



NOTICE OF BOURNEMOUTH, CHRISTCHURCH AND POOLE SHADOW EXECUTIVE COMMITTEE

Date: Wednesday, 17 October 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

Press enquiries should be directed to Ceri Tocock: Tel: 01202 795455 or email Ctocock@christchurchandeastdorset.gov.uk

This Notice of Meeting and all the papers mentioned within it are available at moderngov.bcpshadowauthority.com

JANE PORTMAN
DESIGNATED INTERIM HEAD OF PAID SERVICE

9 October 2018



Available online and
on the Mod.gov app



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 Wednesday 12 September 2018, available to view at the following link:-

<https://moderngov.bcpshadowauthority.com/documents/g115/Decisions%2012th-Sep-2018%2010.00%20Executive%20Committee.pdf?T=2>

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://bcshadowauthority.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, Thursday 11 October 2018.

The deadline for the submission of a statement is 12.00 noon, Tuesday 16 October 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.

5 - 10

7. BCP SEC Programme Resourcing

See report circulated at 7.

11 - 22

8. Consolidated Medium Term Financial Plan (MTFP) Update

See report circulated at 8.

23 - 48

9. Executive Committee Forward Plan

The Committee is asked to note the latest published Forward Plan, available to view at the following link:-

<https://modern.gov.bcpshadowauthority.com/documents/1109/Printed%20plan%209%20October%202018%20-%20Forward%20Plan.pdf?T=4>

- 10. 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.**

In relation to the agenda for the Shadow Executive Committee on 17 October 2018, the Shadow Overview and Scrutiny Committee agreed the following:

In relation to Item 7 'BCP SEC Programme Resourcing' -

1. That there was a need to provide appropriate resources to support the BCP LGR Programme;
2. That the budget in this respect would be kept under review by the Overview and Scrutiny Committee which will continue to consider reports relating to Programme Resourcing when they become available;
3. That updates on this budget be provided to Overview and Scrutiny Members in their monthly pre-Committee briefing sessions;
4. That Officers and Members managing the Programme be requested to escalate risks that may impact on the budget to the Overview and Scrutiny Committee, should any arise.

In relation to Item 8 'Consolidated Medium Term Financial Plan (MTFP) Update -

That the recommendations contained within the report were endorsed by the Overview and Scrutiny Committee.

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Bournemouth, Christchurch and Poole Shadow Executive Committee

6

Report Subject	BCP LGR Programme Update
Meeting date	17 th October 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
Key Decision	No
Executive summary	This report provides an overview of activity within the BCP Programme for Local Government Reorganisation in Dorset.
Recommendations	1. Members note the progress made since the last BCP Shadow Executive Committee meeting on approved workstreams.
Reason for Recommendations	To note the progress made on the Bournemouth, Christchurch & Poole programme to prepare for local government reorganisation in Dorset and to provide assurance to Members that the Programme is progressing satisfactorily.

Background detail

1. At its first meeting the 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 Adults' Services, Children's Services, Environment & Economy and Corporate & Support Services
 - iii. The Programme Director/Central Implementation Team Leader and the implementation team
 - iv. The Task & Finish 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. 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 on the Agenda and will provide more detail for Members.
5. The TUPE (Transfer of Undertakings (Protection of Employment)) lists have now been compiled for the BCP Authority. The lists have been released in an anonymised form to the Phase 2 Delivery Board Chairs who are working with HR and Finance to plan the next steps in the service continuity and budget setting processes.
6. The Senior Appointments Committee has met and will be recommending a preferred candidate to the Shadow Authority Meeting on 17th October 2018. The work of the HR & TUPE Task & Finish Group is now focussed on the Tier 2 selection process.

7. The Finance Task & Finish Group is continuing to develop and refine the consolidated MTFP for the BCP Council. A report setting out the latest position with the MTFP is included later on the face of the Agenda and will provide more details for Members.
8. The Governance Task & Finish Group is now focussing on 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.
9. The mobilisation of the Phase 2 arrangements within the programme continues. 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, and significant process is being made in all four Boards.

Summary of finance implications

10. 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.
11. The current budget monitoring statement is attached as Appendix 1 to this report. This shows that the commitments made are within the resources that were approved in April 2018 by the BCP Joint Committee. However, the ICT Infrastructure budget is under significant pressure and this is likely to continue as the work of the Phase 2 Delivery Boards develops in the coming months. As a result, additional resources are being sought in the report referenced in para 17 below.
12. 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

13. A further report is included on the face of this Agenda, and provides a full breakdown of the additional costs and therefore financial requirements of Phases 1 and 2 of the programme.

Summary of legal implications

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

Summary of human resources implications

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

Summary of environmental impact

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

Summary of risk assessment

17. 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).

18. In the event that there is a need to escalate any risks or issues to the Shadow Executive Committee for either awareness or decision they will be fully outlined with background information, a description of available options and carry recommendations for approval.

19. There are no risks or issues to be escalated at this stage.

Background papers

None

Appendices

1. Budget Monitoring Statement

BCP Programme Budget Monitoring

AS AT 30 SEPTEMBER 2018

Nominal Code	Budgeted Cost Share %	Budget	Total Committed	Variance Budget v Committed	Actual To date	Forecast Cost Share	Forecast Outturn	Variance Budget v Forecast
		2018/19 Total £	2018/19 Total £	2018/19 Under/(Over) Total £	2018/19 Total £	2018/19 %	2018/19 Total £	2018/19 Under/(Over) £
Specialist Support								
Legal & Democratic		31,450	0	31,450	0		0	31,450
- Committee Management		1,000	1,000	0	0		1,000	0
- Registrars Booking System		7,550	7,550	0	0		7,550	0
		40,000	8,550	31,450	0		8,550	31,450
Financial		30,000	0	30,000	0		0	30,000
- Insurance		10,000	4,480	5,520	0		4,480	5,520
		40,000	4,480	35,520	0		4,480	35,520
Human Resources		17,505	0	17,505	0		0	17,505
- 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
- Assessment Tier 2		495	495	0	0		495	0
- Recruitment of Chief Executive		32,000	46,000	(14,000)	20,336		46,000	(14,000)
- eRecruit Platform		20,000	20,000	0	0		20,000	0
		255,000	251,495	17,505	20,336		251,495	17,505
ICT		43,050	0	43,050	0		0	43,050
- GIS		16,950	16,950	0	0		16,950	0
		60,000	16,950	43,050	0		16,950	43,050
Communications		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
		105,000	92,500	12,500	0		92,500	12,500
Infrastructure Investment								
ICT		212,000	0	212,000	0		0	212,000
- email transfer		76,500	76,500	0	0		76,500	0
- Financial Management System		184,000	184,000	0	0		184,000	0
- Local Election changes		27,500	27,500	0	0		27,500	0
		500,000	288,000	212,000	0		288,000	212,000
Accommodation		100,000	0	100,000	0		0	100,000
Contingency		23,838	0	23,838	0		0	23,838
- Unison additional resources		37,000	37,000	0	0		37,000	0
		60,838	37,000	23,838	0		37,000	23,838
Total Expenditure		1,160,838	698,975	475,863	20,336		698,975	475,863
Recharge to Authorities								
Bournemouth	49.34%	572,757				49.34%	344,874	
Poole	38.20%	443,440				38.20%	267,008	
Christchurch	6.23%	72,320				6.23%	43,546	
Dorset CC	6.23%	72,320				6.23%	43,546	
Total Recharges to Authorities		1,160,838					698,975	

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Bournemouth, Christchurch and Poole Shadow Executive Committee

7

Report Subject	BCP SEC Programme Resourcing
Meeting date	17 October 2018
Report author	Julian Osgathorpe, Programme Director BCP Programme
Contributors	BCP Programme Board BCP Phase 2 Delivery Boards/Workstreams BCP Interim Statutory Officers
Status	Public
Executive summary	This report sets out the implementation approach, plan and governance framework for the implementation of the BCP LGR Programme.
Recommendations	<p>The Shadow Executive Committee is asked to:</p> <ol style="list-style-type: none"> 1. Approve the requirement for additional resources of £7,936,160 for the delivery of Phases 1 and 2 of the BCP LGR Programme. 2. Request that the Section 151 Officers of the Shadow and preceding authorities to the BCP Unitary Authority obtain approval and release of the funding from their preceding authorities. 3. Authorise the Interim S151 Officer for the BCP Authority to include the 2019/20 requirement of £1,178,396 in the MTFP for the BCP Authority, 4. Delegate authority to the BCP Programme Board to authorise expenditure from this funding in order to progress and deliver Phases 1 and 2 of the BCP LGR Programme.
Reasons for recommendations	To provide appropriate resources to deliver Phases 1 and 2 of the BCP LGR Programme.

Background detail

1. The BCP Shadow Executive Committee has approved a programme governance framework to oversee, direct and manage the delivery of LGR within the

Bournemouth, Christchurch and Poole area. This framework can be summarised as comprising and functioning as follows

- a. Shadow Executive Committee
 - b. Shadow Executive Overview & Scrutiny Committee
 - c. Elected Member Task & Finish Working Groups covering all aspects of the programme's activity
 - d. Programme Board – Chief Executives and Managing Director from the preceding authorities to be accountable for the delivery of the programme workstreams, budgets, resource allocation along with the management of key risks and issues arising from the programme activities
 - e. Programme Director/Manager/Team – responsible for day to day delivery of the programme workstreams, budgets, resources and the identification, mitigation and resolution of risks and issues
 - f. Phase 2 Delivery Boards and Unit of Service Workstreams.
2. The committee has also approved an outline programme divided into three phases in order to help create and maintain a robust means of focusing, prioritising and managing work, resources, cost and deliverables. These phases are described as
- a. Creating the new unitary authority
 - b. Delivering senior staffing structures and business functionality for April 2019
 - c. Designing and building the new local authority
3. The progress of the programme is reported to the BCP Shadow Executive Committee and the Shadow Overview & Scrutiny Committee on a regular basis. In addition, oversight by elected members and senior officers is maintained through the other aspects of the Governance architecture.

Programme Resourcing – Decisions to Date and Updated Information

4. In a report to the BCP Joint Committee in November 2017, it was set out that the profile of the resources and/or costs of a programme of this scale and complexity can be made up of a number of core components or layers. These are
- a. Existing staff/resources that are re-prioritised from other work priorities to be seconded to the programme
 - b. Existing staff that are seconded to the programme but for whom an element of backfilling is required in order to maintain their day to day service functions
 - c. Additional staff required, on a fixed term/transitional basis, to support elements of the programme
 - d. External and/or specialist support to deliver elements of the programme that it is not appropriate to have within the cost base of the organisation(s) even on a fixed term basis

- e. Infrastructure investment/disinvestment to deliver step change in capability or ways of working
 - f. Costs of Change associated with significant redesign and restructuring of staff such as redundancy, pay protection, relocation and/or retraining
5. In the same report, it was also outlined that the Section 151 Officers of all the preceding authorities have developed a set of principles for the apportionment of costs incurred in the delivery of the programmes(s) for LGR across Dorset. These principles apply to all costs incurred by all preceding authorities in relation to their work to deliver the respective LGR programme for Dorset. The basis on which the costs will be apportioned will relate to the scope of the workstream on which the costs are incurred, i.e.
 - a. Where a cost is incurred on an activity or workstream that delivers an output required by both joint committee programmes, then this cost will be apportioned across all preceding authorities
 - b. Where a cost is incurred on an activity or workstream that is specific to one of the joint committee programmes, then this cost will be apportioned across only those preceding authorities party to that joint committee.
 6. In April 2018 a report to the BCP Joint Committee set out a provisional assessment of resources and costs required to support the remaining tasks for Phase 1 of the programme, as well as to start mobilising the Phase 2 tasks and workstreams. At that early stage, funding was requested to cover assumed costs in categories d. and e.
 7. Funding in the sum of £1.16m was approved by the BCP Joint Committee in respect of these assumed costs. Authority to incur expenditure against this sum was delegated to the BCP Programme Board with regular reporting to be undertaken to the BCP Joint Committee or its successor body.
 8. Acknowledging that the programme was in the early stages of mobilising Phase 2 of the programme, the BCP Joint Committee agreed that a further report covering categories b. and c. should be developed. In the interim, the Committee agreed that the BCP Programme Board had authority to incur additional staff costs where these were considered in the interests of the programme. Such costs were to be carried at the risk of the preceding authorities pending the future approval of these and any future costs required.

Scope of this Report

9. This report will set out the funding required in order to cover the following categories of cost in respect of the remaining activity within Phases 1 and 2 of the BCP LGR programme
 - a. Existing staff/resources that are re-prioritised from other work priorities to be seconded to the programme

- b. Existing staff that are seconded to the programme but for whom an element of backfilling is required in order to maintain their day to day service functions
 - c. Additional staff required, on a fixed term/transitional basis, to support elements of the programme
 - d. Running costs of the Shadow Authority and/or the BCP Unitary Authority expected to be incurred prior to 31st March 2019
 - e. Costs relating to redundancies or retirements arising from restructuring under the BCP LGR Programme
 - f. A review of the provisional allocation made against the ICT Infrastructure Cost Category in the April BCP Joint Committee Report
10. The information that has been used to compile this report and assess the additional financial requirements of the programme is as up to date and as accurate as possible. However, in a programme of this scale and complexity, and given the extremely compressed timeline to successfully deliver Phases 1 and 2 it is possible that additional funding requirements will emerge as we move through the next six months.
11. Phase 3 continues to be excluded from this assessment of costs.

Existing Staff Re-prioritised from other Work priorities

12. In the April Joint Committee report it was confirmed that there would be no charge to the programme with regard to the time of the Chief Executives/Managing Director or the Strategic/Executive Directors, including the seconded Programme Director, and the interim statutory officers for the BCP Shadow Authority.
13. With the formal and full implementation of the programme, and in accordance with the requirements of the Structural Change Order, it has been necessary to put in place a Central Implementation Team. The purpose of the team is to support the programme and the service units with experienced and dedicated business change capacity and capability.
14. The core of this team is made up of the Major Change & PMO team that is a shared service between Bournemouth and Poole. All of their focus has been prioritised on the BCP LGR Programme.
15. However, given the scale, complexity and compressed timeline for the BCP LGR programme, it has been necessary to supplement this team with additional capacity and capability from across the preceding authorities to the BCP Unitary Authority.
16. The established accounting principles for the treatment of the costs associated with this type of resource is not to include them within the base budget of the local authority(ies) but instead to attribute them to the projects that are being delivered.
17. The total funding sought for the period 1st April 2018 through to 30th September 2019 is set out in Appendix 1 and is £1,161,508.

Existing Staff Seconded but Requiring Backfill

18. It is not realistic to expect the preceding authorities to have the capacity and capability within their service teams to support a programme of this scale and complexity, while also maintaining the levels of day to day service delivery that is expected of them.
19. Over the last three months the Phase 2 Delivery Boards have been working with their Unit of Service Workstreams in order to identify the roles that are required to support the BCP LGR programme. Once this was done, an analysis was undertaken to assess how much time is likely to be required of those roles and the impact on service delivery of that time being re-prioritised. Finally, consideration has been given to whether or not it is reasonably feasible to obtain appropriate additional capacity and capability to “backfill” or cover this loss of service capacity.
20. This requirement has been collated and is set out in Appendix 1. The total cost required is £999,085.

Additional Staff Required on a Fixed Term or Transitional Basis

21. There are some roles within the preceding authorities service teams that there are simply just not enough of when the demands of day to day service delivery are combined with the requirements of the BCP LGR programme. For these roles, it is not affordable to carry the required level of excess capacity and capability within the budgets of the local authorities and it is therefore proposed that this resource is engaged on a fixed term or transitional basis as required to deliver the programme.
22. Over the last three months the Phase 2 Delivery Boards have been working with their Unit of Service Workstreams in order to identify this requirement as well as quantify and cost it.
23. This requirement has been collated and is set out in Appendix 1. The total cost required is £2,018,838.

Running Costs of the Shadow Authority and/or BCP Authority

24. The BCP Shadow Authority is responsible for some costs that have been/will be incurred during its lifecycle. At this stage, the following categories of costs have been identified
 - a. Staff
 - b. Elections
 - c. General administrative
25. While there will be no incremental costs incurred by the BCP Shadow Authority in respect of the Interim Statutory Officers, there is a need to cover the employment costs of any officers appointed to the BCP Unitary Authority prior to its inception on 1st April 2019.

26. However, it is not currently clear when or how many such appointments will be made and it is therefore proposed to assume the tiers or roles, periods and values set out in Appendix 1.
27. The preparation for the BCP Unitary Authority elections are well underway and will require a significant budget to be established. In addition, some of the work and expenditure will need to be undertaken during the lifecycle of the Shadow Authority. The expected costs that will be incurred are set out in Appendix 1 and funding is sought to cover this.
28. Finally, the Shadow Authority has incurred/will be incurring some minor costs in relation to its day to day business, e.g. accommodation costs for the full Shadow Authority Meetings. A small budget is sought to cover these costs prior to 31st March 2019.

Costs of Restructuring or Redundancies arising from the BCP LGR Programme

29. It is still too early to reliably analyse and forecast the full costs associated with any potential restructuring and/or redundancies required as a result of Phases 1 and 2 of the programme. However, bearing in mind the current pace of the programme, a provisional budget of £1.5m is requested to cover any early redundancies or restructuring arising from the programme occur.
30. While oversight of this budget will be delegated to the BCP Programme Board in common with the other categories of cost and their agreed budgets, the BCP Programme Board will be required to exercise their delegation in line with any constitutional requirements and/or procedures of the preceding authorities depending on the current employment status of the individual employees that may be affected.

Review of the ICT Infrastructure Cost Category

31. In the April 2018 report to the BCP Joint Committee a provisional allocation of £0.5m was made against the potential ICT Infrastructure costs required for the purposes of Phases 1 and 2 of the BCP LGR Programme.
32. Significant work has now been undertaken on the systems and data disaggregation as well as engagement with service units and strategic ICT suppliers. It is clear from this work that there are some significant requirements in order to ensure service continuity and ensure compliance with regulatory requirements.
33. Additional funding is therefore required and a further £0.75m is sought in this regard.

Summary of Financial implications

34. The total financial implication arising from this report is £7,936,160. This will take the total committed funding for the BCP LGR Programme to £9,096,160. While the full costs of restructuring and redundancies are still to be established, this total

remains significantly below the £11.8m forecast within the Local Partnerships Business Case.

35. The Interim S151 Officer for the BCP Authority has previously set out in the Consolidated MTFP papers received by the BCP Joint Committee and Shadow Executive Committee the Transition & Transformation Reserves available to support the BCP LGR Programme. Recognising the scale of the investment in delivering the BCP LGR Programme, the BCP Authority will continue to lobby central government for support.
36. The new requirement of £6,757,764 allocated to the 2018/19 financial year will be apportioned across the preceding authorities as previously set out and agreed. This results in the new funding requirements for the authorities contributing to the costs of Phase 1 and 2 of the BCP LGR programme as set out in Appendix 1.
37. The requirement of £1,178,396 that has been identified for 2019/20 will need to be accommodated within the BCP Authority MTFP. The Interim S151 Officer for the BCP Authority will require the endorsement of the BCP Shadow Executive Committee to this report and its funding requirements in order to do this.
38. Unlike the allocation resulting from the April report to the Joint Committee, there are no funds currently allocated by the preceding authorities for the purposes of Phase 1 and 2 of the BCP LGR programme. It is therefore proposed that in the event that the BCP Shadow Executive Committee approves the new financial implications outlined in this paper, the appropriate Section 151 Officers work with their preceding authority's elected members and governance processes to ensure that the appropriate funding is released to the programme.
39. Pending this, the BCP Shadow Executive Committee is asked to delegate authority to the BCP Programme Board to approve expenditure against this new budget. Budget Monitoring will be as set out and agreed in the April BCP Joint Committee Report for the £1.16m.

Summary of legal implications

40. The Structural Changes Order provides that the preceding councils – Bournemouth, Christchurch, Poole and Dorset CC – must co-operate to ensure the effective and timely transfer of functions to the new council. The Order includes a specific requirement to release staff as appropriate to undertake the necessary work, and a requirement generally to exercise their functions so as to further the purposes of the Order.
41. Although the decision to release the amounts set out in this Report is one for each individual council to make, they are required to take account of the recommendation of the Shadow Executive Committee, and to then take the decision in respect of the funding being mindful of the statutory requirements set out in the Order.

42. The Order provides that the expenditure incurred is to be divided among and paid by the four preceding councils in such a proportion as shall be agreed by the councils. The councils have agreed these proportions pursuant to this requirement, and these are as set out in this report and appendices. There is a power for the Shadow Authority to refer any disagreement on this matter to the Secretary of State who may determine the proportion or appoint an arbitrator to do so.

Summary of human resources implications

43. Any member of staff affected by proposals under paragraph 31. above will be treated in accordance with the contractual relationship and/or procedural requirements of the appropriate preceding authority.

Summary and Recommendations

44. In April the BCP Joint Committee acknowledged that the initial allocation of £1.16m to the BCP LGR Programme was not sufficient to deliver a programme of this scale, complexity and time pressure. They also acknowledged that the £1.16m initial allocation was significantly short of the £11.8m estimated in the Local Partnerships Business Case as being required to deliver the transition from the preceding authorities to the BCP Unitary Authority.

45. The BCP Joint Committee agreed to receive a further request for programme funding in October once the Phase 2 programme structures and workstreams had had time to assess the impact on day to day service delivery as well as considering the work required to deliver service continuity for 1st April 2019.

46. While continuing to exclude the full costs of restructuring and redundancies during Phase 2, or the implementation of Phase 3 of the BCP LGR Programme this report sets out additional funding requirements in the sum of £7,936,160. These requirements are described in detail in the Appendix attached to the report.

47. Unlike the £1.16m in April 2018, there is no funding currently allocated by the preceding authorities for the purposes of supporting this requirement. As a result, should the BCP Shadow Executive Committee endorse the recommendations in this paper the Section 151 Officers of the preceding authorities to the BCP Unitary will work with their respective governance processes to ensure that each preceding authority contributes the appropriate share as set above.

48. It is therefore recommended that the BCP Shadow Executive Committee

- a. Approve the additional resources of £7,936,160 required for the delivery of Phases 1 and 2 of the BCP LGR Programme.
- b. Authorise the Section 151 Officers of the Shadow and preceding authorities to the BCP Unitary Authority to obtain approval and release of the funding from their preceding authorities.
- c. Authorise the Interim S151 Officer for the BCP Authority to include the 2019/20 requirement of £1,178,396 in the MTFP for the BCP Authority,

- d. Delegate authority to the BCP Programme Board to immediate authorise expenditure from this funding in order to progress and deliver Phases 1 and 2 of the BCP LGR Programme.

Background papers

None

Appendices

1. BCP Programme Additional Resource Requirement

BCP Programme Additional Resource Requirement

	Board Requesting Funding	Total Cost £	2018/19 £	2019/20 £
Existing Staff Costs				
Major Change Project Team		1,161,508	783,126	378,382
Backfill Staff Capacity Requirements				
Social Worker - Cross Cutting Work Stream	Adults Delivery Board	26,700	22,800	3,900
Bop Under 5's Service Lead	Childrens Delivery Board	25,000	19,444	5,556
SEND - LGR work	Childrens Delivery Board	15,000	11,667	3,333
Bop Service Manager - LGR work	Childrens Delivery Board	50,000	38,889	11,111
Senior Manager - Schools	Childrens Delivery Board	50,000	38,889	11,111
Synergy - Backfill to increase capacity	Childrens & Adults Delivery Board	69,000	69,000	0
Recruitment Advisor - Free up manager time	Corporate Delivery Board - HR	7,000	6,125	875
Communication Officer - Christchurch	Corporate Delivery Board - Comms	24,242	18,181	6,060
Locum Solicitor - Commercial/contracts backfill Head of Legal	Corporate Delivery Board - Legal	96,000	57,600	38,400
Condition Surveys	Assets & Accommodation	65,000	65,000	0
Managerial/Officer & Administrative Support - to create capacity	Place Delivery Board	350,442	350,442	0
IT Support - data cleansing and migration	Place Delivery Board	220,701	220,701	0
		999,085	918,738	80,347
Additional Staff Capacity Requirements				
Project Worker/Commissioning Assistant	Adults Delivery Board	38,500	17,000	21,500
Finance Officers - Ensure readiness for vesting day	Adults Delivery Board	56,000	56,000	0
Helpdesk/Business Support - Knowledge of migration	Adults Delivery Board	25,000	22,222	2,778
Professional Register Support - Safeguarding and out of hours	Adults Delivery Board	10,000	10,000	0
Advanced Practice Manager & IT Systems Report - Data & case management transfer	Adults Delivery Board	146,000	90,333	55,667
Team Manager/Review Officer/Permanent & Agency Staff - transitional support	Childrens Delivery Board	434,000	434,000	0
Project and Administrative Support - LGR	Childrens Delivery Board	50,000	38,889	11,111
Commissioning Support Capacity	Childrens Delivery Board	25,000	19,444	5,556
Team Leader and Management Enhancement	Childrens Delivery Board	45,000	35,000	10,000
Mosaic - Additional staffing capacity	Childrens & Adults Delivery Board	224,880	224,880	0
Accountancy Closedown and General Support	Corporate Delivery Board - FS	102,000	89,500	12,500
Creditors/Debtors/Procurement Transitional Support	Corporate Delivery Board - FS	62,500	49,333	13,167
Creditors and Estates Data Migration	Corporate Delivery Board - FS	23,500	19,833	3,667
Senior System & Management Information Officer - Free up experienced capacity	Corporate Delivery Board - HR	18,000	14,400	3,600
Recruitment & Admin & Service Centre Managers - Data Migration & System Configuration	Corporate Delivery Board - HR	10,000	7,100	2,900
Senior Advisor and Technician - Payroll configuration and additional checking	Corporate Delivery Board - HR	5,500	2,000	3,500
HR Administrators - TUPE support	Corporate Delivery Board - HR	7,000	7,000	0
Strategic Employee Relations Advice	Corporate Delivery Board - HR	50,000	50,000	0
Senior HR Advisors - Restructure	Corporate Delivery Board - HR	77,000	66,000	11,000
Programme Communications Officer	Corporate Delivery Board - Comms	22,058	16,544	5,515
Communication Support - as previously agreed	Corporate Delivery Board - Comms	37,900	37,900	0
Communication Support - Project support	Corporate Delivery Board - Comms	17,500	15,000	2,500
Registrars - Integration Support	Corporate Delivery Board - Legal	20,000	12,000	8,000
Specialist Officers & Administration Support - Elections May 19	Corporate Delivery Board - Legal	44,000	26,400	17,600
Administration Support - Democratic Services new constitution	Corporate Delivery Board - Legal	20,000	12,000	8,000
Locum Solicitor for Childrens Social Care change	Corporate Delivery Board - Legal	96,000	57,600	38,400
Desktop Technicians - Integration	Corporate Delivery Board - ICT	72,000	42,000	30,000
Network Engineer - Migration to new network	Corporate Delivery Board - ICT	42,000	24,500	17,500
Application Developers & Technician - Data disaggregation	Corporate Delivery Board - ICT	160,000	93,333	66,667
Business Analyst - Capture business requirements	Corporate Delivery Board - ICT	36,000	21,000	15,000
Service Desk Technician - increase capacity	Corporate Delivery Board - ICT	26,500	15,458	11,042
Contract & Compliance Officer	Corporate Delivery Board - ICT	15,000	12,500	2,500
		2,018,838	1,639,171	379,667
Shadow Authority Running Costs				
Chief Executive		60,011	60,011	0
Strategic Directors - Tier 2		352,108	352,108	0
Tier 3 Appointments		204,813	204,813	0
BCP Elections Costs		470,000	130,000	340,000
General Administration Costs		10,000	10,000	0
		1,096,932	756,932	340,000
Contingency 10%		409,797	409,797	0
TOTAL FUNDING REQUESTED		5,686,160	4,507,764	1,178,396
Share of Funding Per Authority				
Bournemouth	49.34%	2,224,131	2,224,131	0
Poole	38.20%	1,721,966	1,721,966	0
Christchurch	6.23%	280,834	280,834	0
Dorset CC	6.23%	280,834	280,834	0
BCP		1,178,396		1,178,396
		5,686,160	4,507,764	1,178,396

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Bournemouth, Christchurch and Poole Shadow Executive Committee

8

Report Subject	Consolidated Medium Term Financial Plan (MTFP) Update
Meeting date	17 October 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
Status	Public
Classification	For decision
Executive summary	<p>This report details the good progress made in the development of the Medium Term Financial Plan (MTFP) and a robust balanced budget for 2019/20. The report highlights;</p> <ul style="list-style-type: none"> • The latest Consolidated MTFP position. • Response submitted to the Ministry of Housing, Communities and Local Government (MHCLG) to the technical consultation on the 2019/20 Local Government Finance Settlement. • Details of the CIPFA financial resilience index. • Further clarification on the decision previously made by the Shadow Executive in regards to long term empty properties. • Details of the latest position in respect of the process of harmonising Council Tax in the new authority. • A sets of proposed principles to be applied to the transfer of assets to Town or Parish Councils; • An overview of the potential BCP general fund capital programme and its associated principles.

	<ul style="list-style-type: none"> • Key financial decisions made by each of the sovereign councils since the previous report to members. • An overview on the operation of a consolidated Housing Revenue Account (HRA).
Recommendations	<p>The Executive Committee is requested to;</p> <ol style="list-style-type: none"> 1. Note the content of the report. 2. Approve the principles outlined in section 25 for the transfer of assets of any Town or Parish Councils. 3. Approve the strengthening of the arrangements for sovereign council’s consultation with the Shadow Executive on key financial decisions as set out in section 42.
Reasons for recommendations	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.

Medium Term Financial Plan (MTFP)

1. At the meetings of the BCP Joint Committee on the 15 December 2017, 20 March 2018, 23 May 2018 and 24 July 2018 high level consolidated Medium Term Financial Plan (MTFP) information has been presented which has been drawn together from both the published plans of each of the four relevant sovereign councils and the work to date to deliver a balanced, robust and sustainable budget for 2019/20.
2. The MTFP 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.
3. 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 Shadow Executive have previously endorsed the following high level budget cycle for the BCP Unitary Authority;

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.
- Establish and implement cash limits and savings targets. These were 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.

4. Figure 1 below sets out the latest consolidated MTFP position based on the work undertaken to date.

Figure 1: 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)
Net approved funding gaps	10,751	11,467	22,218	10,751	11,467	22,218
Consistent 2.99% C Tax increase	(1,728)		(1,728)	(1,728)		(1,728)
Sub Total	9,023	11,467	20,490	9,023	11,467	20,490
Council Tax Foregone	1,503	1,061	2,564	2,342	1,643	3,985
Sub Total	10,526	12,528	23,054	11,365	13,110	24,475
Provision for emerging cost pressures, changes in demand etc.	3,474		3,474	3,474		3,474
Funding Gap (BCP JC 23/5/18)	14,000	12,528	26,528	14,839	13,110	27,949
Financial Strategy savings (Part 1)	(1,034)		(1,034)	(1,034)		(1,034)
Funding Gap (BCP SE 24/7/18)	12,966	12,528	25,494	13,805	13,110	26,915
Financial Strategy savings (Part 2)	(1,782)	198	(1,584)	(1,782)	198	(1,584)
Funding Gap (BCP SE 17/10/18)	11,184	12,726	23,910	12,023	13,308	25,331

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.

5. Financial Strategy savings (Part1) reflects the items referred to in the report to the Shadow Executive on the 24 July 2018 including savings from democratic representation, reduced external audit costs, and savings from common financial policies.
6. Financial Strategy savings (Part 2) generally relates to the provisional outcome of the disaggregation of the 2018/19 revenue budget of Dorset County Council and from establishing consistent funding assumptions.

7. As part of the Stage Two process Delivery Boards, in liaison with their nominated Shadow Executive Members, have been undertaking work to determine the efficiencies that could contribute to their established savings targets. The main area has consistently been focused on the reduction of the consolidated staff base of the new council. Such opportunities are mainly from a combination of avoiding duplication in the cost of management, through economies of scale in service delivery, and particularly in front line services own, back office and support functions. Before such savings can be finalised services will need to have considered the Transfer of Undertakings (Protection of Employment) (TUPE) regulation information made available from Christchurch and Dorset County Council at the end of September. The outcome of this work and its impact on any saving proposals will be reflected in future reiterations of the consolidated MTFP.
8. The intention is that the December Consolidated MTFP report to the Shadow Executive on the 12 December 2018 will provide details of each Delivery Boards progress in respect of savings proposals put forward against the savings target they have been set.
9. 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 above, Members and Officers will bring forward the required proposals for the additional resources, savings and efficiencies now needed to enable a robust, balanced, and lawful, budget for 2019/20 to be set.

Technical Consultation - 2019/20 Local Government Finance Settlement

10. On the 24 July the Ministry of Housing, Communities and Local Government issued a technical consultation on the 2019/20 Local Government Finance Settlement. The document sought views on proposals for the settlement to be applied for the year commencing April 2019. Issues covered by the consultation document included the Government's;
 - preference that the 2019/20 Local Government Finance settlement will confirm the final year of the multi-year settlement announced in 2016/17.
 - position on the 2019/20 New Homes Bonus baseline.
 - proposal for council tax referendum principles for 2019/20.
 - proposal for dealing with the issue known as negative Revenue Support Grant.
11. The consultation included two matters particularly pertinent to the new BCP Authority. The first is their proposal to remove negative Revenue Support Grant (RSG) in 2019/20 which potentially will have a £3m positive impact on the new authority at least in its first year. Government lobbying around negative RSG was a key category within the BCP financial strategy agreed in May 2018 by the BCP Joint Committee. It was also a matter that members of the BCP Financial Strategy & Council Tax Harmonisation Task and Finished Group raised with each of the five local MPs in early July.
12. The second salient matter is the proposal around the payment of New Homes Bonus (NHB). Government propose to increase the annual baseline for housing growth below which no NHB is paid. The baseline, sometimes referred to as the "deadweight", is currently 0.4% and Government have indicated that due to affordability this will need to be increased in 2019/20. The consultation document also indicates that 2019/20 will be the final year NHB is paid as they look to explore how to incentivise housing growth as part of the next spending review. The relevant BCP authorities are receiving

approximately £4.3m in NHB in 2018/19. This award is currently forecast to reduce to £3.2m in 2019/20 due to the reductions, from six to four years, over which the grant is paid alongside the introduction of the 0.4% baseline. Any further increase in the baseline will have a negative impact on the new authority.

13. Appendix A sets out the response made to the consultation and as agreed prior to the 18 September 2018 deadline with members of the BCP Financial Strategy & Council Tax Harmonisation Task and Finished Group.

Financial Resilience

14. The Chartered Institute of Public Finance and Accountancy (CIPFA) have issued a consultation document on their proposal to introduce a local authority financial resilience index. Their decision to develop an index is driven by CIPFA's desire to support the local government sector as it faces the continued financial challenge of further Government funding reductions and unrelenting cost and demand pressures.
15. Recently there has been a high profile financial crisis at Northamptonshire County Council. This coupled with turbulence at other local authorities including the external auditors issuing a s24 (public interest) report in regards to Birmingham City Councils use of their reserves, means that the establishment of such an index is also seen as a response to the heightened risks of more council's over the next four years falling into special financial measures.
16. The index, which will be based on publically available information, will provide an assessment of the relative financial health of each English council. It will not be a predictive model but will be a diagnostic tool designed to identify good practice and crucially point to areas which are associated with financial failure. Use of the index should, as part of an early warning system, support councils in identifying areas of weakness and enable them to take action to reduce the risk of financial failure.
17. The Interim s151 Officer for the BCP Shadow Authority will continue to monitor developments in regards to this matter to ensure the strong financial management culture that exists in the predecessor councils continues into the new unitary council.

Council Tax Discounts

18. At its meeting on the 24 July the BCP Shadow Executive approved a recommendation in respect of council tax premiums on long term empty properties which read *"that the current 50% Empty Homes Premium as applied currently across Bournemouth, Christchurch and Poole will be increased to a 100% premium on properties left unoccupied for two to five years, increased to a 200% premium on properties left empty for between five and ten years, and to a 300% premium on properties left empty for in excess of ten year"*.
19. Since the meeting Government have clarified that the 200% premium on empty properties left empty for more than five years will be applied from 1 April 2020 and the 300% premium on empty properties kept vacant for more than ten years will be applied from 1 April 2021. In the meantime owners will be written to and advised of the change to encourage them to bring the properties back into use.

Council Tax Harmonisation

20. The BCP Authorities approach to council tax harmonisation has been developed through reports to and the resolutions of the Joint Committee and Shadow Executive in October, November and December 2017 as well as January, March, April 2018. This culminated in the agreement of the Shadow Executive to write to Rishi Sunak (Parliamentary Under Secretary of State for Local Government) setting out further details of the local preference as follows;
- a) That 2025/2026 will be the first year a harmonised council tax will be applied (a six year harmonisation model).
 - b) That no Borough's council tax levels will rise at a rate exceeding the Government's referendum limits; and
 - c) That the council tax levied in Christchurch is frozen until the new harmonised rate is applied.
21. Rishi Sunak was due to respond by writing to the Shadow Executive during September outlining the government's stance. The current situation is that further to a holding response, that they are now due to set out their position before the 18 October which is when officers representing BCP are due to meet with officials of MHCLG. Once received this will be followed by a four week period for comment and representation during which the Shadow Executive will be able to consider and respond. The government's final parameters will be set out in the Finance Order due to be laid in November 2018 and come into force for the turn of the year.
22. It will be a matter for the Shadow Authority as part of its February 2019 budget report to determine its final council tax for 2019/20 within the these parameters.

Transfer of Assets to Town and Parish Councils

23. 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.
24. The Dorset Structural Change Order which came into force on 26 May 2018 requires the existing councils to co-operate in the creation of the new councils. This will include co-operation on ensuring that the new Bournemouth, Christchurch and Poole Council is financially sustainable. This is seen as including transferring to all of those assets capable of generating net income now or in the future (e.g. with development value) as well as those which are needed to deliver statutory services.
25. Following a Community Governance Review and further to the decision of Christchurch Council to cover two new Town Councils, namely Highcliffe & Walkford Town Council and Christchurch Town Council, it is considered good practice and helpful to now set out principles to be applied to any transfer of assets to either the new or existing Town Councils across the conurbation. The proposal to apply the following principle;

- a) All assets required for the delivery of Council services and capable of generating income are transferred to the new BCP Council.
- b) Any existing programmes for the disposal of assets already agreed by sovereign Councils will continue and will not be impacted by these principles. These principles relate to any future disposal of assets.
- c) Property held as public open space, community buildings and public toilets can be considered for transfer to the appropriate town or parish council.
- d) Any transfer of assets will usually be by transfer of the freehold to a public or charitable body or via a long lease (25 years minimum). Transfer will also be dependent on an assessment of the capacity of the receiving authority/organisation to take on the asset.
- e) Councils can consider asset transfer to community groups other than parish and town councils where appropriate and subject to the same assessment of the capacity of such groups but such transfers are considered to be lower priority due to timescales and capacity.
- f) Any transfer (other than by a lease) of public open spaces will contain overage clauses that will retain the land for public use or, if the land is sold the new BCP Council will receive a proportion of the proceeds from the sale.
- g) Where a Council has negotiated the devolution of a service to a town or parish council and the asset is transferred to support the delivery of that service, there will be no financial loss to the new BCP Council i.e. the transfer is cost neutral.
- h) No financial agreement will be made with a town or parish council, or other receiving body to support the maintenance and running of a transferred asset after 1 April 2019.
- i) Any asset transfer that could have a financial impact upon the new BCP Council will be initially assessed by the interim Section 151 Officer and if it has a financial impact of £100,000 or more the approval of the Shadow Executive will be sought.

26. A similar set of principles were adopted by the Dorset Council Shadow Executive.

Capital

27. As part of providing vital services to our local community, the Council is required to invest in, and maintain, a portfolio of land, property and others assets such as;

- Highway infrastructure such as roads, footways and bridges.
- Schools and Adult Education centres.
- Parks and Open Spaces including the seafront and coastline.
- Vehicles, Plant and Equipment.
- Administrative offices.
- Approximately 10,000 council homes.

28. Any council's capital programme will set out the resources that it has agreed to spend on such assets and in doing so driving local economic growth and supporting the delivery of council services.

29. As part of the budget aggregation workstream activity has been ongoing to establish a draft consolidated capital programme for the BCP Unitary Council. This has been shaped through the work undertaken by each of the sovereign Councils over the last few years in determining their capital priorities. The programme is extensive and details planned investment in approved schemes up to the end of 2020/21.
30. **Appendix B** presents the draft summary BCP Capital Programme for the years 2018 to 2021. **Appendix C** presents the same draft information in a more detailed form, highlighting priority schemes across BCP with associated funding streams. It is important to highlight that both of these documents are very much “**work in progress**” with ongoing due diligence to affirm the position for both 2018/19, due to slippage, adjustments, new allocations etc. as well as confirming the position for future years. The final proposed position for 2019/20 onwards will be included as part of the February 2019 budget process.
31. The draft programme also takes into account current 2019/20 Government grant allocations that have been announced for each sovereign authority in support of local capital investment requirements. This includes an indicative apportionment of capital grant allocated to Dorset County Council in respect of works in the Christchurch area. Final apportionment of such capital grants in respect of Christchurch are yet to be agreed, and will be set out in the 2019/10 Budget Report.
32. Work completed to date has highlighted the need for early strategic planning and engagement across the sovereign authorities to ensure future capital grant income is maximised. This could include partnership working before 1 April 2019 on new Government Grant bidding rounds that are yet to be announced (e.g. School Nurseries Capital Fund September 2018), and early approval of a BCP wide Local Transport Plan (LTP) Capital Programme, to maximise potential income from the ‘Incentive Fund’ element of the 2019/20 Department for Transport (DfT) Structural Maintenance Block grant allocation.
33. The programme as presented includes a number of Dorset County Council led schemes within Christchurch. This includes work at Twynham Primary School and Highcliffe St Marks Primary School, and highways improvement works at the Blackwater Interchange. Work at each of these schemes has already started. It will become the responsibility of the BCP Unitary to arrange for the completion and funding of any remaining works on these schemes after 31 March 2019. Discussions are ongoing with representatives of the new Dorset Area Unitary for them to manage the completion of the works with BCP oversight. Due diligence is ongoing around the funding streams and the associated risks for these schemes. As part of this process it will also be necessary to revisit Dorset County Council’s final capital spend at 31 March 2019, to ensure that unspent capital grants and potential borrowing requirements relating to ‘inherited assets’ are properly understood, agreed and transferred to BCP.
34. In support of the work to create a consolidated capital programme the Finance Task and Finish Group propose the use of the following underlying statement of principles;

BCP Capital Programme Statement of Principles

The BCP Unitary Council will look at all options afforded by asset management, prudential borrowing and the generation of capital receipts to ensure investment in its vision and priorities as well as in its key assets and infrastructure. Depending on

the availability of resources, the Council will also invest in Capital Schemes with a proven record of generating ongoing annual revenue contributions to its MTFP.

Core Principles - In determining its capital strategy it is proposed that the following principles be applied;

- a) Use of additional borrowing to deliver schemes funded by previously issued Government supported borrowing permissions;
- b) Use of prudential borrowing when supported by a business case, and determined in conjunction with the setting of the Council's prudential indicators approved by the Council in accordance with the prudential code of practice;
- c) No scheme can commence which relies on Government Grant or external funding or capital receipts until such time as the Council has complete assurance the funding will be received or in the case of capital receipts that they have actually been received;
- d) Resources will not be earmarked to meet all the identified and lifecycle programme maintenance requirements of each individual Council owned or leased asset. Such requirements will be considerably more than the cash limited corporate maintenance resources identified as available
- e) Any capital resources that do become available will be prioritised towards;
 - the Council's commitments under its inherited flexible use of capital receipts strategies. This amounts to £1.8m per annum up to and including 2020/21 to fund the transition and transformation costs associated with establishing the new Council;
 - schemes which require a local contribution to lever in capital grants or external capital contributions to the Borough;
 - schemes which enable the Council to deliver the savings assumed within the MTFP;
 - schemes which enable the Council to exploit its assets;
 - schemes which protect key infrastructure.
- f) To support any future ambitions or key infrastructure developments and to mitigate the underlying risks within its capital programme, the Council will consider new financial approaches which will undoubtedly require an acceptance of higher than standard levels of risk. Such risk will be carefully considered especially bearing in mind the scale of the Council's budget, the size of its revenue MTFP funding gap and the increasing use of prudential borrowing as a source of funding.

Capital Contingency

35. In recognition of the various capital risks the council will be exposed to, it is proposed that it maintains a capital contingency - i.e. a finite, unallocated capital resource that is available to fund future capital schemes. Risks the contingency is intended to cover include;

- a) The need to provide resources to fund any unforeseen demands including those of an urgent or unavoidable nature;
- b) Providing a potential source of funding for the Council's local share of Government supported schemes;

- c) Safeguarding against the risk associated with the final cost that will need to be borne to deliver the numerous schemes included in the capital programme with each individual scheme at different stages in their delivery and with different levels of specific project contingency;
 - d) Providing a means of potential funding for any schemes which the Council would want to undertake to support its key ambitions and priorities;
 - e) Potential dilapidation costs on buildings leased from third parties;
36. Allocations from the capital contingency will be made on the basis of approved business cases, which demonstrate a clear need for use of contingency funds.
37. The Council's capital contingency will eventually be supported by the application of the BCP Corporate Asset Management plan. This is likely to require a review of all assets to determine those which could be disposed of where they do not effectively contribute to the delivery of the Councils business; where they do not support the community; where they do not assist the Council's regeneration objectives or where they do not provide value for money.
38. It is proposed that the capital contingency is supported by a fundamental review of the balance sheet of each of the sovereign councils to ensure consistency and to determine if any additional contributions to the contingency can be made. The proposed level of capital contingency will be set out in the final 2019/20 Budget report.

Schedule of key financial decisions made by the sovereign councils

39. The Chief Financial Officers of each of the sovereign Councils has a key role in ensuring the Shadow Authority are made aware of any significant financial matters which will impact on the future resilience and sustainability of the proposed new Unitary Authority.
40. Since the Structural Change Order came into operation a two part protocol has been in operation which requires;
- 1) The Chief Financial Officer of each sovereign Council 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.
 - 2) That each Consolidated MTFP Update report to the BCP Shadow Executive includes a schedule of the key financial decisions made since the previous such report.
41. The Consolidated MTFP Update report to the BCP Shadow Executive on the 24 July presented the key decisions that had taken place since the Dorset Structure Change Order came into place. Appendix D sets out the key financial decisions since the July Shadow Executive meeting.
42. As we begin the final six months of the transition into the new Council it is now proposed to further strengthen these arrangements. The proposal, which has been endorsed by the Finance Task and Finish Group, is as follows;
- 1) That any key financial decision which is a Cabinet decision of the each sovereign Council's will need to include a section in the report on consultation with the Shadow

Executive. The expectation is the report author will consult with the relevant members of the Shadow Executive and detail who they consulted with and their response.

- 2) That any report which is a Council decision of each of the sovereign Councils, and also contains a key financial decision, will be presented by the report author to the Shadow Executive for their formal consideration as part of the consultation process. The sovereign council will therefore be able to reflect on the feedback from the Shadow Executive when they consider their decision.

Housing Revenue Account

43. Both Bournemouth and Poole Councils currently operate a Housing Revenue Account (HRA). This account reflects the statutory obligations to maintain a separate revenue account for local authority housing provided in accordance with Part 6 of the Local Government and Housing Act 1989. It shows the rents and service charges collected as well as the major elements of expenditure such as management, administration, maintenance and contributions to capital works. Christchurch council does not directly provide social housing having previously transferred their stock to independent Housing Associations. The largest transfer was to Twynham Housing Association, now part of Sovereign Housing Association.
44. Officers representing the new BCP Unitary are in liaison with MHCLG to consider matters associated with the operation of a single HRA from 1 April 2019 onwards. In this regard it is clear that the new council will be required to submit a single response to any government returns or request for information. For example one quarterly right to buy return and one HRA submission on its annual Statement of Accounts. This requirement does not though prevent the new Council operating the current Poole and Bournemouth HRA's as separate "neighbourhood accounts" and consolidating these for statutory requirements. Such an approach will enable the new council to determine, within its own timeframe, if it ever wanted to change the current separate operating models.
45. Most council rents are set in accordance with a Government formula. The formula is based on a property valuation, the number of bedrooms and average income levels. As the process is a national rather than local model there will be no need to amend the rent setting policies inherited by the Bournemouth, Christchurch and Poole Council. MHCLG have also confirmed that the operation of the neighbourhood accounts in Poole and Bournemouth allow for the continuation of the separate variable service charge policies between the two areas.
46. A single HRA will though allow the council the opportunity to determine into which neighbourhood account any HRA debt headroom or any retained right to buy receipts are applied to best achieve value for money.
47. Agreement has already been reached with MHCLG that the HRA Debt Cap for the new Council will be £169m being the combination of Poole's current £100m and Bournemouth's current £69m Debt Caps. This is before the recent bids of additional borrowing headroom as set out in Appendix D and the announcement of the potential future relaxation of the HRA Debt Cap.

Previous Reports

48. Previous Consolidated MTFP Update Reports to this Shadow Executive have provided information on;

- Financial Strategy
- Budget Timetable
- Budget Cycle
- Detailed Service Budget Process
- Aggregate Budget Information
- Transition and Transformation Costs
- Reserves
- Capital Financing Requirement and External Loans
- Fair Funding Review
- 75% Business Rates Retention Model
- Negative Revenue Support Grant (RSG)
- Schedule of key financial decisions made by sovereign councils

Consultation

49. 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

50. As set out in the report.

Summary of legal implications

51. 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 authority 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 the authority sets a financially sustainable budget which is mindful of the long term consequences of any short term decisions.

Summary of human resources implications

52. 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

53. None specifically related to this report.

Summary of equalities and diversity impact

54. 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.

55. 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

56. 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.

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

Background papers

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

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

Appendices

- 59. Appendix A Response to the Technical Consultation on the 2019/20 Local Government Finance Settlement.
- Appendix B Draft Summary BCP Capital Programme.
- Appendix C Draft detailed BCP Capital Programme.
- Appendix D Key financial decisions since the 24 July 2018 Shadow Executive

Bournemouth, Christchurch and Poole Shadow Executive

Response to the 2019/20 Local Government Finance Settlement - Technical Consultation

Purpose

1. The purpose of this report is to set out the details and response to the technical consultation on the 2019/20 Local Government Finance Settlement issued by the Ministry of Housing, Communities and Local Government on the 24 July 2018.

Background – Consultations

2. There is no prescriptive requirement that the BCP Shadow Executive has to submit a response to any consultation. Similarly, there is no requirement that the Government has to have any regard to the responses received.
3. Responses are not confidential and are a matter of public record. It is therefore an opportunity to record the BCP Shadow Executives agreement, disagreement or areas where the practicalities give cause for concern.

Executive Summary - 2019/20 Local Government Finance Settlement

4. The Government's current intention is that the 2019/20 Local Government Finance settlement will confirm the final year of the multi-year settlement announced in 2016/17 that was accepted by 97% of local authorities. In addition the document outlines Government's;
 - position on the 2019/20 New Homes Bonus threshold.
 - proposals for council tax referendum principles for 2019/20.
 - proposal for dealing with the issue known as Negative Revenue Support Grant.

The Questions and Answers

5. **Question 1:** Do you agree that the Government should confirm the final year of the 4-year offer as set out in 2016/17?

Answer:

We fundamentally disagree that the public spending reductions should have been disproportionately felt by Local Government.

We consider that the protections afforded to the National Health Service, schools, international development, defence equipment, and the police should have also applied to the expenditure incurred by Councils in supporting the most vulnerable in our society, be that Looked After Children, the homeless, or the elderly supported through our Adult Social Care budgets.

We therefore believe the Government should confirm that the 2019/20 settlement provides as a minimum the resources set out in the 4-year offer of 2016/17 and as a matter of urgency looks to provide significant more resources to support the most vulnerable.

6. **Question 2:** Do you agree with the council tax referendum principles proposed by the Government for 2019/20?

Answer:

We fundamentally do not believe in the framework of Government imposed council tax referendum principles. Our recommendation would be to remove the principle and allow local Councillors through their direct line of accountability to the local community to decide.

7. **Question 3:** Do you agree with the Government's preferred approach that Negative RSG is eliminated in full via forgone business rates receipts in 2019/20?

Answer:

On this matter we do agree.

Based on our lobbying of all our local MPs you will be already be aware that we have never accepted the approach adopted for 2016/17 onwards which allocated reductions in Revenue Support Grant on a methodology which took into account councils' ability to raise income through council tax.

We have never accepted that local authorities such as Dorset County Council, Poole and Christchurch should receive bigger grant reductions as they were perceived as able to raise more of their own revenue from council tax.

We considered the approach to be a tax burden on our community that does not apply to other parts of the country, many with lower rates of council tax.

8. **Question 4:** If you disagree with the Government's preferred approach to Negative RSG please express your preference for an alternative option. If you believe there is an alternative mechanism for dealing with Negative RSG not explored in the consultation document please provide further detail.

Answer:

Not applicable as we agree with the approach.

9. **Question 5:** Do you have any comments on the impact of the proposals for the 2019/20 settlement outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comments.

Answer:

No specific comments.

Timetable for the Response

10. The consultation is open for an eight week period with the 18 September 2018 set as the deadline for any responses.

Summary BCP Consolidated Capital Programme 2018/19 to 2020/21

	Bournemouth				Poole				Christchurch				Ex Dorset (re Christchurch)				BCP			
	Planned Programme 2018/19 £000s	Planned Programme 2019/20 £000s	Planned Programme 2020/21 £000s	Total Programme £000s	Planned Programme 2018/19 £000s	Planned Programme 2019/20 £000s	Planned Programme 2020/21 £000s	Total Programme £000s	Planned Programme 2018/19 £000s	Planned Programme 2019/20 £000s	Planned Programme 2020/21 £000s	Total Programme £000s	Planned Programme 2018/19 £000s	Planned Programme 2019/20 £000s	Planned Programme 2020/21 £000s	Total Programme £000s	Planned Programme 2018/19 £000s	Planned Programme 2019/20 £000s	Planned Programme 2020/21 £000s	Total Programme £000s
Adults and Children																				
Adult Social Care	3,725	-	-	3,725	8,613	429	-	9,042				-				-	12,338	429	-	12,767
Children & Young People	2,467	-	-	2,467	7,968	3,653	168	11,789				-	1,957	975	-	2,932	12,393	4,628	168	17,189
Children's Social Care	6	-	-	6	3	-	-	3				-				-	9	-	-	9
Communities Learning & Commissioning Service	505	-	-	505				-				-				-	505	-	-	505
	6,703	-	-	6,703	16,584	4,082	168	20,834	-	-	-	-	1,957	975	-	2,932	25,244	5,057	168	30,469
Corporate Services																				
Resource to deliver capital programme									17			17				-	17	-	-	17
ICT Investment	2,772	-	-	2,772	806	276	15	1,097	23	37		60				-	3,601	313	15	3,929
Property Investment (temp acc)	7,197	8,250		15,447				-				-				-	7,197	8,250	-	15,447
Lansdowne Business District	3,449	3,755	3,823	11,027				-				-				-	3,449	3,755	3,823	11,027
BDC (St Stephens)	11,800	-	-	11,800				-				-				-	11,800	-	-	11,800
	25,217	12,005	3,823	41,045	806	276	15	1,097	40	37	-	77	-	-	-	-	26,063	12,318	3,838	42,219
Environment & Economy																				
Open Spaces	883	228	-	1,110	1,866	2,655	557	5,078	3,899	332	177	4,408				-	6,648	3,215	734	10,596
Housing & Community	15,774	-	-	15,774	2,120	373	373	2,866	1,258	480		1,738				-	19,152	853	373	20,378
Fleet Management	927	715		1,642	1,500	2,971	890	5,361	50			50				-	2,477	3,686	890	7,053
Civic Estate (inc DDA)	988	997	997	2,982	153	-	-	153	484			484				-	1,625	997	997	3,619
Leisure (inc BH Live)	2,054	-	-	2,054				-	154			154				-	2,208	-	-	2,208
Waste Management	7,592	3,050	3,500	14,142	149	-	-	149				-				-	7,741	3,050	3,500	14,291
Highways & Transportation	3,439	3,155	-	6,594	13,426	8,186	750	22,362	919			919	5,556	2,389	2,000	9,945	23,340	13,730	2,750	39,820
Coastal Protection (including flood defence)	3,532	1,664	-	5,196	1,955	675	-	2,630	348	176		524				-	5,835	2,515	-	8,350
Seafront Development	3,007	27		3,034	1,839	4,202	-	6,041	35			35				-	4,881	4,229	-	9,110
	38,196	9,835	4,497	52,528	23,008	19,062	2,570	44,640	7,147	988	177	8,312	5,556	2,389	2,000	9,945	73,907	32,274	9,244	115,425
Total General fund	70,117	21,840	8,320	100,277	40,398	23,420	2,753	66,571	7,187	1,025	177	8,389	7,513	3,364	2,000	12,877	125,215	49,649	13,250	188,114
Funding Identified																				
Capital receipt	4,485	1,512	997	6,994	-	-	-	-	1,086			1,086				-	5,571	1,512	997	8,080
Corporate fund (inc service revenue)	1,234	-	-	1,234	2,009	6,037	1,008	9,054	106			106				-	3,349	6,037	1,008	10,394
Prudential Borrowing	42,519	9,220		51,739	12,107	6,050	890	19,047				-	1,193	382	500	2,075	55,819	15,652	1,390	72,861
Reserves	1,631	0	-	1,631	2,474	101	-	2,575	3,587	755	42	4,384				-	7,692	856	42	8,592
Capital Grant	16,270	10,354	6,500	33,124	21,832	10,722	855	33,409	1,548	270	135	1,953	5,962	2,982	275	9,219	45,612	24,328	7,765	77,705
Other contribution (inc s106 and CIL)	3,976	755	823	5,554	1,974	510	-	2,484	860			860	358	-	1,225	1,583	7,168	1,265	2,048	10,481
Total Funding Identified	70,117	21,840	8,320	100,277	40,396	23,420	2,753	66,569	7,187	1,025	177	8,389	7,513	3,364	2,000	12,877	125,213	49,649	13,250	188,114

All funding identified is indicative and subject to completion of capital grant disaggregation work

Detailed BCP Consolidated Capital Programme 2018/19 to 2020/21 (itemising priority projects and funding streams)

BCP General Fund Planned Capital Expenditure (2018/19 to 2020/21)			Planned Programme 2018/19	Planned Programme 2019/20	Planned Programme 2020/21	Total Programme
LA	Scheme	£000	£000	£000	£000	£000
Adults and Children						
	Scheme					
Adult Social Care	Poole	Figbury Lodge	8,457	429	-	8,886
Adult Social Care	Bournemouth	Children & Adults Care Management System	2,563	-	-	2,563
Adult Social Care	Bournemouth & Poole	Various smaller schemes	1,318	-	-	1,318
Children & Young People	Poole	Carter School	3,556	2,650	-	6,206
Children & Young People	Poole	Hillbourne (current - will increase subject to bus case)	400	678	-	1,078
Children & Young People	ex Dorset	Twynham Primary School & Highcliffe St Marks School	1,957	975	-	2,932
Children & Young People	Poole	Grant funded School Improvement & SEN Works	4,012	314	168	4,494
Children & Young People	Bournemouth	School Improvement Works	2,468	11	-	2,479
Communities Learning &	Bournemouth	Various smaller schemes (inc CCTV town and seafront)	513	-	-	513
			25,244	5,057	168	30,469
Corporate Services						
	Scheme					
Other	Christchurch	Capital programme delivery resource	17	-	-	17
ICT Investment	B'mouth & C'Church	ICT infrastructure modernisation	2,795	37	-	2,832
ICT Investment	Poole	ICT infrastructure , LAN, WAN and Microsoft 365	806	276	15	1,097
Property Investment (temp acc)	Bournemouth	Temporary Housing	7,197	8,250	-	15,447
Lansdowne Business District	Bournemouth	Lansdowne Business District	3,449	3,755	3,823	11,027
BDC (St Stephens)	Bournemouth	St Stephens	11,800	-	-	11,800
			26,063	12,318	3,838	42,219
Environment & Economy						
	Scheme					
Open Spaces	Poole	Poole Park Development	697	2,377	405	3,480
Open Spaces	Christchurch	Legacy play areas	1,200	-	-	1,200
Open Spaces	Christchurch	Highcliffe Castle	1,502	332	177	2,011
Open Spaces	Christchurch	Priory Walls	225	-	-	225
Open Spaces	BCP	Other schemes (inc Poole UCP and SANG, H'cliffe ZigZag)	3,024	505	152	3,681
Housing & Community	Bournemouth	Homeless Housing Acquisition Programme	14,500	-	-	14,500
Housing & Community	Poole & Bournemouth	Disabled Facilities - property adaptations	1,939	373	373	2,685
Housing & Community	Poole	Community Land Trust (affordable housing)	718	-	-	718
Housing & Community	Christchurch	Regent Centre	554	-	-	554
Housing & Community	BCP	Other schemes (inc Boscombe regeneration)	1,441	480	-	1,921
Fleet Management	Poole & Bournemouth	Fleet replacement scheme (principally)	2,477	3,686	890	7,053
Civic Estate	Bournemouth	Backlog Maintenance	560	528	528	1,616
Civic Estate (inc DDA)	BCP	Various smaller schemes	1,065	469	469	2,003
Leisure (inc BH Live)	B'mouth & C'Church	Principally BH Live	2,208	-	-	2,208
Waste Management	Bournemouth	Materials Recycling Facility	6,250	3,050	3,500	12,800
Waste Management	BCP	Millhams Drainage (plus small other)	1,491	-	-	1,491
Highways & Transportation	Poole	Port of Poole Programme (DLEP)	6,697	5,020	-	11,717
Highways & Transportation	Poole	Town Centre North development partner procurement	1,966	750	750	3,466
Highways & Transportation	Ex Dorset	Blackwater Interchange	3,944	1,514	2,000	7,458
Highways & Transportation	Bournemouth	A338 Wessex Fields Link	-	-	-	-
Highways & Transportation	Ex Dorset	A338 Widening Scheme	750	-	-	750
Highways & Transportation	BCP	2019/20 indicative LTP Integrated Transport Block Grant	-	3,078	-	3,078
Highways & Transportation	BCP	2019/20 indicative Structural Maintenance Block Grant	-	3,672	-	3,672
Highways & Transportation	Poole	Street Lighting Investment	874	-	-	874
Highways & Transportation	Bournemouth	Replacement car parking machines	539	-	-	539
Highways & Transportation	BCP	Other highways & bridges infrastructure maintenance	8,570	304	-	8,265
Coastal Protection	Poole	Majority EA funded flood defence works	1,955	675	-	2,630
Coastal Protection	B'mouth & C'Church	Beach Management	3,880	1,840	-	5,720
Seafront Development	Poole	Beach Huts (inc Canford Cliffs)	902	4,202	-	5,104
Seafront Development	Bournemouth	Beach Huts (Manor Steps phase 2)	1,367	-	-	1,367
Seafront Development	Bournemouth	Waterfront Site - Adventure Golf	853	27	-	880
Seafront Development	BCP	Various (inc CCF public realm, pier approach, land train, cliff stabilisation)	1,760	-	-	1,760
			73,907	32,274	9,244	115,425
BCP General Fund approved capital spend			125,215	49,649	13,250	188,114

Project Funding								
LA							External	Total
Capital Fund (including service revenue)	Capital Receipts	CIL	Reserves, s106, Developers	Supported Borrowing	Prudential Borrowing	General Borrowing	Grants, 3rd party	
-	-	-	-	-	8,886	-	-	8,886
-	2,563	-	-	-	-	-	-	2,563
60	590	-	-	-	483	-	185	1,318
-	-	-	-	4,194	-	-	2,012	6,206
678	-	-	200	-	-	-	200	1,078
-	-	-	-	-	-	892	2,040	2,932
-	-	-	-	-	-	-	4,494	4,494
-	55	-	28	-	-	93	2,302	2,478
3	-	-	25	-	200	-	285	513
741	3,208	-	253	4,194	9,569	985	11,519	30,469
-	-	-	17	-	-	-	-	17
36	-	-	24	-	-	2,772	-	2,832
489	-	-	608	-	-	-	-	1,097
-	87	-	126	-	15,234	-	-	15,447
-	-	118	1,604	-	-	-	9,305	11,027
-	-	-	-	-	11,800	-	-	11,800
525	87	118	2,379	-	27,034	2,772	9,305	42,219
223	-	-	457	-	-	-	2,800	3,480
-	-	-	1,189	-	-	-	11	1,200
-	-	-	206	-	-	-	1,805	2,011
-	-	-	225	-	-	-	-	225
590	733	104	975	-	580	-	699	3,680
-	-	-	-	-	14,500	-	-	14,500
-	-	-	-	-	-	-	2,685	2,685
-	-	-	-	-	-	-	718	718
-	-	-	-	-	-	-	554	554
203	228	-	955	-	-	-	534	1,920
-	50	-	48	-	6,955	-	-	7,053
-	1,209	-	407	-	-	-	-	1,616
70	1,171	-	644	-	11	-	107	2,003
-	-	-	570	-	1,638	-	-	2,208
-	-	-	-	-	-	-	12,800	12,800
1,383	42	-	-	-	65	-	-	1,491
-	-	-	66	-	-	-	11,651	11,717
1,500	-	-	1,814	-	-	-	152	3,466
-	-	150	1,350	-	-	500	5,458	7,458
-	-	-	-	-	-	-	-	-
-	-	-	75	-	-	675	-	750
-	-	-	-	-	-	-	3,078	3,078
-	-	-	-	-	-	-	3,738	3,738
-	-	-	-	-	574	-	300	874
-	-	-	-	-	539	-	-	539
120	-	155	1,155	16	-	8	6,746	8,200
155	-	-	-	-	-	-	2,475	2,630
-	1,179	-	417	-	-	-	4,124	5,720
4,704	-	-	-	-	-	-	400	5,104
-	-	-	-	-	1,367	-	-	1,367
-	-	-	-	-	880	-	-	880
185	172	-	137	-	-	-	1,266	1,760
9,133	4,785	409	10,690	16	27,108	1,183	62,100	115,424
10,399	8,080	527	13,321	4,210	63,711	4,939	82,925	188,114

All funding identified is indicative and subject to completion of capital grant disaggregation work

BCP Unitary Authority

Schedule of key financial decisions made by the four sovereign councils

Period: This paper covers all activity from the date of the last Consolidated Medium Term Financial Plan (MTFP) Update report to the BCP Shadow Executive which was the 24 July 2018.

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 One-off items of revenue or capital expenditure

Ref	Description	Decision Maker	Date	Detail	Financial Implications
A	Expansion and continuation of the Homeless Housing Acquisition Programme	Bournemouth Cabinet Bournemouth Council	11 Sept 2018 18 Sept 2018	To provide an additional £14.5m in borrowing to continue the accelerated delivery to maintain the momentum of this successful housing investment programme by acquiring additional properties to assist the Council to discharge its statutory homeless duty, including the granting of 12 month assured shorthold tenancies (ASTs).	Funded via prudential borrowing

Ref	Description	Decision Maker	Date	Detail	Financial Implications
B	Adventure Golf Scheme	Bournemouth Council	11 Sept 2018	Proposal to provide an £874k adventure golf scheme on Bournemouth waterfront.	Funded via prudential borrowing. Based on the assumption that a £203k net income would be achieved per annum representing a 23% return on investment over 5 years.
C	Provision of Additional Funding to Highway Maintenance	Dorset County Council Cabinet	5 Sept 2018	Additional funding totalling £1.4m within 2018/19 to address current highway network condition and surface water issues.	Originally set out as £1.4m from the General Balances of DCC which would reduce the opening balances for the two new Councils.
	Quarterly Asset Management Plan Report	Dorset County Council Cabinet	17 Oct 2018	As above	Revised approach £1.2m from DCC capital resources with residual from General Balances.

Housing Revenue Account

Category 1 One-off items of revenue or capital expenditure

Ref	Description	Decision Maker	Date	Detail	Financial Implications
D	Sterte Court Cladding	Poole Cabinet	11 Sept 2018	Purchase of new non combustible panels and redesign to future proof the building for future retro fitting.	£500,000 funding as part of the Housing Revenue Account Capital programme

Category 2 Grant bids or bids for external funding

Ref	Description	Decision Maker	Date	Detail	Financial Implications
E	Ministry of Housing, Communities and Local Government (MHCLG)	Poole Officers Initial bid submission stage	30 Sept 2018	Increase the debt cap on the Housing Revenue Account (HRA)	Extra £10m requested. Borrowing to be repaid by additional rental income achieved.
F	Ministry of Housing, Communities and Local Government (MHCLG)	Bournemouth Officers Initial bid submission stage	30 Sept 2018	Increase the debt cap on the Housing Revenue Account (HRA)	Extra £8.6m requested. Borrowing to be repaid by additional rental income achieved.

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