

Supplementary Papers for Overview and Scrutiny Board

Date: Monday, 29 January 2024 – 6.00pm



7. Budget 2024/25 and Medium Term Financial Plan

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To consider the proposed Council Budget for 2024/25 and the medium-term financial plan (documents to follow). The Council is required to set an annual balanced budget presenting how its financial resources, both income and expenditure, are to be allocated and utilised. Cabinet will consider this and make recommendation to Council at its meeting on 7 February.

The Board is asked to consider the proposals and make comments and/or recommendations to Cabinet as appropriate.

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Report subject	Budget 2024/25 and Medium-Term Financial Plan
Meeting date	7 February 2024
Status	Public Report
Executive summary	<p>To set out for Cabinet's consideration and recommendation to Council the proposed 2024/25 budget and council tax based on;</p> <ul style="list-style-type: none"> Increasing council tax by 2.99% in 2024/25 in line with the government's annual basic threshold. Collecting the full additional 2% Adult Social Care (ASC) precept in 2024/25. Implementation of the approved financial strategy. £41m of further savings, efficiencies, and additional income generation required to correct the structural £30m deficit inherited from 2023/24 and other pressures, to set a legally balanced budget, and provide the basis of a more financially sustainable council moving forward. <p>Recognise that the council is projecting to spend £29m more on Special Educational Needs and Disability services in 2024/25 than the funding specifically being made available by government. The consequential deficit this creates in the Dedicated Schools Grant (DSG) will mean the council is <u>technically</u> insolvent on 31 March 2024 (as the deficit on the DSG will be greater than the total reserves held by the council with a negative overall general fund position). Statutory guidance which means the deficit can be ignored by all councils until the 31 March 2026 provides interim protection for the Council.</p>
Recommendations	<p>It is RECOMMENDED that Cabinet recommends that Council:</p> <ul style="list-style-type: none"> a) Undertakes a recorded vote in relation to the following items as required by the Local Authorities (Standing Orders) (England) (Amendments) Regulations 2014. <ul style="list-style-type: none"> i) Agrees that a net budget of £356.9m, resulting in a total council tax requirement of £258.6m, is set for 2024/25 based on the draft local government financial settlement figures published by government in December 2023. ii) Agrees an increase in council tax of 2.99% for 2024/25 in respect of the basic annual threshold and the collection of the additional social care precept of 2%. iii) Confirms the key assumptions and provisions made in the budget as proposed and as set out in Appendix 3. iv) Agrees the allocations to service areas in the budget as set out in Appendix 5. v) Agrees the implementation of £41m of savings as set out in Appendix 5a.

	<p>vi) Approves the flexible use of capital receipts efficiency strategy as set out in Appendix 6.</p> <p>vii) Approves the asset management plan as set out in Appendix 8.</p> <p>viii) Agrees the treasury management strategy (TMS) and prudential indicators as set out in paragraphs 74 to 79 and Appendix 9.</p> <p>ix) Accepts and supports the formal advice of the chief finance officer on the robustness of the budget and the adequacy of the reserves as set out in paragraphs 95 to 101 and Appendix 10.</p> <p>b) Approves the implementation of a freeze on all non-essential expenditure from 1 April 2024 and until such time as the Corporate Management Board have provided Cabinet Members with assurance that all the £41m of 2024/25 budget savings have been delivered.</p> <p>c) Delegate to the Chief Executive, in consultation with the Director of Finance, Leader, and Portfolio Holder for Finance, the allocation of any additional resources that become available through the final 2024/25 local government finance settlement or any other means.</p> <p>d) Requests that the Corporate Director for Children's Services produces for the April Cabinet a detailed delivery plan to limit the high needs expenditure projections to those included within the DSG management plan presented to the Department for Education and Schools Forum in January 2024.</p> <p>e) Approves the chief officers' pay policy statement 2024/2025 for consideration and approval by the council in accordance with the provisions of the Localism Act 2011 as set out in paragraphs 103 to 105 and Appendix 12.</p> <p>f) Requests that the Director of Finance provides Council with a schedule setting out the rate of council tax for each category of dwelling further to councillors' consideration of the decision required in respect of (1) above and after taking account of the precepts to be levied by the local police and fire authorities, neighbourhood, town and parish councils, and chartered trustees once these have been determined prior to the Council meeting on the 20 February 2024.</p>
Reason for recommendations	The council is required to set an annual balanced budget presenting how its financial resources, both income and expenditure, are to be allocated and utilised.
Portfolio Holder(s):	Cllr. Mike Cox, Portfolio Holder for Finance
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Wards	Council-wide
Classification	For Recommendation

Overview of the proposed 2024/25 budget

1. It is important that the context to the development of this proposed, legally balanced, and sustainable budget for 2024/25 is fully appreciated. When BCP Council was created in April 2019 it had £85m in revenue reserves carried forward from the preceding councils, which are currently forecast to have been reduced to £41m on 31 March 2024 following previous budget decisions.
2. Significant savings have been achieved in the direct operating costs of the council, through efficiencies of scale generated by local government reorganisation (LGR) and through the transformation programme. To date, those efficiencies identified have reduced the annual run-rate cost of the council by approximately £82m and demonstrate the financial benefits of LGR. However, the increased costs of providing services caused by inflation, and hugely increasing demand for public services over recent years, have required further savings to be identified each year.
3. The 2023/24 approved budget was specifically based on traditional and conventional approaches to local government finance, which is a direct reference to the fact that it was not based on any innovative financial models that tested the boundaries of Treasury orthodoxy. This is in contrast to the 2022/23 budget which assumed the council would sell its beach huts to a wholly owned company, a proposal that led the Department for Levelling Up Housing and Communities (DLUHC) to change the FUCR rules which prevented the council using the capital receipt that would have been generated as it had intended.
4. Although the finally approved budget for 2023/24 was more conventional in its approach it included a considerable level of inherent risk. It was balanced based on the assumption of a £30m drawdown in reserves and the delivery of £34m in savings, efficiencies, and additional resources including £9m in respect of transformation which was un-itemised and was not supported by a specific, detailed delivery plan. The strategy was also based on having unearmarked reserves around the recommended minimum. In respect of the ongoing outlook a £44m funding gap for 2024/25 was identified if you set aside the previously assumed savings on the basis that they were either unidentified or had not been set out for public consideration. The assumption was also made;
 - a) that either government funding would be forthcoming to support the deficit on the Dedicated Schools Grant or the current statutory override would be continued which allows the deficit to be ignored
 - b) that the council would dispose of assets to the value of up to £43m to fund the Transformation Investment Programme across the 2-year period to 31 March 2025.
5. The approach being taken as part of the 2024/25 budget and medium-term financial plan is one focused on value for money, the council's financial health and ongoing sustainability, and one which continues the approach of adopting a traditional and conventional approach to local government finances. This budget therefore has had to recognise that the council was living beyond its means with a £30m annual structural deficit, it has had to identify additional resources to deliver any of the current year's £34m assumed savings that it cannot reasonably be assumed will be delivered moving forward, and it has had to recognise the acute pressures caused by previous years of austerity, recent high inflation and the exceptional demand pressures faced by all local authorities, and other public services, at this time.
6. An example of the cost pressures faced by the council is the additional cost of commissioned care. In Adult Social Care, alone, the council will need to set aside an extra £12.4m in 2024/25 to cover the implications of the recently announced 9.8% increase in the National Living Wage. This equates to the extra resources that could be generated by a 5.08% council tax increase when the maximum permitted increase is only 5%. This leaves no additional resources available for demand pressures in Children's, Adults or Homelessness services, the annual pay award across all services areas, or the impact of cost-of-living inflationary pressures on any of the other services provided by the council.
7. The financial challenges faced by the council are not dissimilar from those faced by numerous local authorities at this time, however, previous actions such as not increasing Council Tax in line with government expectations, or the significant drawdown of reserves has meant the

council does not possess the financial resilience it could have had. In proposing this budget, the key salient points include;

- a) In line with the government thresholds, to increase council tax by 2.99% for the basic element and 2% for the social care precept
- b) Provide £7.5m in extra resources to cover demand and inflationary pressures, including any pay changes, in the council's highest priority area, Children's Services
- c) Provide £15.2m in extra resources to cover demand and inflationary pressures, including any pay changes, to the most vulnerable members of our community via investment in Wellbeing Services be that adult social care or housing services
- d) Assumes the delivery of £52m in savings, efficiencies, and additional resources across the four years of the medium-term financial plan of which £18m have been categorised as relating to Transformation. Each saving is supported by a detailed delivery plan with some supported by the application of one-off resources to phase in their implementation.

Corporate Strategy

- 8. Considering the development of the 2024/25 budget for BCP Council will be within the context of the Council having been formed in 2019 as the most complex piece of Local Government Reorganisation in a generation. It will also be in the context of a unitary authority which is currently only in its fifth year of operation, with annual gross turnover of around £735m, and an annual net revenue budget which for 2023/24 was £309m. Consideration should also be given to the legacy impact on the organisation's financial and non-financial resources of the global Covid-19 public health emergency, the ongoing cost of living crisis, and a financial environment which saw the council enter the governments Exceptional Financial Support programme in 2022.
- 9. In setting the budget for 2024/25, it is also critical that consideration is given to the vision and ambitions of the council, ensuring that the organisation commits its limited resources in accordance with its stated priorities.
- 10. In support of this, a new BCP Corporate Strategy was developed following a change in administration after local elections in May 2023. This was adopted by the Council in January 2024. The new Corporate Strategy replaces the Big Plan and previous Corporate Strategy and provides a simplified strategic framework, establishing a single set of key priorities and ambitions for the Bournemouth, Christchurch, and Poole (BCP) area.
- 11. The Corporate Strategy creates a vital component for policy development, service planning and performance management, enhancing good governance and transparency in decision-making.
- 12. As set out in the Corporate Strategy, the new vision for the area is **"where people, nature, coast and towns come together in sustainable, safe and healthy communities"** with two key priorities and a set of ambitions for each:
 - a) Our People and Communities – everyone leads a fulfilled life, maximising opportunity for all.
 - b) Our Place and Environment – vibrant places where people and nature flourish, with a thriving economy in a healthy, natural environment.
- 13. These priorities are underpinned by our approach as a council, to be "an open, transparent and accountable council, putting our people at the heart of our services" with a set of guiding principles by which the council will work. This is shown in figure 1 below with an A4 version attached at Appendix 1a.

Figure 1: BCP Corporate Strategy



14. The Corporate Strategy will be supported by delivery plans which will set out high level actions and SMART objectives to work towards the ambitions. Key performance indicators, published in a Delivery Plan, will help the council to monitor progress and identify trends.
15. Over the current financial year, despite a continuing challenging financial environment, the council has made an impact on residents and businesses in pursuit of key priorities. For example:
 - 99.8% of all children in care have an identified plan for permanence by their 2nd review.
 - Additional funding has been secured for the Holiday Activities and Food Fund, enabling families to provide hot meals for their children when schools are closed.
 - 272 businesses have registered for the council's UK Shared Prosperity Fund business support scheme, and 81 grants have been issued totalling £239,605 which has been matched by private sector funding of £442,347. This is expected to deliver and safeguard 331 jobs.
 - Since the launch of the Community Engagement and Consultation Strategy, the council has taken part in over 32 initiatives and projects with external partners. This has included providing advice and guidance, training, delivering events and activities, building relationships with community representatives and groups, identifying new partnerships and communities to work with.
 - Funding from the Big Lottery has been secured for the next 5 years for a cross-sector partnership project to support ethnically diverse community groups and representatives to develop and become more sustainable.
 - The Partnership Co-ordination Group continues to monitor anti-social behaviour hotspot areas and focus interventions with partners accordingly. There has been a 17.1% reduction in the number of anti-social behaviour reports to the police.

Financial Strategy

16. A financial strategy designed to support the setting of a legal and robust budget for 2024/25 focused on conventional local government financial management processes and revenue sources was approved by Cabinet in July 2023. Developed by Cabinet working with Senior Officers, the strategy was focused on the following summarised workstreams
- a) Review of inherited Medium Term Financial Plan
Test and challenge the inherited position to verify robustness of cost pressures and only include identified savings supported by a delivery plan.
 - b) Capital receipts from asset disposals
Develop the ongoing programme of asset Identification that can be sold to generate capital receipts which can then be used to fund the transformation investment programme.
 - c) Accommodation strategy
Further consolidation of staff in the Bournemouth Civic Centre to allow for disposal or alternative use of assets.
 - d) Review of the collection funds
Fundamental review of collection rates as the position starts to stabilise in a post pandemic environment.
 - e) Review of the balance sheet
Fundamental review of all balance sheet items including reserves and provisions.
 - f) Harmonisation of services
Eliminate areas of difference in service standards across the conurbation following the 2019 Local Government Reorganisation.
 - g) Enabling council
Consider the extent to which the community would be better placed to manage council assets and current, non-statutory services through volunteers and other sources of funding
 - h) Explore alternative structures for the delivery of services
Extent to which assets and services can be transferred to town or parish councils. Potentially linked to a community governance review.
 - i) Full cost recovery
Fees and charges set at a level to guarantee that all costs, both revenue and capital, direct and indirect, are fully recovered wherever possible and to push for increased fees where external limits prevent this.
 - j) Transformation
Test the evidence base to support the deliverability of any assumed transformation savings as well as the recharge of base revenue budget staff costs into the programme.
 - k) Invest to save
Consider robust self-financing business cases that use the council's ability to borrow to invest in capital infrastructure which in turn drive down operational costs or avoid demand.
 - l) Integrated Care System
Determine how the council and the National Health Service partners can more effectively work together with a view to driving down the overall cost of services.
 - m) Service Rationalisation
Consideration of services that the local authority is not required to provide and any expenditure on services that it currently provides above the statutory minimum.
 - n) Housing Revenue Account (HRA)

Fundamental review of all recharges between the HRA and General Fund to ensure in line with latest good practice.

o) Debt Threshold (Capital Financing Requirement)

To avoid the risks associated with high levels of debt, and enhance governance were the council wishes to take on debt, to reduce the council's debt threshold from £1.334bn to £755m. In addition, a review of the legislative requirements was undertaken in respect of the amount the council is required to set aside annually for the repayment of debt.

p) BCP FuturePlaces Ltd

In the first instance, via July Cabinet, this involved reducing the working capital loan facility from £8m to £6m. This was later extended via Cabinet in September to the orderly closure of BCP FuturePlaces Ltd which has now been almost completed, with a refocus on key projects being managed in-house.

q) Dedicated Schools Grant (DSG)

Explore with the Department for Education (DfE) a solution to the significant accumulating deficit on the Dedicated Schools Grant. Subsequently the council was invited to have a conversation with DfE around the potential for Safety Valve agreement, having participated in the Delivering Better Value programme, although no conclusion has yet been reached.

r) Participatory Budgets

Consideration of the ability to establish small scale community grant allocations where the community decides how the money is spent and is involved in the scrutiny and monitoring following the original allocation.

s) Government Reforms

Continue to monitor various government proposals which will have a direct impact on either the cost base or income sources available to the council.

17. In addition, and in support of the financial strategy, Cabinet agreed to an in-year expenditure freeze and vacancy management process for the remainder of 2023/24 (September) and the implementation of a voluntary redundancy process (November).
18. In essence, the financial strategy has been designed to improve the overall financial resilience of the council, to provide more overall financial stability, and to ensure that the Council can set a balanced budget and manage a balanced medium term financial strategy, and to avoid what is referred to as a s114 report being issued. A brief explanation of a s114 report is provided in Appendix 1b.

CIPFA Financial Resilience Review

19. On 3 August 2023 the council was issued with a non-statutory Best Value Notice from DLUHC in response to concerns highlighted in an external assurance review it had commissioned. This external assurance review, which is an independent review into the council's governance arrangements, was undertaken by Leslie Seary the former Chief Executive of the London Borough of Islington and built on an Assurance Review carried out by the Council's Chief Executive.
20. A Best Value Notice is issued to "facilitate engagement with that authority and to obtain assurance of the steps it is taking to secure compliance with the Best Value Duty, as required by the Local Government Act 1999".
21. As an exercise in continuous improvement, the council welcomed both the external assurance review and Best Value Notice. In response, an action plan was developed and is regularly being reviewed by DLUHC and Cabinet. This monitoring report also picks up on the actions of the council's Chief Executive's internal assurance review carried out over a similar timescale.
22. One of the actions was for the council to commission a CIPFA financial resilience review. Such reviews can be requested in tandem to the one for external assurance of governance however, due to the assessment of our issues being particularly governance-related, the CIPFA review was only requested following the outcome of the governance review.

23. Since September 2023 CIPFA have been undertaking the necessary detailed work. Their final report has been significantly delayed due to their resource constraints and other priorities taking precedence and is now due in late January / early February 2024. A separate action plan will be constructed to ensure the implementation of any agreed recommendations once the report is received.

Public Consultation

24. In support of the process for setting a budget for 2024/25, and as part of its commitment to being open and transparent, the council undertook a consultation asking residents and stakeholders for their views on the importance of council services, our financial strategy, lobbying government, and level of council tax increase. We also asked if respondents wanted to comment on some of our specific proposals to address the budget gap for 2024/25. A questionnaire and consultation document were produced and available online and in paper format. Respondents could also choose to send an email expressing their views. The consultation was widely promoted through a press release and social media channels including Facebook, X (formerly Twitter), Instagram, LinkedIn and Nextdoor. The consultation was sent to residents and stakeholders signed up to the council's consultation register. The consultation closed on Wednesday 20 December 2023.
25. In total we received 2,445 responses to the consultation questionnaire (224 paper copies and 2,221 online) and 14 emails. A summary of the consultation findings and the full analysis report can be found in Appendix 1c.

Provisional Local Government Finance Settlement for 2024/25

26. On 18 December 2023, the Secretary of State for DLUHC, Rt. Hon. Michael Gove MP, announced the 2024/25 provisional local government (LG) finance settlement. This was preceded on the 5 December 2023 by a local government finance policy statement which set out some detailed assumptions in advance of the settlement.
27. Figure 2 below sets out the impact of the provisional 2024/25 local government finance settlement on the unringfenced grant allocations as it pertains to BCP Council.

Figure 2: Provisional LG 2024/25 Finance Settlement - Unringfenced grants

	2023/24 £m	2024/25 £m	Change £m
Unringfenced Grants			
Revenue Support Grant	3.9	4.2	+0.3
Service Grant	2.1	0.3	-1.8
New Homes Bonus	0.3	0.1	-0.2
	6.3	4.6	-1.7

28. Once again the announcement was later than expected; it was issued hard up against the Parliamentary Christmas recess, and it was also the 6th consecutive one-year settlement. These issues combine to create difficulties for all local authorities by shortening the time available to react and undermining their ability to undertake accurate long-term financial planning.
29. In summary, the provisional LG 2024/25 finance settlement made no new resource announcements to support authorities in addressing the substantial financial challenges that the sector is facing at this moment in time. This includes no new resources to manage the 9.8% National Living Wage increase announcement by the government in the Autumn Statement. The government also announced a £1.8m cut to the Services Grant for this Council.
30. The Service Grant was introduced in 2022/23 when government provided £822m nationally to help vital service delivery at all levels of government. It was then reduced to £483m nationally in 2023/24. The expectation had been that it would reduce by £80m as part of the money moved to support specific social care grants but an overall reduction to just £77m nationally was unexpected.
31. When reflecting on the settlement government will refer to the fact that it has made provision for local government National Core Spending Power to increase by 6.5% for 2024/25. In considering this statement it is important to understand that it assumes that every local authority

will increase council tax by the maximum permissible (5% for Unitary Councils) and that every local authority will see the element of Business Rates that they are allowed to retain increase by September's CPI uplift on the business rates multiplier (6.7%).

32. One announcement included in the settlement for which the council is currently applying, and which will provide future options, was the extension by five years to 31 March 2030, of the Flexible Use of Capital Receipts (FUCR) regulations.
33. Both before and after the provisional LG Finance Settlement, the Local Government Association (LGA) have been lobbying to highlight the financial pressures facing councils as it is clear that half of council leaders and chief executives are not confident that they will have enough funding to fulfil their legal duties in 2024/25. In addition, commentators were clear that, with no additional funding announced, councils will have no choice but to implement more severe reductions to services and to levy higher council tax rises.

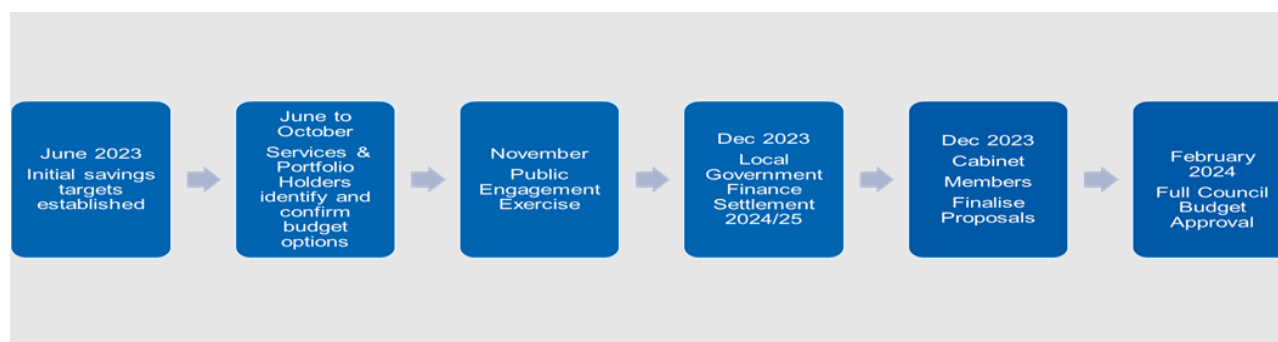
Quarter 3 Budget Monitoring Report – 2023/24

34. The December projection for the current 2023/24 financial year is that the council will be required to drawdown £27.2m from reserves to balance the 2023/24 budget. This is £2.8m less than was assumed within the February 2023 approved budget for 2023/24.
35. The improvement from the Quarter Two position demonstrates;
 - a) the positive impact of the expenditure freeze and vacancy management process approved by Cabinet in September 2023
 - b) The unanimous recommendation from 11 January 2024 Audit & Governance Committee to Council to adopt a revised debt repayment approach as recommended by the council's external Treasury Management advisers.
36. It is possible that this outturn position will continue to improve as these expenditure controls continue to bear down on service expenditure and as officers continue to reduce costs. Full details of the Quarter 3 Budget Monitoring report and latest forecast for 2023/24 are presented as a separate report on this Cabinet agenda.
37. It should be emphasised that failure to deliver any of the £34m of savings assumed and underpinning the 2023/24 budget will not just impact on the current year but will also potentially impact on the base budget for 2024/25 if deemed ongoing. This is definitely the case for the unidentified transformation savings which, after specific mitigations, will require the revenue budget for 2024/25 to be rebased by £6.7m.

2024/25 Proposed Budget

38. Council has a legal responsibility to set an annual balanced budget (Local Government Finance Act 1992) presenting the plan for how its financial resources are to be allocated and utilised. In that context the budget for 2024/25, and the MTFP, should be seen in the context of a rolling, evolving process structured to enable the ongoing proactive management and prioritisation of the council's resources. It is therefore an evolving document which will be constantly changing, and which will require constant monitoring with actions taken to mitigate variations as they occur. As such Cabinet have been clear that work will remain ongoing in relation to efforts to materially improve the council's financial sustainability and resilience.
39. As a relatively new council, setting the budgets in the first five years has been a challenge due to the lack of historic data and trend information for the council as a single entity. Stability around this position has been and will continue to be impacted by the ongoing uncertainty around the impact and long-term consequences of Covid-19 alongside that caused by the cost-of-living crisis.
40. The budget planning process and timetable in support of the 2024/25 budget were approved by Cabinet in July. A high-level summary can be shown as follows.

Figure 3: High level summary of the budget planning process



41. The key dates in the 2023/24 budget setting process can be set out as follows.

July 2023	Cabinet – Quarter 4 - Financial Outturn 2022/23
July 2023	Cabinet - MTFP update report (including financial strategy)
September 2023	Cabinet - Quarter 1 - 23/24 budget monitoring.
November 2023	Cabinet - MTFP update report.
November 2023	Cabinet – Quarter 2 – 23/24 budget monitoring
November 2023	Budget Workshop 1 (all councillor presentations)
November 2023	Budget Engagement Exercise opens.
December 2023	Cabinet – MTFP update report.
December 2023	Budget Engagement Exercise closes.
January 2024	Cabinet - Council Tax – 2024/25 tax-base report.
January 2024	Audit & Governance (Treasury Management Strategy)
January 2024	Budget Workshop 2 (all councillor presentation)
February 2024	Presentation to representatives from Commerce & Industry
February 2024	Cabinet - Quarter 3 - 23/24 budget monitoring.
February 2024	Cabinet – 2024/25 proposed budget & MTFP update.
February 2024	Councill – 2024/25 proposed budget and council tax setting.
42. Figure 3 below sets out the current Medium-Term Financial Plan (MTFP) to 2028. As a reminder to Cabinet, the table sets out changes in the revenue budgets on an annual basis, either positive numbers which represent additional costs to be met, or negative numbers which represent forecast cost reductions or additional income. The variances are shown in the year in which they are expected to be first seen and are then assumed to recur on an ongoing basis in each of the following years. One-off changes will be seen as an entry in one year and will then be reversed out in a following year. A more detailed summary statement is presented as Appendix 4 and 5.
43. Key features of the 2024/25 proposed budget as presented include;
 - £15.2m to cover demand and inflationary cost pressures in wellbeing services including adult social care and homelessness services (including pay, pensions, and national insurance uplifts)
 - £7.5m to cover demand and inflationary cost pressures in children’s services (including pay, pensions, and national insurance uplifts)
 - Elimination of the £30m structural deficit/funding gap created by using £30m of reserves to balance the 2023/24 budget
 - £41m of savings, efficiencies, service reductions, and additional fees and charges across services including £14m which has been established as transformation related all of which is supported with a detailed delivery plan
 - Application of one-off resources from the fundamental review of the business rates collection fund to improve the council’s financial health, sustainability and resilience and cover one-off or time-limited issues such as the phasing in of certain saving proposals over a period of more than one-year

- Revisions to the councils Treasury Management Strategy, including the amount provided annually for the repayment of debt, in line with the advice of the council's Treasury advisors LINK group and the recommendation of the 11 January 2024 Audit & Governance Committee
- 4.5% assumed pay award for 2024/25.
- 4.99% increase in council tax for 2024/25 made up off 2.99% for the basic amount and 2% for the social care precept. The financial planning assumption for future years is also 4.99% in line with the OBR forecasts
- Utilisation of the one-off business rates collection fund surplus to facilitate the delivery of the council regeneration and climate change ambitions, as well as assisting steps to improve the robustness of the budget proposals, reserves, and contingencies.

Figure 4: Medium Term Financial Plan to 31 March 2028

Service Pressures (net of any specific grant changes)	Budget 2023/24 £m	Incremental Year on Year Changes				
		24/25 £m	25/26 £m	26/27 £m	27/28 £m	Total £m
Wellbeing Directorate	131.7	15.2	5.5	5.5	5.8	32.0
Children's Directorate	87.3	7.5	5.0	5.3	5.3	23.1
Operations Directorate	65.4	8.5	2.8	1.7	1.5	14.5
Resources Directorate	39.1	3.1	0.6	0.7	0.4	4.8
	323.6	34.3	14.0	13.2	12.9	74.4
Savings, Efficiencies, Fees & Charges						
Wellbeing Directorate		(10.8)	0.0	(0.9)	(0.8)	(12.5)
Children's Directorate		(3.9)	0.5	0.0	0.0	(3.4)
Operations Directorate		(11.4)	(0.7)	(2.2)	(2.0)	(16.3)
Resources Directorate		(1.3)	(0.3)	(0.2)	(0.1)	(1.9)
Transformation		(13.8)	(3.1)	(0.7)	(0.1)	(17.6)
		(41.2)	(3.6)	(4.0)	(3.0)	(51.8)
Corporate Items - Cost Pressures						
	(14.7)	2.6	8.8	2.2	6.5	20.2
Funding - Changes						
	(308.9)	7.7	(17.6)	(16.5)	(16.7)	(43.1)
Annual – Net Funding Gap						
	(0.0)	3.4	1.6	(5.1)	(0.2)	(0.4)
Application of one-off business rates resources to MTFP						
	0.0	(3.4)	(1.6)	5.1	0.2	0.4
Annual – Net Funding Gap						
	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Cumulative MTFP – Net Funding Gap						
		(0.0)	0.0	0.0	0.0	

44. Full details of the service pressures, corporate costs pressures and funding changes, where not referenced elsewhere in this report, are as set out in Appendix 3. A summary of the key assumptions can be set out as follows.

Figure 5: Key Budget & MTFP Assumptions

	2024/25	2025/26	2026/27	2027/28
Council Tax: Core	2.99%	2.99%	2.99%	2.99%
Council Tax: Social Care Precept	2.00%	2.00%	2.00%	2.00%
Pay Award	5%	2%	2%	2%
Increase in Fees and Charges	5%	2%	2%	2%
National Living Wage (NLW) <i>% Increase in the National Living Wage</i>	9.8%	2%	2%	2%
	Dec-23	Dec-24	Dec-25	Dec-26
Bank of England - Base Rate	5.25%	4.25%	3.00%	3.00%

Please note:
The increase in fees and charges should be regarded as a minimum increase to those not set by statute. The principle of full cost recovery may mean increases above these levels for example where costs are likely to rise by the National Minimum Wage which has been confirmed at £11.44 per hour in 2024/25 which is an increase of 9.8%.

Savings and Efficiencies

45. Across the first six years of BCP Council the savings have flowed from reduced staffing, lower operational costs, from creating common and consistent charging policies or from reduced service levels. A detailed schedule of all the assumed savings supporting the proposed budget for 2024/25 is presented as appendix 5a, which includes those savings attributed to the council's transformation investment programme. Each of these savings is underpinned by a detailed plan for delivery. To support the understanding of the savings in the Operations Directorate area of activity Appendix 5b presents the service standards for 2024/25.
46. In respect of the Transformation Programme, managers have worked closely with heads of service and directors and given the priority of setting a balanced budget focus of attention was on the identification of savings. Care has been taken to ensure the correct categorisation of savings and to avoid duplication or double counting. Work at this point, having not yet completed all the system and process changes has not identified any further savings over and above everything already set out in the MTFP, indeed the transformation work already done to date helps to make those savings easier to achieve. Further savings from the Voluntary Redundancy scheme should be easier to implement by making the most of the new systems for financial management, customer relationship management, data analysis and artificial intelligence.
47. The scale of the challenge means that difficult choices concerning service changes must be made by the Council to ensure a legally balanced budget for 2024/25 can be set. Although focused primarily on discretionary services, consideration has also been given to statutory services and reducing service levels towards the statutory minimum.
48. It should also be highlighted that from 1 April 2024 onwards the MTFP assumes, as a matter of policy, that all locally set fees and charges will increase at least in line with inflation and/or be adjusted to ensure they are set at a level which guarantees full cost recovery.
49. In recognition of the high value of savings proposals, the degree of uncertainty attached to some of them, and the likelihood of optimism bias associated with several of the proposals, the budget proposes to set aside £5.6m as an additional one-off contingency funded specifically from the one-off business rates collection fund surplus created following its fundamental review.
50. In addition, this report recommends that a freeze on non-essential expenditure is implemented from 1 April 2024 and continued until such time as the delivery of the £41m of 2024/25 budget savings has been assured. This assurance will be the objective of a regular and specific meeting

of the officer Corporate Management Board to monitor progress with each individual saving proposal.

51. The table below sets out the level of savings which have been put forward since 2019 as part of the process of balancing the annual budgets. This demonstrates that the savings have been particularly loaded towards the last two financial years.

Figure 6: Service based savings since 2019 (shown on an incremental basis)

	Budgeted 2019/20 £m	Budgeted 2020/21 £m	Budgeted 2021/22 £m	Budgeted 2022/23 £m	Budgeted 2023/24 £m	Estimate 2024/25 £m	Total £m
Total	(11.2)	(9.4)	(20.7)	(6.6)	(34.0)	(41.2)	(123.1)

Council Tax

52. In proposing a Council Tax for 2024/25 the Cabinet has reflected on the fact that it is government policy to fund cost pressures in local government principally through the ability to raise council tax, including the social care precept. Recognition has also been made of the need to ensure that every step is being taken to align the council's expenditure with the resources at its disposal.
53. The proposal is to increase council tax by 4.99% in 2024/25. This increase can be broken down into a 2.99% increase in relation to general inflationary pressures and an additional 2% relating to the social care precept.
54. The financial planning assumption for future years continues to be that council tax will be increased by 4.99% per annum in line with the Office for Budget Responsibility (OBR) economic and fiscal outlook forecasts which accompanied the 2023 Autumn Statement.
55. The strategic approach taken by government since its 2015 spending review is that local councils can increase council tax as a mechanism for funding cost and demand pressures in local services. For the last 8 years in a row (since 2016/17), this has included the use of the Adult Social Care council tax precept as a means of asserting national direction on how such resources should be applied.
56. As a reminder the table below sets out the levels that government legislated for BCP Council to increase its council tax by in comparison to the actual levels of council tax set over the last 4-year period. Note – the 2021/22 Social Care precept was identified as being available to be taken in either 2021/22 or 2022/23. BCP Council chose to defer the full increase to 2022/23.

Figure 7: BCP Actual Council Tax Increases compared to Government Thresholds

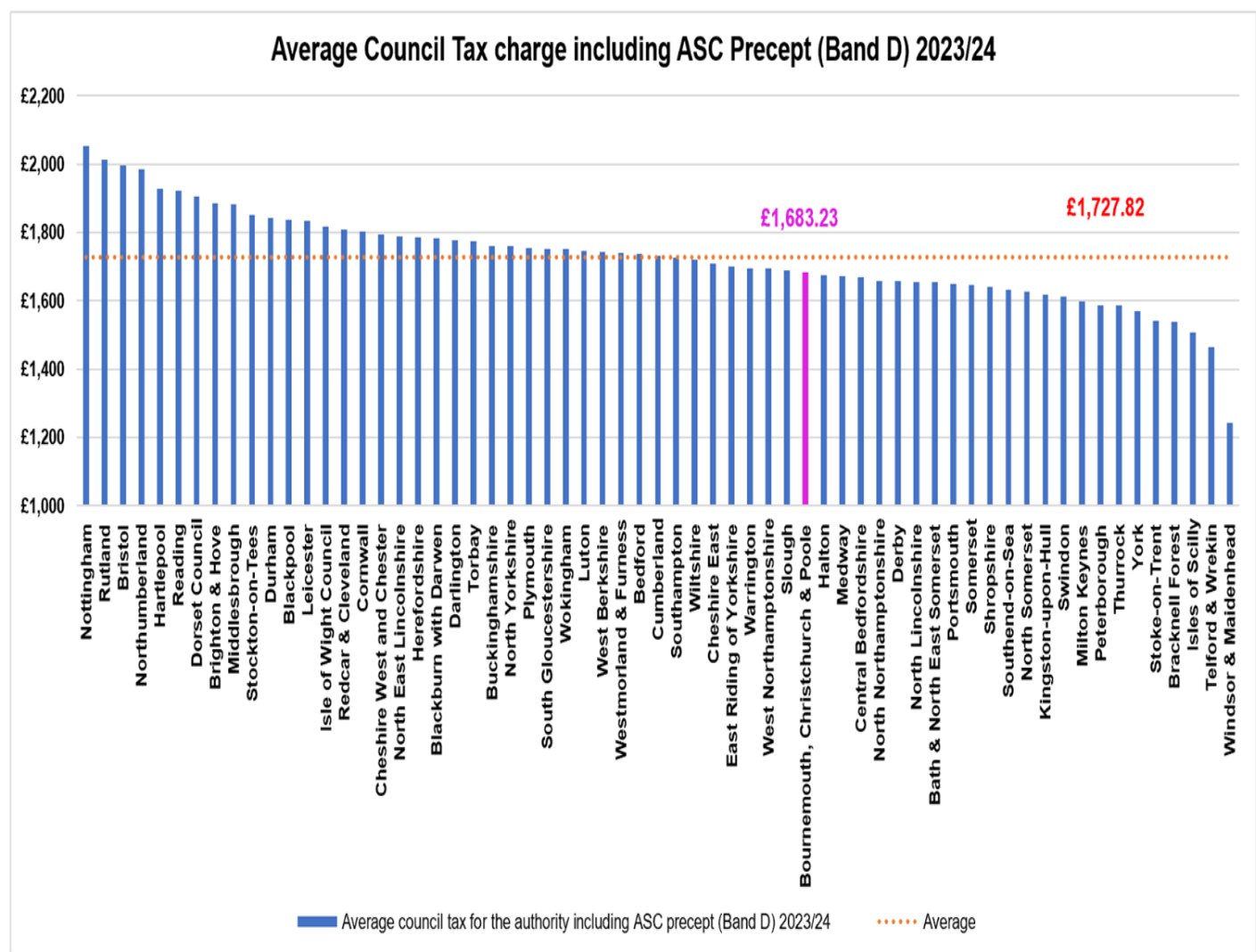
	Government Assumed Increases (thresholds)			BCP Council Actual Increases		
	Basic %	Social Care	Total	Basic %	Social Care	Total
2021/22 Financial Year	1.99%	3.00%	4.99%	1.55%	0.00%	1.55%
2022/23 Financial Year	1.99%	1.00%	2.99%	0.00%	4.00%	4.00%
2023/24 Financial Year	2.99%	2.00%	4.99%	2.99%	2.00%	4.99%
2024/25 Financial Year	2.99%	2.00%	4.99%	2.99%	2.00%	4.99%

- Please note social care precept for 2021/22 could be carried forward into 2022/23

57. In reflection of the decision to use approximately £30m of one-off resources to balance the 2021/22 and 2022/23 budgets rather than the more financially sustainable option of increasing council tax in line with the government's assumptions, the Leader of the Council wrote to the DLUHC Secretary of State on 20 December 2023. In her letter the Leader requested the flexibility to increase council tax by an additional 2.43% in 2024/25 which is the additional increase that could have been implemented across that 2-year time frame. If this request was sanctioned it would have meant the council would have been able to avoid approximately £6m of the service reductions that it has otherwise had to put forward. No response has been received at the time of writing this report.

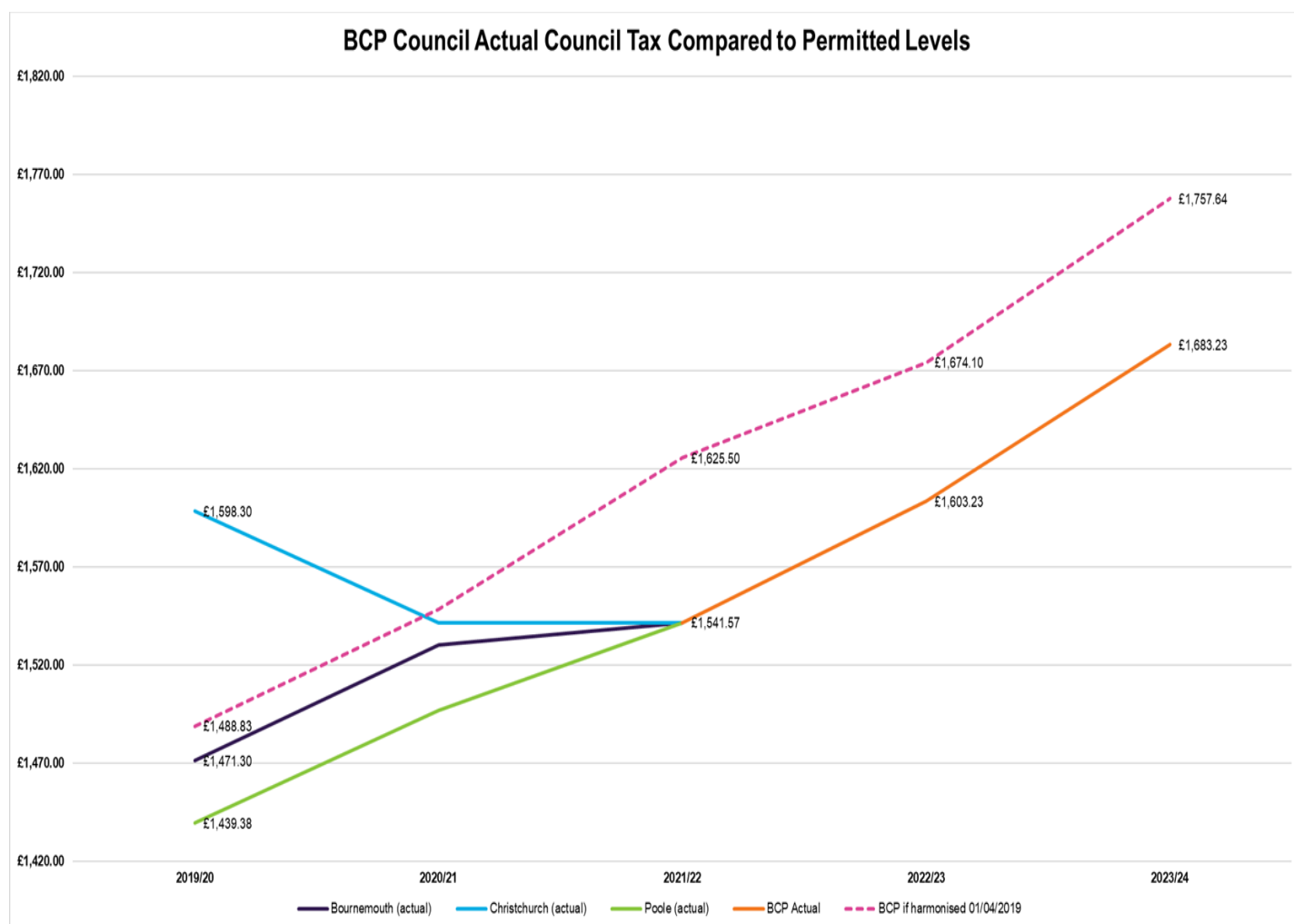
58. The BCP Band D council tax for 2023/24 is £1,683.23. The equivalent council tax for our nearest neighbour Dorset Council was over 13% higher at £1,905.93. This equates to approximately £32m per annum in additional resources BCP Council could be generating based on the BCP 2023/24 tax base if it had Dorset Council's level of Council Tax. It should be recognised that in comparison to other unitary councils BCP Council has a council tax level which is below the average and would have still been below the average if it had increased its Council Tax by the 2.43%.

Figure 8: Unitary Authorities 2023/24 Average Council Tax Levels



59. Figure 9 below demonstrates that if the council tax had been harmonised in April 2019, as the new Dorset Council did, and followed government guidelines and applied the maximum increases since then, then cumulatively our council tax would have been £1,757.64 in 2023/24 which is 4.4% higher than the cumulative £1,683.23 actual rate set. We are therefore clear that this council has locally decided not to generate and therefore forfeit the £10.8m per annum extra revenue that we could have been generating. While this is an annual benefit to our local council taxpayers it has come at some cost to those that receive Council services.

Figure 9: BCP actual council tax levels compared to permitted levels.



Dedicated Schools Grant

60. The most significant risk to the council's financial sustainability continues to be the current and growing deficit on the Dedicated Schools Grant (DSG) specifically regarding the annual expenditure on the high needs block being more than the annual government grant. As previously indicated the deficit on the DSG was £35.8m as at the 31 March 2023 and this is currently estimated to grow to £63m on the 31 March 2024. This is not a sustainable position.
61. By the end of March 2024, the deficit will be greater than the council's total general fund reserves and ordinarily the council would be required to issue what is referred to as a s114 report which would put the council into effective administration and in turn lead to further government intervention. This action is currently not necessary as the government have put in place to 31 March 2026 a statutory override which enables the council to ignore the DSG deficit for the purposes of the s114 assessment.
62. In considering the proposed budget it should be emphasised that the council is responsible for making the cash payments as part of the High Needs Budget arrangements. Therefore, it must ultimately borrow more money than it otherwise would need to ensure it has enough cash available to make the actual high needs budget payments. An average deficit of £77m in 2024/25 at an average interest rate of 5% means it will be costing the council up to £3.9m to finance the accumulating DSG deficit in 2024/25.
63. In response to the overall DSG deficit issue, and to mitigate the risk, the council has been invited to be part of the Department for Education's Safety Valve programme and has been engaged in a conversation to determine if agreement can be reached on a way forward. These conversations are complex and demand that the Council put forward illustrations which are both

unpalatable, divisive and unacceptable. No decisions will be made without full consultation of all those affected.

Capital Investment Programme (CIP) - Overview

64. The capital strategy is based on the following core principles:

- Capital projects are supported by appropriate business cases, that clearly identify funding sources, and are approved in accordance with the council's financial regulations. No project that relies on government grant, external funding (including third party contributions) or capital receipts can commence until the council has complete assurance the funding will be / has been received or has otherwise explicitly agreed to accept the risk.
- The use of prudential borrowing for capital projects where no alternative source of funding is identified must comply with published HM Treasury PWLB borrowing restrictions. Business cases must demonstrate the debt is affordable, prudent, and sustainable and that the council is able to meet annual borrowing repayments. The council's overall borrowing capacity is set out in its treasury management strategy.
- Interest rates from the council's invest-to-save framework (which provides a framework through which to recognise an appropriate level of risk for each project) are applied to all business cases that rely on future income streams from which to meet annual borrowing repayment costs. Such business cases are required to show the impact on affordability by reference to the current prevailing and the invest to save interest rates.
- BCP Council's capital resources (community infrastructure levy (CIL), developer s106 contributions, capital reserves, capital receipts) are prioritised towards:
 - commitments under the council's flexible use of capital receipts strategy (FUCR)
 - schemes which require a local contribution to leverage in capital grants or external capital contributions
 - schemes which enable delivery of the savings assumed within the MTFP
 - schemes which enable the council to exploit its assets
 - schemes which protect key infrastructure
 - schemes considered a corporate priority.
- No resources are earmarked within the capital strategy for the consequential impacts of capital investment on the council's revenue budget (for example programme maintenance). These must be identified and managed within revenue budgets set as part of the MTFP.
- Funding earmarked for delivery of the capital strategy (including external government grant and new borrowing facilities) is only recognised within the capital programme as these funds are used / allocated to approved capital projects.
- Capital receipts, besides the funding of the transformation investment programme via the FUCR strategy will also be considered for application as part of the Treasury Management Strategy towards the voluntary repayment of debt.

65. Figure 10 below presents a high-level summary of planned capital spend over the next five years. It is forecast that £148.2m will be spent in 2024/25 and a further £136.7m in the following four years creating a total 5-year programme of £284.9m spend on assets and infrastructure across the conurbation. Around 32% of planned 2024/25 spend is on investment in highways and coastal protection across the conurbation (including the Transforming Cities Fund (TCF) Programme). Significant investment (34% of 2024/25 spend) is also planned on housing and regeneration. This includes the Council Housing Newbuild & Acquisition Strategy (CHNAS) and major place shaping developments. Ongoing investment in estates, environment, seafront development, and organisational design is also planned for 2024/25 (around 33% of planned expenditure).

Figure 10: Capital Investment Programme Expenditure profile to 31 March 2029

General Fund	Planned Programme 2024/25 £'000	Planned Programme 2025/26 £'000	Planned Programme 2026/27 £'000	Planned Programme 2027/28 £'000	Planned Programme 2028/29 £'000	Total 2024 to 2029 £'000
Adult Social Care	2,172	2,180	2,176	2,095	2,095	10,716
Children's Services	800	400	350	33	0	1,581
Transport & Engineering - Highways (inc indicative Pothole Grant and Local Transport Plan Grant)	17,760	8,788	8,788	8,788	8,788	52,912
Transport & Engineering - Transforming Cities Fund	14,601	11,000	0	0	0	25,601
Transport & Engineering - Flood and Coastal Erosion Risk Management (FCERM)	15,184	13,643	790	0	0	29,616
Regeneration (inc Investment and Development)	19,934	26,801	9,177	0	0	55,913
Destination & Culture (inc seafront development)	35,520	0	0	0	0	35,520
Housing & Communities (inc major housing development)	31,189	13,706	10,511	1,424	1,424	58,254
Estates	518	518	518	518	518	2,590
Environment (waste, fleet, parks & open spaces)	8,073	410	410	410	410	9,713
Resources (ICT investment including Organisational Design)	2,497	0	0	0	0	2,497
Capital Investment Planned	148,247	77,445	32,719	13,267	13,235	284,913

66. The CIP consists of capital schemes that have either already been approved or that seek approval in accordance with the council's financial regulations and governance framework. It excludes potential new projects that have not yet progressed to a stage where they have been fully costed. Full details of the Capital Investment Programme are presented in Appendix 7a.
67. The CIP continues to be funded from a combination of government grant and other external funding sources (s106 contributions, CIL, and third-party contributions) and prudential borrowing. As a result of extensive capital programme refinancing over the last few years, the use of capital reserves and capital receipts to fund capital spend is now comparatively small and is restricted to legacy authority allocations of ringfenced reserves and receipts.

Figure 11: Capital Investment Programme Funding profile to 31 March 2029

General Fund	Planned Programme 2024/25 £'000	Planned Programme 2025/26 £'000	Planned Programme 2026/27 £'000	Planned Programme 2027/28 £'000	Planned Programme 2028/29 £'000	Total 2024 to 2029 £'000
Government Grant	77,143	48,300	11,806	11,439	11,407	160,095
Third Party Receipts	2,733	0	0	0	0	2,733
CIL	1,558	0	0	0	0	1,558
External Funding Contributions	81,434	48,300	11,806	11,439	11,407	164,386
Corporate Revenue Funding for Capital (in year)	25	0	0	0	0	25
Capital Receipts	667	0	0	0	0	667
Capital - Earmarked Reserves	618	0	0	0	0	618
Revenue - Earmarked Reserves	518	518	518	518	518	2,590
PRU Borrowing - funded from Futures Fund	5,883	950	0	0	0	6,833
PRU Borrowing - funded from MTFP revenue budget	59,102	27,677	20,395	1,310	1,310	109,795
BCP Funding Requirement	66,813	29,145	20,913	1,828	1,828	120,528
Capital Investment Funding	148,247	77,445	32,719	13,267	13,235	284,913

68. The main financial risks associated with the CIP are associated with inflation driven by the post pandemic economic environment, the war in Ukraine, events in the Middle East, and government fiscal policies. Senior Responsible Officers (SROs) for all projects have been

required to review their projects and assess their viability considering the current cost of material and labour and to allow appropriate contingencies for uncertainty moving forward. SROs for those projects funded by borrowing have been required to consider the surety of any income streams or savings.

Carters Quay Development

69. The Carters Quay Housing and Regeneration Scheme is a Build to Rent Scheme designed to provide 161 new homes with an ancillary ground floor amenity and commercial space. Council in late 2021 agreed to purchase the completed scheme from Inland Partnership Limited for £44.3m.
70. Global macroeconomics including an increase in interest rates and the costs of material and labour had a direct impact on the scheme. The council mitigated itself against an element of these risks by prudently entering a fixed price contract and obtaining a legal mortgage over the property. Nevertheless, Inland Homes have entered administration with the council having made £15.3m in payments as part of the contract arrangements for work completed to date.
71. The latest position on this project was subjected to a review by the Overview and Scrutiny Board at its meeting on 9 October 2023. Officers continue to work with the Administrator on the way forward and to ensure the council's investment in the scheme is protected.

Asset Management Plan (AMP)

72. An asset management plan (AMP) is the foundation to ensuring the council's portfolio of assets is being managed in the most efficient and cost-effective way. It is a time-bound commitment to action that ensures that the council's property assets are proactively managed to fully meet both its current and future requirements, with an increasing focus on long term financial and climate sustainability.
73. Attached as Appendix 8 is an update on the initial AMP for the council produced as part of the 2023/24 budget report. It is recognised that this document will evolve into a more comprehensive and traditional full plan, as advocated by best practice, as part of the 2025/26 budget. This evolution will be supported by the centralisation of all aspects of land and property management, referred to as a corporate landlord model (CLM). Included in the appendix is a high-level action plan for the next 12 months and an update on progress in delivering those previously agreed.

Treasury Management Strategy (TMS)

74. The council's Treasury Management Strategy (TMS) is subject to regular review and was last reported to the Audit & Governance Committee for monitoring and update purposes in January 2024. The council is required to set its prudential indicators in the context of the overall strategy on an annual basis. The treasury strategy, practices, and prudential indicators for 2024/25 are set out in Appendix 9 for approval by Council.
75. A significant element of the TMS is the council's approach to balancing the risks associated with its need to borrow, namely:
 - a) *Credit Risk*: Which is the risk associated with an institution failing and the council's investment being reduced due to bank bail-in arrangements. An approach to managing this risk is to use internal balances before undertaking external borrowing which will also provide a better return for the council as the cost of borrowing exceeds any value the council could earn on these internal balances
 - b) *Interest Rate Risk*: This is the exposure to interest rate movements on its borrowing and investments. The council is susceptible to upward movements in long term rates given the amount of borrowing still required over the next 5 to 10 years
 - c) *Re-financing Risk*: Focuses on managing the exposure to replacing current financial instruments (borrowings) as and when they mature
 - d) *Liquidity Risk*: This aims to ensure the council has enough cash available as and when needed.
76. The strategy is significantly influenced by the requirements of the devolved system of council housing (HRA) finance. This includes the operation of a two-pool approach to debt management with the debt of the HRA (council house tenant account) and that of the General Fund (council

taxpayers account) separated. All external debt is taken out by reference to the relevant pool although it should be noted that there is still flexibility to transfer debt between the two if required.

77. The strategy is also required to set out the council's approach to the repayment of debt referred to as the minimum revenue provision (MRP). In this regard the council is required to periodically review the approach to be taken and determine the approach that it considers to be prudent with the guidance indicating four ready-made options. A review of the MRP policy has been undertaken by the council's Treasury Management Advisors (Link) to identify opportunities to move to a more sustainable and cost-effective strategy whilst ensuring that the provision remains prudent and compliant with statutory guidance. Their recommendation is to move to annuity basis (the same approach as taken by most people repaying their mortgage) for both supported borrowing and historic debt prior to 2008 rather than the current reducing balance method, and the annuity basis for all unsupported borrowing rather than the reducing balance or asset life method inherited from predecessor authorities.
78. Link, have director level representation at the roundtable discussions with government looking at capital and treasury management policy and have carried out extensive research on current MRP policies in England and have observed that the annuity method of calculating MRP is used by over 60% of Authorities throughout the country.
79. The implementation of these options will reduce the 2023/24 charge from £9.4m to £2m and lead to a revised charge with increasing provision required each year as consistent with the annuity method. As part of process due regard was also given to the decision by Council to half its overall debt threshold from £1.334bn to £755m which significantly reduces the council's future exposure to borrowing risks. Consideration will also be given annually as whether it would be appropriate to make a Voluntary Revenue Provision (VRP).

Reserves

80. The council holds reserves as part of its approach to maintain a sound financial position and to demonstrate that there are no material uncertainties about the council as a going concern. The requirement for financial reserves is linked to legislation such as the Local Government Act 1992, which requires councils to "have regard" to the level of reserves needed to meet future expenditure when calculating a budget. As part of his formal annual section 25 report the council's Director of Finance is required to report on the adequacy of reserves. This assessment is summarised later in this report.
81. It may be worth emphasising that reserves should not be seen in a short-term context. They should also be placed in the context of cost-of-living inflationary pressures and the high level of uncertainty at this time. Potential cost pressures, demand pressures, service delivery improvements and the need to deliver significant levels of savings and efficiencies in balancing both the 2023/24 and 2024/25 budgets will require the council's finances to be underpinned by a robust level of reserves. In general councils hold two main forms of reserves.
82. Unearmarked Reserves are set aside to help manage the risk to the council's financial standing in the event of extraordinary or otherwise unforeseen events and to mitigate the underlying risk associated with the operation of the council and the management of service expenditure, income, and the council's funding.
83. The Chartered Institute of Public Finance and Accountancy (CIPFA) previously advised that general or unearmarked reserves should be 5% of net revenue expenditure (NRE) as an absolute minimum. Benchmarking with other Unitary Authorities places us on the lower side of the median and therefore in the higher risk category. The 2023/24 budget allowed for a one-off investment of £1.9m into unearmarked reserves and an annual contribution of £0.7m from 2024/25 to reflect the increasing level of annual expenditure. On 31 March 2023 unearmarked reserves totalled £17.9m which represented 5.8% of the net budget.
84. The 2024/25 budget looks to further improve this position. Firstly, a fundamental review of all earmarked reserves has been undertaken during 2023 to determine any resources that are no longer needed for their original purpose and therefore can be redirected. Net of a £1.7m investment to support improvement in Children's Services this has led to a forecast 31 March 2024 balance of £19.1m. Secondly instead of a £0.7m annual contribution in each of the next four years as assumed in the 2023 budget (£2.8m total) the proposal is to use the £2.8m forecast reduction in the earmarked reserves underpinning the 2023/24 budget, as set out in the

Quarter 3 budget monitoring report for 2023/24, as a one-off contribution. This strategy aims to ensure that by 31 March 2024 unearmarked reserves have been increased to £21.9m which will amount to a 43% increase from their 31 March 2022 position and equates to xx% of the proposed net revenue budget.

85. Earmarked Reserves: are set aside to meet identified spending commitments and can only be used for the purpose for which they have been created. These reserves will continually be reviewed, and any resources not needed as intended transferred into unearmarked reserves. They include reserves in support of various partnerships where the council is the accountable body, reserves which represent government grants received in advance of the associated expenditure, reserves held on behalf of third parties and several reserves the council is required to hold in line with statute or its own governance requirements. Details of the councils earmarked reserves are presented at Appendix 10a.
86. The council had earmarked reserves of £68.5m as of 31 March 2023. Of this, £30m relates to resources specifically set aside to support the balancing of the 2023/24 budget, and to avoid the severe cuts to services that would otherwise have had to be made. As these resources were one-off then the proposed 2024/25 needs to make the necessary adjustments to service levels.

Figure 12: Latest Reserve Forecast

	Balance 31-Mar-19 £m	Balance 31-Mar-20 £m	Balance 31-Mar-21 £m	Balance 31-Mar-22 £m	Balance 31-Mar-23 £m	Estimate 31-Mar-24 £m	Estimate 31-Mar-25 £m
Unearmarked Reserves	15.3	15.3	15.3	15.3	17.9	21.9	21.9
Earmarked Reserves	69.7	90.4	175.3	114.3	68.5	20.2	25.6
Total Reserves	85.0	105.7	190.6	129.6	86.4	42.1	47.5
Dedicated Schools Grant	-3.6	-4.6	-7.9	-20.3	-35.8	-63.0	-92.0
Net Position	81.4	101.1	182.7	109.3	50.6	-20.9	-44.5

Please Note: Earmarked Reserves as at 31 March in both 2021 and 2022 are distorted by numerous Covid-19 government grants.

Financial Health Indicators

87. In developing the budget strategy for 2024/25, and the medium-term financial plan, the council has been reflective of the outcomes of the annual CIPFA Financial Resilience Index and other financial benchmarking. In determining the strategy, it is essential to ensure the council manages its financial resilience to meet unforeseen demands and pressures on services.
88. The latest CIPFA Financial Resilience Index benchmarking is based on the Revenue Outturn information for 2022/23 and figures submitted for each local authority reflecting their position on 31 March 2023. In respect of BCP the index was adverse in the areas listed below:
- Social Care Ratio - proportion of budget spent on adult and children's social care services
 - Level of Reserves – ratio of useable reserves to the council's net revenue expenditure
 - Change in Reserves – percentage change in reserves over the previous three financial years.
89. Setting aside the issue of reserves which is reflected on earlier in this document and the attached s25 report, the highest area of risk to the financial resilience of the council compared to other similar authorities is the proportion of budget spent on adult and children's social care services. Not only is it high but it is seen as an inflexible cost which is difficult to reduce in the short term and impacts on the council's ability to respond with agility to changing demands.

Sensitivity analysis

90. A key determinate as to the adequacy of reserves is the sensitivity within the budget and how quickly the demands that the council is required to manage, and their associated cost, can change. It continues to be the case that relatively minor changes or shifts in key planning assumptions can have a significant impact on the council's financial position as highlighted in figure 13 below.

Figure 13: Council sensitivity to potential changes in assumptions

Description	£000s
Looked after child (average high cost - residential) per child	576
Looked after child (average top 10 independent fostering) per child	114
Intensive homecare package for a disabled person (average top ten excluding proportion of Health funding)	270
Vulnerable adult (learning disability - residential <65) (average excluding proportion of Health funding)	90
Vulnerable adult (learning disability - residential <65) (average top ten excluding proportion of Health funding)	204
Older person's supported residential care (average excluding proportion of Health funding)	57
Older person's supported residential care (average of the top ten excluding proportion of Health funding)	140
Increase in adults' cost of care for every 1p increase in the National Living Wage	120
Increase in the £7.7m cost of the concessionary fare scheme (per 1% increase journey numbers)	77
Change in the Pay Award by 1%	1,899
Change in the Revenue Support Grant by 1%	(42)
Change in the level of Council Tax by 1%	(2,586)

91. In being mindful of these key sensitivities it should be established that the cost of a looked after child or vulnerable adult can exceed £1m per year for a single case, which the council is responsible for paying in the first instance. It is only subsequently able to reduce the amount to those shown in figure 13 above once it has negotiated a contribution from National Health Service Dorset. The risk associated with achieving this outcome is held by the council. It is also worth bearing in mind that every £100,000 is equivalent to the council tax generated on 59 homes (2023/24 band D equivalents).
92. Also, of relevance to the sensitivity of the budget is the robustness of the estimates made to underpin the budget. As per the position on reserves the councils Director of Finance is formally required to report on their robustness as part of his formal annual section 25 report.
93. Officers will have factored into their assumptions numerous matters such as government announcements, economic forecasts, trend analysis and professional judgement. Of relevance is the uncertainty at this time due to the inflationary environment and any new programmes, initiatives or approaches being adopted for the first time which inevitably carry a greater level of risk than business as usual activity.
94. As per recommendation (c) of this report it is proposed that any changes between the provisional 2024/25 Local Government Finance settlement, issued in December 2023, and the final settlement due in early February 2024, will be delegated to the Chief Executive in consultation with the Director of Finance, Leader, and Portfolio Holder for Finance to allocate.

Director of Finance advice on the robustness of the budget and adequacy of reserves

95. The Local Government Act 2003 (Section 25) requires the Director of Finance to report on the following matters to members when agreeing its annual budget and council tax levels.
- the robustness of the estimates made for the purposes of the budget calculations, and
 - the adequacy of the proposed financial reserves.
96. Council must have regard to this report when making its decisions around the annual budget and the level of council tax.
97. For members of the Council the Section 25 statement provides critical context for budgetary discussions. The provision of this information is a legal requirement and ensures that all members have regard to the professional advice provided by the authority's Director of Finance when final budget decisions are made being made. To give a level of additional assurance to this report it has also been prepared in consultation with the Chief Executive.
98. It should be emphasised that councils can and do experience significant financial difficulties as recent high-profile cases such as those at Northamptonshire County Council, Slough Borough Council, Croydon Council, Thurrock Council, Woking Council, Birmingham Council, and Nottingham City Council all demonstrate.
99. The formal s25 report of the s151 Officer is included as Appendix 10 to this report. In conclusion to his report the Director of Finance considers the proposed budget for 2024/25 is robust and the level of reserve is adequate, given a clear understanding by members and senior management of the following:
- a) The council is technically insolvent as it has negative general fund reserves due to the deficit on its DSG as pertaining to expenditure on the Special Educational Needs and Disability service. This DSG deficit is growing by more than £29m per annum which is equivalent to the difference between the actual continuing expenditure on the High Needs Block and the government funding being made available. A solution needs to be identified with government by this time next year on the basis that, as it stands, the Director of Finance is likely to have to determine whether or not a legally balanced budget can be set for the whole of the 2025/26 financial year, which will be almost impossible as the current statutory override ends on 31 March 2026, the last day of that financial year.
 - b) That unearmarked reserves are only just sufficient to cover an unexpected single event such as a cyber-attack, the requirement to provide for/or write-off the expenditure on Carter's Quay, or significant in-year overspending. Any such single event would then require drastic action to restore such reserves to the minimum recommended level. They would be insufficient for the realisation of multiple risks
 - c) That the advice of the Director of Finance is to continually look to all opportunities to increase unearmarked reserves and improve the council's overall financial sustainability
 - d) Effective governance arrangements will be maintained at Executive, Senior Management, Directorate, and budget holder level to monitor the overall delivery of the 2024/25 budget
 - e) Directors and budget holders accept their responsibilities and accountability to deliver their services within the parameters of the agreed budget including the realisation of approved savings
 - f) That a freeze on all non-essential expenditure will be applied from 1 April 2024 onwards until such time as the delivery of the £41m of 2024/25 budget savings have been assured
 - g) Directors will diligently identify and rigorously apply mitigation strategies for any in-year budget pressures that do materialise
 - h) Earmarked reserves will be supported by a clear plan held by the service and will be drawn down in line with the profile. Any not needed for their original purpose will be redirected into unearmarked reserves
 - i) The levels of reserves and contingencies is adequate, but all opportunity should be taken for them to be enhanced by any further improvement in the in-year position
 - j) Effective governance arrangements will be maintained at Executive, Senior Management, Directorate, and budget holder level to monitor the overall delivery of the 2024/25 budget.

100. It should be highlighted in mitigation of the risk associated with the appropriate financial management processes and practices it is intended to ensure that all budget holders are issued with a "Budget Assurance Statement" in support of their 2024/25 budget. This is a new document that formalises that they accept their budget and agree to deliver services within its financial parameters. The documents also provide evidence in support of any major elements such as the establishment and high value contracts.
101. Councillors should also carefully consider the risks set out in the summary of risk and risk assessment sections of this report.

Housing Revenue Account (HRA)

102. A report on the HRA and rent setting is included as a separate item on the agenda for this meeting and should be considered alongside this report to councillors in setting the budget for 2024/25.

Chief Officers' Pay Policy Statement

103. Further to the provisions of the Localism Act 2011, the council is required to publish its local Chief Officers' Pay Policy on an annual basis for consideration by council before 31 March each year.
104. The council's pay policy has been duly prepared by the human resources and organisational development service and is attached as Appendix 12 to this report to ensure the council is able to consider it this year in accordance with the statutory timetable as prescribed by government.
105. For 2024/25 the policy has been updated to reflect changes associated with special severance payments, pay supplement policy, and the scheme of delegation.

Scheme of councillor allowances

106. The council is required to adopt an annual scheme of councillor allowances as specified under the Local Authorities (Members' Allowances) (England) Regulations 2003.
107. Council on 23 May 2023 agreed a scheme of members' allowances for 2023/24 which included a provision that the allowances be increased in accordance with the Employees' National Pay Award when determined and backdated to 23 May 2023. The agreed pay award applicable to the scheme of allowances for 2023/24 was 6.75%. The budget as proposed for 2024/25 assumes a pay award increase in 2024/25 of 4.5%.
108. As part of the proposed budget, provision has been made for a total cost of £1.660m in 2024/25.

Consultation

109. Under Section 65 of the Local Government Finance Act 1992, councils have a statutory duty to consult with representatives of business rate payers on its proposed expenditure for the following year. Business leaders across Bournemouth, Christchurch and Poole were invited to attend a presentation held on 2 February 2024 on the budget for 2024/25 and Medium-Term Financial Plan from the BCP Council Leader, Chief Executive, and the Director of Finance.
110. The necessary additional resources, savings and efficiencies required to balance the budget over the next four years will each need to be reviewed to determine the extent to which they may require consultation. Consideration will also need to be given to the relevant period, stakeholder groups and method of consultation.

Options Appraisal

111. Numerous alternative permutations are possible around budget savings proposals and council tax strategies for 2024/25. Any alternatives considered will need to be supported by a robust evidence base detailing the sustainable substitute funding strategies. Any alternative will also require the appropriate level of due diligence and the advice of the statutory officers.
112. It is not an acceptable alternative not to agree a legally balanced budget for 2024/25, and to advocate a circumstance which leads to a s114 report being issued accompanied by an assumption that commissioners would be appointed to make the necessary difficult decisions.
113. Only a decision to increase council tax by the maximum 4.99% can be considered consistent with government policy for the funding of local government both now and into the future.

114. A decision to increase council tax in line with the maximum will best protect the current and future financial sustainability of council and will best preserve service delivery levels into the future.

Summary of financial implications

115. Any financial implications of the report's recommendations are considered, alongside alternative options, elsewhere within this report.
116. Councillors should consider how effective the 2024/25 proposed budget will be in supporting the financial sustainability of BCP Council.

Summary of legal implications

117. The council is required to set a council tax for 2024/25 before 11 March 2024. It may not be set before all major precepts (i.e. precepts from the Police and Fire Authorities) have been issued or before 1st March 2024, whichever is the earlier. The decision to set the level of council tax is reserved to Council and cannot be taken by Executive or delegated to officers, although Executive has to recommend a budget to Council.
118. Before determining the level of the tax, the Council must estimate its proposed revenue expenditure, taking into account amounts required by way of contingency, any need to raise reserves and any other amounts which the Council is legally required to transfer between funds. It must also estimate its anticipated income, any relevant transfer between funds and any proposed use of reserves. It must then calculate the difference between the two which is the council tax requirement.
119. The Council's Director of Finance (under s151 Local Government Act 1972) is required to report to the Council on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The Council must have regard to the report when making decisions about the calculations in connection with which it is made. The Director of Finance has a statutory duty under section 114 Local Government Finance Act 1988 to issue a written report if he considers that a decision taken by the Council would be unlawful and likely to cause a financial deficiency.
120. In reaching decisions on these matters, Members are bound by the general principles of administrative law. Lawful discretions must not be abused or fettered and all relevant considerations must be taken into account. No irrelevant considerations may be taken into account, and any decision made must be one which only a reasonable authority, properly directing itself, could have reached. Members must also balance the interests of service users against those who contribute to the Council's finances. The resources available to the Council must be deployed to their best advantage.
121. Members must also act prudently. Members must also bear in mind their other statutory duties to have regard to certain matters when making decisions. Members must have regard to their Public Sector Equality Duties and the impact decisions, if approved, may have on those who fall within the protected characteristics under the Equalities Act 2010. Members must consider the Equalities Impact Assessment prepared in support of this report and the need to eliminate discrimination, to mitigate against negative impacts where these are known and to promote equality when making decisions. A failure to follow these principles could open the Council to judicial review.
122. Members have a fiduciary duty to the council tax payers and others in the local authority's area. This means that members must behave responsibly in agreeing the budget. Members have no authority to make anything other than a balanced budget.
123. Among the relevant considerations which Members must take into account in reaching their decisions are the views of business ratepayers and the advice of officers. The duty to consult representatives of non-domestic ratepayers on the Council's expenditure plans is contained in Section 65 of the Local Government Finance Act 1992.
124. In considering the advice of officers, and the weight to be attached to that advice, Members should have regard to the personal duties placed upon the s151 Officer. Members are obliged under the Code of Conduct to have regard to the advice of the s151 Officer and Monitoring Officer. The Council may take decisions which are at variance with their advice, providing there are reasonable grounds to do so. However, Members may expose themselves to risk if they

disregard clearly expressed advice, for example as to the level of provision required for contingencies, bad debts and future liabilities. In addition, if Members wish to re-instate savings recommended by the Director of Finance in order to balance the budget, they must find equivalent savings elsewhere.

125. The Director of Finance is required by Section 151 of the Local Government Act 1972 and by the Accounts and Audit (England) Regulations 2011 (as amended) to ensure that the council's budgeting, financial management, and accounting practices meet relevant statutory and professional requirements. This is in addition subject to the requirements set out above.
126. Members must also have regard to, and be aware of, the wider duties placed upon the council by various statutes governing the conduct of its financial affairs. These include the distinction between revenue and capital expenditure and the requirement to set prudential indicators in line with capital investment plans that are prudent, affordable and sustainable.
127. Section 106 of the Local Government Finance Act 1992 makes it a criminal offence for any Member with arrears of council tax which have been outstanding for two months or more to attend any meeting at which a decision affecting the budget is to be made, unless the Member concerned declares at the outset of the meeting that he or she is in arrears and will not be voting on the decision for that reason. The Member concerned must not vote but may speak. The application of Section 106 of the 1992 Act is very wide and Members should be aware that the responsibility for ensuring that they act within the law at all times rests solely with the individual Member concerned.
128. If a referendum is held after the beginning of the relevant financial year, the higher rate of council tax will be payable unless and until it is overturned by a 'no' vote in the referendum. It must also provide "substitute calculations" which need to be presented to Council setting out what the alternative budget would be. This means that if a party proposes a council tax above the referendum limit they must also produce "substitute calculations" within the referendum limit, to be used in the event that the referendum would reject the increase. In the event that a referendum rejects the increase, the billing authority would be able to issue new bills, offer refunds at the end of the year or allow credits against liability the following year, although individual council taxpayers would be entitled to a refund on demand.

Summary of human resources implications

129. The 2024/25 budget will have a direct impact on the level of services delivered by the council, the mechanism by which those services are delivered and the associated staffing establishment. A tentative estimate is that the 2024/25 budget proposals we lead to a reduction in the workforce of over 150 full time equivalent posts. Not all these posts will currently be filled. Some will be vacant posts, some will currently be provided via agency staff arrangements, and some will be filled with staff on short term contract. Ultimately the current estimate is that there could be over 120 redundancies, a high percentage of which will be linked to the voluntary redundancy process.
130. This report acknowledges that the Transformation Programme and the actions necessary to manage future years budgets are also likely to have an impact on future staffing levels.

Summary of sustainability impact

131. Consideration has been given as part of this budget for 2024/25 of ways in which BCP Council could contribute to environmental improvements / targets and by example encourage this approach in those with whom it deals. The budget continues to protect the staffing resources associated with climate change and ecological emergency activity. In respect of support to projects £452k has been specifically set aside to increase the earmarked reserve set aside for this purpose to £1m on the 31 March 2024.
132. The accommodation and business transformation programmes underlying the MTFP will make the council more environmentally friendly through a reduced estate and different ways of working, including the continued ability for staff to work effectively from home. This will reduce energy consumption and pollution levels as well as produce savings to protect services.
133. In addition to the environmental and social impacts of climate change, there is a risk to BCP Council of significant financial consequences if it fails to meet its declared climate targets. Council has pledged to become carbon neutral by 2030 as an organisation and lead the area to

become net zero carbon ahead of the 2050 national target. Based on forecasts from the London School of Economics the council would have to incur costs of over £3m per annum to purchase the necessary offsetting carbon credits to meet the carbon neutral pledge in 2030. Clearly this cost will act as an incentive to the council to prioritise the activity and investment necessary to meet this priority.

Summary of public health implications

134. The Department of Health and Social Care allocated BCP Council £21.29m, a 3% increase from 2022/23, to deliver its public health service in 2023/24. This will be combined with the £15.09m allocated to Dorset as part of the joint pan Dorset service.

Summary of equality implications

135. In this budget the council has sought to maintain appropriate services for the most vulnerable as well as improve the sustainability of services important for the wellbeing of all residents
136. The impacts of the council budget for 2024/25 have been assessed considering the nine protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and the locally observed characteristics (low socio-economic status, armed forces veterans, carers, children in care and care experienced young people, local businesses and organisations). The Equality and Human Rights Commission's six domains of equality measurement framework have also been considered, identified as the areas of life that are important to people and that enable them to flourish. These are: Education, Work, Living standards, Health, Justice and personal security, and Participation.
137. Positive and cumulative impacts on the protected characteristics of age and disability groups have been identified throughout this Equality Impact Assessment (EIA) as investments are being made in key areas to improve services for our most vulnerable residents including older people, those who are disabled and children.
138. As part of the budget, council tax is being raised to support increased service provision, which will have a positive impact on many residents. Mitigating actions have been identified to support those who would be most negatively affected.
139. Individual equality impact assessments should support some of the decisions noted in this EIA, for example with service-based savings and efficiencies and this has been noted under mitigating actions where relevant.
140. The full EIA is included as Appendix 11 to this report.

Summary of risk assessment

141. Throughout this report and the accompanying formal s25 report of the Director of Finance, presented at Appendix 10, reference has been made to several key risks to which the council is currently exposed. Members are reminded that these can be summarised as follows.
- **Uncertainty.** High levels of financial planning uncertainty at this time caused principally by the ongoing implications of cost-of-living crisis.
 - **Accumulating DSG Deficit.** BCP Council will technically be insolvent on the 31 March 2024 as expenditure on the supporting children with Special Educational Needs and Disability services is currently over £29m higher than the funding made available by government.
 - **Best Value Notice.** Requirement to provide assurance that Council is taking steps to address concerns raised in an external assurance review by the former Chief Executive of the London Borough of Islington on behalf of DLUHC.
 - **Intervention.** Children Services is on a journey of improvement since the inadequate Ofsted judgement in February 2022. Additionally, the external auditor concluded as part of their latest annual report that the council does not have adequate arrangements for securing Value for Money (financial sustainability in addition to issues associated with governance and children's services).

- **Children's Services.** Ongoing costs and demands on the service at a time when they are focused on their improvement journey. Some of these concerns include the impact of national issues such as the profit being made on care placements, and the agency social worker environment.
- **Wellbeing Services.** Ongoing costs and demands on the service including the capacity in the care market at affordable rates and the sharp rise in homelessness.
- **Delivery £41m in savings, efficiencies, and additional income generation.** Considerable challenge and inherent risk in a smaller organisation by way of head count to deliver 20% more than the amount budgeted in 2023/24 (which was almost equal to the total saving delivered in the prevailing 3-years). Mitigation in the form of the recommendation to implement an expenditure freeze until delivery of the savings has been assured.
- **Pay award.** A 4.5% provision for 2024/25 pay award has been made as part of the proposed budget. Unison is currently seeking a view from its members in respect of a 2024 pay claim of 10% or £3,000 whichever is greater. Every 1% variation is estimated to cost the council £1.9m.
- **New Pay and Grading Structure.** Further to negotiations with the Trade Unions who are balloting their members on whether to agree the arrangements for a new single pay and grading structure and terms and conditions.
- **Realisation of capital receipts to fund the council's transformation programme.** £31.4m of capital receipts from the disposal of assets are required over the 2-year period to 31 March 2025 to fund the transformation programme. Of this an amount of £12.5m has already been delivered leaving £2.5m in 2023/24 and £16.4m in 2024/25 remaining to be delivered. Disposals of £15.1m are identified and in the pipeline leaving a £3.8m shortfall for sites remaining to be brought forward.
- **Carters Quay.** Payments of £15.3m have been made towards the development of the agreed 161 new homes with ancillary ground floor amenity and commercial space scheme. Inland Partnership the contractor entered administration late in 2023. Officers continue to work with the administrator on the way forward and to try to ensure the councils investment is protected.
- **New Enterprise Resource Planning (ERP) System.** A new Microsoft Enterprise Resource Planning system was implemented as part of the transformation programme in April 2023. This is leading to demonstrable improvements in the financial management and human resource information systems there will always be glitches and a period of learning before the council is making best use of such technology.
- **Legal Claims.** Covering various matters such as planning, highway, car parking, social care, or staffing, numerous legal claims have been logged against the council.
- **Loss or disruption to IT systems and Networks from a cyber-attack.** Such actions can incapacitate essential networks by encrypting or destroying data on which vital service depend. Financial loss is common through both direct loss of funds as well as recovery costs and reputational damage. Recent ransomware attacks are reports to have cost councils between £10m and £12m in damage.

142. Additionally, the council has operational risks not previously referenced including.

- **Companies.** BCP operates several companies and third-party arrangements with these organisations exposed to their own set of financial and operational risks. As such the council would only provide for its share of such risks in circumstances where the risk is likely to materialise

Background papers

February 2023 Budget and Medium-Term Financial Plan 2023/24

<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=284&MId=5032&Ver=4>

July 2023 Financial Outturn Report 2022/23

July 2023 Medium Term Financial Plan (MTFP) Update

<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=5359&Ver=4>

Budget Monitoring 2023/24 at Quarter One

September 2023 Responding to the Best Value Notice

<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=5360&Ver=4>

November 2023 Medium Term Financial Plan (MTFP) Update

<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=5363&Ver=4>

December 2023 Medium Term Financial Plan (MTFP) Update

<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=5364&Ver=4>

The full consultation report is available on the council's engagement website

<https://haveyoursay.bcpccouncil.gov.uk/budget>

Appendices

Appendix 1a Corporate Strategy A4

Appendix 1b Consideration of s114 report

Appendix 1c Analysis of Budget Consultation Exercise

Appendix 2 Schedule of Council Tax Charges 2024/25

Appendix 3 Key Assumptions

Appendix 4 Absolute MTFP

Appendix 5 Budget Summaries

Appendix 5a Savings Schedule 2024/25 Onwards

Appendix 5b Service Statements Operations

Appendix 5c Service Statements Operations

Appendix 6 Transformation Investment Programme including Flexible Use of Capital Receipts

Appendix 7 Capital Investment Programme (CIP) Overview & Narrative

Appendix 7a CIP Individual Project Listing

Appendix 7b CIP IT&IS Capital Infrastructure Investment Plan

Appendix 8 Asset Management Plan

Appendix 9 Treasury Management Strategy

Appendix 10 s25 Report of the CFO (Robustness of the budget adequacy of reserves)

Appendix 10a Reserves Summary and Detail Statement

Appendix 11 ENIA

Appendix 12 Chief Officer Pay Policy 2024/25

Where people, nature, coast and towns come together in sustainable, safe and healthy communities

Our vision and ambitions

Our Place and Environment

Vibrant places where people and nature flourish, with a thriving economy in a healthy, natural environment

- People and places are connected by sustainable and modern infrastructure
- Our communities have pride in our streets, neighbourhoods and public spaces
- Our inclusive, vibrant and sustainable economy supports our communities to thrive
- Revitalised high streets and regenerated key sites create new opportunities
- Climate change is tackled through sustainable policies and practice
- Our green spaces flourish and support the wellbeing of both people and nature

Our People and Communities

Everyone leads a fulfilled life, maximising opportunity for all

- High quality of life for all, where people can be active, healthy and independent
- Working together, everyone feels safe and secure
- Those who need support receive it when and where they need it
- Good quality homes are accessible, sustainable and affordable for all
- Local communities shape the services that matter to them
- Employment is available for everyone and helps create value in our communities
- Skills are continually developed, and people can access lifelong learning

We are an open, transparent and accountable Council, putting our people at the heart of our services

- Working closely with partners, removing barriers and empowering others
- Providing accessible and inclusive services, showing care in our approach
- Using data, insights and feedback to shape services and solutions
- Intervening as early as possible to improve outcomes
- Developing a passionate, proud, valued and diverse workforce
- Creating an environment for innovation, learning and leadership
- Using our resources sustainably to support our ambitions

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Consideration of the possible need to issue a Section 114 Report (often mistakenly referred to as a council declaring bankruptcy)

1. A report issued under s114 (3) of the Local Government Finance Act 1988 is one made by a councils Chief Finance Officer (CFO) if in their opinion they believe that the expenditure to be incurred during a financial year is likely to exceed the available resources. It is considered good practice to consult the Chief Executive and Monitoring Officer before such a report is issued. A copy of the report must be sent to all councillors and the external auditor.
2. The report triggers a short-term statutory prohibition on entering into any new agreement which may involve the incurring of expenditure without the permission of the CFO. Statutorily the CFO can only consent to new agreements or to terminate existing agreements during this period if they will prevent the situation getting worse, improve the situation, or prevent a recurrence.
3. The report must be considered at a meeting of the Council within 21 days of the report being issued. At the meeting the authority must decide if it agrees or disagrees with the views in the report and the actions it proposes to take. If Council cannot still agree a balanced budget position, then the authority is required to call in the external auditor who must then try to set a balanced budget.
4. In addition, the Government can intervene on how services are run by a council following the issuing of a s114 Report. Most councils in this situation have been the subject of such intervention via Commissioners or members of an intervention board who are usually experts with lengthy experience in local government. Ultimately, they have the power to direct a council over budgetary and other decisions.
5. This process has often been, mistakenly, likened a council declaring bankruptcy. In practice it is more like the process of a company entering administration in that core statutory services are maintained but the government will place commissioners in the Council to make the decisions that are needed to balance the budget, generally by cutting all non-statutory expenditure.

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BCP Council Budget Consultation

Summary

BCP Council launched a consultation on Tuesday 21 November 2023 asking residents and stakeholders for their views on the importance of council services, our financial strategy, lobbying government, and level of council tax increase. We also asked if respondents wanted to comment on some of our specific proposals to address the budget gap for 2024/25. A questionnaire and consultation document were produced and available online and in paper format. Respondents could also choose to send an email expressing their views. The consultation was widely promoted through a press release and social media channels including Facebook, X, Instagram, LinkedIn and Nextdoor. The consultation was sent to residents and stakeholders signed up to the council's consultation register. The consultation closed Wednesday 20 December 2023.

In total we received 2,445 responses to the consultation questionnaire (224 paper copies and 2,221 online) and 14 emails. The council have analysed the data and written a full report of the findings. Darmax Research Company assisted the council with data processing and coding and writing up the open-ended comments. The full report can be seen [here](#)

Respondents

The vast majority of respondents were people who lived in the BCP Council area (95%), 7% of respondents worked for BCP Council, 4% of respondents were responding on behalf of an organisation working within Bournemouth, Christchurch and Poole and 2% of respondents lived outside the BCP Council area. Please note this was a multiple response question so the total percentage will be greater than 100%.

Importance of council services (BCP residents)

Respondents were asked which services they feel are most important. This first question allowed respondents to select as many services as they liked. The services that rated most important by at least half of respondents living in BCP are:

- Collecting rubbish and recycling (89%)
- Parks, playgrounds, open spaces, seafront (84%)
- Maintaining roads and pavements (81%)
- Keeping streets clean (74%)
- Supporting schools and education (67%)
- Social care for elderly or disabled adults (65%)
- Providing libraries (63%)
- Social care for vulnerable children (63%)
- Community safety, CCTV, ASB (61%)
- Providing car parks and parking services (59%)
- Managing the road network (54%)
- Helping people who are homeless (54%)
- Providing sports and leisure facilities (53%)

Respondents were then asked to choose their most important five services out of those they had already selected, the five services rated as most important by BCP residents were:

- Collecting rubbish and recycling (59%)
- Parks, playgrounds, open spaces, seafront (44%)
- Social care for elderly or disabled (43%)
- Social care for vulnerable children (42%)

- Maintaining roads and pavements (37%)

Awareness of the Council's financial situation

Almost six out of ten respondents (59%) said they felt informed about the Council's financial situation. Whilst more respondents said that they felt informed than did not feel informed (41%), this suggests more work could be done to ensure more residents and stakeholders are informed about the Council's financial situation.

BCP Council's budget management

Respondents were provided with information about the council's budget management approach and asked to what extent they agree or disagree with it. Just fewer than half of respondents (46%) agreed with the Council's approach to managing its budget. Fewer than a third (32%) disagreed and 22% 'neither agreed nor disagreed' which suggests they agree with some of the approach and disagree with other aspects.

Respondents were then asked to what extent they agree or disagree with the different aspects of budget management.

The approaches that received the most support were (% agree):

- Letting leases go on premises that we no longer need (89%)
- Selling council-owned buildings that we no longer need (82%)
- Transforming our services to make our internal and external processes more efficient (77%)
- Harmonising our services across Bournemouth, Christchurch, and Poole to remove any differences that exist following the formation of BCP Council (73%)
- Introduction of a resident's card, which would charge different rates for residents and non-residents for certain services (72%)
- Requesting support from the Department of Education in reducing our Dedicated Schools Grant in-year overspend and repaying the deficit if in return we provide a long-term plan for reducing the overspend (71%)

There was one question where more respondents disagreed with the budget management approach than agreed. Just over half of respondents (53%) disagreed that BCP Council should increase charges for existing services whereas just over one quarter (27%) agreed with this approach.

Council Tax

Respondents were asked to rank three options for council tax levels for the next financial year. There was a clear preference for the lowest council tax rise with 57% of respondents selecting 'to raise Council Tax by less than 4.99%' per year as their first choice, 55% of respondents rated 'to raise Council Tax by 4.99% per year' as their second choice. The least popular option which was ranked by 71% of respondents as their third choice was 'to raise Council Tax by more than 4.99% per year'.

Respondents were next asked if there was no limit to the amount we could increase Council Tax, how much more would you be willing to pay to protect services. Almost two out of five people (39%) would not be willing to pay any more than 4.99%, one third (32%) are not willing to pay any more than they currently pay, 13% would be willing to pay 6% and 15% would be willing to pay 7% or more.

The findings from these questions show that the majority of residents would not support a rise in council tax above the current threshold.

Lobbying Government

This section of the consultation provided information about the different ways the council could choose to lobby government about funding or legislation.

The lobbying proposals that residents most agreed with were (% agree):

- Increase government funding to pay for growth in social care services (87%)
- Increase government funding for highway maintenance and major road and structural repairs (86%)
- Set a limit of the amount of profit made by providers of children's homes (80%)
- Pay a percentage of the income tax paid in our local area to the council to fund local services (74%)

This suggests that the council would have the support of residents if they lobbied in the above areas.

The lobbying proposals that residents were more likely to disagree with than agree were (% disagree):

- Charge a small fee for using household waste recycling centres (73%)
- More freedom to set our own council tax (52%)
- Apply a local land value growth tax (38%)

This shows that these lobbying efforts would not be supported by residents and should not be pursued.

Service proposals

The second half of the consultation questionnaire asked respondents for their views on a number of specific service proposals the council was considering as part of the budget setting process for 2024/25.

The table below shows the number and percentage of respondents who selected each of the sections, the overall % agree and % disagree for each of the proposals and the % of respondents who said the proposal would impact them 'a lot'.

Service proposal	Number of respondents	% of respondents	% agree	% disagree	% impact a lot
Paddling pools	980	46%	19%	75%	50%
Public protection	914	43%	21%	67%	34%
Street lighting	907	43%	54%	38%	21%
Library opening hours	906	43%	31%	60%	36%
Grounds Maintenance Service	898	43%	49%	43%	27%
CCTV	876	41%	31%	59%	30%
Christchurch Household Recycling Centre	818	39%	40%	52%	21%
Hengistbury Head Outdoor Education Centre	638	30%	44%	43%	13%
School crossing patrol proposal 1	631	30%	55%	32%	22%
School crossing patrol proposal 2			39%	44%	
School crossing patrol proposal 3			73%	17%	
Community Safety Accreditation Scheme	606	29%	22%	73%	36%
Other general comments	486	23%			

Paddling Pools (approximately yearly saving £107,000)

Nearly three quarters of respondents (74%) to the paddling pool section had visited one of the Council's paddling pools within the last 12 months. Quomps paddling pool had been visited by just over half of respondents (51%), Hamworthy Park 29%, Littledown 28% and Redhill 23%.

More people disagree with this proposal (75%) compared to agree (19%). Half of respondents (50%) say that this proposal would impact them a lot and 22% state it would impact them a little.

When looking at the type of impact of this proposal, 37% say they would visit the park less, 30% say they would no longer visit these parks, 18% said they would visit the park for a shorter length of time. Other negative impacts highlighted include the impact on families / children and multi generations that use the paddling pools. The impact on children and young people's health and wellbeing, the impact on low-income families and the loss of a free family activity were also concerns.

304 respondents provided comments relating to the paddling pools proposal. The vast majority of these respondents commented that they were opposed to the proposal.

A number of respondents commented that paddling pools are a valuable and well-used facility for children and their families which have been used by multi-generations, while the saving was minimal compared to the benefits that they provide to local communities. Paddling pools provide a free activity for families, which is helpful due to increased cost of living. Respondents also commented that paddling pools should be kept because there are very few alternative activities available for children in the local area.

Respondents commented on the health and wellbeing benefits that paddling pools provide, including encouraging children to be outside in the fresh air, they are beneficial for those who do not have outside space at home and the physical, mental health and wellbeing benefits to children. Respondents also commented that they provide developmental benefits to children and also help to develop social skills.

Respondents commented that paddling pools are a tourist attraction that provide economic benefits to the local area, generate income for local businesses as well as income for the council through car parking charges.

Respondents commented that paddling pools provide a safe environment for children to play in and provide a good introduction to water play and safety. Respondents also commented that beaches were not a viable alternative for young children because they were not always suitable or safe, were busy, difficult to access and the cost of parking was restrictive.

Respondents also commented that the effort and money spent on preserving paddling pools previously would be wasted if they were closed, the Council has wasted money on other local services and paddling pools were not suitable to be part of a community management arrangement due to the maintenance requirements and potential additional costs.

Public Protection savings (approximately yearly saving £524,000)

Just over one fifth of respondents (21%) agreed with the public protection proposal whilst 67% disagreed. Over one third said this would impact them a lot (34%) and 49% said it would impact them a little. When looking at the type of impact, 81% said they would feel less safe and 39% said it would impact their health and wellbeing. The other types of impact mentioned by respondents were concern about a potential increase in crime and ASB, concern over reputational damage to the area and impact on local businesses and tourism. Other respondents said that this proposal contradicts the new corporate vision. Some respondents are concerned about the strain on other services, risk of fly-tipping and animal welfare.

Respondents were also asked which of the public protection services are most important. The services that support community safety and anti-social behaviour were rated as most important. Below are the public protection services that were rated as important by more than half of respondents.

- Anti-social behaviour investigation and enforcement (77%)
- CCTV live monitoring and camera maintenance in public places (72%)
- Food hygiene and safety, including ratings of commercial eateries (65%)
- CSAS (62%)
- Residential nuisance complaints, including noise, odour and smoke (56%)
- Environmental nuisance complaints (50%)

220 respondents provided comments relating to the public protection proposal, with the majority of these comments opposed to the proposal. A number of respondents who opposed the proposal commented that public protection and safety is vital, anti-social behaviour needs to be investigated and that reductions to the Public Protection Service would result in increased crime. A reduction in the Public Protection Service would also negatively impact on the mental health and wellbeing of local residents and would impact on local businesses and tourism.

Respondents commented that the Public Protection Service covers a wide range of functions that are needed, including the noise/neighbour complaint service, trading standards, environmental health and the regulation of food hygiene. A reduction in the Public Protection Service would increase the strain on other services and would result in increased costs elsewhere, while the service also helps to prevent escalation of issues. However, some respondents commented that there is a need for more police.

Library opening hours (approximately yearly saving £440,200)

Most respondents (88%) who selected to answer this section had used a BCP library in the last 12 months. One in ten respondents (10%) use the library almost every day, 47% once a week and 32% about once a month. Saturday mornings was the most popular time to use a library (58%). Over half of respondents (57%) currently use the library when they are proposed to close. Just under one third (31%) agreed with the library opening hours proposal whilst 60% disagreed. Over one third of respondents (36%) said this would impact them a lot and 35% said it would impact them a little. When looking at the type of impact, over one third (37%) said they would use the library on a different day, 36% said they would use the library less and 17% would no longer visit the library. Other impacts respondents noted were reduced educational opportunities, loss of a community hub / meeting space, loss of computer and internet access, that the changes were most likely to affect the most vulnerable, elderly and school age children and evening closures after 6pm will also disproportionately impact those in employment. The results vary for each of the libraries so the service will need to look at the findings for each of the libraries.

287 respondents provided comments relating to the library opening hours proposal. While some respondents commented that they supported the proposal, the majority of comments were reasons as to why they opposed it.

Respondents who were in support of the proposal commented that reducing library hours is sensible and is a good idea, is better than full closures and fewer people use libraries than previously so there is a reduced need for longer opening hours. Smaller, less used libraries could be closed fully to contribute to budget savings. Daytime opening hours only is a sensible approach, while respondents also commented that volunteers could be used to manage the libraries, resulting in a cost saving due to a reduced need for paid staff.

The majority of respondents who were opposed to the proposal commented on the community benefits that libraries provide. Libraries act as a community hub that provide access to education and health resources for people of all ages. Libraries are an important space for community and social groups, many of which are held in the evening. Libraries could also be utilised to provide access to other community services and support. Libraries provide a free service that needs to be kept and that the proposed changes would also impact on those who are economically disadvantaged.

The proposed changes would impact on the elderly, libraries encourage socialisation and reduce isolation and loneliness. Library opening hours should not be reduced because they

are a warm, safe space. Libraries also provide access to technology and support with completing forms online.

Respondents also commented that people can only visit libraries in the evenings because they work during the daytime. Some respondents suggested that libraries should open later and stay open later in the evening to allow more people to make use of them.

The proposed changes would impact on library use by children, they encourage an interest in literacy and many children use libraries after school as a space to do their homework as well as those who are homeschooled.

Respondents were also concerned that reduced opening hours would result in full library closures.

Community Safety Accreditation Scheme (approximately yearly saving £270,00)

Just over one fifth of respondents (22%) agreed with the CSAS proposal whilst 73% disagreed. Over one third said this would impact them a lot (36%) and 40% said it would impact them a little. When looking at the type of impact, 56% said they would feel less safe in Poole, 49% less safe in Boscombe and 40% less safe in Christchurch. Other impacts mentioned were general comments on safety and the potential impacts on areas, positive and negative views on the effectiveness and powers of CSAS officers, other respondents saw this service as a police responsibility but also recognised the lack of police, some respondents showed concern that certain areas were being prioritised over others.

135 respondents provided comments relating to the Community Safety Accreditation Scheme (CSAS) proposal. Respondents commented that stopping CSAS Officers in Poole Town Centre, Christchurch Town Centre and Boscombe would impact on safety concerns, particularly for women, shift workers and the elderly. In addition, respondents felt that there would be an increase in anti-social behaviour and crime in these areas. Respondents commented that local residents and tourists will avoid the areas where the CSAS is stopped, the proposals would impact on businesses and shops will close as a result. Some respondents questioned why only Bournemouth Town Centre would continue to have CSAS presence.

Respondents commented that CSAS Officers do a good job, support the police, act as a deterrent and that there is a need for more Officers due to a lack of police. However, some respondents commented that CSAS Officers have no powers to address issues that arise and that it is the role of the police to tackle anti-social behaviour. There is a need for more police to act as a deterrent and there is a need for stricter enforcement and increased fines.

CCTV (approximately yearly saving £49,000)

Just under one third (31%) of respondents agreed with the CCTV proposal whilst 59% disagreed. Three out of ten respondents (30%) said this would impact them a lot and 39% said it would impact them a little. When looking at the type of impact, over three quarters of respondents to this section (77%) would feel less safe. Another impact respondents highlighted was a concern over the risk of increased volume of crime and ASB, while others said CCTV is viewed as important evidence to aid convictions. Some respondents suggested using AI as an alternative to human live monitoring.

230 respondents provided comments relating to the CCTV proposal. A number of respondents commented that reducing live monitoring of cameras would impact on safety concerns, particularly for women, shift workers and the elderly. In addition, there would be an

increase in anti-social behaviour and would result in increased crime. The monitoring of CCTV also helps to provide evidence.

Respondents commented that live monitoring of cameras is crucial due to a lack of police presence and that it is important that live monitoring is properly manned with staffing levels and monitoring hours maintained. Respondents also commented that the CCTV system should be upgraded, and the number of cameras should be increased.

Respondents commented that a reduction in live monitoring would impact tourism and the number of visitors to the area, which would negatively impact local businesses and the local economy.

However, some respondents commented that the proposal seems reasonable, and that CCTV monitoring should be funded by the police.

Christchurch Household Recycling Centre (approximately yearly saving £100,000)

Over two thirds of respondents (67%) who chose to answer the questions relating to the proposal about Christchurch Household Recycling Centre (HRC) had used the HRC in the past 12 months. Over half of the respondents (57%) who use the HRC visit about once a month with 11% visiting at least once a week and 26% had visited within the last 6 months.

More people disagree with this proposal (52%) compared to agree (40%). Just over one fifth of respondents (21%) say that this proposal would impact them a lot and 31% state it would impact them a little.

When asked about the type of impact 35% said they would use the Christchurch HRC on a different day, 25% said they would struggle to find an alternative to dispose of their household waste and 8% said they would use one of the other HRCs. Other types of impacts mentioned included a concern about the potential increase in fly tipping, a concern that Sunday closure will impact those working in full time employment and a concern about an increase in waiting times and traffic at the HRC on a Saturday.

211 respondents provided comments relating to the Christchurch Household Recycling Centre proposal. The vast majority of these respondents commented that they were opposed to the proposal. A number of respondents commented that the recycling centre should not close on Sundays because people work during the week and can only visit at the weekend, while most people do DIY and recycle at the weekend. Respondents also commented that the proposed closures would make other days busier, increase queue length, would make other recycling centres busier and increase congestion on roads. A number of respondents commented that the closures and charging people to visit would result in an increase in fly-tipping, while it would discourage people from recycling and would be bad for the environment.

Respondents also questioned why Christchurch would be impacted while there were no proposed changes at Bournemouth and Poole. These respondents felt that Christchurch continually gets penalised when savings are made. Respondents commented that there reduced services should be shared across the conurbation at the other two sites as well as at Christchurch.

Respondents suggested that if closures were to occur then these should be on weekdays only, should not be on consecutive days, the recycling centre should operate on reduced hours on all days as opposed to full day closures and should explore funding and income generation at the recycling centres.

Review of Grounds Maintenance Service (approximately yearly saving £450,000)

Respondents were split in their agreement and disagreement for the grounds maintenance proposal which would see a reduction in the grounds maintenance service. Just fewer than half of respondents (49%) agreed with the proposal and 43% disagreed. Over one quarter (27%) said this proposal would impact them a lot. When respondents were asked about the type of impact the proposal would have on them, over half (58%) said they would have less pride in where they live, over one third (34%) said they think it would have a positive impact for wildlife and the environment and over one fifth (24%) would consider volunteering to litter pick in my local area. Other types of impacts mentioned included a negative impact on wild/green areas and animals. There was also concern about the impact on tourism and the impression of the area. We received comments that some areas are already poorly maintained so this would make it worse, the negative impacts on roads, drivers and pedestrians and the negative impact on children's play areas and mental health and wellbeing were also commented on.

286 respondents provided comments relating to the grounds maintenance service proposal. While some respondents commented that they support the proposal, the majority of comments were reasons why they opposed the proposal.

Respondents commented that they supported the proposal because it was good for biodiversity, benefitted wildlife, was a sustainable approach and helped to save money. Respondents also commented that volunteers should be utilised, and communities would be empowered to take a proactive approach to maintaining their local area.

A number of respondents commented that they were opposed to the proposal because wild areas look untidy and trap litter, while mown areas and decorative planting looks neat and helps maintain pride in the area. Respondents also commented that reduced grass cutting, wild areas being allowed to grow and a reduction in decorative planting would negatively impact on the impression of the area and affect tourism. Respondents commented that it is important to maintain litter picking and keep streets clean.

Some respondents commented that a reduction in funding for the grounds maintenance service would result in an increase in anti-social behaviour and reduced safety in the local area. Allowing areas to be left unmown would reduce visibility at road junctions and safety on roads. Respondents also commented that the grounds maintenance service benefits the mental health and wellbeing of local residents.

Respondents also commented on environmental concerns of the proposal, including an increase in dog waste, pests and vermin and would result in blocked drains and flooding.

Those who opposed the proposal also commented that they felt the ground maintenance service is already underfunded and that they felt Christchurch has had a reduced ground maintenance service since the merger of the councils.

Respondents suggested that not all areas were appropriate for a reduced grounds maintenance service and that it was important that sports pitches and other open spaces used for exercise to be regularly maintained. Wild flowers should be properly maintained and grass verges should be cut.

Hengistbury Head Outdoor Education Centre (approximately yearly saving £10,000)

Just over one quarter of respondents to the section had used Hengistbury Head Outdoor Education Centre in the last 12 months (27%). Respondents were split in their agreement and disagreement with the Hengistbury Head proposal with 44% agreeing and 43%

disagreeing. Just over one in ten respondents (13%) said this proposal would impact them a lot and 21% said it would impact them a little. When looking at the type of impact 16% said they would no longer take part in water sports at Hengistbury Head and 11% said they would no longer visit Hengistbury Head. Other impacts and comments include the loss of an important education and community facility and the impacts on clubs, schools and groups that use it.

96 respondents provided comments relating to the Hengistbury Head Outdoor Education Centre proposal. The majority of comments were reasons for opposing the proposal or suggestions as to how to keep the centre open and available to the public.

Respondents commented that they were opposed to the proposal because the centre is a well-used community facility that is used by people of all ages, and it has provided affordable access to water sports to multi-generations. Respondents also commented that the centre is a good educational facility for schools, teaching people about the environment, wildlife and water safety and it is an important facility for young people.

Respondents also commented that the education centre provides health and wellbeing benefits, the facility was important for tourism in the area and the proposal only creates a small saving and therefore was not worth doing.

Respondents commented that the centre should not be closed if it cannot be transferred to a community group, effort should be made to keep it open, and it will still require council support if it was transferred. Respondents also made funding suggestions as opposed to transferring or closing the centre.

Street lighting (approximately yearly saving £68,000)

Just over a half (54%) agree with the street lighting proposal and 38% disagree. Two out of ten respondents (21%) said this would impact them a lot and 27% said it would impact them a little. When looking at the type of impact, 46% would be concerned about an increase in ASB / crime, 44% would feel less safe, 28% would not go out when the lights are turned off and 18% would prefer it as there would be less light pollution. The other impacts respondents mentioned include using the car instead of walking, concern about the risk of trips and falls on pavements, comments that LED lights do not work. Other suggestions include automated lights/ light sensitive instead, keep alternative lights on instead, turn other lights off in car parks / buildings, consult the police.

249 respondents provided comments relating to the part night lighting in Poole proposal.

Respondents commented that they supported the proposed part night lighting in Poole because of the savings and that people are less likely to be outside during these hours. Turning street lights off at night was also good for the environment as well as wildlife. Some respondents suggested that the proposal should be extended to include turning off more lights and for longer hours.

Respondents commented that a reduction in night lighting would impact on safety concerns, particularly for women, shift workers, those who make use of nightlife entertainment, as well as those who would otherwise take part in outdoor physical exercise. There would be an increase in anti-social behaviour and crime, while reduced lighting would result in an increased risk of trips and falls on pavements.

Respondents commented on the harmonisation of services and that it was not fair that the proposal only focused on reduced lighting in Poole. The lighting system in Bournemouth

should be changed to align with Poole and Christchurch, while some respondents commented that they felt that Christchurch funds schemes in Bournemouth and Poole.

Suggested amendments to the proposal included that alternate lights should be turned off rather than whole areas, lighting should be dimmed as opposed to turned off completely, turning lights off between midnight and 6am was too long, street lighting should be automated and light sensitive instead and that LED or low energy lighting should be installed.

School Crossing Patrol (approximately yearly saving £12,000)

Just under one third (30%) of respondents to this section had used the school crossing patrol service in the last 12 months. Over half of respondents (55%) agree and 32% disagree with the proposal to remove school crossing patrols from locations that have existing crossing facilities. Almost two out of five respondents (39%) agree and 44% disagree with the proposal to remove school crossing patrols from locations that do not meet the threshold. The majority of respondents (73%) agree and 17% disagree with the proposal to use capital funding to upgrade SCP sites to permanent crossing facilities. Over one in five (22%) of respondents say this proposal would impact them a lot and 17% a little. Over one quarter of respondents (28%) would feel their child is less safe walking / cycling to school, 27% would feel safer because of the permanent/ upgraded crossing facilities that would be available 24/7, 15% would miss the interaction with the school crossing patrol.

111 respondents provided comments relating to the school crossing patrol proposal and the majority of responses were opposed to the proposal.

A number of respondents commented that they were opposed to the proposal because the safety of children is paramount and school crossing patrollers ensure their protection. Respondents also commented that they would not allow children to walk to school independently if there was not a school crossing patroller, school crossing patrollers help to control traffic flow, they help to educate children on road safety and human interaction with school crossing patrollers benefits children.

Respondents also commented that the savings were minimal and therefore not worth implementing.

Respondents commented that they supported upgrading school crossing patrol sites so there are permanent crossing facilities that are available 24/7. Respondents suggested that additional enforcement and traffic calming measures should be implemented alongside permanent crossing facilities, road safety education should be provided within schools, while needs assessments were required and changes to school crossings only be made on individual site requirements.

Comments

300 respondents provided other general comments or suggestions about the 2024/25 budget.

Respondents commented on the budget consultation in general and that proposals would only result in short-term gains and services were too important to reduce compared to the small savings described. Safety concerns should be considered when making decisions relating to the 2024/25 budget. While some respondents commented that utilising volunteers and community groups was a good idea, others commented that they were wary of relying on volunteers providing council services.

While some respondents commented that they appreciated the opportunity to respond and provide their views on the 2024/25 budget, others commented that they felt that budget decisions have already been made by the council and that the council needs to be transparent with its reasons for making the budget decisions it does.

A number of respondents commented on council spending/funding. Respondents commented that the council should review staff costs to support budget savings, senior leadership salaries were too high, there were too many managers within the council structure and the number of councillors in each area should be reduced. Respondents also questioned the need for some roles within the council and that savings could be made by staff returning to working in offices. Respondents also commented that staff expenses should be reduced. Respondents commented that the council has previously wasted money and that someone else should be responsible for managing council finances. Funding from central government needs to be increased, while some services should be the responsibility of central government and not local authorities.

Respondents criticised the merger of the councils and that it had not saved money, harmonisation had not occurred and that Christchurch residents support Bournemouth and Poole while their services are reduced. A number of respondents commented on council tax charges, including feeling that they receive poor service for the cost of council tax, council tax should not be increased, it should be made fairer based on the size of property and where you live, while council tax rates should be increased for those who own second homes and holiday lets.

Respondents commented that the needs of local residents should be prioritised over anyone else, while there should be a tourist tax and residents should have a discount card or receive preferential rates on local services and amenities.

While some respondents commented that the council spends too much money on providing adult and children's social care services, other respondents commented that the council needs to continue to invest in both adult and children's social care services, including SEN support within schools and transport services.

Respondents also commented on the transport strategy of the council. Respondents commented that the recently created cycle lanes had been a waste of money and the council needs to invest in improving the quality of local roads. Respondents commented that car park charges should be reduced and removed in the evenings to encourage people to visit towns and reduce the need for parking wardens. Respondents also commented that increased enforcement and collection of parking fines in the local area would generate funds for the council.

Respondents commented that there is a need for regeneration of town centres, including improved cleaning and reduced business rates to encourage shops to open and to support the local economy and tourism. While some respondents suggested that the council should sell council land, including car parks and unused buildings to help raise funds, other respondents commented that no more housing developments are needed in the local area and that the council should not sell their sites or build on car parks.

Some respondents commented that environmental issues need addressing, including water quality, carbon footprint and congestion within the local area, while some respondents commented that the council should stop using herds of cows to support environmental projects. Some respondents commented that the council should increase their public bin emptying and recycling schemes and that the seafront promenade required more regular sand clearing.

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BCP Schedule of Council Tax Charges 2024/25

	Actual Council Tax 2023/24 £	Change 24/25 %	Proposed Council Tax 2024/25 £
Christchurch			
Christchurch Town Council			
BCP Unitary Charge	£1,683.23	4.99%	£1,767.22
Christchurch Town Council	£45.68	53.75%	£70.23
Total Christchurch Town	£1,728.91		£1,837.45
Burton & Winkton Parish			
BCP Unitary Charge	£1,683.23	4.99%	£1,767.22
Burton & Winkton Parish Precept	£15.74	9.61%	£17.25
Total Burton Parish	£1,698.97		£1,784.47
Hurn Parish			
BCP Unitary Charge	£1,683.23	4.99%	£1,767.22
Hurn Parish Precept	£32.42	3.50%	£33.55
Total Hurn Parish	£1,715.65		£1,800.77
Highcliffe and Walkford			
BCP Unitary Charge	£1,683.23	4.99%	£1,767.22
Highcliffe and Walkford Neighbourhood Council	£22.82	20.31%	£27.46
Total Highcliffe and Walkford	£1,706.05		£1,794.68

Bournemouth

Bournemouth (exc Throop and Holdenhurst)			
BCP Unitary Charge	£1,683.23	4.99%	£1,767.22
Bournemouth Chartered Trustee	£2.27	0.00%	£2.27
Bournemouth Total	£1,685.50		£1,769.49
Bournemouth (Throop and Holdenhurst)			
BCP Unitary Charge	£1,683.23	4.99%	£1,767.22
Throop and Holdenhurst	£40.10		TBC
Bournemouth Total	£1,723.33		£1,767.22

Poole

BCP Unitary Charge	£1,683.23	4.99%	£1,767.22
Poole Chartered Trustee	£2.14		TBC
Poole Total	£1,685.37		£1,767.22

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Key Assumptions

Service Pressures, Corporate Cost Pressures & Additional Resources, Savings, and Efficiencies

Service Pressures (net of any specific grant changes)	Budget 2023/24 £m	Incremental Year on Year Changes				
		24/25 £m	25/26 £m	26/27 £m	27/28 £m	Total £m
Wellbeing Directorate	131.7	15.2	5.5	5.5	5.8	32.0
Children's Directorate	87.3	7.5	5.0	5.3	5.3	23.1
Operations Directorate	65.4	8.5	2.8	1.7	1.5	14.5
Resources Directorate	39.1	3.1	0.6	0.7	0.4	4.8
	323.6	34.3	14.0	13.2	12.9	74.4

Savings, Efficiencies, Fees & Charges						
Wellbeing Directorate		(10.8)	0.0	(0.9)	(0.8)	(12.5)
Children's Directorate		(3.9)	0.5	0.0	0.0	(3.4)
Operations Directorate		(11.4)	(0.7)	(2.2)	(2.0)	(16.3)
Resources Directorate		(1.3)	(0.3)	(0.2)	(0.1)	(1.9)
Transformation		(13.8)	(3.1)	(0.7)	(0.1)	(17.6)
		(41.2)	(3.6)	(4.0)	(3.0)	(51.8)

Corporate Items - Cost Pressures						
Adjustment - Assumed Transformation savings not rebased	(6.7)	6.7	0.0	0.0	0.0	6.7
Transformation Base Revenue Cost	4.5	0.0	0.0	0.0	0.0	0.0
Salary Costs charged to Transformation	(3.2)	2.4	0.8	0.0	0.0	3.2
Debt Capital Repayment - Minimum Revenue Provision	13.6	(8.7)	0.5	0.4	0.4	(7.4)
Debt Interest on Borrowings	3.3	0.0	0.0	0.0	0.0	0.0
Capitalisation Direction provision	0.2	(0.2)	0.0	0.0	0.0	(0.2)
Treasury Management Income	(2.5)	0.8	0.8	1.7	1.8	5.1
Pension - Back funding	3.4	0.2	0.2	0.0	0.0	0.3
Provision for the Pay Award	4.0	(0.0)	3.8	3.8	3.8	11.4
Pay and Grading Project	1.0	0.1	2.5	(4.2)	0.0	(1.7)
Redundancy Costs (non-transformation fundable)	2.1	(1.9)	(0.1)	0.0	0.0	(2.1)
Investment Properties Income	(5.0)	0.1	(0.1)	0.0	0.0	(0.0)
Carters Quay	0.1	0.0	0.0	0.0	0.0	0.0
Miscellaneous including levies	(0.4)	1.9	0.5	0.6	0.6	3.5
Contingency	2.2	0.0	0.0	0.0	0.0	0.0
Additional Investment in Regeneration	0.0	1.4	0.0	0.0	0.0	1.4
Corporate Items - Cost Pressures	(14.7)	2.6	8.8	2.2	6.5	20.2

Funding - Changes	(308.9)	7.7	(17.6)	(16.5)	(16.7)	(43.1)
Annual – Net Funding Gap	(0.0)	3.4	1.6	(5.1)	(0.2)	(0.4)
Application of one-off business rates resources to MTFP	0.0	(3.4)	(1.6)	5.1	0.2	0.4
Annual – Net Funding Gap	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Cumulative MTFP – Net Funding Gap		(0.0)	0.0	0.0	0.0	

The 2024/25 Budget and Medium-Term Financial Plan (MTFP) as presented is based on numerous key assumptions that although they have been informed by many factors such as government announcements, economic forecasts, and trend analysis, are also based on professional judgement. These can be listed as follows.

1. Wellbeing

Service Pressures £15.2m (11.4% increase over the 2023/24 budget for demand and inflationary increases including pay related costs)

Adult Social Care and Commissioning

The MTFP makes provision for an additional gross £26m investment in adult social care services over the 4-year period to March 2028 (£10.1m in 24/25). This pressure, which excludes the impact of the pay award on the services staff, is a combination of:

- 1) Assumptions around inflationary pressures within the care market. These pressures relate mainly to increases for providers in staffing costs where a significant driver is the consequential impact of changes in the National Living Wage (NLW).
- 2) The additional funding allocation for the Market Sustainability and Improvement fund will be used to assist moving towards achieving the 'Fair Cost of Care'. The Discharge Fund will be used to meet the increased care costs and speed up hospital discharges.
- 3) Demographic growth for all client groups is assumed to be demand managed or funded with temporary resources in 2024/25.

The NLW remains a key driver for the cost of care services affecting 70% of the cost of providing personal care. The rate from April 2024 has been confirmed at £11.44 per hour. Therefore, the increase of cost of care in the MTFP has been built on this basis.

The remaining 30% of the cost of providing personal care is driven by other cost of living factors assumed to increase by 3% in 2024/25 in line with CPI as estimated by the Office of National Statistics in November 2023.

From 2025/26 for the remaining 3 years of the MTFP, the assumption is 2% annual increases for NLW and 1.6%, 1.5% and 1.8% for CPI.

It should also be noted that a Mental Capacity (Amendment) Bill has replaced the Deprivation of Liberty Safeguards (DoLS) with a scheme known as the Liberty Protection Safeguards. These arrangements describe the procedures necessary to deprive people of their liberty because of lack of capacity to consent to their care arrangements. The implementation of the new scheme has been postponed again. The council will commit spending on this activity up to any amount funded by the government.

The government remains committed to delivering the adult social care charging reforms and supporting people drawing on care and support, therefore the MTFP reflects an assumption that £5.8m estimated pressures in 2026/27 and further £10.2m in 2027/28 will be fully covered from additional government funding.

The delay includes the implementation of the extended means test, the lifetime cap on personal care costs and the extension of Section 18(3) to enable self-funders in residential care to access local authority contracting arrangements.

Housing

The cost of homelessness continues to rise due to the significant increase in demand and the rising costs of accommodation. The annual homelessness prevention grant (HPG) has been supplemented in recent years by earmarked reserves designated to support homelessness, but this reserve is depleting and estimated to be fully utilised by 2025/26. Work is underway to

create alternative accommodation options to prevent escalating costs in future years and to be able to meet demand with the in-year annual HPG allocation and base budget provision.

2. Children's Services

Service Pressures £7.5m (8.8% increase over 2023/24 budget for demand and inflationary increases including pay related costs budget)

The MTFP makes provision for an additional gross £23.1m investment in children's services over the 4-year period to March 2028 (before additional specific grants). This pressure, which includes the impact of the pay award on the services staff, is a combination of

1) Care:

- a. the service has seen a rise in the numbers of children in care since the beginning of the financial year and the continued increasing complexity of children needing placements. The national picture of the care market evidences significant sufficiency issues and this, in addition to the ongoing cost-of-living growth, has prompted providers to increase their fees.
- b. A new government requirement for providers of supported accommodation for looked after children and care leavers aged 16 and 17 to be Ofsted registered and inspected will mean additional cost incurred by the providers will be passed on through placement fees.
- c. Local social care market purchasing has been reliant on framework contracts which previously worked well in managing placement costs, however in the past 2 years this has significantly deteriorated. This change has impacted on price and will be addressed through a revised strategy across all placement types with a range of market options.

2) School Transport:

- a. cost of special educational needs and disability (SEND) transport is directly linked with the increasing number of education, health, and care plans (EHCPs) and the pressure that continues in the high needs block of the dedicated schools grant (DSG). This grant is ring-fenced and currently outside the general fund budget.
- b. SEND transport is however not funded by the DSG and instead the responsibility falls to the general fund budget of the council.

The social care grant provided since 2020/21 is assumed to continue along with all other children's social care funding.

3. Operations

Service Pressures £8.5m (13.5% increase over 2023/24 budget largely driven by inflationary increases and loss of income)

The MTFP provides for additional investment over the 4-year period to March 2028 of £8.6m across operations services. This pressure is a combination of:

- 1) Inflationary pressures for waste disposal and recycling services linked to contracts and market movements of £3.2m (£1.6m allowed for in 2024/25).
- 2) Reduced income of £0.5m for the bereavement service reflecting the ongoing challenging market conditions from the growth in the direct cremation market and other local facilities.
- 3) Fuel inflation has been allowed for along with increased prudential borrowing repayments to ensure that the rolling capital programme for fleet vehicles is maintained.
- 4) Investments in seafront IT system and beach huts, with these additional costs expected to be recovered through additional income.

- 5) Cost pressures within infrastructure services for sustainable transport with concessionary fares inflation provided going forward, following the rebase in the 2023/34 budget to reflect the trend of reducing journeys.
- 6) Restoration of £0.4m of budget for the planning service.

4. Pay Award

Local government agreed pay awards for 2018/19, 2019/20, 2020/21 and 2021/22 were 2%, 2%, 2.75% and 1.75% respectively. The National Employers organisation took a different approach in agreeing the pay awards for 2022/23 and 2023/24.

For 2022/23 a flat rate increase of £1.925 on every spinal column point was agreed. For 2023/24 agreement with the Trade Unions was reached on a flat rate increase of £1,925 on every grade up to SCP43 and 3.88% above this level.

In both years the settlements were more than was assumed as part of the budget setting process with the council faced with in-year service pressures and an uplift in the resources that must be set aside as part of the MTFP. Provision has been made as part of the 2024/25 for the consequences of this previous under-provision.

The draft budget for 2024/25 makes provision for a 4.5% pay award uplift across all grades which can be compared to the actual 6.75% average increase for 2023/24. This is based on a benchmarking exercise undertaken by the Director of Finance with near neighbour Unitary Authorities to ensure consistency with the assumptions being made by the sector. The trade union Unison is seeking a view from its members in respect of a 2024 pay claim the main element of which is for an increase of 10% or £3,000 whichever is greater. In future years a 2% pay award provision has been provided for.

In addition, as part of the savings and efficiencies proposals underpinning the 2023/24 budget, provision was made for only 95% of each service's employee establishment to allow for the impact of turnover and other matters on the actual cost of the service. Previously the assumption varied between services, of between 95% and 98%. Monitoring of the 95% assumption is being undertaken as part of the in-year quarterly budget monitoring with indications showing some areas are finding it difficult to achieve the target. In addition, services are also expected to manage the impact of any incremental drift in their pay base.

5. New Pay and Grading Structure

A key requirement following the establishment of BCP Council was to create a single new pay and grading structure. The proposed 2024/25 budget reflects, for financial planning purposes, a proposed implementation from 1 December 2024, with a proposed uplift in the pay bill from that point in time onwards. The council will however endeavour to deliver at the earliest date achievable. In line with the normal annual protocols put in place with managers the assumption is that budget holders will manage within their budgets any additional incremental drift associated with the new arrangements, as with the current arrangements. An amount of £269k in one-off resources have been set aside to fund the cost of the implementation team in 2024/25.

6. Pension Fund

BCP Council is a member of the Dorset Local Government Pension Scheme administered by Dorset Council. The funds actuary Barnett Waddingham is required to revalue the fund every three years (tri-annual revaluation) to determine both the value of its assets and liabilities and the contributions rates for each employer in the fund.

The fund was last revalued as of April 2022 and the impact was agreed with the pension fund actuary in November 2022. The March 2022 position for BCP Council was a funding deficit of

£53.2m with a resulting funding level of 95.9% as outlined below, compared to a funding deficit of £86.6m on 31 March 2019 relating to a funding level of 91.9%.

Figure 1: BCP Pension Fund – funding levels

Local Authority	31 March 2016 Funding Level	31 March 2019 Funding level	31 March 2022 Funding Level
Bournemouth Council	79%		
Christchurch Council	88%		
Dorset Council	80%		
Poole	86%		
BCP Council	82%	92%	96%

BCP Council contribution rates are as set out below. In respect of the 2022 revaluation, the increase on the ongoing rate was offset by the reduction in the back-funding element. Key variables that impacted on the valuation were the impact on liabilities of inflation, salary increases and the assumed discount rate, and the level of investment returns on the assets of the fund.

Figure 2: BCP Pension Fund contributions agreed with the actuary:

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Ongoing (primary) rate	15.6%	16.2%	16.8%	17.4%	19.0%	19.0%
Back-funding (secondary) rate	£9.43m	£5.89m	£6.10m	£6.32m	£3.97m	£4.13m

In comparing pay rates with those of other employers, it is important to recognise that the council has a total contribution rate of more than 22%. Many private sector companies will be making only a 3% minimum pension fund contribution.

7. Inflationary Costs

Inflation is only provided for in service directorate budgets where it can be demonstrated that it will be needed due to either market or contract conditions. Inflation as of September 2023, which is applied or factored into several contractual uplifts, was 6.7% as measured by the (CPI) Consumer Price Index. In November these rates fell to 4.6% CPI and 6.1% RP respectively.

The 2023 Autumn Statement predicts inflation to be 3% CPI and 4.3% RPI during 2023. Government inflation target remains at 2% on an annual basis.

One area of cost pressure which has specifically previously been provided for is the inflationary pressures within utility costs particularly those relating to electricity and gas. This cost is especially significant within the Operations directorate and within that, particularly the electricity cost associated with street lighting.

8. Treasury Management Income

The MTFP assumes a £0.8m reduction in treasury management income during 2024/25. The consensus of most economists is that the current base rate of 5.25% has now reached its peak. Market expectations are that we will start to see a reduction in the base rate during the summer of 2024, assuming inflation and wage/employment data support such action from the bank of England.

Another key element to consider with investment income is the actual cash balances held by the authority. The Council continues to employ an internal borrowing policy which has avoided taking out additional external debt and the associated interest payable. However, this policy is finite and is under further pressure from the impact of the DSG deficit. The DSG deficit is cash that could have been retained in the Council cash balances and earned a return. As an example, the average deficit of £77m for 2024/25 invested at 5% could have earned the authority an additional £3.9m in interest.

9. Debt Capital Repayment – Minimum Revenue Provision

The Treasury Management Strategy is presented annually to Council alongside the budget after first having been considered in detail by Audit & Governance Committee. As part of this process the Council is required to periodically review the approach taken to the annual minimum revenue provision (MRP) for the repayment of debt.

The overriding requirement is to set a prudent provision which ensures that debt is repaid over a period reasonably commensurate with that over which the capital expenditure provides benefit. Working with the Council's Treasury Management Advisors, Link Group, opportunities were identified to move to a more suitable and cost effective MRP strategy whilst ensuring the provision remains prudent and compliant with statutory guidance.

The proposed revised approach will be to move to an annuity basis, as per most household mortgages, rather than either a straight line or reducing balance method. This approach, which is used by over 60% of Authorities throughout the country, will lead to a £8.7m reduction in the level of provision that would otherwise have been made in 2024/25.

Ongoing consideration will be given to whether it would be appropriate to provide a voluntary revenue provision (VRP) to enhance the level of prudence around the MRP provision.

A consideration within this will be the recent decision of Council to reduce the authority's debt threshold from £1.334bn to £755m which significantly reduces the exposure to borrowing risk.

10. Investment in Regeneration

As a recommendation of "The future of BCP FuturePlaces Ltd, investment and development" report to Cabinet on the 27 September 2023 provision has been made for the in-house delivery of regeneration accompanied by a principle of capitalising such costs where appropriate to do so. This reflects the additional cost of the new Investment and Development Directorate including any staff transferred from BCP Future Places Ltd. It should be highlighted that this pressure is subsequently removed in the savings schedule as part of a decision to fund this service through a £4m Earmarked Reserves created via the business rates surplus resources.

11. Local Council Tax Support Scheme (LCTSS)

Cabinet at its meeting on the 13 December 2023 agreed that there should be no change to the Local Council Tax Support Scheme for 2024/25. This means that the council has applied a consistent policy from 1 April 2019 onwards.

Ongoing consideration will be given to changing the existing LCTSS to a 'banded scheme' reflecting evolving best practice to reduce the burden of administration for both claimants and the council. Any changes proposed would not be designed to reduce expenditure on LCTSS but to deliver operational and administration efficiencies and better meet the needs of residents. This change is not likely to be put forward until after the implementation of a new Revenue & Benefits system in the autumn of 2024.

As of 1 January 2024, BCP Council is helping 23,117 claimants under the LCTSS a reduction of 2.9% over the previous 12-month period.

For both Housing Benefit and Council Tax Support, BCP Council, as its predecessor authorities did, has administered a discretionary local scheme for war pensioners, in which the Council can disregard all prescribed War Disablement Pension or prescribed War Widow's/War Widower's Pensions income over and above the statutory limits. BCP Council is resolved to continue this disregard. This is allowed under Section 134 (8) of the Social Security Administration Act 1992 for Housing Benefit and for Council Tax Support as detailed in the Bournemouth, Christchurch and Poole Council, Council Tax Reduction (Support) Scheme.

12. Government Grants - Assumed £9.942m additional funding for social care funding in 2024/25 (£18.032m over 4-year period of the MTFP)

Trends analysis shows that the government have made additional grant funding for social care available in every year since 2015/16. Over the years grants have increased inconsistently but average at 31% increase per year. Provisional allocations indicate an increase of around 9% only for BCP Council in 2024/25. Whilst grants have been announced only up until 2024/25, the trends shows that new money has continued over the years, therefore the MTFP assumes that the current social care grants are ongoing.

The Social Care Grant was introduced in 2020/21, as a grant ringfenced to support social care for adults and children and now includes the Independent Living Fund. This grant increases by £4.5m in 2024/25 to a total of £30.06m, an increase of 18% against a 67% increase in 2023/24. In BCP, £22.65m will be used by Adult Social Care and £7.41m will be used by Children Social Care. The Social Care Grant is estimated to increase by £2.3m (8%) in 25/26 and subsequent years due to uncertainties of government funding and the inconsistent increases experienced through the years.

The Improved Better Care Fund is frozen at £13.44m for the second consecutive year and has been assumed to remain at the same level for the MTFP period.

The increase for the Better Care Fund of 5.66% in 2024/25 is in line with NHS Dorset expectations. The MTFP assumes an increase of just over 3% for subsequent MTFP years due to lower inflation forecasts.

The Market Sustainability Fund initial allocation for 2023/24 was £4.1m. A second tranche was announced during 2023/24 and BCP Council received further £2.661m. The total of this grant was nearly 6 times than in 2022/23. For 2024/25, BCP Council will receive £6.14m which although higher than the initial 2023/24 allocation, it is 9% lower than the combined two tranches received in 2023/24. This grant is estimated to remain at the same level for the following MTFP years due to uncertainties of government funding and inconsistent increases.

The Government has also confirmed the continuation of the Adult Social Care Discharge Grant for 2024/25 which is expected to increase by 67% to £3.14m, then to remain at the same level for the remainder of the MTFP due to funding uncertainties mentioned in the paragraphs above.

13. Business Rates Collection Fund Surplus / Deficit

BCP Council is required by statute to maintain what is known as a Collection Fund which is where Council Tax and Business Rates are accounted for. The Collection fund is separate from the General Fund (GF) of the Council due to the need to collect income on behalf of other preceptors such as Police and Fire. The income from the Collection Fund to the GF is an estimated fixed draw down, set out as part of the Councils budgetary process. If there is more or less income than the estimated fixed drawn down, then surplus or deficits can be

created in the fund. Any surplus or deficits again must be estimated and are fixed movements between the GF as part of the budgetary process.

As part of the approved financial strategy work has been undertaken, supported by independent experts, to fundamentally review the Business Rates Collection Fund as the position starts to stabilise in a post pandemic environment. This work has enabled the ongoing assumption of base revenue budget resources to be increased as well as providing one-off resources which will be applied to one-off items within the 2024/25 budget and MTFP.

Our current financial planning assumption is that the council will retain £65m in business rates and Section 31 grants for 2024/25, excluding the impact of prior year surplus and deficits. This is an improved position compared to the 2023/24 budgeted amount as the impact of the revaluation for 2023 meant an overall increase in business rates valuation for the BCP Council area of 9.5%, compared to the last revaluation in 2017.

The revaluation is intended to be fiscally neutral at both the national and local level. The business rates multiplier is adjusted to offset the increase in rateable values. To some degree this is a judgement: although the Valuation Office Agency (VOA) know the increase in rateable values, they must estimate the losses in future business rates income arising from successful appeals. At BCP Council, the revaluation technical adjustment offsets the change in an authority's retained business rate income (non-domestic rating income plus s31 grants for reliefs) but the projected appeals are forecasted to be less than the multiplier allows.

Due to the risk and uncertainty around business rate appeals BCP Councils had maintained high levels of provision to offset any successful claims. A review by an independent specialist has shown that this provision accrued over a number of years can now be released as a one off to the Collection Fund which in turn creates a surplus. The estimated share of this surplus for the Council in 2024/25 is £25.2m.

14. One-Off Resources

As part of the normal annual budget process the council is required to review the brought forward and forecast position on each of its collection funds (business rates and council tax) and make provision for the forecast year end surplus or deficit as part of the following years budget.

Based on the fundamental review undertaken in respect of the business rates collection fund the forecast surplus is being treated as an exceptional one-off resource rather than as just as part of the standard budget setting arrangements.

A schedule of how these resources will be applied is set out in figure 3 overleaf. In summary it is being applied to the delivery of outcomes in support of the financial sustainability of the council and enabling the phasing of savings over a defined time periods.

Figure 3: Application of one-off resources

	£000s
Resources Available - Business Rates Collection Fund (Surplus)	(25,281)
Application of Resources	
a) Resources set aside to support regeneration ambitions over next 4 year period Includes resources to fund the staff transferred by BCP FuturePlaces Ltd over next 4-year period	4,000
b) Russell Cotes Museum <i>(separate 7 February 2024 Cabinet report)</i> £2m One-off dowry payment + £250k one-off maintenance dowry payment £626k Base budget removed from 1 April 2024 but do not become self sufficient until 1 October 2025 £50k Base budget for corporate maintenance removed from 1 April 2024 therefore £75k provision 1/10/25	3,264
c) Climate Change and Ecological Emergency Resources to top up the project budget, via an Earmarked Reserve, to £1m	452
d) Children's Services - Improvement Expenditure One-off investment in the Children's Services, Building Stronger Foundations Programme, December Cabinet	522
e) Bournemouth Air Festival £200k One-off funding for 2024/25 only, and £100k towards the base budget contingency.	300
f) Pay and Reward One-off implementation costs for 2024/25	269
g) Christmas Events £200k One-off funding for 2024/25 only.	200
h) Transitional implementation of specified savings proposals Resources to enable specific savings proposals to be implemented over a transitional period	2,773
i) Contingency Resources set aside in support of the potential for optimism bias in the £41m of 2024/25 proposed savings	5,654
j) Resources to support the balancing of the 2024/25 Budget Resources to enable the setting of a balanced MTFP	7,847
Resources Applied	25,281

15. Council Tax – Taxbase

Cabinet at its meeting on 10 January 2024 agreed to the determination of 146,342 as its council taxbase for 2024/25 which is the number of Band D equivalent properties over which the council's council tax for the year will be charged. It is based on the principle that every domestic property is valued by the Valuation Office Agency and placed in one of the eight valuation bands, based on its value as of 1 April 1991 (houses built after this date have their value as of April 1991 estimated at the time of their first sale). The amount of council tax paid varies according to the valuation band as follows:

Figure 4: Council Tax Valuation Bands on 1 April 1991 and calculation

Band	Value at 1 April 1991	Ratio	Ratio as a percentage
A	Up to £40,000	6/9	67%
B	£40,001 to £52,000	7/9	78%
C	£52,001 to £68,000	8/9	89%
D	£68,001 to £88,000	9/9	100%
E	£88,001 to £120,000	11/9	122%
F	£120,001 to £160,000	13/9	144%
G	£160,001 to £320,000	15/9	167%
H	More than £320,000	18/9	200%

A comparison of the BCP Council Taxbase between years is set out in figure 5 below.

Figure 5: Analysis of the council tax taxbase between Towns.

Town	Council Tax - Taxbase		
	2023/24	2024/25	% Variance
Bournemouth	64,842	65,603	1.2%
Christchurch	20,975	20,976	0.0%
Poole	59,022	59,763	1.3%
Total	144,839	146,342	1.0%

The council tax, taxbase growth reflects four main factors.

- 1) Improved collection rate as the position begins to stabilise after the global pandemic.
- 2) Reduced cost of the Local Council Tax Support Scheme (LCTSS).
- 3) Actual and forecast additional homes within the conurbation.
- 4) Implementation of a 100% premium for empty homes after 1 year rather than 2.

Overall, the increase in taxbase is anticipated to generate £4m additional revenue in 2024/25.

Members are reminded that Council on 12 July 2022 agreed, subject to the passing of the Levelling Up and Regeneration Bill, to.

- a) reduce the qualifying period for the empty homes' council tax premium from two-years to one-year from 1 April 2024 onwards to reinforce the incentive for owners to bring empty properties back into use.
- b) levy a council tax premium of 100% from 1 April 2025 to support the council in addressing the impact of second homes, as defined as a dwelling occupied periodically (there is no resident of the dwelling, and the dwelling is substantially furnished).

To levy the second homes council tax premium an authority first needs to make a determination at least one-year before the beginning of the financial year to which it relates and to enact the determination it must be publish a notice in at least one local newspaper 21 days before the determination date. The formal determination was approved by Council at its meeting on 9 January 2024. The MTFP includes the following assumptions.

- a) An estimated extra £900k from 1 April 2024 from bringing forward the change in the empty homes' council tax premium qualifying period to one-year from two.
- b) An estimated extra £6m per annum from 1 April 2025 from the application of the 100% council tax premium on second homes. This is reduced to £5.650m net of the extra staff that it is estimated will be required to support and administer the new arrangements as there is currently no mechanism in place to identify a property as a second home. This will be subject to further significant due diligence. The forecast has been constructed based on local knowledge around homes that used to get the 50% second homes council tax discount updated for any subsequent information gathered. There is currently no incentive for homeowners to make the council aware

that a property is a second homes as they pay the same council tax rate as if it was their main residence.

16. Schools Forum

Schools Forum is a statutory body of the council and must be consulted on all school funding budget allocations. It also has a range of decision-making powers regarding the level of budgets held centrally and whether any funding provided for mainstream schools can be transferred to other budget areas.

The BCP Schools Forum has a complement of twenty-four members with representation from all categories of schools. Two meetings were held over the autumn and one in early January 2024, with recommendations and decisions made for the BCP Council budget regarding school funding through the ring-fenced DSG.

17. Dedicated Schools Grant (DSG)

The gross DSG of £363m provides funding for mainstream schools for pre 16 pupils, private, voluntary, and independent nursery providers, a small range of central school services (for example, school admissions) and specialist provision for children and young people with high needs. High needs budgets include funding for mainstream schools and specialist providers to support pupils with education, health, and care plans (EHCPs) aged 0-25, and those educated out of school, for example due to permanent exclusion or medical needs. Academies are funded from the gross DSG allocation but with amounts subsequently recouped by the DfE to enable the budget share for pre 16 pupils to be paid directly by the Education & Skills Funding Agency (ESFA).

The DSG is allocated to the council through four funding blocks, each with its own national formula methodology: early years, mainstream schools, high needs, and central school services. Distribution to councils linked to historic allocations has now largely ended, with some funding protection mechanisms in place to reflect that expenditure patterns once well-established cannot be changed quickly.

The council brought forward a DSG accumulated deficit of £35.8m in April 2023 due to the now recognised national underfunding of the high needs budget. The deficit was budgeted to grow by £27.1m during the current 2023/24 financial year. The deficit arises from the restrictions in how funding can be moved between blocks with it not possible to reduce expenditure to balance the account as well as meet the statutory education entitlements of pupils identified with high needs. The 2023/24 quarter three budget projection is a further £0.1m shortfall. The projected accumulated deficit is as follows:

Figure 6: Summary position for dedicated schools grant at March 2024 and 2025

	£m
Accumulated deficit 1 April 2023	35.8
Budgeted shortfall 2023-24	27.1
Projected overspend	0.1
Projected deficit 31 March 2024	63.0
Projected high needs funding shortfall 2024/25	29.4
Surplus schools block funding (0.1%)	(0.4)
Projected deficit 31 March 2025	92.0

The Department for Education (DfE) strategy for tackling the national problem of accumulating deficits on the DSG due to the expenditure on the high needs block has been through the delivering better value (DBV) and safety valve (SV) programmes.

BCP Council was part of the DBV programme in 2022 with a grant of £1m secured for 2023 to support improvements in the local (SEND) system. This programme found no solution to the rising high needs funding gap and in July 2023, the council was invited to take part in the SV programme.

The estimated funding gap of £29.4m in the high needs budget was included in the DSG management plan submitted to the DfE in December 2023 as part of the draft safety valve submission. The contribution from surplus mainstream schools funding was agreed by Schools Forum in December 2023.

Final DSG school block allocations and school data to calculate funding for mainstream schools were received from the DfE on 19 December 2023. This provided the estimated surplus of £0.4m (0.1% of school block funding) as shown in the table above. Consideration of a full 0.5% transfer of £1.3m was considered with Schools Forum in January 2024 and this was not agreed. The DfE has been approached to override Schools Forum and permit a transfer of funding of 0.5% as included in the final DSG management plan submitted on 12 January 2024. Also, as part of the safety valve submission, the DfE has been requested to fund the remaining funding gap. The outcomes of these decisions are outstanding at the time of drafting this report and may change the projected accumulated deficit shown in the above table.

The 15-year DSG management plan included a gradually reducing funding gap from 2025/26 with a 1% contribution from the schools block each year as a minimum. The estimated accumulated deficit in the absence further funding is shown in the table below:

Figure 7: Accumulating deficit on the Dedicated Schools Grant

	Balance Actual 31/3/23 £m	Balance Estimate 31/3/24 £m	Balance Estimate 31/3/25 £m	Balance Estimate 31/3/26 £m	Balance Estimate 31/3/27 £m	Balance Estimate 31/3/28
Dedicated Schools Grant	(36)	(63)	(92)	(116)	(140)	(164)

18. High needs block - £60.9m

The issue of local authorities incurring expenditure greater than the resources made available by government for the high needs block of their Dedicated Schools Grant has been an issue ever since the introduction of Education, Health, and Care Plans (EHCPs) under the Children's and Families Act 2014. These EHCPs are legal documents which set out a child or young person's special educational needs and the support that is required to meet those needs. It is widely acknowledged that Local Authorities have all the responsibility for maintaining high needs expenditure within budget, and yet have almost no hard levers within which to affect this.

19. Early years block - £35 million

The early years block funds the local early years single funding formula (EYSFF) as well as a range of council services supporting the early years free entitlements.

In the government's 2023 Spring Budget, the Chancellor announced a major expansion of childcare support aiming to remove barriers to work for parents with children under three in a bid to help more parents return to work. This is to be in the form of up to 30 hours

childcare support for every child over the age of 9 months with working parents by September 2025.

The expansion for 2024/25 is 15 hours of free childcare for working parents of 2 year olds (currently available only to those on low incomes) from April and of children over 9 months from September.

The amounts centrally retained to support the free entitlements is to be agreed by Schools Forum in February 2024. At the same meeting a recommendation is to be made to the council regarding how funding should be allocated to providers through the early years single funding formula with the decision planned for to be made by Cabinet in March.

20. School's block - £264.8 million

The national funding formula (NFF) for mainstream schools funding provided a £5.1m (2.0%) increase for 2024/54 due to uplifted national formula values, updated local school data and net pupil numbers growth in secondary schools.

Consultation was undertaken with all schools in November / December regarding the mainstream school formula and level of funding transfer to high needs. The School's Forum received the outcome of this consultation in December. A separate paper on this meeting agenda includes proposals for Council decisions regarding the mainstream schools formula.

Also included in the school's block is funding for pupil growth in mainstream schools from September 2024. These allocations are made to schools where growth meets specific national criteria. The DSG allocation has increased slightly compared with last year and decisions regarding allocations for schools have been made by Schools Forum as required.

21. Central school services block - £2 million

The funding is provided largely through a national formula for on-going functions with the per pupil rate increasing annually. There is also funding for specific local commitments. Funding in this block supports specific central services for all schools and the DSG budgeting system. The School's Forum agreed in December that the council budgets can be set at the level of funding.

22. Maintained schools

On 1 April 2024, one further maintained secondary schools is planning to convert to academy status. BCP will then have 14 maintained schools plus the Christchurch learning centre to maintain. Funding to continue statutory services for maintained schools is to be provided from central retention of maintained school budget shares through agreement of maintained schools representatives at School's Forum. This retention totalling £0.2m has been agreed by the relevant members of the School's Forum but this will be reduced for any schools converting to academy status during the year. A separate de-delegation of funding to continue school improvement functions for maintained schools previously funded by DfE grant has also been agreed. Funding approval through the School's Forum for these statutory services needs to be sought each year.

23. Academies

Academies are independent organisations; their funding and expenditure is not contained within the council's budget.

24. Education & Skills Funding Agency (ESFA)

Funding for mainstream post 16 pupils is provided by the ESFA and is passported directly to schools. This budget remains estimated as the ESFA will not provide the detail of allocations until later in the year.

25. Pupil premium for schools

The pupil premium is funded by the DfE and is passported to schools. It is allocated according to the number of pupils eligible for free school meals (FSM) from low-income criteria, Children in Care or adopted, and of forces personnel with funding rates uplifted by between 1.4% and 1.7% for 2024/25.

Medium Term Financial Plan 2023/28 (absolute budget)

	Adjusted Net Budget	MTFP	Net Budget	MTFP	Net Budget	MTFP	Net Budget	MTFP	Net Budget
	2023/24 £m	2024/25 £m	2024/25 £m	2025/26 £m	2025/26 £m	2026/27 £m	2026/27 £m	2027/28 £m	2027/28 £m
Wellbeing Directorate	131.7	1.2	132.9	4.9	137.8	4.4	142.2	4.9	147.1
Children's Directorate	87.3	(0.7)	86.6	3.2	89.7	4.8	94.5	5.3	99.8
Operations Directorate	65.4	(5.4)	60.1	(2.3)	57.8	(0.5)	57.3	(0.5)	56.8
Resources Directorate	39.1	1.0	40.1	(0.0)	40.1	0.8	40.9	0.5	41.4
Net cost of services	323.6	(3.9)	319.7	5.7	325.4	9.5	334.9	10.2	345.1
Contingency	2.2	5.7	7.9	(5.7)	2.2	0.0	2.2	0.0	2.2
Treasury and Property Income	(7.6)	0.7	(6.9)	0.6	(6.3)	0.0	(6.3)	0.0	(6.3)
Minimum Revenue Provision (debt repayment) and Interest	17.0	(2.4)	14.6	0.8	15.4	2.4	17.8	2.4	20.3
Pay and Grading Project	1.0	0.3	1.3	2.2	3.5	(4.2)	(0.7)	0.0	(0.7)
Pay related costs	10.0	(2.4)	7.5	4.0	11.5	3.8	15.3	3.8	19.1
Reserve Movements	(28.5)	39.8	11.3	(15.6)	(4.3)	5.1	0.8	0.2	1.1
Transformation	(7.8)	11.8	4.0	0.7	4.7	0.0	4.7	0.0	4.7
Levies	0.6	0.0	0.6	0.0	0.7	0.0	0.7	0.0	0.7
Accommodation Strategy	0.0	0.0	0.0	(0.1)	(0.1)	(0.0)	(0.2)	0.0	(0.2)
Housing Benefit Payments	(0.5)	(1.1)	(1.6)	0.1	(1.5)	0.0	(1.5)	0.0	(1.5)
Contribution from HRA	(1.0)	0.0	(1.0)	0.0	(1.0)	0.0	(1.0)	0.0	(1.0)
Dividend Income	(0.2)	(0.1)	(0.2)	(0.1)	(0.3)	0.0	(0.3)	0.0	(0.3)
Apprenticeship Levy	0.6	0.0	0.6	0.0	0.6	0.0	0.6	0.0	0.6
Admin Charged to Grant Income	(0.5)	0.0	(0.5)	0.0	(0.5)	0.0	(0.5)	0.0	(0.5)
Across Authority Savings	0.0	(0.5)	(0.5)	0.0	(0.5)	0.0	(0.5)	0.0	(0.5)
Net Budget	308.9	48.0	356.9	(7.4)	349.5	16.5	366.0	16.7	382.7
Council Tax Income	(243.8)	(14.8)	(258.6)	(14.5)	(273.1)	(15.3)	(288.5)	(15.5)	(304.0)
Second and empty homes premium	0.0	0.0	0.0	(5.7)	(5.7)	0.0	(5.7)	0.0	(5.7)
New Homes Bonus	(0.3)	0.3	(0.1)	0.1	0.0	0.0	0.0	0.0	0.0
Services Grant Allocation	(2.2)	1.9	(0.3)	0.3	0.0	0.0	0.0	0.0	0.0
Revenue Support Grant	(3.9)	(0.3)	(4.2)	(0.0)	(4.2)	(0.0)	(4.2)	(0.0)	(4.2)
NNDR Net Income	(49.8)	10.9	(38.9)	(1.1)	(40.1)	(1.2)	(41.3)	(1.2)	(42.5)
NNDR 31 Grants + Renewable Energy	(9.4)	(16.7)	(26.1)	0.0	(26.1)	0.0	(26.1)	0.0	(26.1)
Estimated (Surplus) / Deficit on the Collection Fund - NNDR	0.6	(26.3)	(25.7)	25.3	(0.3)	0.0	(0.3)	0.0	(0.3)
Estimated (Surplus) / Deficit on the Collection Fund - CTAX	(0.0)	(3.0)	(3.0)	3.0	0.0	0.0	0.0	0.0	0.0
Total Funding	(308.9)	(48.0)	(356.9)	7.4	(349.5)	(16.5)	(366.0)	(16.7)	(382.7)
Annual – Net Funding Gap	(0.0)	(0.0)	(0.0)	0.0	0.0	(0.0)	0.0	0.0	0.0
Cumulative MTFP – Net Funding Gap			(0.0)		0.0		0.0		0.0

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GENERAL FUND BUDGET SUMMARY 2024/25

Provisional budgets. Final detail will be provided as part of the BCP Council Budget Book

	Net Budget 2023/24 £000	Net Budget 2024/25 £000
Wellbeing Directorate	131,704	132,886
Children's Directorate	87,299	86,592
Operations Directorate	65,434	60,079
Resources Directorate	39,137	40,125
Net cost of services	323,575	319,683
Pension Backfunding	3,406	3,561
Contingency	2,225	7,879
Pay award 23/24 and 24/25 - <i>to be distributed to services</i>	3,987	3,987
Redundancy costs (Non Transformation)	2,070	0
Levies		
Environment Agency	519	532
Fisheries	108	108
Corporate income and expenditure		
Interest on borrowings	3,483	3,607
Interest on cash investments and dividends	(2,687)	(2,082)
Securitisation of an income stream to the Council		
Investment property income	(5,301)	(5,301)
Revenue expenditure on surplus assets	267	267
Income from HRA	(1,030)	(1,030)
Admin Charged to Grant Income	(504)	(504)
Apprentice Levy	622	622
Net Operating Expenditure	330,740	331,329
Other financial items impacting on the general fund		
Provision for repayment (MRP)	14,001	11,010
Movements to and (from) reserves	(28,507)	11,300
Benefits	(490)	(1,567)
Transformation Programme - net of savings target in 2023/24	(7,824)	4,020
Pay and Grading Project	991	1,329
Cross authority savings	0	(503)
	(21,829)	25,589
Net Budget Requirement	308,911	356,917
Other funding before Council Tax Requirement		
New Homes Bonus Grant	(344)	(55)
Services Grant	(2,215)	(349)
Collection Fund Surplus Distribution (Council Tax)	(36)	(3,000)
Collection Fund Deficit Distribution (NNDR)	610	(25,671)
Net Income from Business Rates - inc S31 Grant	(59,192)	(65,026)
Revenue support grant	(3,937)	(4,198)
	(65,114)	(98,299)
Total Council Tax Requirement	243,798	258,619

Wellbeing Budget Summary 2024/25

Provisional budgets. Final detail will be provided as part of the BCP Council Budget Book

Service Units	Net Budget 2024/25 £000's
Adult Social Care	124,852
Commissioning	(2,708)
Public Health	(744)
Housing and Communities	8,641
*Notional Pay Award Allocation	2,846
Total Wellbeing	132,886

Adult Social Care	
Access & Carers	2,207
ASC Management Team	(25,153)
ASC Transformation	1,464
Care & Direct Services	2,368
Long Term Conditions	73,895
Mental Health & Learning Disabilities	67,244
Statutory Services	2,827
Total Adult Social Care	124,852

Commissioning	
Director of Commissioning	(21,762)
Procurement	1,131
Strategic Commissioning - Disabilities	1,571
Strategic Commissioning - Long Term Conditions	16,351
Total Commissioning	(2,708)

Public Health	
Public Health	(744)
Total Public Health	(744)

Housing and Communities	
Asset Investment	(2,215)
Community Engagement & Partnerships	657
Housing - Risk and Performance & Telecare	354
Housing & Communities Management	309
Housing Options & Partnerships	5,550
Regulatory Services	2,663
Safer Communities	768
Strategic Community Safety	555
Total Housing and Communities	8,641

Children's Services Budget Summary 2024/25

Provisional budgets. Final detail will be provided as part of the BCP Council Budget Book

Service Units	Net Budget 2024/25 £000's
Corporate Parenting & Permanence	48,185
CSM General	(3,286)
Education & Skills	20,219
Partnerships	2,158
Quality and Governance	4,188
Safeguarding & Early Help	12,293
*Notional Pay Award Allocation	2,836
Total Children's Services	86,592

Corporate Parenting & Permanence	
Care Experienced Young People & UASC	174
Child Health & Disability	3,524
Children In Care	41,030
CPP Management	536
Family Resource Centre	692
Fostering & Supported Lodgings	2,230
Total Corporate Parenting & Permanence	48,185

CSM General	
Children's Commissioning	1,181
CSM General	(5,618)
Management CSC	1,150
Total CSM General	(3,286)

Education & Skills	
Early Years & Family Support	695
EDU Management	285
School & Provider Standards	399
School Organisation	14,736
Skills & Learning	0
Special Educational Needs & Disability	3,412
Virtual School	692
Total Education & Skills	20,219

Partnerships	
Aspire Adoption	1,529
Music & Arts Partnership	0
Youth Justice Service	629
Total Partnerships	2,158

Quality and Governance	
Children's Rights & Participation	274
Complaints	240
Independent Reviewing Officers	1,026
LADO	169
Local Safeguarding Children Board	76
Performance & Management Information	842
QPIG Management	842
Workforce Development	718
Total Quality and Governance	4,188

Children's Services Budget Summary 2024/25

Safeguarding & Early Help	
Assessment & Complex Safeguarding	4,835
Children & Families First, PLO & Court	4,651
MASH & Out of Hours	1,937
Section 17 - Safeguarding & Early Help	235
SEH Management	526
Targeted & Family Support	108
Total Safeguarding & Early Help	12,293

Operations Services Budget Summary 2024/25

Provisional budgets. Final detail will be provided as part of the BCP Council Budget Book

Service Units	Net Budget 2024/25 £000's
Commercial Operations	(24,806)
Customer, Arts and Property	21,981
Environment	38,523
Infrastructure	15,995
Operations Strategy	(22)
Planning and Destination	1,186
Regeneration Delivery	1,282
*Notional Pay Award Allocation	5,939
Total Operations Services	60,079

Commercial Operations	
Destination & Events	148
Leisure	(766)
Parking Services	(18,197)
Seafront	(5,991)
Total Commercial Operations	(24,806)

Customer, Arts and Property	
Business Support	5,448
Culture	2,410
Customer Services	2,431
Facilities Management	7,071
Libraries	5,934
Property Maintenance	(1,175)
Telecare	(137)
Total Customer, Arts and Property	21,981

Environment	
Environment Management	880
Neighbourhood Services	10,088
Parks & Bereavement Services	5,020
Passenger Transport	150
Strategic Development	15,761
Transport & Operating Centres	6,624
Total Environment	38,523

Infrastructure	
Engineering	5,525
Flood & Coastal Erosion Risk Management	856
Service Director - Growth and Infrastructure	(1,685)
Transport & Sustainable Travel	11,300
Total Infrastructure	15,995

Operations Strategy	
Operations Strategy	(22)

Operations Services Budget Summary 2024/25

Planning and Destination	
Destination	(190)
Development Management	(1,043)
Economic Development	210
Head of Planning Services	637
Planning Arboriculture/Landscape	346
Planning Enforcement	467
Planning Policy	349
Planning Research & Information	149
Smart Places	(97)
Urban Design & Conservation	358
Total Planning and Destination	1,186

Regeneration Delivery	
Regeneration Delivery	1,282

Resources and Executive Budget Summary 2024/25

Provisional budgets. Final detail will be provided as part of the BCP Council Budget Book

Service Units	Net Budget 2024/25 £000's
Finance	15,331
IT and Programmes	13,399
Law & Governance	4,242
Marketing, Comms and Policy	2,013
People and Culture	1,883
Executive	727
<i>*Notional Pay Award Allocation</i>	2,531
Total Resources and Executive Services	40,125

Finance	
Service Director Finance	174
Accountancy	4,843
Audit & Management Assurance (inc Insurance & Health and Safety)	5,729
Estates	767
Revenues & Benefits	3,817
Total Finance	15,331

IT and Programmes	
Data & Analytics	1,810
Development & Data Architecture	1,188
Governance & Compliance	4,107
IT Infrastructure	2,909
Modern Office	(143)
Programmes & Project Management inc Transformation	910
Service Delivery	2,616
Total IT and Programmes	13,399

Law & Governance	
Democratic Services	2,198
Electoral Services & Land Charges	(147)
Legal Services	2,389
Registrars	(479)
Service Director Finance	281
Total Law & Governance	4,242

Marketing, Comms and Policy	
Business Partners	1,110
Climate	283
Policy and Research	619
Total Marketing, Comms and Policy	2,013

People and Culture	
Business Partners	576
Employee Relations	461
Learning & Development	125
Payroll & Pensions	333
Recruitment & Admin	387
Total People and Culture	1,883

Executive	
Executive	727

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BCP Council - Supported Savings for 2024/25 and Future Years

Ref:	Directorate	Category of the Proposal	Description of the Proposal	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	Total £000s
ASCS14	Adult Social Care	Service Efficiency	One off use of third party resources from previous years	(2,000)	2,000			0
ASCS15	Adult Social Care	Service Efficiency	Demographic Savings - Long Term Conditions	(1,125)				(1,125)
ASCS1	Adult Social Care	Fees and Charges	Additional income - client contributions and deferred payments	(2,213)	(559)	(569)	(583)	(3,924)
ASCS16	Adult Social Care	Fees and Charges	NHS Inflationary increase for contribution to Sec117 after care costs	(523)	(190)	(189)	(203)	(1,105)
ASCS2	Adult Social Care	Service Efficiency	Extra Care Housing	(250)	(250)			(500)
ASCS3	Adult Social Care	Service Efficiency	Review of care arrangements for people with Learning Disabilities and Mental health	(407)				(407)
ASCS4	Adult Social Care	Service Efficiency	Enhance support to Self Funders to make decisions about their care	(225)				(225)
ASCS5	Adult Social Care	Service Efficiency	Non Regulated Support	(200)				(200)
ASCS17	Adult Social Care	Service Efficiency	Use of Disabled Facilities Grant	(100)	100			0
		Saving Total - Adult Social Care Directorate		(7,043)	1,101	(758)	(786)	(7,486)
C&PS1	Commissioning & Procurement	Service Reduction	Day Service Review	(935)				(935)
C&PS7	Commissioning & Procurement	Service Reduction	Day Service Review - Transitional funding provided for 2024/25 to cover 2025/26 impact	(600)				(600)
C&PS3	Commissioning & Procurement	Service Efficiency	Reconfiguration of care home placements	(257)				(257)
		Saving Total - Commissioning & Procurement		(1,792)	0	0	0	(1,792)
PHS1	Public Health	Service Efficiency	Proposed savings - Options 2024/25	(744)	(225)			(969)
PHS2	Public Health	Service Efficiency	Proposed savings - Options 2025/26		(1,064)			(1,064)
		Saving Total - Public Health		(744)	(1,289)	0	0	(2,033)
H&CS1	Housing & Communities	Service Efficiency	Backdated recharge of officer time to refugee grant	(300)	300			0
H&CS2	Housing & Communities	Service Reduction	Service reduction Public Protection- reduction to deliver core statutory functions only including CSAS reduction and recharge to grant funding	(287)	(25)			(312)
H&CS3	Housing & Communities	Fees and Charges	Increase HRA Recharges for relevant Housing and Communities Officers	(121)				(121)
H&CS4	Housing & Communities	Service Reduction	Reduce non-operational administrative community safety functions to minimum statutory requirements	(110)	(10)			(120)
H&CS5	Housing & Communities	Fees and Charges	Base budget reduction due to full cost recovery mandatory HMO licensing model	(100)				(100)
H&CS18	Housing & Communities	Fees and Charges	Increase in Seascope Homes & property rental income as a result of the Local Housing Allowance uplift	(70)				(70)

BCP Council - Supported Savings for 2024/25 and Future Years

Ref:	Directorate	Category of the Proposal	Description of the Proposal	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	Total £000s
H&CS7	Housing & Communities	Service Efficiency	Kinson Community centre income increase	(50)				(50)
H&CS9	Housing & Communities	Service Reduction	Remove community engagement and retain base budget for community development	(114)	(5)			(119)
H&CS10	Housing & Communities	Service Reduction	Cease occupation of the Cotton Exchange		(32)			(32)
H&CS11	Housing & Communities	Fees and Charges	Increase fixed penalty notice (FPN) fines for fly tipping	(30)				(30)
H&CS12	Housing & Communities	Fees and Charges	Garages income	(14)	(15)	(15)	(15)	(59)
H&CS13	Housing & Communities	Service Reduction	Review of the CSAS service and income opportunities			(152)		(152)
		Saving Total - Operations - Housing & Communities		(1,196)	213	(167)	(15)	(1,165)
		Saving Total - WELLBEING DIRECTORATE		(10,775)	25	(925)	(801)	(12,476)
CSS2	Children's Services	Service Efficiency	Specific project to review all over 18 placements (link with housing)	(850)				(850)
CSS3	Children's Services	Service Efficiency	Entire Team - Complex Safeguarding	(604)				(604)
CSS4	Children's Services	Service Efficiency	Children's Services Pay Review - October Cabinet 2022	(539)				(539)
CSS22	Children's Services	Service Efficiency	Application of one-off grant funding	(494)	494			0
CSS5	Children's Services	Service Efficiency	Education - Revised Delivery Models	(396)				(396)
CSS6	Children's Services	Service Efficiency	SLA's (Specialist CAMHS Care Adoption & Permanence, CiC Nursing Team)	(300)				(300)
CSS7	Children's Services	Service Efficiency	Workforce Development (under QPIG)	(134)				(134)
CSS8	Children's Services	Service Efficiency	PPG - use of grant against VS	(100)				(100)
CSS24	Children's Services	Service Efficiency	Reduce level of legal expenditure	(100)				(100)
CSS25	Children's Services	Service Efficiency	Reduce first response and EG	(81)				(81)
CSS10	Children's Services	Service Efficiency	Early Years Workforce	(57)				(57)
CSS11	Children's Services	Service Efficiency	Premises cost for Ted Webster potential repurpose for Special Educational Needs and Disability Service	(55)				(55)
CSS12	Children's Services	Service Efficiency	FIS Advertising & Marketing	(54)				(54)
CSS13	Children's Services	Service Efficiency	Staffing - Quality Performance Information & Governance	(50)				(50)
CSS26	Children's Services	Service Efficiency	Reduce Agency Expenditure	(50)				(50)
CSS14	Children's Services	Service Efficiency	Music Service	(34)				(34)

BCP Council - Supported Savings for 2024/25 and Future Years

Ref:	Directorate	Category of the Proposal	Description of the Proposal	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	Total £000s
CSS15	Children's Services	Service Efficiency	Flippers Nursery - Lease liability	(25)				(25)
CSS16	Children's Services	Service Efficiency	Other miscellaneous savings - Education	(15)				(15)
		Saving Total - Children's Service Directorate		(3,938)	494	0	0	(3,444)
		Saving Total - CHILDREN'S DIRECTORATE		(3,938)	494	0	0	(3,444)
COS1	Commercial Operations	Fees and Charges	Destination & Culture - Beach hut prices as per December 2022 Cabinet report	(623)	(196)	(193)	(219)	(1,231)
COS2	Commercial Operations	Fees and Charges	Harmonisation of beach huts fees and charges as per December 2022 Cabinet report	(206)	(212)	(219)	(219)	(856)
COS3	Commercial Operations	Fees and Charges	Car Park harmonisation (Cabinet decision September 2023)	(400)				(400)
COS4	Commercial Operations	Service Reduction	Bournemouth Air Festival. Removal of funding from the base budget of the Council	(400)				(400)
COS5	Commercial Operations	Service Reduction	Rebalance events team and functions	(330)				(330)
COS23	Commercial Operations	Service Reduction	Further events related savings	(50)				(50)
COS24	Commercial Operations	Service Reduction	Reduce subsidy of Leisure Centres		(100)			(100)
COS22	Commercial Operations	Service Reduction	Reduction in seasonal staff and services	(90)				(90)
COS7	Commercial Operations	Service Reduction	Close Kings Park Plant Nursery and work with community for alternative community use	(85)				(85)
COS8	Commercial Operations	Service Efficiency	Review options for provision of beach furniture	(80)				(80)
COS11	Commercial Operations	Service Efficiency	Increase income target seafront	(50)				(50)
COS13	Commercial Operations	Service Efficiency	Procure contract for film location income	(35)	(35)			(70)
COS14	Commercial Operations	Service Efficiency	Close, increase rental income or transfer to community the sports pavilions where they don't generate income and are costing the council	(15)				(15)
COS15	Commercial Operations	Service Reduction	Remove Sports Grants	(15)				(15)
COS16	Commercial Operations	Service Reduction	Transfer Hengisbury Head Outdoor Education Centre to the community, make cost neutral or close	(10)				(10)
COS17	Commercial Operations	Service Efficiency	New lease 5 Pods Boscombe	(10)				(10)
COS18	Commercial Operations	Service Reduction	Seek community management of Littledown Leisure Centre Paddling Pool (Outdoors) if not secured close	(7)				(7)
		Saving Total - Operations - Commercial Operations		(2,406)	(543)	(412)	(438)	(3,799)
ES1	Environment	Service Efficiency	Waste Disposal - one-off	(1,250)	1,250			0
ES2	Environment	Service Reduction	Fundamental review of grounds maintenance services.	(450)				(450)

BCP Council - Supported Savings for 2024/25 and Future Years

Ref:	Directorate	Category of the Proposal	Description of the Proposal	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	Total £000s
ES3	Environment	Service Efficiency	Commercial Waste income	(200)				(200)
ES4	Environment	Service Reduction	Restructure of Greenspace and Conservation team	(160)				(160)
ES6	Environment	Fees and Charges	Increased charges for non BCP residents access to recycling centres	(140)				(140)
ES9	Environment	Service Reduction	Harmonise Community Transport provision	(23)				(23)
ES10	Environment	Service Reductions	Seek community management / transfer of paddling pools and if not secured close	(100)				(100)
ES15	Environment	Service Reduction	Cease contribution to Dorset Local Nature Partnership	(10)				(10)
		Saving Total - Operations - Environment		(2,333)	1,250	0	0	(1,083)
P&DS3	Planning & Destination	Fees and Charges	Increased income generation	(125)	(25)	(25)	(25)	(200)
P&DS5	Planning & Destination	Service Efficiency	PPA pre app advice - full cost recovery for our Development Management and other planning efforts with developers.	(50)				(50)
P&DS6	Planning & Destination	Service Efficiency	Raising pre-app fee's (£30k from 24/25).	(30)				(30)
P&DS7	Planning & Destination	Service Efficiency	Remove SLA minerals and waste with Dorset	(20)				(20)
P&DS8	Planning & Destination	Service Efficiency	Increase CIL admin fee through the CIL Charging Schedule		(200)			(200)
P&DS9	Planning & Destination	Service Efficiency	Introduce S106 Monitoring Fee, however, could be impacted by reduction of s106's.		(60)			(60)
		Saving Total - Operations - Planning & Destination		(225)	(285)	(25)	(25)	(560)
IS1	Infrastructure	Service Reduction	Bus Subsidy: Option 4: Phase out no impact BSIP	(155)		(408)	(460)	(1,023)
IS2	Infrastructure	Service Reduction	Harmonise street lighting turn off to match Christchurch turn off at midnight (not main roads, key town and district centres). Will initially turn off in Poole	(68)				(68)
IS3	Infrastructure	Service Reduction	Reduce Road Safety Budget	(70)				(70)
IS5	Infrastructure	Service Reduction	Reduce structural maintenance budget (one-off)	(60)	60			0
IS7	Infrastructure	Service Efficiency	Replace school crossing patrols with 24/7 pedestrian crossings	(15)	(15)	(15)		(45)
IS9	Infrastructure	Service Efficiency	Increased officer recharge against Transport income related activity	(20)				(20)
IS8	Infrastructure	Service Efficiency	Building Control stop out of hours service	(15)				(15)
IS12	Infrastructure	Service Reduction	Adjustment to the two bridge lifting timetable to reflect marine demand and to make associated cost savings	(41)				(41)
		Saving Total - Operations - Infrastructure		(444)	45	(423)	(460)	(1,282)
CA&PS15	Customer, Arts & Property	Service Reduction	Savings from amalgamating services to provide community hubs with transitional funding provided for 2024/25 to cover 2025/26 impact	(1,500)				(1,500)

BCP Council - Supported Savings for 2024/25 and Future Years

Ref:	Directorate	Category of the Proposal	Description of the Proposal	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	Total £000s
CA&PS2	Customer, Arts & Property	Service Reduction	Operational Savings in Cultural activity	(250)				(250)
CA&PS4	Customer, Arts & Property	Fees and Charges	Telecare income generation	(100)				(100)
CA&PS5	Customer, Arts & Property	Service Efficiency	Efficiencies to DBS checks and Information Governance	(40)				(40)
CA&PS7	Customer, Arts & Property	Service Reduction	Cease funding the arts by the sea festival			(150)		(150)
CA&PS8	Customer, Arts & Property	Service Reduction	Removing the Council's Arts Development functions			(120)		(120)
CA&PS9	Customer, Arts & Property	Fees and Charges	Entrance charges at Poole Museum for exhibitions		(5)	(10)		(15)
		Saving Total - Operations - Customer, Arts & Property		(1,890)	(5)	(280)	0	(2,175)
OS1	Operations - General	Fees and Charges	Allowance for increased fees and charges in future years	(2,439)	(1,025)	(1,045)	(1,066)	(5,575)
OS2	Operations - General	Service Efficiency	Operations Directorate to restructure in line with size of services post budget savings decisions	(75)	(150)			(225)
OS3	Operations - General	Service Efficiency	Finance additional investment in Regeneration differently	(1,351)				(1,351)
OS4	Operations - General	Service Efficiency	Finance Regeneration Development Commissioning Function differently	(261)				(261)
		Saving Total - Operations - General		(4,126)	(1,175)	(1,045)	(1,066)	(7,412)
		Saving Total - OPERATIONS DIRECTORATE		(11,424)	(713)	(2,185)	(1,989)	(16,311)
EXS1	Executive	Service Efficiency	Corporate Leadership team Restructure	(100)				(100)
EXS2	Executive	Service Efficiency	Additional voluntary redundancy saving proposals not included in any other specific saving line	(100)				(100)
		Saving Total - Executive		(200)	0	0	0	(200)
L&GS1	Law & Governance	Service Efficiency	Termination of Schools Admissions Appeals Service to non-maintained schools	(44)	(6)			(50)
L&GS2	Law & Governance	Service Efficiency	Reduced payments to other local authorities for local land charge work	(22)				(22)
L&GS3	Law & Governance	Service Efficiency	Apprenticeships in Legal Services	(17)				(17)
L&GS4	Law & Governance	Service Efficiency	Legal literature savings (subject to confirmation of cost of additional bolt-ons)	(13)	(9)			(22)
L&GS5	Law & Governance	Fees and Charges	Legal Services Review of Fees and Charges	(12)	(5)	(5)	(5)	(27)
L&GS6	Law & Governance	Service Efficiency	Stop paying for solicitors practising certificates	(9)				(9)
L&GS7	Law & Governance	Fees and Charges	Registrars Service Review of Fees and Charges	(8)	(8)	(8)	(8)	(32)
L&GS9	Law & Governance	Fees and Charges	Recharges to Chartered Trustees	(49)				(49)
		Saving Total - Law & Governance		(174)	(28)	(13)	(13)	(228)

BCP Council - Supported Savings for 2024/25 and Future Years

Ref:	Directorate	Category of the Proposal	Description of the Proposal	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	Total £000s
MC&PS1	Marketing, Comms and Policy	Service Efficiency	Advertising income from on street opportunities with Operations	(100)	(100)	(100)		(300)
MC&PS2	Marketing, Comms and Policy	Service Efficiency	Refinancing and increasing the projects element of the Climate Change and Ecological Emergency Budget via a £1m Earmarked Reserve	(280)				(280)
MC&PS8	Marketing, Comms and Policy	Service Efficiency	Delete vacant Communications and Policy Team post in proposed structure	(40)				(40)
MC&PS3	Marketing, Comms and Policy	Service Efficiency	Increase advertising income	(5)				(5)
MC&PS4	Marketing, Comms and Policy	Fees and Charges	Review charges to HRA, grants	(5)				(5)
		Saving Total - Marketing, Communications and Policy		(430)	(100)	(100)	0	(630)
P&CS1	People and Culture	Service Efficiency	Apprenticeships (convert posts to apprenticeship posts)	(67)				(67)
P&CS2	People and Culture	Service Efficiency	Tighter governance in use of agency workers		(100)			(100)
		Saving Total - People and Culture		(67)	(100)	0	0	(167)
FS13	Finance	Service Reduction	Do not take out terrorism insurance cover for the councils buildings (other than were there is a legal requirement)	(174)	(25)	(26)	(26)	(251)
FS14	Finance	Service Reduction	Do not take out marine impact insurance for the two lifting bridge	(45)				(45)
FS1	Finance	Fees and Charges	Estates - rebase easement income in line with levels achieved	(34)				(34)
FS2	Finance	Fees and Charges	Accountancy Recharge to Chartered Trustees	(1)	(1)	(1)	(1)	(4)
		Saving Total - Finance		(254)	(26)	(27)	(27)	(334)
IT&PS1	IT and Programmes	Service Efficiency	Apprenticeships in IT & Programmes	(10)				(10)
		Saving Total - IT and Programmes		(10)	0	0	0	(10)
RS1	Resources - General	Recharges	Recharges to Housing Revenue Account of charges in line with impact of inflation, particularly those associated with the pay award costs. Bournemouth and Poole Neighbourhood Account	(55)	(55)	(55)	(55)	(221)
RS2	Across Authority Savings	Fees and Charges	Increase Staff Car Parking Charges - 1 June 2024	(50)	(3)	(3)	(3)	(59)
RS3	Resources - General	Recharges	Recharges to Dorset Adult Learning	(11)	(11)	(11)	(11)	(45)
RS4	Resources - General	Recharges	Recharges to Bournemouth Companies	(8)	(8)	(8)	(8)	(30)
		Saving Total - Resources General		(124)	(77)	(77)	(77)	(355)
		Saving Total - RESOURCES DIRECTORATE		(1,259)	(331)	(217)	(117)	(1,924)
	Overall Total - Service Based Savings and Efficiencies			(27,396)	(525)	(3,327)	(2,907)	(34,155)

BCP Council - Supported Savings for 2024/25 and Future Years

Transformation related savings and efficiencies.				2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	Total £000s
Ref:	Directorate	Category of the Proposal	Description of the Proposal					
ASCS6	Adult Social Care	Service Transformation	Reconfiguration of Care Home Beds Purchasing Structure	(2,000)				(2,000)
ASCS7	Adult Social Care	Service Transformation	Investment in care technology	(322)	7	(116)	(82)	(513)
ASCS8	Adult Social Care	Service Transformation	Additional income - client contributions (budget rebase)	(300)				(300)
ASCS9	Adult Social Care	Service Transformation	Vision & Validation savings linked to business case under preparation	(250)				(250)
ASCS10	Adult Social Care	Service Transformation	Recoup costs not within Section 22 of the Care Act (rebase)	(200)				(200)
ASCS11	Adult Social Care	Service Transformation	Catering Services - Transfer to Tricuro (budget rebase)	(22)				(22)
ASCS12	Adult Social Care	Service Transformation	Social Care running costs (budget rebase)	(20)				(20)
ASCS13	Adult Social Care	Service Transformation	No Recourse to Public Funds (budget rebase)	(20)				(20)
		Saving Total - Wellbeing - ASC		(3,134)	7	(116)	(82)	(3,325)
C&PS5	Commissioning & Procurement	Service Transformation	Commissioning running costs (rebase)	(60)				(60)
C&PS6	Commissioning & Procurement	Service Transformation	Third Party Spend - Stationery	(50)				(50)
		Saving Total - Wellbeing - Commissioning & Procurement		(110)	0	0	0	(110)
H&CS14	Housing & Communities	Service Transformation	Public Protection – Reconfiguration of tier 5 and 6 management/senior posts	(446)	(36)			(482)
H&CS15	Housing & Communities	Service Transformation	Reduce by one Head of Service, including reduction in non essential expenditure	(139)				(139)
H&CS16	Housing & Communities	Service Transformation	Community Safety and Engagement - Community grants rebase budget	(93)				(93)
H&CS20	Housing & Communities	Service Efficiency	Reduce budget for Housing Related Support in relation to a small scheme that has moved from supported housing to general needs	(55)				(55)
H&CS21	Housing & Communities	Service Reduction	Reduce cost base within CCTV service	(49)				(49)
		Saving Total - Wellbeing - Housing & Communities		(782)	(36)	0	0	(818)
CSS17	Children's Services	Service Transformation	Transformation - New delivery models	(1,455)	(1,606)			(3,061)
CSS23	Children's Services	Service Reduction	Early Help Delivery Model	(1,060)				(1,060)
CSS18	Children's Services	Service Transformation	Transformation - Commissioning	(994)	(249)	(497)		(1,740)
CSS19	Children's Services	Service Transformation	Transformation - Health leverage health spend	(500)				(500)
CSS20	Children's Services	Service Transformation	Transformation - Other smaller third party spend efficiencies	(130)				(130)

BCP Council - Supported Savings for 2024/25 and Future Years

Transformation related savings and efficiencies.				2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	Total £000s
Ref:	Directorate	Category of the Proposal	Description of the Proposal					
CSS21	Children's Services	Service Transformation	Unused conditions survey budget	(23)				(23)
		Saving Total - Children's Services		(4,162)	(1,855)	(497)	0	(6,514)
COS9	Commercial Operations	Service Efficiency	Upton Country Park - Move to full cost recovery - Transitional funding provided to cover 2025/26 impact	(171)				(171)
COS10	Commercial Operations	Service Efficiency	Highcliffe Castle - Move to full cost recovery over a 4 year period - transitional funding provided to cover 2025/26 impact	(162)				(162)
COS6	Commercial Operations	Fees and Charges	Destination and Culture - Leisure Centres	(100)				(100)
COS12	Commercial Operations	Service Efficiency	Queens Park Golf course - Full Cost Recovery	(47)				(47)
COS20	Commercial Operations	Fees and Charges	Pay to use toilets on seafront		(31)	(1)		(32)
COS21	Commercial Operations	Service Efficiency	Bring car parking staff into operational buildings	(10)				(10)
		Saving Total - Operations - Commercial Operations		(490)	(31)	(1)	0	(522)
ES5	Environment	Service Efficiency	Efficiencies against short term vehicles hire contract spend	(100)				(100)
ES16	Environment	Service Transformation	Reduction in head of service post	(95)				(95)
ES11	Environment	Service Reduction	Efficiencies from move to perennial plants and flowers	(50)				(50)
ES13	Environment	Service Transformation	Amalgamate Environment & Planning Arboricultural Teams	(30)				(30)
ES14	Environment	Service Reduction	Kingfisher barn move to Full Cost Recovery	(14)				(14)
		Saving Total - Operations Environment		(289)	0	0	0	(289)
P&DS1	Planning & Destination	Service Efficiency	Economic Development - Move service to full cost recovery - Transitional funding provided to cover 2025/26 impact	(655)				(655)
P&DS2	Planning & Destination	Service Efficiency	Destination Team move to full cost recovery	(142)				(142)
P&DS4	Planning & Destination	Service Efficiency	Smart Places - Move service to full cost recovery - Transitional funding provided to cover 2025/26 impact	(104)				(104)
		Saving Total - Operations Planning & Destination		(901)	0	0	0	(901)
IS4	Infrastructure	Service Efficiency	Change all subway lighting to LED	(64)				(64)
IS10	Infrastructure	Service Efficiency	Capital investment in alternative to School Crossing Patrols at specific locations	(12)	0	(21)		(33)
IS13	Infrastructure	Service Reduction	FCERM - Service Efficiency	(3)				(3)
		Saving Total - Operations Infrastructure		(79)	0	(21)	0	(100)

BCP Council - Supported Savings for 2024/25 and Future Years

Transformation related savings and efficiencies.				2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	Total £000s
Ref:	Directorate	Category of the Proposal	Description of the Proposal					
CA&PS16	Customer, Arts & Property	Service Efficiency	Externalisation of Russell Cotes Museum with transitional funding provided for the period to 1 October 2025.	(626)				(626)
CA&PS17	Customer, Arts & Property	Service Efficiency	Externalisation of Russell Cotes Museum - Reduction in corporate maintenance funding with transitional funding provided for the period to 1 October 2025	(50)				(50)
CA&PS1	Customer, Arts & Property	Service Reduction	Operational Savings in Libraries in 2024/25	(500)				(500)
CA&PS10	Customer, Arts & Property	Service Transformation	Reduce business support staff	(250)				(250)
CA&PS12	Customer, Arts & Property	Service Transformation	Remove PA functions below Service Directors	(240)				(240)
CA&PS13	Customer, Arts & Property	Service Transformation	Reduce Customer service staff provision	(200)				(200)
CA&PS11	Customer, Arts & Property	Service Transformation	Further reduce Business Support	(100)				(100)
H&CS17	Customer, Arts & Property	Service Transformation	Delete Sales and Marketing post	(55)				(55)
CA&PS3	Customer, Arts & Property	Service Efficiency	Capitalise Telecare Equipment	(149)				(149)
CA&PS6	Customer, Arts & Property	Service Efficiency	Beech House lease not renewed in June 2025		(125)	(25)		(150)
		Saving Total - Operations Customer, Arts, and Property		(2,170)	(125)	(25)	0	(2,320)
L&GS8	Law & Governance	Service Efficiency	Democratic Services Budget - Rebase in line with 2022/23 Outturn	(63)				(63)
		Saving Total - Law & Governance		(63)	0	0	0	(63)
MC&PS5	Marketing, Comms and Policy	Service Transformation	Consolidating Advertising Opportunities across services	(80)				(80)
MC&PS6	Marketing, Comms and Policy	Service Transformation	Centralise marketing purchasing 2023/24	(50)				(50)
MC&PS7	Marketing, Comms and Policy	Service Transformation	Centralise marketing purchasing 2024/25	(20)				(20)
		Saving Total - Operations Marketing, Comms and Policy		(150)	0	0	0	(150)
P&CS3	People and Culture	Service Transformation	Payroll System -- Budget rebase	(49)				(49)
P&CS5	People and Culture	Service Transformation	Disclosure & Barring Service - Budget Rebase in line 2022/23 Actuals	(12)				(12)
P&CS6	People and Culture	Service Transformation	Procured framework for future executive recruitment	(8)				(8)
P&CS7	People and Culture	Service Transformation	Review of staffing structures against organisational design principles		(520)			(520)
		Saving Total - Resources - People and Culture		(69)	(520)	0	0	(589)

BCP Council - Supported Savings for 2024/25 and Future Years

Transformation related savings and efficiencies.					2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	Total £000s
Ref:	Directorate	Category of the Proposal	Description of the Proposal						
FS3	Finance	Service Transformation	Accountancy - 10% Net Budget Savings - Fast track delivery of Target Operating Model savings via a voluntary redundancy process - Vision & Valid savings		(175)				(175)
FS4	Finance	Service Transformation	Accountancy - replacement of the old Oracle Fusion		(59)				(59)
FS5	Finance	Service Transformation	Accountancy - Cash collection contract (1 supplier instead of 3)		(60)				(60)
FS6	Finance	Service Transformation	Estates - Third Party Spend saving - Accounts valuation		(50)				(50)
FS7	Finance	Service Transformation	Health & Safety Team reduced budget to reflect operational efficiencies		(46)				(46)
FS8	Finance	Service Transformation	Audit & Management Assurance - Third Party Spend savings - Rebase budget		(35)				(35)
FS9	Finance	Service Transformation	Service Director Budget Rebase		(21)				(21)
FS10	Finance	Service Transformation	Estates - Rebase recharges in line with levels achieved		(5)				(5)
FS11	Finance	Service Transformation	Revenue and Benefits System - Target Operating Model - Vision and Valid savings		(44)	(371)			(415)
FS12	Finance	Service Transformation	Revenue and Benefits - System rationalisation			(159)			(159)
		Saving Total - Resources - Finance			(495)	(530)	0	0	(1,025)
IT&PS2	IT and Programmes	Service Transformation	Contract Management - Vodafone		(234)				(234)
IT&PS3	IT and Programmes	Service Transformation	Microsoft Enterprise Licencing Agreement		(100)				(100)
IT&PS4	IT and Programmes	Service Transformation	Contract Management - Centralise IT contracts and challenge vendors		(50)				(50)
IT&PS5	IT and Programmes	Service Transformation	Move from PAYG Azure Instances to Reserved Instances		(27)				(27)
IT&PS6	IT and Programmes	Service Transformation	Reduce the number of virtual machines supporting Process Automation		(4)				(4)
		Saving Total - Resources - IT and Programmes			(415)	0	0	0	(415)
AAS1	Across Authority Savings	Service Efficiency	Across authority savings inline with 2022/23 actuals e.g. Subscriptions, Staff milage and volunteer expenses		(503)				(503)
		Saving Total - Resources - IT and Programmes			(503)	0	0	0	(503)
	Overall Total - Transformation Based Savings and Efficiencies				(13,812)	(3,090)	(660)	(82)	(17,644)
	Overall Total - Savings and Efficiencies				(41,208)	(3,615)	(3,987)	(2,989)	(51,799)

BCP Council Highway Cleansing Service Standards 2024/2025

The service has been revised back to core base budget funding following the 2023 removal of Seasonal Response and Cleaner Green Safer funding.

Services will continue to be standardised across BCP following the implementation of new software during 2024 to manage work schedules as part of the Transformation programme. Zoning of roads and assets is taking place in line with those set out in the Litter and Refuse Code of Practice. (currently subject to a national review)

Service Delivery Core Standards:

- All roads, pavements and cycleways (other than rural lanes) will receive as standard two/three sweeping/cleansing visits per annum
- Additional visits in the Autumn/Winter take place for areas subject to the highest levels of leaf fall.
- Main 'A' and 'B' roads and adjoining footway/cycleway scheduled for fortnightly, or monthly visits.
- District Centres 3 visits per week
- The three primary town centres will receive daily attention.
- Seafront collections will operate daily during seasonal months of need reducing during off peak months
- Separate arrangements are put in place for the cleansing of high-speed roads in line with grounds maintenance operations. Work is subject to the permitting of either mobile lane closes, or full road closures.
- Offensive graffiti will be removed from BCP Council owned assets. Fly tipping and fly posting will be removed on completion of an investigation by enforcement teams
- Chemical treatment of highway weeds will take place a maximum of twice per annum
- The provision of litter and dog waste bins (currently c.3000) will be reviewed with a Litter Bin Policy to be brought forward to Cabinet in 2024. There is currently no financial provision for replacement of bins within the cleansing revenue budget
- Fly-tipping will be removed from council owned land and maybe subject to investigation via WISE ahead of removal taking place.

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Commercial Operations Service Standards 24/25

No.	Service area	Activity	Current service standard	Future service standard	Notes/interdependencies with other teams
1	Seafront	Sand Management & Promenade Clearance	<ul style="list-style-type: none"> • Work closely with FCERM on preventative measures e.g. digging trenches and profiling beaches. • Prom clearance priorities include: emergency vehicle access, car parks, commercial outlets and toilets, enabling upcoming events, etc. • We do not usually clear areas that are expected to re-cover with sand if further high winds expected. • Additional resources from BCP Parks and/or external contractors used in exceptional circumstances. • Build-up of sand cleared as quickly as possible, based on available staff resources and in line with the approach above. 	Propose to deliver in line with current service standard. Subject to approvals, we plan to reorganise resources to support MTFP savings and improve resilience in 24/25 however, still reliant on weather, staffing availability, contractor support, etc, so unable to be specific about timeframes at any given location.	With high beach levels and windy conditions, sand can however build up quickly on the promenade causing access issues for vehicles, cyclists and pedestrians.
2	Seafront	Repairs and maintenance	<ul style="list-style-type: none"> • Promenade, beach hut and general repairs reported to Seafront Maintenance Team via Customer Services or Seafront Service direct contact. • Faults are risk assessed and prioritised by the team with H&S 	Subject to approvals, we plan to reorganise resources to support MTFP savings and sustain response times.	2987 jobs logged in 2023, an average of 8 per day.

			and security items prioritised. Timeframes for response depend on the issue and wider operational pressures.		
3	Seafront	Seasonal Response	<ul style="list-style-type: none"> • Delivered within business-as-usual operations and budgets • Weekly operational meetings with reps from across BCP Council (inc. Seafront, Env, Events, Car Parks, Comms) and Emergency Services (Police, Fire, SWAST, Coastguard) from Apr – Sept. • Information, decisions, risks and trigger level changes feed into weekly BCP Council Strategic meetings. • Additional meetings and virtual Multi Agency Command Centres, organised as required. 	<p>Same meeting structure proposed however as in 2023, no dedicated budget to facilitate coordination and management of seasonal response 2024.</p> <p>Some frontline resources reduced to support MTFP savings including toilet cleaning and Highways CSAS officers.</p> <p>Waste Collection will remain at the same levels as 2023. Highway maintenance will be prioritised to ensure safety defects in accordance with the adopted Highway Inspection Policy & Procedure.</p> <p>Through the development of strong professional relationships BCP Council teams and</p>	<p>Currently working on implementation of Public Space Protection Order (PSPO), may have some staff impact. PSPO programme led by Public Protection Service.</p> <p>Waste Collection will remain at the same levels as 2023 following the removal of seasonal response enhanced cleansing resource</p>

				partner agencies are able to maximise their ability to work closely together, all within existing teams and resources.	
4	Seafront	Out of hours response	<p>Ranger Team on-call 24/7 to respond to emergency call outs and support emergency services.</p> <p>Individual facility managers also available out-of-hours to respond to specific issues.</p>	Possible reduction in out of hours support due to available resource.	<p>Small team, low level of resilience.</p> <p>Links with BCP Council central out-of-hours service, Police and CCTV control room.</p>
5	Seafront	Beach Furniture	<p>Deck chairs, sun beds & parasols available for hire at the following beach locations:</p> <ul style="list-style-type: none"> • Sandbanks • Bournemouth West • Bournemouth East • Boscombe 	<p>Seeking to outsource provision in line with MTFP targets.</p> <p>Savings from associated income and reduction of seasonal casual staff.</p> <p>Need to retain a minimum level of casual staff to maintain resilience and appropriate level of emergency response. Priorities include:</p> <ul style="list-style-type: none"> • H&S and facility maintenance checks 	<p>High level of beach visitor expectation that furniture is available in key areas.</p> <p>Unknown operator market so tender currently is medium risk.</p>

				<ul style="list-style-type: none"> • advice / enforce by laws • cleansing tasks • support RNLI and emergency services 	
6	Seafront	RNLI Lifeguards	<p>RNLI lifeguard towers provided at 16 locations across BCP during summer 2023.</p> <p>Service levels carefully considered on an annual basis and influenced by factors including location-based risk assessments and availability of staff and resources.</p>	Future Service Standards currently being jointly considered with RNLI.	Some changes anticipated following review of 2023 data and risk assessment enabling resources to be targeted where most needed.
No.	Service area	Activity	Current service standard	Future service standard	Notes/interdependencies with other teams
1.	Events	Processing of Events	Provide a supportive approach to applications, checking of paperwork, on-site inspections, stakeholder engagement, comprehensive feedback of Event Management Plans, On call contacts for event organiser and for public.	<p>Currently reviewing internal approach to enable community and smaller events to be able to self-administer elements of the process themselves, still adhering to statutory requirements and legal obligations with increased reliance on event organisers to be compliant.</p> <p>Increased timeframe for event applications be</p>	Reliance on operational departments to agree applications and to feedback on event organisers plans - parks, seafront, highways, environmental health, licensing, health and safety, planning, fire safety, car parks

				<p>approved due to reliance on input from wider Council teams with reduced resource.</p> <p>Reduced capacity to support and provide direction in relation to new events.</p> <p>Reduced out of hours on call support for event organisers.</p>	
2.	Events	Safety Advisory Group (SAG)	Monthly meetings with event organisers and key agencies including emergency services and council departments. Currently look at events both on Council land and on private land. Events team Chair and administer	Review of scheduling of SAG's, may be longer timeframe between SAG and feedback to organisers.	Reliance on attendance and engagement from other Council departments to ensure applications are fully considered and suitable feedback is provided.
No.	Service area	Activity	Current service standard	Future service standard	Notes/dependencies on other teams
1.	Parking Services	Enforcement operations and enhanced requests.	Requests for focused enforcement are accessed when received to identify urgency linked to, level of resource required and whether they are within normal hours of duty to allow a prompt response and action to be delivered.	Ability to respond to enforcement requests may be impacted due to resources available although every effort will be made to deliver as per current service standards.	Statutory requirements need to be considered to encourage compliance and support the traffic network to support both private and public modes of transport.
2.	Parking services	Pay machine and access control equipment	On-street and off-street car park equipment faults are assessed and prioritised with H&S, risk to income and seasonal variations considered.	Future service standards currently under review to identify suitable approach to reduce	A recent review of parking payment methods confirmed most customers are choosing to pay by

		repairs and maintenance.		service costs and increase provision of alternative payment methods which place less reliance on full payment machines accepting both card and cash. Ongoing support required linked to access machines in multi story car parks. Review of out of hours support underway which may be reduced due to reduction of support in other operational teams.	phone or card, by reducing the number of machines accepting cash the repair costs will be reduced and the risk of theft eliminated, although a more detailed assessment is required before any proposals linked to change of offer are taken forward.
3.		Maintenance of signs and lines on-street and in off-street car parks	<p>To permit enforcement on on-street parking bays and restriction markings are required to be compliant and maintained to the requirements of the TRSGD 2016 legislation.</p> <p>Off-street car park markings should comply with current DFT guidance.</p> <p>Maintenance is undertaken through the corporate contract.</p>	<p>The maintenance of on-street markings will continue in line with statutory requirements.</p> <p>The maintenance of markings in off street car parks is currently under review to see if savings can be achieved without detriment to H&S or operational management.</p>	
4.	Parking service	Permit application and renewals	Applications currently processed within 5 days of receipt	Timeframe to process new applications and renewals may increase on to 8 days due to available resource	

5.	Parking services	Parking charge penalty notices – initial challenge responses	Review of and response provided to PCN initial challenge provided within two weeks of receipt	Timeframe to review and respond to initial challenge may increase due to available resource	
No.	Activity	Current service standard	Future service standard	Notes/dependencies on other teams	
1.	Leisure	Queens Park Golf Course	Consistent opening times in line with operational hours of centre	More flexible opening times and more streamlined catering offer to maximise commercial income and remain within to operational budgets	
2.	Leisure	Leisure development, Highcliffe Castle, Upton, HHOEC, Kings Park Nursery	Support provided to enable the community functions through transfer of assets and extensions of leases with new commercial tenders	Timeframe for responding to queries and taking forward associated work dependant on resource available from supporting teams	Procurement Legal Facilities Maintenance Estates

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Customer Services Service Standards 24/25

No.	Service area	Activity	Current service standard	Future service standard	Notes/interdependencies with other teams
1	Customer Contact Centre 200k Saving requirement	Telephone contact answering performance	<p>Call answering performance varies across the 16 Corporate Contact Centre telephone lines, typically influenced by fluctuating customer demand and the staffing resources dedicated to each specific line.</p> <p>Current call answering performance is typically between 70-80% (having fallen from approximately 90% and above during 2022/23 when additional funding was available).</p> <p>Call answering performance tends to be more resilient on lines that are dedicated to one service, rather than those answering calls on behalf of multiple services with lower call volumes.</p>	<p>A funding reduction of £200k for 2024/25 will result in the loss of approx. 4 FTE (from a total of 77FTE).</p> <p>Efforts are being made to mitigate impact by reviewing staffing resources allocated to each line (using recently acquired workforce management software) to ensure they are optimally deployed.</p> <p>The introduction of new online solutions for customers will begin to have a positive impact on customer call demand in 2024/25 (initially for some Environment calls), but it is too early to accurately predict its impact on overall call answering performance.</p> <p>The loss of 4fte will more immediately be focused on the lines that currently reach the highest performance levels to minimise impact on those that don't, and on the areas where digital services will likely have the earliest impact. Consequently the likely impact will be on Council Tax and Environment lines.</p>	<p>Call demand is influenced by the availability or otherwise of digital alternatives, and the circumstances or issues that emerge within services that create customer demand for one reason or another. These may be beyond the control of customer services.</p> <p>The redesign of customer journeys as part of transformation will impact the contact centre, hopefully positively in terms of greater digital fulfilment, or the removal of complexity and waste. The service redesign process will also result in more staff involved in customer contact across the council being transferred into the Customer Contact Centre, which will further change the context in which the service operates and from where achieving savings will be possible.</p>

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BCP Council Grounds Maintenance Service Standards 2024/2025

Grass, shrub and hedge cutting regimes will be further aligned across the 3 towns and reduced across the BCP area from April 2024. Grounds Maintenance will focus on balancing health and safety requirements, community need and providing areas to support wildlife and increase biodiversity.

Standards:

- Cut verges and grass areas in residential estates a minimum of twice a year aiming for 3 times a year subject to weather conditions and growth rates. **A reduction of 1 to 2 cuts per year**
- Cut larger open spaces a minimum of 4 times a year **A reduction of 2 to 3 cuts per year**
- Grass verges at main road junctions will be cut as required to maintain sightlines for road users. **A reduction of 1 to 2 cuts per year**
- Grass in play areas and sports pitches will receive additional cuts. **Remains unchanged – subject to ongoing site sport pitch usage reviews**
- Continue to manage existing meadow areas to support wildlife and increase biodiversity. Meadows will be cut and the clippings removed on a one or two year cycle **Reduction in total cut and collect per annum**
- Identify further areas to reduce grass cutting and shrub maintenance to allow naturalisation and increase biodiversity. **Increase in locations to be included in meadows maintenance.**
- Grass on high speed roads will be cut a minimum of twice a year, under road closure or mobile works including night works. **Reduction of one cut a year**
- **Shrubs and hedges on high speed roads will be cut once a year. Remains unchanged**
- Shrubs and hedges will be cut once or twice a year. Sightlines and vegetation overhanging footpaths and cycleways will receive additional visits. **Remains unchanged**
- Reduced weekend litter collections in Bournemouth parks to align with of Christchurch and Poole service levels – litter collection will continue in high use, destination sites e.g. Lower & Central Gardens, Boscombe Gardens. **Reduction in number of sites receiving weekend service**
- Continue to carry out tree inspections and essential tree maintenance in line with our tree risk management policy. **Remains unchanged**
- Debris will be removed from ditches and grills to maintain water flow. **Remains unchanged**
- Continue to inspect Play areas to existing frequencies. **Remains unchanged**
- Allotment sites that are not yet able to be self-managed will continued to be inspected, maintained and the administration of allotment provision will continue. **Remains unchanged**
- Continue to carry out general grounds maintenance which is funded through the Housing Revenue Account, with frequency and standards being determined and paid for by Housing Tenants. **Remains unchanged**
- Provision of new or replacement planting will only take place where funded through grants, capital expenditure or donation. **Service reduction**
- Where infrastructure fails which isn't required to fulfil a regulatory, or statutory duty it will be removed if beyond economical repair (unless alternative funding is made available). Seating will only be refurbished if part of the Memorial bench and plaque scheme. **Remains unchanged**

Community action

A consequence of reduced grass cutting will also result in a reduction in the frequency of litter picking on grass verges and open spaces across open spaces as this is carried out as part of the grass maintenance operation. Communities are encouraged to volunteer to keep areas litter free, bags can be provided to volunteer groups and arrangements can be made to remove any waste collected alongside general waste collection services.

As is already the case residents who would like to cut the grass on the verge outside their house more often than we can do, they can do so provided they can do it safely and at their own risk. Residents should consider wearing Personal Protective Equipment (PPE) and look out for vehicles, cyclists and pedestrians passing the verge.

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BCP Council Highways Maintenance Service Standards 2024/2025

As a result of inflationary cost pressures services will be limited to maintaining roads, pavements and cycleways in line with our statutory duty and adopted Inspection Policy and Procedure. <https://www.bcpCouncil.gov.uk/documents/roads-and-transport/Highway-Inspection-Policy-Procedure.pdf>

Standards summary

- Maintenance works will be limited to fixing/removing safety defects only. It's not possible for repairs to be carried out everywhere at the same time, meaning repairs must be prioritised using a risk-based approach within our adopted policy. Even with the extra funding recently announced for local government, councils have for some time been significantly underfunded by central government for highway maintenance work.
- Increasing incidents of severe weather conditions increase the incidences of potholes which can appear very quickly. We will prioritise those which pose the greatest safety concerns first.
- Where infrastructure fails which isn't required to fulfil a regulatory, or statutory duty it will be removed if beyond economical repair.
- Gully emptying will remain scheduled on an average 2-4 year cycle with more frequent visits to assets with a known flood risk.
- Winter (gritting) services remain unchanged following comprehensive service review in 2022. From October to April, the service is ready to react 24-hours a day when the temperatures drop.
- Emergency out of hours provision remains unchanged, though capacity to respond extended periods of any snow and severe weather events will reduce due to the reduction in grounds services staff and resources to facilitate a response.

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Library Service – Service standards 2024

2024/25 savings requirement £500k

Approach

To reduce library opening hours, informed by consideration of footfall and other usage data, to mitigate impact on service users.

£440k of the required saving will come from a reduction in staff costs associated with the reduced hours, whilst the remaining 60k will come from operational budgets.

See proposed opening hours below (subject to outcome of budget consultation process)

Library Proposed Opening times						
Existing Proposed - changes in bold	Mon	Tues	Weds	Thurs	Fri	Sat
Bournemouth	9am-7pm	9am-6pm	9am-7pm	9am-6pm	9am-6pm	9am-5pm
Bournemouth	9am-6pm	9am-6pm	9am-6pm	9am-6pm	9am-6pm	9am-5pm
Christchurch	9am-6pm	9am-7pm	9am-6pm	9am-7pm	9am-6pm	9am-5pm
Christchurch	9am-6pm	9am-6pm	9am-6pm	9am-6pm	9am-6pm	9am-5pm
Poole	9am-6pm	9am-6pm	9am-6pm	9am-6pm	9am-6pm	9am-5pm
Poole	9am-6pm	9am-6pm	9am-6pm	9am-6pm	9am-6pm	9am-5pm
Kinson	9am-7pm	9am-5pm	9am-7pm	9am-5pm	9am-5pm	9am-2pm
Kinson	9am-6pm	9am-5pm	9am-6pm	9am-5pm	9am-5pm	9:30am-1pm
Boscombe	9:30am-7pm	9:30am-5pm	9:30am-5pm	9:30am-7pm	9:30am-5pm	9:30am-2pm
Boscombe	9:30am-6pm	Closed	9:30am-5pm	9:30am-5pm	9:30am-1pm	9:30am-1pm
Broadstone	9:30am-7pm	9:30am-5pm	9:30am-5pm	9:30am-7pm	9:30am-5pm	9:30am-2pm
Broadstone	9:30am-5pm	9:30am-1pm	9:30am-5pm	Closed	9:30am-5pm	9:30am-1pm
Castlepoint	9:30am-7pm	9:30am-5pm	9:30am-5pm	9:30am-7pm	9:30am-5pm	9:30am-2pm
Castlepoint	9:30am-5pm	Closed	9:30am-5pm	9:30am-1pm	9:30am-5pm	9:30am-1pm
Charminster	9:30am-5pm	9:30am-7pm	Closed	9:30am-7pm	9:30am-5pm	9:30am-1pm
Charminster	9:30am-5pm	9:30am-6pm	Closed	Closed	9:30am-5pm	9:30am-1pm
Hamworthy	9:30am-7pm	9:30am-5pm	9:30am-7pm	9:30am-1pm	9:30am-5pm	9:30am-1pm
Hamworthy	9:30am-5pm	9:30am-5pm	9:30am-1pm	Closed	9:30am-1pm	9:30am-1pm
Highcliffe	9:30am-7pm	9:30am-5pm	Closed	9:30am-7pm	9:30am-5pm	9:30am-1pm
Highcliffe	9:30am-5pm	9:30am-1pm	Closed	9:30am-1pm	9:30am-5pm	9:30am-1pm
Rossmore	9:30am-7pm	9:30am-5pm	9:30am-7pm	9:30am-1pm	9:30am-5pm	9:30am-1pm
Rossmore	9:30am-5pm	9:30am-1pm	9:30am-1pm	Closed	9:30am-5pm	9:30am-1pm
Southbourne	9:30am-5pm	9:30am-7pm	Closed	9:30am-7pm	9:30am-5pm	9:30am-1pm
Southbourne	9:30am-1pm	9:30am-1pm	Closed	9:30am-6pm	9:30am-5pm	9:30am-1pm
Tuckton	9:30am-7pm	9:30am-5pm	Closed	9:30am-7pm	9:30am-5pm	9:30am-1pm
Tuckton	9:30am-5pm	9:30am-1pm	Closed	9:30am-5pm	9:30am-1pm	9:30am-1pm
Westbourne	9:30am-5pm	9:30am-7pm	Closed	9:30am-7pm	9:30am-5pm	9:30am-1pm
Westbourne	9:30am-1pm	9:30am-6pm	Closed	9:30am-6pm	9:30am-1pm	9:30am-1pm
Winton	9:30am-7pm	9:30am-5pm	Closed	9:30am-7pm	9:30am-5pm	9:30am-1pm
Winton	Closed	9:30am-5pm	Closed	9:30am-6pm	9:30am-5pm	9:30am-1pm
Branksome	9:30am-1pm, 2pm-5pm	9:30am-1pm, 2pm-7pm	9:30am-1pm, 2pm-5pm	Closed	9:30am-1pm, 2pm-5pm	9:30am-1pm
Branksome	10:00am-1pm	10:00am-1pm, 2pm-6pm	10:00am-1pm, 2pm-5pm	Closed	10:00am-1pm	10:00am-1pm
Canford Heath	9:30am-1pm, 2pm-5pm	9:30am-1pm, 2pm-7pm	Closed	9:30am-1pm, 2pm-5pm	9:30am-1pm, 2pm-5pm	9:30am-1pm
Canford Heath	10:00am-1pm, 2pm-5pm	10:00am-1pm	Closed	10:00am-1pm	10:00am-1pm, 2pm-5pm	10:00am-1pm
Canford Cliffs	9:30am-1pm, 2pm-7pm	9:30am-1pm, 2pm-5pm	9:30am-1pm, 2pm-5pm	Closed	9:30am-1pm, 2pm-5pm	9:30am-1pm
Canford Cliffs	Closed	10:00am-1pm, 2pm-5pm	10:00am-1pm, 2pm-5pm	Closed	10:00am-1pm, 2pm-5pm	10:00am-1pm
Creekmoor	9:30am-1pm, 2pm-5pm	9:30am-1pm, 2pm-7pm	Closed	9:30am-1pm, 2pm-5pm	9:30am-1pm, 2pm-5pm	9:30am-1pm
Creekmoor	10:00am-1pm, 2pm-5pm	10:00am-1pm	Closed	10:00am-1pm	10:00am-1pm, 2pm-5pm	10:00am-1pm
Ensburys Park	Closed	9:30am-1pm, 2pm-7pm	Closed	9:30am-1pm, 2pm-5pm	2pm-5pm	9:30am-1pm
Ensburys Park	Closed	10:00am-1pm, 2pm-5pm	Closed	10:00am-1pm, 2pm-5pm	2pm-5pm	10:00am-1pm
Oakdale	9:30am-1pm, 2pm-5pm	9:30am-1pm, 2pm-5pm	9:30am-1pm, 2pm-7pm	Closed	9:30am-1pm, 2pm-5pm	9:30am-1pm
Oakdale	Closed	10:00am-1pm, 2pm-5pm	10:00am-1pm, 2pm-6pm	Closed	10:00am-1pm, 2pm-5pm	10:00am-1pm
Parkstone	9:30am-1pm, 2pm-5pm	9:30am-1pm, 2pm-7pm	Closed	9:30am-1pm, 2pm-5pm	9:30am-1pm, 2pm-5pm	9:30am-1pm
Parkstone	Closed	10:00am-1pm, 2pm-6pm	Closed	10:00am-1pm, 2pm-5pm	10:00am-1pm, 2pm-5pm	10:00am-1pm
Springbourne	9:30am-1pm, 2pm-5pm	9:30am-1pm, 2pm-7pm	Closed	9:30am-1pm, 2pm-5pm	9:30am-1pm	9:30am-1pm
Springbourne	10:00am-1pm, 2pm-5pm	10:00am-1pm, 2pm-5pm	Closed	10:00-1pm	Closed	10:00am-1pm
West Howe	9:30am-1pm, 2pm-5pm	9:30am-1pm, 2pm-7pm	Closed	9:30am-1pm, 2pm-5pm	9:30am-1pm, 2pm-5pm	9:30am-1pm
West Howe	10:00am-1pm, 2pm-5pm	10:00am-1pm	Closed	10:00am-1pm, 2pm-5pm	Closed	10:00am-1pm

Planning and Destination Service Standards

Planning Operations

Development Management

- Current standard - no application will go beyond 26 weeks determination without an agreed Extension of Time. Week 20 review and decision system.
- Standard for 2024/25 – no application will go beyond 26 weeks or 16 weeks determination (as defined by the Planning Guarantee) without an agreed Extension of Time.

Planning application validation

- Current standard - Application validation and registration to be undertaken within 5 days
- Standard for 2024/25 – No change

Planning Enforcement

- Current standard – The Planning Enforcement Plan sets out how a reported case will be categorised and prioritised. The Plan is clear that whilst generally reported cases will start to be investigated within the time limits stipulated, this commitment will be dependent on resources and priorities available at the time of receipt.
 - A) High Priority Within 4 hours during office hours or the next working day
 - B) Medium Priority Within 5 working days of receipt
 - C) Low Priority Within 10 working days of receipt.
- Standard for 2024/25 – No change

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Infrastructure Directorate: MTFP impact on standards from April 2024.

The following saving initiatives influence the standard of service delivery into the future.

Streetlighting –

Subject to Member approval the street lighting in many Poole residential roads shall be turned off between midnight and early morning (6am). This matches what already happens in Christchurch. The change in lighting does not influence the standard of lighting on main roads, bus routes and other key distributor roads. Some busier areas may also be excluded. Changes to Streetlighting in Bournemouth will take longer with individual units added to the remotely controlled system as part of the maintenance programme and with future decisions then taken to switch off during late night hours of darkness.

School Crossing Patrols –

The programme to replace school crossing patrols with better 24/7 crossings is well established as a road safety improvement. Subject to Member approval and based on further capital funding allocations there will be a further phased reduction in the number of school crossing control staff.

The initiative is based on a 3 schools per year investment where this is in line with Government guidance on provision. Several other sites shall benefit from capital investment to provide a permanent 24/7 crossing. The programme shall improve road safety for all in these areas while better catering for after school activities, school holiday periods and other road users too.

Subsidised Bus Services-

All bus routes currently provided by BCP Council have suffered from significant inflationary pressures over recent times. This means that the original budget is insufficient. The council has agreed to use grant-based funding to cover the added costs for the next two years so delaying the need for further review of routes. Such a review shall be required for the longer-term position to be formed. A review of each service shall be needed in 2025 to help form the medium-term position.

Poole Lifting Bridge Operating Schedule -

The current operation of the Poole lifting bridges (Poole Bridge and Twin Sails) is scheduled and set out on the Council's website: [Bridge lifting \(bpcouncil.gov.uk\)](https://www.bpcouncil.gov.uk) Lifting is generally carried at one-hour intervals from 5.30am – 11.30pm.

An adjusted timetable based on current demand will reduce early morning and evening/night lifting frequencies. This change in standard shall need to be formally agreed through consulting the Bridge Operating Board which is made up of key stakeholders.

Subway Lighting-

Switching out standard fluorescent lamps with LED lighting in our subways shall provide quality lighting but also with a saving in energy costs.

Building Control – Out of Hours provision. Building Control officers would be available to attend sites only during normal office hours.

Technical incident response to flooding - Technical FCERM (Flood and Coastal Erosion Management) staff shall not attend flooding incidents. Other services would of course assist residents in the event of a flood.

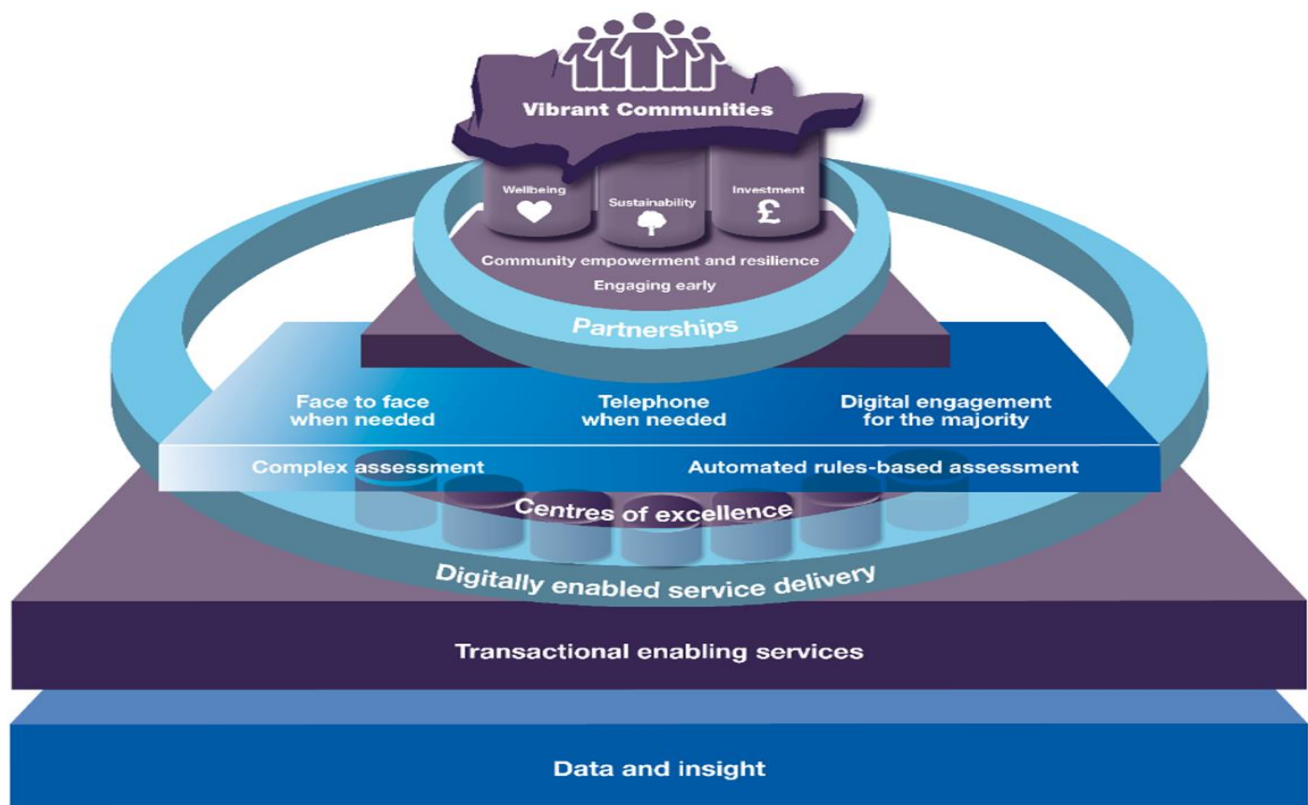
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Transformation Investment Programme 2024/25

Including the Flexible Use of Capital Receipts

1. As might be expected the council has inherited a range of legacy staffing arrangements, processes and systems and therefore has an opportunity to remove duplication, remove inefficiencies, and to leverage economies of scale whilst improving governance. Much of this formed the foundation of the argument for establishing the new council alongside the opportunity to fundamentally transform public services. Achievement of these benefits will be delivered by the adoption of a radically different operational model and specifically via;
 - Investment in technology
 - Investment in data and insight
 - Investment in new ways of working
 - Engaging and empowering our communities
 - Leveraging our partnerships
 - Creating equity in pay & conditions
 - Investing and rationalising the civic estate
2. Investment in three core technologies, along with the rationalisation and effective integration of our core service technologies, will enable the council to become the leading digital and insight driven local authority in the UK. Specifically, these are the investment in the Customer Relationship Management (CRM) system, investment in the Enterprise Resource Planning (ERP) systems (Finance and Human Resources), alongside establishing an appropriate data platform.

Figure 1: Our new Operating Model



3. A high-level business case was presented to Cabinet in November 2019 which set out the original scope of the council's organisation design project, which was facilitated by KPMG, and identified that it could potentially deliver up to £43.9m of gross annual savings by year 4 based on an investment of £29.5m. The original profile of these savings was assumed to accumulate as £7.8m in year 1 growing to £16.5m in year 2, £36.9m in year 3 and £43.9m in year 4. It should be highlighted that these savings will impact on the whole council including both General Fund and Housing Revenue Account (HRA) services.
4. Council on 7 July 2020 agreed to the extension of the project to a £38m programme referencing the accelerated leap forward in different ways of working because of the Covid-19 public health emergency and the need to accelerate the pace at which we generate savings and efficiencies. This report also approved the procurement of a strategic partner, approved oversight of the programme by a Cabinet Working Group as part of the governance arrangements and set out that the £43.9m must now be adopted as our minimum expectation of savings and efficiencies. Key milestones in the development of the Transformation Investment programme can therefore be set out as follows.
 - a) November 2019. First presented to Cabinet based on a report, costing £314,650, commission from KPMG.
 - b) June 2020 Cabinet (July Council). Establishment of a £37.62m budget for the implementation of the programme.
 - c) February 2021 (part of the 2021/22 budget report). Increase in the budget to £44.52m to allow an additional £6.9m for redundancy costs.
 - d) February 2022 (part of the 2022/23 budget report). Further increase in the budget to £67.86m to reflect the following additional elements.
 - £20.09m Inclusion of internal base revenue budget staff costs, £6.7m for 3 years, where staff are not available to support day to day or statutory improvement duties, and will be apportioned and charged against the transformation investment programme.
 - £1.75m Investment in the data and insight capability
 - £1.5m Extra contingency
 - e) February 2023 (as part of the 2023/24 budget report). Reduced the transformation investment programme to £57.36m to reflect.
 - (£10.5m) Reduction in the annual recharge of internal base revenue costs to £3.2m for 3 years in line with the evidence base.
 - f) July 2023 (as part of this 2022/23 Financial Outturn report). Reduce the transformation investment programme to £56.87m to reflect.
 - (£0.5m) Reduction in the annual recharge of internal base revenue costs to £2.7m for 2022/23. Ongoing review needed for future years.
 - g) February 2024 (as part of the 2024/25 budget report). Reduced the transformation investment programme to £52.13m to reflect.
 - (£4.7m) Reduction in the annual recharge of internal base revenue costs to £0.8m for both 2023/24 and 2024/25.

The current consolidated position in respect of the transformation programme including the financial forecast position for 2024/25 is set out in figure 2 below.

Figure 2: Consolidated Transformation Programme Table

Transformation Investment Programme		2020/21	2021/22	2022/23	Total	2023/24	2024/25	Overall	2025/26	2026/27	2027/28	Overall
One-off / time-limited budget provision for the delivery of the programme		Actual £m	Actual £m	Actual £m	Actuals £m	Forecast £m	Estimate £m	Total £m	Estimate £m	Estimate £m	Estimate £m	Total £m
Capital Spend	Expenditure											
	Capital expenditure	1.19	0.05	0.76	2.00	1.26	0.34	3.60				3.60
		1.19	0.05	0.76	2.00	1.26	0.34	3.60				3.60
	Funding											
	Prudential Borrowing (funded from General Fund MRP)	0.00	0.00	(0.56)	(0.56)	(1.26)	(0.34)	(2.16)				(2.16)
Revenue Spend	Prudential Borrowing (funded from HRA land tfr)	(1.19)	(0.05)	(0.20)	(1.44)	0.00	0.00	(1.44)				(1.44)
		(1.19)	(0.05)	(0.76)	(2.00)	(1.26)	(0.34)	(3.60)				(3.60)
	Expenditure											
	One-off costs - including data and insight and capability	0.31	5.32	12.90	18.53	8.06	2.93	29.52				29.52
	Redundancy costs	0.00	0.56	0.01	0.57	4.11	8.22	12.90				12.90
Total	Contingency	0.00	0.00	0.00	0.00	0.11	1.64	1.75				1.75
	Staff costs apportioned to Transformation	0.00	0.00	2.70	2.70	0.84	0.83	4.36				4.36
		0.310	5.880	15.61	21.80	13.12	13.62	48.53				48.53
	Funding											
	Assumed fundable by Capital Receipts/Capital Direction	(0.31)	(3.88)	(15.61)	(19.80)	(13.12)	(13.62)	(46.53)				(46.53)
Total	Contributions from outside of the General Fund	0.00	(2.00)	0.00	(2.00)	0.00	0.00	(2.00)				(2.00)
		(0.31)	(5.88)	(15.61)	(21.80)	(13.12)	(13.62)	(48.53)				(48.53)
	Total expenditure	1.50	5.93	16.37	23.80	14.38	13.96	52.13				52.13
	Total funding	(1.50)	(5.93)	(16.37)	(23.80)	(14.38)	(13.96)	(52.13)				(52.13)
Transformation Investment Programme		2020/21	2021/22	2022/23	Total	2023/24	2024/25	Overall	2025/26	2026/27	2027/28	Overall
Ongoing base revenue budget of the council		Actual £m	Actual £m	Actual £m	Actuals £m	Estimate £m	Estimate £m	Total £m	Estimate £m	Estimate £m	Estimate £m	Total £m
Revenue Budget	Expenditure											
	Licences and other revenue costs of the programme	0.34	2.24	2.08	4.66	2.60	4.50	11.76	4.50	4.50	4.50	25.26
		0.34	2.24	2.08	4.66	2.60	4.50	11.76	4.50	4.50	4.50	25.26
	Savings and efficiencies											
	Transformation Programme Savings	0.00	(3.95)		(3.95)			(3.95)				(3.95)
	Budgeted savings from 2022/23											
	2022/23 In year - Savings delivered			(7.10)	(7.10)	(7.10)	(7.10)	(21.30)	(7.10)	(7.10)	(7.10)	(42.60)
	Budgeted savings from 2023/24 excluding any previously unidentified savings											
	3rd Party savings - Included within budgeted savings proposals				0.00	(0.91)	(0.91)	(1.81)	(0.91)	(0.91)	(0.91)	(4.53)
	Staff savings - Included within budgeted 23/24 services savings proposals				0.00	(5.76)	(5.76)	(11.52)	(5.76)	(5.76)	(5.76)	(28.81)
	Additional 2023/24 in-year identified savings					(0.89)	(0.89)	(1.78)	(0.89)	(0.89)	(0.89)	(4.45)
	Budgeted savings from 2024/25											
	2024/25 Budget: Identified Transformation savings						(13.81)	(13.81)	(13.81)	(13.81)	(13.81)	(55.25)
	2025/26 Estimate: Identified Transformation Savings								(3.09)	(3.09)	(3.09)	(9.27)
	2026/27 Estimate: Identified Transformation Savings									(0.66)	(0.66)	(1.32)
	2027/28 Estimate: Identified Transformation Savings										(0.08)	(0.08)
		0.00	(3.95)	(7.10)	(11.05)	(14.66)	(28.47)	(54.18)	(31.56)	(32.22)	(32.30)	(150.25)
Funding Implications on the revenue budget		2020/21	2021/22	2022/23	Total	2023/24	2024/25	Overall	2025/26	2026/27	2027/28	Overall
		Actual £m	Actual £m	Actual £m	Actuals £m	Estimate £m	Estimate £m	Total £m	Estimate £m	Estimate £m	Estimate £m	Total £m
Revenue Budget	One-off Capital Investment											
	Minimum Revenue Provision and interest implications	0.00	0.28	0.28	0.56	0.47	0.79	1.81	0.87	0.59	0.59	3.86
		0.00	0.28	0.28	0.56	0.47	0.79	1.81	0.87	0.59	0.59	3.86
	One-off Revenue Investment											
	Revenue foregone on asset disposed off	0.00	0.00	0.00	0.00	0.88	1.04	1.91	1.04	1.04	1.04	5.02
		0.00	0.00	0.00	0.00	0.88	1.04	1.91	1.04	1.04	1.04	5.02

Transformation Expenditure

5. The £16.37m of expenditure incurred in **2022/23** can be analysed as follows.

£0.76m	Laptops
£11.03m	Strategic Investment Partner – work package costs
£1.65m	Internal direct staff costs
£0.09m	Agency staff costs
£0.01m	Redundancy costs
£0.14m	ICT costs
£2.70m	Apportioned staff costs

£16.38m Total 2022/23 costs

The work packages costs of the strategic investment partner include those supporting the delivery of the new integrated Finance and Operations (Enterprise Resource Planning) system.

6. In respect of the £28.34m of expenditure estimated either in the current year **2023/24** or in the next financial year **2024/25** this can be analysed as principally.

£1.16m	Laptops
£0.44m	Other Capital Expenditure
£12.33m	Redundancy costs from reducing the headcount of the authority
£5.12m	Internal direct staff costs *
£4.97m	Strategic Investment Partner – work package costs
£1.75m	Contingency
£1.67m	Apportioned staff costs
£0.90m	IT costs

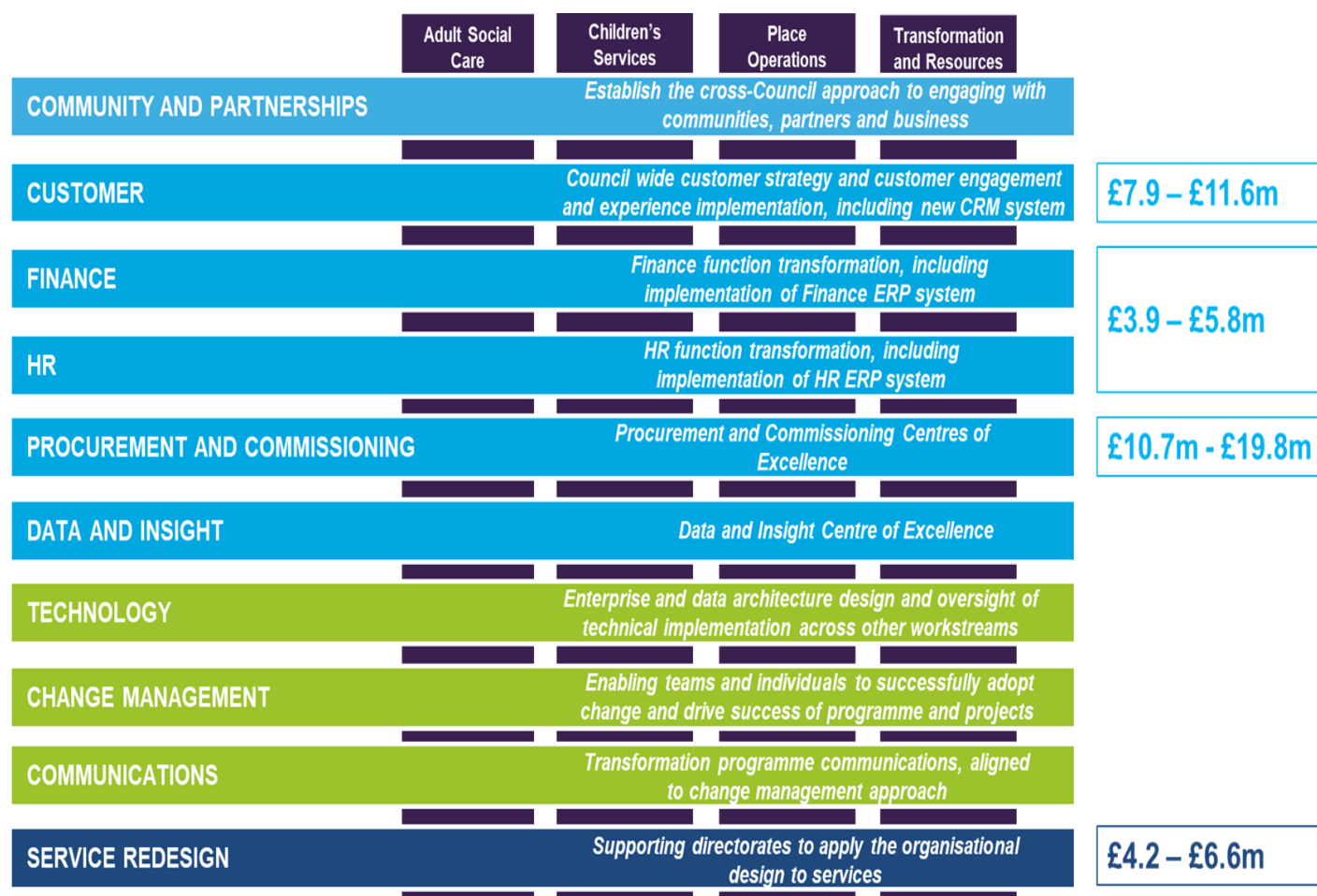
£28.34m Total remaining costs 2023/24 and 2024/25

*	£1.62m	People & Cultural Services
	£1.50m	ICT Services
	£0.92m	Financial Services
	£0.71m	Project Management Office and Communications
	£0.37m	Procurement and Commissioning

Transformation Savings

7. The savings from the programme can be broken down into 10 separate workstreams with the total original business case estimate being in the range £26.7m to £43.8m. These workstreams, and the savings they are assumed to deliver, can be articulated as follows.

Figure 3: Transformation savings workstreams.



5

8. Savings from the transformation investment programme are therefore specifically associated with.
- Reduction in employee headcount through the consolidation of common roles/work.
 - Reduction in employee headcount through the consolidation of organisational layers/structures.
 - Reduction in third-party spend through more robust procurement and contract management. This will include smarter ways of working such as the digital mail and the reduction of spend throughout the council by the centralisation of spending on items such as stationery, photocopying and printing.
 - Review of the corporate structure to enable the council to continue to reflect and realign its management structure to ensure we are continuously improving towards being the organisation that we aspire to be and to ensure we deliver our priorities for our residents. This includes the integration of the library services with customer facing services and community hubs.
 - The Council's estate and accommodation project.

Transformation Savings

9. The (£7.1m) of ongoing savings delivered in **2022/23** can be analysed as follows.

(£3.327m)	Third Party expenditure reductions
(£1.726m)	Implement of new Smarter Staff Structures
(£1.141m)	Estate workstream - lease surrender, operating costs civic buildings
(£0.793m)	Business Support savings via vacancy management
(£0.111m)	Cost recovery – additional income
(£7.100m)	Total Savings 2022/23 onwards

10. In respect of the current 2023/24 financial year the additional ongoing savings currently being forecast can be analysed as follows.

Savings identified in the original 2023/24 Budget.

(£5.761m)	Staffing savings including £2.3m from increasing the vacancy drag.
(£0.906m)	Third party spend.

Additional savings identified in 2023/24

(£0.625m)	Utility (Electricity/Gas) savings from contract arrangements
(£0.265m)	Third party spend.
(£7.557m)	Total additional savings from 2023/24 onwards

11. Details of the Transformation savings being assumed for 2024/25 onwards are separately identified and laid out as part of detailed savings and efficiency schedule included in the budget report at Appendix 5a.
12. At this time, the programme is focused on the final pieces of work with the council's strategic investment partner, KPMG, in respect of the Customer Relationship Management technological platform and consideration of a potential new Debtors system (referred to as Quote to Cash (Q2C)). These investments will help move us to further forward with the implementation of the Target Operating Model and put us in a position to make further headway with service redesign and benefit realisation. The next step will be the ongoing support to services specific transformation investment programmes and to ensure the fulfilment of the programme's objectives.
13. Transformation Programme Managers have worked closely with heads of service and directors throughout the vision and validate activity and given the priority of setting a balanced budget focus of attention was on identification of savings as part of the MTFP. Care has been taken to ensure the correct categorisation of savings and to avoid duplication or double counting.
14. Work at this point, having not yet completed all the system and process changes has not identified any further savings over and above everything already set out in the MTFP, indeed the transformation work already done to date helps to make those savings easier to achieve. Further savings from the Voluntary Redundancy scheme should be easier to implement by making the most of the new systems for financial management, customer relationship management, data analysis and artificial intelligence.

Flexible Use of Capital Receipts (FUCR)

15. As part of 2015 Spending Review (SR15), the government announced that to support local authorities to deliver more efficient and sustainable services it would allow local authorities to spend up to 100% of their fixed asset receipts on the revenue costs of service reform and transformation. Guidance on the use of this flexibility stipulated that it applied to the three financial years to end March 2019. However, this was extended for a further three years to 31 March 2022 as part of the 2018/19 local government finance settlement, for a further three years to 31 March 2025 in April 2022, and for a further 5 years to 31 March 2030 as part of the 2024/25 local government finance settlement.
16. The current guidance makes it clear that local authorities cannot borrow to finance the revenue costs of service reforms or improvements. In addition, local authorities can only use capital receipts from the disposal of property, plant and equipment assets received in the years the flexibility is offered. Local authorities may not use any existing stock of capital receipts to finance the revenue costs of reforming their services. Set up and implementation costs of any new processes or arrangements that will generate future ongoing savings and/or transform service delivery to reduce or improve the quality-of-service delivery in future years can be classified as qualifying expenditure. Costs associated with business-as-usual activity and the council's statutory duty to improve cannot be classified as qualifying expenditure. The ongoing revenue costs of any new processes or arrangements can also not be classified as qualifying expenditure. In addition, the guidance issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003 specifies that.
- The key determining criteria to use when deciding whether expenditure can be funded by the new capital receipts flexibility is that it is forecast to generate ongoing savings to an authority's net service expenditure.
 - In using the flexibility, the council will have due regard to the requirements of the Prudential Code, the CIPFA Local Authority Accounting Code of Practice and the current edition of the Treasury Management in Public Services Code of Practice
17. Council has previously engaged with both CIPFA Consultancy and the External Auditor to provide assurance that any such costs which it wishes to fund from the FUCR accords with the statutory guidance.
18. For 2022/23 the Council has funded the £15.61m of revenue expenditure on its transformation programme via the FUCR set out as follows.
- | | |
|------------------|---|
| (£5.069m) | 31.3.22 Brought Forward Capital Receipts |
| (£19.039m) | In-year capital receipts (excluding those from vehicle sales) |
| £0.156m | Costs of disposal |
| £15.610m | Transformation Investment Programme expenditure |
| (£8.342m) | 31.3.23 Capital Receipts carried forward. |
- Capital receipts in-year included £12.6m for the Wessex Trade Industrial Centre in Poole, and £5.642m for most of the units the council owned at Airfield Industrial Estate, Christchurch.
19. For 2023/24 the Council is planning to fund 16.061m of revenue expenditure on its transformation programme funded via the FUCR set out as follows.
- | | |
|------------------|---|
| (£8.342m) | 31.3.23 Brought Forward Capital Receipts |
|------------------|---|

(£11.890m)	Forecast in-year capital receipts.
£13.115m	Transformation Investment Programme expenditure
£0.760m	Children's Services service specific transformation expenditure
£0.545m	Adult Social Care service specific transformation programme
(£5.812m)	31.3.24 Forecast Capital Receipts carried forward.

Forecast capital receipts include those received for the Councils share of the Bargates site, 35 Willis Way Fleet Industrial Park Poole and 3 of the remaining 5 units previously owned by the council on the Airfield Industrial Park in Christchurch (2 did not sell at auction). The forecast receipts include those from Southbourne Crossroads, the former depot site in Cambridge Road and the Christchurch By-pass car park.

20. In relation to 2024/25 the Council is planning to spend £15.375m of revenue expenditure on its transformation programme funded via the FUCR as follows.

(£5.812m)	31.3.24 Forecast Brought Forward Capital Receipts
(£7.453m)	Forecast in-year capital receipts.
£13.615m	Transformation Investment Programme expenditure
£0.946m	Children's Services service specific transformation expenditure
£2.455m	Adult Social Care service specific transformation programme
£3.751m	Remaining Capital Receipts to be identified by 31.3.25

Capital receipts currently forecast in 2024/25 include those from Beach Road South Car Park, Christchurch Civic Centre, the remaining 2 units on Airfield Industrial Park in Christchurch and the former private car park at Upper Terrace Road. Proposals to generate the residual £3.751m of capital receipts required to fund the transformation programme will be brought forward for Council consideration in due course. This may include the Poole Civic Centre and any asset no longer identified suitable for either its current or a potentially alternative service delivery.

Capital Investment Programme (CIP) overview and narrative by directorate

Please find below a summary of the Capital Programme for the 2024 -2029 period. The figures reflect the latest understanding but will be impacted by any slippage from 2023/24 depending on the progress of schemes as at 31 March 2024.

Adults Social Care – £2.2 million 2024/25 (£10.7 million 5-year plan)

Planned investment represents £2.1m per annum in integrated community care equipment and occupational therapist support costs to further promote and support independent living at home. This annual commitment is funded from assumed allocations of government grant.

The remaining £0.2m investment over the 5-year plan represents the Council's investment in care technology service equipment funded by prudential borrowing.

The Council is progressing its plans to provide extra care housing on the old Adult Education Centre land at Oakdale, and the Service will lead this programme through 2024/25. Planned spend on the project is estimated at £4.4m and is being delivered under the Council New Build Housing & Acquisition Strategy (CNHAS) scheme. The financial implications of this are being brought under separate papers to Cabinet at the appropriate time. The development of extra-care housing in BCP is a necessary measure to deliver on the Council's commitments to both promote greater independence and to reduce the numbers of people entering residential care.

Children's Services £0.8 million 2024/25 (£1.6 million 5-year plan)

Development of the Capital Programme: The Service continues to work in partnership with BCP corporate property and estates teams to embed new systems, processes, and governance arrangements necessary for the robust management of schemes. Following Local Government Review (LGR), the existing arrangements for the delivery of projects has changed and arrangements for managing the school estate are under review.

SEND (Special educational needs and disabilities) Programme of Expansion: The SEND Programme of Expansion forms part of the Council's strategy to address growth and associated financial pressure in the High Needs Block. Schemes continue to be developed and delivered across four Tranches with Tranche 1 schemes implemented in September 2022 in the development stages and Tranche 2 schemes are expected to deliver places during the academic year 2023/24.

The progress of schemes with prior approval in the capital programme are as follows:

Hillbourne School: The school is open and operational. The final account is expected to be agreed by July 2024.

Avonbourne School: In partnership with United Learning Trust, the Council has delivered a project to provide a total of 150 places over three years achieved through extensive remodelling of existing school accommodation. Following a spatial assessment by an external consultant, the scheme will provide sufficient general and specialist teaching spaces and student and staff WCs. Five bulge classes were delivered by February 2023. We have been allocated 3 classes to use to date with the other 2 planned to use in future years.

Longspee Ensbury Park Academy: Formerly Bournemouth Learning Centre (BLC) - approved planned budget £0.252m. Project was to provide a modular classroom building to provide 16 pupil places at Longspee Ensbury Park Campus. 2 additional classes were completed and delivered to the Academy by October 2023.

Poole High School: Planned approved budget £0.755m (actual spend to date £0.503m) for extensive repairs and maintenance works which are currently underway. To date 2 roofs have been repaired and the spaces are being made available for use by the school this week, the boiler and sewage pump have also been replaced as part of the project works. Discussions are currently underway to plan a phased programme to address high condition works recently identified at the school.

Autism Unlimited: Planned approved capital budget £0.450m as a matched investment into Autism Unlimited's Sixth Form Expansion Project to create additional capacity for high needs learners at 1, Airfield Rd, Christchurch. The Council delivered this provision in partnership with Autism Unlimited and was completed as of July 2023.

Highways - £17.8 million 2024/25 (£52.9 million 5-year plan)

This includes routine and structural capital maintenance that is funded predominantly from Department for Transport (DfT) capital grant allocations for Local Transport Plan (LTP) and Pothole Fund. CIP spend is indicative at this stage and is based on historic in-year grant allocations. 2024/25 will benefit from an additional £0.6m Highways maintenance funding already confirmed by the DfT. Final grant allocations are expected to be announced in early 2024. A detailed report on planned utilisation of LTP and pothole grant funding for 2024/25 will be considered separately by Cabinet in March 2024 including allocations to Neighbourhood Services for routine highways maintenance across the conurbation.

In addition to the above, the Council was allocated £1.89m government grant in 2023/2024 from the Safer Roads Fund. This is being used to reduce the risk and severity of collisions along the A35 between Iford and St Paul's roundabouts in Bournemouth. Public engagement will commence in January 2024 and, following sharing of outcomes and final proposals, construction is planned to commence in September.

The Council has also benefited from a further award of £3.78m grant from the government's Active Travel Fund to invest in the delivery and development of several walking, wheeling, and cycling infrastructure improvements. Delivery is phased across 2023/24 and 2024/25. New funding for schemes identified in Local Cycling and Walking Infrastructure Plans (LCWIPS) will be bid for in the 5th round of Active Travel Funding.

The Council successfully secured funding from the DfT to deliver its Bus Service Improvement Plan (Capital element of £6.1m) confirmed in November 2022 and approved by Cabinet and Council. The grant will facilitate improvements to ensure increased reliability of bus services and enhancements to passenger facilities (including new shelters, raised boarding kerbs, Real Time Information displays), and CCTV at Poole Bus station and the busiest bus shelters for added passenger security. The programme is underway and will be delivered across 2023/24 and 2024/25.

The Council received Local Electric Vehicle Infrastructure (LEVI) revenue grant funding in 23/24 and 24/25 to facilitate the roll out of additional Electric Vehicle Charging Points across the conurbation. The Council has been shortlisted as a Tranche 1 LEVI authority which, if the full business case is approved (expecting to hear in January), will provide £1.447m capital grant to help deliver electric vehicle charging points in non-commercially viable locations.

Transforming Cities Fund (TCF) - £14.6 million 2024/25 (£25.6 million 5-year plan)

The South East Dorset (SED) Transforming Cities Fund (TCF) Programme continues to benefit from £79.3m of Department for Transport (DfT) Capital grant funding in addition to BCP Council, Dorset Council and third-party local contributions from local Transport operators and developers. BCP Council (as Accountable Body for the TCF Grant funding) are working closely with the DfT on the commitments, delivery and planned TCF spend profile. Because of the Council's progress to date in delivering this major programme of works during an exceptionally challenging time, the DfT has extended the original TCF programme end date from March 2020. The specific end date is currently being discussed between the DfT and the Council and will likely be extended to 2025/26 due to the remaining construction timeframes.

The DfT has also introduced an independent review process to their national TCF programme. To date this has gone well and to DfT expectation. The SED TCF delivery teams

continue to progress well on design and delivery, albeit with the continued challenges around programme duration and cost (notably changes to standards, rising inflation and contractors' management of risk due to unknowns in the market at present around prices).

The DfT are aware that these remaining schemes of the SED TCF programme need to be contractually committed and are therefore providing assurance to the Council that the remaining TCF grant funding will be available to fund the remaining schemes.

The Council has continued to engage with the local bus operator and link in with the Council's Bus Service Improvement Plan (BSIP.) Discussions took place during early 2023/24 on the committed third party contributions and the outcome of this, particularly with the bus operator has been positive. Bus operator contributions are therefore reflected as £6.6m Third Party Contributions during Q3 and Q4 2023/24 due to enhanced fleet on TCF Corridors.

Communication for the Council's SED TCF programme continues to be successfully managed through multi-channel, proactive and reactive communications activity. Press releases, Blogs, videography, comprehensive scheme comms, stakeholder and residents' communications, a dedicated email address and website all form part of the wider comms support and strategy, which has been commended by the DfT.

Key risks remain within the programme in relation to the continued ongoing impact of current market conditions on the construction programme deliverability and affordability. The cost of construction continues to be unstable. Due to this and the increased complexity of schemes due to the changes to standards, contractors pricing continues to be higher than originally estimated. This position is being closely monitored by the Council's SED TCF Programme Management Board. The Council is also considering what alternative local contributions could also be attributed to the TCF Programme, to mitigate the potential impact of costs exceeding the SED TCF grant funding availability. This issue has been raised with the DfT who are in regular contact with Council senior officers on the matter.

Flood and Coastal Erosion Risk Management (FCERM) - £15.2 million 2024/25 (£29.6 million 5-year plan)

This programme is delivered in partnership with the Environment Agency and is primarily funded by government grant. The programme from 2024/25 onwards consists of two main schemes.

Poole Bay Beach Management Plan - an ongoing scheme designed to provide long term coastal erosion protection to thousands of properties and infrastructure via cyclical beach replenishment and ongoing groyne renewal works. 2024/25 will see a significant milestone delivered through the capital replacement of the Hengistbury Head Long Groyne. This scheme currently assumes a BCP local contribution in the final years of the programme, funded from prudential borrowing which has been factored into the Council's Medium Term Financial Plan (MTFP).

Poole Bridge to Hunger Hill scheme (PB2HH) approved in 2020/21 is a flood defence scheme which will provide long term tidal flood risk management for parts of Poole town and the Twin Sails regeneration area. The scheme is due to begin construction in 2025.

Regeneration (inc. Investment and Development) £19.9 million 2024/25 (£55.9 million 5-year plan)

This includes the Towns Fund investment in Boscombe supporting a range of initiatives including Events, Transport, improvements to the High Street, and a Skills and Digital hub (2024-2027 £16.0m). This is wholly funded from Government grants.

Additionally, the commitment to investing in the Carter's Quay residential and commercial development in Poole remains, based on the remaining contractual budget (2024-2027 £30.2m). This is fully funded by prudential borrowing. The scheme is currently paused as the Council manages the impact of the Inland Homes Partnership Ltd going into administration.

£2.6m, funded from prudential borrowing, relates to a joint project between Network Rail, South Western Railway and BCP Council to improve Pokesdown Train Station.

Further projects funded by prudential borrowing between 2024 and 2027 include the Smart Places Gigabit Fibre Scheme (£2.8m), refurbishment of the Bournemouth International Centre (BIC) (£0.7m) and Wessex Fields highways infrastructure works (£3.0m).

Capital reserves are available to fund the Poole Town North scheme (£0.6m).

Destination & culture - £35.5 million 2024/25 (£35.5 million 5-year plan)

Southbourne redevelopment (previously known as Bistro on the Beach): The forecast Final Cost Plan (October 2022) for Southbourne seafront redevelopment was £10.8m which is £4.0m higher than original budget £6.8m (June 2020). Project is currently on hold and under management decision as to the best way forward.

Canford Cliffs: Project comprises conversion of cliff stability work, utility infrastructure upgrades, conversion of Canford Pavilion into café, community shelter for sea swim and water sport changing and construction of additional beach huts over two levels across 11 existing beach hut blocks. Project is currently on hold.

The Council was successful in securing grant funding to the government's Levelling Up Fund for £19.99m for investment in a seafront transformation programme that will revitalise the Bournemouth, Christchurch, and Poole conurbation. There are currently 16 projects being delivered under this funding in the programme to include the Bournemouth Lifeguard Corps new building for £1.4m, Bournemouth Pier structural engineering and leisure works for £9.6m, East Cliff Lift stabilisation works, and leisure offers for £4.4m and the repairs and upgrades to the Seafront Beach Huts for £1.5m.

Culture and Arts includes investment in the Poole Museum "Our Museum" project for which the Council was awarded £2.24m grant from the National Lottery Heritage Fund. This ambitious project is transforming and updating Poole Museum including the conservation and restoration of the Wool Hall, development of three new galleries to showcase maritime and ceramics collections, new visitor facilities and improved access. Also, within the Museum Estate is a further £0.623m planned spend at Scaplen's Court. This project benefits from Historic England Grant and will bring significantly improved facilities and increased revenue generation. The Poole Museum Temporary Exhibition Gallery has an approved capital investment of £0.5m in 2024/25 funded by borrowing.

The recreational programme includes £0.5m spend to facilitate in-house management and capital investment for three of the Council's leisure centres (Dolphin, Rossmore, and Ashdown).

Housing - £31.2 million 2024/25 (£58.3 million 5-year plan)

General Fund CNHAS schemes are still ongoing which covers the Rough Sleeping Accommodation Programme (RSAP), Private Rented Sector (PRS), Care Experience Young People (CEYP) and temporary accommodation with a plan to spend £22.8m in 2024/25 and £1.5m in 2025/26.

A number of projects within the CNHAS scheme have been abandoned with the likes of Alma Road (planned spend was £3.8m) with the development having been put on hold, and Roeshot Hill (planned spend was £6.1m) with the Council looking to sell the land.

The Council was successful in securing £6.2m of the Single Homelessness Assistance Programme (SHAP) 2023- 2028 Programme as a capital grant to facilitate the provision of dwellings to individuals within the target group; and £3.7m as a revenue grant to reimburse revenue costs of providing support services to the target group. Current spend to date is £2.3m of the capital funding received from Department for Levelling Up, Housing and Communities (DLUHC) with 19 properties having been secured to date.

Following the launch of the Local Authority Housing Fund (LAHF) grant funding by DLUHC on 14 December 2022, the Council secured £4.9m (from round 1 and 2) and agreed to provide 35 homes and this was designed to reduce pressures on the existing housing and homelessness systems and those waiting for social housing.

Current spend to date is £1.86m of the capital funding received from DLUHC with 21 properties having been secured to date. Indicative government grant allocations of around £3.5m per annum have been assumed within the CIP for the Disabled Facilities Grant (DFG) programme of capital works.

From this the sum of £2.1m per annum is allocated to Adult Social Care for integrated community care equipment and occupational therapist support costs to further promote and support independent living at home.

This leaves £1.4m per annum within Housing to support the provision of DFGs to the community.

Estates - £0.5million 2024/25 (£2.6 million 5-year plan)

This represents profiled spend on hard facilities management across the authority and includes ongoing £0.5m annual investment in the maintenance of BH Live assets funded from revenue contributions to capital.

Environment - £8.1 million 2024/25 (£9.7 million 5-year plan)

Planned spend for 2024/25 is £6.5m on the Council's Fleet Replacement Strategy, approved by Council in September 2021. This programme is fully funded by prudential borrowing. The pandemic caused replacement plan for a short while having to find alternative sources of procurement such as securing quality used, demo or cancelled orders from other companies. To align the inflationary increase in procurement costs with the replacement strategy a new updated vehicle replacement list was put forward that brought the level of borrowing back in line to meet known requirements. The Service will need to deliver a plan that looks at new borrowing for vehicles that will need replacing in coming years not covered by the existing list, this is on the service unit's priority work list.

Investment in the Council's waste bin replacement strategy is represented by £0.41m per annum across the Council's MTFP funded by borrowing.

The Council continues to deliver a programme of enhancements and improvements to its parks and open spaces including play areas. 2024/25 includes £1.2m to deliver Sluice

Channel Infrastructure Improvements (Poole Park to Poole harbour). This Community Infrastructure Levy (CIL) funded project will see a rebuild of the sluice channel and the provision of new gates on the Poole Park side.

Resources - £2.5 million 2024/25 (£2.5 million 5-year plan)

£1.8m investment is planned to complete the Council's Accommodation Strategy.

This includes the following: Extension Zero and Kinson Hub, the remodelling of BCP Civic space – West Wing, and the reprovisioning of the Coroners Service. It is expected that the Coroners Service reprovision will be the subject of an additional report in 2024/25.

£0.682m has been identified as the 2024/25 new investment requirement for the 'Business as usual' ICT replacement programme, proposed as funded by additional prudential borrowing. It represents capital investment required to maintain, improve, or replace existing ICT infrastructure to ensure Business as usual service delivery across the Council. It relates to short or medium-term requirements on existing ICT components and sits outside of the capital investment approved as part of the Council's technological transformation plan. A detailed breakdown can be found at Appendix 7b.

Capital Project	Planned Programme 2024/25 £'000	Planned Programme 2025/26 £'000	Planned Programme 2026/27 £'000	Planned Programme 2027/28 £'000	Planned Programme 2028/29 £'000	MTFP Total 2024 to 2029 £'000
Integrated Community Equipment Store (BCP)	2,095	2,095	2,095	2,095	2,095	10,473
Care technology service - equipment	77	85	81	0	0	243
Total Adult Social Care	2,172	2,180	2,176	2,095	2,095	10,716
Planned Repairs and Maintenance	292	142	92	0	0	526
Urgent Work	183	183	183	33	0	580
Climate Change/Low Carbon Reduction	200	0	0	0	0	200
Advanced Design Fees Maintained Schools	50	0	0	0	0	50
Advanced Design Fees SEND	75	75	75	0	0	225
Total Children's Services	800	400	350	33	0	1,581
TCF Enabling Activity	880	-	740			1,620
A1 Corridor	2,175	-				2,175
A2 Corridor	7,046	6,500				13,546
A3 Corridor	4,500	4,500				9,000
Transforming Cities Fund	14,601	11,000	740	-	-	26,341
HMSP Planned pre-patching (for NS)	1,100	1,100	1,100	1,100	1,100	5,500
Neighbourhood Services (Streetscene) -Pothole investment	500	500	500	500	500	2,500
LTP Indicative Grant Allocations	7,792	7,188	7,188	7,188	7,188	36,544
ATF4 Turbary Park Link	350	0	0	0	0	350
ATF4 School streets permanent measures	350	0	0	0	0	350
ATF4 Wallisdown rd phase 4 (Bndry to Uni)	100	0	0	0	0	100
ATF4 Wallisdown rd phase 5 (crossroads)	300	0	0	0	0	300
ATF4 Baiter footpath and cycleway imp	800	0	0	0	0	800
Total Maintenance - Principal & Non-Principal Roads	11,292	8,788	8,788	8,788	8,788	46,444
BSIP Bmth stn to Town centre bus priority	2,765	0	0	0	0	2,765
Hamworthy Sea Wall (Repairs)	85	0	0	0	0	85
Coastal Heritage Trail	20	0	0	0	0	20
BSIP Westbourne bus priority	730	0	0	0	0	730
BSIP High street and Bargates Christchurch	1,025	0	0	0	0	1,025
BSIP Southbourne bus priority	33	0	0	0	0	33
BSIP Purewell Bus Priority	70	0	0	0	0	70
Safer Roads Partnership	1,741	0	0	0	0	1,741
Total Maintenance - Public Alt to Car	6,468	0	0	0	0	6,468
Poole Bay Beach Management 2020-2031	10,184	9,348	50	0	0	19,581
Poole Bridge to Hunger Hill (PB2HH)	5,000	4,295	0	0	0	9,295
Total Flood and Coastal Erosion Risk Management (FCERM)	15,184	13,643	50	0	0	28,876
BIC Medium Term Refurbishment Plan	731	0	0	0	0	731
Total Commercial Assets	731	0	0	0	0	731
Heart of Poole - Revised MasterPlan	618	0	0	0	0	618
Carter's Quay	7,000	14,000	9,177	0	0	30,177
Towns Fund - Royal Arcade	188	6,045	0	0	0	6,233
Towns Fund - Boscombe Skills and Digital Hub	39	24	0	0	0	63
Towns Fund - Parks in Mind	41	42	0	0	0	83
Towns Fund - High Street	199	49	0	0	0	248
Towns Fund - Masterplan	2,255	4,975	0	0	0	7,230
Towns Fund - Boscombe Digital Connectivity - Phase 2	300	-	0	0	0	300
Towns Fund - Local Transport	570	70	0	0	0	640
Towns Fund - Programme Management	126	127	0	0	0	253
Towns Fund - Boscombe Skills and Digital Hub REVENUE	200	250	0	0	0	450
Towns Fund - Events Programme REVENUE	33	33	0	0	0	65
Towns Fund - Boscombe Digital Connectivity - Phase 2 REVENUE	45	0	0	0	0	45
Towns Fund - Programme Management REVENUE	88	88	0	0	0	176
Smart Place Gigabit Fibre Scheme	2,833	0	0	0	0	2,833
Wessex Fields land disposal (highways infrastructure works)	3,000	0	0	0	0	3,000
Pokesdown Railway Station	1,650	950	0	0	0	2,600
Towns Fund - Community Centre	20	150	0	0	0	170
Total Major Development	19,203	26,801	9,177	0	0	55,182
Poole Museum - Our Museum project	3,000	0	0	0	0	3,000
Poole Museum - Our Museum project - Activity Plan	100	0	0	0	0	100
Poole Museum - Temporary Exhibition Gallery	500	0	0	0	0	500
Scaplen's Court Museum	623	0	0	0	0	623
Total Culture, arts, libraries and museums	4,223	0	0	0	0	4,223
Leisure centre management in-house set up and investment	529	0	0	0	0	529
Total Sports and Recreational Facilities	529	0	0	0	0	529
New Beach Huts - Canford Cliffs	3,118	0	0	0	0	3,118
Canford Cliffs Pavilion	1,142	0	0	0	0	1,142
Bistro Redevelopment (Southbourne)	5,981	0	0	0	0	5,981
Mudeford Beach House Café	955	0	0	0	0	955
Levelling Up Funding Capital Projects	19,572	0	0	0	0	19,572
Total Seafront Development	30,768	0	0	0	0	30,768
Disabled Facilities Grant	1,424	1,424	1,424	1,424	1,424	7,120
Total Housing & Communities Services	1,424	1,424	1,424	1,424	1,424	7,120
CNHAS Private Rented Sector (PRS)	21,285	1,541	0	0	0	22,826
CNHAS - New Temporary Accommodation Portfolio	1,481	-	0	0	0	1,481
CNHAS Oakdale	50	2,000	2,300	0	0	4,350
CNHAS Crescent Road	811	811	0	0	0	1,622
CNHAS Surrey road	1,128	1,143	0	0	0	2,271
CNHAS - Local Authority Housing Fund (LAHF) Schemes	1,000	0	0	0	0	1,000
CNHA - Single Homelessness Assistance Programme (SHAP)	4,010	0	0	0	0	4,010
Princess road - Hostel and Private Rented Sector	0	6787	6787	0	0	13,574
Total Major Housing Schemes	29,765	12,282	9,087	0	0	51,134
BH Live (£518k MF email)	518	518	518	518	518	2,590
Total Estate Management	518	518	518	518	518	2,590
Waste Bin Replacement	410	410	410	410	410	2,050
Total Waste & Cleansing	410	410	410	410	410	2,050
Fleet Management	6,463	0	0	0	0	6,463
Total Fleet Management	6,463	0	0	0	0	6,463
Sluice Channel infrastructure - Poole Park to Poole Harbour	1,200	0	0	0	0	1,200
Total Parks + Open Space Management	1,200	-	-	-	-	1,200
ICT New Investment 24/25	682	0	0	0	0	682
ICT Investment Plan	682	-	-	-	-	682
Extension Zero + Kinson Hub (from B customer Services above)	200	0	0	0	0	200
Coroners Service - Vertical Slice (Buildings and Fittings)	1,060	0	0	0	0	1,060
Remodelling BCP Civic space- West Wing	555	0	0	0	0	555
Office Accommodation	1,815	-	-	-	-	1,815
Total BCP Capital Programme	148,247	77,445	32,719	13,267	13,235	284,913

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IT & Programmes Capital Infrastructure Investment Plan 24/25

1.0 Purpose and Scope:

- 1.1 Every autumn IT & Programmes conducts an extensive review of the IT estate and identify areas where capital investment is required to maintain or enhance the IT estate on which BCP Council operates.
- 1.2 The activity primarily focuses on ensuring IT equipment or supporting infrastructure that is due to go “end of life” in the coming financial year is identified and costed for replacement.
- 1.3 The activity also seeks to identify where additional capacity or enhancements are required to ensure the IT estate remains fit for purpose and enables wider BCP Council teams service delivery.
- 1.4 The activity includes an assessment of whether the infrastructure is due to be replaced or enhanced (and therefore funded) via other projects, such as the Transformation Project. Items that are already funded from elsewhere are not included in this capital request.
- 1.5 The purpose of this document is to describe the high value capital requests made as part of the detailed [IT&Programmes capital infrastructure investment plan for the financial year 2024/2025](#).
- 1.6 All current year activity and spend is tracked by the Head of IT Infrastructure within Dynamics F&O Project Management interface and tracked bi-weekly as part of IT Infrastructure Board.
- 1.7 For further details on these, or any other items of capital spend within the plan for 2024/25, please contact the Head of IT Infrastructure, Marc Biondic.

2.0 Summary of activity:

- 2.1 **IT & Programmes requires new capital investment of £682,000 in 24/25 to complete ALL the identified activity within [the plan](#).**
- 2.2 The activity includes the following high value items of work:
 - 2.3.1 *Provide an additional Firewall and Internet Traffic load balancer - £120k (Line 24)*

As the Councils use of Internet and cloud hosted services increases so does its reliance on key network and security IT infrastructure that keeps pace with that demand.

Over the last year IT & Programmes Network team track traffic bandwidth across key parts of the estate and have established that demand on its overall internet bandwidth, and the traffic that flows through the Councils perimeter security firewalls, has reached a level whereby an upgrade is required to its internet capabilities.

In practical terms, an upgrade is required to our internet capacity and ability to securely route that traffic through perimeter security firewalls. This work ensures that bandwidth availability can meet demand into the next year by adding additional equipment that can meet the growing demands of a modernising workforce.

2.3.2 *End of Life Support for legacy Windows & Database Platforms - £150k, Line 156*

In October 2023 Microsoft Windows Server and SQL 2012 became “end of life” – meaning that Microsoft no longer offer, for free, important security upgrades and patches to its customers.

BCP Council still has an estate, albeit reducing weekly, of Windows 2012 servers running key internally hosted applications for service areas. For example, Planning, where the legacy Council MasterGov applications reside on servers running the software.

It is therefore important that we can continue to be able to provide patches and security updates to these systems until such time that they are either upgraded or replaced over 2024/25.

We have opted into Microsoft’s paid extended support programmes for Windows and SQL software. This ensures services can stay protected. This funding denotes the maximum possible one-off spend required to fund the extended support in the next financial year.

2.3.3 *Teams Replacement Headset Programme - £46k, Line 104*

BCP Council widely adopted Microsoft Teams in 2020. Since then, staff have embraced the collaboration tool on modern end user devices from internet connections round the globe.

Each eligible member of staff requires a headset to conduct business over Teams. Whether that’s taking part in one of the over 200,000 Teams calls that occurs every month or one of the 50,000 attendees of scheduled Teams meetings every month

A Teams headset, like any daily use item, has a lifespan and needs replacing periodically. Devices issued in 2020 are now starting to need replacing, either through natural failure or general wear and tear. This funding allows these items to be replaced this year.

2.3.4 *Mobile Telephone Replacement Programme - £35k, Line 107*

Every year IT & Programmes Governance and Compliance staff are involved in a rolling project to replace end of life mobile phones used by approved business users.

This year the capital is required to replace devices due to go end of life within 23/24. This work goes hand in hand with an ongoing project to reduce corporate mobile phone provision generally across the userbase in favour of a Bring Your Own Device policy where safe and effective to do so.

2.3.5 *Replace IT&IS Service Management (ITSM) Software - £100k, Line 192*

In 2024/25 IT & Programmes Service Delivery and Modern Workplace Teams will be replacing an out-dated IT Service Management (ITSM) tool with a modern cloud-based service.

The ITSM is not only used to track demand on IT, but is also used in other business areas, such as Finance and People and Culture, to manage demand into those services.

This additional one-off funding has been identified by the project team to ensure that up to two fixed term contractors can also be sourced to ensure the safe landing and adoption of the tool throughout the service areas that use it.

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Bournemouth, Christchurch and Poole Council (BCP)

Treasury Management Strategy Statement 2024/25

Introduction

Background

- 1 The Authority is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low risk appetite, providing adequate liquidity initially before considering investment return.
- 2 The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.
- 3 The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 4 CIPFA defines treasury management as:
"The management of the local authority's borrowing, investments and cash flows, including 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."
- 5 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

Reporting Requirements

Capital Strategy

- 6 The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following: -
 - a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
 - an overview of how the associated risk is managed

- the implications for future financial sustainability
- 7 The aim of the strategy is to ensure that all the Authority's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.
 - 8 This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.

Treasury Management Reporting

- 9 The Authority is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.
 - a) **Prudential and treasury indicators and treasury strategy** (this report) -
The first, and most important report is forward looking and covers: -
 - the capital plans, (including prudential indicators)
 - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time)
 - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an Annual Investment Strategy, (the parameters on how investments are to be managed)
 - b) **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, this Authority will receive quarterly update reports.
 - c) **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

- 10 The above reports are required to be adequately scrutinised before being recommended to Full Council. This role is undertaken by the Audit and Governance Committee.
- 11 **Quarterly reports** – In addition to the three major reports detailed above, from 2024/25 quarterly reporting (end of June/end of December) is also required. However, these additional reports do not have to be reported to Full Council but do require to be adequately scrutinised. This role is undertaken by the Audit and Governance Committee. (The reports, specifically, should comprise updated Treasury/Prudential Indicators.)

Treasury Management Strategy for 2024/25

- 12 The strategy for 2024/25 covers two main areas:

Capital issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

- 13 These elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

Training

- 14 The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.
- 15 Furthermore, pages 47 and 48 of the Code state that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.
- 16 The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider how to assess whether treasury management staff and board/ council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.
- 17 As a minimum, authorities should carry out the following to monitor and review knowledge and skills:
- Record attendance at training and ensure action is taken where poor attendance is identified.
 - Prepare tailored learning plans for treasury management officers and council members.
 - Require treasury management officers and council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
 - Have regular communication with officers and council members, encouraging

them to highlight training needs on an ongoing basis.

- 18 In further support of the revised training requirements, CIPFA's Better Governance Forum and Treasury Management Network have produced a 'self-assessment by members responsible for the scrutiny of treasury management', which is available from the CIPFA website to download.
- 19 The following training has been undertaken by members on the 16th June 2022 and further training will be arranged as required.
- 20 The training needs of treasury management officers are periodically reviewed.
- 21 A formal record of the training received by officers central to the Treasury function will be maintained by the Finance Manager - Technical. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by the Finance Manager - Technical.

Treasury management consultants

- 22 The Councils Treasury Management advisors are Link Asset Services.
- 23 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources.
- 24 It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

The Capital Prudential Indicators 2024/25 – 2026/27

- 25 The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Capital expenditure and Financing

- 26 This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital expenditure	2022/23 Actual £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
General Fund	76,412	201,035	124,502	65,500	31,984
HRA	32,475	46,408	80,743	58,171	27,518
Total	108,887	247,443	205,245	123,671	59,502

- 27 The following tables summarise the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

General Fund Capital Expenditure

Capital expenditure	2022/23 Actual £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
General Fund Total	76,412	201,035	124,502	65,500	31,984
Financed by:					
Capital receipts	-	100	667	-	-
Capital grants & Contributions	48,668	107,335	62,846	37,305	11,811
Revenue Finance	932	1,793	1,136	518	518
Prudential Borrowing (inc HRA Transfers)	26,812	91,807	59,852	27,677	19,655
Total financing for the year	76,412	201,035	124,502	65,500	31,984

HRA Capital Expenditure

Capital expenditure	2022/23 Actual £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
HRA Total	32,475	46,408	80,743	58,171	27,518
Financed by:					
Capital receipts	6,180	8,246	3,607	2,600	1,810
Capital grants & Contributions	1,979	-	-	2,445	-
Revenue Finance	11,160	8,775	7,416	5,617	5,224
Major Repairs Allowance	13,156	11,787	12,120	12,263	12,410
External Borrowing	-	17,600	57,600	35,246	8,074
Total financing for the year	32,475	46,408	80,743	58,171	27,518

The Council's borrowing need (the Capital Financing Requirement)

- 28 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.
- 29 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.
- 30 The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes.
- 31 The Council is asked to approve the CFR projections overleaf:

	2022/23 Actual £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
Capital Financing Requirement					
CFR – General Fund	343,398	432,745	490,018	514,990	531,808
CFR – HRA	133,231	150,831	208,431	243,677	251,751
Total CFR	476,629	583,576	698,449	758,667	783,559
Movement in CFR	14,004	106,947	114,872	60,218	24,892
Movement in CFR represented by					
Net movement in borrowing for the year (above)	26,812	109,407	117,452	62,923	27,729
Less MRP/VRP and other financing movements	(12,808)	(2,460)	(2,580)	(2,705)	(2,837)
Movement in CFR	14,004	106,947	114,872	60,218	24,892

- 32 A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any borrowing in relation to the authority's overall financial position. The capital expenditure figures and the details above demonstrate the scope of this activity and, by approving these figures, consider the scale proportionate to the Council's remaining activity.

Liability Benchmark

- 33 A third and new prudential indicator for 2024/25 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.
- 34 There are four components to the LB: -
- a) **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
 - b) **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
 - c) **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
 - d) **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.
- 35 Appendix 4 to this strategy illustrates the graphical estimate of the liability benchmark for the general fund and HRA separately. It confirms both funds have net loan requirement supported by the internal borrowing capacity of the authority. This benchmark will continually be updated and referred to as new borrowing is considered in the medium term.

Core Funds and Expected Investment Balances

- 36 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

	2022/23 Actual £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
Fund balances / reserves	98,401	41,615	44,415	44,415	44,415
Capital receipts	16,488	16,488	16,488	16,488	16,488
Provisions	27,274	27,274	27,274	27,274	27,274
Other	29,311	1,816	(50,839)	(50,839)	(50,839)
Total core funds	171,474	87,193	37,338	37,338	37,338
Working Capital*	(73,351)	(68,351)	(63,351)	(58,351)	(53,351)
Under/over borrowing	204,455	203,455	202,455	201,455	200,455
Expected Internal Investments	131,104	135,104	139,104	143,104	147,104

*Working capital balances shown are estimated year-end; these may be higher mid-year

Minimum Revenue Provision (MRP) policy statement

- 37 The Authority's MRP policy has been amended for 2023/24 following a comprehensive review of MRP charges and methodology. This updated policy reflects the new MRP calculation methods to be implemented.
- 38 For supported capital expenditure incurred before 1st April 2008, the Authority will apply the Asset Life Method using an annuity calculation.
- 39 Unsupported borrowing will be subject to MRP under option 3 of the guidance (Asset Life Method). MRP will be based on the estimated life of the assets in accordance with the statutory guidance using the annuity method, calculated on a weighted average basis, where appropriate.
- 40 MRP in respect of unsupported borrowing taken to meet expenditure, which is treated as capital expenditure by virtue of either a capitalisation direction or regulations, will be determined in accordance with the asset lives as recommended by the statutory guidance.
- 41 The interest rate applied to the annuity calculations will reflect the market conditions at the time, and will for the current financial year be based on PWLB annuity rates
- 42 Where applicable, repayments included in annual PFI or finance leases are applied as MRP.
- 43 MRP Overpayments - The MRP Guidance allows that any charges made in excess of the statutory minimum revenue provision (MRP), i.e. voluntary revenue provision or overpayments, can be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. The amount of VRP overpayments up to 31st March 2023 was £0m
- 44 MRP will commence in the year following the year in which capital expenditure financed from borrowing is incurred, except for asset under construction where the MRP will be deferred until the year after the asset becomes operational.

Borrowing

- 45 The capital expenditure plans set out earlier provide details of the service activity of the Authority. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

Current portfolio position

- 46 The overall Treasury Management portfolio as at 31 March 2023 and for the position as at 31 December 2023 are shown below for both borrowing and investments.

	Actual 31/03/2023 £'000	Actual 31/03/2023 %	Current 31/12/2023 £'000	Current 31/12/2023 %
Treasury investments				
Money Market Funds	0	0%	0	0%
Bank Deposits	0	0%	20,000	41%
Local Authorities	26,000	73%	15,000	30%
Call Account	9,400	27%	14,350	29%
Total Treasury Investments	35,400	100%	49,350	100%
Treasury External Borrowing				
PWLB	189,104	69%	188,896	75%
Local Authorities	20,000	7%	0	0%
Private Sector	63,745	23%	62,623	25%
Salix	64	0%	0	0%
Total External Borrowing	272,913	100%	251,519	100%
Net treasury investment / (borrowing)	(237,513)		(202,169)	

- 47 The Authority's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

	2022/23 Actual £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
External Debt					
Treasury Debt 1st April	257,119	257,119	257,119	307,119	357,119
PFI and Finance Lease Liability	7,819	7,819	7,819	7,819	7,819
Expected change in Debt	0	0	50,000	50,000	50,000
Actual gross debt at 31 March	264,938	264,938	314,938	364,938	414,938
The Capital Financing Requirement	476,629	583,576	698,449	758,667	783,559
Under / (over) borrowing	211,691	318,638	383,511	393,729	368,621

- 48 Within the range of prudential indicators there are several key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

- 49 The S151 officer reports that the Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

Treasury Indicators: limits to borrowing activity

- 50 **The operational boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.
- 51 **The authorised limit for external debt.** A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.
- a This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all Councils' plans, or those of a specific Council, although this power has not yet been exercised.
- b The Audit and Governance Committee is asked to approve the following authorised limit:

	2022/23 Actual £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
Operational boundary	855	755	775	775	800
Authorised limit	905	785	810	810	835

Prospects for interest rates

- 52 The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 07.11.23. These are forecasts for certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View 07.11.23													
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.40	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.50	3.30	3.30	3.30	3.30	3.30
5 yr PWLB	5.00	4.90	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.60	3.50	3.50	3.50
10 yr PWLB	5.10	5.00	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.70	3.60	3.60	3.50
25 yr PWLB	5.50	5.30	5.10	4.90	4.70	4.50	4.30	4.20	4.10	4.10	4.00	4.00	4.00
50 yr PWLB	5.30	5.10	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.80	3.80	3.80

Additional notes by Link on this forecast table: -

- 53 Our central forecast for interest rates was previously updated on 25 September and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least H2 2024. We expect rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and that there is a likelihood of the overall economy enduring at least a mild recession over the coming months, although most recent GDP releases have surprised with their on-going robustness.

- 54 Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.
- 55 In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.
- 56 On the positive side, consumers are still anticipated to be sitting on some excess savings left over from the pandemic, which could cushion some of the impact of the above challenges and may be the reason why the economy is performing somewhat better at this stage of the economic cycle than may have been expected. However, as noted previously, most of those excess savings are held by more affluent households whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

Borrowing strategy

- 57 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow have been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains elevated through to the second half of 2024.
- 58 Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.
 - if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
- 59 Any decisions will be reported to the appropriate decision making body at the next available opportunity.

Policy on borrowing in advance of need

- 60 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- 61 Risks associated with any borrowing in advance of activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Debt rescheduling

- 62 Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate.
- 63 If rescheduling was done, it will be reported to the Audit and Governance Committee, at the earliest meeting following its action.

Approved Sources of Long- and Short-term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
Community municipal bonds	●	●
UK Municipal bond agency	●	●
Local authorities	●	●
Banks	●	●
Pension funds	●	●
Insurance companies	●	●
UK Infrastructure Bank	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock issues	●	●
Local temporary	●	●
Local Bonds	●	
Local authority bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance leases	●	●

Annual Investment Strategy

Investment Policy

- 64 The Department of Levelling Up, Housing and Communities (DLUHC) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).
- 65 The Council's investment policy has regard to the following: -
- DLUHC's Guidance on Local Government Investments ("the Guidance")
 - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
 - CIPFA Treasury Management Guidance Notes 2021

The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return).

- 66 In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider “laddering” investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.
- 67 The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -
- a) Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
 - b) Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
 - c) Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
 - d) This Authority has engaged external consultants, to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Authority in the context of the expected level of cash balances and need for liquidity throughout the year.
 - e) All investments will be denominated in sterling.
 - f) As a result of the change in accounting standards for 2022/23 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 until 31.3.25)
- 68 However, this Authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

Creditworthiness policy

- 69 The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- a It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
 - b It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.
- 70 The Chief Financial Officer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to which types of investment instruments that can be used as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.
- 71 Credit rating information is supplied by Link Asset Services, our treasury consultants, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer-term change) are provided to officers almost immediately after they occur, and this information is considered before dealing. For instance, a negative rating watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.
- 72 The criteria for providing a pool of high-quality investment counterparties (both specified and non-specified investments) is:

Sovereign Ratings

- AAA (non-UK)

(Rating Description: AAA = Prime Rating, AA+, AA, AA- = High Grade Rating)

Appendix 2 sets out the current list of countries that the Council can invest funds with.

The UK sovereign rating is currently AA. To ensure that the Treasury Function has capacity to operate effectively no specific minimum UK sovereign rating has been set out.

Selection Criteria

- 73 Banks 1 - the Council will use UK and non-UK banks which have, as a minimum at least one of, the following Fitch, Moody's and Standard & Poors credit ratings (where rated):

	Fitch	Moody's	Standard & Poors
Short Term	F1	P1	A-1
Long Term	A-	A3	A-

- 74 Investments will include term deposits, call accounts, notice accounts and Certificate of Deposits.

- a Banks 2 – Part nationalised UK bank – Royal Bank of Scotland ring-fenced operations. This bank can be included provided it continues to be part nationalised or it meets the ratings in Banks 1 above.
- b Banks 3 – The Council's own bankers (HSBC, Lloyds and Barclays) for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
- c Bank subsidiary and treasury operation - The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.
- d Building societies. The Council will use societies which meet the ratings for Banks 1 outlined above.
- e Money Market Funds (MMFs) Constant net asset value (CNAV)
- f Money Market Funds (MMFs) Low-Volatility net asset value (LVNAV)
- g Money Market Funds (MMFs) Variable net asset value (VNAV)
- h Ultra-Short Dated Bond Funds with a credit rating of at least 1.25
- i Ultra-Short Dated Bond Funds with a credit rating of at least 1.50
- j Cash Plus Funds
- k UK Government (including gilts, Treasury Bills and the Debt Management Account Deposit Facility (DMADF))
- l Local authorities, Police and Fire Authorities, Parish Councils, BCP Council Companies (Subsidiaries) and Partnerships.
- m Pooled Funds

Maximum Time and Monetary Limits applying to Investments

- 75 The maximum amount that can be invested in any one institution at the time of the investment (including call accounts) as a percentage of the total investment portfolio has been reviewed and rationalised. All AA- and above rated institutions have a maximum limit of 25%, all A+, A or A- rated institutions have a maximum limit of 20%. For practical reasons where the average investment balance falls below £10m it may become necessary to increase the percentage limit to 33% at the time of investment (this only applies to call accounts and money market funds).
- 76 The maximum time and monetary limits for institutions on the Council's Counterparty List are as follows (these will cover both Specified and Non-Specified Investments):

	Long Term Rating	Money Limit	Time Limit
Banks 1 higher quality	AA-	25%	2 years
Banks 1 medium quality	A	20%	1 year
Banks 1 lower quality	A-	20%	6 months

Banks 2 category – part-nationalised	N/A	20%	2 years
Limit 3 category – Council's banker Barclays	AA-	25%	3 months
DMADF	UK sovereign rating	Unlimited	6 months
Local Authorities	N/A	20%	5 years
Money Market Funds CNAV	AAA	25%	Instant access
Money Market Funds LVNAV	AAA	25%	Instant access
Money Market Funds VNAV	AAA	25%	Instant access
Ultra-Short Dated Bond Funds	N/A	25%	Unlimited

Use of additional information other than credit ratings

77 Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information will be applied to compare the relative security of differing investment counterparties.

Investment strategy

In-house funds

78 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Investment returns expectations

79 Bank Rate is forecast to have peaked at 5.25% in Q4 2023.

80 The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows: -

Average earnings in each year	
2023/24 (residual)	5.30%
2024/25	4.70%
2025/26	3.20%
2026/27	3.00%
2027/28	3.25%
Years 6 to 10	3.25%
Years 10+	3.25%

Investment treasury limit

81 The maximum period for investments will be 5 years.

Ethical Investing

82 This is an area of investing that is becoming increasingly considered by financial institutions and customers. Products from financial institutions are growing but still remain limited. To consider investing in sustainable deposits they will still need to meet our counterparty criteria and parameters set out earlier in the strategy. Investment guidance, both statutory and from CIPFA, makes clear that all investing must adopt SLY principles – security, liquidity and yield: ethical issues must play a subordinate role to those priorities. The Treasury team will continue to explore this area and report to members of any further developments.

Treasury Management Policy, Practices and Schedules

83 The Treasury Management Policy, Practices and Schedules will be presented alongside this 2024/25 update of the TM Strategy.

Appendices

Appendix 1 - Economic Background

Appendix 2 - Approved Countries for investments

Appendix 3 - The Treasury Management role of the S151 Officer

Appendix 4 - Liability Benchmarking – GF and HRA

Appendix 1: Economic Background (provided by Link Asset Services)

The first half of 2023/24 saw:

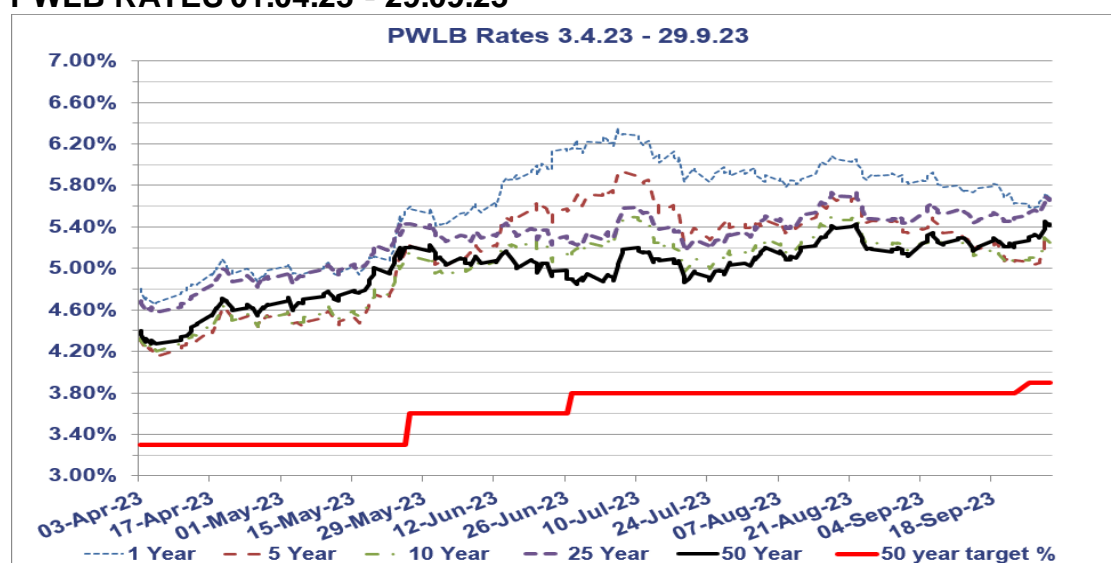
- Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
 - Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
 - CPI inflation falling from 8.7% in April to 6.7% in September, its lowest rate since February 2022, but still the highest in the G7.
 - Core CPI inflation declining to 6.1% in September from 7.1% in April and May, a then 31 years high.
 - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose by 7.8% for the period June to August, excluding bonuses).
- The registering of 0% GDP for Q3 suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.
 - The fall in the composite Purchasing Managers Index from 48.6 in August to 46.7 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0% q/q rise in real GDP in the period July to September, being followed by a contraction in the next couple of quarters.
 - The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
 - As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.
 - The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.
 - But the cooling in labour market conditions still has not fed through to an easing in wage growth. The headline 3myy rate rose 7.8% for the period June to August, which meant UK

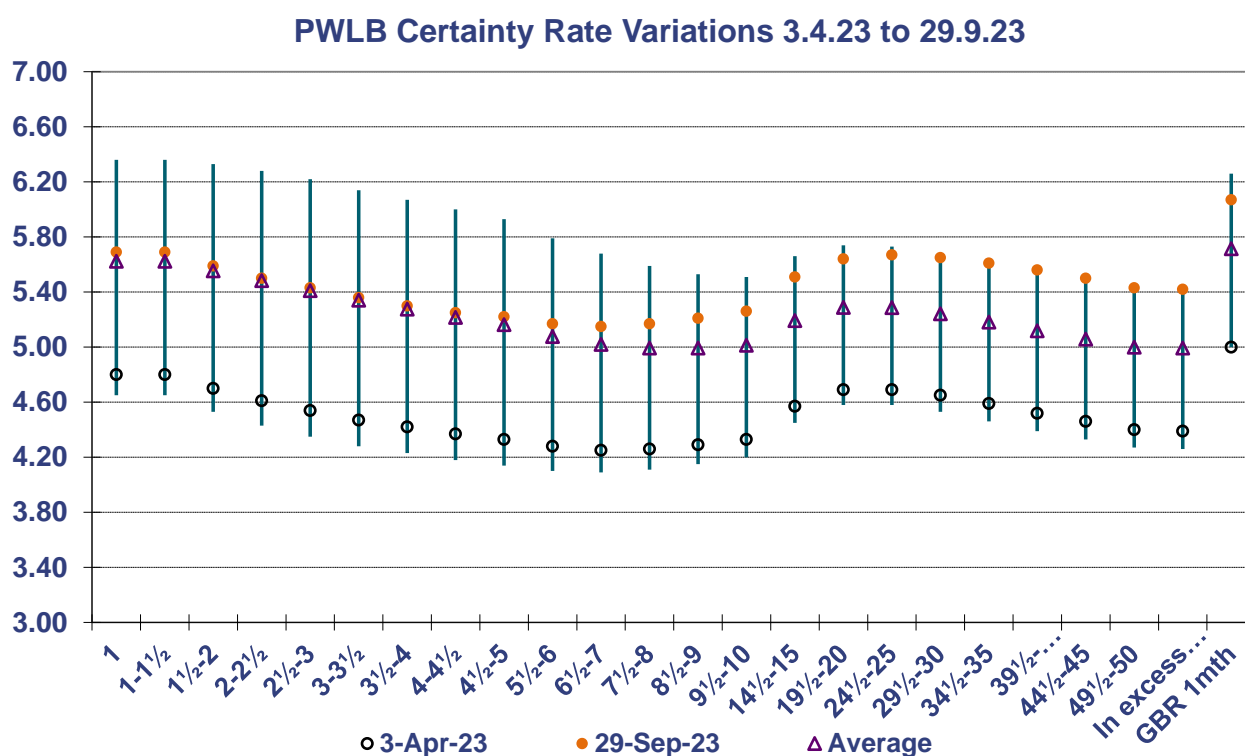
wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular annual average total pay growth for the private sector was 7.1% in June to August 2023, for the public sector this was 12.5% and is the highest total pay annual growth rate since comparable records began in 2001. However, this is affected by the NHS and civil service one-off non-consolidated payments made in June, July and August 2023. The Bank of England's prediction was for private sector wage growth to fall to 6.9% in September.

- CPI inflation declined from 6.8% in July to 6.7% in August and September, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.1%. That reverses all the rise since March.
- In its latest monetary policy meeting on 06 November, the Bank of England left interest rates unchanged at 5.25%. The vote to keep rates on hold was a split vote, 6-3. It is clear that some members of the MPC are still concerned about the stickiness of inflation.
- Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. In terms of messaging, the Bank once again said that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures", citing the rise in global bond yields and the upside risks to inflation from "energy prices given events in the Middle East". So, like the Fed, the Bank is keeping the door open to the possibility of further rate hikes. However, it also repeated the phrase that policy will be "sufficiently restrictive for sufficiently long" and that the "MPC's projections indicate that monetary policy is likely to need to be restrictive for an extended period of time". Indeed, Governor Bailey was at pains in his press conference to drum home to markets that the Bank means business in squeezing inflation out of the economy.
- This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates in the future.

In the table below, the rise in gilt yields across the curve as a whole in 2023/24, and therein PWLB rates, is clear to see.

PWLB RATES 01.04.23 - 29.09.23





HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.23 – 29.09.23

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.14%	4.20%	4.58%	4.27%
Date	06/04/2023	06/04/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.51%	5.73%	5.45%
Date	06/07/2023	07/07/2023	22/08/2023	17/08/2023	28/09/2023
Average	5.62%	5.16%	5.01%	5.29%	5.00%
Spread	1.71%	1.79%	1.31%	1.15%	1.18%

The peak in medium to longer dated rates has generally arisen in August and September and has been primarily driven by continuing high UK inflation, concerns that gilt issuance may be too much for the market to absorb comfortably, and unfavourable movements in US Treasuries.

The S&P 500 and FTSE 100 have struggled to make much ground through 2023.

CENTRAL BANK CONCERNS

Currently, the Fed has pushed up US rates to a range of 5.25% to 5.5%, whilst the MPC followed by raising Bank Rate to 5.25%. EZ rates have also increased to 4% with further tightening a possibility.

Ultimately, however, from a UK perspective it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

Appendix 2: Approved countries for investments

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)

AA-

- Belgium
- France
- Qatar
- U.K.

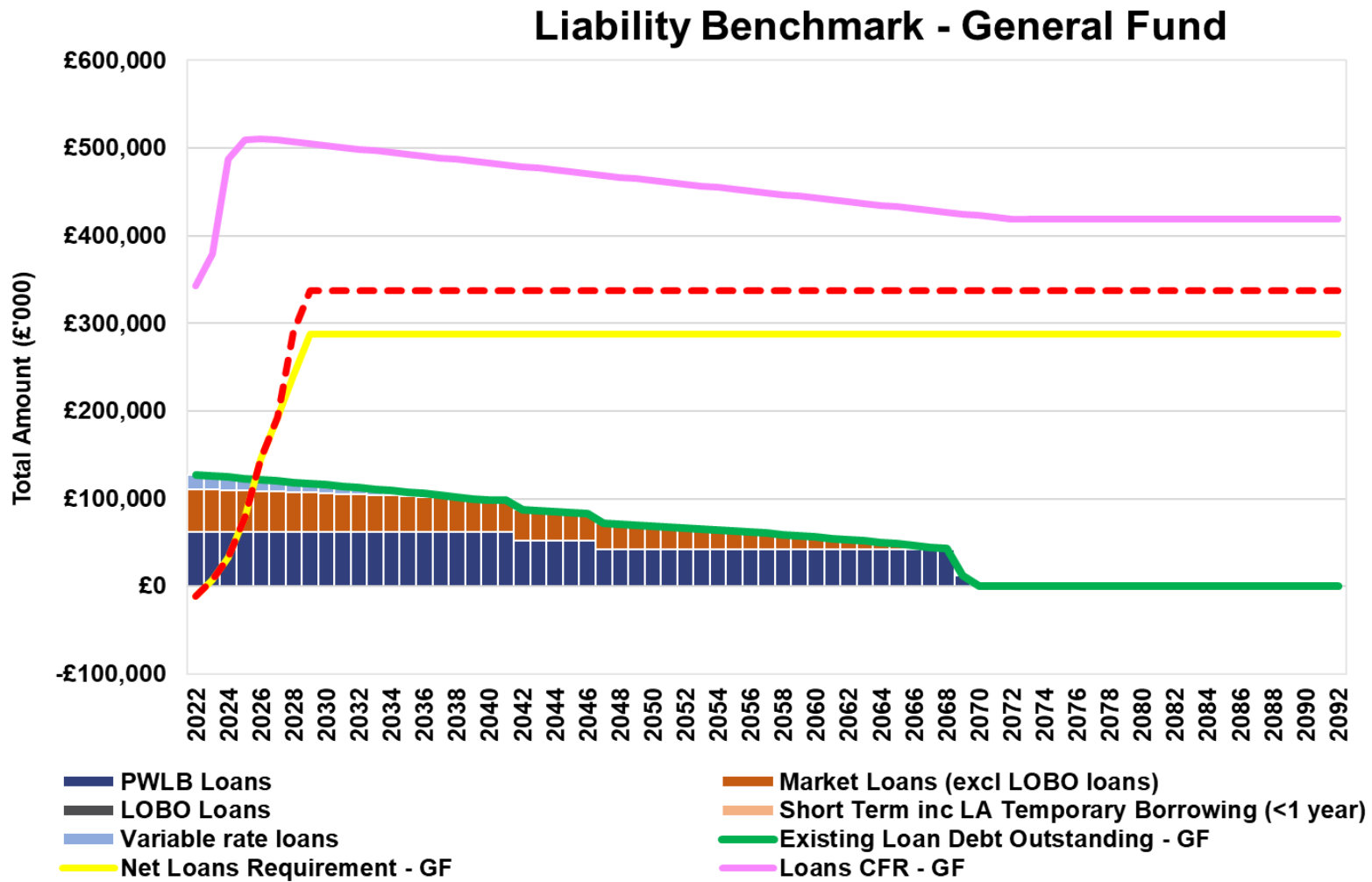
Appendix 3: The Treasury Management role of the section 151 officer

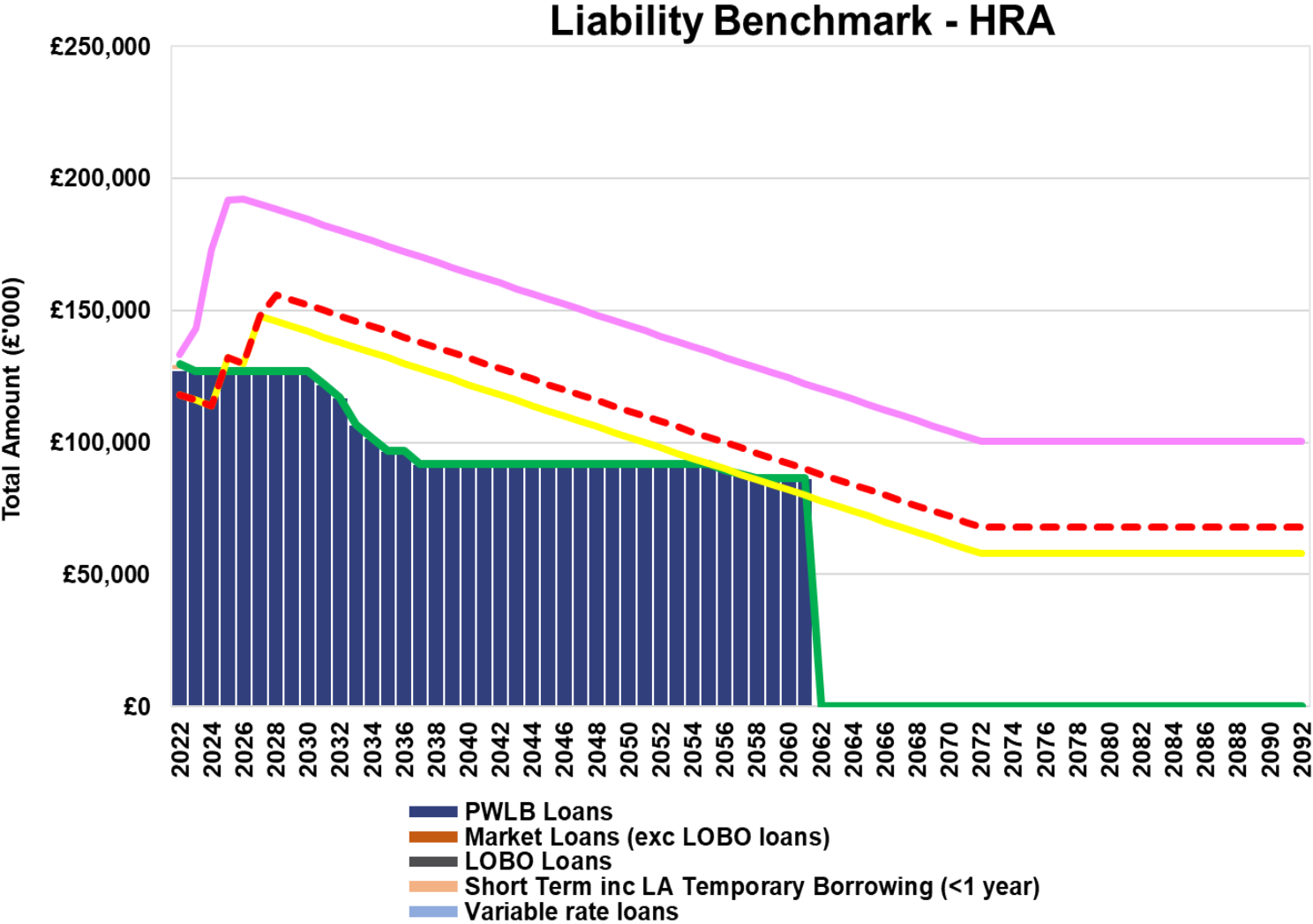
The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a Capital Strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe (say 20+ years – *to be determined in accordance with local priorities.*)
- ensuring that the Capital Strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the Authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the Authority does not undertake a level of investing which exposes the Authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by the Authority
- ensuring that the Authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following:-
 - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
 - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*
 - *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*

- *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
- *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

Appendix 4 – Liability Benchmark – General Fund





BCP Council

7 February 2024

Section 25 Report of the Director of Finance (Prepared in consultation with the Chief Executive)

Background

1. The Local Government Act 2003 (Section 25) requires the Director of Finance to report on the following matters to council members when agreeing its annual budget and council tax levels.
 - the robustness of the estimates made for the purposes of the budget calculations, and
 - the adequacy of the proposed financial reserves.
2. Council must have regard to this report when making its decisions around the annual budget and the level of council tax.
3. For members of the Council the Section 25 statement provides critical context for budgetary discussions. The provision of this information is a legal requirement and ensures that all members have regard to the professional advice provided by the authority's chief financial officer when final budget decisions are made being made. To give a level of additional assurance to this report it is also prepared in consultation with the Chief Executive.
4. It should be emphasised that councils can and do experience significant financial difficulties as recent high-profile cases such as those at Northamptonshire County Council, Slough Borough Council, Croydon Council, Thurrock Council, Woking Council, Birmingham Council, and Nottingham City Council all demonstrate.

Introduction

5. It is a demanding time for local authorities as they grapple with immense resourcing challenges ranging from inflationary pressures to rising demand and recruitment constraints. The financial resilience of all local authorities is under severe strain. Since 2010/11, local authority spending nationally has fallen from 7.4% to 5% of Gross Domestic Product (GDP) with forecasts that it will fall further to 4.6% in 2028/29. Nationally the global pandemic and cost-of-living crisis mean the economy is only likely to grow slowly over the next few years. Although it has fallen, inflation it is likely to be above the government's 2% target until the first half of 2025 with the markets expecting interest rates to be higher for longer to bring inflation under control. Given local authorities' statutory duty to provide a vast range of services where demand is likely to continue to grow, for example adult and child social care, pressure on local authority finances and services will continue.
6. In each of the four years of completed financial performance since 2019 the actual outturn has delivered improvement from the position outlined from the original budget set. That said, the Council's External Auditor, Grant Thornton in his annual report on the 2021/22 and 2022/23 accounts concluded that the Council did not have arrangements in place for securing Value for Money with serious concerns about the continued financial viability of the Council. In his report he identified the following weaknesses.

Financial sustainability

Risks identified relate in the main due to uncertainty in relation to the Councils Medium Term Financial Plan and associated transformation programme and delivery of savings.

Governance

Significant risks identified in Governance in relation to leadership, partnerships, and the transformation programme.

Improving economy, efficiency, and effectiveness

Risk identified because of the inadequate rating issued by Ofsted in respect of children in care.

He went on to be critical of the high-risk alternative funding strategy adopted to deliver transformational efficiencies, to minimise council tax increases, to avoid significant cuts to services, and one which was also reliant on the use of reserves. The report presented to Audit & Governance Committee in September 2023 also highlighted that the External Auditor formally wrote to the Council on 10 February 2023 to raise concerns around potential last-minute proposals from the previous Administration regarding an “innovative but high risk” proposal for the 2023/24 budget.

He did though make a contextual comment that the May 2023 local election had resulted in a change in political administration and a change in financial strategy which will set a new tone from the top and will be an opportunity to address some of the issues raised in their report.

7. Although the finally approved budget for 2023/24 was more traditional and conventional it was not without considerable risk. It was balanced on the assumption of a £30m drawdown in reserves and the delivery of £34m in savings, efficiencies, and additional resources including £9m in respect of transformation which was un-itemised and was not supported by a specific, detailed delivery plan.
8. To manage the delivery of the 2023/24 budget within the original parameters and to enable a legal and robust budget for 2024/25 to be set, which seeks to improve the financial sustainability of the council, Cabinet agreed a new financial strategy at its July meeting. In support of this approach, Cabinet subsequently agreed to implement an in-year expenditure freeze and vacancy management process for the remainder of the 2023/24 financial year and to establish a voluntary redundancy process. In essence the new financial strategy has been designed to improve the overall financial resilience of the council, to provide more overall financial stability, and to avoid a s114 report. [To date this has been achieved]
9. That said BCP is only able to avoid issuing a s114 based on statutory guidance that allows it to ignore the deficit of the Dedicated Schools Grant (DSG) until 31 March 2026. Normally a council must issue a s114 when expenditure is likely to exceed all available resources and therefore it would lead to a negative General Fund revenue reserve position. BCP Council will have a negative General Fund reserve position on 31 March 2024 due its £63m accumulated DSG deficit. This deficit is currently growing by more than £29m per year which is the amount the expenditure on the Special Educational Needs and Disability service exceeds the annual funding provided by the Government. Officers of the council are having what is referred to as “safety valve conversations” with the Department for Education as to how they believe this position is best managed moving forward.

Robustness of Financial Estimates

10. A summary of key assumptions being used to underpin the 2024/25 budget can be summarised as set out in figure 1 below.
11. **Figure 1: Key Budget & MTFP Assumptions**

	2024/25	2025/26	2026/27	2027/28
Council Tax: Core	2.99%	2.99%	2.99%	2.99%
Council Tax: Social Care Precept	2.00%	2.00%	2.00%	2.00%
Pay Award	5%	2%	2%	2%
Increase in Fees and Charges	5%	2%	2%	2%
National Living Wage (NLW) <i>% Increase in the National Living Wage</i>	9.8%	2%	2%	2%
	Dec-23	Dec-24	Dec-25	Dec-26
Bank of England - Base Rate	5.25%	4.25%	3.00%	3.00%

Please note:
The increase in fees and charges should be regarded as a minimum increase to those not set by statute. The principle of full cost recovery may mean increases above these levels for example were costs are likely to rise by the National Minimum Wage which has been confirmed at £11.44 per hour in 2024/25 which is an increase of 9.8%.

12. The key budget and medium-term issues faced by the council are summarised in the following sections. In considering these members are reminded that Local Authorities should not put public money or services at risk.

Uncertainty

13. The only certainty at this moment in time is uncertainty. There are currently high levels of financial planning unpredictability caused by the cost-of-living crisis and constant changes and variations to the costs of goods, materials and services required to deliver council operations.

Accumulating Deficit on the Dedicated Schools Grant (DSG)

14. Any private sector organisation which has negative reserves on its balance sheet, is likely to fail the “going concern” accounting concept. In local government a material uncertainty related to “going concern” is unlikely to exist as the financial reporting framework assumes the council’s services, at least its statutory services, will continue to be delivered in all scenarios. Therefore, in local government, the most likely scenario is the councils Director of Finance (known as the Section 151 Officer) would have to contact DLUHC to advise them of their financial concerns and the possibility of issuing what is referred to as a s114 report. A section 114 report would result in an immediate and severe curtailing of activity to the provision of non-statutory services. Even statutory services may be subject to a reduction in frequency or quality.
15. Due to the accumulating deficit on our Dedicated Schools Grant, BCP Council is projected to have negative reserves by the 31 March 2024. This means that all things being equal the s151 Officer would have been required to issue a s114 report for the 2023/24 financial year.

16. The deficit predominately relates to the expenditure on the High Needs block being greater than the funding available ever since the introduction of Education, Health, and Care Plans (EHCPs) under the Children's and Families Act 2014.
17. However, to mitigate this position, which is a problem nationally, the government issued a DSG statutory override by way of a statutory instrument (SI) which became law at the end of November 2020. This SI means the council cannot contribute to the deficit, cannot hold a reserve to act as a counterweight and has been required to move the deficit to an unusable reserve where it will sit as though it did not exist within the council's accounts or balance sheet.
18. The statutory instrument reads as follows.
Where a local authority has a deficit in respect of its school's budget for a financial year beginning on 1st April 2020, 1st April 2021 or 1st April 2022, the authority—
(a) must not charge to a revenue account an amount in respect of that deficit; and
(b) must charge the amount of the deficit to an account established, charged, and used solely for the purpose of recognising deficits in respect of its school's budget.
19. On 12 December 2022 as part of a local government finance policy statement government announced the extension of the DSG statutory override for a one-off period of three years up to 31 March 2026.
20. This presents a clear, and dangerous position for the council and its future sustainability. At the end of 2023/24, the deficit on the DSG is predicted to be **£63m**. At the end of the extension period BCP Council is currently forecast to have an accumulated deficit of around **£116m**.
21. The Council was part of the Delivering Better Value in SEND programme which is designed to help the council gain access to resources to support any necessary reforms of its SEND service. This transformation programme does not however provide any resources to address the accumulating deficits.
22. Recognising the severity of the councils position the Department of Education invited the council in July 2023 to engage in a conversation as part of their Safety Valve programme to determine if agreement can be reached on.
 - bringing the service back into balance by aligning expenditure with income at least over a defined period.
 - how the current accumulated deficit and any further deficit at the point in-year balance is achieved will be dealt with.

Fundamental transformation is clearly needed with the SEND system to deliver the scale of change required.
23. Ultimately either the government, the council, schools, or a combination thereof will need to finance this deficit. Therefore, as a sector, local government needs to continue to work with government to find a long-term solution. Deferring a solution until 2026/27, with none of the stakeholders making a provision to offset it could be catastrophic. A deficit of £116m would be approximately 40% of the entire current net annual budget of the council.
24. In considering the budget it should be emphasised that the council is responsible for making the cash payments for services as part of the High Needs Budget arrangements. Therefore, it must ultimately borrow more money to ensure it has enough cash available to make the actual payments. An average deficit of £77m in 2024/25 at an average interest rate of 5% means it will be costing the council up to £3.9m to finance the accumulating DSG deficit in 2024/25.

Best Value Notice

25. On 3 August 2023 the Council was issued with a non-statutory Best Value Notice from the Department for Levelling Up, Housing & Communities (DLUHC) in response to concerns highlighted in an external assurance review they had commissioned. This external assurance review, which is an independent review into the Council's governance arrangements, was undertaken by Leslie Seary the former Chief Executive of the London Borough of Islington.
26. A 'Best Value Notice' is issued to "*facilitate engagement with that authority and to obtain assurance of the steps it is taking to secure compliance with the Best Value Duty, as required by the Local Government Act 1999*".
27. As an exercise in continuous improvement, the council welcomed both the external assurance review and Best Value Notice. In response an action plan was developed and is regularly being reviewed by DLUHC and Cabinet. Good progress is being made in completing the actions required, but any lack of progress in implementing the action plan could potentially lead to further government intervention.

Intervention

28. In addition to the Best Value Notice the Council is also the subject of government and independent oversight arrangements that could lead to intervention in the delivery of our services.
29. Most significantly, following an "Inadequate" Ofsted judgement in February 2022, of Children's Services the Department for Education (DfE) appointed an Improvement Adviser as a form of intervention. Whereas this intervention does not technically involve a commissioner role the DfE steer is clear throughout that if progress is not effective in the short term the question of a structural intervention, such as a mandatory move to a children's trust, may be brought forward. The perceived wisdom is that an outcome of a children's trust would be an expensive one for the council.
30. Additionally, councillors should also have due regard to the judgements and assessments of the External Auditor. As already set out he has previously concluded that BCP did not currently have adequate arrangements for securing Value for Money and had serious concerns about the financial viability of the Council. Councillors are also reminded that he had to write to the Council in the past, strongly recommending advising it against using an innovative financial model as part of its 2023/24 budget setting that the Director of Finance was also advising against.
31. Councillors should be aware that the External Auditor has expressed some reservations about the extent of the proposed revised approach to the Minimum Revenue Provision (MRP) as part of the annual updated Treasury Management policy. However, this new approach has been assessed as wholly in accordance with the legislative framework and has been supported by the councils Treasury Management advisers LINK, the largest such organisation in England, who have also demonstrated the revised approach is used in up to 60% of local authorities in full or part.
32. There are also some potentially new inspection and oversight arrangements that the Council will need to have due regard to in 2024/25.
 - 1) Designed to support improvement the Office for Local Government (Oflog), published, in late 2023, a performance metrics which allows residents to assess the council's performance across various services. The purpose of this data is to create an "early warning system" to prevent government intervention. Councils facing concerns will undergo a review by another local authority leader.

- 2) Following the Health and Care Act 2022, the Care Quality Commission will undertake a baseline inspection of Adult Social Care to ensure its services are safe, effective, caring, responsive and well-led.

Financial Outturn 2023/24

33. The Quarter 3 Budget Monitoring report which appears as a separate item on the 7 February 2024 Cabinet report sets out due to the proactive management arrangements in place it is proposed to reduce the £30m budgeted drawdown of earmarked reserves in 2023/24 to £27.2m. As set out below in the reserves section of this report this has enabled unearmarked reserves to be increased by £2.8m as planned by the previous administration. However instead of this change being delivered over a 4-year period the positive position enables the increased to be implemented for the 1 April 2024.
34. The risk will be that although the Quarter 3 forecast is based on trend analysis and professional judgement centred on activity from 75% of the financial year. Predications and estimates can and will change over the remaining 25% of the financial year. Assurance can be taken from previous year's performance, from 2023/24 in year monthly reporting and the fact that it is hoped that the current expenditure freeze and vacancy management controls will continue to bear down on service expenditure.

Children's Services Directorate

35. A key risk to the sustainability of the councils' finances is the cost and demand for Children's Services as the directorate continues to face a perfect storm of managing these demands while on a journey from inadequate. Particular issues relate to the cost of both placement and agency staff.
- In a market described as dysfunctional, the cost of placements continues to increase with concerns being raised nationally regarding the level of profit being made by providers. Weekly profit per placement for the top 15 providers has reportedly increased from £702 in 2016/17 to £910 in 2020/21.
 - The government's response to a consultation on agency social work is keenly awaited in the belief and that the suite of actions contained in the consultation, if implemented as a package of reform, will help to stem the rising costs associated with this pressure.
36. The net cost of Children's services was 17% of the council's net budget in 2019. In 2024/25 this has increased to 24%.
37. Although Government is aware of these pressures and are setting up a rapid task and finish group to consider it is unlikely that there will be any imminent support, financial or otherwise to help the Council address these issues. It continues to be a concern that children's social care does not receive the same level of attention or reference as adult social care by government.
38. The Council is committed to continue to support and prioritise investment in Children's Services as part of its improvement journey from inadequate. Alternative delivery models after often cited as much more expensive, for example, Bradford Children and Families Trust (BCFT) which took up the running of the city's children's social services in April of 2023 is reported as forecasting a £45m in-year funding gap.
39. From an assessment of the robustness of the budget perspective provision has been made for a further growth in the number and cost of children in care, an increase if the allowance paid to foster carers, school transport costs particularly those connected the SEND service and the supporting accommodation reforms including the requirement for them to be Ofsted registered.
40. Risks however will remain be that associated with the costs the service are exposed to, or the growth in the number of children in care (20% between September 2021 and September 2023). As an example, the 2024/25 budget allows for a £4m increase in the overall cost of care next year, which when considered in the context of an underlying £6m pressure in 2023/24 means a significant reliance is being placed on the effectiveness of the Children's commissioning team in

driving down costs. It should also be emphasised that Children's service has not delivered a financial outturn within the parameters of the original budget during the entire existence of BCP Council.

Wellbeing Directorate (Including Adult Social Care & Homelessness)

41. Risk is associated with the possibility that demand for care and support exceeds budget, the cost of care home placements continues to increase beyond the inflationary increases allowed for in the budget. In addition, should the current capacity in the domiciliary care market, at the council's framework rates, fail to keep pace with demand this could result in higher home care costs above framework rates.
42. A separate risk is the significant financial challenge due to the high proportion of self-funding care home residents locally whose depleting capital resources require local authority funding support, plus increased demand, and complexity of needs as a result of the post COVID-19 hospital discharge to assess changes.
43. Assurance around the delivery of the Adult Social Care budget can be provided by the analysis which demonstrates the service has been delivered within the parameters of the approved budget in every completed financial year since April 2019.
44. In addition, there has been a sharp rise in homelessness which commentators relate to the real-life impact of record house prices, high mortgage rates, huge waiting lists for social-rent housing, and the boom in second homes and short-term lets. These factors mean the council has had to factor into the 2024/25 budget an extra £1.5m per annum to reflect the cost of housing families and individuals in Bed and Breakfast. Demand is driven by the affordability and accessibility of the private rented housing sector within BCP and although significant work on prevention alongside the delivery of more affordable housing units, such as through the Council Housing Newbuild & Acquisition Strategy (CHNAS) programme, there is a risk that such activity will not be able to keep pace especially if private sector housing rents are pushed even higher.

Operations Directorate

45. The Operations Directorate is diverse covering a wide range of service areas including Environment, Planning & Destination, Investment & Development, Commercial Operations, Infrastructure and Customer, Arts & Property. This is a broad portfolio containing various activities which are uncertain by nature and therefore capable of variation from the budget assumptions. For example, several of the Commercial Operation services generate significant income levels which will be weather dependent as would be anticipated for a coastal tourism destination.
46. One area of particular risk at this moment in time is the income forecast for the bereavement service reflecting the ongoing challenging market conditions from the growth in the direct cremation market and other local facilities.
47. Additionally, the volume of waste disposal and recycling materials will fluctuate with consumer habits and environmental conditions as well as the government legislative framework. For example, on 28 December 2023 the government set out plans to make it easier for households to recycle electrical cords, devices, and white goods.
48. One matter of specific risk in respect of the Operations Directorate is the fact that the focal point of the leadership of the services' 2024/25 budget proposals was through the Chief Operations Officer who has been successful in obtaining the Chief Executive role at Brighton and Hove Council. We wish her every success with her new role however this poses a risk in ensuring continuity in the delivery of the services budget proposals and driving the assumed savings, efficiencies, and additional income generation.

Operational risk of a reduction in fees, charges, and rents Income.

49. Although the 2024/25 budget includes estimates for fees, charges, and rents the actual amount collected can be heavily influenced by factors outside of the council's control such as the weather and individuals' personal wealth. The inflationary uplifts applied to these income streams can also be impacted by the elasticity of demand. Associated risks include not putting in place appropriate arrangements for their collection.

Reliance on the delivery of £41m in savings, efficiencies, and additional resources.

50. There is significant risk associated with delivering £41m in savings, efficiencies and additional resources which is over 20% more than the record breaking £34m used to underpin the current 2023/24 financial year's budget. This includes assumptions of significant income generation and reduced service-based expenditure which have required some very difficult and painful choices. Historical evidence is that some savings assumed as part of the yearly budget process have not subsequently been delivered. This includes the £5m assumed in Children's services in 2022/23 and £9m of unidentified transformation savings assumed as part of the 2023/24 budget.
51. Analysis of the £41m saving proposals for 2024/25 indicates.
- 39% by value (£15.9m) where the service is 100% certain the saving is deliverable (risk score 1)
 - 38% by value (£15.7m) where the service is reasonably confident the saving can be delivered (risk score 2 to 6)
 - 23% by value (£9.6m) which the service is less confident of delivery (risk score 7 to 10)
52. In recognition of the high value of savings proposals, the degree of uncertainty attached to a few of them, and the overall likelihood of optimism bias associated with several of the proposals, the budget proposes to set aside £5.7m as an additional one-off contingency.
53. In addition, the recommendations of the main report requests approval be given to the implementation of a freeze on non-essential expenditure from 1 April 2024 and until such time as the delivery of the £41m of 2024/25 budget savings has been assured. This assurance will be the objective of a regular and specific meeting of the officer Corporate Management Board to monitor progress with each individual saving proposal.

Provision for pay award.

54. The budget as presented makes provision for a 4.5% pay award in 2024/25 based on benchmarking with near neighbour Unitary Authorities. From 2025/26 onwards a 2% uplift more in line with the actual awards between 2018 and 2021 has been allowed for. The clear risk is that these budgetary provisions are insufficient as has been the case in both 2022/23 and 2023/24. In both these years the National Employers organisation took a different approach in agreeing a £1,925 fixed value increase on each spinal column point with in 2023/24 a 3.88% uplift replacing the absolute value from SCP43 and above. The change towards a fixed amount led approach reflected factors such as high inflation, and the impact of the national living wage. The actual average uplift in 2023/24 has been calculated by the People & Culture Service at 6.75%.
55. Any variance from the 4.5% provided for in 2024/25 is estimated to be £1.9m per 1% variation. The trade union Unison is currently seeking a view from its members in respect of a 2024 pay claim the main element of which is for an increase of 10% or £3,000 whichever is greater.

New Pay and Grading Structure

56. The council has been working towards delivering a single pay and grading structure since its inception in April 2019. A ballot on the proposed new arrangements to be implemented from 1 December 2024 onwards commenced on the 15 January 2024 and closes on the 8 March

2024. If the ballot is successful, then the implementation of the new arrangements has the potential to disrupt the workforce. If the ballot is unsuccessful then the council would have to consider other options such as further negotiation with the Trade Unions or as a last resort the potential dismissal and reengagement of the workforce.

57. An amount of £269k in one-off resources have been set aside to provide additional capacity to the People and Culture Team in implementing the new arrangements in 2024/25,

Realisation of Capital Receipts to fund the Transformation Investment Programme

58. In the context of the council's overall financial position and its financial sustainability, a critical issue is the assumption that the council will generate capital receipts to finance its transformation programme over the 2-year period to 31 March 2025. The budget as proposed has been drawn up on the basis that capital receipts of £31m will be made available to cover the estimated transformation expenditure over that two-year period. This expenditure includes £26.7m on the main transformation investment programme, £1.7m on the approved Childrens Services specific transformation programme and £3m on the Adult Social Care Services specific transformation programme (£700k approved and £2.3m to be subsequently approved).
59. The key risk to the council is in respect of any expenditure which it intends to incur before the necessary cash from actual capital receipts has been realised. Bear in mind that conveyancing is often described as a challenging, time-consuming process, with many potential pitfalls. Any transformation expenditure which cannot be financed because insufficient capital receipts have been generated has to be charged to the revenue budget.
60. In 2023/24 the council budgeted to spend £14.4m on transformation which it planned to finance from capital receipts. At the time of writing this report (Jan 24) an amount of £12.5m has been realised by sales either in the current or previous financial year. Therefore, this means that a further £1.9m in sales must be delivered in the remaining 3-months before 31 March 2024. Subject to the risks around each individual sale, assets planned to be sold in this period include Southbourne Crossroads Car Park, the former Depot in Cambridge Road, and the Christchurch by-pass car park.
61. For 2024/25 the council intends to spend £17.0m on transformation which will need to be financed from capital receipts. There will however be a £3.8m shortfall once the planned residual sales in 2023/24 are considered alongside sales planned for next year including Beach Road South Car Park, Christchurch Civic Centre, the remaining 2 units on the Airfield Industrial Park, and Upper Terrace Road former Car Park.
62. Ideally in a completely perfect budget position, either via the recommendations of the budget report or as separate standalone reports to budget Council, approval would be sought for the asset disposals now required to deliver the forecast shortfall in capital receipts required to fund the transformation programme in 2024/25.
63. Council has previously committed to discussing any additional sales with an established cross-party member working group before it is brought forward for Cabinet and Council consideration. A proposal on the disposal of Wessex Fields is planned to be presented to Council in April and proposals in respect of Poole Civic Centre are expected to be brought forward in the first quarter of 2024/25. Should councillors agree not to dispose of these assets then urgent decisions will be required to bring forward alternatives which can be realised by the 31 March 2025 deadline.

Carters Quay Private Sector Housing Development

64. The Carters Quay Housing and Regeneration Scheme is a Build to Rent Scheme designed to provide 161 new homes with an ancillary ground floor amenity and commercial

space. Council in late 2021 agreed to purchase the completed scheme from Inland Partnership Limited for £44.3m.

65. In late 2023 Inland Partnership entered administration with the Council having made £15.3m in payments as part of the contract arrangements for work completed to date. Contract arrangements, including a legal mortgage over the property provide a degree of mitigation of the risk the Council is exposed to in this arrangement.
66. Officers continue to work with the Administrator on the way forward and to try to ensure the councils investment in the scheme is protected.
67. Until the current position is resolved with the administrator and the scheme fully developed there is a clear risk the arrangement will cost more than has been allowed for as part of the approved business case.

Capitalisation of costs.

68. Provided in line with the parameters of approved capital schemes, and the Accounting Code of Practice, the council will continue to adopt the approach of charging expenditure incurred developing an Outline Business Case (OBC) to capital. Under normal circumstances subsequent expenditure preparing the Full Business Case (FBC) and delivering the scheme shall also be capitalised.
69. However, it should be noted that by continuing this approach the council is continuing to accept the risk that it will have to write off to revenue any payments on schemes which it subsequently decides not to progress with be that at either OBC or FBC stage.

New Enterprise Resource Planning (ERP) System

70. Following the engagement of KPMG as part of the Transformation Investment Programme the Council has implement a new Microsoft ERP system. This is a relatively new system in the local authority marketplace and with any new system there is always numerous glitches and a period of associated learning. Although we are seeing clear improvement to and engagement with the financial management arrangements there will be risks around the financial accounting requirements until at least one full cycle has been completed including the outturn and statutory accounts and their review by the External Auditor.

Legal claims against the Council.

71. The Council has several outstanding legal claims against it. Examples include claims brought against the council due to contractual terms and arrangements and claims because of the impact of the Councils actions on third parties. Detailing them is likely to prejudice the council's position. They cover a range of matters such as planning, highway, car parking, social care, and staffing. Each has the potential to have an adverse impact on the council's financial position. An example would be the land south of Gillett Road, Talbot Village, Poole planning application.

Loss or disruption to IT Systems and Networks from cyber attack

72. A loss or disruption to IT systems, specifically those caused by cyber-attacks, can incapacitate essential networks, for example, by encrypting or destroying data on which vital services depend. Such attacks could cause a variety of real-world harm if services like social care, housing, or place (highways etc) are impacted.
73. Financial loss is the most common impact through both direct loss of funds as well as recovery costs and reputational impacts. In 2020, both Redcar and Cleveland Council and Hackney Council faced ransomware attacks that had significant financial impacts on their services, resulting in £10m and £12m worth of damages, respectively. In January 2024 three councils in Kent, Canterbury City Council, Thanet District Council and Dover District Council were referencing disruption to their services as a result of an attack.

74. Public confidence may be affected if the council is not able to adequately protect its IT systems and networks against loss or disruption, whether caused accidentally or intentionally.

Bournemouth Development Company (BDC)

75. The Council has resources at risk in respect of advance fees incurred on schemes being worked-up by BDC (a joint venture between the Council and Morgan Sindall) which should eventually be covered by the individual schemes business case. For example, in respect of the Winter Gardens Scheme the Council has outstanding loans totalling £3.74m (plus accruing interest) supporting the expenditure undertaken. The council has previously made a £4.2m provision to cover its 50% share of these costs should the scheme not progress.

Section 117 (6) Mental Health Act 1983 Accommodation Plus

76. Guidance issued by the Local Government and Social Care Ombudsman and recent legal advice clarified that people should not be paying for services which meet their mental health needs under Section 117, including specialist accommodation/supported living. Where accommodation costs form an intrinsic part of the aftercare arrangement, the Council and/or Integrated Care Board (ICB) should pay for this, and the person should not be expected to claim housing benefit. This legal position may affect as many as 94 people currently in specialist accommodation in BCP Council who may be entitled up to 6 years back pay. There will be an expectation that NHS Dorset will pay part of the cost identified in line with their agreed contribution to the after-care provision for each individual. BCP potential risk after NHS Dorset contribution could be as high as £2m in backpay and over £300,000 as ongoing pressure. However, estimating the financial risk to the social care budget accurately is not easy because each service user assessment of need, care plans, tenancy agreements etc, is required to determine if the accommodation arrangements are indeed an intrinsic part of the aftercare needs assessment under section 117(6). Not all service users will have been in an after-care arrangements for 6 years some, may have covered their accommodation costs with housing benefit, some from their personal funds.

Social Care Reforms

77. These reforms will place significant new responsibilities on local authorities as well as introducing a cap on care costs. There is a significant risk that the Government grant will be insufficient to cover the full cost associated with these reforms and the staffing needed to enable their delivery. As part of the 2022 Autumn Statement the Chancellor announced these reforms have been delayed from October 2023 to October 2025. The latest MTFP position assumes that there will be at least a further year delay to this implementation due to concern that the necessary underpinning work is not taking place.

Adequacy of reserves

Figure 2: Latest Reserve Forecast

	Balance 31-Mar-19 £m	Balance 31-Mar-20 £m	Balance 31-Mar-21 £m	Balance 31-Mar-22 £m	Balance 31-Mar-23 £m	Estimate 31-Mar-24 £m	Estimate 31-Mar-25 £m
Unearmarked Reserves	15.3	15.3	15.3	15.3	17.9	21.9	21.9
Earmarked Reserves	69.7	90.4	175.3	114.3	68.5	20.2	25.6
Total Reserves	85.0	105.7	190.6	129.6	86.4	42.1	47.5
Dedicated Schools Grant	-3.6	-4.6	-7.9	-20.3	-35.8	-63.0	-92.0
Net Position	81.4	101.1	182.7	109.3	50.6	-20.9	-44.5

Please Note: Earmarked Reserves as at 31 March in both 2021 and 2022 are distorted by numerous Covid-19 government grants.

78. The council must ensure reserves are retained at an appropriate level to provide adequate contingent resources for any unforeseen pressures or to provide sufficient time to identify on-going mitigations in a systematic way.
79. The Chartered Institute of Public Finance and Accountancy (CIPFA) previously advised that general or unearmarked reserves should be 5% of net revenue expenditure (NRE) as an absolute minimum. Benchmarking with other Unitary Authorities places us on the lower side of the median and therefore in the higher risk category. The 2023/24 budget allowed for a one-off investment of £1.9m into unearmarked reserves and an annual contribution of £0.7m from 2024/25 to reflect the increasing level of annual expenditure. On the 31 March 2023 unearmarked reserves totalled £17.9m which represented 5.8% of the net budget.
80. The 2024/25 budget looks to further improve this position. Firstly, a fundamental review of all earmarked reserves has been undertaken during 2023 to determine any resources that are no longer needed for their original purpose and therefore can be redirected. Net of a £1.7m investment to support improvement in Children's Services this has led to a forecast 31 March 2024 balance of £19.1m. Secondly instead of a £0.7m annual contribution in each of the next four years as assumed in the 2023 budget (£2.8m total) the proposal is to use the £2.8m forecast reduction in the earmarked reserves underpinning the 2023/24 budget, as set out in the Quarter 3 budget monitoring report for 2023/24, as a one-off contribution. This strategy aims to ensure that by the 31 March 2025 unearmarked have been increased to £21.9m which will amount to a 43% increase from their 31 March 2022 position.
81. As part of the strategy to assist in the mitigation of unforeseen events the council will continue to hold an in-year base revenue budget contingency of £2.2m.
82. Earmarked reserves are set aside to meet identified spending commitments and can only be used for the purpose for which they have been created. These reserves will continually be reviewed, and any resources not needed as intended transferred into unearmarked reserves. They include reserves in support of various partnerships where the council is the accountable body, reserves which represent government grants received in advance of the associated expenditure, reserves held on behalf of third parties and several reserves the council is required to hold in line with statute or its own governance requirements.
83. The council had earmarked reserves of £68.5 as of 31 March 2023. Of this, £30m relates to resources specifically set aside to support the balancing of the 2023/24 budget, and to avoid the severe cuts to services that would otherwise have had to be made. As these resources were one-off then the proposed 2024/25 needs to make the necessary adjustments to service levels.
84. Whilst the current level of reserves may be adequate to support the core budget for 2024/25 it does not require any professional judgement from the Chief Financial Officer (CFO) to assess that the council's reserves **cannot** be considered adequate based on the accumulating DSG deficit. However, as legislation prevents the council from making provision to offset the deficit in 2024/25 it appears there is no other option than to accept the position. Members do need to recognise that this legislation will not, as it stands, be applicable for the financial year 2026/27 and in the absence of government support the council will be insolvent from the 1 April 2026 onwards.

Conclusion

85. In the context of this report, the Director of Finance considers the proposed budget for 2024/25 is robust and the level of reserve is adequate, given a clear understanding by members and senior management of the following.
 - The council is technically insolvent as it has negative general fund reserves due to the deficit on its DSG as pertaining to expenditure on the Special Educational Needs and

Disability service. This DSG deficit is growing by more than £29m per annum which is the amount the expenditure on the High Needs Block continues to be more than the government funding being made available. A solution needs to be identified with government by this time next year on the basis that as it stands, the Director of Finance is likely to have to determine whether or not a legally balanced budget can be set for the whole of the 2025/26 the financial year, which will be almost impossible as the current statutory override ends on 31 March 2026, the last day of that financial year.

- That unearmarked reserves are only just sufficient to cover an unexpected single event such as a cyber-attack, the requirement to provide for/or write-off the expenditure on Carter's Quay, or significant in-year overspending. Any such single event would then require drastic action to restore such reserves to the minimum recommended level. They would be insufficient for the realisation of multiple risks.
 - That the advice of the Director of Finance is to continually look to all opportunities to increase unearmarked reserves and improve the councils overall financial sustainability.
 - Effective governance arrangements will be maintained at Executive, Senior Management, Directorate, and budget holder level to monitor the overall delivery of the 2024/25 budget.
 - Directors and budget holders accept their responsibilities and accountability to deliver their services within the parameters of the agreed budget including the realisation of approved savings.
 - That a freeze on all non-essential expenditure will be applied from 1 April 2024 onwards until such time as the delivery of the £41m of 2024/25 budget savings have been assured.
 - Directors will diligently identify and rigorously apply mitigation strategies for any in-year budget pressures that do materialise.
 - Earmarked reserves will be supported by a clear plan held by the service and will be drawn down in line with the profile. Any not needed for their original purpose will be redirected into unearmarked reserves.
 - The levels of reserves and contingencies is adequate, but all opportunity should be taken for them to be enhanced by any further improvement in the in-year position.
 - Effective governance arrangements will be maintained at Executive, Senior Management, Directorate, and budget holder level to monitor the overall delivery of the 2024/25 budget.
86. It should be highlighted in mitigation of the risk associated with the appropriate financial management processes and practices it is intended to ensure that all budget holders are issued with a "Budget Assurance Statement" in support of their 2024/25 budget. This is a new document that formalises that they accept their budget and agree to deliver services within its financial parameters. The document is also intended to provide evidence in support of any major elements such as the staffing establishment and high value contracts.

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Appendix 10a - Earmarked Reserves projection for March 2025

Detail	31/03/23 Actual Balances £000's	Estimated movement £000's	31/03/24 Estimated Balances £000's	Estimated movement £000's	31/03/25 Estimated Balances £000's
Financial Resilience Reserves	(31,715)	31,715	0	(4,472)	(4,472)
Transition and Transformation Reserves	(185)	185	0	0	0
Insurance Reserve	(5,000)	225	(4,775)	0	(4,775)
Held in Partnership for External Organisations	(3,303)	1,014	(2,289)	321	(1,968)
Required by Statute or Legislation	(883)	(100)	(983)	0	(983)
Planning Related	(510)	401	(109)	0	(109)
Government Grants	(18,027)	9,701	(8,326)	3,750	(4,576)
Maintenance	(1,500)	470	(1,030)	175	(855)
ICT Development & Improvement	(1,570)	1,330	(240)	90	(150)
Corporate Priorities & Improvements	(5,800)	3,294	(2,506)	(5,228)	(7,734)
Total Earmarked Reserve Balance	(68,493)	48,235	(20,258)	(5,364)	(25,622)

Financial Resilience Reserves

	31/03/23 Actual £000's	Estimated Movement £000's	31/03/24 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £000's
Purpose: Designed to provide the Council with the ability to manage any emerging issues. Includes reserves to enable the management of the MTFP.					
Cost of Living Mitigation reserves from 2021/22	(14,190)	14,190	0	0	0
Redirected Earmarked Reserves	(5,298)	5,298	0	0	0
Assumed Surplus 2022/23	(10,582)	10,582	0	0	0
Balance to reserves for future MTFP	0	0	0	(4,472)	(4,472)
Other Reserves	(1,645)	1,645	0	0	0
Financial Resilience Reserves	(31,715)	31,715	0	(4,472)	(4,472)

Transition and Transformation Reserves

	31/03/23 Actual £000's	Estimated Movement £000's	31/03/24 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £000's
Purpose: Resources set aside to support the one-off change costs of associated with creating the new council and meeting the Councils costs associated with the transformation progr					
BCP Programme Resources Pay & Reward Strategy	(185)	185	0	0	0
Transition and Transformation Reserves	(185)	185	0	0	0

Insurance Reserve

	31/03/23 Actual £000's	Estimated Movement £000's	31/03/24 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £000's
Purpose: Reserve to enable the annual fluctuations in the amounts of excesses payable to be funded without creating an in-year pressures on the services. Subject to ongoing review by an independent third party.					
Insurance Reserve	(5,000)	225	(4,775)	0	(4,775)

Held in Partnership for External Organisations

	31/03/23 Actual £000's	Estimated Movement £000's	31/03/24 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £000's
Purpose: Amounts held in trust on behalf of partners or external third party organisations.					
Dorset Adult Learning Service	(984)	400	(584)	0	(584)
Dorset Adult Learning Service (Specific Bequeath)	(99)	0	(99)	0	(99)
ICS Emotional Wellbeing and Mental Health	(78)	78	0	0	0
Flippers Nursery	(247)	95	(152)	0	(152)
Adult Safeguarding Board	(143)	(46)	(189)	60	(129)
Dorset Combined Youth Offending Service Partnership	(508)	250	(258)	0	(258)
Music and Arts Education Partnership	(488)	0	(488)	0	(488)
Youth Programme	(50)	50	0	0	0
Local Safeguarding Partnership Board	(33)	33	0	0	0
Bournemouth 2026West Howe Bid	(45)	45	0	0	0
Russell Cotes revenue grant	(283)	25	(258)	0	(258)
UP2U	(74)	74	0	0	0
Domestic Homicide Reviews	(10)	10	0	0	0
Better Care Fund	(261)	0	(261)	261	0
Held in Partnership for External Organisations	(3,303)	1,014	(2,289)	321	(1,968)

Required by Statute or Legislation

	31/03/23 Actual £000's	Estimated Movement £000's	31/03/24 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £000's
Purpose: Amounts which the council is required to hold as a reserve in line with current accounting practice or legislative requirements.					
Building Regulation Account	(139)	0	(139)	0	(139)
Bournemouth Library Private Finance Initiative (PFI)	(783)	(100)	(883)	0	(883)
Carbon Trust	39	0	39	0	39
Required by Statute or Legislation	(883)	(100)	(983)	0	(983)

Planning Related

	31/03/23 Actual £000's	Estimated Movement £000's	31/03/24 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £000's
Purpose: Reserves designed to support planning processes and associated planning activity where expenditure is not incurred on an even annual basis.					
Local Development Plan Reserve	(369)	260	(109)	0	(109)
Other Planning Related Reserves	(141)	141	0	0	0
Planning Related	(510)	401	(109)	0	(109)

Government Grants

	31/03/23 Actual £000's	Estimated Movement £000's	31/03/24 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £000's
Purpose: Amounts which the council is required to hold as a reserve in line with specific grant conditions.					
Government Grants	(17,109)	8,941	(8,168)	3,609	(4,559)
COVID 19 Government Grants	(918)	760	(158)	141	(17)
Total Unspent Grants	(18,027)	9,701	(8,326)	3,750	(4,576)

Maintenance

	31/03/23 Actual £000's	Estimated Movement £000's	31/03/24 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £000's
Purpose: Reserves and sinking funds designed to support maintenance investments in specific services or assets.					
Corporate Maintenance Fund	(251)	251	0	0	0
Other Maintenance Related Reserves	(1,249)	219	(1,030)	175	(855)
Maintenance	(1,500)	470	(1,030)	175	(855)

ICT Development & Improvement

	31/03/23 Actual £000's	Estimated Movement £000's	31/03/24 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £000's
Purpose: Resources set aside to meet various ICT improvement projects					
ICT Development & Improvement	(1,570)	1,330	(240)	90	(150)

Corporate Priorities & Improvements

	31/03/23 Actual £000's	Estimated Movement £000's	31/03/24 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £000's
Purpose: Amounts set a side to deliver various priorities, some of which will be of a historical nature inherited from the predecessor authorities.					
Other Service Priority reserves	(2,435)	1,439	(996)	(394)	(1,390)
Local Elections Reserve	(697)	527	(170)	(170)	(340)
Revenue & Benefits Reserve	(1,958)	1,028	(930)	930	0
Resources set aside to support regeneration ambitions over next 4 year period	0	0	0	(3,000)	(3,000)
Russell Cotes Museum (separate 7 February 2024 Cabinet report)	0	0	0	(2,588)	(2,588)
Transitional implementation of specified savings proposals - upton and higcliffe	0	0	0	(100)	(100)
Covid recovery resources	(710)	300	(410)	94	(316)
Corporate Priorities & Improvements	(5,800)	3,294	(2,506)	(5,228)	(7,734)

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What is being reviewed?	Council Budget for 2024/25
Service Lead and Service Unit:	Adam Richens - Finance
People involved in EIA process:	Service Directors – where applicable Heads of Service – where applicable Vicky Edmonds – Policy Officer Sophie Bradfield – Principal Policy Officer Richard Barnes – Service Unit Equality Champion Jon Cockeram – Service Unit Equality Champion Wendy Creighton – Service Unit Equality Champion
Date/s EIA started and reviewed:	05 December 2023 – Infrastructure 05 December 2023 – Adult Social Care 06 December 2023 – Commercial Operations 07 December 2023 – Housing & Communities 07 December 2023 – Environment 08 December 2023 – People & Culture 08 December 2023 – Childrens (meeting 1) 12 December 2023 – Public Health 13 December 2023 – Childrens (meeting 2) 13 December 2023 – Customer, Arts and Property 13 December 2023 – Planning 14 December 2023 – Law and Governance 18 December 2023 – Childrens (meeting 3) 02 January 2023 – Finance 18 January 2024 – Childrens (meeting 4)

1. Executive Summary

- 1.1 Many councils are facing unprecedented financial demands and are having to make difficult decisions.
- 1.2 Our Public Sector Equality Duty does not prevent us from making difficult decisions when required to achieve significant levels of savings across all our services. It supports us to make robust decisions in a fair, transparent and accountable way that considers the diverse needs of all our local communities and workforce.
- 1.3 Before each of the proposed savings are implemented, they will have completed an Equality Impact Assessment (EIA) to ensure we are aware, as far as possible of any potential or actual negative or positive equality impacts of our decisions.
- 1.4 From the discussions that informed the basis of this EIA, it is evident that our proposals will have the most impact on our vulnerable residents as well as those on low incomes. Where potential negative impacts are identified, where possible, we will aim to include people that are impacted or their representatives prior to any final decision being made. This EIA covers a wide range and volume of proposals and where possible, mitigating actions have been identified to ease negative impacts. This will not be possible in every case.
- 1.5 Services are looking at ways to increase activity around prevention and early intervention to enable better outcomes earlier. It is hoped this will reduce the need for costly interventions at a later stage. Our investment in new technology will also help to reduce demand on services.
- 1.6 We will work closely with our partners to ensure there is minimal negative impact resulting from any of our decisions. Community Asset Transfers and support from our third sector partners will assist in mitigating impacts where possible.

2. What are we doing?

- 2.1 The Council is obliged to set a balanced budget and commensurate Council Tax level in accordance with the Local Government Finance Act 1992.
- 2.2 The Budget Report sets out for cabinet how we intend to achieve a balanced budget and the level of Council Tax we will be setting for 2024/25.

3. Why are we doing it?

- 3.1 Like many other Councils, BCP Council is facing an unprecedented financial challenge. We are taking this difficult decision to ensure we can deliver a balanced budget and to avoid the government intervention that has happened in other councils that would halt many of the services we provide.
- 3.2 We have to change the way we deliver certain services and the budget reflects these changes.
- 3.3 Balancing our budget has become increasingly difficult over the last few years. This is because of rising demand on council services, such as those that keep children, young people and vulnerable adults safe and higher costs to deliver council services that keep our places clean and our infrastructure safe. This has been exacerbated by the impacts of Covid, the cost-of-living crisis and years of austerity and its impact on the reduction of the Council's financial resources. As a result, we are currently spending more each year than we receive as income, meaning we must reduce our spend and/or increase our income to balance our budget and live within our means.

4. How did we do it

- 4.1 The council is legally required by the Equality Act 2010 to evidence how it has considered its Public Sector Equality Duty (PSED). The purpose of the PSED is to make sure that public authorities and organisations carrying out public functions think about how they can improve society and promote equality in every aspect of their day-to-day business. This is particularly important during the budget setting process to ensure that saving proposals do not disproportionately or unlawfully negatively impact any specific protected characteristic.
- 4.2 For the 2024/25 budget setting process, a series of budget Equality Impact Assessment (EIA) discussions were held during December 2023 and January 2024 to understand which of the budget savings proposals would impact on any group defined by a protected characteristic, as a customer or member of staff.
- 4.3 Members are referred to the full text of [s149 of the Equality Act 2010](#) which must be considered when making decisions on budget proposals.
- 4.4 EIA discussions were chaired by the Policy Team, independent from each service area proposing budget savings, and these proposals were presented by Service Directors, Service Heads, and other key officers. Selected Service Unit Equality Champions also joined the discussions to provide further impartial equality cross-examination.
- 4.5 Assessments were made on how each proposal would impact each protected characteristic. Consideration was given as to whether the impact would be positive, negative, cumulative or disproportionate for any particular group(s) when compared against any other protected characteristics. If a substantial negative or positive equality impact was identified consideration was then given to the mitigating actions that could be taken to reduce or remove potential or actual negative equality impacts or maximise potential or actual positive equality impacts.
- 4.6 Full EIA's will be carried out for each of the savings proposals that proceed and will include the outcomes of any subsequent service user consultation. These will need to be brought back to an EIA panel in due course.
- 4.7 Proposals were also considered against the six domains of the Equality Human Rights Commission (EHRC) measurement framework. The framework reflects the things or areas in life that are important

to people and enable them to flourish: Education, Work, Living standards, Health, Justice and personal security, and Participation. Improvement in any of the domains reduces the equality gap. BCP council has identified this measurement framework as a key way of monitoring progress with equality, diversity and inclusion.

- 4.8 This EIA is based on information made available for consideration during the budget process. It also includes outcomes of EIA panels held earlier in the year where the proposals had previously been discussed. It is important to note that some information may change as the budget process concludes.
- 4.9 We also undertook a budget consultation with our residents. Residents were invited to have their say on the council's proposals for setting a balanced budget for 2024/25. This took place over four weeks between Tuesday 21 November and Wednesday 20 December 2023. The survey was available on-line and hard copies were available in libraries.
- 4.10 The consultation was promoted widely through a variety of channels including:
- Local media coverage
 - The council's social media channels
 - Community and resident group Facebook pages
 - The Council's e-newsletters
 - Staff newsletters
 - Posters and information in all BCP Council libraries
 - All council colleagues were encouraged to share with their networks
- 4.11 2,445 people completed an online or paper survey. The respondent profile is at Appendix B.
- 4.12 Respondents were asked to comment specifically on the following budget proposals:

Proposal	Agree	Disagree
Grounds Maintenance Service	49%	43%
Christchurch Household Recycling Centre	40%	52%
Paddling pools	19%	75%
Public protection	21%	67%
Community Safety Accreditation Scheme	22%	73%
CCTV	31%	59%
Library opening hours	31%	60%
Street lighting	54%	38%
School crossing patrols – Proposal 1	55%	32%
School crossing patrols – Proposal 2	39%	44%
School crossing patrols – Proposal 3	73%	17%
Hengistbury Head Outdoor Education Centre	44%	43%

- 4.13 The [results of the consultation](#) are available on the council website. A full breakdown of responses by protected characteristic forms part of this report. The consultation results did not show any significant differences between or within groups concerning the budget savings proposals that were consulted on.
- 4.14 It will be necessary to feed the results of the consultation into the individual EIA documents which are prepared for each saving outlined above as and when they are delivered.

5. What do we know?

- 5.1 **The Place:** Bournemouth, Christchurch and Poole (BCP) has a combined population of 400,100 and a £10.5bn economy supported by the tenth largest urban local authority in England.
- 5.2 It's a region that promotes and enables wellbeing in all its forms with 15 miles of south-facing sandy beaches and 19 Sites of Special Scientific Interest making up nearly a fifth of the area, as well as

being home to the second largest natural harbour in the world. This promotes a healthy work life balance, shaping people's everyday lives.

- 5.3 The outstanding natural environment is something residents cherish about living in BCP with a strong sense of belonging to the local area. Yet, like many places BCP has areas of contrast, including some of the most affluent and most deprived areas in England.
- 5.4 There are three world-class universities with about 22,700 students; a multiple site college catering for 11,000 students and collaborating with over 2,000 businesses delivering one of the most successful apprenticeship programmes in the country; and 98 state-funded schools, comprised of 66 primary, 21 secondary, 4 all-through schools and 7 special schools as well as a long-established language school sector.
- 5.5 **The People:** The local population is ageing, with predictions that by 2028, 24% will be aged 65+.
- 5.6 BCP Council is a member of the Dorset Armed Forces Covenant given the proportion of local residents identifying as current personnel or veterans.
- 5.7 The BCP area also has a high proportion of unpaid carers. Across the area there were around 15,958 individuals (4.2%) providing more than 20 hours of unpaid care a week, which compares to 4.4% for England.
- 5.8 Life expectancy and healthy life expectancy at birth is better in the BCP area than it is nationally. It is 0.9 years higher for men, and 0.6 years higher for women. However, there are some areas where our populations health could be better.
- 5.9 Deprivation is strongly linked with many health outcomes, with clear inequalities in life expectancy across the BCP area between the most and least deprived areas. Males and females in the least deprived areas in BCP are expected to live 8.9 and 6.1 years longer than those from the most deprived areas.
- 5.10 The relationship between unemployment and health status is clear at ward level for BCP. Wards where levels of unemployment are significantly above the BCP average also have the lowest life expectancy. Areas with the highest unemployment rates are significantly more likely to include residents that have no or few qualifications, people with disabilities and mental ill-health, those with caring responsibilities, lone parents, some ethnic minorities, older workers and particularly young people.
- 5.11 **The Economy:** Around 62% of the total resident population are of working age with higher concentrations of employment in financial services (with the largest financial sector outside London), real estate, tourism & hospitality, arts, entertainment and creative industries, and healthcare. There is also a rich engineering and advanced manufacturing sector.
- 5.12 Overall, 16% of residents aged over 16 in the BCP area have no qualifications, 32% are qualified to degree level or above and 6% have a qualification achieved through an apprenticeship.
- 5.13 The pandemic had more profound effects on the BCP labour market than seen nationally particularly impacting businesses in the tourism and hospitality sector. Unemployment numbers started to rise in 2020 due to the impact of the covid pandemic and rose to an annual figure of 5.6% in the year to Sept 2021 before starting to fall. Rapid adaptation and digital adoption allowed large parts of the economy to bounce back and the BCP area was among the top business survival rate nationally.
- 5.14 With up to a third of the workforce expected to move into retirement, the area needs to invest in young people and create opportunities locally for them to enter the workforce.
- 5.15 **Cost of living:** Wages are lower than the average earnings in England. Median annual pay for all full-time employees working in the BCP area is estimated as £31,700. The equivalent for those living in BCP is very similar at £31,600 with both below the UK median figure of £33,000.
- 5.16 Average house prices and rental costs are higher than average wages. Average house prices in the BCP area have increased significantly in the last ten years. The average house price in the BCP area was £417,500 in the 12 months to end December 2022; this is higher than the average price

regionally and nationally. This has only been exacerbated by rising inflation, making housing affordability a key issue for the area.

- 5.17 BCP Council Staff:** As of 31 March 2023, BCP Council had 4,800 permanent employees (excluding school staff). In terms of age, 93% were between 25 and 64; 57% were 45 and above, 3% over 65 and 2% of staff were under 25. Women make up 63% of the workforce.
- 5.18 The provision of additional equality monitoring data is optional. The following data is from information voluntarily input to the council's employee system, but this is not a complete profile of council staff: **Disabled staff** account for 4%; 68% of staff state that they are not disabled; the status of the remaining 28% is unknown. The **ethnic origin** of 3% of staff was identified as being ethnic minorities excluding white minorities; 4% identifies as white minorities; 64% White British and 29% were unknown or preferred not to say. In terms of **religion**, 23% declared they had no religion; 23% Christian; and 2% had other religions or beliefs and 51% preferred not to say. Monitoring data shows that 47% of the workforce identify as Heterosexual, 3% identify as Gay or Lesbian; 50% prefer not to declare their **sexual orientation** or it is unknown. There are insufficient numbers to determine the number of people who identify as Trans and data on Pregnancy and Maternity is not currently recorded.

6. Setting the Council Tax

- 6.1 This year the Council is seeking to increase Council Tax by 4.99%.
- 6.2 Most of the council's money is spent providing life changing support for some of the most vulnerable – including older people, people with disabilities and children who need our care and protection. Like other local authorities across the country, BCP Council is facing significant pressures on its budget. The cost of living is affecting fuel prices, food, and energy costs, which means services like waste collection, street lighting, and the resources that keep our most vulnerable adults and children safe, are all becoming more expensive to run.
- 6.3 It is likely that some of our residents on lower earnings will be affected negatively by the increase. With 11.4% of households in the BCP area experiencing fuel poverty, an increase in Council Tax will negatively impact on households already struggling financially which is not necessarily limited to just lower socio-economic groups given the recent rises to the cost of living.
- 6.4 Positively, increasing council tax will enable the council to continue to support the most vulnerable in our communities and provide the services everyone in the community uses.
- 6.5 There are several schemes in place to assist residents on lower incomes with their Council Tax bills. These include:
- a) Council Tax Support: Residents on lower incomes can apply for assistance with their Council Tax bill by applying for Council Tax Support, further information is available on the Councils website <https://www.bcpCouncil.gov.uk/benefits-support-and-advice/council-tax-support>
 - b) Single Person Discount: If you're the only person over 18 in your home, you may be entitled to a 25% reduction on your Council Tax. Council Tax Discounts and exemptions: Further details of ways in which council tax could be reduced for qualifying households is available on the website including student exemptions. <https://www.bcpCouncil.gov.uk/Council-Tax/Council-Tax-discounts-and-exemptions/Council-Tax-discounts-and-exemptions.aspx> A single person discount is available for those qualifying households. Single Person households make up 35% of all households in the BCP.
 - c) Discretionary Reduction and Help with Paying Council Tax Bill: Section 13A (1c) of the Local Government Finance Act 1992 allows local authorities to, in exceptional circumstances, reduce the Council Tax liability for a charge payer. Statutory exemptions and discounts must first have been exhausted. However, it is likely that some of our residents on lower incomes will be affected negatively by the increase.

7. The cumulative impact of the proposed budget

- 7.1 Budget savings proposals have been made by different services in the Council. They will impact on different protected characteristics depending on the nature of the saving. This EIA looks at the cumulative impact of these budget proposals. How do each of the proposals, when brought together affect our residents?
- 7.2 The impact of individual proposals on each protected characteristic was captured in a spreadsheet and the impacts tallied to see which were affected the most. Based on the information gathered in the EIA discussions, low-income households and individuals will be most negatively impacted, followed by older residents, younger age residents and those residents with a disability.
- 7.3 Impacts have been considered against the [Public sector equality duty](#) which came into force in April 2011 (s.149 of the Equality Act 2010). This duty requires Councils, when carrying out their functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. These objectives are:

Objective	Impact
(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010	The proposed budget savings within our Housing and Communities Directorate mean that whilst we will still be able to meet this duty, we will only be providing services at a statutory level. The impact will be on our ability to undertake preventative activity which is above the statutory baseline. Areas affected by this would include Anti-Social Behaviour, community engagement activities and trading standards.
(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;	It is unlikely that there will be any impact on this area of the public sector equality duty as we will still be ensuring that everyone has access to our services, we will make sure that those who require additional support receive it and continue to provide good customer service. We are striving to be an employer of choice and as such will continue to advance equality of opportunity in access to recruitment, retention and progression of BCP Council staff.
(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.	A reduction in grants for our sports/cultural activities/free attractions in the three towns may impact our ability to improve inclusion and participation. These activities tend to strengthen communities as it brings people of different ages, ethnic origins, religions and beliefs and sexual orientations together

- 7.4 Impacts against [The Measurement Framework for Equality and Human Rights \(EHRC\)](#). The Measurement Framework covers six carefully selected domains – Education, Work, Living standards, Health, Justice and personal security, and Participation – which reflect the capabilities or areas of life that are important to people and that enable them to flourish

Domain	Impact
Education	The budget saving proposals will have minimal impact to some aspects of the arts within schools.
Work	The budget savings proposals have an impact on some of the work opportunities available for some of our residents with disabilities and mental health issues.

Domain	Impact
Living Standards	Increased council tax and proposed increases to certain fees and charges combined with the escalating increases in the cost of utilities and living will undoubtedly negatively impact on the quality of life due to reductions of disposable income.
Health	Changes to the allocation of grant funding allows the council more flexibility on how the funding may be used but reduces the amount available to Public Health directly.
Justice and personal security	A reduction in our community-based activities may negatively impact our residents' feelings of belonging, participation, and social inclusion. The community activities also help to reduce anti-social behaviour and make residents feel safer. They are also opportunities for the Council to improve engagement and access communities that are seldom heard.
Participation	The overall proposed budget will reduce the levels of participation in social and community activities. As a consequence this may impact people with low socio-economic status, older people and people with disabilities as community based events are often a key way to reduce isolation and increase participation and engagement.

- 7.5 Impacts against the stated protected characteristics under the [Equality Act 2010](#) and the councils additional protected groups set out in the [Equality and Diversity policy](#) :

Characteristic	Impact
Age	Budget Saving proposals tend to negatively impact our older and younger residents as significant amount of the Council's budget is spent on the provision of Adult Social Care and Children's Social Care.
Disability	Residents with disabilities are also likely to have an older age profile. This is because of the onset of conditions that would fit within the definition of a disabled person as defined within the Equality Act 2010. These residents would be impacted by the proposals to change social care service provision.
Gender Reassignment	There was limited impact on those people with the protected characteristic of gender reassignment. The only savings proposals that could impact were those where the issue of safety was raised as they may feel more vulnerable as victims of crime.
Marriage and Civil Partnership	There was limited impact on those people with the protected characteristic of marriage and civil partnership. They were impacted by the raising of fees and charges for weddings.
Pregnancy and Maternity	There was limited impact on those people with the protected characteristic of pregnancy and maternity. The only savings proposals that could impact were those where the issue of safety was raised and the change in provision of some children's services, e.g. Family Hubs.
Race	There was limited impact on those people with the protected characteristic of race. Savings proposals that raised safety issues may affect this protected characteristic as people may feel more vulnerable as victims of hate crimes.

Characteristic	Impact
Religion and Belief	There was limited impact on those people with the protected characteristic of religion and belief. The only savings proposals that could impact were those where the issue of safety was raised as these people may feel more vulnerable as victims of hate crimes.
Sex	<p>Generally, the profile of our elderly population suggests that it is likely that more women will be impacted than men. Therefore, the severity of impact will differentiate between men and women as women make up a larger proportion of the elderly.</p> <p>The main impacts to women were from budget savings proposals where the issue of safety was raised.</p>
Sexual Orientation	There was limited impact on those people with the protected characteristic of sexual orientation. The only savings proposals that could impact were those where the issue of safety was raised as these residents may feel more vulnerable as victims of hate crime.
Military Veterans	There was limited impact on those people with the protected characteristic of military veterans. Main areas of impact were around the potential transfer of assets to the community.
Carers	The main impacts to carers were from the budget savings proposals where changes were proposed to how we provide some of our social care services. Whilst some of the new ways of working will have negative impacts on carers, such as location changes, it is anticipated that there will also be improvements, including more choice.
Children in Care and care experienced young people	As a number of proposals directly impact children, this will have a knock-on effect for our children in care and care experienced young people. However, a number of proposals including a review of over 18 provision will have a positive impacts on outcomes for children in care.
Socio-economic status	The increased cost of living and pressures on household budgets across BCP area is well documented and it is important to note that the cumulative impact of the proposals will add to the financial burden of some residents within the BCP Council area, particularly those on lower incomes.
Local business or community organisations	<p>Reduced grants for certain areas of our community and reduction of investment in cultural activities could all negatively impact on our local businesses and community organisations. This could also affect jobs within this sector. Loss of trade with falling footfall generated by the free events in local areas has the potential to have a detrimental effect on small and medium local businesses. An increase in some fees and charges may also increase pressure on our local businesses.</p> <p>Positively, changes in the way we deliver some of our services could provide opportunities for local businesses to undertake them instead.</p>

7.6 Mitigating actions for the impacts of any budget saving proposal will need to be addressed on an individual basis.

7.7 **Summary of impact on staff:** The cumulative impact on staff of the budget savings proposals is not known currently. The introduction of a voluntary redundancy scheme, the use of redeployment where compulsory redundancies are necessary and removing vacant posts from the organisation will all impact on the profile of our workforce. However, until all actions have been completed, we will not know what the resulting organisation will look like. For example, in some areas, there may be more women impacted by a budget saving proposal for compulsory redundancy. In other areas, there may be more men. The impacts of the different proposals may be balanced out across the organisation when put together. Those taking voluntary redundancy are likely to be over 55. Areas where officers take voluntary redundancy may leave those officers with additional pressures and increased workloads. Officers within People and Culture will be monitoring the impact of the budget savings on staff.

7.8 Any budget saving proposals, which impact staff, will have an associated Equality Impact Assessment.

Background Papers

- Assessment of Cumulative equalities impact matrix
- EIA Conversation Papers.

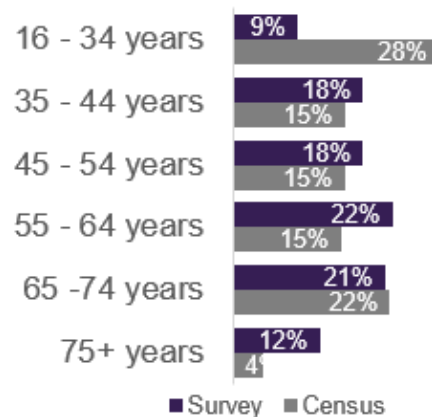
Equality Impact Assessment Action Plan			
Issue identified	Action required to reduce impact	Timescale	Responsible officer
Proposals which impact staff	<ul style="list-style-type: none"> Equality Impact Assessments will be carried out for any proposals which will impact our staff Staff will be consulted. The Council will follow Organisational change policies when implementing proposals that impact staff. Monitoring of cumulative impact of staff reductions to ensure BCP council is reflective of the community it serves. 	To be agreed.	People and culture Service managers whose staff are affected.
Fees and charges	<ul style="list-style-type: none"> Equality Impact Assessments will be carried out for any proposals which change Fees and Charges Where appropriate, consideration will be given to mitigating actions to reduce the impact. See section 6 for mitigating actions in relation to Council Tax. 	To be agreed	Service managers where fees and charges are being increased.
Health	<ul style="list-style-type: none"> Performance monitoring of service provision - to ensure that performance does not decline because of changes to the way services are funded. 	To be agreed	Public Health

Participation	<ul style="list-style-type: none"> Monitoring of resident's participation in events to see if the changes in service delivery do impact their ability to participate. Make alternatives options available to ensure that residents can still participate. 	To be agreed	
Personal security	<ul style="list-style-type: none"> Monitoring will be required to see whether those budget proposals that could impact safety have a detrimental effect on safety figures in the area. 	To be agreed	

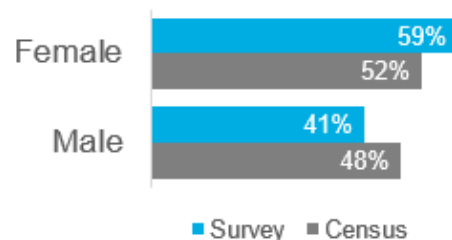
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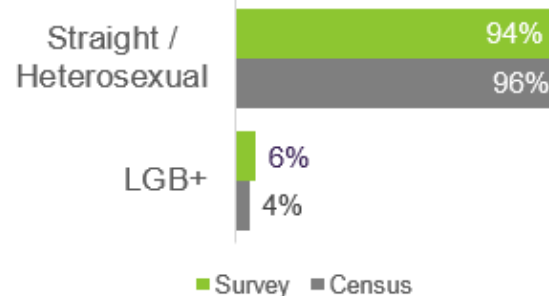
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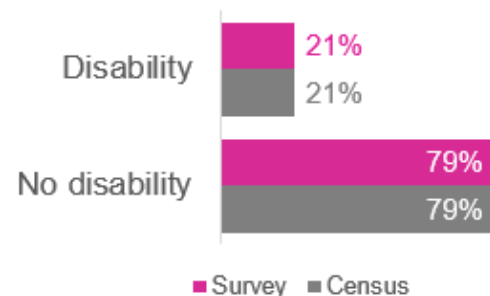
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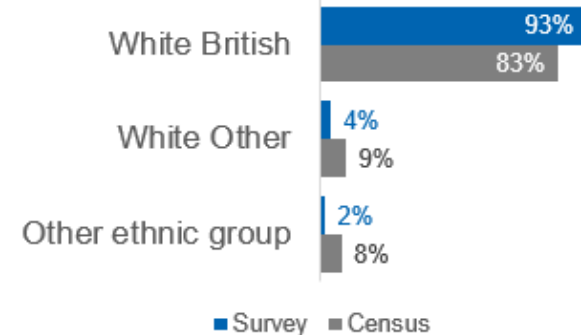
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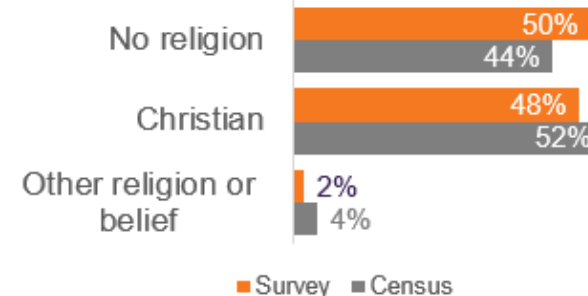
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Ethnicity



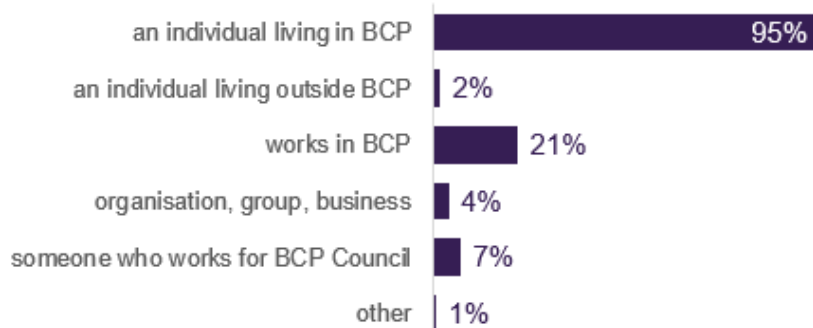
Religion



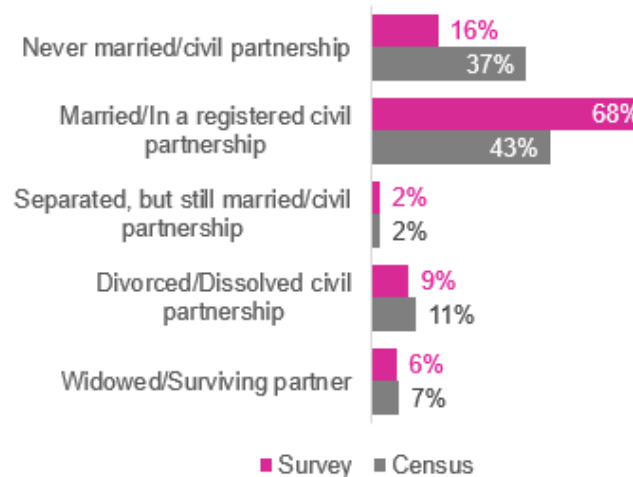
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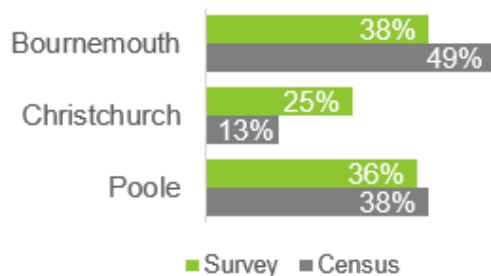
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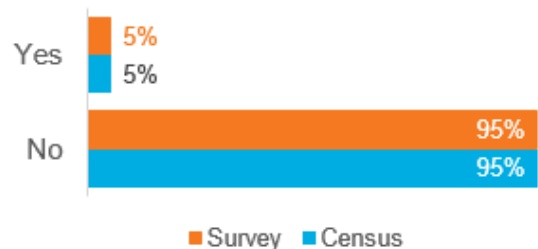
Marital status



Town (BCP residents only)



Armed Forces



Pregnancy / parental leave



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BCP Pay Policy 2024/25	
Date: 04 January 2024	Policy Author: Liz Bowman, Reward Manager
Review Date: December 2023	Version: 1
Purpose/Introduction	<p>This policy is established to meet requirement of section 38(1) of the Localism Act (2011).</p> <p>The purpose of this policy is to provide transparency on the salaries of Chief Officers of the Council, how those salaries are set, and other issues related to the pay of Chief Officers.</p> <p>BCP Council has now been in existence following Local Government Reorganisation (LGR) since April 2019 and is made up of the following preceding authorities, Bournemouth Borough Council, Christchurch Council and Borough of Poole. The financial information published to meet legislative responsibilities is relating to the 2023/24 salary information using a snapshot date of December 2023, and the draft 2022/23 Statement of Accounts (due to be audited)</p>
Who the policy applies to	<p>Chief Officers - The Council will engage persons for the following posts, who will be designated Chief Officers:</p> <ul style="list-style-type: none"> (a) Chief Executive and Head of Paid Service (b) Corporate Directors or Directors who report directly to the Chief Executive within the line management structure

<p>The policy</p>	<p>The 2023/24 salaries of the Chief Executive and Chief Officers were set by the Leader and Deputy Leader of the BCP Shadow Authority on advice from the South West Local Government Employers Association and having regard for the Chief Executive and Chief Officers' national pay scales.</p> <p>The salaries for these staff will be increased in line with national pay awards agreed by Joint National Committee (JNC) for Chief Executives and Chief Officers unless financial constraints prevent the required funding from being available. In this case, some lesser figure or no increase will be applied.</p> <p>The Chief Executive is employed on JNC conditions of service.</p> <p>Section 38(1) of the Localism Act requires the following information to be published annually as part of the policy (Appendix A):</p> <ul style="list-style-type: none"> a The Head of Paid Service (Chief Executive) base salary, including pension contribution and the NI contribution with a total figure per annum (excluding expenses allowance). b The median full-time equivalent salary for staff, excluding employees in schools and all apprentices with the pension contribution and the NI contribution with a total figure. The ratio between this salary and the salary of the Head of Paid Service. c The lowest full time equivalent salary, with the pension contribution and the NI contribution with a total figure. The ratio between this salary and the salary of the Head of Paid Service. d These ratios are published in line with the recommendations of the Hutton review of Fair Pay in the Public Sector. This review also recommends that local authorities define what they mean by 'lowest salary'. e The lowest salary is defined as the full-time equivalent salary of employees in receipt of the lowest salary point of the salary and grading structure for the preceding councils' employees who are not teachers, Apprentices or school support staff. f The salaries of Heads of Service / Service Directors, the posts that report into Corporate Directors, and other employees not covered by nationally agreed pay scales, are determined under the preceding councils' job evaluated pay and grading structure. g An extract from the annual statement of accounts for 2022/23 is given in Appendix B for BCP Council which gives details of the payments made to Chief Officers in 2022/23. h Whilst it is the Council's policy to recruit on the minimum of a pay scale, due regard will be taken of the prevailing market rates.
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BCP Pay Policy 2024/25

- i Incremental progression does not apply to Chief Officers.
- j No other fees are paid to Chief Officers, but they can make claims under the relevant authorities Business Travel and Subsistence arrangements.
- k Payments for working hours additional to contractual hours are not made.

The Council publishes the total remuneration of Chief Officers and Service Directors as part of the annual statement of accounts on its public website.

The decision to employ Chief Officers, who were previously employed by the Council and left with a severance or redundancy payment, will be based on the applicants' suitability for the post. No deductions will be made from the remuneration package, providing the employment is more than four weeks from the original date of termination. If the employment is within four weeks of the original termination, the employee will have to reimburse any redundancy payments to the previous employer if they have been made to them.

The Council's policy is to usually employ Chief Officers under employment contracts, not under a contract for services.

The decision to employ Chief Officers who are in receipt of a Local Government Pension Scheme pension (whether their previous service was with the same authority or not) is dependent on the applicant's suitability for the post. The remuneration will be set in line with the Chief Executive and Chief Officers' national pay scales, the going market rate and affordability.

Special Severance payments will be approved according to the following process (as recorded in the scheme of delegation):

- payments of £100,000 and above must be approved by a vote of full council, as set out in the Localism Act 2011
- payments of £20,000 and above, but below £100,000, must be personally approved and signed off by the Head of Paid Service, with a clear record of the Leader's approval and that of any others who have signed off the payment
- payments below £20,000 must be approved according to the local authority's scheme of delegation. It is expected that local authorities should publish their policy and process for approving these payments

The Council has adopted a range of clear policies, procedures, and guidance with regard to payments upon the termination of employment. The Scheme of Delegation details governance arrangements in regard to severance payments in line with the 'Statutory Guidance on the Making and Disclosure of Special Severance Payments by local authorities in England' published 12 May 2022. This guidance forms part of the best value regime for local authorities in England as set out in section 3 of the Local Government Act 1999.

In line with the 2015, Local Government Transparency Code, which was issued to increase democratic accountability through open access to information, sets a

requirement for local authorities to publish specific data, Under the Account and Audit Regulations 2015 we publish:

- the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000
- details of remuneration and job title of certain senior employees whose salary is at least £50,000, and
- employees whose salaries are £150,000 or more who must also be identified by name

In addition to this requirement, for all employees whose salary exceeds £50,000, there is a requirement to publish a list of responsibilities (for example, the services and functions they are responsible for, budget held and number of staff) and details of bonuses and benefits-in-kind.

A non-contractual pay supplement policy and governance arrangement was introduced in 2022 to ensure consistent approach across BCP Council. Governance arrangements are in line with the scheme of delegation

The Scheme of Delegation outlines who has the authority to approve pay, supplements, enhancements, and allowances. These approvals have been reviewed and updated.

	<p>BCP Council will be reviewing the full pay and reward offer, including terms and conditions, through the year with a view to implementing within financial year 2024/25</p> <p>The policy in relation to employer discretions under the Local Government Pension scheme is given in Appendix C</p>
How to use the policy	<p>This policy will be published on the Council's website to ensure that all staff, Councillors, residents and local businesses have access to it.</p> <p>Related Council policies and supporting documents:</p> <ul style="list-style-type: none"> • Business Travel and Subsistence arrangements • The Council's policy in relation to employer discretions under the Local Government Pension scheme • The Council's policy in relation to employer discretion under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 • Pay Supplements Policy • Scheme of Delegation
Roles and responsibilities	<p>This policy is reviewed annually by the Corporate Management Board and any recommendations for change will be made to the Cabinet for approval</p>
Enforcement and sanctions	
Further information and evidence	

Appendix A

– Salary Information 2023/24

Section 38(1) of the Localism Act requires the following information to be published annually as part of the policy (Appendix A):

- a The Head of Paid Service (Chief Executive) base salary at snapshot date December 2023, including pension contribution and the NI contribution with a total figure per annum (excluding expenses allowance).

Authority	Position	Base Salary	Pension Contribution	NI Contribution	Total
Bournemouth Christchurch & Poole Council	Chief Executive	£200,174	£18,691.58 (part year)	£24,962.49	£243,828.10

- b The median full-time equivalent salary for staff at snapshot date December 2023, excluding Apprentices and employees in schools with the pension contribution and the NI contribution with a total figure. The ratio between this salary and the salary of the Head of Paid Service.

Authority	Median FTE Salary	Pension Contribution	NI Contribution	Total	Ratio
Bournemouth Christchurch & Poole Council	£30,296	£5,756.28	£2,925.59	£38,977.87	1:6

- c The lowest full time equivalent salary at snapshot date December 2023, with the pension contribution and the NI contribution with a total figure. The ratio between this salary and the salary of the Head of Paid Service.

Authority	Lowest FTE Salary	Pension Contribution	NI Contribution	Total	Ratio
Bournemouth Christchurch & Poole Council	£15,437.88	£0	£1,774.44	£17,212.32	1:14

Appendix B

DRAFT Statement of Accounts 2022/23

26. Officers' Remuneration – Senior Officers

	Remuneration Salary (including supplements)	Expenses Allowances	Compensation for Loss of Office	Employers Pension Contributions	Total payment including Pension Contributions
	2022/23 £	2022/23 £	2022/23 £	2022/23 £	2022/23 £
Chief Executive - (Mr G Farrant)	193,404			-	193,404
Corporate Director - Chief Operations Officer	144,375			25,121	169,496
Corporate Director - Children's Services	164,725			28,662	193,387
Corporate Director - Adult Social Care (1)	109,027		44,502	18,971	172,500
Corporate Director - Resources (2)	73,358			12,764	86,122
Director of Finance	118,938			20,695	139,633
Director of Law & Governance	118,938	2,126		20,695	141,759
Director of Commissioning	118,938			20,695	139,633
Totals	1,041,703	2,126	44,502	147,603	1,235,934

Notes:

1. Adult Social Care Director left the authority on the [28/02/23](#)
2. Resources Director left the authority on the [30/10/22](#)

Appendix C

BCP ("THE COUNCIL")

POLICY IN RELATION TO EMPLOYER DISCRETIONS UNDER THE LOCAL GOVERNMENT PENSION SCHEME

This document forms the Council's policy in relation to the various discretions available to it in respect of the Local Government Pension Scheme. Part A records the Council's policy in respect of Regulations 12, 16, 30 and 31 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2013 ("Benefits Regulations"), as required by Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008 ("Administration Regulations"). Part B refers to the other discretions available to the Council but for which it is not a requirement to publish a formal policy. References to specific Regulations are to the Benefits Regulations.

This policy does not form part of employees' terms and conditions of employment and the Council may repeal, review or amend its policy at any time.

PART A

Regulation	Policy
<p>Regulation 16 [R] – <u>Power of employing authority to contribute to a shared cost APC scheme</u> Whether, how much, and in what circumstances to contribute to a shared cost APC scheme.</p>	<p>On the basis of cost implications, the Council will not enter into a shared cost APC scheme</p>
<p>Sch 2, para 2 (2) & (3) [TP] <u>Power of employing authority to apply 85 Year Rule before age 60</u> Whether to "switch on" the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60. Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits from pre 01/04/2014 membership where the employer has "switched on" the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60.</p>	<p>On the basis of cost implications, only in exceptional circumstances would the Council switch on the 85 Year Rule and the consideration of this issue would be delegated to the Cabinet Member with the portfolio for Resources in consultation with the Executive Director and the Section 151 Officer.</p> <p>On the basis of cost implications, only in exceptional circumstances would the Council consider waiving any required actuarial reduction to such benefits and the consideration of this issue would be delegated to the Cabinet Member with the portfolio for Resources in consultation with the Executive Director and the Section 151 Officer</p>
<p>Regulation 30 (6) <u>Flexible retirement</u> Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement). Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.</p>	<p>The Council will consider requests for Flexible Retirement in accordance with the agreed Flexible Retirement Policy and Procedure.</p> <p>On the basis of cost implications, only in exceptional circumstances would the Council consider waiving any required actuarial reduction to such benefits and the consideration of this issue would be delegated to the Cabinet Member with the Portfolio for Resources in consultation with the Executive Director and the Section 151 Officer.</p>

BCP Pay Policy 2024/25

Regulation	Policy
<p>Regulation 30 (8) [R]</p> <p><u>Power of employing authority to waive actuarial reduction</u></p> <p>Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age.</p>	<p>On the basis of cost implications, only in exceptional circumstances would the Council consider waving any required actuarial reduction to such benefits and the consideration of this issue would be delegated to the Cabinet Member with the Portfolio for Resources in consultation with the Executive Director and the Section 151 Officer.</p>
<p>Regulation 31 [R]</p> <p><u>Power of employing authority to grant additional pension</u></p> <p>Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 p.a.).</p>	<p>The Council has elected not to use this discretion</p>
<p>Reg D11 (2)(c) [C]</p> <p><u>Power of employing authority to grant early payment of benefits on compassionate grounds</u></p> <p>Whether to grant applications for the early payment of deferred pension benefits on or after age 50 and before NRD on compassionate grounds</p> <p><i>For members who ceased active membership before 1 April 1998</i></p>	<p>The Council will only agree to the early payment of such benefits when there is no cost attached. Only in exceptional compassionate circumstances would any required actuarial reduction of such benefits be waived. The Council delegates the consideration for these issues to the Cabinet Member with the Portfolio for Resources, the Executive Director and the Section 151 Officer.</p>

PART B - where formulation of a written policy is **not** compulsory

Regulation	Policy
<p>Regulation 9 (1) & (3) [R]</p> <p><u>Contributions payable by active members</u></p> <p>Employers determine the contributions payable by members by attributing each member to one of the contribution bands set out in Regulation 9 (2) [R]. Employers have the capacity to re-attribute the specific pay band (upwards or downwards) where there is a material change in a member's contractual terms.</p>	<p>The policy is set to review the bandings on an annual basis.</p>
<p>Regulation 22 (7) (b) and (8) (b) [R]</p> <p><u>Facility to extend time limits for active members to not aggregate deferred periods of LGPS</u></p>	<p>The Council will only agree to extend the 12-month option period in exceptional</p>

Regulation	Policy
<p><u>membership</u></p> <p>Whether to extend the 12-month option period for a member to elect that deferred benefits should not be aggregated with a new employment or ongoing concurrent employment.</p>	<p>circumstances. The Council delegates the consideration of this issue to the Director of People and Culture.</p>
<p>Regulation 100 (6) [R]</p> <p><u>Facility to extend time limits for active members to request a transfer of previous pension rights into the LGPS</u></p> <p>Where an active member requests to transfer previous pension rights into the LGPS, the member must make a request within 12 months of becoming an active member. Employers, with agreement of Administering Authority, may allow a longer period than 12 months.</p> <p>JOINT DISCRETION WITH ADMINISTERING AUTHORITY</p>	<p>The Council will only agree requests to transfer previous pension rights into the LGPS in exceptional circumstances and in consultation with Dorset Council. The Council delegates the consideration of this issue to the Director of People and Culture.</p>
<p>Reg 17 & 15(2A) [TP]</p> <p><u>Power of employing authority to determine whether to, how much and in what circumstances to contribute to a shared-cost Additional Voluntary Contribution (SCAVC) arrangement</u></p>	<p>The Council will enter into a shared cost AVC (SCAVC) arrangement</p>
<p>Reg 17 & 15(2A) [TP]</p> <p><u>Power of employing authority to determine whether to extend the time limit for a member to elect to purchase additional pension by way of a shared cost additional pension contribution (SCAPC) upon return from a period of absence</u></p> <p>Whether to extend the 30-day deadline for member to elect for a SCAPC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserve forces service leave)</p>	<p>The Council will only agree to include a regular lump sum when calculating APP on a case-by-case basis. Each case will be considered by the Director of People and Culture or their nominated representative on its own merits.</p>
<p>Reg 21(5A) and 21(5B) [R]</p> <p><u>Power of employing authority to determine whether, subject to qualification, to substitute a higher level of pensionable pay when calculating assumed pensionable pay (APP)</u></p>	<p>The Council will agree to substitute a higher level of pensionable pay when calculating APP on a case-by-case basis. Each case will be considered the Head of HR or their nominated representative on its own merits.</p>