

Notice of Cabinet

Date: Wednesday, 12 February 2020 at 9.30 am

Venue: Committee Suite, Civic Centre, Poole BH15 2RU



Membership:

Chairman:

Cllr V Slade

Vice Chairman:

Cllr M Howell

Cllr L Allison

Cllr D Brown

Cllr L Dedman

Cllr A Hadley

Cllr S Moore

Cllr M Phipps

Cllr Dr F Rice

Cllr K Wilson

All Members of the Cabinet 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: Sarah Culwick (01202 795273) or email democratic.services@bcpcouncil.gov.uk

Press enquiries should be directed to the Press Office: Tel: 01202 454668 or email press.office@bcpcouncil.gov.uk

This notice and all the papers mentioned within it are available at democracy.bcpCouncil.gov.uk

GRAHAM FARRANT
CHIEF EXECUTIVE

4 February 2020



Available online and
on the Mod.gov app



Maintaining and promoting high standards of conduct

Declaring interests at meetings

Familiarise yourself with the Councillor Code of Conduct which can be found in Part 6 of the Council's Constitution.

Before the meeting, read the agenda and reports to see if the matters to be discussed at the meeting concern your interests

Do any matters being discussed at the meeting relate to your registered interests?

Disclosable Pecuniary Interest

Yes

Declare the nature of the interest

Do NOT participate in the item at the meeting. Do NOT speak or vote on the item EXCEPT where you hold a dispensation

You are advised to leave the room during the debate

Local Interest

Yes

Declare the nature of the interest

Applying the bias and pre-determination tests means you may need to refrain from speaking and voting

You may also need to leave the meeting. Please seek advice from the Monitoring Officer

No

Do you have a personal interest in the matter?

Yes

Consider the bias and pre-determination tests

You may need to refrain from speaking & voting

You may also need to leave the meeting. Please seek advice

No

You can take part in the meeting speak and vote

What are the principles of bias and pre-determination and how do they affect my participation in the meeting?

Bias and predetermination are common law concepts. If they affect you, your participation in the meeting may call into question the decision arrived at on the item.

Bias Test

In all the circumstances, would it lead a fair minded and informed observer to conclude that there was a real possibility or a real danger that the decision maker was biased?

Predetermination Test

At the time of making the decision, did the decision maker have a closed mind?

If a councillor appears to be biased or to have predetermined their decision, they must NOT participate in the meeting.

For more information or advice please contact the Monitoring Officer
(tanya.coulter@bcpcouncil.gov.uk)

Selflessness

Councillors should act solely in terms of the public interest

Integrity

Councillors must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships

Objectivity

Councillors must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias

Accountability

Councillors are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this

Openness

Councillors should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing

Honesty & Integrity

Councillors should act with honesty and integrity and should not place themselves in situations where their honesty and integrity may be questioned

Leadership

Councillors should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs

AGENDA

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

1. Apologies

To receive any apologies for absence from Councillors.

2. Declarations of Interests

Councillors are required to comply with the requirements of the Localism Act 2011 and the Council's Code of Conduct regarding Disclosable Pecuniary Interests.

Councillors are also required to disclose any other interests where a Councillor is a member of an external body or organisation where that membership involves a position of control or significant influence, including bodies to which the Council has made the appointment in line with the Council's Code of Conduct.

Declarations received will be reported at the meeting.

3. Confirmation of Minutes

9 - 20

To confirm and sign as a correct record the minutes of the Meeting held on 15 January 2020.

4. Public Issues

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

<https://democracy.bcpccouncil.gov.uk/documents/s2305/Public%20Items%20-%20Meeting%20Procedure%20Rules.pdf>

The deadline for the submission of public questions is Wednesday 5 February 2020.

The deadline for the submission of a statement is 12.00 noon, Tuesday 11 February 2020.

The deadline for the submission of a petition is 12.00 noon, Tuesday 11 February 2020.

5. Recommendations from the Overview and Scrutiny Board

To consider recommendations from the Overview and Scrutiny Board on items not otherwise included on the Cabinet Agenda.

6. 2020/21 Budget and Medium Term Financial Plan (MTFP)

21 - 152

To set out for cabinet consideration and recommendation to council the proposed 2020/21 budget and council tax.

The budget as presented;

- a) has been drafted on a base 3.99 per cent increase in council tax as adjusted in each of the predecessor areas by the application of the

policy to achieve harmonisation from 1 April 2021 onwards.

- b) Includes provision to mitigate the deficit that is accumulating in the high needs budget of the Dedicated Schools Grant (DSG).

7. Quarter 3 Budget Monitoring Report 2019-20

153 - 188

This report presents the council's performance against budget for the period 1 April 2019 to 31 December 2019.

In summary, the general fund revenue projected outturn for 2019/20 is a pressure within net expenditure of £5.3 million (compared with £4.5 million previously reported at September). These pressures can be met from the additional resources (£2.5 million revenue budget contingency and £6.5 million service-specific Financial Resilience earmarked reserves) set aside to manage the additional level of uncertainty in this first year of the new council.

At this stage the contingency within the budget is projected to be fully used with a recommendation to the Council to release up to £2.7 million of the Financial Resilience earmarked reserves to support the annual budget. This will allow services to maintain their projected level of activity and related spending plans to deliver on agreed priorities.

In the appendices included with the end of September report and in appendices C and D in this report, the Corporate Directors have provided details of the service pressures and actions they are taking in mitigation.

8. Housing Revenue Account (HRA) Budget Setting 2020/21

189 - 244

The Housing Revenue Account (HRA) is a separate account within the Council that ring-fences the income and expenditure associated with BCP Council's housing stock. The HRA does not therefore directly impact on the Council's wider General Fund budget or on the level of council tax. Income to the HRA is primarily received through the rents and other charges paid by tenants and leaseholders.

Poole Housing Partnership continues to manage the Poole Neighbourhood stock on behalf of BCP Council while the stock in the Bournemouth Neighbourhood is directly managed. Although there can only one HRA, BCP Council maintains two separate accounts for each neighbourhood within it.

This report seeks approval for the proposed budget for the HRA for 2020/21 and the key principles on which it is based.

This report sets out the proposals regarding the rents, service charges and other charges to tenants as well as the expenditure plans for the 2020/21 rent year. These proposals and the actions within the delivery plans for each neighbourhood all support the priorities set out in the Council's new Corporate Strategy.

9. Community Infrastructure Levy (CIL)

245 - 254

To seek approval for the governance of BCP Council CIL receipts. The report covers proposed governance for both strategic and neighbourhood portion CIL monies.

The first part of the report sets out the proposed arrangements for the strategic element of CIL (which can be used to fund major infrastructure projects such as strategic transport, school places, flood defences, Dorset Heathlands mitigation and open spaces).

This includes seeking approval to progress the Council's first Infrastructure Funding Statement, which once published will set out the strategic infrastructure needs across the BCP area, costs and expected delivery timescales. As part of this it is recognised that work needs to start on adopting a new, single CIL Charging Schedule for BCP in order to provide a consistent approach to charging and related collection policy.

The second part of the report focuses on the CIL Neighbourhood Portion, which requires 15% to 25% of CIL to be set aside for local projects. The report highlights that BCP Council inherited different systems for this from the legacy Councils. Moving forward, CIL Neighbourhood Portion in Christchurch is now a matter of transferring the monies to the Town and Parish Councils in accordance with the statutory requirements. However, a decision is also required to transfer the 15% neighbourhood proportion collected in the previously unparished area of Christchurch to Christchurch Town Council and Highcliffe and Walkford Parish Council. A consistent approach is needed in Bournemouth and Poole.

The options for this are to either adopt the system of collecting the Neighbourhood Portion on a ward basis or pooling the monies into a single pot to which any community across Bournemouth and Poole can bid into. The relative merits of both these options are reviewed in the report with the recommendation being to introduce Option 2 as a consistent approach across the Bournemouth and Poole parts of the BCP Council area.

10. Organisational Development – Estates & Accommodation Strategy

255 - 286

Cabinet has adopted the principle of a single council hub to support the future operating model and ways of working described in the Organisational Design Programme. This Report sets out the current Estates context, the options for achieving a single council hub and the evaluation criteria to be applied to the options, and the recommended way forward for the delivery of a single council hub for BCP Council.

11. Corporate Strategy – Delivery Plans

287 - 300

BCP Council's Corporate Strategy was adopted by Council in November 2019.

The strategy sets out the Council's vision, ambition and priorities, and the values which underpin the way the council will work as it develops and delivers its services.

Delivery plans have now been prepared in consultation with Cabinet Members, Members of the Directors Strategy Group and Council officers to show how the priorities will be achieved.

These high-level plans explain some of the journey so far, the current and future planned activity under each individual objective, and how success will be monitored and measured.

The delivery plans will be a key component of a Corporate Performance Management Framework.

12.	Carter Expansion Project Update	301 - 308
	<p>This report seeks to update Cabinet on the partnership arrangements that are proposed to enable the Carter Community School expansion project to progress. It also recommends a financial package, requiring contributions from the Council and ULT, to facilitate the completion of the project to an acceptable standard to enable the statutory function of pupil place planning to be delivered.</p> <p>United Learning Academy Trust have issued the following statement in respect of the proposed financial strategy within this report</p> <p><i>“United Learning are wholly supportive of the strategy mapped out by BCP and shared with us prior to the Project Board meeting on 17th December 2019. We have reallocated funding from our 2019-20 and 20-21 funding streams to undertake the elements of work identified as being outside of the BCP funding plan and hope that the entire project can be completed in a reasonable timescale from here.”</i></p>	
13.	Dedicated Schools Grant (DSG) Schools and Early Years Funding Formulae 2020/21	309 - 324
	<p>The council is required to set funding formulae for:</p> <ul style="list-style-type: none"> • Early education and childcare for those aged 2 and 3&4 • Mainstream schools for reception to year 11 <p>Consultation has taken place with all relevant providers, schools and the Schools Forum. This report includes the recommendations of the Schools Forum for approval.</p> <p>To support councillor consideration, the Schools Forum Papers can be accessed by the link below:</p> <p>BCP Schools Forum</p> <p>The impact of the proposed funding changes is included in the report at summary level. The early years sector is largely comprised of private, voluntary and independent settings. The mainstream formula allocates funding only to public sector schools with the full details shown in Schools Forum papers.</p> <p>The 2020/21 Budget and Medium Term Financial Plan (MTFP) report on the Cabinet agenda includes the decision to support the DSG High Needs budget with a transfer of £4.0 million from Schools Block and £0.2 million from Early Years Block.</p>	
14.	Consultation on School Admissions Arrangements 2021/22	325 - 346
	<p>To advise Cabinet on the completed consultation for School Admission Arrangements for schools that BCP Council is the admission authority for and the single coordinated scheme to be used during school place application processes.</p> <p>To seek determination on proposed admission arrangements and coordinated scheme.</p>	

<p>15. BCP Children's Services</p> <p>BCP is committed to delivering effective services that ensure children and young people feel safe and secure within a stable family. While much has been achieved in such a brief period, it is recognised that there remain several key challenges and areas for improvement to become an outstanding place for all children and young people to thrive, have the brightest futures and fulfilled lives where they are supported by the whole community to succeed.</p> <p>This document outlines a range of initiatives, either new, in development or established, which collectively represent BCP's Family Support, Early Help and Young People's Strategic Framework (2020-2023) and outlines how we will deliver the ambitions within the BCP Corporate Strategy.</p>	<p>347 - 368</p>
<p>16. Traffic Regulation Orders</p> <p>This covering report asks the Cabinet to consider representations made in response to the advertisement of a number of Traffic Regulation Orders</p> <p>Additionally, Cabinet is asked to approve the sealing and advertisement of a number of other Traffic Regulation Orders.</p> <p>The reports have been considered by the recent meeting of the Transportation Advisory Group.</p>	<p>369 - 414</p>
<p>17. Bournemouth Town Centre Vision (TCV): Winter Gardens Site</p> <p>The purpose of this report is to update Members on the progress of this £150 million project and to seek approval for a number of decisions which have an impact on the ability to secure third party funding for the scheme.</p>	<p>415 - 426</p>
<p>18. Cotlands Road and York Road Site Development Plan (SDP)</p> <p>In February 2019, Bournemouth Borough Council Cabinet approved the Site Development Plan (SDP) for the Cotlands Road and York Road car park sites. This report highlighted the requirement to include the two Council owned car parks at York Road within the BDC option agreement to facilitate the overall development of Cotlands Road and clarified why they were added to the SDP.</p> <p>At that time the Cabinet report did not detail the proposed land values for the York Road car park sites or set out the proposed delivery model. Therefore it is appropriate that approval is now sought with the benefit of this additional information and the corresponding legal and financial implications.</p> <p>The delivery of a new public multi storey car park (MSCP) on one of the York Road car park sites is a key piece of enabling development to unlock the Cotlands Road site, which will generate significant economic regeneration and financial benefits and meet the key objectives of the Lansdowne Delivery Plan, however this development cannot be progressed until a new public MSCP is operational.</p> <p>This report sets out the proposed delivery mechanism to enable the Council to fund the development of a new public multi-storey car park on one of the York Road surface car parks by the Bournemouth</p>	<p>427 - 450</p>

Development Company in accordance with the approved SDP and retain the asset in-house operation.

The public realm and pedestrianisation of Holdenhurst Road in 2020/21 as part of the Lansdowne Vision will assist with consolidating parking provision in the area.

The non-public part of this report considers the financial business case for proceeding with this enabling development.

[NOTE: Should Cabinet wish to discuss the contents of the non-public part of the report contained within Appendix 1 then the meeting will be required to move into exempt session in accordance with Section 100A (4) of the Local Government Act 1972].

19. Cabinet Forward Plan

To consider the latest version of the Cabinet Forward Plan for approval as published on the BCP Council website.

No other items of business can be considered unless the Chairman decides the matter is urgent for reasons that must be specified and recorded in the Minutes.

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
CABINET

Minutes of the Meeting held on 15 January 2020 at 10.00 am

Present:-

Cllr V Slade – Chairman

Cllr M Howell – Vice-Chairman

Present: Cllr L Allison, Cllr D Brown, Cllr L Dedman, Cllr S Moore,
Cllr M Phipps, Cllr Dr F Rice and Cllr K Wilson

Also in Cllr S Bartlett, Cllr D Butler, Cllr B Dove, Cllr G Farquhar, Cllr A Filer,
attendance: Cllr P Hilliard, Cllr J Kelly and Cllr T O'Neill

There were 60 Members of the Council in attendance.

105. Declarations of Interests

There were no declarations of interest made on this occasion.

106. Confirmation of Minutes

The Minutes of the Cabinet meeting held on 20 December 2019 were confirmed as a correct record and signed.

Voting: Unanimous

107. Public Issues

The Leader reported that one question had been received and nine statements.

Question from Sue Merefield

What work has been done to investigate the feasibility of monitoring the radio emission levels of the Lansdowne Digital Pilot and, assuming this work is ongoing, how is the public being informed of progress?

Response by the Leader of the Council

We are currently reviewing potential solutions and are looking to replicate what is taking place in Barcelona. This will involve monitoring emission levels remotely utilising specialist equipment (sensors) which regularly feeds back readings to a dedicated page on the Council's website. Initially, we are considering monitoring emissions on an hourly basis, but will keep this under review. As part of commissioning the network we will also use specialist hand held devices to validate the readings from any remote sensors.

Statement from Christopher Gordon, local resident:

We are aware that BCP are proposing to install 5G in a Lansdowne Smart Place pilot which could lead to the roll out of this technology across the 3

Boroughs. We would implore BCP Councillors and Officers to diligently research the implications, particularly in respect of severe damage to health, before agreeing to the installation of such a dramatic increase in E.M. transmission points. This will mean that everyone in the area would be constantly bombarded by the highest level of E.M. exposure. Should damage to health arise BCP Council could be liable under the terms of the Nuremberg Protocol.

Statement from Lee Farmer, local resident:

I recall my human rights to live in peace, safety, and harmony, not exposed to harm of any sort. I do not endorse the rollout of 5G / EMF devices. They are undoubtedly a threat to life as a whole. There is insurmountable independent evidence backing this from professionals in all fields on a global level. In law nobody can convincingly say they were unaware of the facts once they have been formally notified of them. Ignorance is no defence in law and a vote to allow the rollout of 5G is a vote for genocide.

Statement read out by Nick Greenwood on behalf of Charles Ross Illingworth, local resident:

"The recommendations of the O&S Committee on 5G are deeply flawed. At the second 'Call for Evidence' meeting requesting written evidence there was no engagement, nor genuine acknowledgement with the written evidence submitted from those opposing the rollout of 5G.

Council Officers seemed unaware or unconcerned with any of the downsides of 5G and this absence was not robustly challenged by councillors present. I submit that the way the committee operated in this regard, and the advice subsequently given to Cabinet may contravene the Nolan principles set in place to protect citizens from improper practice by those in public life."

Statement read out by the Monitoring Officer on behalf of Charles Ross Illingworth, local resident:

"I oppose the pilot scheme for fixed penalty notices for environmental enforcement.

This has been reported on elsewhere in the country and frequently results in the persecution of de minimis infractions by enforcement officials, often on a commission or bonus basis. These officials act as judge and jury and will harass constituents when a reasonable and contextual view should be taken of the infraction.

There needs to be a proper appeals system based on proportionality of offense, and this needs to be easy and straightforward for people. There needs to be a reasonable threshold for a substantive offense if this is not to be unjust."

Statement read out by the Chief Executive on behalf of Lorna Markey, local resident:

“I am against 5G smart technology being installed in Dorset and request BCP stop the 5G programme due to the dangers of electromagnetic radiation.

To obtain further information I urge all councillors and officers to read Computer Weekly. Com/feature Mobile Phones and Health: is 5G being rolled out too fast? Published April 2019.

The risks of 5G far out way the benefits.

BCP will be liable financially for insurance claims and health care due to escalating ill health in the population because of increased radiation.

Do you want your families, children, friends, the whole environment exposed to intensive, unprecedented levels of electromagnetic radiation? I for one do not. “

Statement from Jane Prow, local resident:

I urge BCP Council to please act responsibly ASAP and stop the roll out of 5G in Bournemouth and the initial test bed site at the Landsdowne. There has been no long term independent studies on the potential health risks on humans, or any other living organisms. As there may be a time lag between exposure and the harmful effects we may suffer as a consequence and could result in massive numbers of humans suffering irreversible negative neurological, physical and psychological injury. We are leaping from 4G at 2.5 GHz to 5G where frequencies go up to 90 GHz.

Statement read out by Sally Harris on behalf of Darren Pidwell (Mudford Sandbank Beach Hut Association), local resident:

MSBHA (Mudford Sandbank Beach Hut Association) Statement. Representing 346 beach hut owners contributing £900,000 per annum revenue to BCP Council

“In principal the MSBHA supports the rebuild of the café but strongly believes that increased retail floor space, additional covers and higher footfall would have a negative environmental impact on this sensitive site (SSSI/ Green belt). This is contrary to the Mudford Sandbank Management Plan 2014 – 2024.

The omission of a like for like rebuild option which satisfies lease obligations does not allow for an informed decision to be made.

We ask that Cabinet members consider the amendments submitted by MSBHA to officers (attached) and incorporate them into any approval to continue with the project.”

Statement from Emma Johnson, local resident:

Our environment is heavily polluted with invisible toxic electrosmog. The combined EMFs from our multitude of wireless devices is slowly cooking us.

Untested and unregulated 5G technology is an existential threat to all living

things. You have the power to stop it here in BCP.

324 Bournemouth East residents voted for me in the General Election as an independent candidate campaigning to stop 5G.

100+ people attended a 5G & EMFs Community Meeting for BCP. I invited all BCP councillors – a few attended.

If any councillor would like more information I would be happy to meet you to go through the evidence and answer your questions.

Statement read out by Emma Johnson on behalf of Cathryn Jones

"Please stop 5g now
We don't want it here!
We want to be safe
Not to live in fear
that health will come second
to internet speed
Will you listen to the people?
Will you take heed?
To the warnings, concerns
that we don't know enough
That insufficient testing
has been carried out on this stuff
BCP we urge you to listen
Other local authorities do
Glastonbury, Frome, Totnes,
to name a few
Brighton & Hove more recently too
Follow suit
Take a stand
Demand more to be shown
That health will come first
on our planet called home!"

108. Recommendations from the Overview and Scrutiny Board

Cabinet were advised that there were no additional recommendations from the Overview and Scrutiny Board on items not otherwise included on the Cabinet Agenda on this occasion.

109. Smart Place Programme

The Leader presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'A' to these Minutes in the Minute Book.

Cabinet were advised of the intention of the Smart Place Programme, in relation to this Members were informed of the way on which the programme could enable communities to work with the Council and other organisations to create new applications and services through new business models and better use of data. In addition Members were advised of the way in which a

Smart Place Programme would help the Council to deliver its Corporate Strategy and boost income.

The Chairman of the Overview and Scrutiny Board advised Cabinet that at their recent meeting the Board had requested that the Chairman write a letter in support of the Smart Place Programme to the LEP.

A Councillor present at the meeting urged the Cabinet to take on board the opinions of everyone who had spoken, and in relation to this stressed the importance of having a baseline to compare the long term monitoring.

Another Councillor present at the meeting thanked so many Members of the public for coming out and engaging with the process.

Cabinet discussed the report and in relation to this were reminded that the pilot for the implementation of 5G had been approved in December and will begin later on in the year, and that this report was about how the Council engages with the Smart Place programme and to approve the progression of the investment plan.

RESOLVED that Cabinet endorsed:-

- (a) The continuation of work by officers in developing the Smart Place programme including;**
 - (i) The development of a Smart Place Investment Plan (subject to funding from Dorset Local Enterprise Partnership);**
 - (ii) The development of a Smart Place Investment Plan at a future Cabinet meeting;**
 - (iii) The continuing development of Smart Place Programme applications, use cases and associated benefits for residents and businesses; and**
 - (iv) The development of a Smart Place workstream within the Key Cities Programme**

Voting: Unanimous

Portfolio Holder: Leader of the Council

110. Transition to a Sustainable Fleet Strategy

The Portfolio Holder for Environment and Climate Change presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'B' to these Minutes in the Minute Book.

Cabinet were requested to consider and approve the future fleet replacement strategy.

In presenting the report the Portfolio Holder stressed the importance of sustainability going forwards with the ambition of the Council to be carbon neutral by 2030, and that with this in mind it was important to develop a strategic Sustainable Fleet Strategy that embedded this declaration into front-line service fleet operation requirements and the Council's transformation programme.

Further to this Cabinet were advised that there were currently different policies in different areas, and that there was no previous revenue for the replacement of vehicles.

The Chairman of the Overview and Scrutiny Board expressed concern that the report wasn't detailed enough and did not contain all of the information required in order to assess the risk.

RECOMMENDED that:-

- (a) the development of a rationalised, long-term BCP Sustainable Fleet Strategy be endorsed;**
- (b) the financial impact of the varied approach to fleet replacement by legacy Councils on the BCP Sustainable Fleet Strategy be acknowledged; and**
- (c) the Service Director for Environment be authorised to use up to £4m of uncommitted fleet capital budget to acquire critical, high priority vehicles in the transition period to the Sustainable Fleet Strategy.**

Voting: Unanimous

Portfolio Holder: Environment and Climate Change

111. Beach House Café Rebuild, Mudeford Sandbank

The Portfolio Holder for Tourism, Leisure and Communities presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'C' to these Minutes in the Minute Book.

Cabinet approval was sought for the rebuild of the Beach House Café at Mudeford Sandbank.

In presenting the report the Portfolio Holder thanked the Mudeford Sandbank Beach Hut Association for their comments during discussions that had taken place, and in relation to this proposed an additional recommendation;

“(f) delegates authority to the Portfolio Holder for Tourism, Leisure & Communities and the Director for Destination to continue to engage with the Mudeford Sandbank Residents Association throughout the development of this project.”

The Chairman of the Overview and Scrutiny Board advised Cabinet that whilst there were no formal recommendations from the Board that he wished to congratulate the Council and the current tenants in making the most of the opportunity.

RESOLVED that Cabinet:-

- (a) approved the principle of rebuilding and improving the Mudeford Sandbank Beach House according to the current development programme;**
- (b) approved the principle of reusing the insurance monies and affordable additional borrowing of £811,250 to support the build;**

- (c) supported the inclusion of the project budget of £1,060k within the Capital Programme for 2020/21 to be approved at Full Council in February;
- (d) authorises officers to conclude contract negotiations with the tenant;
- (e) supported the current development programme timescale; and
- (f) delegates authority to the Portfolio Holder for Tourism, Leisure & Communities and the Director for Destination to continue to engage with the Mudeford Sandbank Residents Association throughout the development of this project.

Voting: Unanimous

Portfolio Holder: Tourism, Leisure and Communities

112. BH Coastal Lottery Small Grant Scheme Criteria and Proposal to Extend BH Coastal Lottery Across BCP

The Portfolio Holder for Tourism, Leisure and Communities presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'D' to these Minutes in the Minute Book.

Cabinet were advised that the BH Coastal Lottery had been launched in 2019 in order to raise funds for 'good causes' in Bournemouth. In relation to this Members were advised that the sale of lottery tickets started in January 2019 with the first draw taking place in March 2019, BH Coastal Lottery is now one of the biggest and most successful local authority lotteries in the country.

Further to this Cabinet were advised that the purpose of the report was to seek approval for the criteria and implementation of the Community Fund Small Grant Scheme and to consider approving the expansion of the BH Coastal Lottery to operate across Bournemouth, Christchurch and Poole.

The Chairman of the Overview and Scrutiny Board advised that whilst there were no formal recommendations from the Boards recent meeting that the ability to engage with the community and smaller charities through this process was really valuable, and that he would be pleased to see the scheme extended.

A number of Members addressed Cabinet praising the success of the project and welcoming the opportunity of extending the scheme. In addition Members congratulated Councillor Kelly on the success of the project as she had been instrumental in driving the project forward within the legacy Bournemouth Borough Council.

RESOLVED that Cabinet approved:-

- (a) the criteria and implementation of the Community Fund Small Grant Scheme; and
- (b) the expansion of BH Coastal Lottery to operate across Bournemouth, Christchurch and Poole.

Voting: Unanimous

Portfolio Holder: Tourism, Leisure and Communities

113. Pilot scheme for the use of fixed penalty notices for relevant environmental enforcement issues and associated policy

The Portfolio Holder for Tourism, Leisure and Communities presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'E' to these Minutes in the Minute Book.

Cabinet approval was sought for a pilot scheme to undertake environmental enforcement through the use of fixed penalty notices, further to this Cabinet approval was also sought of the required BCP wide enforcement policy to ensure legal compliance in serving fixed penalty notices in this context.

In presenting the report and in response to concerns that had been expressed during public issues the Portfolio Holder advised that there was a thorough appeals process in place. In addition the Portfolio Holder advised Members that should this pilot scheme be successful then the possibility of extending the scheme would be explored.

The Chairman of the Overview and Scrutiny Board advised Cabinet that whilst there was no formal recommendations from the recent Board meeting that there was a lot of general support for the scheme from the Board, with the Board recognising the benefit of a pilot scheme which you can develop and monitor.

Members expressed the importance of publicising the scheme, in addition Cabinet discussed the leave only footprints campaign, and recognised the work already being carried out by volunteer groups. Members felt that this pilot scheme should help encourage and support the volunteer groups to continue their good work.

RESOLVED that:-

- (a) Cabinet approved a pilot Environmental Enforcement scheme in Bournemouth Town Centre for a period of six months; and**
- (b) Cabinet receive a further report on the outcome of the pilot, financial implications and future options appraisal for Environmental Enforcement across BCP, following completion of the pilot period.**
- (c) Cabinet approved the Policy for Environmental Enforcement through Fixed Penalty Notices to ensure legal compliance.**

Voting: Unanimous

Portfolio Holder: Tourism, Leisure and Communities

114. Review of Leisure Centre Management

The Portfolio Holder for Tourism, Leisure and Communities presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'F' to these Minutes in the Minute Book.

Cabinet approval was sought to undertake a review of the management arrangements for the public leisure centres within BCP.

In presenting the report the Portfolio Holder advised that the purpose of the review was to ensure there was equal access to leisure centre services across BCP. In relation to this Members were advised that BCP Council owns 8 leisure centres which are currently operated under four different models of management and a variety of lease and contractual arrangements. Further to this Members were advised that the review would focus primarily on future arrangements at Ashdown, Poole (Dophin), Rossmore and 2Riversmeet Leisure Centres, due to the length of existing arrangements at other sites, and it was intended that the review would explore the options to generate capital investment to improve facilities and revenue savings for leisure, whilst providing a service that integrates with health and wellbeing through prevention at scale generating longer term savings elsewhere for the Council.

A Councillor present at the meeting addressed Cabinet stressing the importance of taking into account the cost of parking at each of the sites, particularly in relation to 2Riversmeet.

Cabinet members spoke in support of the report, both in terms of the potential efficiencies which could be achieved and the importance of integration with health and wellbeing.

RESOLVED that:-

- (a) a review of the management arrangements for public leisure centres within BCP be supported;**
- (b) the allocation of £20k from existing service revenue budgets to procure a specialist leisure consultant to support the review be approved; and**
- (c) it was noted that current agreements may need to be extended until future management arrangements are approved.**

Voting: Unanimous

Portfolio Holder: Tourism, Leisure and Communities

115. Council Tax – Tax Base 2020/21

The Portfolio Holder for Finance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'G' to these Minutes in the Minute Book.

In presenting the report the Portfolio Holder advised that the report calculated and presented the proposed Council Tax Base for council tax setting purposes in line with current legislation and guidance. Further to this Cabinet were advised that there was a requirement to maintain three separate Council Tax bases for Bournemouth, Poole and Christchurch until the Council Tax Band D charge is harmonised for the new authority.

RECOMMENDED that:-

- (a) the report for the calculation of the Council's Tax Base for the year 2020/21 be approved and the tax base be recommended to Full Council;**
- (b) pursuant to the report, and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended, the amount calculated as the Council Tax Base for Bournemouth, Christchurch and Poole Council is split for the year 2020/21 as Bournemouth 63,985, Christchurch 20,403 and Poole 58,609.**

Voting: Unanimous

Portfolio Holder: Finance

116. Housing Scheme at Luckham Road, Bournemouth

The Portfolio Holder for Housing presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'H' to these Minutes in the Minute Book.

In presenting the report the Portfolio Holder advised Cabinet that the BCP Council owned site currently consisted of 2x3 bedroom houses and 8x2 bedroom flats. In relation to this Cabinet were advised that the existing properties presented significant ongoing maintenance issues for BCP Council which are not sustainable and therefore require demolition. In addition to this the Portfolio Holder advised Cabinet that the site presented an opportunity for redevelopment and the building of replacement better quality sustainable family affordable homes.

Cabinet members were advised that the replacement homes would be of high quality and built to Passivhaus principles with additional sustainability components such as PV panels and electric heating.

Cabinet members praised the principles of the report, particularly with regards to the proposal to conform to the Passivhaus principles and the potential family affordable homes.

RECOMMENDED that Cabinet:-

- (a) support the scheme and for the budget required to deliver this within the HRA budget to be presented to Council in February;**
- (b) approve the proposed £1.856m housing scheme for subsequent approval request;**
 - (i) approval to commence and completion of build subject to the conditions set out in the Financial Strategy and authorise the Corporate Director for Environment and Community to approve necessary contractual and legal agreements in consultation with the Monitoring Officer and Chief Finance Officer;**
 - (ii) approve the financial strategy for the scheme as set out in paragraphs 24 to 36 with specific approval for:**

- (iii) **£939k to prudential borrowing to be repaid over 25 years used to finance the Housing Revenue Account (HRA) Affordable rented homes;**
- (iv) **Authorise the Section 151 Officer in consultation with the Portfolio Holder for Finance to determine the detailed funding arrangements.**

Voting: Unanimous

Portfolio Holder: Housing

117. Cabinet Forward Plan

The Leader advised that the latest Cabinet Forward Plan had been published on the Council's website.

In addition to this the Leader advised of a change of venue for the next Cabinet meeting, confirming that the next meeting which was scheduled for Wednesday 12 February would take place in the Civic Offices in Poole.

The meeting ended at 11.50 am

CHAIRMAN

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CABINET



Report subject	2020/21 Budget and Medium Term Financial Plan (MTFP)
Meeting date	12 February 2020
Status	Public Report
Executive summary	<p>To set out for cabinet consideration and recommendation to council the proposed 2020/21 budget and council tax.</p> <p>The budget as presented;</p> <ul style="list-style-type: none"> a) has been drafted on a base 3.99 per cent increase in council tax as adjusted in each of the predecessor areas by the application of the policy to achieve harmonisation from 1 April 2021 onwards. b) Includes provision to mitigate the deficit that is accumulating in the high needs budget of the Dedicated Schools Grant (DSG).
Recommendations	<p>It is RECOMMENDED that</p> <p>Cabinet RECOMMENDS to Council that;</p> <ul style="list-style-type: none"> 1) undertake a recorded vote in relation to the following items as required by the Local Authorities (Standing Orders) (England) (Amendments) Regulations 2014 which came into force on the 25 February 2014; a) A net budget of £283m, resulting in a total Council Tax Requirement of £217.1m, is set for 2020/21 based on the settlement figures published by Government in December 2019. This is based upon: <ul style="list-style-type: none"> i. an increase in council tax in 2020/21 which means that the BCP Unitary Charge will not increase above 3.99 per cent for any residents and individual resident charges are determined in line with the approved council tax harmonisation strategy as set out in Appendix 1a and summarised as; <ul style="list-style-type: none"> 1. Bournemouth's BCP Unitary charge council tax being an increase of 3.84 per cent over that levied in 2019/20. 2. Christchurch's BCP Unitary charge Council Tax being a reduction of 3.55 per cent over that levied in 2019/20. 3. Poole's BCP Unitary charge Council Tax being an increase of 3.83 per cent over that levied in 2019/20. <p>These increases can be compared to the 3.99 per cent maximum permitted increase for 2020/21 and recognises that the Government continue to promote council tax increases via the social care precept as a funding mechanism for Social Care.</p>

	<ul style="list-style-type: none"> ii. the key assumptions and provisions made in the budget as proposed, set out in paragraph 39 to 55; iii. the allocations to service areas in the budget as proposed and as set out in Appendix 2a; iv. the Capital Investment Programme (CIP) as set out in paragraphs 93 to 109 and Appendix 4; v. the use and level of all reserves to be held by the Council further to the advice of the Chief Finance Officer as set out in paragraphs 109 to 121 and Appendix 3 to this report; vi. Treasury Management Strategy (TMS) and prudential indicators as set out in paragraphs 122 to 126 and Appendix 5; vii. the Chief Officers' Pay Policy Statement for consideration and approval by the council in accordance with the provisions of the Localism Act 2011 as set out in paragraphs 128 to 129 and Appendix 7; viii. that councillor allowances for 2020/21 will be increased in line with the national salary award as discussed in paragraphs 130 to 132; <ul style="list-style-type: none"> b) approve the flexible use of capital receipts strategy to deliver significant resources towards the BCP Council transformation programme as set out in paragraphs 62 to 73. c) approve a £2 million 2020/21 Revenue Contribution to Capital Outlay (RCCO) to provide a minimum level of annual investment in the capital programme. d) approve to support the high needs block of the DSG by a £4 million (1.9 per cent) transfer from the schools block, and a £0.2 million (0.5 per cent) transfer of early years funding, as set out in paragraphs 74 to 86. e) approve a £1.2 million contribution to a Financial Liability Earmarked Reserve to provide a sustainable funding source to help mitigate the estimated 2020/21 deficit on the High Needs Block of the DSG. f) approve the allocation of reserves received from the disaggregation of the balance sheet of Dorset County Council with the residual Financial Planning Earmarked Reserve to further support the Financial Liability Reserve. g) note the intention, that should the Government agree to provide a specific grant to cover the accumulated deficit on the High Needs Block of the DSG, to redirect the Financial Liability Reserve to further support the Councils corporate priorities including transformation. h) that the Chief Finance Officer provides council with a schedule setting out the rate of council tax for each category of dwelling further to councillors consideration of the decision required in respect of (a) above and after taking account of the precepts to be levied by the local Police and Fire Authorities, Neighbourhood, Town and Parish Councils,
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	and Chartered Trustees once these have been determined prior to the Authority meeting on the 18 February 2020.
Reason for recommendations	The council is required to set an annual balanced budget presenting how its financial resources, both income and expenditure, are to be allocated and utilised. In setting the budget for 2020/21 it is critical that councillors recognise their duty is to balance this budget in a manner which reflects not only their obligation to <u>current</u> taxpayers but also reflects their obligations to <u>future</u> taxpayers.
Portfolio Holder(s):	Cllr David Brown – Finance Portfolio Holder
Corporate Director	Julian Osgathorpe, Corporate Director for Resources
Contributors	Adam Richens, Chief Finance Officer and Service Director of Finance Dan Povey, Acting Assistant Chief Finance Officer Nicola Webb, Assistant Chief Finance Officer Matthew Filmer, Finance Manager
Wards	All Wards
Classification	For Recommendation to Council

Overview of the proposed 2020/21 Budget

1. The 2020/21 budget as presented is a responsible, sustainable budget which;
 - a) harmonises council tax over the next two years, with a consistent rate being charged from April 2021 onwards.
 - b) continues to work to ensure consistent standards of service are delivered by April 2021.
 - c) provides for the ongoing resources needed to keep the reopened Poole public conveniences accessible to the public.
 - d) delivers a further £9.4 million in annual service-based savings in addition to the £11.2 million delivered to support the 2019/20 budget, bringing the total service-based annual savings following Local Government Review (LGR) to £20.6 million. These savings preventing some of the cuts to services being implemented by other local authorities at this time.
 - e) Invests £1.4 million extra per annum in Council priorities, namely;
 - £240,000 being set aside to support the climate change and ecological emergency including engagement via the citizens assembly, the environment strategy and the associated action plan development.
 - £370,000 investment in regeneration, specifically the councils capacity to deliver regeneration by creating a small team to focus on major projects.
 - £390,000 in the highway maintenance network and to address the impact of the inherited under investment across the Christchurch locality.
 - £150,000 to improve street cleaning standards across the conurbation including addressing the lack of resources available within the Christchurch locality.
 - £150,000 in arts and culture recognising the importance of taking forward the BCP Cultural Enquiry.

- £50,000 to improve site management of unauthorised encampments
 - £50,000 in a community engagement strategy and by doing so ensuring that our diverse communities can shape and influence decision making in their local communities
 - £12,000 contribution to events to mark VE/VJ and the Dunkirk 75 Anniversary in 2020.
- f) Make a commitment to increase these provisions by a further £1.1 million in 2021/22.
 - g) prioritises investment in services to the most vulnerable members of our community with an extra £14 million allocated for Adults and Children services.
 - h) invests in our care experienced young people as part of our corporate parenting responsibilities by providing them with a council tax discount.
 - i) develops a strategy in respect of high needs by recognising the previous unsustainable position.
 - j) invests even further in regeneration to increase the number of homes built locally, to increase growth, and to boost the council's tax-base. This includes £300,000 per annum set aside to cover the anticipated costs required to secure the acquisition of the Poole power station site and £136,000 per annum to enable the council to repurpose its current short-term £3.4 million loan into a longer-term commitment to the winter gardens development.
 - k) develops a financial strategy to support the organisational redesign of the council, with up to £18.2 million being initially set aside from a combination of the application of a flexible use of capital receipts policy with a contribution from the Housing Revenue Account (HRA).
 - l) transforms the council and creates a vibrant new entity which re-imagines and creates a 21st century organisation.
 - m) manages the £1.1 million reduction in 2020/21 in the New Homes Bonus (NHB) allocated to the authority by Government.
 - n) continues to manage the £103 million annual reduction in the councils core funding from government comparing 2020/21 against 2010/11.
 - o) is based on £3 million in core un-ringfenced Government funding in anticipation that this will be removed from 2021/22 onwards.
 - p) reduces the base budget revenue contingency from one per cent of the net revenue expenditure to 0.4 per cent based on a reduction in the levels of uncertainty from the council's first year of operation and the availability of the residual Financial Resilience Reserve.
 - q) enables a £2 million annual contribution into the council's capital investment programme. The intention being to use some of these resources to support the implementation of the review of public conveniences and for the implementation of the parks and open spaces strategy.
 - r) enables a £360,000 annual contribution into the Poole Bay Beach Master Plan as part of the £3.3 million local contribution to a £36 million scheme.
 - s) continues to protect frontline services

Background Detail

2. 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 to two in Dorset being designed to ensure improved Value for Money (VfM) for local council taxpayers and to better enable the protection of quality front line services to our community and residents.

3. BCP Council's Corporate Strategy was adopted by council on 5 November 2020. The vision is to create vibrant communities with outstanding quality of life where everyone plays an active role. The high-level strategy sets out five council priorities and a commitment to become a modern, accessible and accountable council committed to providing effective community leadership. The priorities are:
 - **Sustainable Environment** - leading our communities towards a cleaner, sustainable future that preserves our outstanding environment for generations to come
 - **Dynamic Places** - supporting an innovative, successful economy in a great place to live, learn, work and visit
 - **Connected Communities** - empowering our communities so everyone feels safe, engaged and included
 - **Brighter Futures** - caring for our children and young people; providing a nurturing environment, high quality educations and great opportunities to grow and flourish
 - **Fulfilled Lives** - helping people lead active, healthy and independent lives, adding years to life and life to years.
4. The strategy is underpinned by an agreed set of core values and delivery plans which set out how the council will achieve the priorities. These are presented to this meeting as a separate item on the agenda.

Figure 1: BCP Corporate Strategy

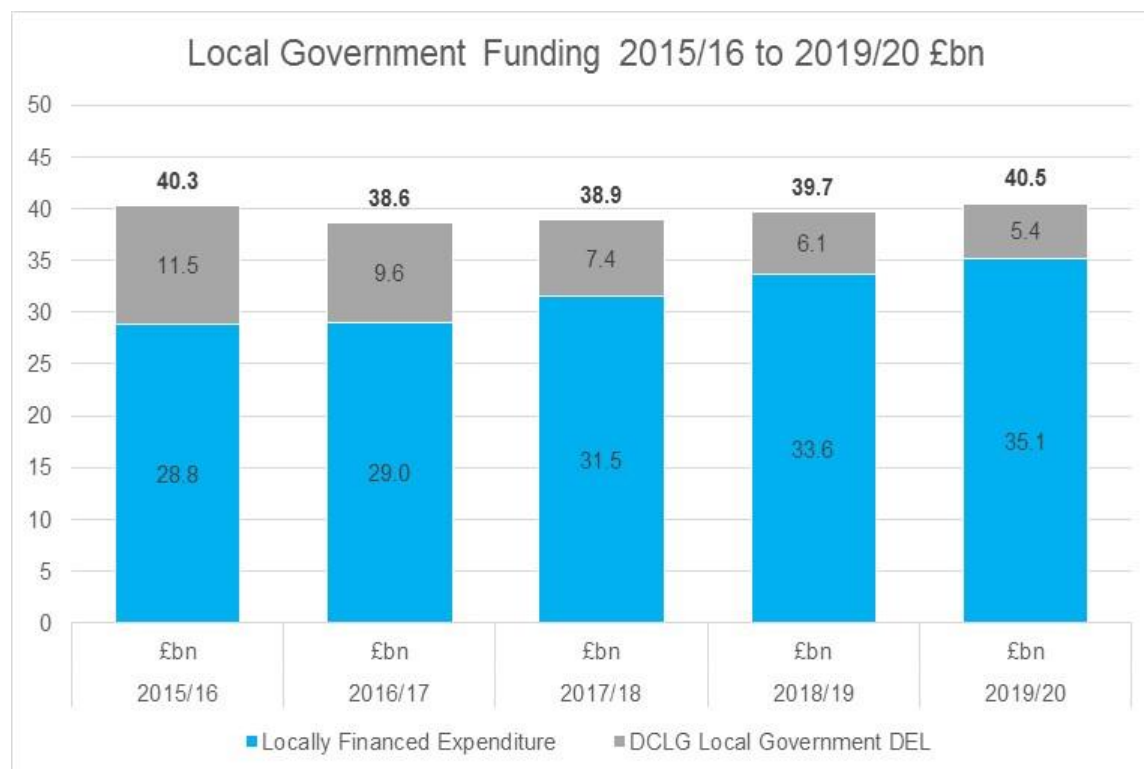


5. In developing this new authority and its Medium Term Financial Plan (MTFP) it is critical to not only remind ourselves of our ambition and purpose but to continue to reiterate that the national policy context of Government (austerity) funding reductions helped lead us to this point.

National policy context

6. In **November 2015** the Chancellor of the Exchequer published the 2015 Spending Review (SR15) 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 to run a healthy economy that starts to pay down the country's debt.
7. 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 **£11.5 billion** in 2015/16 to **£5.4 billion** in 2019/20. This was a reduction of **£6.1 billion** or **53 per cent**.
8. However, government highlighted that their assumption was that overall local government spending would be higher in cash terms in 2019/20 compared to 2015/16 as explained further in figure 2 below;

Figure 2: Local government funding amounts as per the 2015 Spending Review



9. This assumed increase in cash spending between 2015/16 and 2019/20 was 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) £3.5 billion 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 and the creation of an Improved Better Care Fund*).
 - d) Use of capital receipts as a means of financing revenue expenditure on reform projects.
10. This spending review firmly set the government's strategic approach to increase council **tax** as the mechanism for funding local services over the period to at least 2020.

National context: government's 2019 Spending Round (SR19)

11. April 2020 was supposed to see the introduction of a new financial framework for local government with the implementation of a new fairer funding formulae and the roll out of a new 75 per cent business rates retention system. In addition, 2019 was supposed to see the announcement of a green paper on how the government considered adult social care should be funded in the future and a spending review which would set out the departmental spending limits for the next three to four financial years.
12. In response to these issues, and the urgent need to provide certainty and stability for next year, the Chancellor, Sajid Javid, announced a one-year spending round on 4 September 2019. The statement included the announcement that the long-term local Government finance reforms, including business rates retention and the review of relative needs and resources (fairer funding) have now been delayed until 2021/22. In addition, the statement did not include any indication as to when the government will publish their proposals for the future funding of adult social care other than a reference to such fundamental reforms being set out by the Prime Minister in due course.
13. SR19 did though set out a much-welcomed short-term funding boost for schools, health and social care, and policing. The concern will be that a significant proportion of this funding is being provided by a substantial increase in government borrowing which will not provide a sustainable funding source. In effect, the £15 billion of fiscal headroom that was earmarked in the spring of 2019 as a three-year Brexit contingency fund was effectively spent in supporting a one-year spending round. This headroom was as identified against the Government's previous fiscal rules of keeping the structural deficit below 2 per cent of Gross Domestic Product (GDP) in 2020/21 (the borrowing rule) and debt falling as a percentage of GDP in 2020/21 (the debt rule).
14. It should be emphasised that the spending round set out the national spending plans at a government departmental level. It did not provide individual allocations to specific local authorities. These are contained in the detailed settlement for local government. That said, it did provide valuable context and clarifications with the announcements which will impact on the council's financial position including;
- a) All existing 2019/20 grants to support social care will continue.
 - b) The Government will provide a further £1 billion of grant funding for adults and children's social care in 2020/21.
 - c) Local authorities will be able to raise up to a further £500 million via a 2 per cent adult social care precept next year.
 - d) A basic council tax referendum limit of 1.99 per cent for 2020/21 will be set (3.99 per cent total threshold).
 - e) Funding to remove negative revenue support grant will continue for 2020/21.

- f) An additional £700 million will be provided via the DSG to support children with special educational needs.
 - g) Further grants of £54 million and £24 million will be provided respectively to combat rough sleeping and homelessness and building safety.
15. The government's announcement regarding a social care precept means local councils will be left footing the bill for elderly care, years after the government promised to solve the social care crisis. A solution has been promised by successive governments since 2010.

National Context: Impact of the 2020/21 local government finance settlement

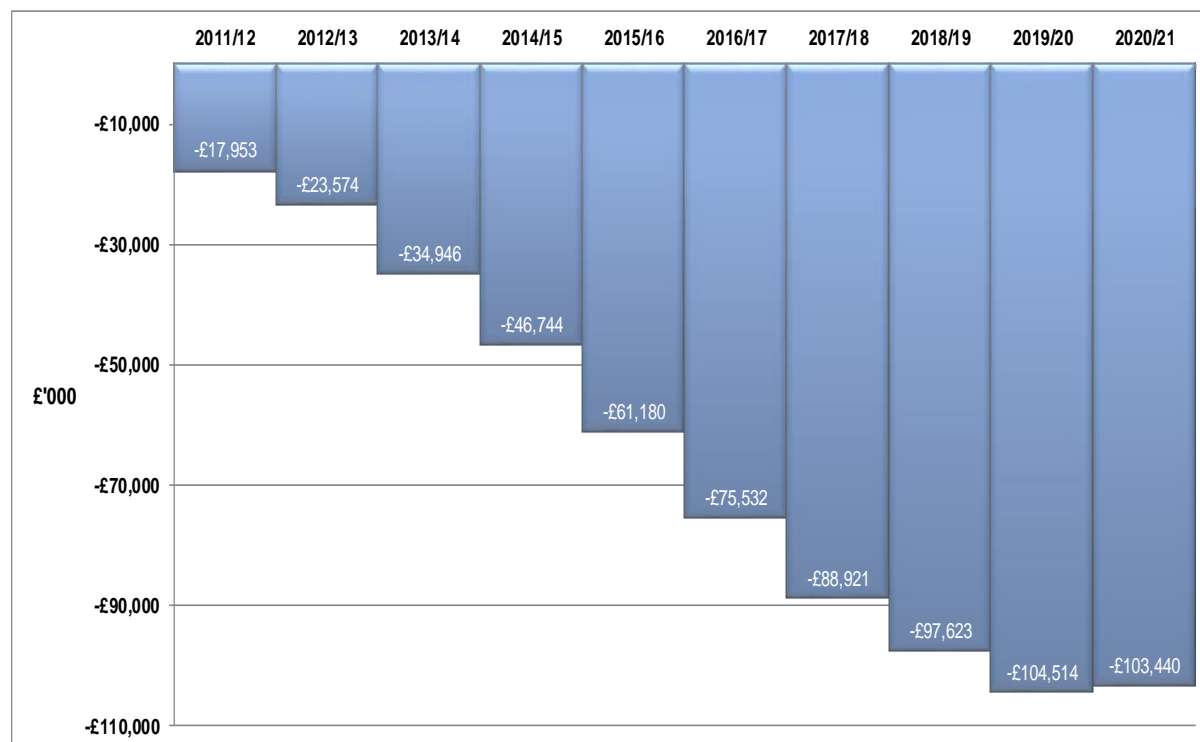
16. After the general election on the 12 December 2019, the Secretary of State for the Ministry for Housing, Communities and Local Government, Rt. Hon. Robert Jenrick MP, made a written statement to parliament on the 20 December 2019 setting out the provisional local government finance settlement for 2020/21.
17. The settlement was based on the SR19 funding levels, with individual authority allocations based upon the SR15 and subsequent funding announcements. On this basis it did not contain any surprises, however it did reiterate several points made in the December 2019 Queen's Speech. These included the fact government wants to reform social care and find a "long-term solution that will stand the test of time". It highlighted a three-point plan to address social care:
- 1. An additional £1 billion for adults and children's social care in every year of this parliament. In addition, the government propose a 2 per cent council tax precept that will enable councils to access a further £500 million for adult social care for 2020/21.
 - 2. To urgently seek a cross-party consensus on social care, as there is on the National Health Service (NHS), and to make far-reaching changes to the way these services are financed and delivered.
 - 3. To ensure that nobody needing care will be forced to sell their home to pay for it.
18. Importantly, for the Council, the first point simply confirms the extra grant announced in SR19 will continue to be received in the financial years beyond 2020/21. It did not announce any new funding. For example, no further annual increases in the adult and children's social care grant were announced. There was also no indication that the Council will be able to implement a further social care council tax precept beyond next year, although that must remain a possibility.
19. A second point made in the Queen's Speech was it provided more clarity on the government's new fiscal rules, which had not previously been made explicit, namely;
- a) to have the current budget in balance no later than the third year of the forecast period. This replaces the current rule which was that the deficit could not be larger than 2 per cent of GDP.
 - b) to limit public sector net investment to an average of 3 per cent of GDP.
 - c) to reassess plans in the event of a pronounced rise in interest rates taking interest costs above 6 per cent of government revenue.
20. The commitment to balance the budget in the third year of the parliament indicates a much tighter fiscal policy than was pursued by the previous chancellor. The national budget deficit is currently about £45 billion (around 2 per cent of GDP) and closing this gap will require some substantial fiscal consolidation. Given that a large proportion of the public sector is protected, this does raise the risk that there is less scope for any growth in funding for local government.

21. For the avoidance of doubt the intention now appears to move to a 75 per cent retained business model from 2021/22 onwards with the key points associated with such a proposal being;
- It will be **fiscally neutral** at a national level
 - It will continue to be underpinned by the **principle of redistribution of resources** based on need. The current assumption being that this principle and how such resources are distributed nationally will be reviewed further based on the results of the general election.
 - The government will incorporate additional funding responsibilities including the public health grant and where relevant any residual revenue support grant (RSG).
 - It will be subject to suitable transitional measures. This element will be critical as the intention is that there will also be a full reset for 2021/22 which will see the “growth” within the current business rates system up to 2020/21 transferred to baseline resources that councils can retain.
22. The final 2020/21 local government finance settlement had not been issued as at the date of this reports production. Any variance from the provision settlement will be dealt with as an amendment to the base revenue budget contingency.

Local context

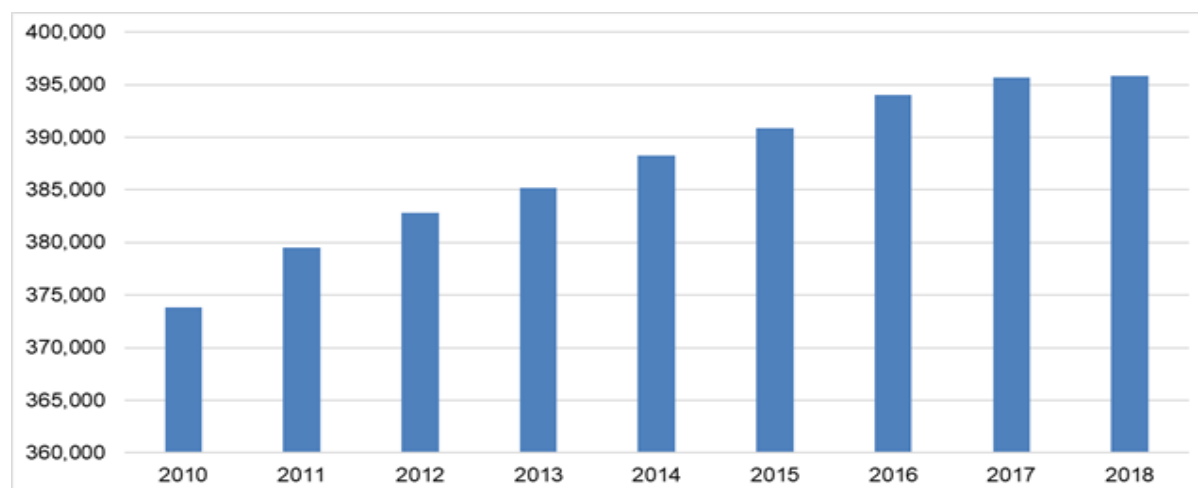
23. Medium term financial planning processes are designed to provide sound financial management and control arrangements which are integral to the delivery of good governance for the council. Such arrangements help in supporting service delivery, accountable decision making and safeguarding stewardship whilst optimising the use of available resources.
24. As stated previously the creation of BCP Council was a strategic response to the ongoing financial challenges faced by all the local authorities in Dorset. These challenges include the impact of the past nine years of austerity which saw protections applied to the NHS, schools, international development, defence equipment and latterly to defence and the police meaning that public spending reductions have been and will continue to be felt disproportionately by local government. This means that apart from some recent additional national protection in respect of the expenditure incurred by councils in supporting some of the most vulnerable members of our society, council budgets have been reduced significantly over most of the last decade.
25. Locally as highlighted in figure 3 below there has been a total £103 million reduction to the council's annual core government funding comparing 2020/21 to 2010/11, as part of the government's austerity programme. To put this annual reduction into context it is more than the entire annual 2018/19 budget for the predecessor Unitary Authority of Poole. In a BCP Council context and a net 2020/21 annual budget of £283m these reductions equate to approximately 1/3 of the net budget of the council.

Figure 3: Cumulative per annum reductions in the core government funding of Bournemouth, Christchurch and Poole compared to 2010/11 (£000's)



26. The council's finances therefore remain under immense pressure but not only due to the reductions in government funding. Cost increases through such factors as the living wage (6.2 per cent increase in 2020/21) as well as the relentless increase in demand for council services, particularly those related to vulnerable adults and children, also play a significant role. This unprecedented increase in demand for Council services can be partially attributed to the **5.9 per cent** increase in the conurbations population already experienced over the period of austerity, as set out in figure 4 below;

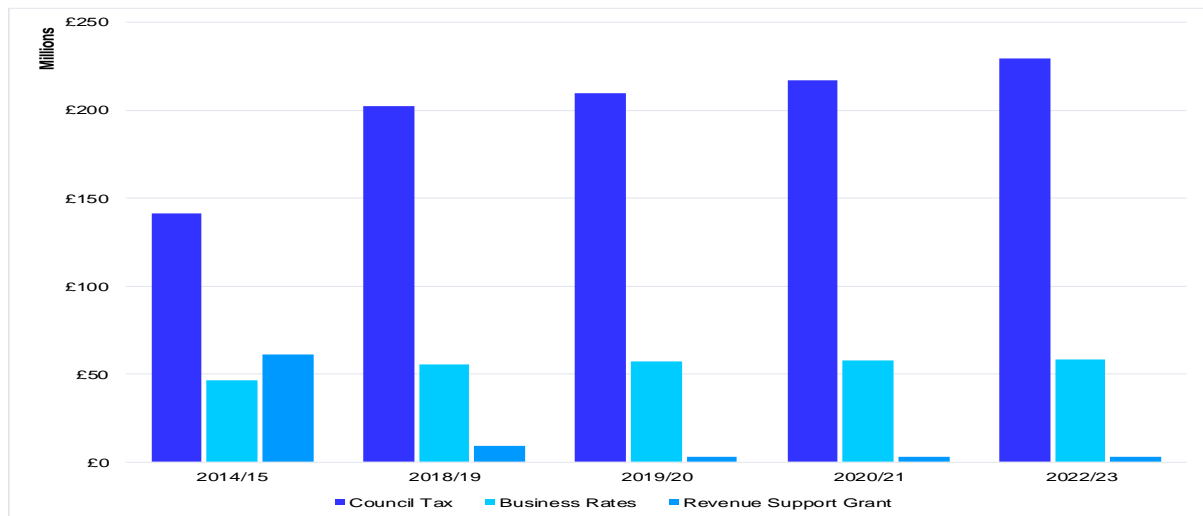
Figure 4: Increase in the population of BCP Council between 2010 and 2018



Source: Population Estimates Unit, Office of National Statistics 2019

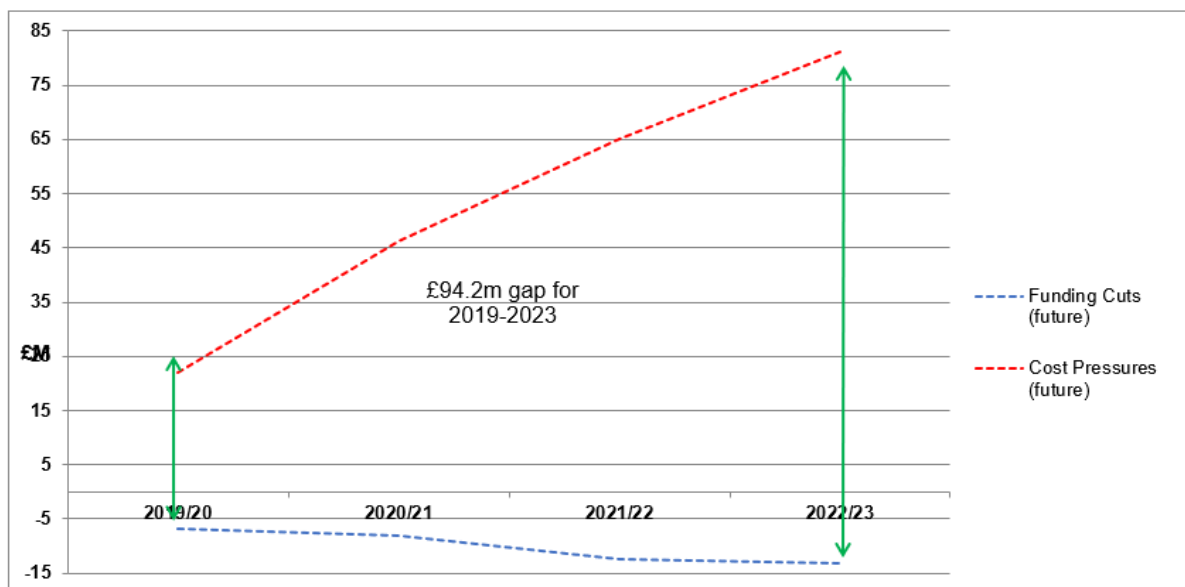
27. As a result, by 2021 apart from certain specific service grants the council will be reliant on the money and other income (net of fees, charges and asset purchase strategy income) it raises locally to pay for most local services, be that council tax or the amount of local business rates it is permitted to retain. Figure 5 below highlights the anticipated changing pattern of council funding.

Figure 5: Changing pattern of council funding



28. This presents the council with an unprecedented challenge as not only is core un-ringfenced government funding being completely removed from April 2021, but both nationally and locally, demand and associated costs continues to grow for council services, particularly those for vulnerable older people and vulnerable children. The council continues to prioritise these services as it has a legal duty to safeguard both vulnerable adults and children. Figure 6 highlights the combined impact of cost pressures with the complete withdrawal of government core funding.

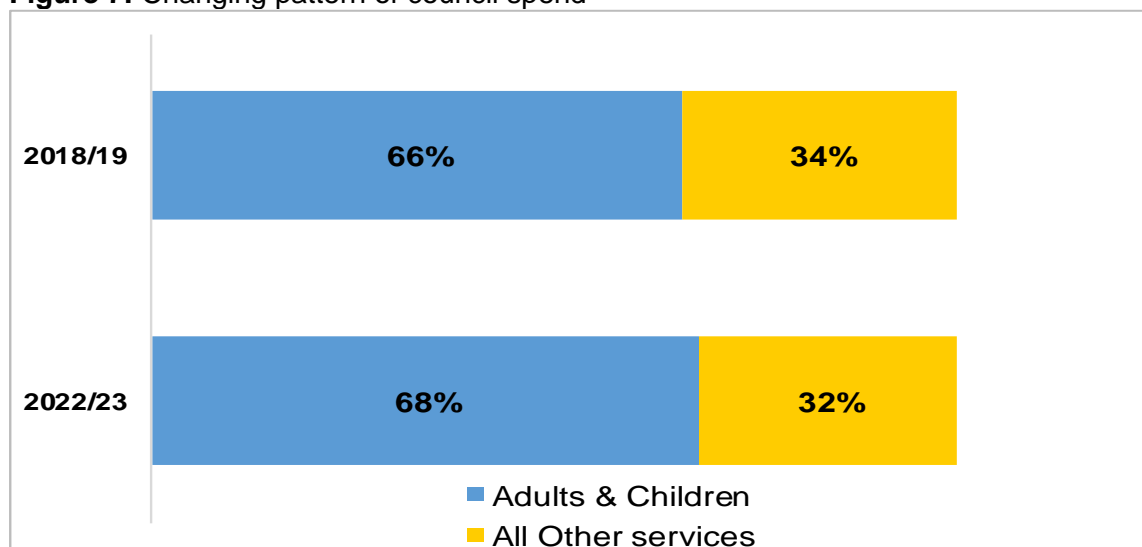
Figure 6: Impact of cost pressures and reductions in government funding



29. Further loss of funding, coupled with increasing demand for services, means the Council must make further savings of approximately £64 million over the next three years. This will make it even harder to balance the council's budget, deliver universal services (*such as refuse and recycling collections, libraries, parks and open spaces*) and meet core duties such as protecting vulnerable children and older people.

30. The action that will be necessary to address the complete removal of core government funding, when coupled with the increasing demand and costs associated with adults' and children's services, will continue to see a reprofile of council spend as set out in figure 7 below.

Figure 7: Changing pattern of council spend



Local context: 2019/20 in-year financial position

31. In-year budget monitoring reports throughout 2019/20 have highlighted the additional financial pressures the council has identified and faced in its first nine month of operation. These pressures are being managed from the additional resources (£2.5 million revenue budget contingency and £6.5 million service specific Financial Resilience earmarked reserves) set aside to manage the additional level of uncertainty in this first year of operation. A report which produces a forecast for the year based on activity between 1 April 2019 and 31 December 2019 appears as a separate item on the agenda for the 12 February 2020 cabinet meeting.
32. The monitoring suggests that the major areas of cost pressure include demand for the provision of adult social care, the increased cost of adult residential placements, a spike on expensive children in care (CiC) placements, higher number of inherited CiC cases from the Christchurch area, a growth in the number and cost of pupils eligible for special educational needs (SEN) transport, with a reduction in income from cremations largely due to the opening of a new private facility.
33. As at the end of December 2019 the council had a forecast overspend position of £5.3 million in services which is being met by the £2.5 million base revenue contingency and £2.8 million from the service specific financial resilience reserves. In setting its budget for 2020/21 BCP Council will need to reflect of the adequacy on any contingency and resilience reserves alongside the fact that it only has experience of operating as a single entity for ¾ of a financial year.
34. In addition, the there is also a significant pressure in the DSG as a result of increased demand for high needs services associated with a growing caseload of pupils with special educational needs as well as fee increases from independent special schools. The consequences of this pressure are reflected upon later in the report.

Local Context: Financial Strategy

35. At the meetings of the cabinet on the 12 June 2019, 9 October 2019, 20 December 2019 high level consolidated MTFP information has been presented based on the work to date to deliver a balanced, sound, robust and sustainable budget for 2020/21.
36. The MTFP and budget for 2020/21 should be seen in the context of a rolling, evolving process structured to enable the proactive management and prioritisation of the new council's resources. To support its development cabinet agreed at its meeting in June 2019 the following high-level 2020/21 budget cycle;

Stage One: April to June

- Closure of the accounts for the predecessor authorities.
- High level budget planning process as set out in the June 2019 MTFP update report to cabinet.
- Approval of an outline financial strategy to support the delivery of a balanced budget for 2020/21.
- Design of a two-year base budget review process to aid decision making around the 2020/21 budget and MTFP.

Stage Two: June to September

- Initial detailed bottom up baseline financial assessments for each service. This included a reflection on previous year's actual performance and forecast in-year performance to evaluate the realism of future year plans.
- Stage one base budget reviews.
- Phase one initial savings and efficiency plan as per the financial strategy.

Stage Three: October to December

- Stage two base budget reviews.
- Refinement stage including consideration of budget saving options.
- Consideration of public consultation arrangements should any options or proposals require them.

Stage Four: January to February

- Finalise the 2020/21 budget.

37. As part of the stage four process cabinet members, in liaison with the relevant corporate directors, have been undertaking work to determine the efficiencies that could contribute to the savings requirement. The main area has consistently been focused on the reduction of the consolidated staff base of the 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.
38. Figure 8 below sets out the budget for 2020/21 and MTFP to 2023. It should be emphasised that the table shows the incremental changes, positive and negative from the preceding year. It does not show absolute amounts, these are reflected in Appendix 2a.

Figure 8: General Fund - Budget 2020/21 and MTFP 2020 to 2023

19/20 £m	Additional Investment into Services	20/21 £m	21/22 £m	22/23 £m	Total £m
6.9	Adult Social Care – growth in demand and cost increases.	11.0	8.2	7.9	27.1
2.9	Pay award - allocated to be allocated to services	3.0	2.9	2.9	8.8
6.9	Government Funding reductions	1.1	4.3	0.8	6.2
1.3	Children's Services – demand and cost increases	3.0	1.9	1.1	6.0
1.3	Environment and Communities - inc price inflation contract related	3.2	0.6	0.6	4.4
1.1	Regeneration and Economy - including price inflation	2.0	0.5	1.0	3.5
0	Central Items - potential additional 0.75% Pay Award	0.9	0.9	1.1	2.9
0.7	Minimum Revenue Provision inc Holes Bay / Interest payable	0.6	1.3	0.0	1.9
1.1	Corporate Services – including Microsoft licence costs.	0.8	0.6	0.5	1.9
0.0	Corporate Priorities	1.4	1.1	0.0	2.5
0.0	Investment related to the high needs deficit	1.2	0.0	0.0	1.2
1.1	Revenue Contribution to Capital	1.1	0.0	0.0	1.1
1.8	Pension Fund – tri-annual revaluation impact	(1.7)	1.0	1.0	0.3
0.1	Public Health – grant contribution to service reduced	0.0	0.0	0.0	0.0
1.7	Adult Social Care - winter pressures	0.0	0.0	0.0	0.0
2	Contingency	(1.3)	0.0	0.0	(1.3)
0.0	Interest Payable	(1.1)	(0.1)	0.0	(1.2)
28.9	Total Additional Investment into Services	25.2	23.2	16.9	65.3
	Cumulative Investment into Services	25.2	48.4	65.3	

19/20 £m	Additional Resources	20/21 £m	21/22 £m	22/23 £m	Total £m
(3.9)	Council Tax – Income	(6.0)	(3.5)	(6.8)	(16.3)
(2.7)	Council Tax - Tax base Increases	(1.7)	(1.0)	(1.2)	(3.9)
(0.4)	Council Tax – Discounts / Local CT Support Scheme	0.0	0.0	0.0	0.0
0.3	Charter Trustees	0.0	0.0	0.0	0.0
(1.7)	Business Rates Income	(1.0)	(1.1)	(1.1)	(3.2)
(0.6)	Collection Fund – Surplus Distribution	(1.2)	1.4	0.0	0.2
(0.8)	Use of Reserves	0.8	0.0	0.0	0.8
(1.3)	DCC Disaggregation 2018/19 Budgets	0.0	0.0	0.0	0.0
(3.0)	Social Care Funding	(6.7)	0.0	0.0	(6.7)
(1.7)	Adult Social Care – winter pressures funding	0.0	0.0	0.0	0.0
(1.9)	Improved Better Care Funding	0.0	0.0	0.0	0.0
(2.2)	Adult Social Care – services savings & efficiencies	(3.2)	(1.4)	(0.8)	(5.4)
(1.6)	Children's Services – services savings & efficiencies	(1.0)	(0.2)	0.0	(1.2)
0.0	Environment and Community - services savings & efficiencies	(2.2)	(0.1)	0.0	(2.3)
(4.3)	Regeneration and Economy - services savings & efficiencies	(2.1)	0.0	(0.1)	(2.2)
(3.1)	Corporate Services – services savings & efficiencies	(0.9)	0.0	0.0	(0.9)
(28.9)	Total annual extra resource & savings	(25.2)	(5.9)	(10.0)	(41.1)
	Cumulative extra resources & savings	(25.2)	(31.1)	(41.1)	
Annual – Net Funding Gap		0.0	17.3	6.9	24.2
Cumulative MTFP – Net Funding Gap		0.0	17.3	24.2	

39. The proposed 2020/21 budget and MTFP as presented is based on several key assumptions that although they have been informed by numerous factors such as government announcements, economic forecasts, and trend analysis, are also based on professional judgement. They can be listed as follows;

Additional investment into services

40. Investment in adult social care - £11 million 2020/21

The MTFP makes provision for an additional £27 million investment in adult social care services over the 3-year period to March 2023. This pressure is a combination of;

- a) assumptions around inflationary pressures within the care market. These pressures mainly relate to increases for providers in staffing costs where a significant driver will be the consequential impact of increases in the national living wage.
- b) pricing growth for residential care costs due to market conditions and the increased complexity of service users, where costs for residential care for people over 65 years have risen between 6 per cent to 10 per cent per annum in recent years.
- c) demographic growth within the Learning Disability client group.
- d) demographic growth in demand for care packages for people with long-term conditions including those to support the NHS urgent and emergency care system as well as preventing delayed discharges from hospital.

On the 31 December 2019 the Government published their response to the Low Pay Commission's recommendation on the national minimum (NMW) and national living (NLW) wages, which they accepted. The NLW will be raised to 60 per cent of the median earnings from 1 April 2020. This means a rise from £8.21 to £8.72, or 6.2 per cent which as a key cost driver for the cost of care services has been factored into the funding pressures as set out.

It had been anticipated that the green paper on social care funding would provide a sustainable funding source for adult social care moving forward. SR19 and subsequent Queen's Speech set out that the Government intend to provide the detail of these fundamental reforms in due course.

It should also be noted that a Mental Capacity (Amendment) Bill has replaced the Deprivation of Liberty Safeguards (DoLS) with a scheme known as the Liberty Protection Safeguards (LPS) with the target date for implementation being October 2020. These arrangements describe the procedures when it is necessary to deprive a resident in a range of settings of their liberty as they lack capacity to consent to their care to keep them safe. It is anticipated nationally and locally, that the new provisions will require additional resources from councils to implement. No provision for these costs has yet been made and the risk associated with this issue will need to be reflected in a combination of the 2020/21 base revenue budget contingency and the associated reserves risk assessment.

41. Investment in children's services (including social care) - £3 million 2020/21

Total service pressures assumed with the children's directorate budget over the three-year period up to March 2023 amounts to £6 million. The most significant and notable of these can be listed as;

- a higher number of children in care cases inherited for the Christchurch conurbation than anticipated.
- a general increase in the cost of children in care. Setting aside the extra Christchurch cases brought forward under the previous bullet point the number of children in care is steady. However, the cost has increased due to the complexity of some cases.

- rebase of the budget for the business support arrangements assisting front line operational teams.
- an increase in numbers of special educational needs pupils by implication leads to an increase in the cost of school transport to the council in reflection of their entitlement.
- a combination of a general increase in the numbers of pupils entitled to support with home to school transport with a higher than originally anticipated cohort for Christchurch.
- Rebasing and realignment of fostering fees and allowances.
- Investment in a school early intervention programme.

As a priority area for council investment, provision has also been made for the estimated £110,000 impact of introducing a council tax discount to BCP care experienced young people up to the age of 25. There are two fundamental elements to this approach. The first relates to BCP care experienced young people who live within the conurbation which as a council tax discount will reduce the amount raised in council tax revenue and is estimated at £85,000. The second element is the amount offered to BCP care experienced young people who reside at an address in the Dorset Council or New Forest District Council area. This element will be treated as a payment to the relevant local authority and will be processed by the children's services directorate at an estimated cost of £25,000.

42. **Investment into an earmarked reserve to balance the high needs deficit**

The DSG includes the provision of funding to support the specialist provision of services for children and young people with high needs. This includes funding for mainstream schools and specialist providers to support pupils with Education, Health and Care Plans (EHCPs) aged 0-25, and those educated out of school, for example due to permanent exclusion or medical needs.

The BCP budget for 2019/20 identified a £4.8 million funding gap within the high needs block of the DSG. Through joint working with the BCP Shadow Schools Forum approval was obtained to support this budget by transfers from other elements of the DSG including a £2.2 million (1.1 per cent) transfer from the schools block and a £0.2 million transfer of early years funding. This left a residual £2.4 million which BCP Council agreed to contribute from its limited reserves. Any contributions from the schools or early years funding can only be agreed on an annual basis. The contribution from BCP Council was very clearly articulated as a one-off as no such reserves existed moving forward.

The council's budget monitoring report for the third quarter in 2019/20 indicates that there is a £2.7 million projected in-year deficit on the high needs budget. This is reduced to a £1.9 million deficit on the DSG once account is taken of other additional allocations and underspends. The current projection is that BCP will have a £5.5 million deficit on its DSG as at the 31 March 2020 made up as follows;

£3.1m Inherited deficit from Bournemouth

£1.7m Inherited deficit from Christchurch

(£1.2m) Inherited surplus from Poole

£1.9m BCP 2019/20 forecast deficit (*net of other DSG adjustments*).

£5.5m BCP DSG projected deficit 31 March 2020 to be carried forward

In respect of high needs, based on a £49.9 million forecast spend and £42.9 million of forecast government funding the current projection is a £7 million funding gap for 2020/21. It should be stressed that this includes an additional £3.6 million allocated as BCP's share of the extra £700 million additional funding for 2020/21 announced by the government in late 2019. It should also be noted that the expenditure forecast is after allowing for the success of planned actions in progress. These include creating additional high needs places in local mainstream and special schools. The reduction in forecast spend since the December MTFP cabinet report of £2.5 million is the result of a further review of local authority processes and the system-wide environment as well as developed plans to create more special needs places.

Work with the BCP Schools Forum has identified that they do not support a contribution from early years of £0.2 million and the full £4 million requested from schools. This would reduce the funding gap to £2.8 million. The school's contribution is comprised of £2.2 million from scaling back the national funding formula (NFF) allocations by 1.1 per cent overall with £1.8 million available from surplus NFF funding (due to various technical adjustments and changing data) as well as surplus growth funding. The council has applied to the Secretary of State for his support for the £4 million contribution from schools.

If approved, this would leave an accumulated deficit of £8.3 million (£5.5 million plus £2.8 million) held on the council's balance sheet as at the 31 March 2021. It should be noted that there are significant risks in achieving this level, including the approval of the Secretary of State for the school transfers, realising savings of £2.5 million and growth pressures not exceeding those projected.

To mitigate the real danger this presents to the council's financial health the council needs to identify resources to protect its future financial sustainability. To do this the budget as proposed directs both the unearmarked reserves it is due to receive from the disaggregation of the balance sheet of Dorset County Council, the previous BCP Financial Planning Reserve, and a £0.7 million allocation from the Financial Resilience Reserves, to establish a £7.1 million Financial Liability Earmarked Reserve. This reserve would then be supplemented by a £1.2 million base budget contribution from the council in 2020/21 to bring the Financial Liability Reserve balance as at 31 March 2021 to £8.3 million.

In regards to high needs budgets a consultation document was issued in late 2019 by the Department for Education setting out their view that the DSG is a ring-fenced specific grant separate from the general funding of local authorities, and that any deficit an authority may have on its DSG account is expected to be carried forward and is not required to be covered by the authority's general reserves.

In addition, the consultation document also set out the Governments view that they anticipate the extra money given in SR19 should be enough to enable most councils to balance their DSG. They also specified their expectation that ultimately schools should meet any deficit on the DSG even though as it currently stands a council needs the consent of the school's forum to carry forward any amounts into future years and if this is not forthcoming the Secretary of State.

Ultimately ambiguity remains. The council continues statutorily to retain the liability in its accounts of any accumulated or future deficit on the DSG. Government believe they are adequately funding the service and there can be little expectation that any future settlement for

schools will better enable them to cover these deficits as well as the in-year pressure that the high needs budget would exert on them.

The long-held view of council Chief Finance Officers and External Auditors is that councils should be able to cover the accumulated deficit on its DSG from its unearmarked reserves. As BCP Council's deficit grows via both the in-year position and the projected position for next year it is reasonable and prudent to set aside funds outlined above to mitigate this deficit, especially as there is a risk that the deficit could be as high as £12.5 million (£5.5 million and £7 million).

It is though proposed that the approach be kept under constant review and should in the future the Government issue a specific grant to cover the councils accumulated DSG deficit then at that stage consideration be given to redirecting the Financial Liability Reserve in further support the council's corporate priorities including transformation.

A delegation from the DfE Special Educational Needs Team and the Education Skills and Funding Agency are due to visit in March 2020. Their intent is to support the council develop its high needs budget strategic recovery plan. The opportunity will be taken to encourage the government to make clear who they believe will realistically fund the deficits on the DSG.

43. Investment in Environment and Communities - £3.2 million 2020/21

The proposed budget for 2020/21 makes provision for an £3.2 million additional investment into environment and communities. Predominately this relates to a significant increase in the price the council is required to pay to dispose of recycling material. Six years ago, the predecessor councils would have been receiving income for the recycling material it collected. Twelve months ago, it would have cost approximately £35 per tonne to dispose of the same quality of material. Today the council is having to pay £60 per tonne to dispose of this recycling material which means it must provide an extra £1 million per annum to cover this changing profile of cost. In addition, there are several further pressures including;

- A reduction in the income forecast to be generated from both the Bournemouth and Poole crematorium. This is largely due to the opening of another new private crematorium just outside the BCP conurbation with a new private chapel within Christchurch. A revised business case for the service will be presented to cabinet later in the year.
- As of the 1 January 2020 the Dutch government imposed a 32 euro per tonne tax on all imported waste which has been converted into fuel. This by implication is likely to lead to an increase in the cost to the council of the black bin waste which via its contractors is transported to the Netherlands.
- Additional investment in the repairs and maintenance costs of the operational properties owned or leased by the Council.
- Costs associated with the recycling collection operation in Bournemouth.
- Increased costs associated with disposing of waste and recyclable material from our Household Waste Recycling Centres (HWRC).

The council will receive £1.456 million in Flexible Homelessness Support Grant and Homeless Reduction Grant in 2020/21 which it will use to further prevent and reduce homelessness next year across the conurbation. These allocations are £141,000 more than in the current 2019/20 financial year. Consideration will be given to how these resources can best be deployed to support the service objectives.

In addition, the council has been successful in its bid and has been awarded £1.401 million in 2020/21 Rough Sleeping Initiative funding. These resources will be used to enhance existing services delivered by the council and our many partners, that connect people with the right support to move them swiftly away from the streets into sustainable and appropriate housing. This funding will secure staffing to deliver “Housing First”, additional psychological support services for rough sleeping, delivery of the “Somewhere Safe to Stay” accommodation model and support for “Sleepsafe” services. The award compares to the £1.311 million received from the Rough Sleeping Initiative (RSI) and Rapid Rehousing Pathway (RRP) across the area in 2019/20.

44. Investment in Regeneration and Economy - £2 million 2020/21

An amount of £2 million has been set-a-side as part of the budget for 2020/21 to support increasing cost pressures specifically associated with regeneration and economy. Generally, this relates to the impact of inflation alongside the implications of developing the Cotlands Road car park via the Bournemouth Development Company. In addition, provision has been made for;

- The increase in the cost of concessionary fares to the council most significantly due to the impact of creating price consistency across the conurbation.
- A requirement to set aside an annual repayment of debt associated with the repurposing of the £3.4 million loan in respect of the winter gardens as set out elsewhere on this cabinet's agenda.

45. Pay Award across all council services - £3 million 2020/21

Consistent with the actual outcomes for 2018/19 and 2019/20 the MTFP includes provision for a 2 per cent baseline increase in employee costs as part of an annual pay award settlements. Additional provision has also been made;

- a) as a corporate item, for an additional 0.75 per cent increase in 2020/21. This extra provision reflects that further to strong wage inflation the growing expectation that the pay award will be slightly higher next year with now over a third of all Councils anticipating increases between 2.5 per cent and 3.15 per cent.
- b) in certain services which have a significant staff base on the lower spinal column points as these grades will be impacted by the application of the National Living Wage.

The Trade Unions, Unison, GMB and Unite have requested a 10 per cent pay rise, a one day increase in annual leave, a two-hour reduction in the working week, and a review of workplace stress and mental health.

Budgetary provision is made for between 95 per cent and 98 per cent of each services employee establishment to allow for the impact of turnover and other matters on the actual costs of the service. Services are expected to manage the impact of any incremental drift in their pay base.

The assumption continues to be made that the harmonised pay and grading structure of BCP Council will be cost neutral.

46. Government funding reductions (including New Homes Bonus)

BCP Council received £3 million in Revenue Support Grant (RSG) from the Government in 2019/20. This grant can be used to finance revenue expenditure on any council service and is set out annually in the local government finance settlement. This £3 million is driven by the characteristics and activity of the Bournemouth area.

Across BCP it is estimated that this core grant funding is £103 million less in 2020/21 than the annual award it otherwise would have received in 2010/11.

As part of the Government's funding formulae some authorities are deemed to receive more income from council tax and business rates relative to other authorities. This perceived excess amount, known as Negative Revenue Support Grant, amounted to £3 million for Poole and Christchurch. The Government's stated intention was to remove these resources which would have meant BCP paying across £3 million of its council tax and business rates resources to be redistributed nationally. Previously the government provided one-off resources to avoid negative RSG impacting in 2019/20. As part of SR19 the Government made a further commitment to cover the cost of negative RSG for another year and to prevent it having an impact in 2020/21. Therefore, the council is not anticipating any further reductions to its core funding in 2020/21. In fact, due to annual indexation it is assuming this grant will increase by £0.1 million.

New Homes Bonus (NHB) was introduced in 2011 to incentivise local authorities to encourage housing growth in their area. BCP has achieved NHB of £3.8 million in 2019/20 with the grant structured around receiving a grant for four years for each new home above a 0.4 per cent baseline, with the value based on the average national council tax level. Previously the indication was that 2019/20 would be the final year for any new NHB allocations as the Government looked to explore how to incentivise housing growth as part of the next spending review.

SR19 however set out the government's intention to make available funding to support an additional 2020/21 allocation for new homes delivered but that this would not result in any legacy payments being made in subsequent years. Therefore, the MTFP assumes the following profile of NHB payments which equates to a £1.1 million reduction in Government funding when comparing 2020/21 with 2019/20.

Figure 9: Profile of New Homes Bonus payments

Year Payment	2019/20	2020/21	2021/22	2022/23
Bonus Year				
2016/17	£1,808,241			
2017/18	£251,901	£251,901		
2018/19	£881,673	£881,673	£881,673	
2019/20	£846,339	£846,339	£846,339	£846,339
2020/21		£667,924		
Total Payment	£3,788,154	£2,647,837	£1,728,012	£846,339

Alongside the reduction in NHB the Council is also anticipating a £0.2 million reduction in the Housing Benefit Administration grant it receives. This reflects the historical year on year reduction to reflect the move from Housing Benefit to Universal Credit.

47. Inflationary costs

Inflation is only provided for in service budgets where it can be demonstrated that it will be needed due to either market or contract conditions. Inflation as at December 2019 was 1.3 per cent as measured by the (CPI) Consumer Price Index (September 1.7 per cent).

The government have also announced plans to lift the four-year freeze on working age benefits meaning the Universal Credit will rise by 1.7 per cent from April 2020.

Additional resources, savings, and efficiencies

48. Adults and children's social care grant

As part of SR19 the government set out plans to enable local authorities to access £1 billion of new funding by way of an additional adults and children's social grant in 2020/21. This funding is intended to support local authorities meet rising demand and recognises the vital role that social care plays in supporting the most vulnerable in our society.

The technical consultation document issued by MHCLG in October 2019 confirmed an adults and children's social care grant to BCP of £9.6 million in 2020/21 of which £6.6 million will be new funding. It also confirmed that this grant will not be ringfenced, and that there will be no conditions or reporting requirements attached or requirements around how much should be spent on either adult or children's social care. In line with the December 2019 Queens Speech it has been assumed this funding will continue in future years.

49. Council tax harmonisation strategy

The proposed budget is based around a council tax harmonisation strategy designed to ensure consistent levels of tax are charged across the conurbation from 1 April 2021 onwards (2021/22 financial year).

At its core this strategy is underpinned by a 3.99 per cent assumed increase as adjusted for the impact of the precept for Chartered Trustees in 2020/21. The proposed changes in each town would be as follows;

Figure 10: Proposed council tax harmonisation strategy

2020/21 Financial Year					
<ul style="list-style-type: none"> - Poole and Bournemouth = 2019/20 charges plus 3.99%, as adjusted for the impact of the Chartered Trustees precept. - Christchurch = 3.5% reduction which is to a level of tax consistent with the 2021/22 estimate for Poole. 					
2021/22 Financial Year					
<ul style="list-style-type: none"> - Poole = 2020/21 charge plus 2.99% - Bournemouth = 2020/21 charge plus 0.76% which would mean harmonisation with Poole and Christchurch. - Christchurch - Frozen for 2020/21. This is on the basis that their 2020/21 rate is equivalent to that proposed for Poole in 2021/22. 					
Harmonised Council Tax achieved in 2021/22					
	2019/20	2020/21	<i>Increase</i>	2021/22	<i>Increase</i>
Christchurch	1,598.30	1,541.57	-3.55%	1,541.57	<i>frozen</i>
Bournemouth	1,473.40	1,530.00	3.84%	1,541.57	0.76%
Poole	1,441.53	1,496.81	3.83%	1,541.57	2.99%

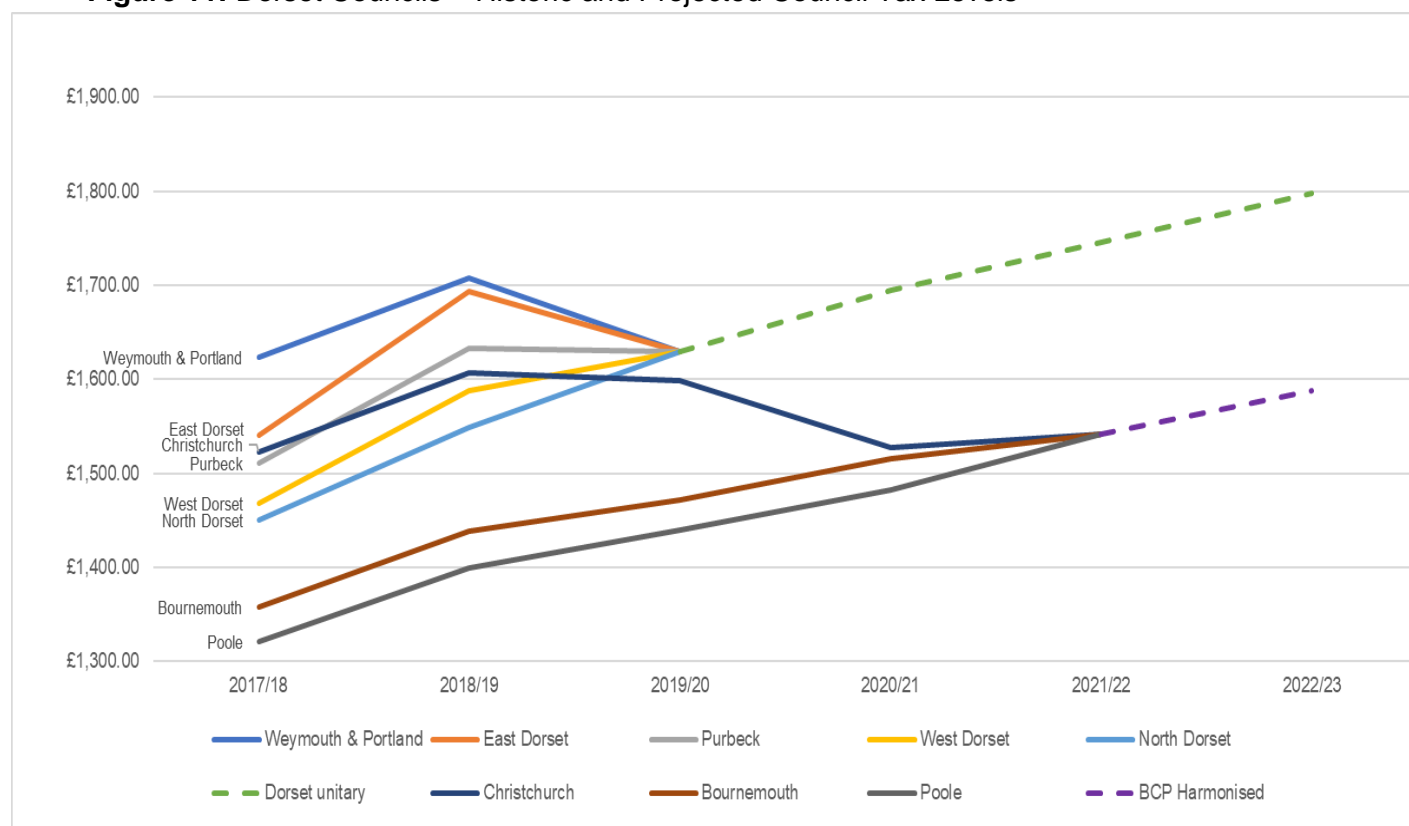
- Please note the above table excludes the impact of the separate Chartered Trustee council tax charge in Poole and Bournemouth which will be applied from 2020/21 onwards.

The intent in harmonising council tax over the first three years of the new BCP Council is to better align with the period required to deliver consistent levels of service.

As part of SR19 the government announced that the council tax referendum threshold will be 3.99 per cent for 2020/21, made up of a 1.99 per cent core increase and a 2 per cent adult social care precept. Such a move was consistent with the strategic approach taken by Government in SR15 which was to increase council tax as a mechanism for funding local services, and within this the use of the adult social care precept as a means of asserting national direction on how such resources are applied.

In line with Government policy each of the predecessor authorities applied the maximum increase before the referendum threshold, which included the maximum use of the adult social care precept when made available, in each of the years since the last Spending Review (from 2016/17 onwards). In addition, Bournemouth, Dorset and Poole who were given the option of applying a 6 per cent social care precept over two or over three years chose to apply it over the shorter two-year time horizon. This was seen by all three councils as the best mechanism for protecting services to the most vulnerable in our community. The following graph sets out the projected council tax levels charged within Dorset assuming the rates from 2021/22 increase by an assumed 2.99 per cent referendum threshold.

Figure 11: Dorset Councils – Historic and Projected Council Tax Levels



Alternative council tax harmonisation strategies considered and rejected.

In respect of the legislation which supported the creation of BCP Council the Secretary of State was keen to strike the right balance between ensuring council tax payers do not experience a large increase in bills and not allowing residents in any one part of the area to

be concerned that they are effectively contributing more to the cost of services than others in the area. Therefore, BCP Council are permitted to consider either;

1. harmonising over a maximum of seven years with a fully equalised council tax to be set by the start of year eight at the latest (2026/27).
2. harmonising at the average council tax across the area in any year prior to 2026/27.

The regulations also permitted BCP Council to apply the annual referendum principles in any year before harmonisation to either the average council tax across the whole area, or to the council tax in each predecessor area. This means that for 2020/21 BCP Council could set a £1,535.62 harmonised band D rate of council tax which is the £1,476.70 average for 2019/20 council tax plus 3.99 per cent.

The proposal which underpins the budget is consistent with the first of these options. This approach, although over a longer time-horizon, was also the one used as the basis for the strategy adopted by the Shadow Authority when it approved the council tax levels for 2019/20 at its meeting in February 2019. The Shadow Authority strategy can be articulated as;

- a) no borough's council tax levels will rise at a rate exceeding the government's referendum limits; and
- b) that the amount charged in Christchurch is frozen and or reduced until the new harmonised rate is applied

The financial models supporting the Shadow Authority's budget proposals clearly set out the assumption that the harmonisation strategy was based at its centre on increases in council tax in line with the maximum government referendum limit. This was deemed to be the 2.99 per cent announced for 2019/20 and as a matter of prudence 1.99 per cent for future years in line with the amount previously used by Government. The Shadow Authority's approach also assumed the level of council tax in Christchurch was frozen until the year of harmonisation. At this stage the Government had made no announcement of future adult social care precepts lifting the annual referendum limit as a means of providing funding to protect social care.

Therefore, the two following alternatives have been considered and rejected;

A. Alternative average based on a harmonised rate of council tax for 2020/21 of £1,535.62.

B. Shadow authority basis which would mean a 2020/21 Council Tax based on a 3.99 per cent increase. The resultant increase in Poole would be 3.83 per cent, Christchurch's Council Tax would be frozen, and Bournemouth's increase would be 3.12 per cent. This update on the approved strategy of the Shadow Authority would mean that harmonisation would now be reached in 2023/24.

Compared to the proposal underpinning the budget as set out, option A would generate £2.5 million and option B £0.5 million more in revenue in 2020/21. These approaches have been rejected on the basis that;

- option A would mean residents in Poole facing large increases in their bills. Poole's council tax would increase by 6.53 per cent in 2020/21 which would be a 2.54 per cent increase above the level the government deem to be excessive (the 3.99 per cent referendum threshold).
- option B would mean residents being concerned they are effectively contributing more to the cost of the council services than others in the area for a period considered excessive. Harmonisation under this option would be achieved by the fifth year of the new Council which is two additional years beyond that currently being assumed for financial planning purposes.

50. 2020/21 Local Council Tax Support scheme

Cabinet in December 2019 agreed there would be no change to the Local Council Tax Support scheme (LTCS) between 2019/20 and 2020/21. It was however agreed that ongoing consideration be given to potentially consulting during the spring/summer on a revised scheme for 2021/22 onwards.

51. Tax base and collection fund surpluses.

The council tax, tax base growth reflects the projected increase from the growth in residential property numbers over those previously assumed as adjusted for assumed changes caused by fluctuations in the numbers of claimants entitled to discounts or claiming LCTSS relief. This uplift is estimated at 0.86 per cent in 2020/21 with further 0.5 per cent increases assumed in future years.

In addition, the budget has been impacted by a £1.4 million one-off distribution of a council tax (collection fund) surplus. This reflects the actual surplus of council tax revenue generated in 2018/19 with an estimate of the amount which will be generated in 2019/20.

52. Pension Fund – Tri-annual revaluation impact - £1.6 million surplus 2020/21

BCP Council is a member of the Dorset Local Government Pension Scheme administered by Dorset Council. The funds actuary Barnett Waddingham is required to revalue the fund every three years (tri-annual revaluation) to determine both the value of its assets and liabilities and the contributions rates for each employer in the fund. The fund has been revalued as at April 2019 with the impact as follows;

Figure 12: BCP Pension Fund – funding levels

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

As at 31 March 2019 BCP Council has a funding deficit of £86.6 million with a resulting funding level of 92 per cent. This improvement is a combination of the good asset performance of the fund with a slowdown in mortality improvement, negated to some extent by an assumption of higher future inflation and a lower discount rate compared to the 2016 valuation.

Via negotiations with the pension fund actuary the following profile of primary rate and back-funding contributions over the next three years has been agreed;

Figure 13: BCP Pension Fund contributions agreed with the Actuary

	2019/20	2020/21	2021/22	2022/23
Ongoing (primary) rate	15.6%	16.2%	16.8%	17.4%
Back-funding (secondary) rate	£9.428m	£5.887m	£6.101m	£6.324m

Generally, the increase on the ongoing rate is offset by the reduction in the back-funding element. However, the agreement to taper the ongoing rate increases over three years, and the fact that the back-funding element was budgeted for centrally as opposed to the ongoing rate being budgeted for in services which means small elements of it will be recharged to capital, grants etc. all combine to create a saving valued at £1.6 million when comparing 2020/21 with 2019/20. This saving is reduced over the three-year period due to the impact of the taper arrangement.

53. Business rates

Our current financial planning assumption is for business rates resources to increase annually by the Consumer Price Index (CPI). This reflects the parameters set out by the chancellor in his October 2018 Budget Statement and the narrowing of the gap between the governments assessment of the BCP Council baseline finance settlement and actual levels of business rates income achieved.

This position will be kept under review considering the announced move to a 75 per cent retained business rates model from 2021/22.

On the 12 December 2019 Councils nationally won a lengthy battle with NHS foundation trusts who argued they should be treated as charities and be given 80 per cent relief on their business rates bills. Councils would have had to issue rate refunds of up to six years at an estimated cost of around £1.5 billion if they had lost. The judge refused leave to appeal, but there is still the opportunity for the foundation trusts to appeal directly to the Court of Appeal. The timing of this announcement means that any consequential impact on the council's business rates appeal provision will now work its way through into the 2021/22 budget setting process when hopefully the case is finally closed.

54. Assumed savings and efficiencies

Figure 8 identifies that £25 million of additional resources, savings and efficiencies have been identified in establishing a robust budget for 2020/21. Clearly council tax resources, and the additional adult and children's social care government grant make a significant contribution. However so does the contribution from each of the five directorates from the implication of the approved financial strategy. This includes £9.4 million in savings from staffing, operational arrangements, from common and consistent charging policies flowing from the creation of the new Council following LGR and from transformation.

It should be stressed that some of these savings have been assumed for financial planning purposes only as they will remain subject to public and staff consultation and subsequent councillor approval. A detailed schedule of these assumed savings is presented as appendix 2b. Most of these savings have been subject to the consideration of the Overview and Scrutiny Board at its meeting on the 14 January 2020. Figure 14 below sets out an analysis of the £20.6 million service-based savings and efficiencies for 2019/20 (£11.2 million) and 2020/21 (£9.4 million);

Figure 14: Analysis of service-based savings (shown on an incremental basis)

	2019/20 £m	2020/21 £m	Total £m
Staffing and organisation	5.3	2.9	8.2
Transformation		1.0	1.0
Democratic Representation	0.5		0.5
External Audit	0.2		0.2
Service Efficiencies			
- Adult Social Care	2.0	2.0	4.0
- Children Services	0.2	0.1	0.3
- Place Theme	0.7		0.7
- Regeneration & Economy		0.5	0.5
- Environment & Communities		0.2	0.2
- Corporate Services	0.7	0.3	1.0
Commercial Opportunities	0.7	0.3	1.0
Fees and Charge	0.9	2.1	3.0
Total	11.2	9.4	20.6

These total savings can be compared to the £14.2 million (£9.2 million net) that Local Partnerships stated could be realised in BCP Council in their August 2016 financial model associated with LGR in Dorset. Across the two new unitary Councils the savings total was £27.8 million gross or £18.1 million net, which was after allowance had been made for savings from joint working prior to the 1 April 2019.

The savings in staffing and organisation are generally from reducing the cost of management, avoiding duplication through economies of scale in front line services own back office and support functions. These savings mean the Council can avoid some the significant cuts in services being implemented by other local authorities at this time.

Council tax would need to increase by over an additional 4 per cent compared to the proposal that underpins this budget to cover the £9.4 million of savings.

55. Better care fund

Introduced in 2013 the Better Care Fund (BCF) is a single budget shared between the NHS and upper tier authorities to help them work more closely to try and shift resources into social care and community settings. The fund was designed to allocate NHS resources to adult social care in order to support more people at home, reduce delays in discharges from hospital and to prevent avoidable hospital admissions. It requires Clinical Commissioning Groups (CCGs) and local authorities in every area to pool budgets and agree integrated spending plans on how they will use their BCF allocations.

The two new Unitary Authorities for Bournemouth, Christchurch and Poole and Dorset agreed with the Dorset Clinical Commissioning Group (DCCG) to split the previous pan Dorset Better Care Fund in two separate pooled budgets for the two new Health & Wellbeing Boards.

The 2019/20 BCP Better Care Fund allocation was £58.8 million. The DCCG will contribute approximately £40.2 million of which £10.9 million is passed to the BCP Council to support the delivery of adult social care services.

The BCP Council contribution is approximately £18.6 million and includes base budget resources (£2.5 million), the Disabled Facilities Grant (£3.1 million), the Improved Better Care Fund (£11.3 million) and the Winter Pressures money for 2019/20 (£1.7 million).

SR19 reiterated the governments commitment to the integration of health and social care. In support they confirmed that the Better Care Fund (BCF), Improved Better Care Fund (iBCF) and Winter Pressures money will continue into 2020/21. They also announced that the NHS contribution to adult social care through the BCF will increase by 3.4 per cent in real terms. As the NHS work with local government on plans for enhanced and improved primary and community services, the expectation is they should also be working with the council on the continued integration as well as alignment to wider local government service issues such as housing. The 2020/21 budget assumes an extra BCF allocation to BCP Council of £597,000 of which £468,000 will be applied to inflationary pressures and pay award to the services funded through the BCF allocation.

Disaggregation of the Balance Sheet of Dorset County Council (DCC)

56. As part of the work to create the two new Unitary Authorities in Dorset both new Council's local government review programmes approved a set of principles to be applied to enable the disaggregation of the assets and liabilities of Dorset County Council. Confirmation of the acceptance of these principles was provided directly to the Ministry of Housing, Communities and Local Government (MHCLG).
57. Following Deloitte's signing of the Dorset County Councils accounts at the end of July 2019, work commenced to apportion their certified assets and liabilities between the two new Councils. The priority work stream was the disaggregation of debt. All the actual external debt held by Dorset County Council will novate to the new Dorset Area (DA) Unitary. However, BCP Council is required to compensate the DA for Christchurch's share of that debt. This will be done by using a model recommended by the Local Government Association (LGA) known as the Cheshire model as it was used on the disaggregation of Cheshire County Council. The outcome is that BCP Council will inherit approximately 7.75 per cent of the debt of DCC which amounts to £24.3 million.
58. The budget for 2020/21 assumes that the debt disaggregated to BCP Council will be funded by short term borrowing over three years. The Council will therefore not be committed to long term borrowing at this point, thus allowing for the most cost-efficient method of funding the debt to be identified.
59. The position on debt is also underpinned by agreement and a detailed schedule of those assets which will directly transfer to BCP Council.
60. After resolving the debt position work was required to ensure a fair and reasonable apportionment of the 180 specific earmarked reserves, and 170 unapplied capital grants of DCC. This work has now been completed and the reserves and capital sections of this report updated as necessary.
61. In respect of this work stream there are two outstanding areas still to be agreed. These relate to the treatment of corporate ICT infrastructure and business systems assets and also the basis for disaggregating some specific capital grants. The work carried out to date and areas still to be agreed are currently being reviewed by the LGA.

Transformation Funding Strategy - Flexible use of capital receipts – Efficiency Statement

62. In a Local Government Reorganisation (LGR) update report to Cabinet in July 2019 it was acknowledged that phase one (creating BCP Council) had been completed and phase two (delivering senior staffing structures and business functionality for April 2019) was materially complete. In support of these phases the predecessor Councils and BCP Council itself set aside £9.1 million to fund the associated programme and transition costs which have now been fully committed. These costs supported the Council in delivering the £11.2 million of annual service-based savings included in the BCP revenue budget for 2019/20 which were additional to the £1.3 million of additional resources identified on the disaggregation of the Dorset County Council 2018/19 Budget.
63. A Medium-Term Financial Plan Update report to Cabinet in December 2019 arranged for the £9.1 million to be supplemented by a further £3 million specifically set aside in an earmarked reserve to cover the cost of redundancies not met by the £1.5 million provided for as part of the original allocation. A condition of the use of the additional amount being that it can only be used in situations where the ongoing saving is captured as part of the annual budget process.
64. Phase three related to the designing and building of the new local authority by taking the opportunity to fundamentally transform and provide improved services to residents while also identifying and releasing savings and efficiencies.
65. The outcome of the organisational design work by KPMG was presented to Cabinet in November 2018 with the intent now to present a delivery plan for the BCP Transformation Programme, underpinned by the adoption and implementation of the new operating model, in April 2020.
66. As part of SR15, the Government announced that to support local authorities to deliver more efficient and sustainable services it would allow local authorities to spend up to 100 per cent of their fixed asset receipts on the revenue costs of service reform and transformation. Guidance on the use of this flexibility stipulated that the flexibility applied to the three financial years to end March 2019. However, this was extended for a further three years to March 2022 as part of the 2018/19 Local Government Finance Settlement.
67. The guidance makes it clear that local authorities cannot borrow to finance the revenue costs of service reforms. Local authorities can only use capital receipts from the disposal of property, plant and equipment assets received in the years the flexibility is offered. Local authorities may not use any existing stock of capital receipts to finance the revenue costs of reforming their services. Set up and implementation costs of any new processes or arrangements that will generate future ongoing savings and/or transform service delivery to reduce or improve the quality of service delivery in future years can be classified as qualifying expenditure. The ongoing revenue costs of such processes or arrangements cannot be classified as qualifying expenditure. In addition, the guidance issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003 specifies that;
- The key determining criteria to use when deciding whether expenditure can be funded by the new capital receipts flexibility is that it is forecast to generate ongoing savings to an authority's net service expenditure.
 - In using the flexibility, the Council will have due regard to the requirements of the Prudential Code, the CIPFA Local Authority Accounting Code of Practice and the current edition of the Treasury Management in Public Services Code of Practice

68. The Organisational development report to cabinet in November 2019 identified the following potential net financial benefits to the authority set out as the efficiency statement required by the pre-requisite legislation;

Figure 15: KPMG analysis potential annual benefits from new organisational design

Programme of Change	Estimated Benefits (£m)	
	Low	High
Customer Contact	(7.9)	(11.6)
Service Redesign	(3.4)	(5.1)
Enabling Functions	(3.9)	(5.8)
Third Party Spend	(10.7)	(19.8)
Cost Recovery	(0.8)	(1.5)
Total Benefits	(26.8)	(43.9)
Ongoing Implementation Costs	4.8	7.1
Net Total Benefits	(22.0)	(36.8)

69. To achieve this level of benefit the report identified that the Council needed to spend between £20.5 million and £29.5 million on associated one-off revenue and capital costs with this budget report beginning the process of positioning the council's financial resources to deliver the necessary investment.
70. The proposal is that the Council under the flexible use of capital receipts approach uses any such resources generated over the next two financial years to support its investment in transformation. Currently this includes the receipts generated from the following asset sales;
- Southbourne Coast Road Surface Car Park
 - Former Broadwaters Care Home site, Wick Lane
 - Former depot site, Cambridge Road
 - Former private car park, Upper Terrace Road
 - Bargates site (corner of Barrack Road and Fairmile)
 - Templeman House (site of care home formerly occupied by Care South)
 - BCP Councils share of Dorset County Council Assets Held for Sale
71. It is estimated that the sale of these assets over the next two years should generate at least £16.2 million, however clearly there is the potential for additional receipts from asset sales where the process has not yet commenced. In addition, as the new organisation design will impact on the council including both General Fund and Housing Revenue Account (HRA) services it is proposed that each of the neighbourhood HRAs contribute £1 million to these costs on the proviso they also benefit from the savings. The report in April will further consider the extent to which some of the costs of change will be of a capital nature so could potentially be supported by a prudential borrowing business case.
72. Ultimately the value and timing of the resources generated will impact on the scale and scheduling of the organisation's transformation.
73. The guidance requires the approach is approved by council and that the Ministry of Housing, Communities and Local Government are duly notified (via capitalreceiptsflexibility@communities.gsi.gov.uk) so they can keep track of the planned use of this flexibility for national purposes.

Schools Forum

74. Schools forum is a statutory body of the council and must be consulted on all school funding budget allocations. It also has a range of decision-making powers regarding the level of budgets held centrally and whether any funding provided for mainstream schools can be transferred to other budget areas.
75. The BCP Schools Forum has a complement of twenty-four members with representation from all categories of schools. A total of three meetings were held over the autumn and early January, with recommendations and decisions made for the BCP budget regarding school funding through the ring-fenced DSG.

Dedicated Schools Grant (DSG)

76. The gross DSG of £275 million provides funding for mainstream schools for pre 16 pupils, private, voluntary and independent nursery providers, a small range of central school services (for example, school admissions) and specialist provision for children and young people with high needs. High needs budgets include funding for mainstream schools and specialist providers to support pupils with Education, Health and Care Plans (EHCPs) aged 0-25, and those educated out of school, for example due to permanent exclusion or medical needs. Academies are funded from the gross DSG allocation but with amounts subsequently recouped by the DfE to enable the budget share for pre 16 pupils to be paid directly by the Education & Skills Funding Agency (ESFA).
77. The DSG is allocated to the Council through four funding blocks, each with its own national formula methodology; Early Years, Mainstream Schools, High Needs and Central School Services. Distribution to Councils linked to historic allocations has now largely ended, with some funding protection mechanisms in place to reflect that expenditure patterns once well-established cannot be changed quickly.

Early years block

78. The Department for Education (DfE) introduced a national formula in 2017/18 to fund Local Authorities for the free education childcare entitlements for 2 and 3 & 4 year olds. This provided a significant increase in funding for the legacy councils in the first year of a static 3-year funding rate. An increase of £0.08 per hour of provision (less than 2 per cent) is applicable for all local authorities in 2020/21. Thus funding, largely for allocation to schools with nursery classes and providers in the private, voluntary and independents sector, has been eroded in real terms and particularly by the national living wage increases in recent years.
79. BCP Council is proposing to transfer £0.2 million (1 per cent) of the early years funding to support pupils with high needs. Unlike the schools block a funding transfer from early years is a council decision. The transfer was not recommended by the schools forum at their January 2020 meeting.
80. The level of funding retained for central budgets relating to the free entitlements have been agreed by the Schools Forum. Together with the amount transferred to high needs the amount proposed to be centrally retained is a total of 2 per cent, less than the 5 per cent maximum allowed.
81. A consultation took place with all providers in December and early January 2020 regarding how the formula is to be updated for the new funding level. The outcome of this was considered by the schools forum in January. A separate paper on the meeting agenda for a council decision includes the recommendation from this meeting

Schools block

82. The national funding formula (NFF) for mainstream schools funding provided a £9.3 million (4.7 per cent) increase for 2020/21 due to updated formula values and school data (October 2018 school census). A further £2.6 million (1.3 per cent) has been provided through growing pupil numbers from the October 2019 school census in final allocations.
83. Consultation was undertaken with all schools in December and early January 2020 regarding the mainstream school formula for 2020/21 with options regarding varying levels of funding transfer to high needs. The schools forum received the outcome of this consultation in January. A separate paper on this meeting agenda includes proposals for council decisions regarding the mainstream schools formula.

High needs block

84. The high needs block is considered within the pressures/investment section above. The funding shortfall continues to be a national problem with the LGA report (Have we reached a 'tipping Point'?) still relevant despite the increase in funding for 2020/21. The trends in spending for children and young people with SEND have continued ahead of funding levels. The education environment has changed little with the report's main conclusion that **"Local Authorities have all the responsibility for maintaining high needs expenditure within budget, and yet have almost no hard levers within which to effect this"** still valid.
85. The DSG regulations allow schools forum to approve a transfer of mainstream school funding of up to 0.5 per cent in 2020/21. A higher level requires the approval of the DfE. A transfer to high needs of £4 million (1.9 per cent) was considered by the schools forum with only £1.8 million approved. The transfer amount above £1 million also requires DfE approval. A request for the full £4 million has been submitted to the DfE with their response awaited.
86. This report recommends the transfer from schools funding of £4 million and early years funding of £0.2 million to limit the growing deficit, balancing the financial needs of the council, schools and early years providers.

Central school services block

87. The funding is provided through a national formula for on-going functions with BCP receiving less funding than 2019/20 as funding is reducing by 2.5 per cent per year. Historic commitments are funded at only 80 per cent of the previous year budget with the DfE signalling these reductions will continue. Funding supports specific central services for all schools and the DSG system as a whole. The schools forum has agreed the budgets are set at the level of funding.

Maintained schools

88. BCP will continue to have 16 schools plus the Christchurch learning centre to maintain at April 2020. Funding to continue statutory services for maintained schools is to be provided from central retention of maintained school budget shares through agreement of maintained schools representatives at schools forum. This retention totalling £200,000 was not agreed at the January 2020 meeting with an equally split vote for and against the council's proposal for 2020/21. An equal vote does not constitute agreement with the DfE approached for a decision (as previously needed by legacy Poole for 2018/19 with a successful outcome). The retention was fully voted against by the BCP shadow schools forum in 2019/20 but the DfE agreed to override and funding was retained as planned to continue our support for this group of schools. The response from the DfE for 2020/21 is currently awaited.

Academies

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

Education & Skills Funding Agency (ESFA)

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

Schools pupil premium

91. The school pupil premium is provided by the DfE and is passported to schools. It is allocated according to the number of pupils eligible for free school meals (FSM) from low income criteria, Children in Care (CiC) or adopted, and of forces personnel. The funding values have not increased since 2017/18.

Capital Strategy

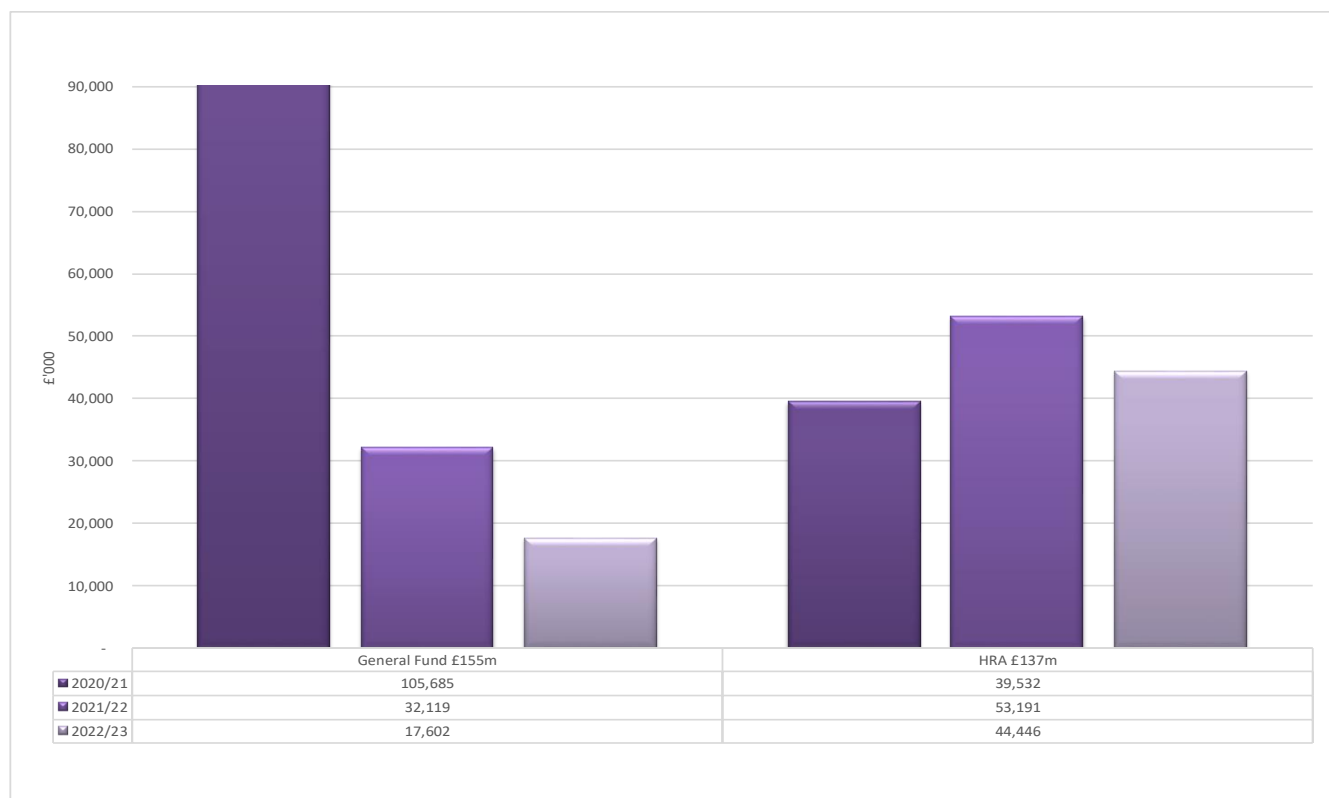
92. As part of providing vital services to our local community, the council is required to invest in, and maintain, a portfolio of land, property and other assets such as;
- Highway infrastructure such as roads, footways and bridges.
 - Schools and Adult Education centres.
 - Parks and Open Spaces including the seafront and coastline.
 - Vehicles, Plant and Equipment.
 - Administrative offices.
 - Approximately 9,620 council homes.

The Council's capital investment programme sets 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.

Capital Investment Programme (CIP): 2020/21 to 2022/23

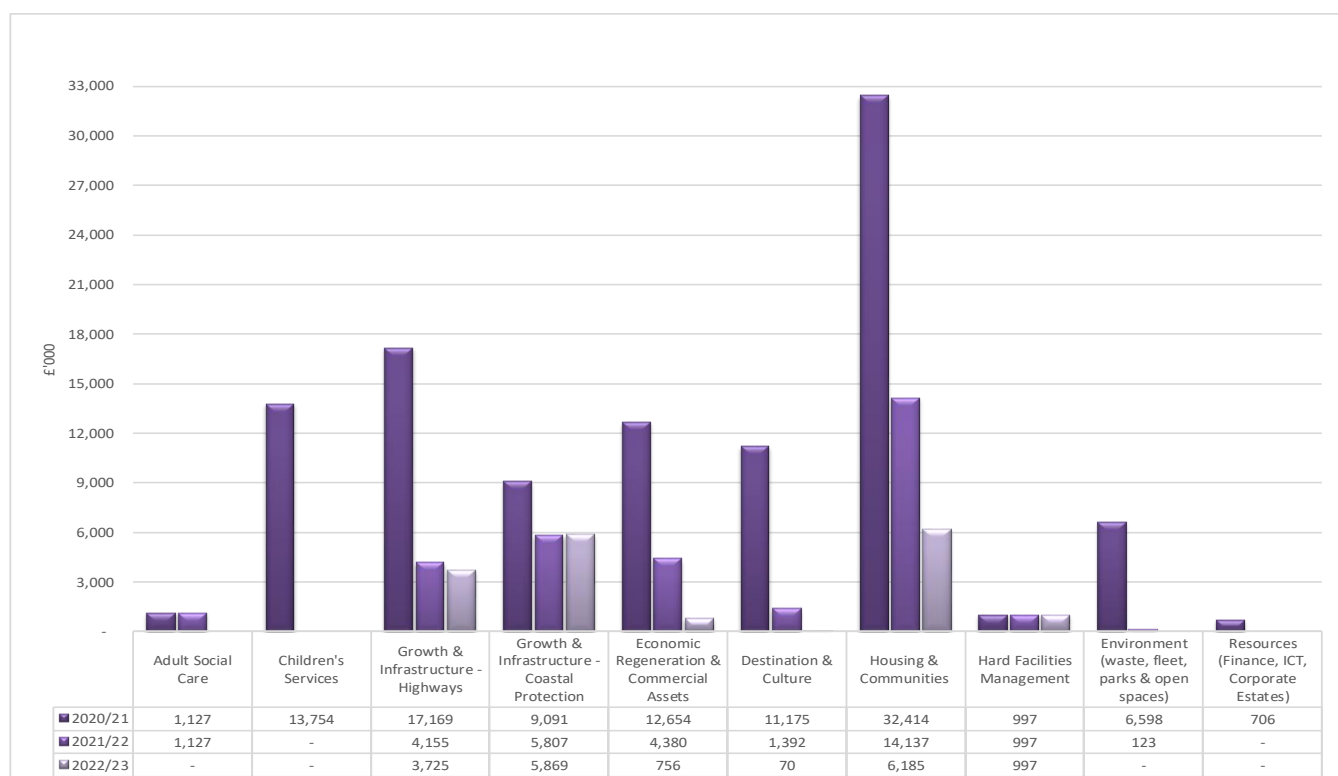
93. BCP's portfolio of planned capital investment to 2023 consists of £155 million General Fund spend on assets & infrastructure and £137 million Housing Revenue Account (HRA) spend on local housing provision. This represents a combined capital investment of £292 million over a three-year period, as summarised in Figure 9 below. The programme does not include projects undertaken by the Bournemouth Development Company (BDC), for example the Winter Gardens which are approved, monitored and reported outside of the Council's General Fund Capital Investment Programme. In addition, the Council's approach to non-treasury asset investments (commercial property investments) is outlined in the Asset Investment Strategy, separate to the CIP, with an update due to be presented to cabinet in March 2020.
94. It is also important to recognise that the CIP for both the General Fund and HRA are early estimates of capital spend in 2020/21, based predominantly on capital schemes already identified / approved. As in previous years both capital programmes will evolve throughout 2020/21 as new capital projects are approved, budget estimates are revised, and budgets are 'reprofiled' to reflect latest project delivery timelines. The budgets will also be updated to include 'slippage' in current approved capital budgets identified at 31 March 2020.

Figure 16: General Fund and HRA £292m capital spend 2020/21 to 2022/23



95. General Fund - CIP (£155m): Appendix 4 provides an itemised listing of capital budgets included within the CIP. The CIP is further supported by a separate report for the Local Transport Plan (2020/21 to 2022/23) (separate Council agenda item). An itemised listing of fleet vehicles to be procured via approved capital resources in the CIP was considered and approved separately by Cabinet in January 2020. Figure 17 below provides an overview of current capital budget by Council theme.

Figure 17: BCP Capital Investment Programme (CIP) spend 2020/21 to 2022/23



96. The following assumptions underpin the CIP 2020/21 to 2022/23:

- Capital schemes are only included within the CIP once funding has been identified.
- CIP includes indicative values for Local Transport Plan (LTP) and Better Care Fund government grant awards 2020/21 and 2021/22. These are based on 2019/20 government grant allocations and will be revised, if necessary, once formal funding announcements are made (expected quarter four 2019/20).
- Revenue funding for capital spend has been included within the CIP, where revenue 'base budgets' have allowed for this funding contribution.
- Repayment of all prudential borrowing within the CIP is fully funded from revenue budgets.
- Work is ongoing to ensure availability of Community Infrastructure Levy (CIL) and s106 developer contributions to support the CIP.
- Unspent approved capital budget from 2019/20 (amounts already reprofiled and final slippage to be identified at 31 March 2020) have been / will be included as CIP budget 2020/21.
- Any new capital projects not already included within the CIP will require separate approval in line with BCP Financial Regulations.

97. Significant capital projects already included within the CIP include:

Adults services

- Annual investment of £1 million in the shared Integrated Community Equipment Store (ICES), to better facilitate care within the home. This is funded from the government's Better Care Fund grant and is based on indicative BCP estimate of likely grant funding in 2020/21 and 2021/22.
- Potential additional investment in the council's adults and children's case management system is incorporated within the wider transformation agenda and is not duplicated within the CIP.

Children's services

- Hillbourne school – remodelling of existing school site to provide a new school building and provision of over 100 new homes.
- Expansion of Carter Community School to ensure sufficiency of secondary school places over the medium term, this is the subject of a separate report on Council agenda.
- Grant funded special education needs and disability (SEND) capital schemes for children with special educational needs.
- The government will announce new Basic Need Grant funding allocations for places needed for September 2022 in the Spring of 2020.
- A children's capital strategy paper will be brought forward in due course to consider how best to apply finite children's capital resources across medium term priorities including pressures arising from the DSG high needs block.

Growth & Infrastructure – highways and bridges

- Major highways improvement projects, in partnership with the Dorset Local Enterprise Partnership (DLEP), including Blackwater Junction improvement works, Wessex Fields and Port of Poole (Townside Access) improvements. The CIP also includes £1.5 million DLEP

funded works for Wallisdown Connectivity - Boundary Road, subject to formal approval of grant funding by DLEP Board in January / February 2020.

- Continued investment in structural and routine maintenance of BCP wide highways and bridges, funded from BCP estimates of LTP grant funding 2020/21 to 2022/23.
- The Council is committed to promoting more environmentally sustainable means of travel across the conurbation. The council's final business case for government grant funding from the Transforming Cities Fund (TCF) was submitted in November 2019, with the outcome expected in February / March 2020. If successful, the bid will generate a significant increase in capital funding for sustainable transport scheme delivery over three years from April 2020 to April 2023. In anticipation, the council has also identified £1.3 million of complementary LTP funded highways projects (within CIP 2020/21) which will represent the council's local contribution towards TCF.

Growth & Infrastructure – coastal protection

- Protecting BCP's coastline including investment in the next phase of BCP's Poole Bay Beach Management Plan.

Economic regeneration

- The council remains committed to the ongoing regeneration of its town centres. The CIP includes approved resource for significant capital projects including the Heart of Poole, Christchurch Town Centre, and Lansdowne (public realm and digitalisation) in Bournemouth.
- The CIP also includes £1.2 million planned spend on Poole High Street – Heritage Action Zone, subject to final confirmation of £0.6 million external grant funding.
- The council continues to work closely with BH Live to develop a long-term strategy for the Bournemouth International Centre (BIC).

Destination & Culture

- Implementation of BCP Seafront Development Strategy – including Canford Cliffs development, Durley Chine Enterprise Innovation Hub, Mudeford Beach House Cafe and new capital schemes arising from seafront feasibility option studies currently underway.
- Investment in Upton Country Park – Discovery Project, utilising up to £1.4 million National Lottery Heritage Grant funding (announced January 2020) to deliver a new range of capital works, activities, educational projects and new visitor welcome centre. A further report outlining full details of the project will be brought to Council in due course.
- Investment in BCP's heritage assets – including Highcliffe Castle and Poole Museum in partnership with the Heritage Lottery Fund.

Housing & Community

- Completion of the Council's new 46-unit housing development at the St Stephen's site.
- Investment in new temporary housing accommodation in Bournemouth to aid homelessness prevention.
- Princess Road and Prince of Wales Road site development – to include a new 20-bed family hostel and 34 new private rented sector housing.
- Investment in disabled facilities home adaptations – funded from estimates of Better Care Fund government grant allocations 2020/21 to 2021/22.

- Planned investment on new housing development within Poole with a separate report to be brought to Council in due course.

Hard facilities management

- BCP has inherited a large civic estate from preceding Councils. The CIP includes £1 million per annum of revenue funded capital spend for building maintenance. Ongoing estate management requirements will be informed by the results of the Council's transformation agenda

Environmental services (parks, open spaces and waste operations)

- New investment in frontline services' fleet operations – as approved by Cabinet in January 2020.
- Investment in parks and open spaces (including completion of a significant programme of investment in Poole Park).

Resources

- Investment in ICT infrastructure plan will be informed by the results of the Council's transformation agenda.

98. Outside the budgeted capital programme, the Council will also continue to encourage, support and enable strategically important private or public investments that benefit the conurbation including investments by the local universities, Bournemouth and Poole College, Port of Poole, Bournemouth Airport, Academies and local employers.

Core Principles

99. In determining its capital strategy Council have previously endorsed the following principles;
- 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 in accordance with the Council's 'Invest to Save Framework' (which provides a framework through which to assess risk associated with projects), and determined in conjunction with the setting of the 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 flexible use of capital receipts strategies
 - schemes which require a local contribution to lever in capital grants or external capital contributions
 - schemes which enable delivery of the savings assumed within the MTFP
 - schemes which enable the Council to exploit its assets
 - schemes which protect key infrastructure
 - schemes considered a corporate priority.

- f) To support any future ambitions or key infrastructure developments and to mitigate the underlying risks within its capital investment 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 grants supporting the capital investment programme

100. As highlighted above and as a core principle, external grant income is only included within the programme if it has been formally approved or secured. That said, the programme does include estimates of capital grants, where supported by government notifications of indicative allocations (e.g. local transport plan, basic need grant for school expansions, disabled facilities grant). These amounts are expected to be formally confirmed by the end of the current financial year, and the capital programme adjusted if required.
101. Looking ahead BCP Council will continue to pursue new external grant funding opportunities. Notable examples include the potential for significant new capital grant income from the Transforming Cities Fund and from Homes England.

Capital Investment Programme funding

102. Figure 18 summarises capital resources currently earmarked to finance the capital programme. These include government grants, capital reserves, Community Infrastructure Levy (CIL) and other developer contributions, capital receipts and prudential borrowing. Broadly speaking, over the three years of the programme the CIP is 53% funded from external sources (grants and third-party contributions including CIL and s106 developer contributions) and 47% from Council sources (capital reserves, capital receipts, prudential borrowing).
103. Most of the capital resource required for programme delivery has either been received or secured, or (in the case of prudential borrowing), the revenue cost has been factored into the base revenue budget or MTFP.

Figure 18: Financing BCP General Fund Capital Assets & Infrastructure

	2020/21 £000	2021/22 £000	2022/23 £000	Total £000
BCP - Capital Investment Programme	105,685	32,119	17,602	155,405
Government Grant	51,970	14,215	9,126	75,311
Third Party Receipts	505	141	0	646
CIL / s106	4,003	2,874	0	6,877
External Funding Sources	56,478	17,230	9,126	82,834
Earmarked Reserves	2,192	528	538	3,258
Capital Receipts	4,650	495	0	5,145
Capital Fund (Revenue Funding for Capital)	7,203	1,917	997	10,116
Prudential & Supported Borrowing	35,162	11,949	6,941	54,051
BCP Funding Sources	49,206	14,889	8,476	72,571
Total funding requirement	105,685	32,119	17,602	155,405

Council approval: 2020/21 capital investment programme

104. The Council's constitution requires formal Council approval of each capital project before it can commence. In line with this, Council endorsement is sought for the £106 million capital programme budget and associated funding for 2020/21 (year 1 of total 3-year CIP budget of £155 million), as attached in Appendix 4. This includes council approval to accept new National Heritage Lottery Grant funding of up to £1.3 million for Upton Country Park (awarded January 2020). It also includes advance approval to accept £0.6 million Heritage Action Zone Grant (for Poole High Street investment) and £1.8 million Dorset Local Enterprise Partnership (DLEP) funding for Wallisdown – Boundary Road roundabout works in anticipation of formal grant award.
105. In endorsing this budget, councillors should be aware that it is likely to change during 2020/21 as new schemes are approved, new funding sources identified, and capital schemes are potentially revised in line with new Council-wide priorities. Councillors are also reminded that, in line with the financial regulations, there will be an opportunity for further scrutiny of significant capital schemes as they are developed.
106. **Capital Contingency** – In recognition of the exposure to risks in the capital investment programme it is proposed that a capital contingency is maintained - i.e. a finite, unallocated capital resource that is available to fund future capital schemes. The contingency is intended to cover the following potential risks:
- 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.
107. Allocations from the capital contingency will be made based on approved business cases, which demonstrate a clear need for use of contingency funds. The Council aims to maintain an annual underlying capital contingency of around £2 million, through which to fund such projects. Based on current estimates of unutilised capital fund balances less approved allocations in the CIP 2020/21 to 2022/23, the council has over allocated its capital contingency by £0.4 million. In order to reach a position where the council maintains a prudent level of unallocated capital contingency, it is proposed the council makes an annual revenue funding for capital contribution of £2 million. Councillors are reminded that this annual contribution will be in addition to annual revenue contributions of £360,000 for Poole Bay Beach Management and £997,000 for disabled adaptations work, backlog maintenance and BH Live asset maintenance already included within the MTFP. Examples of capital expenditure which might be met from the capital contingency include fleet replacement, fire safety, depot maintenance and additional investment in the corporate estate, special educational needs and disability sufficiency, pupil place planning, key infrastructure investments such as Bournemouth pier, Poole bridge and cliff stabilisation and the implementation of the review of public conveniences and the implementation of the parks and open spaces strategy.

108. The Council's capital contingency has historically been supported by the implementation of a Corporate Asset Management plan. This will 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 regeneration objectives or where they do not provide value for money.

Reserves

109. In setting the budget the s151 officer is required under section 25 of the Local Government Act 2003 to report on **the robustness of the budget** and the **adequacy of reserves** supporting the budget. The requirement on the s151 officer is to ensure that the **budget recommended to council is balanced** (i.e. expenditure matches income), is robust and therefore deliverable and has an adequate level of reserves. The s151 officer is required to ensure that the council's approved budget addresses these three issues. The level of reserves needed will vary year on year according to circumstances and the adequate level of reserves should be informed by a robust risk assessment process. This detail is provided in Appendix 3 to this report.
110. Councils generally hold two main forms of reserves;
- a) **Unearmarked Reserves:** are set aside to help manage the risk to the council's financial standing in the event of extraordinary or otherwise unforeseen events and to mitigate the underlying operational risk associated with the operation of the council and the management of service expenditure, income and the council's funding.
 - b) **Earmarked Reserves:** are set aside for specific purposes including those held in support of various partnerships, reserves designed to help deliver the challenges in the Medium Term Financial Plan, key major projects of the council and several reserves the council is required to hold in line with statute or its own governance requirements.
111. The council should also remain mindful that relatively minor changes or shifts in key planning assumptions may have a significant impact on the council's financial position as highlighted in figure 19 below;

	Impact on level of net expenditure or council tax requirement £000's
Looked after child (high cost - residential) – per child	312
Looked after child (medium cost – independent fostering) –per child	73
Intensive homecare package for a disabled person	131
Vulnerable adults (learning disability – residential < 65)	160
Older person's supported residential care	37 <i>average</i> 104 <i>higher end</i>
Increase in the £7.7m cost of the concessionary fare scheme to the Council	£77k per 1% increase in journey numbers

112. The Chief Financial Officer, in providing advice to council on the level of reserves required to support the budgeted position, has been mindful of both the need to safeguard the organisation against the risk of future economic exposure and financial shocks whilst also ensuring monies are not held up unnecessarily in reserves.
113. It may be worth emphasising that reserves should not be seen in a short-term context. They should be placed in the context of the long-term funding cuts, service pressures and service delivery problems that the council may face. It is, however, legitimate for the council to call on reserves to mitigate short term pressures, smooth out the impact of extraordinary one-off demands such as government grant reductions, to meet the cost of unforeseen events and to enable any necessary structural budget adjustments to be implemented in a measured and planned way.
114. The Chartered Institute of Public Finance and Accountancy (CIPFA) have carried out some benchmarking on the level of reserves held by unitary authorities and identified that they tend to maintain unearmarked reserves between 5 per cent and 10 per cent of net revenue expenditure. For BCP this would mean maintaining such reserves at between £14.2 million and £28.3 million.
115. Having considered all matters and the known business requirements of BCP Council in 2020/21, the Chief Financial Officer is of the view **that it is appropriate to set the level of unearmarked reserves at £15.4 million for the 2020/21 budget** which is approximately 5.4 per cent of the proposed net budget requirement for the year.
116. The position will be kept under review throughout the remainder of 2019/20 to ensure the in-year position responds and reflects any new or changing risks as they emerge during the residual element of the current financial year.
117. Holding of unearmarked reserve at the lower end of the CIPFA recommend range is supported by the inclusion within the budget of a revenue base budget contingency. That said, this contingency has been reduced from 1 per cent of net revenue expenditure (£2.7 million) in 2019/20 to 0.4 per cent (£1.2 million) in 2020/21 in reflection of a reduction in the levels of uncertainty from the Councils first year of operation and the projection of the availability of residual Financial Resilience Reserves in 2020/21.
118. In regard to earmarked reserves, it is estimated that their level will be reduced from £52 million as at the 31 March 2019 to £33 million as 31 March 2020. The budget proposal indicates that they will be generally held around this level with the estimate for the 31 March 2021 currently £32 million.
119. In assessing the adequacy of the Council's reserves a key determinant will be the historic and future projected deficits on the DSG with specific reference to the high needs budget. This is explored in more detail earlier in this report at paragraph 43. The critical aspect is that the projected deficit of £8.3 million on the high needs budget as at the 31 March 2021 must be held against the council's £15.4 million of unearmarked reserves. This will present a perilous position for the financial health of the council unless, as proposed and set out in the report, resources are set-a-side in an earmarked reserve (the Financial Liability reserve) to act as a counterweight against this forecast and potential liability. Including a degree of these resources as a contribution from the base revenue budget of the council will also deliver a more sustainable position should as expected the high needs budget pressure continue into future years.
120. The budget as proposed is also premised on the assumption that any changes between the provisional 2020/21 Local Government Finance settlement, issued in December 2019, and the

final settlement due in early February 2020, will be addressed as a movement either to or from the Financial Resilience earmarked reserve.

121. In proposing the reserves strategy as set out in Appendix 3, the Chief Financial Officer has been mindful of the need to;
- a) Balance both the requirement to safeguard the organisation against the risk of future financial exposure whilst also ensuring resources are not held unnecessarily in reserves and;
 - b) Identify opportunities for the council to re-direct available resources to support the delivery of key corporate priorities in 2020/21.

Treasury Management Strategy

122. The council's Treasury Management Strategy (TMS) is subject to regular review and was last reported to the Audit & Governance Committee for monitoring and update purposes in January 2020. The council is required to set its prudential indicators in the context of the overall strategy on an annual basis. The treasury strategy, practices and prudential indicators for 2020/21 are set out in Appendix 4 for approval by council.
123. A significant element of the TMS is the council's approach to balancing the risks associated with its need to borrow, namely;
- a) *Credit Risk*: Which is the risk associated with an institution failing and the council's investment being reduced due to bank bail-in arrangements. An approach to managing this risk is to use internal balances before undertaking external borrowing which will also provide a better return for the council as the cost of borrowing exceeds any value the council could earn on these internal balances.
 - b) *Interest Rate Risk*: This is the exposure to interest rate movements on its borrowing and investments. The council is susceptible to upward movements in long term rates given the amount of borrowing still required over the next 5 to 10 years. At this stage the council anticipates long term interest rates remaining low for the foreseeable future but has structured several trigger points which would require reconsideration of such borrowing.
 - c) *Re-financing Risk*: Focuses on managing the exposure to replacing current financial instruments (borrowings) as and when they mature.
 - d) *Liquidity Risk*: This aims to ensure the council has enough cash available as and when needed.
124. The strategy is significantly influenced by the requirements of the devolved system of council housing (HRA) finance. This includes the operation of a two-pool approach to debt management with the debt of the HRA (*council house tenant account*) and that of the General Fund (*council taxpayers account*) separated. All external debt will be taken out by reference to the relevant pool although it should be noted that there will still be flexibility to transfer debt between the two if required.
125. The strategy is also required to set out the council's approach to the repayment of debt referred to as the minimum revenue provision (MRP). In this regard the council's approached is
- a 2% straight line method for all supported borrowing capital expenditure incurred prior to 2016/17.
 - the asset life method for all unsupported borrowing capital expenditure incurred prior to 2016/17. An average 25-year life will be used.

- a realignment of MRP charged to the accounts to recognise excess sums made between 2004 and 2016. Total MRP after applying the realignment will not be less than zero in any financial year.
 - A 4% written down balance method on capital expenditure incurred from 2016/17 onwards.
 - An asset life basis applied to capital expenditure schemes which are in excess of £10m or for strategically important scheme which the S151 deems appropriate to apply the asset life basis as well.
126. The budget as set out incorporates the assets and liabilities of Bournemouth, Christchurch and Poole as well as a proportion of those held by Dorset County Council on behalf of the residents of Christchurch.

Housing Revenue Account (HRA)

127. A report on the HRA and rent setting is included as a separate item on the agenda for this meeting and should be considered alongside this report to councillors in setting the budget for 2020/21.

Chief Officers' Pay Policy Statement

128. Further to the provisions of the Localism Act 2011, the council is required to publish its local Chief Officers' Pay Policy on an annual basis for consideration by council before 31 March each year.
129. The council's pay policy has been duly prepared by the Human Resources and Organisational Development service and is attached as Appendix 7 to this report to ensure the council is able to consider it this year in accordance with the statutory timetable as prescribed by government.

Scheme of councillor allowances

130. The council is required to adopt an annual scheme of councillor allowances as specified under the Local Authorities (Members' Allowances) (England) Regulations 2003. This references the following in respect of annual updating "The Scheme will be updated each year on 1 April, in line with any amendment to the Employees' National Salary Award."
131. As part of the proposed budget, provision has been made for a total cost of £1.334 million in 2020/21. This reflects that the budget for 2019/20 did not include a full year cost due to the impact of the May 2019 local election and the fact that certain allowances only became payable once the relevant councillors had been elected to lead roles. As required by the scheme recognition is also made for costs to increase in line with the annual local government pay-award estimated at 2 per cent.
132. The Independent Remuneration Panel is undertaking an interim review of councillor allowances and will be reporting to council on the 18 February 2020. Should the Panel recommend, and council agree, any amendment to the allowances which increases or decreases the provision required compared to that included in the proposed budget, will need to be processed an adjustment to the base revenue budget contingency.

Consultation

133. Under Section 65 of the Local Government Finance Act 1992, councils have a statutory duty to consult with representatives of business rate payers on its proposed expenditure for the following year. Business leaders across Bournemouth, Christchurch and Poole were invited to

attend a presentation held on 4 February 2020 on the budget for 2020/21 and Medium Term Financial Plan from the BCP Cabinet and the Chief Financial Officer.

134. The necessary additional resources, savings and efficiencies required to balance the budget over the next three 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.

Alternative options

135. Section 49 of this report includes consideration of alternative Council Tax harmonisation strategy considered and rejected. There will however be numerous potential permutations.

Summary of finance and resourcing implications

136. As set out in the report.

Summary of legal implications

137. It is the responsibility of councillors to ensure the council sets a balanced budget for the forthcoming year. In setting, such a budget councillors 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.
138. As part of this final budget paper the Chief Financial Officer is required to make a report to the authority which deals with the robustness of the estimates and the adequacy (or otherwise) of the council's reserves.

Summary of human resources implications

139. There are no direct human resource implications of this report. However, the 2020/21 budget and MTFP 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

140. Consideration has been given as part of this budget for 2020/21 of ways in which BCP Council could be made more environmentally-friendly and how it could act as an environmental ambassador towards others.
141. As outlined earlier in this report this budget proposes a £240 thousand annual commitment in support of climate change and the ecological emergency.

Summary of public health implications

142. None specifically related to this report.

Summary of equalities and diversity impact

143. An EINA has been undertaken in respect of the budget as proposed 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.
144. The full EINA is included as Appendix 6 to this report.

Summary of risk assessment

145. A key element of the reorganisation of local government in Dorset was the opportunity to best protect public services as central government continues to reduce the core funding it provides to local authorities and both the demand for, and cost of, local services continue to rise.
146. This report and the outlined actions will form part of the mitigation strategy associated with the risks to the delivery of the council's objectives due to the level of available resources.
147. Uncertainty associated with the government's financial planning framework, be that due to lack of a three-year national spending review or the delay in the new model of funding local government, will continue to be a key risk, as will possible variations to base assumptions due to demand or cost factors.

Background papers

148. The 2019/20 Budget and Consolidated MTFP Update for Bournemouth, Christchurch and Poole Council which was approved by the BCP Shadow Authority on the 12 February 2019 can be found at;
<https://moderngov.bcpshadowauthority.com/ieListDocuments.aspx?CId=136&MId=123&Ver=4>
149. BCP Cabinet - 12 June 2019 - Medium Term Financial Plan Update Report
<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=3718&Ver=4>
150. BCP Cabinet – 9 October 2019 - Medium Term Financial Plan Update Report
<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=3722&Ver=4>
151. BCP Cabinet – 20 December 2019 Medium Term Financial Plan Update Report
<https://democracy.bcpCouncil.gov.uk/mgChooseDocPack.aspx?ID=4171>

152. All these reports were subject to the overview and scrutiny arrangements established to support consideration of all the reports presented to cabinet by the Overview and Scrutiny Board which included a presentation on the 4 December 2019 with an open invite to all councillors.

Appendices

153. Appendix 1a Council Tax harmonisation strategy
Appendix 1b Schedule of Council Tax by area
Appendix 2a Budget summaries
Appendix 2b Schedule of savings and efficiencies
Appendix 3 Reserves Strategy
Appendix 4 Capital Investment Programme detail
Appendix 5 Treasury Management Strategy
Appendix 6 Equalities Impact Needs Assessment (EINA)
Appendix 7 Chief Officers' Pay Policy Statement

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BCP Council - Council Tax Harmonisation Modelling

	CTax ANA 2019/20 £	CTax 2019/20 £	Increase 20/21 %	CTax 2020/21 £	CTax 2021/22 £	CTax 2022/23 £	CTax 2023/24 £
BCP Council		£1,496.27	-5.55%	£1,407.57	£1,408.85	£1,454.95	£1,502.42
Adult Social Care Precept		£102.03	2.00%	£134.00	£132.72	£132.72	£132.72
Christchurch		£1,598.30	-3.55%	£1,541.57	£1,541.57	£1,587.66	£1,635.13
Christchurch Town Council Precept inc Mayoralty*		£27.89	51.39%	£42.22	£43.48	£44.78	£46.12
Burton Parish*		£12.97	1.07%	£13.11	£13.50	£13.91	£14.32
Hurn Parish*		£28.48	2.89%	£29.30	£30.18	£31.08	£32.01
Highcliffe and Walkford (New)*		£27.59	-6.27%	£25.86	£26.63	£27.43	£28.25
BCP Council		£1,369.00	1.84%	£1,396.17	£1,408.85	£1,454.95	£1,502.42
Adult Social Care Precept		£104.40	2.00%	£133.83	£132.72	£132.72	£132.72
Bournemouth		£1,471.30	3.84%	£1,530.00	£1,541.57	£1,587.66	£1,635.13
Bournemouth Charter Trustee			-	£2.15	£2.21	£2.28	£2.35
BCP Council		£1,366.90	1.99%	£1,396.17	£1,408.85	£1,454.95	£1,502.42
Adult Social Care Precept		£104.40	2.00%	£133.83	£132.72	£132.72	£132.72
Bournemouth - Holdenhurst Area		£1,471.30	3.99%	£1,530.00	£1,541.57	£1,587.66	£1,635.13
BCP Council		£1,339.99	1.84%	£1,366.48	£1,408.85	£1,454.95	£1,502.42
Adult Social Care Precept		£101.54	2.00%	£130.33	£132.72	£132.72	£132.72
Poole		£1,439.38	3.83%	£1,496.81	£1,541.57	£1,587.66	£1,635.13
Poole Charter Trustee			-	£2.14	£2.20	£2.27	£2.34

*2.99% applied to all preceptors in future years

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BCP Schedule of Council Tax Charges 2020/21

	CTax 2019/20 £	Increase 20/21 %	CTax 2020/21 £
Christchurch			
Christchurch Town Council			
BCP Unitary Charge	£1,598.30	-3.55%	£1,541.57
Christchurch Town Council	£27.89	51.39%	£42.22
Total Christchurch Town	£1,626.19		£1,583.79
Burton Parish			
BCP Unitary Charge	£1,598.30	-3.55%	£1,541.57
Burton Parish Precept	£12.97	1.07%	£13.11
Total Burton Parish	£1,611.28		£1,554.68
Hurn Parish			
BCP Unitary Charge	£1,598.30	-3.55%	£1,541.57
Hurn Parish Precept	£28.48	2.89%	£29.30
Total Hurn Parish	£1,626.78		£1,570.87
Highcliffe and Walkford			
BCP Unitary Charge	£1,598.30	-3.55%	£1,541.57
Highcliffe and Walkford Neighbourhood Council	£27.59	-6.27%	£25.86
Total Highcliffe and Walkford	£1,625.90		£1,567.43
Christchurch Unparished			
BCP Unitary Charge	£1,598.30	-3.55%	£1,541.57
Total Christchurch Unparished	£1,598.30		£1,541.57

Bournemouth

Bournemouth (exc Holdenhurst)			
BCP Unitary Charge	£1,473.40	3.84%	£1,530.00
Bournemouth Chartered Trustee*	£0.00		£2.15
Bournemouth Total	£1,473.40		£1,532.15
Bournemouth (Holdenhurst Parish Area)			
BCP Unitary Charge	£1,471.30	3.99%	£1,530.00
Bournemouth Total	£1,471.30		£1,530.00

Poole

BCP Unitary Charge	£1,441.53	3.83%	£1,496.81
Poole Chartered Trustee*	£0.00		£2.14
Poole Total	£1,441.53		£1,498.95

*Note the Charter Trustee charges for Bournemouth and Poole area were included in the BCP unitary charge for 2019/20

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GENERAL FUND BUDGET SUMMARY 2020/21

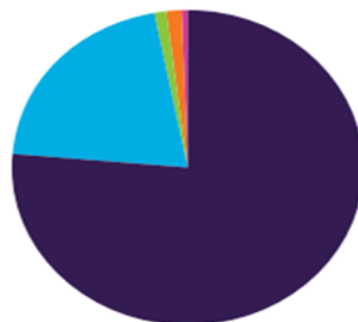
	Gross Expenditure 2020/21 £000	Gross Income 2020/21 £000	Net Budget 2020/21 £000
Adult Services	171,585	(60,471)	111,114
Public Health	19,353	(19,353)	0
Childrens Services	167,134	(105,197)	61,936
Environment & Community	84,119	(33,524)	50,595
Regeneration & Economy	65,127	(57,569)	7,558
Resources	144,472	(111,689)	32,783
Net cost of services	651,790	(387,803)	263,987
Pensions	5,888	(276)	5,612
Contingency	1,160		1,160
Contingency for pay award	960		960
Levies			
Environment Agency	509		509
Fisheries	88		88
Corporate income and expenditure			
Interest on borrowings	1,799		1,799
Interest on cash investments		(185)	(185)
Investment property income	129	(6,494)	(6,365)
Revenue expenditure on surplus assets	61		61
Dividend income		(100)	(100)
Income from HRA		(949)	(949)
Other Grant Income		(351)	(351)
Apprentice Levy	565		565
Net Operating Expenditure	662,949	(396,158)	266,791
Other financial items impacting on the general fund			
Revenue contribution to capital - general	2,839		2,839
Provision for repayment (MRP)	10,615		10,615
Parish, Town, Neighbourhood Councils & Charter Trustees	969		969
High Needs Reserve Contribution	1,230		1,230
Movement to and (from) reserves	734		734
	16,387	0	16,387
Net Budget Requirement	679,336	(396,158)	283,178
Other funding before Council Tax Requirement			
New Homes Bonus Grant		(2,647)	(2,647)
Collection Fund Surplus Distribution (Council Tax)		(1,380)	(1,380)
Net Income from Business Rates - inc S31 Grant		(58,102)	(58,102)
Revenue support grant		(3,005)	(3,005)
Parish, Town, Neighbourhood Councils & Charter Trustees		(969)	(969)
	0	(66,103)	(66,103)
Total Council Tax Requirement	679,336	(462,261)	217,075

General Fund Budget Analysis

Where the money comes from

2020/21 budgeted core funding
Total £283m – Net Budget

- Council Tax Income £218m **76%**
- Business Rates £58m **21%**
- Revenue Support Grant £3m **1%**
- New Homes Bonus £3m **1%**
- Other Items £1m **1%**



Where the money is spent

2020/21 budgeted service expenditure
Total £283m – Net Budget

- Adult Social Care £111m **39%**
- Children's Services £62m **22%**
- Environment & Community £51m **18%**
- Regeneration & Economy £8m **3%**
- Resources £33m **12%**
- Central Items £18m **6%**



Service Units Budget Summary 2020/21

	Gross Expenditure 2020/21 £000's	Gross Income 2020/21 £000's	Net Budget 2020/21 £000's
Physical support	46,711	(13,315)	33,397
Sensory support	123	(75)	48
Support with memory and cognition	23,699	(4,823)	18,876
Learning disability support	42,785	(5,211)	37,574
Mental health support	9,402	(1,259)	8,143
Substance misuse support	66	(50)	16
Support for carer	972	(102)	870
Social Isolation	417	(62)	355
Assistive equipment and technology	855	0	855
Tricuro	19,747	(2,375)	17,373
Social care activities	19,753	(262)	19,491
Information and early intervention	1,627	(36)	1,591
Commissioning and service delivery	5,430	(441)	4,989
Improved Better Care Fund	0	(11,296)	(11,296)
Winter Pressures Funding	0	(1,748)	(1,748)
Better Care Fund	0	(11,387)	(11,387)
Social Care Support Grant	0	(6,737)	(6,737)
Other Government Grants	0	(1,294)	(1,294)
Total for Adult Social Care	171,585	(60,471)	111,114
Public Health	19,353	(19,353)	0
Total for Public Health	19,353	(19,353)	0
Children's Social Care	36,474	(4,703)	31,771
Inclusion & Family Services	22,210	(3,065)	19,145
Quality & Commissioning	12,371	(3,360)	9,012
CSM General	666	(564)	102
Dedicated Schools Grant	90,488	(90,488)	0
Partnerships	4,924	(3,019)	1,906
Total for Children's Services	167,134	(105,197)	61,936
Communities	7,405	(1,689)	5,716
Environment	51,751	(18,587)	33,164
Housing	24,963	(13,248)	11,715
Total for Environment & Community	84,119	(33,524)	50,595
Destination & Culture	29,367	(26,320)	3,048
Development	2,595	(828)	1,767
Growth & Infrastructure	33,165	(30,421)	2,744
Total for Regeneration & Economy	65,127	(57,569)	7,558
Executive	1,289	0	1,289
Finance	11,156	(3,631)	7,525
Insurance	3,652	(377)	3,275
Corporate Management Costs	1,458	(75)	1,383
Housing Benefits	104,163	(104,308)	(145)
ICT	10,309	(439)	9,870
Law & Governance	6,555	(2,320)	4,235
Organisational Development	5,891	(539)	5,353
Total for Resources	144,472	(111,689)	32,783
Net cost of services	651,790	(387,803)	263,987

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BCP Unitary Council - Budget 2020/21 and MTFP - Assumed Savings

Ref:	Theme	Name of Proposal	Description	2020/21 £000's	2021/22 £000's	2022/23 £000's	Total to 2023 £000's	RAG Rated
1	Resources Directorate	Staffing and organisational savings within the Revenue and Benefits Service	Service efficiencies following further joint working between the Stour Valley and Poole Partnership (SVPP) which currently delivers Revenue and Benefits services to Christchurch, East Dorset, North Dorset and Poole with the service that provides services to Bournemouth residents	(218)			(218)	Blue
2	Resources Directorate	Organisational savings following Local Government Review	Further service based cost efficiencies from combining the Bournemouth, Christchurch (including Dorset County Council) and Poole Teams. Includes system rationalisation.	(279)			(279)	Amber
3	Resources Directorate	Staffing savings following Local Government Review	Further efficiencies from combining the Bournemouth, Christchurch (including Dorset County Council) and Poole Teams.	(253)			(253)	Blue
4	Resources Directorate	Fees and Charges	Rebase Registrars income in line with historical actual performance.	(80)			(80)	Blue
5	Resources Directorate	Treasury Management Strategy	One off up front arrangement fee from the Dorset Pathology Unit investment	(45)	45		0	Green
		Savings Resources Directorate		(875)	45	0	(830)	
6	Children's Directorate	Staffing savings following Local Government Review	Further efficiencies from combining the Bournemouth and Poole Teams with the element which covered the Christchurch area for Dorset County Council. Includes improvement work.	(850)	(200)		(1,050)	Amber
7	Children's Directorate	Base Budget Review	Numerous small budget adjustments including the section 17 budget.	(110)			(110)	Green
		Savings Children's Directorate		(960)	(200)	0	(1,160)	

Ref:	Theme	Name of Proposal	Description	2020/21 £000's	2021/22 £000's	2022/23 £000's	Total to 2023 £000's	RAG Rated
8	Adult Social Care Directorate	Base Budget Review	Rebase of Dorset legacy demand assumptions.	(1,000)			(1,000)	Blue
9	Adult Social Care Directorate	Transformation - Organisational Redesign	Adult Social Care front door service includes impact of early intervention and prevention. Item for scrutiny by Health and Adult Social Care Overview and Scrutiny committee on 20.01.2020	(1,000)	(750)	(750)	(2,500)	Amber
10	Adult Social Care Directorate	Additional Funding	Additional Better Care Fund (BCF) allocation for 2020/21 .	(468)			(468)	Blue
11	Adult Social Care Directorate	Service Efficiencies - General	Use of technology in meeting care and support needs.	(100)	(100)		(200)	Green
12	Adult Social Care Directorate	Domiciliary Care costs	Use of BCP framework contract for new domiciliary demand in the Christchurch area.	(80)	(80)		(160)	Green
13	Adult Social Care Directorate	Funding for Individual Packages of Care	Work with Clinical Commissioning Group regarding funding for individual clients.	(150)			(150)	Green
14	Adult Social Care Directorate	Service Efficiencies - General	Review of reablement service.		(150)		(150)	White
15	Adult Social Care Directorate	Service Efficiencies - General	Enhance support to self funders to make decisions about their care.		(100)	(50)	(150)	Amber
16	Adult Social Care Directorate	Service Efficiencies - General	Review commissioning dementia home care (Poole Area).		(120)		(120)	White
17	Adult Social Care Directorate	Service Efficiencies - General	Review of Direct Payments reserve strategy for individual accounts	(100)			(100)	Green
18	Adult Social Care Directorate	Service Efficiencies - General	Review of benefits eligibility within the shared lives scheme.	(100)			(100)	Green
19	Adult Social Care Directorate	Service Efficiencies - General	Numerous small budget adjustments including improving debt management, use of technology to speed up financial assessments and ensuring full cost recovery .	(10)	(40)	(35)	(85)	Green

Ref:	Theme	Name of Proposal	Description	2020/21 £000's	2021/22 £000's	2022/23 £000's	Total to 2023 £000's	RAG Rated
20	Adult Social Care Directorate	Organisational savings following Local Government Review	Review model of night care in light of Local Government Reorganisation.	(75)			(75)	Green
21	Adult Social Care Directorate	Staffing savings following Local Government Review	Further efficiencies from combining the Bournemouth and Poole Teams with the element which covered the Christchurch area for Dorset County Council. Includes Commissioning and Improvement	(60)			(60)	Blue
22	Adult Social Care Directorate	Service Efficiencies - General	Harmonise Catering Services.		(50)		(50)	Amber
23	Adult Social Care Directorate	Fees and Charges	Fee consistency / harmonisation Adult Charging Policy. Item scrutinised by Health and Adult Social Care Overview and Scrutiny Committee on 18.12.2019 and will return for further scrutiny after public consultation in Spring 2020.	(25)	(25)		(50)	Amber
		Savings Adult Social Care Directorate		(3,168)	(1,415)	(835)	(5,418)	
24	Regeneration & Economy Directorate	Transformation - Cost Recovery - Fees and Charges	Increasing Town Centre and Beach Parking by 20p an hour	(650)			(650)	White
25	Regeneration & Economy Directorate	Transformation - Cost Recovery - Fees and Charges	Seafront rent reviews and income arrangements. Includes catering, arcade and income from concessions.	(203)			(203)	Amber
26	Regeneration & Economy Directorate	Reduction in subsidies	Efficiencies in the contracts associated with subsidised bus routes	(170)			(170)	Green
27	Regeneration & Economy Directorate	Service Efficiencies - General	Includes the rebase of a number of budget headings in line with historic trends. Includes income, efficiencies in markets, expenditure rebases and the Sainsbury Poole car park management fee.	(59)	(35)	(28)	(122)	Amber
28	Regeneration & Economy Directorate	Transformation - Cost Recovery - Fees and Charges	Establishing consistency in the approach to how the Community Infrastructure Levy Administration fee is applied.	(150)			(150)	Green
29	Regeneration & Economy Directorate	Commercial Opportunity - Adventure Golf	Adventure Golf facility on Bournemouth Seafront. Assumed contribution to the Council from the service provider.	(130)			(130)	Amber

Ref:	Theme	Name of Proposal	Description	2020/21 £000's	2021/22 £000's	2022/23 £000's	Total to 2023 £000's	RAG Rated
30	Regeneration & Economy Directorate	Base Budget Review	Establishing consistency in the approach to funding of Local Development Plans.	(100)			(100)	Green
31	Regeneration & Economy Directorate	Transformation - Cost Recovery - Fees and Charges	Beach Hut Income. Includes the income generated from the provision of new beach huts with tariff harmonisation and price adjustments in other areas.	(90)	85	(93)	(98)	Amber
32	Regeneration & Economy Directorate	Staffing savings following Local Government Review	Further efficiencies from combining the Bournemouth, Christchurch (including an element of Dorset County Council) and Poole Teams.	(94)			(94)	Amber
33	Regeneration & Economy Directorate	Organisational savings following Local Government Review	Further service based cost efficiencies from combining the Bournemouth, Christchurch (including and element of Dorset County Council) and Poole Teams. Includes disaggregated budgets not required within Growth and Infrastructure and operational savings in the Library service	(95)			(95)	Amber
34	Regeneration & Economy Directorate	Fees and Charges	Rebase car parking income in line with historical actual performance	(67)			(67)	Amber
35	Regeneration & Economy Directorate	Service efficiency	Additional service fee from BH Live	(60)			(60)	Green
36	Regeneration & Economy Directorate	Transformation - Cost Recovery - Fees and Charges	Increase Car Parking Permits by 5% (excluding resident permits)	(70)			(70)	White
37	Regeneration & Economy Directorate	Staff efficiency	Capitalisation of Growth and Infrastructure staffing to grant funded activity	(60)			(60)	Green
38	Regeneration & Economy Directorate	Fees and Charges	Uplifting Building Control charges in line with inflation (Retail Price Index), rebasing Development Management and Corporate Property Income in line with activity and Transport fees and charges	(60)			(60)	Amber
39	Regeneration & Economy Directorate	Service efficiency	School Crossing Patrol - Enhanced Safer 24/7 facilities by using capital alternatives	(55)			(55)	White
40	Regeneration & Economy Directorate	Service efficiency	Removal of a discretionary element of Concessionary Fares	(30)			(30)	White
41	Regeneration & Economy Directorate	Transformation - Cost Recovery - Fees and Charges	Upton Country Park Car Parking	(30)			(30)	White

Ref:	Theme	Name of Proposal	Description	2020/21 £000's	2021/22 £000's	2022/23 £000's	Total to 2023 £000's	RAG Rated
		Savings Regeneration and Economy Directorate		(2,173)	50	(121)	(2,244)	
42	Environment & Communities Directorate	Organisational savings following Local Government Review	Further service based cost efficiencies from combining the Bournemouth, Christchurch (including and element of Dorset County Council) and Poole Teams. Includes waste collection, green waste and parks services	(716)	(100)		(816)	Amber
43	Environment & Communities Directorate	Staffing savings following Local Government Review	Further efficiencies from combining the Bournemouth, Christchurch (including and element of Dorset County Council) and Poole Teams.	(535)			(535)	Amber
44	Environment & Communities Directorate	Transformation - Cost recovery - Fees and Charges	Charging authorities outside the boundaries of BCP Council for their residents use of out household waste recovery centres	(228)			(228)	Green
45	Environment & Communities Directorate	Commercial Opportunity	Contribution to the General Fund from the Homeless Property Acquisition Programme	(150)			(150)	Green
46	Environment & Communities Directorate	Transformation - Cost recovery - Fees and Charges	Review of recharges in relation to the in-house maintenance team activity.	(150)			(150)	Green
47	Regeneration & Economy Directorate	Base Budget Review	Review of recharge in relation to Housing options activity.	(106)			(106)	Green
48	Environment & Communities Directorate	Transformation - Cost recovery - Fees and Charges	Uplifting Trade Waste Charges in line with inflation (Retail Price Index)	(100)			(100)	Green
49	Environment & Communities Directorate	Transformation - Cost recovery - Fees and Charges	Fee consistency / harmonisation Bereavement Services	(100)			(100)	Green
50	Environment & Communities Directorate	Service Efficiencies - General	Numerous small budget adjustments	(94)			(94)	Green
51	Environment & Communities Directorate	Transformation - Cost recovery - Fees and Charges	Fee consistency / harmonisation across a number of services. Includes Green Waste	(55)			(55)	Green
		Savings Environment & Communities		(2,234)	(100)	0	(2,334)	
		Overall Total		(9,410)	(1,620)	(956)	(11,986)	

Ref:	Theme	Name of Proposal	Description	2020/21 £000's	2021/22 £000's	2022/23 £000's	Total to 2023 £000's	RAG Rated

Please Note:

A number of the above savings have been assumed for financial planning purposes only and it should be highlighted that they remain subject to both informal and statutory public consultation procedures and subsequent Member approval. If as a result the decision to proceed is not confirmed then the Council's s151 Officer (working with Members and other Officers) will need to ensure alternative resources are applied to the MTFP. The risk associated with such proposals is recognised as part of the risk assessment which underpins the annual Budget.

RAG Rating Key

Completed - Saving delivered	Blue
Progressing Well - Member / officer decision(s) needed to enable the delivery of the saving have been made. However due to the risk around assumed activity levels the saving, efficiency or additional resources may not be delivered in full.	Green
In Progress - Actions to deliver the required saving have actively started but have not been concluded.	Amber
Saving unlikely as serious risk to delivery	Red
Saving identified - But work to deliver the saving yet to start.	White

BCP Council

12 February 2020

RESERVES

Background

A local authority must decide the level of general reserves it wishes to maintain before it can decide the level of the council tax it sets. The purpose of general reserves is to manage the risk to the council's financial standing from the impact of excesses to the budget provision and unforeseen events.

In setting the budget the S151 officer is required under S25 of the Local Government Act 2003 to report on **the robustness of the budget** and the **adequacy of reserves** supporting the budget. The requirement on the S151 officer is to ensure that the **budget recommended to council is balanced** (i.e. expenditure matches income), is robust and therefore deliverable and has an adequate level of reserves. The S151 officer is required to ensure that the council's approved budget addresses these three issues.

Ultimately, council will determine the level of reserves and balances formally in setting the annual budget. The advice of the Chief Finance Officer must be formally recorded.

Guidelines

There is no set formula for deciding what level of reserves is adequate. Councils are free to determine the reserves they hold. Councillors are responsible for ensuring that their reserves are appropriate to local circumstances and are accountable to taxpayers for the decisions they make.

It should be stressed that there is **no theoretically "correct" level** of reserves because the issues that affect an authority's need for reserves will vary over time and between authorities. **Reserves should not be seen in a short-term context.** They should be placed in the context of the long-term grant cuts, service pressures and service delivery problems that the council is exposed to. It is however legitimate for the council to call on reserves to mitigate short term pressures, smooth out the impact of extraordinary one-off demands and/or otherwise meet the costs of unforeseen events.

Comparative information

The Chartered Institute of Public Finance and Accountancy (CIPFA) have carried out some benchmarking on the level of reserves held by most unitary authorities and identified that they tend to maintain unearmarked reserves between 5 per cent and 10 per cent of net revenue expenditure. For BCP this would mean maintaining such reserves at between £14.2 million and £28.3 million.

(Net revenue expenditure = £283.013 million, which is our 2020/21 projected net revenue expenditure before reserve movements, revenue support grant, business rates and collection fund surpluses / deficits).

Attached at appendix 3a is comparative information on **unearmarked reserves** against our statistical nearest neighbours based on published financial information. The appendix highlights that our position, based on 1 April 2019 reported positions, should be robust and within the CIPFA range.

CIPFA Financial resilience index

The Chartered Institute of Public Finance and Accountancy (CIPFA) have introduced a local authority financial resilience index, driven by their desire to support the local government sector as it faces the continued financial challenge of government funding reductions and unrelenting cost and demand pressures.

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 regarding Birmingham City Council's use of their reserves, lead to the establishment of such an index as a response to the heightened risks of more council's over the next four years falling into special financial measures.

The index, based on publicly available information, provides an assessment of the relative financial health of each English council. It is not be a predictive model but is 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 act to reduce the risk of financial failure.

The index was released nationally in December 2019. The data sets, as backward looking, relate to each of the predecessor councils. Themes within the index which will impact on BCP Council's assessment under the index, will be the high percentage of the councils spend on adult social care, the level of reserves, and the extent to which reserves have been used in recent years.

Chief Financial Officer advice

Reserves are an essential part of good financial management. They help councils to cope with unpredictable financial pressures and plan for their future spending commitments. The level, purpose and planned use of reserves are important factors for elected members and council officers to consider in developing medium term financial plans and setting annual budgets. Having the right level of reserves is incredibly important. Where councils hold very low reserves there may be little resilience to financial shocks and sustained financial challenges, where reserves are high then councils may be holding more than they need.

In advising councillors on the appropriate level of reserves there is also a need to consider the potential financial impact of all strategic, operational and financial risks facing the authority, together with the current overall financial standing of the council including any third-party assessments of this position. The management of reserves will be fundamental to ensuring BCP has a sound financial base on which to deliver its ambitions moving forward.

Organisational and change risk associated with the councils ambitions also need to be seen in the context of local authorities continuing to face some of the most significant financial challenges for a generation. These included the almost the complete removal of government's un-ringfenced core funding to the relevant councils, constrained council tax increases, a decline in other sources of income, rising costs and growing demand for many services the consequences of which will test the council's financial management and resilience well into the future.

In developing a financial strategy to support the delivery of a balanced budget for 2020/21 the Chief Financial Officer undertook a review of all reserves as reported to the cabinet in December 2019. This review was particularly focused on the extent to which further resources might be released to better support the council's priorities and key financial risks. To that effect an additional earmarked reserve of £3 million was created to meet the costs of redundancies not covered by the initial £1.5 million set aside as part of the original Local Government Review (LGR) budget to enable the successful transition to BCP from the four predecessor councils.

In assessing the appropriate level of reserves for the council there are three particular areas of significant financial risk that the council will need to be mindful of, namely;

2019/20 in-year forecast financial outturn

Council budget monitoring for the third quarter of 2019/20 predicts a £5.3 million service pressure for the first year of the new council's operation. This pressure is though mitigated within the parameters of the total budget that was set by the Shadow Authority which included a £2.5 million base revenue budget contingency and £6.5 million of earmarked financial resilience earmarked reserves. These resources having been specifically established to manage emerging in-year issues bearing in-mind 2019/20 was BCP Council's first year of operation.

Looking forward the current in-year forecast, and a £0.7 million transfer to the Financial Liability reserve, will result in £3.1 million being available for drawdown in mitigation in 2020/21 should it be needed. It should be noted that there is still the possibility of the position changing based on the activity to be undertaken in the final three months of the current financial year.

Transformation Funding Strategy

The organisational design work by KPMG, as presented to cabinet in November 2019, established that the Council needed to identify between £20.5 million and £29.5 million to support the one-off revenue and capital investment to enable between £22 million and £36.8 million of ongoing annual savings to be realised. In a report to cabinet in April 2020 the intent is to present the delivery plan to underpin the adoption and implementation of this new operating model. The budget report sets out the strategy to deliver £18.2 million of these resources by a combination of the use of all capital receipts realised over the next two years (estimated at £16.2 million) with a £2 million contribution from the councils Housing Revenue Account. The report indicates that prudential borrowing could be used to support the difference were the expenditure is of a capital nature although such an approach will potential defer realisation of that element of the savings until the borrowing is repaid.

Significantly there will be a high degree of risk associated with;

- a) Any residual amount not yet identified.
- b) the flexible use of capital receipts strategy as although work has commenced on each of the potential sales the disposals cannot be guaranteed.

Dedicated Schools Grant (DSG) – high needs deficit

BCP Council inherited a £3.6 million accumulated deficit on its Dedicated Schools Grant, mainly associated with the high needs block, as at the 31 March 2020. Third quarter budget monitoring for 2019/20 indicates a £1.9 million in-year pressure which will mean the forecast accumulated deficit as at the 31 March 2020 will amount to £5.5 million.

In respect of the 2020/21 budget the position is that the deficit will grow by a further £2.8 million bringing the forecast accumulated deficit as at 31 March 2021 to £8.3 million. This is though subject to £2.5 million in service-based savings, a £0.2 million transfer from early years and a £4 million transfer from schools.

The position as outlined for 2020/21 is after an additional £3.6 million contribution from the government. A delegation from the DfE Special Educational Needs Team and the Education Skills and Funding Agency are due to visit the council in March 2020 to better understand why the extra government resources are insufficient and to support the council in developing a strategic recovery plan.

Late in 2019 the Government issued a consultation document which stated that the council should not be directly contributing to the high needs block of the DSG as it did in setting the

2019/20 budget. A summary of the indication from government is that they believe they are adequately funding the issue, that they believe the council should not be directly contributing to the issue, and that therefore schools should be bearing the cost if not now at some point in the future. Such a stance is untenable as ultimately the council continues statutorily to retain the liability in its accounts of any accumulated or future deficit on the DSG and there is no indication that schools will be better financed in the future to cover this growing deficit.

The long-held view of council Chief Finance Officers and External Auditors is that councils should be able to cover the accumulated deficit on its DSG from its reserves. As BCP Council's deficit grows via both the in-year position and the projected position for next year it is reasonable and prudent to set aside funds to mitigate this deficit in an offsetting Financial Liability earmarked reserve.

To support this approach it is proposed that the council redirects £0.7 million from the Financial Resilience earmarked reserve, redirects the Financial Planning earmarked reserve, directs the unallocated reserves it received from the disaggregation of the balance sheet of Dorset County Council and makes a £1.2 million contribution from the base budget for 2020/21 to create the necessary £8.3 million balance on the Financial Liability earmarked reserve as at 31 March 2021.

The position as proposed will be kept under constant review and should in the future the government issue a specific grant to cover the councils accumulated DSG deficit then at that stage consideration be given to redirecting the Financial Liability earmarked reserve in further support the council's corporate priorities including transformation.

Details of the earmarked reserves held by the council are included at Appendix 3b to this report. It is estimated that their level will be reduced from £52 million as at the 31 March 2019 to £33 million as 31 March 2020. The budget proposal indicates that they will be generally held around this level with the estimate for the 31 March 2021 currently £32 million.

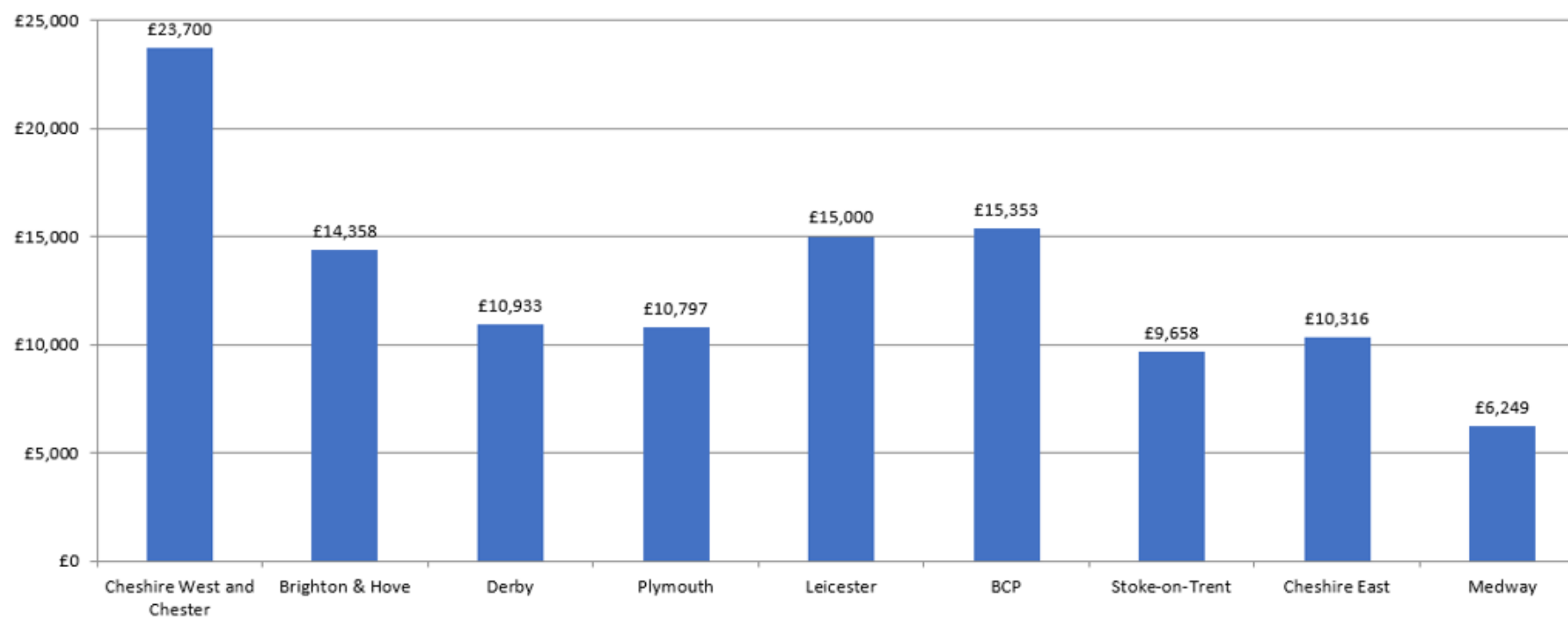
A summary of the council's reserve policy is proposed as follows;

- a) An annual risk assessment should be undertaken to support the overall level of reserves, as set out within Appendix 3c.
- b) In the medium-term reserves should be maintained to;
 -
 - Offset the accumulated deficit on the Dedicated Schools Grant
 - support the council's aims and objectives.
 - create a working balance to cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing.
 - mitigate the underlying operational risk associated with the operation of a Council and the management of service expenditure, income and other financing items.
 - mitigate the risk posed to the Council in terms of the current economic climate.
- c) For operational purposes unearmarked reserves should be around **£15.4 million**. This represents around 5.4 per cent of the estimated net revenue budget of the council.
- d) As part of the council budget monitoring process, the level of reserves and balances will be reviewed annually to ensure that these are at an appropriate level and in accordance with the policy objectives.

The Chief Financial Officer (CFO) considers the level of reserves as proposed to be adequate for the purposes of the 2020/21 budget. The CFO also considers that in respect of the estimates used to prepare the budget that they provide a robust and reasonable basis upon which to derive such estimates.

Unallocated Reserves

1/4/19 position of statistical near neighbours vs BCP current forecast



General fund unallocated reserves as a % of 2019/20 budgeted net revenue expenditure:								
9.18%	6.50%	6.06%	5.77%	5.73%	5.50%	4.62%	3.70%	3.45%
General fund unallocated reserves £ per head population:								
£70.60	£49.99	£42.67	£41.15	£42.92	£38.79	£38.07	£27.34	£22.56

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BCP Council - Earmarked Reserves

Detail	31/03/20 Estimated Balances £000's	Estimated Movements £000's	31/03/21 Estimated Balances £000's
(A) - Financial Resilience Reserves	(10,379)	(1,231)	(11,610)
(B) - Transition and Transformation Reserves	(2,418)	2,418	0
(C) - Asset Investment Strategy Rent, Renewals and Repairs	(2,110)	0	(2,110)
(D) - Insurance Reserve	(3,500)	0	(3,500)
(E) - Held in Partnership for External Organisations	(3,400)	0	(3,400)
(F) - Required by Statute or Legislation	(3,409)	0	(3,409)
(G) - Planning Related	(1,216)	0	(1,216)
(H) - Government Grants	(3,087)	(700)	(3,787)
(I) - Maintenance	(884)	0	(884)
(J) - ICT Development & Improvement	(380)	0	(380)
(K) -Corporate Priorities & Improvements	(1,897)	0	(1,897)
Forecast Earmarked Reserve Balance - 31 March	(32,680)	487	(32,193)

(A) - Financial Resilience Reserves

	31/03/20 Estimated £000's	Movement £000's	31/03/21 Estimated £000's
Designed to provide the Council with the ability to manage any emerging issues recognising the 2020/21 Budget has been formed based on the experience of operating the new BCP for nine months. The Financial Liability Reserve has been established to mitigate the deficits on the Dedicated Schools Grant Budget (principally the High Needs Budget deficit) which have to be held against Unearmarked Reserves			
Financial Liability Reserve	(5,500)	(2,831)	(8,331)
Financial Planning Reserve	(892)	892	0
Financial Resilience Reserves	(3,786)	708	(3,078)
Other Financial Resilience Reserves	(201)	0	(201)
Financial Resilience Reserves	(10,379)	(1,231)	(11,610)

(B) - Transition and Transformation Reserves

	31/03/20 Estimated £000's	Movement £000's	31/03/21 Estimated £000's
Purpose: Resources set aside to support the one-off change costs of creating the new council including the phase three transformation programme. Includes the council's contribution to support the deficit on the Dedicated Schools Grant (DSG) high needs budget which is a one-off contribution for 2019/20 only.			
Transitional and Transformation Costs	(398)	398	0
BCP Programme Resources - Pay and Reward Strategy	(2,020)	2,020	0
Transition and Transformation Reserves	(2,418)	2,418	0

(C) - Asset Investment Strategy Rent, Renewals and Repairs

	31/03/20 Estimated £000's	Movement £000's	31/03/21 Estimated £000's
Purpose: Resources set a side as part of the process of managing annual fluctuations in the rent, landlord repairs and costs associated with the councils commercial property acquisitions as set out in the Non Treasury Asset Investment Strategy.			
Asset Investment Strategy Rent, Renewals and Repairs	(2,110)	0	(2,110)

(D) - Insurance Reserve

	31/03/20 Estimated £000's	Movement £000's	31/03/21 Estimated £000's
Purpose: Reserve to enable the annual fluctuations in the amounts of excesses payable to be funded without creating an in-year pressures on the services. Subject to ongoing review by an independent third party.			
Insurance Reserve	(3,500)	0	(3,500)

(E) - Held in Partnership for External Organisations

	31/03/20 Estimated £000's	Movement £000's	31/03/21 Estimated £000's
Purpose: Amounts held in trust on behalf of partners or external third party organisations.			
- Dorset Waste Partnership	(202)	0	(202)
- Dorset Adult Learning Service	(902)	0	(902)
- Stour Valley and Poole Partnership	(702)	0	(702)
- CCG Emotional Wellbeing and Mental Health	(388)	0	(388)
- Dorset CCG Carers Funding	(275)	0	(275)
- Flippers Nursery	(38)	0	(38)
- Adult Safeguarding Board	(43)	0	(43)
- Dorset Youth Offending Service Partnership	(282)	0	(282)
- Music and Arts Education Partnership	(298)	0	(298)
- Bournemouth 2026	(225)	0	(225)
- Bournemouth 2026 - West Howe Bid	(45)	0	(45)
Held in Partnership for External Organisations	(3,400)	0	(3,400)

(F) - Required by Statute or Legislation

	31/03/20 Estimated £000's	Movement £000's	31/03/21 Estimated £000's
Purpose: Amounts which the council is required to hold as a reserve in line with current accounting practice or legislative requirements.			
Building Regulation Account	(128)	0	(128)
Bournemouth Library Private Finance Initiative (PFI)	(407)	0	(407)
Carbon Trust	110	0	110
Business Rates Levy payments annual variation reserve	(2,984)	0	(2,984)
Required by Statute or Legislation	(3,409)	0	(3,409)

(G) - Planning Related

	31/03/20 Estimated £000's	Movement £000's	31/03/21 Estimated £000's
Purpose: Reserves designed to support planning processes and associated planning activity where expenditure is not incurred on an even annual basis.			
Local Development Plan Reserve	(575)	0	(575)
Planning Hearing and Enforcement Reserve	(123)	0	(123)
Other Planning Related Reserves	(518)	0	(518)
Planning Related	(1,216)	0	(1,216)

(H) - Government Grants

	31/03/20 Estimated £000's	Movement £000's	31/03/21 Estimated £000's
Purpose: Amounts which the council is required to hold as a reserve in line with specific grant conditions.			
Total Unspent Grants	(3,087)	(700)	(3,787)

(I) - Maintenance

	31/03/20 Estimated £000's	Movement £000's	31/03/21 Estimated £000's
Purpose: Reserves and sinking funds designed to support maintenance investments in specific services or assets.			
Corporate Maintenance Fund	(127)	0	(127)
Other Maintenance Related Reserves	(757)	0	(757)
Maintenance	(884)	0	(884)

(J) - ICT Development & Improvement

	31/03/20 Estimated £000's	Movement £000's	31/03/21 Estimated £000's
Purpose: Resources set aside to meet various ICT improvement projects			
ICT Development & Improvement	(380)	0	(380)

(K) -Corporate Priorities & Improvements

	31/03/20 Estimated £000's	Movement £000's	31/03/21 Estimated £000's
Purpose: Amounts set a side to deliver various priorities, some of which will be of a historical natured inherited from the predecessor authorities.			
Welfare Reform Reserve / Hardship Fund	(121)	0	(121)
Local Elections Reserve	(187)	0	(187)
Other Corporate Priorities & Improvements	(1,589)	0	(1,589)
Corporate Priorities & Improvements	(1,897)	0	(1,897)

Please note:

(a) The adoption of accounting policies for BCP Council will mean that the total earmarked reserves of the predecessor councils does not match the 1 April 2019 balances shown above. This is due to historical inconsistency in how certain items have been categorised in predecessor Council balance sheets.

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BOURNEMOUTH, CHRISTCHURCH AND POOLE

General Unearmarked Reserves - Risk Assessment 2020/21

63

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
Advance fees being incurred on schemes being work-up by the Bournemouth Development Company (Joint Venture between the Council and Morgan Sindall) which should eventually be covered by the individual schemes business case.	Monitoring of the schemes progress via representation on the BDC Board	Continue monitoring arrangements. <i>Impact recognises the Council's 50% share of such costs</i>	3	1	3	£1,615,500	10%	£161,550
Loans to Council owned companies (their subsidiaries) and Joint Ventures including the Bournemouth Development Company.	Monitoring of loans via representation on the various company Boards	Continue monitoring arrangements	4	1	4	£3,750,000	25%	£937,500
Loans and mortgages extended via the Community Finance Initiative (now closed Bournemouth Borough Council enterprise) which remain outstanding as at 31 December 2019.	Regular monitoring of loans	Continue monitoring arrangements	2	2	4	£665,000	25%	£166,250
Final Local Government Finance Settlement not due until early February 2020. Risk resources allocated will be lower than those outlined in the provisional settlement received in December 2019.	Ongoing monitoring of Government announcements	Impact based on the benefit to the Council of the deferral of Negative Revenue Support Grant allowed for as part of the provisional settlement	4	1	4	£3,048,000	25%	£762,000
In line with the business case agreed by predecessor Councils, deferred funding on inherited capital schemes. The example being the £1.1m of future developer funding supporting the Blackwater west highway scheme	Monitoring of development payment triggers by Planning Team	Continue monitoring arrangements	3	2	6	£1,100,000	50%	£550,000
Significant assumptions included in the 2020/21 base budget of the Council related to Council Tax income including the adjustments associated with the harmonisation process.	Structured process to robustly monitor the budget	Establish monitoring arrangements including quarterly reports to Cabinet. <i>Impact recognises 1% variation on total budgeted council tax income.</i>	3	2	6	£2,170,150	50%	£1,085,075

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
Service pressures experienced and forecast during the first nine months of the Council are not adequately captured in the 2020/21 base revenue budget.	Robust Budget Process	Continue quarterly Budget Monitoring Process	4	1	4	£5,250,000	25%	£1,312,500
Instability to the Council's core funding streams due to the potential for variation in the £133m of business rates collected annually and the risk associated with the passported appeals system. This includes prescribed timing difference around when items can be credited to the accounts. These risks will increase as the Government move towards a 75% Business Rates retention model.	Monitoring process and tracking of business closures and start ups	Establish monitoring arrangements as supported by Audit and Governance Committee on a periodic basis. <i>Impact recognises 1% variation in the total collected.</i>	3	2	6	£1,330,000	50%	£665,000
Instability to the Council's Council Tax Base due to variations in the number of the Local Council Tax Support (benefits) scheme claimants and the ability of the Government to change welfare policy impacting on the amount that can be claimed.	Monitoring of tax base position and claimant numbers	Establish monitoring arrangements. Based on risk of a 5% increase in caseload.	3	2	6	£1,372,030	50%	£686,015
General operational risk of a reduction in fees, charges and rents Income. <i>Risk also reflects the Council not developing and implementing appropriate arrangements for their collection and from the decline in individuals personal wealth.</i>	Monitoring of the key areas of fees & charges income	Development of monitoring arrangements. <i>Impact assumes a 2% variation in the estimated amount.</i>	3	2	6	£1,720,000	50%	£860,000
Unforecast increase in service demand for Adult Social Care. <i>This includes the significant threat to demand for Adult Social care from the 75% to 80% of clients locally who are self funders and do not require financial assistance from the Council and the unstable market conditions for such services as residential care for older people.</i>	Robust service monitoring and Medium Term Financial Planning processes.	Financial regulations requirement that such costs must normally be met within approved resources. <i>Impact recognises a 5% service cost pressure based on local government experience.</i>	4	2	8	£5,689,300	75%	£4,266,975

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
Significant assumptions included in the 2020/21 base budget of the Council related to specific Government grants including the Improved Better Care Fund and other specific grants awarded to support Adults and Children's Services.	Structured process to robust budget monitoring	Established monitoring arrangements including quarterly reports to Cabinet. <i>Impact based on 10% variation in grants assumed to support social care as part of the budget process.</i>	4	2	8	£2,407,500	75%	£1,805,625
Unforecast increase in service demand for Children's Services.	Robust service monitoring and Medium Term Financial Planning processes.	Financial regulations requirement that such costs must normally be met within approved resources. <i>Impact recognises a 15% service cost pressure based on local government experience.</i>	4	2	8	£3,300,000	75%	£2,475,000
High Needs budget element of the Dedicated Schools Grant (DSG). Assessment of gross deficit for 2020/21 is a £7m deficit with only a £2.8m recognised as a pressure due to various assumptions around service savings, contributions from schools/early years providers, and from other DSG related resources.	Robust monitoring of the financial position and regular review by the BCP Schools Forum.	Ongoing dialogue/lobbying of Government, consideration of the matter with the BCP Schools Forum, and a base revenue contribution to an earmarked reserve in mitigation.	4	2	8	£4,200,000	75%	£3,150,000
Impact of wider Welfare Reform agenda. Includes those associated with ongoing demand for Discretionary Housing Payments (DHP) further to the benefit cap arrangements and the roll out of Universal Credit.	Monitoring of activity by the Revenue & Benefits and Housing Teams	Concern around the impact and consequences for the most vulnerable in our community. Concern in respect of the impact on the Council's housing services if landlords do not obtain payment.	2	2	4	£1,000,000	25%	£250,000
Government unfunded requirements or changes that lead to cost increases or income reductions to the Council. <i>Good examples would be from the implications of the Mental Capacity (Amendment) Bill or the Governments Resources and Waste Strategy.</i>	Ongoing review of Government policy proposals. New burdens doctrine.	Monitoring of Government policy proposals.	2	2	4	£1,000,000	25%	£250,000

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
Inflation risk. Provision has only been made for inflation where "clear evidence that it will be required due to either market conditions or due to contractual terms and conditions".	Generally outside of local control. December 2019 - CPI 1.6%	Monitoring of relevant developments and indicators. Consider extent to which the Council can influence local market pressures. <i>Based on an estimate of premises, transport, contract payments, agency payments, supplies & services costs and a 1% variation.</i>	4	1	4	£2,977,000	25%	£744,250
Increasing Government regulation underpinned by the principle of fines for none compliance. An example would be the Finance Bill 2017 Off Payroll Workers Regulations or financial penalties if the new Council has failed to handle individuals personal data correctly.	Statutory and regulatory controls, internal governance procedures, professional advisers. Programme management arrangements for data transferring to new Council.	Monitor any such claims and seek approaches which limit exposure/claims.	1	1	1	£500,000	10%	£50,000
Increasing number of partner and Public Sector organisations employing no win no fee advocacy to try and improve their financial position to the detriment of the Council.	Statutory and regulatory controls, internal governance procedures, professional advisers.	Monitor any such claims and seek approaches which limit claims especially those in respect of their backdating.	1	1	1	£500,000	10%	£50,000
Increasing number of Public Sector organisations recharging for services that were previous provided at no cost. An example would be the Health & Safety Executive	Statutory and regulatory controls, internal governance procedures, professional advisers.	Consideration, review and challenge of claims for payment from any such organisations.	1	1	1	£500,000	10%	£50,000
Insufficient resources to resolve Legal claims against the Council. <i>Examples include potential claims brought against the council due to contractual terms and arrangements, and claims as a consequence of the impact of the Councils actions on third parties.</i>	Statutory and regulatory controls, internal governance procedures, professional advisers.	Monitor any such claims and seek approaches which limit claims especially those in respect of their backdating.	3	2	6	£1,500,000	50%	£750,000
Ongoing risk associated with the transferred to BCP from the four predecessor councils with variations in their legacy terms and conditions of service.	Significantly resourced pay and grading harmonisation contract let to Korn Ferry.	Detailed workplan to deliver harmonised pay and grading structure <i>Impact based on a 2% variation to the pay bill.</i>	4	2	8	£2,919,000	75%	£2,189,250

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
Insufficient resources to support necessary capital infrastructure developments. Council currently has limited capital resources, a minimum revenue contribution to capital in 2020/21, and certain legacy commitments	Schemes will only be approved once necessary resources are in place	Establish capital allocation processes.	3	2	6	£2,000,000	50%	£1,000,000
Additional resources required to support or complete schemes already within the capital programme.	Robust monitoring arrangements or individual schemes	Continue capital monitoring arrangements	3	2	6	£1,500,000	50%	£750,000
Insufficient capital resources to support major capital ambitions such as those associated with the Bournemouth International Centre or rationalisation of the civic estate.	Schemes will only be approved once necessary resources are in place	Establish capital allocation processes.	4	1	4	£10,000,000	25%	£2,500,000
Key projects of the Council where the procurement process has / or is about commence require additional resources over and above those set out in their approved financial strategy to meet the original specification or vision for the scheme.	Commissioned works limited to identified financial resources	Gateway review on key projects post procurement and before final commissioning of works	4	2	8	£1,500,000	75%	£1,125,000
Capability and capacity to deliver organisational change programme	Established programme management team unfunded in the base revenue budget although resources have been earmarked for the Council's organisational redesign.	Regular reports to Cabinet	2	2	4	£400,000	25%	£100,000
Shortfall in resources to deliver organisational redesign	2020/21 Budget process sets out proposal to deliver £18.2m of the necessary £20.5m to £29.5m in required resources	Report setting out delivery for new operational model to be presented to Cabinet in April 2020. <i>Risks assessment assumes 50% of the difference between £29.5m and £18.2m</i>	4	1	4	£5,650,000	25%	£1,412,500

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
Reduction in income from the investment of the Council's day to day cash balances and reserves	Established quarterly financial monitoring arrangements in place at Executive level and quarterly review by the Audit & Governance Committee	Establish monitoring arrangements. <i>Based on a potential 0.25% reduction in interest rates (what the markets refer to as downside risk).</i>	1	3	3	£95,000	10%	£9,500
Savings, efficiencies and additional resources assumed within the 2020/21 base budget of £9.4m will not be delivered.	Structured monitoring via the budget process	Continual monitoring of the budget. <i>Based on an assumed risk associated with 25% of the savings recognised in the base budget.</i>	4	1	4	£2,350,000	25%	£587,500
The £24.2m of savings and efficiencies an additional resources required to balance years 2 to 3 of the MTFP will become increasingly challenging to deliver. Particularly as they are after Council Tax increases in each year and they are after the £9.4m identified in order to balance the 2020/21 budget.	Robust Medium Term Financial Planning process	Continue monitoring and development of the process. Years 2 to 4 savings. <i>Risk recognises 25% of the savings target</i>	4	1	4	£6,050,000	25%	£1,512,500
Impact of potential national fiscal consolidation, as outlined in the December 2019 Queens Speech or the move to 75% Business Rates Retention Scheme (as underpinned by the Fair Funding Review) will reduce the resources government make available to the Council.	Monitoring of Government announcements	Continue to engage with relevant sector bodies such as the LGA, CIPFA etc. <i>Risk estimate based on average reduction in funding over the last 3 years</i>	4	1	4	£4,840,000	25%	£1,210,000
Failure of a Major Contractor	Robust procurement and contract management procedures. Including performance bonds and parent company guarantees	Regular review of contract performance and contractor financial standing.	3	2	6	£1,500,000	50%	£750,000
Impact on operational capability due to technological or cyber risk	Security, protocols, encryption, and constant review of threats	Continue current control framework	2	2	4	£500,000	25%	£125,000

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
Major Incident	Operational procedures and planning.	Consider potential to obtain national funding under the Bellwin scheme.	2	2	4	£1,000,000	25%	£250,000
Implications of the United Kingdoms exiting the European Union on 31 January 2020 MHCLG.	Regular consideration of the issue.	Engagement with Dorset Local Resilience Forum, Business Community and port authority.	2	2	6	£500,000	50%	£250,000
Environmental Issues (Flood Plain) and potential costs if sea defences fail	Funding only approved once necessary resources are in place	Part of Coastal defence strategy	3	1	3	£2,000,000	10%	£200,000
TOTAL PROPOSED MINIMUM LEVEL OF BALANCES						£88,398,480		£34,998,990

In addition to the assessment of the identified individuals risks the Council also assess the risk against the overall total. A risk weighting of between 40% and 80% would assess the range to be around **£14.0 million as a minimum** and around **£28.0 million at the maximum**.



CIPFA benchmarking would indicate un-earmarked reserves for a unitary council should be maintained between £14.2m (5%) £28.3m (10%)

The proposal is that un-earmarked reserves for BCP are maintained at £15.4m (5.4%) which is at the lower end of the range.

Maintaining reserves at the lower end of the spectrum can only be supported due to the inclusion of a base budget revenue contingency alongside the financial resilience reserve and the revenue contribution to capital.

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RESERVES RISK ASSESSMENT

SCORING MATRIX

		LIKELIHOOD				
IMPACT	Severe / Catastrophic Over £2.5m	4	4 (25%)	8 (75%)	12 (100%)	16 (100%)
	Major £1m to £2.5m	3	3 (10%)	6 (50%)	9 (100%)	12 (100%)
	Moderate £500k to £1m	2	2 (10%)	4 (25%)	6 (50%)	8 (75%)
	Minor Below £500k	1	1 (10%)	2 (10%)	3 (10%)	4 (25%)
			1	2	3	4
		Unlikely	Possible	Likely	Very Likely	
		<ul style="list-style-type: none">• May occur in time but very infrequent, perhaps once in a lifetime• Odds of 100-1 to 1000-1	<ul style="list-style-type: none">• May occur occasionally, perhaps once every few years• Odds of 10-1 to 99-1	<ul style="list-style-type: none">• Likely to occur imminently or within the next few months to a year• Odds of 10-1 to Evens	<ul style="list-style-type: none">• Will occur or does occur regularly• Odds of Evens or Absolute Certainty	

% relates to the weighting which will be given to the potential impact to determine the reserve provision required.

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Appendix 4 BCP Capital Investment Programme - 2020/21 to 2022/23

Location	Corporate Director	Capital Scheme	Planned Programme 2020/21 £'000	Planned Programme 2021/22 £'000	Planned Programme 2022/23 £'000	MTFP Total 2020 to 2023 £'000
BCP	Jan Thurgood	Integrated Community Equipment Store (BCP)	1,127	1,127	0	2,254
Poole	Jan Thurgood	Dorset Care Record - Partnering Agreement	0	0	0	0
	Jan Thurgood	Total Adult Social Care	1,127	1,127	0	2,254
Bournemouth	Judith Ramsden	Avonbourne Academy - phase 1 (feasibility)	150	0	0	150
Bournemouth	Judith Ramsden	Avonbourne Academy - phase 2 (delivery)	800	0	0	800
Poole	Judith Ramsden	Carter Community College	2,949	0	0	2,949
Poole	Judith Ramsden	Needs Analysis & Master Planning	0	0	0	0
Poole	Judith Ramsden	Ocean Academy	105	0	0	105
Poole	Judith Ramsden	Contingency for Capital Maintenance	250	0	0	250
Poole	Judith Ramsden / Kate Ryan	Hillbourne - New School	9,450	0	0	9,450
BCP	Judith Ramsden	Health & Safety works (Maintained schools)	50	0	0	50
	Judith Ramsden	Total Children's Services	13,754	0	0	13,754
BCP	Bill Cotton	South East Dorset Multi-modal Transport Model	58	0	0	58
BCP	Bill Cotton	Wallisdown Connectivity boundary - Growth Deal	1,510	0	0	1,510
BCP	Bill Cotton	STB, DfT, LCWIP, OBC Development & Bidding	200	0	0	200
BCP	Bill Cotton	Programme Management Fees	200	0	0	200
	Bill Cotton	Total Strategic Network Improvements	1,968	0	0	1,968
BCP	Bill Cotton	Key Transport Corridors/Junctions - Preliminary Design	0	0	0	0
BCP	Bill Cotton	Advanced Design for Future LTP Schemes	300	0	0	300
BCP	Bill Cotton	TCF funding from various pots	0	0	0	0
BCP	Bill Cotton	Transforming Cities Fund	300	0	0	300
BCP	Bill Cotton	Safe Routes to School (SRTS)	165	0	0	165
BCP	Bill Cotton	TCF Safer routes to schools	125	0	0	125
BCP	Bill Cotton	Casualty Route Analysis	22	0	0	22
BCP	Bill Cotton	Casualty Reduction Measures - Implementation of Prioritised list	116	0	0	116
BCP	Bill Cotton	Road Safety	295	0	0	295
BCP	Bill Cotton	Road Safety Schemes (20mph zones)	35	0	0	35
	Bill Cotton	Total Travel Safety Measures	758	0	0	758
BCP	Bill Cotton	Rights of Way Improvement	50	0	0	50
BCP	Bill Cotton	TCF Bike Share	450	0	0	450
BCP	Bill Cotton	TCF Town Centre Walking Improvements	215	0	0	215
BCP	Bill Cotton	TCF Workplace and School Facilities	100	0	0	100
BCP	Bill Cotton	Business Travel Network	22	0	0	22
BCP	Bill Cotton	Electric Vehicle Infrastructure	20	0	0	20
BCP	Bill Cotton	Accessibility - minor improvements	60	0	0	60
BCP	Bill Cotton	Walking and Cycling	428	0	0	428
	Bill Cotton	Total Active Travel and Greener Travel Choice	1,345	0	0	1,345
BCP	Bill Cotton	ITS - Bournemouth STRATOS, VMS & CPG	120	0	0	120
BCP	Bill Cotton	Minor Transportation Works	80	0	0	80
	Bill Cotton	Total Manage and Maintain Existing Network	200	0	0	200
BCP	Bill Cotton	South West Passenger Travel Information	25	0	0	25
BCP	Bill Cotton	Bus Facilities	185	0	0	185
BCP	Bill Cotton	TCF - Bus Shelters	150	0	0	150
BCP	Bill Cotton	TCF - Gervis Place - Design and development	288	0	0	288
	Bill Cotton	Total Public Alternatives to the Car	648	0	0	648
BCP	Bill Cotton	Surface treatment - e.g. Road markings, planned patching, micro asphalt	35	0	0	35
BCP	Bill Cotton	Micro Asphalt Programme	500	300	300	1,100
BCP	Bill Cotton	Surface Dressing Programme	250	200	200	650
BCP	Bill Cotton	Carriageway Sealing	50	50	50	150
BCP	Bill Cotton	Planned pre-patching	200	200	200	600
BCP	Bill Cotton	Skid resistance	50	45	45	140
BCP	Bill Cotton	Resurfacing Programme	1,400	1,500	1,500	4,400
	Bill Cotton	Total Maintenance - Principal & Non-Principal Roads	2,485	2,295	2,295	7,075
BCP	Bill Cotton	Bridge Maintenance works	846	640	640	2,126
Poole	Bill Cotton	Canford Bridge Repairs	406	0	0	406
BCP	Bill Cotton	Principal Inspection Programme	20	50	50	120
Christchurch	Bill Cotton	Waterloo Bridge	60	0	0	60
Christchurch	Bill Cotton	Christchurch Bypass over the Mude (West of Somerford Rbt)	150	0	0	150
	Bill Cotton	Total Maintenance - Bridges & Structures	1,482	690	690	2,862

Appendix 4 BCP Capital Investment Programme - 2020/21 to 2022/23

Location	Corporate Director	Capital Scheme	Planned Programme 2020/21 £'000	Planned Programme 2021/22 £'000	Planned Programme 2022/23 £'000	MTFP Total 2020 to 2023 £'000
BCP	Bill Cotton	Footpath resurfacing	125	190	190	505
BCP	Bill Cotton	Special Drainage	100	100	100	300
BCP	Bill Cotton	Surveys & software	80	80	80	240
BCP	Bill Cotton	Street Lighting Maintenance	290	290	290	870
BCP	Bill Cotton	Street Lighting Investment project	400	0	0	400
BCP	Bill Cotton	Programme Management Fees Maintenance (Poole)	80	80	80	240
	Bill Cotton	Total Maintenance - Other	1,075	740	740	2,555
Christchurch	Bill Cotton	DLEP Cooper Dean (A338 Improvements)	900	0		900
Christchurch	Bill Cotton	DLEP Blackwater Junction & A338 Widening	774	0		774
Bournemouth	Bill Cotton	A338 Wessex Fields Link	2,024	0		2,024
Bournemouth	Bill Cotton	Wallisdown Crossroads (DfT NPIF)	1,000	430		1,430
Poole	Bill Cotton	DLEP Town side Access to the Port of Poole	1,879	0		1,879
Poole	Bill Cotton	Cabot Lane/Broadstone Way Junction and accessibility improvements	80	0		80
BCP	Bill Cotton	Ferndown, Wallisdown, Poole (FWP) Corridors	252	0		252
	Bill Cotton	Total Growth & Infrastructure (DLEP)	6,909	430	0	7,339
Christchurch	Bill Cotton	Christchurch Quay, Riverside Wall Repairs	64	0	0	64
BCP	Bill Cotton	Poole Bay Beach Management Programme	1,271	0	0	1,271
BCP	Bill Cotton	Poole Bay Beach Management 2020-2031	7,488	5,755	5,869	19,112
BCP	Bill Cotton	Partnership funding for future schemes	192	0	0	192
BCP	Bill Cotton	Dorset Coastal Asset Database	76	52	0	129
	Bill Cotton	Total Coastal Protection & Flood Management	9,091	5,807	5,869	20,767
Poole	Bill Cotton	Heart Of Poole - Delivery Phase	750	750		1,500
Poole	Bill Cotton	Heart of Poole - Revised MasterPlan	997	0		997
Bournemouth	Bill Cotton	Boscombe Regeneration - Churchill Gardens	324	0		324
Bournemouth	Bill Cotton	DLEP Lansdowne Business District	6,066	2,843		8,909
Bournemouth	Bill Cotton	DLEP Lansdowne - Digital	430	31		460
Bournemouth	Bill Cotton	DLEP Lansdowne - 5G	975	0		975
Poole	Bill Cotton	Suitable Alternative Natural Greenspace (SANG) - Barn (and General Purpos	0	0		0
Poole	Bill Cotton	Poole High Street - Heritage Action Zone	1,250	0		1,250
BCP	Bill Cotton	Oakdale Skills & Learning Centre - Full Business Case	30	0		30
Bournemouth	Bill Cotton	BIC Medium Term Refurbishment Plan	1,833	756	756	3,345
	Bill Cotton	Total Economic Regeneration	12,654	4,380	756	17,790
Christchurch	Bill Cotton	Highcliffe Castle, (inc Phoenix Flies Project)	128	41		169
Christchurch	Bill Cotton	Wall repairs (Priory, Wick Lane, Pitsite, Druitt)	157	0		157
Poole	Bill Cotton	Upton Country Park - Discovery project	240	1,351	70	1,661
Poole	Bill Cotton	Poole Museum HLF Round One Bid	360	0		360
	Bill Cotton	Total Culture, arts, libraries and museums	885	1,392	70	2,347
Poole	Bill Cotton	Dolphin Swimming Pool	40	0		40
Poole	Bill Cotton	Whitecliff Pavillion	100	0		100
	Bill Cotton	Total Sports & Recreational Facilities	140	0	0	140
Bournemouth	Bill Cotton	Pier Approach - Phase 2	25	0		25
Bournemouth	Bill Cotton	Bournemouth Pier - Feasibility	140	0		140
Bournemouth	Bill Cotton	Sandbanks Pavilion	40	0		40
Bournemouth	Bill Cotton	Durley Chine Environmental Innovation Hub	2,316	0		2,316
Poole	Bill Cotton	New Beach Huts - Canford Cliffs	3,315	0		3,315
Bournemouth	Bill Cotton	Fisherman's Walk	454	0		454
Christchurch	Bill Cotton	Mudeford Beach House Café	1,060	0		1,060
Poole	Bill Cotton	Cliff Stabilisation Works (Canford Cliffs)	2,800	0		2,800
	Bill Cotton	Total Seafront Development	10,150	0	0	10,150
BCP	Kate Ryan	Disabled Facilities Grant	2,195	1,975		4,170
BCP	Kate Ryan	Disabled Facilities Grant	180	0		180
Poole	Kate Ryan	Community Land Trust Project (Affordable housing)	350	0		350
BCP	Kate Ryan	Private Sector Renewal-warmth & well-being	83	0		83
Poole	Kate Ryan	Turlin Moor North - Accelerated Construction Funding	300	0		300
	Kate Ryan	Total Housing & Communities Services	3,108	1,975	0	5,083
Poole	Kate Ryan	Bourne Community Hub	200	0		200
	Kate Ryan	Total Skills & Learning & Community	200	0	0	200
Bournemouth	Kate Ryan	St Stephens	4,408	0	0	4,408
Bournemouth	Kate Ryan	New Temporary Accommodation Portfolio	8,132	5,062	0	13,194

Appendix 4 BCP Capital Investment Programme - 2020/21 to 2022/23

Location	Corporate Director	Capital Scheme	Planned Programme 2020/21 £'000	Planned Programme 2021/22 £'000	Planned Programme 2022/23 £'000	MTFP Total 2020 to 2023 £'000
Bournemouth	Kate Ryan	Duck Lane Phase 2	100	2,600	0	2,700
Bournemouth	Kate Ryan	Princess Road - Hostel Accommodation	55	1,400	1,500	2,955
Bournemouth	Kate Ryan	Princess Road - Private Rented Sector	84	3,100	4,685	7,868
BCP	Kate Ryan	Poole area - new housing	16,327	0	0	16,327
	Kate Ryan	Total Major Housing Schemes	29,106	12,162	6,185	47,452
BCP	Kate Ryan	DDA works (£84k MF email)	84	84	84	252
BCP	Kate Ryan	BH Live (£518k MF email)	518	518	518	1,554
BCP	Kate Ryan	Backlog Maintenance (£395k MF email)	395	395	395	1,185
	Kate Ryan	Total Estate Management	997	997	997	2,991
Poole	Kate Ryan	Public Conveniences	400	0		400
	Kate Ryan	Total Waste & Cleansing	400	0	0	400
BCP	Kate Ryan	Climate Emergency – ECO top-up fund	0	0		0
		Total Green Infrastructure Development	0	0	0	0
BCP	Kate Ryan	Fleet Management	2,331	0		2,331
		Total Fleet Management	2,331	0	0	2,331
Poole	Kate Ryan	Poole Park Miniature Railway	270	0		270
Poole	Kate Ryan	Newtown - Turners Nursery	74	0		74
Poole	Kate Ryan	Poole Park - delivery phase	2,118	123		2,241
Poole	Kate Ryan	Suitable Alternative Natural Greenspace (SANG)	150	0		150
Poole	Kate Ryan	Harbourside Park Open Space improvement	100	0		100
Poole	Kate Ryan	Canford Heath (East & West) Open Space improvements	100	0		100
Bournemouth	Kate Ryan	Fernheath Playing fields - construction of new pavilion	550	0		550
Bournemouth	Kate Ryan	Muscliff Natural Burial Ground	184	0		184
Bournemouth	Kate Ryan	Iford Meadows and Playing Fields	200	0		200
Christchurch	Kate Ryan	Christchurch Priory, Wall Repairs	101	0		101
Christchurch	Kate Ryan	Countryside Stewardship	21	0		21
		Total Parks & Open Space Management	3,867	123	0	3,990
BCP	Julian Osgathorpe	Enterprise Comms (WAN Migration)	491	0		491
BCP	Julian Osgathorpe	Enterprise Apps (Applications)	215	0		215
	Julian Osgathorpe	Total ICT Investment Plan	706	0	0	706
Total BCP Capital Programme			105,685	32,119	17,602	155,405

* In accordance with BCP Financial Regulations, each capital scheme listed above has 'conditional approval'. This is based on the conditions, outcomes and parameters attached to each project report as approved by Members at Transport Advisory Group (TAG), Cabinet and Council.

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Bournemouth, Christchurch and Poole Council (BCP)

Treasury Management Strategy Statement 2020/21

Introduction

Local Government Reorganisation in Dorset

- 1 The treasury management strategy has been built on the latest disaggregation position with Dorset Council. It is unlikely that the amount will change materially enough to impact on the strategy.

Background

- 2 The Council defines its treasury management activities as: “The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.” Part of the treasury management operation is to ensure that the cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council’s low risk appetite, providing adequate liquidity initially before considering investment return.
- 3 The second main function of the treasury management service is the funding of the Council’s capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 4 Revised reporting is required for the 2019/20 onwards reporting cycle due to revisions of the MHCLG Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes include the introduction of a capital strategy, to provide a longer-term focus to the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011. The capital strategy is being reported separately.

Reporting Requirements

- 5 **Capital Strategy** - The CIPFA revised 2017 Prudential and Treasury Management Codes require, from 2019-20, all local authorities will prepare an additional report, a capital strategy report, which will provide the following:
 - a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
 - an overview of how the associated risk is managed
 - the implications for future financial sustainability

The aim of this capital strategy is to ensure that all elected members on the full Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.

- 6 The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.
- 7 **Prudential and treasury indicators and treasury strategy** - The first, and most important report covers:
 - a The capital plans (including prudential indicators);
 - b A minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
 - c The treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
 - d An investment strategy (the parameters on how investments are to be managed).
- 8 **Quarterly treasury management report** – This will update members with the progress of the capital position, amending prudential indicators if necessary, and whether any policies require revision. This role is undertaken by the Audit and Governance Committee.
- 9 **An annual treasury management report** – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.
- 10 The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Audit and Governance Committee.

Treasury Management Strategy for 2020/21

- 11 The strategy for 2020/21 covers two main areas:

Capital issues

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

Treasury management issues

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

- policy on use of external service providers.
- 12 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

Training

- 13 The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training was provided to all members on the 7th January 2020 with support from the Councils Treasury Management advisors. It is not envisaged that more training will be required in 2020/21.
- 14 The training needs of treasury management officers are periodically reviewed.

Treasury management consultants

- 15 The Councils Treasury Management advisors are Link Asset Services.
- 16 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources.

The Capital Prudential Indicators 2020/21 – 2022/23

- 17 The Council's capital expenditure plans have a key influence over the treasury management activity. The capital expenditure plans are reflected in the prudential indicators, which are designed to assist members' in considering the impact and risk of this Council's capital expenditure plans.

Capital expenditure

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

Capital expenditure	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000
General Fund	72,701	87,918	30,012	16,776
Commercial activities/ non-financial investments	-	-	-	-
HRA	23,943	39,532	53,191	44,446
Total	96,644	127,450	83,203	61,222

* Commercial activities / non-financial investments relate to areas such as capital expenditure on investment properties, loans to third parties etc.

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

General Fund and Commercial Activity Capital Expenditure

Capital expenditure	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000
General Fund Total	72,701	87,918	30,012	16,776
Financed by:				
Capital receipts	2,912	-	495	-
Capital grants & Contributions	36,664	49,574	16,031	9,056
Revenue Contributions	1,167	5,669	997	997
Reserve Contributions	8,429	8,527	1,296	538
Internal Borrowing	23,529	24,148	11,193	6,185
External Borrowing	-	-	-	-
Total financing for the year	72,701	87,918	30,012	16,776

HRA Capital Expenditure

Capital expenditure	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000
HRA Total	23,943	39,532	53,191	44,446
Financed by:				
Capital receipts	2,587	4,268	8,534	6,414
Major Repairs Allowance	14,558	21,519	13,190	13,238
Other Contributions	4,688	8,161	9,102	8,700
Internal Borrowing	2,110	5,584	22,365	16,094
External Borrowing	0	-	-	-
Total financing for the year	23,943	39,532	53,191	44,446

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

- 20 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.
- 21 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life, and so charges the economic consumption of capital assets as they are used.
- 22 The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing

requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes.

23 The Council is asked to approve the CFR projections overleaf:

	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000
Capital Financing Requirement				
CFR – General Fund	309,797	324,330	325,610	321,882
CFR – HRA	142,055	147,639	170,004	186,098
CFR - IAS16 leases estimated impact	-	6,754	6,754	6,754
Total CFR	451,852	478,723	502,368	514,734
Movement in CFR	16,723	26,871	23,645	12,366
Movement in CFR represented by				
Net movement in borrowing for the year (above)	25,639	29,732	33,558	22,279
CFR - IAS16 leases estimated impact	0	6,754		
Less MRP/VRP and other financing movements	(8,916)	(9,615)	(9,913)	(9,913)
Movement in CFR	16,723	26,871	23,645	12,366

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

Minimum Revenue Provision (MRP) policy statement

25 The Council is required to make a Minimum Revenue Provision (MRP). It is a statutory requirement to make a charge to the Council's General Fund to make provision for the repayment of the Council's past capital debt and other credit liabilities.

26 MHCLG regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to Councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement.

27 For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be either:

- **Existing practice** - MRP will follow the existing practice outlined in former CLG regulations (option 1);
- **Based on CFR** – MRP will be based on the CFR (option 2);

28 These options provide for an approximate 4% reduction in the borrowing need (CFR) each year.

- 29 From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be either:
- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3);
 - **Depreciation method** – MRP will follow standard depreciation accounting procedures (option 4);
- 30 The type of approach intended by the MRP guidance is clearly to enable local circumstances and discretion to play a part, as the guidance in general contains a set of recommendations rather than representing a prescriptive process. The guidance makes it clear that Councils can follow an alternative approach, provided they still make a prudent provision.
- 31 It was agreed by members of previous Councils that the following MRP policy was applied from 2016/17 onwards:
- In respect of all supported borrowing, capital expenditure incurred prior to 2016/17 (excluding assets acquired under PFI or finance lease arrangements) MRP will be provided at a rate of 2% on a straight-line basis to ensure the balance is fully cleared over the period in line with the useful life of the assets.
 - In respect of all unsupported borrowing, capital expenditure incurred prior to 2016/17 (excluding assets acquired under PFI or finance lease arrangements) the Council will apply the Asset life method as used in previous years and will apply an average life of 25 years for the unsupported borrowing requirement to be repaid over based on historical schemes that have required and applied unsupported borrowing.
 - MRP charges from 1 April 2004 to 31 March 2016 exceeded what prudence required during the period under this revised policy. There will be a realignment of MRP charged to the revenue account in 2016/17 and subsequent years to recognise this excess sum. Total MRP after applying realignment will not be less than zero in any financial year.
 - In respect of capital expenditure incurred in 2016/17 and subsequent financial years MRP will be provided at a rate of 4% on the written down balance.
- 32 In 2017/18 a proposed change was made that the 4% write down method will be used for all assets except for significant individual schemes exceeding £10m (such as asset investments) for which the specific asset life will be used for MRP purposes. To allow for further flexibility in the Council MRP policy the Council will look at using specific asset life for individual schemes which are deemed strategically important for the Council but are below £10m. It will be for the S151 officer to determine was it is strategically important.
- 33 There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made (although there are transitional arrangements in place).
- 34 Repayments included in annual PFI or finance leases are applied as MRP.

MRP Overpayments

- 35 A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31 December 2019 the total VRP overpayments were £4.5m. Decision by previous authorities have earmarked a significant proportion of this for the Oakdale capital scheme. The Councils S151 officer will give ongoing consideration what will be prudent to release in future years.

Borrowing

- 36 The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

Current portfolio position

- 37 The overall Treasury Management portfolio as at 31 March 2019 and for the position as at 31 December 2019 are shown below for both borrowing and investments.

	Actual 31/03/2019 £'000	Actual 31/03/2019 %	Current 31/12/2019 £'000	Current 31/12/2019 %
Treasury investments				
Money Market Funds	7,600	14%	4,150	12%
Bank Deposits	4,228	8%	15,000	44%
Local Authorities	7,500	14%	0	0%
DMO	10,800	19%	0	0%
Call Account	0	0%	4,700	14%
Cash Plus and Short Bond Funds	25,000	45%	10,000	30%
Total Treasury Investments	55,128	100%	33,850	100%
Treasury External Borrowing				
PWLB	152,771	61%	152,562	77%
Local Authorities	78,900	31%	25,000	13%
Private Sector	18,508	7%	17,967	9%
Salix	1,749	1%	1,016	1%
Total External Borrowing	251,928	100%	196,545	100%
Net treasury investment / (borrowing)	(196,800)		(162,695)	

- 38 It should be noted that Bournemouth Borough Council secured a £49m forward loan which will be issued to BCP Council in May 2021.
- 39 The Council's forward projections for borrowing are summarised on the next page. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000
External Debt				
Debt at 1 April	251,928	250,928	230,928	279,928
Expected change in Debt	(1,000)	(20,000)	49,000	0
Actual gross debt at 31 March	250,928	230,928	279,928	279,928
The Capital Financing Requirement	451,851	471,968	495,613	507,979
Under / (over) borrowing	200,923	241,040	215,685	228,051

- 40 Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current year and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.
- 41 The Council has complied with their prudential indicator in the current year and does not envisage difficulties for the future due to the large under borrowing requirement. This view considers current commitments, existing plans, and the proposals in this budget report.

Treasury Indicators: limits to borrowing activity

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

	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
Operational boundary	460	550	600	600
Authorised limit	510	600	650	650

Prospects for interest rates

- 44 Link Asset Services as part of their service is to assist the Council to formulate a view on interest rates. The following table gives their view on the base rate and PWLB borrowing costs.

Link Asset Services InterestRate View														
	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
BankRate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.30	2.40	2.40	2.50	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.10	3.20	3.20
10yr PWLB Rate	2.60	2.70	2.70	2.70	2.80	2.90	3.00	3.10	3.20	3.20	3.30	3.30	3.40	3.50
25yr PWLB Rate	3.20	3.30	3.40	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00	4.10	4.10
50vr PWLB Rate	3.10	3.20	3.30	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90	4.00	4.00

- 45 The above forecasts have been based on an assumption that there is an agreed deal on Brexit, including agreement on the terms of trade between the UK and the EU, at some point in time. The result of the general election has removed much uncertainty around this major assumption. However, it does not remove uncertainty around whether agreement can be reached with the EU on a trade deal within the short time to December 2020, as the prime minister has pledged.
- 46 It has been little surprise that the Monetary Policy Committee (MPC) left Bank Rate unchanged at 0.75% in 2019 due to the ongoing uncertainty over Brexit and the outcome of the general election. In its meeting on 7 November, the MPC became more dovish due to increased concerns over the outlook for the domestic economy if Brexit uncertainties were to become more entrenched, and for weak global economic growth: if those uncertainties were to materialise, then the MPC were likely to cut Bank Rate. However, if they were both to dissipate, then rates would need to rise at a “gradual pace and to a limited extent”. Brexit uncertainty has had a dampening effect on UK GDP growth in 2019, especially around mid-year. There is still some residual risk that the MPC could cut Bank Rate as the UK economy is still likely to only grow weakly in 2020 due to continuing uncertainty over whether there could effectively be a no deal Brexit in December 2020 if agreement on a trade deal is not reached with the EU. Until that major uncertainty is removed, or the period for agreeing a deal is extended, it is unlikely that the MPC would raise Bank Rate.

Borrowing strategy

- 47 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow have been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that need to be considered.
- 48 The Chief Financial Officer has the delegated responsibility to arrange such loans as are legally permitted to meet the Council's borrowing requirement and to arrange terms of all loans to the Council including amounts, periods and rates of interest.
- 49 Against this background and the risks within the economic forecast, caution will be

adopted with the 2020/21 treasury operations. The Chief Financial Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- a. if it was felt that there was a significant risk of a sharp FALL in borrowing rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then borrowing will be postponed.
- b. if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Policy on borrowing in advance of need

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

Debt rescheduling

- 52 As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).
- 53 The reasons for any rescheduling to take place will include:
 - a The generation of cash savings and / or discounted cash flow savings;
 - b Helping to fulfil the treasury strategy;
 - c Enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
- 54 Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.
- 55 All debt rescheduling will be reported to the Audit and Governance committee for the BCP authority at the earliest meeting following its action.

New financial institutions as a source of borrowing and / or types of borrowing

- 56 Following the decision by the PWLB on 9 October 2019 to increase their margin over gilt yields by 100 bps to 180 basis points on loans lent to local authorities, consideration will also need to be given to sourcing funding at cheaper rates from the following:

- Local authorities (primarily shorter dated maturities)
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of spot or forward dates)
- Municipal Bonds Agency (no issuance at present but there is potential)

57 The degree which any of these options proves cheaper than PWLB Certainty Rate is still evolving at the time of writing but our advisors will keep us informed.

Approved Sources of Long- and Short-term Borrowing

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

Annual Investment Strategy

Investment Policy

58 The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).

59 The Council’s investment policy has regard to the following: -

- MHCLG’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2018

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

- 60 In accordance with the above guidance from the MHCLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.
- 61 Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.
- 62 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Creditworthiness policy

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

Sovereign Ratings

- AAA (non-UK)

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

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

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

Selection Criteria

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

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

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

- l Royal Bournemouth and Christchurch Hospital NHS Foundation trusts
- m Local authorities, Parish Councils, BCP Council Companies (Subsidiaries) and Partnerships.
- n Pooled Funds

Maximum Time and Monetary Limits applying to Investments

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

	Long Term Rating	Money Limit	Time Limit
Banks 1 higher quality	AA-	25%	2 years
Banks 1 medium quality	A	20%	1 year
Banks 1 lower quality	A-	20%	6 months
Banks 2 category – part-nationalised RBS / Nat West	N/A	20%	2 years
Banks 3 category – Council's banker HSBC	AA-	25%	3 months
DMADF/Treasury Bills	AAA	25%	6 months
Local Authorities	N/A	20%	5 years
Royal Bournemouth and Christchurch Hospital NHS Foundation Trusts	N/A	Fixed investment £14.9m	15 years
Money Market Funds CNAV	AAA	25%	Instant access
Money Market Funds LVNAV	AAA	25%	Instant access
Money Market Funds VNAV	AAA	25%	Instant access

Ultra-Short Dated Bond Funds	N/A	25%	Unlimited
Cash Plus Funds	AAA	25%	Unlimited
UK Gilts	UK Sovereign Rate	25%	5 years

Use of additional information other than credit ratings

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

Investment strategy

In-house funds

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

Investment returns expectations

- 73 Bank Rate is forecast to increase steadily but slowly over the next few years to reach 1% by quarter 1 2022. Bank Rate forecasts for financial year ends (March) are:
- a 2019/20 0.75%
 - b 2020/21 1.00%
 - c 2021/22 1.00%
 - d 2022/23 1.25%
- 74 The overall balance of risks to economic growth in the UK is probably neutral. The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.
- 75 **Investment treasury limit** – The maximum period for investments will be 5 years except the Royal Bournemouth and Christchurch Hospital NHS Foundation Trusts investment.

Ethical Investing

- 76 This is an area of investing that is becoming increasingly considered by financial institutions and customers. Products from financial institutions are growing but still remain limited. To consider investing in sustainable deposits they will still need to meet our counterparty criteria and parameters set out earlier in the strategy. Investment guidance, both statutory and from CIPFA, makes clear that all investing must adopt SLY principles – security, liquidity and yield: ethical issues

must play a subordinate role to those priorities. The Treasury team will continue to explore this area and report to members of any further developments.

Treasury Management Policy, Practices and Schedules

- 77 The Treasury Management Policy, Practices and Schedules remain unchanged from those presented alongside the 2019/20 budget process. These rarely change and any significant changes will be reported to Audit and Governance before implementation.

Appendices

Appendix 1 - Economic Background and interest rate forecasts

Appendix 2 - Approved Countries for investments

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

UK. Brexit. 2019 has been a year of upheaval on the political front as Theresa May resigned as Prime Minister to be replaced by Boris Johnson on a platform of the UK leaving the EU on 31 October 2019, with or without a deal. However, MPs blocked leaving on that date and the EU agreed an extension to 31 January 2020. In late October, MPs approved an outline of a Brexit deal to enable the UK to leave the EU on 31 January. Now that the Conservative Government has gained a large overall majority in the **general election** on 12 December, this outline deal will be passed by Parliament by that date. However, there will still be much uncertainty as the detail of a trade deal will need to be negotiated by the current end of the transition period in December 2020, which the Prime Minister has pledged he will not extend. This could prove to be an unrealistically short timetable for such major negotiations that leaves open two possibilities; one, the need for an extension of negotiations, probably two years, or, a no deal Brexit in December 2020.

GDP growth has taken a hit from Brexit uncertainty during 2019; quarter three 2019 surprised on the upside by coming in at +0.4% q/q, +1.1% y/y. However, the peak of Brexit uncertainty during the final quarter appears to have suppressed quarterly growth to probably around zero. The economy is likely to tread water in 2020, with tepid growth around about 1% until there is more certainty after the trade deal deadline is passed.

While the Bank of England went through the routine of producing another **quarterly Inflation Report**, (now renamed the Monetary Policy Report), on 7 November, it is very questionable how much all the writing and numbers were worth when faced with the uncertainties of where the UK will be after the general election. The Bank made a change in their Brexit assumptions to now include a deal being eventually passed. Possibly the biggest message that was worth taking note of from the Monetary Policy Report, was an increase in concerns among MPC members around weak global economic growth and the potential for Brexit uncertainties to become entrenched and so delay UK economic recovery. Consequently, the MPC voted 7-2 to maintain Bank Rate at 0.75% but two members were sufficiently concerned to vote for an immediate Bank Rate cut to 0.5%. The MPC warned that if global growth does not pick up or Brexit uncertainties intensify, then a rate cut was now more likely. Conversely, if risks do recede, then a more rapid recovery of growth will require gradual and limited rate rises. The speed of recovery will depend on the extent to which uncertainty dissipates over the final terms for trade between the UK and EU and by how much global growth rates pick up. The Bank revised its inflation forecasts down – to 1.25% in 2019, 1.5% in 2020, and 2.0% in 2021; hence, the MPC views inflation as causing little concern in the near future.

The **MPC meeting of 19 December** repeated the previous month's vote of 7-2 to keep Bank Rate on hold. Their key view was that there was currently 'no evidence about the extent to which policy uncertainties among companies and households had declined' i.e. they were going to sit on their hands and see how the economy goes in the next few months. The two members who voted for a cut were concerned that the labour market was faltering. On the other hand, there was a clear warning in the minutes that the MPC were concerned that domestic "unit labour costs have continued to grow at rates above those consistent with meeting the inflation target in the medium term".

If economic growth were to weaken considerably, the MPC has relatively little room to make a big impact with Bank Rate still only at 0.75%. It would therefore, probably suggest that it would be up to the Chancellor to provide help to support growth by way of a **fiscal boost** by e.g. tax cuts, increases in the annual expenditure budgets of government departments and services and expenditure on infrastructure projects, to boost the economy. The Government has already made moves in this direction and it made significant promises in its election manifesto to increase government spending by up to £20bn p.a., (this would add about 1% to GDP growth rates), by investing primarily in infrastructure. This is likely to be announced in the next Budget,

probably in March 2020. The Chancellor has also amended the fiscal rules in November to allow for an increase in government expenditure.

As for **inflation** itself, CPI has been hovering around the Bank of England's target of 2% during 2019 but fell again in both October and November to a three-year low of 1.5%. It is likely to remain close to or under 2% over the next two years and so it does not pose any immediate concern to the MPC at the current time. However, if there was a hard or no deal Brexit, inflation could rise towards 4%, primarily because of imported inflation on the back of a weakening pound.

With regard to the **labour market**, growth in numbers employed has been quite resilient through 2019 until the three months to September where it fell by 58,000. However, there was an encouraging pick up again in the three months to October to growth of 24,000 which showed that the labour market was not about to head into a major downturn. The unemployment rate held steady at a 44 year low of 3.8% on the Independent Labour Organisation measure in October. Wage inflation has been steadily falling from a high point of 3.9% in July to 3.5% in October (3-month average regular pay, excluding bonuses). This meant that in real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 2.0%. As the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. The other message from the fall in wage growth is that employers are beginning to find it easier to hire suitable staff, indicating that supply pressure in the labour market is easing.

USA. President Trump's massive easing of fiscal policy in 2018 fuelled a temporary boost in consumption in that year which generated an upturn in the rate of growth to a robust 2.9% y/y. **Growth** in 2019 has been falling after a strong start in quarter 1 at 3.1%, (annualised rate), to 2.0% in quarter 2 and then 2.1% in quarter 3. The economy looks likely to have maintained a growth rate similar to quarter 3 into quarter 4; fears of a recession have largely dissipated. The strong growth in employment numbers during 2018 has weakened during 2019, indicating that the economy had been cooling, while inflationary pressures were also weakening. However; CPI inflation rose from 1.8% to 2.1% in November, a one year high, but this was singularly caused by a rise in gasoline prices.

The Fed finished its series of increases in rates to 2.25 – 2.50% in December 2018. In July 2019, it cut rates by 0.25% as a 'midterm adjustment' but flagged up that this was not intended to be seen as the start of a series of cuts to ward off a downturn in growth. It also ended its programme of quantitative tightening in August, (reducing its holdings of treasuries etc). It then cut rates by 0.25% again in September and by another 0.25% in its October meeting to 1.50 – 1.75%. At its September meeting it also said it was going to **start buying Treasuries again**, although this was not to be seen as a resumption of quantitative easing but rather an exercise to relieve liquidity pressures in the repo market. Despite those protestations, this still means that the Fed is again expanding its balance sheet holdings of government debt. In the first month, it will buy \$60bn, whereas it had been reducing its balance sheet by \$50bn per month during 2019. As it will be buying only short-term (under 12 months) Treasury bills, it is technically correct that this is not quantitative easing (which is purchase of long-term debt). The Fed left rates unchanged in December. However, the accompanying statement was more optimistic about the future course of the economy, so this would indicate that further cuts are unlikely.

Investor confidence has been badly rattled by the progressive ramping up of increases in tariffs President Trump has made on Chinese imports and China has responded with increases in tariffs on American imports. This **trade war** is seen as depressing US, Chinese and world growth. In the EU, it is also particularly impacting Germany as exports of goods and services are equivalent to 46% of total GDP. It will also impact developing countries dependent on exporting commodities to China.

However, in November / December, progress has been made on agreeing a phase one deal

between the US and China to roll back some of the tariffs; this gives some hope of resolving this dispute.

EUROZONE. **Growth** has been slowing from +1.8 % during 2018 to around half of that in 2019. Growth was +0.4% q/q (+1.2% y/y) in quarter 1, +0.2% q/q (+1.2% y/y) in quarter 2 and then +0.2% q/q, +1.1% in quarter 3; there appears to be little upside potential in the near future. German GDP growth has been struggling to stay in positive territory in 2019 and fell by -0.1% in quarter 2; industrial production was down 4% y/y in June with car production down 10% y/y. Germany would be particularly vulnerable to a no deal Brexit depressing exports further and if President Trump imposes tariffs on EU produced cars.

The European Central Bank (ECB) ended its programme of quantitative easing purchases of debt in December 2018, which then meant that the central banks in the US, UK and EU had all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by quantitative easing purchases of debt. However, the downturn in EZ growth in the second half of 2018 and into 2019, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), has prompted the ECB to take new measures to stimulate growth. At its March meeting it said that it expected to leave interest rates at their present levels “at least through the end of 2019”, but that was of little help to boosting growth in the near term. Consequently, it announced a **third round of TLTROs**; this provides banks with cheap borrowing every three months from September 2019 until March 2021 that means that, although they will have only a two-year maturity, the Bank was making funds available until 2023, two years later than under its previous policy. As with the last round, the new TLTROs will include an incentive to encourage bank lending, and they will be capped at 30% of a bank’s eligible loans. However, since then, the downturn in EZ and world growth has gathered momentum; at its meeting on 12 September, it cut its deposit rate further into negative territory, from -0.4% to -0.5%, and announced a **resumption of quantitative easing purchases of debt for an unlimited period**; (at its October meeting it said this would start in November at €20bn per month - a relatively small amount compared to the previous buying programme). It also increased the maturity of the third round of TLTROs from two to three years. However, it is doubtful whether this loosening of monetary policy will have much impact on growth and, unsurprisingly, the ECB stated that governments will need to help stimulate growth by ‘growth friendly’ fiscal policy.

There were no policy changes in the December meeting which was chaired for the first time by the new President of the ECB, Christine Lagarde. However, the outlook continued to be down beat about the economy; this makes it likely there will be further monetary policy stimulus to come in 2020. She did also announce a thorough review of how the ECB conducts monetary policy, including the price stability target. This review is likely to take all of 2020.

On the political front, Austria, Spain and Italy have been in the throes of **forming coalition governments** with some unlikely combinations of parties i.e. this raises questions around their likely endurance. The latest results of German state elections has put further pressure on the frail German CDU/SDP coalition government and on the current leadership of the CDU. The results of the Spanish general election in November have not helped the prospects of forming a stable coalition.

CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and shadow banking systems. In addition, there still needs to be a greater switch from investment in industrial capacity, property construction and infrastructure to consumer goods production.

JAPAN - has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress

on fundamental reform of the economy.

WORLD GROWTH. Until recent years, world growth has been boosted by increasing **globalisation** i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last thirty years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. The Chinese government has targeted achieving major world positions in specific key sectors and products, especially high-tech areas and production of rare earth minerals used in high tech products. It is achieving this by massive financial support, (i.e. subsidies), to state owned firms, government directions to other firms, technology theft, restrictions on market access by foreign firms and informal targets for the domestic market share of Chinese producers in the selected sectors. This is regarded as being unfair competition that is putting western firms at an unfair disadvantage or even putting some out of business. It is also regarded with suspicion on the political front as China is an authoritarian country that is not averse to using economic and military power for political advantage. The current trade war between the US and China therefore needs to be seen against that backdrop. It is, therefore, likely that we are heading into a period where there will be a **reversal of world globalisation and a decoupling of western countries** from dependence on China to supply products. This is likely to produce a backdrop in the coming years of weak global growth and so weak inflation. **Central banks are, therefore, likely to come under more pressure to support growth by looser monetary policy measures and this will militate against central banks increasing interest rates.**

The trade war between the US and China is a major concern to **financial markets** due to the synchronised general weakening of growth in the major economies of the world, compounded by fears that there could even be a recession looming up in the US, though this is probably overblown. These concerns resulted in **government bond yields** in the developed world falling significantly during 2019. If there were a major worldwide downturn in growth, central banks in most of the major economies will have limited ammunition available, in terms of monetary policy measures, when rates are already very low in most countries, (apart from the US). There are also concerns about how much distortion of financial markets has already occurred with the current levels of quantitative easing purchases of debt by central banks and the use of negative central bank rates in some countries. The latest PMI survey statistics of economic health for the US, UK, EU and China have all been predicting a downturn in growth; this confirms investor sentiment that the outlook for growth during the year ahead is weak.

INTEREST RATE FORECASTS

The interest rate forecasts provided by Link Asset Services in paragraph 3.3 are **predicated on an assumption of an agreement being reached on Brexit between the UK and the EU.** On this basis, while GDP growth is likely to be subdued in 2019 and 2020 due to all the uncertainties around Brexit depressing consumer and business confidence, an agreement on the detailed terms of a trade deal is likely to lead to a boost to the rate of growth in subsequent years which could, in turn, increase inflationary pressures in the economy and so cause the Bank of England to resume a series of gentle increases in Bank Rate. Just how fast, and how far, those increases will occur and rise to, will be data dependent. The forecasts in this report assume a modest recovery in the rate and timing of stronger growth and in the corresponding response by the Bank in raising rates.

- In the event of an **orderly non-agreement exit in December 2020**, it is likely that the Bank of England would take action to cut Bank Rate from 0.75% in order to help economic growth deal with the adverse effects of this situation. This is also likely to cause short to medium term gilt yields to fall.
- If there was a **disorderly Brexit**, then any cut in Bank Rate would be likely to last for a longer period and also depress short and medium gilt yields

correspondingly. Quantitative easing could also be restarted by the Bank of England. It is also possible that the government could act to protect economic growth by implementing fiscal stimulus.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably even, but dependent on a successful outcome of negotiations on a trade deal.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates are broadly similarly to the downside.
- In the event that a Brexit deal was agreed with the EU and approved by Parliament, the balance of risks to economic growth and to increases in Bank Rate is likely to change to the upside.

One risk that is both an upside and downside risk, is that all central banks are now working in very different economic conditions than before the 2008 financial crash as there has been a major increase in consumer and other debt due to the exceptionally low levels of borrowing rates that have prevailed since 2008. This means that the neutral rate of interest in an economy, (i.e. the rate that is neither expansionary nor deflationary), is difficult to determine definitively in this new environment, although central banks have made statements that they expect it to be much lower than before 2008. Central banks could therefore either over or under do increases in central interest rates.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- **Brexit** – if it were to cause significant economic disruption and a major downturn in the rate of growth.
- **Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **Eurozone sovereign debt crisis**. In 2018, Italy was a major concern due to having a populist coalition government which made a lot of anti-austerity and anti-EU noise. However, in September 2019 there was a major change in the coalition governing Italy which has brought to power a much more EU friendly government; this has eased the pressure on Italian bonds. Only time will tell whether this new coalition based on an unlikely alliance of two very different parties will endure.
- Weak capitalisation of some **European banks**, particularly Italian banks.
- **German minority government**. In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. The CDU has done badly in recent state elections, but the SPD has done particularly badly, and this has raised a major question mark over continuing to support the CDU. Angela Merkel has stepped down from being the CDU party leader, but she intends to remain as Chancellor until 2021.
- **Other minority EU governments**. Austria, Finland, Sweden, Spain, Portugal, Netherlands and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile.
- **Austria, the Czech Republic, Poland and Hungary** now form a strongly anti-immigration bloc within the EU. There has also been rising anti-immigration sentiment in Germany and France.
- In October 2019, the IMF issued a report on the World Economic Outlook which flagged up a synchronised slowdown in world growth. However, it also flagged up that there was **potential for a rerun of the 2008 financial crisis**, but this time centred on the huge debt binge accumulated by corporations during the decade of low interest rates. This now means that there are corporates who would be unable to cover basic interest costs on **some \$19trn of corporate debt in major western economies**, if world

growth was to dip further than just a minor cooling. This debt is mainly held by the shadow banking sector i.e. pension funds, insurers, hedge funds, asset managers etc., who, when there is \$15trn of corporate and government debt now yielding negative interest rates, have been searching for higher returns in riskier assets. Much of this debt is only marginally above investment grade so any rating downgrade could force some holders into a fire sale, which would then depress prices further and so set off a spiral down. The IMF's answer is to suggest imposing higher capital charges on lending to corporates and for central banks to regulate the investment operations of the shadow banking sector. In October 2019, the deputy Governor of the Bank of England also flagged up the dangers of banks and the shadow banking sector lending to corporates, especially highly leveraged corporates, which had risen back up to near pre-2008 levels.

- **Geopolitical risks**, for example in North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- **Brexit** – if agreement was reached all round that removed all threats of economic and political disruption between the EU and the UK.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- **UK inflation**, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

Appendix 2: Approved countries for investments

AA

- United Kingdom
- France

AAA

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

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BCP Equality Impact Assessment Template

Executive Summary and Conclusions

Once the Equality Impact Assessment Template has been completed, please summarise the key findings here. Please send a copy of your final document to the [Policy and Performance Team](#).

The proposed report for the 2020/21 Budget and Medium-Term Financial Plan (MTFP) meets the statutory obligation to produce a balanced budget for BCP Council to enable it to deliver its statutory services. A funding gap in excess of £15m has been identified for 2020/21 after allowances for identified savings and a revision of the council tax harmonisation strategy considered.¹
[£15m Gap predicted for BCP Council](#)

A significant proportion of the deficit can be attributed to the rise in funding that is required to meet increasing demand from across both Adult and Children's services at £11.3m and £3.9m respectively. The proposal provides an additional £13.6m for these two services in particular; as well as £50,000 for the development and delivery of a Community Engagement Strategy that will broaden decision making enabling more people to co design BCP Council services and £302,00 to bring forward the development of more affordable housing.

The proposal will impact on establishment figures and reductions in the Councils estate with additional savings expected to derive from some reduction in headcount and ongoing [Transformation proposals](#)

Consequently, there is a continued risk that some aspects of the budget may have a cumulative impact on older people and disabled people as well as on specific staff groups in due to the profile of staff within some Service Units or areas of employment where there may be under representation.

An assessment of the potential cumulative impact of the separate proposals will therefore need to be continued throughout the transformation process and reflected through subsequent MTFP update reports. It is recommended that robust equality analysis exercises continue to be undertaken in line with BCP Council Policy and [Equality Impact Assessment Guidance](#)

¹ BCP Financial Strategy 2020/21

BCP Equality Impact Assessment Template

Part 1 - The Project	
Policy/Service under development/review:	BCP Council Budget and Medium-Term Financial Plan (Update) 2020/21
Service Unit:	Finance
Service Lead:	Adam Richens
Equality Impact Assessment Team:	Sam Johnson
Date assessment started:	12 June 2019
Date assessment completed:	28 January 2020
What are the aims/objectives of the policy/service?	<p>To deliver a sustainable balanced budget for 2020/21 by putting forward a proposal which enables BCP Council to meet statutory obligations whilst responding to changing activity, increased demand and ongoing fiscal challenges, and to detail how the council plans to finance its operations and meet strategic priorities.</p> <p>The proposed net service budget is funded by 77.89% from council tax income, 21.12% from business rate income, 1.08% from revenue support grant and .73% from new homes bonus.</p>
What outcomes will be achieved with the new or changed policy/service?	BCP will have a balanced budget in place that enables the Council to provide statutory services and meets the requirements of the Public Sector Equality Duty.

BCP Equality Impact Assessment Template

Part 1 - The Project

Are there any associated services, policies or procedures?	<ul style="list-style-type: none"> • Consolidated Medium Term Financial Plan update for Bournemouth Christchurch and Poole Council • Equality Act 2010 • Medium Term Financial Plan 091019pp.309-326 • Medium Term Financial Plan Update Report 201219pp.95-130 • Organisational Development Design Outcomes - KPMG Report pp.89-164 • Equality Impact Assessment Guidance • Bournemouth Christchurch & Poole Purpose Statements • Local Government Settlement for 2020 • Redundancy and Redeployment Policies of preceding councils • Recruitment and Selection Policies of preceding councils • Bournemouth Organisational Change Management guidelines
Please list the main people, or groups, that this policy/service is designed to benefit, and any other stakeholders involved:	<ul style="list-style-type: none"> • BCP Council Cabinet • Residents • Business Rate payers • Local Council tax payers • BCP Council Employees • Clients of all Council services, specifically Adult and Children's Services • Care experienced Young People • Children looked after • Young people in Bournemouth Christchurch & Poole • BCP Council Partnerships • Visitors to Bournemouth Christchurch & Poole • Schools, Academies and Universities • Voluntary and Community Sector led organisations in Bournemouth, Christchurch & Poole

BCP Equality Impact Assessment Template

Part 1 - The Project

With consideration for their clients, please list any other organisations, statutory, voluntary or community that the policy/service/process will affect:

NHS Trust
Dorset CCG

Part 2 – Supporting Evidence²

BCP's commitment to the Public Sector Equality Duty

Bournemouth Christchurch and Poole's (BCPs) commitment to the Public Sector Equality Duty is expressed through BCP Purpose Statements. The Council's equality and diversity commitments are set out under the headline priorities in the Corporate Strategy. Defined objectives are embedded in our [Equality and Diversity Policy](#) which includes our Equality and Diversity Internal Governance Framework.

Every key decision, change to policy, service provision or service provider needs to be able to demonstrate that it has considered, understood and reflected the positive or negative impact it will have in terms of equality and the nine protected characteristics of the [Equality Act 2010](#)

The budget planning framework includes the requirement that equality impacts or implications of any specific priorities or savings are identified in bringing forward any budget proposals which are then used to inform final budget decisions.

² This could include: service monitoring reports, research, customer satisfaction surveys & feedback, workforce monitoring, staff surveys, opinions and information from trade unions, previous completed EIAs (including those of other organisations) feedback from focus groups & individuals or organisations representing the interests of key target groups or similar.

BCP Equality Impact Assessment Template

Part 2 – Supporting Evidence²

An assessment of the potential cumulative impact of separate proposals across all protected characteristics is examined throughout the process by BCP's management team and reflected as necessary through subsequent Medium-Term Financial Plan (MTFP) update reports as they progress through the planning cycle.

EIA's are an important service improvement tool that help in developing services which meet the needs of our customers and deliver our core business more efficiently in an equitable manner. They demonstrate that we are making financial decisions in a fair, transparent and robust way, considering the needs and the rights of different members of the communities we serve.

This EIA is to be considered alongside previous EIAs and budget proposals as well as individual service specific equality impact assessments. This is inclusive of those required by partner organisations within the statutory, voluntary or community sector or any organisation which deliver statutory services on behalf of BCP Council.

BCP Council has a turnover of approximately £0.7bn per annum and a net budget of £283m, resulting in a total Council Tax Requirement of £217.1m, is set for 2020/21 based on the settlement figures published by Government in December 2019

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 help in supporting service delivery, accountable decision making and safeguarding stewardship whilst optimising the use of available resources and is not reliant upon the use of reserves to cover the funding gap of circa £15m in 2020/21 that has been identified between available resources and ongoing expenditure.

Source: BCP Financial Strategy 2020/21

The ageing population across the UK, Dorset, and specifically with BCP Councils area has continues to increase demand on adult Social Care Services, places for residential beds and growth within our disabled client groups and results in increased costs. Consequently, the provision of statutory functions such as Adult Social Care and Children's services find they are routinely overstretched and overspent. Further investment into Children's Services have been made as the complexity of need and number of looked after children inherited from the legacy council of Christchurch was higher than expected.

Further increases in the number of pupils with Special Educational Needs and home to school transport are also noted.

Mitigating action has been taken to reduce the pressure and demand on Adult Social Care by the purchase of a care home by BCP Council thereby increasing the total number of bed spaces available. The Net Budget for Adult Social Care is also increased

BCP Equality Impact Assessment Template

Part 2 – Supporting Evidence²

from f £108,374,000 in 2019/20 to £115,413,000 for 2020/21 and the Budgets for the provision of Children's Services uplifted from £60,942,000 to £61,810,000 for same period.

It is important to note that the vulnerability of BCP Council to increased demand on its resources have been exacerbated as the four-year local government finance settlement expired in 2019/20

BCP Council has around 4,087 full-time equivalent posts with an estimated annual salary cost of £145m.

As at 15 January 2020 potential savings of £9.174m for 2020/21 had been identified³

There is an ageing population across the UK, Dorset, Bournemouth Christchurch and Poole which has increased demand for public services and have continued to rise throughout the period of austerity. Consequently, the provision of statutory functions such Adult Social Care and Children's services are routinely overstretched and overspent, which in turn creates significant challenges for local authorities in putting forward balanced budget proposals (see examples below).

- [Dorsets ageing population putting a strain on social care system](#)
- [Adult Social Care in Bournemouth facing serious challenges](#)
- [Oxfordshire County Council Revise £1m budget cut](#)
- [Concerns voiced over Adult Social Care despite £3m funding boost](#)
- [Healthcare provider considers sale of business or transfer of care](#)
- <https://www.nao.org.uk/wp-content/uploads/2018/07/Adult-social-care-at-a-glance.pdf>
- [Adults Social Care recipients top up their regular care](#)
- <https://www.bournemouthcho.co.uk/news/17218825.hundreds-of-social-care-users-in-bournemouth-and-poole-feeling-lonely/>
- <https://www.nao.org.uk/report/pressures-on-childrens-social-care/>

Referrals to children's social care increased in line with population growth between 2010-11 and 2017-18. The number of referrals to children's social care increased by 7% between 2010-11 and 2017-18, to 655,630. Over the same period the 0–17

³ Proposed savings schedule 140120

BCP Equality Impact Assessment Template

Part 2 – Supporting Evidence²

population of England experienced broadly similar growth, increasing by 5.2%. The increase in the number of children in need episodes between 2010-11 and 2017-18 was below population growth, with these rising by only 2%, from 735,470 to 753,840.

Between 2010-11 and 2017-18 referrals increased by 7% while child protection assessments increased by 77%. Although initial referrals to local authorities increased by only 7% over the period from 2010-11 to 2017-18, local authorities carried out 77% more child protection assessments. It is not clear if the disproportionate increase in assessments is because of lower risk thresholds applied by authorities, a change in the nature of referrals made, or other factors.

The most expensive cases, where children are taken into care, have risen by almost triple the rate of population growth. Between 2010-11 and 2017-18 the number of children in care at year end increased by 15% to 75,420 children, more than triple the rate of overall population growth. There has been a notable increase in the number of children over 16 taken into care, which increased by 78% between 2010-11 and 2017-18, from 3,210 to 5,710. Local authorities report that these children often have more complex needs and as a result are harder to place into foster care and are more likely to go into residential care, which is costlier.

The cost of children in care is rising. Local authorities are budgeting to spend £4.2 billion on looked-after children in 2018-19, which is £350 million (9.1%) more than they budgeted to spend in 2017-18. Although the number of children placed in residential care by local authorities increased by 9.2% between 2013-14 and 2017-18, the cost of residential care increased by 22.5% over the same period.

Demand for residential placements and staff has outstripped capacity. There has been an increase in the use of residential care, and this has exposed the lack of suitable placement capacity available to local authorities: only 32% of local authorities report that they have access to enough residential homes for children aged 14 to 15 years, and 41% for those aged 16 to 17.

It is difficult to say with any certainty what is causing increased demand and activity in children's social care. However, some known drivers are deprivation, domestic abuse, substance misuse and adult mental health others are the variation in local practice and responses to need.

There is significant variation between different local authorities in both the activity and cost of their children's services. The rate of children in need episodes during 2017-18 ranged from 301 to 1,323 per 10,000 children between local authorities. There is even greater variation between local authorities in the amount that they spend on children's social care: in 2017-18, the

BCP Equality Impact Assessment Template

Part 2 – Supporting Evidence²

amount spent by local authority per child in need episode ranged between £566 and £5,166 per year across different local authorities. Some of this variation could be attributable to differences in the way that individual local authorities define each episode.

The Cabinet of BCP Council has been actively engaged during the development of the budget proposals.

Executive and Service Directors, Transformation Programme Board have also informed the development of the MTFP.

The public have been kept informed through a series of published articles within:

- [BCP Council News](#)

Further information on these proposals is available to the public through the Shadow Authority's website and can be found here: [Consolidated Medium Term Financial Plan update](#)

New Applicants for reductions in the proposed BCP Council Tax levy and those Residents and their partners who are currently eligible under a preceding Council's Local Council Tax Support Scheme will continue to be protected.

The Local Council Tax Support Scheme that is proposed protects vulnerable residents as applicants or their partners in receipt of one of the following, will continue to be protected: - • 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. • Universal Credit recipients, who are not pensioners, but the applicant or their partner is in receipt of an income of premium listed above.

BCP Corporate Parenting Board considered the range of pressures that care experienced young people face when they start to live independently for the first time and as they transition into adulthood. Of particular concern for young people is budgeting, debt and managing on their own.

BCP Council has corporate parenting responsibilities for approximately 350 care leavers between the age of 18 and up to the age of 25. In embracing this role, the Council will continue to secure the best outcomes for our children in care and care experienced young people.

The Cabinet approved a new Council Tax discount for BCP care experienced young people up to the age of 25.

BCP Equality Impact Assessment Template

Part 2 – Supporting Evidence²

The Budget proposals sets out the detail of a proposed scheme which will enable BCP Council to deliver a discretionary Council Tax discount for BCP care experienced young people between the ages of 18 and up to the age of 25 from April 2020 onwards. The Council will deliver this discount by exercising its powers under section 13A of the Local Government Finance Act of 1992. The young people who will be eligible are defined as young people that either BCP Council or the relevant preceding authorities looked after. In cases where the preceding council was Dorset County Council only those young people who were ordinary resident in Christchurch would be deemed to be eligible under the proposal.

To date some savings, efficiencies and additional resources being incorporated into the MTFP position have been assumed for financial planning purposes only and remain subject to consultation, and, if carried forward shall require Elected Member approval.

If there is insufficient consultation or engagement information please explain in the Action plan what further consultation will be undertaken, who with and how.

- Number of people BCP Council provide services for is 395,800 - As at June 2018
- 192,000 work in the area? Source: BRES, 2018, ONS
- Around 10 million people visit each year?
- Do you have any updated figures (apart from 2011 Census) on the following

Relevant research, census and other evidence or information that is available and relevant to this EIA:

The BCP Council will provide services for the 395,800 residents who live in the area, 192,000 people who work in the area and 10 million people who visit the area each year. The resident population is expected to grow to 420,900 by 2028.

- The age profile - just over six out of ten residents living in BCP (61%) are of working age and 17% of the population is aged between 0-15. BCP has a higher proportion of older people living in the area compared to the national figure, over one fifth of the BCP population (22%) is aged 65 and over compared to 18% of England. In 2017-18, there were 3,886 births and 4,535 deaths.
- The gender profile - there are slightly more females living in the area than male residents. Our female residents have a longer life expectancy than males. No robust data on the UK trans population exists but the government tentatively estimate that between 0.3% and 0.8% of the population identify as trans.

BCP Equality Impact Assessment Template

Part 2 – Supporting Evidence²

- The disability profile - one in ten residents (10%) has a disability that limits their day to day activity a little and 8% have a disability which limits their day to day activity a lot.
- The ethnicity profile - 88% of residents are from a White British Background, 6% from a White Minority Ethnic Background and 6% of residents are from a Black Minority Ethnic Background.
- The religious beliefs profile - The 2011 Census shows six in ten residents (60%) state they have Christian beliefs, 29% of residents do not hold a religious belief, almost 8% of residents did not state their religion. Other religions stated by residents include Muslim (1%), Buddhist (0.5%) Hindu (0.5%), Jewish (0.5%) and Sikh (0.1%).
- Sexual identity - nationally 2% of the population identified as lesbian, gay or bisexual (LGB). When applied to the BCP population approximately 6,500 residents would identify as LGB. Younger age groups (16 to 24) are more likely to identify as LGB (4%).
- Marital status - of the population aged over 16 in our community almost six out of ten residents are living as a couple (57%), of these 77% are married, 21% living together but not married and 2% are in a same sex civil partnership or cohabiting. Over two out of five residents (43%) are not living in a couple, the majority of which 59% say they are single, 18% divorced, 16% widowed, 4% separated and 3% say they are married or in a civil partnership but do not live together.

Additional customer and employee monitoring data is published at [BCP workforce data](#) and is due to be updated in May/June from a snapshot taken at the end of March 2020

Service user and employee monitoring data available and relevant to this policy in relation to any Protected Characteristic:

Bournemouth, Christchurch and Poole workforce data is published here: [BCP workforce data](#)

The data for Bournemouth and Poole is based on a snapshot@ 31 March 2019 and the date relating to Christchurch is based on the employees that were due to be TUPE transferred to BCP Council on 01 April 2019.

If there is insufficient research and monitoring data, please explain in the Action plan what information will be gathered:

BCP Equality Impact Assessment Template

Part 3 – Assessing the Impact by Equality Characteristic

	Actual or potential positive outcome	Actual or potential negative outcome
1. Age ⁴	<p>Increased number of bed spaces now available through purchase and acquisition of care home.</p> <p>Figbury Lodge was built and opened in Poole which created an extra 80 beds; 50 residential and dementia, 10 nursing beds and 20 intermediate beds.</p> <p>BCP council also purchased Fairways in Bournemouth which stopped the home from closing and so prevented a loss of beds.</p> <p>BCP Council has corporate parenting responsibilities for approximately 350 care leavers between the age of 18 and up to the age of 25. In embracing this role, the Council will continue to secure the best outcomes for our children in care and care experienced young people.</p>	<p>Council tax levy and the scarcity of limited bed spaces were available for adult social care services where people were required to contribute towards their care.</p> <p>The Increased demand for adult care services lead to cumulative impacts on people as a result of their age. Specifically, when combined with the location in which they reside and the increased chance of becoming more dependent on support as disability increases exponentially with age (see below)</p> <p><u>Age and increases in disability</u></p> <p><u>Dementia incidence increase with age</u></p>
2. Disability ⁵	<p>Increased number of bed spaces available through purchase and acquisition of care home.</p>	<p>There may be a disproportionate number of older people who are also disabled who may not be exempt from. Complexity of needs have increased which has resulted in increased costs and service pressures</p>

⁴ Under this characteristic, The Equality Act only applies to those over 18.

⁵ Consider any reasonable adjustments that may need to be made to ensure fair access.

BCP Equality Impact Assessment Template

Part 3 – Assessing the Impact by Equality Characteristic

	Actual or potential positive outcome	Actual or potential negative outcome
		Earlier harmonisation of Council tax on those who may have more complex needs when accessing adult social care services Any reductions in staffing may further reduce the number of staffs who identify as having a disability (based on number who have self-declared).
3. Sex	Until additional information is made available about the allocation of resources it is unknown if there will be a positive or negative impact	Females are more likely to work in part time roles within specific business areas.
4. Gender reassignment ⁶	Until additional information is made available about the allocation of resources it is unknown if there will be a positive or negative impact	No negative impact identified.
5. Pregnancy and Maternity	Until additional information is made available about the allocation of resources it is unknown if there will be a positive or negative impact	No negative impact identified.
6. Marriage and Civil Partnership	Until additional information is made available about the allocation of resources it is unknown if there will be a positive or negative impact	No negative impact identified.
7. Race	Until additional information is made available about the allocation of resources it is unknown if there will be a significant positive or negative impact	There could be a negative impact on some groups such as women and BME staff as they are more likely to be found working as social workers and carers within the areas of Children and Adult Services. BCP workforce has become less representative of the communities that it serves

⁶ Transgender refers people have a gender identity or gender expression that differs to the sex assigned at birth.

BCP Equality Impact Assessment Template

Part 3 – Assessing the Impact by Equality Characteristic

	Actual or potential positive outcome	Actual or potential negative outcome
8. Religion or Belief	Until additional information is made available about the allocation of resources it is unknown if there will be a positive or negative impact	No negative impact identified.
9. Sexual Orientation	Until additional information is made available about the allocation of resources it is unknown if there will be a positive or negative impact	Any reductions in staffing may further reduce the number of LGB & T staff (based on number of staffs who have self-declared)
10. Armed Forces Community		
11. Any other factors/groups e.g. socio-economic status/carers etc ⁷	Usual protections will be applied for vulnerable groups in proposed Council Tax Levy	There may be a negative impact on under-represented groups
12. Human Rights	Human Rights compliance.	No potential breaches or restrictions to Human Rights identified for a complete list see below Human Rights Act 1998

⁷ People on low incomes or no income, unemployed, carers, part-time, seasonal workers and shift workers

BCP Equality Impact Assessment Template

Part 4 – Equality Impact Action Plan

Please complete this Action Plan for any negative or unknown impacts identified in the assessment table above.

Issue identified	Action required to reduce impact	Timescale	Responsible officer
Pressure of £7.39m in Adult Social Care deficit (plus £7.758m savings target) ⁸ .	Provide funding to mitigate for increased demands and costs of the provision of Adult and Children's services	2020/21	Service Director Community Learning & Commissioning
Consideration of proposals for savings	Implement agreed proposed savings across services	2020/21 onwards	Strategic Directors
Mitigate known funding deficits within Adult and Children's Services	Ensure enough funds are allocated to Adults and Children's Services to offset known deficits	2020/21 onwards	Strategic Directors

Key contacts for further advice and guidance:

Equality & Diversity:

[Sam Johnson - Policy and Performance Manager](#)

Consultation & Research:

[Lisa Stuchberry – Insight Manager](#)

⁸ BCP Financial Strategy 2020/21

BCP Pay Policy 2020/21	
Date: January 2020	Policy Author: Lucy Eldred
Review Date: December 2021	Version: 1
Purpose/Introduction	<p>This policy is established to meet requirement of section 38(1) of the Localism Act (2011).</p> <p>The purpose of this policy is to provide transparency on the salaries of Chief Officers of the Council, how those salaries are set, and other issues related to the pay of Chief Officers.</p> <p>BCP Council is a newly created Local Authority made up of the following preceding authorities; Bournemouth Borough Council, Christchurch & East Dorset Councils and Borough of Poole. Where required information from preceding authorities have been provided. The financial information published to meet legislative responsibilities is relating to the 2019/20 salary information.</p>
Who the policy applies to	<p>Chief Officers is defined as the Chief Executive Officer of BCP Council who must comply with this policy.</p> <p>Managing Director and Corporate Directors of the preceding authorities may also have been referred to where required.</p>
The policy	<p>The 2019/20 salaries of the Chief Executive was set by the Leader and Deputy Leader of the preceding councils on advice from the South West Local Government Employers Association and having regard for the Chief Executive and Chief Officers' national pay scales.</p> <p>In accordance with the supplementary guidance on Section 40 of the Localism Act, full council will be given the opportunity to vote on salaries to new employees if the salary package is in excess of £100,000 per annum.</p> <p>The salaries for these staff will be increased in line with national pay awards agreed by Joint National Committee (JNC) for Chief Executives and Chief Officers unless financial constraints prevent the required funding from being available. In this case, some lesser figure or no increase will be applied.</p> <p>The Chief Executive is employed on JNC conditions of service.</p> <p>Section 38(1) of the Localism Act requires the following information to be published annually as part of the policy (Appendix A):</p> <ol style="list-style-type: none"> The Head of Paid Service (Chief Executive) base salary, including pension contribution and the NI contribution with a total figure per annum (excluding expenses allowance). The median full-time equivalent salary for staff, excluding employees paid on national scales known as Soulbury grade staff, youth workers and employees in schools with the pension contribution and the NI contribution with a total figure. The ratio between this salary and the salary of the Head of Paid Service.

BCP Pay Policy 2020/21

- c The lowest full time equivalent salary, with the pension contribution and the NI contribution with a total figure. The ratio between this salary and the salary of the Head of Paid Service.
- d These ratios are published in line with the recommendations of the Hutton review of Fair Pay in the Public Sector. This review also recommends that local authorities define what they mean by 'lowest salary'.
- e The lowest salary is defined as the full-time equivalent salary of employees in receipt of the lowest salary point of the salary and grading structure for the preceding councils' employees who are not covered by Soulbury, Apprentices or Youth Workers national scales.
- f The salaries of Heads of Service / Service Directors, the posts that report into Corporate Directors, and other employees not covered by nationally agreed pay scales, are determined under the preceding councils' job evaluated pay and grading structure.
- g Whilst it is the Council's policy to recruit on the minimum of a pay scale, due regard will be taken of the prevailing market rates.
- h Incremental progression does not apply to Chief Officers.
- i Returning Officer fees for general elections which are set by government and for local elections agreed by BCP Council are available to the Chief Executive.
- j No other fees are paid to Chief Officers, but they can make claims under the relevant authorities Business Travel and Subsistence arrangements.
- k Payments for working hours additional to contractual hours are not made.

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

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

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

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

The supplementary guidance on the implementation of section 40 of the Localism Act 2011 provides that the full council is given the opportunity to vote on non-contractual severance payments over £100,000. An annual report is made which

BCP Pay Policy 2020/21	
	<p>includes reference to such cases for transparency purposes.</p> <p>BCP Council will be reviewing the full pay and reward, including terms and conditions and HR Policies, through the year with a view to implementing within FY2021/22.</p> <p>The policy in relation to employer discretions under the Local Government Pension scheme is given in Appendix B</p>
How to use the policy	<p>This policy will be published on the Council's website to ensure that all staff, Councillors, residents and local businesses have access to it.</p> <p>Related Council policies and supporting documents:</p> <ul style="list-style-type: none"> • Business Travel and Subsistence arrangements • The Council's policy in relation to employer discretions under the Local Government Pension scheme • The Council's policy in relation to employer discretion under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 • Preceding Authorities Pay and Grading Structures 2018/19
Roles and responsibilities	<p>This policy is reviewed annually by the Corporate Management Board and any recommendations for change will be made to the Cabinet for approval</p>
Enforcement and sanctions	
Further information and evidence	

Appendix A – Salary Information 2019/20

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

- a The Head of Paid Service (Chief Executive / Managing Director's) base salary, including pension contribution and the NI contribution with a total figure per annum (excluding expenses allowance).

Authority	Position	Base Salary	Pension Contribution	NI Contribution	Total
Bournemouth Christchurch & Poole Council	Chief Executive	£183,600.00	£0	£19,979.71	£203,579.71

- b The median full-time equivalent salary for staff, excluding employees paid on national scales known as Soulbury grade staff, youth workers and employees in schools with the pension contribution and the NI contribution with a total figure. The ratio between this salary and the salary of the Head of Paid Service.

Authority	Median FTE Salary	Pension Contribution	NI Contribution	Total	Ratio
Bournemouth Christchurch & Poole Council	£26,317.00	£1,710.60	£1,830.78	£29,858.38	1 : 6.8

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

Authority	Lowest FTE Salary	Pension Contribution	NI Contribution	Total	Ratio
Bournemouth Christchurch & Poole Council	£15,840.00	£918.72	£592.02	£17,350.74	1 : 11.7

Appendix B

BCP ("THE COUNCIL")

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

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

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

PART A

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

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

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

Regulation	Policy
Regulation 9 (1) & (3) [R] <u>Contributions payable by active members</u> Employers determine the contributions payable by members by attributing each member to one of the contribution bands set out in Regulation 9 (2) [R]. Employers have the capacity to re-attribute the specific payband (upwards or downwards) where there is a material change in a member's contractual	Policy is set to review the bandings on annual basis

Regulation	Policy
terms.	
<p>Regulation 22 (7) (b) and (8) (b) [R]</p> <p><u>Facility to extend time limits for active members to not aggregate deferred periods of LGPS membership</u></p> <p>Whether to extend the 12-month option period for a member to elect that deferred benefits should not be aggregated with a new employment or ongoing concurrent employment.</p>	<p>The Council will only agree to extend the 12-month option period in exceptional circumstances. The Council delegates the consideration of this issue to the Head of HR.</p>
<p>Regulation 100 (6) [R]</p> <p><u>Facility to extend time limits for active members to request a transfer of previous pension rights into the LGPS</u></p> <p>Where an active member requests to transfer previous pension rights into the LGPS, the member must make a request within 12 months of becoming an active member. Employers, with agreement of Administering Authority, may allow a longer period than 12 months.</p> <p>JOINT DISCRETION WITH ADMINISTERING AUTHORITY</p>	<p>The Council will only agree requests to transfer previous pension rights into the LGPS in exceptional circumstances and in consultation with Dorset Council. The Council delegates the consideration of this issue to the Head of HR.</p>
<p>Reg 17 & 15(2A) [TP]</p> <p><u>Power of employing authority to determine whether to, how much and in what circumstances to contribute to a shared-cost Additional Voluntary Contribution (SCAVC) arrangement</u></p>	<p>On the basis of cost implications, the Council will not enter into a shared cost AVC (SCAVC) arrangement</p>
<p>Reg 17 & 15(2A) [TP]</p> <p><u>Power of employing authority to determine whether to extend the time limit for a member to elect to purchase additional pension by way of a shared cost additional pension contribution (SCAPC) upon return from a period of absence</u></p> <p>Whether to extend the 30 day deadline for member to elect for a SCAPC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserve forces service leave)</p>	<p>The Council will only agree to include a regular lump sum when calculating APP on a case by case basis. Each case will be considered the Head of HR or their nominated representative on its own merits.</p>
<p>Reg 21(5A) and 21(5B) [R]</p> <p><u>Power of employing authority to determine whether, subject to qualification, to substitute a higher level of pensionable pay when calculating assumed</u></p>	<p>The Council will agree to substitute a higher level of pensionable pay when calculating APP on a case by case basis. Each case will be considered the Head of HR or their</p>

Regulation	Policy
<u>pensionable pay (APP)</u>	nominated representative on its own merits.

CABINET



Report subject	Quarter 3 Budget Monitoring Report 2019-20
Meeting date	12 February 2020
Status	Public Report
Executive summary	<p>This report presents the council's performance against budget for the period 1 April 2019 to 31 December 2019.</p> <p>In summary, the general fund revenue projected outturn for 2019/20 is a pressure within net expenditure of £5.3 million (compared with £4.5 million previously reported at September). These pressures can be met from the additional resources (£2.5 million revenue budget contingency and £6.5 million service-specific Financial Resilience earmarked reserves) set aside to manage the additional level of uncertainty in this first year of the new council.</p> <p>At this stage the contingency within the budget is projected to be fully used with a recommendation to the Council to release up to £2.7 million of the Financial Resilience earmarked reserves to support the annual budget. This will allow services to maintain their projected level of activity and related spending plans to deliver on agreed priorities.</p> <p>In the appendices included with the end of September report and in appendices C and D in this report, the Corporate Directors have provided details of the service pressures and actions they are taking in mitigation.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>Cabinet notes:</p> <ul style="list-style-type: none"> (a) the report contents and the projected outturn position (b) the reports from the Corporate Directors of Adult Social Care and Resources in the appendices (c) the forecast year end outturn positions for capital, reserves and Housing Revenue Account neighbourhood accounts. <p>Cabinet recommends to Council:</p> <ul style="list-style-type: none"> (a) to agree to release up to £2.7 million of the Financial Resilience earmarked reserves to support the 2019/20 annual budget as detailed in paragraph 47.

Reason for recommendations	<p>To comply with the draft CIPFA Financial Management Code of practice.</p> <p>To facilitate the implementation of a strong and active culture of financial management within the BCP Council by identifying when prompt management intervention and action is needed to avoid an adverse impact on future service delivery or the achievement of future corporate objectives.</p> <p>All Corporate and Service Directors have confirmed their acknowledgement of the issues raised.</p>
Portfolio Holder	Cllr David Brown – Finance
Corporate Director	Julian Osgathorpe - Resources
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Wards	Council wide
Classification	For decision

Background

1. The Council is scheduled to receive quarterly financial monitoring reports. This is alongside separate reports detailing the operational performance over the same period. This is supplemented by the monthly presentation of key financial performance information to the council's Corporate Management Board (CMB).
2. The purpose of the budget monitoring process is to present summary information to help the Leadership Team to identify and correct emerging risks to its budget strategy and financial sustainability.

Revenue Budget

3. Based on activity in the first half of the year a £4.5 million pressure was previously estimated. This has now increased to £5.3 million over the third quarter. This projection is before consideration is given to the use of the contingency or earmarked Financial Resilience reserves.
4. The forecasts at the end of December have been prepared based on activity to date with trends estimated for the final quarter. Historically, the legacy Councils have seen significant changes in budget variances over the final quarter and particularly in the larger demand-led services. The most significant change in the forecast over the third quarter is for Adult Social Care (ASC) services, with the projected year end position

moving from balanced to a potential overspend approaching £1 million. This changing budget position is largely due to activity to free up hospital beds more quickly within the NHS and the forecast assumes this will continue over the remainder of the year.

5. **Figure 1** sets out a summary budget monitoring statement of projected variances by Directorate for the 2019/20 financial year.

Figure 1: General Fund – Summary – Projected Outturn as at 31 December 2019

	December Actuals £000s	Approved Resources £000s	Projected Outturn £000s	Projected Variance £000s
Service Budgets				
Adult Social Care & Public Health	76,409	108,257	108,807	550
Children's Services	53,525	60,940	63,890	2,950
Regeneration & Economy	3,760	7,064	7,394	330
Environmental & Community	23,982	48,111	48,811	700
Resources	33,710	29,698	29,970	272
Total Service Position	191,386	254,070	258,872	4,802
Corporate Budgets				
Investment Property Income	(4,307)	(5,743)	(5,185)	558
Pensions (back funding)	7,071	9,428	9,428	0
Repayment of debt (MRP)	0	9,501	9,501	0
Other Corporate Items	0	(300)	(300)	0
Interest on borrowings	2,336	3,114	3,114	0
Treasury Income	(200)	(185)	(295)	(110)
Revenue Contribution to Capital (RCCO)	1,295	1,726	1,726	0
Total Corporate Budgets	6,194	17,541	17,989	448
Total Budget excluding Contingency	197,580	271,611	276,861	5,250
Potential use of Contingency	0	2,536	0	(2,536)
Potential use of Resilience Reserves	0	0	(2,714)	(2,714)
Net Budget	197,580	274,147	274,147	0

Resilience Reserves not currently being used	(3,786)
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6. Over the third quarter Service Directors have continued to consolidate activity with progress made in the appointment of service managers, with further alignment of the approved budget to the emerging corporate structure. The variances shown in the table above reflect the Directorate responsibilities at the end of December.
7. The first quarter budget monitoring report acknowledged the delay in staff restructuring with savings not expected to be realised according to the budget profile. Other identified pressures could have a longer term impact as they represent a rising trend in demand, increases in the cost of services or reduced projected income. The extent to which management action could mitigate these pressures was considered by each Corporate Director in the quarter two monitoring report appendices. The February Medium Term Financial Plan (MTFP) update report on the meeting agenda makes future provision for on-going pressures as necessary.

8. Work continues to address the potential overspend including completion of new staffing structures, review of budgets by service managers and the systematic review of high value budgets areas by senior officers and Cabinet.
9. Summary text explaining the projected position for each Directorate is shown in the following paragraphs. In accordance with the council's financial reporting requirements **Appendix A** provides the detail of all variances which are forecast to be greater than £100,000 along with any significant issues of which councillors should be aware. The presentational convention is that favourable variances are shown in brackets.

Adult Social Care Directorate: £960,000 projected overspend

10. Adult Social Care is projecting a budget pressure of £960,000. This follows a projection of a balanced budget at half year. The change is due to unprecedented increase in demand for care as well as rapid increase in cost of residential placements due to market demand and complexity of care provided.
11. The pressures in both acute hospitals (particularly Poole Hospital) to rapidly discharge residents have led to increased expenditure in a range of areas including interim and emergency care home placements. This will inevitably lead to more long-term care home placements.
12. The projected pressure of £1.864 million for care packages is a result of additional demand for care for people 65+ as well as for working age people with learning disabilities particularly individual high cost packages of care.
13. Client contributions income has recovered during the quarter, now showing greater than budget as a direct consequence of the additional demand for care mentioned above.
14. A £249,000 saving for employees' costs is forecast, mainly due to the difficulty in recruiting social work staff. The service continues to undertake recruitment activity however it has been necessary to extend agency staff placements.
15. Miscellaneous savings of £356,000 are projected mainly due to additional contributions from Health and reduced pressures in other running costs.
16. **Appendix C** provides a report from the Corporate Director for Adult Social Care setting out the updated position for the previously reported £1.4 million projected income deficit in service user contributions in the Bournemouth and Christchurch areas and the extent to which system, data quality and process improvements have enabled a revised financial forecast to be generated.

Public Health: (£410,000) surplus Partnership Reserve returned to the council

17. The Joint Public Health Board will be asked to approve the return of £410,000 to BCP Council from the Public Health Dorset reserves, to support non-recurrent spend in line with the public health grant conditions. The reserve from this ring-fenced grant will be applied to qualifying expenditure to reduce service overspends for the year.

Children's Services Directorate: £2,950,000 projected overspend

18. The projected overspend remains at the quarter two level of £2.95 million even though the pressure in Special Educational Needs (SEN) transport has increased

significantly. There remains forecast growth in demand for services and delay in the implementation of new staffing structures.

19. The cost pressure for Children in Care (CiC) has increased slightly from the quarter two position. The total CiC pressure is now £1.62 million. The amount in respect of the Christchurch area has reduced slightly to £630,000 but the Bournemouth and Poole localities has increased to £990,000 reflecting a recent spike in expensive CiC placements. There remains an element of growth in the overall forecast pressure which, if not seen in the remaining quarter, will reduce the overall CiC pressure.
20. The projected overspend for SEN Transport has increased from the quarter two position and the pressure is now forecast to be £1 million. The increase is linked with the significant pressures seen in the High Needs Block of the Dedicated Schools Grant.
21. The pressure in business support continues to be contained and it is anticipated that this will be a one-off impact with spend reduced accordingly for future years.
22. Due to insufficient time to enable restructure of the service in line with the budget profile the assumed £250,000 half year saving is delayed. This should not impact on the MTFP. The restructure was implemented in January 2020 reducing the pressure to £184,000.
23. Pressures continue to be projected in the Children's front door social work teams of £345,000 and £206,000 is being spent on interim management to provide additional support across the Directorate to make faster progress with service transformation.
24. The number of children within the Child Health and Disability Team (CHAD) is expected to be less than budgeted. This has resulted in a projected quarter three forecast underspend of £336,000.
25. Due to a continued clear budget management remit a combination of underspends have been amalgamated to offset the whole system pressure. This includes all vacancy requests being authorised at Children's Directorate Management Board. Overall there are miscellaneous savings of £558,000, including additional income from grants and traded activities.

Regeneration and Economy Directorate: £330,000 projected overspend

26. The Directorate is forecasting a £330,000 pressure, which is reduced from the quarter two projection of £472,000, a decrease of £142,000.
27. Further to the base budget review meeting for planning services it was agreed to bring consistency in the allocation and use of CIL administrative receipts and the funding of Local Development Plans. This has resulted in a combined revenue benefit for 2019/20 of £300,000 which is unchanged for quarter three.
28. The estimated pressure for concessionary fares has reduced to £330,000. The pressure is due to an increase in the price paid within the Christchurch conurbation to ensure consistency across the authority. The forecast pressure relating to street lighting has increased to £256,000 more than the extra resources set aside in the base budget due to price inflation. These overall pressures within Growth & Infrastructure are reduced by the net impact of a £100,000 saving from the renegotiation of the bus subsidy contract, extra traffic management costs and a further increase in parking income projected to be above budget by £188,000.

29. The forecast pressure for cultural attractions within Destination and Culture has increased from £164,000 at quarter two to £260,000 at quarter three. Previously reported pressures relating to museums and libraries remain resolved and have been removed. However, budget pressures associated with Highcliffe Castle have grown including utility, agency, event, rates and advertising costs plus a shortfall in income levels. Some staff budget savings within business support improve this position by £30,000.
30. The forecast pressure for Christchurch leisure centre (Two Riversmeet) staffing budget has increased by £45,000 to £175,000 from quarter two. Other leisure centre contracts have improved by £88,000 mitigating the increase and part of the initial pressure. Continual analysis of the leisure centre operation has been undertaken to ensure ongoing improvements are being implemented where practical as soon as possible.
31. Development services have experienced unexpected redundancy costs due to staff changes at the start of the year contributing a pressure of £120,000. New one-off in-year funding for two existing posts has enabled £90,000 to be mitigated leaving a £30,000 pressure.

Environment and Community Directorate: £700,000 projected overspend

32. There is a projected net budget deficit of £700,000 with the pressure purely associated with the Environment service area. This is an increase of £30,000 from the previous forecast position with none of the previously reported individual variances changing significantly over the quarter.
33. The most significant variance is the reduction in income from both the Bournemouth and Poole crematorium with a budget shortfall projected at £561,000 against the overall crematorium annual income target of £5 million. This is further to the reduction of £350,000 provided for as part of the base budget for 2019/20. This is largely due to the opening of another new private crematorium just outside the BCP conurbation with a new private chapel for ceremonies within Christchurch. The forecast has improved slightly from the anticipated increase in income from harmonising cremation fees from November 2019 and running costs at Poole crematorium being below budget.
34. A separate report setting out proposals for phase 1 of a business case to help mitigate the pressure on crematorium income is scheduled to be considered by Cabinet later in the year. It is anticipated that this will propose using resources set aside in a bereavement services specific earmarked reserve to help remodel the service.
35. Income from concessions and chargeable activity are below expectations by £201,000 in parks services, showing a slight worsening of the position last reported.
36. Both the Housing and the Community service areas are currently indicating a balanced position.

Resources Directorate and Corporate Items: £272,000 projected overspend

37. The directorate is projecting a net overspend of £272,000 which has reduced from the previous quarter reported variance of £398,000.

38. As reported last quarter the main cost pressure is the funding of the major projects team which has now decreased to a net pressure of £235,000. The cost pressure has been reduced by ensuring staff costs for work supporting services is recovered. The team recharge their full cost to the projects they support and funding for local government reorganisation ended in September. The Directorate will continue to work to manage this overspend within the established budget.
39. Since last quarter's monitoring an additional £74,000 has been released from the Brexit grant to offset the additional pressure for in house staff working on planning arrangements to exit the EU.
40. External audit costs are expected to be higher than previously assumed for 2019/20 as the auditors have agreed further work is to be carried out nationally in key risk areas. Together with the pressure identified at quarter two relating to the additional work in the audit of the 2018/19 accounts the total pressure has risen to £103,000.
41. **At Appendix D** the Corporate Director for Resources has set out the budget actions which have been identified to offset the previously reported £398,000 overspend in quarter 2 monitoring.

Central Budget Area: £448,000 projected income deficit

42. Treasury Income for the authority is forecasted to be £110,000 higher than budgeted as cash balances remain higher than expected. The treasury team continue to work hard to ensure the council can secure high returns from its limited investment balances.
43. Investment property income is expected to be £558,000 under budget specifically due to the Dolphin Centre as the guaranteed rent agreement has yet to take effect. Some of the pressure relates to previous year's assumptions around the rent reconciliation as the amount the council will have to repay. Cabinet in March is to consider the non-treasury investment strategy for 2020/21 which will be updated to reflect these issues.
44. There is potential that the Council will be distributed with a share of the NNDR levy surplus account which is estimated to be in the region of £200,000. At the time of writing this report no official confirmation of the amount or timing has come from central government, so for a matter of prudence has not been included in the figures set out in Figure 1.

Revenue Virements

45. A revenue virement is a transfer of resource between approved budgets.
46. In accordance with the Council's Financial Regulations the following rules associated with revenue virements apply (after advice from the Chief Finance Officer):
 - Virements over £1 million require prior Council approval.
 - Virements over £0.5 million and up to £1 million require prior Cabinet approval.
 - Virements within or between budget areas over £100,000 and up to £500,000 can be approved by a Corporate Director
 - Virements within their service areas up to £100,000 can be approved by Service Directors.

47. In accordance with these regulations the following revenue budget virement requires the approval of Council:

Release from the Financial Resilience reserve to support the 2019/20 annual budget – up to £2.7 million

The use of the Financial Resilience earmarked reserves to support 2019/20 annual expenditure is recommended to enable the agreed service levels and planned developments to be delivered. The alternative to the use of these reserves would be the need to scale back planned activity in the final quarter with the risk that services would be unable to deliver on their priorities.

Reserves

48. In addition to the revenue budgets of the council good practice dictates that authorities should be closely monitoring the material elements of their balance sheets that may give indications of a departure from financial plans. Two key elements of this are the performance of the council's commercial asset portfolio which is monitored in the information that will be presented to the Corporate Management Board, and the unplanned and planned use of reserves.
49. **Appendix B** presents the projected use of the council's £49 million of earmarked reserves in 2019/20. This includes the use of resources to support major transformation and step-change initiatives, management of the phasing of grants and partnership expenditure, as well as expenditure to support priorities and the delivery of efficiencies and improvements in the effectiveness of council arrangements.
50. The appendix includes the level of reserves the council can expect to receive from Dorset Council as part of the final disaggregation following local government reorganisation. The majority of reserves which have transferred remain earmarked for the specific purposes set up by Dorset County Council. The balance has been added to the 1 April 2019 actual balances columns.
51. Explanations for significant anticipated movements in earmarked reserves during 2019/20 which were not predicted at September and not mentioned elsewhere in this report are set out below. Figures in brackets are either increases to reserves or a reduced use compared to the previous quarter;

Financial Resilience Reserves

- | | |
|-----------------------------|--|
| a) £2.7 million | Financial Resilience Reserves
Expected use of financial resilience reserves as per Figure 1 and paragraph 47 of this report |
| b) (£2.1 million) | Financial Liability Reserve
Balance Sheet movement for the share of Dorset County Council disaggregated unearmarked balance to mitigate the deficit on the Dedicated Schools Grant budget |
| c) £600,000 /
(£600,000) | Financial Planning Reserve / Financial Liability Reserve
Movement between reserves to provide further mitigation for the deficit on the Dedicated Schools Grant budget |

Transition and Transformation Reserves

- d) £2.2 million Transition and Transformation costs
Projected cost of redundancies in 2019/20 as part of the ongoing transformation of the council.

Held in Partnership for External Organisations

- e) £400,000 Clinical Commissioning Group Emotional Wellbeing and Mental Health
Drawn down by Adult Services to support services in 2019/20

Government Grants

- f) £3.9 million Government Grants
Lower than previously assumed use of government grants. Most significant in relation to the use of the Troubles Families Grant.

Corporate Priorities & Improvements

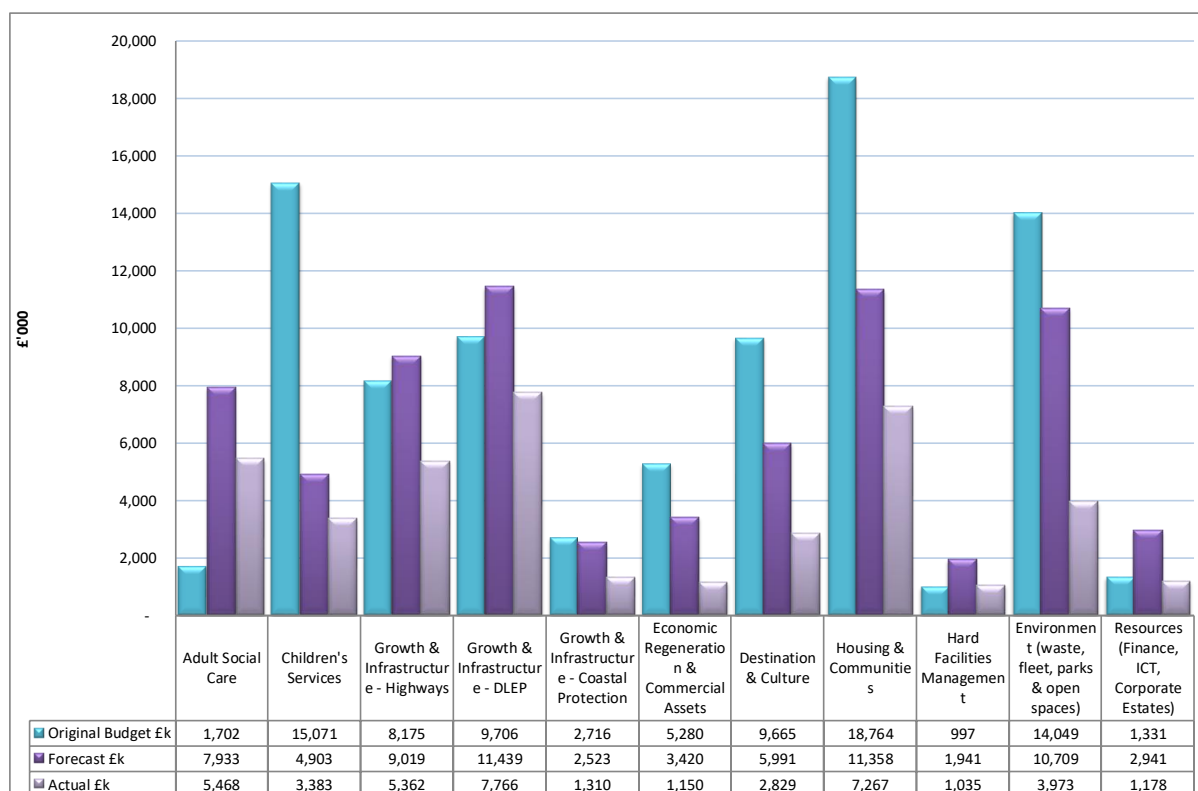
- g) £1.0 million Other Corporate Priorities & Improvements
Largest change due to the estimate £395k use of the Community Housing Fund.

Dedicated Schools Grant (DSG)

52. The latest position for 2019/20 is a forecast in-year deficit of £1.9 million (0.9 million more than forecast at the end of quarter two). This is in addition to the estimated net £3.6 million deficit brought forward from legacy councils. The in-year deficit position for 2019/20 takes into account £1 million of additional forecast DSG as reported at quarter two.
53. The growing deficit is a result of further pressures in high needs, with the forecast in-year deficit for this block of expenditure now estimated at £2.7 million (previously £2 million). The rise is due to a growing caseload of pupils with special educational needs as well as fee increases from independent special schools. The large fee increases are the result of the national increase in teacher's pension contributions with only a small grant allocation to the council from the DfE to offset these costs.
54. A funding gap of £7 million has been identified for 2020/21. Children's Services are working with schools and other stakeholders to develop strategies to reduce this potential deficit. However, whilst there will be some impact in the short term, given the scale of the problem, it will take more than one year to deliver a sustainable budget position.
55. Separate reports on the meeting agenda consider the DSG budget for 2020/21 in greater detail and within the context of the MTFP.

Capital Budget Monitoring

56. The Council's budgeted Capital Investment Programme (CIP) covers general fund capital expenditure only. Housing Revenue Account (HRA) related capital spend is reported separately in this report.
57. In February 2019 BCP Shadow Council approved a CIP budget of £87.5 million. The CIP has been updated since to include new approved capital projects, budget virements and unspent capital resource from 2018/19 to 2019/20. It has also been refreshed this quarter to reflect revised project delivery timelines for larger capital projects. As a result the approved CIP budget for 2019/20 has decreased from £87.5 million to £72.2 million.
58. Councillors are asked to note that approved capital budgets reprofiled from 2019/20 into 2020/21 will be included within CIP Budget 2020/21, to be considered by Council as part of the Budget MTFP 2020/21 report. Reprofiled reflects best estimates as at 31 December 2019. Any slippage in current year capital budgets (not identified through reprofiling already undertaken) will be added to the CIP Budget 2020/21 at 31 March 2020.
59. Figure 3 illustrates spend to date at the end of quarter three by council theme, in comparison with forecast full year planned spend of £72.2 million and original budget of £87.4 million.
60. **Figure 3: Quarter three CIP £40.7 million year to date spend (56% of current full year forecast)**



Update Report - CIP priority schemes

61. Adults Social Services

- No significant reprofiling of capital budget from 2019/20 to 2020/21 has been undertaken this quarter.

62. Children's Services

- In total around £13 million of the original budget has been reprofiled into the CIP for 2020/21. This relates predominantly to Carter Community School, Hillbourne School and Avonbourne Academy capital projects.
- The Council continues to work closely with the United Learning Trust for completion of expansion works at Carter School - the subject of a separate report within the MTFP Budget Papers.

63. Growth & Infrastructure - Highways Routine & Structural Maintenance

- The council is committed to promoting more environmentally sustainable means of travel across the conurbation. The council's strategic outline business case for government grant funding from the Transforming Cities Fund (TCF) was submitted 28 November 2019, with outcome expected in February / March 2020. If successful, the bid will generate a significant increase in capital funding for sustainable transport scheme delivery over three years from April 2020 to April 2023.
- This funding will be in addition to annual Local Transport Plan (LTP) government grant funding of around £6.8 million expected to be received by the council in 2020/21, to cover planned structural maintenance and integrated transport works.
- Full year forecast capital spend for 2019/20 includes £0.8 million LTP funded spend to finance TCF strategic outline business case submission. Around £0.4 million of this budget is forecast in quarter four to cover a range of early costs including communications to commence development of a sustainable transport campaign, engineering teams to continue preliminary development of the likely funded proposals, and programme management.

64. Growth & Infrastructure - Major Road Network Improvements

- In partnership with the Dorset Local Enterprise Partnership (DLEP), £6.5 million investment in 'Big Programme' major highways improvement schemes is forecast this financial year - consisting of Blackwater East Junction, Cooper Dean, A338 Widening and Wessex Fields projects. A338 widening (including the Cooper Dean stretch), and Blackwater East Junction works are complete. Work is ongoing on Blackwater West improvement works (commenced in summer 2019, with planned completion in spring 2020) and Wessex Fields Phase 1.1. In addition to planned spend of £6.5 million this year, a further £5 million planned spend has been profiled into the CIP 2020/21 budget, to better reflect current estimated project delivery timelines (total £11.5 million planned council spend on the 'Big Programme'). Of the total, £0.9 million of the planned 2020/21 spend relates to the Cooper Dean scheme which is largely now complete. The council is currently seeking DLEP approval to re-allocate this budget to the Wessex Fields scheme to extend Phase 1.1 to the employment site boundary.
- The planned spend profile for the council's DLEP funded Townside Access to the Port of Poole programme has been adjusted to reflect revised project delivery timeline.

65. Growth & Infrastructure - Coastal Protection

- In October the Council approved the next phase of the 'Poole Bay - Beach Management Scheme' - to provide ongoing coastal protection to the coastal frontages of Bournemouth, Christchurch and Poole. In doing so, the Council approved up to £3.3 million local contribution over a seven-year period, towards programme delivery. In addition, residual unspent £1.3 million approved capital spend in relation to the current phase of the project has been reprofiled into the CIP 2020/21.
- Officers will also continue to prepare new business cases to secure Environment Agency grant funding earmarked to BCP Council for new coastal protection and flood defence projects.

66. Economic Regeneration & Commercial Assets

- The council continues to work closely with BH Live to develop a long-term strategy for the Bournemouth International Centre (BIC) and in December approved a new interim short to medium term investment programme, to complement and be implemented in line with the its longer- term feasibility options study.

67. Destination & Culture

- The Council continues to consider options for cliff stabilisation works and seafront development in the Canford Cliffs area. This work is part of the council's longer term strategic seafront development strategy and capital budget has been reprofiled into the CIP 2020/21 accordingly.
- Good progress has been made with the delivery of other capital projects across the Poole area of the seafront, with live construction sites at Shore Road, Shore Road East (block 8) and Branksome Chine. Connectivity work also forms part of these projects. Each of these projects is expected to complete before April 2020.
- In early October the Ministry of Housing, Communities and Local Government (MHCLG) Coastal Communities Fund confirmed the council has been successful in its £2.4 million bid to develop a new eco-friendly hub building and refurbish existing Waste Transfer Station and yard at Durley Chine. The bulk of this spend is anticipated within the CIP 2020/21.

68. Housing & Communities

- The council's new 46-unit housing development at the St Stephen's site is progressing to schedule and is expected to complete within budget. Approved budget spend has been profiled within the CIP in line with programme delivery timeline.
- The original budget has been increased to reflect council approved Princess Road and Prince of Wales Road site development - to include a new 20-bed family hostel and 34 new private rented sector housing units within its General Fund. In addition the Bournemouth Neighbourhood Housing Revenue Account (BNHRA) will facilitate development of a further 22 new shared ownership homes and 65 homes at affordable rent at the same site.

69. Hard Facilities Management

- Approved 'hard' facilities management investment to address BH Live and civic estate asset management and backlog maintenance works is ongoing. The council

has also approved a feasibility study to inform the long-term strategy for the Bournemouth International Centre (BIC).

70. Environment

- Fleet replacement strategy - procurement is underway to acquire vehicles in line with fleet management capital budget approved by Council February 2019 and Cabinet in January 2020. 2019/20 capital budget reflects spend on vehicles currently expected to be received prior to 31 March 2020.

71. Resources

- The Council continues to invest in its ICT Infrastructure. To date around 30 percent of approved full year budget has been committed. In utilising its approved ICT infrastructure investment budget the Council is mindful of the implications of its future transformation programme (as informed by the work of KPMG). To this end, £0.5 million of ICT WAN related spend has been reprofiled into 2020/21. A further £0.2 million of spend has been repurposed from existing ICT approved capital budgets to a new 'LGR Transformation - ICT Investment' capital budget within the CIP. This budget will fund 2019/20 ICT investment anticipated in advance of the start of the longer term transformation programme. The current 2019/20 ICT capital budget includes £1.9 million spend for desktop replacements. Of this budget, £1.4 million remains uncommitted as at 31 December. The council awaits the results of the transformation programme prior to committing significant amounts of this budget.

Funding of the Capital Investment Programme 2019/20

72. The council continues to rely on its own resources - capital reserves, borrowing (the costs of which are included within the MTFP) and capital receipts from disposal of its assets - to deliver the 2019/20 CIP.
73. Planned CIP 2019/20 spend of £31.4 million is funded from external Government Grants.
74. The CIP assumes £4.2 million of Community Infrastructure Levy (CIL) / s106 funding will be available this financial year to support the 2019/20 capital programme. Work is ongoing to provide assurance over the level of CIL / s106 the Council has received payment for (as opposed to 'invoiced but not yet received'). CIL / s106 cash sums will be compared with CIP CIL / s106 planned utilisation, to mitigate the risk of funds being committed in advance of receipt. In addition to this, work on disaggregation of budgets from Dorset Authority has already identified £533,000 of s106 funding in relation to Blackwater Junction works that will be available to help finance 2019/20 capital spend.
75. The Table below summarises funding available for the £72.2 million CIP 2019/20.

BCP - Capital Investment Programme 2019/20	£000
	72,176

Government Grant		31,403
Third Party Receipts		525
CIL / s106		4,176
External Funding Sources	50%	36,104
Earmarked Reserves		1,765
Capital Receipts		2,912
Capital Fund (Revenue Funding for Capital)		7,881
Prudential Borrowing		23,155
Supported Borrowing		358
BCP Funding Sources	50%	36,072

Total funding requirement	72,176
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76. There are no capital budget virements and adjustments in the CIP requiring the approval of either Cabinet or Council this quarter.

Housing Revenue Account (HRA)

77. The Housing Revenue Account (HRA) is a separate account within the Council that ring-fences the income and expenditure associated with the Council's housing stock. The HRA does not therefore directly impact on the Council's wider General Fund budget.

78. Within the HRA the council operates two separate neighbourhood accounts. The Bournemouth account comprises of 5,100 tenanted properties and is directly managed in-house by the Council. The Poole account comprises of 4,517 tenanted properties and is managed by Poole Housing Partnership (PHP). PHP operate as an Arm's Length Management Organisation (ALMO) in line with a Management Agreement with the Council.

Bournemouth Neighbourhood Account

79. Figure 4 below presents the Bournemouth neighbourhood HRA for the period 1 April 2019 to 31 December 2019. The forecast year-end position to 31 March 2020 is a balanced position with net variances forecast to increase the revenue contribution to capital above budget by £556,000.

80. There is below budget spend for the depreciation charge of £411,000 and interest payable of £402,000 to reflect updated calculations with the budget not reflecting recent trends. Supervision and management costs are projected ahead of budget by £163,000 due to additional staff costs.

Figure 4: Bournemouth Neighbourhood Housing Revenue Account

	December Actuals £000s	Approved Budget £000s	Forecast Outturn £000s	Variance £000s
Income				
Dwelling Rents	(16,747)	(22,407)	(22,393)	14
Non-Dwelling Rents	(122)	(114)	(144)	(30)
Charges for Services and Facilities	(415)	(1,199)	(1,195)	4
Contributions towards expenditure	(91)	(535)	(582)	(47)
Total Income	(17,375)	(24,255)	(24,314)	(59)
Expenditure				
Repairs and Maintenance	3,844	5,186	5,209	23
Supervision and Management	3,623	7,503	7,666	163
Rent, rates, taxes and other charges	246	156	248	92
Bad or Doubtful debts	0	188	188	0
Capital financing costs (debt management)	0	78	75	(3)
Depreciation Dwellings	0	7,296	6,885	(411)
Depreciation Non-Dwellings	0	22	100	78
Capital Charges (net)	1,238	2,889	2,487	(402)
Contribution new builds	0	900	1,456	556
Total Expenditure	8,951	24,218	24,314	96
(Surplus) / Deficit	(8,425)	(37)	0	37

81. Figure 5 below presents the monitoring position in respect of the capital programme for the Bournemouth neighbourhood account. The 'New Build & Acquisition Programme' original budget of £13.3 million approved in February 2019 was a 'single pot' allocation from which a programme of planned major capital schemes would be funded. This budget was adjusted by £10.3 million in quarter two to reflect:

- Re-profiling of £4.3 million Moorside Development capital budget to 2020/21 and 2021/22 (pending outcome of public enquiry in March 2020)
- Removal of £2.2 million capital budget for the St George's Development (a new build acquisition which is no longer progressing).
- A further £3.8 million technical accounting adjustment was made in quarter two in relation to hostel related spend.

82. Figure 5 below itemises how the residual £3 million 'single pot' 'New Build & Acquisition Programme' budget has been allocated to major capital projects within the Bournemouth neighbourhood HRA. The timeline (and associated budgeting) for new build developments is difficult to predict but the pipeline of new build homes to come forward beyond the current financial year remains positive.

83. Looking ahead, the Bournemouth neighbourhood HRA Capital Programme 'New Build Acquisition Programme' budget 2020/21 for Cabinet review in February 2020 will set out some of the major projects planned (as opposed to a 'single pot'), and

each significant scheme will be individually approved by subsequent Cabinet meetings as the year progresses.

Figure 5: Bournemouth Neighbourhood HRA – Capital Programme

	Decmber Actuals £000s	Approved Budget £000s	Forecast Outturn £000s	Variance £000s
New Build & Acquisition Programme	0	13,345	0	(13,345)
Major Projects				
Northbourne Day Centre	260	0	925	925
Charminster Close (garage site)	534	0	696	696
Princess Road Development	58	0	381	381
Helyar Road	264	0	270	270
Barrow Drive (garage site)	0	0	198	198
Luckham Road / Charminster Road	0	0	150	150
Various programmes under £100k	64	0	361	329
Contingency	0	0	63	96
New Build & Acquisition Programme	1,181	13,345	3,045	(10,300)
Windows	270	1,200	1,200	0
Bathroom Refurbishments	722	950	950	0
Kitchen Refurbishments	650	850	850	0
Disabled Adaptions	411	760	760	0
External Works	298	750	750	0
Fire Precautions / Detectors	332	600	600	0
Boiler Replacements	297	500	500	0
Re-roofing	112	300	300	0
Doors	31	300	300	0
Bedroom Extensions	3	200	200	0
Hot Water Systems	92	120	120	0
Insulation / Energy Efficiency	9	100	100	0
Rewiring	81	100	100	0
Common Areas	59	100	100	0
Various programmes under £100,000	691	539	875	336
Contingency	0	350	0	(350)
Staff time allocated to capital projects	0	331	331	0
Planned Maintenance Programme	4,058	8,050	8,036	(14)
Total Capital Programme	5,239	21,395	11,081	(10,314)

Poole Neighbourhood Account

84. Figure 6 below presents the Poole neighbourhood HRA for the period 1 April 2019 to 31 December 2019. The forecast year-end position to 31 March 2020 has increased to a shortfall of £191,000 (previously £121,000) on the planned Revenue Contribution to Capital Outlay (RCCO). The key reason for the variance is reduced income largely from dwelling rents of £177,000 due to delay in the delivery and occupation of the Canford Heath road scheme.

Figure 6: Poole Neighbourhood Housing Revenue Account

	December Actuals £000s	Approved Budget £000s	Forecast Outturn £000s	Variance £000s
Income				
Dwelling Rents	(14,962)	(19,855)	(19,678)	177
Non-Dwelling Rents	(15)	(37)	(37)	0
Charges for Services and Facilities	(779)	(1,316)	(1,303)	13
Contributions towards expenditure	(52)	(52)	(52)	0
Other Income	(52)	(235)	(234)	1
Canford Shared Ownership Receipts	0	(716)	(716)	0
Total Income	(15,860)	(22,211)	(22,020)	191
Expenditure				
Repairs and Maintenance	3,256	5,237	5,237	0
Supervision and Management	2,321	4,316	4,338	22
Rent, rates, taxes and other charges	12	158	158	0
Bad or Doubtful debts	0	197	197	0
Capital financing costs (debt management costs)	0	103	103	0
Depreciation Dwellings	0	4,882	4,882	0
Capital Charges (net)	1,443	3,020	2,998	(22)
Contribution to the new build	0	4,298	4,107	(191)
Total Expenditure	7,032	22,211	22,020	(191)
(Surplus) / Deficit	(8,828)	0	0	0

85. In addition, Figure 7 below presents the monitoring position in respect of the capital programme for the Poole neighbourhood account.

86. The February 2019 report to Council agreed a £14.5 million capital programme, including estimated carry forwards from 2018/19 into 2019/20. The final carried forward budget at outturn increased the 2019/20 programme to £17.2 million. This increase of £2.7million is largely due to slippage on the Canford Heath project.

87. In September, the Council approved a £750,000 increase to the small projects budget to support the buy-back of properties relating to Project Admiral. During

Quarter 3 the acquisitions budget was approved of £450,000 bringing the total budget to £18.4 million.

Figure 7: Poole Neighbourhood HRA – Capital Programme

	December Actuals £000s	Revised Budget £000s	Forecast Outturn £000s	Variance £000s
Basic Planned Maintenance				
External Doors	50	150	115	(35)
Boiler Replacement Programme	538	612	759	146
Windows	330	500	500	0
Building External – All schemes	10	490	141	(349)
Fire Risk Remedial works	175	988	688	(300)
Electrical Works	153	400	190	(210)
Kitchen Replacement Programme	288	365	464	99
Building Envelope (Seddons)	424	306	452	146
Roofing	168	379	379	0
Bathrooms	82	218	220	(2)
Various programmes under £100,000	437	725	798	78
Capitalised PHP Salaries	348	522	522	0
Other Planned Maintenance				
Information Technology Capital Costs	310	535	535	0
Disabled Adaptions	177	350	350	0
Sustainability	22	100	100	0
Small Planned Maintenance projects	30	86	86	0
Major Projects				
Canford Heath Road	1,827	3,576	3,576	0
Herbert Avenue	8	2,509	380	(2,129)
Tower Blocks (Old Town)	12	1,950	360	(1,590)
New Build in-fill	2	1,000	50	(950)
Sprinklers	0	600	10	(590)
Small Sites Programme	1,170	950	1,026	76
Cladding	(185)	500	50	(450)
Cynthia House	86	300	315	15
Hillbourne School Site	38	255	122	(133)
Total	6,500	18,366	12,187	6,179

88. The forecast variance against the revised programme at this stage is reduced spend of £6.2 million from the re-phasing of a number of projects, the largest of which is the Herbert Avenue Modular Scheme of £2.1 million. These budgets will be carried forward into the 2020/21 programme.

89. Actual spend at the end of the third quarter represents 53 per cent of the annual forecast.

Companies and partner organisations

90. The financial sustainability of the Council could also be affected by the performance of partners and subsidiary in which it has a financial interest. Such entities can be listed as;

- a. Poole Housing Partnership
- b. Bournemouth Building & Maintenance Ltd
- c. Seascope Group Ltd
- d. Seascope South Limited
- e. Seascope Homes and Properties Limited
- f. Five Parks Charity
- g. Lower Central Gardens Trust
- h. Russell-Coates Art Gallery & Museum Charitable Trust
- i. The Bournemouth Development Company LLP
- j. Tricuro
- k. Aspire Adoptions

91. Each of these entities has their own governance framework and their own arrangements for reporting their financial and operating performance. The performance will be reported when disclosed publicly by these associated organisations.

Reporting assumptions

92. Budget monitoring reports as set out are produced by BCP Financial Services, with monitoring information for the Poole HRA Neighbourhood Account being produced by Poole Housing Partnership.

93. Actual expenditure and income is that posted to the council's financial ledger as at 31 December 2019 and covers the period from 1 April 2019.

94. The profile of expenditure and income is based on service estimates as known, with all significant variances investigated. Only those items of a significant or exceptional nature are reported, along with those requiring member decisions for other reasons.

Consultation

95. The BCP Corporate Management Board has reviewed the information provided in this report and the relevant Corporate Directors, Directors of Services and budget holders have provided information as necessary.

Options appraisal

96. This report provides financial performance information, and as a result there are no alternative options to consider.

Summary of financial implications

97. The effective management of the Council's budget is fundamental to the good governance of the organisation. Failure to monitor and manage the finances of the organisation will affect the financial health and wellbeing of the council. The council

will not be able to develop a sustainable MTFP and will not be able to effectively invest in its service priorities if it fails to recognise and address any identified financial pressures.

Summary of legal implications

98. It is a legal requirement of the council to monitor its budget during the financial year, take remedial action if necessary and to produce a statutory set of accounts within the prescribed deadlines.

Summary of human resources implications

99. None specifically related to this report.

Summary of sustainability impact

100. None specifically related to this report.

Summary of public health implications

101. None specifically related to this report.

Summary of equality implications

102. Any variations to budgets require the responsible officers to be mindful of the equality implications within the Council. Individual budget holders will consider and address any such implications in line with their service specific equality impact assessments.

Summary of risk assessment

103. This report and the outlined actions will form part of the mitigation strategy to ensure that the Council is identifying when prompt management intervention and action is needed to avoid an adverse impact on future service delivery or the achievement of future corporate objectives.

Background papers

104. The 2019/20 Budget and Consolidated MTFP Update for Bournemouth, Christchurch and Poole Council which was approved by the BCP Shadow Authority on the 12 February 2019 can be found at;

105. <https://moderngov.bcpshadowauthority.com/ieListDocuments.aspx?CId=136&MIId=123&Ver=4>

106. Quarter One Budget and Performance Monitoring report 2019/20
<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?CId=285&MIId=3721&Ver=4>

107. Quarter Two Budget Monitoring Report 2019/20
<https://democracy.bcpCouncil.gov.uk/mgChooseDocPack.aspx?ID=3723>

Appendices

- Appendix A Forecast Annual Revenue Variances greater than £100,000 by Directorate
- Appendix B Forecast use of Reserves in 2019/20
- Appendix C Report on service user contributions in the Bournemouth and Christchurch areas and system changes to facilitate forecasting improvements from the Corporate Director of Adult Social Care.
- Appendix D Report on the 2019/20 Directorate Budget Position from the Corporate Director of Resources

Forecast Annual Revenue Variances greater than £100,000

Adult Social Care & Public Health

Budget	Explanation	Sept Variance £000's	Dec Variance £000's	Change £000's
Employee Costs	Vacancies due to recruiting difficulties	(381)	(249)	132
Care packages	Pressure due to additional demand for provision of care and increased cost of residential placements	(1,107)	1,864	2,971
Service User contributions	Service user contributions now above budget	1,397	(299)	(1,696)
Other Social Care Activities	Miscellaneous variance of smaller scale	91	(356)	(447)
Total Adult Social Care		0	960	960
Public Health – from distribution of reserves to partners		0	(410)	(410)
Total in Table 1		0	550	550

Children's Services Directorate

Budget	Explanation	Sept Variance £000's	Dec Variance £000's	Change £000's
Specific Service Costs				
Children in Care (CiC)	Higher number of cases inherited from the Christchurch area.	795	630	(165)
Children in Care (CiC)	Increase in Bournemouth & Poole localities reflecting a spike in expensive CiC placements.	705	990	285
Operational Staff costs	Legacy staffing pressures on the front door Social Work teams across BCP	345	345	0
Business Support of front-line teams	Legacy support arrangements for supporting front line operational teams.	200	200	0
SEN Transport	Further growth in numbers & associated cost of pupils eligible for SEN transport.	538	1,020	482
Home to School Transport	Quarter 3 reflects a slight decrease in Home to School Transport pressure.	292	205	(87)
Staff costs	Impact of restructure implementation from January 2020.	184	184	0
Interim Management	Additional resources during creation of new service and service improvement and to allow handover between current and new Directors.	206	270	64
Various	Result of micro budget management to offset pressures in the whole system as well as additional income from grants and traded activities	(315)	(558)	(243)
CHAD	The numbers of children within the Child Health and Disability Team (CHAD) is expected to be less than budgeted.	0	(336)	(336)
Total Children's Services		2,950	2,950	0

Regeneration and Economy Directorate

Budget	Explanation	Sept Variance £000's	Dec Variance £000's	Change £000's
Growth & Infrastructure				
Concessionary Fares	Price increase for the Christchurch area	346	330	(16)
Street Lighting	Higher levels of electricity price inflation than provided	215	256	41
Bus Subsidy	Renegotiated contract savings	(100)	(100)	0
Car Parking	Increased Income	(89)	(188)	(99)
Planning Services	Consistent approach to funding	(300)	(300)	0
Total		72	(2)	(74)
Development				
Property Services	Staff redundancy costs	120	120	0
Economic Development	Additional funding for staff	0	(90)	(90)
Total		120	30	(90)
Destination and Culture				
Two Riversmeet	Staffing costs with legacy budget issues.	130	175	45
Two Riversmeet	Additional income through improved product offer	(15)	(15)	0
Leisure Centres	Contractual improvements	0	(88)	(88)
Castle, Upton House, Museums and Libraries	Highcliffe Castle reduced income and extra costs plus Upton Country Park reduced income and extra maintenance	164	260	96
Seafront	Beach hut income and concession income	1	0	(1)
Business Support	Staffing vacancies	0	(30)	(30)
Total		280	302	22
Total Regeneration & Economy		472	330	(142)

Environment & Community Directorate

Budget	Explanation	Sept Variance £000's	Dec Variance £000's	Change £000's
Environment				
Bereavement	Reduced income from cremations, largely due to opening of a new private facility also offering ceremonies in the BCP area.	567	561	(6)
Parks	Income from concessions and chargeable services below expectations.	193	201	8
Waste & Cleansing	Dorset Waste Partnership anticipated underspend.	(107)	(91)	16
Other variances individually < £100,000	Highways maintenance additional costs and Recreation and Sports loss of income from concession ending	17	29	12
Housing		0	0	0
Communities		0	0	0
Total Environment & Community		670	700	30

Resources Directorate and Corporate Items

Budget	Explanation	Sept Variance £000's	Dec Variance £000's	Change £000's
ICT				
Staffing	Combination of vacancy factor and small pressures	37	10	(27)
Organisational Development				
Major Projects Team	LGR Funding up to the end of September for existing structure. No funding thereafter. Reduction from quarter 3 due to allocation to projects with cost recovery.	371	235	(136)
Other	Additional Staff costs and reduced income recovery	8	86	78
Law and Governance				
Land Charges Income	Wider external factors affecting income generation. Pressure now offset with various saving across the service unit.	140	45	(95)
Other	Higher than anticipated income from Registrars (£80,000), less additional staff costs £8,000	(72)	(72)	0
Finance				
External Audit Fees	Additional work for 2018/19 and 2019/20 on assets and pensions to comply the code of audit practice.	24	50	26
External Audit Fees	Difference between actual core audit costs compared to budget based on indicative scale fee.	0	51	51
Finance System	Higher than expected annual system licences	25	25	0
Revenues and Benefits	SVPP surplus returned to BCP Council	(109)	(109)	0
Revenues and Benefits	Various Revenues and Benefit legacy budget issues.	0	51	51
Other variances individually < £100,000	New standby arrangements from September 2019 (£18,000), Brexit grant allocated to staff costs (£74,000) and reduced contribution to Civil Contingency unit (£8,000)	(26)	(100)	(74)
Total Corporate Services		398	272	(126)

BCP Council - Earmarked Reserves

Detail	01/04/19 Actual Balances	Balance Sheet Movement	Estimated Movements	31/03/20 Estimated Balances
	£000's	£000's	£000's	£000's
(A) - Financial Resilience Reserves	(11,043)	(2,100)	2,764	(10,379)
(B) - Transition and Transformation Reserves	(12,683)	0	10,265	(2,418)
(C) - Asset Investment Strategy Rent, Renewals and Repairs	(2,500)	0	390	(2,110)
(D) - Insurance Reserve	(3,500)	0	0	(3,500)
(E) - Held in Partnership for External Organisations	(4,144)	0	744	(3,400)
(F) - Required by Statute or Legislation	(4,163)	0	754	(3,409)
(G) - Planning Related	(745)	(521)	50	(1,216)
(H) - Government Grants	(7,034)	0	3,947	(3,087)
(I) - Maintenance	(1,792)	0	908	(884)
(J) - ICT Development & Improvement	(750)	0	370	(380)
(K) -Corporate Priorities & Improvements	(3,239)	0	1,342	(1,897)
Forecast Earmarked Reserve Balance - 31 March	(51,593)	(2,621)	21,534	(32,680)

(A) - Financial Resilience Reserves

	01/04/19 Actual £000's	Balance Sheet £000's	Movement £000's	31/03/20 Estimated £000's
Designed to provide the Council with the ability to manage any emerging issues recognising the 2020/21 Budget has been formed based on the experience of operating the new BCP for nine months. The Financial Planning Earmarked Reserve will enable structural budget adjustments to be implemented in a measured and planned for way. The Financial Liability Reserve has been established to mitigate the deficits on the Dedicated Schools Grant Budget (principally the High Needs Budget deficit) which have to be held against Unearmarked Reserves				
Financial Liability Reserve	(2,800)	(2,100)	(600)	(5,500)
Financial Planning Reserve	(1,492)	0	600	(892)
Financial Resilience Reserves	(6,500)	0	2,714	(3,786)
Other Financial Resilience Reserves	(251)	0	50	(201)
Financial Resilience Reserves	(11,043)	(2,100)	2,764	(10,379)

(B) - Transition and Transformation Reserves

	01/04/19 Actual £000's	Balance Sheet £000's	Movement £000's	31/03/20 Estimated £000's
Purpose: Resources set aside to support the one-off change costs of creating the new council including the phase three transformation programme. Includes the council's contribution to support the deficit on the Dedicated Schools Grant (DSG) high needs budget which is a one-off contribution for 2019/20 only.				
Transitional and Transformation Costs	(3,000)	0	2,602	(398)
BCP Programme Resources - Costs originally profiled for 2019/20	(1,178)	0	1,178	0
BCP Programme Resources - Costs reprofiled from 2018/19	(4,005)	0	4,005	0
BCP Programme Resources - Pay and Reward Strategy	(2,100)	0	80	(2,020)
High Needs Block - One Off Contribution towards 2019/20 Deficit	(2,400)	0	2,400	0
Transition and Transformation Reserves	(12,683)	0	10,265	(2,418)

(C) - Asset Investment Strategy Rent, Renewals and Repairs

	01/04/19 Actual £000's	Balance Sheet £000's	Movement £000's	31/03/20 Estimated £000's
Purpose: Resources set a side as part of the process of managing annual fluctuations in the rent, landlord repairs and costs associated with the councils commercial property acquisitions as set out in the Non Treasury Asset Investment Strategy.				
Asset Investment Strategy Rent, Renewals and Repairs	(2,500)	0	390	(2,110)

(D) - Insurance Reserve

	01/04/19 Actual £000's	Balance Sheet £000's	Movement £000's	31/03/20 Estimated £000's
Purpose: Reserve to enable the annual fluctuations in the amounts of excesses payable to be funded without creating an in-year pressures on the services. Subject to ongoing review by an independent third party.				
Insurance Reserve	(3,500)	0	0	(3,500)

(E) - Held in Partnership for External Organisations

	01/04/19 Actual £000's	Balance Sheet £000's	Movement £000's	31/03/20 Estimated £000's
Purpose: Amounts held in trust on behalf of partners or external third party organisations.				
- Dorset Waste Partnership	(202)	0	0	(202)
- Dorset Adult Learning Service	(902)	0	0	(902)
- Stour Valley and Poole Partnership	(898)	0	196	(702)
- CCG Emotional Wellbeing and Mental Health	(788)	0	400	(388)
- Dorset CCG Carers Funding	(275)	0	0	(275)
- Local Economic Partnership	(1)	0	1	0
- Post 16 Service	(88)	0	88	0
- Flippers Nursery	(38)	0	0	(38)
- Public Health	(56)	0	56	0
- Adult Safeguarding Board	(43)	0	0	(43)
- Dorset Youth Offending Service Partnership	(262)	0	(20)	(282)
- Music and Arts Education Partnership	(314)	0	16	(298)
- Bournemouth 2026	(225)	0	0	(225)
- Bournemouth 2026 - West Howe Bid	(45)	0	0	(45)
- Aspire Adoption CSC	(7)	0	7	0
Held in Partnership for External Organisations	(4,144)	0	744	(3,400)

(F) - Required by Statute or Legislation

	01/04/19 Actual £000's	Balance Sheet £000's	Movement £000's	31/03/20 Estimated £000's
Purpose: Amounts which the council is required to hold as a reserve in line with current accounting practice or legislative requirements.				
Building Regulation Account	(128)	0	0	(128)
Bournemouth Library Private Finance Initiative (PFI)	(407)	0	0	(407)
Carbon Trust	110	0	0	110
Business Rates Levy payments annual variation reserve	(2,984)	0	0	(2,984)
Business Rates 19/20 Settlement Grant - paid 18/19 - Surplus national levy/saftey net account	(754)	0	754	0
Required by Statute or Legislation	(4,163)	0	754	(3,409)

(G) - Planning Related

	01/04/19 Actual £000's	Balance Sheet £000's	Movement £000's	31/03/20 Estimated £000's
Purpose: Reserves designed to support planning processes and associated planning activity where expenditure is not incurred on an even annual basis.				
Local Development Plan Reserve	(494)	(81)	0	(575)
Planning Hearing and Enforcement Reserve	(123)	0	0	(123)
Other Planning Related Reserves	(128)	(440)	50	(518)
Planning Related	(745)	(521)	50	(1,216)

(H) - Government Grants

	01/04/19 Actual £000's	Balance Sheet £000's	Movement £000's	31/03/20 Estimated £000's
Purpose: Amounts which the council is required to hold as a reserve in line with specific grant conditions.				
Total Unspent Grants	(7,034)	0	3,947	(3,087)

(I) - Maintenance

	01/04/19 Actual £000's	Balance Sheet £000's	Movement £000's	31/03/20 Estimated £000's
Purpose: Reserves and sinking funds designed to support maintenance investments in specific services or assets.				
Corporate Maintenance Fund	(417)	0	290	(127)
Other Maintenance Related Reserves	(1,375)	0	618	(757)
Maintenance	(1,792)	0	908	(884)

(J) - ICT Development & Improvement

	01/04/19 Actual £000's	Balance Sheet £000's	Movement £000's	31/03/20 Estimated £000's
Purpose: Resources set aside to meet various ICT improvement projects				
ICT Development & Improvement	(750)	0	370	(380)

(K) -Corporate Priorities & Improvements

	01/04/19 Actual £000's	Balance Sheet £000's	Movement £000's	31/03/20 Estimated £000's
Purpose: Amounts set a side to deliver various priorities, some of which will be of a historical nature inherited from the predecessor authorities.				
Welfare Reform Reserve / Hardship Fund	(121)	0	0	(121)
Capital Feasibility and Small Works Fund	(500)	0	500	0
Local Elections Reserve	(17)	0	(170)	(187)
Other Corporate Priorities & Improvements	(2,601)	0	1,012	(1,589)
Corporate Priorities & Improvements	(3,239)	0	1,342	(1,897)

Please note:

(a) The adoption of accounting policies for BCP Council will mean that the total earmarked reserves of the predecessor councils does not match the 1 April 2019 balances shown above. This is due to historical inconsistency in how certain items have been categorised in predecessor Council balance sheets.

(b) Any reserves transferred from Dorset County Council, not needed for a specific purpose will be added to the transformation and transition earmarked reserve.

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Corporate Director Adult Social Care Report	
Reason for Report	In the Budget Monitoring Report to Cabinet on 11 September 2019, the Corporate Director Adult Social Care was “requested to set out in the 2019/20 Budget Monitoring Report for second quarter the steps being taken to ensure the integrity of the data within the MOSAIC Case Management System. This report to include the progress made in developing the functionality of the MOSAIC system in order that payments and billing are automated and robust financial forecasts can be generated.” This report is a further progress report following a report appended to the Quarter Two Budget Monitoring Report presented to Cabinet on 13 th November 2019.
Summary of Issues and Actions Taken	<p>Significant progress has been made in the programme of work to ensure timely receipt of income from people who pay for their adult social care services. This has included implementation of recommendations from of an end to end review of adult social care financial processes; development of the MOSAIC system and improving data integrity and accuracy.</p> <p>At Quarter 3, the year end projection for income is £21,769,000 which is 1.4% above the budget of £21,470,000. This is in line with the increases in care placements and packages which are being reported in Quarter 3. These increases have led to a projected overspend of £1,075,000 in relation to the costs of care for older people who are frail and/or have nursing needs, dementia or physical disabilities. The increases are in large part due to the need to respond in urgent situations to the high volume of older people being admitted to local hospitals since the beginning of November 2019.</p> <p>There is an agreed schedule of work which is being implemented to improve how the MOSAIC system functions and interfaces with other systems so that financial accounting and analysis functions can be delivered in a comprehensive and timely way. There is particular issue in relation to the interface between the MOSAIC system and the Council’s payment system, Oracle FUSION, which must be resolved in order for accountants to be able to produce required datasets and interrogate payments made to providers of social care. Options for resolving this issue are still being explored.</p>
Next Steps	<ol style="list-style-type: none"> Options will be implemented to enable the production of financial data from the MOSAIC and ORACLE fusion systems which will facilitate timely interrogation and reconciliation of payments to providers and packages of care.

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Corporate Director - Resources Report	
Reason for Report	As part of the Actions proposed in the Budget Monitoring Report to Cabinet on 13 November 2019, the Corporate Director Resources was requested to set out in the 2019/20 Budget Monitoring Report for the third quarter the budget variances within the directorate and the actions being taken to bring the budget into balance.
Summary of Issues and Actions Taken	<p>The current budget variance is £272k down from last quarter reported £398k.</p> <p>Part of the main cost pressure for the directorate is the funding of the Major Projects Team which in last quarter monitoring was projecting an overspend of £371k.</p> <p>The project team operates on a charging mechanism, recharging their full cost to projects they support. For Local Government Reorganisation (LGR) and the subsequent transformation of the Council to be a success, it will continue to require significant project support. However, LGR funding for the team was only approved up to the end of September 2019. Funding to support LGR phases 1 and 2 of the programme is now fully committed and therefore the team are unfunded until such time as stage 3 (BCP organisation design programme) is approved, which will contain funding for the team for the foreseeable future.</p> <p>Action to date offset the pressure includes looking at the support the team have provided to other services and charging staff time accordingly. So far this has identified an additional £136k, bringing the total overspend down to £235k.</p> <p>Other cost pressure areas include external audit costs which overall will be an overspend of £103k. Grant Thornton, the Councils external auditors continue to face an increased regulatory focus. Due to the increase challenge and depth of work needed, additional costs will be passed onto the Council on top of the agreed core fee. The in-year pressure is a result of additional work carried out in the 2018/19 audit on the three legacy Councils as well as the 2019/20 BCP Council audit. Action to reduce this pressure is limited. The Chief Finance Officer regularly liaises with the external auditors to make sure as a Council we try to make the whole process as efficient as possible.</p> <p>As a directorate a review of work involved with grant funding to make sure we charge appropriate administration costs to fund staff time. An additional £74k will be drawn down from the Brexit Grant to fund in house staff additional time spent on planning arrangements to exit the EU.</p>
Next Steps	<ol style="list-style-type: none"> 1. Continue to review areas where Major Projects Team have supported non LGR work during 2019/20 and look to charge for services provided. 2. Ensure the future programme of transformation that the Major Project Team support are fully funded to avoid similar pressures in future years. 3. Continue to look for opportunities and cost saving in the last quarter of 2019/20 to reduce the overall deficit.

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CABINET



Report Subject	Housing Revenue Account (HRA) Budget Setting 2020/21
Meeting date	12 February 2020
Status	Public report
Executive summary	<p>The Housing Revenue Account (HRA) is a separate account within the Council that ring-fences the income and expenditure associated with BCP Council's housing stock. The HRA does not therefore directly impact on the Council's wider General Fund budget or on the level of council tax. Income to the HRA is primarily received through the rents and other charges paid by tenants and leaseholders.</p> <p>Poole Housing Partnership continues to manage the Poole Neighbourhood stock on behalf of BCP Council while the stock in the Bournemouth Neighbourhood is directly managed. Although there can only one HRA, BCP Council maintains two separate accounts for each neighbourhood within it.</p> <p>This report seeks approval for the proposed budget for the HRA for 2020/21 and the key principles on which it is based.</p> <p>This report sets out the proposals regarding the rents, service charges and other charges to tenants as well as the expenditure plans for the 2020/21 rent year. These proposals and the actions within the delivery plans for each neighbourhood all support the priorities set out in the Council's new Corporate Strategy.</p>
Recommendations	<p>Cabinet recommends that Full Council approves the following:</p> <p>1. The set of key principles proposed for the HRA operating in both Bournemouth and Poole neighbourhoods for 2020/21 as follows: -</p> <ul style="list-style-type: none"> (i) Deliver strong financial management of the HRA which maximises the ability to collect income, gain efficiencies and service outstanding debt

	<p>(ii) Ensure HRA stock is adequately and efficiently maintained particularly in relation to the Council's legal obligation to ensure the health, safety and welfare of its tenants</p> <p>(iii) Focus on the delivery of effective housing management services to support successful tenancies and strong and sustainable communities</p> <p>(iv) Continue to secure funding opportunities to deliver additional social rented and affordable housing through new build and acquisitions</p> <p>These principles, and the actions that will be linked to them in the Delivery Plans, support the newly agreed themes within the Council's Corporate Strategy.</p> <p>Note that these objectives are broadly stated in order of priority. As a landlord, it is important that debt is serviced in the first instance, followed by ensuring the effective and efficient maintenance and management of the properties and support for tenants. Subsequent surpluses and borrowing will then be maximised to bring forward additional affordable housing.</p> <p>2. That revenue budgets for 2020/21 and provisionally for 2021/22 and 2022/23 are set using the following principles: -</p> <p>(i) That dwelling rents are increased by 2.7 per cent (CPI for September 2019 + 1 per cent) in line with the Ministry of Housing, Communities and Local Government (MHCLG) Policy statement on rents for social housing published in February 2019.</p> <p>(ii) That garage rental charges are increased by RPI which for September 2019 was 2.4 per cent across both the Bournemouth and Poole neighbourhoods.</p> <p>(iii) That leasehold services are charged to leaseholders in line with actual costs incurred.</p> <p>(iv) That the following tenant service charges are budgeted for based on an increase of 2.4 per cent:</p> <ul style="list-style-type: none"> • Scooter charges (both neighbourhoods) • Laundry (Bournemouth neighbourhood) • Window cleaning (Bournemouth neighbourhood). <p>And that a 2 per cent increase is applied to caretaker charges and a 3 per cent decrease for utility charges in the Poole neighbourhood.</p> <p>(v) That service charges within the Bournemouth neighbourhood for communal gardening and cleaning will be adjusted based on the cost of providing the</p>
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	<p>service. The previously approved tenant service charge policy will continue to be rolled out with communal electricity charges applied from 1 April 2020.</p> <p>(vi) That the PHP management fee paid from the HRA is increased by £203,000 to reflect pay award and employer contribution pension increases and new annual IT licencing costs.</p> <p>(vii) That the bad debt provision is held at 2019/20 levels for both neighbourhoods - £188,000 for the Bournemouth neighbourhood and £197,000 for the Poole neighbourhood.</p> <p>(viii) That the depreciation budget for the Bournemouth neighbourhood is decreased by £65,000 and by £21,000 for the Poole neighbourhood.</p> <p>(ix) That HRA reserves should be maintained at a minimum level of 5 per cent of total expenditure. This equates to £1.103 million for the Bournemouth neighbourhood and £803,000 for the Poole neighbourhood for 2020/21, totalling £1.906 million.</p> <p>(x) That a one-off contribution of £1 million from each neighbourhood HRA to the General Fund is proposed in support of the overall cost of BCP Council's transformation programme to implement organisational change on the proviso that the HRA also benefits from the savings that are made because of the programme.</p> <p>3. That capital budgets for 2020/21 and provisionally for 2021/22 and 2022/23 are set using the following principles: -</p> <p>(i) That funding totalling £4.3 million is carried forward from the 2019/20 Bournemouth neighbourhood capital programme and that funding totalling £5.659 million is carried forward from the 2019/20 Poole neighbourhood capital programme, to more accurately reflect cash flow of agreed projects between financial years.</p> <p>(ii) That the planned maintenance programmes as set out in Appendix E are agreed.</p> <p>(iii) That the major projects plan as set out in paragraphs 81 to 94 and Appendix F is agreed.</p> <p>(iv) That the development of Luckham Road/Charminster Close and the determination of the final funding</p>
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	<p>arrangements delegated to the s151 Officer in consultation with the Cabinet Holders for Housing and Finance are agreed.</p> <p>(v) That final approval is provided for the development of temporary accommodation at Herbert Avenue to progress through to completion in line with the approved Business Case.</p> <p>4. That the Delivery Plans for each neighbourhood to support the key principles for the HRA and the Council's new Corporate Strategy are agreed as set out in appendices G and H.</p> <p>5. That further work is supported regarding the financial remodelling of the HRA and its two neighbourhood accounts to: -</p> <p>(i) Agree a Housing Development Strategy for new build activity to consolidate the way forward on issues such as the delivery of social rented homes and the achievement of sustainable new build housing with these being brought forward during 2020.</p> <p>(ii) Review options for current stock and a refresh of the Asset Management Strategy to assess opportunities for delivering higher standards of sustainability for all existing homes.</p>
Reason for Recommendations	HRA rents and other charges along with the HRA Capital Programme are subject to review and require Cabinet and Council approval in order for rents and charges to be levied.
Portfolio Holder	Councillor Kieron Wilson, Cabinet Holder for Housing
Corporate Director	Kate Ryan, Corporate Director – Environment and Community
Contributors	<p>Tina Worthing, Group Accountant - BCP Council</p> <p>Caroline Wayne, Strategic Director – Corporate (PHP)</p> <p>Seamus Doran, Head of Neighbourhood Management, BCP Council</p> <p>Lorraine Mealings, Director of Housing, BCP Council</p> <p>Su Spence, Chief Executive (PHP)</p>
Wards	All

Classification	For Decision
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Background Detail

1. Each year social landlords must set rent levels and budgets for the forthcoming financial year and provide each individual tenant with statutory notice of any proposed rent change. This report sets out the proposals regarding the rents, service charges and other charges to tenants as well as the expenditure plans for the 2020/21 rent year.
2. The Council housing stock in the Bournemouth neighbourhood comprises 5,085 tenanted and 537 leasehold properties (as at 1 April 2019) with a rent roll of £22.610 million in 2020/21. The Poole neighbourhood stock comprises 4,508 tenanted and 591 leasehold properties (as at 1 April 2019), with a rent roll of £20.070 million. There is no Council housing stock in the Christchurch neighbourhood as the stock was transferred to a housing association several years ago.
3. The HRA is a ring-fenced account within the Council and records the income and expenditure associated with the landlord function in respect of the Council's housing stock. The account is separate from the wider General Fund budget which is funded by a variety of income flows, including council tax.
4. The Council's HRA was formed on 1 April 2019 and combined the HRA's of Bournemouth and Poole Councils. BCP Council can only operate one HRA legally but continues to maintain two separate neighbourhood accounts within it, one for Bournemouth and one for Poole. This approach was agreed with the Ministry of Housing, Communities and Local Government (MHCLG).
5. PHP operates as an Arm's Length Management Organisation (ALMO). It manages homes in the Poole Neighbourhood in line with a long-term management agreement with the Council. Compliance with this agreement is managed through a Commissioning and Performance Management Framework.
6. It was not feasible to accurately merge the two neighbourhood accounts into one when the legacy councils merged. One account would have also removed the ability to differentiate between the different services which have been developed in the two neighbourhoods over many years.
7. These differences will continue for the foreseeable future, but work has commenced to review activities where it may be appropriate to align service provision and policy direction. An external review has also been commissioned to consider the issues and complexities of operating two neighbourhood accounts rather than one.
8. The Council is required by law (Local Government & Housing Act 1989, section 76) to avoid budgeting for a deficit on the HRA. This means the budget must not be based on total HRA revenue reserves falling below zero. In practice the Council is expected to

maintain a reasonable balance of HRA reserves to cover contingencies. The HRA will maintain reserves above a minimum level of 5 per cent of expenditure. In 2020/21 this gives a minimum level of reserve for the Bournemouth and Poole neighbourhoods of £1.103 million and £803,000 respectively.

9. On 29 October 2018 the Government revoked the indebtedness limits that were introduced for HRA's in December 2010 by the Localism Bill under self-financing determinations, by lifting the HRA borrowing cap. This means the BCP HRA will not be subject to a limit on borrowing. However, borrowing must conform to the Prudential Code which requires that borrowing be affordable and prudent. Total borrowing within the BCP HRA is forecast to be £52 million (Bournemouth) and £82.24 million (Poole) giving £134.24 million (BCP) as at the 31 March 2020.
10. Business cases that set out how and when the HRA will borrow will be developed and submitted for approval during 2020/21 per individual scheme.
11. The delivery of new affordable homes and ensuring current stock meets local requirements is a key priority for councils. Within both Neighbourhoods work continues on re-designation and redevelopment of sheltered stock with some changing to general needs, to ensure properties meet future needs in relation to those households on the Council's housing register.
12. Following the Grenfell fire tragedy in June 2017 a full review of fire safety issues has been undertaken in Bournemouth and Poole and regular monitoring arrangements are in place to ensure that current safe practices remain under constant review. A review of building regulations and fire safety, and a subsequent Government consultation will place additional responsibilities on the Council to ensure the safety of its residents. A separate enquiry into the fire has also produced recommendations which the Government has promised to fully implement. Implementing the recommendations may result in challenges around costs and practicality and we are watching the national agenda closely.
13. PHP has taken the decision to replace cladding at Sterte Court with a non-combustible cladding and will also be installing sprinkler systems within Poole's six tower blocks. A national issue relating to fire doors was identified as part of the Grenfell enquiry as some of the national fire door products had failed to provide 30 minutes of smoke and fire protection. Actions are in place to mitigate any risks relating to the doors in both Bournemouth and Poole and door replacement programmes are underway.
14. In September 2019 a report was presented to Cabinet setting out the Council's legal obligations as a landlord to ensure the health, safety and welfare of its tenants and details of performance against these. The Council must comply with statutory instruments and specific guidance around fire safety, gas safety, water hygiene, lift safety and asbestos safety. These are high risk areas and are given a high priority to ensure compliance. The Regulator for Social Housing has also written to all stock holding local authorities to remind them of the regulatory requirement under the Home Standard to ensure compliance in these areas.

15. The Home Standard forms part of the Regulator's consumer standards that apply to the Council as a stock owning authority even if part of the stock is managed by someone else. The Regulator's role is to set these standards and to intervene where failure to meet the standards has caused or could have caused serious harm to its tenants. Where a local authority feels that it has systematic failings in meeting the standards then they are expected to self-refer to the Regulator.

BCP Council's Corporate Strategy

16. The Council's new Corporate Strategy sets out its priorities, the objectives to achieve these, key actions and measures of success. The services delivered within the HRA support the strategy and the key priorities that make up the Corporate Strategy in many different ways as set out below.
17. Sustainable Environment - Energy efficiency and sustainability will continue to be considered when building new homes and carrying out capital improvement works to existing properties. This will help lead towards a sustainable environment and tackle the climate and ecological emergency. There will be challenges regarding costs and the feasibility of undertaking work particularly to existing properties but there will be very clear benefits for tenants through lower energy bills and clear benefits for the wider environment. This area of work will also be influenced by developments in national policy. Considerations are also given to retrofitting options for existing homes.
18. Dynamic Places – One key priority within the HRA is to develop new homes for those in housing need. Well established development expertise is in place in-house to bring forward new homes on numerous surplus Council owned sites. These additional homes will add to the overall homes that the BCP Council area needs.
19. Connected Communities – Both neighbourhoods support activities to build communities in which people feel safe and where their views are considered. There is formal engagement through residents' groups to scrutinise the services that are provided and ongoing work to develop these services and policies. As well as supporting the Council's objectives, this also meets the regulatory requirements as determined by the Regulator for Social Housing. Enforcement and preventative measures are undertaken to reduce anti-social behaviour and there is close partnership working with the Police and other agencies to deal with this and to reduce the fear of crime. A large proportion of sheltered properties within the housing stock provides support to older tenants to help them live independently and reduce social isolation.
20. Brighter Futures – Housing can play an important part in the care for children and young people. The provision of the right accommodation can have a significant impact and staff are trained to recognise support needs as well as safeguarding issues. There is close partnership working to help provide suitable accommodation for young care leavers.
21. Fulfilled Lives – The provision of support within sheltered housing enables people to lead healthy and independent lives. Partnership work is undertaken with other services within the Council and other agencies to provide accommodation where high levels of support can be provided, for example adults with a learning disability. Both neighbourhoods make

a good contribution to the Housing First programme which supports rough sleepers into accommodation. Minimising evictions of existing tenants is a priority with work ongoing to look at how support can be provided to help tenants sustain their tenancies and prevent homelessness.

22. Modern, Accessible, Accountable Council – Both neighbourhoods are committed to working with residents to scrutinise services and seek feedback through formal resident engagement, satisfaction surveys and learning from complaints. The report and delivery plans also set out how we will provide an improved, modern and efficient service as well as meeting our obligations to ensure the health and safety of residents.

Strategic Objectives

23. The strategic objectives for the BCP Council HRA operating in both Bournemouth and Poole are as follows: -

- (i) Deliver strong financial management of the HRA which maximises the ability to collect income, gain efficiencies and service outstanding debt
- (ii) Ensure HRA stock is adequately and efficiently maintained particularly in relation to the Council's legal obligation to ensure the health, safety and welfare of its tenants
- (iii) Focus on the delivery of effective housing management services to support successful tenancies and strong and sustainable communities
- (iv) Continue to secure funding opportunities to deliver additional social rented and affordable housing through new build and acquisitions

Note: that these objectives apply equally to both the Bournemouth and Poole Neighbourhoods and are broadly stated in order of priority. As a landlord, it is important that debt is serviced in the first instance, followed by ensuring the effective maintenance and management of the properties and support for tenants. Surpluses and borrowing will then be maximised to bring forward additional affordable housing.

24. The approach to HRA budget setting has focused on three key areas for 2020/21 and the following sections of the report take each of these areas in turn;

- Revenue income expected to be achieved and proposals around rent and service charge levels
- Revenue expenditure plans that reflect local priorities and service delivery patterns, including revenue contributions to capital
- Capital expenditure plans that will deliver essential maintenance to the stock as well as ensuring the Decent Homes Standard is maintained and support the affordable homes new build programme

Financial summaries for the BCP HRA are provided in Appendix A – F.

25. Delivery plans for both neighbourhoods are provided in Appendix G and H.

REVENUE INCOME

26. The HRA receives income primarily from rents paid by tenants and from service charges levied.

Tenant Dwelling Rents

27. The rent to be charged to tenants is governed by the national rent policy and must be followed by all social landlords in order to be free from challenge from residents and to secure eligible housing benefit relief. This national policy sets the level by which tenant rents should be uplifted each year and in 2014/15 a national consultation set the following formula; an increase by the Consumer Price Index (CPI) as at September plus 1 per cent.

28. The rent formula was superseded by an announcement in the July 2015 budget statement that all social rents would decrease by 1 per cent each year until 2020. Rent increases from April 2020 of CPI + 1 per cent resume for a period of five years as set out in the MHCLG policy statement on rents published in February 2019.

29. Although the return to the policy is welcomed and will help the Council meet its responsibilities, the four years of rent reduction have reduced rental income by £3.2 million for the Bournemouth neighbourhood and £2.9 million for the Poole neighbourhood and will continue to have a significant cumulative impact on the level of income that will be available to the HRA over the course of the 30-year business plan. Any income that is available after the cost of servicing debt and managing and maintaining the stock is made available to the capital programme. It is this contribution to the capital programme that potentially may be greatly reduced due to the falling level of income. The approach to budget setting has therefore ensured that maximum value from all areas of expenditure is being achieved so the capital development programme can secure as many funds as possible. This will ensure that the strategic priority of delivering more social and affordable housing can still be delivered from within HRA resources.

30. Other adjustments that will impact on the level of achievable dwelling rent income relate to the number of Right to Buy (RTB) sales expected to occur and the number of days properties are empty during a change of tenancy. With regards the RTB, it is assumed there will be 20 sales during the year from the Poole neighbourhood and 28 from Bournemouth and the part year income associated from these properties has been deducted from the income budget.

31. Both neighbourhoods manage a small number of shared ownership properties. Shared owners can purchase part of the property and pay a monthly rent on the share that remains in the ownership of the Council. Owners can normally purchase the remaining share of the property in a process known as "staircasing". Rent increases are based on the terms of the lease provided to residents. The lease used is based on the model form

of lease provided by the Government which is widely recognised by lenders and solicitors. Rent increases are upwards only with increases set at RPI + 0.5 per cent.

32. For 2020/21 it is assumed that 1 per cent of the Poole and Bournemouth neighbourhood housing stock will be void at any one time and therefore rent cannot be charged. This reduces the total income expected to be achieved by £230,000 for the Bournemouth neighbourhood and £203,000 for the Poole Neighbourhood.
33. Acquisition and new build programmes increase the stock of affordable housing for the HRA. The Poole neighbourhood account will reflect the additional income expected from the delivery of 62 units at Canford Heath Road as well as from acquisitions budgeted annually. The Bournemouth Neighbourhood account will reflect the additional income from the delivery of 35 homes across several sites. However, there are inherent uncertainties around timescales for new build schemes, but an estimate has been accounted for.

Recommendation 2 (i) –

That dwelling rents are increased by 2.7 per cent (CPI for September 2019 + 1 per cent) in line with the Ministry of Housing, Communities and Local Government (MHCLG) Policy statement on rents for social housing published in February 2019.

Garage Rents and Service Charges

34. The Council can set its own charges for items that attract service charges but must review annually the costs that drive these charges as well as how that money can be utilised.
35. Garage rents cover income received from garages in Bournemouth and Poole that are situated on land currently owned within the HRA. The majority of garages in both Bournemouth and Poole were transferred from the HRA to the General Fund in 2018/19 and those remaining are located on sites identified as potential for re-development. In Bournemouth, 129 garages remain in the HRA alongside a further 240 garage plots and bases for potential development sites. In Poole, 43 garages remain within the HRA.
36. The current level of garage charges has been benchmarked against those charged by other landlords locally and these have been confirmed as broadly similar. It is therefore proposed to uplift for inflation (2.4 per cent), Retail Price Index for September 2019 across Bournemouth and Poole neighbourhoods to reflect the ongoing rise in cost of managing the garages whilst being mindful of ensuring they remain affordable and lettable.

Recommendation 2 (ii) –

That garage rental charges are increased by RPI which for September 2019 was 2.4 per cent across both the Bournemouth and Poole neighbourhoods.

37. Other rents, within the Poole neighbourhood, reflect those charged to tenants occupying commercial space at Trinidad Village. These have been budgeted in line with the lease

agreements in place and will increase by RPI on their agreed rent review dates. The Bournemouth neighbourhood does not receive any commercial rental income.

38. Leasehold service charges cover costs that are recharged to leaseholders in year to reflect either the cost of maintaining the fabric of the building or the cost of maintaining the communal areas. These charges must reflect the full cost that is incurred by the HRA, but no profit must be achieved through the levelling of these charges. Given this, the income budgets proposed reflect only an indicative level and actual charges will be reconciled during the summer to actual costs incurred. Within the Poole Neighbourhood service charges will be increased by 1 per cent to reflect the expected level of costs. In Bournemouth leasehold charges for each building will be estimated and leaseholders will be notified of the charges to be applied for 2020/21.
39. The cyclical and reactive maintenance income budgets for leaseholders reflect actual works undertaken and are charged on a cost per case basis. These budgets in Poole reflect the works that have been undertaken on a year on year basis. Cyclical and reactive maintenance undertaken in Bournemouth is also charged on a cost per case basis.
40. Expenditure levels on the management costs for general leasehold management have been increased by 2 per cent in line with the expected pay award.
41. Expenditure on utility costs for the Poole neighbourhood for the communal areas, covering water, gas and electricity, are subject to a four-year price agreement which began in September 2016. For the Bournemouth neighbourhood, a new utility contract commenced in October 2018 which has brought an increase in energy tariffs.

Recommendation 2 (iii) -

That leasehold services are charged to leaseholders in line with actual costs incurred.

42. Tenant service charges must mirror the charges incurred by the HRA in the same way as leasehold charges. For the Poole neighbourhood the expenditure costs driven by staffing levels are expected to increase by 2 per cent from April 2020 and this will affect the caretaker charges. The cost of delivering utility services has decreased following reductions in usage. The utilities budget has been adjusted downward to reflect the removal of Cynthia House which is a site being redeveloped and increased to reflect the cost of utilities at Canford Heath. Scooter charges will be increased in line with September's RPI of 2.4 per cent.
43. For the Bournemouth neighbourhood, service charges for laundry, window cleaning and scooter storage charges will increase by 2.4 per cent in line with RPI as at September 2019. Charges for communal heating/hot water and water/sewage will remain at 2019/20 levels except on those schemes with individual metering, where charges will be based on usage. Other charge introduced in December 2018 for communal gardening and cleaning will be based on actual costs incurred. The previously approved Service Charge Policy will continue to be rolled out over time as previously agreed, with additional charges for communal electricity applied from 1 April 2020. Communal telephone and internet

charges will be applied to the Council's extra care scheme at Brushett House from 1 April 2020.

Recommendation 2 (iv) –

That the following tenants service charges are budgeted for based on an increase of 2.4 per cent:

- ***Scooter charges (both neighbourhoods)***
- ***Laundry (Bournemouth neighbourhood)***
- ***Window cleaning (Bournemouth neighbourhood)***

And that a 2 per cent increase is applied to caretaker charges and 3 per cent decrease in utility charges in the Poole neighbourhood.

Recommendation 2 (v) –

That service charges within the Bournemouth neighbourhood for communal gardening and cleaning will be based on the cost of providing the service. The previously approved tenant service charge policy will continue to be rolled out with communal electricity charges applied from 1 April 2020.

44. Arrangements relating to retained Photovoltaic (PV) solar panels and PV licencing costs remain unchanged.

REVENUE EXPENDITURE

45. The HRA manages expenditure that covers delivery of the general housing management function as well as overhead and capital financing charges.

Management and Maintenance

46. PHP delivers the management and maintenance service to the Council in relation to Poole neighbourhood stock and this is funded through the annual management fee paid to PHP. It is recognised that the current financial climate is challenging across the public sector and the four years of reduction in rental charges to tenants have reduced the level of funds available to deliver all the priorities for housing support and delivery across Poole. However, the strategic aims of the HRA remain fit for purpose and they support the delivery of effective asset management via a long-term approach supported by the 30-year business plan.
47. PHP will continue to look at ways to ensure the underlying resources are delivering more. During 2017/18 it delivered a fundamental cost review which looked at options for reducing costs across the management fee in line with Borough of Poole objectives. This cost review reduced the management fee by £500,000 between 2018/19 and 2019/20.
48. PHP faces unavoidable cost pressures in 2020/21. These reflect the pay award of 2 per cent, an increase in pension contribution requirements of 0.5 per cent and the cost of providing annual IT licences.

49. The BCP Council HRA remains committed to the delivery of social rented and additional affordable housing in order to meet identified housing need and support economic development through maintaining an effective local workforce. This can be achieved through maximising the revenue contribution to capital and bringing forward plans around the use of HRA land to deliver this via the capital programme. It is therefore essential to demonstrate efficiencies across all areas of spend to maximise the funds available for capital developments.
50. The strategies across both Bournemouth and Poole are to ensure that costs are driven down, that these are benchmarked to test that value is being achieved and the organisation learns from the best to inform the decisions being made.
51. The Bournemouth housing stock is managed within the senior management structure of the Council and therefore does not have a management fee arrangement in place. However, the same pressures relating to pay awards and increased pension contributions will also apply.
52. Some changes have been made to the staffing establishments within the Bournemouth neighbourhood to reflect changing needs. Increases in Development Team staffing resources have been made to help bring forward the new build programme. Some additional staff have also been employed to ensure the effective management of tenancies involving tenants with complex needs such as substance misuse.

Recommendation 2 (vi) –

That the PHP management fee is increased by £203,000 to reflect pay award and employer contribution pension increases and the cost of annual IT licences.

Overheads and Other Expenditure

53. The HRA holds general budgets that meet the cost of other service areas that support the overall delivery of the housing management function. These budgets have also been considered as part of the budget setting process.
54. The HRA picks up charges via “SeRCOP” recharges that identify costs held elsewhere in the Council but that relate to delivery of housing services. These include areas such as grounds maintenance provision, oversight of CCTV within buildings and corporate support costs. These need to be reflected in the HRA in order to ensure the full cost of delivering services to tenants is recognised. Such charges have to be fundamentally reviewed on a regular basis to ensure they remain up to date and appropriate.

Management of Bad Debts

55. One of the main areas of risk for the HRA going forward is arrears and the management of debt within the rent account. There is a specific risk around the ability to collect this debt as national welfare reform changes are rolled out. The spare room subsidy changes have now been in place for almost seven years and work to manage under occupation is now business as usual.

56. One key current risk is Universal Credit (U.C.) which went live for Poole in October 2017 and for Bournemouth in November 2017. Evidence from other areas, along with our experience so far, shows the level of arrears increases in the short to medium term following implementation.
57. Whilst the increase to date has not been too significant, arrears among tenants in receipt of U.C. has increased as more tenants move onto UC. As the roll out continues and the number of tenants on U.C. increases over time, it is expected arrears will continue to increase. The arrears have increased for many reasons. These include:
- 1) The often unpredictable U.C. payments made from the Department for Work and Pensions which are difficult to monitor
 - 2) The inherent time delays in receiving U.C. payments because payments are made in arrears
 - 3) The computer literacy required by tenants to manage their U.C. 'journal' claim with some having real difficulty in engaging.
 - 4) Where the housing element of U.C is paid directly to tenants, they do not always use this to pay their rent.

Both neighbourhoods continue to work closely with tenants to assist with financial and budgeting skills and continue to undertake proactive work to help with any issues around their U.C. claims and any associated issues.

58. As the level of arrears across all other tenants continues to remain broadly consistent with previous years and because there was an overestimate of the bad debt provision set aside for welfare reform in previous years, the current level of bad debt provision of £188k for the Bournemouth neighbourhood and £197k for the Poole neighbourhood is considered to be adequate and has been maintained at the same level for 2020/21.

Recommendation 2 (vii) –

That the bad debt provision is held at 2019/20 levels for both Neighbourhoods - £188,000 for the Bournemouth Neighbourhood and £197,000 for the Poole Neighbourhood.

59. Under the self-financing regime the HRA holds a depreciation charge that recognises the cost of managing and maintaining the Council stock at the current level. This funding represents a revenue cost to the HRA that is then used to support the capital programme to deliver the required enhancements to the stock to keep it fit for purpose. Under these arrangements the Council is required to demonstrate the stock has been accounted for in line with IAS 16 and follows componentisation accounting principles.
60. Depreciation charges in both neighbourhoods are calculated using components. However, the depreciation policy for each neighbourhood is significantly different - the Bournemouth neighbourhood uses six components and Poole uses 86. Life cycles also vary across the two neighbourhoods. These differences in approach will be reviewed during 2020/21 but have not been aligned in this budget as doing so now could impact the level of resource available to support the maintenance programme.

Recommendation 2 (viii) –

The depreciation budget for the Bournemouth neighbourhood is decreased by £65,000 and by £21,000 for the Poole neighbourhood.

Reserves

61. The Council is required by law (Local Government and Housing Act 1989, section 76) to avoid budgeting for a deficit on the HRA. This means the budget must not be based on total HRA revenue reserves falling below zero. In practice the Council is expected to maintain a reasonable balance of HRA reserves to cover contingencies. An appropriate level has been determined as 5 per cent of expenditure. This level has been reached after carrying out a risk assessment of key items affecting income/expenditure and allowing for a contingency for unidentified items. In 2020/21 this gives a minimum reserve requirement of £1.103 million for the Bournemouth Neighbourhood and £803,000 for the Poole Neighbourhood.

Recommendation 2 (ix) –

That HRA reserves should be maintained at a minimum level of 5 per cent of total expenditure. This equates to £1.103 million for the Bournemouth neighbourhood and £803,000 for the Poole neighbourhood for 2020/21, totalling £1.906 million.

62. In November 2019 Cabinet agreed to adopt a strategic vision and design for the Council and to establish a transformation programme to deliver this. This programme seeks to achieve up to £36.8 million in savings for the Council through modern efficient ways of working and better understanding the needs of customers. A three to five-year plan will set out the investment needed in areas such as new technology, skills and office accommodation. Both HRA Neighbourhoods are to contribute £1 million each towards this programme and can expect to benefit from the savings. The programme will also provide new ways of working across all activities including the HRA which will in turn help provide a better, more efficient service for customers.

Recommendation 2 (x) – That a one-off contribution of £1 million from each neighbourhood HRA to the General Fund is proposed in support of the overall cost of BCP Council's transformation programme to implement organisational change on the proviso that the HRA also benefits from the savings that are made because of the programme.

Capital Financing

63. The budget to support interest paid on HRA debt will rise in future years as external borrowing is required. For 2020/21 the BCP HRA will not need external borrowing to fund its capital programme. Cashflow adjustments are being made between the neighbourhoods in order to minimise external borrowing costs.
64. The continued strong management of expenditure costs and the good level of income collection mean that for 2020/21 the revenue contribution to capital from the Poole neighbourhood is budgeted at £2.6 million which will be made available to the major repairs reserve. For Bournemouth, the contribution to capital which is made available to

the major repairs reserve is achieved through the amount for depreciation. Although there are differences in how depreciation is calculated, as set out below, and how the cost of major repairs is accounted for, the amount to be spent on major repairs will be broadly similar. Poole's contribution to capital is in addition to the amount for depreciation.

CAPITAL EXPENDITURE

65. Financial regulations require capital schemes to be categorised into appropriate approvals categories. All Planned Maintenance Programme items within Appendix E are Unconditional. Major Projects (shown in detail in Appendix F) are categorised as Unconditional, Conditional or Requires Subsequent approval, as appropriate.

Planned Maintenance Programme

66. The HRA capital programme aims to ensure first and foremost, that the current housing stock is fit for purpose and specific projects that will enhance the delivery of social rented and affordable housing across both neighbourhoods are achieved. The Decent Homes target was achieved in December 2010 when the significant backlog works were completed, and all stock met the target. However, each year elements of this stock will need to be replaced or updated in order to keep all stock at the Decent Homes (and the Bournemouth and Poole) standard. The delivery of these enhancements is the first call on capital resources.
67. The 2019/20 capital programme was agreed at £14.543 million (revised to £18.366 million) for Poole and £21.395 million for Bournemouth (revised to £11.095 million). Timing of cash flows for large capital projects spanning several financial years can be difficult to predict and are re-forecast as the projects progress. Capital budgets are carried forward when timing of cash flows becomes more accurate to predict.

Recommendation 3 (i)-

That funding totalling £4.3 million is carried forward from the 2019/20 Bournemouth neighbourhood capital programme and that funding totalling £5.659 million is carried forward from the 2019/20 Poole neighbourhood capital programme, to more accurately reflect cash flow of agreed projects between financial years.

68. There are new areas of work that need to be delivered as part of the planned maintenance programme. Fire safety is a key area. Whilst an urgent review of activity was undertaken in an immediate response to Grenfell and no significant issues of concern locally were identified, fire safety remains a top priority across housing services and is regularly reviewed in order to help identify any improvements needed.
69. It is important to note that no ACM cladding of the type used in Grenfell, is in place on Council owned blocks in either Bournemouth or Poole.
70. A national issue relating to fire doors was identified as part of the subsequent Grenfell Enquiry because some of the fire doors in the block failed to provide 30 minutes of smoke and fire protection. Fire doors have been reviewed locally across both Bournemouth and Poole neighbourhoods to ensure a safe current situation and budgets for the cost of

replacing all fire doors in flats for integrated fire door sets have been allocated for coming years.

71. A Sustainable Environment forms part of the Council's Corporate Strategy. Within this are objectives to ensure that sustainability underpins all of our policies, tackle the climate change emergency and promote sustainable resource management. This is achieved through sustainable methods of construction in relation to new homes with high levels of thermal insulation and more energy efficient hot water and heating systems. Energy efficient measures are also provided in the refurbishment of existing homes including more efficient gas boilers, consideration of alternative heat sources, increased levels of thermal insulation, communal heating systems and low energy lighting to communal areas. Such measures often increase development and refurbishment costs, but more energy efficient homes can benefit tenants through lower energy bills.
72. A review is currently underway seeking national and international good practice with regard to sustainability for new build and retrofitting of existing housing stock. This work is being undertaken across both the Poole and Bournemouth neighbourhoods to help conclude the policy going forward. Technology is changing constantly in this fast-moving sector but it is clear that the HRA housing stock will embrace this issue within its programme going forwards.
73. There are differences for proposed expenditure between the two neighbourhoods within the planned maintenance programme. Each has its own asset management strategy which reflects the nature of the stock and drives this programme. Different services and policies have also developed between the two neighbourhoods over many years which have been influenced through engagement with tenants.
74. The planned maintenance programme is proposed at £7.139 million for Poole and £7.937 million for Bournemouth. A full breakdown of these programmes is included within appendix E and these will deliver a programme of work that is safe and meets legislative and other priorities.

Recommendation 3 (ii) –

That the planned maintenance programmes as set out in Appendix E are agreed.

New Build and Major Projects

75. The HRA is committed to delivering additional affordable housing across both Bournemouth and Poole and ensuring the current HRA land is used as effectively as possible. Whilst the majority of activity is new build, the Bournemouth and Poole neighbourhoods have also successfully acquired existing properties. These are usually via buy back of RTB properties but may be where other housing providers are looking to dispose of suitable stock within the geography. Each new build scheme and purchase is subject to both financial and managerial due diligence to ensure they deliver value for money. New build schemes and other major capital programmes not defined explicitly within this report will be brought for individual Cabinet approval as per the Financial Regulations.

76. The exact tenure mix of this new build programme is being considered in the context of overall financial viability. Each scheme is required to be viable over the duration of any borrowing period in line with the Prudential Code and work is being undertaken to determine the proportion of social and affordable rented that can be accommodated within available finances over the next few years. The provision of new build social rented homes as part of the development pipeline presents some viability challenges in that they often require significant additional capital subsidy to ensure the scheme remains viable over the agreed borrowing period in line with the borrowing rules.
77. There are ongoing ambitious new build plans, a requirement to make significant changes to the stock to more adequately meet needs and the HRA must continue to assist in the management of homelessness. This funding can be achieved in part via borrowing additional resource. In the October 2018 budget, the Chancellor abolished the limit on HRA borrowing which allows for more to be delivered from HRA budgets where additional funding can now be raised in accordance with the Prudential Code – removing the HRA borrowing cap. This provides an opportunity to expand our new build ambitions across both Bournemouth and Poole to help further meet the needs of those on the housing registers.
78. Borrowing within the BCP Council HRA is forecast to be £134.24 million at 31 March 2020 to help finance new build and major projects.
79. Many schemes will also require additional subsidy alongside rental income to meet the borrowing requirements. RTB receipts, HRA reserves and Section 106 affordable housing developer contributions are also used across both neighbourhoods to help financially support the delivery of new homes, although these funding sources are finite.
80. The new build and acquisition programme for Bournemouth totals £11.7 million for 2020/21. The new build and acquisition programme for Poole totals £14.3 million.

Major Projects – Bournemouth Neighbourhood

81. The redevelopment of Northbourne Day Centre has commenced and will provide nine homes for rent including one and two-bedroom flats and two-bedroom houses.
82. Garages on Barrow Drive and Ibbertson Way are to be demolished to provide five new two-bedroom houses and one new three-bedroom house for rent. Works will commence shortly with completion anticipated during 2020/21.
83. Plans have been drawn up for 27 new homes at Templeman House. A planning application will be submitted in the coming months with works to commence later in 2020/21. It is anticipated that these will be completed in early 2022.
84. The development on the Cabbage Patch car park will provide 11 new homes for rent including one and two-bedroom flats. It is anticipated that work will commence in 2020/21.
85. Work to replace existing Council homes at Luckham Road/Charminster Road with new more modern homes for rent will commence in 2020/21. Approval is sought for the

development of nine homes (three, three-bedroom houses, two, two-bedroom flats and four, one-bedroom flats). The site currently consists of two, three-bedroom houses and eight, two-bedroom flats. The replacement homes will be of a high quality and built to Passiv Haus principles with additional sustainability components such as PV panels and electric heating. The scheme will also provide much needed off-road parking for residents in line with planning requirements which will help to improve the congested street parking in the local area. The Council's Asset management plan provides a commitment to modernise housing stock where required and where possible, look at existing stock for redevelopment, to reduce future maintenance costs. The existing properties present ongoing significant maintenance issues for the Council and the site presents an opportunity for redevelopment and the building of replacement better quality sustainable family affordable homes. The tenants of the existing properties have been relocated to alternative Council owned homes. Planning permission was granted in March 2019, and the site has been secured in anticipation of development. The development is estimated to cost £1.856 million and has been modelled as funded from a combination of capital contribution of £360,00, RTB receipts of £557,000 and Prudential Borrowing of £939,000 which will be repaid over 25 years. The s151 Officer has reviewed the financial modelling for Prudential Borrowing repayment (including 'stress testing' of underlying assumptions). The s151 Officer in consultation with the Cabinet Holders for Housing and Finance will determine the final funding arrangements of £150,000 in 2019/20 and £1.706 million in 2020/21.

86. Works to build 14, four-bedroom houses on Moorside Road has been delayed are anticipated to commence in 2020/21. Stopping-up of an additional public right of way is to be decided at Public Enquiry before works can commence.

87. Council properties on Princess Road have been demolished to provide 120 new homes and a 20-bed hostel. The existing properties were in a very poor state of repair. These were previously used as temporary accommodation. The new homes will include one, two and three-bedroom flats for affordable rent, market rent and shared ownership.

Major Projects – Poole Neighbourhood

88. Project Admiral will deliver a major maintenance programme of the four tower blocks situated in Poole Old Town. This work will ensure that these blocks remain fit for purpose and extend their life by a further 30 years. This project is to be delivered over four years.

89. In Poole, during 2018/19 issues were identified with the fitting of cladding at Sterte Court, although it is important to note the cladding was not of the same nature as used on Grenfell. Rather than replace with a like for like product of limited combustibility the decision was taken to replace with a non-combustible cladding and at the same time retrofit sprinklers. Budgets were allocated to address both issues in 2019/20 and unused budget will be carried forward to 2020/21 to complete these works. Procurement is underway to deliver these projects.

90. A £1.1 million budget for New Build has been reserved in each year. This will be used to fund new build schemes as they arise, with any under-spends each year being returned to HRA reserves.

91. The redevelopment of Cynthia House commenced in 2019/20. A review undertaken in 2016 identified this site as having high levels of voids, expensive to maintain and unpopular to rent. The scheme comprising 37 bedsits will be re-developed into a 22 unit scheme.
92. Herbert Avenue – Further to Cabinet/Council approval gained by the Borough of Poole in October 2018 for the development of a 24 unit temporary accommodation scheme at Herbert Avenue, BCP Council is confirming approval for this scheme to progress through to completion, in line with the approved Business Case. The project will provide much needed new homes for homeless families based on a modular construction approach. The project costs will be partly offset by savings within the General Fund in terms of providing valuable, cost effective, alternative accommodation to bed and breakfast for homeless families. The properties are being delivered within the HRA as in the longer term it is envisaged that they will be used to provide general needs affordable housing. The overall scheme costs were proposed to be £2.508 million including contingency and professional fees. The final tender price for the construction works, as part of that, was higher than the expected amount stated in the original Business Case (£2.324 million compared with £2.044 million). There are likely to be marginal increases to the other associated project costs in line with this, such as the required contingency amount. This increase in cost was due to a change of specification to slightly increase space standards in order to enhance the scheme and ensure a sustainable community. The innovative nature of the construction type also meant that the original amount was difficult to more accurately estimate. The chosen contractor presented the best value for money through the competitive tender exercise. The necessary approvals will be sought for a capital virement from within the Major Projects Poole Neighbourhood budget to cover the uplift in actual contract value before awarding.
93. Hillbourne – this site will deliver around 100 houses. Budget has been allocated for phase one of this project and wider approval will be sought when plans are further developed and in line with the school project.
94. The capital programme can be funded from existing resources with external borrowing required from 2021/22.

Recommendation 3 (iii) –

That the major projects plan as set out in paragraphs 81 to 94 and appendix F is agreed.

Recommendation 3 (iv) –

That the development of Luckham Road/Charminster Close and the determination of the final funding arrangements delegated to the s151 Officer in consultation with the Cabinet Holders for Housing and Finance are agreed.

Recommendation 3 (v) –

That final approval is provided for the development of temporary accommodation at Herbert Avenue to progress through to completion in line with the approved Business Case.

DELIVERY PLAN

95. The Management Agreement between BCP Council and PHP sets out the requirement for an annual delivery plan to be agreed. The PHP Delivery Plan sets out the Key Deliverables for PHP which support the refreshed Housing Strategy 2017 to 2020. The annual Delivery Plan for the Bournemouth Neighbourhood is also presented. Work is currently ongoing between the teams to align ways of working as appropriate across both neighbourhoods.

Recommendation 4 –

That the Delivery Plans for each neighbourhood to support the key principles for the HRA and the Council's new Corporate Strategy are agreed as set out in appendices G and H.

FINANCIAL MODELLING

96. The existing new build programme reflects the ambitious plan to provide much needed additional homes for rent and detailed consideration is being given to the delivery of new homes at social rent rather than just at the higher affordable rent levels. Financial modelling is taking place to look at options to help shape the identified new build programme over the next few years. The Council is also committed to improving the sustainability of its new build programme to support the climate emergency which needs accommodating in refreshed financial modelling.
97. It is worth noting here that options around retrofitting our many existing homes is also being considered to address sustainability concerns. This will also have financial implications as we move forward.
98. Work will be concluded to determine the financial viability of the new housing development programme, taking into account how we might accommodate the delivery of social rented homes. This will be consolidated into a Housing Development Strategy. This will also feed into a Sustainability Strategy for housing and construction projects.

Recommendation 5 -

That further work is supported regarding the financial modelling of the HRA and its two neighbourhood accounts to: -

(i) Agree a Housing Development Strategy for new build activity to consolidate the way forward on issues such as delivery of social rented homes and the achievement of new build sustainable housing with these being brought forward during 2020.

(ii) Review options for current stock and a refresh of the Asset Management Strategy to assess opportunities for delivering higher standards of sustainability for all existing homes.

Consultation

- 99. There is no legal obligation to consult on the annual rent changes. The rent changes noted in this report for 2020/21 are set by government policy.
- 100. The Poole neighbourhood consults on the rent approach with local residents via the Tenant Involvement and Empowerment (TIE) panel and feedback from this meeting will be available to Cabinet if requested.
- 101. Consultation on the new service charge policy for the Bournemouth neighbourhood was undertaken as necessary before implementation in 2018/19.
- 102. The Cabinet Holder for Housing has been consulted and their feedback had been addressed in this report.

Summary of Financial Implications

- 103. Financial and resourcing implications are explained within the report.

Summary of Legal Implications

- 104. Council housing landlords are required to give 28 days' notice to all tenants of changes to the rental and charges for the new financial year. This will be achieved should all the recommendations be accepted by Cabinet in February 2020.

Summary of Human Resources Implications

- 105. There are no HR implications for this report.

Summary of Environmental Impact

- 106. HRA properties continue to benefit from photovoltaic and solar panels reducing carbon emissions across Bournemouth and Poole. The ongoing maintenance of existing stock, such as heating replacement, insulation and low energy LED lighting in communal areas also help to increase the energy efficiency of our existing stock. Consideration is currently being given to new methods of building construction, alternative heating systems on new build developments, photovoltaic panels and air source heat pumps. Already properties have been constructed to very high standards of thermal insulation, "Passiv Haus", and use of mechanical ventilation and heat recovery systems. A review currently underway with regard to new build and retrofitting will help determine the policy going forwards. National and international good practice is being considered. Technology is changing constantly in this fast-moving sector but it is clear that the HRA housing stock will embrace this issue within its programme going forward.

Summary of equality implications

- 107. Proposed revenue budgets for 2020/21 onwards should not impact on front line service provision, and the level of capital disabled adaptations in the estimated Capital

Programme should enable us to meet the needs of disabled and older residents to have aids and adaptations fitted to support their independence.

108. Older and disabled residents will be positively affected by the investment in dwelling insulation, energy efficiency and changes to heating and communal utility charges. Many have benefited from reduced personal heating charges and a lower split of communal utility costs between all residents benefiting from these services. New energy efficient building design has been piloted including the use of "Passiv Haus" principles in new build to date.
109. There is a clear correlation between effective housing and better health outcomes. By ensuring that housing meets minimum maintenance standards respiratory health issues can be reduced as well as minimising trips and falls.
110. Community development work undertaken seeks to minimise isolation, particularly with older people, contributing to improved physical and mental health outcomes and more active communities. We will continue to work with community and voluntary groups, promoting their services and offering practical help where feasible, for example land for community gardens.
111. There are many reasons why tenants may struggle to maintain their tenancies including drug and alcohol problems, mental health and hoarding. We will seek to support tenants in their homes to ensure that they are able to maintain successful tenancies and to reduce the number of evictions. Both neighbourhoods have staff who can provide support for tenants including financial advice and work is ongoing to ensure that sufficient resources are available.

Summary of Risk Assessment

112. From April 2012 the risk in financing the management and maintenance of the housing stock moved from Central Government to Local Government as part of the Self-Financing Settlement Agreement.
113. The risk associated with future rent increases and decreases is no longer a local decision.
114. The following considerations must be made:
 - a) As the self-financing valuation and settlement is premised on the Council continuing to implement the Government's Rent Restructuring formula, the deviation from this with regards the national government mandated CPI + 1 per cent increase could potentially undermine the financial viability of the BCP Council HRA.
 - b) The HRA will be committed in the first instance to the servicing of new and existing debt.

c) Only once debt is serviced (funded) can consideration be given to the maintenance standard of the properties and then in turn to the quality of the housing management service.

d) The Welfare Reform Act changes have affected the payments being made to the HRA and further changes associated with the roll out of U.C. could affect levels of tenant income and further increase rent arrears within the HRA.

e) The end of automatic payment of Housing Benefit direct to Landlords, could significantly reduce rent income levels and increase the level of bad debts within the HRA as U.C. continues to roll out.

f) Compliance with regulatory standards and changes to health and safety legislation particularly regarding fire safety will provide additional challenges over the next few years and are likely to lead to increased costs.

115. The recommendations presented here assures compliance with the national rent setting policy and the key principles have been approved by MHCLG. The proposal ensures the appropriate maintenance and development of HRA stock across the Poole and Bournemouth Neighbourhoods. Not approving this report would significantly risk the ability for BCP to comply with central Government and national legislation that govern the HRA budget process.

List of Appendices

A: Housing Revenue Account – The Rent Increase Effect on Residents

B: Housing Revenue Account – Service Charges for 2020/21

C: Housing Revenue Account – Statement of Accounts for 2020/21

D: Housing Revenue Account – HRA Balances

E: Housing Revenue Account – Capital Programme for 2020/21

F: Housing Revenue Account – Major Project Capital Programme for 2020/21

G: Delivery Plan – Poole Housing Partnership (Poole Neighbourhood)

H: Delivery Plan – BCP Council (Bournemouth Neighbourhood)

APPENDIX A
Housing Revenue Account
The Rent Increase Effect on Residents

		2019/20		2020/21				
		53 week	49 week	52 week	48 week	52 week	48 week	Increase
		Basis	Basis	Basis	Basis	Weekly	Weekly	as a %
		£	£	£	£	Increase	Increase	
						£	£	
Overall Average per Budget	Bournemouth Neighbourhood	83.64		85.90		2.26		2.7%
	Poole Neighbourhood	84.26	91.14	86.51	93.72	2.25	2.58	2.8%
Examples of Rent Increases								
General Properties								
<u>Bournemouth Neighbourhood</u>								
Hamilton Road	1 Bedroom flat	72.24		74.19		1.95		2.7%
Belle Vue Road	1 Bedroom flat	72.69		74.65		1.96		2.7%
Turbary Park	1 Bedroom flat	77.54		79.63		2.09		2.7%
Cunningham Crescent	1 Bedroom flat	103.69		106.49		2.80		2.7%
Florence Road	2 Bedroom flat	79.74		81.89		2.15		2.7%
Nothery Road	2 Bedroom House	87.27		89.63		2.36		2.7%
Ripon Road	3 Bedroom House	104.60		107.42		2.82		2.7%
Turnbull Lane	3 Bedroom House	153.70		157.85		4.15		2.7%
Dolphin Avenue	3 Bedroom Bungalow	121.69		124.98		3.29		2.7%
Cranleigh Road	4 Bedroom House	108.43		111.36		2.93		2.7%
<u>Poole Neighbourhood</u>								
Herbert Court	1 Bedroom flat	74.25	80.31	76.14	82.48	1.89	2.17	2.7%
Junction Road	1 Bedroom flat	63.80	69.01	65.42	70.87	1.62	1.86	2.7%
Rockley Road	1 Bedroom flat	71.55	77.39	73.37	79.48	1.82	2.09	2.7%
Sterte Court	1 Bedroom flat	69.03	74.66	70.78	76.68	1.75	2.02	2.7%
Rodney Court	2 Bedroom flat	86.67	93.75	88.87	96.28	2.20	2.53	2.7%
Plumer Road	2 Bedroom house	87.73	94.89	89.95	97.45	2.22	2.56	2.7%
Christopher Crescent	3 Bedroom house	97.04	104.96	99.50	107.79	2.46	2.83	2.7%
Egmont Road	3 Bedroom house	88.16	95.36	90.40	97.93	2.24	2.57	2.7%
Haskells Road	3 Bedroom house	87.30	94.43	89.52	96.98	2.22	2.55	2.7%
Perry Gardens	4 Bedroom house	108.95	117.84	111.71	121.02	2.76	3.18	2.7%
Independent Senior Living serviced properties								
<u>Bournemouth Neighbourhood</u>								
Cornish Gardens	Studio Flat	62.01		63.68		1.67		2.7%
Castle Dene Court	1 Bedroom flat	72.80		74.77		1.97		2.7%
Southbourne Road	1 Bedroom flat	74.16		76.16		2.00		2.7%
Deacon Gardens Bear Cross	1 Bed Bungalow	82.76		84.99		2.23		2.7%
Sheltered Housing Officer serviced properties								
<u>Poole Neighbourhood</u>								
Cynthia Close	1 Bedroom flat	75.68	81.86	77.60	84.07	1.92	2.21	2.7%
Millfield	1 Bedroom flat	73.03	78.99	74.88	81.12	1.85	2.13	2.7%
South Road	1 Bedroom flat	75.67	81.85	77.59	84.06	1.92	2.21	2.7%
Trinidad House	1 Bed Bungalow	74.35	80.42	76.24	82.59	1.89	2.17	2.7%
Waterloo House	1 Bed Bungalow	82.13	88.83	84.21	91.23	2.08	2.40	2.7%

Poole charges a higher rent level over 48 weeks of the year with 4 "rent free" weeks a year. Bournemouth charges rent each week of the year.

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APPENDIX B
Housing Revenue Account
Service Charges For 2020/21

	2019/20		2020/21	
	£	Uplift	£	
1. Garage Rents				
<i>Proposed Charges - Tenants</i>				
Bournemouth	10.64	2.4%	10.90	
Poole Old Town	11.53	2.4%	11.80	
Remainder of Poole	6.55	2.4%	6.71	
<i>Charges - Leaseholders</i>				
Bournemouth (excl VAT)	12.54	2.4%	12.84	
Bournemouth (incl VAT)	15.05	2.4%	15.41	
<i>Charges - Non-Tenants</i>				
Poole Old Town (excl VAT)	15.96	2.4%	16.34	
Poole Old Town (incl VAT)	19.15	2.4%	19.61	
Remainder of Poole (excl VAT)	10.02	2.4%	10.26	
Remainder of Poole (incl VAT)	12.02	2.4%	12.31	
2. Sheltered Housing Service Charges inc Lifeline				
General - Poole	7.10	2.00%	7.24	
Willow Park - Poole	7.10	2.00%	7.24	
Belmont Court - Poole	17.38	2.00%	17.73	
3. Supporting People Service Charge - Poole				
<u>Personal Charge:-</u>				
Preventative (circa 85% of the 20% of Sheltered Residents)	7.18	2.00%	7.32	
4. Guest Bedrooms in Sheltered Accommodation				
	1 night	2 nights	3 nights	4-7 nights
Guest room charges (Bournemouth) - 1 night	12.00			
Guest room charges (Bournemouth) - 7 nights				73.80
Cost per room with no ensuite - includes cleaning (Poole)	20.50	28.75	36.75	46.00
Cost per room with ensuite - includes cleaning (Poole)	24.50	34.75	45.00	55.25
5. Heating Charges				
Poole				
1 bed	8.79	-3.0%	8.53	
2 bed	10.56	-3.0%	10.24	
3 bed	12.32	-3.0%	11.95	
Trinidad Village	2.17	-3.0%	2.10	
Bournemouth	£0.81 - £12.34	n/a	£0.81 - £12.34	
6. Communal Power				
Standard Charge - Poole	£0.73 - £8.08	-3.0%	£0.71 - £7.84	
Standard Charge - Bournemouth	n/a	n/a	£0.06 - £5.26	
7. Laundry				
Standard Charge - Bournemouth	0.71	2.4%	0.73	
8. Scooter Charges				
Scooter Charge point - Bournemouth	£1.06	2.4%	1.09	
- Poole	£49.93 p.a.	2.4%	£51.12 p.a.	
10. Window Cleaning				
Standard Charge - Bournemouth	0.60	2.4%	0.61	
11. Communal Cleaning				
Standard Charge - Bournemouth	£0.24-£2.28	cost	£0.11-£2.19	
12. Communal Gardening				
Standard Charge - Bournemouth	£0.06-£2.83	cost	£0.16-£2.47	
13. Water and Sewage				
Standard Charge - Bournemouth	£1.30 - £6.05	n/a	£1.30 - £6.05	
14. Communal Telephone and Internet Charges				
Standard Charge - Bournemouth	n/a	n/a	£2.21	

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APPENDIX C
Housing Revenue Account
Statement of Accounts for 2020/21

Bournemouth Neighbourhood

	Budget 2019/20 £000's	Forecast Outturn 2019/20 £000's	Original Budget 2020/21 £000's	Original Budget 2021/22 £000's	Original Budget 2022/23 £000's
Income					
Dwelling Rents (gross)	(22,407)	(22,393)	(22,610)	(23,220)	(23,847)
Non-Dwelling Rents (gross)	(114)	(144)	(147)	(150)	(153)
Charges for Services and Facilities	(1,199)	(1,195)	(1,245)	(1,270)	(1,295)
Contributions to Expenditure	(535)	(582)	(574)	(585)	(597)
Total Income	(24,255)	(24,314)	(24,575)	(25,225)	(25,892)
Expenditure					
Repairs and Maintenance	5,186	5,209	5,389	5,496	5,606
Supervision and Management	7,503	7,666	8,905	8,117	8,280
Rent, rates, taxes and other charges	156	248	253	258	263
Bad or Doubtful debts	188	188	188	192	196
Capital financing costs (debt management costs)	78	75	75	75	75
Depreciation - Council Dwellings & Land and Property	7,318	6,985	7,253	7,636	7,937
Total Expenditure	20,429	20,371	22,063	21,774	22,357
Net Cost of HRA Services - (Surplus) / Deficit	(3,826)	(3,943)	(2,513)	(3,452)	(3,535)
Capital Charges					
- Cost of Capital Charge	2,919	2,517	2,517	2,517	3,052
- Interest Receivable	(30)	(30)	(30)	(32)	(31)
Total Capital Charges	2,889	2,487	2,487	2,485	3,021
Net Operating Expenditure - (Surplus) / Deficit	(937)	(1,456)	(26)	(966)	(515)
Appropriations					
Revenue contribution to capital outlay (RCCO)	937	1,430	0	940	489
RTB Sales admin	0	26	26	26	26
Total Appropriations	937	1,456	26	966	515
(Surplus) / Deficit on the HRA for the Year	0	0	(0)	(0)	0

Poole Neighbourhood

	Budget 2019/20 £000's	Forecast Outturn 2019/20 £000's	Original Budget 2020/21 £000's	Original Budget 2021/22 £000's	Original Budget 2022/23 £000's
	(19,855)	(19,678)	(20,070)	(20,672)	(21,292)
	(37)	(31)	(41)	(42)	(43)
	(1,316)	(1,291)	(1,292)	(1,289)	(1,315)
	(288)	(284)	(315)	(319)	(323)
	(21,496)	(21,284)	(21,719)	(22,323)	(22,974)
	5,237	5,237	5,368	5,475	5,584
	4,316	4,335	5,366	4,454	4,544
	158	157	160	163	166
	197	197	197	197	197
	103	103	105	107	109
	4,882	4,882	4,861	4,977	5,109
	14,893	14,911	16,056	15,373	15,710
	(6,603)	(6,373)	(5,663)	(6,950)	(7,264)
	3,095	3,088	3,088	3,559	3,805
	(75)	(75)	(75)	(75)	(75)
	3,020	3,013	3,013	3,484	3,730
	(3,583)	(3,360)	(2,649)	(3,466)	(3,534)
	3,557	3,340	2,623	3,440	3,508
	26	20	26	26	26
	3,583	3,360	2,649	3,466	3,534
	0	(0)	(0)	0	0

BCP HRA

	Budget 2019/20 £000's	Forecast Outturn 2019/20 £000's	Original Budget 2020/21 £000's	Original Budget 2021/22 £000's	Original Budget 2022/23 £000's
	(42,262)	(42,071)	(42,680)	(43,893)	(45,140)
	(151)	(175)	(188)	(192)	(196)
	(2,515)	(2,486)	(2,537)	(2,559)	(2,610)
	(823)	(867)	(889)	(904)	(920)
	(45,751)	(45,598)	(46,294)	(47,548)	(48,866)
	10,423	10,446	10,756	10,971	11,191
	11,819	12,001	14,271	12,571	12,824
	314	405	412	420	428
	385	385	385	389	393
	181	178	180	182	184
	12,200	11,867	12,114	12,613	13,046
	35,322	35,282	38,118	37,146	38,066
	(10,429)	(10,316)	(8,176)	(10,402)	(10,800)
	6,014	5,605	5,605	6,076	6,857
	(105)	(105)	(105)	(106)	(106)
	5,909	5,500	5,500	5,970	6,751
	(4,520)	(4,815)	(2,675)	(4,432)	(4,049)
	4,494	4,770	2,623	4,380	3,997
	26	46	52	52	52
	4,520	4,816	2,675	4,432	4,049
	0	0	(0)	(0)	0

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APPENDIX D
Housing Revenue Account
HRA Balances

	Budget 2019/20 £000's	Forecast Outturn 2019/20 £000's	Original Budget 2020/21 £000's	Original Budget 2021/22 £000's	Original Budget 2022/23 £000's
HRA Reserves					
HRA Reserve as at 1st April (Brought Forward)	(1,393)	(1,227)	(12,641)	(1,195)	(1,206)
Other Reserves as at 1st April (Brought Forward)	(10,323)	(11,415)	0	0	0
MRR Balance as at 1st April (Brought Forward)	(1,908)	(1,700)	0	0	0
Bought Forward Balance	(13,624)	(14,342)	(12,641)	(1,195)	(1,206)
Income					
RCCO	(937)	(1,430)	0	(940)	(489)
Depreciation	(7,318)	(6,985)	(7,253)	(7,636)	(7,937)
Useable Capital Receipts	(4,043)	(905)	(2,859)	(6,299)	(3,539)
Borrowing	(1,960)	0	0	(12,012)	(9,047)
Grant, Capital Receipts and GF Contribution	(742)	(30)	(360)	0	(3,712)
Capital Expenditure					
Planned Maintenance	8,050	8,036	7,937	8,097	8,157
Major Projects	13,345	3,015	11,681	21,079	16,625
BCP HRA Cashflow	0	0	2,300	(2,300)	0
Balance (surplus) as at 31 March	(7,229)	(12,641)	(1,195)	(1,206)	(1,148)

Budget 2019/20 £000's	Forecast Outturn 2019/20 £000's	Original Budget 2020/21 £000's	Original Budget 2021/22 £000's	Original Budget 2022/23 £000's
(580)	(580)	(10,567)	(804)	(773)
0	0	0	0	0
(9,003)	(11,167)	0	0	0
(9,583)	(11,747)	(10,567)	(804)	(773)
(3,557)	(3,340)	(2,623)	(3,440)	(3,508)
(4,882)	(4,882)	(4,861)	(4,977)	(5,109)
(938)	(1,255)	(1,856)	(2,199)	(2,804)
0	0	0	(15,547)	(8,200)
(716)	(716)	0	0	0
5,990	5,742	7,139	6,553	7,061
8,553	5,631	14,264	17,342	12,367
0	0	(2,300)	2,300	0
(5,133)	(10,567)	(804)	(773)	(966)

Budget 2019/20 £000's	Forecast Outturn 2019/20 £000's	Original Budget 2020/21 £000's	Original Budget 2021/22 £000's	Original Budget 2022/23 £000's
(1,973)	(1,807)	(23,207)	(1,999)	(1,978)
(10,323)	(11,415)	0	0	0
(10,911)	(12,867)	0	0	0
(23,207)	(26,089)	(23,207)	(1,999)	(1,978)
(4,494)	(4,770)	(2,623)	(4,380)	(3,997)
(12,200)	(11,867)	(12,114)	(12,613)	(13,046)
(4,981)	(2,160)	(4,715)	(8,498)	(6,343)
(1,960)	0	0	(27,559)	(17,247)
(1,458)	(746)	(360)	0	(3,712)
14,040	13,778	15,076	14,650	15,218
21,898	8,646	25,945	38,421	28,992
0	0	0	0	0
(12,362)	(23,207)	(1,999)	(1,978)	(2,113)

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APPENDIX E
Housing Revenue Account - Capital Programme for 2020/21

	Bournemouth Neighbourhood					
	Budget	Forecast		Estimate	Estimate	Estimate
	2019/20	2019/20		2020/21	2021/22	2022/23
<u>Planned Maintenance Programme</u>						
External Standard Doors	300,000	300,000		300,000	350,000	400,000
Fire Safety Programmes	600,000	600,000		600,000	650,000	700,000
Kitchen Replacement Programme	850,000	850,000		850,000	850,000	850,000
Heating and Hot Water Systems	710,000	710,000		670,000	670,000	670,000
Bathrooms	950,000	950,000		950,000	950,000	950,000
Building Envelope	89,000	89,000		60,000	60,000	65,000
Electrical and Lighting Works	130,000	130,000		130,000	155,000	180,000
Door Entry System	50,000	50,000		50,000	50,000	50,000
Structural Repairs \ Works	45,000	45,000		45,000	35,000	35,000
Lift Improvements & Replacements	10,000	10,000		120,000	140,000	160,000
Building External - all schemes	750,000	750,000		700,000	700,000	700,000
Out buildings (inc. garages)	0	0		0	0	0
Asbestos	0	0		0	0	0
Insulation / Energy Conservation / Environmental improvements	130,000	130,000		110,000	110,000	110,000
Roofing	360,000	360,000		350,000	370,000	375,000
Windows	1,200,000	1,200,000		1,180,000	1,180,000	1,080,000
Housing & Health Safety Rating Systems - Category 1 & 2	0	0		0	0	0
Plastering	0	0		0	0	0
Modifications to Boundaries, Communal Area, Hardscapes and Drainage	0	0		0	0	0
Common areas	130,000	130,000		130,000	130,000	130,000
Bedroom Extensions	200,000	200,000		200,000	200,000	200,000
Capitalized Salaries	331,000	331,000		331,000	336,000	341,000
Disabled Adaptations & Stairlifts	760,000	760,000		700,000	700,000	700,000
Minor Works	65,000	65,000		85,000	85,000	85,000
Right to Buy Administration	40,000	26,000		26,000	26,000	26,000
Contingency	350,000	350,000		350,000	350,000	350,000
Planned Maintenance Programme Expenditure	8,050,000	8,036,000		7,937,000	8,097,000	8,157,000
<u>Major Projects</u>						
Major Projects Expenditure	13,345,000	3,015,000		11,681,000	21,079,000	16,625,000
TOTAL EXPENDITURE	21,395,000	11,051,000		19,618,000	29,176,000	24,782,000

Funding Statement	Budget	Forecast		Estimate	Estimate	Estimate
	2019/20	2019/20		2020/21	2021/22	2022/23
	2019/20	2019/20		2020/21	2021/22	2022/23
Drawdown of MRR	6,395,000	1,731,500		11,445,800	(11,000)	58,000
Depreciation	7,318,000	6,984,500		7,253,200	7,636,000	7,937,000
Revenue Contribution to Capital	937,000	1,430,000		0	940,000	489,000
Drawdown of Capital Receipts	4,043,000	905,000		2,859,000	6,299,000	3,539,000
Borrowing	1,960,000	0		0	12,012,000	9,047,000
Other	742,000	0		360,000	0	3,712,000
BCP HRA Cashflow	0	0		(2,300,000)	2,300,000	0
	<u>21,395,000</u>	<u>11,051,000</u>		<u>19,618,000</u>	<u>29,176,000</u>	<u>24,782,000</u>

Poole Neighbourhood					
Original Budget	Forecast		Estimate	Estimate	Estimate
2019/20	2019/20		2020/21	2021/22	2022/23
150,000	115,000		150,000	150,000	150,000
903,200	699,000		661,160	363,920	809,865
364,500	464,000		675,000	657,000	922,500
612,400	759,000		1,389,200	1,389,200	946,800
218,232	220,000		250,000	200,000	150,000
305,750	452,000		312,000	318,000	324,000
415,000	195,000		465,000	315,000	315,000
20,000	27,000		20,000	50,000	20,000
7,500	2,000		7,500	7,500	7,500
18,000	12,000		18,000	18,000	268,700
490,350	141,000		290,350	290,350	290,350
45,000	9,000		45,000	45,000	45,000
90,000	90,000		90,000	90,000	94,000
155,000	140,000		155,000	105,000	105,000
300,000	379,000		330,000	255,000	360,000
500,000	500,000		628,000	640,000	565,000
137,560	90,000		137,560	137,560	143,000
75,000	75,000		75,000	75,000	78,000
145,000	185,000		150,000	150,000	157,000
522,000	522,000		524,000	530,000	540,600
360,000	360,000		360,000	360,000	360,000
130,000	280,000		130,000	130,000	133,000
26,000	26,000		26,000	26,000	26,000
-	-		250,000	250,000	250,000
5,990,492	5,742,000		7,138,770	6,552,530	7,061,315
8,553,004	5,631,037		14,264,027	17,342,385	12,367,000
14,543,496	11,373,037		21,402,797	23,894,915	19,428,315

	Original Budget	Forecast		Estimate	Estimate	Estimate
	2019/20	2019/20		2020/21	2021/22	2022/23
	2019/20	2019/20		2020/21	2021/22	2022/23
	4,450,104	1,179,774		9,762,800	31,500	(193,132)
	4,882,392	4,882,392		4,860,720	4,977,052	5,109,347
	3,557,000	3,340,121		2,623,000	3,440,000	3,508,000
	938,000	1,254,750		1,856,277	2,199,363	2,804,100
	0	0		0	15,547,000	8,200,000
	716,000	716,000		0	0	0
	0	0		2,300,000	(2,300,000)	0
	<u>14,543,496</u>	<u>11,373,037</u>		<u>21,402,797</u>	<u>23,894,915</u>	<u>19,428,315</u>

	BCP HRA				
	Budget	Forecast	Estimate	Estimate	Estimate
	2019/20	2019/20	2020/21	2021/22	2022/23
	450,000	415,000	450,000	500,000	550,000
	1,503,200	1,299,000	1,261,160	1,013,920	1,509,865
	1,214,500	1,314,000	1,525,000	1,507,000	1,772,500
	1,322,400	1,469,000	2,059,200	2,059,200	1,616,800
	1,168,232	1,170,000	1,200,000	1,150,000	1,100,000
	394,750	541,000	372,000	378,000	389,000
	545,000	325,000	595,000	470,000	495,000
	70,000	77,000	70,000	100,000	70,000
	52,500	47,000	52,500	42,500	42,500
	28,000	22,000	138,000	158,000	428,700
	1,240,350	891,000	990,350	990,350	990,350
	45,000	9,000	45,000	45,000	45,000
	90,000	90,000	90,000	90,000	94,000
	285,000	270,000	265,000	215,000	215,000
	660,000	739,000	680,000	625,000	735,000
	1,700,000	1,700,000	1,808,000	1,820,000	1,645,000
	137,560	90,000	137,560	137,560	143,000
	75,000	75,000	75,000	75,000	78,000
	145,000	185,000	150,000	150,000	157,000
	130,000	130,000	130,000	130,000	130,000
	200,000	200,000	200,000	200,000	200,000
	853,000	853,000	855,000	866,000	881,600
	1,120,000	1,120,000	1,060,000	1,060,000	1,060,000
	195,000	345,000	215,000	215,000	218,000
	66,000	52,000	52,000	52,000	52,000
	350,000	350,000	600,000	600,000	600,000
	14,040,492	13,778,000	15,075,770	14,649,530	15,218,315
	21,898,004	8,646,037	25,945,027	38,421,385	28,992,000
	35,938,496	22,424,037	41,020,797	53,070,915	44,210,315

	Budget	Forecast	Estimate	Estimate	Estimate
	2019/20	2019/20	2020/21	2021/22	2022/23
	2019/20	2019/20	2020/21	2021/22	2022/23
	10,845,104	2,911,274	21,208,600	20,500	-135,132
	12,200,392	11,866,892	12,113,920	12,613,052	13,046,347
	4,494,000	4,770,121	2,623,000	4,380,000	3,997,000
	4,981,000	2,159,750	4,715,277	8,498,363	6,343,100
	1,960,000	0	0	27,559,000	17,247,000
	1,458,000	716,000	360,000	0	3,712,000
	0	0	0	0	0
	<u>35,938,496</u>	<u>22,424,037</u>	<u>41,020,797</u>	<u>53,070,915</u>	<u>44,210,315</u>

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APPENDIX F
Housing Revenue Account
Major Project Capital Programme for 2020/21

Bournemouth Neighbourhood							Council Approval Category			
	Original Budget	Revised Budget	Forecast		Estimate	Estimate	Estimate	No further approval	Conditional Approval	Further approval required
	2019/20	2019/20	2019/20		2020/21	2021/22	2022/23			
Major Projects - Bournemouth Neighbourhood										
Northbourne Day Centre	0	925,000	925,000		962,000	0	0	962,000	0	0
Charminster Close (garage site)	0	696,000	696,000		0	0	0	0	0	0
Templeman House	0	30,000	30,000		1,700,000	4,500,180		0	6,200,180	0
Barrow Drive Garages	0	198,000	198,000		454,000	0	0	454,000	0	0
Princess Road Development (HRA element)	0	381,000	381,000		1,400,000	7,250,000	0	0	8,650,000	0
Ibbertson Way Garages	0	0	0		662,000	0	0	662,000	0	0
Luckham Road/Charminster Rd	0	150,000	150,000		1,706,000	0	0	0	1,706,000	0
Cabbage Patch car park	0	0	0		1,700,000	555,000	0	0	0	2,255,000
Moorside Road	0	0	0		1,950,000	2,471,000	0	0	0	4,421,000
Helyar Road	0	270,000	270,000		0	0	0	0	0	0
New Build & Acquisition TBC	13,345,000	395,000	365,000		1,147,000	6,302,820	16,625,000	0	0	24,074,820
Major Projects Expenditure - Bournemouth Neighbourhood	13,345,000	3,045,000	3,015,000		11,681,000	21,079,000	16,625,000	2,078,000	16,556,180	30,750,820

Poole Neighbourhood							Council Approval Category			
	Original Budget	Revised Budget	Forecast		Estimate	Estimate	Estimate	No further approval	Conditional Approval	Further approval required
	2019/20	2019/20	2019/20		2020/21	2021/22	2022/23			
Major Projects - Poole Neighbourhood										
Information Technology Capital Costs	534,700	534,700	534,700		250,000	0	0	250,000	0	0
Project Admiral	1,200,000	1,200,000	360,000		6,600,000	10,000,000	3,020,000	19,620,000	0	0
Project Admiral - Buy backs	0	750,000	0		750,000	0	0	750,000	0	0
Cladding	500,000	500,000	50,000		450,000	0	0	0	450,000	0
New Build - Infill	1,000,000	1,000,000	50,000		750,000	1,100,000	1,100,000	0	0	2,950,000
Small Sites programme - Acquisitions	500,000	950,000	1,170,000		1,000,000	1,000,000	1,000,000	3,000,000	0	0
Cynthia House	300,000	300,000	100,000		577,000	2,905,000	707,000	0	0	4,189,000
Herbert Avenue	2,509,000	2,509,000	125,000		2,697,449	36,210	0	2,733,659	0	0
Canford Heath Road	1,132,967	3,576,488	3,150,000		150,753	0	0	150,753	0	0
Sprinklers	600,000	600,000	10,000		753,825	11,175	0	0	0	765,000
Hillbourne School site - phase 1	255,000	255,000	60,000		285,000	2,290,000	6,540,000	0	0	9,115,000
Sheltered Sites	21,337	21,337	21,337		0	0	0	0	0	0
Major Projects Expenditure - Poole Neighbourhood	8,553,004	12,196,525	5,631,037		14,264,027	17,342,385	12,367,000	26,504,412	450,000	17,019,000
Total Major Project Expenditure - BCP HRA	21,898,004	15,241,525	8,646,037		25,945,027	38,421,385	28,992,000	28,582,412	17,006,180	47,769,820

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DELIVERY PLAN

2020/21



Introduction

The key deliverables and actions set out within this Delivery Plan state the items that will be delivered by Poole Housing Partnership (PHP) across 2020/21. The actions can all be delivered from the resources made available via the Poole Neighbourhood Housing Revenue Account proposed budget and will be monitored by the PHP Board on a regular basis.

A key item that will influence and inform delivery throughout 2020/21 will be the new BCP Housing Strategy that is currently under development. While the actions required under this approach are still under discussion, the key priorities to be delivered are –

1. An increase in housing supply, including affordable housing
2. Delivery of well managed homes - Council and private rented sector
3. Reducing homelessness and assisting vulnerable people
4. Area regeneration

The BCP Housing Strategy will also be informed by the new BCP Corporate Strategy that sets out the following priorities –

- Sustainable Environment
- Dynamic Places
- Connected Communities
- Brighter Futures
- Fulfilled Lives

Underpinned by a modern, accessible and accountable Council committed to providing community leadership.

The approach taken by PHP in developing the Delivery Plan has been to set out the key areas of work to support the overall Council priorities, ensuring that these deliver against both the corporate strategy priorities and the expected housing strategy priorities. This sets out a programme of works that will deliver actions to deliver and demonstrate compliance against key health and safety requirements, bring forward plans for more affordable and social housing, support actions to reduce and mitigate the impact of homelessness, deliver great core housing management and maintenance services and ensure that added value is derived from all actions. This delivery plan sets out the individual actions that will deliver the targets in the BCP Commissioning Framework that allows oversight and management of the work of PHP and provides the golden thread back through the housing strategy and the corporate strategy.

It is an ambitious and comprehensive programme that seeks to deliver the right services at the right cost, while fully utilising the skills of local residents to continually drive forward improvements and local delivery

Su Spence
Chief Executive

Key Deliverable – Compliance

Actions	Measurement	BCP Corporate Strategy	Q1 RAG	Q2 RAG	Q3 RAG	Q4 RAG
To produce a monthly health and safety dashboard identifying performance against legislative standards and action plans for any performance below 100% compliance.	via SMT report	Modern Accessible and Accountable Council				
To review the intelligence gathered following the fire door programme in 19/20 to plan the 20/21 programme and carry out a risk based approach that delivers effective compliance.	Fire Strategy	Modern Accessible and Accountable Council				
Deliver a programme of works around fire safety covering all actions arising from FRAs.	H&S Dashboard	Modern Accessible and Accountable Council				
Deliver a programme of works to meet all FRA remedial actions within a reasonable period of time.	H&S Dashboard	Modern Accessible and Accountable Council				
Ensure that the organisation responds promptly and appropriately to any new building safety legislation, working closely with BCP to discuss required changes and proposed implementation.	Board Discussion	Brighter Futures				
Ensure there is an agreed and embedded robust resident engagement strategy for fire safety.	Board Decision	Connected Communities				
On the 31 st March 2021 all properties will have an electrical test certificate that is no older than 10 years	H&S Dashboard	Brighter Futures				
Retrofit sprinklers across Sterte Court and agree the programme of works for the Old Town.	Major Projects Report	Modern Accessible and Accountable Council				
2021 To ensure compliance with GDPR and Data Protection Acts	Board KPI Dashboard	Modern Accessible and Accountable Council				
Ensure 95% of complaints are dealt with within timescales and that there are no Ombudsman findings against the organisation.	Board KPI Dashboard	Modern Accessible and Accountable Council				

Key Deliverable – New Build and Major Projects

Actions	Measurement	BCP Corporate Strategy	Q1 RAG	Q2 RAG	Q3 RAG	Q4 RAG
Undertake construction and delivery of the modular build on the Herbert Avenue site, delivering 24 units for use by BCP council.	Major Projects Report	Dynamic Places				
Commence the refurbishment of the first tower block within Project Admiral and agree and share the wider plan with all residents affected.	Major Projects Report	Dynamic Places				
Complete all pre construction work at Cynthia House and start on site with the agreed contractor.	Major Projects Report	Dynamic Places				
Agree planning application, complete procurement for a delivery partner and obtain full council approval for delivery of 100+ new homes on the Hillborne school site.	Major Projects Report	Dynamic Places				
Set out options for the delivery of new homes across HRA in fill sites and agree with BCP sites to be taken forward.	Major Projects Report	Dynamic Places				

Key Deliverable – Quality Homes

Actions	Measurement	BCP Corporate Strategy	Q1 RAG	Q2 RAG	Q3 RAG	Q4 RAG
All stock to meet the Decent Homes Standard at 31 st March 2021.	Housemark Return	Brighter Futures				
Deliver a cyclical maintenance programme that meets all of PHP's statutory requirements.	H&S Dashboard	Brighter Futures				
Develop business intelligence to more accurately reflect replacement times for components and revise the 30 year business plan for 2021/22.	Asset Management Plan	Brighter Futures				
Explore work to deliver net zero carbon emissions across the current stock by 2050, setting out timelines and options for consideration by BCP council.	Asset Management Plan	Sustainable Environment				
To replace 100 bathrooms and 150 kitchens across the stock, supporting effective decent homes.	SMT KPI Dashboard	Brighter Futures				
To replace 400 resident gas boilers and 2 communal boilers ensuring effective maintenance and delivery of the programme.	SMT KPI Dashboard	Sustainable Environment				
To ensure that 45% of the stock has been surveyed in the past 10 years to support intelligence used within the 30 year business plan.	SMT KPI Dashboard	Brighter Futures				
Ensure that 93% of response repairs are completed at first visit.	Board KPI Dashboard	Brighter Futures				
Deliver 95% satisfaction with response repairs delivered.	Board KPI Dashboard	Brighter Futures				

Key Deliverable – Homelessness

Actions	Measurement	BCP Corporate Strategy	Q1 RAG	Q2 RAG	Q3 RAG	Q4 RAG
Agree actions with BCP council (in line with the commissioning framework) in relation to temporary accommodation that will assist the council to deliver its operational requirements.	via CE Updates	Brighter Futures				
To acquire a further 2 properties from PHP resources to be used to support households facing homelessness.	Finance Board Reports	Brighter Futures				
To influence and support the BCP Council objectives around the expansion of the Housing First programme and agree best use of the HRA housing stock in delivery of this.	via CE Updates	Brighter Futures				
To work with colleagues across BCP to agree a tenancy sustainment approach that supports BCP Council objectives.	via CE Updates	Connected Communities				
To maximise opportunities to acquire properties within the HRA that support BCP Council to tackle homelessness and supports the wider housing strategy once agreed.	via CE Updates	Brighter Futures				
To deliver the Herbert Avenue scheme that can be used to support wider homelessness prevention approach across BCP.	Major Projects Report	Brighter Futures				
To develop discussions around different tenure options within PHP that could be used to support reducing homelessness across Poole and the wider conurbation.	via CE Updates	Dynamic Places				

Key Deliverable – Housing Management and Maintenance

Actions	Measurement	BCP Corporate Strategy	Q1 RAG	Q2 RAG	Q3 RAG	Q4 RAG
Deliver a bi-annual resident magazine and continue a conversation with residents regarding value of approach.	via CE Updates	Connected Communities				
Ensure a range of community engagement projects which enable the Council to meet its' strategic objectives and empower residents to contribute in their communities.	VFM Statement	Connected Communities				
Ensure effective estate management and resident liaison support to residents affected by Project Admiral and Sterte refurbishment works to ensure residents feel safe, informed, consulted and engaged in the works to improve their homes.	VFM Statement	Connected Communities				
Deliver a programme aimed at increasing the level of digital inclusion enabling residents to access on line services.	VFM Statement	Dynamic Places				
To complete an annual estates inspection programme and direct investment based on the outcomes of this programme and towards any estate that does not achieve "good".	via SMT report	Connected Communities				
Deliver a range of preventative community work, (block promises, neighbourhood plans, estate clean up days and diversionary youth activities) that meet the needs of communities and wider BCP objectives.	via SMT report	Connected Communities				
Deliver income collection levels of at least 98.00% across the year.	Board KPI Dashboard	Modern Accessible and Accountable Council				
To have arrears at no more than 4% of total rent due.	Board KPI Dashboard	Modern Accessible and Accountable Council				
To ensure that PHP supports all resident panels to meet at least quarterly and that residents are effectively informed and supported to challenge and engage with the organisation.	via CE Updates	Connected Communities				
To deliver an annual resident conference that supports PHP's resident involvement strategy and enables the tenant voice to be heard on a range of topical local and national issues.	via CE Updates	Connected Communities				
To embed service improvements via tenant scrutiny maintaining a pool of residents appropriately trained and supported, and deliver at least two reviews completed per annum.	Scrutiny Reports to Board	Connected Communities				
Set out in detail an options paper for delivery of sheltered housing services that addresses service offer, suitability of current stock and issues and opportunities for the next 5 to 10 years. Complete consultation regarding these options with all relevant stakeholders and bring forward proposals for delivery.	Board report	Dynamic Places				
To ensure PHP gains access to 100% of sheltered properties	SMT KPI Dashboard	Modern Accessible and Accountable Council				
To evict no more that 10 households in any one year.	Board KPI Dashboard	Fulfilled Lives				
Deliver an effective voids management service, with minor void turnaround within 15 days for general needs and 20 days for sheltered stock.	Board KPI Dashboard	Modern Accessible and Accountable Council				

Key Deliverable – Housing Management and Maintenance (2)

Actions	Measurement	BCP Corporate Strategy	Q1 RAG	Q2 RAG	Q3 RAG	Q4 RAG
To influence and assist in the implementation of a choice based letting scheme across BCP Council.	via CE Updates	Dynamic Places				
To work with households experiencing financial hardship and secure at least £1.0M in additional benefits for Poole residents.	VFM Statement	Connected Communities				
Review policies, procedures and strategy with BCP Council and agree scope to align.	Via CE Updates	Modern Accessible and Accountable Council				

Key Deliverable – Adding Value

Actions	Measurement	BCP Corporate Strategy	Q1 RAG	Q2 RAG	Q3 RAG	Q4 RAG
Bring forward plans to maximise opportunities of borrowing to invest in new housing.	HRA budget report	Modern Accessible and Accountable Council				
Ensure all RTB receipts are utilised within 3 years.	HRA budget report	Modern Accessible and Accountable Council				
Develop a workforce planning model and people strategy to ensure the organisation is effectively staffed, employees are engaged and turnover is kept within 18%.	SMT KPI Dashboard	Modern Accessible and Accountable Council				
Introduce an online platform to enable residents to remotely access services or tenancy information, leading to an improvement in customer service and opportunities to reduce operating costs.	via CE Update	Connected Communities				
To use the new IT system to map customer demand for services and to create efficiencies around service delivery.	via CE Update	Modern Accessible and Accountable Council				
Undertake Housemark benchmarking programme to nationally challenge performance, with action plan for those indicators in 3rd and 4th quartiles.	Board report	Modern Accessible and Accountable Council				
To continue to look for opportunities to deliver efficiencies through the procurement and operational process.	VFM Statement	Modern Accessible and Accountable Council				
Review options for the IT hardware replacement programme and start roll out to support user of new equipment.	via CE Update	Modern Accessible and Accountable Council				
To achieve a financial breakeven at the end of the year.	Budget Report	Modern Accessible and Accountable Council				
To support BCP council to develop an effective housing strategy and agree actions that PHP should deliver over the next 3 to 5 years.	via CE Update	Modern Accessible and Accountable Council				
The Board of Directors should meet at least six times during the year, plus have one AGM.	Board KPI Dashboard	Modern Accessible and Accountable Council				
The Board of Directors' skills and expertise are utilised in developing the BCP Housing Strategy.	via Board discussions	Modern Accessible and Accountable Council				
To deliver an effective risk management approach that is agreed with the Board and embedded across the organisation.	via A&R Committee	Modern Accessible and Accountable Council				
Deliver effective customer service training to all staff and embed a customer focussed culture, internally and externally.	via CE Update	Modern Accessible and Accountable Council				

PHP BOARD OF DIRECTORS - PERFORMANCE MONITORING DASHBOARD 2020/21

	Responsibility		Indicator Detail		Previous Year						
Area	Team	Resp staff	KPI	Cumulative?	20/21 Target	19/20 Actual	QTR 1	QTR 2	QTR 3	QTR 4	Comments
Compliance	Business Support	Jackie Barton	To have no more than 5 GDPR breaches and no recommendations for improvement from the ICO.		5						
	Business Support	Jackie Barton	Ensure 95% of complaints are dealt with within timescale		95.00%						
Housing Management and Maintenance	Income	Bob Chedzoy	Proportion of rent collected (BVPI66a)		98.00%						
	Income	Bob Chedzoy	Current tenant arrears as a % of the annual rent debit		4.00%						
	Income/ Legal	Bob Chedzoy/ Dave Joicey	No more than 10 evictions		10						
	Repairs	Daniel Hacker	% tenant satisfaction with quality of repairs		95.00%						
	Repairs	Daniel Hacker	% of response repairs completed on first visit		93.00%						
	Voids	Kieren Johnson	Average relet time for standrad works (GN)		15 days						
	Voids	Kieren Johnson	Average relet time for standard works (SH)		20 days						
Adding Value	Governance	Rob Webber	To ensure the Board meets at least six times during the year, plus one AGM.		6 + 1						

114

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Delivery Plan

2020/21

This Delivery Plan sets out the key actions for the Housing Revenue Account (HRA) within the Bournemouth Neighbourhood for 2020/21.

While work has begun to develop a new Housing Strategy for BCP Council, the actions within this document are linked to the Refreshed Bournemouth Housing Strategy 2017 – 2020 which set out the following five key priority areas.

1. Increase the right supply of new homes to meet local needs, including affordable housing.
2. Ensure housing stock is managed and maintained efficiently, safely and effectively, including improvements to the private rented sector.
3. Supporting area-specific regeneration plans.
4. Preventing homelessness and improving health and wellbeing through housing.
5. Making best use of resources and developing additional commercial opportunities.

The actions are also linked to the Council's new Corporate Strategy which sets out the following priorities:

- **Sustainable Environment** – Leading our communities towards a cleaner, sustainable future that preserves our outstanding environment for generations to come.
- **Dynamic Places** – Supporting an innovative, successful economy in a great place to live, learn, work and visit.
- **Connected Communities** – Empowering our communities so everyone feels safe, engaged and included.
- **Brighter Futures** – Caring for our children and young people; providing a nurturing environment, high quality education and great opportunities to grow and flourish.
- **Fulfilled Lives** – Helping people lead active, healthy and independent lives adding years to life and life to years.

The Council's strategy also seeks to develop a **modern, accessible and accountable council** committed to providing effective community leadership.

The Delivery Plan will support the Council's priorities through increasing the supply of new homes; ensuring that we provide, safe, well managed and maintained properties; contribute to area regeneration; reduce evictions by helping tenants maintain their tenancies; ensure effective use of existing Council homes to meet housing need and that we have efficient processes in place to manage our homes.

Key priority 1 - Increase the right supply of new homes to meet local needs, including affordable housing.						
What we will do	Actions to help us achieve this	Link to Corporate Strategy	Q1 RAG	Q2 RAG	Q3 RAG	Q4 RAG
Increase the supply of new Council housing through new build and purchase on the open market.	1. Publish a Housing Development Strategy for the Housing Revenue Account.	Dynamic Places				
	2. Maximise and collate medium term, (5 to 10-year delivery) housing development pipeline on HRA land.	Dynamic Places				
	3. Commence the development of over 120 mixed tenure homes on the Princess Road site in Westbourne.	Dynamic Places				
	4. Redevelopment of Northbourne Day Centre to provide 9 homes for rent including 1 and 2-bedroom flats and 2-bedroom houses.	Dynamic Places				
	5. Demolish garages on Barrow Way and commence construction of 3, 2-bedroom houses for rent.	Dynamic Places				
	6. Demolish garages on Ibbertson Way and commence construction of 2, 2-bedroom houses and 1, 3-bedroom house for rent.	Dynamic Places				
	7. Commence construction of 11, 1 and 2-bedroom flats for rent on the Cabbage Patch car park.	Dynamic Places				
	8. Commence work to replace existing Council homes at Luckham Close with new more modern homes for rent. The scheme will provide 6, 1 and 2-bedroom flats and 3, 3-bedroom houses.	Dynamic Places				
	9. Agree the scale of social rented homes within the new build programme based on detailed financial assessment of options.	Dynamic Places				
	10. Examine modern methods of construction to reduce costs and ensure that property purchases on the open market represent value for money.	Dynamic Places				

	11. Explore opportunities to build new homes in areas of low density Council owned properties to support regeneration.	Dynamic Places				
	12. Explore opportunities to sell HRA land to private developers where it is not financially viable for the Council to build and where this brings sustainable land assembly opportunities for developers to provide much needed additional homes.	Dynamic Places				
	13. Consider the purchase of private land to create opportunities for future development of Council owned homes.	Dynamic Places				
	14. Agree a strategy to develop energy efficient homes that help reduce fuel poverty and contribute to the Council's CO2 reduction target.	Sustainable Environment				
Key priority 2 – Ensure housing stock is managed and maintained efficiently, safely and effectively.						
What we will do	Actions to help us achieve this	Link to Corporate Strategy	Q1 RAG	Q2 RAG	Q3 RAG	Q4 RAG
<p>24</p> <p>CP</p> <p>Ensure that we provide safe, well managed, maintained properties and that best use is made of Council homes to meet housing need.</p>	1. Implement identified service improvements to ensure maintenance and improvements carried out to Council homes deliver value for money.	Modern, accessible and accountable Council				
	2. Complete 95% of routine repairs on time.	Modern, accessible and accountable Council				
	3. Agree new terms of reference for the cross tenure BCP Fire Safety Group to ensure that our homes are safe places to live and contribute proactively.	Modern, accessible and accountable Council				
	4. Review the resources required to maintain our programme of safety inspections of our blocks of flats including Senior Living accommodation and ensuring high standards of estate management.	Modern, accessible and accountable Council				
	5. Implement any new recommendations from the Governments "Building a Safer Future" consultation.	Modern, accessible and accountable Council				

	6. Provide an effective voids management service with a re-let time of 20 days for standard voids.	Modern, accessible and accountable Council				
	7. Develop a Sustainable Strategy for Housing and Construction in respect of new build and retrofitting of existing HRA stock.	Sustainable Environment				
	8. Ensure that our asset management strategy is up to date and due consideration is given to sustainable maintenance / construction, `zero carbon` housing operation by 2030 and how new homes will be heated beyond 2025 should the government ban the installation of gas boilers.	Sustainable Environment				
	9. Publish a tenancy fraud policy to ensure that homes are occupied by the lawful tenant and that checks are in place to detect fraud when homes are sold.	Modern, accessible and accountable Council				
	10. Review the policy and procedure for the recovery of rechargeable repairs.	Modern, accessible and accountable Council				
	11. Collect 98% of the rent due from tenants while minimising evictions.	Modern, accessible and accountable Council/Fulfilled Lives				
	12. Review service charge options for tenants and leaseholders including changes to levels and frequencies of services provided.	Modern, accessible and accountable Council				
	13. Complete ongoing programme of works covering all actions arising from Fire Risk Assessments.	Modern, accessible and accountable Council				
	14. Consider any recommendations or changes to legislation following consultation on the 2018 Housing Green paper "A new deal for social housing".	Modern, accessible and accountable Council				

	15. Demonstrate effective compliance with the Regulatory standards for registered providers of social housing.	Modern, accessible and accountable Council				
	16. Demonstrate reassurance that compliance of the housing stock with regards to water quality, gas safety, asbestos, electrical safety, fire safety and lift safety is at good levels and well within the legal requirements.	Modern, accessible and accountable Council				
	17. Engage with residents to develop services and policies and enable tenants to scrutinise the service we provide.	Modern, accessible and accountable Council				
	18. Explore the benefits a membership of Housemark to enable benchmarking would bring.	Modern, accessible and accountable Council				
Key priority 3 – Supporting area specific regeneration plans.						
What we will do	Actions to help us achieve this	Link to Corporate Strategy	Q1 RAG	Q2 RAG	Q3 RAG	Q4 RAG
N 4 Contribute to area regeneration strategies and corporate with other stakeholders to achieve strategic aims.	1. Continue to work with the West Howe Regeneration Partnership to achieve the aims set out in its Vision for West Howe.	Connected Communities				
	2. Explore opportunities to build new homes or redevelop existing ones that contribute towards the regeneration of specific areas working closely with Communities colleagues.	Dynamic Places				
	3. Facilitate the use of land within the HRA by local groups and charities where this has a potential benefit for Council tenants.	Connected Communities				
	4. Encourage residents to look after their neighbourhoods and take pride in where they live.	Connected Communities				

Key priority 4 – Preventing homelessness and improving health and wellbeing through housing.

What we will do	Actions to help us achieve this	Link to Corporate Strategy	Q1 RAG	Q2 RAG	Q3 RAG	Q4 RAG
Reduce evictions by helping tenants maintain their tenancies and help create good neighbourhoods.	1. Contribute towards the development of a new BCP allocations policy and agree approach to IT software.	Dynamic Places				
	2. Implement agreed options for increased tenancy sustainment so that vulnerable tenants can be supported to maintain their tenancies including the provision of additional Housing First tenancies.	Connected Communities				
	3. Identify training needs and provide resources for staff to help manage tenants with complex needs.	Connected Communities				
	4. Explore options for the provision of additional adapted housing to meet specific and bespoke housing need.	Connected Communities				

Key priority 5 – Making best use of resources and developing additional commercial opportunities.

What we will do	Actions to help us achieve this	Link to Corporate Strategy	Q1 RAG	Q2 RAG	Q3 RAG	Q4 RAG
Ensure effective use of existing Council homes to meet housing need and that we have efficient processes in place to manage our homes.	1. Review policies, procedures and strategy with Poole Housing Partnership and agree scope to align.	Modern, accessible and accountable Council				
	2. Review our approach to fixed term tenancies and feed into the Council's wider Tenancy Strategy.	Dynamic Places				
	3. Review our use of Independent Senior Living accommodation to ensure that it is meeting housing need and consider if schemes should be decommissioned working closely with PHP in the Poole neighbourhood.	Dynamic Places				
	4. Review our use of incentives to encourage tenants to downsize to a smaller home.	Dynamic Places				

	5. Be actively involved in the Councils organisational design around one operational model with a single service process and way of delivering services taking into account feedback from staff HRA workshop.	Modern, Accessible and Accountable council				
	6. Document and communicate processes and procedures to staff to ensure a consistent approach.	Modern, Accessible and Accountable council				
	7. Effective monitoring of the HRA budget through the accurate production of the annual accounts, completion of statutory returns, accurate reporting of right to buy receipts and reporting of income managed on behalf of the general fund e.g. garages and photovoltaic cells.	Modern, Accessible and Accountable council				
	8. Increased use of the Northgate Housing system to record and manage customer contact.	Modern, Accessible and Accountable council				

CABINET



Report subject	Community Infrastructure Levy (CIL)
Meeting date	12 February 2020
Status	Public Report
Executive summary	<p>To seek approval for the governance of BCP Council CIL receipts. The report covers proposed governance for both strategic and neighbourhood portion CIL monies.</p> <p>The first part of the report sets out the proposed arrangements for the strategic element of CIL (which can be used to fund major infrastructure projects such as strategic transport, school places, flood defences, Dorset Heathlands mitigation and open spaces).</p> <p>This includes seeking approval to progress the Council's first Infrastructure Funding Statement, which once published will set out the strategic infrastructure needs across the BCP area, costs and expected delivery timescales. As part of this it is recognised that work needs to start on adopting a new, single CIL Charging Schedule for BCP in order to provide a consistent approach to charging and related collection policy.</p> <p>The second part of the report focuses on the CIL Neighbourhood Portion, which requires 15% to 25% of CIL to be set aside for local projects. The report highlights that BCP Council inherited different systems for this from the legacy Councils. Moving forward, CIL Neighbourhood Portion in Christchurch is now a matter of transferring the monies to the Town and Parish Councils in accordance with the statutory requirements. However, a decision is also required to transfer the 15% neighbourhood proportion collected in the previously unparished area of Christchurch to Christchurch Town Council and Highcliffe and Walkford Parish Council. A consistent approach is needed in Bournemouth and Poole.</p> <p>The options for this are to either adopt the system of collecting the Neighbourhood Portion on a ward basis or pooling the monies into a single pot to which any community across Bournemouth and Poole can bid into. The relative merits of both these options are reviewed in the report with the recommendation being to introduce Option 2 as a consistent approach across the Bournemouth and Poole parts of the BCP Council area.</p>

Recommendations	<p>RECOMMENDED that Cabinet are asked to:</p> <ul style="list-style-type: none"> (a) Authorise the Director for Growth & Infrastructure to lead production of the BCP Infrastructure Funding Statement (IFS) by December 2020. The IFS will outline the allocation of strategic CIL proportionately across the BCP area once published; (b) Authorise the Director for Growth & Infrastructure to commence work on a consolidated BCP Charging Schedule that will replace the legacy charging schedules in due course; (c) Agree that the 15% neighbourhood proportion collected in the previously unparished areas of Christchurch is passed on to Christchurch Town Council and Highcliffe and Walkford Parish Council. (d) Agree that Option 2 as set out in this report will be introduced and replace the legacy CIL Neighbourhood Portion arrangements in Bournemouth and Poole on 1st October 2020. The legacy arrangements will remain in place until they are superseded on 1st October 2020; and (e) Delegate the set-up arrangements for the BCP CIL Neighbourhood Portion scheme to the Director for Growth & Infrastructure in consultation with the Portfolio Holders for Strategic Planning and Communities.
Reason for recommendations	To provide a unified approach to the allocation of BCP CIL receipts and to start work on the Council's first Infrastructure Funding Statement.
Portfolio Holder(s):	Margaret Phipps, Portfolio Holder for Strategic Planning Lewis Allison, Portfolio Holder for Communities
Corporate Director	Bill Cotton, Corporate Director for Regeneration and Economy Kate Ryan, Corporate Director for Environment
Contributors	Julian McLaughlin, Director for Growth and Infrastructure Kelly Ansell, Director for Communities Cat McMillan, Head of Communities Nicholas Perrins, Head of Planning and Building Control Mark Axford, Planning Policy Manager
Wards	ALL
Classification	For Recommendation

Background

1. Community Infrastructure Levy (CIL) is a charge on development introduced by the Planning Act 2008, as a tool for local authorities to help deliver infrastructure required to support the development of their area. CIL charges are set out in a Charging Schedule.
2. BCP Council inherited a Charging Schedule from each of the legacy councils that remain operational across the BCP Council area. These Charging Schedules, based on current rates of development delivery, generate around £4m to £5m of CIL receipts for BCP Council.
3. The collection and expenditure of CIL is governed by the CIL Regulations 2010 (amended), which establish the following parameters for how CIL is to be spent:

Administration

4. Up to 5% of all CIL receipts can be spent on the administration aspects of collecting and spending CIL. The legacy councils all set up robust collection processes involving officers in planning, finance and communities who all have a crucial role in ensuring the money owed is collected and spent on delivering infrastructure to meet the area's need. Using the maximum 5% of the total CIL as permissible within the CIL Regulations, will result in between £200,000 and £250,000 being available to help fund the collection process per annum.

Neighbourhood Portion CIL (NCIL)

5. The CIL Regulations require that 15% of CIL is to be spent on local projects required to support areas where there is development; this is known as the Neighbourhood Portion, referred henceforth as NCIL. NCIL increases to 25% for an area where there is a Neighbourhood Plan in place. In areas with Parish or Town Councils the Council must pass the NCIL directly to those local councils. In areas without a Parish or Town Council, the local authority retains the NCIL but should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding.

Strategic CIL

6. This represents all remaining CIL monies after administration and neighbourhood portion have been set aside for those purposes. For the purposes of this report this element is henceforth referred to as the 'strategic CIL' as it is the element available to spend on delivering the strategic infrastructure projects required to support the overall development of the area.
7. This report now considers arrangements for how BCP Council should administer the Strategic and Neighbourhood CIL having regard to the existing processes.

Part 1 – Governance Arrangements for Strategic CIL

8. The allocation of strategic CIL was previously governed by maintaining what was known as the Regulation 123 list, which set out the projects that CIL would be spent on. The CIL Regulations were amended in 2019 that removed the

requirement to have a Regulation 123 list and replaced it with a requirement to publish an Infrastructure Funding Statement (IFS).

9. The Council's first IFS must be published by December 2020 and is required to report on the collection and expenditure of both CIL and Section 106. The deletion of the Regulation 123 list also removes previous restrictions on the use of CIL and Section 106, which could support greater use of Section 106 type tariffs for specific infrastructure in the future.
10. The IFS is the opportunity for the Council to establish what it will now spend its CIL on as well report its use of Section 106 in an open and transparent way. It is recommended that work is commenced on the IFS as soon as possible in order to identify BCP's strategic infrastructure needs based on existing Local Development Plans and the Corporate Plan. There are a number of key areas of infrastructure that the legacy Regulation 123 lists identified CIL would deliver and would likely form the basis for the IFS projects. These include Dorset Heathland and Poole Harbour mitigation (such as SANGs), regeneration initiatives in the area's town centres, strategic flood defences, school places and strategic transport.
11. There will only be a finite amount of CIL available at any given time so consideration needs to be given to the infrastructure funding priorities to support development across BCP. The IFS production process will identify a series of short, medium and long term priorities that CIL and Section 106 tools can be used to help deliver over time. This process will also need to ensure that the delivery of infrastructure is proportionate to the needs across the Bournemouth, Christchurch and Poole area.
12. As part of this, it is proposed that at the point the BCP IFS is published the collection processes will also need to be harmonised and aligned as is being done on a range of other Council services and charges. In terms of collection, it is therefore proposed that instead of the legacy arrangements that collect the monies separately in each area, the finance team could set up a single system for pooling all strategic CIL collected across BCP that is then allocated to the funding to the projects set out in the IFS.
13. The production of the IFS will be prepared by the Planning Policy team given its link to development in Local Plans but with liaison with all services that have responsibility for infrastructure. It is proposed that the Director for Growth & Infrastructure is authorised to coordinate the production of the IFS to be brought back for approval via the Council decision making process before December 2020.
14. At the same time as starting work on the IFS, it is advisable that work also starts on a new Charging Schedule for BCP so there is a single document in place setting out the charging approach across the area. Charges across BCP are different depending on development types and areas and must be developed based on robust evidence on viability and infrastructure needs.

15. It is work that has to take place alongside the Local Plan in any event and therefore given that work has started on that, it is sensible to also formally start work on a CIL review. The charging schedule will also provide the opportunity to review any areas from the legacy charging schedules that require a change in approach based on local circumstances. A new charging schedule would take approximately 12-18 months to prepare and adopted following examination in public.

Part 2 - Governance Arrangements for Neighbourhood Portion CIL

16. The legacy arrangements for NCIL are as follows:

- Bournemouth operates a ward system where the NCIL collected in the ward is allocated and ringfenced to be spent only in that ward. Ward councillors were responsible for submitting bids on behalf of their residents that are then determined by a decision-making panel made up of senior officers and portfolio holders. The Communities team manage the majority of the bidding process with the Planning team involved in the decision making.
- Christchurch area did not have a process set up at the time of Local Government Reorganisation. The former Christchurch Borough did, however, have two Parish Councils and work was focused on setting up the passing of the NCIL to them. The remaining Christchurch urban area was unparished and governance arrangements had not been established for the 15% NCIL collected for this area prior to formation of BCP. The 15% NCIL collected in the previously unparished area must be spent in what is now the Christchurch Town Council and Highcliffe and Walkford Parish areas. Therefore, it is appropriate for this 15% NCIL to be passed on to the Town Council and Highcliffe and Walkford Parish.
- Since LGR, virtually all of the former Christchurch area is now covered by Parish or Town Councils. Therefore, the process of NCIL in these areas will be straightforward going forward as NCIL collected in their areas will be passed over to the Parish and Town Councils.
- In the Poole area the NCIL was pooled into a single pot whereby communities outside of Neighbourhood Forum areas could submit bids for their projects. A cross-party member working party would meet to assess the bids with the final decision being taken by the Director for Growth & Infrastructure. The Planning Policy team manage the bidding process.

17. The legacy arrangements all remain in place until such time they are replaced by a BCP Council system. The Bournemouth decision-making panel met in November 2019 and the Poole working party will meet in February 2020.

18. In terms of adopting a BCP approach to NCIL, it is important to recognise that the allocation of NCIL will be different in the Bournemouth and Poole areas when compared with the Christchurch area. This is due to the coverage in Christchurch by Parish and Town Councils. As NCIL is required by law to be passed to Parish

or Town Councils then no specific allocation arrangements need to set up for Christchurch other than the actual process of releasing the relevant monies. These arrangements are being set up at the present time.

19. In respect of Bournemouth and Poole, officers from Planning and Communities have been working together to identify potential options for how BCP Council could operate NCIL. Whilst a number of options have been considered it is considered that members should introduce one of the two following options that are based on the legacy arrangements in Bournemouth and Poole:

Option 1 –Ward-based model

20. In this option each ward would retain the NCIL that was collected from development that took place in their ward area. This approach would retain a link between providing community projects where development happens.
21. It is proposed that the ward councillors will be responsible for working with their communities as well as council departments to submit bids that will be reviewed by a member panel made up of relevant portfolio holders. The final decision on the award of projects will be taken by the Director for Growth & Infrastructure subject to the thresholds in the Council's financial regulations.
22. The process for inviting and assessing bids will be developed between the communities and planning policy teams.
23. Where Neighbourhood Plans are adopted the relevant areas would then have the 25% NCIL ringfenced for use in those plan areas.

Option 2 – Pooling model

24. This approach would be to introduce a system whereby the NCIL collected across Bournemouth and Poole is pooled into a single pot that communities can then submit bids to seek funding for their local projects.
25. It is proposed that Council departments would also be able to submit bids for local infrastructure projects that meet community and corporate objectives and where they have engaged with and have the support of residents and ward councillors.
26. Ward councillors will be expected to support the bidding process for projects in their areas and providing liaison with their communities to identify local priorities that need NCIL funding support.
27. The pooling approach has the benefit of enabling communities to access greater sums of monies than if being limited to only what is collected in the ward and it could help with delivering larger projects with a greater community benefit. Recognition will also need to be given around the amount of development across the area to ensure infrastructure is being provided where needed.

28. As with Option 1, a member panel would be set up made up of the relevant Portfolio Holders to review the bids with the final decision made by the Director for Growth & Infrastructure in line with the thresholds in the financial regulations. The bidding process would need to be established in terms of how frequent the rounds would take place and explore opportunities to have different themes over the year.

Town and Parish Councils Neighbourhood Forums and Plans and NCIL

29. It is important to clarify how NCIL will operate in Town and Parish Council, Neighbourhood Forum and Neighbourhood Plan areas in conjunction with the wider NCIL scheme:

- Town and Parish Council areas – The legislation requires the NCIL 15% (that rises to 25% where the local council has adopted a Neighbourhood Plan) to be passed over to the relevant Town or Parish Council. This means that in Christchurch, NCIL will be passed directly to the Town and Parish Councils that cover that the former Christchurch Borough Council area. The 15% is subject to a cap of £100 per dwelling in the relevant area.
- Neighbourhood Forums (without a Neighbourhood Plan) – There is not a statutory requirement to ringfence the 15% NCIL collected in Neighbourhood Forum areas for their use. Therefore, the 15% NCIL will not be ringfenced for any Neighbourhood Forums that do not have a Neighbourhood Plan, and any NCIL collected in these areas will form part of the Council's NCIL scheme (either Option 1 or Option 2). However, Neighbourhood Forums without a Neighbourhood Plan in Bournemouth and Poole will be eligible to bid into the Council's NCIL scheme so will be able to access funding in the same way as other parts of the community.
- Neighbourhood Plan areas – Where a Neighbourhood Plan has been adopted 25% of the levy collected from development in a Neighbourhood Plan area is available for NCIL. The expectation is that the Neighbourhood Plan area has the 25% NCIL ringfenced for use in its area, and then would not then be part of the Council's NCIL scheme. Arrangements for how the Neighbourhood Plan areas access the NCIL will be confirmed in the set-up arrangements for the overall scheme and in accordance with the Council's financial regulations.

However, it is acknowledged that Neighbourhood Plan areas may want the choice to either retain their 25% for their own use or remain part of the Council's scheme. It is therefore proposed that Neighbourhood Plan areas are given the choice of 'opting in' or 'opting out' of the Council's scheme. Where the Neighbourhood Plan area opts 'in' to the Council's NCIL scheme, it would mean its NCIL would remain part of the central or ward pots (depending on which option is agreed), and where it opted 'out' the NCIL would be available for use only in that plan area but not be able to bid into the central pot.

The choice on whether to opt in or opt out of the Council's scheme will then need to be in effect for a prescribed amount of time i.e. 1, 2 or 3 years. The

Director of Growth & Infrastructure will confirm the time period for this as part of the setup arrangements.

Recommended Option and Implementation

30. Based on the success of a similar pooling system that operated in the former Poole scheme in engaging its communities and pooling funds together to deliver projects (over £2m of NCIL has been allocated), it is recommended that Option 2 is taken forward and introduced across Bournemouth and Poole. It allows communities that would otherwise not have money available to bid for funding to improve their areas and considered to be a fair and equitable approach.
31. Officers from planning and communities will prepare the set-up arrangements including updating the bidding guidance and clarifying how Council departments and Neighbourhood Forums can also bid for monies in a fair and equitable way. This will also include exploring more innovative arrangements for bidding and raising money from other sources such as crowdfunding to ensure the process is open and engaging.
32. It is proposed that the new system will be open for bidding from 1st October 2020. This provides over 6-months for a transition period whereby the legacy arrangements will remain in place for communities to access. From the 1st October 2020 all unallocated NCIL will be transferred into the new scheme.
33. It is also acknowledged that as more Neighbourhood Plans are adopted and the Council looks more widely at its governance arrangements, the NCIL system that it is brought in now will need to evolve over time. As a result, the NCIL arrangements will need be subject to annual review by the Director of Growth & Infrastructure to ensure they remain effective for the BCP area. Where a change is needed this will be subject to a future cabinet decision.

Summary of financial implications

34. CIL across the BCP area currently generates between £4m and £5m per annum. This is an important source of income for infrastructure at both the strategic and neighbourhood level. There is also up to 5% available to help fund the Council's expenditure on administration. There is a lot of work to be done in setting up a new BCP Neighbourhood Portion scheme as well as starting work on the Infrastructure Funding Statement and creation of a new Charging Schedule. This will need to be resourced going forward. At the present time there is budget available in the Local Development Framework Reserve to produce the IFS and a new Charging Schedule. It will be important to ensure this reserve is retained to enable the delivery of these projects.

Summary of legal implications

35. CIL is governed by the CIL Regulations 2010 (amended). All work that is undertaken will need to comply with the CIL Regulations.

Summary of human resources implications

36. The Neighbourhood Portion element of CIL can be resource intensive. The final option that is chosen for NCIL will need to be supported by sufficient resources in both communities and planning.

Summary of environmental impact

37. CIL collection can be used for a wide range of projects, many of which will deliver positive impacts to the environment.

Summary of public health implications

38. CIL could help provide new public open space and improved paths, providing a positive effect upon public health.

Summary of equality implications

39. It will be important to ensure that the final option for NCIL fairly represents all our communities with everybody having an equal opportunity to seek funding.

Summary of risk assessment

40. CIL collection is dependent on market conditions. In this respect it will be prudent for projects to be funded in whole or in part by CIL to be based on realistic projections on CIL receipts.

Background papers

Review of CIL Neighbourhood Portion in BCP.

Appendices

None

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CABINET

Report subject	Organisational Development – Estates & Accommodation Strategy
Meeting date	12 February 2020
Status	Public
Executive summary	Cabinet has adopted the principle of a single council hub to support the future operating model and ways of working described in the Organisational Design Programme. This Report sets out the current Estates context, the options for achieving a single council hub and the evaluation criteria to be applied to the options, and the recommended way forward for the delivery of a single council hub for BCP Council.
Recommendations	<p>It is RECOMMENDED that Cabinet:</p> <ul style="list-style-type: none"> (a) Endorse and adopt the findings and recommendations as outlined in this Report (b) Adopt the refurbishment of the current Bournemouth Town Hall complex as the preferred model to deliver the BCP Council Civic Centre (c) Approve an exercise to Pre-Engage the market in order to assess and test the potential supplier relationship options and costs to support the implementation of the BCP Council Civic Centre; (d) Authorise the S151 Officer to consider the potential impact of the costs and benefits of the BCP Council Civic Centre project on future versions of the BCP Council Financial Strategy and Medium Term Financial Plan; (e) Agree to receive a further paper in June 2020 setting out the delivery plan and funding arrangements for the BCP Council Civic Centre project
Reason for recommendations	To adopt the current Bournemouth Town Hall complex as the site for the future BCP Council Civic Centre.

Portfolio Holder(s):	Councillor Vikki Slade
Corporate Director	Julian Osgathorpe, Corporate Director Resources
Contributors	Cabinet All Senior Managers of BCP Council
Wards	All
Classification	For Decision

Background

1. In November 2019 Cabinet considered, endorsed and adopted the Organisational Design report as the basis for BCP Council's transformation programme. In preparation for the next Cabinet report in April 2020, we are currently undertaking a Market Pre-Engagement exercise in order to test the assumptions that were the basis of the high level business case.
2. During the organisational design process, as well as the operational experience of the Council since 1st April 2019, it has become very clear the role our buildings and physical locations must play in supporting the future aspirations of the organisation. Acknowledging this, Cabinet endorsed and adopted the principle of a single council hub in the November 2019 report and requested a more comprehensive review to be carried out to assess options.
3. In order to align the organisational design and estates/accommodation thinking, KPMG were asked to support BCP Council's Corporate Property & Estates team in the development of a high level review and evaluation of potential options through the following Brief
 - a. The state of our current estate, with particular focus on key office accommodation sites
 - b. A more detailed assessment of the three core administrative "hubs" (i.e. Bournemouth Town Hall complex; Poole Civic Centre; Christchurch Civic Offices) and their current utilisation and future potential
 - c. Consideration of the organisation's future spatial requirements, based on the changes described in the organisational design work, in terms of future headcount and ways of working
 - d. Identifying core potential options to meet the organisation's needs along with potential evaluation criteria to be used in the assessment of any options
 - e. Research and illustrate potential solutions within the core options and provide a high level evaluation (using the proposed criteria) through the use of financial and non-financial information

- f. Provide a recommendation on the most appropriate way forward for the Council based on this process
 - g. Identify key risks and issues
- 4. The output from this process is the BCP Estate High Level Hub Options Analysis report and this is attached at Appendix 1. This Cabinet report will focus on the following aspects
 - a. The forecast spatial requirements of the organisation (see 6. (g) below)
 - b. The core options available to the Council to meet the spatial requirements
 - c. The proposed evaluation criteria for assessing the core options
 - d. The outcome of the evaluation process and the recommended way forward
 - e. The proposed next steps
- 5. Before we move on to these important considerations, it is worth drawing out some of the critical findings of the background information contained in the report. In doing this, it is important to remember that following the LGR process, BCP Council's Estate is comprised of a very large number of buildings from all four of the preceding authorities. This fact, when combined with the comparatively compact geographic area served by the Council, almost certainly means that we have many more assets/buildings than we will require once we have successfully redesigned the organisation and its way of working.
- 6. The key contextual findings from the report are
 - a. The Estate comprises 2842 unique building ID's over 852 sites
 - b. Of these, 64 are considered to be "Office/Administrative" in nature (note, however, that this may also include multi functional sites)
 - c. Across the three core "hub" sites average occupancy/utilisation is only 41%
 - d. While there is a mix of ways of working/effectiveness of utilisation, generally our core office sites are considered to be not modern or fit for purpose. It is also clear that the current physical space and facilities in our core office buildings is not capable of supporting the ways of working and operating model expressed in the Organisational Design work
 - e. Clearly, there is duplication of some types of accommodation provision arising from the fact that each of the preceding authorities were required to meet particular requirements (e.g. Civic facilities; infrastructure facilities such as data centres etc)
 - f. There is significant maintenance backlogs on many of the buildings within the estate. This is to be expected considering the impact of the last decade of austerity and the intent within many of the preceding authorities to protect front line service provision

- g. There is significant potential to, over time, realise capital receipts through rationalisation of the estate
- h. The recommendation is that the Council adopts and focuses on developing an appropriate and effective “Hub and spoke” Estates strategy, with the initial focus on the development of a single Civic and administrative hub

The Future Spatial Requirements of The Organisation’s “Hub”

- 7. The team have used the output from the organisational design work and applied a methodology for calculating future spatial requirements for a single civic and administrative site for the Council.
- 8. This methodology is based on their experience of working with many other organisations in both public and private sectors, as well as the general estates guidance issued by central government for the Civil Service.
- 9. The methodology has been tested with a range of assumptions across a number of different scenarios. This process is described in the report in some detail, with three illustrative examples being provided. This reveals that the future spatial requirements of the organisation is likely to be in the range of c9,700 to c15,700 sqm depending on a range of variable such as
 - a. How ambitious we want to be in our new ways of working
 - b. How modern and flexible we wish to be with the type of spaces we provide to support our new ways of working
 - c. How we wish to allocate front line staff within the overall Estates & Accommodation architecture and/or partner sites

Potential Options Available to Meet the Future Spatial Requirements of the “Hub”

- 10. The Report proposes three core options for meeting the requirements of the future Hub. These are
 - a. Buy/Lease
 - b. Build
 - c. Recycle (i.e. reuse of an existing site within the Council’s Estate)
- 11. With the option to Buy/Lease an existing building somewhere within the conurbation, an assessment has been made of the characteristics of buildings that are/may be available to the market. This has proved difficult as there is extremely limited options that are capable of meeting the spatial requirements of the organisation. It is also likely that in the event that an acquisition target that meets our spatial requirements could be identified and be available, there would be not only capital acquisition costs but also significant refurbishment required.

12. The Build option is inherently more attractive and has higher potential to meet the future needs of the Council. However, the development costs of a build option based on the likely assumed cost per sqm are considered to be high.
13. The Recycle option considers the potential of the three current Civic and administrative hubs to meet the anticipated future spatial requirements. It is clear from this analysis that only the Bournemouth Town Hall complex (i.e. Town Hall/Extension/Annexe) has such potential. However, there are two important considerations impacting this
- a. Only the most ambitious of the spatial requirement scenarios is capable of being accommodated, and
 - b. There will be a significant refurbishment cost to make the accommodation capable of supporting the future ways of working and organisational ambitions

The Proposed Evaluation Criteria

14. The Report proposes five criteria to be used in evaluating the options described above. These are
- a. Value for Money, including
 - i. Potential for capital receipts
 - ii. Implementation costs
 - iii. Potential reduction in operational/running costs
 - iv. Public perception
 - b. Locational Factors, including
 - i. Proximity to public transport/parking facilities
 - ii. Proximity to other key facilities/locations, including other Council service delivery sites within the conurbation
 - iii. Impact on local businesses
 - iv. Staff commuting/home locations
 - c. Sustainability, including
 - i. Impact on the Council's effort to become carbon neutral by 2030
 - ii. Sustainability credentials of the building
 - iii. Impact on staff business travel
 - iv. Carbon impact of any build/refurbishment works
 - d. Physical Site Characteristics, including
 - i. Size/space
 - ii. Internal layout/characteristics of the building

- iii. Opportunities to extend the accommodation if required
 - iv. Availability of parking
 - e. Implementation Feasibility, including
 - i. Availability of suitable sites (e.g. is there likely to be a period of time where no momentum is possible?)
 - ii. Complexity/cost of the transition activity
- 15. The application of these criteria to the core options described above produces a recommendation that the most appropriate recommendation is that the Council adopts the “Recycle” option and refurbishes the Bournemouth Town Hall complex to become the single hub for the organisation in the future.
- 16. It is fair to say that this recommendation is based on a complex interaction of all of the variables that must be considered. While it may be possible to make arguments in favour of one of the other options in each of the evaluation criteria, it is believed that there is no other option that will
 - a. Allow the Council to adopt a position and move forward with it immediately without the potential negative perception of adding to an already large and complex Estate
 - b. Facilitate the anticipated future requirements of the organisation for a single civic and administrative hub in a way that creates constructive and creative tension that will keep us true to our Design Principles and anticipated future state
 - c. Provides an optimal geographic location within the approximate centre of the conurbation and therefore limits business travel requirements between the hub and other service sites
 - d. Limits the cost of the final solution and the carbon footprint of the development process

Summary of financial implications

- 17. There are no financial implications arising from this report, and the costs of undertaking this work have been fully met within the resources allocated to the delivery of Phases 1 and 2 of the BCP Council LGR programme.
- 18. Based on the costing assumptions for the recommended option (i.e. the refurbishment of the Bournemouth Town Hall complex) it is expected that the net costs will be within the £20 - £29m range. However, there will be detailed survey and design required at a later date that will/may impact this range and as a result no budget is being requested at this stage.
- 19. However, the S151 Officer should be authorised to consider the impact of the anticipated cost range on future iterations of the council’s Financial Strategy and Medium Term Financial Plan, as well as the options for the funding of the anticipated work programme.

Summary of legal implications

20. There are no legal implications arising from the information set out above. However, please refer to “Proposed Next Steps”, below.

Summary of human resources implications

21. It is recognised that any decision to consolidate staff into a single site may be challenging for some staff. This may be made even more difficult by the prospect of potentially moving more than once in the medium term in order to accommodate any building or renovation activity. However, the impact of a change in office location must be viewed in conjunction with the benefits that will be offered by the introduction of flexible and modern ways of working which will reduce the need to commute and/or travel for meetings.
22. To support this, we will be developing and implementing a people focussed change methodology. It will be aimed at significantly improving the way in which we engage and communicate, prepare people for the changes to come, and support them to adapt and thrive in the new environment.
23. A critical consideration in respect of the human resources implications of this proposal is that if implemented, it will be largely contemporaneous with the implementation of both the Organisational Design Programme and the Pay & Reward Strategy approved by Cabinet in September 2019. The combined effect of these strategic work programmes is absolutely critical to the future success of the organisation, but it does mean that staff and the organisation will have a number of very significant impacts to deal with at the same time.

Summary of environmental impact

24. There are no direct environmental impacts arising from the content of this report.
25. However, in the event that the Council adopts and implements the recommendations it is very likely to make a significant contribution to the delivery of the Carbon Neutral by 2030 commitment.

Summary of public health implications

26. There are no direct public health implications arising from this report.

Summary of equality implications

27. There are no direct equality implications arising from this report.
28. However, in the event that the Council adopts and implements the recommendations there will need to be robust assessment and management of the equalities implications of the process for individuals both inside and outside the organisation.

Summary of risk assessment

29. At this stage in the process a full risk assessment is not required or appropriate. However, in the event that the Council adopts the recommendations a full risk assessment and management methodology will be adopted.
30. Notwithstanding this, it is critical to acknowledge the relationship between the ambition and aspirations adopted by Cabinet in the Organisational Design programme and the delivery of an Estates & Accommodation Strategy, beginning with the single hub described above, that is capable of supporting them.

Proposed Next Steps

31. In reviewing the output of this work with staff and Members, it has become apparent that the terminology “Hub and Spoke” and in particular the use of the phrase “Corporate Hub” or “Council Hub” has caused some confusion.
32. It is therefore proposed that in adopting and progressing this work, a minor amendment is made to the terminology, as follows
- a. The Council adopts the principles inherent within the “Hub and Spoke” Estates Strategy
 - b. But adopts the term “BCP Council Civic Centre” when describing the outcome of the refurbishment of the current Bournemouth Town Hall complex and its subsequent use as the single Civic and primary administrative site for the Council
 - c. Uses the term “Community Hub” for those facilities where there is face-to-face frontline service provision delivered to the public from the site (e.g. Libraries; Community Centres etc)
 - d. Uses the term “Operational Hub” for those facilities where there is a service presence but no face-to-face frontline service provision from the site (e.g. Depots etc)
33. It is recommended that a Market Pre-Engagement and Evaluation process is undertaken prior to a formal procurement process. This will provide an opportunity to
- a. Test the supplier relationship options for delivery of the project
 - b. Invite alternative views of the design options for the site
 - c. Invite views on the options for delivery phasing of the project
 - d. Provide a wider range of cost options depending on the options that emerge in relation to the considerations above
 - e. Provide a more informed range of costs for future planning and decision making
34. A report will be provided back to Cabinet in June 2020 setting out the result of this engagement and proposing an

- a. An implementation plan for the project
- b. A budget to deliver the project
- c. A funding strategy to support the budget

Background papers

None

Appendices

Appendix 1 – BCP Estate High Level Hub Options Analysis Report

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BCP estate – high level hub options analysis

265

December 2019



Report contents

Approach and key messages

Page 3

Estate overview

Page 6

Operating model links

Page 9

Hub options

Page 13

Risks and next steps

Page 19

Approach

Key approach



- In order to consider the BCP estate and in particular the future 'Council Hub' site, the following steps have been taken to perform a high level requirements and options analysis. This work focusses on:
 - Setting out the current 'state of the estate' looking primarily at key office accommodation sites and using available utilisation data, building data and site visits;
 - Considering how certain operating model changes might impact the future estates requirement (and vice versa);
 - Analysing the potential space required for the new Hub site, using a range of assumptions developed and agreed with BCP;
 - Defining the key criteria for assessing the Hub options, with the broader operating model and BCP Council Corporate Plan in mind;
 - Performing a high level options analysis for the future hub site using financial and non-financial information;
 - Considering a potential space layout for BCP's preferred option;
 - Considering potential risks and next steps.

BCP staff who have developed this report

- | | |
|--|--|
| — Julian Osgathorpe, Corporate Director | — Sarah Longthorpe, Commercial Development Manager |
| — Stephen Dunhill, Head of Estates | — Maria Bourton, Head of Major Change & PMO |
| — Matti Raudsepp, Director of Organisational Development | — Tina Worthing, Finance Manager – Environment & Community |
| — Martin Wilkins, Strategic Asset Manager | — Claire Holman, HR Systems Support Manager |

Other considerations



- This document sets out a high level review based on initial analysis of data relating to BCP Council's estate, high-level site visits and discussions with BCP staff.
- The analysis has been developed through key assumptions and options provided by or agreed with Management.
- The options considered in this report were identified by Management as the key scenarios for consideration. In addition the options, criteria, principles and underlying information were developed by/agreed with Management.
- Additional detailed work should be undertaken to further develop initial assumptions relating to financial estimates, feasibility, estate requirements (including headcount / space needed) and timelines.

Key messages

- The BCP Estate includes a broad spectrum of site types ranging from offices, community centres, car parks, leisure facilities, parks, land, industrial, infrastructure and public space / facilities spread across 852 unique locations. Approximately 226 sites are within a classification considered to be particularly relevant to the organisation design work, as they relate to sites from which services to the community are primarily delivered. These include office and administration sites and sites supporting direct service delivery (for example, adult centres, youth centres, children and family centres and libraries).
- Based on information obtained through site visits, interviews and data and analysis, there appears to be significant excess capacity across the estate (the primary office accommodation sites are only utilised approximately 41% on average). There are inconsistent ways of working and the potential to realise capital receipts through consolidation opportunities.
- Proposed changes to the BCP operating model provides a vision for a transformed BCP. The future BCP estate must support this vision. Key interdependencies between the new operating model and the estate exist around cultural change including more flexible working, increased collaboration, headcount reduction and increased digital interaction with customers.
- Building from the operating model principles, the future estate will be based on the following two key principles:
 - The majority of staff will be allocated to a centrally located Council Hub, including all of those primarily carrying out 'Citizen Experience and Engagement' and 'Enabling processes and functions'.
 - There will be a series of Community Spokes located within the community from which services will be delivered via multi-disciplinary teams. The Spokes will provide space for drop-ins and specifically diarised meetings with the community.
- In order to calculate the space required at the Council Hub, consideration has been given to the key changes driven by the operating model including headcount reduction and Smart Ways of Working. Based on initial analysis and using key operating model assumptions, it appears that approximately 9,700 to 15,700 SQM will be required for the Council Hub. The lower bounds of this range will require high levels of flexible working (including a significant proportion of time spent working from home), a large proportion of space allocated to 'alternative work settings' (versus more traditional work stations), tight space allocation and consistent use of space over the course of the week.
- This space estimate is based on high level assumptions and should be further validated both prior to the selection of the preferred option and throughout the programme to allow for time to take mitigating actions should the future Council Hub have insufficient space. For example, through a phased migration and by prioritising which teams are located to the Hub first.

Key messages (cont.)

- When considering potential options for the future Council Hub, five key criteria have been used (as identified by Management) – Value for money, Location, Sustainability, Physical site characteristics and Implementation feasibility. Value for money is a key criteria to ensure that the preferred Hub option is affordable. The budget for the Hub programme is yet to be agreed.
- Three potential Hub ‘sources’ identified by Management were considered – buying/leasing, building or recycling an existing BCP site. Net costs were estimated using BCP’s view of potential capital receipts from released sites and costings based on high level benchmarks.
 - For the ‘Buy/lease’ option, Holland House in Landsdowne has been identified as a potential opportunity to purchase off-market. Whilst it has a good, central location, the building is too small (7,466 SQM) and so would require development which could cost upwards of c.£65m including the cost of acquisition (£16m).
 - The ‘Build’ option considered example locations in Wessex Fields, Hurn and Landsdowne as these are priority Council growth areas. Wessex Fields and Hurn also have a good supply of available land although in less optimal locations due to being more difficult to access by both staff and customers, especially by Public Transport. The Build option is estimated to have a net cost of between approximately c.£46m and c.£67m which is likely to be too costly for BCP.
 - The ‘Recycle’ option (which would likely be a refurbishment of the Bournemouth Town Hall complex, as this is the largest BCP accommodation site at 9,700 SQM and has a central location within the Council area) is expected to have a net cost of between c.£20m and c.£29m. This assumes a full refurbishment of the entire site and less costly options are likely to be available for example if only the Town Hall Building is refurbished and the Annexe / Extension are left as is. Further detailed costings and valuations are required to refine this estimate.
- Based on the options analysis performed on Management’s criteria, it appears that Bournemouth Town Hall provides the preferred option of those considered, subject to other potential sites coming on the market in a central location. Further detailed requirements gathering, costings, existing valuations and new site searches should be performed before the preferred option is confirmed and taken forward.
- A number of key risks associated with selecting the Bournemouth Town Hall as the preferred Council Hub option have been identified. These include insufficient space provision in the Council Hub, net costs of the project being higher than expected and project delays. Further work is required to help mitigate these risks – refer page 19.

Overview of the estate

The BCP Estate includes a broad spectrum of site types ranging from offices, community centres, car parks, leisure facilities, parks, land, industrial, infrastructure and public space / facilities spread across 852 unique locations. Approximately 226 sites are within a classification considered to be particularly relevant to the organisation design work.

Breakdown of BCP estate

- The combined BCP estate database includes 2,842 unique building IDs located on 852 unique sites.
- The sites highlighted below are within a classification considered to be particularly relevant to the organisation design and so have been designated as 'priority sites'. These are sites from which services to the community are primarily delivered and include office and administration (64 unique IDs) and sites supporting direct service delivery (for example, adult centres, youth centres, children and family centres and libraries).

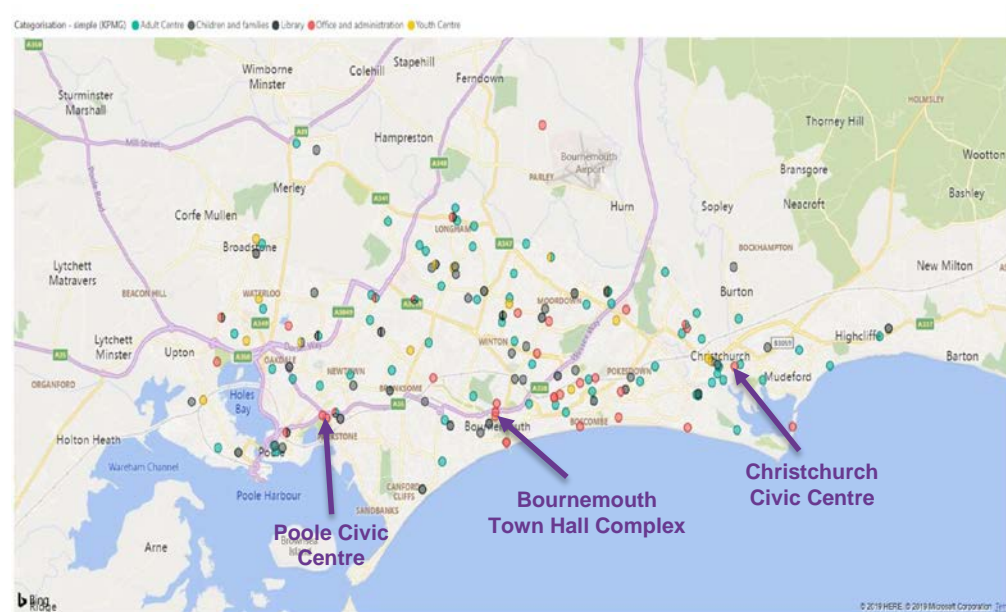
Breakdown of BCP estate types		
Site classification		No. of unique building IDs
Office and administration	●	64
Adult Centre	●	84
Youth Centre	●	15
Children and families	●	38
Library	●	25
Priority sites		226
Seafront estate		740
Infrastructure and utilities		585
Sports and leisure		208
Open spaces and reserves		172
School		170
Land and agricultural		156
Carpark		136
Residential and housing		106
Storage		86
Public conveniences		70
Retail and commercial		56
Other		44
Crematorium, Chapel, Cemetery		29
Industrial		28
Cultural sites		16
Depot		14
Total		2,842

270

'Priority' sites

Non-priority sites

Map of 'Priority' sites



Source: BCP data and analysis performed

Estate observations

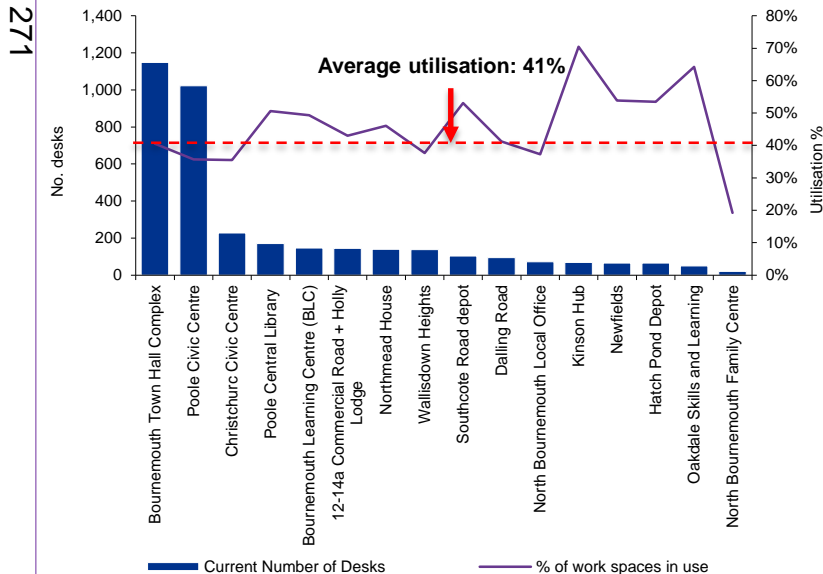
Based on information obtained through site visits, interviews and data and analysis, there appears to be significant excess capacity across the estate, inconsistent ways of working, consolidation opportunities, duplication of site types and potential to realise capital receipts.

Excess accommodation space



- Based on Council occupancy audits undertaken in 2018 across 16 primary office and accommodation sites, the average proportion of desks in use each day was 41%
- This translates into c. 2,100 of 3,700 desks free on average each day
- The audits were undertaken by BCP twice daily (mid morning/mid afternoon over two days in October 2018 apart from Christchurch Civic offices which were surveyed on nine occasions in August 2019)

Primary office and accommodation sites - 2018 Council utilisation study



Source: BCP occupancy audits dated October 2018 and analysis performed

Mixed ways of working



- Anecdotally, 'Smart ways of working' has been agreed as the direction of travel across the estate by senior leadership but this does not appear to be consistently embraced across the organisation
- Christchurch Civic Centre is held up as an example of an office that enables 'Smarter Ways of Working' but many other office accommodation sites represent much more traditional ways of working
- Across BCP's office accommodation, most people appear to have their own desk limiting the flexible use of office space
- There is a significant amount of paper and storage in offices as many staff/teams currently rely heavily on paper-based processes
- Of those offices where condition surveys have been completed, many have a multi million pound maintenance backlog. Investment is required to improve the quality of these sites and create a consistent look and feel across the estate.

Working styles observed in BCP

Contemporary working styles

Traditional ways of working

- All staff have an assigned desk
- Cellular meeting rooms
- Fixed IT (e.g. desktop computers)
- Separate kitchens
- Most work performed from office location

'Smart ways of working'

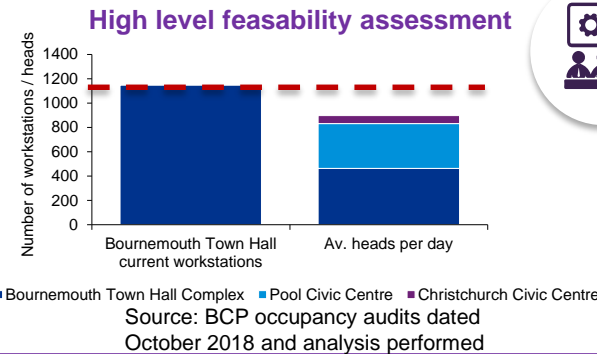
- Unassigned shared desks
- Activity based alternative work settings including space for:
 - Touchdown
 - Collaboration
 - Flexible multi purpose uses
 - Quiet and concentrated working
 - Team and project areas
 - Social and casual interaction
- Work performed in the most effective locations and at the most effective time

Estate observations (cont.)

Based on information obtained through site visits, interviews and data and analysis, there appears to be significant excess capacity across the estate, inconsistent ways of working, consolidation opportunities, duplication of site types and potential ability to realise capital receipts.

Using 'existing' ways of working, consolidation of the three main sites into Bournemouth Town hall appears feasible

- There are currently 1,148 workstations in the Bournemouth Town Hall Complex
- Across the three primary office locations of Bournemouth Town Hall Complex, Christchurch Civic Centre and Poole Civic Centre there were an average of 911 total desks in use based on the Council's occupancy audits
- Therefore, using existing ways of working, it appears feasible to consolidate the three sites into the Bournemouth Town Hall Complex based on those already working in the three main sites (i.e. does not include additional staff currently located elsewhere)



272

Duplication of site types

- Front line citizen experience and engagement for children, adult and elderly care occupy many sites scattered around the BCP vicinity
- The three primary sites in Bournemouth Town Hall complex, Christchurch Civic Centre and Poole Civic Centre provide identical facilities for civic, citizen experience and engagement, service delivery and support functions
- There are a number of Depots which appear to provide identical services. This may present opportunities for consolidation



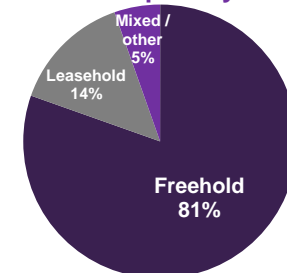
Council Chambers across the three main sites



There is potential ability to realise capital to help fund wider change

- The majority of sites are freehold (c.80% of 'priority' sites), meaning that there may be the ability to realise capital proceeds through rationalisation. Examples of sites with development potential / ability to generate proceeds include:
 - **12-14 Commercial Road and adjacent Holly Lodge** currently used as a day centre for elderly care and the children and social care administration team. The site is in an affluent residential area with large grounds currently used as garden and car parking. This could potentially represent a redevelopment opportunity
 - **Christchurch Civic Centre** – a relatively new office which is in a prime location adjacent to a marina. Initial BCP assessment indicates a potential valuation of up to £3.7m

Mix of tenure for 'priority' sites:



Source: BCP occupancy data and analysis performed



The estate and its link to the operating model

The operating model work provides a vision for a transformed BCP. The future BCP estate must support this vision but will also be dependent on the implementation of the operating model.

Design principles for the new operating model

1. Empowering communities to co-design and deliver services, with citizens taking responsibility for their own outcomes
2. Putting the customer at the heart of our thinking to provide timely and responsive services
3. Creating a culture and estate that support our work being done in the best place and time
4. Intervening as early as possible to manage demand and improve outcomes
5. Constructing strategically integrated systems and digital tools, using data to create knowledge and insight
6. Building and resourcing an environment for innovation, learning and leadership
7. Choosing the most appropriate delivery model for each service
8. Leading and collaborating with partners to deliver better outcomes and efficiencies

Estate interactions with the new operating model

How will the estate support the new operating model?

- Increased co-location of staff to enable greater collaboration between teams and a more efficient use of space (i.e. through allocating a significant majority of staff to a single Council Hub location and supporting collaborative working in Community Spoke locations)
- Creation of alternative work settings and touch down space in both the Hub and Spokes to support smart and more agile ways of working
- A consistent look and feel across the estate will help foster a single, unified culture across the Council
- Bold changes in the estate can be used to demonstrate tangible progress towards future operating model
- Consolidation of the estate will result in less travel between sites and therefore reduces the carbon footprint. In addition, through investment, the estate's sustainability credentials could be improved supporting BCP's aspirations to be Carbon Neutral by 2030
- The estate could potentially provide the opportunity to generate capital proceeds to fund the investment required for the wider target operating model (although this may require some tough decisions)

How will the new operating model change BCP Council's estates needs?

- Digital transformation will support more effective digital interaction with customers, reducing the demand for face-to-face contact with citizens
- The operating model seeks to provide more responsive services to the customer – this means that the BCP Council estate must be located within the community, for example within Community Spokes
- New technology and a shift in culture will support more flexible working. This, combined with expected headcount reductions will reduce the overall space requirement for office accommodation as staff increasingly work from home or in alternative locations
- Increased agile working will create the need for more flexible touch down space

Agreed estates direction of travel

Building from the operating model principles, the following direction of travel has been agreed for the estate.

Hubs vs. spokes



- The majority of staff will be allocated to a centrally located Council Hub, including all of those primarily carrying out 'Citizen Experience and Engagement' and 'Enabling Processes and Functions'. A minority of staff who need to maintain a base outside of the Council Hub will be assigned to the appropriate site location (examples include librarians, spoke receptionists and leisure centre staff).
- Customer contact will be primarily managed from the Council Hub and will be digitally enabled. Drop-ins and specifically diarised meetings will be largely held in Community Spokes.
- Many service delivery teams will continue to be locality focused, but not necessarily locality based. This means that whilst many staff will be responsible for delivering services within a specific locality, they may still be allocated to the Council Hub. The majority of service team time will be spent in the community, working in an agile way (including from home where appropriate).
- Flexible Community Spokes and partner sites will provide space for staff to 'touch down' and perform office style working within the locality as required, for example between appointments or activities 'in the field'.
- BCP Council teams must be capable of co-locating with partners as appropriate.

Hub office design



- To facilitate more collaborative and flexible ways of working, the Council Hub will include a variety of alternative work settings including work stations, 'drop-in' style working environments, formal and informal meeting areas and collaboration zones.
- The space and supporting furniture / equipment will be designed in a uniform and standardised way to maximise flexibility.
- There will be allocated zones for those teams which undertake the majority of their work from within the Council Hub. However, these will be 'soft' allocations only and no desks will be assigned to individuals.
- The dedicated Civic space within the Council Hub will include the Council Chamber and one large Committee Room only.

Other



- The estate will be designed to support the future operating model and ways of working.
- The future estates strategy is reliant on having the appropriate technology and cultural change to support more flexible working. Flexible working means that office-style working will be undertaken from a variety of locations including from the Council Hub, in Community Spokes and from home.
- The estate must be rationalised and costs and contracts associated with estates management will be reduced through increased economies of scale.

Key enablers for future estate changes

A number of key steps are required to enable this new estate direction of travel. Cultural change is key given the estate change dependency on more agile and flexible ways of working. Digital infrastructure is also required to support this new way of working.

Cultural changes and new ways of working



- Clearly define new ways of working which are endorsed by the leadership team and supported by service line heads
- Socialise new ways of working with all staff linking to the benefits it will generate (collaboration, sustainability, better space use)
- Celebrate and publicise success stories; use site mock-ups and staff feedback to facilitate buy-in
- Make processes less paper-based and develop supporting policies (e.g. no floor filing; minimal files held in offices (see below))
- Hub / spoke allocation will require more detailed analysis and buy-in – some service lines believe they have special site requirements
- Depending on the Council Hub site chosen, expectations will likely need to be reset in terms of which staff have access to parking, meaning more staff will need to use public transport to travel to work

Clear policies and guidelines



- Staff access to on-site parking (e.g. only available to those who require a car for their job)
- HR policies to support flexible ways of working (e.g. through harmonisation of terms in December 2020)
- Paperless office / clear desk policies
- All desks designated as hot-desks (i.e. no individual desk ownership or personalisation of desks)

IT enablers



- Single domain (implemented in December 2019 / January 2020) and roll-out of new lap-tops / computers (currently underway)
- Full alignment of IT plans with estates plans; ensure the programme set up and governance facilitates these linkages
- The broader IT strategy must support mobile and agile working e.g. fast and resilient connectivity to all IT systems; introduction of communication platforms (such as Skype for Business) which reduces the need to travel to attend meetings

Key estates decisions and evidence required



- Further detailed work is required to properly evidence the preferred option
- However, this decision should be made as soon as possible – the earlier the decision on the future Council Hub location is made, the more quickly decisions around recruitment and team locations can be aligned
- The Council Hub location and strategy is also a key dependency for the Community Spoke strategy (as the Council Hub strategy will change the requirement (including space allocation) for office style working space in the Community Spokes)
- Further data and baselining to be performed to inform the Community Spoke strategy as data is currently disparate and incomplete

Council Hub project execution



- The interim phase of the Council Hub strategy must be planned and executed to provide suitable accommodation whilst the refurbishment/fit-out of the Council Hub is being executed
- Critical need for a dedicated project team, responsible for all aspects of the implementation of a new Council Hub office – the team is currently not resourced or experienced in delivering estates changes of this scale

Funding



- Funding will be required to execute the estates strategy as refurbishment is likely to be expensive
- Funding options will need to be considered and may include a mix of debt and capital proceeds realised through consolidation

Hub space calculation – overview

A key feature of the future estate is a centrally located Council Hub where the majority of staff will be allocated. In order to calculate the amount of space required, consideration of the key changes driven by the operating model including headcount reduction and 'Smart Ways of Working' have been made.

276

1

Define current headcount split according to Activity Analysis (excl. zero hours contracts):

- 4,001 FTEs
- **4,831 headcount**

Headcount used instead of FTEs as this is considered more conservative. Difference is c. 20%

2

Apply the 'high' case for headcount reduction (c.15%) based on Operating Model design work to calculate the net future headcount:

- **4,088 net headcount**

4

For heads allocated to the Council Hub, calculate the proportion of time performing 'office style' working based on future expected working styles

- **2,141 equivalent headcount (52% of net headcount) performing office style working**

3

Allocate heads to Council Hub / Community Spoke (including depots, individual service delivery sites) based on estates principles:

- **3,497 headcount (86% of net headcount) allocated to Council Hub**

5

For the equivalent heads performing 'office style' working, calculate the proportion of time that this will take place in the Council Hub based on future expected ways of working

- **1,255 equivalent headcount (31% of net headcount) performing office style working in the hub**

6

Calculate number of workstations and space required in the Council Hub using c.7 SQM per workstation and a 10% 'buffer'¹ to account for fluctuations in office use:

- **1,380 workstations required in the Council Hub**
- **9,760 SQM of NIA**

Assumes a consistent use of space with only c.10% buffer¹. This will be difficult to achieve and will need to be actively managed / further tested

Note: Alternative space configurations may provide other opportunities, e.g. use of more space efficient Alternative Work Settings. Further work including detailed requirements gathering and space planning to be undertaken to validate this

7

Perform scenario analysis to stress-test the assumptions
Sense check with metrics (including total number of seats) and building regulation restrictions:

- **Current NIA in Bournemouth Town Hall is 9,700 SQM**
- **Current capacity per building regulations is 1,881 heads**

Source: Calculation method and assumptions provided by / agreed with BCP.

Note 2: Assumes a utilisation rate of 100% less the 'buffer', i.e. 90% utilised

Council Hub options criteria

In order to determine the appropriate Council Hub site, five key criteria have been developed. Value for money is a key criteria to ensure that the preferred Council Hub option is affordable.

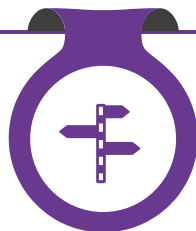


Value for money

→ **The preferred option must be financially viable and provide value for money as a whole**

Key considerations:

- Capital receipts from sites to be released
- Cost of implementing the proposal – development (if required), fit-out/refurbishment) operating equipment, transition costs (travel allowances, decant, temporary housing costs)
- Likely reduction in operational costs through consolidation
- Public perception considerations regarding council spending

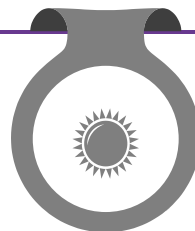


Locational factors

→ **The preferred option should ensure our locational needs are met – both from the perspective of our staff, and our customers**

Key considerations:

- Proximity to public transport and parking
- Proximity to key user locations where site requires user access e.g. near business areas
- Proximity to locations where work is delivered (e.g. case locations, other service delivery sites)
- Impact on local economy in area surrounding the site
- Proximity to current staff locations / staff home location



Sustainability

→ **The preferred option should be aligned with BCP's strategy to be carbon neutral by 2030**

Key considerations:

- Sustainability credentials of the building (including potential sustainability investment e.g. cycle bays)
- Reduction in travel requirements
- Whether the site location facilitates the use of more sustainable travel options – public transport, electric cars, bikes
- Environmental impacts of any works / development required

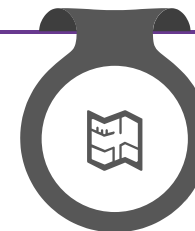


Physical site characteristics

→ **The preferred option must provide the right amount and type of space to meet future needs, and provide sufficient flexibility should needs change**

Key considerations:

- Size of the site versus the space required (9,700 SQM minimum)
- Structural features impacting ability to create flexible working environments (e.g. open plan vs. cellular space)
- Ability to build additional accommodation if required
- Parking facilities



Implementation feasibility









→ **The preferred option must be feasible and minimise overall disruption and cost of implementation**

Key considerations:

- Feasibility / availability of suitable sites (more relevant for lease / buy / build options)
- Complexity of the transition period including potential requirement for decant and temporary housing of staff whilst building / refurbishment is underway













High level options analysis for hub

Three overarching Council Hub options have been considered including Buy/Leasing, Building or Recycling. Buy/Leasing and Building provides more flexibility in terms of space requirements but is expensive. The 'recycle' option is likely to involve a refurbishment of the Bournemouth Town Hall complex and is the most affordable of the options and provides a good central location within the BCP area.

	Buy/Lease	Build	Recycle – analysis based on Bournemouth Town Hall Complex (refer overleaf)
Description	<ul style="list-style-type: none"> Buy/Lease of an existing fit-for-purpose site This option has been difficult to assess given limited suitable site availability Analysis below is based on an off-market acquisition opportunity that has been identified of Holland House (Lansdowne) 	<ul style="list-style-type: none"> Development of a new fit-for-purpose Council Hub site Three locations considered: Wessex Field and Hurn due to the availability of land in the area and Lansdowne as it is seen as a business hub within the Council area within Bournemouth and has excellent locational suitability (see below) 	<ul style="list-style-type: none"> Use of existing estate for the Hub site The three largest sites have been considered overleaf: Bournemouth Town Hall Complex, Christchurch Civic Centre and Poole Civic Centre. Analysis below based on Bournemouth Town Hall Complex as this is BCP's current preferred option
Value for money 	 <ul style="list-style-type: none"> Holland House acquisition cost estimated at £16m. Would require redevelopment given insufficient size. Total net cost likely to be upwards of £65m. 	 <ul style="list-style-type: none"> Based on initial analysis it appears that overall net cost would be £46m to £67m. 	 <ul style="list-style-type: none"> Based on initial analysis it appears that overall net cost would be £20m to £29m for a full refurbishment of the site.
Locational factors 	 <ul style="list-style-type: none"> Lansdowne has excellent bus and rail links 	 <ul style="list-style-type: none"> All identified locations are in BCP Council's preferred development areas Wessex Fields and Hurn have good road but poor public transport links. This means that 'Front door' services would potentially be difficult for citizens to access and many staff would need to drive to work Lansdowne access is easier given town centre location and excellent bus and rail links 	 <ul style="list-style-type: none"> Located centrally in BCP area Good bus links (although sub-optimal location from train station) Known as Council's 'home' Lack of adjacent car parking. For current staff parking permit allocation for Bournemouth Town Hall (based on business use), supply is struggling to meet demand – further permits required for staff will be difficult to fulfil Location of a major employer (i.e. BCP) in the centre of Bournemouth has a positive impact on the local economy









High level options analysis for hub (cont.)

Three overarching Council Hub options have been considered including Buy/Leasing, Building or Recycling. Buy/Leasing and Building provides more flexibility in terms of space requirements but is expensive. The 'recycle' option is likely to involve a refurbishment of the Bournemouth Town Hall complex and is the most affordable of the options however restricts the amount of space available.

	Buy/Lease	Build	Recycle – analysis based on Bournemouth Town Hall Complex (refer overleaf)
Physical site characteristics 	 — Site is too small at 7,466 SQM; minimum 9,700 SQM is estimated to be required therefore site development would be needed	 — Initial searches indicate a lack of existing suitable sites on the market particularly in Lansdowne — Given that the site would be a new build, this would enable a fit-for-purpose office to be designed	 — With very ambitious space allocation per workstation, high use of space efficient collaborative work environments as formal smart workplaces and a significant move towards agile working, desktop modelling shows this location could potentially act as the single Council Hub, however space would still be restricted at 9,700 SQM which could prove to be insufficient — Extension and Annexe could house desk accommodation and Town Hall for collaboration workspace, customer facing and Civic space — Potential to redevelop annexe adding 2 floors c. 2,000 SQM but this may be subject to restrictions and be costly
Sustainability 	 — Development of site produces significant carbon emissions / waste	 — Development of a new site produces significant carbon emissions / waste — Wessex Fields and Hurn would be new build offices and consequently relatively easy to achieve high sustainability credentials — Lack of new space in Lansdowne will mean the 'build' option is more likely to involve development of an older building making it more difficult to achieve high sustainability credentials — Bournemouth Town Hall legacy site may remain vacant for a significant amount of time which would represent a wasted resource in the area	 — Refurbishing an existing site will produce lower emissions / waste than a new build — At present, the Bournemouth Town Hall complex has poor sustainability credentials. With investment, the correct levels of investment in new plant, services and facilities, a higher BREEAM rating can be achieved however this is likely to be costly
Implementation feasibility 	 — No temporary migration requirements as staff can remain in current locations until the new build site is available — Identified site is available off market however limited other alternatives	 — No temporary migration requirements as staff can remain in current locations until the new build site is available — Initial searches indicate limited availability particularly in Town Centre location	 — Interim migration into temporary hubs will be required whilst refurbishment works are underway, however this is likely to be feasible given significant excess space in existing estate

High level options analysis for 'recycle' option

Following a review of the three largest sites to assess the feasibility to use as the single Council Hub, the Bournemouth campus appears to be the preferred option due to it's size, location and likely cost to create a modern office environment albeit there are clear issues relating to overall capacity, condition and listed status of the Town Hall




Criteria	Bournemouth Town Hall Complex	Poole Civic Centre	Christchurch Civic Centre
Value for money 	 <ul style="list-style-type: none"> Based on initial analysis it appears that overall net cost would be £20m to £29m for a full refurbishment of the site. Consolidation into fewer offices will provide opportunity to achieve operational costs savings, typically c. 10% of current spend. Note: An alternative, lower cost option would be to 'do nothing' to the Extension and Annexe. This would reduce the net cost by c. £11m (low) and £14m (high) 	 <ul style="list-style-type: none"> Will enable release of Christchurch Civic Centre and the Bournemouth Town Hall complex which are expected to generate capital proceeds of c. £10m to c. £17m. Consolidation into fewer offices will provide opportunity to achieve operational costs savings, typically c. 10% of current spend An overall net cost estimate has not been made as the site is too small to be a feasible option and there are limited options for expansion. In addition, the location is less optimal than the Bournemouth Town Hall Complex 	 <ul style="list-style-type: none"> Will enable release of Poole Civic Centre and the Bournemouth Town Hall complex which are expected to generate capital proceeds of c. £14m to c. £19m. Consolidation into fewer offices will provide opportunity to achieve operational costs savings, typically c. 10% of current spend An overall net cost estimate has not been made as the site is too small to be a feasible option and whilst expansion opportunities may exist, the location is less optimal than the Bournemouth Town Hall Complex
Locational factors 	 <ul style="list-style-type: none"> Located centrally in BCP area Good bus links (although sub-optimal location from train station) Known as Council's 'home' Lack of adjacent car parking. For our current staff parking permit allocation for Bournemouth Town Hall (based on business use), supply is struggling to meet demand – further permits required for staff will be difficult to fulfil Location of a major employer (i.e. BCP) in the centre of Bournemouth has a positive impact on the local economy 	 <ul style="list-style-type: none"> Located on fringe of BCP area Sub-optimal location for public transport access Good adjacent car parking although limited capacity 	 <ul style="list-style-type: none"> Located on fringe of BCP area Sub-optimal location for public transport access Good adjacent car parking

Key  High criteria alignment  Medium criteria alignment  Low criteria alignment  Not applicable  Current preferred BCP option

Source: BCP data and analysis performed

High level options analysis for 'recycle' option (cont.)

Following a review of the three largest sites to assess the feasibility to use as the single Council Hub, the Bournemouth campus appears to be the preferred option due to it's size, location and likely cost to create a modern office environment albeit there are clear issues relating to overall capacity, condition and listed status of Town Hall

Criteria	Bournemouth Town Hall Complex	Poole Civic Centre	Christchurch Civic Centre
Physical site characteristics 	<ul style="list-style-type: none"> With very ambitious space allocation per workstation, high use of space efficient collaborative work environments as formal smart workplaces and a significant move towards agile working, desktop modelling shows this location potentially could act as the single Council Hub, however space would still be restricted at 9,700 SQM which could prove to be insufficient Extension and Annexe could house desk accommodation and Town Hall for collaboration workspace, customer facing and Civic space Potential to redevelop annexe adding 2 floors c. 2,000 SQM but this may be subject to restrictions and be costly 	<ul style="list-style-type: none"> The Poole Civic Centre site is extremely irregular footprint makes efficient space planning, incorporating smart working principles difficult The total NIA is 8,735 SQM which is insufficient to accommodate all hub based staff (minimum 9,700 SQM required). No observed opportunities to expand 	<ul style="list-style-type: none"> Recently refurbished providing space of a higher quality than all other BCP office locations However, the total NIA is 2,221 SQM which is insufficient to accommodate all hub based staff (minimum 9,700 SQM required). Large car park to rear which could potentially provide redevelopment opportunity
Sustainability 	<ul style="list-style-type: none"> Refurbishing an existing site will produce lower emissions / waste than a new build At present, the Bournemouth Town Hall complex has poor sustainability credentials. With investment, the correct levels of investment in new plant, services and facilities, a higher BREEAM rating can be achieved however this is likely to be costly 	<ul style="list-style-type: none"> Not assessed given that option is this is not the preferred option 	<ul style="list-style-type: none"> Not assessed given that option is this is not the preferred option
Implementation feasibility 	<ul style="list-style-type: none"> Interim migration into temporary hubs will be required whilst refurbishment works are underway, however this is likely to be feasible given significant excess space in existing estate 	<ul style="list-style-type: none"> Not assessed given that option is this is not the preferred option 	<ul style="list-style-type: none"> Not assessed given that option is this is not the preferred option

Key  High criteria alignment  Medium criteria alignment  Low criteria alignment  Not applicable  Current preferred BCP option

Source: BCP data and analysis performed

Potential layout for Bournemouth Town Hall complex

Given that the Bournemouth Town Hall complex appears to be BCP's preferred option, consideration has been given to a potential future layout and use of the space to meet requirements. The floor plate configuration of the three Bournemouth sites lends itself to open plan workstations in the rectangular Extension and Annexe buildings with informal collaborative work environment providing alternative work settings (AWS) in the irregular shaped old Town Hall.



Characteristics:

NIA 3,763.0 SQM across 6 floors

Potential use: Informal collaborative work settings

The irregular configuration of the old Town Hall floorplate provides good spaces for collaborative alternative work settings (AWS) as indicated in the images. The space required for each work setting is dependant upon the type of AWS used and the configuration of the office floorplate

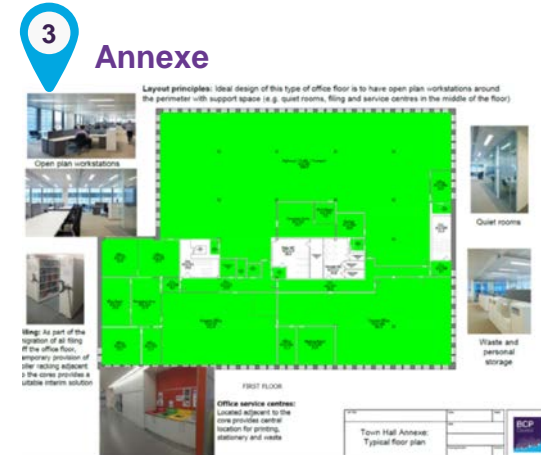


Characteristics:

NIA 3,848.4 SQM across 6 floors

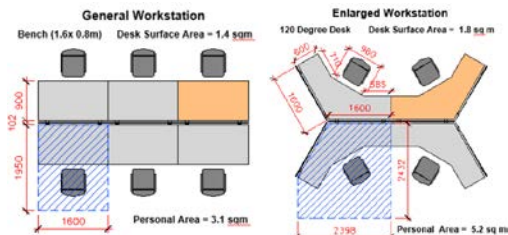
Potential use: Open plan regular workstations

A benchmark figure of 8 SQM per workstation for a rectangular building provides a dense but efficient layout that allows the provision of some cellular quiet rooms and support space. The images below show 'personal' space for each workstation. Added to this will be space for circulation, quiet rooms and support space which, when combined, results in the 8 SQM figure.



Characteristics:

NIA 2,089.5 SQM across 2 floors



Key risks and mitigations

A number of key risks associated with selecting the Bournemouth Town Hall as the preferred Council Hub option have been set out below. These include insufficient space provision in the Council Hub, net costs of the project being higher than expected and project delays. Further work is required to help mitigate these risks.

283

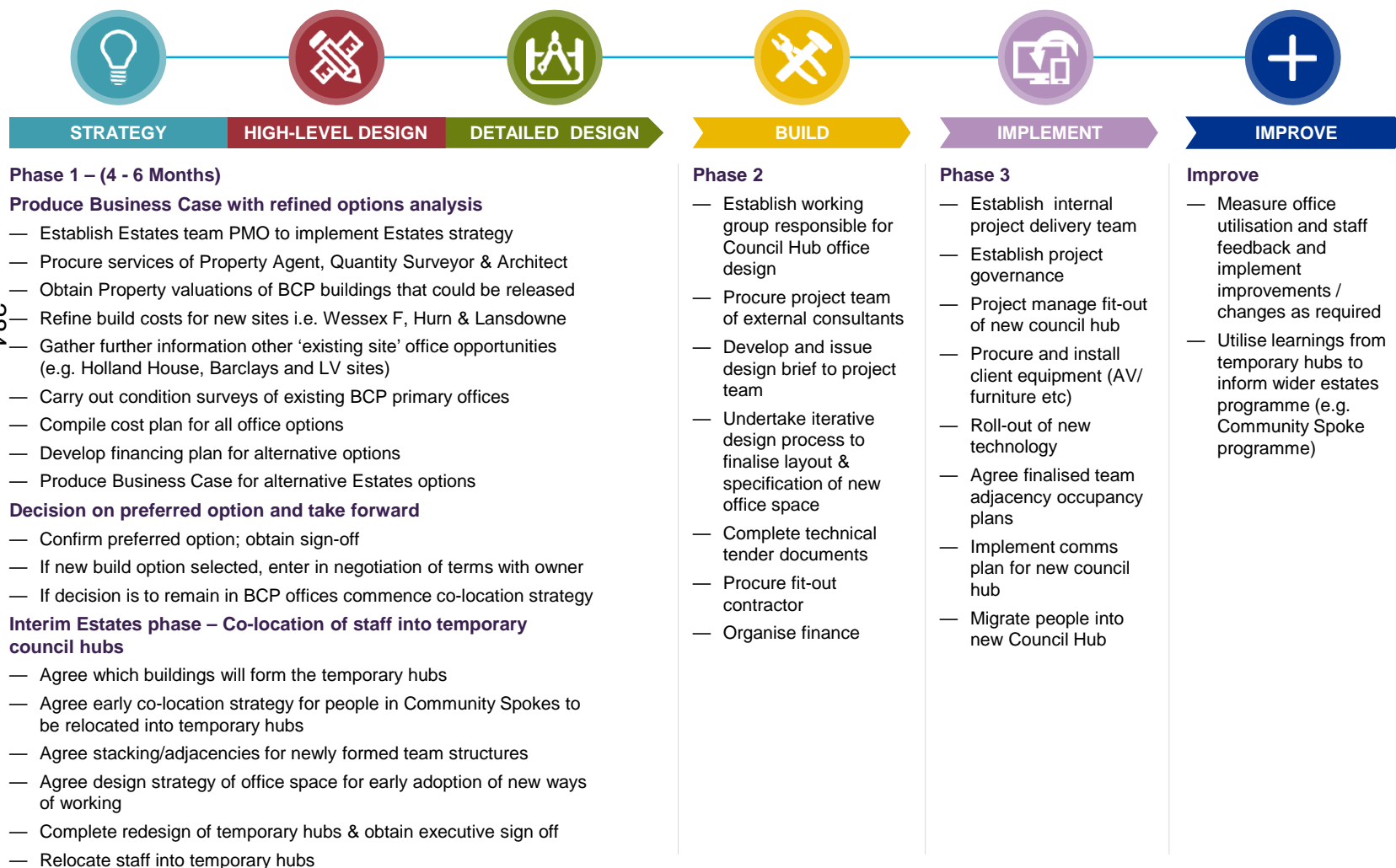
Key Risks	Description	Mitigations
Insufficient space in the Council Hub	<ul style="list-style-type: none"> There is a risk that the 9,700 SQM NIA in the Bournemouth Town Hall complex is insufficient to house the required headcount in the Council Hub. Current headcount space estimates are based on very high level and ambitious assumptions and require further validation 	<ul style="list-style-type: none"> Undertake further work to investigate and refine the space requirements including detailed surveys and analysis at a team-by-team level. Engage space planners to provide detailed space planning options including number of work settings that could be provided within the Bournemouth Town Hall complex. Investigate the feasibility and cost of developing the Annexe in case additional space is required. Take a phased approach to migrating teams into the new Council Hub, prioritising which teams are migrated first so that alternative plans can be made if there is insufficient space. Consider housing certain teams (where Council Hub collaboration is less important) in alternative sites, such as Community Spokes to reduce the space requirement in the Council Hub.
Hub project is more costly than expected	<ul style="list-style-type: none"> The estimated cost of refurbishing the Bournemouth Town Hall Complex is £30 - £37m¹. Given that this is based on high level assumptions and initial analysis, there is a risk that the actual cost may be higher. 	<ul style="list-style-type: none"> Engage professional cost consultants to obtain more detailed costings and feasibility reports before the decision is made to go ahead with the project. Consider options of where costs could be saved if required (e.g. specification of fit out, lower level of refurbishment in parts of the site such as in the Annexe / Extension) Include sufficient contingencies in cost estimates at all stages of the project and monitor project costs carefully throughout the life of the project so that mitigating actions can be taken if costs look as if they will exceed expectations.
Inability to realise expected capital proceeds	<ul style="list-style-type: none"> The current Options analysis assumes that c£7.2m – c£9.3m can be realised through the sale of Christchurch Civic Centre and Poole Civic Centre. This is based on initial estimates provided by BPC. 	<ul style="list-style-type: none"> Undertake further valuation work on sites which could potentially be released through consolidation (Bournemouth Town Hall Complex, Poole Civic Centre and Christchurch Civic Centre) to provide more confidence in these figures. Include offices in the BDC agreement to secure a firm valuation based on development plans.
Project delays	<ul style="list-style-type: none"> A key risk to project delay is due to obtaining planning permission given the historical status of the building. Depending on extent of proposed modifications to Old Town Hall may result in a lengthy Listed Building consent process. 	<ul style="list-style-type: none"> Engage with BCP's planning team as soon as possible as part of the feasibility assessment / planning phase of the project (i.e. before the decision is made to proceed). This will provide an early indication of their appetite to provide planning consent and any restrictions. Obtain outline planning consent at the earliest opportunity
Estate change dependencies are not met	<ul style="list-style-type: none"> The Council Hub strategy has a number of wider dependencies including headcount reduction, cultural change, new ways of working, implementation of technology change and ability to interact with customers in a more digital way. These changes will take a number of years to implement and will be occurring concurrently to the implementation of the estates strategy. If these changes are unsuccessful, it will only be known once the decision to migrate to the single Council Hub is underway. 	<ul style="list-style-type: none"> Commence implementation of 'enabling' changes as soon as possible. For example, creating a smart working environment can be completed in isolation to any changes in the wider operating model and if undertaken in consultation with all stakeholders the new working environment will not only align with people's needs it will raise morale, lift spirits and increase productivity. Create mandated HR working policies Ensure buy-in of cultural change aspects from leadership and that they lead by example. Visit other council premises that have adopted new ways of working to learn lessons. A number of the dependencies drive lower space requirements. Therefore, if these dependencies are not met, consider the Mitigations set out above at 'Insufficient space in the Council Hub'

Note 1: This represents the high level estimate of refurbishment costs for the Bournemouth Town Hall Complex. The 'net' cost of £20-£29m quoted elsewhere in the report is this cost net of estimated potential capital proceeds from the sale of released sites.

Implementation approach

Undertaking a project of this size and complexity can take many years. An early commencement of the implementation of the Estates strategy will ensure a Council Hub will be created at the earliest opportunity.

284



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CABINET

Report subject	Corporate Strategy – Delivery Plans
Meeting date	12 February 2020
Status	Public Report
Executive summary	<p>BCP Council's Corporate Strategy was adopted by Council in November 2019.</p> <p>The strategy sets out the Council's vision, ambition and priorities, and the values which underpin the way the council will work as it develops and delivers its services.</p> <p>Delivery plans have now been prepared in consultation with Cabinet Members, Members of the Directors Strategy Group and Council officers to show how the priorities will be achieved.</p> <p>These high-level plans explain some of the journey so far, the current and future planned activity under each individual objective, and how success will be monitored and measured.</p> <p>The delivery plans will be a key component of a Corporate Performance Management Framework.</p>
Recommendations	<p>It is RECOMMENDED that Cabinet:</p> <p>(a) Approve the delivery plans</p> <p>(b) Supports the development of a Corporate Performance Framework to provide a mechanism for monitoring progress and ensuring accountability for delivery.</p>
Reason for recommendations	<p>A corporate strategy is vital for identifying and gaining visibility of the Council's key priorities. These represent the objectives and outcomes that the Council's performance will be judged against.</p> <p>The strategy's objectives are the beginning of a golden thread that links personal, team and service performance to the things that matter most to the organisation and as such will be a vital component of the Council's performance management framework.</p> <p>The strategy will influence the allocation and distribution of resources ensuring that the organisation commits its limited resources in accordance with its stated priorities.</p>

Portfolio Holder(s):	Councillor Vikki Slade, Leader of the Council
Corporate Director	Julian Osgathorpe, Corporate Director
Contributors	Matti Raudsepp – Director of Organisational Development Bridget West – Head of Insight, Policy & Performance
Wards	ALL
Classification	For Decision

Background

1. The BCP Council Corporate strategy was developed following a process of stakeholder engagement over the summer in 2019.
2. Feedback from engagement activities was used to reshape the document and a final headline Corporate Strategy was adopted by Full Council in November 2019.
3. The next stage of preparing the Corporate Strategy was to develop delivery plans which aligned with the Council's budget setting process.

Delivery Plans

4. The strategy sets out the Council's vision, ambition and priorities, and the values which underpin the way the council will work, as it develops and delivers its services.
5. The delivery plans set out some of the journey so far, the current and future planned activity under each individual objective, and how we will monitor and measure success.
6. These are high level plans and there is one for each priority:
 - Sustainable Environment
 - Dynamic Places
 - Connected Communities
 - Brighter Futures
 - Fulfilled Lives
7. There is an additional delivery plan setting out how the Council will achieve its commitment to be a modern, accessible and accountable council.

8. Several actions and objectives are shared with partners in the public, private and third sector and are included in partnership strategies and plans.
9. The Council's Corporate Strategy and the delivery plans are the beginning of a golden thread that will link service, team and personal performance to the things that matter most to the organisation. Together they are the key components that will lead the Council's corporate approach to performance management.
10. The delivery plans have not been designed to capture all the services the Council provides. They identify some of the key projects and priorities for improvement or development. Once service and team plans are in place, they will capture in more detail the 500 plus services the Council provides.
11. The strategy will influence the allocation and distribution of resources, ensuring that the organisation commits its limited resources in accordance with its stated priorities.
12. Progress will be monitored on a quarterly basis against an agreed set of measures and targets.

Next Steps

13. Measurement processes, baseline positions, targets and intervention levels will be set as part of a corporate performance management framework and agreed reporting process, which is currently being developed. This will be presented to Cabinet in March 2020.
14. All delivery plan actions will become personal performance goals for individual Service Directors in line with an agreed performance management framework.

Summary of financial implications

15. Financial implications have been considered as part of the development of the delivery plans and where appropriate identified in the Council's Medium-Term Financial Plan. The delivery of the actions contained in the delivery plans, including funding considerations, may be subject to further Cabinet decisions in due course.

Summary of legal implications

16. There are no immediate legal implications arising from this report, although the implementation of the specific actions contained in the delivery plans may result in the need for legal input which will be considered on a case by case basis.

Summary of human resources implications

17. The change and transformation commitments identified in the Corporate Strategy and delivery plans will result in several implications for the way staff work and specifically the pay and conditions that apply to them. These will be managed in accordance with the Council's change management policy and where necessary subject to trade union consultation and collective bargaining.

Summary of environmental impact

18. The Corporate Strategy and delivery plans identify the Council's ambitious agenda to tackle climate change and to protect the natural environment. These commitments will be subject to separate council decisions and considerations in due course.
19. It has been aligned to the [United Nations Sustainable Development Goals](#). These goals are a universal blueprint for all countries to end poverty, protect the planet and ensure prosperity for all.

Summary of public health implications

20. The Corporate Strategy and delivery plans express a range of actions that underpin the Council's commitment to its public health objectives.

Summary of equality implications

21. The Council's equality and diversity commitments are expressed throughout the Corporate Strategy and individual equality impact assessments will support all new projects and plans set out in the delivery plans.
22. An equality impact assessment has been undertaken for the Corporate Strategy and is published on the Council's [website](#).

Summary of risk assessment

23. Risks and issues have been considered by service units leading on the actions set out in the individual delivery plans.

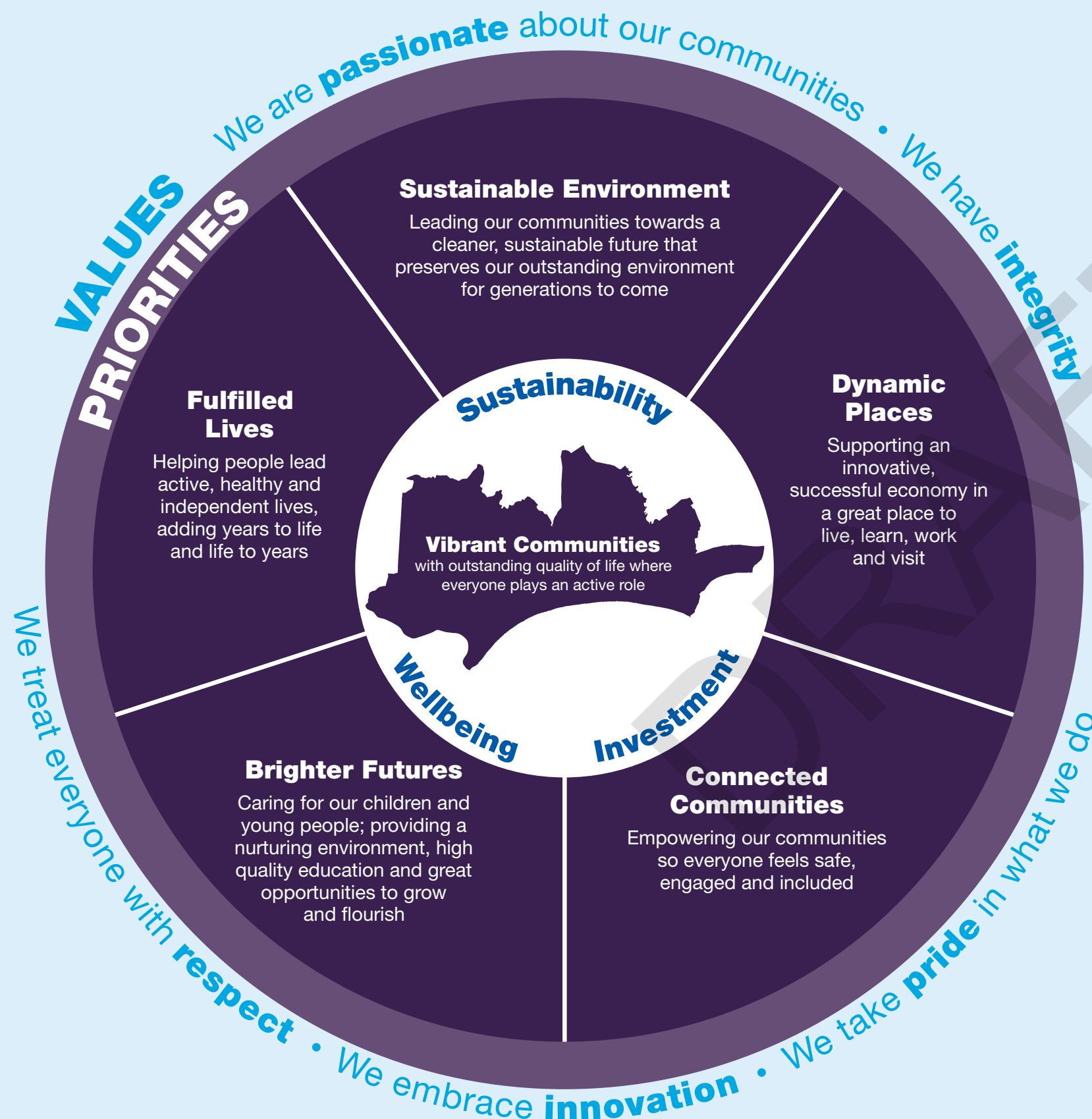
Background papers

BCP Council's Corporate Strategy
Key Facts 2019 – State of Bournemouth, Christchurch and Poole Report

Appendices

Appendix 1 - BCP Council Corporate Strategy and Delivery Plans

BCP Council's Corporate Strategy



We are a **modern, accessible** and **accountable** council committed to providing effective community leadership

► Our Objectives are to...

Sustainable Environment

- ensure sustainability underpins all of our policies
- protect and enhance our outstanding natural environment
- develop an eco-friendly and active transport network
- tackle the climate and ecological emergency
- promote sustainable resource management
- maximise access to our high quality parks and open spaces

Dynamic Places

- revitalise and reinvent our high streets and local centres
- invest in the homes our communities need
- create a sustainable, vibrant and inclusive economy
- increase productivity through skills investment
- develop sustainable infrastructure
- support our businesses to operate more creatively
- create a 21st century digital infrastructure

Connected Communities

- strengthen the cultural identity of our towns and places
- respect and engage with our diverse communities
- encourage intergenerational interactions
- reduce loneliness and isolation
- ensure our communities feel safe
- empower a thriving voluntary and community sector

Brighter Futures

- enable access to high quality education
- be aspirational for our children in care
- support parents and guardians to care for their children well
- prevent harm through early intervention

Fulfilled Lives

- support people to live safe and independent lives
- promote happy, active and healthy lifestyles
- develop age-friendly communities
- value and support carers
- enable people to live well through quality social care
- tackle homelessness and prevent rough sleeping
- promote lifelong learning for all

Introduction

from the Leader and
the Chief Executive

Welcome to the first Corporate Strategy for BCP Council.

The strategy sets out BCP Council's vision, mission, ambition and priorities, and the values which underpin the way BCP Council develops and delivers its services.

The priorities are supported by clear delivery plans which explain the current and future activity under each individual objective, and how we will monitor and measure success.

Several actions and objectives are shared with partners in the public, private and third sector and are also included in partnership strategies and plans.

This strategy is the beginning of a golden thread linking service, team and personal performance to BCP Council's objectives. It is the key component that will lead the council's corporate approach to personal and performance management.

The Corporate Strategy will influence the allocation and distribution of resources, ensuring that the organisation commits its limited resources to support priorities and objectives.



Leader
Councillor Vikki Slade



Chief Executive
Graham Farrant

BCP Council

BCP Council is the 12th largest unitary council in the country, currently serving a population of almost 400,000 which is expected to grow rapidly. With this comes increased demand for council services against a backdrop of unprecedented challenges that has seen core funding for local services continue to decline.

The creation of BCP Council has proven to be the most complex local government reorganisation the country has seen in 45 years. Good progress has been made in harmonising the delivery of services provided by the preceding councils. In 2020 we will continue to implement the new organisation design programme.

The programme will identify and deliver efficiencies to improve the experience of service users, protect vital frontline services and meet the requirements of BCP Council's Medium-Term Financial Plan.

The People and the Place

BCP Council is set in an outstanding natural environment and serves a large and diverse resident population.

The outstanding natural environment is part of what makes Bournemouth, Christchurch and Poole such an attractive place to live, work and visit, attracting more than 15 million visitors each year. The area has a rich heritage that BCP Council wants to continue to celebrate and preserve.

In July 2019 BCP Council passed a motion to formally declare a 'climate and ecological emergency'. We are committed to ensuring that sustainability runs through everything BCP Council does.

The Corporate Strategy and its supporting performance management framework will align to the United Nations Sustainable Development Goals. These goals are a universal blueprint for all countries to end poverty, protect the planet and ensure prosperity for all. BCP Council, like many other organisations, will adopt the 17 goals to measure progress and demonstrate our contribution towards long-term sustainability both locally and globally.

The delivery plans include several actions and activities to address poverty and other deprivations whilst implementing strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests and enhance our local environment.

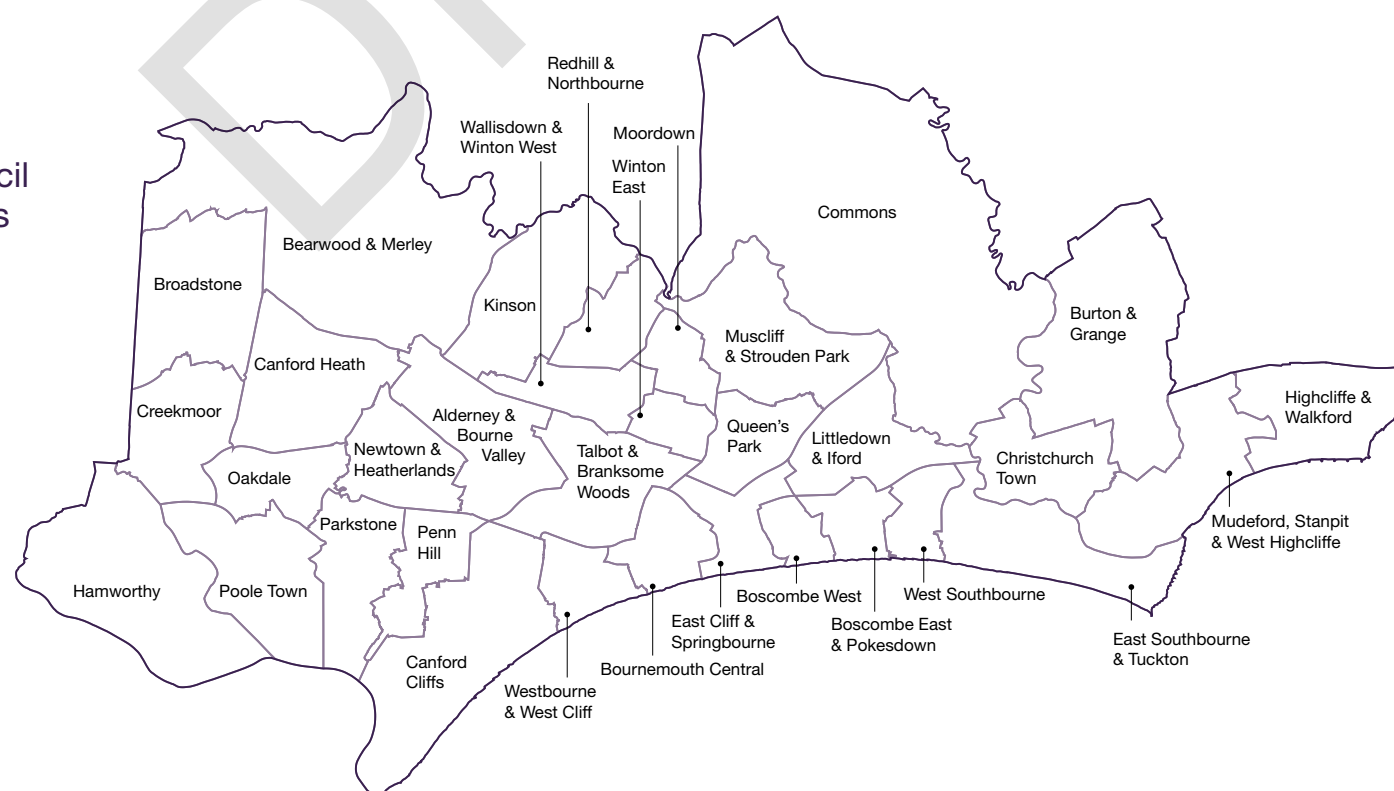
Overall health and wellbeing across the area are as good as or better than the national average and levels of life satisfaction are also good. However, there are areas of contrast which include some of the most affluent and deprived areas in the country.

Although unemployment levels across the conurbation are lower than national levels, local people and businesses face many challenges including a shortage of affordable housing and the need for higher levels of education and skills.

The cost of housing has increased significantly over recent years and demand for affordable homes has increased. Homelessness is an issue affecting the whole country and the BCP Council area is no exception.

Reducing traffic congestion is a priority for residents and identifying sustainable transport alternatives is a key driver for the BCP Council.

BCP Council Wards



BCP Council recognises that culture is an integral part of our lives, contributing to learning, health and wellbeing, economic and social regeneration, place making and community cohesion.

BCP Council also recognises that the profile of our communities is changing and we have committed to connecting and empowering communities so that everyone feels safe, engaged and included.

We have a higher proportion of older residents and a smaller proportion of younger residents compared to the rest of the country. We serve an increasingly diverse population.

BCP Council wants to ensure fairness to everyone through the planning and delivery of services. This is demonstrated by the equality and diversity commitments contained within the strategy. Progress with delivery of the commitments will be monitored by the BCP Council's Strategic Equality Leadership Group.

You can find more information about the key facts that BCP Council and its partners have used to plan current and future service delivery [here](#).

SUSTAINABLE DEVELOPMENT GOALS



The journey so far

Sustainable Environment

While both respecting and protecting the local area’s best natural features including the coast, internationally designated environments and Green Belt we will rise to the challenge of meeting identified needs for new homes, jobs, infrastructure and other supporting services within the Bournemouth, Christchurch and Poole area. This will be balanced with BCP Council’s commitment to reduce the impact of climate change and become a carbon neutral council by 2030.

We have:

- declared a climate and ecological emergency and developed a strategic response, with a draft action plan
- been awarded Future Parks Accelerator funding (one of eight city areas in the UK) which we will use to develop innovative funding and management solutions to improve our parks and open spaces
- introduced the Beryl bikes-share scheme and offset over 15,000kg of CO₂
- switched all BCP Council buildings to 100% electricity from renewable sources
- delivered charging points at BCP Council depots to enable a green fleet using funding from Government Office for Low Emissions
- secured £2.4m to set up the Durley Chine Environmental Innovation Hub
- received £400k from the Coastal Communities Fund for seafront development
- achieved recycling rates over 50%
- invested in improving parks and green spaces, including Alexandra Park and Hamworthy Park
- proactively managed 855 hectares of Sites of Special Scientific Interest (SSSI), including sensitive heathlands, to preserve and enhance biodiversity whilst improving public understanding and engagement with these habitats
- delivered sustainable transport enhancements, including the Dunyeats Road scheme providing safer walking and cycling routes to two schools

Dynamic Places

We want to create a world-class environment, with strong employment prospects and provide access to outstanding culture and tourism across the BCP Council area. We aspire to be the premier destination on the south coast for residents, learners, employees and visitors.

We have:

- started development of a BCP Council Local Plan
- won £220k of Business, Energy and Industrial Strategy funding to deliver a cyber security trial
- facilitated £5m additional funding to support business growth
- supported three major companies with relocation and growth, safeguarding 400 jobs and creating approximately 300 new jobs
- commenced the Smart Ports project which will introduce new technologies around the port addressing matters such as air and water quality
- delivered the Port of Poole Growth Deal Programme in partnership with the [Dorset Local Enterprise Partnership](#)
- delivered a business programme attracting over 400 companies to the Poole Maritime Festival
- helped over 60 unemployed people into jobs with engineering and manufacturing companies through New Directions
- received grant funding for an employability skills programme delivered through the Library Service and Skills & Learning
- agreed an outline business case for accessing the government’s Transforming Cities Fund
- approved a new Housing Delivery Test Action Plan to help increase overall housing supply across all tenures
- secured £4.3m Homes England funding to bring forward housing developments at Turlin Moor and Princess Road
- continued to build new affordable housing schemes for those in need

Connected Communities

We want to work with our richly diverse communities and empower people from different backgrounds, cultures and beliefs to create a place where all local communities can connect and thrive, including student residents from the three local universities.

We have:

- adopted a Statement of Community Involvement to set out how BCP Council will engage on planning matters
- developed extensive consultation plans on community engagement principles which will inform the Community Engagement Strategy
- established a Community Safety Partnership for the BCP Council-wide area
- set up a council wide digital inclusion group to get everyone connected
- implemented a Community Equality Champions Network with partners
- completed a Cultural Enquiry to identify the potential for arts and culture
- created a working group with community partners to find ways to reduce loneliness
- in partnership with the voluntary sector held a series of community conversation events to celebrate people coming together to respond to issues in their community and identify what else needs to be done
- continued to support the [Dorset Road Safe Partnership](#)
- supported the transfer of the two Councils for Voluntary Service into the Community Action Network
- signed up to the [Armed Forces Covenant](#)

Brighter Futures

We are committed to delivering effective services that ensure children and young people are safe and their welfare is secure. We recognise there are several key challenges and areas for improvement to become an outstanding place for children and young people to thrive. We embrace our role as a corporate parent to children and young people and aspire for brighter futures for all.

We have:

- restructured Children’s Social Care Services
- established a Quality Performance and Impact Board with new Quality Assurance and Learning Framework, underpinned by a combined performance report to drive service improvements
- created a Workforce Development Strategy and Plan for Children’s Services staff which is in line with BCP Council’s People Strategy
- established a Corporate Parenting Board; a School Performance Board to support children’s educational outcomes and the [Virtual School](#) Board
- worked with the Learning Partnership Board to identify improvement priorities and establish links with the sub-regional Education Board
- established health and wellbeing priorities and governance of the Special Educational Needs and Disabilities (SEND) agenda
- launched the SEND Graduate Response Toolkit for 0-5 and post-16s
- achieved overall Early Years Foundation Stage Profile results for SEND pupils that were in line or above national average
- conducted a survey with parents/carers of Children and Young People with a disability
- reviewed the approach to tackling youth Anti-Social Behaviour and adopted an Improvement Action plan to improve the multi-agency response
- created a Fostering Panel and recruited a new chair
- developed a Children in Care and Care Experienced Young People’s group

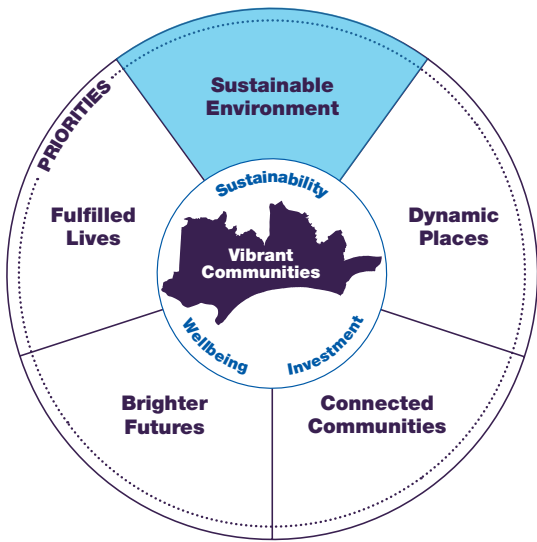
Fulfilled Lives

We want to work in partnership to empower residents to lead happy, active and healthy lives as part of vibrant communities and to offer people opportunities to learn and develop new skills throughout life. When young people and adults have additional care and/or support needs, we will enable them to live fulfilled, independent lives with safety and dignity and support those who care for families and friends. We are committed to reducing homelessness and rough sleeping, and ensuring individuals and families have access to good quality, affordable homes.

We have:

- developed a Health and Wellbeing Board for the Bournemouth, Christchurch and Poole area
- with the local NHS, developed Our Dorset Looking Forward Strategy for Dorset Integrated Care System
- agreed a Corporate Safeguarding Strategy
- strengthened BCP Council’s provision of adult social care by opening a new care home, purchasing a care home and opening new supported housing scheme for young adults with a learning disability and/or autism
- implemented a new service model for preparing young people with special educational needs and disabilities for adult life
- developed a new [Homelessness Partnership and Homelessness Reduction Board](#) with key local stakeholders
- secured additional government grant funding to enhance services which support those sleeping on the street into suitable housing
- developed a skills, learning and wellbeing adult education offer that responds to the needs of our local communities

Sustainable Environment



Leading our communities towards a cleaner, sustainable future that preserves our outstanding environment for generations to come

Ensure sustainability underpins all of our policies

- We will:**
- embed sustainability in BCP Council’s new ways of working to achieve zero carbon targets
 - develop a robust corporate policy framework that embeds sustainability by April 2020
 - ensure sustainability, climate action and biodiversity are at the heart of the Local Plan when it is published by November 2022
 - launch a Decision Impact Assessment tool to embed sustainability by summer 2020
 - establish an environmental standard for events by 2023
 - influence key partners and key stakeholders including the public sector, charities, developers and businesses to improve sustainable standards to achieve zero carbon targets
 - establish a sustainable procurement strategy and policy in 2020
 - integrate the UN Sustainable Development Goals into BCP Council’s corporate performance management framework by summer 2020

Protect and enhance our outstanding natural environment

- We will:**
- continue to deliver higher-level stewardship and management of designated natural sites to preserve them for future generations
 - work in partnership with Bournemouth Parks Foundation to maximise the benefits of charitable work across the conurbation by end of 2020
 - develop a beach management strategy and delivery scheme by April 2021
 - manage land to enhance quality through maximising CO₂ capture by greening the urban environment and introducing a tree planting programme by 2021
 - protect SSSIs through the work of nature conservation teams and partners, creating favourable conditions for priority species
 - encourage more volunteers to protect and enhance the environment by 2023
 - work with partners to enhance recreation opportunities and health benefits, improve biodiversity and increase the length of accessible paths along the Stour Valley
 - review the shoreline management plan by end of 2021

Develop an eco-friendly and active transport network

- We will:**
- develop a local cycling and walking infrastructure plan by end of 2020
 - provide a bikeshare scheme in Christchurch by June 2021 and incorporate e-bikes into bikeshare across the conurbation by March 2023
 - strengthen the Quality Bus Partnership to provide higher quality bus services for residents to encourage increased usage and reduce carbon emissions
 - deliver an integrated, smart travel app by 2023
 - deliver more and enhanced ‘safer routes to schools’ measures to increase the number of pupils and guardians walking and cycling thereby increasing active travel and reducing carbon emissions from cars
 - develop a sustainable fleet replacement strategy by December 2021
 - review highway maintenance activities and propose future options for a highway maintenance model, including a funding strategy by summer 2020
 - provide new walking and cycling infrastructure to increase active travel and thereby reduce carbon emissions from cars
 - develop a communications campaign to promote sustainable travel to residents, schools, businesses, and visitors by April 2021

Tackle the climate and ecological emergency

- We will:**
- adopt a climate and ecological emergency strategy and action plan by end of 2020
 - develop emission reduction pathways and carbon budgets to track progress towards BCP Council and area-wide targets by end of 2020
 - submit emissions data to global climate reporting organisations annually to demonstrate progress by end of 2020
 - adopt a zero carbon workplace charter to inform employees of simple measures to cut carbon in daily operations by end of 2020
 - update extreme weather record and preparedness framework to aid in decision-making on adaptation measures by end of 2020
 - lead work with key partners across the conurbation to discuss and formulate a plan of action to encourage emission reduction measures by April 2020
 - hold a climate and ecological emergency citizens assembly by summer 2020
 - launch and run a resident engagement programme to make homes energy efficient, reduce fuel poverty and raise awareness of the most effective climate friendly actions through 2020

Promote sustainable resource management

- We will:**
- adopt an environment strategy by March 2021 to protect and improve the local environment in line with the Government’s 25 year Environment Plan
 - bring Christchurch waste and cleansing services in-house by April 2021
 - adopt a single BCP Council waste strategy in line with the national waste strategy, including a review of three different models for refuse collection and proposals for consolidation by summer 2022
 - let a contract for the treatment and disposal of Bournemouth’s residual waste by the end of 2020
 - review BCP Council street cleansing services by 2021
 - build on the Leave Only Footprints and Love Food Hate Waste campaigns
 - seek additional funding to promote zero waste campaigns and waste reduction initiatives, such as New to You
 - work with partners and communities to achieve single-use plastic-free status across the conurbation

Maximise access to our high quality parks and open spaces

- We will:**
- develop green infrastructure strategy to manage parks, recreation grounds, beaches and open spaces by December 2021
 - increase biodiversity by reviewing use of grassland management, wild flower meadows and pesticide usage by end of 2020
 - identify adequate Suitable Alternative Natural Greenspace provision across the conurbation by early 2021
 - work with partners to increase the accessibility and diverse offer for parks and open spaces increasing the number of visitors
 - utilise grants, donations and developer contributions to increase investment in parks, beaches and open spaces by December 2021

Measures of success

1. percentage of total household waste recycled, re-used or composted
2. residual household waste per head of population
3. residual household waste per household
4. use of public transport
5. single occupancy cars entering conurbation
6. CO₂ emissions for BCP Council
7. number of Green Flags awarded
8. number of Blue Flags awarded
9. number of households receiving energy efficiency advice and guidance
10. percentage of SSSI in favourable condition
11. number of volunteer hours supporting environmental sustainability and enhancement programmes
12. standard of cleanliness achieved in line with the Environmental Protection Act 1990
13. number of BCP Council vehicles replaced with cleaner and greener vehicles
14. number of people cycling

Sustainable Development Goals (SDG)

7 AFFORDABLE AND CLEAN ENERGY

11 SUSTAINABLE CITIES AND COMMUNITIES

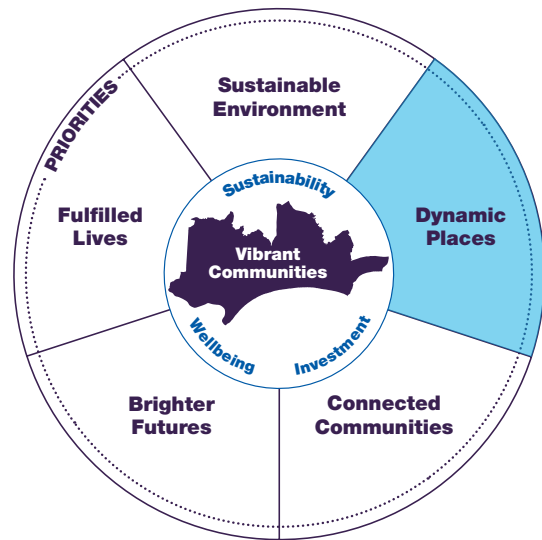
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

Dynamic Places



Supporting an innovative, successful economy in a great place to live, learn, work and visit

► Revitalise and reinvent our high streets and local centres

SDG 8 / 11

2020

We will:

- as part of the Economic Development Strategy, develop an action to revitalise and reinvent high streets and local centres by October 2020
- finalise and communicate a new Poole Regeneration Masterplan by December 2020
- continue to deliver the Bournemouth Town Centre Vision and associated Bournemouth Development Company projects
- create 'Town Teams' to develop the agenda for each of our town centres, covering an integrated approach to culture, community and environment with economy to reinvent sustainable local centres by March 2021

► Invest in the homes our communities need

SDG 11

We will:

- improve housing outcomes and access to good quality housing for all residents by developing a new Housing Strategy by October 2020
- work with partners to increase overall housing supply
- ensure the right supply of specialist housing to meet needs
- build 1,000 new homes on BCP Council owned land over 5 years, including sub-market affordable and social rented homes.
- progress plans to deliver homes on the Holes Bay former power station site
- agree a sustainability strategy for BCP Council's housing and construction projects by 2020

► Create a sustainable, vibrant and inclusive economy

SDG 8 / 10

We will:

- support the five existing key sectors of Advanced Engineering, Digital and Creative, Health and Social Care, Financial Services and Tourism to become more sustainable and increase productivity and reward
- undertake a review of long-term options for the Bournemouth International Centre by December 2020
- agree high-level, overarching seafront strategy for Bournemouth, Christchurch, and Poole by early summer 2020
- create an Economic Development Strategy by October 2020 to drive economic growth and reduce the employment inequality gap based on evidence produced by the local economic assessment
- create a new Tourism and Destination Strategy by May 2020
- develop a Cultural Strategy by December 2021 to increase employment in the area's outstanding cultural sector

► Increase productivity through skills development

SDG 4 / 8

We will:

- create a Skills Strategy by November 2020 which tackles inequality and supports local businesses in partnership with educational establishments and the market
- produce a business case for a hub to house innovators such as: Manufacturing Technology Centre, Aerospace Skills Partnership by January 2021
- champion BCP Council's commitment to increase the number of apprenticeships, particularly for care leavers, across Bournemouth, Christchurch and Poole by March 2021
- support the development of a plan for a new science centre by December 2020

► Develop sustainable infrastructure

SDG 4 / 8

We will:

- develop and adopt a new BCP Council Local Plan by November 2022
- agree a local sustainable transport plan by 2023
- implement a sustainable travel strategy for BCP Council, subject to a successful bid to the Transforming Cities Fund
- develop proposals for sustainable mass transit systems by March 2021
- complete a strategic parking review by end of 2020

► Support our businesses to operate more creatively

SDG 9

We will:

- develop a programme to promote and facilitate the uptake of Knowledge Transfer Partnerships and BCP Council regulatory services
- work with the Dorset Local Enterprise Partnership and other stakeholders to deliver the Local Industrial Strategy by March 2021
- work together with universities and businesses to create paid placements and internships by March 2021
- work with businesses to adopt a 'triple bottom-line' approach that considers their social and environmental impact in addition to their profitability by March 2021
- promote the government's Research and Development tax credits to businesses, helping to increase innovation rates

► Create a 21st century digital infrastructure

SDG 9 / 17

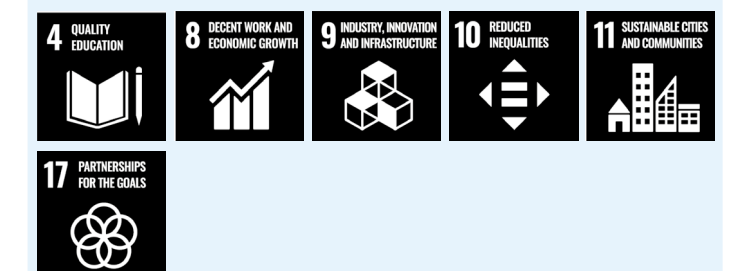
We will:

- develop the Smart Place Strategy and Investment Plan by November 2020
- progress the Smart Place Programme to support the revitalisation of high streets by March 2021
- implement the Dorset Cyber Alliance "Cyberwell" project to make the BCP Council area a safer and more secure place for Dorset Small and Medium-sized Enterprises to do business as set out in the UK's Digital Strategy by October 2020
- promote availability of fibre-based connectivity to all residents and businesses

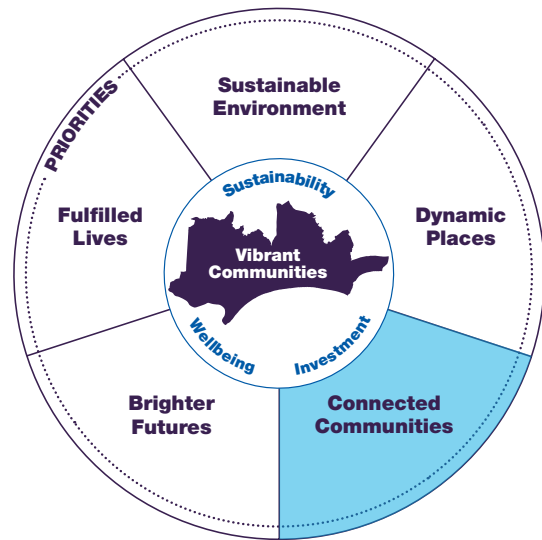
Measures of success

1. high street vitality index
2. housing equality index
3. housing delivery in terms of completions (all tenures including additional affordable homes)
4. development investment value in the town by others
5. visitor spend per head to resort
6. percentages of apprenticeships across BCP area
7. business survival rates/increase business stock
8. percentage of higher-level qualification/graduate retention and attraction
9. income distribution addressing the polarisation of pay across BCP Council area
10. number of businesses supporting the carbon neutral target
11. percentage of journeys undertaken by sustainable modes
12. investment income and social value through BCP Council's investments and/or private sector
13. percentage of BCP Council area with fibre-based connectivity coverage
14. investment value in infrastructure (including digital)
15. number of Knowledge Transfer Partnerships taken up by businesses through universities

Sustainable Development Goals (SDG)



Connected Communities



Empowering our communities so everyone feels safe, engaged and included

► Strengthen the cultural identity of our towns and places SDG 11

SDG 11

We will:

- ensure strengthening the cultural identity of local communities is embedded throughout the BCP Council Local Plan by November 2022
- establish a Cultural Compact of BCP Council, agencies, cultural providers and communities by March 2021
- develop a library strategy which reflects the diversity of local communities and aspires to create neighbourhood hubs by December 2020
- promote and encourage a sense of civic pride and celebrate the historic traditions and identities of each town through the office of the Chairman, working closely with the respective Mayors
- continue to support and promote a range of regional and local events and activities that reflect cultural diversity and are accessible to all

► Respect and engage with our diverse communities SDG 6 / 10

We will:

- implement BCP Council's Equality and Diversity Action Plan and report progress with achieving the council's commitments on a quarterly basis
- deliver an Armed Forces Covenant Action Plan during 2020
- continue to support a wide range of specialist partner organisations who advocate and provide support to our communities
- develop a BCP Council-wide community engagement strategy by end of October 2020
- develop a community regeneration strategy by end of 2020 that takes a partnership approach to working with communities to tackle inequality
- develop a single policy for the management of publicly accessible toilets across the BCP Council area by the end of 2020

► Encourage intergenerational interactions SDG 4

We will:

- develop mentoring programmes to encourage older people and younger workforce members to share skills and experience with each other by 2022
- work in partnership with local businesses and employers to develop a programme that encourages staff to help with reading or mentoring in local schools by January 2021

► Reduce loneliness and isolation SDG 1 / 3

We will:

- work with local businesses and employers to build partnerships with schools and colleges to support initiatives with a focus on supporting the most vulnerable in our communities by January 2021
- develop our understanding of issues around loneliness and map these against activities presently being undertaken by the end of 2020
- work with partners to develop projects using technology to reduce social isolation through the Smart Places Programme
- continue to promote the use of technology by older people and other isolated communities, raising awareness of how it helps reduce social isolation and loneliness
- continue to work with voluntary sector partners on a lottery-funded programme to reduce loneliness among older people
- agree a bereavement strategy and business plan by mid-2020

► Ensure our communities feel safe SDG 8 / 11

We will:

- develop with partners a Crime and Disorder Reduction Strategy and Action Plan to address the priorities of the Community Safety Partnership, including the fear of crime in targeted communities by September 2020
- review our partnership approach to tackling Anti-Social Behaviour in local communities by September 2020
- develop a Domestic Abuse Strategy by September 2020
- develop integrated domestic abuse services for victims and perpetrators by March 2021
- develop a coordinated BCP Council response to prejudice incidents by June 2020
- develop a plan to tackle rogue traders who target vulnerable people in their homes by the end of 2020
- integrate Public Spaces CCTV systems and create a five-year CCTV Strategy by the end of 2020
- continue to support and develop the night-time economy through initiatives which reduce the harm caused by alcohol and helps make residents, workers and visitors feel safe
- work with partners including Dorset Road Safe to reduce the number of persons killed or seriously injured on the highway by 40% by 2030

► Empower a thriving voluntary and community sector SDG 11

We will:

- develop a partnership agreement with the community and voluntary sector which details how we will work together by September 2020
- develop a single Community Asset Transfer process by June 2020
- build on the findings of the Cultural Enquiry to develop a Cultural Strategy that supports community arts and culture by December 2021
- continue to support Community Action Network who provide support, advice and guidance to the community and voluntary sector across the BCP Council area
- work with community organisations to harmonise the approach to supporting community centres in the BCP Council area by September 2020
- develop and deliver a BCP Council Family Support offer which includes Children's Centres and Youth/ Adolescent Services by September 2020
- take a partnership approach to working with communities and attracting investment to regenerate the community using Community Infrastructure Levy funding

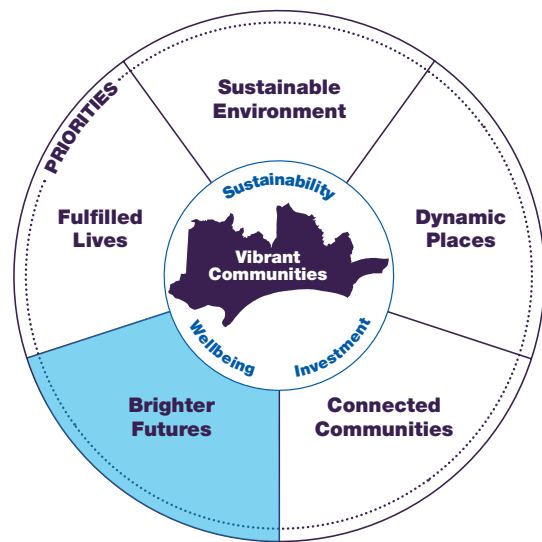
Measures of success

1. levels of anti-social behaviour
2. levels of serious violent crime
3. risk to most vulnerable victims of domestic abuse
4. number of people volunteering in their communities
5. perceived fear of crime – across the BCP area and in targeted neighbourhoods
6. number of events and activities held in the libraries
7. numbers of visits to museums
8. number of people experiencing cultural activities
9. number of community and voluntary groups saying they have raised funds as a result of advice provided by BCP Council
10. number of older people feeling lonely and disconnected from their communities

Sustainable Development Goals (SDG)



Brighter Futures



Caring for our children and young people;
providing a nurturing environment,
high quality education and great opportunities
to grow and flourish

Be aspirational for our children in care

SDG 3 / 10

We will:

- provide strong leadership through the Corporate Parenting Board ensuring the Children in Care Council and young people with care experience drive the agenda to improve how children are cared for
- develop a sufficiency strategy for children in care and care experienced young people to ensure appropriate provision is available locally by early summer 2020
- harmonise and improve the Foster Care offer by early summer 2020
- improve housing options for care experienced young people by October 2020
- understand the health needs of children newly into care through timely initial health assessments by early summer 2020
- improve the robustness and impact of permanence planning for children in care, beginning with a strong training and development programme for all social workers and a new policy framework from January 2020
- improve educational outcomes for children in care through the delivery of a high-performing Virtual School by January 2021 which includes ambitions to actively support apprenticeships and work placements
- publish the 'Care Leaver Offer' across the conurbation by September 2020

Support parents and guardians to care for their children well

SDG 1 / 2 / 3 / 4

We will:

- develop and implement an early help, family support, young people's and youth work strategy for 0-19 year olds and align services to deliver on the strategy by March 2023
- further develop the BCP SEND Local Offer to ensure this is comprehensive and support families to access appropriate provision by September 2021
- develop an integrated health and wellbeing offer for vulnerable children and young people including SEND by September 2021
- embed new ways of working ('Signs of Safety') to ensure consistency of experience and improving outcomes by 2023
- support children to live within their own family environment by extending the Family Group Conference model and Family Network meetings by 2022

- increase school attendance and reduce school exclusions and offending by introducing restorative approaches by July 2021
- pilot an approach to address and reduce summer holiday 'hidden hunger' within targeted areas in 2020 to inform our longer term approach

Prevent harm through early intervention

SDG 3 / 5 / 16

We will:

- improve the level of integration of service at the front door so families receive the right response at the right time by early summer 2020
- work to ensure the multi-agency partnership arrangements are effective and impactful for the local community by summer 2020
- lead a new and robust approach to tackling child exploitation across the community by developing a multi-agency place-based approach and implement by 2022
- deliver a Sufficiency Strategy to ensure appropriate levels of services and support for children – Early Help, Edge of Care, School Places for SEND, and Children's Social Care by early summer 2020
- develop a BCP Council Housing Strategy which addresses the needs of vulnerable young people and their families by October 2020
- create a consolidated young people's protocol between housing and children's social care by early summer 2020
- intervene early to avoid young people entering the care system and minimise risks by developing an adolescent service by September 2020
- support children and young people's emotional mental health and wellbeing by implementing the Children and Young People Mental Health Transformation Plan by April 2021

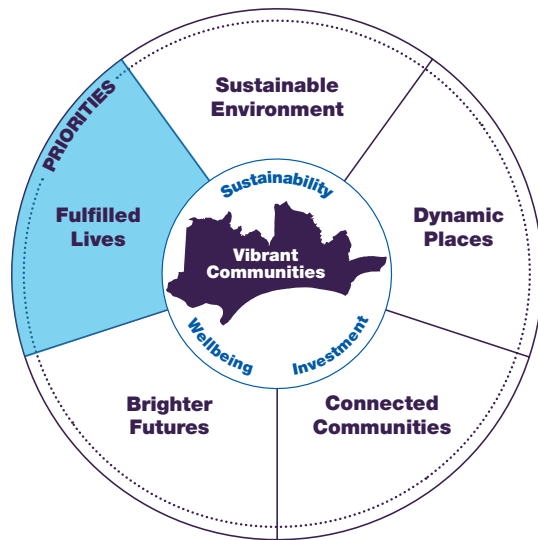
Measures of success

1. proportion of care experienced young people aged 19-21 in suitable accommodation
2. percentage (and number) of 16-19 year olds not in education, employment or training (NEETs) and unknowns
3. timely decisions for children who need a social worker (in 24 hours)
4. number (and proportion) of repeat referrals in social work in 12 months
5. timeliness of assessments to identify children's needs in a timely fashion
6. number of children in care placed over 20 miles from homes
7. number of children in care with long-term stability
8. number of two year old children benefitting from funded early education
9. number of children who are missing out on education
10. number of children and families accessing effective early help
11. number of children with an Education, Health and Care Plan placed in mainstream schools and special schools
12. number (and rate) of Permanent Exclusions – Primary and Secondary
13. number of children attending a Good/Outstanding Early Years Providers
14. number of children attending a Good/Outstanding Schools (Primary and Secondary)
15. proportion of Good/Outstanding Schools (Special)

Sustainable Development Goals (SDG)



Fulfilled Lives



Helping people lead active, healthy and independent lives, add years to life and life to years

► Support people to live safe and independent lives SDG 3 / 8

We will:

- implement a best practice adult safeguarding model for BCP Council with partners and new Liberty Protection Safeguard legislation by April 2021
- agree a suicide prevention plan by June 2020
- improve outcomes for young people with disabilities and special educational needs as they move into adulthood by March 2022
- increase the proportion of adults with a learning disability with care and support needs who are able to live in their own home, locally, by March 2023
- increase the proportion of adults with care and support needs in employment, training and volunteering by March 2023
- continue to promote and extend the use of assistive and digital technology to enable independence and enhance people's quality of life

► Promote happy, active and healthy lifestyles SDG 3

We will:

- promote active ageing in more deprived communities through Live Well Dorset and engage at least 1,000 people over 55 for each of the next three years

- work with our health partners to promote and enable whole school approaches to physical activity, increasing children's mental wellbeing by July 2020
- increase take up of health checks in BCP Council area to 7,500 in the year 2020/21
- undertake a review of leisure provision and residents' leisure discount schemes to enable greater participation in leisure activities by end of 2021
- agree with partners a health and wellbeing strategy by July 2020
- promote positive health including mental health within our communities and partners through a comprehensive action plan by December 2020
- increase the proportion of people with dependency successfully accessing alcohol and drug treatment services by March 2023
- facilitate new opportunities for communities and people to engage in creative and heritage activities to benefit their wellbeing by March 2021

► Develop age-friendly communities SDG 4 / 8

We will:

- work with health partners to promote the benefits of active travel and deliver a publicity campaign targeted at older people by March 2021
- continue to deliver a programme to improve safer environments in built up areas with increased priority for pedestrians and improved crossing facilities for wheelchair and mobility scooter users
- support greater use of bus services by providing new bus shelters with seating, accessible boarding kerbs and Real Time Information by March 2022
- expand the number of dementia friendly communities by March 2023

► Value and support carers SDG 3 / 5

We will:

- work with carers to improve access to information and advice ensuring it is delivered at the right time and tailored to the individual carer by March 2021
- work with the NHS to increase the numbers of carers receiving support and services personalised to individual need by March 2023
- increase the availability and options for time out and short breaks for carers by March 2021
- create a single model of young carers provision across the BCP Council area by summer 2022, ensuring consistency of support
- recognise the needs of staff members who are carers within BCP Council's conditions of employment by 2021

► Enable people to live well through quality social care SDG 3 / 10

We will:

- implement a new first point of contact service for adult social care to improve online information and advice and supports residents' wellbeing and independence by March 2022
- develop outreach support with GPs in community based settings to engage earlier and improve the quality of life for those residents at risk of worsening health and outcomes by March 2022
- work with all partners and people with lived experience to develop and deliver a strategy to improve the sustainability and quality of the social care market by March 2023
- promote careers in social care with partners including through the Proud to Care Initiative by March 2023
- work with the NHS to improve the range and effectiveness of services which support people to live well in their own homes and reduce the need for hospital admissions by March 2022

► Tackle homelessness and prevent rough sleeping SDG 4 / 8

We will:

- work to prevent homelessness by publishing a new homelessness strategy and deliver the action plan with partners by December 2020
- publish a single housing allocations policy by the end of 2020 to set out how we prioritise the allocation of BCP Council/housing association homes
- prevent homelessness by utilising government funding to maximise preventative services for people including those with complex needs and reduce the numbers of those at risk of losing their accommodation
- reduce rough sleeping by increasing access to suitable accommodation and re-modelling a range of sustainable housing support pathways

► Promote lifelong learning for all SDG 4 / 10

We will:

- deliver a lifelong learning strategy by March 2023, working with partners to promote a broad learning offer for work and well-being, culture and arts and to increase awareness of environmental issues and sustainable living
- target care leavers, disadvantaged boys and young people with the greatest barriers to learning and work to join apprenticeship schemes

- promote high-quality careers education and information advice for young people, adults needing to retrain and those for whom English is not their first language

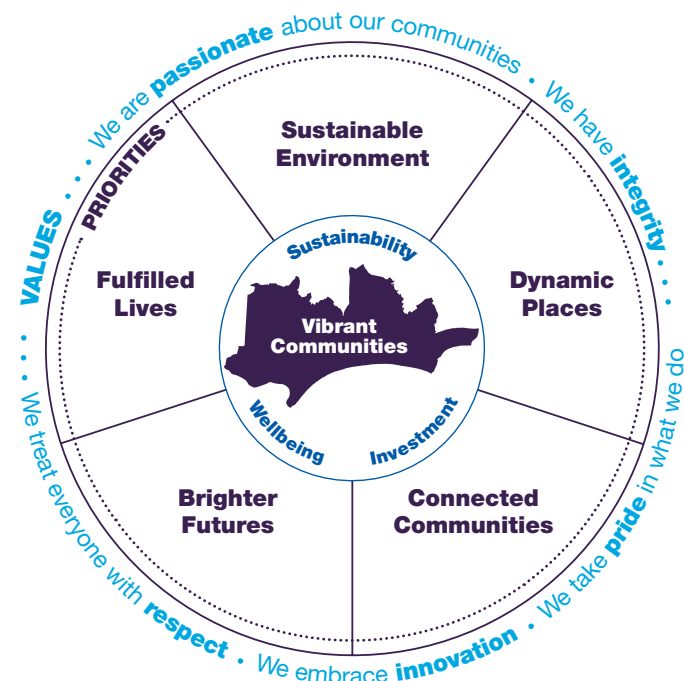
Measures of success

1. percentage Care Quality Commission registered care services rated as good or outstanding
2. proportion of adults who use social care services who have control over their daily life
3. proportion of adults with a learning disability in settled accommodation
4. proportion of adults in receipt of support and services in employment
5. proportion of people who reported that risks have reduced as a result of a safeguarding enquiry
6. proportion of carers who receive info/advice or another service after an assessment
7. proportion of people with dependency accessing drug and alcohol treatment services, and the number completing successfully
8. numbers of people accessing learning opportunities
9. availability and take up of apprenticeships, supported internships and educational pathways
10. young people and adults receiving high quality careers education information and advice
11. number of people rough sleeping at any one time
12. number of households in bed and breakfast under homeless legislation provisions
13. number of dementia friendly communities
14. take up of health checks
15. national highways and transport public perception survey accessibility theme

Sustainable Development Goals (SDG)

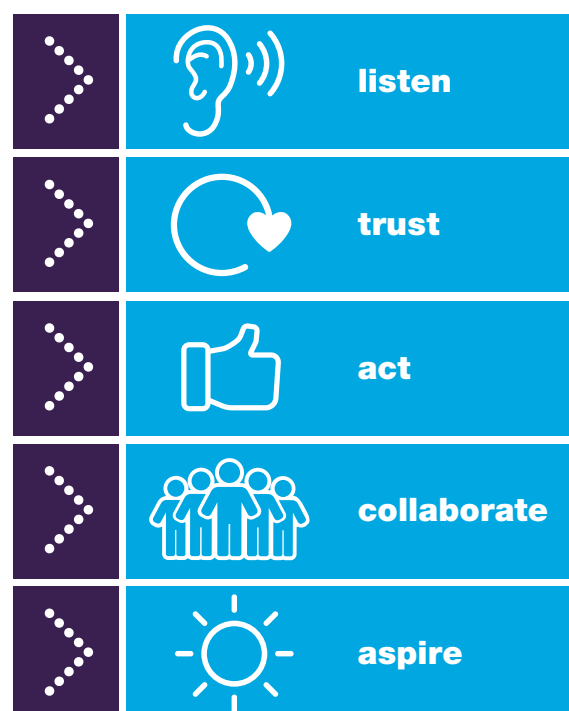


Modern, Accessible, Accountable Council



We are a modern, accessible and accountable council committed to providing effective community leadership

Our Behaviours



Journey so far

The creation of BCP Council is the most complex local government reorganisation seen in the country for 45 years.

We believe every member of our vibrant communities deserves a council that is every bit as accessible, available and easy to use as we expect in our digitally driven 21st century lives. We also believe that the way BCP Council makes decisions should be clear and easy for people to engage with.

We have:

- managed the impact of local government reorganisation on BCP Council and ensured that all services are delivered to the standards our community expects
- worked within the budget set by the Shadow Authority by ensuring strong financial management of BCP Council and its services
- engaged with over 2,000 stakeholders in the development of the Corporate Strategy
- developed a new BCP Council Operating Model that will bring our vision of a modern, accessible council to life
- agreed a set of values that underpin the way we work as we develop and deliver services
- recognised the need for a closer relationship with our community and developed a consultation plan for a Community Engagement Strategy that will allow residents a better role and say in our future decision making
- developed new BCP Council social media profiles and launched an e-newsletter service that enables us to reach people quickly and directly with our key community messages
- adopted a BCP Council-wide Equality Policy and governance framework to ensure we consider and include our diverse communities in activities and decisions
- developed a People Strategy which supports the delivery of BCP Council priorities and promotes a culture which is inclusive, safe, ethical and encourages personal growth and development
- agreed a Pay and Reward Strategy designed to deliver more equitable pay and terms of employment across the workforce
- adopted the Smart Place Programme which will transform how BCP Council and other agencies provide services for local people and businesses, supporting the delivery of strategic outcomes

Modern council

SDG 5 / 10 / 12 / 16

We will:

- review and harmonise all our major service strategies and policies by 2021
- start implementation of our new operating model in 2020 and invest in new technology and ways of working so residents and customers have better services
- identify and deliver efficiencies that will meet the demands of the Medium-Term Financial Plan and protect vital front-line services
- maximise income opportunities by proactively identifying and bidding for new sources of grant income that deliver the corporate strategy
- implement the Pay and Reward Strategy and begin the harmonisation of pay in 2021
- adopt a Digital Strategy in 2020 that sets an ambition for the digital development of communities and sets the framework for the delivery of a Smart Place Strategy
- improve how we use data to better understand and inform service planning and to empower our communities and customers
- commit to the development of a BCP Council Civic Centre in 2020 and begin a review of how we use our buildings to deliver the right services, in the right places with the right facilities for our community and customers
- implement our People Strategy to support modern working practices and improve staff physical and mental wellbeing
- implement a Behaviours Framework in 2020 which sets out the qualities and attributes we expect of all our employees

Accessible council

SDG 5 / 10 / 12 / 16

We will:

- adopt a Customer Access Strategy that builds on BCP Council's commitment to the [Local Digital Declaration](#) and meets "Best in Class" standards for digital service design by summer 2020
- ensure that the design of any new facilities meets "Best in Class" standards to provide ease of access to services and employment
- adopt a Communication Strategy in 2020 using plain English and continually assess how well messages are being received and understood across communities
- introduce new technology that will allow live streaming and remote participation for all public meetings in 2020
- develop and introduce a new BCP Council website by March 2021

- achieve the 'excellent' level of the [Equality Framework for Local Government](#) by 2023
- promote and proactively work towards enabling a diverse workforce across all levels of the organisation, acting as a role model for Dorset employers

Accountable council

SDG 5 / 10 / 12 / 16

We will:

- complete a review of BCP Council's Constitution and implement changes in 2020 ensuring we consider all we have learned in our first year as a new council
- consider opportunities to improve local decision making and accountability for service delivery and our community governance approach during 2020
- undertake a BCP Council residents' satisfaction survey in 2020 and use the results to inform future decision-making and survey frequency
- prepare for a peer review by the [Local Government Association](#) in 2020

Measures of success

1. employee satisfaction
2. employee health and well-being
3. employee sickness absence levels
4. digital skills in workforce
5. employee confidence in new ways of working
6. diversity of workforce - at all levels
7. residents' satisfaction across all services
8. residents' levels of trust in BCP Council
9. participation and engagement from all community groups
10. levels of engagement and reach through social media
11. e-newsletter click through and open rates
12. level of channel shift
13. maintain high council tax collection rates
14. maintain high business rates collection rates
15. new external funding secured

Sustainable Development Goals (SDG)



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CABINET

Report subject	Carter Expansion Project Update
Meeting date	12 February 2020
Status	Public Report
Executive summary	<p>This report seeks to update Cabinet on the partnership arrangements that are proposed to enable the Carter Community School expansion project to progress. It also recommends a financial package, requiring contributions from the Council and ULT, to facilitate the completion of the project to an acceptable standard to enable the statutory function of pupil place planning to be delivered.</p> <p>United Learning Academy Trust have issued the following statement in respect of the proposed financial strategy within this report</p> <p><i>“United Learning are wholly supportive of the strategy mapped out by BCP and shared with us prior to the Project Board meeting on 17th December 2019. We have reallocated funding from our 2019-20 and 20-21 funding streams to undertake the elements of work identified as being outside of the BCP funding plan and hope that the entire project can be completed in a reasonable timescale from here.”</i></p>
Recommendations	<p>It is RECOMMENDED:</p> <ul style="list-style-type: none"> (a) That Cabinet note that ULT have committed £379k to complete works to refurbish science rooms and toilet facilities. (b) That the Cabinet approve the allocation of £224k from the unallocated Basic Need Contingency to part fund the completion of the Technology Block. (c) That Cabinet approve the application in principle to access early draw down of future Basic Needs capital resources from the ESFA of up to £0.55M to facilitate the completion funding of the Technology Block. This £0.55M being part of the formulaic £4.1M that is due to be allocated to BCP in the financial year 2020/21. (d) That Cabinet note ULT will seek to identify further available capital resources from their annual formulaic allocation to complete outstanding works over the course of the next three financial years. (e) That Cabinet approve the revised financial strategy for this project as set out at Appendix B. (f) That Cabinet agree that a formal legal agreement be drawn up between the parties committing to the financial strategy and commitment of both parties ahead of any monies being released to ULT in respect of the Technology Block.

Reason for recommendations	The purpose of this report is to update Cabinet of the key financial issues relating to this project. Further, to seek approval for the proposed financial strategy to enable this project to be completed to an appropriate standard. This will enable the required increase in capacity at the school in order to accommodate an additional 300 pupil places to meet pupil place planning projections.
Portfolio Holder(s):	Councillor Sandra Moore, Portfolio Holder for Children and Families
Corporate Director	Judith Ramsden; Corporate Director Children's Services
Report Authors	Neil Goddard; Service Director, Quality and Commissioning. Helen Rice; Principal Asset Planning and Development Manager
Wards	Hamworthy
Classification	For Update and Decision

Background

1. A report was prepared in August 2019 for senior officers detailing the issues relating to the Carter Community School construction project. This itemised the additional funds that would be required to complete the project as originally envisaged. It was apparent at this time that there were insufficient funds available to allow the project to be completed.
2. Following consideration of this paper, a decision was made to approach the Educations Skills and Funding Agency (ESFA) to apply for exceptional funding to complete the project.
3. A meeting was held with an ESFA representative in September 2019, at which, information was supplied to demonstrate the need for additional expenditure of between £1.75 and £2.75M to complete the project. The range reflects a lower figure to complete the minimum works required to house the additional pupils required and a higher figure to complete the works as originally envisaged.
4. After due consideration by the ESFA a letter was received on the 4th November 2019 declining the additional funds applied for, but offering the potential for early draw down of Basic Need funds against the planned formulaic allocation in 2020/21 of £4.1M to BCP Council.
5. After the receipt of this letter it became evident that the project could not be delivered as a single construction contract and therefore a revised strategy has been devised to deliver in a way that mirrors the limited funds available.

REVISED DELIVERY STRATEGY

6. The project consists of the following Key Elements:
 - a) New Build Blocks:
 - i. General Teaching Block
 - ii. Technology (incl. Science prep rooms)
 - iii. Drama
 - iv. Link Corridor
 - b) Internal remodelling/refurbishment of

- i. SEN
 - ii. Science & WCs
 - iii. Learning Resource Centre
 - iv. English Block refurbishment
 - v. Staff Room
 - c) Plus
 - i. Landscaping and External Works
7. To date, the General Teaching, Technology and Drama blocks have had their groundworks completed and their steel frames erected at various locations around the site. A layout of the school site is attached at Appendix A.
 8. Following conversations with the school and the Academy Trust the works above have been separated into two categories. Category 1 has been identified as those works required as a minimum to house the additional pupils required. Category 2 are those works which whilst required to make the school operate more efficiently, are not deemed essential to increase capacity.
 9. The proposed new blocks for General Teaching and Technology along with the refurbishment of Science areas fall into Category 1.
 10. A financial strategy has therefore been completed, Appendix B, which seeks to complete the works in Category 1. This is funded between the Local Authority as the commissioner of school places and the Academy Trust as the operator of the school.
 11. Whilst this strategy seeks to prioritise Category 1 works, it also looks to deliver them as individual blocks in a timeframe to suit the arrival of the additional pupils (60 / year over a five year period) and align this with the availability of the funding streams identified.
 12. The Trust has committed the sum of £379k to refurbish the Science and WCs within the school as a matter of priority. These areas have been disrupted by the original contractor who left them uncompleted and they are now not fit for purpose. These works are required as soon as practical as it directly affects the delivery of the curriculum in the school year.
 13. The Trust has also committed to investigate a percentage of future years allocations of School Condition Allocations (SCA) across the Trust to complete areas of the school that assist with the smooth and efficient operation.
 14. The Council has proposed to commit £1.55M of the £1.8M budget remaining within the project to enable the completion of the 'Category 1' General Teaching Block. This block offers the maximum floor area for the minimum cost and provides the largest number of general teaching spaces in order to be able to accommodate the additional 60 pupils in September 2020. The construction period for the completion of this block is such that this work must commence in January 2020.
 15. The Council, in fulfilling its statutory role of commissioning sufficient school places, has compiled the attached financial strategy, Appendix B, in relation to the Technology Block to ensure that the minimum requirements are delivered in respect of the capacity required. This strategy allocates the residual uncommitted BCP Basic Need funding of £224k and seeks an early draw down of funds from the ESFA of £550k from future Basic Needs allocations.
 16. Government announcements on Basic Need Capital Grant allocations post 2020/21 are yet to be made. The proposed early draw down of £550k of the £4.1m 2020/21 Basic Need Grant allocation will mean BCP will have £3.55m remaining to support its ongoing Children's Capital Strategy.

17. If the financial strategy in Appendix B is adopted, this will increase the total BCP funding for this project from the originally approved budget of £6.528M to £7.28M as set out below.

	BCP	United Learning	Total
	£m	£m	£m
Phase 1 (inc £0.25M BCP contingency)	4.72	0	4.72
Phase 2 Teaching Block	1.55	0	1.55
Phase 2 Science (part I)	0	0.38	0.38
Phase 2 Technology Block	1.01	0	1.01
Sub-total Phase 1 & 2 works	7.28	0.38	7.66

18. This partnership approach to funding will enable the project to be completed to an acceptable standard and achieve the objectives laid down at the start of the process.

Summary of financial implications

19. The financial cost of this project to the Authority will rise from £6.528M to £7.28M as detailed in the table above.
20. It is proposed that this additional funding will be drawn from the residual uncommitted BCP Basic Need funding of £224k and the proposed early drawdown of 2020/21 Basic Need funding in the sum of £525k.

Summary of legal implications

21. In adopting the strategy as detailed in this report the financial liability of the Local Authority will be capped at the revised level provided United Learning Academy Trust commit to find the remainder of the funding required and to accommodate the additional 300 pupils identified.
22. The Funding Agreement currently in place between the two partners to deliver this project will need a legal amendment to be drafted by Legal Services to facilitate the revised arrangements. This amendment will be signed by both parties ahead of financial expenditure in respect of the additional funding identified.

Summary of human resources implications

23. Not applicable for this construction project.

Summary of sustainability impact

24. To complete this partially constructed project has the least impact on the environment as it makes best use of the partially constructed buildings on site.
25. To not complete this project would result in demolition of the works completed to date and the inability of the local authority to fulfil its statutory obligations.

Summary of public health implications

26. To complete this project on site enables the additional pupil places to be provided locally to the demand. This therefore encourages more pupils to walk to school instead of being driven.

Summary of equality implications

27. Not applicable

Summary of risk assessment

28. The two key risks associated with this project are that costs will further increase and so the required accommodation will not be able to be completed without the identification of further funding, or that the additional capacity will not be delivered in time to accommodate the forecast in pupil numbers.

Background papers

29. None

Appendices

- Appendix A. Layout of proposed project
Appendix B. Summary of Financial Strategy Position

3D - EXTERNAL VIEW 3
SITE PERSPECTIVE- MAIN ENTRANCE AND PEDESTRIAN ENTRANCE



Summary of Financial Strategy Position

Funding Agreement Figure	£6,528,000	
Phase 1 Spend to Date	3,934,577	(incl works, consultancy, loose FFE, ICT Legal costs)
Urgent Works to Windows and Binary	64,000	(£46k Windows install + £18k Binary)
TOTAL SPEND TO DATE	3,998,577	
Monies remaining on the project	£2,529,423	
Current Financial Commitments		
<i>Consultancy Fees committed</i>	<i>60,000</i>	<i>(balance of Perfect Circle fee etc)</i>
<i>Loose FFE budgeted</i>	<i>98,018</i>	
<i>ICT budgeted</i>	<i>179,615</i>	
<i>Highway Mitigation Works</i>	<i>40,000</i>	
<i>Consequential Improvements</i>	<i>90,000</i>	
<i>Contingency set aside</i>	<i>251,830</i>	<i>BCP figure</i>
Sub - total of Current Commitments	719,463	
Monies available for Phase 2 Project	£1,809,960	
Science (Part 1)	378,793	Operational urgency. ULT to pay for this element.
General Teaching Block	1,549,779	Works required for first pupil intake in 2020
Monies remaining within Project	£260,181	
Technology Block (including Science prep rooms)	1,009,418	Works required as soon as practical after Sept 2020
Financial Shortfall to complete Technology	-£749,237	
Current legacy Basic Need contingency funds	£224,000	This commits all residual BCP Basic Need funding
Shortfall to complete critical pupil capacity works	£525,237	Proposed Early Drawdown from ESFA
Outstanding Works to be completed – not critical to pupil capacity <ul style="list-style-type: none"> • Drama Studio (partially complete) • Learning Resource Centre • Link Corridor • English Block refurbishment • Staff Room • SEN Refurbishment • Additional Consultancy Fees • Additional Legal Fees • Additional risk on these elements 	Circa £1 – 1.2M depending on scope of works adopted	To be completed by ULT through their SCA allocation over 2020/21 and 2021/22.

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CABINET



Report Subject	Dedicated Schools Grant (DSG) Schools and Early Years Funding Formulae 2020/21
Meeting date	12 February 2020
Status	Public
Executive summary	<p>The council is required to set funding formulae for:</p> <ul style="list-style-type: none"> • Early education and childcare for those aged 2 and 3&4 • Mainstream schools for reception to year 11 <p>Consultation has taken place with all relevant providers, schools and the Schools Forum. This report includes the recommendations of the Schools Forum for approval. To support councillor consideration, the Schools Forum Papers can be accessed by the link below: BCP Schools Forum</p> <p>The impact of the proposed funding changes is included in the report at summary level. The early years sector is largely comprised of private, voluntary and independent settings. The mainstream formula allocates funding only to public sector schools with the full details shown in Schools Forum papers.</p> <p>The 2020/21 Budget and Medium Term Financial Plan (MTFP) report on the Cabinet agenda includes the decision to support the DSG High Needs budget with a transfer of £4.0 million from Schools Block and £0.2 million from Early Years Block.</p>
Recommendations	<p>Cabinet to RECOMMEND to the Council:</p> <ul style="list-style-type: none"> (a) The early years formula set out in Table 2 of paragraph 21 (b) The mainstream school's formula set out in Table 6 of Appendix 2 allowing for a £4 million (1.91%) transfer of Schools Block funding to High Needs (c) If DfE approval is given for a transfer up to only £1.8m, the local formula is to adopt the NFF funding values and mechanisms. (d) Delegation of the final decision on the mainstream school's formula, when all DfE decisions are known, to the Corporate Director, Children's Services, in consultation with the Children's Services Cabinet

	<p>Member, taking into account the methodology recommended by the Schools Forum in Table 8 of Appendix 3.</p> <p>(e) The Minimum Funding Guarantee for specialist providers is set at 0 per cent to allow maximum budget flexibility.</p>
Reason for Recommendations	<p>Recommendation (a) allocates the full 2020/21 increase in funding from government to early years providers whilst maintaining the level of the previous year support to the high needs budget.</p> <p>Recommendation (b) allocates funding to mainstream schools by a formula methodology recommended by the Schools Forum.</p> <p>Recommendation (c) allocates funding according the full NFF if a transfer level below £1.8 million is approved.</p> <p>Recommendations (d) and (e) are necessary as all decisions needed to finalise the mainstream school's formula have not yet been received from government, the timing of which is outside the council's control.</p>
Cabinet Members	<p>Councillor Sandra Moore, Portfolio Holder for Children and Families</p> <p>Councillor David Brown, Portfolio Holder for Finance</p>
Corporate Director	Judith Ramsden; Corporate Director Children's Services
Report Author	<p>Neil Goddard, Service Director, Quality and Commissioning</p> <p>✉ neil.goddard@bcpcouncil.gov.uk</p> <p>☎ 01202 456136</p>
Wards	All
Classification	For Decision

Background

1. The Dedicated Schools Grant (DSG) is allocated by the Department for Education (DfE) through 4 separate funding blocks – Early Years, Schools, Central School Services and High Needs with a total estimated for 2020/21 of £275 million. Each funding block has its own National Funding Formula (NFF) methodology to allocate funding to the Local Authority (LA). The main driver of funding change is pupil numbers.

Table 1: BCP DSG Settlement 2020-21

Funding Block	2019-20 Budget	2020-21 Forecast	Annual Change		Reason for Change
	£000's	£000's	£000's	%	
Early Years	20,764	21,143	379	1.8%	Increase in funding rates by £0.08 per hour
Schools	197,315	209,150	11,835	6.0%	Demographic and funding growth
Central School Services	2,062	1,978	1,978	-4.1%	Demographic growth offset by funding reduction
High Needs	39,186	42,874	3,688	9.4%	Demographic and funding growth
Total Funding	259,327	275,145	15,818	6.1%	

Early Years funding for 2020-21 has been estimated by the DfE based on the January 2019 census. It will be finalised in summer 2021 based on the January census in the following two years.

Funding through the Schools and Central School Services Blocks is finalised each year in the December Settlement, based on the October school census. In 2020-21 the increase in pupils at October 2019 has generated £2.2 million of additional funding with the remaining £9.6 million delivered through higher funding values in the schools NFF.

2. The School Funding Statutory Framework governs the expenditure that can be met from each funding block.

Schools Forum

3. The Schools Forum is a statutory consultation body of the LA with its constitution and operation regulated by the DfE and its meeting held in public. It has oversight of all DSG budgets with a range of decision-making powers.
4. The Forum includes representation from across BCP in the early years sector, each phase of school (primary, secondary, special, and alternative provision), and a 14-19 provider. Lead officers and the Cabinet Members for Children's Services and Resources can contribute at meetings but are non-voting members of the Forum.

5. The Regulations set out the responsibilities for decision-making between the Schools Forum and the LA, including any consultation requirements.
6. The Schools Forum decides the level of LA central expenditure retained from each funding block, with the exception of High Needs, for which it has a consultation role only. The Forum also decides if funding can be transferred away from the Schools Block up to a maximum of 0.5%, with any higher level requiring the approval of the DfE.
7. Working groups of the Forum were set up to support the development of the early years formula, consider the high needs budgets in detail and advise how the Schools NFF should be adjusted to provide for a transfer to high needs.

High Needs Block

8. The High Needs Block largely funds individual pupils through top up funding for those in mainstream schools, special school funding and the cost of specialist provision. Current budget pressures have been acknowledged nationally with BCP identifying a high needs funding gap of £7 million for 2020-21. Rising demand has been driven largely by the 2014 SEND Code of Practice which extended the age of those supported from 19 to 25. Further pressure has been added by an increasing number of permanent exclusions from mainstream schools. Action plans are in place across BCP Council and these include schools working in collaboration with the LA to manage the growing demand. The Schools Forum in January 2020 decided by a large majority to support the surplus in the Schools Block funding of £1.8 million (0.8%) being transferred to support the High Needs Block to protect services.
9. The £1.8 million agreed is the amount of funding available after all schools have been allocated their full NFF levels. The surplus is available due to changing school data, technical differences between the NFF and how the local formula is required to operate plus an amount of unused growth funding. Since this amount for transfer is above the 0.5% the Forum can approve, Secretary of State (SoS) approval is also required, with a decision expected in February.
10. The council has requested that the SoS approve to transfer the full £4 million originally proposed to the Schools Forum, to limit the council's financial risk from the growing deficit in the High Needs Block, as outlined in the 2020/21 Budget and MTFP report on the agenda. This report, therefore, also includes proposals of how the formula should be updated if this amount is not approved.
11. The LA can decide to transfer funding between the other 3 blocks but regulations for 2020/21 are expected to be updated to include that the council cannot top up DSG funding from its own resources without the approval of the SoS. This is expected to be confirmed by the end of January.
12. The 2020/21 Budget and MTFP report on the agenda includes a recommendation to transfer £0.2 million (1%) of Early Years funding in addition to the £4 million of school funding as above. These proposals recognise the challenges in setting a balanced DSG budget to meet the needs of all pupils.

Early Years Single Funding Formula (EYSFF)

13. BCP Council is required to operate a single EYSFF. The formula is applicable for 2, 3 and 4-yearold eligible education and childcare in pre-schools, day nurseries, independent schools, childminders, and in nursery classes within a small number of maintained schools and academies.
14. The funding rates were unchanged over the 3- year period 2017/18 to 2019/20 and although static for 3 years the increases in the first year were significant compared with 2016/17. The funding rates for 2020/21 were uplifted nationally for all LAs by £0.08 per hour with this report recommending that this is passed on to providers in full, with centrally retained funding at the same level as 2019/20.

2020/21 Local Formula

15. The structure of the formula for 2-years-olds is a mandatory single base rate (eligibility is restricted to children from low income families).
16. The formula for 3 and 4-year-olds is to include a universal base rate for all providers, a mandatory deprivation supplement to differentiate funding, with a number of additional discretionary and specific supplements permitted.

2020/21 Formula Development

17. The principles proposed for the formula are to be a continuation of the 2019/20 principles:
 - Minimise the amount retained centrally, maximising funding to providers.
 - Deprivation supplement to be at a sufficient level to improve outcomes for children with a background of deprivation.
 - Set a formula that allows providers to better forecast and business plan (note this principle is aimed at minimising the use of supplements and using a measurement for deprivation with a high level of predictability).
 - Special Educational Needs & Disability top up funding is provided for every hour of attendance at a level to support improvements in their outcomes.
 - Ensure appropriate resourcing is provided for children with High Needs between the ages of 0 – 25.

Formal Consultation and Recommendation from the Schools Forum

18. The consultation ran for 4 weeks over Christmas, including two full working weeks, ending on 10 January 2020. A consultation paper was distributed to the 335 providers and 2 consultation events took place across BCP. Responses were provided via an on-line survey with a 30.4% response rate achieved. The consultation proposed the 2019/20 formula was retained for 2020/21 with only the base rate adjusted to reflect the level of funding available. This had the broad support of providers.
19. The response to the consultation showed that the majority of providers broadly agreed with the principles set out above, with the exception of the final bullet point.
20. The Schools Forum considered the outcome of the consultation at the January 2020 meeting and by majority supported the proposal for central retention from Early Years for LA support functions but did not support the transfer to high needs, recommending that the base rate was increased by the amount of available funding.

21. Proposed EYSFF 2020/21 for Council Decision

The 2019/20 base rate for each age group is updated by £0.08 per hour in line with the increase in funding from the DfE

Table 2: EYSFF - Hourly Funding Rates

Children Aged 2:

Funding Elements	Allocation from Funded Rate *	EYSFF Provider Rate	Note
Base Rate	£5.03	£5.03	Every child
SEND Inclusion Fund	£0.07	£2.00 or £6.30	Per eligible child
Transfer to High Needs	£0.05		Centrally Retained
Central Functions	£0.16		
DSG Funding Per Hour	£5.31		

Children Aged 3 and 4:

Funding Elements	Allocation from Funded Rate *	EYSFF Provider Rate	Note
Base Rate	£4.08	£4.08	Every child
Deprivation	£0.13	£0.53	Per eligible child
SEND Inclusion Fund	£0.11	£2.00 or £6.30	Per eligible child
Transfer to High Needs	£0.04		Centrally Retained
Central Functions	£0.02		
DSG Funding Per Hour	£4.38		

*The shaded allocations from the DSG funding levels of £5.31 (2-year-olds) and £4.38 (3 and 4 year-olds) are shown for context.

Appendix 1 provides a summary of the formula for BCP

Mainstream Schools Formula

22. The Schools Block is calculated according to two NFF, the Schools NFF based on individual school data and the Growth Fund NFF based on demographic data at ward level. The mainstream school's formula is funded from the Schools Block after amounts have been set aside in a central LA budget (Growth Fund) to provide for agreed in-year pupil growth in specific schools and after any agreed transfer to High Needs. Some pupil growth is provided to schools through the local formula and there is no expectation that the Growth Fund should match the related NFF allocation.
23. BCP has £209 million available to allocate to mainstream schools through the local formula in 2020/21 as set out in Table 3.

Table 3: School Block Funding Allocations 2020/21

Allocation of Funding	£000's
Total Schools Block Allocation Table1	209,150
Growth Fund agreed by Schools Forum	(500)
Transfer to High Needs – only £1.8 agreed by Schools Forum with application to DfE in progress	(4,000)
Total for Individual School Budgets (ISB)	204,650

Schools NFF to Fund LAs

24. The Schools NFF to provide funding to the LA contains a number of factors as shown in Figure 1. The DfE expectation is that LAs will transition their local formulae towards this approach with the aim of all schools being funded by a national formula in 2021/22.

Figure 1: Factors in the schools national funding formula

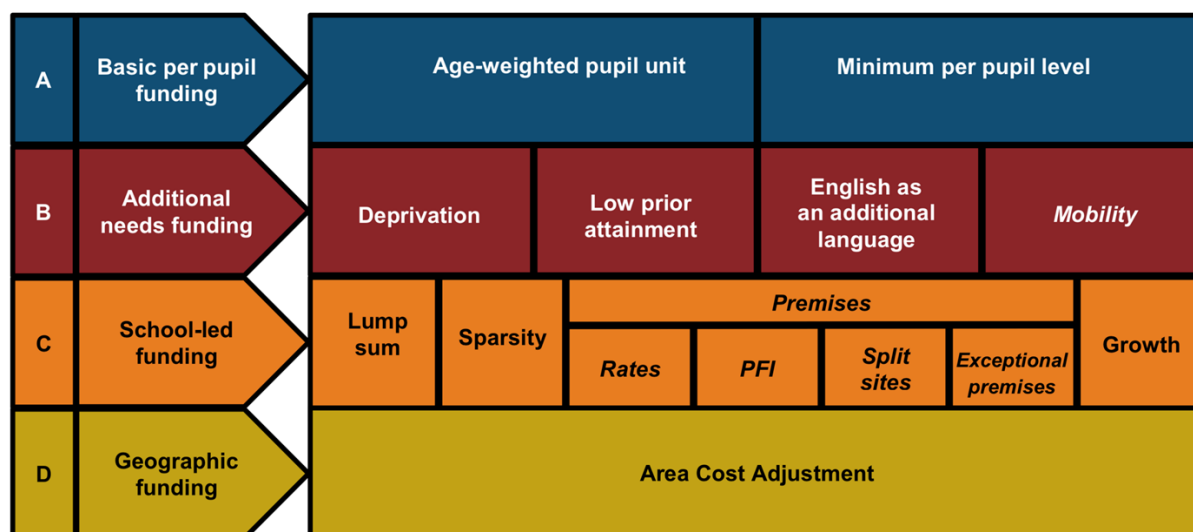


Figure 1: This shows the factors that are used when calculating schools block funding allocations through the national funding formula. It is not to scale. Funding for factors in italics will be allocated to local authorities in 2019-20 on the basis of historic spend (further details below).

25. The impact of the 2020/21 NFF for BCP to fund its 89 mainstream schools is as follows:

- **Minimum per pupil funding level (MPPFL)** impacting on 38 schools. MPPFL increase compared with 2019/20 of Primary 7.1%, Secondary 4.2%. An uplift is made where the **NFF allocations otherwise would provide less funding** than national minimum levels (typically for schools with high performing pupils from more affluent backgrounds). Higher MPPFL levels mean more schools are uplifted in 2020/21 than in 2019/20.

- **Minimum per pupil funding protection of 1.84%** for 12 schools where the **NFF provides less than local historic allocations** (typically schools with higher levels of deprivation).
- The remaining 39 schools are fully **formula funded** with changes in NFF allocations compared with 2019/20 driven by a 4% uplift on all NFF formula factors unit values other than Free School Meals (1.84% uplift) and by data changes from the October 2018 school census.

26. The school level NFF allocations for each phase are totalled and divided by pupil numbers at October 2018 to derive the unit funding levels for 2020/21. These are then applied to October 2019 census pupil numbers to determine the final Schools NFF funding for all mainstream schools.

Local Formula to Fund Mainstream Schools

27. The local formula to pass funding on to mainstream schools must be designed to a DfE template, the Authority Pro-forma Tool (APT). This must be approved by the DfE prior to budgets being notified to schools. The DfE ensure the budget calculations adhere to the regulations and any variations (dis-applications of the regulations) have the appropriate approvals from the Schools Forum and / or the DfE.
28. This APT format is similar to the NFF, but there are a number of differences in how the local formula must operate and the two cannot match exactly. A significant difference is the minimum funding guarantee (MFG) which is a mechanism in the local formula to protect schools from a significant reduction in per pupil funding compared with 2019/20. The NFF uses this mechanism but instead compares to the 2019/20 NFF rather than the local formula.
29. Although the detail of the local formula is highly regulated, there remains local discretion concerning which factors to use (in addition to the mandatory basic entitlement and deprivation factors), and how much funding is allocated through each. Most of the data used in the final local formula is supplied by the DfE in mid-December each year with some limited local discretion in how it is used in a small number of cases.

2020/21 BCP Mainstream Formula Development

30. At its meeting in November the Schools Forum recommended that the starting point for the local BCP formula was that the NFF should be adopted as closely as possible and as affordable. This is identical to the position taken for 2019/20.
31. The funding gap in high needs was considered at the same meeting and a working group of 12 mainstream school representatives were selected from the representation (balanced by school phase) to consider with officers the basis of the consultation with all schools. This was to include questions for schools to consider how they could use their delegated funding to support reductions in high needs block expenditure. The proposals for the mainstream formula were the same as those adopted for 2019/20:
- all schools should share the cost of any transfer as equitably as possible
 - the methodology developed by the working group for 2019/20 budgets to reduce NFF allocations for varying levels of transfer was to form the basis of the consultation with all schools.
 - a number of technical formula adjustments were also to be included.
 - other funding matters (dealt with separately for 2019/20 due to availability of information) to be included in a single consultation document.

Formal Consultation and Recommendation from the Schools Forum

32. The consultation with schools was undertaken over 4 weeks, closing on 10 January 2020, and spanned the Christmas holiday period. A consultation paper and link to the online survey were sent out to all schools by e-mail, with an opportunity to also respond on-line. A

consultation meeting was held in early January at a central BCP location, aided by a presentation, that was well-attended by schools.

33. A response rate from mainstream and special schools of 59% was achieved. A general letter of concern regarding transferring funding to high needs was received from one school.
34. The majority of schools (66% of responses) agreed schools should give up 0.5% (£1 million) NFF funding to contribute to any transfer to high needs with support for the mechanism proposed, with 23% supporting up to 1.1% (£2.2 million) NFF.
35. The Schools Forum received the outcome of the consultation with schools at the 17 January meeting and made a recommendation as to how the Schools NFF should be adjusted to manage a funding transfer after the level has been finally agreed by the DfE. This recommended approach is summarised in **Appendix 3 with the final proposal added to demonstrate how this has been implemented.**
36. The Schools' Forum did not support any level of transfer out of the NFF but did support a mechanism (unanimous but for one abstention) for how this could be achieved should their decision not be supported by the SoS.
37. The council has proceeded with a request to the SoS to transfer £4 million out of the School's Block into High Needs. However, if this is not supported in full the general principles recommended by the Schools Forum will be used to determine how the NFF is to be adjusted.

2020/21 Proposed BCP Mainstream Formula based on a £4 million transfer

38. The final formula for approval (based on a £4 million transfer) is included in Table 6 of Appendix 2, with a comparison with the 2019/20 local BCP formula and the 2020/21 Schools NFF for context.
39. This formula adopts the approach recommended by the Schools Forum as the most equitable across schools to achieve a level of transfer needed from the NFF.
40. The Schools Forum supported a transfer of only up to £1.8 million, and if this the highest level approved by the SoS, the full NFF can be provided to all mainstream schools. In this case the recommendation to the council is that the local formula is to mirror the NFF as closely as possible within the regulations. It should be noted that schools as part of the consultation supported a transfer of up to £2.7 million, with the NFF contributing approximately £1 million.

Formula Considerations if transfer approval is between £1.8 million and £4 million

41. Should the DfE not agree the full £4 million transfer but more than £1.8 million, then the methodology in Appendix 3, as presented to schools as part of the funding consultation that follows the principle of all schools contributing to a transfer, will be used to adjust the NFF approach accordingly.
42. Should the SoS approve a level of funding transfer from the NFF, up to £2.2 million, in addition to the £1.8 million surplus, the mechanism for releasing such funding would be through the following levers:
 - reduce MFG schools below the NFF 1.84%
 - scale back the NFF basic entitlement funding proportionately across all phases.
 - reduce the MPFFL by an equal amount for each phase.

All gains are to be scaled back proportionately, with sensible rounding where appropriate, to ensure approximately the same proportion of funding is released from each formula group of schools.

43. Should the SoS not approve a reduction to MPPFLs below NFF (this requires a separate decision from the SoS and can be approved only where linked to affordability, such as to support a transfer to high needs), the approach outlined in paragraph 42 would be applied in a similar manner across MFG and formula schools only.

Financial Impact for Mainstream Schools by Phase

44. The phase impact of the proposal based on a £4 million transfer compared with 2019/20 school budgets and the 2020/21 NFF is shown in Table 4 below:

Table 4: Impact of the Proposed 2020/21 Mainstream Schools Formula by School Phase

Phase	2019/20 Per pupil Budget	2019/20 Budget £000s	2020/21 Per pupil Budget	Per Pupil change against 2019/20	2020/21 Budget £000s	NFF Per pupil Budget	Per Pupil change against NFF *
Infant/ First Total	3,673	17,441	3,857	5.12%	17,986	3,910	-1.25%
Junior Total	3,681	19,220	3,833	4.12%	20,114	3,877	-1.15%
Primary Total	3,759	61,981	3,922	4.30%	64,331	3,964	-1.10%
Primary	3,728	98,643	3,892	4.42%	102,431	3,937	-1.14%
Middle/Secondary	4,991	81,388	5,163	3.47%	86,486	5,217	-1.02%
All- through	4,478	14,277	4,616	3.07%	15,513	4,653	-0.81%

*The % are less than the 1.91% transfer level due to a level of surplus NFF Growth funding in the Schools Block and nuances of the local formula compared with the Schools NFF.

Minimum Funding Guarantee for Maintained and Academy Specialist Providers

45. The MFG must also be set for the funding rates of special schools and alternative provision between 0.0% and plus 1.84%. It can be set at a different level than for mainstream schools.
46. If the 1.91% transfer from the Schools Block is agreed it is proposed that current funding levels for maintained and academy specialist providers will continue (MFG at 0%). If there is to be a lower level of transfer then savings in high needs budgets may need to include reduced funding levels, although this would require a dis-application of regulations requiring DfE approval.
47. To maintain maximum flexibility in balancing the DSG budget it is proposed that an MFG is set at 0% for specialist providers.

Summary & Recommendations

Cabinet to recommend to the council:

- The early years formula set out in Table 2 of paragraph 21.
- The mainstream school's formula set out in Table 6 of Appendix 2 for a 1.91% transfer of Schools Block funding to High Needs.
- If DfE approval is given for a transfer of only £1.8 million, the local formula is to adopt the NFF funding values and mechanisms.

- d) Delegation of the final decision on the mainstream schools formula, when all DfE decisions are known, to the Corporate Director, Children's Services, in consultation with the Children's Services Cabinet member, taking into account the methodology recommended by the Schools Forum in Table 8 of Appendix 3.
 - e) The Minimum Funding Guarantee for Specialist Providers is set at 0% to allow maximum budget flexibility.
48. There are no financial implications for the council from the distribution methods to allocate funding between early years providers and schools as all funding is provided through the DSG.
49. The financial implications of the formula changes for early years providers and schools have been set out above in this report.

Summary of Legal Implications

50. The consultations undertaken and the recommended proposals are compliant with the School Funding Statutory Framework for 2020/21.
51. School budgets must be finalised and notified to maintained schools by 28 February 2020.

Summary of Human Resources Implications

52. There are no Human Resources implications within the council from these proposals.

Summary of Sustainability Impact

53. There are no expected sustainability issues from the proposals.

Summary of Public Health Implications

54. Should appropriate funding not be allocated to meet the needs of pupils with SEND within BCP, there may be health and well-being implications for this group of the population, that may lead to reduced health equalities locally.

Equalities

55. Equality issues have been taken into account where applicable and recommendations are in accordance with the councils Equalities Policy. An Equalities Impact Assessment has been undertaken.

Summary of risk assessment

56. Consideration has been given to any risks that may arise as a result of the implementation of the recommendations made. The risk to the council is that should budget pressures within the Dedicated Schools Grant continue to increase as a result of the high needs funding gap, this may eventually exceed council general reserves.

57. There is a risk that insufficient funding within the High Needs budget may limit the council's ability to undertake its statutory functions in relation to pupils it maintains with Education, Health and Care Plans.

Background Papers

58. BCP Schools Forum 5 November, Agenda Item 5: Mainstream Schools' Funding Formula Consultation – Published works
<https://democracy.bcpccouncil.gov.uk/documents/g161/Public%20reports%20pack%2013th-Nov-2018%2012.30%20Schools%20Forum.pdf?T=10>
59. BCP Schools Forum 5 November, Agenda Item 6: High Needs Block – Published works
<https://democracy.bcpccouncil.gov.uk/documents/g161/Public%20reports%20pack%2013th-Nov-2018%2012.30%20Schools%20Forum.pdf?T=10>
60. BCP Schools Forum 17th January, Agenda Item 10: Schools and Early Years Formula Consultation outcomes and Transfer to High Needs Block – Published works
<https://democracy.bcpccouncil.gov.uk/documents/g4063/Public%20reports%20pack%2017th-Jan-2020%2008.00%20Schools%20Forum.pdf?T=10>

Appendices

- Appendix 1 – Table 5 - EYSFF Current Hourly Funding Rates across BCP
- Appendix 2 – Table 6 - Proposed BCP Mainstream Formula 2019/20 to allow for a transfer from the Schools Block of 1.91%
- Appendix 3 - Achieving Varying Levels of Funding Transfer from the Schools NFF

Appendix 1

Table 5: EYSFF Current Hourly Funding Rates across BCP

3 and 4 year olds			
	Government Rate	Provider Rate	
	£4.30		
Base Rate	£4.00	£4.00	Every child
Deprivation Supplement	£0.13	£0.53	Per eligible child
SEN/D Inclusion Fund	£0.11	£2.00 or £6.30	Per Eligible Child
HNB Contribution	£0.04		
Central Functions	£0.02		
2 year olds			
	Government Rate	Provider Rate	
	£5.23		
Base Rate	£4.95	£4.95	Every eligible 2yo
SEN/D Inclusion Fund	£0.07	£2.00 or £6.30	Per eligible child
HNB Contribution	£0.05		
Central Functions	£0.16		

Deprivation Eligibility is currently determined as follows:

The supplement is added for those children that had formerly accessed 2 year old funding or those that are currently eligible for EYPP as a 3 or 4 year old. No IDACI scores are used and the supplement is only added to the rate of the child entitled.

SEND Inclusion is currently funded as follows:

Providers are funded per hour for all early entitlement hours accessed, based on two levels of need which is determined by an Early Years Area SENCO; Band 1 £2.00 and Band 2 £6.30.

Appendix 2

Table 6: Proposed BCP Mainstream Formula 2019/20 to allow for a transfer from the Schools Block of 1.91%

(a) Factors within the formulaic Schools NFF

Factor	BCP 2019/20	Proposed BCP 2020/21	NFF 2020/21
Basic Entitlement – Primary	99% of NFF	98.6% of NFF	£2,857
Basic Entitlements Secondary	99% of NFF	98.6% of NFF	KS3 £4,018 KS4 £4,561
Deprivation – FSM data	NFF	NFF	£450
Deprivation – FSM ever 6 data	NFF	NFF	Pri £560 Sec £815
Deprivation*- IDACI bands	NFF	NFF	Range (£210 to £840)
Prior Attainment Primary	NFF	NFF	£1,065
Prior Attainment Secondary	NFF	NFF	£1,610
LAC	Not used	Not used	Not used
EAL Primary	NFF	NFF	£535
EAL Secondary	NFF	NFF	£1,610
Lump Sum Primary	NFF	NFF	£114,400
Lump sum Secondary	NFF	NFF	£114,400
Sparsity	NFF Method	NFF Method	NFF Method
Primary MPPFL	2018/19 NFF plus £172	2019/20 NFF plus £194	2019/20 NFF plus £250
Primary MPPFL	2018/19 NFF plus £172	2019/20 NFF plus £144	2019/20 NFF plus £200
Capping & Scaling	Cap 2.5% No scaling	No Cap	No Cap

(b) Factors and mechanisms outside the formulaic Schools NFF (funding provided at historic cost to the LA)

Factor	BCP 2019/20	Proposed BCP 2020/21	NFF 2020/21
Business Rates	At cost	At Cost	At cost
Exceptional (2 P schools)	£101,017	NFF	£101,017
Split sites (2 B Schools)	£230,288	NFF	£230,288

(c) Minimum Funding Guarantee

	BCP 2019/20	Proposed BCP 2020/21	NFF 2020/21
MFG (annual change)	Minus 0.5%	Plus 1.5%	Plus 1.84%

Table 7: Proposed 2020/21 Formula Outcome for Schools with 1.91% Transfer

Number of Schools	Formula	Cap	MPPFL	MFG	Total
Infant/ First Total	5	Not Used	10	1	16
Junior Total	3		6	3	12
Primary Total	14		15	8	37
PRIMARY PHASE	22		31	12	65
Primary %	34%		48%	18%	100%
Middle/Secondary	11		7	3	21
All- through Total	2		-	1	3
OTHER PHASES	13		7	4	24
Other %	54%		29%	17%	100%
TOTAL SCHOOLS	35		38	16	89
Total %	39%		43%	18%	

Appendix 3

Achieving Varying Levels of Funding Transfer from the Schools NFF

A table identical to the one below was used in the Consultation with Schools and Schools Forum to illustrate how the Schools NFF could be adjusted for varying levels of transfer to high needs. The illustrative levels of transfer are for release from NFF under the assumption there was no surplus funding within the NFF as a result of a comparison between growth funding and the growth factor allocation. There was a small surplus of 0.05% NFF as a result of the NFF comparing MFG against the 2019-20 NFF baseline rather than the local funding formula. The final proposal for approval has been added for comparison (highlighted in yellow).

Table 8: Illustrative Consultation Options to Release Funding from the NFF at Varying Levels of Transfer

Transfer Level				
Formula Changes (implemented in this order)	MFG	Gains Cap %	MPPFLs changed against 2020- 21 NFF £	Basic Entitlement all phases %
2020-21 NFF	+1.84%	None	0	100.0%
(a) 0.5%	+1.62%	None	-22	99.4%
(b) 1.1% (£2.2m)	+1.55%	None	-52	98.6%
(c) 2.2%	+1.00%	None	-110	97.3%
(d) 3.9%	+0.75%	None	-210	94.8%
4.7% Max Possible with No MPPFLs	+0.5%	None	No MPPFLs	100.0%
1.84% Max Possible with NFF MPPFLs	+0.5%	+0.5% (MFG)	0	100.0%

CABINET

Report subject	Consultation on School Admissions Arrangements 2021/22
Meeting date	12 February 2020
Status	Public Report
Executive summary	<p>To advise Cabinet on the completed consultation for School Admission Arrangements for schools that BCP Council is the admission authority for and the single coordinated scheme to be used during school place application processes.</p> <p>To seek determination on proposed admission arrangements and coordinated scheme.</p>
Recommendations	<p>Cabinet to approve:</p> <p>(a) the admission arrangements for maintained community and voluntary controlled schools in accordance with Part III, Chapter I, Section 89 of the 1998 School Standards and Framework Act and Section 1 of the School Admissions Code 2014</p> <p>(b) the Coordinated Admissions Scheme for the administration of the 2021/22 year in accordance with Part III, Chapter I, Section 89 of the 1998 School Standards and Framework Act and paragraphs 2.20-2.22 of the School Admissions Code 2014.</p>
Reason for recommendations	<p>BCP Council is legally required determine admission arrangements for the 2021/22 academic year for all maintained schools for which it is an admission authority and to agree co-ordinated admission arrangements for all admission authorities in the area.</p> <p>Arrangements must be determined by BCP Council by 28 February 2020.</p>

Portfolio Holder(s):	Councillor Sandra Moore
Corporate Director	Judith Ramsden, Corporate Director, Children's Services
Contributors	Neil Goddard, Director of Quality and Commissioning
Wards	All
Classification	For Decision

Background

1. The Council and those schools which are deemed to be an 'admission authority' are required each year to set arrangements explaining how and when they will decide to whom they will offer a school place. The Council must also set an administrative scheme setting out for parents and schools how the application and offer process will be co-ordinated.
2. The Council and all other school admission authorities are required to operate their admission arrangements in accordance with the Department for Education 2014 School Admissions Code.
3. The Council has now consulted on the arrangements that will apply across the whole area for the 2021/22 year.
4. The Council is required to have an admissions policy for its maintained primary schools located in Poole and Christchurch.

Admissions Arrangements and Published Admission Numbers

5. The admissions policy must explain how to apply for a place and once an application is received how it will be processed. It must contain clear oversubscription criteria should there be more applications for places than there are places available. The number of places available at a main point of entry for each school – The Published Admission Number - must also be set and included in the policy for parents.
6. The proposed arrangements that underwent consultation are attached at Appendix 1. Policies in relation to admission out of year group and admission of Looked After Children remain unchanged.
7. Proposed Published Admission Numbers for 2021/22 for each of the maintained primary schools are attached at Appendix 2. There are no changes to those set for the 2020/21 year, by the preceding local authorities as there are sufficient school places.

Co-ordinated Scheme

8. The Council is required under Paragraphs 2.20-2.22 of the Department for Education's School Admissions Code to set a Co-ordinated Scheme for the processing of school applications for entry to school in September 2021.
9. The scheme recommended for consultation and attached in Appendix 3 is a single scheme for the whole of the Bournemouth Christchurch and Poole area. The scheme is in principle the same as that set by the Council for the 2020-21 year with minor date alterations.

The Consultation

10. The statutory six week public consultation was held from 18 November 2019 to 3 January 2020.
11. The documents were placed on the Council's website giving the address to which comments could be sent. Council communication platforms including Facebook and Twitter were also utilised and copies of the proposed arrangements were made available in the three main public libraries in Bournemouth, Christchurch and Poole.
12. Copies of all documents were sent to all school admission authorities within BCP Council and the relevant consultation areas as well as neighbouring Councils. The Council also coordinated other BCP admission authority consultations through the website.
13. The Council received one response regarding its admission arrangements. In addition the Council received numerous responses in relation to other schools and these have been passed on to the relevant admission authorities.
14. The response received in respect of the Council's arrangements was regarding the Coordinated Scheme and its timelines for the processing of In Year Admissions. The consultation response was from another unit within BCP Council and the query is being addressed through internal processes.

Summary of financial implications

15. The admissions function is entirely funded from the Dedicated Schools Grant (DSG). Therefore, there are no wider revenue budget implications to the Council. The recommendations set out above are intended to be accommodated within the existing budget allocated from within the DSG for this purpose.

Summary of legal implications

16. Council must determine by no later than 28 February 2020 a co-ordinated scheme for processing admission applications; an admissions policy for all maintained

community and voluntary controlled primary schools and published admission number of each of the schools.

17. If no action is taken the Council will not meet its statutory duty to have admission arrangements which meet the requirements of the School Admissions Code 2014.

Summary of human resources implications

18. None

Summary of environmental impact

19. Policies must be set within the School Admissions Code

Summary of public health implications

20. None

Summary of equality implications

21. Policies must be set within the School Admissions Code

Summary of risk assessment

22. If BCP Council do not determine admission arrangements for the community and voluntary controlled schools by 28 February 2020 the council will not have meet its statutory duty as defined in the School Admissions Code 2014 and the Dfe may impose the arrangements on the council.

Background papers

School Admissions Code 2014. Published works
1998 School Standards and Framework Act. Published works.

Appendices

Appendix 1 BCP Council Admissions Policy 2021/22
Appendix 2 Proposed published admission numbers 2021/22 for community and voluntary controlled schools
Appendix 3 BCP Council Coordinated Scheme for 2021/22



**BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
ADMISSIONS POLICY 2021/22**

**COMMUNITY AND VOLUNTARY CONTROLLED INFANT, JUNIOR AND PRIMARY
SCHOOLS**

(FOR ENTRY TO RECEPTION & TRANSFER TO JUNIOR SCHOOL)

The admission authority for all community and voluntary controlled schools mainstream schools in the Bournemouth, Christchurch and Poole Council area is the Local Authority. This policy applies to applications for school places starting in September 2021 and should be read in conjunction with the parents' guide available at bcpcouncil.gov.uk/schooladmissions from 12 September 2021.

Children with an Education, Health and Care Plan issued by a local authority naming a school where a child should receive his/her education will be admitted to that school before preferences are considered for admission in September.

Where there are more applications than places available the following criteria will be used, in numerical order, to decide the priority list for the offering of places up to the school's Published Admission Number:

1. "Looked After Children" or "previously Looked After Children" (note 1)
2. Children who appear to have been in state care outside of England and ceased to be in state care as a result of being adopted (note 2)
 - 1.
3. Children who BCP Council accepts have an exceptional medical or social need and where there is a need for a place at one specific school (note 3)
 - 2.
4. Children who live in the school's catchment area who have a sibling who is already on the roll of the school and will continue to attend the school at the time of admission (note 4)
5. Children living within the school's catchment area who are attending a recognised feeder school and are on that school's roll at the time of application (note 5)
6. All other children who live in the school's catchment area

7. Children who live outside the school's catchment area who have a sibling who is already on the roll of the school and will continue to attend the school at the time of admission (note 4)
8. Children living outside the school's catchment area who are attending a recognised feeder school and are on that school's roll at the time of application (note 5)
9. Children living outside the school's catchment area and whose parents wish them to attend a CE voluntary controlled school on denominational grounds (note 6).
10. Children of staff where the member of staff has been employed for two or more years at the school applied for at the time the application for admission is made or who have been recruited to a vacancy to meet a demonstrable skills shortage as at the date of application (in year) or relevant closing date under the LA co-ordinated scheme (normal year of entry) and who still intend to be employed at the school at the time of the child's admission (note 7)
11. All other children who live outside the school's catchment area.

If a school is oversubscribed in any of the categories above, children in the oversubscribed category who live closest to the school will be given priority (notes 8 and 9). If the distance measurement is equal for two or more applicants the place will be allocated by the drawing of lots (note 10).

Please ensure you read notes 1 to 10 and the remainder of this policy for further information.

Admission arrangements

Admission will be in accordance with the agreed scheme for co-ordinated admission arrangements 2021/22.

Starting Reception in 2021/22

All children can start in Reception on a full-time basis in September 2021. Parents/carers may discuss with the Headteacher whether or not their child should start on a part-time basis. The final decision will rest with the parent/carer of the child.

Delayed or deferred start

For children born between 1 September and 31 March, parents can delay their child's start date until later in the school year but not beyond the point at which they reach compulsory school age (i.e. by the start of the term following their fifth birthday). For children born between 1 April and 31 August, parents can also delay their child's start date; but not beyond the beginning of the final term of the school year (i.e. the term that starts after the Easter/Spring holidays) for which the offer was made.

The school place offered cannot be delayed until the following academic year – it must be taken up in the academic year for which it is offered. Parents and carers who do not take up the offer of a place during the Reception year will need to reapply for a school place the following year. Places offered but not taken up by the beginning of the final term (i.e. the term that starts after the Easter/Spring holidays) will be withdrawn.

If parents/carers want to apply for the following year they would normally be expected to apply for a place in Year 1. Parents and carers need to be aware that Year 1 in the school they were originally offered could be full at this stage.

Applications for a place in a year group different to that determined by date of birth, including delayed admission to reception for summer born children

Applications for children to be educated in a year group different to that determined by their date of birth, including delayed admission to reception for summer born children, will be considered on their individual merits by a specialist panel comprising: a Senior Officer from the School Admissions Team, a senior member of the SEND Team where a child has/is believed to have special educational needs and the Headteacher of the school applied for.

Details of what you need to do to apply for a different year group can be found in the policy document "Policy for responding to parental requests for admission to community and voluntary controlled schools to a year group different to that determined by their date of birth, including delayed admission to reception for summer born children" available online at bcpcouncil/schooladmissions or from the School Admissions Team.

Parents considering this are advised to contact the Local Authority at the earliest possible opportunity (preferably before 30 November 2020) to ensure a decision has been made by the Local Authority before the national closing date for applications to Reception.

Excepted pupils for infant classes (Years R, 1 and 2)

Infant classes must not contain more than 30 pupils with a single school teacher. Additional children may be admitted under limited exceptional circumstances. These children will remain an 'excepted pupil' for the time they are in an infant class or until the class numbers fall back to the current infant class size limit. The excepted children are:

- Children admitted outside the normal admissions round with Education, Health and Care Plans;
- Looked After Children and Previously Looked After Children admitted outside the normal admissions round;
- Children admitted, after initial allocation of places, because of a procedural error made by the admission authority or local authority in the original application process;
- Children admitted after an independent appeals panel upholds an appeal;
- Children who move into the area outside the normal admissions round for whom there is no other available school within reasonable distance;
- Children of UK service personnel admitted outside the normal admissions round;
- Children whose twin or sibling from a multiple birth is admitted otherwise than as an excepted pupil;
- Children with Special Educational Needs who are normally taught in a special educational needs unit attached to the school, or registered at a special school, who attend some infant classes within the mainstream school.

In Year Fair Access

All the admission authorities in BCP Council have established an In Year Fair Access Protocol. The purpose of the In Year Fair Access Protocol is to ensure that – outside the normal admissions round – unplaced children, especially the most vulnerable, are offered a place at a suitable school as quickly as possible. Cases are considered by a Panel comprising Headteachers and/or their representatives. When seeking to place a child, the Panel will consider all schools in a fair, equitable and consistent manner. Decisions of the Panel may mean that individual schools admit children above the Published Admission Number. Admission authorities will not normally be asked to admit a child to an infant class where there are already 30 children in the class.

In Year Admissions – Looked After Children

A Looked After Child (see Notes) may be admitted to a school above the Published Admission number if it is felt by the local authority that a particular school is the most appropriate placement to meet the needs of the individual child. BCP Council has adopted a Protocol for dealing with in year admissions of Looked After Children.

Home Address

The home address where a child lives is considered to be a residential property that is the child's main or only address during term time. Applicants can be asked to provide additional evidence in order to verify addresses and/or other details provided. It is at the discretion of the local authority what evidence is required (evidence may include, but is not limited to, Child Benefit, GP registration, evidence of home ownership/tenancy etc.). The final decision on the home address of a child will be made by BCP Council. If any information supplied by an applicant is judged by the local authority to be fraudulent or intentionally misleading, the Council may refuse to offer a place, or if already offered, may withdraw the offer.

Applications from separated Parents/Carers

Only one application can be considered for each child. Where parents/carers are separated it is essential that agreement is reached by both parties concerning the nominated preferred schools. Where a child spends part of their week with one parent and part with the other, only one address can be used. This must be the address at which the child spends most of their time during term time. Applicants can be asked to provide additional evidence in order to verify addresses and/or other details provided. It is at the discretion of BCP Council what evidence is required (evidence may include, but is not limited to, Child Benefit, GP registration, evidence of home ownership/tenancy etc.). The final decision on the home address of a child will be made by the Council. If any information supplied by an applicant is judged by BCP Council to be fraudulent or intentionally misleading, the Council may refuse to offer a place, or if already offered, may withdraw the offer.

Applications for children of multiple births

If there are insufficient places to accommodate all the children of a multiple birth (i.e. twins, triplets etc) in any year group and one child can be admitted, the other siblings of the multiple birth will be admitted over the school's Published Admission Number. If it is in an infant class (Years R, 1 and 2) the additional children over the PAN will be considered as excepted pupils for the entire time they are in an infant class at the school or until the class numbers fall back to the infant class size limit in accordance with the School Admissions Code.

Waiting Lists

The LA operates a limited waiting list policy. Parents can apply to have their child's name placed on a waiting list for the academic year for which the school place was refused. If parents wish to keep a child on a waiting list beyond this term they will need to write in for an extension. There is no guarantee of a school place by remaining on the waiting list.

Appeals

If the LA is unable to offer a place at a school that has been applied for, the parent has the right to appeal to an independent Appeals Panel. Details will be included in the letter refusing the school place. The decision of the Panel is binding on all parties

Notes

1. A "Looked After Child" means any child who is in the care of a local authority in accordance with Section 22 (1) of the Children Act 1989. A child who was "previously a Looked After Child" means a child who after being Looked After became subject to an Adoption Order under the Adoption Act 1976 or under Section 46 of the Adoption and Children Act 2002, a Residence Order or Child Arrangement Order under Section 8 of the Children Act 1989 or Special Guardianship Order under Section 14A of the Children Act 1989. Applicants can be asked to provide additional evidence in order to verify the previously looked after status of a child. It is at the discretion of BCP Council what evidence is required. The final decision will be made by the Council. If any information supplied by an applicant is judged by BCP Council to be fraudulent or intentionally misleading, the Council may refuse to offer a place, or if already offered, may withdraw the offer.
2. A child is regarded as having been in state care in a place outside of England if they were accommodated by a public authority, a religious organisation or any other provider of care whose sole purpose is to benefit society. Applicants can be asked to provide additional evidence in order to verify the previously looked after status of a child. It is at the discretion of BCP Council what evidence is required. The final decision will be made by the Council. If any information supplied by an applicant is judged by the BCP Council to be fraudulent or intentionally misleading, the Council may refuse to offer a place, or if already offered, may withdraw the offer.
3. If applying under medical or psychological grounds, written advice from an NHS Consultant (for medical grounds), or an NHS Consultant Psychiatrist (for psychological grounds) that documents the child or young person's medical or psychological needs must be included with the application. Children will only meet this criterion if the school(s) named on the application form is assessed by BCP Council to be the only school(s) that can meet any specific medical or psychological needs identified.
4. "Sibling" means:
 - a full brother or sister who lives with one or both parents or carers in the same property during the school week.
 - a half-brother or half-sister who lives with one or both parents or carers in the same property during the school week.
 - an adoptive brother or sister who lives with one or both parents or carers in the same property during the school week.
 - a foster brother or sister who lives with one or both parents or carers in the same property during the school week.

- non-blood related children who, together, all live with one or both parents or carers in the same property during the school week.
5. Children who are on roll at the recognised feeder Infant School and are applying to the recognised receiver Junior School. This applies to Mudeford Infant & Junior Schools and Christchurch Infant & Junior Schools only.
 - 3.
 6. In order to qualify for consideration under this category, parents/carers will need to show that at least one adult family member and the child to whom the application relates to have been attending their local church at least once a month for a minimum of a year prior to the closing date for applications. The application must also be supported by a Supplementary Information Form signed by the vicar/priest/minister or leader of the church confirming this.
 7. Staff are defined as all Bournemouth, Christchurch and Poole Council employed teaching and support staff at the preferred school. 'Children of staff' refers to situations where the staff member is the natural parent, the legal guardian or a resident step parent. If applicants wish to be considered under this criterion then a letter from the Headteacher confirming the above applies to the applicant must be provided at the time of application.
 - 4.
 8. With the exception of Hillbourne Primary School the distance between the child's home and preferred school will be determined by the shortest straight line measurement calculated using the LA's geographical information system in use at the time of allocation (the system at the time of setting the policy is Servelec Synergy, and takes the measurement between the address mapping points of the school and the applicant's home). NB. School transport is based on walking distances.
 9. **For Hillbourne Primary School** the distance from home to school is measured using the shortest, safe and practicable walking route using the centre line of roads and footpaths (excluding paths identified for the sole use of bicycles i.e. cycleways). Roads and footpaths measured are normally public. If your property is only accessible via a private road or footpath, this road or footpath may be included in the measurement.

The starting point for the measurement is taken from your home address. This has been geolocated using the geocoded address point obtained from the local authority's Local Land and Property Gazetteer. The total distance measured is a combination of 2 measurements using 3 points:

- i) Geocoded home address point
-to-
- ii) Centre of nearest road/footpath
-to-
- iii) Nearest approved school access point that is for use by pupils

All measurements are obtained from the local authority's Admissions System. The GIS maps used are provided by Ordnance Survey and represent the position as at the beginning of the annual admission cycle i.e. September in the year prior to admission. Any alterations to Ordnance Survey map references, footpaths or roads added after

this time will not be taken into consideration. No measurements obtained through other sources (e.g. search engines, mapping systems) will be accepted.

10. For applicants living on islands or residing permanently on a boat within Poole harbour, the distance measurement will be a straight line from the geocoded home address point to either:

1. the nearest public landing steps at Poole Quay, or
2. a point on the mainland that the applicant proves to the satisfaction of the local authority that he/she can access

The total distance measured is a combination of 3 measurements using 4 points:

- i) Geocoded home address point
-to-
- ii) Public landing steps or other approved access point on the mainland
-to-
- iii) Centre of nearest road/footpath
-to-
- iv) Nearest approved school access point that is for use by pupils using a straight line or walking route distance dependent upon the school applied for.

If an applicant advises the local authority that the child would or could use the Sandbanks/Studland Chain Ferry in the journey to school, then the distance will be measured on that basis from the geocoded home address point and will include the distance travelled by the ferry.

11. If there are insufficient places to accommodate all applicants and the distance criterion is used, the local authority will use random allocation for applicants living an equal distance from the school (up to three decimal points) or at the same address or in the same block of flats who are eligible for the remaining places. Applicants will have their names drawn as lots to see who should be offered the place(s). The person drawing the names will be an officer within the local authority who has no involvement in the school admissions process.

**Supplementary Information Form in support of an application for a place at an Infant,
Junior or Primary School on religious grounds**

Please complete this form if you are applying for a place for a child on religious grounds. Please tick school(s) you are applying for – form can be used for one or all of your three preferences:

- **Baden Powell & St Peter's CE Junior School** (Section A, D and E) ☐
- **Bishop Aldhelm's CE Primary School** (Section A, B and E) ☐
- **Burton CE Primary School** (Section A, C and E) ☐
- **Lilliput CE Infant School** (Section A, D and E) ☐
- **Longfleet CE Primary School** (Section A, D and E) ☐

**PLEASE REFER TO THE RELEVANT SCHOOL'S ADMISSIONS POLICY FOR FURTHER
INFORMATION ON HOW THE SCHOOL'S FAITH OVERSUBSCRIPTION CRITERIA IS
APPLIED**

The Priest/Vicar/Minster/Leader of Church may wish to see your child's baptismal/enrolment certificate as evidence of baptism before signing the Supplementary Information Form. Please ensure that this is provided to the Priest/Vicar/Minister/Leader of Church at the time of requesting they complete this form.

Section A (to be completed by the Parent/Carer) (Please do not use abbreviated or "known as" names)	
Child's Legal Surname	
Child's First Name	
Child's Date of Birth	
Child's Home Address	

Section B - For Bishop Aldhelm's CE Primary School		
Has the child attended worship at least once a month at a recognised Christian church or religious group for at least the last 6 months? and	Yes <input type="checkbox"/>	No <input type="checkbox"/>
The Church or religious group is (tick one of the following):		
Is a member of the 'Anglican Communion'	<input type="checkbox"/>	
Is a member of (or in fellowship or partnership with, or of the same denomination as a member church of) the 'Evangelical Alliance' or the 'Fellowship of Independent Evangelical Churches' or 'Affinity'	<input type="checkbox"/>	
Is one that is in agreement with the Basis of Faith and the Objectives of 'Churches Together in Bournemouth, Christchurch and Poole' (or your local Churches Together group)	<input type="checkbox"/>	

Section C - For Burton CE Primary School		
Has the child attended worship at least once a month at a recognised Christian church or religious group for at least the last year? and	Yes <input type="checkbox"/>	No <input type="checkbox"/>
The Church or religious group is (tick one of the following):		
Is a member of the 'Anglican Communion'	<input type="checkbox"/>	

Is a member of (or in fellowship or partnership with, or of the same denomination as a member church of) the 'Evangelical Alliance' or the 'Fellowship of Independent Evangelical Churches' or 'Affinity'	<input type="checkbox"/>
Is one that is in agreement with the Basis of Faith and the Objectives of 'Churches Together in Bournemouth, Christchurch and Poole' (or your local Churches Together group)	<input type="checkbox"/>

Section D - For Baden Powell & St Peter's CE Junior School, Lilliput CE Infant School or Longfleet CE Primary School		
Has the child been Baptised or Dedicated at a recognised Christian Church? and	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Has the child attended worship at least twice a month at a recognised Christian church or religious group for at least one year? and	Yes <input type="checkbox"/>	No <input type="checkbox"/>
The Church or religious group is (tick one of the following):		
Is a member of the 'Anglican Communion'	<input type="checkbox"/>	
Is a member of (or in fellowship or partnership with, or of the same denomination as a member church of) the 'Evangelical Alliance' or the 'Fellowship of Independent Evangelical Churches' or 'Affinity'	<input type="checkbox"/>	
Is one that is in agreement with the Basis of Faith and the Objectives of 'Churches Together in Bournemouth, Christchurch and Poole' (or your local Churches Together group)	<input type="checkbox"/>	

Section E			
(to be completed by Priest/Vicar/Minister/Leader of Church)			
I confirm that the information is correct			
Name of Priest/Vicar/Minister/Leader of Church (please print)			
Name of Church			
Church Address			
Signature		Date	

Parent(s)/Carer(s): Please send the completed form to:

Poole School Applications: The School Admissions Team, Quality and Commissioning, Dolphin Centre, Poole, BH15 1SA

Christchurch School Applications: The Admissions Services Team, THE-3, Town Hall, St Stephen's Road, Bournemouth, BH2 6DY

General Data Protection Regulation (GDPR) and Data Protection Act (DPA) 2018 - We process your personal information in accordance with GDPR and Data Protection Act 2018. If you would like to know how we use your information, please see our Privacy Notice on the Council's [Privacy policy](#) link.

APPENDIX 2

Proposed Published Admissions Numbers 2021/22 for Community and Voluntary Controlled Schools

School Name	Proposed Published Admissions Number 2021/22
Burton CE Primary School	60
Christchurch Infant School	120
Hillbourne Primary School	60
Mudeford Community Infant School	60
Mudeford Junior School	66
Somerford Primary School	60



BCP COUNCIL

COORDINATED ADMISSION SCHEME FOR 2021/22

All schools in Bournemouth, Christchurch and Poole together with the Local Authority have, in accordance with statutory requirements, agreed to coordinate the main entry admission and transfer process for 2020-21. The agreed scheme enables an application to be made on a single application form.

The coordinated scheme applies to the following admission points of entry:

Point of Entry	National Closing Date (Applying on Time)
Entry in Reception at all First, Infant Primary and All-Through schools	15 January 2021
Entry into Year 3 at Junior schools	15 January 2021
Entry into Year 5 at Broadstone Middle School	15 January 2021
Entry into Year 7 at schools with a point of entry at year 7	31 October 2020
Entry into Year 9 at Corfe Hills School and LeAF Studio School	31 October 2020

BCP Council will coordinate with other local authorities to ensure that a child receives only a single offer of a school place. It will seek to offer the highest preference able to be agreed subject to the receipt of information in sufficient time and the other local authorities' schemes providing for this.

Parents/carers should complete an application and name three different schools in the order they would like their child to attend. Parents/carers must submit their application to their home local authority by the published closing date specified in the table above.

Preferences on faith grounds

Parents/carers expressing a preference on faith grounds must check the relevant school policy to find out how to provide evidence of religious faith and practice. Parents/carers will be required to complete a Supplementary Information Form and submit the Form before the published closing date. Where baptismal evidence is required, parents/carers must check how this is provided to the school. All relevant evidence must be submitted before the published closing date. The Supplementary Information Forms can be downloaded from the BCP website or from the relevant school website.

Changes or applications received after the closing date

Applications or any change of preference received after the national closing date for applications will be considered as a late application unless otherwise specified within the school's admissions policy.

Applications that are considered late will be processed after all on-time applicants have been notified of their result. Late applications received before the published late closing date will be processed in accordance with the timetable (see below).

Any applications received after the published closing date for late applications will be processed as quickly as possible after the timetable (see below) has been completed. Once processed, they will be immediately added to the waiting list(s) if a place is not available.

Living or applying for schools outside BCP Council

Parents/carers who live outside the BCP Council who wish to apply for a school will need to complete their home local authority's application form in accordance with timescales published in that Local Authority's scheme.

BCP Council will send a list of all applicants to all school Admission Authorities within the council's area. It will send applications for schools in other local authorities to the relevant local authority to administer.

Information from other admission authorities

Where a parent/carer lists a school which is its own admission authority, or a school in another local authority as one of their preferences, information is electronically transferred to the relevant school or local authority. The admission authority will then be required to rank in order the applications they received in accordance with their admission arrangements and decide whether they can offer the child a place.

Once the decisions have been made by the relevant admission authority, they are returned to the Local Authority by the deadline specified (see timetable below). The LA then compares the provisional offer lists; if a child's name appears on more than one offer list, the LA will then refer to the preference order on the parent/carer application to see which school the family wants the most. Then, in accordance with the order of preference on the application form, the child's name will be retained on the list of the highest preference school able to offer a place and removed from the lower preference school(s) offer list(s).

Places freed up by this process will then be offered to applicants who are next on a school's ranked order of priority.

When preferences cannot be met

For those applicants who are not able to be offered any of their preferred schools:

- if they are resident in BCP Council, they will be offered a place at the nearest school to their home address which still has places available with agreement from the relevant admissions authority; or
- if they are resident outside of BCP Council, they will be referred to their own local authority to discuss schooling.

Those applicants who apply after the national closing date go through a similar process again, resulting in further offers being made in accordance with the agreed late application timetable.

Outcome of application

BCP Council will advise parents/carers who applied online by uploading the outcome to the online system. Parents/carers will be able to view the outcome of their application online on the relevant national offer date. BCP Council will issue letters to all parents on the national offer dates.

Waiting list

The length of time a child's name is on the waiting list cannot be taken into account when places become available. Places are offered in accordance with the oversubscription criteria in the school's published admissions policy.

Waiting lists for the point of entry must be held until 31 December 2021. Not all schools hold waiting lists after this time. Parents will receive information in their notification letter about how the waiting lists are managed.

All waiting lists held for the academic year 2021/22 will expire on 31 August 2022. Parents/carers must submit a new school application form for 2022/2023 and any subsequent years. Applications can be submitted from 1 June 2022.

Appeals

School Admission Authorities will inform the BCP Council of the outcome of any appeals within 2 working days.

Coordinated Admission Scheme for 2021/22

	Secondary	Junior/Middle	Reception
Closing date for applications	31/10/20	15/01/21	15/01/21
BCP Council (BCP) to exchange applicant information with other local authorities (LAs) by BCP to exchange applicant information with other school Admission Authorities (AAs) in Council's area, with the exception of any applications received from outside the area, by	20/11/20	05/02/21	05/02/21
BCP sends a list of all applicants from outside the area to other AAs in BCP	27/11/20	19/02/21	19/02/21
AAs to send electronically a list of pupils to BCP in the order to be considered, together with the relevant criteria for each applicant	08/01/21	01/03/21	01/03/21
First exchange of offers between BCP and other LAs for applicants resident in their respective areas by	22/01/21	15/03/21	15/03/21
Deadline for final exchange of offers between LAs for applicants resident in their respective areas	03/02/21	31/03/21	31/03/21
BCP to inform other AAs of final allocation of places by	24/02/21	14/04/21	14/04/21
BCP issues notification letters to all applicants and on-time notifications to be uploaded on	01/03/21	16/04/21	16/04/21
Parents accept/refuse offer by	15/03/21	30/04/21	30/04/21

Late Applications

	Secondary	Junior	Reception
Closing date for late applications	29/01/21	12/02/21	12/02/21
BCP Council (BCP) to exchange applicant information with other school Admission Authorities (AAs) in BCP	05/02/21	08/03/21	08/03/21
AAs to send electronically a list of pupils in the order to be considered, together with the relevant criteria for each applicant	25/02/21	22/03/21	22/03/21
BCP to inform other AAs of final allocation of places	05/03/21	07/05/21	07/05/21
BCP issues notification letters to all applicants on	12/03/21	10/05/21	10/05/21
Parents accept/refuse offer by	26/03/21	24/05/21	24/05/21

Please note

At the end of the above timetable, the BCP Council will continue to coordinate the allocation on a regular basis until the end of the school year.

IN YEAR ADMISSIONS

With the agreement of the school admission authorities, BCP Council coordinates all applications for school places in the council's area except Highcliffe School. Parents are advised to contact Highcliffe School directly for an application form.

One application form will be available for parents/carers wishing to apply for any school located in BCP Council. The application will invite parents to list up to three schools ranked in the order they would like their child to attend. The parents/carers should then submit the application to the BCP Council.

Parents/carers applying for a church school who request a place on faith grounds must provide a completed Supplementary Information Form. The Supplementary Information Form (SIF) is available from the school or a copy can be downloaded from the BCP website. Details of where to return the SIF are set out in the information on each school's websites regarding their admission arrangements.

For applications for schools in the council's area, BCP Council will send the application details to the relevant school Admission Authority, normally within 3 working days of receipt.

Admission Authorities will inform BCP Council within 7 school days of the outcome of the application. BCP Council will send out an offer or refusal letter (except for Highcliffe School which will send the letter to the parent, copied to the Local Authority). Only in exceptional circumstances will BCP Council agree an extension to the time taken for an application outcome. It will be expected from the relevant admission authority that they will be able to give a clear explanation to the parents/carers as well as the Local Authority why there are further delays. Information regarding schools that do not process applications in a timely manner may be passed on to the Schools Adjudicator and/or relevant Department for Education agencies (e.g. RSC, EFSA). The need to request direction may also be considered.

All Admission Authorities will inform BCP Council of the results of any appeal hearings within 2 working days of the appeal outcome.

Applications to start in September 2021 for places in a year group different to the point of entry

With the exception of applications for Grammar Schools, these applications will not be processed until after 1 June 2021.

Any applications received prior to 1 May 2021 will be too early to be processed and the parent will be asked to submit a new application after 1 June 2021. Applications received between 1 May and 1 June 2021 will be retained by the School Admissions Team and processed after 1 June 2021.

Applicants applying before 1 June 2021 will be informed that their application will not be processed until after this date. This does not constitute a refusal to offer a school place at any of the preferred schools and therefore there will be no right of appeal until such time as the application has been processed.

Grammar School applications will need to be processed early to allow sufficient time for testing and, if appropriate, to allow appeals to be heard before the end of the Summer Term. Therefore applications for grammar school will be processed as and when received.

Looked After Children

A "Looked After Child" means any child who is in the care of a local authority in accordance with Section 22 (1) of the Children Act 1989. BCP Council has adopted a Protocol for dealing with In Year applications for Looked After Children. All applications will be processed in accordance with the Protocol.

Waiting lists

New waiting lists are normally created from September each year.

Where waiting lists are held, BCP Council will ensure any places that become available are offered in accordance with the oversubscription criteria within the published admissions policy of the school.

The waiting list for 2021/22 will expire on 31 August 2022. Parents/carers must submit a new application for 2022/2023 and any subsequent years. Applications for the new waiting list can be submitted from 1 June 2022.

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CABINET

Report subject	BCP Children's Services A strategic framework for delivering Early Help
Meeting date	12 February 2020
Status	Report for approval
Executive summary	<p>BCP is committed to delivering effective services that ensure children and young people feel safe and secure within a stable family.</p> <p>While much has been achieved in such a brief period, it is recognised that there remain several key challenges and areas for improvement to become an outstanding place for all children and young people to thrive, have the brightest futures and fulfilled lives where they are supported by the whole community to succeed.</p> <p>This document outlines a range of initiatives, either new, in development or established, which collectively represent BCP's Family Support, Early Help and Young People's Strategic Framework (2020-2023) and outlines how we will deliver the ambitions within the BCP Corporate Strategy.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>Cabinet approve the draft principles contained within Appendix 1, "BCP Family Support, Early Help and Young Peoples Services, 2020-2023".</p>
Reason for recommendations	Cabinet are recommended to approve the proposed development and future delivery of a BCP Family Support, Early Help and Young people's Services.

Portfolio Holder(s):	Councillor Sandra Moore: Portfolio Holder for Children and Families
Corporate Director:	Judith Ramsden: Corporate Director for Children's Services
Contributors:	Julian Radcliffe: Service Director for Inclusion and Family Services
Wards:	All BCP wards
Classification for Decision	For information

Background

1. BCP is committed to delivering effective services that ensure children and young people feel safe and secure within a stable family. We take pride in our journey so far with much achieved in a brief period. We recognise, however, that there remain several key challenges and areas for improvement to become an outstanding place for all children and young people to thrive, have the brightest futures and fulfilled lives where they are supported by the whole community to succeed.
2. This strategy (Appendix 1) represents a range of initiatives, either new, in development or established, which collectively represent BCP's Early Help, Family Support and Young People's Strategic Framework (2020-2023) and outlines how we will deliver the ambitions within the BCP Corporate Strategy.

Details

3. Being a new authority has provided an opportunity to consider how, as a Children's Service, we can work together with partners to improve outcomes for children at the earliest possible time.
4. To design our new delivery model, BCP Inclusion and Family Services undertook a system wide consultation with over 400 professionals from across health, police, education and the voluntary sector during the Summer of 2019. We also listened to families and young people, who have accessed support through Inclusion and Family Services in children's centres, schools, youth services, health services or via an early help assessment.
5. We also reviewed the variance and inconsistency in offer residents currently receive across BCP and identified key evidence-based programmes that would form the foundation of the new services for children, young people and families. This includes drawing on lessons from (for e.g.):
 - the Christchurch Family Partnership Zone, which has shaped our family hubs and reasserted our commitment to partnership with parents, the local voluntary, community and faith sectors and health providers

- the Bournemouth and Poole delivery of evidence-based programmes that support parenting, emotional wellbeing, communication and language and home learning
 - BCP wide early years provision that already enables good outcomes in the early years foundation stage; and
 - BCP wide services for young people through provision available in one stop shops including Number 18, SUSSEd and 507 Boscombe; multiagency targeted youth support is delivered in the Bournemouth Gardens and Poole Bus Station.
6. We have enhanced our offer by drawing on good practice from other authorities. Elements include, extending our under 5's offer through to age 11; embedding early help in the 'front door' of Children's Social Care to ensure a more seamless connection across our safeguarding and child protection services; drawing inspiration from the model of contextual safeguarding to rethink how risk and vulnerabilities can be reduced for those young people edging into care and/or being exploited.
 7. The strategy forms a framework within which a continuum of support will be provided, brokered and mobilised with and around children, young people and their families to respond to the different levels of need identified in respect of parents and carers and individual children and families at different times in their lives. Across the BCP conurbation and communities the strategy seeks to develop a coherence to the current range of effective, evidence-based services in place to address assessed needs early either in universal services or as part of targeted and specialist interventions. These include family and parenting programmes, assistance with health issues, including mental health, responses to emerging thematic concerns in extra-familial contexts, and help for emerging problems relating to domestic abuse, drug or alcohol misuse by an adult or a child.
 8. The framework also seeks to bring coherence to related pieces of work being developed across the new partnership, and/ or already in existence (e.g. THRIVE in Dorset Children and Young People's Local Transformation Plan; Healthy Child Programme and strategies that are either established or known to be in development (e.g. The Domestic Abuse strategy; The Pan Dorset Neglect Strategy; The Pan Dorset Child exploitation i.e. CSE, Missing, Criminal Exploitation; the Youth Offending Strategy and the Prevent Strategy¹).
 9. As well as coherence, this framework seeks to address unmet need and with this, gaps in provision that have been identified across the BCP conurbation area and within specific communities.
 10. In finalising an operating model, we have used the core design principles that underpin the BCP corporate strategy to shape our staffing structure and service delivery model.

¹ Alongside key national policy documents including Working Together to Safeguard Children 2018 and Keeping Children Safe in Education 2018; and regulatory frameworks.



11. (for e.g.) Principle 1: Good and outstanding Children's Services increasingly focus on developing the capacity of universal settings and providers (such as schools, early years providers, voluntary and community sector) to support children and families earlier, when a need arises. In addition, they have developed the capacity of young leaders, community members and parents to volunteer, to become parent and community champions, as well as working alongside children's services to shape the services of the future. This has enabled local authorities to focus their expertise on children and families who are more vulnerable and require more targeted and specialist interventions and ensures children are supported at the right time in the right.
12. To this end, we are committed to developing a Ready Voluntary Sector and Ready Workforce to ensure practitioners and volunteers can support families with emerging levels of need (level2). We will work with the Community Engagement team, the Voluntary and community sector, including BCP CAN (Community Action Network) and individual organisations in each locality network to achieve this.
13. (for e.g.) Principle 7: There is a statutory duty to provide information, advice and guidance in the form of a Family Information Service, Youth Directory and Local Offer. A key part of the BCP operating model is to ensure that wherever possible we can provide information and advice digitally, so that families can be signposted to services or provision and can continue to support themselves and further their resilience. As such our Family Information Services Directory, Local Offer and Youth Directory will form a key part of the BCP digital platform. However, staff within our Family Hubs and Youth One Stop shops, will offer direct support for those who require additional advice or guidance to access the right service at the right time.

BCP Early Help, Family Support, and Young People's Services

14. The framework focuses on the development of Locality Networks, which will include the delivery of a range of universal, targeted and specialist services delivered by a variety of partners for children, young people (0-19 years) and families. Our offer will be delivered across 9 Locality Networks, transforming children's centres into Family Hubs reflecting our shift to whole family working

whilst still retaining the very essence of children's centre work and values. Our new Early Help and Family Support model is based around the following areas:

1. *A Ready Voluntary Sector and Ready Workforce* approach to ensure that practitioners and volunteers across the VCS are confident and skilled in the support they offer children and families.

Our partnership with Safer Families is one example of how this way of working can be developed. The approach includes: a befriending scheme offering 1-1 support for families with emerging needs and planned respite through host families to support children who might otherwise need to come into care for short planned periods of time.

In addition, the development of a local kite mark to quality assure youth provision locally, will ensure services in this area are both effective and of high quality

2. *Locality Networks*. The development of locality networks, to understand and respond to local needs as professional and community collective.
3. *Ready Children and Ready Families* programmes. A key development in the BCP service offer is to stretch our age range from 0-5 to 0-11. These evidenced based programmes will target specific areas of child and family development to support our children and families to be ready for school in line with our statutory duties. They address significant support for early intervention in parenting support, speech language communication, home learning and behaviour management and well-being.
4. *Family Support (0-19 years)*. Family Support Team will provide support to children (0-19 yrs.) and families experiencing difficulties, to ensure they get the help they need before problems become more serious. The team will operate from family hubs as well as providing peripatetic support through satellite centres including schools, health provision and voluntary and community sector centres. They will typically work with families with children with more complex and often interacting needs and bring experience in lead professional and multi-agency working with families experiencing a range of challenges and children with diverse needs including (for e.g.) those with SEND, at risk of exploitation, school exclusion and non-attendance and offending. This team will support children and families with needs that sit just below the level requiring the involvement of Children's Social Care. It is anticipated the team will support up to 900 families at any one time.
5. *Inclusion Support*. Our inclusion offer will ensure schools are effectively supporting children and young people at risk of missing out on education, subject to exclusions or persistently absent. In meeting our statutory duties, this team will ensure that those electively home educated are receiving appropriate education and for those engaged in performing arts and sports are licensed to do so.
6. *First Response Team*. This team is supported by the Early Help Decision Maker, supported by a team of early help professionals. The team provides an initial triage for all contacts coming into the safeguarding system (the front door) and offer consultancy and advice to all practitioners, who are unclear whether a child or family's needs can be met within universal services, targeted early help services or

children's social care. The team will directly impact (reduce) the number of families currently accessing a social worker, who might not need to.

7. *Young People's Services*. We are redesigning our youth offer to ensure it is consistent and coherent service across BCP. The new offer recognises that young people are living, learning and negotiating transitions to adulthood and independence in an increasingly complex and challenging world, in which they face greater levels of choice and opportunity, and with this high level of uncertainty and risk. The offer incorporates the following:

- development and delivery of programmes in schools, that promote personal resilience. This includes work undertaken via the PSHE curriculum;
- securing the voice and participation of all children, young people across BCP and using a range of approaches to achieve this;
- the delivery of a positive programme of activities for young people across the Youth Centre network;
- a one stop shop approach (Number 18 Poole, SUSSEd in West Howe and 507 in Boscombe) providing targeted services and support for young people including (for e.g.) access to counselling, information advice and guidance on sexual health, housing and education, employment and training;
- develop a BCP wide, multi-agency tactical group to identify and provide assertive outreach support to individuals, groups of individuals where there are known risks linked to exploitation;
- an adolescent hub, providing integrated, multi-disciplinary support to work with the most vulnerable young people in our community, to reduce risks and enable young people to achieve their potential.

Summary of financial implications

15. By refocusing our programme to an evidence-based offer and by adopting the peripatetic approach, we can utilise our staffing more effectively. With greater clarity on functional areas, a refocus to more targeted impactful interventions and bringing teams together from three councils to one we have been able to realise efficiencies.

Summary of legal implications

16. None. All statutory duties are met through the implementation of the strategy.

Summary of human resources implications

17. This will require a restructure of staffing to meet the ambitions identified in the strategy. We propose that the consultation is undertaken in late February 2020.

Summary of environmental impact

18. None

Summary of public health implications

19. None

Summary of equality implications

20. None

Summary of risk assessment

21. Staff already deliver services peripatetically. Risk assessments will be undertaken as required when new delivery areas are identified with oversight from management.

Background papers

None

Appendices

Appendix 1: BCP Family Support, Early Help and Young People's Services 2020-2023

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BCP Early Help, Family Support and Young People's Strategic Framework: 2020-2023

Caring for our children and young people; providing a nurturing environment, high quality education and opportunities to grow and flourish

Introduction

BCP is committed to delivering effective services that ensure children and young people feel safe and secure within a stable family. We take pride in our journey so far, with much achieved in such a brief period. We recognise there remain several key challenges and areas for improvement to become an outstanding place for all children and young people to thrive, to have bright futures and fulfilled lives, and where they are supported by the whole community to succeed. This strategy outlines a range of initiatives aimed at offering Early Help to parents /carers and their children, so that we can deliver on our ambition of *Brighter Futures* as set out within the BCP Corporate Plan.

Being a new authority has provided an opportunity to consider how, as an authority, we can work with partners to improve outcomes for children and young people at the earliest possible time. To develop the new strategic approach for BCP Council we undertook a system wide consultation with over 400 professionals from across health, police, education and the voluntary and community sector during the Summer of 2019. We have also listened to families and young people who have accessed support through children's centres, schools, youth services, and health services.

The strategy forms a framework within which a continuum of support will be provided, brokered and mobilised with and around children, young people and their families at different times in their lives. Across the BCP conurbation and communities, the strategy seeks to provide coherence to the current range of effective, evidence-based services already in place, which address needs early either in universal services or as part of targeted and specialist support and intervention.

The strategy aligns pieces of work in development or established across the new partnership including: THRIVE in Dorset Children and Young People's Local Transformation Plan and the Healthy Child Programme, with a view to reducing duplication and using our collective resources to best effect. The strategy also aligns to a number of established and related strategies including: The Domestic Abuse Strategy; The Pan Dorset Neglect Strategy; The Pan Dorset Child

Exploitation (CSE, Missing, Criminal Exploitation) Strategy; the BCP SEND and Inclusion strategy, the Youth Offending Strategy and the Prevent Strategy¹.

As well as achieving coherence and harmonisation across the communities that make up BCP, this strategy also seeks to address areas of unmet need and gaps in provision across the BCP conurbation area.

Overview

Our ambition is to ensure children and families can get the right help at the right time. As *Working Together 2018* states, organisations supporting children should have in place effective ways to identify both emerging vulnerabilities and the unmet needs of individual children and families. This requires all practitioners, including those in universal services and those providing services to adults with children, to understand their role in identifying emerging problems and to share information with other practitioners to support early identification, assessment and intervention.

At the very heart of this aspiration, is the knowledge that in the main, families can meet all of their children's needs with the support of universal services, while for those children with additional needs, families have the capacity to effect positive changes with targeted intervention and support from the different services that are available. Offering support early and effectively, requires a strong commitment to relationship-based ways of working and with this, the ability and capacity to form strong partnerships between practitioners and families.

Our collaborative approach to working with the voluntary, community and faith sectors and our partnership with health, education, police, community safety and all other organisations who work with children, young people and families, is detailed within this document. A BCP strategic leaders' group and other formal partnerships will convert this strategy into operational activity, with wider strategic oversight provided through the Pan Dorset Safeguarding Partnership, BCP Community Safety partnership and BCP Learning partnership.

What do we mean by early help and early intervention?

'Providing Early Help is more effective in promoting the welfare of children than reacting later. Early Help means providing support as soon as a problem emerges, at any point in a child's life, from the foundation years through to the teenage years. Early help can also prevent further problems arising.'

(Working Together to Safeguard Children, HM Government July 2018)

Resilient children, families and communities can bounce back and thrive despite the challenges they face. Most children and young people's needs are met by their family or universal services, that is those services that are available to everyone. There is also research illustrating that intervening as early as possible pays off, early in the life of a child and early in the life of a problem. Although research shows that the most impact can be made during a child's early years, early help is not just for very young children, as needs and risks may emerge at any point throughout childhood and adolescence.

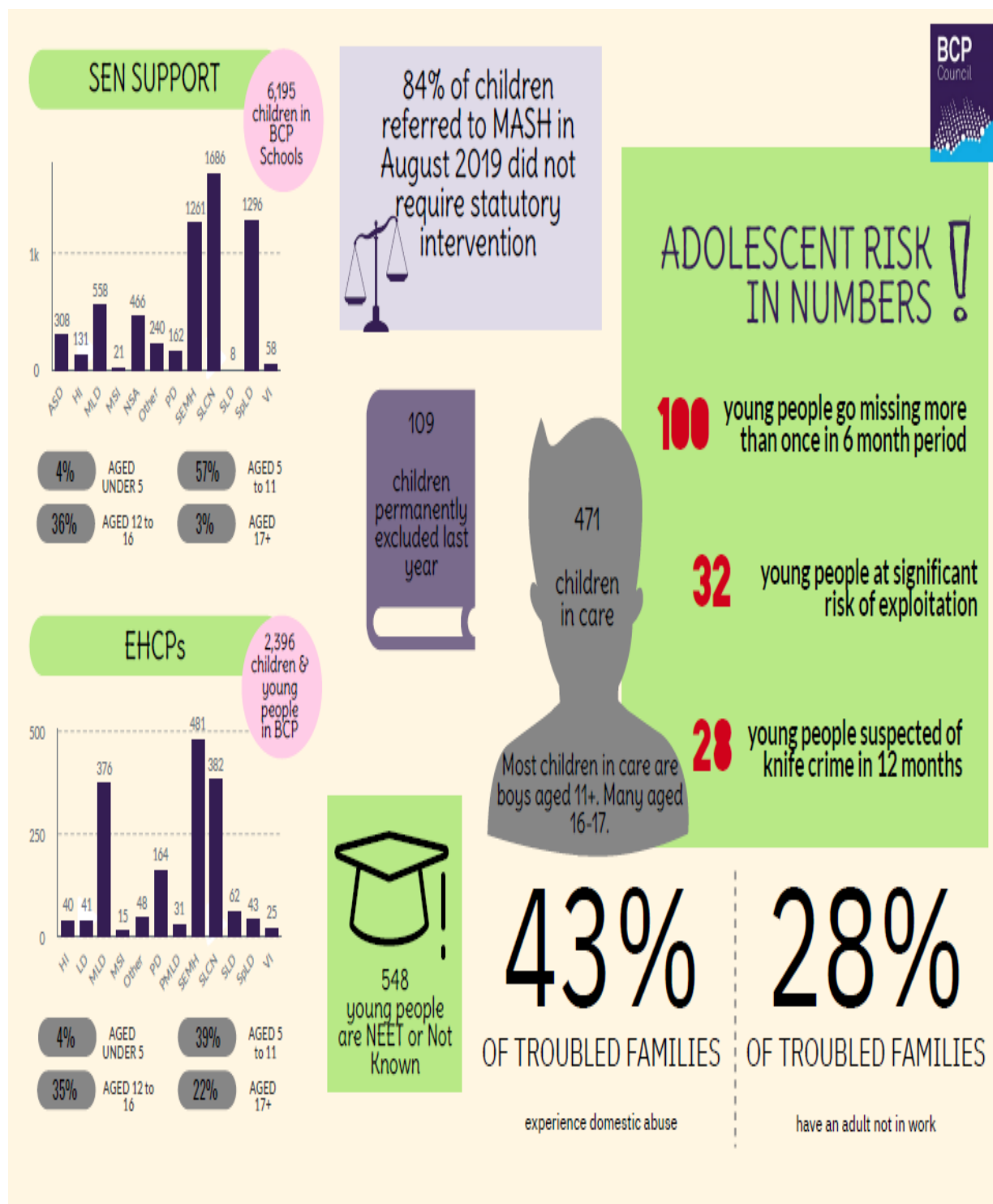
There is also a clear understanding that parents / carers can experience their own challenges including (for e.g.) drug and alcohol misuse, mental ill-health and domestic abuse and that this

¹ Alongside key national policy documents including Working Together to Safeguard Children 2018 and Keeping Children Safe in Education 2018; and regulatory frameworks.

can impact on a child's development in a number of ways. As such the need to provide parents and carers with the support they need is equally important if families are to thrive.

We recognise that the day to day experience of our young people can involve living, learning and negotiating transitions to adulthood and independence in an increasingly complex and challenging world, in which they face greater levels of choice and opportunity, and with this uncertainty and risk. The research clearly demonstrates that parents/carers, schools and organisations working with young people need to adopt forward-thinking intervention techniques to support and empower young people to stay safe and remain with their family.

Table 1: An overview of need experienced by children and families across BCP



The objectives of this strategy are to:

- provide the right help and support to children and families as early as possible and at the right time
- build resilience in families
- develop and provide innovative ways to support readiness for school across each phase
- reduce risks for our young people who are identified as being at risk of going missing and or of child exploitation

The success of this strategy will be measured through a series of proxy measures, which include:

- improved levels of school attendance and a reduction in fixed term and permanent exclusions, particularly for vulnerable children and young people
- improved awareness of, and response to the exploitation of children, reflected in the timelines of return home interviews for children missing within 24 hours
- improvements in the quality, quantity and timeliness of assessments and plans for those children identified as at risk of exploitation
- a reduction in the number of reoccurrences of children going missing from home or care
- a reduction in numbers of young people over the age of 13 entering public care
- a reduction in the number of children and young people entering the criminal justice system
- a reduction in numbers of young people not actively engaged in education employment or training (or where this is not known)
- the range and quality of feedback from young people and families to shape and support service improvements
- a reduction in the number of contacts or assessments with no further action, leading to a reduction in repeat referrals
- an increase in the number of early help assessments, which suggest that emerging needs are being identified and responded to at the earliest opportunity
- an increase in the number of early help plans, which demonstrate positive impact for children and families

A Strategic Framework

We believe that:

- relationships are at the heart of good practice;
- children and young people in the main do best living within their family networks;
- positive change can happen and that
- as professionals we are enablers.

We are clear, however, that a relationship-based model of practice works well for families as well as practitioners and that our investment in and support for our workforce is as important as the approach and evidenced-based interventions we deliver in supporting families. Our ambition is to work or enable those who are working alongside children and families requiring early help, SEND services, statutory social work and youth offending services to support parents and guardians, to care for their children well.

Our practice model, *Signs of Safety*, provides a context in which good early help and family support can flourish, making a positive difference to the children and families we work with. The Signs of Safety practice model focuses on those in positions of authority doing things with people, rather than for or to them, showing high levels of support and challenge while always keeping the child at the centre. Signs of Safety provides practitioners and family members with the confidence to use consistent language, behaviours and tools to strengthen their relationships with children, young people and families. This includes a commitment to enabling families and practitioners to work

together using a solution focused approach, leading to positive change and where necessary protective action in a way that is meaningful and timely for children.

The Signs of Safety practice model will help us deliver our vision and adhere to our values. Our aim is that it will be welcomed and supported by our partners and by the families we work with. Our core professional values and approach within the practice model are consistent with the values of the BCP People Strategy:

- Listen
- Trust
- Act
- Collaborate
- Aspire

The BCP Early Help, Family Support and Young People's Offer

Our aim is for children and families to be confident and independent through their own personal resilience and the support of social networks. There will, however, be times when this is more difficult without intervention from different services. For those children and families who face more significant challenges and perhaps with multiple needs, targeted and specialist services can provide additional capacity and expertise to work with families to help them understand and address their needs, capitalise on their strengths, to give them the best chance of making a positive difference to their children's lives. At these times, children and families are entitled to support when they need it.

As part of the Pan Dorset Children's Safeguarding Partnership's continuum of need, we express early help across two levels of need depending on levels of vulnerability and risk: universal plus (level 2) and partnership plus (level 3). For children whose needs and circumstances make them more vulnerable, a coordinated multi-disciplinary approach is usually best, based on an early help assessment, with a named lead professional, who will work closely with the child and family to ensure they receive all the support they require. The concept of lead professional is key, as they provide a single point of contact for the child and family, with responsibility for co-ordinating professionals in their support and intervention. Early help services are provided by a range of partners including the voluntary and community sector, DWP, health, education, early years settings and BCP Early Help, Family Support and Youth Services.

The consultation held over the summer enabled us to redesign our services and approach to children, young people and families, ensuring they are responsive to the needs that were articulated, that they are aligned with partner delivery programmes and focused both on meeting our statutory duties, addressing gaps in provision to children and targeting our resources to make the greatest impact.

Our offer includes the following:

Digital Information, Advice and Guidance

BCP is committed to ensuring that wherever possible we provide information and advice digitally, so families can be signposted to services and can continue to support themselves wherever this is possible. Our Family Information Services Directory, Local Offer and Youth Directory will form a key part of the BCP digital platform. Alongside this, staff within our Family Hubs and Youth One

Stop shops, will offer direct support for those who require additional advice or guidance to access the right service at the right time.

Locality Networks

Our offer will be organised through locality networks. A family hub will sit at the heart of each network, ensuring we deliver on the need to work with whole families while retaining the essence of Children's Centre work and values (a 'think family' approach). The hubs will include services delivered by a variety of partners which are available to all (early years, health services, schools, voluntary sector, faith-based organisations, play and youth provision) and incorporate universal, targeted and specialist services including (but not limited to) primary mental health workers, communication therapists, play therapists, midwives, health visitors, school nurses, youth workers, educational psychologists, family support workers and commissioned providers such as Safer Families. The family hub offer will include:

- the delivery of BCP's statutory offer to early years providers;
- accessible, local family support (0-19 years), with a clear acknowledgement that children and families live in communities;
- face to face and digital information, advice and guidance;
- the delivery of the Ready Children and Ready Families programmes across BCP.
- the introduction of locality panels to support multi agency problem solving where early help plans for families are not having sufficient impact or where concerns are increasing;
- a system wide approach to workforce development will be established to ensure practitioners are confident and able to provide the very best support. It is anticipated that much of this training will be accessed via the BCP training programme, however, bespoke and tailored support will also be available where this be required;
- capacity building in universal settings and providers (i.e. schools, early years providers, voluntary and community sector) to support children and families earlier, when a need arises;
- capacity building in the community through the engagement of young leaders, community members and parents to volunteer, to become parent and community champions, as well as working alongside Children's Services to shape the services of the future. This will enable BCP to focus its expertise on children and families who are more vulnerable and require targeted and specialist intervention;
- delivering on the Ready Voluntary Sector and Ready Workforce to ensure practitioners and volunteers are confident and skilled to support families.

Ready Early Years

Supporting Early Years Providers:

Early Years graduated response to identify, assess and support SEN support needs
Roll-out of SEMH and language development programmes
Improve EYFSP outcomes for all children particularly those with SEND and those in receipt of free school meals.
Supporting for business models and quality environments in early years settings
Local authority nurseries as centres of excellence

Ready Children

Communication, Language and Literacy

Elklan, Communication Friendly Settings, Wellcom Assessment, Bumps and Babes Storytime, Book Start, Come Talk with Me, incorporating Play, Learn and Talk. Signalong, Bilingual Beginnings, PEEP

Mental Health and Emotional Well Being

Starting Out incorporating Ready Steady Go, Trick Box, Relax Kids, PEEP

Physical Development

Healthy activity, play therapy

Ready Families

Create a home leaning environment that supports their child's learning and development.

Gro Brain, Welcome to the World, Starting Out, Come Talk with Me, Elklan for parents, PEEP

Create a safe, healthy and nurturing home environment. (A shared priority with the Children's 0-19 Health Service Offer for 1001 days).

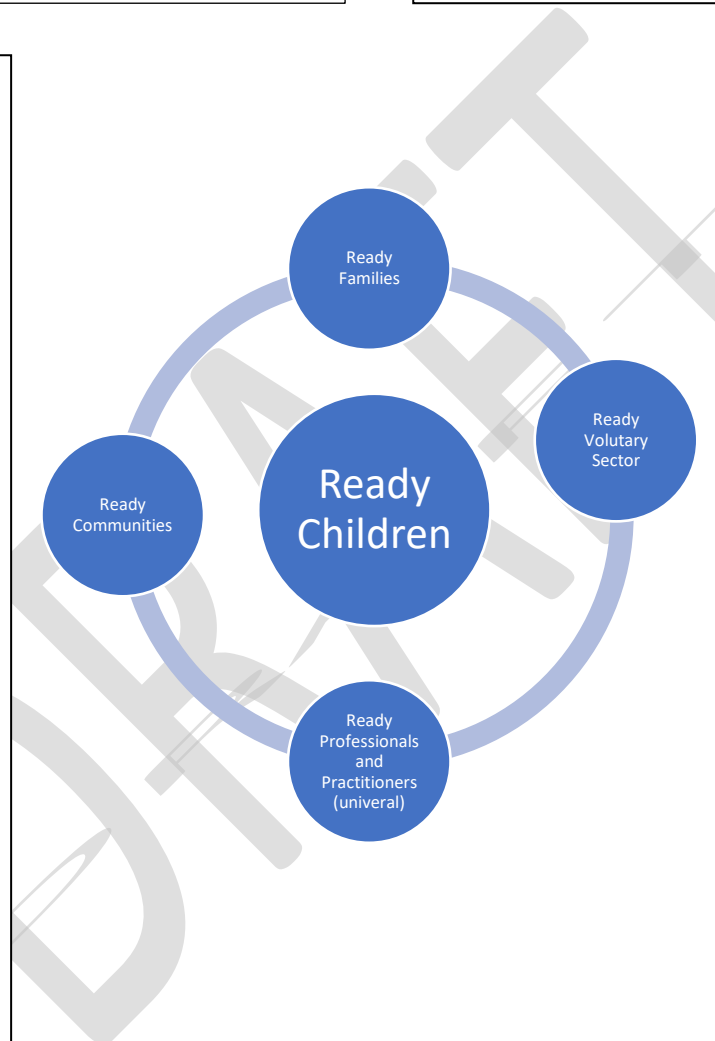
Targeted Opportunities for young, first time parents including those that are care experienced, parents of children with SEND, single parents, Dads. Outreach with groups including Gypsy, Roma and Travellers.

Parenting programmes such as Pattern Changing, Who's in Charge, Triple P will be available by referral and Early Help assessment, including victims of domestic abuse.

Ready Workforce (Universal) & Community & Voluntary sector

Information, Advice and Guidance.

Awareness raising, training and development
Toolkits, guidance, quality assurance and published resources
Parent partners as volunteers, peer mentors, to plan and lead networks and develop employability skills



Early Years Support

Our early years offer has been built on strong foundations developed through the preceding councils. The service supports 373 early years and childcare providers in the private, voluntary, independent and maintained sectors. The ambitions set out in the corporate plan can be realised through a range of initiatives including:

- embedding Signs of Safety and a graduated response approach across the early years' workforce
- improving Early Years Foundation Stage outcomes for all children, particularly those with SEND and those receiving free school meals;
- targeting team resources towards providers identified as requiring support to embed quality first teaching;
- providing robust statutory support for newly registered settings and those judged by Ofsted to be inadequate or requiring improvement.;
- targeting early years funding to develop the early years and childcare market in terms of increasing take up of places and improving quality, working within the boundaries of LA statutory guidance and in collaboration with the Quality and Commissioning Service.

Ready Children and Ready Families (0-11 years)

These programmes are evidenced based and target specific areas of child and family development to support children and families with school readiness. They provide support and with this early intervention in the areas of speech language and communication, parenting support, home learning and behaviour management across the age range 0-11 years.

Family Support (0 -19 years)

Our Family Support Team provides support to children (0-19 yrs.) and families experiencing difficulties, to ensure they get the help they need before problems become more serious. This team support children and families with needs that sit below the level requiring the involvement of Children's Social Care.

The team will operate from our family hubs as well as providing peripatetic support through satellite centres including schools, health provision and voluntary and community sector centres. They will work with families with children with more complex and often interacting needs and bring experience in lead professional and multi-agency working with families experiencing a range of challenges and children with diverse needs including (for e.g.) those with SEND, at risk of exploitation, school exclusion and non-attendance and offending.

The family support team will have a key role in supporting early help professionals across BCP to undertake high quality assessments, plans and reviews with a clear focus on impact.

Locality Cluster Working

Through the family hubs, a locality cluster model of working will be introduced as outlined below:

- A series of local clusters involving a range of professionals will be developed across BCP. Clusters will include representatives from local partner agencies (for e.g.) voluntary and community organisations, schools/educational settings, early years providers, community health and GPs

- Each cluster will be coordinated by a team manager, who will convene a regular 'cluster' meeting. This will be an opportunity for partners within the cluster to access case consultancy where interventions that have been tried to date have not worked and where further support or a different approach is required to help the family move forward. As part of this, lead professionals will be able to access advice on which interventions would be appropriate to support a family to manage needs and prevent an escalation of risks.

This approach will strengthen partnership and build skills across the early help system, with a greater number of agencies feeling confident to take on lead professional responsibilities. In addition, that it will foster a network of local professionals to support families in their local community.

The First Response Team

When a child's needs cannot be met in universal or early help services and where it is believed that a child is suffering or likely to suffer significant harm, practitioners must make a referral to our Children's Services First Response Hub. Our First Response Team operates as part of this Hub and provides an initial triage for all contacts coming into the safeguarding system. The First Response Team is supported by a team of early help professionals and offer consultancy and advice to all practitioners, who are unclear whether a child or family's needs can be met within universal services, targeted early help services or children's social care. The early help decision maker is ideally placed to identify themes emerging from the contacts coming into the system and will identify organisations, requiring coaching and training to improve referrals and reduce failure demand.

Young People's Offer: Preparing for Adulthood

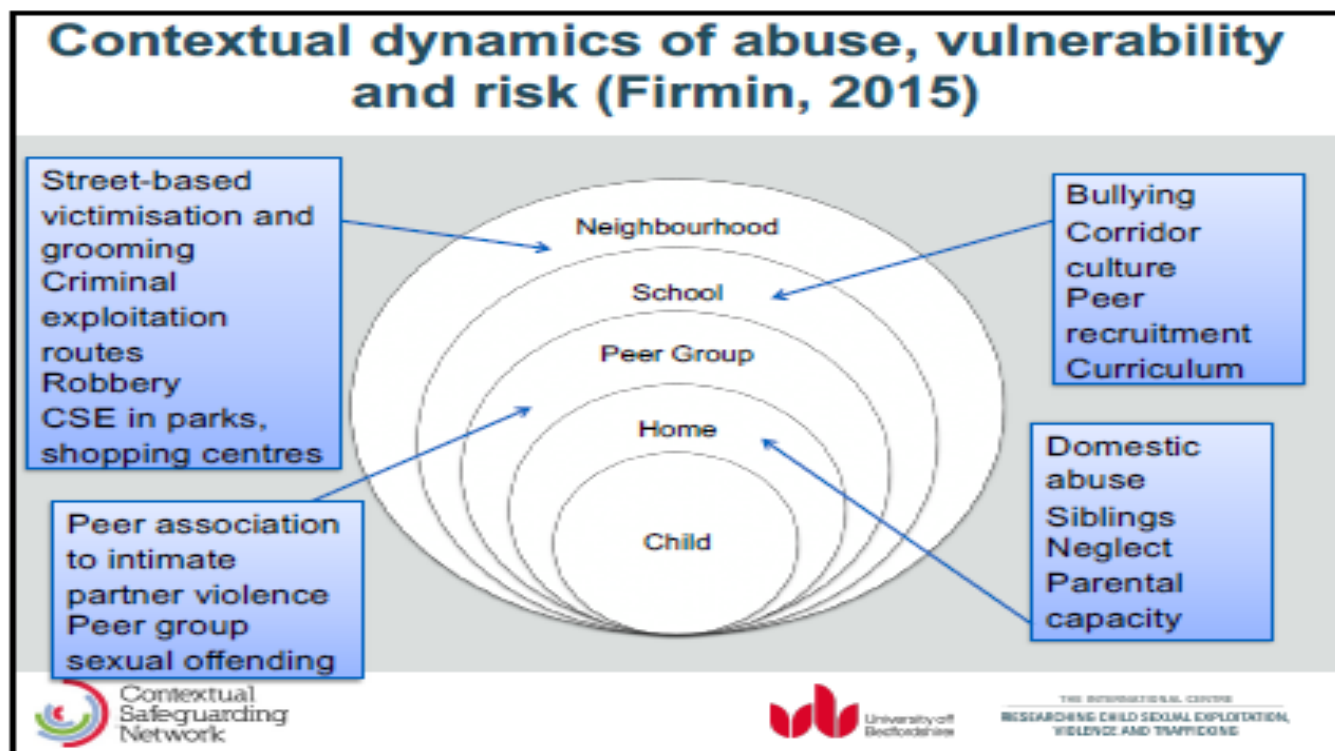
Young people are living, learning and negotiating transitions to adulthood and independence in an increasingly complex and challenging world, in which they face greater levels of choice and opportunity, but also uncertainty and risk.

Evidence indicates that developing social and emotional skills within young people supports their achievement of positive outcomes, including educational attainment, employment and health. Skills such as resilience, communication, and negotiation are also cited as being the foundations of employability.

It is also recognised that the different relationships that young people form in their neighborhoods, schools and online can be beyond parent/ carer influence, and a young people's ability to navigate these is very much rooted in how well developed their social and emotional capabilities are as well as friendships, stable relationships and positive attachments.

In working with young people, practitioners need to engage those who do have influence both within and external to family contexts, and recognise that an assessment of, and intervention with these are a critical part of supporting young people.

Table 2: An overview of the different spheres of influence that can increase risk for young people both within and external to the family.



The challenge for both families and practitioners is to connect all these 'spheres of influence', empowering young people to take an active role in achieving positive outcomes. BCP is committed to supporting young people to enjoy their teenage years and enabling them to become successful young adults. Our strategy looks to support young people to be prepared for adulthood.

To achieve this, research points to young people being part of a resilient family alongside access to positive activities, participation in civic society, having access to high quality information, advice and guidance, while benefitting from effective personal, social, health and emotional wellbeing programmes (PSHE).

For those young people, however, who experience more challenges and who may have multiple needs, targeted services provide additional capacity and expertise to support them and their family members to give them the best chance of making a successful transition into adulthood.

To achieve this, we will:

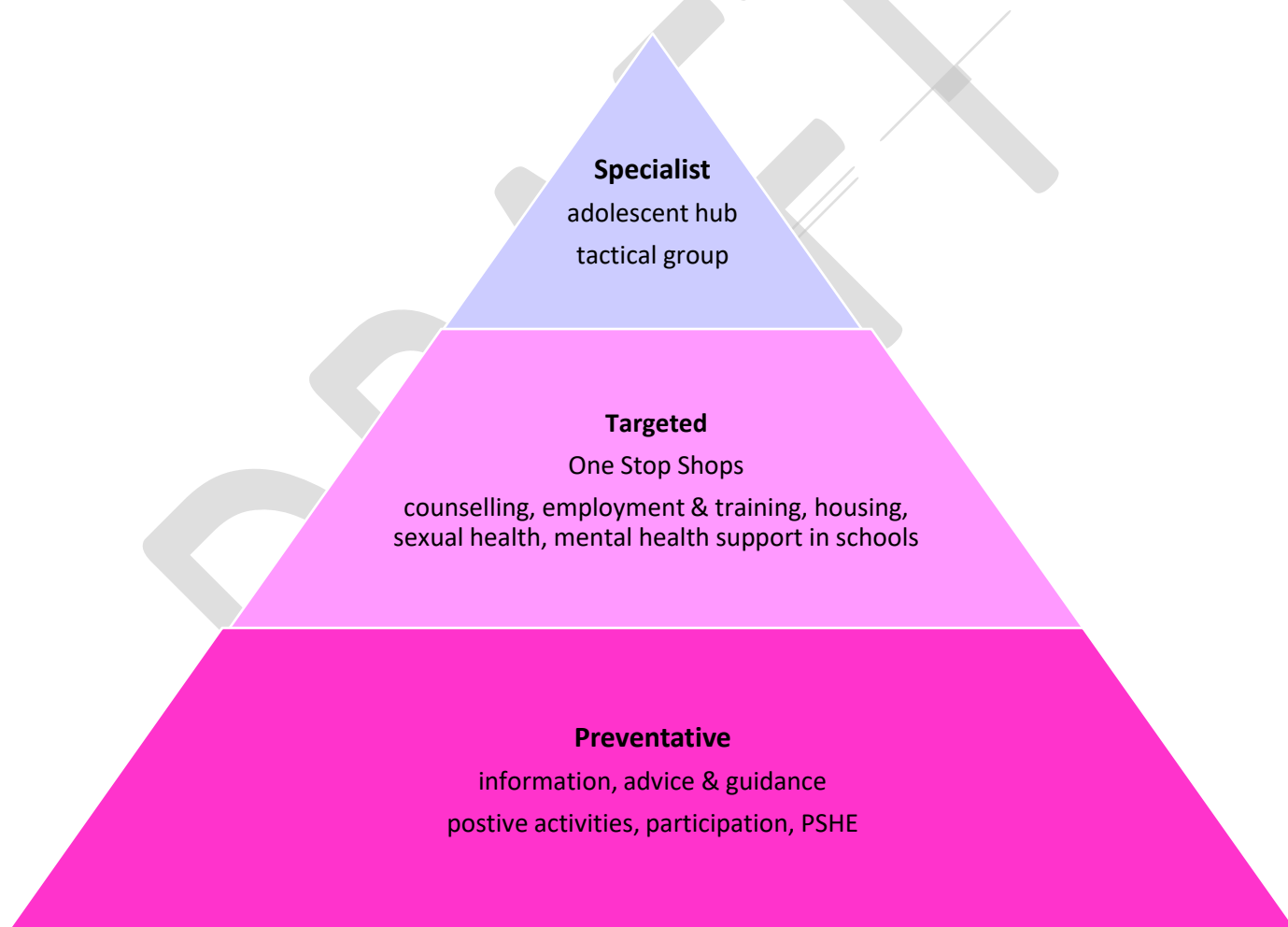
- work with the Learning Partnership to support the development and delivery of universal and targeted programmes in schools, that prioritise and promote personal resilience. This would include work undertaken via the PSHE curriculum;
- maintain our commitment to securing the voice and participation of all children, young people across BCP and using a range of approaches to achieve this;
- continue to deliver a positive programme of activities for young people across the Youth Centre network. As part of this, a clear understanding that the voluntary and community sector, with the support of qualified and experienced youth workers, may be better placed to deliver these activities in the future;
- continue to offer a one stop shop approach (Number 18 Poole, Sussed in West Howe and 507 in Boscombe) providing targeted services and support for young people. These include access to counselling, IAG on sexual health, housing and education, employment and training;

- strengthen our approach to supporting the inclusion of children in schools, with a particular focus on increasing school attendance and reducing school exclusion for the most vulnerable. This acknowledges the clear relationship that exists between children who are out of school and the risk of exploitation and high-risk behaviours;
- develop a BCP wide, multi-agency tactical group to identify and provide assertive outreach support to individuals, groups of individuals where there are known risks linked to exploitation;
- develop an adolescent hub, providing integrated, multi-disciplinary support to work with the most vulnerable young people in our community, to reduce risks and enable young people to achieve their potential.

In achieving the above:

- implement a BCP, multi-agency Child Exploitation delivery plan to maximise the benefits of partnership working across the safeguarding system, in particular when risks for young people exist outside of the family home.

Table 3: A continuum of response for supporting young people across BCP



Delivering Positive Activities

We recognise the importance of positive activities in supporting young people to develop life skills, their talents and to achieve their aspirations.

Across BCP we have a vibrant voluntary youth provision, whether this is delivered within neighbourhoods, through sports and leisure interest groups and the uniformed youth services

alongside informal education provision such as the National Citizen Service. We also recognise that to grow this voluntary sector offer BCP has a role to ensure that specialist services engage with groups to address any challenges when they arise, to support the voluntary, community and faith sectors to work with young people as they are moving through the challenges that they are facing. BCP Council's aims to develop and support the voluntary, community and faith sectors to develop good quality provision, by developing initiatives like a Youth Quality Mark across BCP VCS provision and a training and support programme. As part of the development of this model we will map the open access youth offer available locally and ensure this is available on the Youth Directory.

Over time, this will allow BCP to focus its sessional youth work programme on delivering positive activity programmes to young people with additional needs, SEND, and those who are excluded from school, on part time timetables, or who may live in our more disadvantaged communities.

Participation

It is equally as important to develop the skills of our young people in civic society and we recognise the confidence and skill development that participation opportunities can bring. As a result, we are holding conversations with young people through school councils and youth forums to design a new participation strategy that will be launched in 2020. This will explore (for e.g.) how we extend our school councils and their influence and engage in the UK Youth Parliament, to enable young people to actively design strategies, or be part of Elected Member boards such as Overview and Scrutiny or Corporate Parenting Board. We will support young people who would not typically engage in civic society, such as young offenders or young people with SEND.

PSHE

Schools have a statutory role to deliver PHSE through the curriculum. We support this activity through specialised informal education provision that addresses child exploitation, online safety and Prevent through commissioned theatre groups, whole school programmes, our SENCO and Designated Safeguarding Leads Forum as well as information and support via the Health and Wellbeing Board, Safeguarding Partnership, Community Safety Partnership and our wider strategic group to address issues of exploitation.

One Stop Shops

Our One Stop Shops provide a single access point for young people to targeted services, these are currently sited at Number 18 Poole, Sussed in West Howe and 507 in Boscombe. These include counselling, sexual health, housing advice and education, employment and training information, advice and guidance for young people. The One Stop Shops operate on a self-referral and referral basis and are young people led. Young people have access to lead professionals and teams wrapping around families and young people to reduce risk, via Early Help. Our specialist adolescent support workers will also reach into secondary schools to support early intervention with young people at risk of becoming NEET (not engaged in education, employment or training).

Supporting Inclusion in Schools

Our Inclusion offer looks to ensure that our schools are effectively supporting our most vulnerable children and young people at risk of missing out on education, exclusion or persistent absence. This service is school facing, meeting statutory inclusion duties and ensures that children and young people are supported to stay in or reintegrate into school, or engage in quality alternative provision. The service works in partnership with the Family, Youth and the Early Help services which provide both one to one interventions and group work. In meeting our statutory duties, we

also seek to ensure that those electively home educated are receiving appropriate education and those engaged in performing arts and sports are licensed to do so.

An Adolescent Hub

An adolescent hub will offer integrated services and support for young people who are either in care or who are edging to care, which will overlap with young people being supported via early help teams.

Edging to care is defined as when, without an intervention package being put in place, there is a strong likelihood of children and young people being at imminent risk of becoming looked after and their needs are escalating. In North Yorkshire 355 young people were supported through a similar hub model between April 2015 and March 2017, the average intervention time was 3 months. 86% of young people referred to the hub continued to remain out of the care system.

The hub will provide an integrated team to support the young person throughout their journey to ensure that they are not passed from service to service but instead are supported by a dedicated team. The integrated team is multi agency and agile and will include (for e.g.) access to CAMHS, sexual health, speech and language, drugs and alcohol, youth offending, youth workers, social workers, police and community safety staff.

Young people will be supported by outreach from the hub while either living with their families, in foster care or other accommodation arrangement. Central to the hub model, is the requirement for all staff to be trained in Signs of Safety, and restorative and solution-focused approaches.

A tactical group that works out of the hub will reach into place-based touch points such as the Poole Bus station and the Bournemouth Gardens, but also emerging areas of concern. In partnership with the Community Safety team and Police they will reach into schools to work with young people identified as missing, or at risk of radicalisation, or exploitation through sexual abuse or criminal activity (including county lines). They will operate both in the daytime and evening as the need arises.

The team will also be deployed at the BCP front door. When young people are edging into care, hub team members will add value to the social worker holding the case, not replacing their work. The essence of this work is trusted relationships provided by a single keyworker. Wherever possible, one worker will walk alongside the young person until risks and vulnerability have reduced.

Strong Social Work

Collaboration, partnerships and relationships are all central to effective social work practice. The Social Work section provides a statutory social work service to support children, families and help parents to care for their children in line with Working Together 2018. We firmly believe that it is a child's right to a family life. This means we will work with our children's family and friends to help them do their best for all our children. We strongly believe that children belong in natural networks with people they know and who will love them and keep them safe. Our service is child centred, family led, evidence based, risk sensible, focused and purposeful. We will build on and utilise a range of approaches including:

- redesigning the social work teams to enable relationships to be built and sustained between workers and children and families
- building capacity to invest in the Early Help system to support practitioners in their work with families
- ensuring the right skills and support is in place for social workers to be effective and resilient in their work and the amount of work allocated to social workers enables meaningful social work
- extending the family finding approaches

- investing in restorative skill development
- extending the family group conferencing models using the Family Rights model,
- supporting our Parental Substance Misuse Court (PSMC) providing interventions for families where legal proceedings are underway due to parents with drug and alcohol abuse,
- extending the capacity and reach of our partnership with 'Safer Families' to benefit children who are at risk of harm

We expect all practitioners and managers to prioritise this value, and to help and support children have safe permanent relationships as a basic entitlement. The signs of safety approach emphasise the need to foster open, honest and respectful relationships with families. This means social workers and other professionals have to have difficult conversations with families. When children cannot remain safely at home with their parents, purposeful action is taken so that they live somewhere safe, within their network or with Local Authority carers. If it is not possible for children to return home, suitable and timely plans for permanence are made for them to live away from the family home.

Our service is child centred, family led, evidence based, risk sensible, focused and purposeful.

CABINET

Report subject	Traffic Regulation Orders
Meeting date	12 February 2020
Status	Public Report
Executive summary	<p>This covering report asks the Cabinet to consider representations made in response to the advertisement of a number of Traffic Regulation Orders.</p> <p>Additionally, Cabinet is asked to approve the sealing and advertisement of a number of other Traffic Regulation Orders.</p> <p>The reports have been considered by the recent meeting of the Transportation Advisory Group.</p>
Recommendations	<p>It is RECOMMENDED that Cabinet:</p> <ul style="list-style-type: none"> (a) Confirm the Traffic Regulation Order as advertised in Stourbank Road as set out in TRO sub-report A, (b) Confirm the Orders relating to Disabled Parking Bays as set out in TRO sub-report B, (c) Confirm the Traffic Regulation Order as advertised in Beresford Road as set out in TRO sub-report C, (d) Confirm the Traffic Regulation Order as advertised in Alipore Close and the junction with Birchwood Road as set out in TRO sub-report D, (e) Confirm the Traffic Regulation Order as advertised in Doyne Road as set out in TRO sub-report E, (f) Confirm the Traffic Regulation Order as advertised in Dunford Road as set out in TRO sub-report F, (g) Approves the advertisement of Traffic Regulation Orders as set out in TRO sub-report G, (h) Confirm the advertisement of Disabled Parking Space changes as set out in TRO sub-report H.
Reason for recommendations	The reasons for the recommendations are set out in the following reports.

Portfolio Holder(s):	Councillor Andy Hadley, Portfolio Holder Transport & Infrastructure
Corporate Director	Bill Cotton, Corporate Director Regeneration
Service Director	Julian McLaughlin, Growth & Infrastructure
Contributors	Chris Parkes, Team Leader - Traffic Management Steve Dean, Traffic Management Engineer
Wards	Various
Classification	For Decision

Background

1. The Council is required by statute to undertake public consultation in respect of Traffic Regulation Orders it wishes to make.
2. It has the power to advertise, consult upon and make Traffic Regulation Orders and related Highways Orders for a variety of different purposes.
3. There are a number of approvals sought by Cabinet for approvals to consult and make Orders and these are set out in appendices attached to this covering Report.
4. This covering Report is provided to enable the items to be considered as one agenda item and assist councillors and the public in the presentation of the matters for consideration.
5. The recommendation within this Report is that Cabinet agree to delegate authority to the Director for Growth and Infrastructure in future for advertising Traffic Regulation and Rights of Way Orders. Where objections are received the approval will remain with Cabinet.
6. The approvals requested have already been considered by the Transportation Advisory Group at their meeting on 22 January 2020, a copy of the minutes from that meeting are appended to this report as Appendix 1.

Summary of financial implications

7. None specifically relating to this covering report.

Summary of legal implications

8. The Council is required to follow the statutory process in respect of making the relevant Orders, and seeks legal advice where required.

Summary of human resources implications

9. None relating to this report.

Summary of environmental impact

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

Summary of public health implications

11. There are no public health implications arising from this report.

Summary of equality implications

12. There are no new equality implications arising from this report.

Summary of risk assessment

13. There are risks associated with the Orders as requested not being approved, and any risks are set out in the appendices.

Appendices

Appendix 1 - Minutes of Transportation Advisory Group – 22 January 2020

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TRANSPORTATION ADVISORY GROUP

WEDNESDAY, 22ND JANUARY, 2020

Present: Cllr A Hadley – **Chairman**
Cllr Dr F Rice – **Vice-Chairman**

Cllr N Brooks, Cllr S Bull, Cllr G Farquhar, Cllr N C Geary,
Cllr M Greene, Cllr M Howell and Cllr T Trent

Officers: Julian McLaughlin, Director of Growth and Infrastructure
Richard Pincroft, Head of Transportation inc. Sustainable Transport
Richard Pearson, Transport Network Manager
Tim Forrester, DLEP & Capital Programme Manager
Chris Parkes, Traffic Management Team Leader

1 Apologies

There were no apologies for absence.

2 Substitute Members

There were no substitutes.

3 Declarations of Interests

There were no declarations of interest made on this occasion.

4 Terms of Reference

The Terms of Reference were noted.

5 Public Issues

No public issues were raised.

6 South East Dorset (SED) City Region Transforming Cities Fund (TCF) Progress Report

The Head of Transportation presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'A' to these Minutes in the Minute Book.

Officers responded to comments and requests for clarification, details included:

- The Council had done everything to ensure that the bid for this funding was within the parameters set by the Department for Transport.
- It was uncertain whether the project would be threatened by the government's pledge to support the north of England.
- The bid that BCP Council had submitted was one of twelve for a share of £1.22bn, originally this process had only been open to 10 city regions for a sum of £1.1bn, with our South East Dorset City Region and Preston added at a later date.
- The sum of money bid for was lower than original aspirations, in the early stages of bidding, the Government was clear that the Council would have the opportunity to bid for more of the funding. This advice had from government had changed, possibly due to oversubscription, hence the reduced sum being bid for at this later stage.

**Transportation Advisory Group
Wednesday, 22 January 2020**

- There was an Officer capacity issue to address, as at present, the proposed schemes would be a challenge to deliver over a course of three years and even partnership organisations had raised concerns. There was a need for the Council to remain a credible delivery partner throughout.
- The Aim of this project was to enhance and deliver a host of sustainable transport options across the conurbation and beyond in partnership with Dorset Council.
- It was only possible to include packages of work within the project that could be delivered within three years, this meant that park and ride schemes would not be looked at through TCF, but would be explored as part the strategic car parking review being undertaken. The output from this would include the determination of the conurbation's needs for park and ride solutions and whether it would be financially viable to operate and maintain.
- The park and ride site in Creekmoor had recently been resurfaced for use as a potential contingency site for post Brexit planning in the event that lorries needed to be stored, so could not be utilised at this point in time.
- Cabinet had engaged with the Department for Transport and had spent a day discussion options and concerns. Additionally, the Leader of the Council had written to DfT to best make the case for the bid.
- Separately to the TCF Project, Officers would be recommending a refresh to the Local Transport Plan in view of recent changes.
- Due to the multi-centred nature of the conurbation, there was a great need to evaluate the options that were open to it.

In summing up, the Chairman expressed his thanks to Officers for the report and all of the work that had gone into the bid, and that he had found the discussion to be incredibly useful and highlighted that this item would return to the Transportation Advisory Group at a later date.

7 Traffic Regulation Orders

The Head of Transportation presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'B' to these Minutes in the Minute Book.

He explained that this was the covering report to a series of sub-reports which would be considered individually.

a) Stourbank Road Residents Parking Scheme

The Traffic Management Team Leader presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'C' to these Minutes in the Minute Book.

Member comments in relation to the proposals included:

- Residents warmly welcomed the introduction of the proposed restrictions and there was no reason for them not to be implemented.
- There would be great benefit in limiting the restrictions to just the times where the existing problems caused were at their worst.
- Resident's schemes could be difficult to manage, created an inflationary pressure in car ownership and existing problems generally ended being displaced elsewhere, generally surrounding roads which, in this case would be Riverlea Road and Kings Avenue to name a few.
- Additional parking area had been created by the school for support staff and teachers, with scope for students to park in as well.

- It would be disappointing if schools started offering parking to sixth formers in times of greater environmental and climate awareness.
- There were other options to resolve the problems caused by student parking near to the school and resolving issues as they arose with a piecemeal approach should be avoided.
- Would like to see this delayed and considered after strategic parking review has taken place.

Officers responded to comments and requests for clarification, details included:

- The restrictions imposed would be from 8am to 6pm as this is what had been advertised.
- There was no opportunity for the majority of residents of Stourbank Road to park anywhere but on the road as there was no suitable offroad parking.
- This was a legacy request that came from Dorset County Council.
- This committee existed to advise cabinet and take a temperature from the discussion.
- Residents would need to pay a nominal fee of £50 for a parking permit to cover the administration costs of the scheme.
- Dorset Council had not been able to implement the scheme previously due to timescales – not all processes had been completed before its abolition, hence the need for the process to start from scratch through BCP Council.

b) Disabled Bay Proposals (P1 2019 September 2019)

The Traffic Management Team Leader presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'D' to these Minutes in the Minute Book.

Member comments in relation to the proposals included:

- This was a request based on need and there should therefore be no issues.
- Good idea that these general discussions are had at this point. Seems that fees have changed over the years.
- It was important to consider this individual's needs.

Comments and discussion included:

- Residents applying for a disabled parking bay were charged for this service which would also include subsequent removal at a later date, in the event that it was no longer needed.
- Applicants in Bournemouth were charged £300 for a general disabled bay or £400 for a specific permit-based bay. A general bay could be occupied by any blue badge holder.
- In Christchurch and Poole it was only possible to apply for a general bay.
- In Bournemouth, anyone that applied for a general bay was able to 'upgrade' it to a permit bay if required, subject to a fee of £200
- Strict criteria needed to be met when applying for a disabled bay, particularly if applying for the permit based one.
-

c) Beresford Road (Cul-de-Sac)

The Transport Network Manager presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'D' to these Minutes in the Minute Book.

Officers responded to a request for clarification, details included:

- The proposed restriction would be for both sides of the road, which was in the region of 4.5m wide. The Road needed to be accessible for larger vehicles such as emergency vehicles and waste collection vehicles.

d) Alipore Close

The Traffic Network Manager presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'E' to these Minutes in the Minute Book.

Member comments in relation to the proposals included:

- Residents made heavy use of the cul-de-sac
- It was considered more important that full size refuse vehicles were able to access the properties than it was for a small number of residents to park outside their homes and if refuse vehicle vehicles were unable to access a route, consideration also needed to be given to emergency vehicle access as they would also likely have the same difficulty.
- The streetview image had “painted a thousand words”

Officers responded to comments and requests for clarification, details included:

- There were a couple of substantially large properties at the end of Alipore Close, which housed at least 10 flats, the number of bins that the blocks of flats utilised was not known by highways officers.
- It was estimated that the distance from Birchwood Road to the top of Alipore Close was approximately 70m.

e) Doyne Road

The Transport Network Manager presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'F' to these Minutes in the Minute Book.

Member comments in relation to the proposals included:

- The head of the road already had double yellow lines in place but when reviewing the alignment of the road, it was clear to see that it was indeed very narrow, which would make it nearly impossible for emergency vehicles to pass and residents were parking on the pavement.

Officers responded to comments and requests for clarification, details included:

- Parking restrictions would be implemented on the left-hand side of the road as the road was entered. There was more opportunity to park on the other side of the road and so it would not have been conducive to have introduced restrictions on that side as there would have been a greater impact to all.
- The objections received were not necessarily objections but more of a request to vary the proposed scheme to residents parking only.
- H bar markings otherwise known as access protection markings could be introduced at the request of any resident, for a fee of £150. The parking enforcement team would be able to fine offenders where permission not given by resident. This was now available now across whole of the conurbation.

- There could be a variety of reasons for dropped kerbs extending further than necessary, generally this would be due to historical or construction reasons. Capital improvement schemes would often reinstate full height schemes, but these were not dealt with as a priority.

f) Dunford Road

The Transport Network Manager presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'G' to these Minutes in the Minute Book.

Member comments in relation to the proposals included:

- Requests like this raised some alarm bells in terms of safeguarding because of previous experiences which had led to intimidation.
- There were already double yellows on one side of the road and this proposal seemed a reasonable relocation of an existing bay.
- The pavements on this road seemed very narrow.
- These kinds of requests can get very emotive.
- The request effectively took a parking space which already existed and just sought to relocate it.

Officers responded to comments and requests for clarification, details included:

- The resident that had made the request was having to pay for the new bay to be implemented.
- There would be no net loss of parking, despite concerns raised by other residents.
- It was possible to withhold the details of an applicant during the application process, but once implemented it would become abundantly clear as to who was using a space.
- Double yellow lines were present on both sides further down the road to allow for emergency vehicles to pass as the road narrowed.
- When there were roads which had issues with width, the council did work with residents and emergency services to identify the severity of problems.

g) Advertisement of Traffic Regulation Orders (Ref P20 2019)

The Traffic Management Team Leader presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'H' to these Minutes in the Minute Book.

Member comments in relation to the proposals included:

- These reports should explain why the changes are needed.
- The majority of people liked the idea of being able to park outside their homes, but this was not a right.
- Pleased that a number of these proposals were now coming forward to resolve historic difficulties.
- Would like to see parking meters with an option for cash payments as not all residents had access to smart phones and there was a need to think of payment options across the borough.
- One of the key benefits of introducing restrictions was that it could help encourage modal shift.
- Need to ensure that app parking methods are charging the appropriate seasonal rates where appropriate.

- Need to review requests and ensure that they're in the public interest, not just in the interest of a couple of residents.

Officers responded to comments and requests for clarification, details included:

- The measures detailed at items 6 and 8 were being reinstated because the roads in question were close to the seafront in Southbourne which were often congested during the summer months due to seasonal visitors trying to avoid parking charges. The previous seasonal restriction had previously been removed a couple of years ago, but residents were now requesting its reinstatement.
- There needed to be balance when implementing restrictions to parking due to the displacement that often occurred as a result.
- Ward councillors would be consulted on proposals as a matter of course in the future, this was not currently always the case.
- Would like to see parking meters with an option for cash. Comes back to strategic car parking review.
- The proposals along the Broadway which would use PayByPhone were a cheap and efficient to administer option and, despite many concerns, a smartphone was not required because it was possible to call and use the automated phone system. There was the option for visitors to use the nearby car park which accepted credit/debit card payments as well as PayByPhone.
- Officers were working with the Portfolio Holder to review the TRO process including the scheme of delegation, there was a need to harmonise processes across the conurbation.

h) Advertisement of Changes to On-Street Disabled Bays (Ref P19 2019)

The Traffic Management Team Leader presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'I' to these Minutes in the Minute Book.

There were no comments received

Officers responded to a request for clarification, details included:

- There was a conversion fee to take a general disabled bay to a permit bay.

8 James Road Footpath

The Chairman advised Members that the item was withdrawn prior to the meeting and would be considered at the next meeting of the Transportation Advisory Group on 26 February 2020

9 BCP Council Local Transport Plan (LTP) Capital Programme 2020/21

The DLEP and Capital Programme Manager presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'J' to these Minutes in the Minute Book.

Member comments in relation the LTP included:

- The Wallisdown crossroads was a difficult area to manage due to the ability for cars to park on shop forecourts and also the fact that it was a major bus route which did not have a dedicated layby for it to pull into allowing passengers to board and alight, which led to regular and significant congestion and proved to be one of the key problems road users experienced when navigating east-west. It was important that great thought

was given to this arterial road on the network and how best the problems could be remedied.

- It was disappointing that the trees would be lost as part of the work to be undertaken at the Boundary Road roundabout, but this was necessary as it was a fatal injury blackspot, and at least they would be replanted. The layout was also not ideal but it was acknowledged that it was not possible to redesign at this late stage as this would incur significant costs.
- There was a need to address problems in the Highcliffe area, which had several sections of the A337 that were very dangerous due to the volume of traffic that it handled. The Parish Council in Highcliffe and Walkford would be keen to assist highways officers in identifying resolutions.
- It was Important that this body wasn't used for pushing ward issues as its main purpose was to be advising on the decision to be made from a BCP council-wide point of view.
- Realtime info for buses needs to be properly delivered.
- Cabinet were seeking to introduce a sub-committee which would look at local centres and the issues that they faced, it was intended that this would work as a place audit.

Officers responded to comments and requests for clarification, details included:

- A report would be provided to the next meeting of TAG which would set out the proposed enhancements for the Boundary Road roundabout.
- Bus companies did not like laybys due to the difficulty faced by drivers when trying to re-join the main carriageway, which proved to be a challenge for tackling congestion.
- The Safer routes to schools line would include was funded part funded by the Council and part funded by the TCF Scheme on a 50/50 basis.
- It would be inadvisable to recommend any changes to the figures quoted within the appendices because it would undermine the strategic bid for the Transforming Cities Fund.
- The figure of £185k for bus facilities would largely be spent on the provision and upgrading of bus shelters and real time information boards, although this would primarily be focussed within the Christchurch area due to the historic underfunding of its bus infrastructure.
- There were multiple lines referring to shelters and RTI, the TCF would fund these on routes within identified corridors, whereas the 'Bus Facilities' line would focus on other routes.
- There was some funding coming from the South East Dorset Contribution Scheme which pre-dated CIL, its purpose was to top up travel planning activity with capital improvements. The council was actively trying to work with partners such as businesses and schools to develop travel plans and would invite them to bid for funding to make improvements. It was hoped that over time this project would grow and expand, although over the years, there had been varying degrees of success for the predecessor councils and so the Council needed to be challenging schools and business to expand on this programme, which in turn, was hoped would change behaviours of residents and businesses.
- The Council's pothole funding allocation for 2020/21 financial year from DfT had not been announced yet. The three-year programme for the structural maintenance area detailed several resurfacing activities, these activities were aimed at preventing potholes. Structural maintenance area amount of funding was calculated by DfT based on several elements, including the length of network, number of structures etc. Part of the award was an 'Incentive Fund' element and the amount allocated to authorities for this portion of structural maintenance fund was determined by how well DfT considers the highway authority manages the maintenance of its network. BCP was classed as a Band 3 authority, which was the highest level. Officers would report the final funding amount that BCP Council will receive once it is in receipt of the letter from the DfT at a later TAG meeting as part of a monitoring report.

**Transportation Advisory Group
Wednesday, 22 January 2020**

- There were ways to apply for additional funding from the Government to undertake larger scale maintenance projects such as the Challenge Fund.
- Bus RTI equipment had been updated recently and should be more reliable but any issues experienced should be reported to transportation officers and the bus companies to address. Issues could be experienced if the bus lost contact with the equipment.
- Quite often, residents believed that potholes hadn't been infilled/repared adequately, however there was a process that meant that potholes were generally inspected once they had reported and they were then temporarily infilled with cold lay asphalt to prevent any risks of trips and falls. The potholes were then permanently infilled permanently at a later date, when they were batched together, the purpose being to ensure that the costs were cheaper and the permanent repairs were of a higher quality.

10 Forward Plan

The Forward Plan was noted

11 Dates and Times of Future Meetings

The dates and times of future meetings were noted

Comments and discussions included:

- 7pm start is an acceptable time to start as this was more convenient to some councillors and also members of the public.
- Bournemouth was the most suitable venue to hold meetings due to its central location.

Duration of the meeting: 7.00 - 9.48 pm

Chairman at the meeting on
Wednesday, 22 January 2020

Transportation Advisory Group – Sub Report A



Report subject	Traffic Regulation Orders –Stourbank Rd Residents Parking Scheme
Meeting date	22 January 2020
Status	Public Report
Executive summary	To consider representations to the advertisement of Traffic Regulation Orders for P15 2019 Stourbank Rd Residents Parking Scheme
Recommendations	The Transportation Advisory Group is asked to consider recommending to the Cabinet that it approves: The Order is confirmed as advertised
Reason for recommendations	P15 2019 Stourbank Rd Residents Parking Scheme To approve the making/sealing of proposed changes to the Traffic Regulation Order to implement a new residents parking scheme in Stourbank Rd, Christchurch.
Portfolio Holder(s):	Councillor Andy Hadley – Cabinet Member for Transport and Infrastructure
Corporate Director	Bill Cotton – Director of Regeneration and Economy
Service Director	Julian McLaughlin, Growth & Infrastructure
Contributors	Chris Parkes – Team Leader Traffic Management
Wards	Various
Classification	For Decision

Background

1. The scheme was due to be implemented by Dorset County Council before the merger was completed. Unfortunately, due to time pressures and a lack of resources the initial advert for the proposal was not advertised. Neighbouring Riverlea Road (which is very similar in nature to Stourbank Rd) already has a resident parking scheme in place and the new scheme will match this. The 43

households of Stourbank Road were sent a survey letter and 31 responded. Of these, 22 [71%] supported the introduction of this proposal and 9 were [29%] against.

A report was submitted to Cabinet in July and approval was given to advertise the proposal. The scheme was advertised from 16 August 2019 to 6 September 2019. The responses to the advertisement are summarised in the appendix.

Summary of financial implications

2. The costs associated with both the consultation and implementation of the TRO will be covered by the Permanent Traffic Regulation Order budget. The cost is estimated to be £2,500. The permits issued annually for this scheme will recover some of this cost.

Summary of legal implications

3. Highways Authorities are required to give formal consideration to any representations received during the advertisement period.

Summary of human resources implications

4. None.

Summary of environmental impact

5. None

Summary of public health implications

6. None

Summary of equality implications

7. The Traffic Regulation Orders do not have direct equality implications

Summary of risk assessment

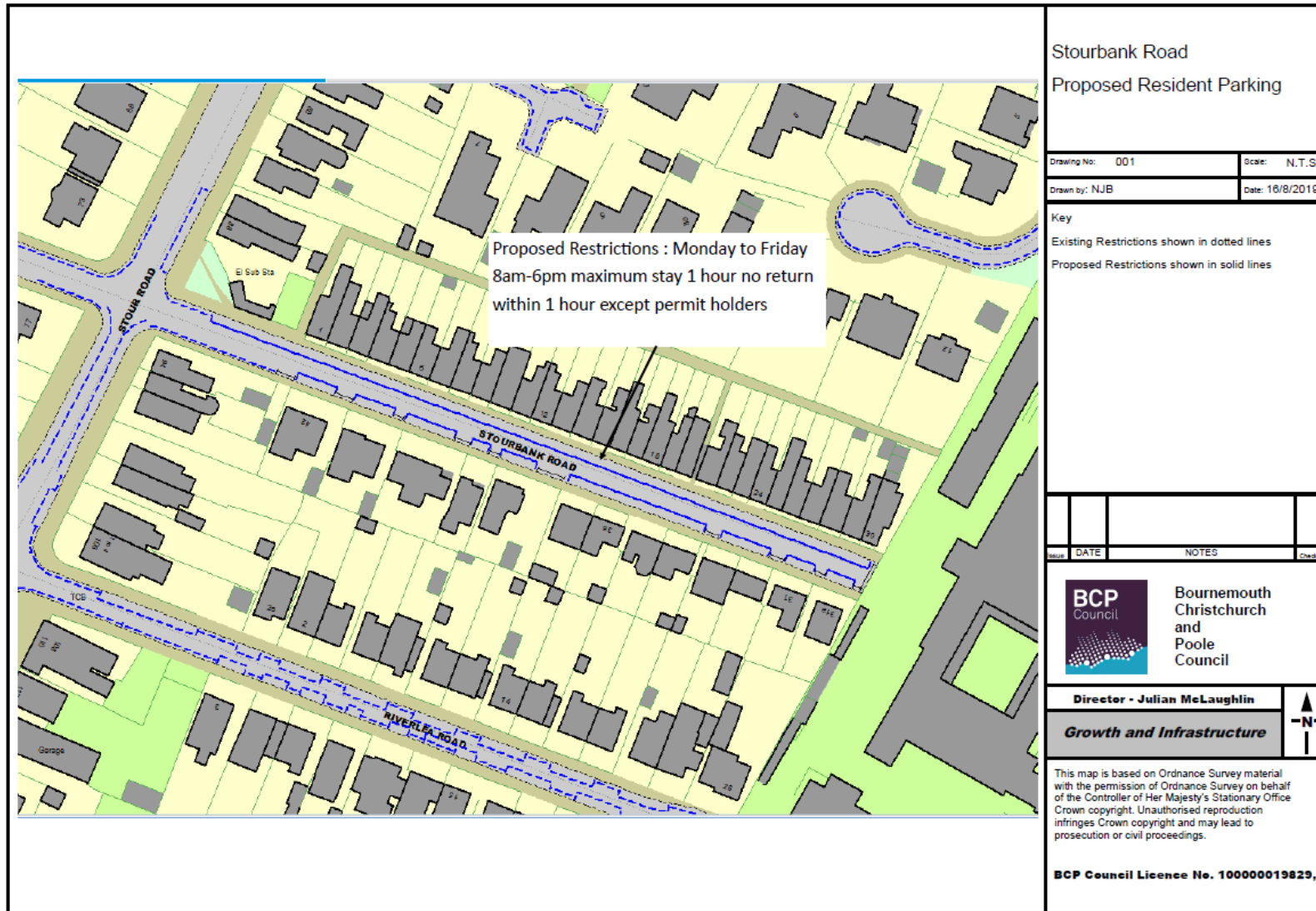
8. None

Background papers

9. None

Appendices

Appendix – Summary of representations, and responses to issues raised



Appendix

Summary of Representations, and Responses to Issues Raised P15 2019 Stourbank Rd Residents Parking Scheme

The outcome of the public consultation was;

Representations	Response
Eleven submissions in support	Noted
Two submissions (from the same property) supporting the scheme but objecting to the operating times.	The submissions did not object to the scheme but requested to extend the operating times to cover the evenings and weekends. The extension of the operating times will be considered following a bedding in period to see how the scheme works.
One submission stating they object to the scheme as they have off-street parking.	The resident does not need a permit to park on their own drive. The resident is eligible for visitor permits if they require them. The scheme does not operate in the evenings and at weekends, so they could park on the road during these times without a permit.

Recommendation

Overall, the submissions were in support of the scheme and the objections are not substantive. Therefore, the recommendation is for the scheme to be progressed as advertised.

Transportation Advisory Group – Sub Report B



Report subject	Traffic Regulation Orders – Disabled Bay Proposals (P1 2019 September 2019)
Meeting date	22 January 2020
Status	Public Report
Executive summary	To consider representations to the advertisement of Traffic Regulation Orders for P1 2019 Disabled Bay Proposals September 2019
Recommendations	The Transportation Advisory Group is asked to consider recommending to the Cabinet that it approves: The Order is confirmed/sealed as advertised
Reason for recommendations	P1 2019 Disabled Bay Proposals September 2019 To approve the making/sealing of changes to the Traffic Regulations Order (TRO) implementing changes to on-street disabled bays.
Portfolio Holder(s):	Councillor Andy Hadley – Cabinet Member for Transport and Infrastructure
Service Director	Julian McLaughlin, Growth & Infrastructure
Contributors	Chris Parkes, Team Leader - Traffic Management Steve Dean, Traffic Management Engineer
Contributors	Chris Parkes – Team Leader Traffic Management
Wards	Various
Classification	For Decision

Background

1. Residents who hold a blue disabled badge for parking may apply for a residential disabled bay outside their home subject to certain conditions. These can be either a general disabled bay for use by all blue badge holders, or a permit bay for use by the permit holder only.

All the proposed disabled bays meet the required conditions and have successfully completed the disabled bay application process. All the proposed removals have been requested by the applicant or residents and have been ratified by Officers.

A report was submitted to Cabinet in September and approval was given to advertise the proposals. The proposals were advertised from 27 September 2019 to 18 October 2019. The response to the advertisement is summarised in the appendix.

Summary of financial implications

2. The costs associated with both the consultation and implementation of the Traffic Regulations Order (TRO) will be covered by the income from the disabled bay application fees. The whole review cost is estimated to be £8,000.

Summary of legal implications

3. Highways Authorities are required to give formal consideration to any representations received during the advertisement period.

Summary of human resources implications

4. None.

Summary of environmental impact

5. None

Summary of public health implications

6. None

Summary of equality implications

7. Equality and Diversity Impact assessment is enclosed in the background papers.

Summary of risk assessment

8. The initial risk assessments that have been completed have been classed as low risk.

Background papers

Initial Risk assessment
EINA Screening Record

Appendices

Appendix – Summary of representations, and responses to issues raised

Appendix 1

Summary of Representations, and Responses to Issues Raised P1 2019 Disabled Bay Proposals September 2019

The outcome of the public consultation was;

Representations	Response
No submissions in support	Noted. It is usual for a Disabled Bay TRO not to receive supporting submissions as each application must meet certain criteria prior to being included in the process.
Three submissions objecting to the proposals.	
1. Local Councillor – objecting to the removal of disabled bays.	1. The bays listed for removal are no longer required by the residents. All requests to remove a bay are thoroughly checked before being added to the TRO process.
2. Objection received to the lack of parking directly outside the resident's property. The resident also has a blue badge and needs a parking space outside their property.	2. The conditions for a residential disabled bay have been met. The objector has now applied for their own disabled bay. There is sufficient space for another bay to be implemented.
3. Objection due to the lack of on-street parking.	3. The applicant for the bay in question has withdrawn their application. The bay will not be implemented.

Recommendation

Overall, the objections are not considered substantive. Therefore, the recommendation is for the proposals to be confirmed, sealed and implemented as advertised.

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Transportation Advisory Group – Sub Report C



Report subject	Traffic Regulation Orders – Beresford Road (Cul-de-Sac)
Meeting date	22 January 2020
Status	Public Report
Executive summary	To consider representations to the advertisement of Waiting Restrictions for Beresford Road (cul-de-sac) and Beresford Road
Recommendations	The Transportation Advisory Group is asked to consider recommending to the Cabinet that it approves: The Orders are confirmed as advertised
Reason for recommendations	This is a narrow cul-de-sac and parked vehicles obstruct access
Portfolio Holder(s):	Councillor Andy Hadley – Cabinet Member for Transport and Infrastructure
Corporate Director	Bill Cotton – Director of Regeneration and Economy
Service Director	Julian McLaughlin, Growth & Infrastructure
Contributors	Steve Dean – Senior Engineer Traffic Management
Wards	Newtown and Heatherlands
Classification	For Decision

Background

1. The scheme was prompted by requests from residents through their Ward Councillor. When this was considered by the Poole Council Traffic Panel, the Panel felt that it would be appropriate to impose waiting restrictions to keep the cul-de-sac and bend clear. The proposal was advertised at the same time as a similar proposal in Beresford Close, nearby – No representations were received in response to that advertisement.

Summary of financial implications

2. The costs associated with both the advertisement and implementation of the TRO will be covered by the Minor Traffic Schemes budget.

Summary of legal implications

3. Highways Authorities are required to give formal consideration to any representations received during the advertisement period.

Summary of human resources implications

4. None.

Summary of environmental impact

5. None

Summary of public health implications

6. None

Summary of equality implications

7. The Traffic Regulation Orders do not have direct equality implications

Summary of risk assessment

8. None

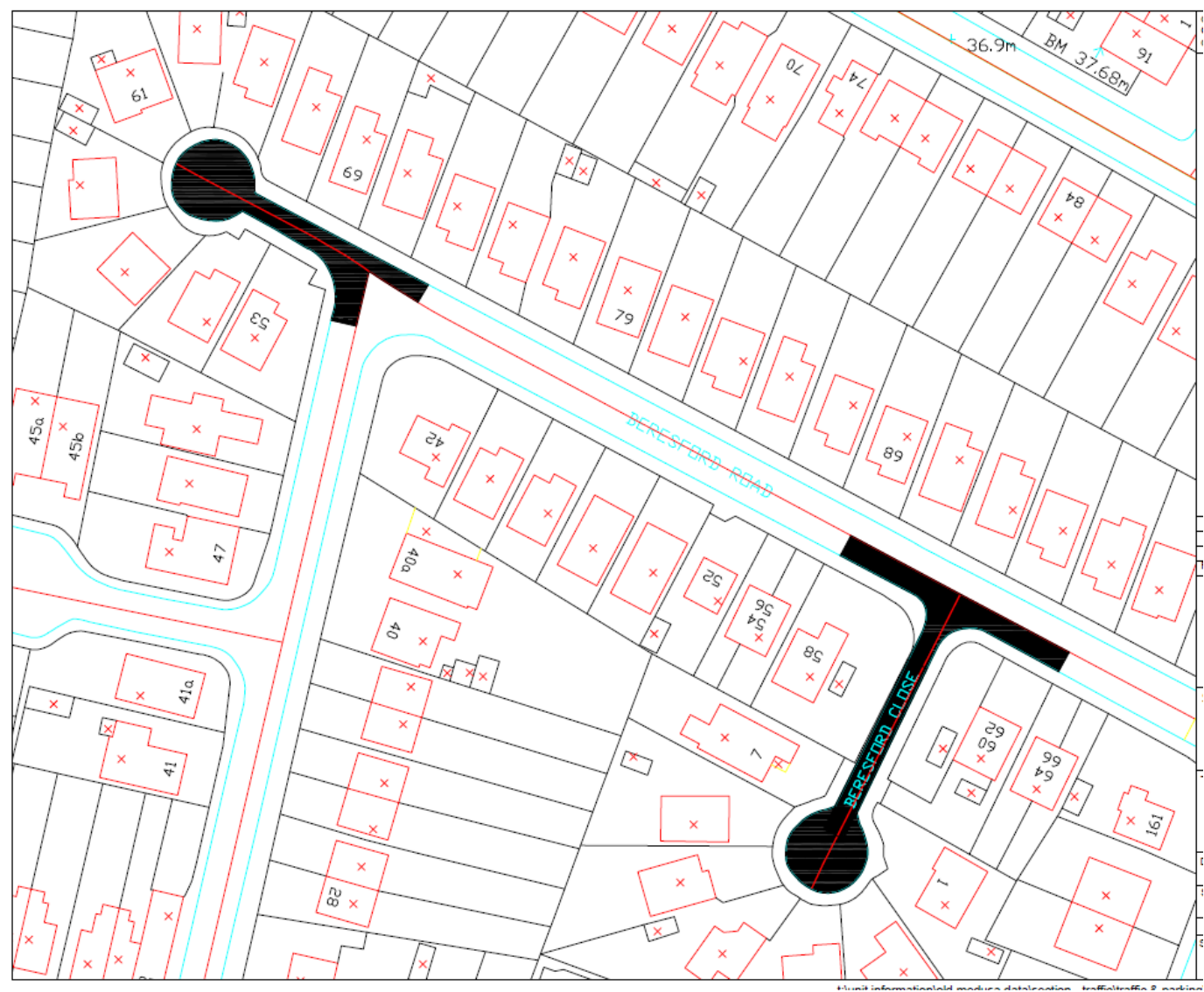
Background papers

9. None

Appendices

Appendix – Summary of representations, and responses to issues raised

Plan



Appendix

Summary of Representations, and Responses to Issues Raised Beresford Road (cul-de-sac)

The outcome of the public consultation was;

Representations	Response
Two identical letters from neighbours, objecting that the restrictions will displace parking into the main part of Beresford Road, causing congestions, and bad-feeling amongst residents.	The proposal was prompted by residents asking their Ward Councillor (and one contacted officers direct) to introduce measures to keep the cul-de-sac clear and prevent footway parking

Recommendation

The cul-de-sac is very narrow, and the waiting restrictions will prevent obstructive parking, and parking on the bend in Beresford Road.

Transportation Advisory Group – Sub Report D



Report subject	Traffic Regulation Orders – Alipore Close
Meeting date	22 January 2020
Status	Public Report
Executive summary	To consider representations to the advertisement of Waiting Restrictions in Alipore Close, and the junction with Birchwood Road
Recommendations	The Transportation Advisory Group is asked to consider recommending to the Cabinet that it approves: The Orders are confirmed as advertised
Reason for recommendations	This is a narrow cul-de-sac and the refuse collection service is frequently required to make a return visit with a small vehicle
Portfolio Holder(s):	Councillor Andy Hadley – Cabinet Member for Transport and Infrastructure
Corporate Director	Bill Cotton – Director of Regeneration and Economy
Service Director	Julian McLaughlin, Growth & Infrastructure
Contributors	Steve Dean – Senior Engineer Traffic Management
Wards	Penn Hill
Classification	For Decision

Background

The scheme was prompted by a request from a resident who had experienced repeated missed collection of their refuse. The refuse collection service confirmed that they frequently have to make return visits with a smaller vehicle to service the properties in Alipore Close

Summary of financial implications

1. The costs associated with both the advertisement and implementation of the TRO will be covered by the Minor Traffic Schemes budget. The cost is estimated to be £1,000. The cost of making return visits with a smaller refuse vehicle is significant.

Summary of legal implications

2. Highways Authorities are required to give formal consideration to any representations received during the advertisement period.

Summary of human resources implications

3. None.

Summary of environmental impact

4. None

Summary of public health implications

5. None

Summary of equality implications

6. The Traffic Regulation Orders do not have direct equality implications

Summary of risk assessment

7. None

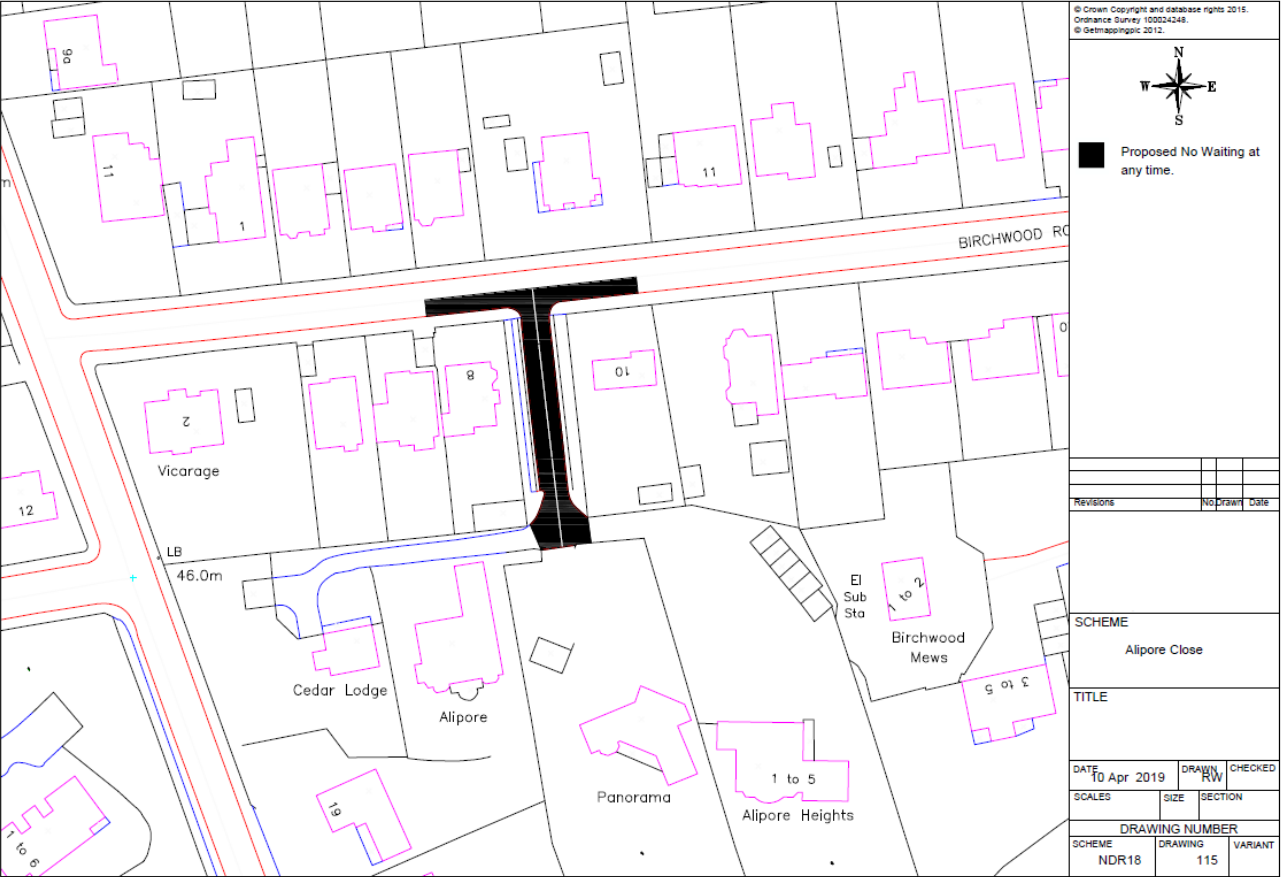
Background papers

8. None

Appendices

Appendix – Summary of representations, and responses to issues raised

Plan



Appendix

Summary of Representations, and Responses to Issues Raised Alipore Close

The outcome of the public consultation was;

Representations	Response
<p>Three residents of Birchwood Road have submitted objections that the restrictions will displace parking onto Birchwood Road. They feel that the restrictions will prevent parking outside the corner properties, and exacerbate congestion in Birchwood Road.</p> <p>They feel that there are only parking problems in the Close because there is too much development locally, and the restrictions will only help the developers get access during their building work.</p>	<p>Alipore Close is a narrow cul-de-sac and access is frequently blocked for service vehicles. The restrictions will also clear the sightline at the junction with Birchwood Road.</p> <p>Birchwood Road is wide enough to accommodate any displaced parking</p>
<p>A resident of Alipore Close understands the reason for the proposal but asks if the restrictions could be limited to only apply 8am-6pm Monday to Friday</p>	<p>While a daytime restriction would allow access for refuse vehicles, emergency vehicles could be called to the close at any time.</p> <p>A daytime restriction would require timeplates and extra posts</p>
<p>A resident of Birchwood Mews has emailed to support the proposals and to ask that they be extended to the Birchwood Mews junction too.</p>	<p>The Council cannot introduce more restrictions than have been formally advertised without re-advertising the new proposals. These restrictions principally cover the narrow cul-de-sac of Alipore Close, Birchwood Mews is a private access.</p>

Recommendation

The cul-de-sac is narrow, and the waiting restrictions will prevent obstructive parking, and clear the sightline. It is recommended that the Order is confirmed as advertised.

Transportation Advisory Group – Sub Report E



Report subject	Traffic Regulation Orders – Doyne Road
Meeting date	22 January 2020
Status	Public Report
Executive summary	To consider representations to the advertisement of Waiting Restrictions for Doyne Road
Recommendations	The Transportation Advisory Group is asked to consider recommending to the Cabinet that it approves: The Orders are confirmed as advertised
Reason for recommendations	This is a narrow cul-de-sac and if vehicles park on both sides of the road, this obstructs access.
Portfolio Holder(s):	Councillor Andy Hadley – Cabinet Member for Transport and Infrastructure
Corporate Director	Bill Cotton – Director of Regeneration and Economy
Service Director	Julian McLaughlin, Growth & Infrastructure
Contributors	Steve Dean – Senior Engineer Traffic Management
Wards	Penn Hill
Classification	For Decision

Background

1. The scheme was prompted by a request from a resident to restrict parking to one side of the road. Drivers do tend to only park on one side of the road, but whenever vehicles have parked on both sides of the road, access has been blocked.

Summary of financial implications

2. The costs associated with both the advertisement and implementation of the TRO will be covered by the Minor Traffic Schemes budget.

Summary of legal implications

3. Highways Authorities are required to give formal consideration to any representations received during the advertisement period.

Summary of human resources implications

4. None.

Summary of environmental impact

5. None

Summary of public health implications

6. None

Summary of equality implications

7. The Traffic Regulation Orders do not have direct equality implications

Summary of risk assessment

8. None

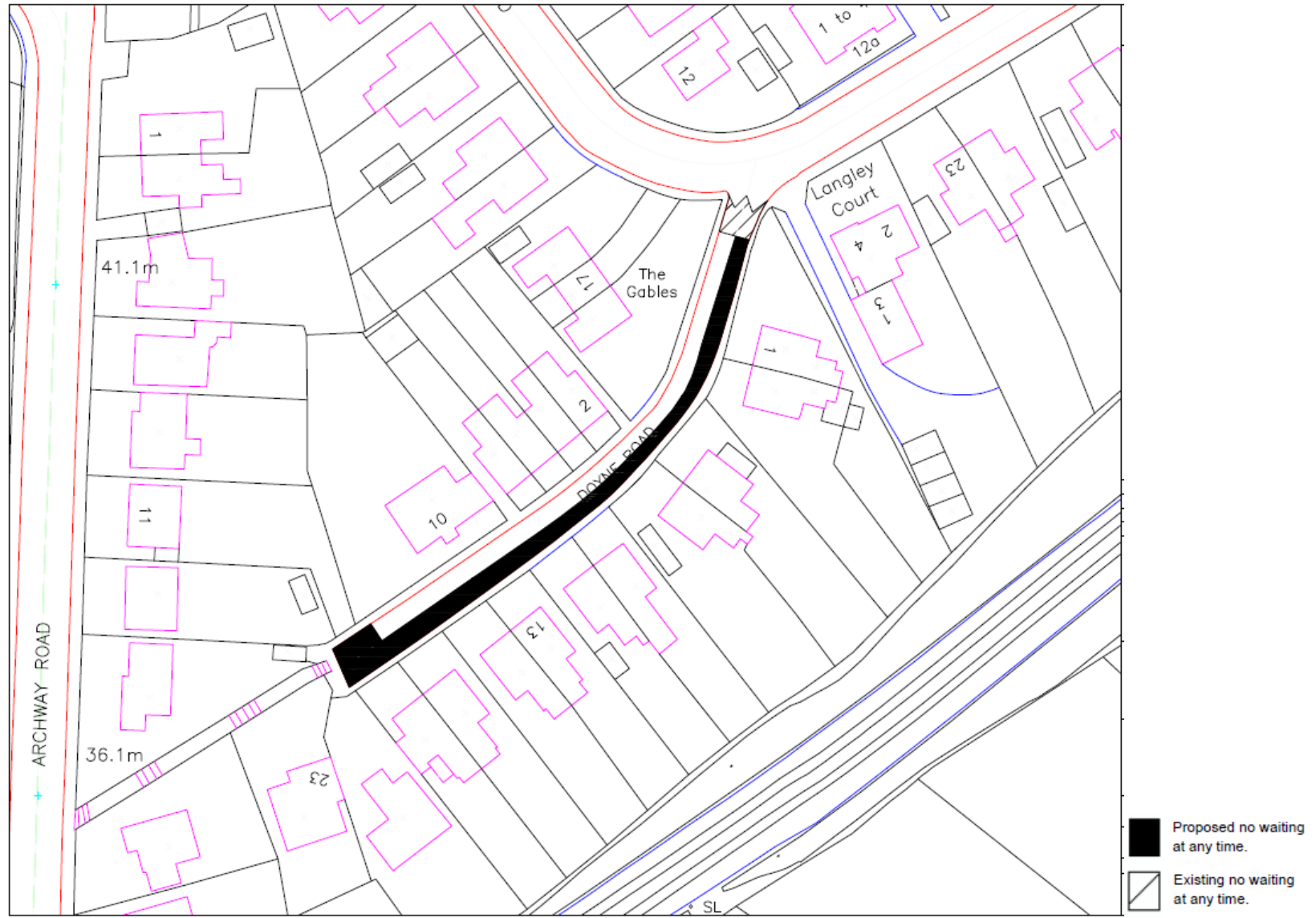
Background papers

9. None

Appendices

Appendix – Summary of representations, and responses to issues raised

Plan



Appendix

Summary of Representations, and Responses to Issues Raised Doyne Road

The outcome of the public consultation was;

Representations	Response
An email has been received from two residents of a household in the road. The residents do not object to the principle of the restrictions, but they ask that the council introduces a resident parking scheme in the road.	<p>The Council cannot introduce more stringent restrictions than have been formally advertised without re-advertising the new proposals.</p> <p>There are requests for resident parking schemes in many roads throughout the conurbation, and there are no current plans to extend parking controls to this area</p>

Recommendation

The cul-de-sac is narrow, and the waiting restrictions will prevent obstructive parking. It is recommended that the Order is confirmed as advertised.

Transportation Advisory Group – Sub Report F



Report subject	Traffic Regulation Orders – Dunford Road – Disabled Bay
Meeting date	22 January 2020
Status	Public Report
Executive summary	To consider representations to the advertisement of a relocation of a disabled parking bay in Dunford Road
Recommendations	The Transportation Advisory Group is asked to consider recommending to the Cabinet that it approves: The Orders are confirmed as advertised
Reason for recommendations	The Council has a policy of introducing disabled parking bays in situations where the eligibility criteria are met.
Portfolio Holder(s):	Councillor Andy Hadley – Cabinet Member for Transport and Infrastructure
Corporate Director	Bill Cotton – Director of Regeneration and Economy
Service Director	Julian McLaughlin, Growth & Infrastructure
Contributors	Steve Dean – Senior Engineer Traffic Management
Wards	Heatherlands
Classification	For Decision

Background

The resident who applied for and uses the disabled bay in Dunford Road has asked for it to be relocated in a more convenient location.

Summary of financial implications

1. The costs associated with both the advertisement and implementation of the TRO will be covered by the income from the disabled bay application fees.

Summary of legal implications

2. Highways Authorities are required to give formal consideration to any representations received during the advertisement period.

Summary of human resources implications

3. None.

Summary of environmental impact

4. None

Summary of public health implications

5. None

Summary of equality implications

6. The Council has a policy on the provision of bays of this type, and the circumstances in which they will be provided.

Summary of risk assessment

7. None

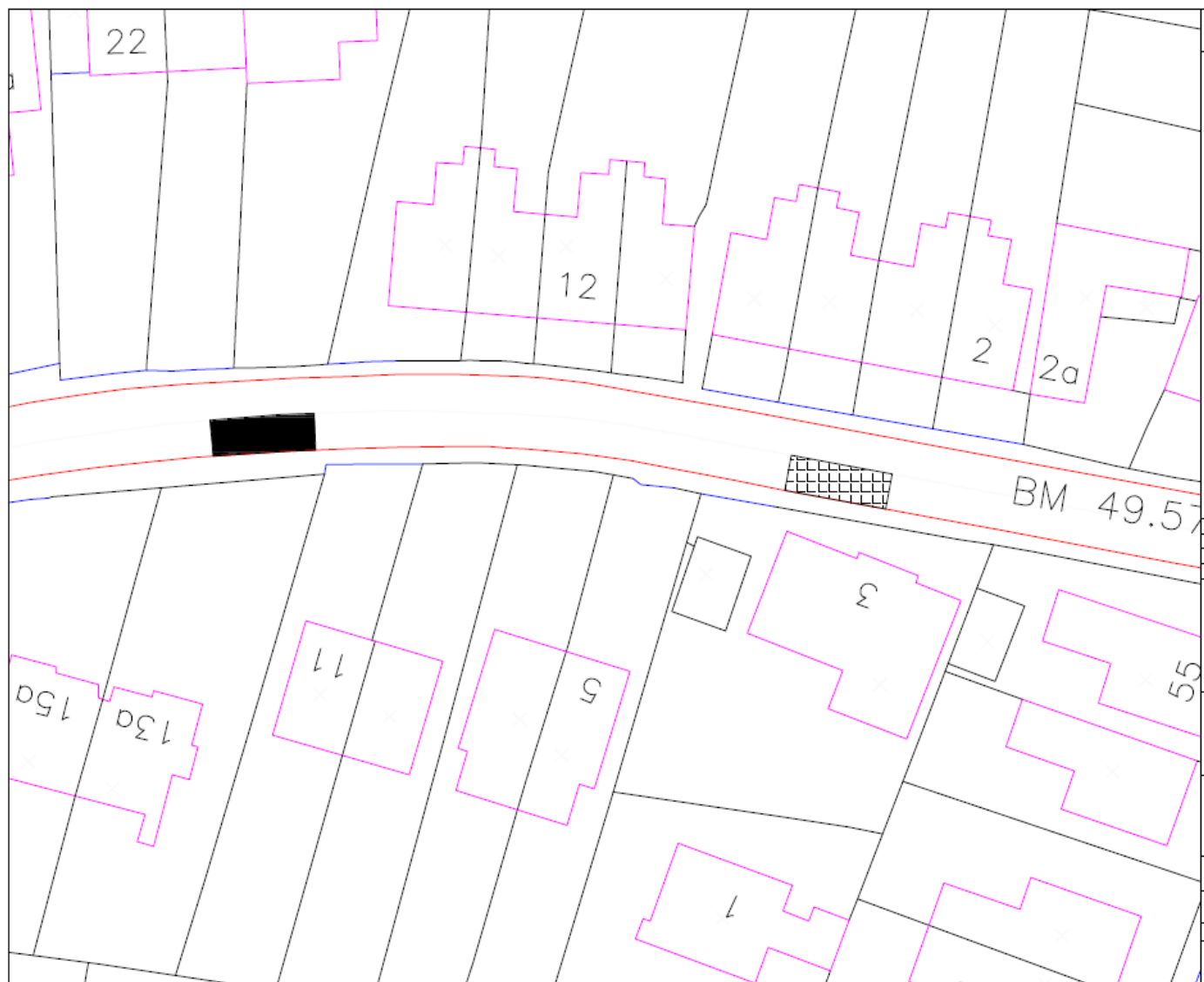
Background papers



8. None

Appendices

Appendix – Summary of representations, and responses to issues raised

Plan



-  Proposed residential disabled bay.
-  Proposed removal of residential disabled bay and conversion to on street parking place waiting limited to two hours Mon-Sat 8am-6pm except permit holders (resident zone N).

Appendix

Summary of Representations, and Responses to Issues Raised Dunford Road

The outcome of the public consultation was;

Representations	Response
<p>Two objections have been received from residents of a household in the road. They object on the following grounds:-</p> <ul style="list-style-type: none">• Parking is already in short supply in their part of the road, and this will make it difficult to park near their home• The new location is further from the Blue Badge Holder's home, out of sight of her home, and located uphill from her home• The new location is a place where vehicles have sustained damage from passing traffic or pedestrians, and is on a slight curve	<p>These are all points that the Blue Badge Holder has already considered, before making the application. She would have to walk uphill to get to or from either bay</p>

Recommendation

The relocation has been requested by the registered user of the parking bay. It is recommended that the Order is confirmed as advertised.

Transportation Advisory Group – Sub Report G



Report subject	Traffic Regulation Orders – Advertisement of Traffic Regulation Orders (Ref P20 2019)
Meeting date	22 January 2020
Status	Public Report
Executive summary	To approve the advertisement of changes to the Traffic Regulations Order (TRO) as requested by members of the public, councillors and council officers
Recommendations	The Transportation Advisory Group is asked to consider recommending to the Cabinet that it approves: The changes outlined in the appendix are advertised and implemented if no objections are received
Reason for recommendations	To advertise new proposed restrictions to improve the parking facilities available to the local community, improve road safety and to ensure essential services can take place.
Portfolio Holder(s):	Councillor Andy Hadley – Cabinet Member for Transport and Infrastructure
Corporate Director	Bill Cotton – Director of Regeneration and Economy
Service Director	Julian McLaughlin, Growth & Infrastructure
Contributors	Chris Parkes – Team Leader Traffic Management Steve Dean – Traffic Management Engineer
Wards	Various
Classification	For Decision

Background

1. The restrictions listed in Appendix 1 have been requested by members of the public, councillors and council officers throughout the year preceding the BCP merger. The restrictions have been subject to Officer scrutiny and a scoring system. This has ranked the requests to enable the limited resources to be allocated to the most important locations.

Summary of financial implications

2. The costs associated with both the consultation and implementation of the Traffic Regulations Order (TRO) will be covered by the Permanent Traffic Regulation Order budget or by the developer/property owner in the case of new vehicle accesses or development works. The whole review cost is estimated to be £6,000.

Summary of legal implications

3. Highways Authorities are required by The Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996 to undertake a statutory consultation process to make any change to a TRO. This process will include notifications to all relevant ward councillors and all statutory consultees (including emergency services, disability groups, local public transport providers, national transport associations and various council departments) and a three week public consultation noticed in the Bournemouth Daily Echo, on the council's website and by on-street notices in the relevant locations.
4. All representations received will be formally considered.

Summary of human resources implications

5. None

Summary of environmental impact

6. None

Summary of public health implications

7. None

Summary of equality implications

8. Any Equality and Diversity Impact assessments are enclosed in the background papers.

Summary of risk assessment

9. Any initial risk assessments that have been completed have been classed the proposals as low risk.

Background papers

Initial Risk assessment
EINA Screening Record

Appendices

Appendix 1 – List of schemes

Appendix 1

Traffic Measures requiring Advertisement

Legend: NWAAT – No Waiting At Any Time (double yellow lines), DYL – Double Yellow Line, NLAAT – No Loading/unloading At Any Time (double kerb blip), SPP – Street Parking Place, DPP – Disabled Parking Place, SYL – Single Yellow Line, NRT – No Return Time, TRO – Traffic Regulation Order

	Road Name	Existing Restriction	Proposed Restriction Description	Location	BCP Wards	Comments
1.	Broadway	Unrestricted	Limited Waiting Max Stay 2 Hours No return within 4 Hours	On the road adjacent to the parade of shops near junction with	East Southbourne & Tuckton	The restriction was removed at this location when the restriction directly outside the shops was made all year round. The unrestricted parking is preventing the space being used efficiently and causing visibility problems.
2.	Broadway	NWAAT	Pay By Phone parking place 5am-10pm No Waiting 10pm-5am	The northern side from the entrance to the car park at Hengistbury Head to the existing disabled bays	East Southbourne & Tuckton	The Pay By Phone parking spaces would provide spaces for Over height vehicles prohibited from the car park. The Pay By Phone tariff would match the car park tariff.
3.	Broadway/ Brightlands Avenue	Unrestricted	NWAAT	Around the junction of Broadway/ Brightlands Avenue for 10 metres	East Southbourne & Tuckton	The restriction will improve visibility and safety at the junction.
4.	Castlemain Avenue/Herbert on Road	Unrestricted	NWAAT	extend the existing DYL to the boundary of the driveway of 21 Castlemain Avenue	West Southbourne	Resident has stated that the lines stop with less than a car length before the driveway. Motorists try to use space and block the driveway.
5.	Cecil Hill leading onto St Albans Crescent	Unrestricted	NWAAT	Parking is obscuring the visibility at the bottom of the hill on both sides	Queen's Park	The restriction will improve visibility and safety.
6.	Cellars Farm Road	Unrestricted	Seasonal Restriction No waiting 10am-7pm 1 May-30 Sept	The length of Cellars Farm Road	East Southbourne & Tuckton	The restriction is to be reinstated following an informal public consultation.
7.	Duncliffe and Riversdale Road junction	Unrestricted	NWAAT	Around the junction with Duncliffe and Riversdale Road for 10 metres	Christchurch Town	The restriction will improve visibility and safety.
8.	Hengistbury Road	Unrestricted	Seasonal Restriction No waiting 10am-7pm 1 May-30 Sept	from the junction with Harbour Road to Cellars Farm Road	East Southbourne & Tuckton	The restriction is to be reinstated following an informal public consultation.

9.	Newlands Road, Christchurch	Unrestricted	NWAAT and NLAAT	Newlands Rd (Nos. 25, 33, 37) (rear of Greenacres and Croft Road)	Burton & Grange	Obstructive parking blocks the narrow road and turning area.
10.	Paddington Grove	Unrestricted	NWAAT	Opposite Paddington Close - on the inside of the two curved long bend	Bearwood & Merley	Parking on this bend reduces visibility and refuse lorry access.
11.	Richmond Park avenue	Unrestricted	NWAAT	At junction its with Howard Rd	Queen's Park	The current TRO does not reflect the existing carriageway markings. 10m around the whole junction to improve visibility. (Previously listed as Richmond Park Road)
12.	Richmond wood Road	Unrestricted	NWAAT	At junction its with Richmond Park Crescent	Queen's Park	10m of DYL at the junction to improve visibility. (Previously listed as Richmond Park Road)
13.	Seaton Close	Unrestricted	NWAAT	Around the junction with Seaton Close	Highcliffe & Walkford	The refuse lorries are having issues getting into and out of the road due to parked vehicles
14.	The Grove	Unrestricted	NWAAT	At junction with Ashton Road	Moordown	5m of DYL at junction to improve visibility and prevent parking over dropped kerb crossing point (previously listed as Grove Road on P16 2019).
15.	Whitehall	Limited waiting Max stay 30 minutes No return 1 hour 10am-6pm 1 May to 30 Sept	Limited waiting Max stay 1 hour No return 2 hour 10am-6pm 1 May -30 Sept	From opposite No 2a through to the single yellow line on the junction with Wick Lane	Christchurch Town	Extend the current maximum stay period to match nearby restrictions and correction of an error in the current TRO.
16.	Wilverley Road, Christchurch	Unrestricted	NWAAT	From its junction with Somerford Rd to its junction with the car park entrance to 1 Wilverley Road (Aldi)	Burton & Grange	Extend the DYLS from the existing DYLS at its junction with Somerford Rd to its junction with the car park entrance to 1 Wilverley Road (Aldi).
17.	Wimborne Road	Limited Waiting Mon-Sat 9am-6pm Max stay 1 hour No return for 2 hours	Limited Waiting Mon-Sat 9am-6pm Max stay 1 hour No return for 2 hours	Between its junction with Oxford Lane and Poole Lane	Kinson	Correction of an error in the current TRO. No change to the restriction on the highway. (Previously listed as Home Road).
18.	Wimborne Road	Unrestricted	NWAAT	Around the junction with Kinson Grove for 5 metres	Kinson	The restriction will improve visibility and safety.
19.	Wimborne Road	Waiting prohibited 8am-7pm	NWAAT	Outside parade of shops 1603 Wimborne Road -	Kinson	Correction of an error in the current TRO. No change to the restriction on the highway.

20.	Wimborne Road (Service Road)	Unrestricted	NWAAT	Wimborne Rd Service Rd (near Bear Cross) both sides of the road along the front of properties Nos. 1803 to 1823 from its junction with Quayle Drive to the extent of the highway adjacent to Bear Cross Roundabout.	Kinson	Commuters are blocking residential accesses and the narrow service road. Due to the obstruction the residents are prevented from accessing their properties or the highway.
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Transportation Advisory Group – Sub Item H



Report subject	Traffic Regulation Orders – Advertisement of Changes to On-Street Disabled Bays (Ref P19 2019)
Meeting date	22 January 2020
Status	Public Report
Executive summary	To approve the advertisement of changes to the Traffic Regulations Order (TRO) implementing changes to on-street disabled bays.
Recommendations	The Transportation Advisory Group is asked to consider recommending to the Cabinet that it approves: The changes outlined in the appendix are advertised and implemented if no objections are received
Reason for recommendations	To advertise new proposed restrictions to amend existing and implement new disabled bays. All the requests meet the criteria for the provision or removal within the Bournemouth and Christchurch areas.
Portfolio Holder(s):	Councillor Andy Hadley – Cabinet Member for Transport and Infrastructure
Corporate Director	Bill Cotton, Director of Regeneration and Economy
Service Director	Julian McLaughlin, Growth & Infrastructure
Contributors	Chris Parkes – Team Leader Traffic Management Steve Dean – Traffic Management Engineer
Wards	Various
Classification	For Decision

Background

1. Residents who hold a blue disabled badge for parking may apply for a residential disabled bay outside their home subject to certain conditions. These can be either a general disabled bay for use by all blue badge holders, or a permit bay for use by the permit holder only.

All the proposed disabled bays in Appendix 1 meet the required conditions and have successfully completed the disabled bay application process. All the proposed removals have been requested by the applicant or residents and have been ratified by Officers.

Summary of financial implications

2. The costs associated with both the consultation and implementation of the Traffic Regulations Order (TRO) will be covered by the income from the disabled bay application fees. The whole review cost is estimated to be £8,000.

Summary of legal implications

3. Highways Authorities are required by The Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996 to undertake a statutory consultation process to make any change to a TRO. This process will include notifications to all relevant ward councillors and all statutory consultees (including emergency services, disability groups, local public transport providers, national transport associations and various council departments) and a three week public consultation noticed in the Bournemouth Daily Echo, on the council's website and by on-street notices in the relevant locations.

All representations received will be formally considered.

Summary of human resources implications

4. None

Summary of environmental impact

5. None

Summary of public health implications

6. None

Summary of equality implications

7. Any Equality and Diversity Impact assessments are enclosed in the background papers.

Summary of risk assessment

8. Any initial risk assessments that have been completed have been classed as low risk.

Background papers

Initial Risk assessment
EINA Screening Record

Appendices

Appendix 1 – List of schemes

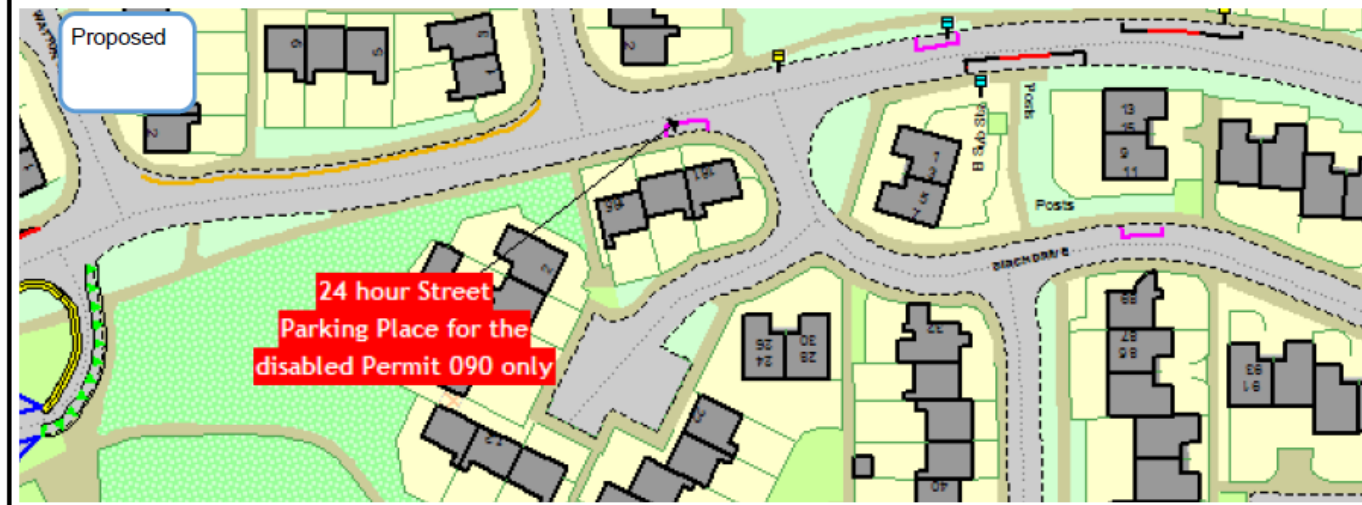
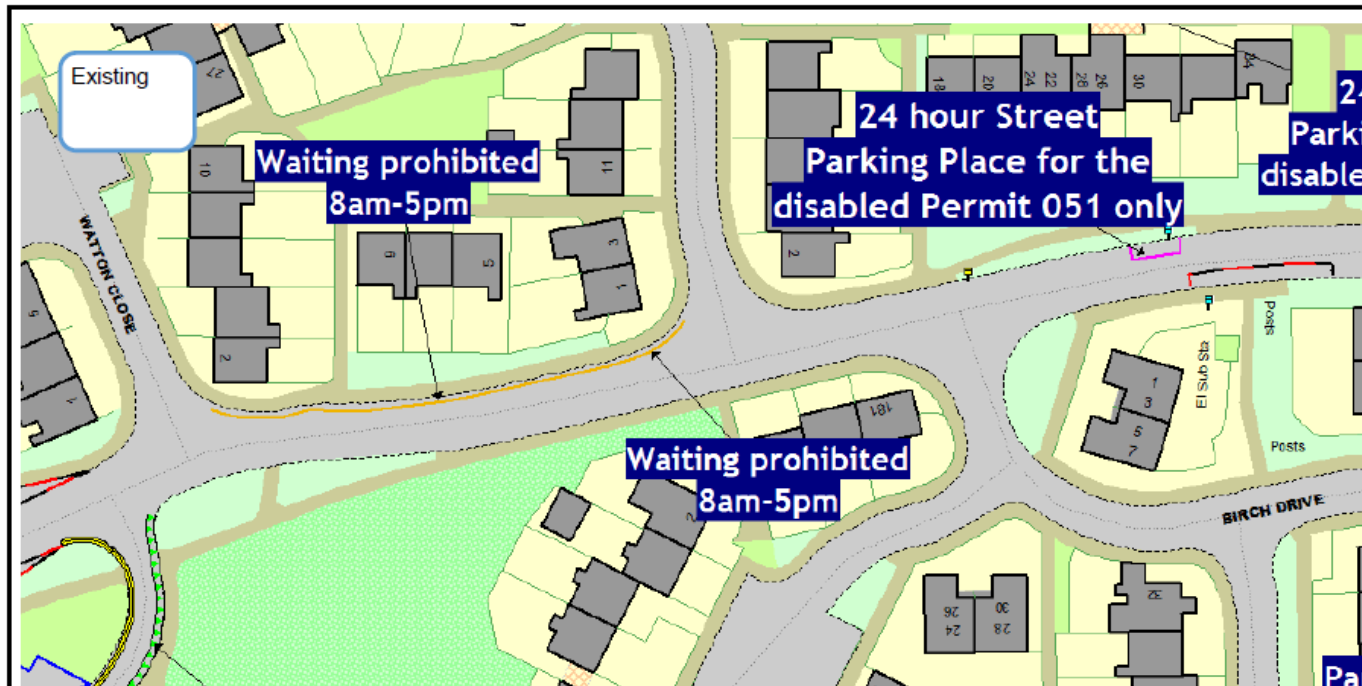
Appendix 1

Traffic Measures requiring Advertisement

Legend: DPP – Disabled Parking Place

	Road Name	Location	Proposed Restriction Description	Existing Restriction	Disabled Bay works description	BCP Wards
1.	Rownhams Road	Outside No.110 Rownhams Rd	Disabled - General	Unrestricted	New DPP	Throop & Muscliff
2.	Avon Road	Outside 65 Avon Road	Disabled - Permit	Unrestricted	Permit Holders Disabled Bay	Queen's Park
3.	Surrey Road	Outside Surrey Lodges Flats 1-7 (Left Hand Building)	Disabled - Permit	Unrestricted	Permit Holders Disabled Bay	Talbot & Branksome Woods
4.	Brierley Road	Outside 60 Brierley Road	Disabled - Permit	Unrestricted	Permit Holders Disabled Bay	Redhill & Northbourne
5.	Avon Road	Outside No. 76 Avon Rd	Revocation	General Disabled Bay	Remove existing bay and replace with unrestricted parking	Queen's Park
6.	Jewell Road	Outside No 183 Jewell Road	Disabled - Permit	Unrestricted	Permit Holders Disabled Bay	Muscliff & Strouden Park
7.	Cherford Road	Outside 8 Cherford Road refresh existing bay and convert to permit bay	Disabled - Conversion	General Disabled Bay	Permit Holders Disabled Bay	Wallisdown & Winton West
8.	Mallard Road	Outside property 29 Mallard Road	Disabled - Permit	Unrestricted	Permit Holders Disabled Bay	Muscliff & Strouden Park
9.	Markham Road	Outside 89 Markham Road	Disabled - Permit	Unrestricted	Permit Holders Disabled Bay	Winton East
10.	Trafalgar Road	Outside 17 Trafalgar Road	Disabled - General	Unrestricted	General Disabled Bay	Winton East

PTO for Jewell Road plan.



181 Jewell Road
P1 2019 Disabled Bay Proposal

Drawing No: 001 Scale: N.T.S

Drawn by: NJB Date: 13.1.2020

Key

DATE	NOTES	Checked



Bournemouth
Christchurch
and
Poole
Council

Director - Julian McLaughlin

Growth and Infrastructure



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CABINET

Report subject	Bournemouth Town Centre Vision (TCV): Winter Gardens Site
Meeting date	12 February 2020
Status	Public
Executive summary	The purpose of this report is to update Members on the progress of this £150 million project and to seek approval for a number of decisions which have an impact on the ability to secure third party funding for the scheme.
Recommendations	<p>It is RECOMMENDED that Cabinet approves:</p> <ul style="list-style-type: none"> (a) The amendment of the existing £3.4m loan for the purchase of the Exeter Road site to an “<i>Additional Council Finance loan note</i>”. (b) The increase in the long lease term from 150 years to 250 years (or whatever is market appropriate) (c) The increase to the “<i>Advance Sum</i>” budget to the sums set out in the <i>Advanced Sum’s</i> table in the report. (d) A change to the “<i>Option Execute Date</i>” to 3 years after the date of planning consent.
Reason for recommendations	<p>To enable this exciting and reputationally important scheme to go ahead, helping to deliver high quality homes and increased footfall in Bournemouth Town Centre.</p> <p>To contribute to the Council’s vision, specifically helping to create dynamic places, investing in the homes our communities need and revitalising and re-inventing our high streets and local centres.</p>
Portfolio Holder(s):	Councillor Mark Howell, Regeneration and Culture

Corporate Director	Bill Cotton, Executive Director, Regeneration and Economy
Contributors	Report Author: Martin Tiffin, Town Centre Vision Programme Leader Chris Sheppard, Director – Development Officers from Property, Finance and Legal Departments
Wards	Town Centre / West Cliff
Classification	For Decision

Background

1. Since 2013, Bournemouth Town Centre has seen unprecedented levels of development activity following the launch of the Town Centre Vision in 2008 and the start of a ground-breaking initiative to work more closely with the private sector.
2. A key part of the initiative was to form a bespoke delivery vehicle to undertake development on a number of Council owned sites. Following an EU wide procurement exercise in 2009/10, Bournemouth Development Company LLP (BDC) was formed with three distinct development projects starting in 2013.
3. Since 2013, £350 million of development has been completed involving both BDC, the Universities and the Private Sector. There is currently over £150 million of development nearing the end of the construction phase and a further £400 million of development planned in the next 2 to 3 years.
4. In 2015/16 Bournemouth was recognised as the town with the 3rd most development activity outside of London. This was an incredible turnaround in fortunes which meant that some £350 million of construction spend has been with businesses with a BH postcode.
5. A key stage in the Town Centre Vision has now been reached and the next set of schemes in the pipeline have the ability to change the perception of our region. The Winter Gardens project and the Cotlands / York Road project, with a combined gross development value (GDV) in excess of £300 million are currently being promoted on the international stage as part of the Department of International Trade inward investment programme.
6. In October 2015, Bournemouth Borough Council approved the Winter Gardens Site Development Plan. Following four years of detailed design, in March 2019 BDC secured planning permission for a £150 million residential led mixed-use

development at the site of the former Winter Gardens Concert Hall and the surrounding area. This ground breaking scheme has won many supporters within the development community and demonstrated what is possible when the public sector and the private sector share a common vision.

7. The residential accommodation is located in four slender multi-storey buildings of varying heights, set amidst considerable landscaped grounds that provide leisure, recreation and residential amenity. Reflecting a demand for contemporary town centre living, it will comprise an excess of 352 homes, made up of a mix of one, two and three-bedroom flats, and a small number of penthouse apartments, arranged across four multi-storey buildings of varying heights. It will provide up to 600 car parking spaces, including the re-provision of 225 safe and secure public car parking spaces, almost all in a four-story basement car park, plus secure cycle parking areas. There will be up to five units for high-quality restaurants along Exeter Road, and a new food store, helping to raise and diversify the choice of dining experiences in the area, enliven the streetscape, and contribute to the local economy.
8. As well as a dedicated family area, there will be a new piazza at the junction of Exeter and Cranborne Road, a linear park alongside Cranborne Road and other publicly accessible open spaces with opportunities for outdoor cafés and children's play areas. A widened landscaped pedestrian area along Exeter Road will help to deliver an important part of the Grand Garden Walk, an initiative to provide a continuous promenade for pedestrians and cyclists around the town centre.
9. A procurement process to select a main contractor has been completed and the preferred contractor has been appointed and is working closely with BDC under a pre-construction services agreement to refine the design and procure the sub contract packages.
10. The next key stage with this project is securing the necessary finance to start the construction phase. Although this particular journey has started, there is still some way to go before the necessary funding is secured and works can start on site.

Contractual and Financial Information

11. The purpose of this report is to update Members on the progress of this £150 million project and to seek approval to a number of decisions which have an impact on the ability to secure third party funding. These relate to:
 - the loan note structure
 - amendments to the Project Documents
12. It is important to explain therefore that the contractual relationship between the Council and Morgan Sindall Investments (MSIL), as members of the BDC, in a

number of legal documents, one of which is the Limited Liability Partnership Members' Agreement ("LLP MA").

13. The Delegations policy contained in the LLP MA requires certain decisions to be taken at "LLP Member" level. Amendments to the Project Documents and to the nature of the members loans requires Council approval.

14. The legal documents that set out the contractual relationship between the members are as follows:

- LLP Members Agreement. This is the overarching constitutional document which regulates the affairs between BDC, the Council and MSIL.
- Option Agreement. The terms upon which the Council can "put" a site to BDC and the terms upon which BDC can "call" for a site.
- Development Management Agreement. The terms upon which MSIL provide development expertise and services to BDC.
- Loan Note Documentation. This documentation sets out the terms upon which the two members, the Council and MSIL, provide loans to BDC. This covers different types of loans including the "*Advance Sums*" which MSIL inject into BDC to cover the cost of the pre-construction activity (feasibility, outline design, planning, detailed design and construction procurement).

15. As with all projects the size of the Winter Gardens, the financing arrangements are complex. It is not the purpose of this paper to explain the financing structure in detail, but to explain the different types of funding sources for the project. At this stage it is anticipated that the Winter Gardens project will be financed as follows:-

- Member Loans. These are loans made by the Council and MSIL
- Third Party Debt. This will cover the majority of the funding required and is typically set at 65 per cent of the total cost of the scheme. Most of the retail banks provide debt finance for development projects through specialist divisions operating in London
- Institutional funding. A number of the large pension funds provide funding for development projects and have a particular appetite for what is known as "*income strip deals*". Bournemouth Borough Council and BDC utilised this type of funding to deliver the Madeira Road Student Scheme
- Government Funding. Homes England (Former HCA) provide funding for residential projects both under grant and debt terms. BDC utilised HCA debt funding to deliver the 64 apartment Citrus Building scheme at Horseshoe Common
- Forward Sale / Forward Funding. This type of funding structure is used by Registered Providers and Institutional funds. Examples include the L&G funding

of the new cinema complex (BH2), and Radian Housing Association's funding of the 113 apartments at Berry Court targeted at the Build to Rent sector

- Mezzanine Funding. This type of funding bridges the gap between debt funding and equity funding. In the Project Documents this is referred to as *Additional Council Finance* and *Additional PSP Finance*

16. Following 12 months of market engagement by the BDC development team, the following funding sources are the most likely to be utilised in the delivery of the scheme:

- Member Loans (For Advance Sums / Cash Match including Additional PSP and Additional Council loans)
- Debt funding for the open market sales product and residential parking
- Forward Funding/ Sale for the Build to Rent and the senior living elements
- Forward Funding/ Sale for the public car park/ commercial and retail space

Member Loans

17. One of the complex issues to resolve is the priority order for repayment. In its simplest form, debt funding ranks in priority to equity funding (members loans).

18. Another issue to be resolved is whether the funding is structured on a recourse or non-recourse basis. In other words what rights do the different lenders have to seek recourse against the project assets and/or the assets of the delivery vehicle (BDC). These issues will be resolved as the different funders start to commit to the project and enter the "due diligence" phase. This is at least 6 months away from that process starting.

19. Under the terms of the LLP Members Agreement, members of BDC can make loans to BDC. The Council have loaned £3.4 million to Winter Gardens Development ("WGD") LLP, the development subsidiary set up to deliver the Winter Gardens development to purchase land / buildings situated near to the former Winter Gardens Concert Hall Site to enable comprehensive redevelopment. MSIL have made a similar loan to WGD, and also a loan to fund the *Advance Sums*.

20. The Council loan was set up as a five year loan with a fixed end date for its repayment with interest charged at 2.98 per cent. The below extract from the BDC Members Agreement sets out the order of repayment of debts:

7.13.4 The LLP shall procure that the ranking of the debts and security to be granted by a Development Subsidiary shall be regulated by a deed of subordination and priority to be agreed by the Members and any Third Party Funders and reflecting the following priorities:

- (a) *first, any funding provided by a Third Party Funder;*

- (b) *secondly, any Additional PSP Finance and/or Additional Council Finance; and*
- (c) *thirdly, the Development Subsidiary Loan Notes.*

21. Because the senior debt funder (*Third Party Funder*) for the project needs to be repaid first and have priority over the *member loans*, Council approval is required to amend the existing five year loan note to be an *Additional Council Finance loan note* with the relevant repayment terms set out in the Project Documents. This means that the order of repayment of the Council loan note is moved to after repayment of the senior debt. There is a risk for the Council, and this is explained further in the Financial Implications section of this report, however this change is in line with the BDC Member's Agreement.
22. It is therefore recommended that Cabinet approve the amendment of the existing loan for the purchase of Exeter Road to be an *Additional Council Finance loan note*. In doing so the loan will not be repaid until such time as the *Third Party Funder* (Senior Debt Funder) has been repaid.

Length of Lease

23. The BDC option agreement provides that the land interest BDC can "call upon" is a long lease rather than a freehold interest. At the time of setting up BDC and entering into the Project Documents, the market practice was to grant long leases with a minimum of 125 years. To allow some movement in the market place over the next 5 to 8 years, the Project Documents provided for a 150-year long lease term. In the past 3 years the market position has changed and funders/ investors require at least a 250-year lease. The Option Agreement provides that the lease term is 150 years as set out below.

"Lease"

means a lease for a term of 150 years of the relevant Site in the form attached at Appendix 2 to be granted by the Seller to the Buyer

24. Feedback from potential investors in the Winter Gardens residential element has identified that a 150-year lease is not sufficient to meet their investment requirements and have stated in a number of cases that 250 years is the minimum, however this may vary dependant on market conditions
25. Currently, for residential sales, the absolute minimum mortgage lenders accept is 125 years for a leasehold flat (250 years for a leasehold house). Whilst it has always been a standard term length for residential sales, now that the Law Commission has been focusing on leasehold properties, there is a growing view that it won't be long before this may be changed.

26. The Government has announced that it will be bringing in legislation to reduce ground rents for new leasehold flats to zero and to ban leasehold houses. It is becoming clear that investors are now looking to grant 999 years as there is no point in granting shorter leases when there is no capital value. Approval to increase the lease term is therefore required from Members as set out in the Delegation Policy.

Advanced Sum Budget

27. The Advanced Sum budget previously approved by Bournemouth Council in October 2015 was for £3 million. Because the scheme has increased in size from a £120 million to a £150 million and costs increased during the planning period the Advanced Sum Budget set out in *the 2015 Site Development Plan* needs to be increased. The advanced sum costs have been set out below.

	Assumed construction budget	Advanced Sum (pre - construction fees) budget		Comment
Sept 2015	£77m	£3.0m		
June 2019 phased	£106m	£4.2m		Assumed 2 phases
June 2019 Single phase	£106m	£4.9m		Assumed single phase

28. The advanced sums are paid by MSIL to BDC via a member loan. By increasing the advanced sums budget the amount BDC has to repay to MSIL is increased. Member approval is required for the updated budget, therefore cabinet are asked to authorise the increase in the "Advance Sum" budget to the numbers set out in the table.

29. These are the amounts required to fund the feasibility, outline design, planning, detailed design and procurement processes. They are funded by the winter gardens individual development subsidiary company of BDC by an additional finance loan note from Morgan Sindall.

30. As an additional finance loan note these advanced sums are repaid before the distribution of any profit or loss on the development.

31. Morgan Sindall are charging interest of 5.5 per cent above the three month LIBOR (London Inter-bank Offered Rate) on this advanced sum, additional finance note.

32. In the event that the development does not proceed the additional finance loan note is rolled forward and the cost would need to be recovered by future developments undertaken by the Bournemouth Development Company. In the event of no further

developments the additional finance loan note is required to be discharged equally by the two partners.

33. Increasing the approved advanced sums from the currently agreed £3 million to £4.9 million is necessary for the delivery of a successful development. Members should be aware that the Council is ultimately responsible for 50 per cent of this cost.

Site Delivery Plan dates

34. Within the Option Agreement dated 17th February 2011 the “*Options Conditions Longstop Date*” states that in respect of the Site, it is the date 12 months after the date noted under the Execute Option Agreement within the Site Development Plan, or such other date as agreed by the Buyer (BDC) from time to time. It is recommended Cabinet authorises a change to the “*Option Execute Date*” to 36 months after the date planning consent was awarded (28 March 2019) in order to be able to deliver a project of this complexity.

Summary of financial implications

35. The establishment of the Bournemouth Development Company (BDC) as a joint venture between the council and Morgan Sindall Investments Ltd, in the form of a limited liability partnership, was designed to restrict the Councils exposure to the financial risk on residential and commercial developments on council owned land while simultaneously ensuring the council has a stake in the rewards of ownership.
36. Where relevant a separate individual development subsidiary company of BDC is established for each development focused on one of the 16 car parks that Bournemouth Council entered into the agreement.
37. The council’s contribution of land is valued and turned into a member loan note to the individual development subsidiary. This is then matched by a cash injection (advance sum) from Morgan Sindall which is also turned into a member loan note to the individual development subsidiary company. Any member loan notes by the two partners in the joint venture should be on equal terms (*pari passu*) otherwise one party could be seen to be taking on more risk than the other and, in the council’s situation, it could be deemed as providing aid to a private sector company.
38. In respect of the value of the member loan note associated with land the council will hold in the Winter Gardens as outlined at 37, this will not be determined until later in the process when the development proposal is signed off.
39. The BDC Members Agreement allows for provision by Morgan Sindall and the council of additional finance to an individual development subsidiary, at a rate to be determined. Any council finance is required to be provided on arm’s length and genuine commercial terms which are fully State Aid compliant. Further loans can be

provided by other third parties and institutional investors on terms agreed by the BDC.

40. Developments are therefore completely funded by debt. When they are completed and sold the proceeds are first used to repay any third-party debt. After that any additional finance loan notes to the council and Morgan Sindall are repaid, as explained at 21 in this report. Finally, the council and Morgan Sindall member loan notes issued against the land value (as match by MS) are repaid. Only then is any surplus (profit) or deficit (loss) potentially shared equally (50/50) between the council and Morgan Sindall.
41. In respect of the Winter Gardens individual development subsidiary the council and Morgan Sindall have already issued, on equal terms, a loan to enable the £6.8 million purchase of the connected Exeter Road site. The £3.4 million loan from each partner being at 2.98 per cent for a fixed five-year period which meant it was repayable before the project's completion and therefore outside of the established and normal debt structure as per the Member's Agreement.
42. This loan was issued on the basis that it would be repayable in five years from the date of drawdown, in August 2022.
43. The recommendation of the report is to reclassify the loan as an additional finance loan note and therefore now payable on completion of the scheme after any third-party debt, as explained at point 21. This means the council is now taking on a higher level of risk. This higher level of risk obligates the council to consider a higher interest rate to ensure the loan is still state aid compliant. However, as the private sector company are happy to continue to invest their £3.4 million at 2.98 per cent, then the Council can continue at this rate as it is deemed to be State Aid Compliant.
44. That said, any additional finance loan notes or member contribution loan notes are unsecured and will potentially not be repaid if the development is not successful. The Winter Gardens scheme is a large (circa £150 million GDV) development and therefore there are a number of risks that need to be managed and are outlined the risk assessment section of this report. Councillors therefore need to understand when and how they have received assurance on the scheme's overall viability as ultimately this £3.4 million of Council Tax payer's money is now being permanently invested in the scheme alongside the value of the winter gardens car park land.
45. Should the Council decide to invest this £3.4 million into the long-term viability of the scheme then it will be required to ensure its Non-Treasury Asset Investment Strategy discloses the material long-term, illiquid nature of this holding.
46. The reclassification of this £3.4 million loan also obligates the council to adhere to the latest statutory guidance for such arrangements rather than those in force when the original loan was drawn-down. By reclassifying this loan, the council will now treat the loan as capital expenditure financed by borrowing within its accounts. In turn this

means the council is required to set-a-side a minimum revenue provision (MRP) payments for the prudent repayment of the debt, which in accordance with the councils approved MRP policy equates to £136,000 per annum (4 per cent).

47. Provision has been made as part of the proposed 2020/21 budget for this £136,000 annual payment. Any resources set aside annually as part of this process should be available for redistribution when the loan is eventually repaid.
48. The increase in the Advance Sums will be met from a loan to BDC from MSIL. This does not have an impact on the Medium Term Financial Plan (MTFP). The increased budget and cost of build could erode the *Site Lease Value* (Council's Land Value) and the Council's profit expectation, however it is too early to predict whether this is actually the case and as these payments are not included in the MTFP, there is no adverse impact.
49. The change to a *Council Additional Finance Loan* means that the loan will not be repaid on a set date. Instead the loan will be repaid once the *Third Party Funder* is repaid in full. The Council will however be entitled to receive interest until such time as the loan is repaid.

Summary of legal implications

50. The legal obligations of the Council and Morgan Sindall Investments Ltd as members of BDC are set out in a Limited Liability Partnership Members' Agreement which was negotiated as part of an EU Procurement Process undertaken in 2009/2010. The Delegation's Policy contained in the LLP MA identifies the decision to be taken at "LLP *Member*" level. Any increase to the Advance Sum Budget set out in the adopted SDP and amendments to the Project Documents need to be approved by the members of BDC. In the case of the Council, this is the Cabinet.

Summary of human resources implications

51. BDC has board representatives from the Council and also from Morgan Sindall Investments Ltd. The board representatives are responsible for delivering the Winter Gardens Development. BDC has appointed Morgan Sindall Investments Ltd as the Development Manager to manage the day to day development activity. The Development Manager is tasked with implementing BDC Board decisions and reporting on progress.

Summary of environmental impact

52. None – this is a technical report relating to contractual and financial processes.

Summary of public health implications

53. None - this is a technical report relating to contractual and financial processes

Summary of equality implications

54. None - this is a technical report relating to contractual and financial processes

Summary of risk assessment

55. The Town Centre Vision, as a major programme of the Council, has been subject to a full Risk Assessment.

56. Members should ensure they have considered matters relating to the risk, security, liquidity and proportionality associated with the proposal. They should also satisfy themselves that the potential returns are consistent with the level of risk.

57. Members also need to be aware of the reputational and financial consequences of the default on any additional finance loan note or in respect of amounts applied into BDC by way of Member loan notes.

58. The Council's Non-Treasury Management prudential borrowing indicators impose a £3.4 million restriction on loans to the BDC. The reclassification of this loan will not impact on this restriction.

59. Requests for finance loan notes or additional Member contributions from the Council could be seen as a more cost-effective way of financing the development. That said, it could also be seen to be a sign that, at least initially, the development cashflow is under pressure.

60. Investment Risk: including the risk that the development is non-profit making. This risk can, for certain elements of the development, be mitigated if parts of it are pre-sold. In other words, parts of the scheme are sold to institutional investors before construction works on site commence. The Residential element of the scheme does however expose BDC to significant market risk. By undertaking the residential element in stages, it is intended that this market risk can be mitigated to avoid creating an oversupply and building units that meet end users/purchaser's requirements

61. Pre-Construction Risk including planning, design and funding risks. If BDC fails to achieve funding then the costs incurred will be abortive. Any abortive costs will need to be rolled over to another scheme which will make that scheme either less viable or generate a reduced profit.

62. Construction Risk including late completion and cost overruns. BDC will enter into a fixed price lump sum contract with the building contractor to mitigate the effects of such risk being held by BDC.

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CABINET

Report subject	Cotlands Road and York Road Site Development Plan (SDP)
Meeting date	12 February 2020
Status	Public
Executive summary	<p>In February 2019, Bournemouth Borough Council Cabinet approved the Site Development Plan (SDP) for the Cotlands Road and York Road car park sites. This report highlighted the requirement to include the two Council owned car parks at York Road within the BDC option agreement to facilitate the overall development of Cotlands Road and clarified why they were added to the SDP.</p> <p>At that time the Cabinet report did not detail the proposed land values for the York Road car park sites or set out the proposed delivery model. Therefore it is appropriate that approval is now sought with the benefit of this additional information and the corresponding legal and financial implications.</p> <p>The delivery of a new public multi storey car park (MSCP) on one of the York Road car park sites is a key piece of enabling development to unlock the Cotlands Road site, which will generate significant economic regeneration and financial benefits and meet the key objectives of the Lansdowne Delivery Plan, however this development cannot be progressed until a new public MSCP is operational.</p> <p>This report sets out the proposed delivery mechanism to enable the Council to fund the development of a new public multi-storey car park on one of the York Road surface car parks by the Bournemouth Development Company in accordance with the approved SDP and retain the asset in-house operation.</p>

	<p>The public realm and pedestrianisation of Holdenhurst Road in 2020/21 as part of the Lansdowne Vision will assist with consolidating parking provision in the area.</p> <p>The non-public part of this report considers the financial business case for proceeding with this enabling development.</p>
Recommendations	<p>RECOMMENDED that Cabinet:</p> <ol style="list-style-type: none"> 1. Approves the inclusion of the two Council owned York Road car parks (the Additional Sites) into the Bournemouth Development Company option agreement to support the redevelopment of Cotlands Road for the residual value detailed in the non-public report. 2. Approves the development of one of the Additional Sites by the Bournemouth Development Company through the proposed delivery mechanism to provide the Council with a new public Multi-Storey car park at York Road. 3. Delegates authority to the Chief Executive (and Corporate Property Officer) and the Monitoring Officer, in consultation with the Portfolio Holder for Regeneration and Culture to agree the terms and authorise the Council to enter into; <ol style="list-style-type: none"> (i) a deed of variation to the BDC option agreement to add the two York Road car parks as Additional Sites; (ii) a development agreement for one of the Additional Sites; (iii) and to decide whether to implement the contract clarifications and/or to issue a VEAT notice and, if so, on what terms. <p>That Cabinet recommends to Council to:</p> <ol style="list-style-type: none"> 1. Amend the Capital Programme to include a £10.6 million provision for the construction of a Multi Storey Car Park on one of the Additional Sites to be funded by prudential borrowing.

Reason for recommendations	<p>On 20 February 2019, Bournemouth Borough Council's Cabinet approved the SDP for these sites and the recommendations outlined clearly align to the purpose of the SDP.</p> <p>The inclusion of the Additional Sites in the Option Agreement means that the Council can deliver a new public car park with sufficient capacity required to enable BDC to undertake a comprehensive development at the Cotlands Road site and meet the objectives of the Lansdowne Delivery plan.</p> <p>The inclusion of the Additional Sites in the Option Agreement enables BDC to require the Council to grant BDC a lease of the Additional Sites (subject to certain conditions) and so to retain control over the development of the Additional Sites and the Cotlands Road Site to facilitate the development as outlined in the approved SDP.</p> <p>The three development sites which total circa 1ha are currently used as surface level car parks which is not an efficient use of land. The development proposal will consolidate and facilitate maintenance by the Council of the same quantum of public car parking provision through the Council-funded construction of a decked structure and release valuable land for development by BDC.</p>
Portfolio Holder(s):	Councillor Mark Howell
Corporate Director	Bill Cotton, Executive Director Environment and Economy
Contributors	<p>Report Author: Martin Tiffin, Town Centre Vision Programme Leader. Tel: 1202 451138. Email: martin.tiffin@bcpcouncil.gov.uk</p> <p>Sarah Longthorpe, Strategic Projects and Investment Manager, Tel: 01202 451170. Email: sarah.longthorpe@bcpcouncil.gov.uk</p> <p>Officers from Property, Planning, Legal and Finance Departments</p>
Wards	Town Centre/ East Cliff/ Springbourne
Classification	For Decision

Background

1. Bournemouth Development Company LLP (“BDC”) is the Council’s delivery mechanism for bringing forward development on a number of pieces of land owned by the Council as part of the Bournemouth Town Centre Regeneration initiative known as the “Town Centre Vision”. To date BDC has completed four development projects with a fifth currently underway at the former surface level car park at St. Stephen’s Road.
2. The Town Centre Vision is enshrined in *11 Key Objectives*, one of which is to promote development in the Lansdowne Area of the Town Centre.
3. In 2016, a group of key stakeholders with interests in the Lansdowne area worked with Bournemouth Borough Council to produce a vision for the Lansdowne. This vision aimed to create a vibrant, dynamic, smart, enterprising, connected and networked place that is an exciting and attractive place to live, work, study and enjoy. This has evolved to become the Lansdowne Programme
4. The Lansdowne Programme has attracted financial support from Dorset Local Enterprise Partnership for significant improvements to the public realm. In addition, the private sector has been developing new business space, hotel and student accommodation, and Bournemouth University is investing in new landmark teaching facilities, all of which has contributed to a hive of development activity in this dynamic part of the Town Centre.
5. The Cotlands Road and York Road car parks scheme is the latest development to be proposed by BDC and aligns with the Council’s long-term vision for the Lansdowne.
6. The BDC development proposal, outlined in the SDP approved by Cabinet in February 2019, is for an employment-led mixed-use scheme consisting of a significant proportion of employment / office space including new homes, active ground floors with retail and café space, re-provision of public car parking spaces, and residential parking.
7. At its meeting of 20th February 2019, Bournemouth Borough Council Cabinet recognised and approved the addition of the Additional Sites to the BDC Option Agreement. The rationale for adding the Additional Sites into the BDC Option agreement is:
 - Officers and Councillors (both pre and post-merger of the 3 authorities that formed BCP) have advised BDC that early delivery of a public MSCP is a key piece of enabling development to unlock the Cotlands opportunity i.e. the Cotlands Road site cannot be closed until a new public MSCP is

operational.

- There are no other BCP owned sites in the locality where development of a new MSCP is deliverable to the project programme.
 - Given the significant financial and resource investment required to take the Cotlands Road project to a start on site, BDC has asked for control over the delivery of the Additional Sites.
 - The inclusion of the two Additional Sites gives BDC:
 - the ability to deliver the replacement MSCP in close proximity to the existing provision at Cotlands Road;
 - flexibility to design the sites to meet the demands of the LPA in terms of phasing of delivery, design and quantum of spaces;
 - the comfort to commit £5m of expenditure to the detailed design and planning of the Cotlands Road scheme;
 - to ability to efficiently phase the delivery of the redevelopment for the whole area.
 - The Town Centre Area Action Plan adopted by Bournemouth Borough Council in March 2013 highlights Policy A8 (Cotlands) and A6 (Christchurch Road) as the relevant site-specific policies for this project. The policy states that a comprehensively planned development of this area is desirable and that any development of individual sites or a combination of sites should not compromise the redevelopment of neighbouring sites or the creation of a strong and attractive frontage to Cotlands Road and York Road. The inclusion of the Additional Sites within the Option Agreement as part of the Cotlands Road project would enable “comprehensive development” to be delivered in accordance with this policy.
 - If the Additional Sites are not added to the option agreement then BDC will not have the control it needs over delivery of the enabling York Road MSCP development, which is needed to unlock delivery of the regeneration of the Cotlands site.
8. The principle of the addition of the Additional Sites to the option agreement approved by Bournemouth Borough Council has yet to be actioned. Therefore it is appropriate that BCP Cabinet is asked to approve this decision with the benefit of the additional information in respect of the valuations of the York Road Sites and the corresponding financial and legal implications of the proposed delivery mechanism.

York Road sites - Proposed Development

9. BDC has identified that a good quality employment-led mixed-use scheme is capable of attracting investment into the Lansdowne. The area benefits from good connectivity to the town's public transport routes, is close to the town's prime retail and leisure offerings and to the town's beaches and gardens. The Lansdowne has benefitted from significant investment of approximately £125 million from the commercial and education sectors in recent times and this project seeks to build on this success.
10. As highlighted above, the proposal is for an employment-led mixed-use scheme which meets a requirement to re-provide public parking. The Council recognises the substantial increased demand for public car parking in the area and therefore requires Cotlands Road car park to remain open until such time as the new MSCP at York Road is delivered. This will secure continuity of public parking provision during the development phases and importantly some car parking revenue to the Council.
11. The proposal is that Phase 1, the enabling works for the Cotlands Road development involves the construction of a new MSCP(s) on one of the York Road car park sites. The delivery and opening of new public parking facilities at York Road will enable Cotlands Road car park to close in Q2 2022 once the new MSCP is opened to the public. This enabling development will also satisfy the planning requirement to provide a new public car park facility as per the Town Centre Area Action Plan (TCAAP) Planning Policy (A8).
12. As soon as the new MSCP is operational, the Cotlands Road car park can be closed, and Phase 2 development will see delivery of significant new employment space and new homes on the Cotlands Road site.
13. One of the issues facing BDC is planning risk. The key issues will be: -
 - The 2013 Town Centre Area Action Plan (TCAAP) policy A8 for Cotlands Road requirement is for 420 public car parking spaces to be re-provided. This requirement, plus any additional requirement to re-provide public spaces from the current York Road car parks, can be easily accommodated within the new MSCP facilities at York Road which the Council proposes to provide.
 - In terms of permitted planning use, TCAAP Policy A8 (Cotlands Road) and TCAAP Policy A6 (which includes the York Road Car Park) both state that development should be employment or tertiary teaching-led and that proposals must provide a significant proportion of employment space. The proposal is to deliver significant employment space.

- TCAAP Policy A6 and A8 provide flexibility to introduce other supporting uses where these meet the objectives of the area in relation to the Spatial Strategy. The Core Strategy Policy CS8 (Lansdowne Employment Area), which is the strategic planning policy for this area, does refer to residential as being a potential use as part of an employment or tertiary teaching-led scheme.
- As such the development proposals across the two sites do in principle meet the TCAAP requirements.

BDC Delivery Mechanism

14. Site Development Plans are progressed for individual sites in accordance with the timescales identified in the Partnership Business Plan. These detail the proposed uses and form of development proposed. They also include initial financial appraisals and set out profit targets for the scheme. Importantly, they specify a budget for pre-construction costs, such as survey, architects and planning fees, which is then drawn down as an Advanced Sum from MSIL.
15. BDC contracts with MSIL to provide a development management service. This service includes scheme design, obtaining planning consent, procuring a construction contract, obtaining development funding, managing the delivery phase, marketing and sales. In performing this role, it works with specialist consultants appointed by the BDC. It receives a development management fee for this service, which is calculated as a percentage of the scheme costs.
16. Once certain pre-conditions are met, including that a satisfactory planning permission has been granted; development funding is in place; the site lease value is agreed; viability criteria set out in the Site Development Plan are met; and the Council has met its Best Value obligations, the BDC may call for a 150 year lease [or the Council may require the BDC to take the grant of a 150 year lease] which places development obligations on the BDC. The option agreement originally covered 17 sites and the option has been exercised on 3 of these. Additional sites may be added to the option agreement, but this is covered further in paragraph 23.
17. Upon grant of the lease, the BDC issues a loan note to the Council in a sum equal to the agreed site lease value. MSIL is then required to match fund this investment, with any Advance Sums counting towards that investment. MSIL similarly is issued with a loan note in a sum equal to its investment. It is open to either party to provide additional finance (and in the Council's case subject to its statutory powers and any restrictions / approvals required).
18. Interest is payable on loan notes, as equity investment this will be repaid in accordance with the terms of the members agreement. and the loan notes are repaid when the development is complete, and all sales completed. The BDC

will determine the scheme profit to be distributed, in equal shares, to the partners. In making this decision it will consider the funding requirements of future schemes, partnership overheads and unrecoverable costs incurred on other schemes.

19. Generally, these arrangements have worked well and give BDC sufficient flexibility to progress schemes in the most cost-effective way. For example, on the Citrus development, BDC bore all of the development and sales risk. It secured scheme funding, constructed the building, and sold the completed units to repay the loan and generate a profit.
20. In this instance however, the Council wishes to enter into a fixed price Development Agreement with BDC for one of the Additional Sites added to the option agreement in order to fund and purchase the new MSCP as detailed in the proposed delivery mechanism section of this report.

Proposed Delivery Mechanism

21. The Council wishes to retain one of the Additional Sites and enter into a fixed price Development Agreement with BDC in order to fund and purchase the new MSCP. Entry into a Development Agreement for that Additional Site enables the Council to keep control of the delivery (via BDC) of the car park to a programme that enables the wider delivery objectives and financial benefits of the Cotlands Road site to be realised. This mechanism will give BDC the assurance that the MSCP will be delivered in line with the wider project programme so MSIL can commit circa £5 million into the Cotlands Road Scheme to fund pre-construction activity.
22. The proposed deed of variation will add the Additional Sites in to the BDC Option Agreement referred to in the Member's Agreement Definitions by way of an amendment to the schedule of Sites.
23. The heads of terms for the development agreement for the Additional Site to be utilised for the Council's MSCP remain to be agreed and authority is requested to be delegated in line with Recommendation 3.
24. BDC will sign heads of terms with third party occupiers for the Cotlands Road scheme and progress their planning and detailed design.
25. Upon confirmation of the viability and progression of the Cotlands Road scheme the Council will finalise the terms of the Development Agreement. It is intended that the option on the Additional Site utilised for the Council MSCP will be released and the MSCP constructed in accordance with the Development Agreement.

26. Upon practical completion the Council will own and operate the new MSCP.

Other options;

27. BCP funds and owns the car park but it is operated by a third party. This enables the Council to control the delivery of the car park (through BDC) within a programme that supports the wider delivery objectives of the Cotlands project and Lansdowne Programme. By passing operation and / or management to a specialist third party the Council could generate a rental revenue through lease payments but will lose the ability to control how the car park is managed and optimised as well as car parking charges. Under this option the Council does not need to transfer the site.

28. BCP funds and undertakes a procurement exercise to appoint a Contractor to design and build a MSCP and enters into a separate deed with BDC to provide mutual obligations to deliver a MSCP. This option would put the procurement risks and costs onto BCP, and BDC may not have the comfort required to commit to the £5m expenditure required to undertake the detailed design work on Cotlands Road and would not give BDC control over the comprehensive development programme timescale.

29. Upon inclusion of the Additional Sites in the option agreement, the Council would grant an option (as per the option agreement) and grant a development lease as detailed in the Bournemouth Development Company Delivery Mechanism section in this report. This option would result in increased project costs through the application of SDLT on the land transfer and on any subsequent transfer of the MSCP to the Council (should it want to retain and operate the MSCP itself).

30. A third-party funds the delivery of the car park which could be operated or managed by the Council. This would result in a third party funding the building of the car park in return for a rental income from the Council. This will have an impact upon the Council's revenue account. The Council may have less control of the delivery of the car park which might compromise the wider objectives of the Cotlands masterplan. Under this option the Council will need to transfer the site to a third-party funder and would result in increased costs through the grant of a lease.

31. Do nothing. The asset would continue to operate as a car park. This would impede any comprehensive redevelopment opportunities for Cotlands Road and would not deliver the wider objectives of the Lansdowne Regeneration programme.

Consultation

32. Stakeholder consultation on the Lansdowne Programme has taken place and it has wide support. Councillor engagement has been undertaken in the form of a workshop to inform the Site Development Plan and the detail of the development proposed will be subject to full public consultation through the planning process.

Summary of financial implications

33. The combined existing use land values and the financial implications of including the Additional sites are outlined in the non-public part of this report.
34. By adding the two York Road sites to the BDC Option Agreement, the Council's Corporate Property Officer is of the opinion that this triggers the requirement of Section 123 of the Local Government Act 1972.
35. Under the BDC structure, the Council is entitled to receive the land value for any sites brought forward for development and to share in the development profit. The land value becomes fixed at the point of transfer and is the figure shown in the latest development appraisal at that date. It is calculated by deducting gross development costs and developers profit from the gross development value. This is also known as the residual land value.
36. The Council's Corporate investment strategy outlines the Council's intention to use Public Works Loan Board borrowing to generate financial returns for the Council and where the opportunity has wider economic and regeneration outcomes. It states that new investment could be made for site assembly; opportune purchases; commercial property investment; building new assets to generate a financial return; and building new assets to support service delivery.
37. The purchase price provisionally agreed for the forward purchase of the MSCP development to be constructed on a York Road car park site is £10.6m.
38. The projected figure equates to a construction cost of £20k per car park space. This is comparable with RICS building cost information survey construction data (BCIS) as at January 2019 at £20k per space.
39. BDC will seek tenders for the construction works, on the basis of an agreed specification, in order to demonstrate best value and enter into a fixed-price contract with the successful contractor to construct a new 500 space MSCP. BDC will manage the construction process. The Council will be responsible for the pre-construction costs, which are payable at the date of exchange, and for making stage payments as the construction progresses. Since the car park is being delivered under a development agreement, BDC will not take a developer profit.
40. The Council's total contribution is fixed the risk of cost overruns will fall to BDC.
41. A full breakdown setting out the delivery cost will be prepared once planning permission has been granted, the detailed design is complete and the procurement process to appoint a building contractor is complete. It is anticipated that this will be in the Autumn of 2020.

42. As part of Town Centre Vision and agreeing to develop on Council-owned town centre surface level car parks, the Council acknowledge that during the construction phase of the development, the revenue generated from the car parks in question would cease and car parking would be displaced to other car parks in the locality.
43. In reality the level of car parking income across the Town Centre Car Parks as a whole has been going up year on year despite a number of car parks being closed as people take up space in previously less used car parks. It is anticipated that the car parking revenue received from the closure of York Road Surface level car park will result in an increase in car parking revenue in other car parks in the area including those owned by the Council and third-party operators.
44. It must however be noted that any decrease in the level of the Council's car parking income must be balanced against the value of regenerating the area, a land value which demonstrates "best value" under section 123 of the Local Government Act of 1972 and a 50% share of the profit from the development of the Cotlands Road Scheme.
45. The income projections within the financial model rely on increasing the car park tariffs for this site only. It should be noted that in relation to this site only the proposed pricing strategy would be a change from the current Council pricing policy.
46. It is proposed that the net operating income that can be reasonably and robustly assumed from the new MSCP at York Road will be applied to (a) fund the capital and interest payments required under prudential borrowing to fund the build the York Road MSCP and (b) annual operational expenditure.
47. The scheme has been modelled over a 30-year term at 3.5% using PWLB borrowing and at the end of the term the Council will own the assets with no outstanding loans.
48. The financial model concludes that the scheme will breakeven in year 1 and will have a positive revenue benefit over the 30-year term.
49. By funding this enabling development, the Council will also benefit from BDC profits generated from the development of the Cotlands Road car park.
50. Once purchased, the performance of this asset will be closely monitored to ensure that it continues to meet income and expenditure projections, with necessary corrective action taken as necessary.
51. Although the aim will be long-term asset retention so that the Council benefits from revenue and capital growth, there will be the option going forward of selling the asset to realise a capital receipt to recoup the original investment.
52. In addition to funding this investment the financial risks considered have also include the following factors;
 - Legal parameters within which Prudential Borrowing can be undertaken –The Government retains the power to "cap" any local authority undertaking what they regard as risky borrowing. Any such cap could impact on other programmes and ambitions of the Council. In addition, CIPFA has started a

- review of the prudential code in response to concerns expressed by some commentators regarding increasing property investment activity by Council;
- State Aid implications;
- Availability of capital resources – including Community Infrastructure Levy, and impact assessment of their depletion on the Council;
- Cashflow implications.

53. The non-public part of this report considers the detailed terms for the purchase and the financial business case for proceeding with this redevelopment opportunity.

Summary of legal implications

Disposals of Land

54. Local authorities are permitted to dispose of land pursuant to and in accordance with section 123 of the Local Government Act 1972 (the “LGA 1972”) at a price which is the best that can reasonably be obtained unless Secretary of State consent is obtained to a disposal at an undervalue. This could include the grant of an option over land as is proposed in relation to the Additional Sites by their inclusion in an option agreement entered into between the Council and BDC in 2011 (the “Option Agreement”).
55. The Local Government Act 1972 General Disposal Consent 2003 provides that the consent of the Secretary of State is deemed if the undervalue is less than two million pounds.
56. The General Disposal Consent does not absolve local authorities of their fiduciary duties to their Council tax and business rate payers and so, in making any decision to dispose of valuable assets at an undervalue, the Council must clearly and demonstrably balance those fiduciary duties with the discharge of its other functions, e.g. to secure the promotion or improvement of the economic, social or environmental well-being of its area.
57. In exercising any power (or fulfilling any duty), the Council must act for proper purposes, in good faith and must exercise their powers properly, following proper procedures and acting reasonably, i.e. for proper motives and taking into account all relevant considerations, ignoring irrelevant ones, not acting irrationally and balancing the risks and rewards.
58. Where it is alleged that a Council has failed to comply with its statutory or fiduciary duties or has improperly exercised its power to dispose of land pursuant to section 123 LGA 1972, the remedy would ordinarily be sought by way of judicial review of the Council’s decision. Such a challenge could be brought by anyone with sufficient interest; in this instance any Council tax or business rate payer within the administrative area of the Council. It is conceivable that a challenge could be brought by a party without a local connection, e.g., if the

grounds for challenge were incompatibility with the Council's adopted stance on the climate emergency.

59. By the proposed transaction, a call option is proposed to be granted to BDC over both of the Additional Sites. On exercise of the option by BDC, the Council would be bound to dispose of the Additional Site/(s) by the grant of a 150-year development lease to BDC. Under the proposed arrangement, BDC could choose to call for a 150-year development lease of either or both Additional Sites (subject to satisfaction of the usual conditions precedent which are set out in the Option Agreement); it is understood that BDC intends to exercise the option in respect of only one of the Additional Sites, although it would have the right to exercise the option over both of them. BDC intends to release the other Additional Site from the Option Agreement if / when the Council awards BDC a development agreement for the construction of the MSCP on that released site (and which the Council will therefore retain).
60. The detailed terms will need to set out whether the option over the Additional Sites will be released for any other reason, e.g. if a planning permission for the Cotlands Road and Additional Sites were not obtained by a given date. The terms will also need to address when BDC will become bound contractually to deliver the scheme on Cotlands Road (and the Additional Site leased to BDC), e.g., upon award of the development agreement (since it is proposed that the MSCP will be delivered first). It is recommended that these matters are considered in the negotiation of the detailed terms of the transaction.
61. The evaluation methodology adopted under the Option Agreement is different from that used by the Council to assess the best consideration obtainable in respect of its land which is not subject to the Option Agreement. If the valuation of the Additional Site/(s) calculated as per the Option Agreement (the "Site Lease Value") were lower than their unrestricted open market as at the date of disposal, then it is possible that such Additional Site could be disposed of at an undervalue, for which mitigating steps are referred to in paragraph 68.
62. The Council will not receive an upfront capital receipt for either Additional Site in respect of which the option is exercised by BDC; rather BDC's debt to the Council in a sum equal to the Site Lease Value will be evidenced by a loan note, the repayment terms of which are set out in the Members' Agreement. The loan note instrument converts the Council's contribution of a sum equal to the Site Lease Value to an equity investment in BDC.

State Aid

63. State aid can arise in circumstances where the Council provides an advantage through its resources on a selective basis to any organisation which could give rise to a distortion of trade between Member States of the European Union (EU). For the purpose of this report, the advice is based on the current status of the

laws in relation to State aid and procurement; it is possible that the law may change in those areas during the course of the transaction proposed.

64. If land were disposed of at an undervalue, the undervalue would be at risk of being considered to be an advantage for the purpose of the State aid rules. The question as to whether that disposal at an undervalue could be said to amount to State aid is complex and regard would need to be had to the final financial terms of the proposed arrangement. It might be possible to rely on the de minimis exemption (where any element of State aid does not exceed euros 200,000 over a rolling three-year period), or the market economy operator principle, which would allow the Council to provide any benefit on market terms and acting in the same way as a rational operator in a similar situation and on commercial terms.
65. To avoid State aid in land transactions, local authorities should ensure there is:
- (i) a sufficiently well-publicised, open and unconditional bidding procedure; or
 - (ii) an evaluation of the market price by one or more independent asset valuers of good repute on the basis of generally accepted market indicators and valuation standards.
66. It is not possible to ascertain whether any State aid will arise until the Site Lease Value is assessed. To mitigate the risk, the detailed terms (authority for which is requested to be delegated) could provide that the price paid for the Additional Sites is no less than the best consideration that can reasonably be obtained.
67. Any State aid exceeding the de minimis level may be notifiable to the Commission. If the Commission were to consider that any State aid had been given, then it could require the repayment of State aid by any recipient of it, together with interest; further, there is a risk that a third party could try to establish a claim for damages against BCP.
68. If the delivery of the MSCP by the Council is a planning condition imposed on BDC in connection with the scheme at Cotlands Road, then it is important that further legal advice is sought to ensure that the discharge by the Council of a BDC planning obligation would not be considered to be State aid. It may be sufficient to demonstrate that the value of the retained MSCP exceeds the overall costs to the Council of delivering it and that no advantage is conferred on BDC beyond that which any other commercial operator in the market would have been prepared to provide. In the event that State aid is identified in this regard, then the detailed terms should contain provision to facilitate the removal of any such aid.

Public Contracts Regulations 2015 (the “PCR 2015”)

69. The original procurement and contract documents in connection with the establishment of BDC LLP made provision that sites other than the sixteen sites originally listed in the Option Agreement may be developed by BDC in future. Since the procurement documents make it clear that the main purpose of

the establishment of BDC was to regenerate the Bournemouth area, in particular the town centre, it is likely that the inclusion of the Additional Sites in the Option Agreement would be considered to be within the scope of the advertised opportunity.

Development Delivery Model

70. The delivery model described by the procurement documents is the grant of a development lease to BDC (the “Advertised Approach”); the members’ agreement entered into between the Council and BDC in 2011 (the “Members’ Agreement”) also reflects this structure, providing for the grant of a development lease and so triggering the funding arrangements in relation to the financial commitments from the Council’s joint venture partner, Morgan Sindall Investment Limited (“MSIL”).
71. It is proposed that one of the Additional Sites will be delivered in accordance with the Advertised Approach and that the other Additional Site will be delivered by way of a development agreement whereby the Council retains the ownership of the land and awards a contract to BDC to build the MSCP on it. The option rights granted to BDC by the inclusion of that Additional Site in the Option Agreement will be released by BDC at the same time as the development agreement is entered into.
72. Regulation 72 of the PCR 2015 sets out six circumstances in which a contracting authority can make changes to a contract without running a new procurement (“Permitted Changes”); the only one of those which is relevant here is that set out in Regulation 72(1)(e), i.e. a modification which is not substantial. Modifications will be held to be substantial in the event that any one of the conditions specified in the PCR are met and these conditions include where:
- (i) the modification renders the contract or framework agreement materially different in character from the one initially concluded; or
 - (ii) the modification changes the economic balance of the contract or framework agreement in favour of the contractor in a manner which was not provided for in the original contract or framework agreement.
73. This change from granting a development lease per the Advertised Approach to awarding a development agreement on the Council’s own land is at risk of meeting one of the conditions set out in Regulation 72(8) of the Public Contracts Regulations as it could be considered to materially alter the character of the contract. It is possible that other operators in the market might have been interested in delivery of developments for the Council if the proposal were a straightforward development agreement where the development was funded by the Council, rather than a developer investment model.
74. It is also possible that the award of a development agreement (or a series of development agreements) could alter the economic balance between the parties in that MSIL is not required to take the same degree of development risk as it

would otherwise have done where it takes a development lease of the site as per the current arrangement.

75. Whilst there may be reasons for the Council wishing to harmonise delivery of the MSCP with the remainder of the scheme at Cotlands Road, there will remain a de facto risk of challenge arising out of the Council's award of a development agreement to BDC for a site not currently subject to the Option Agreement, instead of seeking bids for the MSCP works by the issue of an OJEU notice in compliance with the PCR 2015.

Mitigation

76. In order to mitigate the risk of there being held to be a material change in the economic balance of the arrangement in MSIL's favour, the Council intends to amend the Members' Agreement to permit the award of development agreements to BDC but on pre-agreed terms which would seek to replicate the existing risk and reward model and so to preserve the existing economic balance between the parties. The purpose behind this variation would simply be to permit the Council to retain some of the BDC schemes instead of transferring the land to BDC for development and entering into a loan agreement to provide the development funding to BDC, with BDC subsequently selling the completed development back to the Council.
77. This step would assist the Council to demonstrate that the development agreement delivery model is not materially different from the Advertised Approach but it may not succeed in defeating any future challenge by simply effecting this amendment because each new scheme might be considered to have departed from the Advertised Approach and so constitute a new ground for legal challenge.
78. The risk of challenge on grounds of the opportunity being materially different in character from that set out by the Advertised Approach has also been assessed to increase on a sliding scale depending on how many schemes are brought forward in an alternative manner (ranging from a relatively low risk profile if only a small number of schemes are advanced in this way, to a high risk profile if this approach applies to all schemes). To date (and including the Cotlands Road and Additional Sites), it is believed that around 50% of schemes have been delivered in accordance with the Advertised Approach.
79. One possible way to mitigate a risk of challenge can be the issue of a VEAT notice in the Official Journal of the European Union; a VEAT notice is used to shorten the timescales for certain types of claim. Consideration as to the merits of issuing a VEAT notice will be undertaken in line with the authority requested to be delegated in line with Recommendation 3 alongside the consideration of other options.

Consequences

80. If a challenge were brought prior to the development agreement being entered into, the award of the development agreement would be prevented by an automatic suspension. The automatic suspension would usually remain in place until the court had decided whether to order the Council to set aside the contract. A challenger may also issue a claim for damages in order that it can seek compensation the event that the court permits the award of the contract. These types of claim can be brought within 30 days of the date when the challenger knew (or should have known) that it had grounds to challenge the proposed award, but the limitation period can be extended up to three months in some circumstances.
81. If a challenge were brought after the award of the development agreement, then there is a risk that the contract could be declared ineffective. One circumstance where the Court can make a declaration of ineffectiveness is where a contract has not been advertised when it ought to have been; any change to the Advertised Approach which is not a Permitted Change would constitute a contract which would be required to be advertised. Challenges can be brought up to six months from the date when the challenger knew (or should have known) of the grounds to challenge the proposed change to the Advertised Approach. Similar to pre-contract challenges, a challenger may also claim damages within 30 days of the date when it knew (or should have known) that it had grounds to challenge the award (but that period can be extended to up to three months).
82. The detailed terms will need to address what the parties would do in the event of challenge and should clarify the apportionment of any resulting financial liabilities between them.

Best Value

83. Finally, the Council is a Best Value authority with a general duty to obtain best value. This means that the Council must “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness” pursuant to s3 of the Local Government Act 1999.
84. One way in which the Council can comply with those duties is to challenge, compare and compete its delivery arrangements (and, of course, consult on them where appropriate). Whilst the delivery of the Cotlands Road scheme and the MSCP satisfies the requirements of the Town Centre Area Action Plan and the Lansdowne Programme on which consultation has already been undertaken, the Council should also ensure it can demonstrate its consideration and evaluation of the delivery options available and the efficiency and effectiveness of that which is recommended.

Summary of human resources implications

85. BDC has appointed Morgan Sindall Investments as the Development Manager to manage the day to day activity for all town centre developments undertaken by BDC, including the Cotlands Road and York Road schemes.

Summary of environmental impact

87. A key objective of the Corporate Plan is to reduce the town centre's carbon footprint, whilst improving its competitiveness. The scheme presents many opportunities to do this by having more people living in the town centre thereby giving them better access to town centre amenities. This reduces the need for a private car. The location of the Lansdowne with easy access to main town centre retail and leisure attractions, the main Bournemouth transport terminal at the station and regular bus routes make this a very sustainable location. The Environmental impact analysis indicates that this is likely to have a positive impact on the carbon footprint.

Summary of equality implications

88. The Equality Impact Needs Assessment indicates that the TCV provides substantial opportunities to create a positive Equalities Impact, particularly by improving accessibility of the town centre.

Summary of risk assessment

89. The key development risks highlighted in this report for members to be aware of are:-
- Procurement risk inherent in awarding a development agreement to Bournemouth Development Company. The previous advice from Pinsent Mason in relation to this risk is referred to within the legal implications section of this report.
 - Delivery Risk that the York Road MSCP is developed out but the Cotlands Road scheme is stalled or not viable. This risk is mitigated within the legal structure which ensures BDC have undertaken detailed design and viability work secured planning and an anchor tenant for the Cotlands Road scheme before the full scheme expenditure is committed and work on the new MSCP commences, however some pre-construction expenditure would be incurred.
 - Investment Risk including the risk that the development is non-profit making. If BCP own and manage the MSCP it will have control over the cost of delivery and also future management of the MSCP to ensure that it operates at full capacity and ticket pricing and therefore revenue. The delivery of the MSCP is the first phase of enabling development to unlock development of the Cotlands Road car park site for an exciting employment led mixed-use scheme.

- Planning risk: Assuming BCP own and operate the car park this will be shared with BDC who is proposing to enter into a Planning Performance Agreement with the Local Planning Authority.
- Pre-Construction Financing Risk. BDC is responsible for all of the costs to develop the detailed design, secure planning permission, procurement of the building contractor and arranging construction phase finance. BDC raises the necessary finance for the pre-construction phase from Morgan Sindall.
- Construction Financing Risk. If BCP accept the recommended Option 1, BCP will own and manage the MSCP and will provide financing for the construction phase.
- Construction Risk including late completion and cost overruns. BDC will enter into a fixed-price lump sum contract with the building contractor to mitigate the effects of such risk falling into BDC account.

Background papers

BDC Cotlands and York Road SDP – February 2019.

Cabinet Reports

BDC Business Plan – 20 February 2019.

Appendices

Appendix 1 – Exempt Part of the Report

[NOTE: Should Cabinet wish to discuss the contents of Appendix 1 then the meeting will be required to move into exempt session in accordance with Section 100A (4) of the Local Government Act 1972].

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

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