



## NOTICE OF Executive Committee

Date: Tuesday, 24 July 2018 at 10.00 am

Venue: HMS Phoebe Committee Room, Town Hall, Bourne Avenue, Bournemouth, BH2 6DY

Councillor	Authority
Cllr J Walton (Chairman)	Poole
Cllr J Beesley (Vice-Chairman)	Bournemouth
Cllr P Broadhead	Bournemouth
Cllr J Challinor	Poole
Cllr B Crawford	Bournemouth
Cllr A Filer	Bournemouth
Cllr D A Flagg	Christchurch
Cllr M Greene	Bournemouth
Cllr N Greene	Bournemouth
Cllr M Haines	Poole
Cllr P F Jamieson	Christchurch
Cllr J Kelly	Bournemouth
Cllr R Lawton	Bournemouth
Cllr I Potter	Poole
Cllr K Rampton	Poole
Cllr M White	Poole

All Members of the Shadow Executive Committee are summoned to attend this meeting to consider the items of business set out on the agenda below.

The press and public are welcome to attend

If you would like any further information on the items to be considered at the meeting please contact: Matt Wisdom (01202 451107 or email [matthew.wisdom@bournemouth.gov.uk](mailto:matthew.wisdom@bournemouth.gov.uk)

Press enquiries should be directed to Ceri Lewis: Tel: 01202 795455 or email [clewis@christchurchandeastdorset.gov.uk](mailto:clewis@christchurchandeastdorset.gov.uk)

This Notice of Meeting and all the papers mentioned within it are available at [moderngov.bcpshadowauthority.com](http://moderngov.bcpshadowauthority.com)

# AGENDA

Items to be considered while the meeting is open to the public

**1. Apologies**

To receive any apologies for absence from Members.

**2. Declarations of Interests**

Councillors are required to comply with the requirements of the Localism Act 2011 regarding disclosable pecuniary interests. Declarations received will be reported at the meeting.

**3. Confirmation of Record of Decisions**

To confirm the record of decisions from the meeting held on 15 June 2018.

**4. Public Issues**

To receive any public questions or statements submitted in accordance with the Constitution. Further information on the requirements for submitting questions and statements is available to view at the following link:-

<https://bcpsshadowauthority.files.wordpress.com/2018/07/public-participation-e28093-extract-from-the-constitution.pdf>

The deadline for the submission of public questions is 10.00 am on Wednesday 18 July 2018.

The deadline for the submission of a statement is 12.00 noon on Monday 23 July 2018.

**5. Recommendations from the Overview and Scrutiny Committee**

To receive any recommendations from the Shadow Overview and Scrutiny Committee.

**6. BCP LGR Programme Update**

See report circulated at 6.

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**7. Council Tax Discounts and the Local Council Tax Support Scheme (LCTSS)**

See report circulated at 7.

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**8. Consolidated Medium Term Financial Plan (MTFP) Update**

See report circulated at 8.

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<b>9. Service Disaggregation</b> See report circulated at <b>9</b> .	43 - 82
<b>10. Parliamentary Orders Update</b> See report circulated at <b>10</b> .	83 - 86
<b>11. Senior Appointments - Tier 2 Leadership Roles</b> See report circulated at <b>11</b> .	87 - 90
<b>12. Executive Committee Forward Plan</b> The Committee is asked to note the latest published Forward Plan.	
<b>13. Calendar of Meetings</b> The Committee is asked to note the agreed calendar of meetings as follows:- 10.00 am - Tuesday 24 July 2018 - Bournemouth 10.00 am - Tuesday 14 August 2018 - Christchurch 10.00 am - Wednesday 12 September 2018 - Poole 10.00 am - Wednesday 17 October 2018 - Bournemouth 2.00 pm - Wednesday 7 November 2018 - Christchurch 2.00 pm - Wednesday 12 December 2018 - Poole 10.00 am - Tuesday 15 January 2019 - Bournemouth 10.00 am - Tuesday 12 February 2019 - Christchurch 10.00 am - Tuesday 12 March 2019 - Poole	
<b>14. Any other business - not being a key decision - of which notice has been received before the meeting and by reason of special circumstances, which shall be specified in the record of decisions, the Chairman is of the opinion that the items should be considered as a matter of urgency.</b>	

**16 July 2018**

**Jane Portman**

**Designated Interim Head of Paid Service**

**Town Hall, Bourne Avenue, Bournemouth, BH2 6DY**

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# Bournemouth, Christchurch and Poole - Shadow Executive Committee

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Report Subject	BCP LGR Programme Update
Meeting date	24 July 2018
Report author	Julian Osgathorpe BCP LGR Programme Director
Contributors	BCP Interim Statutory Officers BCP Programme Board
Status	Public
Classification	For information for all Members
Executive summary	This report provides an overview of activity within the BCP Programme for Local Government Reorganisation in Dorset.
<b>Recommendations</b>	<b>Members of the Shadow Executive are requested to;</b> <ol style="list-style-type: none"> <li>1. Note the progress made since the last BCP Joint Committee on approved workstreams</li> <li>2. Note the proposed activity to progress approved workstreams in the lead up to the next Shadow Executive Committee</li> </ol>
Reasons for recommendations	<b>To note the progress made on the Bournemouth, Christchurch &amp; Poole programme to prepare for local government reorganisation in Dorset and to provide assurance to Members that the Programme is progressing satisfactorily.</b>

## Background detail

1. At its first meeting Shadow Executive Committee adopted the programme framework that had previously been approved and adopted by the BCP Joint Committee.
2. The key components of this framework are as follows:
  - a. The Governance architecture comprising
    - i. The BCP Shadow Executive Committee

- ii. The BCP Programme Board, along with subordinate Phase 2 Delivery Boards established to oversee the specific operational areas of Adult's Social Care, Children's Social Care, Environment & Economy and Corporate & Support Services
    - iii. The Programme Director/Central Implementation Team Leader and the implementation team
    - iv. The Task & Finish Working Groups established under this architecture to progress specific workstreams
  - b. The programme plan comprising three phases
    - i. Creating the new unitary authority
    - ii. Delivering senior staffing structures and business functionality for April 2019
    - iii. Designing and building the new local authority
  - c. The allocation of an interim budget of £1.16m with delegation to the BCP Programme Board to approve spending from this budget
- 3. The purpose of this report is to provide an overview of the activity within the programme in order to provide oversight by the Shadow Executive Committee.

## **Activity Undertaken in the Last Period**

- 4. The last Programme Update Report was provided to the BCP Joint Committee in May 2018. Therefore this report covers the period since this meeting.
- 5. Work continues with MHCLG on the subsequent Orders required for the creation of and transition to the BCP unitary authority. An update on this aspect of the programme appears later on the Agenda and will provide more detail for Members.
- 6. The Disaggregation workstream has reached the successful conclusion of the service budget work. A report on this workstream appears later on the Agenda and will provide more detail for Members. However, it should be acknowledged that this represents a significant milestone for both LGR area programmes, and has seen significant and successful cooperation between Members and Officers from across Dorset.
- 7. With the conclusion of the service disaggregation work, significant effort is now being focussed on the engagement and consultation required in order to develop the TUPE (Transfer of Undertakings (Protection of Employment)) arrangements for 1<sup>st</sup> April 2019.
- 8. The Senior Appointments Task & Finish Group has made significant progress during the last period. The process and timetable for the Tier 1/Chief Executive appointment was reported to and approved by the Shadow Executive Committee at its previous meeting. Focus has now shifted to the similar arrangements for the Tier 2 roles. A report on this appears later on this Agenda and provides more detail for Members.
- 9. The Financial Strategy & Council Tax Harmonisation Task & Finish Group is continuing to develop and refine the information and assumptions required to progress their work to its conclusions. A report on this appears later on the Agenda and provides more detail for Members.

10. The Governance Task & Finish Group achieved a significant milestone with the creation and convening of both the Shadow Authority and the Shadow Executive Committee in June 2018. The adoption of the interim constitutional arrangements as developed and recommended by the Group was the conclusion of significant effort and cooperation between Members, Officers and representatives of MHCLG. Focus has now shifted to the development of constitutional arrangements for the BCP unitary authority and these will be reported in due course to the Shadow Authority or Shadow Executive Committee as appropriate.
11. The mobilisation of the Phase 2 arrangements within the programme continues and is nearing completion. All of the Phase 2 Delivery Boards and their Unit of Service workstreams are now meeting and are supported by the BCP PMO/Central Implementation Team. Their focus is ensuring service continuity throughout the transition as well as the development of MTFP and budget proposals.

## **Summary of finance implications**

12. The BCP Joint Committee approved an interim budget for Phases 1 and 2 of the programme in April 2018. The budget approved was £1.16m and was broken down into estimated amounts within categories of cost required to deliver the programme. Authority to approve spend from this budget was delegated to the BCP Programme Board.
13. Appendix 1 to this report is the first quarterly budget monitoring schedule in relation to the interim budget referred to in 12.
14. The BCP Joint Committee also acknowledged that additional resources would be required. The most significant categories of cost remaining to be quantified and approved are:
  - a. The running costs of the Shadow Authority
  - b. The additional capacity and capability within the PMO/Central Implementation Team and the service units/preceding authorities required in order to ensure the continued delivery of day to day services while also successfully delivering the programme
  - c. Any restructuring and redundancy costs required to deliver Phases 1 and 2 of the programme
15. A further report on 14. a and b is expected to be made to the Shadow Executive Committee in October 2018. It is too early to anticipate when there will be sufficient clarity and detail to provide a report on 14. c.

## **Summary of legal implications**

16. There are no legal implications arising from this report.

## **Summary of human resources implications**

17. There are no human resources implications arising from this report.

## **Summary of environmental impact**

18. There are no environmental impacts arising from this report.

## **Summary of risk assessment**

19. The risks and issues have been developed and are being reviewed and managed through the BCP Programme Board and the PMO/Central Implementation Team. They are also regularly reviewed with the BCP Programme Steering Group (formerly approved and known as the Strategic Task & Finish Group).
20. In the event that there is a need to escalate any risks or issues to the Joint Committee for either awareness or decision they will be fully outlined with background information, a description of available options and carry recommendations for approval.
21. There are no risks or issues to be escalated at this stage.

## **Background papers**

None

## **Appendices**

1. BCP Programme Budget Monitoring Report 30<sup>th</sup> June 2018



## BCP Programme Budget Monitoring

AS AT 30 JUNE 2018

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Nominal Code	Budgeted Cost Share %	Budget	Total Committed	Variance Budget v Committed Under/(Over)	Actual To date	Forecast Cost Share	Forecast Outturn	Variance Budget v Forecast Under/(Over)
		2018/19 Total £	2018/19 Total £	2018/19 Total £	2018/19 Total £	2018/19 %	2018/19 Total £	2018/19 £
<b>Specialist Support</b>								
<b>Legal &amp; Democratic</b>		11,500	0	11,500	0		0	11,500
- Local Election changes		27,500	27,500	0	0		27,500	0
- Committee Management		1,000	1,000	0	0		1,000	0
		<b>40,000</b>	<b>28,500</b>	<b>11,500</b>	<b>0</b>		<b>28,500</b>	<b>11,500</b>
<b>Financial</b>		30,000	0	30,000	0		0	30,000
- Insurance		10,000	4,480	5,520	0		4,480	5,520
		<b>40,000</b>	<b>4,480</b>	<b>35,520</b>	<b>0</b>		<b>4,480</b>	<b>35,520</b>
<b>Human Resources</b>		1,000	0	1,000	0		0	1,000
- Review of Terms and Conditions of employment		175,000	175,000	0	0		175,000	0
- Tax & PAYE Advice		10,000	10,000	0	0		10,000	0
- Unison additional resources		37,000	37,000	0	0		37,000	0
- Recruitment of Chief Executive		32,000	32,000	0	0		32,000	0
		<b>255,000</b>	<b>254,000</b>	<b>1,000</b>	<b>0</b>		<b>254,000</b>	<b>1,000</b>
<b>ICT</b>		<b>60,000</b>	<b>0</b>	<b>60,000</b>	<b>0</b>		<b>0</b>	<b>60,000</b>
<b>Communications</b>		12,500	0	12,500	0		0	12,500
- Branding		80,000	80,000	0	0		80,000	0
- Website		12,500	12,500	0	0		12,500	0
		<b>105,000</b>	<b>92,500</b>	<b>12,500</b>	<b>0</b>		<b>92,500</b>	<b>12,500</b>
<b>Infrastructure Investment</b>								
ICT		500,000	0	500,000	0		0	500,000
Accommodation		100,000	0	100,000	0		0	100,000
<b>Contingency</b>		60,838	0	60,838	0		0	60,838
<b>Total Expenditure</b>		<b>1,160,838</b>	<b>379,480</b>	<b>781,358</b>	<b>0</b>		<b>379,480</b>	<b>781,358</b>
<b>Recharge to Authorities</b>								
Bournemouth	49.34%	572,757				49.34%	187,235	
Poole	38.20%	443,440				38.20%	144,961	
Christchurch	6.23%	72,320				6.23%	23,642	
Dorset CC	6.23%	72,320				6.23%	23,642	
<b>Total Recharges to Authorities</b>		<b>1,160,838</b>					<b>379,480</b>	

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# Bournemouth, Christchurch and Poole - Shadow Executive Committee

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Report Subject	Council Tax Discounts and the Local Council Tax Support Scheme (LCTSS)
Meeting date	24 July 2018
Report author	Adam Richens Chief Financial Officer Bournemouth and Poole Councils ☎01202 451137 Bournemouth ☎01202 633183 Poole ✉ a.richens@poole.gov.uk
Contributors	Ian Milner, Strategic Director Christchurch Borough Council Dan Povey, Finance Manager Christchurch Borough Council Heather Kitching, Senior Research Officer, Bournemouth & Poole Chloe Durrant, Senior Research Officer, Bournemouth & Poole Paul Knevett, Benefit Service Manager SVPP Julie Lankshear, Benefit Service Manager Bournemouth Darren Vickers, Revenues Manager Bournemouth Alan Fletcher, Operations Manager SVPP Paul Hudson, Head of Revenues & Benefits SVPP & Bournemouth
Status	Public
Classification	For information for all Members
Executive summary	<p>The report requests the Shadow Executive's authorisation to create consistent Council Tax Discounts and to consult on creating a consistent Local Council Tax Support Scheme (LCTSS) across the conurbation.</p> <p>Such an approach is wholly consistent with the approved Financial Strategy for the BCP Unitary Authority.</p> <p>The proposal aims to deliver a consistent policy for BCP which if supported slightly amends the current policies of Bournemouth and Poole to be in line with the latest good practice following the introduction of Universal Credit, and amends the Christchurch policy to ensure conurbation wide consistency.</p> <p>The proposal ensures for LCTSS that every person considered vulnerable remains protected and acknowledges that the results of consultation may change policy decisions.</p>

<p><b>Recommendations</b></p>	<p><b>Members of the Shadow Executive are requested to;</b></p> <p><b><i>BCP Council Tax Discounts</i></b></p> <ol style="list-style-type: none"> <li><b>1. Approve that from the 1 April 2019 that no Council Tax Discounts will be provided in respect of vacant dwellings including properties undergoing major repairs or structural alterations across the new BCP Unitary Authority.</b></li> <li><b>2. Note that such a decision will amend the policy operated in Christchurch but will be consistent with the policy currently operated in Bournemouth and Poole.</b></li> <li><b>3. Approve, subject to the necessary parliamentary legislation, that the current 50% Empty Homes Premium as applied currently across Bournemouth, Christchurch and Poole will be increased to a 100% premium.</b></li> </ol> <p><b><i>Local Council Tax Support Scheme formerly Council Tax Benefit</i></b></p> <ol style="list-style-type: none"> <li><b>4. Note that, under these proposals, Council Tax Support applicants or their partners in receipt of one of the following, will continue to be protected:</b> <ul style="list-style-type: none"> <li>- Disability Premium</li> <li>- Enhanced Disability Premium</li> <li>- Severe Disability Premium</li> <li>- Disabled Child Premium</li> <li>- Carer Premium</li> <li>- Support component within the ESA</li> <li>- War Disablement Pension</li> <li>- War Widow Pension</li> <li>- War Widows Disablement Pension or</li> <li>- Universal Credit recipients, who are not pensioners, but the applicant or their partner is in receipt of an income or premium listed above</li> </ul> </li> <li><b>5. Approve the Local Council Tax Support Scheme (LCTSS) for consultation as set out in paragraph 25 of this report. A final report for decision will be brought forward to the Shadow Authority later in the year following this consultation.</b></li> <li><b>6. Acknowledge that decisions made within this report for LCTSS are subject to the outcome of consultation. Consultation is not considered necessary for decisions made within this report for Council Tax Discounts.</b></li> </ol>
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Reasons for recommendations	<p>Council Tax operating policies and discounts should be reviewed regularly to ensure they are accurate and up to date and adhere to the latest good practice.</p> <p>The Ministry of Housing, Communities and Local Government (MHCLG) require councils to operate consistent Local Council Tax Discounts and Local Council Tax Support Scheme (LCTSS) policies within their boundaries. MHCLG will require this to be in place within 24 months from 1 April 2019.</p> <p>Any change to the Local Council Tax Support Scheme requires a formal consultation to enable the Council to understand the impact of the scheme more widely, before it can be recommended for implementation.</p> <p>Those considered vulnerable in existing LCTSS policies to remain protected.</p>
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## Background detail

1. The implementation of common financial policies was adopted by the Bournemouth, Christchurch and Poole Joint Committee in May 2018 as a key element of its approved Financial Strategy.
2. Examples given in that document included Council Tax Discounts and the Local Council Tax Support Scheme (LCTSS).
3. The Ministry of Housing, Communities and Local Government (MHCLG) have indicated that they would expect the new Council to have aligned policies in place within 24 months of the 1 April 2019 or sooner where possible.
4. The administration of single operating policies will meet the expectations of MHCLG and assist in the efficiency and effectiveness of the Revenue and Benefits service.
5. As such these proposals could support the delivery of the Revenue and Benefit Service efficiency savings currently assumed in the BCP Unitary Authorities Medium Term Financial Plan (MTFP) across each of the three billing authorities, if approved following consideration of the consultation. They will also align the scheme to the award process for Housing Benefit and Universal Credit to make it simpler for claimants to understand.

## Council Tax Discounts

6. Under the Local Government Finance Act 2012 Councils were given flexibility around the Council Tax on second homes, empty dwellings and other technical changes. This included replacing certain previous exemption classes with discounts, the amount of which would be for the billing authority to determine.
7. To ensure consistency with other local authorities and to provide an incentive to landlords to ensure properties are occupied, Bournemouth and Poole both previously adopted the changes in discounts which it is now proposed be adopted within Christchurch.

8. Consultation on Discount changes is technically not required. Bournemouth Borough Council in 2016 did carry out consultation and introduced the scheme in 2017/18 which mirrors that in place for Poole. Carrying out consultation now would not be appropriate as the proposed discounts are already in operation in Bournemouth and Poole and the income included in the MTFP. This change will only affect Christchurch council tax payers and it is considered the decision is best left for Members to review for the new Council. Also, MCHLG confirm consultation is not considered necessary for this area of discounts.
9. Discount policies need to be approved before the start of the financial year and incorporated within the Council's annual tax base calculation. The earliest any changes to Council Tax discounts could be implemented is from 1 April 2019 onwards.
10. **Proposal 1** - 0% discount for properties undergoing major repairs for up to 12 months.  
*Bournemouth and Poole operate a 0% discount. Currently Christchurch gives a discount of 50% up to 12 months or for 6 months upon completion*
11. **Proposal 2** - 0% discount for dwellings that are unoccupied and substantially unfurnished.  
*Bournemouth and Poole operate a 0% discount. Currently Christchurch gives a 100% discount for 1 month then 0% discount thereafter.*
12. Members should note that these proposals **do not** change other classes of Council Tax exemption including (as stipulated by government);  
**Class E** – An unoccupied dwelling where the liable person resides permanently in a hospital, hostel, nursing home or care home.  
**Class F** – A property which has been unoccupied since the death of a person who was either the owner or leaseholder. This exemption will last for as long as the property remains unoccupied but only for a maximum of six months after grant of probate or letters of administration has been made.  
**Class I** – An unoccupied dwelling where the liable person is now living elsewhere for purposes of receiving care by reason of old age, disablement, illness, past or present alcohol dependency, mental disorder and is not a resident in a hospital, hostel, nursing home or care home.
13. In the November 2017 Budget the Chancellor announced the Government's intention to bring forward legislation to bring the maximum premium, on the normal level of Council Tax to 100% on long term empty properties. Such properties are defined as those that have been unoccupied and substantially unfurnished for over 24 months. The necessary legislation is due to be laid by the Government in the summer of 2018. The 3<sup>rd</sup> reading by the House of Lords was scheduled for the 18 July 2018.
14. **Proposal 3** – 100% premium on long term empty homes  
*Bournemouth, Poole and Christchurch currently operate a 50% premium.*

## Financial Implications - Council Tax Discounts

15. The financial modelling that has been completed is based on the estimated position for 2018/19 without a Council Tax increase. The modelling shows that the following amounts would be generated by the proposed changes;

	Amount £
<b>Proposal 1:</b> 0% discount for properties undergoing major repair for up to 12 months. <i>Christchurch</i>	26,000
<b>Proposal 2:</b> 0% discount for dwellings which are unoccupied and substantially unfurnished. <i>Christchurch</i>	106,000
<b>Proposal 3:</b> 100% premium on long term empty properties (two years or more). <i>Bournemouth £103,000, Christchurch £25,000, Poole £87,000</i>	215,000
<b>Total</b>	<b>347,000</b>

16. Of the sum identified above, £100,000 has already been assumed in the BCP Unitary Medium Term Financial Plan.

## Equalities Impact Needs Assessment (EINA) of Council Tax Discounts

17. It is not considered that changes to Council Tax Discounts will affect the protected groups any differently to those who are not in a protected group.
18. Previously MHCLG have undertaken a full equalities impact assessment on the technical reforms which underpin the proposals being put forward which is published on their website.

## Local Council Tax Support Scheme (LCTSS)

19. From April 2013 Government devolved responsibility for Council Tax Benefit from Whitehall to 326 individual local authorities. At the same time the budget was reduced by 10%. Nationally this equated to a £414m reduction.
20. Using the reduced money available, local authorities were required to design, consult upon and implement their own local scheme to replace the previous national system. However, despite the then 10% cut in the total funding, the Government required local authorities to protect claimants of pension age (approximately 42% of the claimants). In addition, the Councils decided to protect the most vulnerable in our society.
21. Based upon the funding restriction it was acknowledged that a 20% liability would in most circumstances in Dorset achieve a “break even” position in April 2013. Dorset consulted on this scheme, but prior to implementation, the Government announced additional funding for 1 year where Councils limited their LCTSS to an 8.5% Scheme. Bournemouth continued with a 20% Scheme, Poole commenced with an 8.5% Scheme then moving to 14.5% and now 20%. Christchurch commenced and have remained with an 8.5% Scheme.

22. Since its implementation, the resources made available by Government have been further reduced as part of the annual reductions to each Council Revenue Support Grant (RSG).
23. The following groups have been and will continue to be **protected** in respect of the local scheme;
- (A) Council Tax Support claimants of pension age. The Government's view is that they cannot go back to work and they deserve dignity and security in retirement.
- (B) The prevailing Councils have previously chosen to protect Council Tax Support claimants from the liability restrictions where the applicant or partner is in receipt of any of the following;
- Disability Premium
  - Enhanced Disability Premium
  - Severe Disability Premium
  - Disabled Child Premium
  - Carer Premium
  - Support component within the ESA
  - War Disablement Pension
  - War Widow Pension
  - War Widows Disablement Pension, or
  - Universal Credit recipients, who are not pensioners, but the applicant or their partner is in receipt of an income or premium listed above
24. Collecting Council Tax from working age customers where their LCTSS is restricted by 20% is challenging especially where Council Tax increases exceed income rises for claimants. The collection implications will continue to be kept under constant review. It should be highlighted that the Task and Finish Group looking into Council Tax Harmonisation within the BCP Unitary Council are working to a Joint Committee resolution to prioritise options which include freezes and or reductions to the absolute level of Council Tax paid by Christchurch residents.

25. **Proposal 4:** Consistent Local Council Tax Support scheme across the conurbations with the following key characteristics which will be subject to consultation;

Key characteristics		Current Scheme		
		Bmth	CBC	Poole
A	20% minimum contribution towards Council Tax from working age claimants not in a protected group.	Y	N	Y
B	New entitlement on/after 1 April 2019 do not receive the family premium	Y	N	Y
C	Backdating up to a maximum of one calendar month	Y	N	Y
D	Scheme capped at Council Tax Band C (claimants in bands above C receive support at Council Tax Band C level) for working age claimants	Y	N	Y
E	Minimum weekly entitlement of 50p	Y	N	Y
F	No working age Second Adult Rebate	Y	N	Y
G	To limit the number of dependant children within the calculation of Council Tax Support to a maximum of two for new applicants/new families	N	N	N
H	Disregard the Bereavement Support and Infected Blood Schemes payments to mirror Housing Benefit rules	N	N	N
I	Mirror the Housing Benefit temporary absence and Person from Abroad rules	N	N	N
J	Self-employed minimum income floor	N	N	N
K	Consider setting fixed period assessments for Universal Credit recipients (26 or 52 weeks)	N	N	N

The characteristics at items B, C, E & G to K above are being proposed to align the new LCTSS to the award process for Housing Benefit and Universal Credit. Characteristics at items H, I, J, K are for alignment and efficiency of processing.

26. Additionally, as the proposal impacts on the arrangements for the recovery of the total Council Tax levied, then prior to public consultation, the Council is required to consult the Major Preceptors (Dorset Police and the Dorset and Wiltshire Fire Authority) and to publish a draft scheme in such a manner as it thinks fit.

### **Financial Implications - Local Council Tax Support Scheme**

27. The financial modelling that has been completed is based on the estimated Council Tax Support expenditure for 2018/19 without a Council Tax increase and without any uprating of "applicable amounts" and incomes etc., other than where explicitly part of the proposal. It also reflects the current profile of Christchurch claimants between those that are working age unprotected claimants, protected pensioners and those locally protected vulnerable people.

28. The modelling shows that the following amounts would be generated by Proposal 4, a consistent LCTSS;

	<b>Amount £</b>
<b>Proposal 4:</b> Consistent LCTSS	146,000
<b>Total</b>	<b>146,000</b>

For the characteristics B, C, & G to K, it is not possible to forecast for those proposals due to modelling restrictions. These characteristics are being proposed to align with the Housing Benefit and Universal Credit award process. Characteristics H, I, J, K are assumed to be cost neutral.

29. This proposal would mean claimants in Bournemouth and Poole would see no change in their entitlement, but for Christchurch residents an increase from 8.5% contribution to 20%. Taking account of the Council Tax charges being higher in Christchurch and the Council Tax harmonisation considerations, this scheme may in future years impact on Council Tax collection.
30. The one-off consultation costs of approximately £16,000 would be met from within the transitional resources set aside for the new council.

### **Equalities Impact Needs Assessment (EINA) of LCTSS changes**

31. MHCLG has undertaken a full equalities impact assessment on the principle of localising support for council tax which was previously published on their website.
32. The Local Government Association has undertaken an assessment of the cumulative impacts and mitigations of all welfare reforms which was published on their website.
33. Further consideration to the equalities impact will be considered as part of the consultation process.

### **Alternative options considered and rejected**

34. The alternative option would be to bring Bournemouth and Poole policies in line with the current arrangements in Christchurch, being an 8.5% Liability Scheme. Although it is difficult to be absolutely certain it is estimated that such an approach would create a financial pressure of over £680,000 the new authority.

### **Summary of finance and resourcing implications**

35. Generally, the financing and resourcing implications are set out in the body of this report. The current MTFPs of Bournemouth, Christchurch and Poole assume £408,000 between 2019 and 2021 from efficiencies within the Revenue and Benefits service. These plans also assume £100,000 from increasing the premium on long term empty properties from 50% to 100%.

## **Summary of legal implications**

36. As referenced in the body of the report.

## **Summary of human resources implications**

37. None specifically related to this report

## **Summary of environmental impact**

38. None specifically related to this report

## **Summary of risk assessment**

39. This report and the actions outlined within it will form part of the mitigation strategy associated with the following risks;

- Inability to deliver Council statutory services due to insufficient funding.
- Failure to deliver consistent financial and operating policies within the New Bournemouth, Christchurch and Poole Unitary Authority.

## **Background papers**

40. Consolidated Medium Term Financial Plan report to this Joint Committee in May can be found at <https://bcjointcommittee.wordpress.com/meetings/>

## **Appendices**

41. None

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# Bournemouth, Christchurch and Poole Shadow Executive Committee

8

Report Subject	Consolidated Medium Term Financial Plan (MTFP) Update
Meeting date	24 July 2018
Report author	Adam Richens Interim Chief Financial Officer BCP Shadow Authority ☎01202 451137 Bournemouth ☎01202 633183 Poole ✉ a.richens@poole.gov.uk
Contributors	Ian Milner, Strategic Director Christchurch Borough Council Dan Povey, Finance Manager Christchurch Borough Council Jason Vaughan, Interim Chief Financial Officer DA Shadow Authority
Status	Public
Classification	For decision
Executive summary	<p>Creating a strong financial management culture is fundamental to achieving a thriving and successful unitary authority for the community and residents of Bournemouth, Christchurch and Poole.</p> <p>Development of a Medium Term Financial Plan (MTFP) and a robust balanced budget for 2019/20 is a key feature of the implementation plan the Shadow Authority is responsible for delivering.</p> <p>This report provides an update on the progress in developing the MTFP, sets out the budget planning process, and includes details of decisions by any of the sovereign councils which will impact on the financial sustainability of the BCP Unitary Authority.</p>

<p><b>Recommendations</b></p>	<p><b>The Executive Committee is requested to;</b></p> <p><b>1. Note the content of the report including the;</b></p> <ul style="list-style-type: none"> <li>• current Consolidated MTFP position as shown in figure 3.</li> <li>• details of the budget planning process.</li> <li>• resources currently available to meet transition and transformation costs</li> <li>• schedule of key financial decisions made by each of the sovereign councils since the date on which the Structural Change Order came into force.</li> </ul> <p><b>2. Approve the principles, as set out in sections 27 and 28, to be applied in regards any staff exit costs.</b></p> <p><b>3. Approve, as part of the Flexible Use of Capital Receipts, to use any amounts realised from the rationalisation of the accommodation estate to support the transition and transformation of services.</b></p>
<p>Reasons for recommendations</p>	<p>To provide the Shadow Executive with the latest high level overview of the medium term financial plan position for the new Bournemouth, Christchurch and Poole Unitary Authority.</p> <p>To outline the budget setting process, resources currently available to meet transition and transformation costs and to present a schedule of key financial decisions made by each of the sovereign councils since the date on which the Structural Change Order came into force.</p>

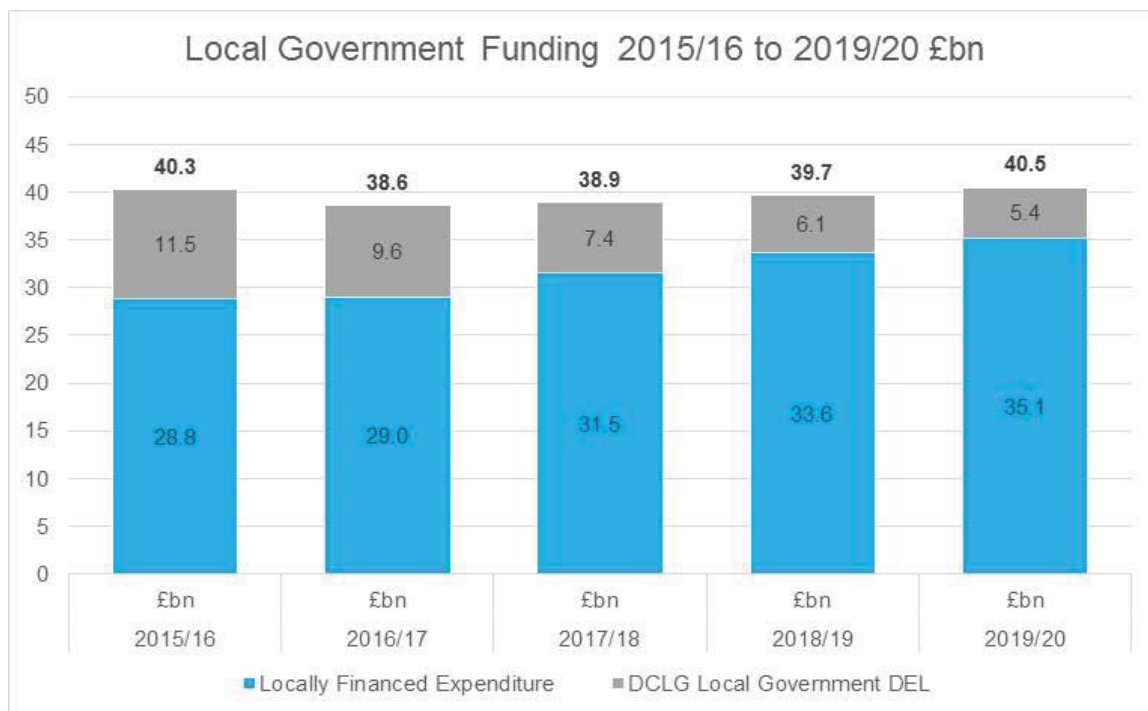
## Background detail

1. Creation of two new unitary authorities, covering the geographical area of Dorset, was a strategic response to the ongoing financial challenges faced by all local authorities, particularly those upper tier authorities facing significant demand and cost increases in Adults and Children Social Care services. Cutting out duplication and lowering administration costs delivered by the reduction from nine local authorities down to two in Dorset will ensure improved Value for Money (VfM) for local council taxpayers and better enable the protection of quality front line services to our community and residents.
2. The creation of a Unitary Authority covering Bournemouth, Christchurch and Poole (BCP) will create an iconic coastal economy as a City by the Sea designation which stimulates growth through a global profile, which improves people's quality of life and prosperity and which is supported by modern public service delivery.
3. In developing this new authority and its Medium Term Financial Plan (MTFP) it is critical to not only remind ourselves of our ambition and purpose but to continue to reiterate that the national policy context of Government (austerity) funding reductions will continue.

## National Policy Context

4. In **November 2015** the Chancellor of the Exchequer published the 2015 Spending Review and 2015 Autumn Statement. In publishing these documents his stated intent was to set out a long term economic plan that fixed the public finances, returned the Country to an annual surplus and can run a healthy economy that starts to pay down the Country's debt.
5. The impact of the spending review on Local Government was that the then Department of Communities and Local Government's: Departmental Expenditure Limit (DEL) for Local Government was reduced from **£11.5bn** in 2015/16 to **£5.4bn** in 2019/20. This is a reduction of **£6.1bn** or **53%**.
6. However Government highlight that they are assuming that overall Local Government spending will be higher in cash terms in 2019/20 compared to 2015/16 as explained further in figure 1 below;

**Figure 1:** Local Government Funding amounts as per the 2015 Spending Review



7. This increase in cash spending between 2015/16 and 2019/20 is only possible from the Government's assumption that Councils will generate the following sources of locally financed revenue;
  - a) annual year on year increases in Council Tax to reflect the normal annual threshold uplifts.
  - b) £3.5bn of extra support for adult social care by 2019/20 via an additional annual increase in Council Tax in relation to the social care precept.
  - c) A rebalancing of the system (*initially intended from 2018/19 onwards*) to support those authorities with social care responsibility (*the redistribution of resources via a reduction to the New Homes Bonus & the creation of a New Better Care Fund*).

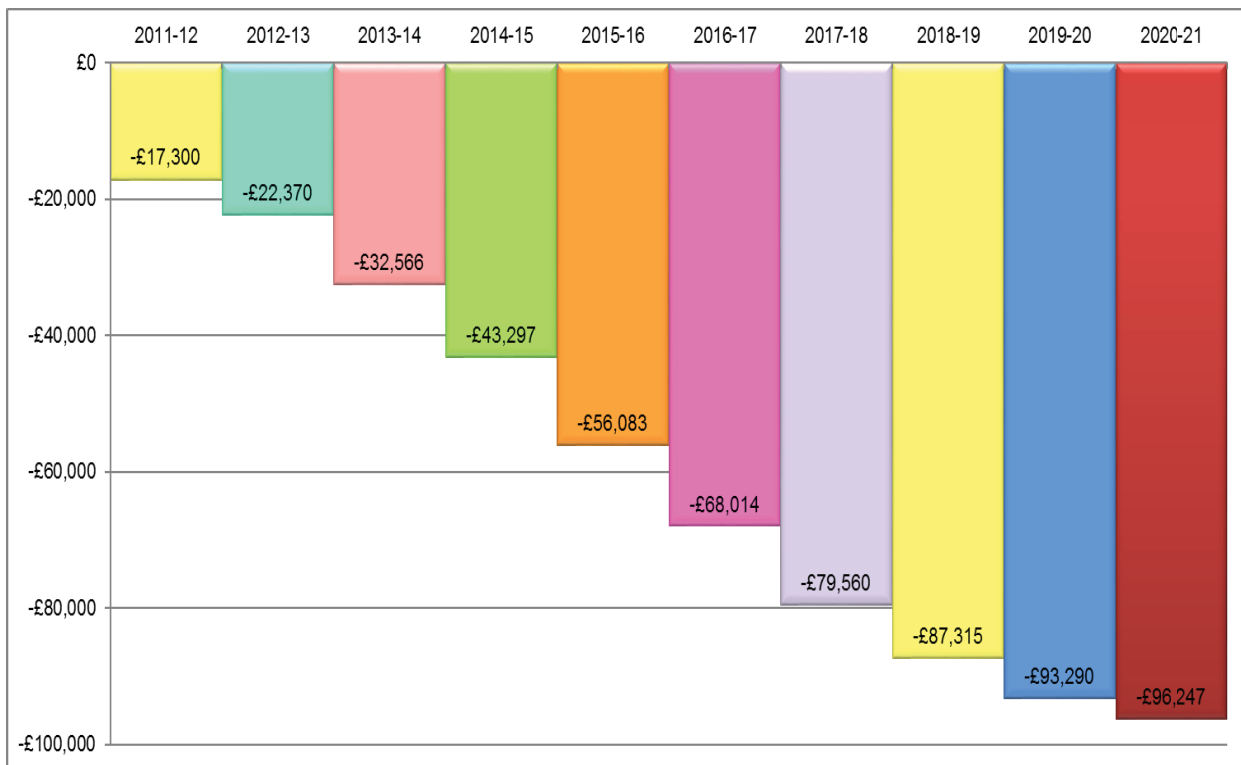
d) Use of capital receipts as a means of financing revenue expenditure on reform projects.

8. This spending review firmly sets the **Government's strategic approach to increase council tax as the mechanism for funding local services** over the period to at least 2020.
9. The Government have commenced work on the 2019 Spending Review. At this stage there has been no formal announcement on the period to be covered or the timeline for departmental submissions. What is known is that it is likely to be supported by the outcome of a Fair Funding Review and a move to 75% Business Rates Retention with local authorities taking new responsibilities for directly funding services such as Public Health, Adult Social Care, Children's Services, and Housing & Homelessness are probably going to remain priorities for investment and resource allocation.

## Local Context

10. Figure 2 below details the total £96m per annum reduction to Bournemouth, Christchurch and Poole's core funding compared to 2010/11 as part of the Government's austerity programme.

**Figure 2:** Cumulative per annum reductions in the core Government funding of Bournemouth, Christchurch and Poole compared to 2010/11 (£000's)



For ease of production this graph does not include provision for Christchurch's share of the funding reductions of Dorset County Council. For purposes of scaling the net budget of Poole is £80m in 2018/19.

11. As a result, by 2021 the new Council will be completely reliant on the money (*net of fees and charges*) it raises locally to pay for local services, be that Council Tax or the amount of local business rates it is allowed to retain.

## Budget Cycle

12. The development of a medium term financial planning process is designed to provide sound financial management and control arrangements which will be integral to the delivery of good governance for the council. Such arrangements will help in supporting service delivery, accountable decision making and safeguarding stewardship whilst optimising the use of available resources.
13. The MTFP and budget for 2019/20 should be seen as a rolling, evolving process structured to enable the proactive management and prioritisation of the Council's resources. To support its development the high level budget cycle for the BCP Unitary has been established as follows;

### **Stage One:** April to June

- High level budget planning process as set out in the Consolidated MTFP Update report to the May 2018 BCP Joint Committee including the Financial Strategy.
- Top down baselining and disaggregation of Dorset County Councils 2018/19 Budget to establish costs and income relevant to the community and residents of Christchurch.

### **Stage Two:** June to September

- Initial detailed service based budget process led by the Phase 2 Delivery Boards. *Appendix A provides the briefing paper provided to BCP Programme Board for each of the BCP Delivery Boards to adopt in drawing up the detailed budget for their services.*
- Establish and implement cash limits and/or savings targets which will be issued in July.
- Outline savings and efficiency plans as per the Financial Strategy. Within this there was an emphasis on efficiencies / reductions in the number of employed staff through economies of scale.

### **Stage Three:** October to December

- Refinement stage including Member consideration of budget saving options
- Consideration of public consultation, options and proposals.

### **Stage Four:** January to February

- Finalise the 2019/20 Budget.

14. In line with the recommendations of the officer BCP Programme Board, the detailed budget process will be drawn up over a four year time horizon. Following well grounded MTFP approaches by each of the sovereign council the focus will be on delivering a balanced budget for the first year of the plan and confirmation of the savings, efficiencies and additional resources that can be assumed as deliverable, regardless of organisational structure, for the second to fourth years. The outcome will be a balanced budget for 2019/20 with a confirmed funding gap for years 2020/21 to 2022/23 which the organisational transformation programme, or Phase 3 service redesign workstream, will need to be structured to deliver.

## Medium Term Financial Plan (MTFP)

15. At the meetings of the BCP Joint Committee on the 15 December 2017, 20 March 2018, and the 23 May 2018 high level consolidated Medium Term Financial Plan (MTFP) information has been presented which has been drawn together from the published plans of each of the four relevant sovereign councils.
16. In presenting this information previously, it was noted that until the disaggregation work - stream completes its detailed work programme it is difficult to be precise as to the Christchurch share of the current forecast funding gap of Dorset County Council (DCC). In lieu of this information the report suggested that the BCP Unitary should for the time being assume 11.84% of the DCC funding gap based on a mean average of council tax taxbase and population.
17. Figure 3 below presents the consolidated MTFP as articulated through those previous reports.

**Figure 3: BCP Unitary Council – Consolidated MTFP Position**

	Scenario 1			Scenario 2		
	2019/20 £000's	2020/21 £000's	Total £000's	2019/20 £000's	2020/21 £000's	Total £000's
Annual funding gap before savings	14,130	12,124	26,254	14,130	12,124	26,254
Already assumed savings	(3,379)	(657)	(4,036)	(3,379)	(657)	(4,036)
<b>Net approved funding gaps</b>	<b>10,751</b>	<b>11,467</b>	<b>22,218</b>	<b>10,751</b>	<b>11,467</b>	<b>22,218</b>
Consistent 2.99% C Tax increase	(1,728)		(1,728)	(1,728)		(1,728)
<b>Sub Total</b>	<b>9,023</b>	<b>11,467</b>	<b>20,490</b>	<b>9,023</b>	<b>11,467</b>	<b>20,490</b>
Council Tax Foregone	1,503	1,061	2,564	2,342	1,643	3,985
<b>Sub Total</b>	<b>10,526</b>	<b>12,528</b>	<b>23,054</b>	<b>11,365</b>	<b>13,110</b>	<b>24,475</b>
Provision for emerging cost pressures, changes in demand etc.	3,474		3,474	3,474		3,474
<b>Funding Gap (BCP JC 23/5/18)</b>	<b>14,000</b>	<b>12,528</b>	<b>26,528</b>	<b>14,839</b>	<b>13,110</b>	<b>27,949</b>

**Scenario 1** assumes Model M is adopted for Council Tax harmonisation. This is a six year harmonisation model.

**Scenario 2** assumes Model G is adopted for Council Tax harmonisation. This is a three year harmonisation model.

18. Since May work has been ongoing and through the Shadow Executive Financial Strategy Member Working Group it is possible for the latest position to be set out in Figure 4 below. This position reflects planning assumptions around potential savings highlighted in the approved Financial Strategy such as those from Democratic Representation and from those included elsewhere on this agenda.

19. **Figure 4: BCP Unitary Council – Consolidated MTFP Position**

	Scenario 1			Scenario 2		
	2019/20 £000's	2020/21 £000's	Total £000's	2019/20 £000's	2020/21 £000's	Total £000's
<b>Funding Gap (BCP JC 23/5/18)</b>	<b>14,000</b>	<b>12,528</b>	<b>26,528</b>	<b>14,839</b>	<b>13,110</b>	<b>27,949</b>
New additional savings	(1,034)		(1,034)	(1,034)		(1,034)
<b>Net approved funding gaps</b>	<b>12,966</b>	<b>12,528</b>	<b>25,494</b>	<b>13,805</b>	<b>13,110</b>	<b>26,915</b>

20. The intention is that through the application of the approved Financial Strategy, and working within the process and timetable set out in the Budget Cycle highlighted in section 13, above Members and Officers will be able to bring forward proposals for the additional resources, savings and efficiencies now needed to enable a robust balanced, lawful, budget for 2019/20 to be set.

## Transition and Transformation Costs

### *Financial Impact of Reorganisation*

21. The financial case for reorganisation of local government in Dorset was developed by Local Partnerships. Their report indicated total annual savings from the reorganisation for the BCP Unitary were £9.2m per annum which was after a reduction of 35% to take account of savings and efficiencies which would need to have been delivered prior to April 2019 as a consequence of the Government's ongoing austerity programme.
22. The local partnerships report indicated it would take several years to fully realise the annual savings from reorganisation. Their modelling also assumed a much earlier decision from the Secretary of State than was actually made. The delay in the decision will make it intrinsically harder to deliver the savings, in the original timeframe, than previously assumed.
23. In order to deliver the savings Local Partnerships assumed that up to £11.8m would need to be invested in one off costs. At the time it was assumed that the BCP Unitary would apply for what is known as a Capitalisation Direction to meet these costs. *A capitalisation direction is a specific authorisation issued by the Secretary of State which relaxes the normal accounting convention and allows revenue costs to be treated as capital costs and funded from capital sources such as borrowing and capital receipts.* Officers of MHCLG have advised that a Capitalisation Direction is unlikely to now be given because the Government have since introduced the Flexible Use of Capital Receipts policy which allows capital receipts to be used to fund revenue transformation costs. The case for Government grant to support the cost of change will continue to be made.

24. The Case for Change prepared by Price Waterhouse Coopers suggested the transformation of services could increase the savings from the reorganisation to approximately £34m per annum (before any reduction for savings delivered prior to April 2019) by the investment of approximately £25m. Whilst Members have indicated their desire for the transformation of services, the delay in the decision by the Secretary of State will affect the ability of the new Council to transform its services at the same time as transitioning to the new Council. Nevertheless, transformation remains the medium term intention.

### **Categories of costs**

25. As set out above significant costs will need to be incurred in transitioning to the new BCP Unitary Council. This will largely emanate from reducing the number of staff employed but also in adapting property and ICT arrangements as well as programme costs to deliver the required change. Key categories of costs can therefore be summarised as;

- Shadow Council costs
- Redundancy and exit costs
- Programme and project management resources
- Implications of changes to business and reporting requirements associated with the new Council ICT needs
- Reconfiguration of the Councils accommodation requirements

26. It is important that the transfer of services from one authority to another does not disadvantage individual people receiving care. It is also essential that there is complete transparency around any necessary action required to address the ongoing financial challenges faced by local authorities due to increasing costs, growing demand and the Governments continued austerity funding reductions.

27. It is proposed that the BCP Council adopts the following principles in regards to the use of voluntary or compulsory redundancy during the transition from the current authorities to the new Unitary Council;

- a) The actual number of redundancies will need to balance the requirement to make efficiencies and savings while acknowledging the significant cost of delivering a redundancy programme. In managing this balance, the new Unitary will look insofar as possible to the current cohort of staff as a means of filling posts in the new authority and to avoid unnecessarily inflating the redundancy/exit cost bill.
- b) Value for Money (VfM) principles will be applied. This means that no individual will be made redundant unless the payback in savings from their post is less than 24 months where there is a strain on the pension fund (*due to the fact they have early entitlement to their pension*), or less than 9 months in all circumstance where there is no pension fund strain cost. The expectation is that individuals will be required to work their notice periods.

28. Exceptions to these principles will be permitted especially due to operational and service delivery needs. However the Shadow Executive will be requested to endorse any redundancy costs arrangements which exceed the principles. In addition the Shadow Executive will be requested to endorse the redundancy costs of all Level 1 and Level 2 Senior Officers in line with the expectation of higher levels of transparency and scrutiny of senior officer pay.

## Funding to support reorganisation.

29. Projecting the reserves, balances and flexible use of capital receipts of the four sovereign councils provides an indication of the resources that the BCP Unitary will have available to support the cost of transitioning to the new Council and transforming services.
30. The table below summarises the resources held by each of the council's potentially available to support the transition and transformation process.

**Figure 5: Total Transition and Transformation Funding**

	2018/19 £m	£2019/20 £m	2020/21 £m	Total £m
Earmarked Reserves	(8.178)	(0.300)		(8.478)
Flexible Use of Capital Receipts	(2.623)	(1.800)	(1.800)	(6.223)
<b>Total</b>	<b>(10.801)</b>	<b>(2.100)</b>	<b>(1.800)</b>	<b>(14.701)</b>

Details for each of the existing councils are included as **Appendix B** to this report.

*In addition to the resources outlined above £1.16m is available via the earmarked reserves of the four sovereign councils for the initial mobilisation of programme and project management resources to support Phase 1 and Phase 2 of the process. The BCP Joint Committee also acknowledged the requirement for additional transitional funding for the programme during the transition phase details of which the BCP Programme Director will present to the October BCP Shadow Executive.*

It should be highlighted that the resources identified in figure 5 are those currently identified as available to cover all stages of the transitional and transformation process and are those available based on the best available information. This position will change in line with the operating performance of each sovereign council during 2018/19 and any local decisions to allocate such resources in advance of vesting day.

31. Local Partnerships report indicated that a significant contribution to the cost of change would be from capital receipts realised through the rationalisation of the new council's accommodation estate. The recommendation of this report is that Shadow Executive approve that any such additional capital receipts are earmarked under the "Flexible Use of Capital Receipts" policy framework to provide additional resources to support the transition and transformation of resources.

## Schedule of key financial decisions made by the sovereign councils

32. The Chief Financial Officers of each of the sovereign Councils will have a key role in ensuring the Shadow Authority is made aware of any significant financial matters which will impact on the future resilience and sustainability of the proposed new Unitary Authority.

33. **Appendix C** provides a schedule of the decisions made since the Dorset Structure Change Order came into place. It is now supported with a protocol to ensure the relevant service Portfolio Holders and the Resources Portfolio Holders for each of the sovereign councils are made aware of any proposals before they are presented to the relevant decisions making body for approval.

## Previous Reports

34. Previous Consolidated MTFP Update Reports to this Joint Committee have provided information on;

- Financial Strategy
- Budget Timetable
- Aggregate Budget Information
- Reserves
- Capital Financing Requirement and External Loans
- Fair Funding Review
- 75% Business Rates Retention Model
- Negative Revenue Support Grant (RSG)

The intention will be to provide further updates including information on the capital programme as we progress through the budget cycle.

## Consultation

35. In isolation, the matters raised in this report do not require any formal consultation. 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.

## Summary of finance and resourcing implications

36. As set out in the report.

## Summary of legal implications

37. It is the responsibility of Members of the Shadow Authority to ensure the Council sets a balanced budget for the forthcoming year. In setting such a budget Members and Officers of the Council have a legal requirement to ensure it is balanced in a manner which reflects the needs of both *current* and *future* taxpayers in discharging these responsibilities. In essence this is a direct reference to ensure that Council sets a financially sustainable budget which is mindful of the long term consequences of any short term decisions.

## **Summary of human resources implications**

38. There are no direct human resource implications of this report. However, the MTFP and Budget will have a direct impact on the level of services delivered by the Council, the mechanisms by which those services are delivered and the associated staffing establishment.

## **Summary of environmental impact**

39. None specifically related to this report.

## **Summary of equalities and diversity impact**

40. A full Equalities Impact and Needs Assessment (EINA) will be undertaken as part of the final February report to Members as part of the annual budget process to identify the overall equality impacts in respect of the nine protected characteristics:

- a) age;
- b) disability;
- c) gender reassignment;
- d) marriage / civil partnership;
- e) pregnancy/maternity;
- f) race;
- g) religion & belief;
- h) sex;
- i) sexual orientation.

41. Officers are required to identify any EINA implications of any specific priorities or savings which they bring forward as part of their budget proposals which are then used to inform the Council's final Budget decisions.

## **Summary of risk assessment**

42. A key thread of the Future Dorset submission was the opportunity to best protect public services as the government continues to reduce the funding it provides to local councils.

43. A separate report on this agenda addresses the key programme risks.

## **Background papers**

44. Previous Consolidated Medium Term Financial Plan reports to this Joint Committee can be found at <https://bcpsshadowauthority.wordpress.com/meetings/>

- 15 December 2017
- 20 March 2018
- 23 May 2018

## **Appendices**

### 45. Appendix A

Briefing paper on the detailed service based budget process to the BCP Programme Board

### Appendix B

Transition and Transformation Funding of each of the existing Councils

### Appendix C

Schedule of key financial decisions made by the four sovereign councils

# Bournemouth, Christchurch and Poole Council

## MTFP and 2019/20 Service Budget Process

### Briefing Paper

#### **Purpose**

The purpose of this briefing paper is to set out for the BCP Programme Board the proposal for the delivery of detailed budgets for each service for the new Bournemouth, Poole and Christchurch Unitary Authority.

The document is designed to assist the Phase 2 Delivery Boards (formerly known as Portfolio Boards) who will determine the relevant building blocks (referred to as units of services) within their terms of reference.

The Accountancy Service will work with each of the Delivery Boards to determine the relevant units of service and their levels. Insofar as is possible the Revenue Anticipated (RA) budget information for 2018/19, provided to Government, will be used as a base reference point. This means that all funding changes, cost pressure and savings for the new Council will be shown as adjustments to this currently balanced budget position across the predecessor Councils.

Delivery Boards are not at this stage redesigning all services for the new Council and will need to agree with the Programme Team, the arrangements for any services which currently sit across more than one Boards.

#### **Output**

Covering the four years 2019/20 to 2022/23;

- a detail salary budget for each unit of service for each year.
- a detailed budget statement for each unit of service for each year.
- a schedule of detailed savings proposals for each service.

These should be put together to ensure each Directorate/Theme or service can adhere to principle that they deliver a budget within the cash limit or targets of the Financial Strategy. Any such limits or targets will be advised in due course.

It is important that we can deliver an audit trail which demonstrates that the transfer of services from one authority to another has not disadvantaged individual people receiving services. It is also essential that there is then complete transparency around any necessary action required to address the financial challenges faced by local authorities due to increasing costs, growing demand and the Governments ongoing austerity funding reductions.

The output will, subsequent to the initial deadline, need to be further revised as the process will continue and will be iterative through to the final approval of the 2019/20 budget by the Shadow Authority in February 2019. Detailed savings requirements cannot be finalised until there is clarity around service requirements and the level of funding available.

## **Assumptions**

Key high level budget assumptions include;

### *Pay Award*

- 2% annual provision for the pay award in each year of the MTFP.
- Pay scales will be adjusted to take account of the National Living Wage.
- Pay scales will be based on TUPE transfer pay rates of each of the four sovereign councils.
- As a standard a minimum 2% vacancy factor will be applied with any higher provisions based on demonstrable specific service arrangements. Exceptions will be considered on a case by case basis.
- The staff budget will set individual pay at current levels for existing staff with vacancies or new posts set at midpoints for the grade. This will ensure that historic patterns of staff turnover continue to be reflected in service budgets until there is evidence of change as a result of LGR.
- The staff budget will initially factor in the impact of incremental drift as a guide for managers. However, this is on the basis services will cover the cost of incremental drift either as an adjustment to the vacancy factor or through additional savings, efficiencies or income. The budget preparation will highlight the amount to be identified / covered.
- Representatives from Accountancy will advise as to the arrangements for budgeting for superannuation back funding. Generally these costs will need to be budgeted for but are held centrally outside the cost of services to conform to the requirements of the RA return. However there are exceptions such as staff on certain pay scales, or where costs are charged to ring-fenced areas such as schools and the Housing Revenue Account(s). These services will need to continue to budget for their specific back funding costs.
- The approach outlined above will be adopted until such time as the future pay and grading model for the new council has been developed and approved along with its associated harmonised conditions of service. This means at this stage it will be used to prepare estimates across all four years of the MTFP.

### *Inflation*

- No provision for inflation will be made unless it can be evidenced by contractual arrangements or market conditions.

### *Demand and Cost Pressures*

- Provision for demographic growth will need to be supported with detailed supporting trend and service data.

### *Savings, Efficiencies and Additional Resources*

- Delivery Boards should be guided by the savings themes and categories as set out in the approved Financial Strategy and as agreed by the BCP Joint Committee on the 23 May 2018. This includes creating common financial and operating policies when appropriate and practical to do so within the parameters of the "Finance Order" and benchmarking fees and charges.

- Savings previously hardcoded into the MTFPs of Bournemouth, Christchurch, Poole and Dorset County Council will continue to be assumed as deliverable unless they are specifically flagged as unachievable in which case the rationale will need to be set out.
- Guidance on any specific service targets, principles or parameters will be issued once the 2018/19 Budget of Dorset County Council is fully disaggregated. *Likely to be late June or early July.*

#### *Framework*

- Services do not need to budget for Corporate Support Services as these will be budgeted for centrally.
- Corporate Support Services (and all services) will need to budget for all income and recharges to/from third parties such as academies, Stour Valley and Poole Partnership, Dedicated Schools Grant etc.

#### **Reference Points / Inputs**

In drawing the service budgets together there will be a number of reference points including;

- 2017/18 Financial Outturn information of Bournemouth, Christchurch, Poole and Dorset County Council.
- 2018/19 Budgets Bournemouth, Christchurch and Poole.
- 2018/19 Budget of Dorset County Council disaggregated for services to the community and residents of Christchurch.
- Service trend information, volume of waste disposed off, volume of recycled waste etc.
- Care plans for specific individual Adults and Children.

Please note the Accountancy Team will endeavour to provide a consolidated 2018/19 budget for the BCP Unitary to be used as a starting point drawing together some of the information listed above.

#### **Timeline**

Each unit of service will need to provide an initial draft of their budget for 2019/20 and MTFP for the following four years by the close of play on Friday 7th September.

#### **Resources**

Accountancy Staff will support the process as follows;

*Nicola Webb - Assistant Chief Financial Officer*

Adults, Children and People Theme Services

Anna Fresolone - Finance Manager Adult Social Care

Jo-Collis Heavens - Finance Manager Children's Services

Corporate Support Services

Tina Worthing - Finance Manager including for Corporate Services

*Shaun Darcy - Assistant Chief Financial Officer*

Environment, Economy and Place Theme Services

Dan Povey - Finance Manager Christchurch Council

Paul Whittles –Finance Manager for Infrastructure, Economy and Housing Services

Tina Worthing – Finance Manager including for Environmental Services and Poole

Culture & Community Services

Corporate Budgets Matt Filmer - Finance Manager Corporate

*Please note Dan Povey will also be able to provide specific support on any budgets transferring from Christchurch Borough Council.*

### **Responsibilities**

The delivery of the outputs rests with the Portfolio Boards as supported by staff from the Accountancy Service.

- BCP Programme Board agreed on the 24 May 2018 that the terms of reference for each of the Portfolio Boards would be adjusted to take account of this work stream.

**A Richens**

**7 June 2018**

## Bournemouth, Christchurch and Poole Unitary Council

### Transitional and Transformation Resources

Resources available to support transition	2018/19 £m	2019/20 £m	2020/21 £m
<b>Bournemouth Borough Council</b>			
Earmarked Reserve - MTFP Revenue Contingency Reserve	(1.510)		
Flexible Use of Capital Receipts	(2.023)	(1.500)	(1.500)
	<b>(3.533)</b>	<b>(1.500)</b>	<b>(1.500)</b>
<b>Christchurch Borough Council</b>			
Earmarked Reserve - Reorganisation and Corporate Priorities	(1.940)		
<b>Assumed Share of DCC (Christchurch 11.7%)</b>			
Earmarked Reserve - Medium Term Financial Strategy Reserve		(0.300)	
	<b>(1.940)</b>	<b>(0.300)</b>	<b>0.000</b>
<b>Poole Borough Council</b>			
Earmarked Reserve - Financial Planning Reserve	(2.703)		
Earmarked Reserve - Reorganisation and Redundancy Reserve	(2.025)		
Flexible Use of Capital Receipts	(0.600)	(0.300)	(0.300)
	<b>(5.328)</b>	<b>(0.300)</b>	<b>(0.300)</b>
	<b>(10.801)</b>	<b>(2.100)</b>	<b>(1.800)</b>

**Please Note:**

- a) These are the total extent of the resources **currently** identified to support all **three** phases of the change process.
- b) These resources **exclude** the £1.160m set aside across the four local authorities for initial programme and project management mobilisation costs to support Phases 1 and 2 of the process. (Programme Mobilisation and Resourcing report to BCP Joint Committee 16/4/18)

Identified Resources	31/03/2017 £m	31/03/2018 £m	31/03/2019 £m
<b>Unearmarked Reserves</b>			
Bournemouth Unitary Authority	(8.245)	(8.357)	(8.130)
Christchurch Borough Council	(0.971)	(0.971)	(0.971)
Assumed Share of DCC (Christchurch 11.7%)	(1.653)	(1.556)	(1.556)
Poole Unitary Authority	(6.252)	(6.252)	(6.252)
<b>Total Unearmarked Reserves</b>	<b>(17.121)</b>	<b>(17.136)</b>	<b>(16.909)</b>
<b>Earmarked Reserves</b>			
Bournemouth Unitary Authority	(20.024)	(21.781)	(12.707)
Christchurch Borough Council	(6.190)	(5.357)	(4.248)
Assumed Share of DCC (Christchurch 11.7%)	(6.631)	(6.336)	(5.166)
Poole Unitary Authority	(14.689)	(15.936)	(4.746)
<b>Total Earmarked Reserves</b>	<b>(47.534)</b>	<b>(49.410)</b>	<b>(26.867)</b>
	<b>(64.655)</b>	<b>(66.546)</b>	<b>(43.776)</b>

**Please Note:**

*The position shows the balance sheet position as per the Statement of Accounts for each of the authorities as at the end of 2017/18 and 2018/19 financial years. The position as at 31 March 2019 is a forecast based on the best available information and the June 2018 positions.*

## BCP Unitary Authority

### Schedule of key financial decisions made by the four sovereign councils

**Period:** This paper covers all activity from 26 May 2018 onwards which was the date the Dorset Structural Change Order came into force.

**Value:** A key financial decision is for the purposes of this exercise defined as one in which the total value of expenditure/income is an amount of £500k or more. Areas covered include purchase, disposal and transfer of assets, new contracts with significant on-going financial commitments (but not routine items like care packages), new capital schemes and the use of reserves above those already approved.

#### General Fund

##### Category 1 New or additional items of ongoing revenue expenditure

Ref	Description	Decision Maker	Date	Detail	Financial Implications
A	Social Care Redesign of the Social Care Out of Hours Service	Poole Portfolio Holder Decision - Cllr White and Cllr K Rampton	4 July 2018	Proposed new out of hour's social worker operating model from Sept 2018. Separate from Dorset County Council.	£767,000 per annum additional investment across BCP Unitary Authority
		Bournemouth Cabinet Member Decision – Cllr N Greene	3 July 2018	Required on the grounds that the previous model no longer had the capacity to provide a safe and responsive service, particularly to children and young people.	

### Category 2 One-off items of revenue or capital expenditure

Ref	Description	Decision Maker	Date	Detail	Financial Implications
B	Specific Asset Purchase	Bournemouth Cabinet	18 July 2018	Acquisition will enhance future strategic regeneration and/or redevelopment opportunities in the town centre in line with the councils strategic aims and priorities	Long leasehold interest of mixed-use investment assets. Funded via prudential borrowing
C	Legacy Play Project	Christchurch Borough Council	10 July 2018	Proposal for Borough wide enhanced children's play offer. Decommissioning small poorly used sites and enhancing or developing other play facilities.	£1.2m Total Project Funding from existing funds and £268,000 from unallocated reserves
D	Medium Term Financial Plan Update	Dorset County Council Cabinet	27 June 2018	Increase current ceiling on the flexible use of capital receipts. Transfer of an additional £2.5m into LGR Reserve to provide for future costs of transition.	Use of an additional £5m of capital receipts giving headroom of £7m from 2018/19 to 2021/22 £2.5m transfer available due to Minimum Revenue Provision adjustment in 2017/18

### Category 3 Grant bids or bids for external funding

Ref	Description	Decision Maker	Date	Detail	Financial Implications
E	Heritage Lottery Fund (HLF) Poole Museum	Poole Cabinet	10 July 2018	Support with conservation and improvement work in the region of £2.1m	Potential local match funding in the region of £700,000.  Potentially £50,000 Capital Contingency Fund, £200,000 Prudential Borrowing Scheme, and the residual through the Community Infrastructure Levy, External Fund Raising and Contributions in kind.

Ref	Description	Decision Maker	Date	Detail	Financial Implications
F	Department for Transport Transforming Cities Fund	Officer Initial bid submission stage	8 June 2018	Promote non-car modes of transport (cycling, walking, better bus routes etc.)	The Transforming Cities Fund bid aligns funding from the Growth Deal programme, Local Transport Plan settlements, future funding from the Department for Digital, Culture, Media and Sports, developer contributions and funding from public transport operators.
G	Home Office Trusted Relationship Fund	Officer Initial bid submission stage	4 June 2018	Reduce vulnerability of 10 to 17 year olds through building trusted relationships with adults through additional youth work activity and family therapy.	Over 2018/19 and 2019/20 the amount of grant would be £700,000. Fresh decision if continue in new Spending Review Period for a further 2 years at £896,000 to take the project to potential £1.6million overall. Indirect costs set at 7% maximum included in the bid for each year.

#### Category 4 Asset declared surplus – Formally transferred to “Asset Held for Sale”

Ref	Description	Decision Maker	Date	Detail	Financial Implications
H	Baileys, 131 Barrack Road Christchurch	Dorset County Council Cabinet	27 June 2018	Previously used to provide commissioned mental health services by the Richmond Fellowship. Listing authority for assets of community value will now be duly notified of the intention to sell. This will allow time for discussions with The Water Lily Project to progress during the six month moratorium period prior to any formal marketing process.	The Water Lily Project, the approved sub tenant of the Richmond Fellowship, has been granted a tenancy at will to remain in the first floor of the property whilst they work up future plans. The moratorium allows time for a community group to instigate a bid for the property.  <b>Value likely to be less than £0.5m but included due to previous Member interest</b>

#### Housing Revenue Account

##### Category 1 New or additional items of ongoing revenue expenditure

Ref	Description	Decision Maker	Date	Detail	Financial Implications
I	Approval of Service Charge Policy	Bournemouth Cabinet Member Decision - Cllr Lawton	26 June 2018	Recovery of costs for services provided to tenants	Up to £500,000

##### Category 2 One-off items of revenue or capital expenditure

Ref	Description	Decision Maker	Date	Detail	Financial Implications
J	Sterte Tower Blocks Sprinkler System	Poole Cabinet	10 July 2018	Fit sprinkler system into two tower blocks at Sterte Court	£630,000 funding as part of the Housing Revenue Account Capital programme



## Bournemouth, Christchurch and Poole Shadow Executive Committee

9

Report Subject	<b>Service Disaggregation</b>
Meeting date	24 <sup>th</sup> July 2018
Report Author	Debbie Ward, Chief Executive Dorset County Council
Status	Public
Classification	For decision
Key Decision	Yes
Executive summary	<p>This report sets out the conclusion of the disaggregation of services in Dorset County Council that relate to service provision in the Christchurch area, which will become the responsibility of the Bournemouth, Christchurch and Poole Council from 1<sup>st</sup> April 2019.</p> <p>The BCP Joint Committee approved the proposed principles and approach for this work in November 2017, and the work was carried out on this basis, involving senior managers and accountants from the relevant services from Dorset County Council, Bournemouth Borough Council and Borough of Poole. They prepared the disaggregation of each service, which has been agreed by the Oversight Group led by Debbie Ward, Chief Executive of Dorset County council, and approved by a Task and Finish group on behalf of each Shadow Executive Committee.</p> <p>The appendices in this report show the summary level disaggregation for all services and partnerships in scope.</p>

	The next steps will be to conclude the proposed disaggregation of assets and liabilities, incorporate the service disaggregation into the HR workstream for the TUPE transfer of staff on 1 <sup>st</sup> April 2019, and deliver the disaggregation of data and systems that support service delivery.
<b>Recommendations</b>	<p><b>That the Shadow Executive Committee:-</b></p> <ol style="list-style-type: none"> <li>1. Approves the disaggregation as set out in the appendices in this report</li> <li>2. Agrees the next steps to be delivered by the BCP programme</li> <li><b>3.</b> Receives a further report on the disaggregation of assets and liabilities in due course</li> </ol>
Reason for Recommendations	To allow the implementation planning to progress on schedule and for the budget setting work to continue with this critical input.

## Background detail

### 1. Introduction

- 1.1 Disaggregation in the context of local government reorganisation in Dorset is the identification and transfer of services currently provided by Dorset County Council to residents and service users in the Christchurch Borough Council area, to the new Bournemouth, Christchurch and Poole Council. This includes service delivery, customer data, funding, expenditure, assets, liabilities, contracts, shared services, partnerships and staff. This work also includes the split in principle of the Christchurch and East Dorset cost base.
- 1.2 This report sets out the basis for agreement on the disaggregation of services, as a fair and equitable split between the new authorities, and explains how the agreement was reached. It is important to note that this is based on the disaggregation of the 2018/19 budget and is not about apportioning any financial resources.
- 1.3 Once this is approved as a fair and equitable split by both Shadow Executive Committees, the implementation of this will be incorporated into the planning for vesting day of the new authorities by both unitary programmes. This will include the TUPE considerations for staff who will be in scope for transferring, as well as the practical service delivery arrangements and IT requirements such as data, applications and hardware.
- 1.4 Once the basis for the service disaggregation is agreed, the shadow authorities, with their interim s151 officers will be able to use the information to develop their budget setting priorities and create lawful budgets for the new authorities. A further report will come to the Shadow Executive committees setting out the proposed basis for disaggregating Dorset County council's balance sheet, assets and liabilities.

- 1.5 The disaggregation proposal deals with existing service levels and provision and any change to the service delivery models for the new authorities are out of the scope of this work. The agreement for the disaggregation of services is based on the current service model and the 2018/19 budget.

## **2. Background**

- 2.1 A report setting out the proposed scope and approach to disaggregation was approved by the Dorset Area Joint Committee on 15th November 2017 and the Bournemouth, Christchurch and Poole Joint committee on 21st November 2017.

- 2.2 This report set out a number of high level principles that guided the work to review and agree service disaggregation to ensure it was carried out effectively and accurately. The principles are:

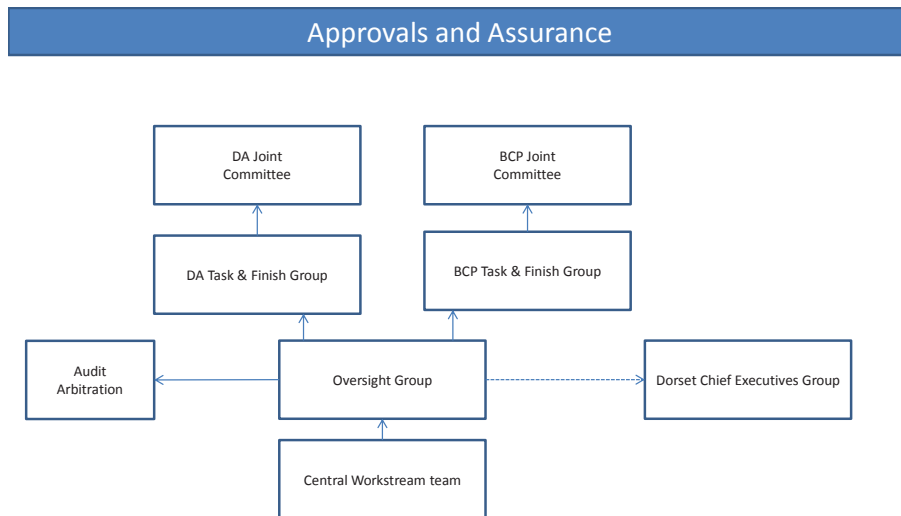
- The transfer of services from one authority to another will not disadvantage individual people receiving services/care. This is the overriding principle and will be a key determinant on how disaggregation will be applied.
- Specific commitment to individuals will be on a case by case basis, and as such decisions will be on a sound legal basis.
- The authorities remain committed to delivering statutory services and improving outcomes.
- Partners and stakeholders involved in service delivery will be engaged to ensure a smooth transition.
- Not all services will be disaggregated. Some aspects of disaggregation may not be necessary if they are already structured as a shared service or existing partnership.
- The data required for disaggregation will be shared and discussions will be open and transparent, acknowledging that decisions will be reached on a pragmatic basis (not seeking perfect solutions) and will be evidence-based.
- Where appropriate existing contracts will novate on vesting day, then reviewed individually to determine the appropriate point for renewal, unless otherwise agreed.
- The criteria for calculating and agreeing the split will be agreed at a service level; with an appropriate level of analysis; avoiding unnecessary detail and complexity; with an understanding of the level of financial risk, and an understanding costs borne by other partners e.g. NHS:
  - Data must be used sensibly and consistently, utilising existing data, trend analysis and historic data where appropriate.
  - If there is an obvious means of apportionment e.g. location, this should be followed where possible.
  - TUPE principles should apply, e.g. apportionment of staff transfers.
  - Matching principles e.g. assets and liabilities should apply.
  - Assets include resource such as foster carers.
  - Apply the principle of ordinary residence lawfully for Adults services, original parental residence for Children’s services. Identify individuals and their costs.
  - Care costs will be calculated per individual adult or child, based on direct costs and infrastructure cost – meeting the need cost.

- Agree which authority is responsible for each child/person.
- An analysis of data migration and IT systems will be carried out to determine the most effective means of transferring service and customer data.
- Disaggregation will be agreed on a cost basis as well as budget basis. The disaggregation will not resolve budget shortfalls.

### 3. Methodology of the Service Disaggregation work

3.1 This work has been led by Task and Finish Groups established for this purpose for both the Dorset and Bournemouth, Christchurch and Poole Shadow Authorities, as Joint Committees and subject to Scrutiny by the specially formed informal overview and scrutiny panel of Bournemouth, Christchurch and Poole. The membership of the groups have been drawn from all the authorities coming together to create the new Councils in Dorset. The detailed work has been led by the Dorset Area Programme Board supported by the executive teams of Dorset County Council, Bournemouth Borough Council and Borough of Poole which provided the resources and carried out the analysis required. Senior officers and members of Christchurch Borough Council have also been involved as it relates to service delivery for residents and service users in the Christchurch area.

3.2 This diagram shows the structure of the resourcing in relation to governance and approvals:



3.3 The programme of work was led by an Oversight group. The members were:

Debbie Ward (Chair)	Chief Executive, Dorset County Council
Jan Thurgood	Strategic Director, People Theme, Borough of Poole
Adam Richens	Chief Finance Officer, Borough of Poole and Bournemouth Borough Council

Richard Bates	Chief Finance Officer, Dorset County Council
Matti Raudsepp	Strategic Director, Christchurch and East Dorset Partnership
Helen Coombes	Director, Adults & Community Services, Dorset County Council
Nick Jarman	Director, Children's Services, Dorset county Council
Kate Ryan	Strategic Director, Place Theme, Borough of Poole
Bill Cotton	Executive Director, Environment & Economy, Bournemouth Borough Council
Mike Harries	Corporate Director for Environment & Economy, Dorset County Council
Julian Osgathorpe	Corporate Director, Borough of Poole and Bournemouth Borough Council
Neil Goddard	Service Director, Bournemouth Borough Council

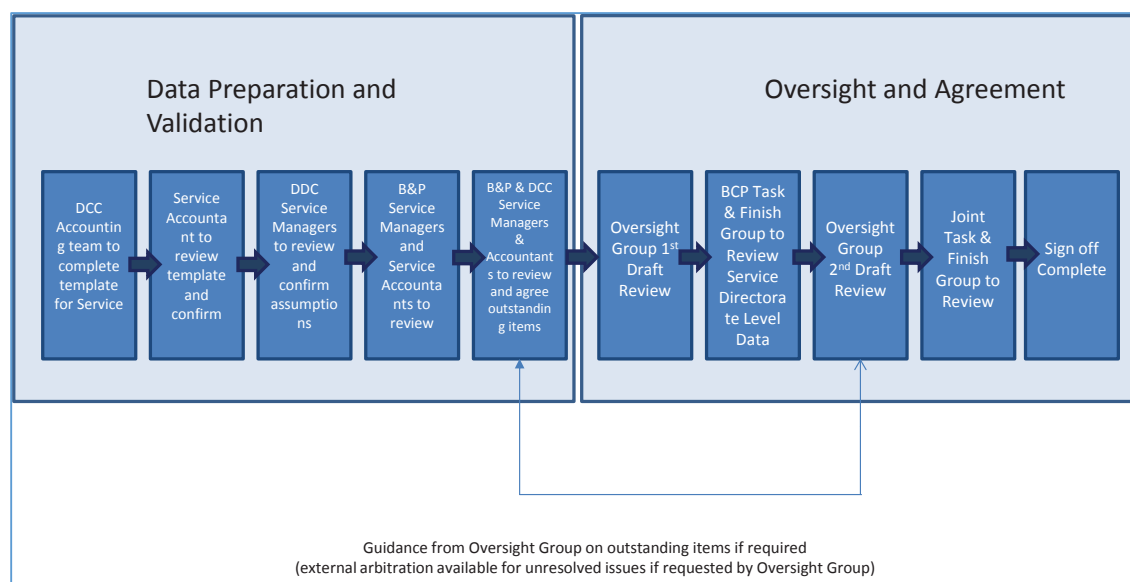
- 3.4 Each Joint Committee set up a Task and Finish Group to examine the work and understand the basis of disaggregation of services to be assured that it was being carried out properly and that the outcome was appropriate. The members of the Task and Finish Groups were:

Dorset		Bournemouth Christchurch and Poole	
Cllr Jeff Cant (Chair)	Weymouth & Portland Borough Council	Cllr Philip Broadhead (Joint chair)	Bournemouth Borough Council
Cllr Deborah Croney	Dorset County Council	Cllr May Haines (Joint Chair)	Borough of Poole
Cllr Simon Christopher	West Dorset District Council	Cllr Karen Rampton	Borough of Poole
Cllr Caroline Finch	Purbeck District council	Cllr Nicola Greene	Bournemouth Borough Council
Cllr Tony Ferrari	Dorset County Council	Cllr David Flagg	Christchurch Borough Council
Cllr Val Potheary	North Dorset District Council	Cllr Deborah Croney	Dorset County Council
Cllr James Farquaharson	Weymouth & Portland Borough Council	Cllr Tony Ferarri	Dorset County Council
Cllr John Stayt	North Dorset district Council		
Cllr Steve Butler	East Dorset District Council		
Cllr Mike Lovell	Purbeck District Council		

3.5 The Service Disaggregation work has also been reviewed by a Joint Overview and Scrutiny working group of members from Bournemouth Borough Council, Borough of Poole and Christchurch Borough Council. The members of the Joint Overview and Scrutiny group were:

CLlr Fred Neale (Chair)	Christchurch Borough Council
CLlr Ian Clark	Bournemouth Borough Council
CLlr David d’Orton-Gibson	Bournemouth Borough Council
CLlr Chris Wakefield	Bournemouth Borough Council
CLlr Lisle Smith	Christchurch Borough Council
CLlr Jane Newell	Borough of Poole
CLlr Ron Parker	Borough of Poole
CLlr Mike Brooke	Borough of Poole

3.6 The Oversight Group and Task & Finish Groups agreed a process which was followed for all services in scope:



3.7 In this process a detailed budget breakdown was provided in a service template, by Dorset County Council for each service, with a suggested apportionment relating to service provision in the Christchurch area. This was sense checked and quality assured by the responsible service manager in Dorset County Council before being sent to Bournemouth and Poole for analysis. For each budget area a meeting was held to review this, test methodology, sense check and clarify any queries. Once the details were agreed by the service leads in each council, it was put forward to the Oversight Group for approval, and then taken to the Task and Finish Group for presentation, challenge and consideration. In total, 166 service templates have been reviewed and approved in this process.

3.8 The service templates included budget information, staffing information (to support the TUPE process) and highlighted key dependencies including ICT system issues. Existing Partnerships were also identified in this process where agreement would be needed for day 1 implementation.

3.9 All services provided by Dorset County Council in the Christchurch area were reviewed following this process and the output tested by the Oversight Group and Task & Finish groups. This analysis included all relevant partnerships between the councils and other organisations. The contracts for service provision etc were identified in this work and will have the practical disaggregation impact assessed by a further dedicated piece of work.

#### 4. Service Reviews Outcome

4.1 At the end of the process where each service area had been subject to detailed work, a directorate summary sheet has been produced that shows the total disaggregation of the services in the directorate and in total. The summary provides a useful overview of the overall picture and reference point for the subsequent work to implement the new authorities.

<b>DISAGGREGATION SUMMARY - OVERVIEW</b>			
	<b>DCC</b>	<b>Christchurch</b>	<b>%</b>
Adult Social Care	125,400,000	18,493,555	14.75%
Children's Services (non-DSG elements)	58,220,700	4,784,863	8.22%
Children's Services (DSG elements)			
- DSG Expenditure	179,188,621	16,955,131	9.46%
- DSG Income	-179,188,621	-16,955,131	9.46%
Community Services	10,265,000	947,661	9.23%
Environment and Economy	49,843,350	4,237,773	8.50%
Corporate Services	15,760,500	1,484,809	9.42%
<b>Total Service Disaggregation</b>	<b>259,489,550</b>	<b>29,948,661</b>	<b>11.54%</b>

4.2 Appendix A shows each directorate summary incorporating all services analysed:

- Adults Social Care
- Children's Services (Non-Dedicated Schools Grant (DSG) elements)
- Children's Services (Dedicated Schools Grant elements)
- Community Services
- Environment & Economy Services
- Corporate Services

#### 5. Partnerships

5.1 In addition to the review of individual services, all relevant partnerships have also been analysed to identify the disaggregation requirements. The full list of these partnerships, with draft proposals for disaggregation are in set out in Appendix B. The general principle applied when reviewing these partnerships was to retain partnership

arrangements for one year as far as possible unless there is a specific need to change, and to agree the revised contractual details for this period. The final arrangements will be confirmed as part of the implementation planning for vesting day.

## **6. Aggregation of Budgets**

- 6.1 The starting point for setting the new budgets is to look at the current budgets of the sovereign councils to give a baseline and indicative view. The data source is the information that every Council provides on its annual budget to Government on their Revenue Anticipated (RA) form. However, the setting of budgets for both new authorities is dependent on the conclusion of the Disaggregation to inform them of expected service delivery costs and budget that will be added to the Bournemouth, Christchurch and Poole budget, and removed from the Dorset Council budget. Similarly, the disaggregation of the Dorset County Council balance sheet, specifically assets and liabilities, will inform the new budgets.

## **7. Christchurch and East Dorset Partnership**

- 7.1 As sovereign councils there is no budget disaggregation required for Christchurch and East Dorset. Each council maintains separate budgets for the services provided in their areas. The two councils do share a single staff structure, with the costs shared in accordance with the schedule in Appendix C. The staff employed by Christchurch and East Dorset will TUPE to either the BCP or Dorset Unitary Council in accordance with the principles and processes agreed via the HR work stream and this should not be driven by the cost share arrangements currently in place. However, if the proportion of staff transferring to either of the two new unitary authorities varies significantly to the existing cost share then there may be funding and budget implications that need to be considered. Other areas for consideration in other work streams are the disaggregation of joint assets, namely ICT licences and infrastructure, and a small number of shared vehicles.

## **8. Next steps**

- 8.1 There are still a number of areas where caveats were put on the disaggregation templates and further work will be required. These include:
- Shared use premises (which will be dealt with in the next phase for assets and ownership)
  - Contractual commitments within Christchurch
  - Confirmation of Ordinary residence
  - Treatment of ICT maintenance, software and subscriptions
  - Split of Better Care Fund / Improved better care fund where external support has been engaged
  - Capital financing costs which are dependent upon the agreed split of Dorset County Council's debt

This will be managed through the implementation planning of both Shadow council programme teams.

- 8.2 There are a number of key areas of work that can proceed now that the service disaggregation work has completed, and each is critical for the implementation of the new unitary authorities.
- 8.2.1 The first one is setting the service budget for each authority. The interim s151 officer will use the output of the disaggregation to inform the base revenue budget, reserves

and funding including the relevant apportionment of the current Dorset County Council budget, and the separation of the Christchurch and East Dorset staff budget.

- 8.2.2 The second item is the transfer of employees from the predecessor councils to the new authorities. This will follow TUPE regulations and is a standard process. However, the first stage will be to identify which employees will transfer from Dorset County Council to the Bournemouth, Christchurch and Poole council, and which employees in Christchurch and East Dorset Partnership will transfer to either the Bournemouth, Christchurch and Poole council or the Dorset council. This stage will be informed by the output of the Disaggregation works which identifies the proportion of employees likely to move based on the current service delivery model.
- 8.2.3 Thirdly, the data and IT systems relevant for the services and employees that deliver services in Christchurch will also need to be transferred.
- 8.3 This work completes the disaggregation of the service budgets for Christchurch for Dorset County Council, the staffing budget for Christchurch and identifies the further work that is needed to be completed for disaggregation to be completed as part of the integral work of the other workstreams that are supporting the creation of two new authorities in Dorset.
- 8.4 Other service delivery preparations will also need to be made ready for day one of the new authorities. This work is being planned by each unitary programme.

## **Consultation**

This report and the work of the disaggregation workstream has been subject to regular reviews by the programme boards of both BCP council and Dorset council, as well as the Task & Finish groups, and BCP Overview & Scrutiny working group.

## **Options**

Not relevant for this report

## **Summary of Finance and Resourcing Implications**

There was no budget requirement for this work as it was carried out by existing resources within the relevant councils.

The disaggregation outputs set out in this report form a key input to the budget setting for the new BCP Council as it sets a baseline starting position for a service by service budget and cost analysis which will inform the cost base on vesting day.

## **Summary of Legal Implications**

Any legal implication for the new BCP council will be dealt with by the BCP implementation programme in phase 2, particularly in relation to the contractual implications of disaggregation.

## **Summary of Human Resources Implications**

The HR implications are that a number of staff will transfer from Dorset County council to the BCP council on 1<sup>st</sup> April 2019, and the staff of the Christchurch and East Dorset Partnership will transfer to one of the new Dorset councils on the same date. This work is now managed by the HR workstream of the BCP implementation programme in phase 2 and is underway working closely with the Dorset Area programme.

## **Summary of Environmental Impact**

Not relevant for this report

## **Summary of Equalities and Diversity Impact**

Not relevant for this report. Equality and Diversity impact assessments will be required when services are redesigned in a future phase.

## **Summary of Risk Assessment**

The level of risk associated with this report is considered low in relation to the service disaggregation work which is now complete. The service templates are all signed off by officers and Task and Finish group members. A higher level of risk remains for the works still to be done in disaggregation of the assets and liabilities. This work is in progress and is due to conclude by the end of 2018. It will impact on the budget setting process as each council will need to understand (amongst other things) the annual costs associated with its debt position, the operational costs of the assets it is responsible for and the s151 Officers will need to consider the level of reserves that may be available as part of their s25 Statement (report on robustness of the budget and adequacy of reserves).

## **Background Papers**

Local Government Reorganisation Service Disaggregation Principles report to Joint Committee 21st November 2017

<https://bcpshadowauthority.files.wordpress.com/2017/10/21-november-2017-agenda-and-reports.pdf>

## **Appendices**

Appendix A: Directorate Summaries

Appendix B: Partnership List

Appendix C: Christchurch and East Dorset Partnership Staff Budget Split



## Appendix A – Directorate Summaries

Disaggregation Summary - Adults				
Template Name	DCC Budget (Net) £	Xchurch Share £	Xchurch Budget %	NOTES
<b>Service User Related Budget</b>				
East SUR	30,712,690	11,369,486	37.02%	DCC uses Christchurch as an individual locality in East SUR
West SUR	26,948,281	-	0.00%	Service User provision in west locality not relevant to Christchurch
Central SUR	21,437,082	-	0.00%	Service User provision in central locality not relevant to Christchurch
General - Campus	1,663,940	599,269	36.02%	Ordinary residency
General - Non Campus	2,267,784	331,168	14.60%	Ordinary residency
Mental Health SUR	3,876,253	654,668	16.89%	Ordinary residency
Tricuro	26,284,000	4,222,474	16.06%	Establishments, Service User occupancy and ordinary residency
Tricuro - Income	( 6,787,348 )	( 1,159,135 )	17.08%	Establishments, Service User occupancy and ordinary residency + Deferred payments based on ordinary residency
	<b>106,402,682</b>	<b>16,017,930</b>	<b>15.05%</b>	
<b>Social Work Related Budgets</b>				
Community Services West	4,317,600	154,066	3.57%	Area coverage
Community Services Central	3,326,452	26,125	0.79%	Area coverage
Community Services East	3,285,173	1,354,700	41.24%	Area coverage
Hospital Services	2,508,880	387,943	15.46%	Area coverage & hospital referrals
Mental Health	1,884,866	163,286	8.66%	Area coverage
(Brokerage?) Team	364,100	49,140	13.50%	cost drivers (where cases come from)
Safeguarding	866,500	107,285	12.38%	Some posts population 11.7%, some posts area based
Safeguarding Board	20,000	1,676	8.38%	Exp. population 11.7%, contributions based on relevance
MCA/DOLs	559,500	62,051	11.09%	Exp. population basis 11.7%, inc. area based
	<b>17,133,071</b>	<b>2,306,271</b>	<b>13.46%</b>	
<b>Commissioning, Administration and other contracts budgets</b>				
Carers	1,135,000	159,299	14.04%	Activity

Social Care Activities - Director's office	859,718	100,674	11.71%	population >16
BCF - Director's office (Better Care Fund)	( 11,236,000 )	( 1,457,309 )	12.97%	population >65
IBCF projects - Change Programme	3,415,800	443,029	12.97%	population >65
Commissioning contracts/ICES - LD/MH	2,876,300	332,108	11.55%	commissioning staff & contracts - population 11.7%, ICES activity based 14%
Service delivery - Policy, Finance, Welfare	937,100	119,830	12.79%	Fin Assessments, COP - Area based demand/ordinary residence
Commissioning contracts - Partnerships	568,800	53,879	9.47%	Mainly population 11.7%, 2 SLAs decommissioned in 17/18 therefore not disaggregated
Commissioning - Early Help	162,900	61,174	37.55%	Exp. population basis 11.7%, CCG funding ceasing therefore not disaggregated
Commissioning - Community safety	-	-	0.00%	gross £11k - ONS 6.41%
OOH, DCR, Man cost - General	2,003,429	241,125	12.04%	Mainly population 11.7% or area related
Business Development (Business Strategy)	1,141,200	115,547	10.13%	exp. Population based, inc. proportional to joint funding
	<b>1,864,247</b>	<b>169,355</b>	<b>9.08%</b>	
<b>ADULTS SERVICES TOTALS</b>	<b>125,400,000</b>	<b>18,493,555</b>	<b>14.75%</b>	

Disaggregation Summary - Children's				Xchurch Budget %	NOTES
Template Name	DCC Budget (Net) £	Xchurch Share £			
<b>Care and Protection</b>					
C&P - Help & Prot - Mash	1,009,800	115,436	11.43%	Mix - Based on Xch CiN data (10.3%) and Xch referral data (11.9%)	
C&P - Help & Prot - West	1,313,500	-	-	No Xch	
C&P - Help & Prot - South	1,025,700	-	-	No Xch	
C&P - Help & Prot - Central	1,102,000	-	-	No Xch	
C&P - Help & Prot - East	1,077,800	430,506	39.94%	Xch Proportion of "East" cases = 39.94%	
C&P - Help & Prot - Other	30,000	-	-	No Xch	
C&P - Help & Prot - Family Focus	744,700	74,993	10.07%	Mix - Based on Xch CiN data (10.3%) and LAC population (7.6%)	
C&P - C&S - Fostering Team	1,565,600	118,985	7.60%	Based on Xch LAC population (7.6%)	
C&P - C&S - 0-12 Teams	1,118,300	77,186	6.90%	Mix - Based on total 0-12 LAC (6.81%) and total LAC (7.6%)	
C&P - C&S - Adoption/SGO/CAO	2,994,700	78,079	2.61%	Postcode data of current allowances	
C&P - C&S - 13+ Teams	1,278,600	88,615	6.93%	Mix - including 13-18 LAC (6.48%) and current address Leaving Care data (5.4%)	
C&P - C&S - Other	72,900	5,541	7.60%	This budget relates to the Corporate Parenting Officer. Based on Xch LAC population (7.6%)	
C&P - C&S - Ind Sector Placements	5,496,337	388,912	7.08%	<b>Actual cost for Xch places at time of template build is £1.066m</b>	
C&P - C&S - In House Fostering	5,070,100	258,575	5.10%	Based on forecast spend of Xch (5.10%)	
C&P - C&S - In House Residential	1,977,000	-	-	No Xch	
C&P - C&S - CRW Service	467,400	35,522	7.60%	Zero hour contracts	

C&P - C&S - Leaving Care	1,295,000	98,420	7.60%	Supporting people, rent. Based on Leaving Care resident in Xch data (5.4%)
C&P - C&S - UASC	-	-	-	No UASC Xch
C&P - Safe and Stand	2,083,900	186,997	8.97%	Mix - LAC (7.6%), 0-17 pop (11.45%), CP data (8.60%), MASH (11.43%), H&P (9.53%)
C&P - Business Support	1,643,300	133,929	8.15%	Based on overall templates average
C&P - Management - Legal	555,900	55,201	9.93%	Based on actual spend in Xch for 17/18 (9.93%)
C&P - Management - Senior Management	213,000	83,525	39.21%	£1.2m savings (Part C&P saving to be identified (£560k - based on rest of C&P service - 7.08%))
C&P - Management - Service Level Agreements	1,512,100	134,842	8.92%	Youth & Aspire based on BBC split, CYP rights service on 0-17 pop (11.45%) LAC Nurse on LAC pop (7.6%)
C&P - CWaD Team	1,453,100	112,678	7.75%	Mix - Based on total Xch CWAD Population data and Xch prop of "East" cases
C&P - CWaD Other	1,482,100	119,161	8.04%	Based on total Xch CWAD Population data (8.04%)
<b>Design &amp; Development</b>				
D&D - Business Intelligence	2,897,600	343,529	11.86%	Staffing based on 0-17 pop (11.45%), SLA's various (Connexions biggest % of SS POR (14.07%))
D&D - Change Management & planning	1,525,700	175,405	11.50%	Based on 0-17 pop (11.45%)
D&D - General	532,100	55,666	10.46%	Based on overall % from various templates
D&D - Early Action East & Dorchester	1,747,800	472,961	27.06%	Based on those in Xch location
D&D - Early Action West, North, Chesil	2,363,800	-	-	No Xch
D&D - Early Action Outdoor Education	-	2,535	-	Part of 1 post Youth Duke of Edinburgh - based on SS POR (14.07%)
D&D - Early Action General	1,098,300	17,749	1.62%	Based on overall % from various templates
D&D - Early Action Universal Youth	385,400	35,736	9.27%	Youth SLA's and grants to vol orgs based on 0-17 pop (11.45%)
<b>Prevention and Partnerships - Education</b>				
P&P - Edu Service - DCC Advisory Service	692,446	90,702	13.10%	Monitor and Challenge the performance of schools. Based on Xch Numbers on Roll - up to Year 11 - 12.84%

P&P - Edu Service - DCC Post 16 Advisory	131,927	14,710	11.15%	Based on Xch 16-19 y/o population - 11.05%
P&P - Edu Service - DCC Early Years & Childcare	33,814	3,994	11.81%	Based on no. of 0-4 YO children from Xch
P&P - Edu Service - DCC Sch Bus & Governors	34,964	1,858	5.31%	Based on actual SLA's in 17/18 - various %
P&P - Edu Service - DCC Dorset Music Service	( 394 )	( 21 )	5.33%	Based on Staffing split - 5.04% (2 days of 1 post)
P&P - Edu Service - DCC Virtual School	756,034	78,920	10.44%	Based on Xch pupil roll data and young people on virtual school roll
<b>Prevention and Partnerships - SEND (0-12)</b>				
P&P - Send(0-25) - DCC Education Psychology	1,017,900	112,430	11.05%	Generally SEN pupil % (11.46%) with some adjustments for specific staff
P&P - Send(0-25) - DCC - Spec Teaching & Advice	-	-	-	Generally based on time recording data / purchased hours
P&P - Send(0-25) - DCC SEN Team	752,168	86,199	11.46%	SEN pupil % (11.46%)
<b>Prevention and Partnerships - Management</b>				
P&P Business Support	253,800	21,730	8.56%	Note: draft. Staff time at relevant service % (e.g. SEN, 11.46%, EY @ 11%, Learning 8.5%), SEND Reform Grant at 11.46%
P&P Senior Management	292,900	45,862	15.66%	Based on average % from all agreed P&P templates
<b>Children's Control</b>				
P&P Suff & Sch Org - DCC Suff & School Places	400	59	14.75%	Based on Xch pupil data - 12.84%
P&P Suff & Sch Org - DCC Suff & Funding	186,100	19,159	10.29%	Mix - Based on Xch pupil data (12.84%), EY Xch data (9.15%), Premises Xch data (5.59%)
P&P Suff & Sch Org - DCC Comm Manager Premises	399,100	36,900	9.25%	Staff based on XCH Pupil data 12.84%, no Xch premises
P&P Suff & Sch Org - DCC Comm Manager SEN/CWAD	493,000	41,736	8.47%	Mixed on posts
P&P Suff & Sch Org - DCC SEN Transport	7,739,504	839,473	10.85%	Based on Total Xch % of General Expenditure
P&P Suff & Sch Org - DCC Income Generation	700	93	13.29%	Staff based on Xch pupil data - 12.84%

Director's services	( 403,400 )	( 39,395 )	9.77%	Savings - based on Total CS Xch % split - 8.16% excl. funded posts. Director split based on total CS split (8.16%). Includes Forward Together savings £150k Based on current address of March 18 pensioners
Premature Retirement	1,520,800	50,001	-	
Less Service Support Costs Allocated to DSG	( 2,814,600 )	( 320,231 )	11.38%	
<b>CHILDREN'S SERVICES TOTALS</b>	<b>58,220,700</b>	<b>4,784,863</b>	<b>8.22%</b>	

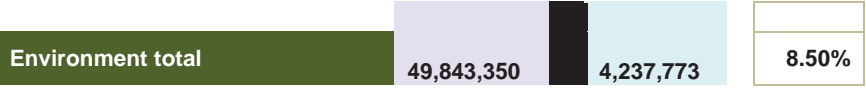
Disaggregation Summary - Dedicated Schools Grant					
		DCC	Christchurch	%	Basis
<b>Services</b>					
Pre School	<b>Professional Fees - high needs</b>	<b>350,000</b>	<b>40,110</b>	<b>11.46%</b>	EHCP %
Early Years	Retention Fund	793,940	91,224	11.49%	EHCP %
Provision	Inclusion Fund	50,000	4,512	9.02%	average of total other funding
	Disability Access fund	68,880	6,216	9.02%	average of total other funding
	Providers - 3 and 4 year olds	16,344,470	1,505,895	9.21%	Actuals
	Providers	144,850	13,071	9.02%	average of total other funding
	Contingency	173,000	15,611	9.02%	average of total other funding
	Providers Trajectory	161,380	7,975	4.94%	Actuals
	Pupil Premium	2,223,500	182,443	8.21%	Actuals
	Providers - 2 years olds	<b>19,960,020</b>	<b>1,826,947</b>	<b>9.15%</b>	
<b>Early Years Provision</b>					
Virtual	<b>Virtual School</b>	<b>175,300</b>	<b>17,699</b>	<b>10.10%</b>	Virtual school roll
Contracts	<b>High Needs Contracts</b>	<b>843,800</b>	<b>85,640</b>	<b>10.15%</b>	Mainly SEN population
Specialist Support Services	Hearing & vision support	279,900	5,867	2.10%	52.4% Dorset then NATSIP
	Portage (SEN preschool)	59,500	7,140	12.00%	Timesheets
	SENCo Accreditation	11,500	1,317	11.45%	SEN data
	SENISS	82,500	5,775	7.00%	Referral data
	SEN equipment	110,000	12,606	11.46%	SEN data
	Physical & medical	13,800	1,581	11.46%	SEN data
	Behaviour support de-delegation	133,100	22,142	16.64%	APT total (schools formula tool)
	Planned Savings SEN	-162,426	-11,370	7.00%	Referral data
	Planned Savings ?	-6,600	-462	7.00%	Referral data
	Staffing on above Income (mainly H&V)	1,838,600	97,640	5.31%	As above
		-644,700	-1,414	0.22%	Mainly charges to BBC and BoP
<b>Services &amp; Support</b>	<b>1,715,174</b>	<b>140,822</b>	<b>8.21%</b>		
Other LA Provision	OLA Top up Pre 16	961,400	110,177	11.46%	EHCP %
	OLA Post 16	1,121,000	229,020	20.43%	FE data
	<b>Other LA Top up</b>	<b>2,082,400</b>	<b>339,197</b>	<b>16.29%</b>	
DCC Top up	Alternative Provision	871,100	154,185	17.70%	Actual %
	Alternative Provision SEN	210,000	20,391	9.71%	Actual %
	Special Schools	6,576,600	235,442	3.58%	NOR
	FE Post schools places	90,000	18,387	20.43%	FE Data
	FE Top up	419,000	85,602	20.43%	FE Data

	Exceptional circumstances	49,000	4,552	9.29%	Actual %
	Mainstream Top up?	1,864,000	173,166	9.29%	Actual %
	Resourced Provision	811,457	0	0.00%	No top up for Xchurch base
	Tipping point	152,000	5,441	3.58%	Special school data
	<b>Dorset SEN Top Up</b>	<b>11,043,157</b>	<b>697,166</b>	<b>6.31%</b>	
Independent	ISP post 16	2,469,000	405,903	16.44%	17/18 data
Special	ISP and residential LAC	2,093,000	209,300	10.00%	Residential LAC data
Provision	Other Independent schools	19,000	0	0.00%	No Xchurch pupils
(ISP)	ISP and NMSS - non LAC	6,261,529	1,071,348	17.11%	17/18 data
	<b>SEN Commissioning</b>	<b>10,842,529</b>	<b>1,686,551</b>	<b>15.55%</b>	
Central Schools	Growth Fund	415,000	53,286	12.84%	Based on NOR
	Admissions	307,000	40,054	13.05%	Based on NOR
	<b>Admissions</b>	<b>722,000</b>	<b>93,340</b>	<b>12.93%</b>	Pupil numbers
Central Strategy	Schools Forum	5,900	758	12.85%	NOR
	Other costs - infant class size	59,211	7,602	12.84%	NOR
	Licensing from DfE	287,442	36,908	12.84%	NOR
	FSM	14,600	1,586	10.86%	Actual
	Redundancy	174,000	8,660	4.98%	for xchurch schools
	TU facilities	45,500	3,812	8.38%	from APT
	Unallocated	10,000	1,284	12.84%	NOR
	Staff - schools forum	34,700	4,501	12.97%	NOR
	Income	-10,400	-1,283	12.34%	NOR
	<b>Central Strategy</b>	<b>620,953</b>	<b>63,828</b>	<b>10.28%</b>	
<b>Services</b>	<b>Services Total</b>	<b>48,355,333</b>	<b>4,991,300</b>	<b>10.32%</b>	
<b>Central</b>	<b>Early Retirements</b>	<b>398,000</b>	<b>16,162</b>	<b>4.06%</b>	Home address
Service Support Costs	Mainstream Top Up	21,350	1,983	9.29%	Individual budgets lines
Allocated to DSG	Special Top up	21,350	764	3.58%	
	Learning Centre	4,000	708	17.70%	
	Independent Special Hearing and vision support	254,100	43,477	17.11%	
	Portage	60,300	2,412	4.00%	
	Central allocation	40,100	4,812	12.00%	
	Schools Forum	239,000	30,688	12.84%	
	MISC	29,300	3,762	12.84%	
	E/Years	4,000	514	12.85%	
	SEN Transport	66,300	6,066	9.15%	
	AP Transport	1,530,000	165,953	10.85%	NOR
		544,800	59,092	10.85%	NOR
<b>Support</b>	<b>DCC Support to DSG</b>	<b>2,814,600</b>	<b>320,231</b>	<b>11.38%</b>	NOR
Schools	Mainstream School Budgets	214,893,651	26,988,640	12.56%	Actual APT

	Academy Recoupment	-98,066,401	16,116,999	16.43%	Actual APT  None in Xchurch SALT base 18/19 budget 17/18 cost for Xchurch NOR
	Special School Places	6,462,000	0	0.00%	
	Mainstream Bases	848,063	56,000	6.60%	
	Learning centrec	2,660,000	594,076	22.33%	
	Ex ESG Services	823,375	105,721	12.84%	
<b>Schools</b>	<b>Schools Total</b>	<b>127,620,688</b>	<b>11,627,438</b>	<b>9.11%</b>	
<b>Total</b>	<b>DSG Expenditure</b>	<b>179,188,621</b>	<b>16,955,131</b>	<b>9.46%</b>	
<b>DSG Income</b>	Provison Budgets	-48,355,333	-4,991,300	10.32%	Schedules Above
	Early Retirements	-398,000	-16,162	4.06%	
	DCC Support to DSG	-2,814,600	-320,231	11.38%	
	Schools	127,620,688	11,627,438	9.11%	
<b>Total</b>	<b>DSG Income</b>	<b>179,188,621</b>	<b>16,955,131</b>	<b>9.46%</b>	
<b>Net</b>	<b>Net Disaggregation</b>	<b>0</b>	<b>0</b>		
<b>Reconciliation to Published DSG</b>					
	<b>Net DSG Expenditure Add back Recoupment</b>	<b>79,188,621</b>	<b>16,955,131</b>	<b>9.46%</b>	Council Budget
		<b>98,066,401</b>	<b>16,116,999</b>	<b>16.43%</b>	Academies
	<b>Gross DSG Income DfE Schedule - Allocation</b>	<b>277,255,022</b>	<b>33,072,130</b>	<b>11.93%</b>	<b>Total DSG Allocation</b>
	Difference is local early years estimate	<b>276,936,981</b>			
		<b>318,041</b>			

Disaggregation Summary - Place				Xchurch Budget %	NOTES
Template Name	DCC Budget (Net) £	Xchurch Share £			
<b>Environment</b>					
Dorset travel - Business Development	187,600	18,817	10.03%	Based on actual CBC %, SEN %, or concessionary travel %	
Dorset travel - Fleet Operations	2,428,950	182,654	7.52%	Direct allocation, pricing & costing data, and number XCH journeys	
Dorset travel - Travel Operations	7,744,300	156,987	2.03%	Mix of population, RTI Boards %, SEN %, Adults %, proportion child journeys	
Dorset travel - Concessionary Fares	3,717,000	493,618	13.28%	13.28% operator data	
Dorset travel - Total Transport Pilot	60,800	-	0.00%	Fixed term project to July 2018	
Streetlighting PFI	3,919,800	577,387	14.73%	Xch assets identified and costed including risk rating	
Network operations	3,805,455	197,437	5.19%	Generally 5.6% proportion of highways	
Coast and Countryside - General	705,300	10,612	1.50%	Area of environmental designations in XCH 2% and direct allocation	
Coast and Countryside - Arboriculture	416,300	31,141	7.48%	Average time spent Xch based on last 5 yrs	
Coast and Countryside - Greenspace West	546,900	666	0.12%	Direct allocation or 1% time spent by Traveller liaison officer	
Coast and Countryside - Greenspace East	363,500	65,069	17.90%	Direct allocation or % highway verge and ROW in XCH (16.5%)	
Coast and Countryside - Environmental Advice	298,300	9,759	3.27%	Direct allocation or % of income	
Coast and Countryside - Community Energy	107,300	9,424	2.93%	1 staff member on population (11.7%) and small apportionment for senior manager role. Rest is Pan Dorset Project funded DCLG with no apportionment to Xch	
Coast and Countryside - Hosted Partnerships	133,700	622	0.47%	Population 11.7% or direct allocation (no AONB in XCH)	
Coast and Countryside - County Farms	( 514,400 )	-	0.00%	No farms in Christchurch area	
Economy, Planning, Transport	1,616,420	140,349	8.68%	Staff vary, eg 11.7% pop, 5.6% road network or direct allocation. Other costs based on overall staff 7.36% or population. LEP contribution to be discussed as part of Partnerships work.	

Network Management - General	107,600	4,461	4.15%	Based on proportion of rest of service attributed to XCH 4.17%
Network Management - Infrastructure & Technology	489,900	27,428	5.60%	5.6% proportion of highways
Network Management - Regulation	281,800	6,692	2.37%	Population 11.7% and 1% based on proportion ROW network.
Network Management - Traffic	848,700	52,824	6.22%	Mainly based on proportion of road network 5.6%
Network Management - Parking Services	( 809,700 )	( 24,927 )	3.08%	Average permits & PCNs 12% but no P&D income in XCH
Network Development - General	8,280	389	4.70%	Based on % of rest of service
Network Development - Flood Risk Management	256,000	10,114	3.95%	3.95% based various service stats eg surface water management
Network Development - Development	5,800	288	4.97%	Based on proportion XCH projects 5%
Network Development - Highway Improvements	225,300	12,616	5.60%	5.6% proportion of highways
Network Development - Street Lighting Management	128,200	14,628	11.41%	Based on % spent on street lighting and % used for Streetlighting PFI
Network Development - Bridges & Structures	397,300	12,060	3.04%	Direct allocation or % structures in XCH 5.3%
Fleet Services	( 260,700 )	( 584 )	0.22%	Average proportion fleet management trading income and expenditure. 4.17% costs, but no income from Academies or fees & charges.
Business support env	471,400	45,605	9.67%	Based on directorate % from other templates or population to give 9.67% overall
Business support hig	( 95,205 )	( 10,365 )	10.89%	Staff based on other templates; costs 6.73% average staff & 11.9% households; 12% parking budget for income
Director's office	846,234	67,185	7.94%	7.94% based on average of whole Environment Directorate
Estates & Assets	674,889	57,135	9.95%	Mainly 8% floor space, depots 5.6% road network
County Buildings	( 1,462,495 )	( 567,746 )	38.82%	Admin buildings 8.86% based total FTE disaggregated to Xch. Others based on % work on XCH 11% - 100%. Income direct allocation eg 100% Avon View rent.
WWW Property Savings	( 525,705 )	( 49,000 )	9.32%	Direct allocation based on location - Bargates
DWP	21,715,161	2,561,316	11.80%	Direct allocation or household 11.9%
Building Construction	136,266	21,675	15.91%	Staff population 11.7% (surveyors floorspace); costs based average all staff 8.85%. No income from academies
Trading Standards	867,100	101,437	11.70%	Population



<b>Community</b>					
Archives & Museums	487,300	90,940	18.66%	Direct allocation or 6.42% total Dorset population. 100% of Red House Grant.	
Libraries	4,267,200	424,352	9.94%	Budgeted cost of Xch and Highcliffe libraries. General costs based on % Xch FTEs in libraries budget	
Coroners	856,600	100,222	11.70%	Population 11.7%. To be updated once budget and legal agreement finalised	
Early Help	( 215,100 )	( 52,556 )	24.43%	Direct allocation or population 11.7% to allocate share of savings target. No allocation general Arts grant.	
Property	133,400	( 64,101 )	-48.05%	Direct allocation or population 11.7%. Queensmead EPH rent 100% to Xch.	
Surplus Property	57,800	( 61,589 )	-106.56%	Direct allocation based on location. Few costs allocated but full rental income at Xch Airport.	
Repairs & Maintenance	1,256,800	119,522	9.51%	9.51% used as direct Xch floorspace plus element of admin building based on FTE	
Housing / Prevention	3,179,400	477,210	15.01%	Costs based on population or direct allocation of Xch properties. Supporting People income on population basis.	
Housing / Prevention - DAHs	241,600	( 86,339 )	-35.74%	Mostly population. Disabled Facilities Grant based on Xch allocation	
<b>Community total</b>	<b>10,265,000</b>	<b>947,661</b>	<b>9.23%</b>		

Disaggregation Summary - Corporate Services		
Template Name	DCC Budget (Net) £	Xchurch Share £

Xchurch Budget %
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NOTES
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ICT & Communications		
ICT	3,615,900	384,205
WAN & Telephony	492,800	34,322
CSU	783,900	94,063
Communications	180,000	20,294
	<b>5,072,600</b>	<b>532,884</b>
Legal & Democratic		
Legal & Democratic Services	1,816,700	92,915
Corporate & Democratic Core	826,300	85,454
Registration Services	( 23,400 )	( 143,902 )
	<b>2,619,600</b>	<b>34,467</b>
Financial Services		
Financial Services	2,084,400	278,254
Governance and Assurance	657,100	73,543
Insurance	611,900	55,071
Emergency Planning	229,000	26,790

10.63%
6.96%
12.00%
11.27%
<b>10.51%</b>

Mostly FTEs (8.48%), adjusted for service specific areas (e.g. Adults 12.59%, Children's 8.76%). Funded posts excluded (income and expenditure)
Overall FTEs 8.48%, and proportion of Christchurch site-specific costs
DWP households, school admissions, and analysis of actual usage of Dorset Direct services
Core at 11.7%, service specific at agreed % (e.g. Public Health 6.41%, Highways 5.6%, Children's 7.68%)

5.11%
10.34%
614.97%
<b>1.32%</b>

Majority based on proportion of staff time spent on Christchurch activity
Majority based on proportion of members allowances deemed relevant to Christchurch
Staff time spent on Xch work (high level of income generated in Christchurch)
Staff costs net of pensions team, schools etc has been split: insurance 9%, balance 11.7%. Contributions based on partnership agreements e.g. public health 6.41%, Tricuro 15.06%, DWP 11.8%
Population with the exception of insurance staff costs / income disaggregated at 9%
Proportion of Xch claims over the past 3 years (9%)
Population

	3,582,400	433,658	12.11%	
<b>Human Resources</b>				
Human Resources	1,287,100	137,172	10.66%	
<b>Other</b>				
Early Retirements *	969,600	82,818	8.54%	Pre-1997 LGR costs per council tax base (12.04%), post-LGR costs based on values of records with Christchurch address
Corporate Management *	451,800	52,861	11.70%	Population
Policy & Research	440,600	62,798	14.25%	Costs based on population. Fees and charges income deemed not Christchurch
Civil Society *	424,300	46,905	11.05%	Predominantly population. Grant to DAPTC based on number of Christchurch councils
Programme Office	333,100	38,288	11.49%	Predominantly population - one staff member slightly less than 11.7%
Partnerships inc. Public Health	181,700	21,231	11.68%	Predominantly population. Public Health included here but net nil budget.
Records Management Unit	170,200	15,112	8.88%	Overall Xch FTE %age across all services
Chief Executives Office *	227,500	26,615	11.70%	Population
	3,198,800	346,628	10.84%	
<b>CORPORATE SERVICES TOTAL</b>	<b>15,760,500</b>	<b>1,484,809</b>	<b>9.42%</b>	

Disaggregation Summary - Central Finance				
Template Name	DCC Budget (Net) £	Xchurch Share £	Xchurch Budget %	NOTES
<b>Precepts</b>				
Precepts	( 232,991,200 )	( 28,053,670 )	12.04%	Christchurch precept
Collection fund surplus	( 4,124,000 )	( 259,677 )	6.30%	Christchurch proportion of surplus
	<b>( 237,115,200 )</b>	<b>( 28,313,347 )</b>	<b>11.94%</b>	
<b>Business Rates</b>				
NNDR S31 Grant	( 804,000 )	( 99,112 )	<b>12.33%</b>	Combination of 15.12% CBC share of county wide business rate baseline and 11.2% based on 4 block model
Business Rates top-up	( 27,446,000 )	( 3,073,952 )	<b>11.20%</b>	Working figure - 4-block model
Non Domestic Rates (NNDR)	( 11,125,000 )	( 1,682,100 )	<b>15.12%</b>	15.12% CBC share of county wide business rate baseline
	<b>( 39,375,000 )</b>	<b>( 4,855,164 )</b>	<b>12.33%</b>	
<b>Capital Financing</b>				
Interest paid on long term borrowing	8,022,800	938,668	11.70%	Population
Interest receivable - investments	( 100,000 )	( 11,700 )	11.70%	Population
Revenue financing of capital	5,229,300	497,355	9.51%	Estates & Assets floor area % amended for county buildings
Minimum revenue provision	9,720,100	1,137,252	11.70%	Population
	<b>22,872,200</b>	<b>2,561,575</b>	<b>11.20%</b>	
<b>General Funding</b>				
HO Police and Crime Panel grant	( 68,900 )	-	0.00%	DCC continue to host Dorset Police and Crime Panel
DFE Education Services Grant	( 830,000 )	( 106,572 )	12.84%	Pupil numbers
DCLG Rural Services Grant	( 1,520,000 )	-	0.00%	No rural areas in Christchurch
DCLG Adult Serv.Care Grant	( 6,687,600 )	( 782,449 )	11.70%	Population

DCLG Improved Better Care Fund	( 4,289,000 )	( 501,813 )	11.70%	Population
New Homes Bonus Scheme	( 1,101,000 )	( 97,163 )	8.82%	New homes allocation information
Transfer to Reserve	2,241,000	111,177	4.96%	Christchurch proportions of reserves (e.g. collection fund surplus 6.3%)
	<b>( 12,255,500 )</b>	<b>( 1,376,820 )</b>	<b>11.23%</b>	
<b>Contingency</b>				
Contingency	<b>5,689,700</b>	<b>665,695</b>	<b>11.70%</b>	Population
<b>Levies</b>				
Flood Defence Levy	600,900	72,348	12.04%	Tax base
Inshore Fisheries Levy & DCLG Local Services Support Grant	93,400	10,274	11.00%	Average of population (11.7%), seashore (9.5%) and tax base (12.04%)
	<b>694,300</b>	<b>82,622</b>	<b>11.90%</b>	
<b>CENTRAL FINANCE TOTAL</b>	<b>( 259,489,500 )</b>	<b>( 31,235,439 )</b>	<b>12.04%</b>	



## Appendix B – Draft Partnership List

Theme Area	Partnership	Current Accountable Body	Current Cost Share Basis				Disagg. Template	Disaggregation				Future Accountable Body	Future Cost Share Basis		Comment
			Bmth	Pool	Dorset	Other		Total DCC budget	DCC	Xch	Xch %		BCP Unitary	Dorset Unitary	
People Theme	Youth Offending Service (YOS)	Bournemouth Council	39.0 %	19.2 %	41.8 %		C&P - SLA's	531,900	475,519	56,381	10.60	BCP Unitary Authority	Basis being developed which reflects activity data and trends		Currently historic funding / budget basis weighted to Bmth due to recharges. Any current funding adjustments split 27% Bmth, 24% Poole, 49% Dorset. To be considered further at the April YOS Board.
People Theme	Aspire (Adoption Service)	Bournemouth Council	38.3 %	17.1 %	44.6 %		C&P - SLA's	885,200	817,040	68,160	7.70	BCP Unitary Authority			Currently split based on a basket of six indicators (1) Average number of adoption assessments (2) Adoption support caseloads (3) Total adoption activity (4) Transfer of case responsibility & SGO assessments (5) Child Population 0 - 10 (6) Proportions of Looked After Children numbers
People Theme	Dorset Adult Learning Service	Poole Council						0	0	0	0.00	BCP Unitary Authority			The figures are blank because there is no direct cost to either of the three upper tier

															authorities. The grant for the entire Dorset Area is paid to Poole who use it to meet all their direct and indirect operational costs which will include service purchased from each of the three councils including the use of accommodation.
People Theme	Dorset Public Health Service	Dorset County Council	Specific grant passported in the first instance to the service. Any over or underspends shared by population				Public Health	0	0	0	0.00	Dorset Unitary Council	Service useage or population basis?		Dependency on disaggregation service workstream. Grant funded - Xch proportion of Exp and Income is 11.7%
People Theme	Tricuro	3rd Party	25%	5%	70%		Tricuro	26,284,000	21,030,500	5,253,500	19.99	3rd Party	43.0%	57.0%	Currently ESG Members 5 DCC, 3 BBC, 2 BoP. Other revisions to the shareholder agreement will include profit/loss share and arrangements for pre 1 July 2015 pension liabilities. Note – additional issue with Dorset Council residents in Christchurch Establishments where ordinary residence will needs to be established.

People Theme	ASC Out of Hours service	Poole Council	37.0 %	23.0 %	40.0 %							BCP Unitary Authority			The Out of Hours service is being redesigned and a recent agreement was reached that is now a BCP service only.
Environment Theme	Dorset Archives Service	Dorset County Council	24.6 %	19.8 %	55.4 %		Archives	310,000	272,862	37,138	11.98	Dorset Unitary Council	50.9%	49.1%	Pan Dorset with Dorset hosting and population as the main driver for partner contributions. Cost share disaggregation template 18.66% to CBC but cost share by population shows 6.42% (difference mainly £50k grant to Red House). Continue to pay share based on population from 1 April 2019. Joint governance board with representatives from all councils.
Environment Theme	Dorset Road Safety Partnership	Dorset Police						0	0	0	0.00	Dorset Police			No financial contributions, mainly contribute officer time.
Environment Theme	Dorset Coroners & Mortuary Service	Bournemouth Council	24.7 %	19.8 %	55.5 %		Coroners	856,600	756,378	100,222	11.70	BCP Unitary Authority	50.9%	49.1%	Currently population basis of split.

Environment Theme	Dorset Waste Partnership (DWP)	Dorset County Council			96.0 %	4.0 %	DWP	21,715,161	19,153,845	2,561,316	11.80	Dorset Unitary Council	11.8%	88.2%	The future model of ongoing service delivery and associated costs are being brought forwards as part of Phase 2 Implementation.
Environment Theme	Dorset Local Enterprise Partnership	Dorset County Council	£35 k	£35 k	£35 k		N/A	N/A	N/A	N/A	N/A	Dorset Unitary Council	£53k	£52k	Per Economy, Planning & Transport disaggregation templates LEP contribution noted for further discussion. Proposal £105,000 current contribution split by population. External to DCC accounts - not part of disaggregation
Environment Theme	Dorset Coastal Forum	Dorset County Council	£5.5 k	£5.5 k	£5.5 k		TBC	5,500	5,500	5,500		Dorset Unitary Council	£8.4k	£8.1k	Core team hosted by DCC. There are 9 funding authorities - £5.5k each? Total 260 organisations in forum. New councils have same responsibilities as Coast Protection Authority and provide same input as coastal partners.

Environment Theme	Dorset Growth Hub (ESIF ERDF)	Bournemouth Council					TBC	TBC	TBC	TBC	TBC	BCP Unitary Authority			LEP funded partnership delivered by company WSX Enterprises - LEP stopped this contract. No financial contributions by Councils. New arrangement funded by £45m European Funding nominally allocated to Dorset that LEP could shape scheme and bid for. One theme is to support small business growth and WSX runs the Dorset Business Growth Programme. Supported by officer time, no financial contributions. Bournemouth current governing body.
Environment Theme	Superfast Dorset	Dorset County Council					TBC	TBC	TBC	TBC	TBC	Dorset Unitary Council			East Dorset District Council and Christchurch Borough Council have spent their allocations. Original agreement being reviewed.

Environment Theme	DorMen	East Dorset District Council					N/A	N/A	N/A	N/A	N/A	Dorset Unitary Council			EDDC employs two people at Bournemouth University and receive administration fees and partner contributions from other Dorset councils of between £1k and £6k, and Dorset Business Growth. Total income £64k, salaries £49k, other costs £12k. Current balance £101k. No formal Partnership agreement in place. EDDC have been trying for the last 18 months to get agreement signed by partners indemnifying EDDC should DORMAN become insolvent. BBC and PBC given notice to withdraw funding entirely in 2019/20 ?
Environment Theme	Dorset Tourism						N/A	N/A	N/A	N/A	N/A				Cost share agreement for the Visit Tourism Website
Environment Theme	Urban Heath Partnership	Dorset County Council					TBC	TBC	TBC			Dorset Unitary Council			14 partners - hosted by DCC - more info requested as net nil DCC budget in 18-19

Corporate Item	Dorset Resilience Forum (CCU)	3rd Party					N/A	N/A	N/A	N/A	N/A	3rd Party			TBC
Corporate Item	Stour Valley and Poole Revenue and Benefits Partnership	Poole Council	CDDC 16.32%, EDDC 18.36%, NDDC 16.32%, Poole 49%				N/A	N/A	N/A	N/A	N/A	BCP Unitary Authority	65%	35%	Subject to confirmation - Not DCC
Corporate Item	Dorset Local Government Pension Fund Administering Body	Dorset County Council					N/A	N/A	N/A	N/A	N/A	Dorset Unitary Council			External to DCC accounts - not part of disagg exercise
Corporate Item	Dorset Development Partnership	3rd Party					N/A	N/A	N/A	N/A	N/A	3rd Party			Established to build value over and above latent market value, for land and or buildings identified as surplus to DCC requirements.
Corporate Item	TRICS Consortium Ltd	West Sussex					N/A	N/A	N/A	N/A	N/A	West Sussex			DCC and five other local authorities (East Sussex CC, West Sussex CC, Hampshire CC, Surrey CC, and Kent CC) each owns £37.5k of ordinary shares in the company. Main purpose to operate an online Trip Rate Database for use of



## Appendix C – Christchurch and East Dorset Partnership budget split

Summary of Basis for 2018/19 Partnership Cost Sharing								
Service Area	Team	Accountable Body	% Cost Sharing Basis		CBC	EDDC	Total	Comments
			CBC	EDDC	£	£	£	
Community & Leisure	Countryside & Open Spaces	CBC	68.6%	31.4%	614,213	281,141	895,354	Agreed through shared service review; historically CBC larger stand alone service, whereas EDDC bolted-on to MVCP (not part of shared service) therefore CBC has far greater role with user/friends of groups & volunteer opportunities
	Leisure Services	CBC	39.0%	61.0%	257,293	402,432	659,725	Agreed through shared service review; 2018/19 budgeted income generation 47:53, but East Dorset runs two facilities and Christchurch one.
Corporate Team	Corporate Team	EDDC	50.0%	50.0%	362,902	362,902	725,803	Work evenly split; supported by rounded aggregate % share
	Secretariat	EDDC	50.0%	50.0%	62,802	62,802	125,604	Work evenly split; supported by rounded aggregate % share
	Corporate Apprenticeships	CBC	50.0%	50.0%	22,500	22,500	45,000	Work evenly split; supported by rounded aggregate % share
Finance	Financial Services	EDDC	50.0%	50.0%	346,391	346,391	692,782	Work evenly split; supported by rounded aggregate % share
	Audit	EDDC	50.0%	50.0%	49,574	49,574	99,148	Work evenly split; supported by rounded aggregate % share
	Payroll	EDDC	50.0%	50.0%	43,574	43,574	87,147	Work evenly split; supported by rounded aggregate % share
Growth & Economy	Development Control	EDDC	40.0%	60.0%	674,824	1,012,236	1,687,060	Agreed through shared service review; 2018/19 budgeted income 38:62
	Economic Generation	EDDC	40.0%	60.0%	67,928	101,891	169,819	Agreed through shared service review
	Planning Policy	EDDC	50.0%	50.0%	197,089	197,089	394,178	Agreed through shared service review; work evenly split e.g. two Local Plans
Housing & Health	Building Control	EDDC	33.3%	66.7%	152,710	305,420	458,130	Agreed through shared service review; 4-year average for routine income 38:62 (2013/14 - 2016/17)
	Community Safety	EDDC	36.0%	64.0%	43,555	77,432	120,987	Work activity (October 2017)
	Housing	CBC	45.0%	55.0%	339,165	414,535	753,700	Agreed through shared service review; relative size of housing registers 44:56 (February 2018)
	Public Health	EDDC	36.0%	64.0%	350,909	623,837	974,746	Work activity (October 2017)
	Licensing	EDDC	45.0%	55.0%	84,012	102,681	186,693	Work activity (October 2017)
Legal & Democratic	Committee Services	EDDC	50.0%	50.0%	116,941	116,941	233,881	Work evenly split; supported by rounded aggregate % share
	Electoral Services	CBC	50.0%	50.0%	58,210	58,210	116,420	Work evenly split; supported by rounded aggregate % share
	Legal Services	CBC	50.0%	50.0%	130,672	130,672	261,344	Work evenly split; supported by rounded aggregate % share
Organisational Development	Organisational Development	CBC	50.0%	50.0%	119,711	119,711	239,421	Work evenly split; supported by rounded aggregate % share
	Customer Services	CBC	50.0%	50.0%	158,989	158,989	317,978	Work evenly split; supported by rounded aggregate % share
	HR	CBC	50.0%	50.0%	87,137	87,137	174,274	Work evenly split; supported by rounded aggregate % share
	Communications & PR	CBC	50.0%	50.0%	103,452	103,452	206,903	Work evenly split; supported by rounded aggregate % share
	ICT	CBC	50.0%	50.0%	587,251	587,251	1,174,502	Work evenly split; supported by rounded aggregate % share
Property & Engineering	Engineers	CBC	56.0%	44.0%	429,070	337,126	766,196	Agreed through shared service review; reflects Christchurch coastline
	Property Services	CBC	56.0%	44.0%	377,297	296,447	673,744	Agreed through shared service review; reflects relative size of property
					5,838,167	6,402,372	12,240,539	
			Aggregate % Share		47.7%	52.3%		

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# Bournemouth, Christchurch and Poole Shadow Executive Committee

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Report Subject	Parliamentary Orders Update
Meeting date	24 July 2018
Report author	Tanya Coulter Interim Monitoring Officer BCP Shadow Authority 01202 451172 tanya.coulter@bournemouth.gov.uk
Status	Public
Classification	For information
Executive summary	<p>A number of statutory instruments, or orders, are required to be made within the next six months or so to provide for the transfer of functions and other associated issues necessary to enable local government reorganisation to take effect.</p> <p>These orders will amend and supplement existing orders in force which date predominantly from 2008/9. The existing orders require amendment and update to take account of intervening legislative changes, and to ensure specific issues relevant to current re-organisations are taken account of.</p> <p>This report provides an update on the progress to date in respect of these new orders, and the current timetable.</p>
Recommendations	<b>That the Shadow Executive Committee note the progress made to date and current timetable.</b>
Reasons for Recommendations	To provide the Shadow Executive Committee with the opportunity to consider and make comments on the progress and timetable.

## Background

1. There are a number of existing statutory instruments in force which were made to facilitate previous local government reorganisations, predominantly in 2008/9. These are in force and provide the basis for the transfer of functions, however they require amendment to ensure they are up to date with the current legal framework and updating to deal with specific issues relating to this particular local government re-organisation.
2. Following the making of the Structural Changes Order which established the Shadow Authorities, and provides for the creation of two new unitary councils in Dorset, MHCLG have considered what further orders are required.
3. The initial work has focused on a miscellaneous order which amends and updates the existing orders. The final draft of this order is anticipated shortly. MHCLG officials have been in regular communication with legal and finance officers from the nine councils to ensure that relevant updating is undertaken and issues covered. The key aspects covered by this order are set out in the next section of this report. It is anticipated that this order will be laid before Parliament before the recess in July and will come into effect early in the Autumn.
4. In addition to this order, a finance order will deal with financial issues, and provide for the parameters within which council tax should be harmonised. It is anticipated that this order will be prepared in the Autumn.
5. The other orders are likely to be an order setting out the warding and electoral arrangements following the boundary review; and an order covering issues relating to the civic matters and establishing charter trustees. This final order will also deal with any remaining matters which need to be resolved. These orders are likely to be made towards the end of this calendar year.

## Miscellaneous Order

6. The order currently being finalised ensures that existing orders are updated and provides for the transfer of functions from existing councils to the new unitary councils.
7. Key elements include:
  - a. Transfer of functions from existing councils to the new councils. This enables the new councils to take on all functions of the preceding councils from 1 April 2019.
  - b. Continuity – anything currently being done by an existing council can continue to be done by the new council. For example, if Borough of Poole has an enforcement process underway in regard to an issue, the new BCP council will be able to continue this work seamlessly from 1<sup>st</sup> April 2019.
  - c. Policies/strategies – existing policies and strategies will apply post April 2019 for the area for which they were originally approved. The only exception to this is the Emergency Plan framework which will need to be in place for the new council from day one.

- d. Some key policies will be identified within the order which have to be reviewed as soon as practicable for the whole area, and in any event within 24 months of day one. These include certain housing allocations policies; licensing and gambling policies; policies relating to non-domestic rate relief, and certain statutory equalities policies.
- e. Local plans for the new councils are likely to need to be in place within five years. During the intervening period the local plans in place will apply and the plans in progress can continue to be developed.

## **Finance and others orders**

- 8. The Shadow Executive Committee at its first meeting agreed that a letter be sent by the Chairman setting out its preference in respect of harmonisation of council tax.
- 9. The local preference will be one factor taken into account by the Secretary of State when considering the approach to be taken. It should be noted that it is for the Secretary of State to agree what approach is taken and included in the Finance Order, which then proceeds through the parliamentary approval process. It is not a matter that the Shadow Authority itself can decide. Once the parameters are set out in the Order it will then be for the Shadow Authority as part of its budget setting process to agree the final council tax for the year 2019/20 within this framework.
- 10. When the Boundary Commission has completed its review following the consultation period an order will be laid containing the final proposals of the Commission and setting out the warding arrangements and electoral arrangements for the new council.
- 11. The Civic arrangements and establishment of Charter Trustees will be included in an order to be developed in the autumn, and in place towards the end of the calendar year. this order will ensure that arrangements are in place to enable the continuation of mayoralities in the three towns. This order will also deal with any other miscellaneous issues which need to be dealt with from a local perspective, for example any matters relating to the Port Authority and other specific local bodies the councils have statutory representation on - for example the Police and Crime Panel. It will ensure that the new council has the required role in respect of these bodies set out in the order.

## **Legal Implications**

- 12. The orders referred to in this report will be legally binding on the existing and future councils.

## **Financial Implications**

- 13. The Finance Order when in force will have specific implications for the financial position of the new councils.

## **HR & other implications**

- 14. There are no specific HR implications arising from the proposed new orders.

15. In terms of the equality duty, the councils will have to comply with the orders, which will be made in accordance with parliamentary process which includes relevant equalities act considerations.
16. In regard to specific risk assessments – there are no specific risks arising from the proposed orders which require highlighting at this stage. The orders assist the councils in mitigation operational risks by enabling a transition period during which policies and plans can be reviewed and harmonised in a considered and appropriate manner following the establishment of the new councils.

Background papers: none



## Bournemouth, Christchurch and Poole Shadow Executive Committee

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Report Subject	<b>Senior Appointments – Tier 2 Leadership Roles</b>
Meeting date	24 <sup>th</sup> July 2018
Report Author	Saskia de Vries, Service Director – Human Resources & OD Bournemouth & Poole
Contributors	Members of the Senior Appointments Task and Finish Group – Cllr Janet Walton, Cllr John Beesley, Cllr Mike White, Cllr Nicola Greene, Cllr Sally Derham Wilkes, Cllr David Flagg, Jon Burrows
Status	Public
Classification	For decision
Executive summary	This report sets out the recommendations of the Senior Appointments Task and Finish Group regarding the process and timeline for the appointment of the Tier 2 leadership roles (i.e. Executive/Strategic Directors) to the new authority.
<b>Recommendations</b>	The Shadow Executive Committee is asked to: <ol style="list-style-type: none"> <li>1. Approve the creation of five Tier 2 roles as set out in Section 2.</li> <li>2. Approve the recruitment process and timetable for the Tier 2 roles as set out in Section 3.</li> <li>3. Delegate authority to the Senior Appointments Task &amp; Finish Group in conjunction with the Service Director – Human Resources &amp; OD, to approve the final job descriptions for the Tier 2 roles.</li> <li>4. Delegate authority to the Senior Appointments Task &amp; Finish Group in conjunction with the Service Director – Human Resources &amp; OD, to approve the portfolios / areas of responsibility for the Tier 2 roles.</li> <li>5. Delegate authority to the Senior Appointments Task &amp; Finish Group in conjunction with the Service Director – Human Resources &amp; OD to approve the placement of statutory roles</li> </ol>

	as part of their work to finalise job descriptions and areas of responsibility.
Reason for Recommendations	To enable the commencement of the recruitment and selection process for Tier 2 leadership roles, and ensure that appointments can be made prior to vesting day on 1 <sup>st</sup> April 2019.

## 1. Background Detail

- 1.1. A Task & Finish Group has been established to develop the process for appointing to senior roles within the new authority.
- 1.2. Recommendations on the Tier 1 role were approved by the Shadow Executive Committee at its meeting on the 15<sup>th</sup> June 2018, and the advert for this post went live on 12<sup>th</sup> July.
- 1.3. Alongside their work on Tier 1, the Task & Finish Group have been considering the approach for Tier 2 roles, and developing the proposals set out in this report. This work has been supported by the Local Government Association (LGA) and advice from other strategic HR partners engaged as part of the LGR Programme (namely Penna and Korn Ferry Hay Group).

## 2. Tier 2 Structure

- 2.1. Various options have been considered on Tier 2 structures, including current arrangements in the preceding authorities, and the work with Local Partnerships undertaken in 2016.
- 2.2. A key consideration has been balancing the ambition of the new authority with the financial climate, and ensuring that the necessary skills, capacity and resilience exists at a senior leadership level to deliver the vision for the new authority: It is therefore proposed to create five Tier 2 roles with responsibility for the following portfolios:
  - Adults
  - Children
  - Regeneration & Economy
  - Environment
  - Resources

## 3. Process of Appointment

- 3.1. Three main options have been considered for appointing to the Tier 2 roles:
  - External competition only
  - Internal competition only
  - A combination of internal and external competition
- 3.2. Each of these options offers their own benefits, and key considerations included:
  - Ensuring that the process is legal, fair & equitable to relevant employees in the preceding authorities

- Retaining talent wherever possible
- Providing the opportunity for the new Chief Executive to input to the Tier 2 selection process
- Appointing to the Tier 2 roles prior to April 2019

3.3. It is therefore proposed to run an initial internal recruitment and selection process, based on an independent assessment to inform job-matching and ring-fencing arrangements. Should this process not result in a suitable candidate being found for any of the roles, then the role will be advertised externally.

3.4. Based on this approach, the following timetable is proposed:

Activity	Date	Detail
Finalise Tier 2 job descriptions & role profile	End July	To be agreed by Senior Appointments Task & Finish Group
Assessment of job roles & confirmation of job-matching / ring-fencing arrangements	End August	Independent assessment
Invite expressions of interest where appropriate	Sep	Based on outcome of job-matching / ring-fencing assessment
Run selection process	Oct - Nov	Detail of selection process to be developed

#### 4. Summary of Financial Implications

- 4.1. The Local Partnerships financial model which underpinned the Future Dorset proposal and the Financial Strategy approved by the BCP Joint Committee on 23<sup>rd</sup> March 2018 both recognised that the main areas for savings for the new authority will be from reducing the consolidated staff base. Such savings being delivered from avoiding duplication in the cost of management and through economies of scale in service delivery.
- 4.2. The Consolidated Medium Term Financial Plan Update report presented elsewhere on this Shadow Executive agenda identifies a current funding gap for 2019/20 of £12.966m. In approving the recommendations of this paper, the Shadow Executive are setting the context for the savings that can be delivered from the consolidation at the Tier 2 level.
- 4.3. It should be highlighted that such savings will be less than those assumed by Local Partnerships in 2016 who assumed three Tier 2 officers. The proposal however will recognise the latest good practice in regards to organisational design of a Unitary Council including the separation of the Adults and Children’s Portfolios. The lower the staffing savings delivered at Tier 2 level the higher the savings that will have to be delivered within other themes highlighted in the approved Financial Strategy.

## **5. Summary of Legal Implications**

- 5.1. Specialist external legal support is available to support this process and provide advice on options and legal implications as required during the course of this process. One of the key considerations as set out above has been to ensure that the employment law issues arising in respect of this process are fully considered and all elements of the process are in accordance with the legal framework within which the councils operate.

## **6. Summary of Human Resources Implications**

- 6.1. In addition to the legal implications above, the individuals that will, or could, be impacted by the Tier 2 appointment process have been contacted prior to publication of this report.

## **7. Summary & Recommendations**

- 7.1. Appointing to the Tier 2 leadership posts represents a key element of Phase 2 (Delivering senior staffing structures and business functionality for April 2019).

- 7.2. The Shadow Executive Committee is asked to:

- Approve the creation of five Tier 2 roles as set out in Section 2.
- Approve the recruitment process and timetable for the Tier 2 roles as set out in Section 3.
- Delegate authority to the Senior Appointments Task & Finish Group in conjunction with the Service Director – Human Resources & OD, to approve the final job descriptions for the Tier 2 roles.
- Delegate authority to the Senior Appointments Task & Finish Group in conjunction with the Service Director – Human Resources & OD, to approve the portfolios / areas of responsibility for the Tier 2 roles.
- Delegate authority to the Senior Appointments Task & Finish Group in conjunction with the Service Director – Human Resources & OD to approve the placement of statutory roles as part their work to finalise job descriptions and areas of responsibility.

## **8. Background papers:**

None.