into skills and expertise from Corporate Bristol or research partnerships with local universities, which can demonstrate the social and economic return on investment.

2.3.4 A clear delineation of what constitutes a core programme (‘must haves’) which should take into consideration the minimum requirement outlined in this

recommendation report and covered by the operating revenue received from the two core funders; and what constitutes an aspirational programme ('nice to have') which can be subject to further funding.

2.3.5 A strong recommendation to include elements of a family friendly event, education programme, procession, SAGE requirements and the involvement and ownership of Bristol's population of African Caribbean descendants.

2.3.6 A reserve target built into the financial projections that enables the delivery organisation to suitably deal with unexpected situations. This could be a fixed sum or a % of funding/cost base as deemed appropriate.

2.3.7 Innovative considerations to self-sustain the sound system range of activities that can include wrist-band club hop offers, ticketed performance zones and long-term food and beverage sponsorships.

3. FURTHER RECOMMENDATIONS

The CC recommends the return of St Paul's Carnival in 2017 with a realistic programme of activities, albeit minimal, to enable the delivery organisation:

- To assure the African Caribbean community of Bristol and wider St Paul's Carnival audience of its readiness to deliver a full programme at the 50th Anniversary event in 2018 and beyond
- To attract the recommended HR talent, develop strategic plans and implement the required policies, to bring about the necessary organisational culture change and further the aspirations of a robust organisation.
- To cultivate and establish the citywide partnerships and goodwill needed to deliver a sustainable St Paul's Carnival, which is embedded in the cultural calendar of the city, going into the foreseeable future.

The commissioned research report highlighted a tension between reducing the size of the carnival vs. extending the footprint. We recommend the latter with consideration to make better use of community spaces in and around St Paul's such as J3, Kuumba, The Sport Centre, the Docklands, Trinity and Riverside as well as the green spaces such as Brunswick Sq., St Pauls and Montpelier parks, etc.

And finally, the CC recommends a broader engagement strategy for St Paul's Carnival that takes into consideration diverse range of communication channels (offline and online), participation activities (African Caribbean sports and board games), age groups (young and old) and wider Bristol cultural offer.

APPENDIX A

These Terms of Reference (ToR) presents an overview of the responsibilities and expectations of the Carnival Commission. The CC comprises of a group of 11 individuals with a passion to explore the re-instatement of St Paul's Carnival.

The CC aims to disband after setting out their final recommendations on the 27th July 2016. Some of the members have expressed their willingness to support any future operator to implement the CC's recommendations.

Requirements of CC members. Members will:

- Operate with openness and transparency; names of CC members and the organisations / agencies they represent are available in **appendix 1**
- Declare any conflict of interest issues. Members will sign a declaration on joining the CC. Standing declarations will form part of the agenda at beginning of every CC meeting; members must declare any conflicting interest as they arise during the course of a meeting or during any course of their duties on behalf of the CC.
- Carry out their duties on behalf of the CC in a pro bono capacity, except for any necessary access costs.
- Be expected to undertake tasks and follow through actions in addition to contributing to meetings.
- To make use of their relevant networks to assist the CC's mission.
- State clear reasons for standing down from the CC.
- Be expected to, in addition to contributing to CC meetings, take part in task and action groups to help steer the project that feeds into the work of CC.

Decision making. CC meetings will:

- Adhere to a quorum of 50% plus one
- Be conducted through a rolling Chair process. If necessary, the rolling Chair will have the casting vote.
- Observe Chatham House Rule or share sensitive information by agreement with the named party.

Stakeholder involvement

- The CC will not seek to run St Pauls Carnival as the CC. Its primary concern is to consult stakeholder's e.g. community members, organisations, funders & local businesses to seek a range of views to determine the future of Carnival.
- Where necessary, co-opt new members to meet any identified skills gaps that will strengthen its governance & support execution of its duties.

Reporting requirements

- The CC will ensure regular and timely information is shared with stakeholders; this will include a monthly E-bulletin.

Financial responsibilities

Whilst Ujima will be administrating the work of the CC, budgeting will be the responsibility of the CC and finances will be held by Bristol Cultural Development Partnership.

APPENDIX B:

St Paul's Carnival Commission members

The St Paul's Carnival Commission was made up of local individuals drawn from the Professional fields of Carnival, Accountancy, Law, Youth Work, Event Management, Culture & Arts, Entrepreneurship, Media and Community Development / Regeneration. They included:

1. Marti Burgess – Lawyer, Gregg Latchams, Colston Hall Trustee & owner of Lakota Nightclub
2. Jonathan Jackson – ex Finance Director at Icon Films, Former MD at Digital Rights Group.
3. Roger Griffiths – Chairman of Ujima Radio & MD of Community Consultancy Tomorrow 2day
4. Naomi Davis – Organised St Paul's Carnival children's area in 2014 & BBC Radio Bristol presenter
5. Poku Osei – Founder of Babbasa, Non-executive Director for Bristol Community Health Board.
6. Julian Davis – Chair of Carnival Network South, Trustee of CYN and External Relationship Manager of Ujima Radio
7. Delroy Hibbert – Full Circle & Docklands
8. Cleo Lake – Deputy Leader Green Party Group Bristol, Freelance artist/ arts and events manager, Former St Paul's Afrikan & Caribbean Carnival Director
9. Sandra Meadows - Principal Consultant - Wylde Meadows Consultancy & Coaching, Bristol Mayoral Commission for Women, Former Chief Executive Officer - PEYTU.
10. Dr. Shawn Sobers - Associate Professor, University of the West of England, and Community Filmmaker - Firstborn Creatives.
11. Anndeloris Chacon – Black Carers Network

Bristol City Council Equality Impact Assessment Form



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

Name of proposal	St Pauls Carnival
Directorate and Service Area	Place - Culture
Name of Lead Officer	Laura Pye

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 agree the vision and governance model suggested by the carnival commission as the preferred option for St Pauls carnival moving forward

St Pauls Carnival use to be delivered by St Pauls Carnival Limited but after they failed to deliver carnival 2 years out of 4 BCC and Arts Council England withdraw their funding. Following an extensive piece of work carried out by the Carnival Commission, an independent group of individuals who formed after an invite from the Mayor a new vision has been presented and an outline of the type of organisation to take it forward.

We believe the vision presented by the group is deliverable and will mean the return of Carnival on to the streets of St Pauls.

The new organisation will also meet the governance requirements set out by the commission.

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?

People who attend St Pauls Carnival-

Because this is not a BCC event we only have the audience data provided for the Key Arts Provider funding which states-

At the Carnival and through our education projects and Mas camps the Carnival attracts 50/50 male/female audience/participants. The ethnicity of participants is 60% BME & 40% white. The

average age of attendees to the carnival are 25-34 and 80% of the people surveyed at Carnival bought children with them, the estimated attendance throughout the Carnival day is 100,000 people.

We do not specifically enquire through our surveys if people have a disability, but, we do ensure there are adapted toilets, risers etc to assist the enjoyment of the event for less able visitors.

Artists & Schools involvement - the below table gives a simple breakdown on the amount of groups in the procession and numbers of acts on the stages.

PROCESSION

Type of Group	GROUP NO'S	Total Number of Participants
visiting groups	5	101
schools	15	525
Local groups	10	256

STAGE ACTS

Portland Square

Stage

20 acts 130

Green Stage

19 acts 120

Additionally at the event there were 12 sound systems each playing for approximately 12 hours, with around 2 acts per hour this adds to approx 288 performers.

The Mas Camps have a passing attendance along with a committed group of 30+ people, who then take part in the masquerade on the day. With the Mas camps being open in the evening's attendees to the sessions are 90% local to St Pauls with members of the Somali community and local youths getting involved.

We have no supporting material to back the claims made in their bid and have concerns about the validity of this data without knowing the sample method and size. Moving forward it will be a condition of funding that more robust audience data is collected and analysed

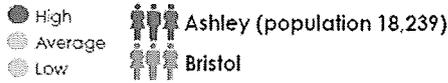
We do however have data about protected characteristics of people in the Ashley ward compared to Bristol as a whole.

Including Age groups-

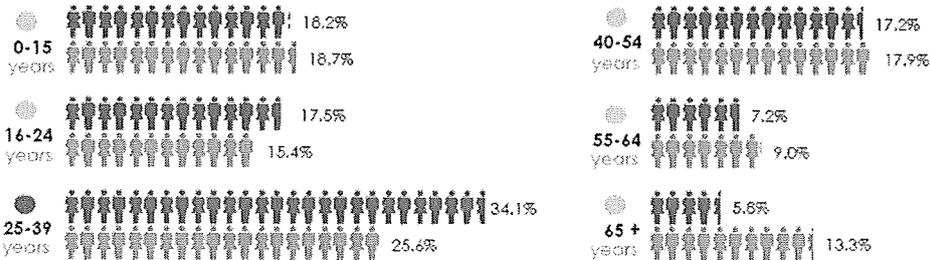
POPULATION ESTIMATE

Office for National Statistics 2014

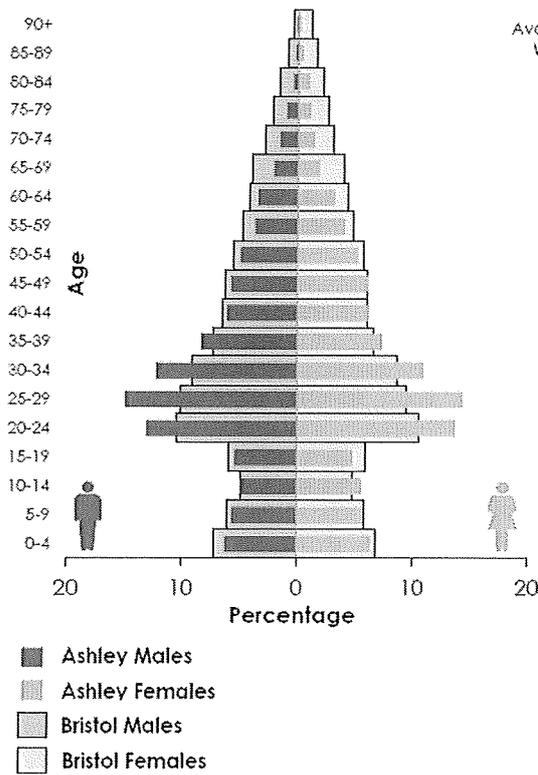
ASHLEY



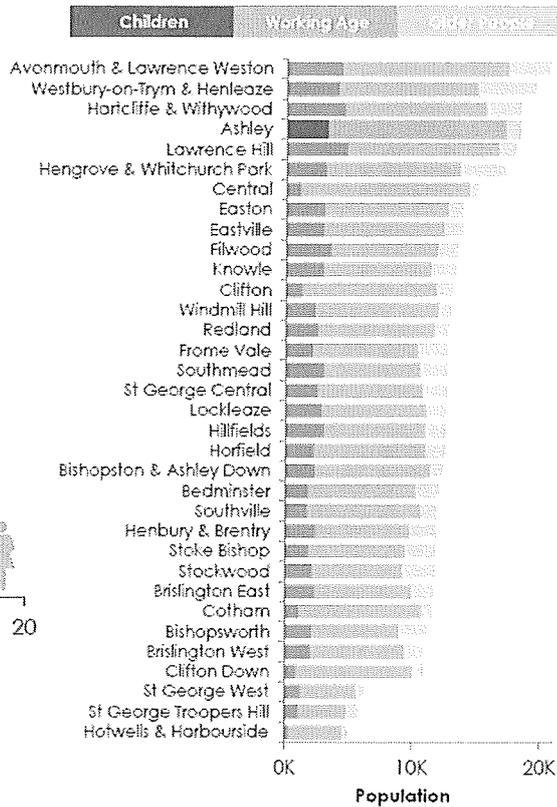
AGE GROUPS



POPULATION PYRAMID



WARD COMPARISON



Population – Source: Bristol City Council using ONS 2014 Small Area Population Estimates ONS © Crown Copyright
See source pages for further details

Performance, Information and Intelligence Service, Bristol City Council

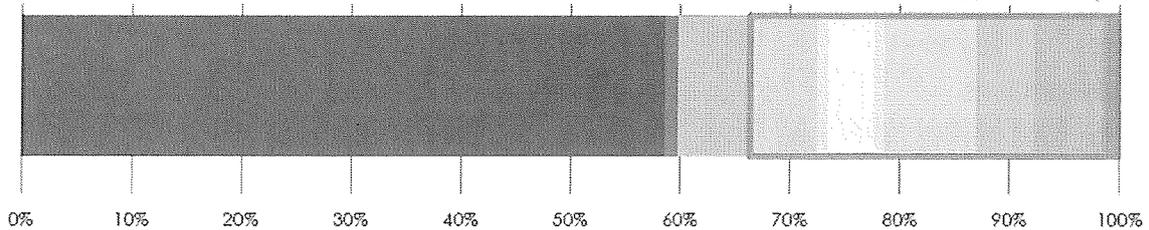
www.bristol.gov.uk/statistics

Ethnicity-

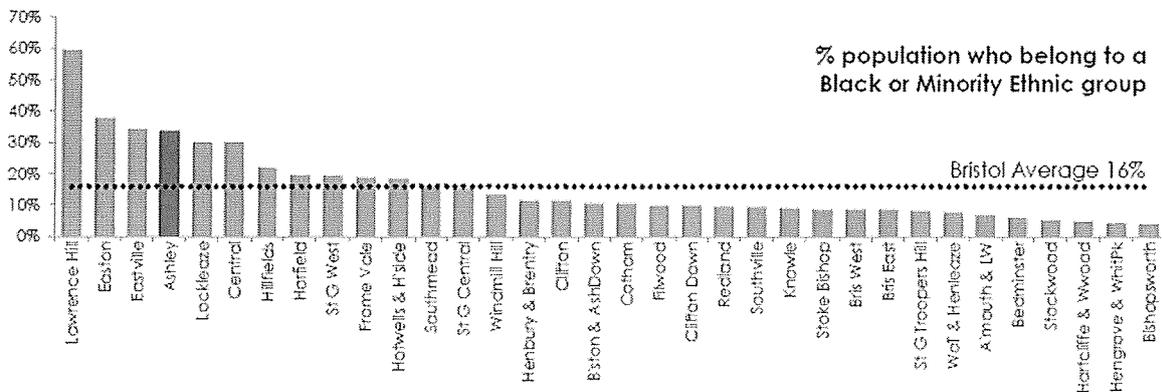
ETHNICITY 2011 CENSUS

ASHLEY

Population by Ethnicity



Ethnicity	Ashley	Bristol	Legend
White British	58.7%	77.9%	High
White Irish	1.2%	0.9%	Average
White Gypsy or Irish Traveller	0.1%	0.1%	Low
Other White	6.5%	5.1%	Average
Mixed	6.1%	3.6%	High
Indian	0.9%	1.5%	Average
Pakistani	3.2%	1.6%	High
Bangladeshi	0.4%	0.5%	Average
Chinese	0.7%	0.9%	Average
Other Asian	0.9%	1%	Average
Black African	8.4%	2.8%	High
Black Caribbean	5.3%	1.6%	High
Other Black	6.1%	1.6%	High
Arab	0.4%	0.3%	Average
Other ethnic group	1.2%	0.6%	High
Black and Minority Ethnic Group Total	33.5%	16%	



The population as a whole can be broken down into 18 different ethnic groups according to what tick box people chose on the 2011 Census questionnaire.

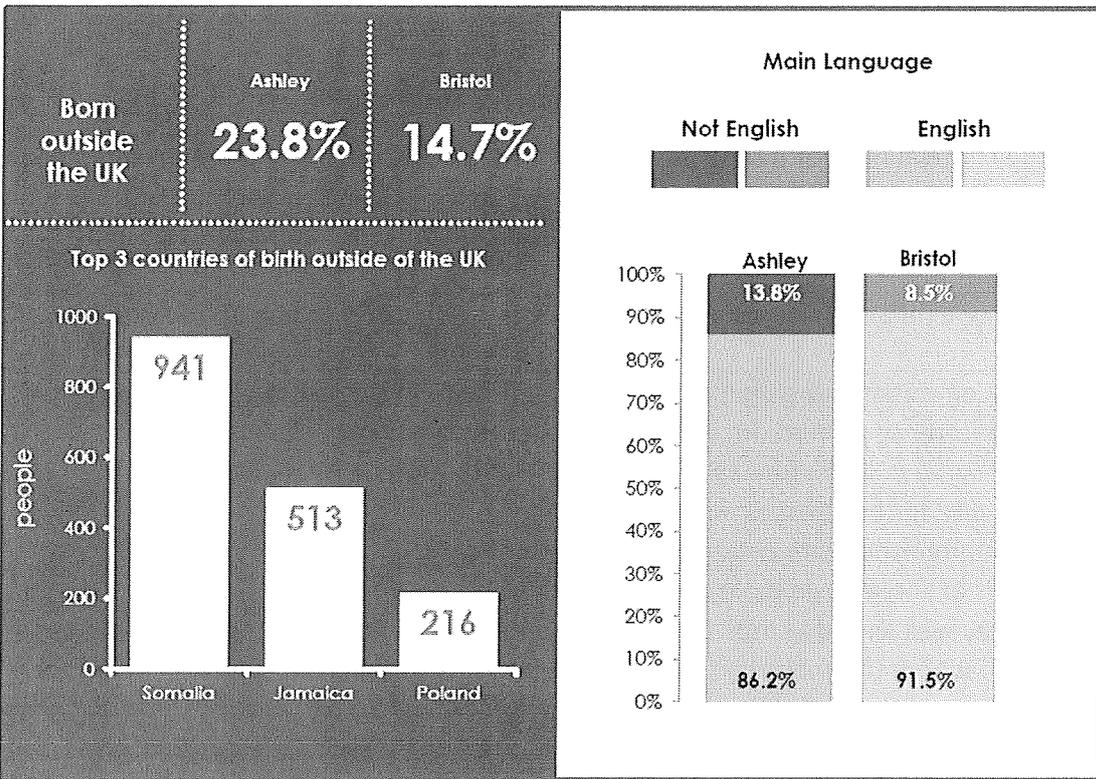
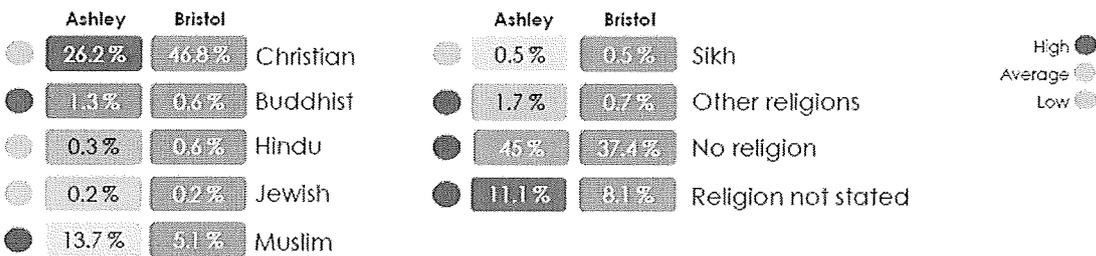
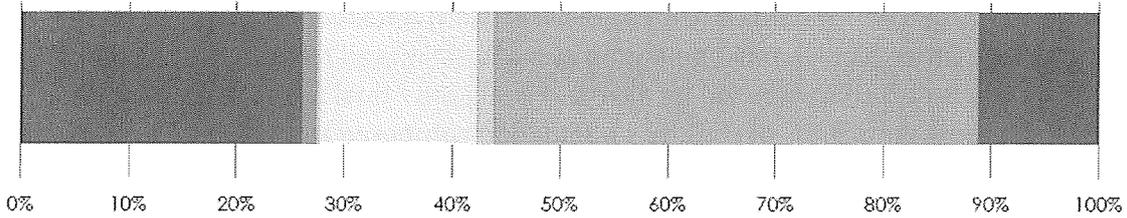
The Somali population did not have a separately identified tick box on the 2011 Census questionnaire and so will be included in both the 'Black African' and the 'Other Black' groups. The Mixed/Multiple Ethnic Groups have been aggregated from four separately identified groups to one 'Mixed' group in the table above. The Black or Minority Ethnic group (BME) population includes all ethnic groups with the exception of the White groups (i.e. White British, White Irish, White Gypsy or Irish Traveller and Other White).

Source: 2011 Census ONS Crown Copyright Reserved [from Nomis]
See source pages for further details

And Religion-

RELIGION, COUNTRY OF BIRTH AND LANGUAGE 2011 CENSUS ASHLEY

Religion



Source: 2011 Census ONS Crown Copyright Reserved [from Nomis]
See source pages for further details

Performance, Information and Intelligence Service, Bristol City Council

www.bristol.gov.uk/statistics

With regards to the African Caribbean population in Bristol according to an analysis of the 2011 Census summarised by The Quartet Community Foundation, of a population of

approximately 430,000 the number of people in Bristol defining themselves as Black African Caribbean stands at 6727 (1.6% of the population, a slight increase from 1.5% of the 2001 population); the African Caribbean population is ageing with more than half (54%) aged over 40 compared to 41% of the total population and contrasts with a growing, younger population of 12085 which defines itself as Black African. A further 6922 residents self-define as Black Other. The Somali population alone is estimated to be in the region of 10000. The city is also characterised by a large mixed race / dual heritage population of 15438 which represents 3.6% of the city's population compared to a national average of 2.2%.

St Pauls Carnival Limited-

By supporting the vision and governance model put forward by the Carnival Commission we are confirming we are not willing to fund St Pauls Carnival Ltd moving forward. St Paul's Carnival Ltd are a membership organisation but they no longer have any paid employees. They will be involved in the development of the new organisation and encourage to take an active part in the future of carnival so they can continue to represent the view of their members.. However the governance model will be different which will allow better management of the company and directors of the new company will be appointed through an open recruitment process and on the basis of their skills. Both the Arts Council and BCC will be involved in the recruitment process in order to ensure we are confidence in the abilities of the new organisation

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

There are significant gaps in the audience data provided by St Pauls Carnival Limited and because the carnival has not happened since 2014 we don't have any more up to date stats about the audience profile of the event itself.
We also don't have any up to date data on who is involved in St Pauls Carnival Limited

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

The Carnival Commission engaged external and independent researchers Armstrong, Cameron and Pitter to carried out consultation in the community. This included-

- Two online surveys – one for St Paul's residents and others with an interest in the Carnival, and one for businesses and stakeholders.
- Two community consultation exercises held in St Paul's
- Case studies of three large scale outdoor festival.

The first survey was aimed at individuals with an interest in St Paul's Carnival. 170 people responded, of whom the majority (66%) were women. Six respondents were current or former members of the St Paul's African Caribbean Carnival Board. Almost three quarters of respondents attended Carnival every year. The three most enjoyable aspects of the Carnival were reported as being music, food and celebrating African Caribbean culture all of which feature heavily in the vision put forward by the Commission

The second survey – aimed at businesses and stakeholders – yielded 13 responses. 12 respondents were based in Bristol. The vast majority of respondents – 10 – felt that St Paul's Carnival is a central element of Bristol's cultural offer. Asked what might persuade them to support St Paul's Carnival, increased confidence in the organisers was cited as a primary factor alongside greater evidence of partnering and collaboration. It is hoped a new organisation could build this confidence and increase the sustainability of the event.

A total of 41 people attended the two consultation events held in St Paul's. They noted a very strong appetite for a vibrant, functioning, sustainable Caribbean Carnival inspired by Caribbean Carnivals but with a uniquely Bristolian flavour. Consultees felt that there should be a clear differentiation between daytime and night time activities with the former focusing on family friendly activities. Again this is something which features heavily in the vision for the carnival presented by the commission.

Following the development of the vision a reference group will be formed supported by voscur to develop the terms of reference for appointments to the new board. This will ensure the board is able to represent the needs of the diverse communities it need to serve in the delivery of carnival

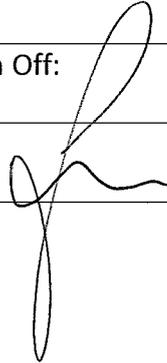
Step 3: Who might the proposal impact?

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?		
3.2 Can these impacts be mitigated or justified? If so, how?		
Protected Characteristic	Impact	WHAT DONE TO MITIGATE
Age	Many of elder who were involved in the setting up Carnival and organising in past years are part of St Pauls Carnival Limited and have clear views on a vision for carnival	They have been involved in the consultation by the commission and on the whole we believe they will support the vision presented
Disability	No or little impact	
Ethnic origin	St Pauls Carnival is at its heart an event which celebrate African Caribbean heritage which needs to be reflected in the vision	Extensive consultation has taken place with the St Pauls community including the African Caribbean community and we believe they are positive about the vision for carnival that is being presented
	The data shows that other communities such	The vision and research address the need to include all of the St Pauls communities and we will work with the new organisation to ensure

	as the Somali community are growing in the area. There is a risk they will not feel included in an new St Pauls Carnival	other groups are included
Gender	No or little impact	Moving forward this will be monitored through the funding agreements
Pregnancy and Maternity	No or little impact	Moving forward this will be monitored through the funding agreements
Religion/ Belief	No or little impact	Moving forward this will be monitored through the funding agreements
Sexual orientation	No or little impact	Moving forward this will be monitored through the funding agreements
3.3 Does the proposal create any benefits for people with protected characteristics?		
3.4 Can they be maximised? If so, how?		
Protected Characteristic	Impact	What can be done to maximise
Age	The vision highlights the need for different activities for different ages including family event and a more youth focused "club hop" event	A major issue with Carnival in the past has been how it caters for everyone. The visions separates out key audience groups and so will hopefully provide a better experience for everyone
Disability	No or little impact	The vision for carnival is one of an inclusive event which caters for all sections of the community, the delivery of this will be monitored through the funding arrangement
Ethnic origin	Carnival is about the celebrations of African Caribbean Heritage and the proposal will ensure this is delivered in years to come	The consultation done to date has highlighted the importance of this and it's a major factor in the vision for carnival that the new organisation aims to deliver This has been effectively communicated to the communities, through a range a channels including local member, radio and social media and public events-
Gender	No or little impact	The vision for carnival is one of an inclusive event which caters for all sections of the community, the delivery of this will be monitored through the funding arrangement
Pregnancy and Maternity	No or little impact	The vision for carnival is one of an inclusive event which caters for all sections of the

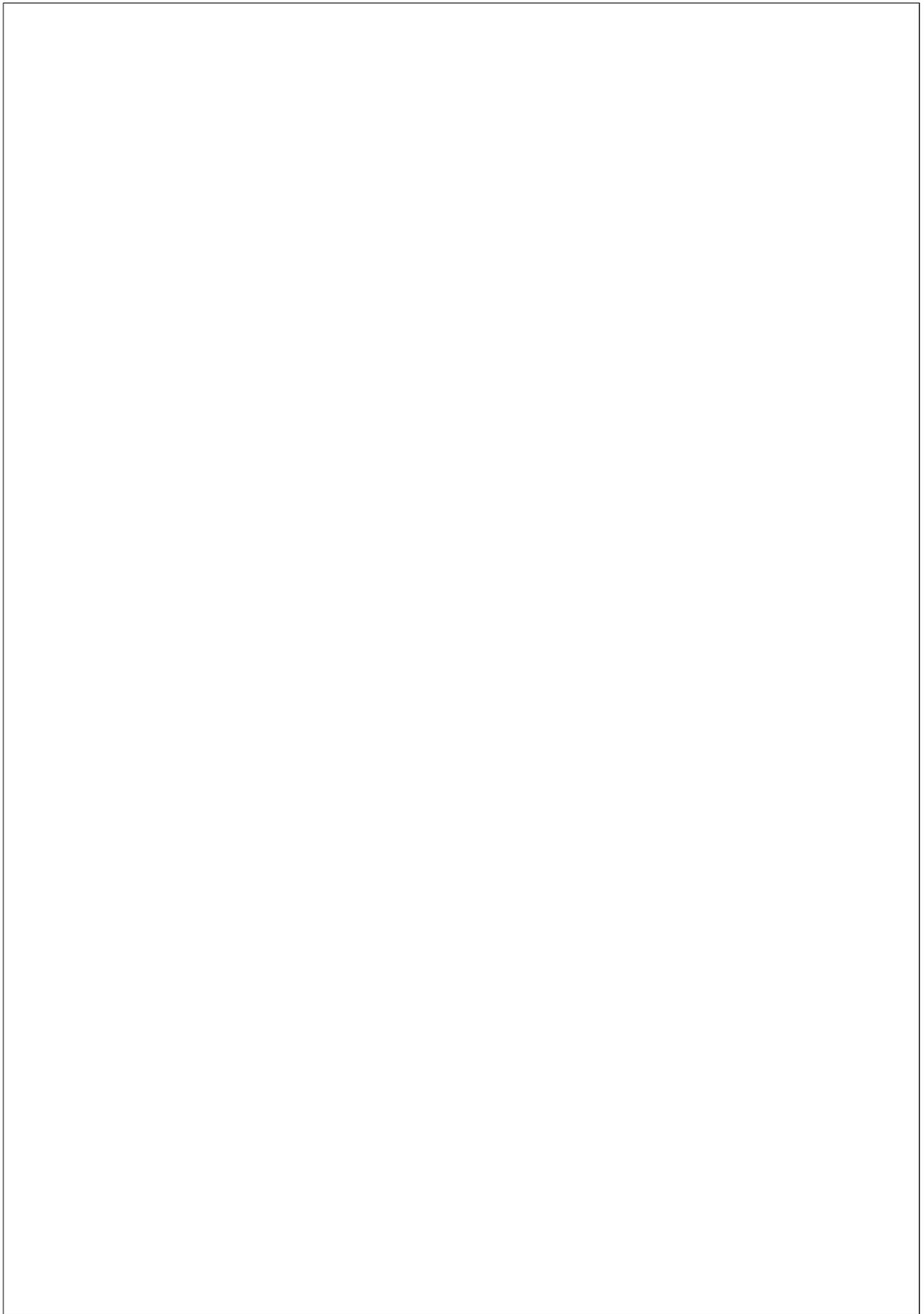
		community, the delivery of this will be monitored through the funding arrangement
Religion/ Belief	No or little impact	The vision for carnival is one of an inclusive event which caters for all sections of the community, the delivery of this will be monitored through the funding arrangement
Sexual orientation	No or little impact	The vision for carnival is one of an inclusive event which caters for all sections of the community, the delivery of this will be monitored through the funding arrangement

Service Director Sign-Off:	Equalities Officer Sign Off:
Date:	Date: 23-11-16 

Eco Impact Checklist

Title of report: St Pauls Carnival
Report author: Laura Pye
Anticipated date of key decision: Oct 2016
Summary of proposals: To allow the new organisation formed out of the Carnival Commission to take forward their vision of St Pauls Carnival
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?

Consulted with:

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

The significant impacts of this proposal are around the waste generated by St Pauls Carnival and the impact this has had in the past. This was highlighted in the reports as a major issue and one that needed addressing.

The proposals include the following measures to mitigate the impacts the new organisation are aware of the issues and one of the milestone to draw down the funding includes the development of an action plan to deal with this

The net effects of the proposals are positive

Checklist completed by: Laura Pye

Name:

Dept.:

Extension:

Date:

Verified by
Environmental Performance Team

CABINET – 6th December 2016

EXECUTIVE SUMMARY OF AGENDA ITEM 11

Report title: Treasury Management Mid-Year Report 2016/17

Wards affected: Citywide

Strategic Director: Section 151 Officer

Report Author: Annabel Scholes, Interim Service Director - Finance

RECOMMENDATION for the Mayor's approval

1. That the Mayor recommends the report to Full Council.
2. That the Mid-Year Treasury Management report for 2016/17 is noted.

Key background / detail:

3. During the first half of 2016/17 the Council has complied with its legislative and regulatory requirements.
4. The current financial year continues the challenging environment of the previous year's namely low investment returns and heightened levels of counterparty risk.
5. There are no policy changes to the Treasury Management Strategy Statement (TMSS); the details in this report update the position in the light of the updated economic position and budgetary changes.
6. The 2016–2019 Treasury Strategy (approved 16th February 2016) identified a medium term borrowing requirement of £150m to support the existing and future Capital Programme with the debt servicing costs met from revenue savings from capital investment and the economic development fund. The Council's agreed policy is to defer borrowing while it has significant levels of cash balances (£135m at September 2016, £70m estimated for March 2017). The authority is planning on borrowing £20m at a preferential rate from the PWLB that expires on the 31st March for the Bristol Temple Meads East Regeneration (Arena) scheme. No further borrowing is anticipated in the current financial year, unless:
 - short term investments fall at a higher pace than expected increasing the liquidity risk of the authority and or;
 - there is a significant change in markets (debt financing costs continue to be at historic low levels) and long term borrowing is deemed advantageous the authority will borrow over periods determined as the most appropriate to reduce the authorities exposure to interest rate risk.

**BRISTOL CITY COUNCIL
CABINET
6th December 2016**

REPORT TITLE: Treasury Management Mid-Year Report 2016/17

Ward(s) affected by this report: Citywide

Strategic Director: Section 151 Officer

Report author: Annabel Scholes – Interim Service Director - Finance

**Contact telephone no. & e-mail address: Jon Clayton - 0117 922424
jon.clayton@bristol.gov.uk**

RECOMMENDATION for Mayor approval:

1. That the Mayor recommends the report to Full Council;
2. That the Mid-Year Treasury Management report for 2016/17 is noted.

Purpose of the report:

3. This report meets the treasury management regulatory requirement that the Council receive a mid-year treasury review report. It also incorporates the needs of the Prudential Code to ensure adequate monitoring of the capital expenditure plans and the Council's prudential indicators (PIs).
4. That the mid-year report is structured to highlight:
 - The economic outlook;
 - The actual and proposed treasury management activity (borrowing and investment);
 - The key changes to the Council's capital activity (the prudential indicators {PIs}).

Background

5. Treasury management is defined as:

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

6. The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Treasury management operations aim to ensure

that cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.

7. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. The management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Introduction

8. The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised in 2011) has been adopted by this Council. The primary requirements of the Code are:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities;
- Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives;
- Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a **Mid-year Review Report** and an Annual Report (stewardship report) covering activities during the previous year;
- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions;
- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is Audit Committee.

9. This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the 2016/17 financial year to 30 September 2016;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- A review of the Council's investment portfolio for 2016/17;
- A review of the Council's borrowing strategy for 2016/17;
- A review of any debt rescheduling undertaken or planned during 2016/17;
- The Council's capital expenditure and (prudential indicators);
- A review of compliance with Treasury and Prudential Limits for 2016/17.

Key Changes to the Treasury and Capital Strategies

10. There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes.
11. The 2016–2019 Treasury Strategy (approved 16th February 2016) identified a medium term borrowing requirement of £150m to support the existing and future Capital Programme with the debt servicing costs met from revenue savings from capital investment and the economic development fund. The Council's agreed policy is to defer borrowing while it has significant levels of cash balances (£135m at September 2016, £70m estimated for March 2017). The authority is planning on borrowing £20m at a preferential rate from the PWLB that expires on the 31st March for the Bristol Temple Meads East Regeneration (Arena) scheme with the net financing costs contained within the existing capital financing budget. No further borrowing is anticipated in the current financial year, unless:
- short term investments fall at a higher pace than expected increasing the liquidity risk of the authority and or;
 - there is a significant change in markets (debt financing costs continue to be at historic low levels) and long term borrowing is deemed advantageous the authority will borrow over periods determined as the most appropriate to reduce the authorities exposure to interest rate risk.

Analysis of Debt and Investments

12. A summary of the of the Council's debt and Investment position as at 30th September 2016 (including forecast at 31st March 2017) compared with 31st March 2016 is shown in the table below:

Debt & Investments	31 st March 2016		31 st September 2016		31 st March 2017	
	£m	Rate%	£m	Rate%	£m	Rate%
Long Term Debt – PWLB	292	5.09	292	5.09	312	5.05
Long Term Debt – Market – LOBO*	100	4.11	100	4.11	100	4.11
Long Term Debt – Market - Fixed	23	4.24	23	4.24	23	4.24
Short Term Borrowing	2	0.55	-	-	-	-
Total Debt	417	4.81	415	4.81	435	4.77
Investment	146	0.63	135	0.60	70	0.50
Net Borrowing Position	271		280		365	

*Lender option Borrower option

13. We are currently achieving a return of 0.60% on our investments for the period to 30th September 2016. The return for the year is anticipated to fall following the recent change in base rate to 0.25% on the 4th of August with investment rates falling in line with this change. Economists are also forecasting a further cut in base rate to 0.1%

around the turn of the calendar year. Long term interest rates are expected to remain at or around 2.30% (for 25 year term).

Economic Update to review

14. **UK** - UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were strong but 2015 was disappointing at 1.8%, though it still remained one of the leading rates among the G7 countries. Growth improved in quarter 4 of 2015 from +0.4% to 0.7% but fell back to +0.4% (2.0% y/y) in quarter 1 of 2016 before bouncing back again to +0.7% (2.1% y/y) in quarter 2. During most of 2015, the economy had faced headwinds for exporters from the appreciation during the year of sterling against the Euro, and weak growth in the EU, China and emerging markets, plus the dampening effect of the Government's continuing austerity programme. The referendum vote for Brexit in June this year delivered an immediate shock fall in confidence indicators and business surveys, pointing to an impending sharp slowdown in the economy. However, subsequent surveys have shown a sharp recovery in confidence and business surveys, though it is generally expected that although the economy will now avoid flat lining, growth will be weak through the second half of 2016 and in 2017.
15. The Bank of England meeting on August 4th addressed this expected slowdown in growth by a package of measures including a cut in Bank Rate from 0.50% to 0.25%. The Inflation Report included an unchanged forecast for growth for 2016 of 2.0% but cut the forecast for 2017 from 2.3% to just 0.8%. The Governor of the Bank of England, had warned that a vote for Brexit would likely cause a slowing in growth, particularly from a reduction in business investment, due to the uncertainty of whether the UK would have continuing full access, (i.e. without tariffs), to the EU single market. The governor also warned that the Bank will need the Government to support growth by increasing investment expenditure and possibly by using fiscal policy tools (taxation). The new Chancellor Phillip Hammond announced after the referendum result, that the target of achieving a budget surplus in 2020 will be eased in the Autumn Statement on November 23.
16. The Inflation Report included a sharp rise in the forecast for inflation to around 2.4% in 2018 and 2019. CPI has started rising during 2016 as the falls in the price of oil and food twelve months ago fall out of the calculation during the year and, in addition, the post referendum 10% fall in the value of sterling on a trade weighted basis is likely to result in a 3% increase in CPI over a time period of 3-4 years. However, the MPC is expected to look through a one off upward blip from this devaluation of sterling in order to support economic growth, especially if pay increases continue to remain subdued and therefore little danger of increasing core inflationary price pressures within the UK economy.
17. **USA**. The American economy had a "patchy" 2015 with sharp swings in the growth rate leaving the overall growth for the year at 2.4%. Quarter 1 of 2016 disappointed at +0.8% on an annualised basis while quarter 2 improved, but only to +1.4%. However, forward indicators are pointing towards an increase in growth in the rest of 2016. The Federal Reserve (US central bank). embarked on its long anticipated first increase in rates at its December 2015 meeting. At that point, confidence was high that there would then be four more increases to come in 2016. Since then, more "downbeat" news on the international scene including the Brexit vote, have caused a delay in the timing of the second increase which is now strongly expected in December this year.

18. **EZ.** In the Eurozone, the ECB commenced in March 2015 its €1.1 trillion programme of quantitative easing to buy high credit quality government and other debt of selected EZ countries at a rate of €60bn per month; this was intended to run initially to September 2016 but was extended to March 2017 at its December 2015 meeting. At its December and March meetings it progressively cut its deposit facility rate to reach -0.4% and its main refinancing rate from 0.05% to zero. At its March meeting, it also increased its monthly asset purchases to €80bn. These measures have struggled to make a significant impact in boosting economic growth and in helping inflation to rise from around zero towards the target of 2%. GDP growth rose by 0.6% in quarter 1 2016 (1.7% y/y) but slowed to +0.3% (+1.6% y/y) in quarter 2. This has added to comments from many forecasters that central banks around the world are running out of techniques to stimulate economic growth and to boost inflation. They stress that national governments will need to do more by way of structural reforms, fiscal measures and direct investment expenditure to support demand in the their economies and economic growth.

Interest rate forecasts

19. The Council's treasury advisor, Capita Asset Services, has provided the following forecast:

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
Bank rate	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.25%	0.25%	0.25%	0.25%	0.50%
5yr PWLB rate	1.00%	1.00%	1.10%	1.10%	1.10%	1.10%	1.20%	1.20%	1.20%	1.20%	1.30%
10yr PWLB rate	1.50%	1.50%	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.70%	1.80%
25yr PWLB rate	2.30%	2.30%	2.40%	2.40%	2.40%	2.40%	2.50%	2.50%	2.50%	2.50%	2.60%
50yr PWLB rate	2.10%	2.10%	2.20%	2.20%	2.20%	2.20%	2.30%	2.30%	2.30%	2.30%	2.40%

20. Capita Asset Services undertook its last review of interest rate forecasts after the Monetary Policy Committee (MPC) meeting of 4th August cut bank rate to 0.25% and gave forward guidance that it expected to cut Bank Rate again to near zero before the year end. The above forecast therefore includes a further cut to 0.10% in November this year and a first increase in May 2018, to 0.25%, but no further increase to 0.50% until a year later. The governor of the bank of England (BOE), has repeatedly stated that increases in Bank Rate will be slow and gradual after they do start. The MPC is concerned about the impact of increases on many heavily indebted consumers, especially when the growth in average disposable income is still weak and could well turn negative when inflation rises during the next two years to exceed average pay increases.

21. The overall trend is for gilt yields and PWLB rates to rise gently. An eventual world economic recovery may also see investors switching from the safe haven of bonds to equities. However, we have been experiencing exceptional levels of volatility in financial markets which have caused significant swings in PWLB rates.

22. The overall balance of risks to economic recovery in the UK remains to the downside. The downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Monetary policy action reaching its limit of effectiveness and failing to stimulate significant sustainable growth, combat the threat of deflation and reduce high levels of debt in some major developed economies, combined with a lack of adequate action from national governments to promote growth through structural reforms, fiscal policy and investment expenditure.
- Weak capitalisation of some European banks.
- A resurgence of the Eurozone sovereign debt crisis.
- Geopolitical risks in Europe, the Middle East and Asia, increasing safe haven flows.
- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or Federal Reserve increases, causing a further flight to safe havens (bonds).
- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.

23. The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- The pace and timing of increases in the Federal Reserve funds rate causing a reassessment by investors of the risks of holding bonds as opposed to equities and leading to a major move from bonds to equities;
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

Investment Portfolio 2016/17

24. In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As set out in the "Economic Update" it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.25% Bank Rate (bank rate reduced from 0.5 to 0.25% on the 4th August 2016). The continuing potential for a re-emergence of a Eurozone sovereign debt crisis together with other risks which could impact on the creditworthiness of financial institutions, prompts a low risk strategy. Given this risk environment, investment returns are likely to remain low.

25. The Council held £135m of investments as at 30 September 2016 (£145m at 31 March

2016) with an average maturity of 67 days. These investments are predominately with UK banks, local authorities and money market funds. The investment portfolio yield for the first six months of the year is 0.60%. The standard comparator for investment performance is the benchmark 7 day rate, which for the period was 0.28%. The benchmark for 3 month deposits was 0.38%.

26. The Chief Financial Officer confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2016/17.

Borrowing

27. The Capital Financing Requirement (CFR) denotes the Council's underlying need to borrow for capital purposes. The Council's CFR at 31 March 2017 is estimated to be £799m. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing).

28. The balance of borrowing between external and internal is generally driven by market conditions and forecasts of future cash flows and interest rates. At the 31st March 2016 the Council had external borrowings of £569m and has utilised £213m of internal cash in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate but will require on-going monitoring in the event that upside risk to gilt yields prevails.

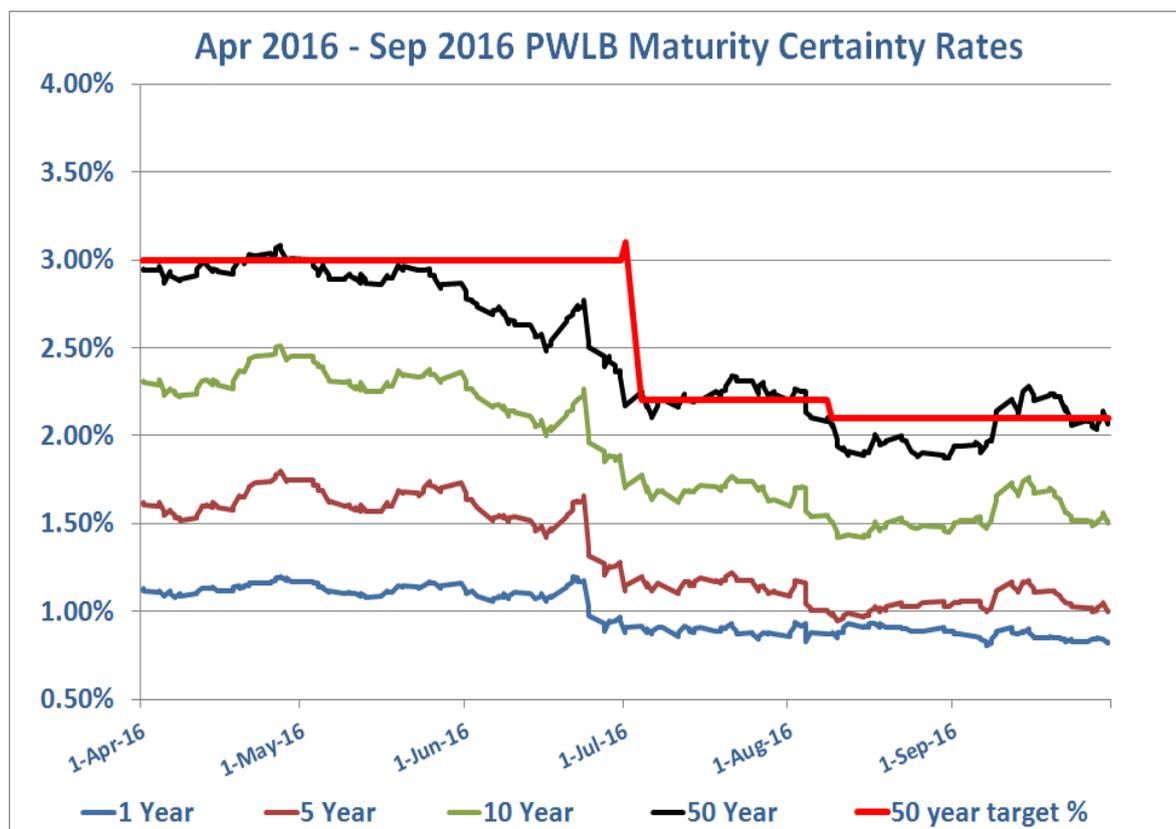
29. However, internal borrowing is a temporary measure that takes advantage of low interest rates and will ultimately be replaced by more expensive external borrowing as the cash used is required elsewhere. The timing and amount of new external borrowing is therefore dependent on capital spending decisions, future cash flows and forecasts of interest rates.

30. The Council are planning on borrowing £20m to take advantage of a preferential rate available from the PWLB that expires on the 31st March for the Bristol Temple Meads East Regeneration (Arena). This preferential borrowing rate is known as the "project rate" and is available for nominated infrastructure projects at a discount of 20 basis points below the certainty rate referenced in paragraph 34, below. The net financing costs of such borrowing will be contained within the existing capital financing budget.

31. Should debt financing costs continue to historic low levels, and with a significant capital programme predominately financed by borrowing the Council will consider further borrowing if rates continue to fall or are anticipated to rise at a higher pace than expected. This will enable the authority to take advantage of a low interest rate environment and reduce the interest rate risk of the authority.

32. The trend in interest rates was a decrease during the first six months of the year, across all maturity bands. The graph below show the movement in PWLB (certainty) rates for the first six months of the year to 30th September 2016:

	1 Year	5 Year	10 Year	25 Year	50 Year
1/4/16	1.13%	1.62%	2.31%	3.14%	2.95%
30/9/16	0.83%	1.01%	1.52%	2.27%	2.10%
Low	0.81%	0.95%	1.42%	2.08%	1.87%
Date	07/09/2016	10/08/2016	10/08/2016	12/08/2016	30/08/2016
High	1.20%	1.80%	2.51%	3.28%	3.08%
Date	27/04/2016	27/04/2016	27/04/2016	27/04/2016	27/04/2016
Average	0.99%	1.33%	1.92%	2.69%	2.46%



Debt Rescheduling

33. Debt rescheduling opportunities have been limited in the current economic climate given the consequent structure of interest rates. The authority's debt portfolio is made up of long dated loans (PWLB £292m, Market Debt (LOBOS) £100m and Market Debt (Fixed) £23m) averaging 35 years. The estimated penalty to repay the PWLB loans early is £248m, taking the total cost to £540m. In respect of the market loans, where indicative prices have been provided, a similar level of penalty has been quoted.

The total life cycle cost of rescheduling loans on a discounted cash-flow basis has been reviewed with no loans providing a positive cash-flow benefit to the authority. This would in part be due to large early repayment penalties that the authority will incur.

For these reasons no debt rescheduling has been undertaken during the first six

months of the year and none is anticipated for the remainder of the year.

Ethical Policy

34. An Ethical Investment Policy is incorporated within the Treasury Management Practice Statements (TMPS). The City Council currently invest surplus funds with Banks and Building Societies either directly or via the Money Markets in the form of instant access cash deposit accounts, money market funds or on fixed term deposit and with other local authorities. The City Council's ethical investment policy is based on the premise that the City Council's choice of where to invest should reflect the ethical values it supports in public life. The City Council will not knowingly invest in organisations whose activities include practices which directly pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the mission and values of the City Council.

The Council's Capital Position (Prudential Indicators)

35. This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

Prudential Indicator for Capital Expenditure

36. This table shows the latest estimates for capital expenditure:

Capital Expenditure by Service	2016/17 Original Estimate £m	2016/17 Revised Estimate £m
Non-HRA	134	166
HRA	56	56
Total	190	222

37. The latest capital monitoring report for the end of August 2016 sets out a capital budget of £222m as detailed within the period 5 monitoring report presented to Cabinet the 1st November 2016.

Financing of the Capital Programme

38. The table below draws together the capital expenditure plan and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure	2016/17 Original Estimate £m	2016/17 Revised Estimate £m
Total spend	190	222
Financed by:		
Capital receipts	29	29
Capital grants	38	67
Revenue / Reserves	10	14
HRA – Self Financing	32	32
Prudential Borrowing – Increase in Capital Financing Requirement	81	80
Total financing	190	222

Capital Financing Requirement (CFR) & Operational Boundary

39. The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose and it also shows the expected debt position over the period. This is termed the Operational Boundary.

	2016/17 Original Estimate £m	2016/17 Revised Estimate £m
Capital Financing Requirement		
CFR – non housing	581	554
CFR – housing	245	245
Total CFR	826	799
External Debt (Operational Boundary)		
Borrowing	490	434
Other long term liabilities*	155	155
Total debt 31 March	645	589

* On balance sheet PFI schemes and finance leases etc.

40. The revised Capital Financing Requirement is based on the actual CFR as at 31 March 2016 (£734m) increased by in-year capital expenditure financed by borrowing (£80m) and reduced by the minimum revenue provision (MRP) for repayment of debt (£15m) subject to a review of MRP policy being considered by Full Council.

Limits to Borrowing Activity

41. The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2017/18 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in

advance of need which will be adhered to if this proves prudent.

	2016/17 Original Estimate £m	2016/17 Revised Estimate £m
Gross borrowing	490	434
Plus other long term liabilities*	155	155
Gross borrowing & long term Liabilities	645	589
CFR* (year end position)	826	799

* Includes on balance sheet PFI schemes and finance leases etc.

42. The Chief Finance Officer reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

43. A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3(1) of the Local Government Act 2003.

Authorised limit for external debt	2016/17 Original Indicator	2016/17 Revised Indicator
Total Borrowing	920	830

Consultation and scrutiny input

Internal consultation: Audit Committee will scrutinise the Treasury Management Report at their meeting on 25th November. Any comments will be incorporated within the final report for Full Council.

External consultation: The Council's Treasury Management advisers

Risk Assessment

Borrowing and lending activity is reported to the Mayor.

The principal risks associated with treasury management are:

- The risk of loss as a result of failure of counterparties.
- This is mitigated by limiting the types of investment instruments used, setting lending criteria for counterparties, and limiting the extent of exposure to individual counterparties;

- The risk of loss as a result of borrowing at high rates of interest/lending at low rates of interest.

This is mitigated by planning and undertaking borrowing and lending in the light of advisers' assessments of future interest rate movements, and by undertaking most long term borrowing at fixed rates of interest (to reduce the volatility of capital financing costs).

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

Legal and Resource Implications

Legal

The Council is under a duty to manage its resources prudently and therefore due consideration must always be given to its borrowing and lending strategy. A wide range of local authority financial activities, including borrowing, lending, financial management, and the approval of types of investment vehicle are governed by legislation and various regulations. The Council is obliged to comply with these.

Legal advice provided by Shahzia Daya

Financial

(a) Revenue

The financing costs arising from planned borrowing are provided for in the revenue budget and medium term financial plan. Any additional operating costs will have to be contained within the revenue budget of the relevant department.

Advice given by Jon Clayton (Corporate Accountant) 17/10/2016

(b) Capital

None Sought

Land

None.

Personnel

None.

Appendices:

Access to Information (Background Papers): None



Executive Summary of Agenda Item No. 12

Report title: Approval of Council Tax Base 2017/18.

Wards affected: City Wide

Strategic Director: Anna Klonowski – Interim Strategic Director: Resources

Report Author: Annabel Scholes – Interim Service Director Finance

Recommendation for the Mayor's approval:

1. Recommend to Full Council, in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Bristol City Council as its Council Tax base for the financial year 2017/18 shall be 124,083.

Key background / detail:

1. The Local Government Finance Act 1992 requires the Council to set its Council Tax Base for the ensuing financial year by 31 January preceding the start of the new financial year and to notify precepting bodies of the Tax Base that will apply to their area. This report sets out the proposed Tax Base for the financial year 2017/18 together with an explanation of the factors taken into account in estimating the proposed Tax Base.
2. The proposed Tax Base set out in this report has been calculated in accordance with the requirements of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. The report sets out the significant factors that need to be taken into account in calculating the Tax Base and the assumptions made.
3. These assumptions include the levels of discounts and exemptions, losses on collection and the likely growth in the housing market during the coming financial year. These assumptions have been prudently assessed and tested. Assumptions made in the previous year's calculation have been reviewed, particularly in light of a more buoyant than expected housing market and the continuing reduction in the number of benefit recipients receiving council tax reductions.
4. The discretionary discount awarded for vacant properties is currently under review. The results of public consultation are not yet available. Depending on the result, there may be a benefit to the Collection Fund in 2017/18 and the General Fund in 2018/19.
5. The number of Band D equivalent properties, net of exemptions, reductions and discounts, in the Tax Base for 17/18 is 124,083 an increase of 3,137 (2.6%) Band D equivalent properties since October 2015.

Cabinet

6 December 2016



Report Title: *Approval of Council Tax Base 2017/18*

Ward: *City Wide*

Strategic Director: *Anna Klonowski – Interim Strategic Director Resources*

Report Author: *Annabel Scholes – Interim Service Director - Finance*

**Contact telephone no.
& email address** *0117 3521289
Annabel.scholes@bristol.gov.uk*

Purpose of the report:

The Local Government Finance Act 1992 (as amended) requires the Council as the Billing Authority to calculate a Council Tax Collection Fund estimate by 31 January each year.

Recommendation for the Mayor's approval:

The Mayor recommends that Full Council

- 1. Agree, in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Bristol City Council as its Council Tax base for the financial year 2017/18 shall be 124,083.**



1. Policy

Bristol City Council has the power in statute to raise a tax on households in its area to pay for the provision of local services. It is designated as the Billing Authority for the area. This means that it is responsible for levying a council tax to meet its own demands and to meet the precepts of other authorities in the area. The major precepting bodies are Avon Police and Crime Commissioner and Avon Fire Authority.

2. Consultation

i. Internal

Assistant Local Tax Manager – Citizen Services

ii. External

Not Applicable

3. Context

- i. Section 67 of the Local Government Finance Act 1992 (as amended) requires the Council to determine its tax base for council tax purposes each year. Properties are recorded in eight national bands by value (A to H) as determined the Valuation Office agency. Band H taxpayers pay twice as much as those in Band D and three times as much as those in Band A. The number of properties is expressed as a number of Band D equivalent properties.
- ii. In accordance with Regulations the Authority must set a tax base for council tax purposes and notify major precepting bodies by 31 January each year.

4. Calculation of council tax base

- i. The calculation has been prepared in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012 which came into force on 30 November 2012. In October each year DCLG requires a snapshot, which is based on the number of properties, of the Tax Base at a specified date in September, net of exemptions, reductions and discounts. This is known as the CTB1 return. A copy of the return for October 2016 is attached as Appendix A to this report. This calculates the number of chargeable properties in the City. Adjustments are then made for discounts and exemptions including those for the Council Tax Support Scheme. The adjusted numbers of properties in each of the eight valuation bands A to H are expressed as numbers of band D equivalents so they may be added together to produce a single figure.
- ii. The significant factors required to be taken into account in calculating the Tax Base are as follows:

5. Local Council Tax Reduction Scheme

- i. From 1 April 2013 local council tax support schemes replaced council tax benefit in England. Under these local schemes reductions are part of the council tax system rather than a welfare benefit. Bristol City Council introduced a localised scheme that provided a full set of discounts that replicated the previously existing national Council Tax benefit scheme. No change to this arrangement is proposed for 2017/18.
- ii. Projections to the end of March 2017, indicate that, since October 2015 the number of pensioner claimants has reduced by 10.7%, primarily because pensioner benefit income is rising more quickly than the cost of living (“triple lock”), while the number of working age claimants has reduced by 5.4%. This is in line with previously reported trends and therefore has been reflected in the

calculation of the Tax Base.

6. Unoccupied Properties

- i. Unoccupied Furnished Properties – the Council has discretion to set the level of discount for properties which are substantially furnished but are not anyone’s sole or main residence (often referred to as “second homes”) The Council has determined this level of discount will remain at 0% and this is reflected in the proposed Tax Base.
- ii. Vacant Properties – The Council has discretion to determine the discount, if any, to be awarded in respect of vacant dwellings (that is dwellings that are unoccupied and substantially unfurnished). This discount is currently set at 10% for the first six months followed by 5% for the following 18 months.
- iii. Long Term Empty Properties – There is a discretionary power for the Council to impose a premium of up to 50% in respect of properties that have remained vacant for at least two years. The proposed Tax Base incorporates a premium of 50% charged in respect of properties that have been empty for at least two years in accordance with the Council’s previous determination that a premium of 50% should apply to this category of dwellings.

7. Single Person Discounts

- i. Regular reviews have significantly reduced the number of properties attracting single person discounts. Currently 29% of domestic properties are claiming single person discount. This is the lowest of all Core Cities. Continuing reviews helps to ensure that the Council Tax Base properly reflects entitlements to this discount.

8. Student Discounts

- i. Students are entitled to an exemption from paying Council Tax if everyone in the property is a full time student. Alternatively they may be entitled to a discount if some of the people occupying a property are full time students. Bristol has a large student population, and as at the end of October all student lists have not been made available to the Council. It is therefore necessary to estimate the number of additional students likely to be eligible for exemptions. Any estimate to be included in the Tax Base will also take account of any known student related property developments. The adjustment of 1,250 Band D equivalents in the table below comprises of an estimated increase in student exemptions of 850 Band D equivalents and an additional 400 Band D equivalent student properties.

9. Growth

- i. In determining the Tax Base for the forthcoming year the Council is able to take into account any increase in Tax Base that may arise from the completion of new properties. Recently there has been significant property development across the City and, in view of this continuing trend, it is considered reasonable to allow for an element of growth in the Tax Base due to the anticipated completion of new properties in respect of known major developments. In estimating the effect on the Tax Base of new properties it is prudent to assume the majority of new properties will be in lower valuation Bands. Allowances must also be made for discounts that will apply in respect of new properties, including Council Tax Support discounts, and for the fact that Council Tax will only be payable for new properties from the date of completion rather than for a full financial year.

10. Losses on Collection

- i. In estimating the provision for losses on collection the Council makes an estimate of debts which, after full recovery measures have been affected will be uncollectable and therefore recommended for write-off. Losses on collection for 2017/18, after adjusting for the continued collection of prior years' arrears, is estimated to be 1.5%

11. Calculation of the 2017/18 Council Tax Base

	2017/18 Band D Equivalent Properties
Tax Base as per attached CTB 1 Return	125,773
Adjustment due to anticipated growth	1,450
Reduction due to additional student discounts	- 1,250
Adjusted Tax Base	125,973
LESS losses on collection of 1.5%	- 1,890
Recommended Tax Base 2017/18	124,083

- i. This is an increase of 3,137 (2.6%) Band D equivalent properties since the last Tax Base calculation in November 2015. This is primarily due to an increase in the number of chargeable dwellings of 1,896 and the continued reduction in the number of benefit recipients receiving council tax reductions. The Current MTFP assumes annual growth in the Tax Base of 1%, which is consistent with previously identified growth in the local housing market, but is not reflecting the full effect of the reduction in the number of benefit recipients receiving council tax reductions.
- ii. The 2017/18 estimate for growth uses information provided by the Council's Valuation and Inspection team and is based on the number of new developments in the City where work has commenced. Assumptions are then made as to whether these properties will be banded by the end of the financial year, the actual date during the year they may be banded, the number of exemptions, discounts and Council Tax Support they might attract.
- iii. Valuation & Inspection information has identified that there are potentially 5808 additional domestic assessments where work has commenced. Taking in to account the robust housing market and the higher than anticipated number of new builds in 2016/17, the estimate of properties likely to be banded during 2017/18 has been increased from 50% to 75%, resulting in a figure of 4356. A further reduction of 50% is made to take account of the fact that all of these properties will not have been banded on 1 April 2017. The resulting figure is 2178 and a 25% reduction has been factored in for loss in revenue due to exemptions, discounts and Council Tax Support. The final figure of 1631 is assumed to be lower banded properties so this figure has been converted into the Band "D" equivalent of 1268. Additionally, since the completion of CTB1 a further 182 band D properties have been added to the rating list, bringing the total estimated growth to 1450 band D equivalents.

- iv. To ensure the estimate of overall growth in the Tax Base is prudent officers have carried out an analysis of both growth in the local housing market over the last five years and the reduction in the number of benefit recipients receiving council tax reductions over the last three years.

12. Other Options Considered

- i. Not applicable

13. Risk Assessment

- i. There are a number of risks associated with estimating the amount of Council Tax collected during the year. These include;
 - Difficulty in estimating Council Tax discounts and exemptions, including the take-up of the Council Tax Support Scheme.

14. Public Sector Equality Duties

- i. 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.

15. Legal and Resource Implications

- i. **Legal**

The tax base calculations for a particular financial year must comply with the Local Authorities (Calculation of Council tax base) Regulations 2012, and be determined by no later than 31st January in the preceding financial year. These regulations have been made under the Local Government Finance Act 1992, as amended (LGFA 1992).

(Legal advice provided by Shahzia Daya – Service Director: Legal and Democratic Services)

- ii. **Financial**
(a) Revenue

The council tax base directly influences the resources available to the fund the revenue budget due to be considered by Full Council on 21 February 2017.

(b) Capital
Not Applicable

(Financial advice provided by Tony Whitlock – Finance Manager, Corporate Finance)

- iii. **Land**
Not Applicable

- iv. **Personnel**
Not Applicable

Appendices:

Appendix A – Copy of the CTB report submitted to the DCLG October 2016

CTB(October 2016)

Calculation of Council Tax Base

Please e-mail to : ctb.statistics@communities.gsi.gov.uk
Please enter your details after checking that you have selected the correct local authority name

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Please select your local authority's name from this list

Brighton & Hove
Bristol
Bromford
Bromley
Bromsgrove
Bromsbury

Check that this is your authority :

Bristol
E-code : E0102
Local authority contact name : Martin Smith
Local authority contact telephone number : 0117 9755744
Local authority contact e-mail address : martin.smith@bristol.gov.uk

CTB(October 2016) form for x Bristol

Completed forms should be received by DCLG by Friday 14 October 2016

Dwellings shown on the Valuation List for the authority on Monday 12 September 2016

	Band A entitled to disabled relief reduction COLUMN 1	Band A COLUMN 2	Band B COLUMN 3	Band C COLUMN 4	Band D COLUMN 5	Band E COLUMN 6	Band F COLUMN 7	Band G COLUMN 8	Band H COLUMN 9	TOTAL COLUMN 10
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Part 1

1. Total number of dwellings on the Valuation List		50,718	72,502	38,487	17,826	9,512	4,730	2,839	335	198,949.0
2. Number of dwellings on valuation list exempt on 3 October 2016 (Class B & D to W exemptions)		2,031	1,330	1,298	1,102	977	150	38	13	6,939.0
3. Number of demolished dwellings and dwellings outside area of authority on 3 October 2016 (please see notes)		0	0	0	0	0	0	0	0	0.0
4. Number of chargeable dwellings on 3 October 2016 (treating demolished dwellings etc as exempt) (lines 1-2-3)		48,687	71,172	37,189	16,724	8,535	4,580	2,801	322	190,010.0
5. Number of chargeable dwellings in line 4 subject to disabled reduction on 3 October 2016		29	190	152	86	53	28	30	28	596.0
6. Number of dwellings effectively subject to council tax for this band by virtue of disabled relief (line 5 after reduction)	29	190	152	86	53	28	30	28		596.0
7. Number of chargeable dwellings adjusted in accordance with lines 5 and 6 (lines 4-5+6 or in the case of column 1, line 6)	29	48,848	71,134	37,123	16,691	8,510	4,582	2,799	294	190,010.0
8. Number of dwellings in line 7 entitled to a single adult household 25% discount on 3 October 2016	7	21,697	20,741	9,552	3,725	1,686	651	338	26	58,423.0
9. Number of dwellings in line 7 entitled to a 25% discount on 3 October 2016 due to all but one resident being disregarded for council tax purposes	0	423	636	409	201	76	28	14	4	1,791.0
10. Number of dwellings in line 7 entitled to a 50% discount on 3 October 2016 due to all residents being disregarded for council tax purposes	0	25	60	58	29	29	29	39	22	291.0
11. Number of dwellings in line 7 classed as second homes on 3 October 2016 (b/w/d from Flex Empty tab)		745	602	385	255	129	45	27	4	2,192.0
12. Number of dwellings in line 7 classed as empty and receiving a zero% discount on 3 October 2016 (b/w/d from Flex Empty tab)		0	0	0	0	0	0	0	0	0.0
13. Number of dwellings in line 7 classed as empty and receiving a discount on 3 October 2016 and not shown in line 12 (b/w/d from Flex Empty tab)		1,096	875	354	189	61	30	16	6	2,626.0
14. Number of dwellings in line 7 classed as empty and being charged the Empty Homes Premium on 3 October 2016 (b/w/d from Flex Empty tab)		125	101	40	14	10	10	3	2	305.0
15. Total number of dwellings in line 7 classed as empty on 3 October 2016 (lines 12, 13 & 14)		1,221	976	394	203	71	40	18	8	2,931.0
16. Number of dwellings that are classed as empty on 3 October 2016 and have been for more than 6 months. NB: These properties should have already been included in line 15 above		374	341	154	60	34	31	18	5	1,017.0
16a. The number of dwellings included in line 16 above which are empty on 3 October 2016 because of the flooding that occurred between 1 December 2013 and 31 March 2014 and are only empty because of the flooding		0	0	0	0	0	0	0	0	0.0
16b. The number of dwellings included in line 16 above which are empty on 3 October 2016 because of the flooding that occurred between 1 December 2013 and 31 March 2014 and are only empty because of the flooding		0	0	0	0	0	0	0	0	0.0
17. Number of dwellings that are classed as empty on 3 October 2016 and have been for more than 6 months, and fall to be treated under empty homes discount class D (formerly Class A exemptions). NB: These properties should have already been included in line 15 above. Do NOT include any dwellings included in line 16a and 16b above		35	51	21	14	9	6	4	1	141.0
18. Line 16 - line 16a - line 16b - line 17. This is the equivalent of line 18 on the CTB(October 2015) and will be used in the calculation of the New Homes Bonus		339	290	133	46	25	25	14	4	876.0
19. Number of dwellings in line 7 where there is liability to pay 100% council tax before Family Annex discount	22	25,482	48,721	26,710	12,533	6,848	3,834	2,390	234	126,574.0

CTB(October 2016)

Calculation of Council Tax Base

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Please enter your details after checking that you have selected the correct local authority name

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20. Number of dwellings in line 7 that are assumed to be subject to a discount or a premium before Family Annexed discount	7	23,366	22,413	10,419	4,158	1,862	748	409	60	63,436.0
21. Reduction in taxbase as a result of the Family Annexed discount (b/nd from Family Annexed tab)	0.0	3.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.9
22. Number of dwellings equivalents after applying discounts and premiums to calculate taxbase	27.3	43,265.6	55,733.8	34,593.1	15,685.0	6,055.0	4,400.6	2,692.0	276.0	174,728.2
23. Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
24. Total number of band D equivalents (to 1 decimal place) (line 22 x line 23)	15.1	29,843.0	51,126.3	30,749.4	15,685.0	9,845.0	6,356.4	4,486.7	552.0	147,659.7
25. Number of band D equivalents of contributions in lieu (in respect of Class O exempt dwellings) in 2016-17 (to 1 decimal place)										17.1
26. Tax base (to 1 decimal place) (line 24 col 10 + line 25)										147,676.8

CTB(October 2016)

Calculation of Council Tax Base

Please e-mail to : ctb.statistics@communities.gsi.gov.uk
Please enter your details after checking that you have selected the correct local authority name

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Part 2

27. Number of dwellings equivalents after applying discounts and premiums to calculate tax base (Line 22)	27.25	43,265.63	65,733.75	34,593.05	15,685.00	8,055.00	4,400.55	2,692.00	276.00	174,728.2
28. Reduction in taxbase as a result of local council tax support (b/fwd from CT Support tab)	6.65	14,445.66	11,300.52	2,946.21	592.37	156.28	42.88	8.59	0.00	29,501.2
29. Number of dwellings equivalents after applying discounts, premiums and local tax support to calculate taxbase	18.6	28,820.0	54,433.2	31,646.8	15,092.6	7,898.7	4,357.7	2,683.4	276.0	145,227.1
30. Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
31. Total number of band D equivalents after allowance for council tax support (to 1 decimal place) (line 29 x line 30)	10.3	19,213.3	42,337.0	28,130.5	15,092.6	9,654.0	6,294.4	4,472.4	552.0	125,756.6
32. Number of band D equivalents of contributions in lieu (in respect of Class O exempt dwellings) in 2016-17 (to 1 decimal place) (line 25)										17.1
33. Tax base after allowance for council tax support (to 1 decimal place) (line 31 col 10 + line 32)										125,773.6

Certificate of Chief Financial Officer

I certify that the information provided on this form is based on the dwellings shown in the Valuation List for my authority on 12 September 2016 and that it accurately reflects information available to me about exemptions, demolished dwellings, disabled relief, discounts and premiums applicable on 3 October 2016 and, where appropriate, has been completed in a manner consistent with the form for 2015.

Chief Financial Officer :

Date :



14/10/2016

CABINET – 6 December 2016

EXECUTIVE SUMMARY

Report title: Period 6 (end of September) 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 continuing seriousness of the General Fund financial position of £27.5m forecast outturn deficit, as at the end of September 2016. This represents a net decrease to the deficit of £3.6m, being increases of £0.1m less decreases of £3.7m, from end of August forecast;
2. Cabinet where appropriate, continue to 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 9;
3. Agrees the following in relation to the Capital Programme:
 - a. To approve the Capital Budget Proposed Adjustments of £1.6m in total, as detailed in paragraph 35 and Table 6 (to be reflected in the Period 7 report);
 - b. To approve the movement in the Capital Programme of £1.1m being slippage from 2016/17 to 2017/18, as detailed in paragraph 34 and Appendix B;
 - c. To approve in principle, that Energy related capital projects currently funded from grant of £1.3m, be transferred to prudential borrowing, increasing prudential borrowing in this financial year by up to £1.3m, at an estimated annual revenue cost of £81k, as outlined in section 14.2;
 - d. To note the total net movement in the Capital Programme from £222.3m to £221.2m, being slippage from 2016/17 to 2017/18.
4. Notes the mitigating action being taken to partially address the pressures in Care & Support, Adults of the re-provision of up to 10 beds currently at North Bristol Rehabilitation Centre in an alternative setting, as set out in 14.1 of this report;
5. Notes the outcome of the initial review of the Minimum Revenue Provision (MRP) and potential reduction to the capital financing charge in 2016/17 of £4.3m, as detailed in paragraphs 9 and 42, and Appendix D, and agrees that it be referred to Full Council for consideration on 13th December 2016;
6. Notes the review of the use of the new flexibilities on the use of Capital Receipts potentially releasing up to £5.3m from reserves, as detailed in paragraphs 9 and 30, and Appendix E, and agrees that it be referred to Full Council for consideration on 13th December 2016.

If recommendation 3c, 5 and 6 are approved, and the resources subsequently released, the general fund forecast outturn deficit will reduce to £16.6m, as summarised in Table 1.

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 Period 6 Budget Monitoring:

The Council continues to be in a serious financial position forecasting a General Fund revenue position of £27.5m forecast outturn deficit before further mitigating actions or use of general reserves. This represents a net decrease to the deficit of £3.6m, being increases of £0.1m less decreases of £3.7m, from end of August forecast. Although there has been a reduction in the forecast outturn deficit, the remaining deficit 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 movement in the deficit arises mainly from an identified additional receipt of grant in relation to business rates discounts, an increase in identified savings secured for delivery (mainly staff reductions) and a further release of reserves.

As outlined in previous reports, the interim Chief Executive has put in place a number of activities which should bring the position closer to balance and details of the actual and potential impact of these actions are included in this report. It should be noted that as savings are being identified and through the Corporate Savings Programme, as they are validated, these savings are secured by reducing relevant budgets across directorates. Therefore, net revenue service budgets are reducing through the financial year.

Capital spending in year is forecast to be £224.8m compared to the current budget of £221.2m, resulting in a forecast overspend of £3.6m. Movements in the capital programme have been identified, being slippage from 2016/17 into 2017/18, resulting in a current budget as at Period 6 of £221.2m. Further adjustments of £1.6m were reported to Capital Board in October and are summarised in Table 6, and will be reflected in the Capital Programme from Period 7.

**BRISTOL CITY COUNCIL
CABINET
6th December 2016**

REPORT TITLE: Period 6 (end of September) Finance Report

Ward(s) affected by this report: All

Strategic Director: Anna Klonowski

Report Author: Annabel Scholes, **Service Director: Finance & s.151 Officer**

Contact telephone no. 0117 9222419
& e-mail address: 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 16th 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 continuing seriousness of the General Fund financial position of £27.5m forecast outturn deficit, as at the end of September 2016. This represents a net decrease to the deficit of £3.6m, being increases of £0.1m less decreases of £3.7m, from end of August forecast;
2. Cabinet where appropriate, continue to 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 9;
3. Agrees the following in relation to the Capital Programme:
 - a. To approve the Capital Budget Proposed Adjustments of £1.6m in total, as detailed in paragraph 35 and Table 6 (to be reflected in the Period 7 report);
 - b. To approve the movement in the Capital Programme of £1.1m being slippage from 2016/17 to 2017/18, as detailed in paragraph 34 and Appendix B;
 - c. To approve in principle, that Energy related capital projects currently funded from grant of £1.3m, be transferred to prudential borrowing, increasing prudential borrowing in this financial year by up to £1.3m, at an estimated annual revenue cost of £81k, as outlined in section 14.2;
 - d. To note the total net movement in the Capital Programme from £222.3m to £221.2m, being slippage from 2016/17 to 2017/18.

4. Notes the mitigating action being taken to partially address the pressures in Care & Support, Adults of the re-provision of up to 10 beds currently at North Bristol Rehabilitation Centre in an alternative setting, as set out in 14.1 of this report;
5. Notes the outcome of the initial review of the Minimum Revenue Provision (MRP) and potential reduction to the capital financing charge in 2016/17 of £4.3m, as detailed in paragraphs 9 and 42, and Appendix D, and agrees that it be referred to Full Council for consideration on 13th December 2016;
6. Notes the review of the use of the new flexibilities on the use of Capital Receipts potentially releasing up to £5.3m from reserves, as detailed in paragraphs 9 and 30, and Appendix E, and agrees that it be referred to Full Council for consideration on 13th December 2016.

If recommendation 3c, 5 and 6 are approved, and the resources subsequently released, the general fund forecast outturn deficit will reduce to £16.6m, as summarised in Table 1.

Background

1. The Report provides information and analysis on the Council's financial performance and use of resources to the end of Period 6 of 2016/17. Council set its budget for the 2016/17 on 16th February 2016. The report focuses on forecast variances to meeting the budget for 2016/17, in order to take timely actions to deliver a balanced position at year end.
2. The Council continues to be in a serious financial position forecasting a General Fund revenue position of £27.5m forecast outturn deficit before further mitigating actions or use of general reserves. This represents a net decrease to the deficit of £3.6m, being increases of £0.1m less decreases of £3.7m, from end of August forecast. Although there has been a reduction in the forecast outturn deficit, the remaining deficit 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 movement in the deficit arises mainly from an identified additional receipt of grant in relation to business rates discounts, an increase in identified savings secured for delivery (mainly staff reductions) and a further release of reserves.
4. As outlined in previous reports, the interim Chief Executive has put in place a number of activities which should bring the position closer to balance and details of the actual and potential impact of these actions are included in this report. It should be noted that as savings are being identified and through the Corporate Savings Programme, as they are validated, these savings are secured by reducing relevant budgets across directorates. Therefore, net revenue service budgets are reducing through the financial year.
5. Future reports will include recommendations on mitigating actions, where required.

A - Revenue Expenditure

6. The Council's overall annual revenue spend is managed across a number of areas:
- The General Fund with a net budget of £345.4m, providing revenue funding for the majority of the Council's services;
 - The Dedicated Schools Grant (DSG) (£175m in 2016/17), which is ring-fenced for schools funding, overseen by the Schools' Forum, and managed within the People Directorate;
 - 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;
 - 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.
7. 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

8. 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.
9. As previously reported, officers have established a series of work streams designed to reduce the deficit (see paragraph 9 of the Period 5 Finance Report to Cabinet on 1st November 2016). A summary of the actions taken and outcomes of these actions is summarised below:

Item	Action Taken	Potential Financial Impact
1. Review of the Capital Programme	<ul style="list-style-type: none"> The programme has been reviewed and £62.1m of capital expenditure has been re-profiled from 2016/17 into 2017/18 (as approved by Cabinet on 1st Nov 2016). A further £1.1m has been identified in Period 6, which is reflected in this report. We have reviewed the funding sources of the capital programme, identifying an element of grant funding that can be applied to revenue rather than capital. 	Potential release of c£1.3m grant funding to general revenue fund.

Item	Action Taken	Potential Financial Impact
2. Voluntary Severance Programme	This was implemented through September 2016. The total reduction in 2016/17 revenue budgets & spend is £3.9m, with a further £5.4m to be delivered in 2017/18, a total of £9.3m. This includes reductions secured against Public Health, DSG, HRA etc also. These savings are reflected in the current forecasts. This has resulted in a workforce reduction of approximately 300 staff.	There is a reduction in spend of £3.9m in 2016/17 and a further £5.4m in 2017/18.
3. Technical Accounting Adjustments	<ul style="list-style-type: none"> • There has been a thorough review of the use of reserves. £1.8m was released from reserves to reduce the deficit in Period 5, with a further £0.6m released this month; • We have reviewed the Council's potential use of new powers on the Flexible Use of Capital Receipts, which would allow the release of funding, and a report will be presented to Full Council on 13th December 2016 with appropriate recommendations (please also see Section C : Reserves); • An initial review of the Council's Minimum Revenue Provision Policy has been concluded and the relevant conclusions are recommended to be referred to Full Council; • A review of VAT has commenced, with initial data provided to external advisors to assess potential savings prior to commissioning a formal review. 	<ul style="list-style-type: none"> • £2.4m reduction in forecast outturn deficit, included in forecast; • Fund £5.3m transformational costs from Capital Receipts & release funding from reserves • MRP Base Budget adjustment: anticipated in- year reduction to capital financing costs of £4.3m
4. Capital Disposals Programme See paragraph 38	Property Services and the Property Board (officer group) have reviewed the programme of capital disposals, identifying assets for sale in 2016/17 through to 2019/20 and beyond.	<ul style="list-style-type: none"> • Capital receipts of £5.3m are forecast for 2016/17, with a further £15m over 2017/18 & 2018/19.
5. Reduction in non-essential expenditure	This is being reviewed through Directorate Leadership Teams and has been considered by SLT. Budget managers are responsible for forecasting expenditure in these areas, and are being challenged through the regular monitoring process.	<ul style="list-style-type: none"> • There has been a reduction in marketing and advertising forecast spend by £0.5m; • Reduction of equipment spend of £150k

Item	Action Taken	Potential Financial Impact
6. Review of Income	A Directors' Working Group (officer group) has been set up and will be reviewing income generating opportunities. This group has been specifically tasked with reviewing all sources of income, to maximise income receipts.	To date Directorates have not identified any new income streams for review.
7. Review of agency spend	All off-contract agency spend has been reviewed – all such contracts to be ended by 31 st December 2016. Reductions in forecast agency spend is reflected in the forecasts.	<ul style="list-style-type: none"> • There has been a significant reduction in the spend on IT agency from £1.1m in Q1 to £0.8m in Q2. • There are pressures in social care workforce which has increased spend in these areas.
8. Budget Review Meetings	These have now been completed, identifying reserves that could be released in the financial year, see above.	The Interim Chief Executive and S151 officer have set up a further round of review meetings early in December.
9. Review of earmarked reserves (see Section C: Reserves)	<ul style="list-style-type: none"> • MRP Clawback – to be reviewed as part of the review on the Council's MRP policy; 	The initial review has projected an unacceptable reduction in reserve balances by the end of 2017/18 leading to additional work being commissioned through the senior leadership team.

10. The following Table summarises the potential financial impact of these actions on the current general fund forecast outturn deficit, to the extent that they are not already reflected in the forecast.

Table 1: Potential Financial Impact on Forecast Outturn Deficit of Mitigating actions taken.

	£m	£m
Period 6 Forecast Outturn Deficit		27.5
Less: Release grant funding to revenue	c.1.3	
Less: Flexible use of Capital Reserves to release reserves	c.5.3	
Less: Adjustment to MRP Policy	c.4.3	
TOTAL POTENTIAL REDUCTIONS:		(10.9)
REVISED FORECAST OUTTURN DEFICIT (if actions taken)		16.6

11. The following forecasts are based on actual expenditure to the end of September 2016 and Budget Managers' estimates of future spending for the rest of the financial year, as approved by each Directorate Leadership Team. The net overall forecast outturn of £27.5m represents 8.0% of the General Fund net revenue budget.
12. The following table provides a summary of the general fund revenue position at directorate level. A more detailed analysis is provided at Appendix A. Also included in the appendix is information on Year to Date spend, compared to Year to Date net budget. This is provided for additional information. Budgets are profiled equally across the year, but spending profiles may be different.

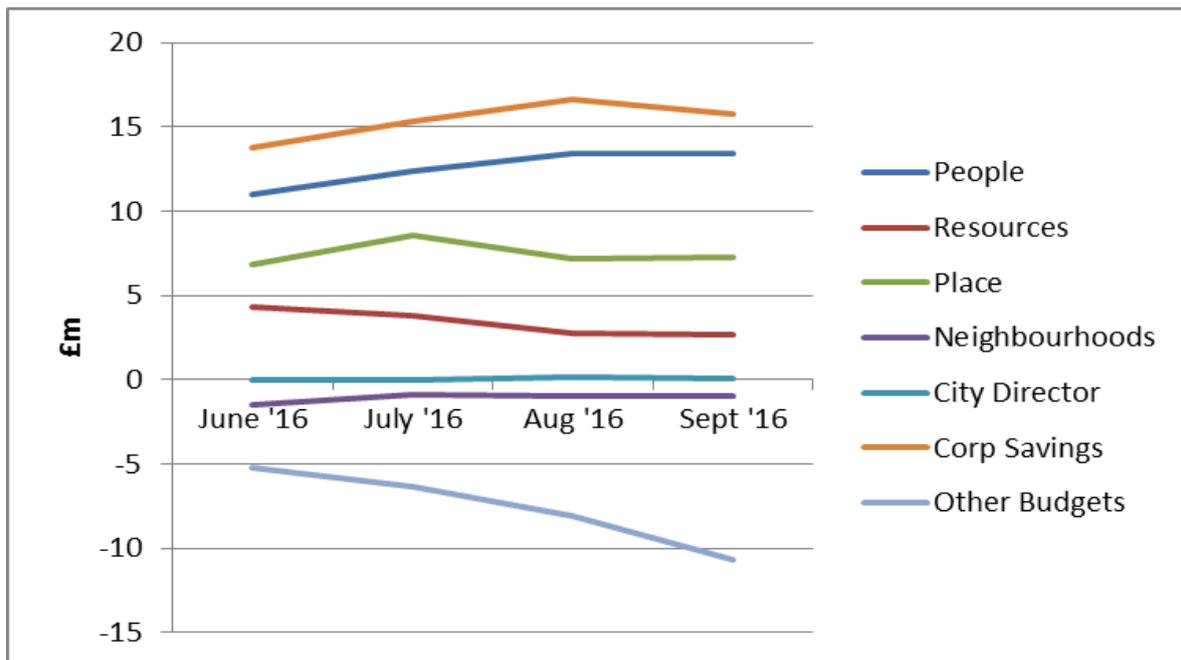
Table 2: General Fund Forecast Net Expenditure

General Fund Revenue Budgets - Period 6			Forecast Outturn Variance (Under)/Over Spend	Forecast Outturn Variance at Period 5	
Directorate	Net Budget £m	Forecast Outturn £m	£m	£m	
People	207.0	220.3	13.3	13.3	
Place	17.9	25.3	7.3	7.2	↑
Neighbourhoods	69.7	68.7	-1.0	-1.0	
Resources (formally Business Change)	30.5	33.1	2.7	2.8	↓
City Director	2.0	2.1	0.1	0.2	
Corporate Savings Programme (Net Budget)	-10.2	5.6	15.8	16.6	↓
SUB TOTAL – SPENDING ON SERVICES	316.9	355.1	38.2	39.2	↓
Other Budgets *	28.6	20.2	-8.3	-6.3	↓
Released from Reserves	0.0	-2.4	-2.4	-1.8	↓
TOTAL	345.4	372.9	27.5	31.1	↓

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

13. The following chart provides a trend analysis of the forecast outturn, by directorate, reported since quarter 1, end of June 2016.

Chart 1: Trend Analysis of Forecast Outturn



14. There has been an increase in the forecast outturn deficit within Early Intervention and Targeted Support Services in the People Directorate, offset by reductions elsewhere in the People Directorate. This has been offset by a reduction in the forecast deficit against the Corporate Savings programme and additional savings identified in Other Budgets. Action must be taken to address the forecast outturn deficit. Failure to identify recurring mitigating actions will increase the scale of the financial challenges in future years. The following sections provide more detail of the main variances and any mitigating actions being proposed.

14.1 People Directorate - £13.3m Pressure

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m
People Directorate	462.9	(255.9)	207.0

The major areas of identified pressures within the People Directorate are within Social Care. The reported position of £13.3m is after mitigating actions identified through the corporate work streams have been taken into account.

Care & Support Adults: £5.2m Pressure

There continues to be significant pressures from demographic growth in demand for services. This is due to the increasing numbers of frail older people, people living longer with dementia and people living longer with lifelong conditions, which require significant input from health and social care services.

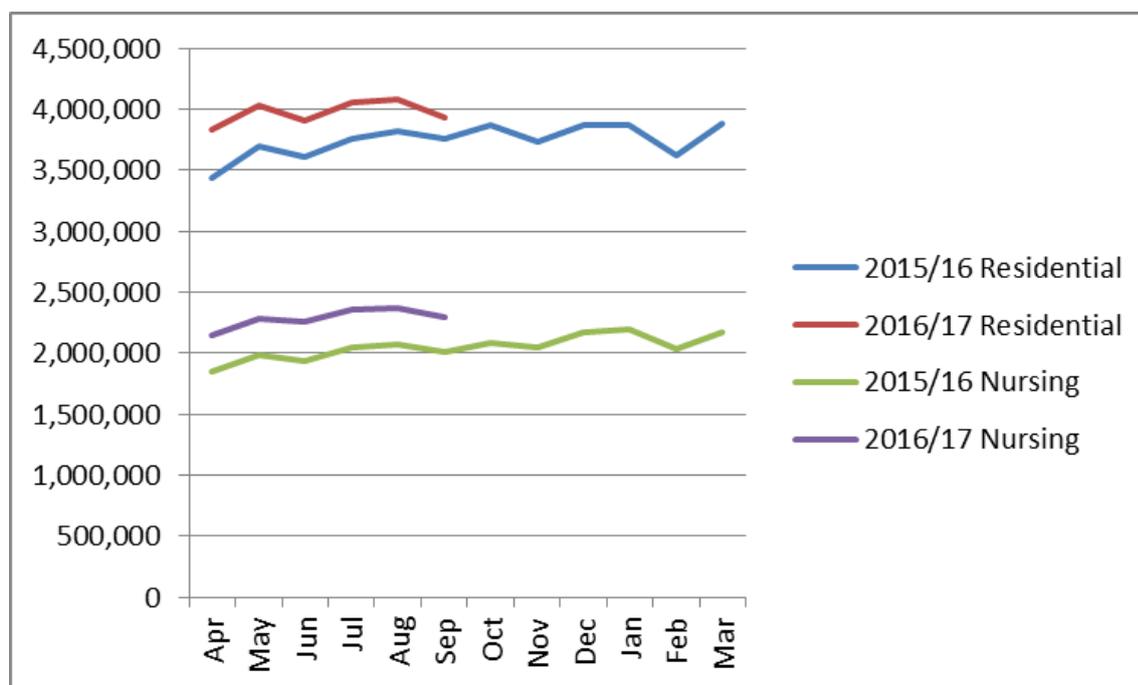
The Care Act 2014, which came into force in April 2015, has led to significant increase in demand. The Care Act placed a duty on councils to offer carers an assessment of their need, which changed previous legislation where carers had a right to ask for an assessment.

Forecast placement costs have increased and lack of alternatives has meant that providers are asking for higher fees. Specifically, People With Dementia (PWD) Nursing placements are regularly quoting £1,000 per week or above, and there are no suitable alternatives available due to lack of capacity. Difficulty in recruiting and retaining nursing staff has led to four providers either closing nursing beds or re-registering services so they will not provide nursing for people with dementia. This has led to a reduction of 60 available beds since May 2016.

Difficulty in procuring home care has led to the need to make more care home placements if the Service User is at a high level of risk or a carer is unable to continue to support.

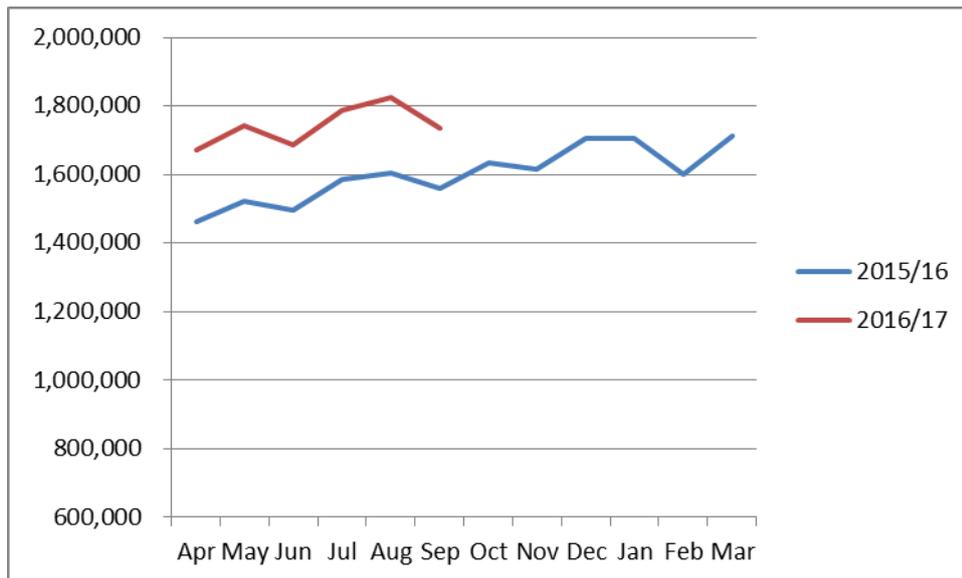
There is a large increase in the cost for Residential and Nursing placements. The monthly cost of Residential and Nursing combined has increased from £5.2m in April 2015 to £6.4m in September 2016. This is a combination of increased number of placements and an increase in the average cost of placements.

Chart 2: Trend in Monthly Residential and Nursing Placement Costs



There is significant demand for Community Support Services, particularly for people with Learning Disabilities. Due to increases in activity, spend has increased from £1.5m/month in April 2015 to £1.8m/month in September 2016.

Chart 3: Trend in Monthly Community Support Services Costs



The Council is working hard with our partners to ensure that people leaving hospital are supported to return home as quickly and safely as possible, and protecting services to ensure this is a key priority, as is working with the NHS in Bristol to ensure that funding is in place to support this ambition.

As mentioned in previous Finance Reports, pressures relating to the Supreme Court (Deprivation of Liberty Safeguards) judgement in March 2014 and increases in the number of Mental Health Act assessments (assessments where people are in severe mental health crisis which poses an immediate threat to themselves or others) has led to a rise in cost of the long term packages of aftercare under Section 117 of the Mental Health Act. This represents a significant cost pressure to both the NHS and Council.

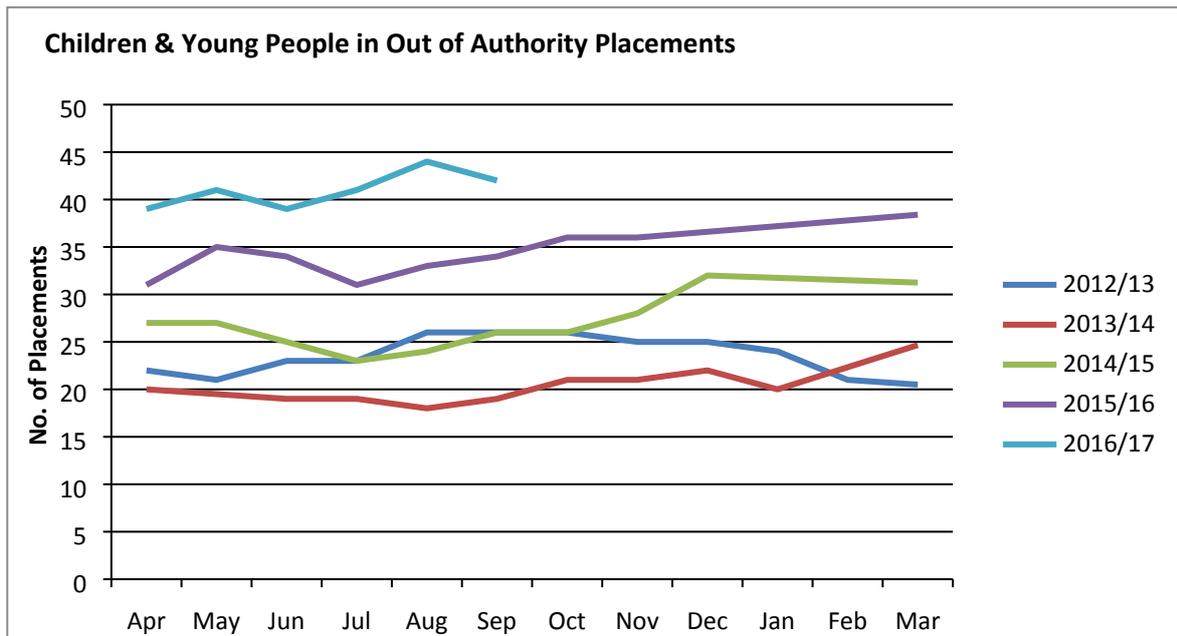
Addressing workforce challenges going forward is vital for the NHS and Council and speeding up the integration between health and social care is a vital component of the Better Care Bristol plan.

The Adult Care Departmental Management Team and People Directorate Leadership Team review adult social care budgets, including benchmarking with major UK cities and regional authorities to both manage spend pressures whilst also planning for meeting the statutory eligibility requirements of the Care Act and growing ageing population in the City. This is the area of highest spend in all local authorities and there are national concerns about the pressure on reducing overall local authority budgets to meet growing demand and eligibility.

Care & Support Children and Families: £3.4m Pressure

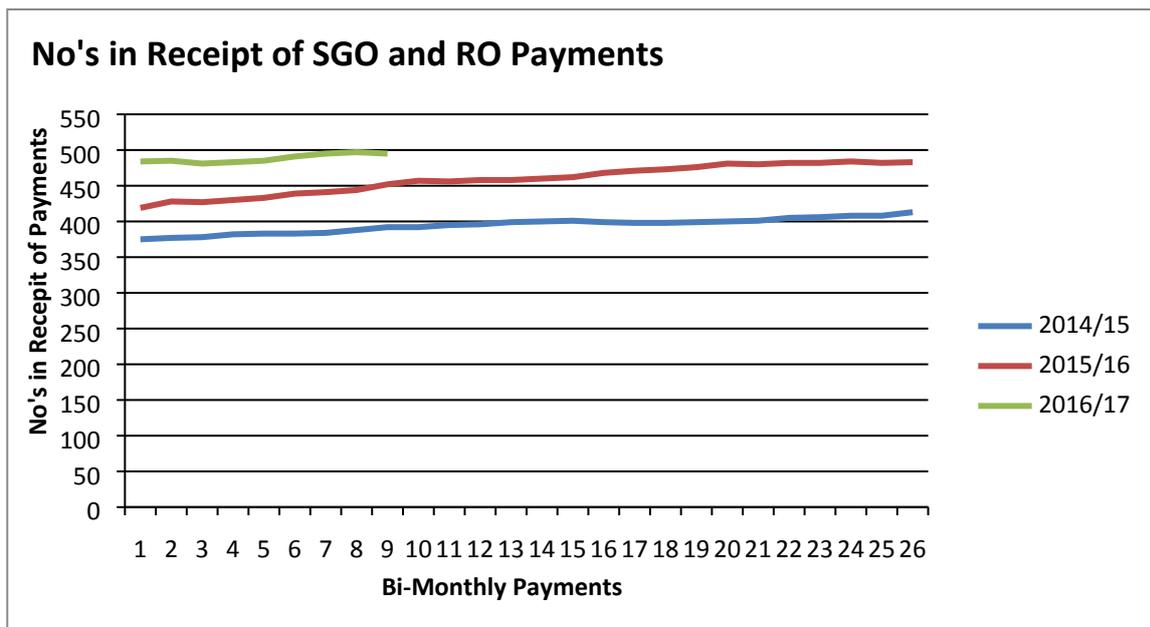
Budget pressures are being faced in Children in Care. Whilst the numbers of Children in Care have remained around 700 over the last five years, against a rising child population, the average unit cost has increased due to an increase in the number of out of authority placements from an average of 26 during 2014/15 to currently 41, resulting in a budget pressure of £2.5m.

Chart 4: Children and Young People in Out of Authority Residential Placements



There also continues to be a significant pressure as a result of increases in special guardianship orders (SGOs) and residency orders (ROs). The number in receipt of SGO's and RO's has increased from 375 in 2014/15 to just fewer than 500 in 2016 resulting in a budget pressure of £1.8m.

Chart 5: Increase in Numbers of SGO and RO Payments



Unaccompanied Asylum Seeking Children

Bristol has agreed to initially support an additional 10 Unaccompanied Asylum Seeking Children (UASC) as part of the National Transfer Protocol for UASC. These children are initially from Calais especially in the context of the closure of the 'Jungle' camp. A grant is paid to local authorities by the Home Office in relation to the age of the child for the period in which they are in care, this grant is not sufficient to cover the full costs of support required. This could cost Bristol City Council an additional £0.4m per annum.

Early Intervention & Targeted Support: £4.1m Pressure

Since Period 5 the forecast has worsened by £0.7m as a result of new placements in the Preparing for Adulthood service and additional costs for Secure Accommodation in the Youth Offending service. The majority of the pressure in this area is as a result of increased costs for “Preparing for Adulthood” Placements and provision. These are young adults, eligible under the Care Act.

Increasing demand pressures include vulnerable care leavers (in particular with mental health issues), social care contributions to education placements (extended to 25 under Special Educational Needs and Disability reforms), and supporting young people under this budget heading for a longer period of time so they move to adult care at 25. Cost pressures include lack of capacity in the market (often only one supported housing or residential placement available for a young person).

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

North Bristol Rehabilitation Centre

North Bristol Rehabilitation Centre is a 1960's built building in Henbury. Designed as a residential care home, it is now used to provide rehabilitation and reablement to older people following a period of hospitalisation. The aim is to get service users as independent as possible, with a six to eight week period of intense input before people return to their homes. The service is jointly commissioned and run by BCC and Bristol Community Health, who provide therapists within the service. The needs of the people using the service have changed. People are older, frailer and have increasingly complex care and support needs.

14 out of the potential 20 available beds have been closed for the last 10 months due to safety concerns. Bed based rehabilitation/reablement needs to be in a setting that is safe and fit for purpose. In North Bristol Rehabilitation Centre, the rooms are small. They are not large enough to contain the necessary equipment (e.g. lifting hoists and a hospital bed) needed for the care of an individual.

All of the rooms are on the first floor and the lift is ageing, unreliable and difficult to repair. A significant amount of capital investment would be required to make the building fit for purpose. Reducing the number of bedrooms to create fewer, larger rooms would mean that the service would be unviable in the long term. The estimated cost of a new lift would be at least £280k for a like for like replacement, which would still not meet the needs of the service.

Length of stay of service users is longer than for the other rehabilitation centres and the unit cost of a period of rehabilitation is higher in this service than in similar services. Recent bed modelling across the health and social care system indicates that if the remaining 6 beds were closed, we have the right level of bedded provision within the city, though with no additional capacity to deal with fluctuating demand. The budget for the North Bristol Rehabilitation Centre is £842k.

The remaining beds in the North Bristol Rehabilitation Centre will be closed and up to 10 beds are being re-provisioned in an alternative setting. It is anticipated that this re-provision may result in a potential full year cost saving of 50%, being c.£420k, whilst increasing the bed capacity in the city by up to 4 against current provision.

In the recent voluntary severance exercise, a high number of staff expressed an interest in taking the option of voluntary severance. As a result, we could agree to those requests for those who wish to leave the service which would leave a number of suitable redeployment opportunities for those who wish to continue working for the council.

14.2 Place Directorate - £7.3m Pressure

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m
Place Directorate	108.3	(90.4)	17.9

The directorate is reporting a £7.3m variance to budget, which consists of a £9.1m pressure within Property and £0.1m pressure in Economy offset by surpluses or underspends of £1.5m in Transport, £0.3m in the Place ABS team, £0.3m in Planning and £0.1m in Energy. This represents a movement of £0.1m since Period 5.

Economy – £0.1m Pressure

There are forecast surpluses of £0.2m from increased rental income at Filwood Green Business Park, £0.1m from trading at the Bottleyard and £0.1m from grant payments under Economic Development projects. These are offset by deficits of £0.2m in the Place Management account and £0.1m relating to the Temple Quarter Enterprise Zone.

The forecast has been adjusted to take into account of the agreed amendment to Museum Opening hours agreed by Cabinet on 6th September 2016. The remaining variance (£0.2m) relates to the part year effect of the museum operating pressure which will be fully mitigated in 2017/18 by this Cabinet decision. The reported position for Period 6 has changed by £0.1m since Period 5 and expenditure on grants has been reduced in the current financial year to mitigate the spending pressures.

Energy – £0.1m Pressure

There is anticipated to be a shortfall in rechargeable income from the Housing Revenue Account and Trading for Schools in the Energy (utility) Purchase budget. This is due to the Energy price reduction in recent years being captured as a corporate saving without any corresponding reduction in income target for the energy service. This presents a net pressure of £638k this year. There is an £66k income shortfall in District Energy / Biomass, which is offset by prudential borrowing savings in Wind Energy (£140k). A one-off saving of £419k is now anticipated as a result of the Green Deal revenue contribution to offset these pressures in the current year.

The Energy service, working with Finance, has reviewed the capital programme funding structure for significant Energy related capital schemes. Within the programme are schemes currently planned to be funded from grant totalling c.£1.3m. It is proposed that the funding source for this budget be transferred from grant funding to prudential borrowing, and this be included in the capital programme. This will allow the release of c.£1.3m of grant funding to the general fund in 2016/17 that can be made available to mitigate the financial pressures in this financial year. Prudential borrowing will increase by this amount at an estimated annual revenue cost of £81k. This will be reflected in the Medium Term Financial Plan.

Place Admin and Business Support (ABS) Team - £0.3m Surplus

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

Property - £9.1m Pressures

The structural pressure in the Property service largely relates to a forecast £7.7m shortfall in the delivery of the MTFs savings target (relating to 2015/16 and 2016/17), which broadly 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.

There is a £600k historic pressure (since before 2012) on facilities management that mostly relates to unachievable recovery on internal trading income target for corporate waste management activities.

A new £125k forecast pressure has been identified relating to a potential shortfall on rechargeable income for equipment use and maintenance services provided by Fleet to waste management (in turn by the Bristol Waste Company). Fleet service is actively exploring options with the Waste Management Team and Bristol Waste to mitigate this pressure, including reductions on borrowing charge by sale of not-in-use assets under the waste contract, and seeking agreement on TUPE maintenance staff to the Bristol Waste company. It is expected that these actions, if agreed, would likely to reduce this revenue pressure by a half.

There is a £153k forecast overspend against the budget for National Non Domestic Rates (NNDR) due to the historic absence of budget allocated for M-Shed and Junction 3 when these buildings were constructed and when budgets were centralised. Savings achieved on NNDR for buildings that the Council no longer occupy have been separately given up under savings programmes.

There is a £125k forecast shortfall in income against the budget target for Markets as a result of an historic revenue target, which has not been met for the last 5 years. This pressure had been actively managed downwards over the last few years.

There are £100k 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 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 £54k shortfall in conference services income from the Passenger shed (the old station building at Temple Meads) but the position is expected to improve.

Planning - £0.3m Surplus

In the Planning division there is a forecast surplus of £0.3m and this is largely due to increased income from Development Management fees as well as from savings plans being implemented.

Transport - £1.5m Surplus

There is a net surplus position in the Transport division of (£1.5m) in total, as a result of additional income in Parking Services (£1.1m), non-recurrent underspend in Highways (£350k) and savings from Supported bus services (£150k), reduced by additional costs in Park and Ride services (£200k) and in concessionary travel (£50k).

14.3 Neighbourhoods – (£1.0m) Underspend

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m
Neighbourhoods	324.9	(255.2)	69.7

The Neighbourhoods directorate is reporting a £1.0m overall underspend against budget which consists of a £0.9m surplus within Neighbourhoods & Communities and a £0.3m surplus in Housing Services offset by a £0.2m pressure in Citizen Services.

Neighbourhoods & Communities - £0.9m Surplus

Waste Disposal is forecasting a surplus of £0.8m, mainly due to accrued expenditure from the previous year (£1.0m) which is no longer required. In addition, there is surplus income of £0.2m from Cemeteries and Crematoria.

Housing Services - £0.3m Surplus

Rising demand for emergency accommodation is giving rise to £0.7m overspend in General Fund Housing Services. This is an underlying pressure, which this year has been offset by savings from additional licensing income and service and accommodation recharges, giving an overall underspend of £0.3m.

Citizen Services - £0.2m Pressure

The £0.3m 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). Measures are made to address this and since the close of quarter 1 have identified additional income of £150k to offset this. The remaining pressure relates to Licensing and work is being undertaken to analyse current expenditure against licensing income.

The rising demand for emergency accommodation creates a risk of additional expenditure pressures within Housing Benefits payments. This is because not all of the additional cost of benefits in this area can be recovered from the Government as Housing Benefit Subsidy. This is currently being reviewed and the outcome of this review will be reported in future finance reports.

14.4 Resources (formerly Business Change) - £2.7m Pressure

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m
Resources	49.6	(19.1)	30.5

The overall forecast pressure for Resources of £2.7m represents an improvement of £0.1m since Period 5.

The main variance within Resources is within the ICT Service, which has been offset by savings in other areas. This overspend against budget for ICT relates to additional hardware and maintenance costs (£2.8m) and 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. The current pressure of £3.8m represents an increase of £0.1m since Period 5, which is mainly as a result of increased employee costs.

ICT – £3.8m Pressure

In Period 6, the ICT budget pressure increased by £0.1m. This movement is attributable to previously under-forecast workforce cost pressures in the Software Development Service.

Active mitigation

The ICT management team are working through a series of opportunities for mitigation and further cost reduction. The following actions are being taken:

Review of Agency Spend

A full review of agency spend has taken place, in particularly focussing on those contractors/agency staff who have been in post longer than 13 weeks with a view to ending these arrangements and transitioning to a service delivery model that does not incur contingent workforce fees where it is deemed they are not required. The financial impact of this review is reflected in the forecasts.

Further any ongoing and future Agency spend will be directed through Guidant with remaining off-contract arrangements being ceased. This will relieve both in-year pressure and transfer through into 2017/18.

Application Rationalisation:

ICT have set up an Application Rationalisation Working Group, this has three functions:

- a. Dedicated, line by line analysis of ICT Application licence and support costs for 2016/17 savings;
- b. Analysis and validation of ICT Manager's 2016/17 budget savings proposals from ICT Application licence and support costs;
- c. Informing and guiding the service for further savings in 2017/18.

This will be reviewed by the Service Director.

In year contract management:

Commissioning and Supplier Relationship Management (CSR) will monitor all ICT managed contracts, in-year for best value. To ensure that this work is actioned by ICT Managers, CSR produce a monthly report to be reviewed at the ICT Management Meeting. ICT Managers will be expected to reflect CSR's savings in their end of period budget reports, for review by the Service Director with the Finance staff.

Addressing previous under-delivery:

The ICT Sourcing programme has been reported as having a budget pressure of circa £1.3m. This is being reviewed by ICT, working with Finance, to address this and identify any reductions against this forecast.

Ongoing activities to avoid increasing pressure on ICT budget

Pressure incurred from other service areas:

ICT, with assistance from Finance, has put in place governance to pursue budgets from other services areas where their activities would have previously created budgetary pressure on ICT. If no budget is found to be available, issues will be escalated through Resources Directorate Leadership Team for an executive decision.

Tightened ICT project governance:

ICT project governance continues to be tightened and all ICT projects, from within ICT or from the business, are subject to two layer governance, once from ICT then again via the Project Management Office. The Service Director now also reviews all weekly ICT project report summaries.

Risks identified

The following is a summary of risks that have been identified to the current budget position within ICT. The high level detail is given here. It is important to note that, at this point in time, if these items were to occur they would result in expenditure from reserves or contingencies.

- Unexpected business demand, such as a result of an Ofsted, or other regulatory body, inspection. (For example requiring issue of laptops, tablets);
- Any remedial actions that may be required to achieve compliance with connection standards, e.g. Public Service Network (PSN);
- Remedial actions in event of serious cyber or other event, (e.g. ransomware), resulting in loss of data/access to key BCC systems and data; actions in event of serious incident or natural event, (e.g. terror attack/fire/flood), resulting in loss of hardware and subsequent replacement costs;
- Information Commissioners fine in case of Data Breach or Loss (may not be an ICT related loss, i.e. may be loss of case papers) and remedial actions in event of Data Breach or Loss;
- Remedial actions in event of major supplier commercial failure;
- Software Development & Support Service is releasing contractors and switching to internal staff from November 2016, but demand for digital delivery and integration of packaged applications from council services remains higher than capacity.

Human Resources – Surplus £0.5m

Human Resources continues to report a forecast of £0.5m underspend. This mainly relates to £485k savings within transactional HR due to ongoing unfilled vacancies and additional savings released within this service area. A further £60k underspend within Redeployment is offset by a pressure within Admin Business Support of £49k relating to salaries and early retirement plus other minor variances.

HR Risks identified:

- Unfilled vacancies plus staff leaving through Voluntary Severance will deliver savings but may increase workplace pressures and the ability of the service to respond to organisational requirement during a period of significant workforce change;

- The income target through the Annual Leave top up scheme is dependent on staff take-up across the organisation and this may not be possible as staffing levels will be lower post-restructure. This may mean that the income target is not realised. Also, staff leaving on VS who are in the scheme will cause loss of income in the current year.

Legal Services – On Budget

Electoral Services has moved from City Director to Resources during Period 6 and has a pressure of £1.3m in relation to increased costs in Electoral Registrations due to change of regulations, and the cost of elections in this financial year (the cost fluctuates between years). This will be managed in 2016/17 through a drawdown from reserves, which is built into the current forecast. Moving forwards, the budget requirement for 2017/18 and future years has been reviewed and the fluctuating nature of the cost of elections will be managed through a “balancing” reserve.

This is a small underspend of (£30k) reported for Legal Services at Period 6, which is a (£21k) improvement from Period 5, due to minor variances across Legal Services. Expenditure can be volatile though and the risks are highlighted below:

Risks Identified (including Legal Services, Electoral Services, Mortuary & Coroner, & Register Office):

- demand led and cannot predict its spend – high cost/profile cases could happen at any time;
- there may be an increase in an area of work through e.g. court rulings or practice;
- Income is more predictable over the short term as clients are known, but will fluctuate over the longer term with changes in external clients as work and projects come to an end and new work will need to be identified;
- There may be a parliamentary election in 2017 or other smaller elections and referenda, which are not currently included in the 4 year budget predictions and which would have budget implications;
- Legislative changes, such as the introduction of medical examiners, could cause significant budget pressures;
- Increases in the number of deaths due to widespread fatalities that could not be predicted;
- Births and deaths registration are reactive services and cannot be completely estimated.

Finance – On budget

Finance continue to review spend on the service budget to minimise the outturn forecast spend. Expenditure is being maintained within budget by holding a number of vacancies within the service and stopping non-essential expenditure against non-staffing budgets. As previously reported though, the Finance Transformation work must continue and will be funded from reserves earmarked for this purpose.

Finance Risks Identified:

- Unfilled vacancies plus staff leaving through Voluntary Severance will deliver savings but may increase workplace pressures and the ability of the service to respond to organisational requirement during a period of significant workforce change;

Policy and Strategy – £0.4m Surplus

Policy and Strategy is currently under review with Corporate Communications recently moving under the Service Director for HR, for the Interim. There are a number of staff vacancies across these services and also savings from redundancies that contribute to the current forecast underspend. There are various minor variances as set out below:

- Performance and Infrastructure (£172k) underspend relates to salaries;
- Policy team (£136k) underspend relates to employee costs;
- Wellbeing Fund (£105k) underspend. This cost centre will move to the People Directorate for Period 7, which will reduce the Resource underspend but be reflected in the People Directorate forecast.

It should be noted that there are also pressures in relation to the resourcing of devolution within the Council above the £250k agreed as part of the budget report. This is largely driven by an increasing need to back fill posts across almost all directorates and create more capacity to deliver the current deal and develop future deals. At present a £25k forecast pressure is reported, but this is likely to increase significantly as a result of a review being led by the interim Chief Executive supported by SLT.

Bristol Futures - £0.1m surplus

Fixed term external funding is being used to reduce staff costs. Further savings have been made across the budgets by reducing operational activity and commissioning. For future Periods further reductions in costs will be seen from significantly reducing the management costs through removal of the Service Director post and one of the three Service Manager posts. This has resulted in the joining of City Innovation, Sustainability and Civil Protection teams into one service. In addition voluntary severance and vacancy management has reduced staffing levels significantly.

14.5 City Director - £0.1m Pressure

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m
City Director	2.0	(0.0)	2.0

The budget for the City Director has reduced by £1.6m since Period 5 due to Electoral Services moving into the Resources Directorate. The Directorate is forecasting a pressure of £0.1m, which mainly relates to the cost of one off payments paid to employees offset by savings within the employee budget and the costs of the Interim Chief Executive and Interim Director of Resources.

14.6 Corporate Savings Programme - £15.8 Pressure

The current forecast pressure of £15.8m represents a reduction of £0.8m since Period 5. The reason for this is twofold. Firstly, the Project Management Office and delivery teams have reviewed resources and staffing requirements, resulting in reduced costs of £0.1m. The current review of savings identified to be delivered has increased by £0.7m. It is expected that the forecast position may fluctuate during the next few months as planned restructures are signed off and implemented.

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.

Table 3: Summary of Net Corporate Savings Programme Budget Position

	£m
2016/17 Change Programme Savings	19.5
2015/16 Undelivered change programme savings	15.2
TOTAL	34.7
Less:	
Savings Identified/Secured to address the gap	14.1
Release of Contingency	6.3
TOTAL TO BE IDENTIFIED	14.3
Overspend against change programme expenditure	1.5
TOTAL CHANGE PROGRAMME	15.8

The Council has initiated a Council Wide programme of activities and work streams 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. During Period 6, the value of savings identified to be delivered has increased slightly since Period 5, and this is reflected in the forecast above.

Within this budget line, there is investment required to facilitate the delivery of some of the savings. There is a current forecast overspend of £1.5m against these items, which includes the delivery of IT solutions. 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 – (£8.3m) Underspend

The forecast underspend in Period 6 has increased to £8.3m. 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 Council receives S31 grant each year to cover various business rate reliefs. The budget for this financial year was assumed to be £1m. Current forecasts indicate this is likely to be £3m in this financial year, which is £2m above the budgeted amount. This is now reflected in the forecast for Other / Corporate Budgets.

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. As previously reported, to date £0.8m has been set aside to cover the forecast cost of workforce court ruling and support to the Children's Service as part of the Ofsted Improvement Plan.

Therefore, the remaining contingency is reduced to £2m and it is assumed that this will be required by the end of the financial year. For example, a potential pressure relating to unaccompanied child asylum seekers has been identified. We do not expect any additional funding from central government to cover the full cost that may be incurred by the Council, as outlined in 14.1 above. In this event, we will need to consider using this contingency to manage this cost pressure. In addition, as noted in 14.4 above, there are likely to be additional costs arising from Devolution, and again funding for this may be required from the Corporate Contingency.

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

15. In 2016/17, the Council will receive £175m 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 £137.9m.
16. There continues to be pressures against the high needs block, which is forecast to be c.£4.2m in the financial year, which includes brought forward pressures from 2015/16 of £1.9m. This has improved by £0.5m as a result of the measures outlined below.
17. The service is undertaking significant level of work in conjunction with Schools Forum in order to manage this budget:
 - a) In April the top up rates were reviewed and reduced across mainstream schools which has been followed by a further reduction in September, generating a total annual saving of £2.1m;
 - b) an inclusion panel has been created with the aim of reducing pupil exclusions;
 - c) special school and Pupil Referral Unit budgets have also been reviewed, top up and site specific rates have been cut by 5% which will generate an annual saving of 600k, further work is planned to continue review of special schools and also resource bases.

18. There is significant pressure on the “Top Up” element of the high needs block during 2015/16 and into 2016/17, as a result of:

- a) 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) a 52% increase in pupil exclusions within the secondary sector which has resulted in an increase of spend within pupil referral units of £1m to accommodate these pupils;
- c) the service implementing a minimum banding level within special schools to provide a more stable budget however this resulted in an increase spend of £1m.

19. 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

20. The ring-fenced Public Health service is currently forecasting an overspend of £1.8m. This is mainly due to a government in-year cut of the grant of 7.6% in year during 2015/16 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)

21. The following is a summary of the HRA budget position as at the end of Period 6. Further detail is included as part of Appendix A to the report.

Table 4: Housing Revenue Account Budget Forecast

HOUSING REVENUE ACCOUNT - Period 6	Gross Exp £m	Gross Income £m	Revised Net Budget £m	Forecast Outturn £m	Forecast Outturn Variance £m	Forecast Outturn Variance P5 £m
Strategy, Planning & Governance	24.5	-131.3	-106.8	-107.5	-0.6	-0.6
Responsive Repairs	47.5	-17.4	30.1	30.6	0.5	0.5
Planned Programmes	18.1	-1.3	16.8	14.7	-2.1	-1.5
Estate Management	16.5	-2.2	14.2	14.0	-0.2	-0.1
HRA Financing & Funding	46.2	-0.5	45.7	45.7	0.0	0.0
HOUSING REVENUE ACCOUNT TOTAL	152.8	-152.8	0.0	-2.5	-2.5	-1.8

22. There is currently a forecast underspend within the HRA of £2.5m. 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; Contractor issues has also lead to some delays, resulting in £0.4m underspend;
- The Investment Review Plan (in response to imposed rent reductions planned for the HRA) has changed the paint programme in planned programmes resulting in a saving against budget.

23. 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 re-calibrated to reflect what is a very financially challenging future.

B - Managing Savings

24. 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., the Council is monitoring savings using a single savings tracker. This will be reported under each directorate and will be risk assessed for full delivery within the planned timescales.

25. Due to the severity of the forecast outturn variance (potential deficit of £27.5m), the Interim Chief Executive, supported by the Interim Service Director: Finance (s.151 Officer), have put in train a number of actions as outlined (with current progress) in paragraph 9.

C - Reserves

26. The balance on the general reserve will be reviewed annually in setting the budget and in the context of the Medium Term Financial Strategy 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.

27. 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 and others are set aside for specific purposes to be incurred in future periods.

28. A review of all existing earmarked reserves has been 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 and made available to mitigate the financial pressures in this financial year. An initial high level review identified £1.8m that could be released from reserves, and this was included in the forecast for Period 5 and is reflected in the forecast reported in Table 2. A further review of the reserves (as part of

the Directorate Budget Review Meetings) identified a further £0.6m that can be released in Period 6. This relates to Bristol Holding Company and assumes that any further investment in Bristol Holding Company will be in the form of equity shares. This is included in the forecast for Period 6 and is reflected in Table 2.

29. The latest review has projected an unacceptable reduction in reserve balances by the end of 2017/18 leading to additional work being commissioned through the senior leadership team.
30. In addition, as already summarised in paragraph 9, the Council is reviewing a range of technical accounting items, including identifying planned expenditure that can be properly capitalised.

Flexibility to use Capital Receipts

As part of the finance settlement for 2016/17 the government announced new flexibilities allowing local authorities to use capital receipts received in 2016/17, 2017/18 and 2018/19 to be used to fund transformational expenditure, which can include redundancy costs. The Council currently assumes £5m per annum capital receipts in its capital financing budgets. In 2016/17, it is currently estimated that receipts will be £5.3m, with at least £15m across 2017/18 & 2018/19.

Agreement to do this is subject to a report to Full Council, which it is planned to submit to the December meeting. If agreed, this would allow the Council to fund restructuring costs (up to the value of the capital receipts) from capital receipts, rather than reserves as is currently planned. This will allow the potential release of an estimated £5.3m from reserves, which could then be made available to mitigate the financial pressures in this financial year. However, this will mean that additional borrowing of the value of the capital receipts (estimated to be £5.3m) will be required in 2016/17, to be offset by more than budgeted receipts in 2017/18 & 2018/19. Details are set out in Appendix E.

D - Capital Programme

31. 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). 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. As at the end of Period 6 there is a forecast overspend of £3.6m. Monitoring indicates that capital spending in 2016/17 will be £224.8m compared to the latest approved budget of £221.2m.
32. Table 5 sets out the forecast of spend by Directorate. Additional detail is provided at Appendix B. Proposed changes to the capital programme, presented to the Capital Board on 25 October are detailed in table 6. These will be reflected in the capital programme when reported for Period 7.

Table 5: Capital Programme Forecast Expenditure & Financing

	Period 5 2016/17 Budget	Capital Review Re- profile of budget to 2017/18	2016/17 Combined Budget	2016/17 Forecast Outturn	Forecast Outturn Variance
	£m	£m	£m	£m	£m
People	39.2		39.2	41.4	2.2
Place	88.3	(1.0)	87.3	88.0	0.7
Neighbourhoods	9.8		9.8	9.1	(0.7)
Resources	18.7		18.7	18.7	0.0
Housing Revenue Account	56.0		56.0	57.3	1.3
Corporate	10.3	(0.1)	10.2	10.3	0.1
Totals	222.3	(1.1)	221.2	224.8	3.6
Finance By:					
Prudential Borrowing			78.6	80.6	2.0
Capital Grants			67.7	67.7	0.0
Capital Receipts			5.0	5.3	0.3
Revenue Contributions			13.9	13.9	0.0
Housing Revenue Account (Self-Financing)			56.0	57.3	1.3
TOTAL CAPITAL FINANCING			221.2	224.8	3.6

33. The actual capital spend to the end of Period 6 is £72.9m (33% of Combined Budget). Whilst historic trends indicate that capital spending increases towards the end of the financial year, the level of forecast spend to date (30th September 2016) is low compared to the current budget for the financial year, and is below the year to date budget of £110.6m.
34. The Capital Board has met to undertake a Strategic Leadership Team review of the forecasts to identify any potential slippage into 2017/18. This identified an initial amount of £62.1m to be re—profiled into 2017/18, and reported in the Period 5 Finance Report. A further £1.1m has been identified that can be re-profiled into 2017/18. Appendix B provides a breakdown of this slippage by programme. This re-profiling of the capital programme will not reduce the capital financing costs in this financial year, but will have the potential to reduce the forecast capital financing costs in future years. These changes are recommended to Cabinet for noting and approval.
35. In addition, the following variations to the Capital Programme were considered by the Capital Board on 25 October 2016. These changes are recommended to Cabinet for approval and will be reflected in the capital programme reported in Period 7.

Table 6: Changes to the Capital Programme

People	£m
- Education Capital Programme - reprofiling of budgets to ensure the Council continues to meet its statutory duty to ensure sufficient school places are provided for Bristol children. Includes income of £17k from S.106 and a contribution of £20k from Bishop Road Primary School	1.6
Total	1.6

36. As at the end of September 2016, there is a forecast net overspend against the Capital Programme of £3.6m, against an overspend of £2.4m at the end of Period 5. The following is a summary of the significant areas where budget pressures have been identified:

36.1 Housing Revenue Account – £1.3m Pressure

There are projected overspends (£4.1m) in “Investment in Blocks” projects due to works showing greater than expected costs and slippage from previous years and spend in 2016/17 on Biomass Projects (£0.5m). These have been offset by reducing expenditure and delaying projects in some areas, including on low rise cladding and laundries (£4.7m).

The movement since Period 5 is due to further reductions in spend of £0.6m, mainly related to work on roofs and Low rise cladding. This is mostly due to delays in contractors starting work or issues with procurement.

The overspend in this area will be funded from the Housing Revenue Account.

36.2 Education Capital Programme - £1.6m Pressure

There is currently a spending pressure against these programmes. However, the spend against budget over the length of the schemes is regularly reviewed, and as outlined in Table 6 above, a variation to the budget has been recommended to re-profile the budget. This will remove this current pressure.

36.3 – Place Directorate Services – £0.3m Underspend

Following the re-profiling of the capital programme in Period 5, which had seen circa £54m 16/17 expenditure re-profiled into future years, there are no significant forecast variances in the current financial year.

It has been acknowledged that the first 6 months actual capital expenditure plus commitments only account for 38% of 16/17 total overrun forecast. Place managers are actively reviewing the position of expenditure forecast in Period 7, assessing further risks of slippage and adjusting the accuracy of the forecast accordingly.

Corporate ERP Project

37. A project to deliver an integrated employee resource application to replace the finance, HR and Payroll systems, commenced in December 2014. To date we have been unable to go live with the product. We are in the process of commissioning a review to gain an independent perspective of the issues and challenges. Whilst commissioning this review we continue to have discussions with the external supplier and systems integrator.
38. As a result of the delay and to avoid the risks of the finance system becoming unsupported we are upgrading the finance system and extending the contract for the current HR and Payroll systems. This will incur additional expenditure that has not been budgeted for and has yet to be factored into the forecasts. The impact of this will be reported in future updates.

Capital Receipts

39. 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 £5.3m for 2016/17, plus risks adjusted deliveries of £6.6m for £2017/18 and £8.4m for 2018/19.

Capital Financing

40. The capital financing assumptions are detailed in Table 5 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.
41. The current capital financing assumptions include capital receipts of £5m. As outlined in paragraph 30 above, officers have reviewed the new flexibilities to use capital receipts to fund transformational activities. The outcome of this will be subject to a report to Full Council 13th December 2016, and if agreed would allow transformation costs to be funded from capital receipts rather than from reserves as currently planned. This will mean that these receipts will no longer be available in 2016/17 to finance this proportion of the Capital Programme. However, estimated capital receipts in 2017/18 and 2018/19 are higher than budgeted and will therefore offset this.
42. Included in the General Revenue Fund is a capital financing budget of £19.3m, which is currently forecasting an underspend of £4.1m, due to previous re-profiling of the capital programme. As part of the capital financing calculation is a Minimum Revenue Provision (MRP), which is the minimum amount that the local authority should set aside to repay future debt. The Council's current MRP policy has been reviewed to assess if a more financially efficient policy could be adopted. A report outlining the outcomes of this review, with appropriate recommendations will be presented to full council for consideration on 13th December 2016. If approved, this will result in a reduction to the capital financing cost on 2016/17 of c£4.3m, with ongoing annual savings on a reducing scale for a further 16 years. This is not reflected in the current forecast, but the potential impact of this is summarised in Table 1, and detailed in Appendix D.

E – Managing Income

43. Collection rates for both Business Rates and Council Tax are broadly on target, with the Collection Fund showing a balanced position as at the end of September. However, the position on business rates can be significantly affected by successful appeals, as the Council could have to refund several years backdated payments from a single year's income. 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. The Council is also aware of an application from a telecommunications company to have their telecommunication network transferred from the local rating list to the central list, with a potential for a backdated refund. Officers are in contact with the Valuation Office but currently very little information is available to the Council as Billing Authority.
44. As well as Council Tax and Business Rates, the Council also raises and collects sundry income, which includes contributions for social care services. Table 7 provides a summary of the outstanding debt against sundry income, by directorate, with a more detailed analysis included as Appendix C.
45. The council currently has a total of 36,839 outstanding debts. Of the £31.1m outstanding debt included in Table 7, the top 20 debts, ranging from £143k to £1.7m amounts to £10.3m of the debt, or 33% of the total outstanding debt.
46. At the end of each financial year, the Council is required to calculate a bad debt provision based on its level of outstanding debt. The amount of provision required is dependent on the age of the debt, with all debt over 2 years, being 100% provided for. The current bad debt provision (as at 31st March 2016) is £11.8m. Based on the current level of debt in table 7, if no further action is taken, the required bad debt provision is estimated to be £15.6m. Single, large debts can have a disproportionate impact on the provision required. However, action will continue to be taken between now and the end of the financial year to ensure that the value of outstanding debt is reduced.

Table 7 – Outstanding Debt Analysis by Directorate

Directorate	Outstanding Value £000's	Average Value £
People	16,679	1,515
Resources & City Director	748	9,141
Neighbourhoods	4,545	394
Place	4,988	1,509
Corporate & Other	4,140	398
TOTALS	31,100	2,591

F - Treasury Management

47. No borrowing has been undertaken to date during 2016/17. Net debt (borrowing less investment) has decreased by £7m between the 31st August and 30th September from £286m to £279m, due to expected changes.

48. The average level of funds available for investment purposes during the first six months of the year was £168m. The return for period was 0.60% compared to the recognised benchmark of 0.28% (7 day Libid).

49. In addition the Council's agreed policy is to defer borrowing while it has significant levels of cash balances (£135m at 30 September 2016). 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.

G – Bristol City Council Owned Companies

50. To the end of Period 5 2016/17, no additional loans / investments have been made to the Council's Subsidiaries. The amount of loans / investments as at the 31st August 2016 is set out below:

Bristol Holding Company - £6.5m
 Bristol is Open - £0.350m

Overall Risk Assessment

51. In the Budget Report presented to Full Council in February 2016, a number of significant risks were identified. The finance reports this year have identified 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, the result of the application for mandatory charitable relief made by a number of hospital trusts and the transfer of properties between rating lists. Once these changes are made the Council may have to refund several years back dated rates from a single year's income.

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, i.e. Metrobus, the delivery of the Arena and Bristol Temple Meads Easts (development area around the arena);
- Current lack of national 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 September 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 £27.5m), the Interim Chief Executive, supported by the Interim Service Director: Finance (s.151 Officer), have put in train a number of actions as outlined in paragraph 9. This report provides an update against these and includes actions that can be taken (subject to approval), which will help to mitigate the current forecast outturn deficit, as summarised in Table 1.

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 report. The recommendations are in accordance with the Council's constitution and financial regulations.

Advice given by Shahzia Daya: Service Director Legal Services

Date: 1st November 2016

d. Land / property implications:

Relevant property implications have been included within the body of the report.
Advice given by Robert Orrett – Service Director Property
Date: 5th October 2016

e. Human resources implications:

In line with the financial position and the mitigating actions set out in this paper (paragraph 9) a Section 188 notice was issued in August 2016. The s188 notice provided 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.

As previously reported, an initial voluntary severance opportunity was implemented through to the end of September 2016. Following responses to applications that have approved severance for 281 employees to date, further actions to close the budget gap are now being implemented. These are likely to result in further redundancies; we are however seeking to avoid compulsory redundancies wherever possible.

Full consultation with Trade Unions is being 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: 25th October 2016

APPENDIX A

BRISTOL CITY COUNCIL REVENUE BUDGET MONITORING STATEMENT - PERIOD 6

	2016/17 BUDGET			YEAR TO DATE		FORECAST OUTTURN			Forecast Outturn Variance £000	P5 Outturn Variance £000
	Expenditure £000	Income £000	Net Budget £000	Net Budget £000	YTD Spend	Expenditure £000	Income £000	Net Budget £000		
DIRECTORATE: PEOPLE										
Strategic Commissioning	24,687	(4,467)	20,220	10,195	12,378	25,496	(5,712)	19,784	(436)	(960)
Care & Support - Adults	157,839	(40,402)	117,437	58,731	66,209	167,403	(44,714)	122,689	5,252	5,767
Care & Support - Children & Families	46,005	(2,664)	43,341	21,684	23,820	51,846	(5,103)	46,743	3,402	3,402
Education & Skills	25,631	(17,708)	7,923	3,978	(2,524)	26,688	(17,898)	8,790	867	827
Dedicated Schools Grant	175,339	(175,384)	(45)	0	(2,458)	179,328	(179,373)	(45)	0	0
Management - People	3,867	(3,893)	(26)	(13)	531	3,267	(3,128)	139	165	712
Early Intervention & Targeted Support	29,469	(11,346)	18,123	9,068	7,266	31,355	(9,134)	22,221	4,098	3,602
PEOPLE DIRECTORATE TOTAL	462,837	(255,864)	206,973	103,643	105,222	485,383	(265,062)	220,321	13,348	13,350
DIRECTORATE: RESOURCES										
ICT	12,931	(4,872)	8,059	4,110	10,097	16,870	(4,959)	11,911	3,852	3,720
Legal Services	11,227	(4,868)	6,359	3,199	5,855	12,398	(6,069)	6,329	(30)	82
Finance	6,407	(2,086)	4,321	2,184	3,274	6,360	(2,077)	4,283	(38)	(24)
Human Resources (HR)	10,008	(3,408)	6,600	3,435	4,010	9,842	(3,823)	6,019	(581)	(498)
Policy, Strategy & Communications	5,121	(1,491)	3,630	1,926	1,985	4,631	(1,392)	3,239	(391)	(174)
Bristol Futures	3,882	(2,379)	1,503	1,160	104	3,866	(2,511)	1,355	(148)	(171)
BUSINESS CHANGE TOTAL	49,576	(19,104)	30,472	16,014	25,325	53,967	(20,831)	33,136	2,564	2,935
DIRECTORATE: NEIGHBOURHOODS										
Citizen Services	222,090	(209,824)	12,266	6,159	(4,736)	223,064	(210,555)	12,509	243	313
Parks & Green Spaces	62,244	(30,647)	31,597	15,905	18,006	52,302	(21,690)	30,612	(985)	(1,001)
Housing Delivery - General Fund	23,379	(9,859)	13,520	6,792	7,994	25,556	(12,360)	13,196	(324)	0
Neighbourhoods	10,371	(481)	9,890	4,955	4,278	10,542	(612)	9,930	40	(418)
Public Health - General Fund	6,825	(4,411)	2,414	1,241	959	6,904	(4,475)	2,429	15	78
Management - Neighbourhoods	5	0	5	3	58	8	0	8	3	11
NEIGHBOURHOODS TOTAL	324,914	(255,222)	69,692	35,055	26,559	318,376	(249,692)	68,684	(1,008)	(1,017)
DIRECTORATE: PLACE										
Property	28,823	(36,440)	(7,617)	(3,714)	3,006	31,910	(30,399)	1,511	9,128	9,004
Planning	5,805	(5,529)	276	153	(992)	6,203	(6,216)	(13)	(289)	(314)
Transport	47,427	(32,706)	14,721	7,435	(7,201)	63,782	(50,524)	13,258	(1,463)	(1,360)
Economy	12,640	(6,812)	5,828	2,929	4,498	14,785	(8,837)	5,948	120	26
Economy - ABS Team	2,319	(465)	1,854	993	996	2,034	(465)	1,569	(285)	(196)
Energy	11,345	(6,464)	2,881	1,445	45	13,627	(10,635)	2,992	111	62
PLACE TOTAL	108,359	(90,416)	17,943	9,241	352	132,341	(107,076)	25,265	7,322	7,222
DIRECTORATE: CITY DIRECTOR										
Management - City Director	1,984	0	1,984	992	998	2,151	(29)	2,122	138	138
CITY DIRECTOR TOTAL	1,984	0	1,984	992	998	2,151	(29)	2,122	138	138
CORPORATE SAVINGS PROGRAMME TOTAL	(1,813)	(8,378)	(10,191)	(6,119)	4,497	14,330	(8,768)	5,562	15,753	16,586
SERVICE NET EXPENDITURE	945,857	(628,984)	316,873	158,826	162,953	1,006,548	(651,458)	355,090	38,217	39,214
OTHER CORPORATE BUDGETS RELEASED FROM RESERVES	39,819	(11,265)	28,554	0	0	33,975	(13,765)	20,210	(8,344)	(6,335)
TOTAL REVENUE NET EXPENDITURE	985,676	(640,249)	345,427	158,826	162,953	1,040,523	(665,223)	372,900	27,473	31,079

BRISTOL CITY COUNCIL HOUSING REVENUE ACCOUNT SUMMARY

	2016/17 BUDGET			YEAR TO DATE		FORECAST OUTTURN			Forecast Outturn Variance £000	P5 Outturn Variance £000
	Expenditure £000	Income £000	Net Budget £000	Net Budget £000	YTD Spend	Expenditure £000	Income £000	Net Budget £000		
HOUSING REVENUE ACCOUNT										
Strategy, Planning & Governance	24,482	(131,293)	(106,811)	(53,416)	(68,078)	23,800	(131,261)	(107,461)	(650)	(629)
Responsive Repairs	47,496	(17,384)	30,112	15,056	14,844	48,026	(17,438)	30,588	476	476
Planned Programmes	18,098	(1,312)	16,786	8,393	5,392	16,042	(1,321)	14,721	(2,065)	(1,497)
Estate Management	16,456	(2,237)	14,219	7,120	5,077	16,224	(2,232)	13,992	(227)	(129)
HRA Financing & Funding	46,229	(535)	45,694	0	0	46,229	(535)	45,694	0	(2)
HOUSING REVENUE ACCOUNT TOTAL	152,761	(152,761)	0	(22,847)	(42,765)	150,321	(152,787)	(2,466)	(2,466)	(1,781)

BRISTOL CITY COUNCIL RING FENCED PUBLIC HEALTH

	2016/17 BUDGET			YEAR TO DATE		FORECAST OUTTURN			Forecast Outturn Variance £000	P5 Outturn Variance £000
	Expenditure £000	Income £000	Net Budget £000	Net Budget £000	YTD Spend	Expenditure £000	Income £000	Net Budget £000		
Public Health - Grant	35,025	(34,995)	30	(2,737)	4,484	36,779	(36,749)	30	0	0
	35,025	(34,995)	30	(2,737)	4,484	36,779	(36,749)	30	0	0

2016/17 Capital Proposed Budget, Forecast and Variance Analysis

Directorate	PERIOD 5 2016/17 BUDGET TOTAL £000's	2016/17 BUDGET RE- PROFIED £000's	PERIOD 6 2016/17 BUDGET TOTAL £000's	2016/17 FORECAST TOTAL £000's	2016/17 VARIANCE TOTAL £000's	2017/18 BUDGET TOTAL £000's	2018/19 BUDGET TOTAL £000's	2019/20 BUDGET TOTAL £000's
People								
Education Capital Programme 2								
Major Projects Programme 2	18,417	(1)	18,416	20,945	2,529	9,872	0	0
Site Acquisitions	132	0	132	132	0	0	0	0
Commissioning	0	0	0	0	0	19	0	0
Early Years	54	0	54	54	0	0	0	0
Primary	0	0	0	0	0	11	0	0
Universal Free School Meals	7	0	7	7	0	0	0	0
Schools Access Initiative SAI/DDA	119	0	119	120	1	132	0	0
Lifecycle (R&M)	39	0	39	39	0	46	0	0
Urgent/Emergency	80	0	80	110	30	0	0	0
Completed Projects	7	0	7	47	40	0	0	0
Total - Education Capital Programme 2	18,855	(1)	18,854	21,454	2,600	10,080	0	0
Schools' Devolved Capital								
Capital, Assets & Access 1	4,528	0	4,528	4,528	0	2,005	0	0
Total - Schools' Devolved Capital	4,528	0	4,528	4,528	0	2,005	0	0
CYPS non-Schools								
CYPS non-Schools	1,508	0	1,508	1,465	(43)	0	0	0
Total - CYPS non-Schools	1,508	0	1,508	1,465	(43)	0	0	0
Education Capital Programme 3								
Major Projects	10,991	(11)	10,980	11,440	460	13,593	3,482	0
Site Acquisitions	1,500	0	1,500	0	(1,500)	0	0	0
Commissioning	0	0	0	0	0	755	5,114	0
Feasibility	100	0	100	100	0	1,098	0	0
Lifecycle (Capital R&M)	485	0	485	485	0	520	695	0
Total - Education Capital Programme 3	13,076	(11)	13,065	12,025	(1,040)	15,966	9,291	0
Children & Families								
0-25 Integrated Service	190	0	190	190	0	430	0	0
Fostering and Adoption	129	0	129	120	(9)	0	0	0
Youth & Play	204	0	204	204	0	0	0	0
Total - Children & Families	523	0	523	514	(9)	430	0	0
Care Management								
Transformation - Capital	(346)	0	(346)	218	564	0	0	0
Total - Care Management	(346)	0	(346)	218	564	0	0	0
Care Services								
Operations - Capital	209	0	209	378	169	0	0	0
Total - Care Services	209	0	209	378	169	0	0	0
Strategic Housing								
Extra Care Housing	819	0	819	803	(16)	3,075	0	0
Total - Strategic Housing	819	0	819	803	(16)	3,075	0	0
Totals - Directorate: People	39,172	(12)	39,160	41,385	2,225	31,556	9,291	0

2016/17 Capital Proposed Budget, Forecast and Variance Analysis

Directorate	PERIOD 5 2016/17 BUDGET TOTAL £000's	2016/17 BUDGET RE- PROFIED £000's	PERIOD 6 2016/17 BUDGET TOTAL £000's	2016/17 FORECAST TOTAL £000's	2016/17 VARIANCE TOTAL £000's	2017/18 BUDGET TOTAL £000's	2018/19 BUDGET TOTAL £000's	2019/20 BUDGET TOTAL £000's
Place								
Strategic Property								
Building Practice Capital	3,647	(1,001)	2,646	3,618	972	1,715	0	0
Corporate Property	433	0	433	190	(243)	0	0	0
Total - Strategic Property	4,080	(1,001)	3,079	3,808	729	1,715	0	0
Major Projects								
Place, Major Schemes	7,922	0	7,922	7,883	(39)	51,209	50,000	6,000
Docks	22	0	22	0	(22)	0	0	0
Filwood Broadway	184	0	184	40	(144)	1,012	169	0
Hengrove Park	27	0	27	27	0	0	0	0
Kingswear and Torpoint Flats	715	0	715	715	0	7	0	0
Filwood Green Business Park	1,494	0	1,494	1,001	(493)	0	0	0
Economy Development	818	0	818	875	57	0	0	0
Strategy & Commissioning	775	0	775	720	(55)	3,461	2,500	0
Total - Major Projects	11,957	0	11,957	11,261	(696)	55,689	52,669	6,000
Museums								
Museums - Capital	121	0	121	0	(121)	0	0	0
Total - Museums	121	0	121	0	(121)	0	0	0
Planning & Sustainable Development								
City Design Group	368	0	368	499	131	786	500	0
Total - Planning & Sustainable Development	368	0	368	499	131	786	500	0
Transport								
Sustainable Transport	9,595	376	9,971	9,871	(100)	12,088	3,000	1,940
Strategic City Transport	7,248	1	7,249	6,944	(305)	11,197	0	0
Highway Drainage Capital Works	2,771	0	2,771	2,771	0	0	0	0
Highways & Traffic	6,422	9	6,431	6,599	168	149	0	0
Parking Services	82	0	82	82	0	0	0	0
Passenger Transport	2,213	(358)	1,855	1,895	40	1,292	0	0
Residents Parking Zone	1,200	0	1,200	1,200	0	978	0	0
Transport Major Projects (Metrobus)	30,843	30	30,873	30,831	(42)	15,310	0	0
Total - Transport	60,374	58	60,432	60,193	(239)	41,014	3,000	1,940
Energy Services								
Energy Management Unit	3,686	0	3,686	4,967	1,281	7,759	0	0
Warm Up Bristol	5,769	0	5,769	6,531	762	0	0	0
Energy Services	1,923	0	1,923	743	(1,180)	0	0	0
Total - Energy Services	11,378	0	11,378	12,241	863	7,759	0	0
Totals - Directorate: Place	88,278	(943)	87,335	88,002	667	106,963	56,169	7,940

2016/17 Capital Proposed Budget, Forecast and Variance Analysis

Directorate	PERIOD 5 2016/17 BUDGET TOTAL £000's	2016/17 BUDGET RE- PROFILED £000's	PERIOD 6 2016/17 BUDGET TOTAL £000's	2016/17 FORECAST TOTAL £000's	2016/17 VARIANCE TOTAL £000's	2017/18 BUDGET TOTAL £000's	2018/19 BUDGET TOTAL £000's	2019/20 BUDGET TOTAL £000's
Neighbourhoods								
Bristol Operations Centre								
Bristol Operations Centre	5,509	0	5,509	5,509	0	2,447	0	0
Total - Bristol Operations Centre	5,509	0	5,509	5,509	0	2,447	0	0
Environment & Leisure								
Cemeteries & Crematoria	108	0	108	108	0	0	0	0
Parks	1,603	0	1,603	1,144	(459)	958	300	0
Waste Services	36	0	36	36	0	0	0	0
Total - Environment & Leisure	1,747	0	1,747	1,288	(459)	958	300	0
Neighbourhoods & Communities								
Libraries	641	0	641	454	(187)	822	0	0
Total - Neighbourhoods & Communities	641	0	641	454	(187)	822	0	0
Housing Services - Capital								
Private Housing & Adaptations	1,892	0	1,892	1,892	0	700	0	0
Total - Housing Services Capital	1,892	0	1,892	1,892	0	700	0	0
Totals - Directorate: Neighbourhoods	9,789	0	9,789	9,143	(646)	4,927	300	0
Resources								
Bristol Futures								
City Innovation	6,992	(12)	6,980	6,980	0	8,823	0	0
Total - Bristol Futures	6,992	(12)	6,980	6,980	0	8,823	0	0
Information & Communication Technology								
ICT Refresh Programme			0	0	0	1,500	1,500	1,500
BWP - Buildings	6,021	0	6,021	5,756	(265)	0	0	0
Total - Information & Communication Technology	6,021	0	6,021	5,756	(265)	1,500	1,500	1,500
Bristol Workplace Programme - Design								
BWP - Design Contract	5,800	0	5,800	5,897	97	2,235	0	0
Total - Bristol Workplace Programme - Design	5,800	0	5,800	5,897	97	2,235	0	0
Bristol Workplace Programme - Buildings								
BWP - Technology	(121)	0	(121)	67	188	0	0	0
Total - Bristol Workplace Programme - Buildings	(121)	0	(121)	67	188	0	0	0
Totals - Directorate: Resources	18,692	(12)	18,680	18,700	20	12,558	1,500	1,500
Housing Revenue Account								
Planned Programme	40,330	0	40,330	39,819	(511)	40,000	40,000	40,000
Responsive Repairs	700	0	700	700	0	500	500	500
Strategy, Planning & Governance	14,989	0	14,989	16,786	1,797	9,500	9,500	9,500
Total - Housing Revenue Account	56,019	0	56,019	57,305	1,286	50,000	50,000	50,000
Totals - Housing Revenue Account	56,019	0	56,019	57,305	1,286	50,000	50,000	50,000
Corporate								
Capital Funding								
Capital Funding	10,334	(80)	10,254	10,334	80	12,000	1,600	1,500
Total - Capital Funding	10,334	(80)	10,254	10,334	80	12,000	1,600	1,500
Totals - Directorate: Corporate	10,334	(80)	10,254	10,334	80	12,000	1,600	1,500
TOTALS - CAPITAL PROGRAMME	222,284	(1,047)	221,237	224,869	3,632	218,004	118,860	60,940

Future years budget TOTALS 397,804

Capital Programme Tier 1 budget (all years) TOTALS 619,041

Outstanding Sundry Debt by Directorate - Period 6

Directorate	Not Due	0-29 Days	30-59 Days	60-89 Days	90-119 Days	120-365 Days	1-2 yrs	2-4.5 yrs	Over 4.5 yrs	Outstanding Value	Average Value
People	-	2,330,134	2,444,021	2,627,679	1,555,268	3,775,728	2,483,412	1,128,092	334,704	16,679,037	1,515
Business Change	-	352,488	43,013	59,032	8,192	111,714	75,951	55,836	10,079	716,304	1,268
Neighbourhoods	- 1,620	916,739	790,394	40,254	219,137	1,147,854	462,648	652,836	317,076	4,545,317	394
Place	27	927,485	1,035,175	204,122	316,216	1,462,825	318,352	450,903	272,666	4,987,769	1,509
City Director	-	-	-	-	31,327	164	-	-	-	31,491	7,873
Corporate & Other	- 23,453	44,842	101,239	140,573	- 15,644	- 106,104	972,779	2,043,518	982,957	4,140,706	398
TOTALS	- 25,047	4,571,687	4,413,841	3,071,659	2,114,495	6,392,180	4,313,143	4,331,185	1,917,482	31,100,625	

Review of Policy for Minimum Revenue Provision

Purpose

1. This report reviews the Council's General Fund minimum revenue provision ("MRP") policy and sets out the proposed change.

Statutory basis of MRP

2. Regulations 27 and 28 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) require that a local authority "shall determine for the current financial year an amount of minimum revenue provision which it considers to be prudent". MRP is a charge to the revenue account in relation to capital expenditure financed from borrowing or credit arrangements, often referred to as a provision for the repayment of debt.
3. The Secretary of State has issued statutory Guidance on determining the "prudent" level of MRP, to which authorities are required to have regard. The Guidance is supported by an "informal commentary" from the Department of Communities and Local Government. The Guidance further clarifies that MRP policy should be set by the authority's Full Council (or closest equivalent).

Link to Informal commentary –

<https://www.gov.uk/government/publications/capital-finance-guidance-on-minimum-revenue-provision-third-edition>

4. Prior to 2007 the Government statutory arrangements for determining debt repayment were prescriptive. In 2007, this was replaced by a system of self-regulation that aligns with the prudential code and accounting codes to allow authorities local discretion based on their own judgement as to what is prudent.

The City Council's objectives in reviewing its MRP Policy

5. The Council's MRP policy was created in 2007 and has been in place for 9 years. Therefore the Council recognises the need to review the policy to ensure it remains prudent and provide a stable and deliverable financial position going forwards ensuring the prudent management of the Council's finances generally (not just MRP).

Principles of MRP: the meaning of "prudent provision"

6. Regulations do not define the meaning of the term "prudent provision". The Guidance states that "the broad aim of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant". This general aim does not stipulate a minimum amount of

provision to be made in any particular year, providing that the broad aims above are met. The guidance provides four different annual repayment profiles and encourages authorities to consider their own repayment profiles.

7. The Commentary explains this more fully:

“Four ready-made options are included in the Guidance (and there are two alternatives under Option 3). The options are those likely to be most relevant for the majority of authorities but other approaches are not meant to be ruled out, provided they are fully consistent with the statutory duty to make prudent provision. Authorities must always have regard to the Guidance, but having done so, may in some cases consider that a more individually designed MRP approach is justified. That could involve taking account of detailed local circumstances, including specific project timetables and revenue-earning profiles. Authorities may wish to consult their legal advisers and external auditors about their approach to MRP if it involves a significant departure from the Guidance or relates to any large, complex or novel schemes. However, the decision on what is prudent is for the authority and it is not for the DCLG to say in particular cases whether any proposed arrangement is consistent with the statutory duty”.

This makes it clear that the four MRP options are by no means prescriptive, providing the authority has regard to the Guidance and complies with the statutory duty to make prudent provision.

8. There is freedom for authorities to consider an annual profiling of MRP which best fits the prudent management of their own financial circumstances, providing that they meet the basic test of “prudence” which is to repay debt over the life of the benefit or the period implied by the associated grant.

The proposed change to the Council’s MRP policy is described below, and the financial implications are set out in Appendix B. A revised MRP policy Statement is attached at Appendix C.

Proposed Change

Adapting the “CFR Method”

9. The “CFR Method” is one of the four MRP options and this method is relevant to providing for repayment of debt outstanding prior to 1 April 2007 and that the borrowing supported by Government Revenue Support Grant be repaid over a period “reasonably commensurate with the period implicit in the determination of that grant”. This method continues the arrangements set out in former Regulations, under which non-housing debt was repaid at 4% of the balance outstanding at each year end.
10. The reducing balance formula used by this method has the characteristic that the debt is never entirely repaid, because each year repays 4% of the outstanding balance at that time.
11. As the local government finance system has evolved it has become increasingly difficult to relate the revenue support grant received to any particular level of annual debt repayment. In addition, total grant is controlled nationally which have been reduced substantially in recent years, irrespective of the level of “supported” borrowing outstanding.

12. It is therefore proposed that it would be appropriate, affordable and reasonable that the Council's MRP policy will adapt the CFR Method by paying a fixed cash amount each financial year, calculated at 2% of the balance at 31 March 2016, and not reducing each year. This 50 year repayment period is considered a reasonable average assumption as this mirrors the asset lives of the Councils operational property portfolio excluding Council Dwellings. In addition it can be considered that the asset lives will exceed this for assets that are fully maintained.
13. In the initial years, this element of MRP is lower than the 4% reducing balance calculation, but it remains constant and fully repays the remaining balance of pre-07/08 debt, by 2065/66 the end of 50 years. Under the CFR method, £28m of the pre-07/08 debt would remain outstanding in 50 years' time. The Council's proposed 2% fixed MRP helps to address its short term financial transition needs, whilst in the long run its complete debt is repaid earlier. A fixed 2% MRP over 50 years arguably significantly more prudent than a method which never pays off the whole debt.
14. Although the Council's proposed 2% fixed method initially has a lower debt repayment than the 4% reducing balance method, it is better aligned to the average lives of the assets that this borrowing supported and is consistent with the guidance. It is therefore considered that it would be appropriate, affordable and reasonable for the Council to move to such a provision for 2016/17 and onwards.
15. Appendix B shows the effect of this proposal, in summary the change to this part of the MRP policy produces a long term re-phasing of the Council's debt repayment charges with MRP lower in the years to 2033/34 and higher thereafter, meaning debt will be repaid more slowly but repaid within 50 years aligned to the asset lives that the supported borrowing supports.

Conclusions

28. The above proposal is considered to be consistent with the statutory duty on the Council to make prudent provision, having regard to the Government Guidance and the advice received. They take into account the Council's strict and cautious approach to MRP to date, and the Council's future financial circumstances.

Revenue impact of the proposed MRP change

Mininum Revenue Provision					
Year	CFR Method (current)		CFR Adapted Method (Proposed)		MRP (Saving) / Cost
	MRP Charge	Balance O/S	MRP Charge	Balance O/S	
	£m	£m	£m	£m	
2016/17	8.547	205.135	4.274	209.408	(4.273)
2017/18	8.205	196.930	4.274	205.134	(3.931)
2018/19	7.877	189.053	4.274	200.860	(3.603)
2019/20	7.562	181.491	4.274	196.586	(3.288)
2020/21	7.260	174.231	4.274	192.312	(2.986)
2021/22	6.969	167.262	4.274	188.038	(2.695)
2022/23	6.690	160.572	4.274	183.764	(2.416)
2023/24	6.423	154.149	4.274	179.490	(2.149)
2024/25	6.166	147.983	4.274	175.216	(1.892)
2025/26	5.919	142.064	4.274	170.942	(1.645)
2026/27	5.683	136.381	4.274	166.668	(1.409)
2027/28	5.455	130.926	4.274	162.394	(1.181)
2028/29	5.237	125.689	4.274	158.120	(.963)
2029/30	5.028	120.661	4.274	153.846	(.754)
2030/31	4.826	115.835	4.274	149.572	(.552)
2031/32	4.633	111.202	4.274	145.298	(.359)
2032/33	4.448	106.754	4.274	141.024	(.174)
2033/34	4.270	102.484	4.274	136.750	.004
2034/35	4.099	98.385	4.274	132.476	.175
2035/36	3.935	94.450	4.274	128.202	.339
2036/37	3.778	90.672	4.274	123.928	.496
2037/38	3.627	87.045	4.274	119.654	.647
2038/39	3.482	83.563	4.274	115.380	.792
2039/40	3.343	80.220	4.274	111.106	.931
2040/41	3.209	77.011	4.274	106.832	1.065
2041/42	3.080	73.931	4.274	102.558	1.194
2042/43	2.957	70.974	4.274	98.284	1.317
2043/44	2.839	68.135	4.274	94.010	1.435
2044/45	2.725	65.410	4.274	89.736	1.549
2045/46	2.616	62.794	4.274	85.462	1.658
2046/47	2.512	60.282	4.274	81.188	1.762
2047/48	2.411	57.871	4.274	76.914	1.863
2048/49	2.315	55.556	4.274	72.640	1.959
2049/50	2.222	53.334	4.274	68.366	2.052
2050/51	2.133	51.201	4.274	64.092	2.141
2051/52	2.048	49.153	4.274	59.818	2.226
2052/53	1.966	47.187	4.274	55.544	2.308
2053/54	1.887	45.300	4.274	51.270	2.387
2054/55	1.812	43.488	4.274	46.996	2.462
2055/56	1.740	41.748	4.274	42.722	2.534
2056/57	1.670	40.078	4.274	38.448	2.604
2057/58	1.603	38.475	4.274	34.174	2.671
2058/59	1.539	36.936	4.274	29.900	2.735
2059/60	1.477	35.459	4.274	25.626	2.797
2060/61	1.418	34.041	4.274	21.352	2.856
2061/62	1.362	32.679	4.274	17.078	2.912
2062/63	1.307	31.372	4.274	12.804	2.967
2063/64	1.255	30.117	4.274	8.530	3.019
2064/65	1.205	28.912	4.274	4.256	3.069
2065/66	1.156	27.756	4.256	.000	3.100

Proposed Minimum revenue provision (MRP) policy statement

1. The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge, the minimum revenue provision (MRP), although it is allowed to undertake additional voluntary provision.
2. The Department of Communities and Local Government (CLG) have issued Regulations which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement, a change from the MRP statement approved by Full Council on 16th February 2016:
 - For capital expenditure incurred before 1 April 2008 - The MRP policy will be based on the pre 2007/08 borrowing at 2% of the balance at 31st March 2016 fixed at the same cash value so that the whole debt is repaid after 50 years.
 - From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) - The MRP policy will be the Asset life method – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction);

This option provides for a reduction in the borrowing need over approximately the asset's life.
3. There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made (although there are transitional arrangements in place).
4. Repayments included in annual PFI or finance leases are applied as MRP.
5. The Council participates in the Local Authority Mortgage Scheme (LAMS) using the cash backed option. The mortgage lenders require a five year cash advance from the local authority to match the five year life of the indemnity. The cash advance placed with the mortgage lender provides an integral part of the mortgage lending, and is treated as capital expenditure and a loan to a third party. The Capital Financing Requirement (CFR) will increase by the amount of the total indemnity. The cash advance is due to be returned in full at maturity, with interest paid annually. Once the cash advance matures and funds are returned to the local authority, the returned funds are classed as a capital receipt, and the CFR will reduce accordingly. As this is a temporary (five years) arrangement and the funds will be returned in full, there is no need to set aside prudent provision to repay the debt liability in the interim period, so there is no MRP application. The position is reviewed on an annual basis.

Policy for Flexible use of Capital Receipts

Purpose

1. This report reviews the statutory guidance on the flexible use of Capital Receipts and its application within this authority.

Background

2. Capital receipts can only be used for specific purposes and these are set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 made under Section 11 of the Local Government Act 2003. The main permitted purpose is to fund capital expenditure and the use of capital receipts to support revenue expenditure is not permitted by the regulations.
3. The Secretary of State is empowered to issue Directions allowing expenditure incurred by local authorities to be treated as capital expenditure. Where such a direction is made, the specified expenditure can then be funded from capital receipts under the Regulations.
4. The Secretary of State for Communities and Local Government has issued guidance in March 2016, giving local authorities greater freedoms with how capital receipts can be used to finance expenditure. This Direction allows for the following expenditure to be treated as capital,

“expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.”

5. In order to comply with this Direction, the Council must consider the Statutory Guidance issued by the Secretary of State. This Guidance requires authorities to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy with the initial strategy being effective from 1st April 2016 with future Strategies included within future Annual Budget documents.
6. There is no prescribed format for the Strategy, the underlying principle is to support local authorities to deliver more efficient and sustainable services by extending the use of capital receipts to support the revenue costs of reform projects
7. The Statutory Guidance for the Flexible Use of Capital Receipts Strategy states that the Strategy should include a list of each project which plans to make use of the capital receipts flexibility, together with the expected savings that the project will realise. The Strategy should also include the impact of this flexibility on the affordability of borrowing by including updated Prudential Indicators.

8. The Flexible Use of Capital Receipts Strategy is set out below

Flexible Use of Capital Receipts Strategy

9. Government has provided a definition of expenditure which qualifies to be funded from capital receipts. This is:

“Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility.”

10. The Council's intends to use the following use of capital receipts to fund the following transformation projects:

Project Description	2016/17 £m	2017/18 £m	2018/19 £m
Restructure costs as part of Business Change Programme	5.30	0	0
Total	5.30	0	0

11. The savings generated by these projects are set out in the table below.

Project Description	2016/17 £m	2017/18 £m	2018/19 £m
Business Change programme	2.16	5.07	5.07
Less: Financing	(0.01)	(0.25)	(0.25)
Total	2.15	4.82	4.82

12. Impact on Prudential Indicators

13. The guidance requires that the impact on the Council's Prudential Indicators should be considered when preparing a Flexible Use of Capital Receipts Strategy.

14. The indicators that will be impacted by this strategy are set out below;

- Estimates of Capital Expenditure Indicator increased by £5.3m
- Capital Financing Requirement increased by £5.3m as these capital receipts supported schemes within the existing programme that will now be financed by prudential borrowing.
- Financing costs as a percentage of net revenue stream (%), noting that the savings generated from these projects will meet the debt financing costs arising from the additional borrowing.

- Incremental Impact on Council Tax / Housing Rents of Capital Investment Decisions - Not relevant as savings will meet the debt financing costs

15. The Prudential Indicators show that this Strategy is affordable and will not impact on the Council's operational and authorised borrowing limits.