

Notice of Council

Date: Tuesday, 23 February 2021 at 7.00 pm

Venue: Virtual Meeting



Chairman:

Cllr D A Flagg

Vice Chairman:

Cllr L Fear

Cllr H Allen
Cllr L Allison
Cllr M Anderson
Cllr S C Anderson
Cllr M Andrews
Cllr J Bagwell
Cllr S Baron
Cllr S Bartlett
Cllr J Beesley
Cllr D Borthwick
Cllr P Broadhead
Cllr M F Brooke
Cllr N Brooks
Cllr D Brown
Cllr S Bull
Cllr R Burton
Cllr D Butler
Cllr D Butt
Cllr J J Butt
Cllr E Coope
Cllr M Cox
Cllr M Davies
Cllr N Decent
Cllr L Dedman
Cllr B Dion

Cllr B Dove
Cllr B Dunlop
Cllr M Earl
Cllr J Edwards
Cllr L-J Evans
Cllr G Farquhar
Cllr D Farr
Cllr A Filer
Cllr N C Geary
Cllr M Greene
Cllr N Greene
Cllr A Hadley
Cllr M Haines
Cllr P R A Hall
Cllr N Hedges
Cllr P Hilliard
Cllr M Howell
Cllr M Iyengar
Cllr C Johnson
Cllr T Johnson
Cllr A Jones
Cllr J Kelly
Cllr D Kelsey
Cllr R Lawton
Cllr M Le Poidevin

Cllr L Lewis
Cllr R Maidment
Cllr C Matthews
Cllr S McCormack
Cllr D Mellor
Cllr P Miles
Cllr S Moore
Cllr L Northover
Cllr T O'Neill
Cllr S Phillips
Cllr M Phipps
Cllr K Rampton
Cllr Dr F Rice
Cllr C Rigby
Cllr R Rocca
Cllr M Robson
Cllr V Slade
Cllr A M Stribley
Cllr T Trent
Cllr M White
Cllr L Williams
Cllr K Wilson
Vacancy
Vacancy

All Members of the Council 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 view the live stream of this meeting at the following link:
<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?MIId=4287>

If you would like any further information on the items to be considered at the meeting please contact:
Karen Tompkins by email at democratic.services@bcpCouncil.gov.uk

Press enquiries should be directed to the Press Office: by email at 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

15 February 2021



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



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
(susan.zeiss@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 requested to declare any interests on items included in this agenda. Please refer to the workflow on the preceding page for guidance.

Declarations received will be reported at the meeting.

3. Confirmation of Minutes

To confirm and sign as a correct record the minutes of the Meeting held on 5 January 2021.

13 - 32

4. Announcement and Introductions from the Chairman

To receive any announcements from the Chairman.

5. Public Issues

To receive any public questions, statements or petitions submitted in accordance with the Constitution, which is available to view at the following link:

<https://democracy.bcpccouncil.gov.uk/ieListMeetings.aspx?CommitteeID=151&Info=1&bcr=1>

The deadline for the submission of a public question is 4 clear working days before the meeting.

The deadline for the submission of a public statement is midday the working day before the meeting.

The deadline for the submission of a petition is 10 working days before the meeting.

6. Questions from Councillors

The deadline for questions to be submitted to the Monitoring Officer is 15 January 2021.

7. Recommendations from Cabinet and other Committees

Please refer to the recommendations detailed below.

7a Audit and Governance Committee 26 November 2020 - Minute No. 47 - Report of the Constitution Review Working Group - Changes to the Council's Constitution - Procedure Rule 36

The following recommendations were moved and seconded at the Council meeting on 5 January 2021 and in accordance with the Constitution stood adjourned without discussion until this Council meeting.

RECOMMENDED to Council:

Procedure Rule 36

- (A) That Procedure Rule 36 be amended to read “Any motion under Procedure Rule 12 (Motions on Notice), to vary or revoke these Rules shall, when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Council”;
- (B) That Procedure Rule 36 (as amended) be moved from Sub Part C (General Provisions) to Sub Part A (Council Meetings).

7b Cabinet 13 January 2021 - Minute No. 284 - Council Tax Base 2021/22

33 - 40

RECOMMENDED that:-

- (A) The report for the calculation of the council's tax base for the year 2021/22 be approved and the tax base be approved by Full Council; and
- (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 for 2021/22 is 139,170.5, comprising of the following area tax bases: Bournemouth 62,176.7, Christchurch 20,021.9 and Poole 56,971.9.

7c Cabinet 13 January 2021 - Minute No. 286 - Concessionary Fares Bus Operator Reimbursement

41 - 60

RECOMMENDED that:-

- (A) For the current 2020/21 scheme year Council supports the CIMT recommendation to approve the 2020/21 reimbursement of bus based on adjusted pre-Covid levels as urged by Central Government; and
- (B) For 2021/22 the formation of a Recovery Partnership with the bus operators to seek a local solution to bus service provision and funding arrangements to include concessionary fares reimbursement be endorsed.

7d Cabinet 13 January 2021 - Minute No. 287 - Dorset Heathlands Interim Air Quality Strategy

61 - 96

RECOMMENDED that:-

- (A) The interim Dorset Heathlands Interim Air Quality strategy covering the period 2020-2025 is adopted;
- (B) A £562,500 project budget is set aside from Community Infrastructure Levy to implement the strategy over the period 2020-2025;
- (C) An Air Quality Project Co-ordinator is appointed from the project budget to bring forward projects; and
- (D) Any changes resulting from Dorset Council adopting this document are delegated to the Director of Growth and Infrastructure in liaison with the relevant Portfolio Holders.

7e Licensing Committee 4 February 2021 - Minute No. 24 - Taxi and Private Hire Driver, Vehicle and Operator Policies

97 - 212

RECOMMENDED that:

- (A) Having considered the consultation responses and feedback, and amended the draft policies, the final versions of the Hackney Carriage and Private Hire Driver Policy 2021 - 2025, the Hackney Carriage and Private Hire Vehicle Policy 2021 – 2025, and the Private Hire Operator Policy 2021 – 2025, be approved for adoption by Full Council.
- (B) Part II of the Local Government (Miscellaneous Provisions) Act 1976 be adopted by Full Council to enable the creation of a single Private Hire ‘relevant area’ for BCP Council.

Attached with the agenda are the policies as amended by the Licensing Committee.

7f Cabinet 10 February 2021 - Minute No. 296 - Quarter 3 Budget Monitoring 2020-21

213 - 258

RECOMMENDED that Council:-

- (A) Approve the transfer of £13.3 million to earmarked financial resilience reserves for transformation, Covid-19, and MTFP mitigation as set out in paragraph 11; and
- (B) Approve the capital virement as set out in paragraph 110.

7g Cabinet 10 February 2021 - Minute No. 300 - Wessex Fields - Proposed Land Disposal

259 - 278

RECOMMENDED that Council:-

- (A) agree to dispose of approximately 5.65 acres of land at Wessex Fields, as outlined in blue on the attached plan in Appendix 1, to University Hospitals Dorset NHS Foundation Trust for the purchase price detailed in the confidential appendix to this

report;

- (B) agrees to construct the new access road (including junctions) into the site shown on the attached plans in Appendix 3 and 4;
- (C) delegates authority to the Corporate Property Officer in consultation with the Portfolio holder, Monitoring Officer and Section 151 Officer to finalise the detailed terms of the disposal;
- (D) amend the 2021/22 Capital programme to include an allocation as detailed in the confidential appendix to fund the road/junction works to enable the development of this land.

7h Cabinet 10 February 2021 - Minute No. 301 - Dedicated Schools Grant (DSG) Schools and Early Years Formulae 2021/22

279 - 296

RECOMMENDED that:-

- (A) The early years funding formula as set out in Table 2 of paragraph 31 be approved;
- (B) The mainstream school's funding formula set out in Table 6 of Appendix 2 allowing for a £1.1 million (0.5%) transfer of Schools Block funding to support High Needs be approved;
- (C) The local formula to adopt the National Funding Formula (NFF) funding values and mechanisms as set out in the report be agreed;
- (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 Portfolio Holder for Covid Resilience, Schools and Skills, taking into account the methodology recommended by the School's Forum in Table 8 of Appendix 3; and
- (E) The Minimum Funding Guarantee for specialist providers is set at 0 per cent to allow maximum budget flexibility.

7i Cabinet 10 February 2021 - Minute No. 303 - Housing Revenue Account (HRA) Budget Setting 2021 to 2022

297 - 354

RECOMMENDED that:-

- (a) That revenue budgets for 2021/22 and provisionally for 2022/23 and 2023/24 are set using the following principles:
 - (i) That dwelling rents are increased by 1.5% (CPI for September 2020 + 1%) from 5 April 2021 in line with the Ministry of Housing, Communities and Local Government (MHCLG) Policy statement on rents for social housing published in February 2019.

- (ii) That dwelling rents are moved to formula rent when a property is re-let following a vacancy.
 - (iii) That garage rental charges are increased by 2% from the 5 April 2021 across both neighbourhoods. That rental charges for garage bases and parking plots in the Bournemouth neighbourhood also increase by 2% from 5 April 2021.
 - (iv) That the garages owned by the HRA at Anchor Close, Bearwood are transferred to the General Fund.
 - (v) That leasehold services are charged to leaseholders in line with actual costs incurred.
 - (vi) That the changes to service charges are agreed as set out in appendix 2.
 - (vii) That the budgeted bad debt charge is maintained at £188,000 in the Bournemouth neighbourhood and £197,000 in the Poole neighbourhood.
 - (viii) That the depreciation budget is set at £6.878m for the Bournemouth neighbourhood and £4.665m for the Poole neighbourhood.
 - (ix) That HRA reserves should be maintained at a minimum level of 5% of total expenditure in line with good practice. This equates to £976,250 for the Bournemouth neighbourhood and £769,900 for the Poole neighbourhood for 2021/22, totalling £1.746m
- (b) That capital budgets for 2021/22 and provisionally for 2022/23 and 2023/24 are set using the following principles:
- (i) That the planned maintenance programme as set out in Appendix 5 is agreed.
 - (ii) That the major project capital programme as set out in Appendix 6 is agreed.
 - (iii) That funding totalling £6.824 million is carried forward from the 2020/21 Bournemouth neighbourhood capital programme and that funding totalling £4.955 million is carried forward from the 2020/21 Poole neighbourhood capital programme to reflect where expenditure on major projects has commenced but these projects have not yet been completed.
- (c) That the Delivery Plans for each neighbourhood to support the key principles for the HRA and the Council's Corporate Strategy are agreed as set out in appendices 7 and 8.

RECOMMENDED that Council:-

- (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 £241.1 million, resulting in a total council tax requirement of £214.5 million, is set for 2021/22 based on the settlement figures published by government in December 2020. This is based upon:
 - (i) an increase in council tax in 2021/22 which means that the total BCP unitary charge will increase by 1.55% when applied to the average charge for 2020/21. Individual resident charges can be summarised as;
 1. Bournemouth's council tax charge being an increase of 0.76% over that levied in 2020/21.
 2. Christchurch's council tax charge being frozen compared to that levied in 2020/21.
 3. Poole's council tax charge being an increase of 2.99% over that levied in 2020/21.
 4. These increases can be compared to the 4.99% maximum permitted increase for 2021/22 and recognises that the government continue to promote council tax increases via the social care precept as a funding mechanism for social care.
 - (ii) the key assumptions and provisions made in the budget as proposed, set out in paragraph 35 to 56;
 - (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 154 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 155 to 173 and Appendix 3 to this report;
 - (vi) treasury management strategy (TMS) and prudential indicators as set out in paragraphs 174 to 183 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 185 to 186 and Appendix 7;

- (b) approve a £7.2 million gross investment in the council's corporate priorities (£6.2 million net) in 2021/22 which is an increase of £4.8 million compared to the 2020/21 budget;
- (c) approve the flexible use of capital receipts strategy to deliver significant resources towards the BCP Council transformation programme as set out in paragraphs 57 to 67;
- (d) approve the fundamental refinancing of the capital programme and the move to borrowing as a means of financing previously approved programmes of the council as discussed in paragraphs 150 to 154;
- (e) approve the establishment of a £50 million futures fund to support key infrastructure developments as set out in paragraph 97;
- (f) approve the investment of £10 million in special educational needs and disability (SEND) capital expenditure to support the Council in addressing the year on year deficits in the high needs block of the dedicated schools grant as set out in paragraph 110;
- (g) note that it has been agreed, due to unforeseen circumstances, that neither the Council nor Homes England will be taking forward the provision of the grant award relating to the Turlin Moor housing site at this time. This will result in the loss of £3.838m grant funding for the scheme as set out in paragraph 139;
- (h) approve the revised funding strategy for the Council's current approved Capital budget of £420,000 to support delivery of the Turlin Moor project as set out in Appendix 4a, as follows:
 - (i) £138,000 which was originally to be funded from the Homes England Grant monies for professional work required to inform the land remediation requirements will now be met from Section 106 monies collected to deliver affordable housing
 - (ii) £168,000 from further Section 106 monies collected to deliver affordable housing
 - (iii) £114,000 as an allocation from 2018/2019 in-year capital underspend

- (i) 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, and chartered trustees once these have been determined prior to the Council meeting on the 23 February 2021.

Note – in respect of recommendation (i) above the schedule setting out the rate of council tax for each category of dwelling after taking account of the precepts to be levied by the local police and fire authorities, neighbourhood, town and parish councils, and charter trustees once these have been determined is circulated with the agenda.

8. Appointment to the Lower Central Gardens Trust Board

The Council is advised that the Poole People and All Group do not wish to take up the seat allocated to the Group, in accordance with the political balance of the Council, on the Lower Central Gardens Trust Board. The Council is asked to consider the allocation of the seat.

The allocation of the seat to an alternative political group or unaligned member will therefore not be in accordance with the political balance and will require no decent from Council.

9. Notice of Motions in accordance with Procedure Rule 12

The following motion submitted in accordance with Procedure Rule 12 of the Meeting Procedure Rules has been proposed by Councillor Chris Matthews and seconded by Councillor Millie Earl:-

The Council notes:

The pandemic has opened all our eyes to the importance of carers, whether employed in the care sector or the 6.5 million unpaid people who care for a family member or friend who is elderly or has a disability, or a mental or physical illness.

Despite this, the Government has overlooked these key workers and have failed to offer adequate support, and unpaid carers in particular have been left to face mounting financial and emotional pressures.

The Council further notes:

Carers in BCP face major financial and emotional challenges every single day; challenges that have been made even harder by the pandemic. Most are having to spend more time looking after loved ones; most haven't been able to take a single break since it started; and most are simply exhausted.

In response to the pandemic, the Government increased the Universal

Credit standard allowance and the Working Tax Credit basic element by £20 a week, but it has not increased Carer's Allowance. At just £67.25 a week, Carer's Allowance is the lowest benefit of its kind.

Many carers are unaware of their entitlement to Carer's Allowance, a carers assessment or break, and the support services available. The latest government figures show that 6,261 unpaid carers in BCP are entitled to receive Carer's Allowance, although only 4,103 currently do, leaving 2,158 carers with little or no support.

Carers UK research shows that unpaid carers in the UK have saved the state £530 million every day of the pandemic but many are struggling to make ends meet, often relying on foodbanks to feed themselves and the people they care for. It is time to give carers the support they deserve.

1) Consequently, Council resolves:

- a) That the Portfolio Holder for Adults and Lead Member for Engagement bring forward a report to Health and Adult Social Care Overview and Scrutiny Committee, to:
 - i) highlight the work and voluntary efforts of carers across the conurbation;
 - ii) identify what is being done, and what can be done to support carers in Bournemouth, Christchurch & Poole including those who are not in receipt Carer's Allowance.
- b) To promote Young Carers Action Day which is on 16 March widely on an annual basis, particularly to young carers and their families; as well as promote Carers Week in June and Carers Rights Day on November 26 annually.

2) Council calls on the Leader of the Council to:

- a) Write to the Chancellor of the Exchequer and the Secretary of State for Work and Pensions, and copy in local MPs, urging them to:
 - i) immediately increase Carer's Allowance by £1,000 a year, from its current rate of £67.25 a week to £87.25, in line with the £20 a week uplift in Universal Credit, including those who do not receive the Allowance due to overlapping benefits and with equivalent increase in Carer Premium and Carer Addition, and;
 - ii) expand the eligibility for Carer's Allowance, by raising the earning limit from £128 a week to at least £139.52.

The above motion has been signed by the BCP Liberal Democrat Group: Cllrs Marcus Andrews, Michael Brooke, David Brown, Richard Burton, Mike Cox, Toby Johnson, Marion Le Poidevin, Rachel Maidment, Sandra Moore, Mark Robson, Vikki Slade and Tony Trent

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BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
COUNCIL

Minutes of the Meeting held on 05 January 2021 at 7.00 pm

Present:-

Cllr D A Flagg – Chairman

Cllr L Fear – Vice-Chairman

Present: Cllr H Allen, Cllr L Allison, Cllr M Anderson, Cllr S C Anderson, Cllr M Andrews, Cllr J Bagwell, Cllr S Baron, Cllr S Bartlett, Cllr J Beesley, Cllr D Borthwick, Cllr P Broadhead, Cllr M F Brooke, Cllr N Brooks, Cllr D Brown, Cllr S Bull, Cllr R Burton, Cllr D Butler, Cllr D Butt, Cllr J J Butt, Cllr E Coope, Cllr M Cox, Cllr M Davies, Cllr N Decent, Cllr L Dedman, Cllr B Dion, Cllr B Dove, Cllr B Dunlop, Cllr M Earl, Cllr J Edwards, Cllr L-J Evans, Cllr G Farquhar, Cllr D Farr, Cllr A Filer, Cllr N C Geary, Cllr M Greene, Cllr N Greene, Cllr A Hadley, Cllr M Haines, Cllr P R A Hall, Cllr N Hedges, Cllr P Hilliard, Cllr M Howell, Cllr M Iyengar, Cllr C Johnson, Cllr T Johnson, Cllr A Jones, Cllr J Kelly, Cllr D Kelsey, Cllr R Lawton, Cllr M Le Poidevin, Cllr L Lewis, Cllr R Maidment, Cllr C Matthews, Cllr S McCormack, Cllr D Mellor, Cllr P Miles, Cllr S Moore, Cllr L Northover, Cllr T O'Neill, Cllr S Phillips, Cllr M Phipps, Cllr K Rampton, Cllr Dr F Rice, Cllr C Rigby, Cllr R Rocca, Cllr M Robson, Cllr V Slade, Cllr A M Stribley, Cllr T Trent, Cllr M White, Cllr L Williams and Cllr K Wilson

60. Apologies

Before starting the business on the agenda, the Chairman made a statement reminding Councillors of the procedures and expected behaviours at Council meetings.

No apologies were received for this meeting.

61. Declarations of Interests

The following declarations were made:-

- Councillor Mike Brooke declared a local interest in respect of item 7(a) (e) Recommendations from the Audit and Governance Committee 26 November 2020 as he was the Vice-Chairman of the Broadstone Neighbourhood Forum.
- Councillor Jackie Edwards declared an interest in respect of item 7(f) - Cabinet 16 December 2020 - Minute No. 271 - Bournemouth Christchurch and Poole Parking Standards Supplementary Planning Document as a family member who works for BCP Council prepared the report on this issue.

62. Confirmation of Minutes

With the permission of the Chairman Councillor Mark Anderson reported that he had written to the Right Honourable George Eustice, Secretary of

State for Environment, Food and Rural Affairs asking his department to accelerate research into alternatives to control TB in cattle following consideration of the motion on the Badger Cull at the Council on 8 December 2020.

The Minutes of the Ordinary Council meeting on 24 November 2020 and the adjourned meeting held on 8 December 2020 were confirmed.

63. Announcement and Introductions from the Chairman

The Chairman reported on the arrangements for the Covid-19 Member Briefing Session. He explained that the all Member briefing session on Covid-19 would now be held on 7 January 2021. Members had already received an invite for a briefing on the emerging new BCP Homelessness and Rough Sleeping Strategy and this would be dealt with from 5-6 pm followed by an update from 6-7pm on Covid-19. The Chairman reported that an updated invite would be circulated to all Councillors for the session covering both these topics.

64. Public Issues

The Chairman reported as follows:

A – Public Questions

In accordance with the Constitution the following public questions had been published on the website and a link circulated to all Councillors. Responses to these questions had also been published on the Council's website:

- Ben Smith – Pokesdown Station
- Chris Henderson - Dorset Pension Fund and fossil fuels
- Patrick Canavan – Freeport
- Pete Roberts – Transforming Travel
- Chrissie Morris Brady – Sewage and nitrates in Poole Harbour

B – Statements

There were no statements submitted for this Council meeting.

C – Petitions

There were no petitions submitted for this Council meeting.

65. Questions from Councillors

Question from Councillor L-J Evans

When Cabinet considered the Climate Action Report there was no mention of the Economic Impact Assessment and the Environmental Impact Assessment for the 2019 Bournemouth Air Festival. Why wasn't this included and a question added to the Public Consultation as to whether or not our residents want it to continue.

Response from Cllr Mike Greene, Cabinet Member for Transport and Sustainability

The paper considered by Cabinet was about reinforcing this Council's twin objectives to make its own activities Carbon-neutral by 2030 and to help ensure the whole BCP Area is Carbon-neutral by 2050 at the latest. As such it would not contain Economic or Environmental Impact Assessments of individual events. Nor were any asked for during the extensive discussions about the paper held by the Overview and Scrutiny Board.

The paper also explains how Carbon emissions are grouped into three classes or "Scopes". Those associated with the Air Festival are mostly contained within Scope 3, which we expect to be studied in future years.

The Bournemouth Air Festival is enjoyed by more than a million people over four days and has brought £30 million of business annually to BCP.

In light of what has happened during COVID, I believe it would be misleading to include a question which suggests we would consider removing our local tourism industry's star attraction at this time.

As a supplementary question Councillor Evans asked the Portfolio Holder why the public was not allowed to give their views on this issue. Councillor Greene reported that of course the public were able to have an opinion on this. He explained the difference in approach taken by the current administration in the fight against climate change by taking residents with them.

Question from Councillor Mark Howell

Extensive consultation by ward councillors regarding the active travel measures introduced in Poole Old Town over the summer has revealed that one of the major concerns of local businesses is the poor cleanliness levels and safety issues associated with local multi-storey car parks, particularly Quay Visitors. Customers have expressed their concerns about these issues and said that they would deter them from returning to the area. A senior council officer has confirmed that council employees responsible for maintaining and cleaning the car parks feel unsafe when carrying out their duties due to the presence of people using the car parks to sleep, take drugs or carry on other activities that are not appropriate for a car park. Do the community safety and transport portfolio holders accept that these concerns are valid and what do they propose to do to upgrade the Quay Visitors and Hill Street car parks to a standard appropriate for a premium tourist area, which I hope they agree Poole Old Town should be marketed as by the Council.

Response from Councillor May Haines, Portfolio Holder for Community Safety

The Council is aware that homeless people do use the MSCPs for shelter and use it as an opportunity for the outreach services to be able to engage with the homeless, assess all their needs including health, and try to find permanent solutions moving them into housing rather than to keep treating the symptom. This approach continues with closer partnership working.

The Civil Enforcement Officers (CEOs) undertake morning inspections of all Poole MSCPs and ask any rough sleepers still in situ to collect their

belongings and leave the car parks, any that become abusive or refuse to move are reported to the police. We have worked with the police for many years and find them supportive but appreciate that their response times will depend on the number of available officers, and higher priority incidents.

Patrols are then undertaken during the day to try and deter and remove persons begging in the car parks and any other groups causing a nuisance or anti-social behaviour reporting instances to the car park control room who log each reported occurrence and report to the police as required.

Although all activities undertaken by the enforcement team have been risk assessed by trained competent members of the supervisory team it should be acknowledged that dealing with these types of situations and behaviour can impact on our own staff's mental health and wellbeing and we as an employer have a responsibility, in addition to the support services available, to provide training to give them the skills to undertake their duties safely as detailed below.

- Ongoing - all staff undertake conflict management training, providing them with the skills they need to recognise the early signs of aggression, how to defuse the situation and consider their own health and safety.
- 2014 EDAS Essential Drugs and Alcohol Services facilitate drug awareness training for all CEOs.
- 2016 All Poole CEOs undertake Emergency First Aid course.
- 2017 Whilst responding to a report of anti-social behaviour in Quay Visitors MSCP a member of the supervisor team discovered one of the known drug users unresponsive in the stairwell called an ambulance and continued to perform CPR until the first responders arrived saving the person's life.
- 2019 As drug use and homeless people can often have complicated conditions that impact on their mental health, all Poole CEOs attend a one day course facilitated by the NHS on Mental Health awareness, to help them understand some of the behaviours and needs of the people they encounter in the car parks.
- 2019 Supervisors and Engineers have been trained and equipped to deal with the removal of sharps and their disposal.
- 2020 Introduction of body worn CCTV cameras to deter aggressive behaviour towards lone workers and record evidence for use in potential prosecutions.

Parking Services understand that homelessness and antisocial behaviour are complicated issues, affecting many areas of the community and as such have always sought to develop partnerships with internal colleagues such as Safer Communities, Street Scene, Social Services and external organisations such as the Police, Dolphin Centre, St Mungo's outreach workers and the NHS, that has led to joint operations and initiatives as detailed below.

- 2007 Parking Services introduce a new procedure for the removal of goods from car parks to allow us to legally remove belongings left by homeless sleepers using TORT law specifically, the Interference

With Goods Act 1977 Section 12 enabling us to keep fire exits and stairwells clear and improving the appearance of the car park.

- 2015 Worked with Safer Communities team undertaking joint visits to issue warning letters to persons repeatedly not complying with requests.
- 2015 Meeting with the Dolphin Centre management to develop a more productive and supportive response to each other's common issues.
- 2017 Operation Doorway a joint operation involving Dorset Police, the immigration Service, Safer Communities and Parking Services.
- 2017 Following on from a case meeting we met with St Mungo's outreach team to discuss car park issues and how they might be able to assist.
- 2018 **MASH** (BCP Multi Agency Safeguarding Hub) approached Parking Services to assist with locating vulnerable people including a pregnant heroin addict known to sometimes be a rough sleeper in our car parks whose baby was due and had gone missing.
- 2020 Agreement with Legal and general to allow their cleaning and security to assist in Shoppers 1&2 and Dolphin car park stairwells.
- 2020 Community Safety Accreditation Scheme has been introduced in Poole. Parking Services have been working with them to address issue of begging and antisocial behaviour including drug abuse in MSCP.

The car park cleansing team are employed and managed by Environmental Services to date we have not had any reports of concerns raised for their staff's safety and would expect ES to have risk assessed their teams duties.

To make the car parks inaccessible to pedestrians and vehicles overnight could be achieved but would cost a significant amount to install and maintain. With regard to future large-scale decisions regarding the physical nature of the Car Parks, it would be expected that these decisions would come out of strategic workstreams as part of Poole Town Centre Generation work and take account of all needs relating to them.

We are committed as a Council to creating a cleaner area that we are proud of.

Councillor Howell indicated that he was surprised that the Council was using the MSCPs as a holding area for rough sleepers. He referred to the comment that Cllr Haines had made that improving and securing the car parks was expensive and asked if the detail of the analysis and the costs could be released to Councillors so they could make their own judgement. Councillor Haines emphasised that the comment that car parks were being used as holding areas for rough sleepers was incorrect, but it was known that rough sleepers used multistorey car parks. The Portfolio Holder confirmed that she would work with officers to obtain the information requested on the costs and analysis of improving car parks and circulated to all Councillors. (Note this information has now been circulated to all Councillors).

Question from Councillor George Farquhar

What time frame should any Member expect to receive a reply (or acknowledgment) to a question made of Cabinet Plus Executive members in their Portfolio roles?

Response from Councillor Drew Mellor, Leader of the Council

There are many different ways replies can be given to correspondence, so I don't think it is for me to prescribe a timeframe. Respectful due consideration should however certainly be given to all correspondence.

Councillor Farquhar asked what would be determined as respectful time to respond and referred to a response provided by the previous Leader and the expectation of swift responses. Councillor Mellor referred to his above response.

Question from Councillor Andy Hadley

BCP Council has expressed a desire and an intent to be a "Smart place, creating digital solutions to improve the lives of our residents, the vibrancy of our communities and the prospects of our local businesses".

I understand that our traffic-light partner holds huge volumes of data about how our junctions are being used, and this should provide accurate and historic flows of traffic across their sensors, including traffic volumes, red light jumping, pedestrian requests to cross, and perhaps even the instances of pedestrians giving up and crossing in gaps. Reliably for detecting bikes is I understand more difficult, and the manual traffic counts are infrequent and costly.

Given the impact of Covid-19 on travel, it seems inappropriate to continue to use historic models that may now prove just history if our working and living mobility is permanently changed. Can the relevant portfolio-holder(s) please advise:

- a) Rather than relying on historic traffic modelling, how we can maximise use of this rich source of information to monitor and predict traffic flows?
- b) Is this information being routinely collated with Air Quality, health indicators and other available datasets, and mapped?
- c) How can we ensure that the existing and innovative Smart Place information is presented and available for public access, both to assure transparency, and to encourage innovation and analysis by schools, university students, interested members of the public and businesses?

Response from Councillor Mike Greene, Portfolio Holder for Transport and Sustainability

The Covid crisis, with intermittent lockdowns and changing work patterns, has inevitably meant traffic flow on the BCP network has not been following normal patterns. At times it has been up to 70% lower than usual although in the period before Christmas traffic volumes increased to close to pre-Covid levels in some areas. This wide range backs up my personal belief

that it is too early to jump to conclusions about how dramatic any permanent shift to lower traffic demand will be.

Much data does indeed exist through automatic onsite monitoring using fixed and mobile traffic counters, but as Cllr Hadley suggests, this can be supplemented. For example, bluetooth technology has been installed on some traffic signals and this can be used to measure journey times. Connected urban traffic control systems also enable the routine collection of traffic flow data and our significant CCTV network can monitor traffic conditions. Congestion data is available through Google mapping and other sources, and this data can be analysed both live and retrospectively using various proprietary software tools. MOVA and SCOOT traffic signal technologies are also used to collect live traffic flow data and automatically adjust and optimise traffic flows at many of our busy traffic junctions on a continuous basis.

Additionally, the Council is currently involved in a data trial with our private sector partner, Vivacity as part of a DfT funded national trial. Sensors are currently placed on Castle Lane East between Cooper Dean and Iford Roundabout, plus two sites on Castle Lane West near the East Way junction. Artificial Intelligence algorithms can interrogate this data in real time and use it to predict increased congestion and adjust signal timings to prevent or mitigate congestion before it arises. Evidence suggests that in practice this means that network capacity could be increased by as much as 20%.

The Council collects Air Quality data from a network of dispersion tubes across the BCP area, and these are monitored carefully. In most cases the locations have been chosen to correlate with areas of high volume traffic so I expect that overlaying is routine. However, I have not yet been able to determine how rigorously these datasets are correlated with specific traffic datasets. Once I have this information, I will share it with Cllr Hadley. As Cllr Hadley is aware, investigation is ongoing into the use of other sensors too.

The Council is just starting to develop its Smart Place programme and the current focus is primarily on building minor 5G and gigabit fibre networks with very little data being gathered to date. This will change significantly as the programme is developed and grows, increasing the need to manage data carefully. This means striking the right balance: sharing data with the public and third parties for wider benefit and innovation, whilst ensuring individuals' and infrastructure data is protected from any hostile threats. The Council is now working closely with the Centre for Protection of National Infrastructure and the British Standards Institution to develop a comprehensive Smart Place data governance framework that aims to get this balance right. By working with these agencies, it is hoped that our Smart Place data governance framework will become a blueprint for councils across the country.

It is also important to emphasise that whilst making the most efficient use of the current road network information-gathering assets, changing patterns of working and behaviour present real opportunities for lifestyle alterations. The Council is working hard to deliver further unprecedented improvements

to sustainable travel facilities and the congestion, environmental and health benefits that those modes can help bring.

Councillor Hadley referred to the access to relevant data and asked for a commitment to make data available to the public. Councillor Mike Greene indicated that he partially shared that view but emphasised that there was a balance on freeing up data and data protection and that the Council was working with the relevant agencies on this issue.

Question from Councillor Lisa Lewis

In addition to the £50K planned to be spent on the initial bid, what are the total upfront costs of preparing our local area for freeport status expected to be?

Response from Councillor Philip Broadhead, Portfolio Holder for Regeneration, Economy and Strategic Planning and Deputy Leader of the Council

At this stage, the only additional costs are to pay for Cushman and Wakefield to develop and submit our proposal into Government's process. Everything else is being covered as Business as Usual. The Council is pleased to provide this initial seed funding to enable the development of our proposal.

This stage is the first gateway only. If our proposal is successful in getting through this gateway, further work will be required to move through future gateways in the process which will include developing an outline business case (as outlined in the Government's guidance). There will be costs associated with this however these have not yet been detailed, as it is dependent on reaching the next stage. We are working in partnership with several organisations and would expect that any preparatory costs would be shared between us.

Councillor Lewis asked if preparations for freeport status would require substantial additional investment in infrastructure such as roads including

refurbishment and expansion, security measures and a more substantial business case study after the initial bid. The Portfolio Holder reported that currently the Council was in the expression of interest stage. He reported at the O&S Board that the Council would be putting forward a bid for a smart freeport and would be looking at digital infrastructure rather than physical infrastructure. Councillors were advised that if the Council was successful the Government was likely to issue further funding.

Question from Councillor Lewis Allison

Do you have any initial projections for how much net economic gain or the number of jobs the freeport will bring to the local economy?

Response from Councillor Philip Broadhead, Portfolio Holder for Regeneration, Economy and Strategic Planning and Deputy Leader of the Council

The full proposal for a BCP Freeport is currently in development, so this detail is not currently available. The first step, and the one we are

considering at this stage at Cabinet, is for us to put forward an Expression of Interest, with a detailed business case to follow if we are successful in the first round.

Cushman and Wakefield, who are preparing our bid along with our key partners, will be describing the key target sectors and estimating the employment impacts (accepting that net additionality is based on assumptions) as part of that proposal.

Question from Councillor George Farquhar

Access Dorset estimates there are 80,000 residents of BCP with accessibility needs.

South Western Railway as the Train Operating Company has identified they had miscalculated the budget for the installation and commissioning of two passenger lifts at Pokesdown for Boscombe Station in the Ward I represent.

This is a shortfall of approximately 50% of the actual Contractual requirement in the Franchise Agreement circa £1.6million.

SWR are in an Emergency Measures Agreement which will conclude on the 31st March 2021. At that time SWR will no longer exist in their present form.

Instead it is anticipated the Government will go to a Direct Award agreement and the £1.6m in SWR budget will be lost.

Being aware of this risk, SWR have approached the Council to price match their budget shortfall to submit to the Department For Transport in an effort to secure agreement to install the lifts using the budget they have but cannot unlock due to the EMA.

What documented efforts has the Portfolio Holder taken to secure such funding from the Council or elsewhere?

Response from Councillor Mike Greene, Portfolio Holder for Transport and Sustainability

Following a long campaign led by Cllr Andy Jones, Ben Smith, who submitted a public question to this Council meeting and the Pokesdown Community Forum, I was delighted to have been part of ensuring a commitment to introduce lifts at Pokesdown Station was included within the franchise agreement which SWR won.

Both in my time as the responsible portfolio holder at Bournemouth Borough Council and in my short time holding that role within BCP Council, I have urged SWR to honour the commitment they made. It was their responsibility to provide the lifts by 2019 and, in my opinion, it is quite disgraceful that they won the franchise on that basis but have tried repeatedly to walk away from it.

Cllr Farquhar was at the same meeting as I was on November 19th when I first heard SWR's suggestion that £1.6 million which they had allocated to the project might be "lost" if not spent before the Emergency Measures Agreement (EMA) comes to an end. For SWR, or indeed the Member asking this question, to believe the Council would be able to find an equal

or greater amount to top-up SWR's funds could at best be considered naive. A more cynical observer might even see it as a diversionary tactic to push the problem back to a time when SWR are no longer the Train Operating Company. At that same meeting SWR confirmed too that the EMA means any diversion of the allocated £1.6m to any other project would be subject to consent by DfT, which would have only limited likelihood of success. The consensus emerging from that meeting was that SWR should look to provide at least one of the two lifts in the hope that the second could be provided at a later date.

I will continue to press SWR to honour their commitment to provide the lifts at Pokesdown Station and believe that obligation should be carried over to whichever Department or business takes on the Train Operating Company role after the EMA comes to an end.

At the same time, discussions are continuing with DfT, aided particularly by the Member of Parliament for Bournemouth East.

Councillor Farquhar asked as a supplementary question what documented efforts had the Portfolio Holder taken to secure funding from the Council or elsewhere – indicating the he would exercise his right under Article 2 paragraph 5.1 of the Constitution to access documents to discharge his function as a Councillor. Councillor Greene referred to his response and reported that there were various discussions going on with SWR and Councillor Farquhar had been present for some of them. The most important point was to note that any discussions needed to involve not just SWR but the Department for Transport as well and that negotiations were likely to be both difficult and nuanced and that was the correct way of going about it including involving the MP.

Question from Councillor Lewis Allison

What is the expected impact on BCP Council income, especially with regards to collecting local business rates?

Response from Councillor Philip Broadhead, Portfolio Holder for Regeneration, Economy and Strategic Planning and Deputy Leader of the Council

The full impact on the council income is still to be established and would be part of the development of an outline business case, if our proposal makes it through the first gateway. However, one of the potential incentives for businesses in a Freeport Area is 100% Business Rate relief on certain sites for 5 years. The Government guidance as part of the application process says that Local Authorities will be compensated for this by Government. So, businesses would benefit, but locally we would not lose out financially.

Furthermore, there is the possibility for local retention of Business Rates, half of which is currently passported through to national government. This would of course be reinvested locally.

Finally, any increase in economic development in a local authority area naturally generates income to help provide services. The better the local economy, the more taxes (including council tax etc) are collected.

The freeport bid is one of many examples we are currently working on to inject positivity, opportunity and growth into the various parts of our local economy. If we are to bounce back from the COVID crisis, we should do more than just bounce back to the same position. We should use all the opportunities we can to leapfrog our area into an even better position.

Councillor Broadhead, in response to a question on when full details would be available, reported that if successful following the first stage that the next stage would be to progress to the full business case and he would be looking for as much support as possible to inject the detail into the project.

66. Recommendations from Cabinet and other Committees

7a – Audit and Governance Committee 26 November 2020 - Minute No. 47 - Report of the Constitution Review Working Group - Changes to the Council's Constitution

The Chairman of the Audit and Governance Committee, Councillor Beesley presented the recommendations relating to the report of the Constitution Review Working Group and proposed changes to the Council's Constitution from the Audit and Governance Committee.

He moved the following recommendations which were seconded by Councillor Williams.

Procedure Rule 36

(a) That Procedure Rule 36 be amended to read “Any motion under Procedure Rule 12 (Motions on Notice), to vary or revoke these Rules shall, when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Council”;

(b) That Procedure Rule 36 (as amended) be moved from Sub Part C (General Provisions) to Sub Part A (Council Meetings).

Councillor Beesley explained that in accordance with the Constitution the above recommendations would stand adjourned without debate until the next meeting of the Council on 23 February 2021.

Councillor Beesley reported on the revised wording for recommendation (e) which should read as follows which had been circulated to all Councillors:

Neighbourhood Forum Call-in of Planning applications

(e) That the power to call-in planning applications to Committee should not be extended to Neighbourhood Forums.

Councillor Beesley moved recommendations (c)-(m) as detailed on the agenda including revised (e) detailed above which were seconded by Councillor Williams.

Councillor Phipps referred to the following recommendation.

Planning Committee Structure

(j) That the current structure of the BCP Council Planning Committee system remain unchanged.

She reported that the recommendation had not been unanimously agreed at the Audit and Governance Committee and therefore the issue merits a fuller investigation to ascertain the best option. Councillor Phipps indicated that one Planning Committee was unsatisfactory and outlined the approach taken by other local authorities.

Councillor Phipps moved the following amendment to (j) above which was seconded by Councillor Le Poidevin.

That the current structure of the BCP Council Planning Committee system remain unchanged for the remainder of the 2020/21 Municipal Year, but, the Council instructs officers to conduct a full study into the feasibility and benefits of establishing three separate Area Planning Committees for Bournemouth, Christchurch and Poole and one Strategic Planning Committee for the whole conurbation, from the municipal year 2021/22. Officers should produce an in-depth objective written report as soon as possible on this potential restructure for consideration by a working party of the Audit and Governance Committee.

Councillors considered the above amendment and made various comments including on the current arrangements whereby Planning Officers were working in three teams for each area, previous discussions on the structure of the Planning Committee, local knowledge and the size of the Committee, that the existing arrangements were working and 3 separate committees would be costly and cumbersome, the option of using sub-committees similar to Licensing sub-committees, the percentage of planning applications determined by Officers under delegated powers, that planning policy drives planning decisions and there should be consistency, would the structure be more effective if there was more local Member representation and that at the very least there should be investigation into alternative options setting out the pros and cons.

Councillor Phipps in summing up thanked the speakers highlighting the local knowledge deficit in the current planning structure and the need for the issue to be fully examined.

Councillor Beesley reported that there had been extensive input and discussion from the Working Group on this issue.

The amendment detailed above was put to the vote and lost.

Voting: For – 36, Against – 38, Abstention – 0

Council Farquhar wished to be recorded as voting for the amendment.

Councillors in considering the substantive motion commented on the process relating to tree preservation orders and member call-in of planning applications and in particular the impact of the removal of the 30-day time limit. Councillors explained that the intention was to enable ward councillors to have more time to consider their approach on a planning application.

Councillor Beesley in summing up referred to recommendation (i) relating to tree preservation orders and highlighted Appendix 3 of the report circulated with the agenda which included a flow chart and narrative on the process and the role of members and the public. He indicated that member call-in of

planning applications provided the opportunity for dialogue with planning officers whilst leaving the call-in option open.

The recommendations arising from the meeting of the Audit and Governance Committee on 26 November 2020 be dealt with as detailed below:

That in accordance with the Constitution the following recommendations stand adjourned without debate until the next meeting of the Council on 23 February 2021.

Procedure Rule 36

(a) That Procedure Rule 36 be amended to read “Any motion under Procedure Rule 12 (Motions on Notice), to vary or revoke these Rules shall, when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Council”;

(b) That Procedure Rule 36 (as amended) be moved from Sub Part C (General Provisions) to Sub Part A (Council Meetings).

Recommendation (c)-(m) including the following change was approved

Neighbourhood Forum Call-in of Planning applications

(e) That the power to call-in planning applications to Committee should not be extended to Neighbourhood Forums.

Voting: as follows

- 7(a)(c) For – 66, Against – 1, Abstentions – 7
- 7(a)(d) For – 66, Against – 1, Abstentions – 7
- 7(a)(e) For – 67, Against – 0, Abstentions – 7
- 7(a)(f) For – 67, Against – 0, Abstentions – 7
- 7(a)(g) For – 67, Against – 0, Abstentions – 7
- 7(a)(h) For – 67, Against – 0, Abstentions – 7
- 7(a)(i) For – 67, Against – 0, Abstentions – 7
- 7(a)(j) For – 43, Against – 22, Abstentions – 9
- 7(a)(k) For – 67, Against – 0, Abstentions – 7
- 7(a)(l) For – 67, Against – 0, Abstentions – 7
- 7(a)(m) For – 67, Against – 0, Abstentions – 7

Councillor Farquhar wished to be recorded as voting for (c) to (m) except (j) which he voted against.

7b – Licensing Committee 10 December 2020 - Minute No 15 - New BCP Council Sex Establishment Policy

The Chairman of the Licensing Committee presented the report on the new BCP Council Sex Establishment Policy to control and regulate such premises. She explained the recommendation was to put the policy in train and to adopt the relevant legislation, that was, Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 (as amended by Section 27 of the Policing and Crime Act 2009) which was seconded by Councillor Bagwell.

Councillors were advised of the requirements to prepare, adopt and publish a new Policy including the timescale, legislative requirements, consultation

and implementation of the BCP Council Sex Establishment Policy by 1 April 2021 including the publication of a notice in the local paper following the adoption of the relevant legislation.

The recommendation arising from the meeting of the Licensing Committee on 10 December 2020 relating to the above was approved.

Voting: Agreed

Councillor Trent abstained from the above decision.

7c - Licensing Committee 10 December 2020 - Minute No.16 - New BCP Council Scrap Metal Dealer Policy

The Chairman of the Licensing Committee presented the report on the New BCP Council Scrap Metal Dealer Policy. She explained that this was a new policy which had been developed in accordance with best practice and in accordance with the Scrap Metal Dealers Act 2013. Councillors were advised that the adoption of a formal policy would regulate scrap metal offences. The proposal was seconded by Councillor Bagwell.

A Councillor reported that he fully supported and welcomed the development and implementation of the policy. In response to a question Councillor Judes Butt explained there had not been a stated policy previously and that this was a new policy for the BCP area.

The recommendations arising from the meeting of the Licensing Committee on 10 December 2020 relating to the above were approved.

Voting: Agreed

Councillor Trent abstained from the above decision.

7d - Cabinet 16 December 2020 - Minute No. 263 - Housing Development Scheme - Cynthia House (Cynthia Close, Poole)

The Portfolio Holder for Homes presented the report on the proposed housing development scheme at Cynthia House, Cynthia Close, Poole and the financing arrangements for the scheme as set out on the agenda which was seconded by Councillor Haines.

Councillors welcomed the scheme which would be built to passive house standards, but some were concerned about the building costs and one member raised a question on the number of units. The Portfolio Holder reported on the cost of passive house standards and the communal areas. He explained that the unit costs would be at market rate with a payback of 50 years which was not unusual.

The recommendations arising from the meeting of the Cabinet on 16 December 2020 relating to the above were approved.

Voting: Agreed

Councillor Butler abstained from the above decision.

7e - Cabinet 16 December 2020 - Minute No. 269 - Quarter 2 Budget Monitoring 2020-21 and Medium-Term Financial Plan (MTFP) Update Report

The Leader of the Council presented the report on the Quarter 2 Budget Monitoring 2020-21 and Medium-Term Financial Plan (MTFP) Update as set out on the agenda. He highlighted key headlines including the reduction in the deficit for 2020/21 down from £13.4m to £10.3m and the level of investment £310k into children's services £350k into transformation and £365k into the 100 day plan priorities of the administration which included significant investment in street cleansing in Christchurch, support for mental health and homelessness and to address antisocial behaviour. The Leader of the Council outlined the recommendations as set out on the agenda which were seconded by Councillor Broadhead.

Councillors considered the recommendations comments included reviewing previous infrastructure spending and loss of capital funding for future infrastructure needs, the level of reserves in comparison to other Councils, and if the Leader could provide any reassurance on partners providing financial contributions for the freeport project.

The Leader of the Council in summing up explained that there would be more flexibility on infrastructure investment, he acknowledged that reserves were lower than they had been but that the position had improved since June 2020. In respect of the freeport bid and investment he explained that partners had invested significant time in the project. The project was being delivered at pace which was why consultants were being used rather than Council officers.

The recommendations arising from the meeting of the Cabinet on 16 December 2020 relating to the above were approved.

Voting: For – 49, Against – 0, Abstention – 25

7f - Cabinet 16 December 2020 - Minute No. 271 - Bournemouth Christchurch and Poole Parking Standards Supplementary Planning Document (SPD)

The Portfolio Holder for Transport and Sustainability presented the report on the Bournemouth Christchurch and Poole Parking Standards Supplementary Planning Document as set out on the agenda. He explained that this document replaced the three predecessor authorities' documents and how the SPD fundamentally differed with the introduction of a zonal approach with much reduced and in many cases no requirement for on-site parking in most town and district centres. He reported that it strengthened requirements for cycle parking, included measures to promote electric vehicles and car clubs and was also designed to improve the viability of new home building in well-connected locations so making it easier to meet the Council's housing targets and speed up the shift to sustainable transport. The Portfolio Holder referred to the cross-party working group and in particular thanked Councillors Phipps and Hadley for their work on the SDP and confirmed that the Overview & Scrutiny Board on 7 December 2020 and Cabinet on 16 December had examined its contents. The Portfolio Holder indicated that there had been concerns raised on parking requirements for HMOs and the allocation of areas into particular zones and it would be wise, if it appeared necessary, over the next 12 months to tweak the SPD as appropriate.

Councillor Broadhead in seconding the proposal acknowledged the need to review the SPD as appropriate and explained that it does not ban any development in the urban areas from including parking areas whilst highlighting difficulties experienced in mandating parking in some developments.

Councillors in considering the adoption of the SPD commented and raised questions including welcoming the SPD and that electric charges would be in all new homes, expressing concern that the justification was around viability, explaining that the justification should be because it was the right thing to do for those who wished to live in town and city centres without a car, that those purchasing a property with no parking provision would be excluded through the deeds of their property from obtaining a residents parking permit and therefore how do we prevent people from using different addresses to obtain such parking permits. A Councillor emphasised that the SPD needed to be brought up to date and was a well-prepared document but would exacerbate on street parking pressures in the most congested parts of the conurbation. He highlighted the potential conflict that would result and that the views of residents submitted as part of the consultation had largely been ignored and stressed that the SPD was not practicable, enforceable or acceptable to local residents. It was suggested that if there was no parking there should be a guarantee that residents would not have a car and car free developments should be marketed as such. Councillors highlighted the implications for those with disabilities, concerns about whether the public transport infrastructure would be able to support these proposals, that the SPD enables developers to consider car free sites, the opportunity to develop car clubs and seeking clarity on the status of the SPD.

The Portfolio Holder in summing up reported that the SPD does have policy status but that there was the flexibility to include car parking where required. He explained that in respect of viability because of the requirement to provide car parking spaces in many cases that were not actually required it meant those carrying out developments were only able to build a smaller number of units when the Council wanted a large amount of units to be built which would tackle pressure on housing targets and in the areas where the Council prefers to keep lower density it would be able to do so because the town and urban centres would be bearing that weight rather than having to push it out into other areas. Other comments included a worry about having limited or no car parking on new build developments the Portfolio Holder reported that this approach was widespread and was effective, he explained that car free developments would be tied so alternative addresses could not be used to secure a parking permit and highlighted that such development would drive the requirement for sustainable public transport.

The recommendations arising from the meeting of the Cabinet on 16 December 2020 relating to the above were approved.

Voting: For – 53, Against – 8, Abstention – 12

Councillor Edwards did not speak or vote on the above item.

The meeting was adjourned from 22:05 to 22:10

7g - Cabinet 16 December 2020 - Minute No. 272 - Dorset Nature Park

The Portfolio Holder for Regeneration, Economy and Strategic Planning and Deputy Leader of the Council presented the report on the Dorset Nature Park as set out on the agenda. He explained that eutrophication created excess nitrates in Poole Harbour and in order to keep building homes it was necessary to offset the impact of nitrates to release homes with the creation of the Dorset Nature Park funded by CIL funds. Councillor Mark Anderson seconded the proposal.

Councillors commented on the proposals including the location of the park, accessibility for BCP residents preferably via sustainable transport, the need to concentrate on managing appropriate sewage treatment, asking if the issue had been considered by the O&S Board if not why not, if there were too many nature parks there could be a shortage of rough grass land, that the green space was being urbanised, more work was needed if an area of land was to be purchased as it was necessary to consider all options, a wish to see more open land accessible to people by reducing sewage or controlling it, that 180,000 tonnes of raw sewerage had been pumped into Poole Harbour, a suggestion that this matter be deferred and referred back to the Overview & Scrutiny Board for further detailed work.

The Portfolio Holder in summing up acknowledged that it was not an ideal solution but explained this was a short-term option and this project was about removing agriculture land to resolve an ecological issue.

The Chairman reported that Councillor Le Poidevin had not provided any wording for her suggested deferral therefore he would take the vote on the original proposal.

The recommendations arising from the meeting of the Cabinet on 16 December 2020 relating to the above were approved.

Voting: For – 39, Against – 25, Abstention – 8

Councillor Farquhar wished to be recorded as voting against the above decision.

Councillors Cheryl Johnson and Trent had left the meeting.

Item 7h - Cabinet 16 December 2020 - Minute No. 274 - Housing Scheme at Wilkinson Drive, Bournemouth

The Portfolio Holder for Homes presented the report on the housing scheme at Wilkinson Drive, Bournemouth which was a Council owned site providing social housing for rent and outlined the financing arrangements for the scheme as set out on the agenda. The proposal was seconded by Councillor White.

Councillors welcomed this social housing scheme whilst commenting on the costs and why it was not being built to passive house standards. A ward councillor welcomed the development and referred to the site constraints which had an impact on the ability to build to passive house standards and that the costings were due to the constraints on the site and the contingency for the scheme explaining that any underspend would be returned to the HRA. It was suggested that where the Council was not

achieving passive house standards it clarified why that level was not being reached.

The Portfolio Holder for Transport and Sustainability highlighted that there was a cost for the certificate for passive house standards and even when the Council was building to equivalent standards that the issue should be to look at the carbon savings for the development.

The Portfolio for Homes in summing up commented on the scheme costs and explained that if the costs for the communal areas were excluded the build costs would be reduced considerably. He reported that he was pleased that the scheme was a development for social rent and explained that 21 tonnes per annum of carbon savings would be achieved. The Portfolio highlighted that building to passive house standards cost 15-20% more and it was important to ensure that the site was viable. The Portfolio Holder explained that the scheme would be compliant with energy use as insulation standards, include photovoltaic panels provide free electricity, reduce the service charge to tenants, include triple glazing and additional cavity insulation.

The recommendations arising from the meeting of the Cabinet on 16 December 2020 relating to the above were approved.

Voting: Unanimous

Councillor Farquhar wished to be recorded as voting for the above decision.

Item 7i - Cabinet 16 December 2020 - Minute No 275 - Housing Scheme at Duck Lane (Phase 2), Bournemouth

The Portfolio Holder for Homes presented the report on the housing scheme at Duck Lane, Bournemouth and the financing arrangements for the scheme as set out on the agenda. The proposal was seconded by Councillor Mark Anderson.

The recommendations arising from the meeting of the Cabinet on 16 December 2020 relating to the above were approved.

Voting: Unanimous

67. Decisions taken by the Chief Executive under the urgency powers

The Council was advised of the decisions taken by the Chief Executive in accordance with the relevant urgency powers on the Financial support for BH Live which the Council was asked to note.

The link to the above decision records had previously been circulated to all Councillors and published on the website.

RESOLVED that the decisions taken by the Chief Executive on the financial support for BH Live be noted.

Voting: Agreed

68. Notice of Motions in accordance with Procedure Rule 12

Councillor L-J Evans moved the following motion on the use of gender-neutral language which was seconded by Councillor Lisa Lewis:

“That Council resolves to use gender-neutral language in all reports and formal communications, both verbal and written, in accordance with its commitment to uphold the 9 protected characteristics of the Equality Act 2010 and in combating prejudice and discrimination.”

In presenting the motion Councillor Evans referred to the use of masculine words such as Chairman and Vice-Chairman, regardless of gender, as unnecessary, inaccurate and that they reinforced gender stereotypes. Councillor Evans explained the expectations in bringing this motion to Council which included:

- the removal of male universals such as Chairman and Vice-Chairman from the Constitution, policies and all written and verbal communications and to replace them with gender neutral terms such as chair unless that is the form of address chosen by the individual incumbent.
- to use gender neutral language where an individual sex or social gender are not relevant or not known.

Councillor Evans highlighted the importance of this proposal that words matter as language reflects and influences attitudes, behaviours and perceptions. The use of gender-neutral language was a way to avoid implying that one sex or social gender was the norm and that gender-neutral writing was about clarity, inclusion and equality. Councillor Evans referred to the current practices operated, the statistics and the reason from making changes now in view of the importance of equality which was protected by law.

Councillor Lewis seconded the proposal reported that this approach was already operated in the civil service and by many local authorities and explained the importance of the use of gender-neutral language.

In considering the motion Councillors comments included that the use of language held a huge amount of power and it was important to show and promote equality and that this would make a difference and demonstrate the inclusivity of the Council and that this approach was long overdue. A Councillor felt that language did not combat discrimination but attitude did and as a Council had not noticed any disrespect and asked if the proposal would require that all reports do not mention he or she which would be a cost and time commitment.

The Chairman having sought advice asked Councillor Dunlop to clarify her proposal. Councillor Dunlop confirmed that she wished to propose a motion without notice in accordance with Appendix 1 procedure rule 9 paragraph 4 of the Constitution.

The Monitoring Officer reported that Councillor Dunlop wanted to bring a notice without motion to refer this matter to Overview and Scrutiny. Councillor Dunlop confirmed that was the case and the Monitoring Officer indicated this was permissible under Appendix 1.

A Councillor referred to the unconscious bias in language that he used Chair and not chairman, supported the motion and the guidance provided by central government. It was highlighted that this was a minor motion but would make a difference to those to which it applied and would make a positive effect for those who suffer such bias. A Councillor requested to hear from the Equalities Lead Member before voting on the motion.

Councillor Dunlop presented the motion without notice to refer the original motion to another Committee. Members were advised that Councillor Dunlop supported the spirit of the proposed motion but felt that there was confusion over the purpose and detail and that it could impact on amendments already agreed to the Constitution. Councillor Dunlop suggested that the matter be referred back to the Audit and Governance Committee and the Constitution Working Group. Councillor Dunlop moved the following motion without notice:

To note that there is an inconsistent use of gender terms in BCP Council's Constitution, policies and communications and that Council refers the matter to the Audit and Governance Committee to review the Constitution with the purpose of removing gender specific determination when describing roles within BCP Council including from the Constitution, policies and communications and to be replaced with gender neutral terms.

The above was seconded by Councillor Mellor.

The Chief Executive explained that the Constitution allowed for the motion to be referred to another Committee, but it did not allow for a change in wording. Therefore, the motion without notice should be that the motion be referred to the Audit and Governance Committee for it to be considered through the Constitution Review Working Group.

Councillor Evans indicated that referring it back to Audit and Governance Committee seemed to be a backward step and Councillors should be given the chance to vote accordingly on the original motion. In referring to the recommendation from the Audit and Governance Committee considered earlier Councillor Evans felt that the motion did not negate that decision.

Councillors then voted on the following motion moved by Councillor Dunlop and seconded by Councillor Mellor:

That the motion be referred to the Audit and Governance Committee for it to be considered through the Constitution Review Working Group.

Voting - For – 38, Against – 32, Abstention – 2

Councillor Farquhar wished to be recorded as voting against the above decision.

The meeting ended at 11.35 pm

CHAIRMAN

CABINET

Report subject	Council Tax - Tax Base 2021/22
Meeting date	13 January 2021
Status	Public Report
Executive summary	<p>This report calculates and presents the proposed council tax base for council tax setting purposes in line with current legislation and guidance.</p> <p>Three separate council tax bases have been maintained for the Bournemouth, Christchurch and Poole areas during the period of council tax harmonisation.</p>
Recommendations	<p>It is RECOMMENDED that Cabinet:</p> <p>(a) Approves the report for the calculation of the council's tax base for the year 2021/22 and recommends the tax base to Full Council.</p> <p>(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 for 2021/22 is 139,170.5, comprising of the following area tax bases: Bournemouth 62,176.7, Christchurch 20,021.9 and Poole 56,971.9.</p>
Reason for recommendations	The Council is required by the Local Authorities (Calculation of Tax Base) Regulations 1992, as amended, to calculate the council tax base for the financial year 2021/22.

Portfolio Holder(s):	Councillor Drew Mellor, Leader, Finance & Transformation
Corporate Director	Graham Farrant, Chief Executive
Report Authors	Adam Richens (Chief Finance Officer) Matthew Filmer (Finance Manager) Daniel Povey (Assistant Chief Financial Officer)
Wards	Council-wide
Classification	For Decision

Background

1. Bournemouth, Christchurch and Poole (BCP) Council is required to calculate its tax base in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, as amended, and provide this information to the Dorset Police & Crime Commissioner, the Dorset & Wiltshire Fire & Rescue Authority as well as the relevant parish, town and neighbourhood councils and charter trustees in the BCP Council area.
2. There is a requirement to maintain three separate council tax bases for the areas of Bournemouth, Christchurch and Poole during the period of council tax harmonisation.

Calculation of council tax base

3. Under the Local Government Finance Act 1992 and accompanying regulations, detailed procedures exist for calculating the tax base which will be used for calculating the levels of council tax charged to residents. The tax base for the individual Bournemouth, Christchurch and Poole areas is expressed as the number of band D equivalent properties and will be used to calculate BCP Council's element of council tax as well as the council tax charged by other preceptors.
4. In addition to calculating the tax base for BCP Council, a separate tax base has to be calculated for each part of the council's areas to which a special item of expenditure relates. Parish, town and neighbourhood council and charter trustee precepts are all treated as special items for these purposes and their precepts are charged only over the tax base for the relevant area.
5. Following the Community Governance Review a calculation of the tax base applicable to the new Throop and Holdenhurst Parish Council is included in Appendix D. The creation of this new parish council has reduced the tax base over which the Charter Trustees of Bournemouth can charge their precept as they cannot charge in an area that is precepted by a parish council.
6. The detailed calculation of the BCP Council tax base by area and the tax base relating to each individual parish, town and neighbourhood council and charter trustee is provided in Appendices A – D. In summary the total tax base of 139,170.5 for BCP Council is made up from the following band D equivalents:
 - a. Bournemouth 62,176.7;

- b. Christchurch 20,021.9;
 - c. Poole 56,971.9.
- 7. The calculations include estimated changes in the Valuation Office's Valuation List that will take place during 2021/22 by reference to the following:
 - a. Provision for successful appeals;
 - b. Provision for exempt properties;
 - c. Changes in the number of properties (demolitions and new additions);
 - d. Cost of local council tax support scheme (LCTS);
 - e. Estimated single person and other discounts, and;
 - f. Estimated collection rate.
- 8. The total estimated tax base for BCP Council has reduced from 142,996.2 in 2020/21 to 139,170.5 in 2021/22 due to the estimated impact of covid-19 on both the cost of the LCTS and the collection rate. This reduction equates to a 2.7% reduction in the tax base compared to the current MTFP planning assumption of 3.9%.
- 9. The cost of the LCTS is estimated at £29.062 million (£25.697 million 2020/21) which is an increase of £3.365 million or 13.1% compared to last year and reflects the 13.5% increase in the cost of working age claimants. The weighted average collection rate is estimated at 97.2% (99.0% 2020/21).
- 10. There continues to be an increase in Single Person households being reported. Resources are being allocated so that Single Person discount claims will be fully reviewed annually, and data matching exercises undertaken to prove their validity. This review process will also link to recommended checks as advised by National Fraud Initiative.
- 11. The council tax requirement for 2021/22, which will be approved by BCP Council in February 2021, will be divided by the calculated tax base in order to arrive at the charge for a band D property, from which the charges for other valuation bands will be determined.

Options Appraisal

- 12. The council can make differing assumptions regarding the estimated additions, deletions, exempt properties, discounts, cost of LCTS and the collection rate and their impact on the tax base. However, these have been set at a level based on historical trend and with due regard to the current economic environment and effects of covid-19, in order to ensure as far as possible that a deficit does not occur on the collection fund.

Summary of financial implications

- 13. As set out in the body of this report.

Summary of legal implications

- 14. The calculation and approval of the tax base is a crucial step in the council being able to set a legal balanced budget for 2021/22.

15. The council must set its tax base in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, as amended, and inform other preceptors of their relevant tax base.

Summary of human resources implications

16. None.

Summary of sustainability impact

17. None.

Summary of public health implications

18. None.

Summary of equality implications

19. None.

Summary of risk assessment

20. None.

Background papers

None.

Appendices

Appendix A – Bournemouth area tax base 2021/22.

Appendix B – Christchurch area tax base 2021/22.

Appendix C – Poole area tax base 2021/22.

Appendix D – Parish, town and neighbourhood council and charter trustee tax bases 2021/22.

Bournemouth Council Tax Base 2021/22

BAND	Disab A	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Total Properties	0.0	19,763.0	19,042.0	24,320.0	16,738.0	8,005.0	3,484.0	1,512.0	127.0	92,991.0
Exempt Properties	0.0	1,566.0	554.0	1,080.0	1,337.0	173.0	72.0	14.0	2.0	4,798.0
No. of chargeable dwellings subject to disabled reduction	0.0	6.0	22.0	73.0	59.0	40.0	28.0	19.0	15.0	262.0
No. of dwellings effectively subject to Council Tax for this band by virtue of disabled relief	6.0	22.0	73.0	59.0	40.0	28.0	19.0	15.0	0.0	262.0
No. of dwellings entitled to a 25% discount	4.0	11,163.0	7,790.0	7,241.0	4,249.0	1,738.0	691.0	223.0	13.0	33,112.0
No. of dwellings entitled to a 25% discount as all but one resident being disregarded for Council Tax purposes	0.0	163.0	222.0	308.0	88.0	85.0	28.0	10.0	0.0	904.0
No. of dwellings entitled to a 50% discount due to all residents being disregarded for Council Tax purposes	0.0	11.0	23.0	36.0	32.0	17.0	31.0	27.0	19.0	196.0
No. of dwellings classed as 2nd home with 50% discount	0.0	312.0	5.0	2.0	0.0	0.0	1.0	0.0	0.0	320.0
No. of dwellings classed as empty and being charged the Empty Home Premium	0.0	81.0	63.0	45.0	19.0	14.0	16.0	8.0	1.0	247.0
Total number of dwellings receiving a discount	4.0	11,649.0	8,040.0	7,587.0	4,369.0	1,840.0	751.0	260.0	32.0	34,532.0
Total number of dwellings being charged a premium	0.0	81.0	63.0	45.0	19.0	14.0	16.0	8.0	1.0	247.0
Reduction in taxbase as a result of the Family Annexe discount	0.0	3.1	0.0	0.0	0.5	0.0	0.0	0.0	0.0	3.6
Number of dwellings where there is a liability to pay 100% Council Tax	2.0	6,483.0	10,436.0	15,594.0	10,994.0	5,966.0	2,636.0	1,226.0	77.0	53,414.0
Number of dwellings with reduction under the Local Council Tax Reduction Scheme	2.3	4,450.3	2,986.7	2,481.8	761.9	200.1	54.5	9.2	0.0	10,946.8
Total equivalent number of dwellings after discounts, premiums, exemptions and disabled relief	2.7	10,847.6	13,598.3	18,883.0	13,538.4	7,169.6	3,168.7	1,421.0	98.3	68,727.6
Estimated number of additions	0.0	21.7	27.2	37.8	27.1	14.3	6.3	2.8	0.2	137.5
Net Total	2.7	10,869.3	13,625.5	18,920.7	13,565.4	7,183.9	3,175.1	1,423.9	98.4	68,865.0
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of Band D equivalents (line 18 + 19) x line 20	1.5	7,246.2	10,597.6	16,818.4	13,565.4	8,780.4	4,586.2	2,373.1	196.9	64,165.8
Less 3.1% Losses										-1,989.1
Tax Base 2021/22										62,176.7

Christchurch Council Tax Base 2021/22

BAND	Disab A	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Total Properties	0.0	1,748.0	2,341.0	6,298.0	6,255.0	5,170.0	1,656.0	804.0	41.0	24,313.0
Exempt Properties	0.0	59.0	31.0	94.0	100.0	67.0	25.0	2.0	0.0	378.0
Demolished Dwellings	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
No. of chargeable dwellings subject to disabled reduction	0.0	4.0	9.0	35.0	33.0	49.0	22.0	5.0	4.0	161.0
No. of dwellings effectively subject to Council Tax for this band by virtue of disabled relief	4.0	9.0	35.0	33.0	49.0	22.0	5.0	4.0	0.0	161.0
No. of dwellings entitled to a 25% discount	1.0	1,043.0	1,319.0	2,308.0	1,891.0	1,234.0	270.0	145.0	4.0	8,215.0
No. of dwellings entitled to a 25% discount as all but one resident being disregarded for Council Tax purposes	0.0	11.0	20.0	67.0	80.0	81.0	17.0	4.0	0.0	280.0
No. of dwellings entitled to a 50% discount due to all residents being disregarded for Council Tax purposes	1.0	0.0	0.0	0.0	15.0	11.0	3.0	7.0	2.0	39.0
No. of dwellings classed as 2nd home with 50% discount	0.0	77.0	0.0	1.0	1.0	2.0	1.0	0.0	0.0	82.0
No. of dwellings classed as empty and being charged the Empty Home Premium	0.0	5.0	4.0	5.0	3.0	6.0	3.0	0.0	0.0	26.0
Total number of dwellings receiving a discount	2.0	1,131.0	1,339.0	2,376.0	1,987.0	1,328.0	291.0	156.0	6.0	8,616.0
Total number of dwellings being charged a premium	0.0	5.0	4.0	5.0	3.0	6.0	3.0	0.0	0.0	26.0
Reduction in taxbase as a result of the Family Annexe discount	0.0	5.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.5
Number of dwellings where there is a liability to pay 100% Council Tax	2.0	557.0	993.0	3,821.0	4,181.0	3,742.0	1,320.0	645.0	31.0	15,292.0
Number of dwellings with reduction under the Local Council Tax Reduction Scheme	0.9	476.9	558.8	834.2	350.8	118.9	18.2	4.5	0.0	2,363.0
Total equivalent number of dwellings after discounts, premiums, exemptions and disabled relief	2.4	913.7	1,446.5	4,778.6	5,322.5	4,627.9	1,525.1	755.7	35.0	19,407.3
Estimated number of additions	0.0	1.8	2.9	9.6	10.6	9.3	3.1	1.5	0.1	38.8
Net Total	2.4	915.5	1,449.4	4,788.1	5,333.1	4,637.1	1,528.1	757.3	35.1	19,446.1
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of Band D equivalents (line 18 + 19) x line 20	1.3	610.3	1,127.3	4,256.1	5,333.1	5,667.6	2,207.3	1,262.1	70.1	20,535.3
Less 2.5% Losses										-513.4
Tax Base 2021/22										20,021.9

Poole Council Tax Base 2021/22

BAND	Disab A	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Total Properties	0.0	5,103.0	12,310.0	23,125.0	12,590.0	8,350.0	4,077.0	3,323.0	1,064.0	69,942.0
Exempt Properties	0.0	167.0	173.0	474.0	278.0	130.0	52.0	48.0	14.0	1,336.0
Demolished Dwellings	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0
No. of chargeable dwellings subject to disabled reduction	0.0	9.0	25.0	121.0	77.0	74.0	45.0	29.0	29.0	409.0
No. of dwellings effectively subject to Council Tax for this band by virtue of disabled relief	9.0	25.0	121.0	77.0	74.0	45.0	29.0	29.0	0.0	409.0
No. of dwellings entitled to a 25% discount	6.0	3,281.0	5,485.0	6,529.0	3,307.0	1,917.0	887.0	609.0	136.0	22,157.0
No. of dwellings entitled to a 25% discount as all but one resident being disregarded for Council Tax purposes	1.0	25.0	100.0	211.0	129.0	73.0	26.0	24.0	2.0	591.0
No. of dwellings entitled to a 50% discount due to all residents being disregarded for Council Tax purposes	0.0	11.0	9.0	24.0	23.0	10.0	12.0	24.0	5.0	118.0
No. of dwellings classed as 2nd home with 50% discount	0.0	0.0	0.0	1.0	1.0	1.0	0.0	0.0	0.0	3.0
No. of dwellings classed as empty and being charged the Empty Home Premium	0.0	67.0	23.0	17.0	22.0	10.0	7.0	9.0	4.0	159.0
Total number of dwellings receiving a discount	7.0	3,317.0	5,594.0	6,765.0	3,460.0	2,001.0	925.0	657.0	143.0	22,869.0
Total number of dwellings being charged a premium	0.0	67.0	23.0	17.0	22.0	10.0	7.0	9.0	4.0	159.0
Reduction in taxbase as a result of the Family Annexe discount	0.0	19.3	0.8	0.0	1.0	0.0	0.0	0.0	0.0	21.0
Number of dwellings where there is a liability to pay 100% Council Tax	2.0	1,566.0	6,616.0	15,825.0	8,827.0	6,180.0	3,077.0	2,609.0	874.0	45,576.0
Number of dwellings with reduction under the Local Council Tax Reduction Scheme	3.0	1,345.7	2,191.7	1,994.1	490.3	173.8	38.4	14.0	0.0	6,251.0
Total equivalent number of dwellings after discounts, premiums, exemptions and disabled relief	4.3	2,820.0	8,662.8	18,932.4	10,968.7	7,524.2	3,743.3	3,099.8	988.0	56,744
Estimated number of additions	0.0	5.6	17.3	37.9	21.9	15.0	7.5	6.2	2.0	113.5
Net Total	4.3	2,825.7	8,680.1	18,970.3	10,990.7	7,539.3	3,750.8	3,106.0	990.0	56,857.0
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of Band D equivalents (line 18 + 19) x line 20	2.4	1,883.8	6,751.2	16,862.4	10,990.7	9,214.7	5,417.8	5,176.6	1,980.0	58,279.5
MOD Properties										153.2
Less 2.5% Losses										-1,460.8
Tax Base 2021/22										56,971.9

Parish, Town Council and Charter Trustee Tax Base 2021/22

Parish / Town / Charter Trustee	Gross Tax Base	Tax Base after Collection Rate
Burton	1,605.7	1,565.6
Hurn	236.3	230.4
Christchurch Town Council	12,232.9	11,927.0
Highcliffe and Walkford	6,439.8	6,278.8
Unparished Christchurch	20.6	20.1
Throop and Holdenhurst Parish	299.0	289.7
Bournemouth Charter Trustee	63,866.8	61,887.0
Poole Charter Trustee	58,432.7	56,971.9
Total	143,133.8	139,170.5

CABINET

Report subject	Concessionary Fares Bus Operator Reimbursement
Meeting date	13 January 2021
Status	Public Report
Executive summary	To seek approval to make changes to the method of calculating bus operator reimbursement for the English National Concessionary Travel Scheme in 2021/22 as part of a proposed Recovery Partnership government initiative and to support the CIMT recommendation regarding reimbursement for 2020/21.
Recommendations	<p>It is RECOMMENDED that:</p> <p>(a) For the current 2020/21 scheme year Cabinet supports the CIMT recommendation to approve the 2020/21 reimbursement of bus operators based on adjusted pre-Covid levels as urged by Central Government.</p> <p>(b) For 2021/22 Cabinet endorses the formation of a Recovery Partnership with the bus operators to seek a local solution to bus service provision and funding arrangements to include concessionary fares reimbursement.</p>
Reason for recommendations	<p>The Covid-19 pandemic has significantly impacted on bus travel including concessionary passenger journey numbers. Government guidance has been for local authorities to maintain pre-Covid concessionary fares reimbursement levels in support of vital local bus service providers so that they can continue to play a central role in our community during and after the pandemic.</p> <p>Without this reimbursement there would be a substantial loss of bus services across the BCP area. This would have the greatest impact on young people, older people and families from lower income households, disabled people and women. All these groups rely more on bus services than the general population.</p>

	<p>A phased move towards reimbursement again being based on concessionary journeys alone is required. Government is expecting to ask local authorities and bus operators to work together in a Recovery Partnership to get bus services back on a healthy path to recovery.</p>
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Portfolio Holder(s):	Councillor Mike Greene, Cabinet Member for Transport and Sustainability
Corporate Director	Bill Cotton, Corporate Director, Regeneration and Economy
Contributors	John McVey, Sustainable Transport Policy Manager Richard Pincroft, Head of Transportation including Sustainable Travel
Wards	All BCP Council Wards
Classification	For Decision

Background

1. The Council, as a Travel Concession Authority (TCA), is required to reimburse operators of eligible local bus services, for journeys undertaken by passengers holding English National Concessionary Travel Scheme (ENCTS) bus passes. Bus passes are issued to permanent residents who meet either the age criteria (currently pensionable age for women) or the disability criteria (based on DfT Guidelines).
2. The objective is to reimburse bus operators so they are 'no better or worse off' than they would be if the scheme didn't exist. In practice this is compensating them for the revenue lost from passengers who would have travelled even if no concession existed (the lost fares revenue) and for the costs sustained by carrying the extra passengers as a result the concessionary fare scheme (people travel more and more people travel).
3. These are generated trips. In certain circumstances the cost of providing extra or bigger vehicles required to cope with the numbers of concessionary passengers (additional capacity costs) is payable.
4. Payment is based on the number of concessionary journeys undertaken on each service per month as well as the average fare paid by adult non-concessionary passengers. Journey numbers fluctuate seasonally and are impacted by the weather. The amount paid is discounted by a 'generation factor' to take account of the number of extra trips generated by the availability of the concession.
5. Prior to the formation of the new Council, external transport specialist consultants were employed to recommend an appropriate concessionary fares bus operator reimbursement rate. This was the subject of an LGR BCP Programme Decision Record in November 2018 which was approved. BCP bus operator reimbursement in 2019/20 amounted to £8.13m. The budget for the current year, 2020/21 is £7,868,300.
6. Since March 2020 Covid-19 has had a significant impact on bus travel, particularly following advice from the Prime Minister to avoid using public transport. Bus use initially dropped to around 10-15% of pre-Covid levels. It has

since recovered but remains at around 60% overall though concessionary journeys are less at around 50% (September 2020 compared with September 2019). Social distancing requirements limit capacity of local bus services to around half and the requirement for face coverings (unless exempt) is a disincentive to travel for some.

7. In a letter from the Department of Transport (DfT) dated 25 March 2020 Local Authorities were asked 'to support vital local bus service providers so that they can continue to play a central role in your communities after this pandemic.' The letter also said, 'we would urge you to continue to pay bus and coach operators for tendered services and home to school transport at the levels before any downturn in service provision or patronage, **for at least the period of the outbreak**' and, '**We would also urge you to continue to pay operators for concessionary fares at levels before any downturn.**'
8. In the light of this a formula was agreed with the local bus operators to make concessionary fares payments to operators based on the February 2020 payment (the last complete month prior to the outbreak). For each month this was inflated by the average percentage change in reimbursement for three previous years to the month in question. This method was used from March-August 2020 (6 months).
9. In September and October 2020, the payments have simply replicated the 2019/20 payments. Interim payments at 50% the 2019/20 level have been made in November and December pending the most recent guidance from DfT. One of the bus operators has raised concerns about the significant impact on its cashflow of this reduction, putting the business at risk.
10. In its Covid Bus Services Support Grant (CBSSG) Restart Conditions (June 2020) the DfT continued '...to urge local authorities to maintain concessionary travel reimbursement and tendered service contract payments at pre-COVID-19 levels.' Local Authority CBSSG is used to make up for the reduction in fares revenue on tendered services as a result of Covid-19.
11. The majority of local authorities around the country have continued to reimburse bus operators based on pre-Covid levels, most on a 'like for like' basis. Some have made adjustments in the light of service changes planned prior to the pandemic. **It hasn't been possible to identify any local authority that isn't reimbursing in 2020/21 at or close to pre-Covid levels.**
12. In a letter dated 20 November 2020 on Concessionary Bus Travel, the DfT gratefully acknowledged authorities that have maintained concessionary payments at pre-Covid levels. It stated that, "Combined with funding from DfT, this support has worked together to ensure the continued operation of local bus services across the country".
13. The letter refers to Public Procurement Notices PPN 02/20 and PPN 04/20 which have been used to justify concessionary fares payments to bus operators but expired at the end of October. It goes on to recommend that local authorities

work with bus operators and develop a transition plan so the principles of PPN 04/20 can continue to be met. Further guidance on this has been promised in the proposed National Bus Strategy (anticipated January 2021) where recovery packages are being explored. The strategy is expected to recommend local authorities set up Recovery Partnerships with the bus operators to support them move back to a commercial footing. This will be backed by £300m of government funding.

14. The letter also proposed approaches for calculating concessionary fares payments at pre-Covid levels. It suggests *inter alia* taking into account the general fall in concessionary journeys numbers - 2.5% reduction in England in 2018/19. Locally the downward trend has been less with a 1.96% average decline over the three years preceding the pandemic.
15. It is therefore reasonable to suggest that based on journey numbers the outturn in 2020/21 would have been 1.96% less than in 2019/20. Account may also be taken of the level of service operated if 100% of services are not being provided.
16. Operating under government guidance, **the bus companies are trading without profit** and in this regard the DfT has procured Grant Thornton to review and audit bus operator submittals of Profit and Loss. They have an obligation to control costs and to work with the local authorities on the levels of service being provided. CBSSG funding rates are based on concessionary reimbursement continuing to be paid at pre-COVID levels as well as sending the Local Authorities details and claims based on actuals but receiving pre-determined amounts. This means that there is no double payment through different funding streams.
17. Since the lockdown measures were introduced in March 2020 the bus companies have played an active role including:-
 - Enabling an essential travel network for key workers during the height of lock-down;
 - Enabled shared ticketing with other transport operators to for the benefit of all residents of BCP at the height of lock-down;
 - Providing additional extra services such as additional Sunday morning journeys for those working at the COVID regional test centre in Creekmoor when there is no commercial case to do so;
 - Providing additional capacity from elsewhere within the business to maintain social distancing and meet the objectives of BCP Council and Central Government;
 - Maintaining services which would not otherwise operate due to poor loadings to maintain connectivity of different communities - reducing social isolation at difficult times;
 - Significant investment into facilities to make travel safe – including changes to Poole Bus Station, Gervis Place and Bournemouth Travel interchange. Also, they have installed safety screens, on board hand sanitising and developed the websites to show how busy buses are so people can decide if and when to travel;

- Significant and repeated costs incurred in regularly replacing road-side displays as part of each service change rather than two annual changes.

18. Under 'normal' operating conditions, legislation gives the bus operators the right of appeal to the Secretary of State if they consider the concessionary fares reimbursement rate to be insufficient. Whilst this right of appeal wouldn't be relevant in the current circumstances, a shortfall in concessionary fares revenue is likely to result in requests for contract price increases on tendered bus services as well as the withdrawal of marginally commercial routes.

19. Go South Coast and Bournemouth Transport have confirmed that a significant reduction in concessionary fares reimbursement or indeed any other government support would result in almost immediate reductions in services. As levels of patronage are at about 60% overall with additional resources (e.g. double decker's and duplicate runs), the operators' costs are far outweighing their income due partly to negative messaging about public transport and also the need to maintain social distancing.

20. The DfT guidance issued to all TCA's to date (refer to background paper 1) proposes that BCP bases concessionary fares payments on the following principles:

- 1. Seasonality of services** – (some authorities have adopted approaches to cover this, for example, averaging two lower winter and two higher summer payment methods)
- 2. Decline in concessionary patronage** - (total concessionary bus journeys fell by 2.5% in England in 2018/19, however, this may vary across local areas)
- 3. Decline in patronage as a whole**
- 4. Operators may have ceased trading/some services**
- 5. Operators may have started trading/new services**
- 6. Operators may have varied their services to increase/decrease the frequency/length of journey** - (If TCAs decide to consider this principle, we urge TCAs to only reduce concessionary fare reimbursement funding to the level of service that operators are providing them with. For instance, if an operator was providing 90% service levels, TCAs may consider providing 90% concessionary fare funding.)

21. The BCP Council Corporate Incident Management Team has considered this matter and agreed in principle to recommend the following to Cabinet and to Council:

Reimbursement for the current 2020/21 year at adjusted pre-Covid levels as follows:

- Reimbursements based on 2019/20 but reduced by 1.96% to account for the assumed reduction in journey numbers
- For the period not covered by the Public Procurement Notices PPN 02/20 and 04/20 (after 30.10.2020) operator reimbursement adjusted to reflect percentage of services operated.

Applying these adjustments results in a forecast outturn of £7,829,142 which is below the current year's budget of £7,868,300.

Estimated saving in 2020/21: **£39,158**

These calculations are set out in **Appendix A**

22. Alternative options would be:

- (a) To reimburse operators as per the full 2019/20 pre-Covid level = £8,114,761. This would result in an overspend of £246,461 and is **not recommended**.
- (b) To reimburse operators based only on the numbers of concessionary passengers carried = £2.6m (estimate). Although this would produce an estimated saving of £5.27m, it would not be in accordance with government guidance, result in significant loss of bus services and put the bus operators' business at serious risk of collapse. It is therefore **not recommended**.

Summary of financial implications

- 23. Total bus operator reimbursement in 2019/20 was **£8,127,562**.
- 24. The bus operator reimbursement 2020/21 budget is **£7,868,300**.
- 25. Reimbursement for 2020/21 at adjusted pre-Covid levels would be **£7,829,142**, producing a saving against budget of **£39,158**.
- 26. A yet to be determined saving is expected in 2021/22 dependent on the transition strategy developed with the bus operators through a Recovery Partnership based on the principles set out in section 20 above.

Summary of legal implications

- 27. The Transport Act 2000, as amended, provides a statutory basis for free off-peak travel for older and disabled people (resident in England outside London) on all local buses anywhere in England from 0930 until 2300 on weekdays and all day at weekends and on Bank Holidays.
- 28. Bus passengers are subsidised for concessionary travel via the bus operator and under normal circumstances there is no subsidy paid to the service providers. Any bus operator accepting an ENCTS pass for travel should be left 'no better off and no worse off' as a result. The operators are reimbursed by the TCA for revenue forgone and additional costs incurred such as extra resources to meet increased demand from passholders and administrative costs. There is no legal requirement to reimburse more than is sufficient to cover the revenue foregone and additional costs associated with the concessionary passengers carried.

Summary of human resources implications

29. The bus operators are major employers in the BCP area. Significant reductions in concessionary travel funding will result in service loss and possible business collapse.

Summary of environmental impact

30. In its recently published Decarbonising Transport Plan, the government set out its vision for a net zero transport system which will benefit us all. In the plan, public transport and active travel will be the natural first choice for our daily activities. We will use our cars less and be able to rely on a convenient, cost-effective and coherent public transport network. The bus is the most efficient user of road space and a vital part of an environmentally friendly local sustainable transport system. Actions taken by the council that negatively impact on bus service provision will make it more difficult to achieve this vision. It would also be contrary to the Council's own 2030 zero carbon priority set out in the Corporate Strategy.

Summary of public health implications

31. Urban traffic speeds are falling by on average 2% every year, causing NOx emissions to rise. Diesel cars are the single biggest contributor to NOx levels, responsible for 41% of all NOx emissions from road transport. Buses are amongst the cleanest vehicles on our roads with many now achieving Euro VI emissions standards.

Summary of equality implications

32. A full Equalities Impact Assessment has been undertaken (Appendix B).

Summary of risk assessment

33. None identified.

Background papers

1. [Department for Transport Supplementary Concessionary Travel Reimbursement Guidance \(20.11.2020\)](#)
2. [Decarbonising Transport Plan \(2020\)](#)

Appendices

A – Concessionary fares bus operator reimbursement calculation
B - Full Equalities Impact Assessment

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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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.

This EIA covers the equality implications of any changes to the local bus network resulting from the need to review financial re-imbursement for concessionary fares arising from the Covid-19 pandemic. The English National Concessionary Travel Scheme, (ENCTS) enables financial re-imbursement to bus operators for carrying eligible concessionary passengers through Travel Concession Authorities, in this case BCP Council. The extent of the predominantly commercially provided bus network in the BCP Council area is linked to the overall level of re-imbursement provided. If there was a significant reduction in the financial value of re-imbursement to the participating bus operators then there would likely be corresponding reductions in the overall level of bus services provided, in terms of routes and timetable frequency.

Any decline in bus services would affect the groups that the Equality Act is intended to protect based on the profile of bus passengers.

- **Age** - Travel by bus is higher at both ends of the age categories (those aged 16-24 and those aged 65 and over).
- **Disability** - People with a **disability** are significantly more likely to travel by bus regularly compared to those without a disability.
- **Race** – people from ‘Other white backgrounds’ are significantly more likely to travel regularly by bus compared to white British people.
- **Sexual Orientation** - travel by bus is significantly higher for ‘All other sexual orientations’ compared to heterosexuals.
- **Religion** ‘All other religions’ travel by bus to a greater extent than Christians and people with no religion.
- **Deprivation** - correlation between deprivation and frequent use of travel by bus with respondents living in the most deprived areas significantly more likely to frequently travel by bus compared to those in less deprived areas.

The recommended proposal is to continue with reimbursements for the remainder of the 2020-21 financial year based broadly on 2019/20 pre-pandemic levels. For the 2021-22 financial year, through a recovery partnership, funding arrangements need to include suitable concessionary fares re-imbursement to maintain the bus network. Approval of these measures will help secure the extent of our local bus network which will continue to provide the positive outcomes to the protected groups listed above.

If consideration is given to significantly reduced re-imbursement levels, through an approach where actual lower passenger numbers as a consequence of Covid-19 are used, then there is a likelihood of commercial bus routes being withdrawn, together with reduced timetables or buses not running during evenings and weekends. This will have a negative impact on the protected groups who use buses to a greater extent.

BCP Equality Impact Assessment Template

Part 1 - The Project

Policy/Service under development/review:	Concessionary Fares Bus Operator Re-imburement.
Service Unit:	Growth and Infrastructure
Service Lead:	John Mcvey
Equality Impact Assessment Team:	Richard Barnes, Karen Fry
Date assessment started:	15/12/20

Part 1 - The Project

Date assessment completed:	
What are the aims/objectives of the policy/service?	To seek approval to make changes to the method of calculating bus operator reimbursement for the English National Concessionary Travel Scheme in 2021/22 as part of a proposed Recovery Partnership government initiative and to support the Corporate Incident Management Team, (CIMT) recommendation regarding reimbursement levels for 2020/21. These changes are proposed following government guidance and are due to the impact on use of bus services of the Covid-19 pandemic, compared to the pre-Covid levels of use.

BCP Equality Impact Assessment Template

What outcomes will be achieved with the new or changed policy/service?	<p>For the current 2020/21 financial year HM Government advice stated that re-imbursement for concessionary fares journeys from Travel Concession Authorities (TCAs) should be based on adjusted pre-Covid levels.</p> <p>For the 2021/22 financial year, the bus industry recommends the formation of a recovery partnership with local government including suitable funding arrangements for concessionary fares re-imbursement.</p> <p>Through such measures the stability of the local bus network will be maintained; noting the impact of any reduction in bus services which would result in significant equalities and wider community implications. This EIA shows the likely impact of a reduction of bus services to many in our community. As generally the BCP area has a comprehensive bus network, existing equalities benefits will continue if appropriate concessionary fares re-imbursement is maintained.</p>
Are there any associated services, policies or procedures?	<p>Primary legislation covering BCP Council's obligations as a TCA and governance/obligations for the English National Concessionary Travel Scheme, (ENCTS).</p> <p>BCP Council "Connect" Concessionary Fares Scheme</p> <p>Legislation, guidance and advice issued by HM Government and agencies for travel during various stages of the pandemic, wider HM Government support for the bus industry and communications to TCAs for re-imbursement during the pandemic.</p> <p>Bournemouth, Poole and Dorset Local Transport Plan 3, 2011</p> <p>BCP Council Climate Emergency, declared July 2019 and Sustainable Travel Commitments in the Corporate Plan.</p> <p>Requirement for Transport Authorities to take account of the needs of elderly and disabled people in the transport network.</p> <p>Equality Act 2010.</p>
Please list the main people, or groups, that this policy/service is designed to benefit, and any other stakeholders involved:	<p>Bus operators with eligible services within the BCP Concessionary Travel Scheme – predominantly More Bus and Yellow Buses. (Bournemouth Transport)</p> <p>Concessionary pass holders who qualify due to age or disability, both local residents and other ENCTS passholders who use buses in the BCP Council area.</p>

BCP Equality Impact Assessment Template

Part 1 - The Project	
<p>With consideration for their clients, please list any other organisations, statutory, voluntary or community that the policy/service/process will affect:</p>	<p>Any changes to re-imbursement of concessionary fares will affect the overall bus network. This will affect the wider BCP transport system. If ENCTS passholders are no longer able to make bus journeys that they currently rely on, then their independence is lost with likely significant health and wellbeing impacts. Others may be called on, if available to provide their transport needs.</p> <p>Any loss of bus services is likely to affect travel to work, education, retail, healthcare and leisure, involving businesses, schools, higher education, shops, hospitals and the hospitality industry. For residents that have the alternative of private vehicles an increase in car use will have adverse environmental impacts and increase congestion. It needs to be recognised that many in the BCP Council area do not have access to cars – in several of our Council wards almost 50% of households do not have a car available.</p>

Part 2 – Supporting Evidence¹

Please list and/or link to below any recent & relevant consultation & engagement that can be used to demonstrate a clear understanding of those with a legitimate interest in the policy/service/process and the relevant findings:

¹ 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

The potential for changes in Concessionary Fares re-imbursement arising from Covid-19 is of significant concern in general for the bus industry, as HM Government advice firstly to avoid public transport and then to travel only for essential journeys has resulted in much lower patronage compared to levels before the pandemic. This has resulted in significant financial challenges. Both Morebus and Yellow Buses have stated that if re-imbursement levels were significantly reduced then immediate or almost immediate reductions in each operators' networks would follow.

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

Please list or link to any relevant research, census and other evidence or information that is available and relevant to this EIA:

Bournemouth, Christchurch and Poole Travel Survey, October 2018 to January 2019, a comprehensive local travel survey with a sample size of 3,621. There is detailed analysis as part of the survey linked to equalities profiles. Relevant findings are –

60% of respondents have used a bus in the last 12 months.

Respondents at both ends of the age categories (those aged 16-24 and those aged 65 and over) are significantly more likely to travel by bus at least weekly compared to all other age groups.

Respondents with a disability are significantly more likely to travel by bus at least weekly compared to those without a disability whilst those from other white backgrounds are significantly more likely to travel by bus at least weekly compared to white British respondents. Travel by bus is significantly higher for 'All other sexual orientations' compared to heterosexual respondents. 'All other religions' travel by bus at least weekly to a greater extent than Christians and people with no religion.

Significance testing shows a correlation between deprivation and frequent use of travel by bus with respondents living in the most deprived areas significantly more likely to frequently travel by bus compared to those in less deprived areas (43% of those in the lowest decile compared to 16% of those in the highest decile).

National Audit Office 'Improving Local Bus Services Outside London' 2/10/2020. Stated that 'Bus use is particularly common for people aged 17-20 and over 70 and for women and girls, most ethnic minority groups and people on lower incomes'.

Part 2 – Supporting Evidence¹

BCP Equality Impact Assessment Template

Please list below any service user/employee monitoring data available and relevant to this policy/service/process and what it shows in relation to any Protected Characteristic:

The criteria for providing an ENCTS pass is based on pensionable age and disability only. Around 90% of passes are issued for age criteria but many of the elderly entitled will also have a disability.

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

Part 3 – Assessing the Impact by Equality Characteristic

Use the evidence to determine the impacts, positive or negative for each Equality Characteristic listed below. Listing negative impacts will help protect the organisation from potential litigation in the future, it does not mean the policy cannot continue.

Click here for more guidance on how to understand the impact of the service/policy/procedure against each characteristic.

If the impact is not known please explain in the Action plan what steps will be taken to find out.

	Actual or potential positive outcome	Actual or potential negative outcome
1. Age ²	With those aged 16-24 and over 65 more likely to travel by bus, compared to other age groups, providing levels of re-imbursement, securing consistency in the bus network, will keep this positive outcome for these groups.	With any reduction in re-imbursement leading to a loss of bus services, those aged 16-24 and over 65 will be impacted to a greater extent. Pensionable age is one of the criteria for entitlement to travel as part of the English National Concessionary Travel Scheme – ENCTS. If there is a loss of bus services, there would be a significant impact on older people to be able participate in society and on their wellbeing.

² Under this characteristic, The Equality Act only applies to those over 18.

BCP Equality Impact Assessment Template

2. Disability ³	People with a disability are more likely to regularly travel by bus compared to people that are not disabled. Providing levels of re-imbursement that secure consistency in the bus network, will keep this positive outcome for disabled people.	With any reductions in re-imbursement leading to a loss of bus services, disabled people will have a negative outcome with fewer bus services available. Disability is one of the criteria for entitlement to travel as part of the ENCTS. Disabled people could have fewer opportunities to travel and as a result lose some independence.
3. Sex	According to the BCP Travel Survey there is no significant difference locally between men and women in terms of regular bus use.	The National Audit Office states that bus use is higher for women, so if services are withdrawn due to reductions in re-imbursement, then women potentially would be affected more than men.

Part 3 – Assessing the Impact by Equality Characteristic

Use the evidence to determine to the impacts, positive or negative for each Equality Characteristic listed below. Listing negative impacts will help protect the organisation from potential litigation in the future, it does not mean the policy cannot continue. [Click here](#) for more guidance on how to understand the impact of the service/policy/procedure against each characteristic. If the impact is not known please explain in the Action plan what steps will be taken to find out.

	Actual or potential positive outcome	Actual or potential negative outcome
4. Gender reassignment ⁴	There are not any known positive outcomes specific to Gender reassignment.	There are not any known negative outcomes specific to Gender reassignment
5. Pregnancy and Maternity	There are not any known positive outcomes specific to pregnancy and maternity	There are not any known negative outcomes specific to Pregnancy and Maternity.

³ Consider any reasonable adjustments that may need to be made to ensure fair access.

⁴ Transgender refers people have a gender identity or gender expression that differs to the sex assigned at birth.

BCP Equality Impact Assessment Template

6. Marriage and Civil Partnership	There are not any known positive outcomes specific to Marriage and Civil Partnership	There are not any known negative outcomes specific to Marriage and Civil Partnership
7. Race	Locally people who identify as 'White other', likely to be residents from the EU, are more likely to use bus services regularly than 'White British' people. Providing levels of re-imbursement that secure consistency in the bus network, will keep this positive outcome in terms of race.	With any reductions in re-imbursement leading to a reduction in bus services people who identify as 'White other' will have a negative outcome with fewer bus services available.
8. Religion or Belief	'All other religions' travel more regularly by bus than Christians and people with no religion. Providing levels of re-imbursement that secure consistency in the bus network, will keep this positive outcome for people with a religion that is not Christian.	Any reductions in bus services resulting from changes in re-imbursement levels will disproportionately affect people whose religion is not Christian.
9. Sexual Orientation	'All other Sexual Orientations' travel by bus to a greater extent than heterosexual people. Providing levels of re-imbursement that secure consistency in the bus network will keep this positive outcome for people that do not identify as heterosexual.	Any reduction in bus services would have a negative outcome for people that do not identify as heterosexual as they use buses more than heterosexual people.
10. Armed Forces Community	Members of the armed forces community are entitled to an ENCTS pass on disability grounds subject to certain conditions. Consistency in the bus network will continue to benefit those in this community eligible.	Any reduction in bus services would have a negative outcome for people in the armed forces community who qualify for a pass.

BCP Equality Impact Assessment Template

Part 3 – Assessing the Impact by Equality Characteristic

Use the evidence to determine the impacts, positive or negative for each Equality Characteristic listed below. Listing negative impacts will help protect the organisation from potential litigation in the future, it does not mean the policy cannot continue. [Click here](#) for more guidance on how to understand the impact of the service/policy/procedure against each characteristic. If the impact is not known please explain in the Action plan what steps will be taken to find out.

	Actual or potential positive outcome	Actual or potential negative outcome
11. Any other factors/groups e.g. socio-economic status/carers etc ⁵	People living in the most deprived areas of our Council area rely on and use buses significantly more than residents in affluent areas. Providing levels of re-imbursement that maintain the existing bus network will keep this positive outcome for residents who experience deprivation.	Any reduction in bus services would result in a negative outcome for many of our residents in more deprived areas who are less likely to have their own transport and use buses more than people in affluent locations.
12. Human Rights	There are not any known positive outcomes specific to Human Rights	There are not any known negative outcomes specific to Human Rights.

Any policy which shows actual or potential unlawful discrimination must be stopped, removed or changed.

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
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⁵ People on low incomes or no income, unemployed, carers, part-time, seasonal workers and shift workers

BCP Equality Impact Assessment Template

Subsequent level of bus services provided by the bus operators compared to existing.	Monitor through published timetables and feedback from bus passengers. Liaise with bus companies the interdependencies with concessionary fares re-imburement	April 2021, when new financial year ENCTS scheme introduced.	John McVey

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Key contacts for further advice and guidance:

Equality & Diversity:

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

Consultation & Research:

[Lisa Stuchberry – Insight Manager](#)

CABINET



Report subject	Dorset Heathlands Interim Air Quality Strategy
Meeting date	13 January 2021
Status	Public Report
Executive summary	<p>Natural England has objected to several major planning applications concerning the in-combination effect of additional development upon the Dorset Heathlands designated sites (SPA, SAC and Ramsar).</p> <p>Airborne nitrogen and ammonia gases from multiple sources, including agriculture and vehicle emissions settle on heathlands, enriching the soil. This favours faster growing plants and the spread of species not normally found on heathlands which outcompete and inhibit the recovery of the heathland habitats.</p> <p>A strategy is needed to help address emissions caused by the additional car trips from new development. The proposed joint strategy with Dorset Council set out in this report provides interim mitigation measures in advance of a formal policy position in the emerging BCP Council and Dorset Council local plans.</p> <p>The strategy is required until at least 2030 when the take up of electric powered vehicles should negate the need for mitigation and improve air quality. Current Council strategies such as modal shift will help, but targeted projects around heathland sites are also needed.</p> <p>A budget of £750,000 is needed for 5 years mitigation projects, £562,500 from BCP Council and £187,500 from Dorset Council based on the proportions of planned development at £50 per dwelling. The strategy will be paid for by developers from the overall Community Infrastructure Levy receipts.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <ul style="list-style-type: none"> (a) The interim Dorset Heathlands Interim Air Quality strategy covering the period 2020-2025 is adopted; (b) A £562,500 project budget is set aside from Community Infrastructure Levy to implement the strategy over the period 2020-2025;

	<p>(c) An Air Quality Project Co-ordinator is appointed from the project budget to bring forward projects; and</p> <p>(d) Any changes resulting from Dorset Council adopting this document are delegated to the Director of Growth and Infrastructure in liaison with the relevant Portfolio Holders.</p>
Reason for recommendations	<p>A strategy is needed to allow the Council to continue granting planning permission for new development and facilitating growth. The proposed strategy will simplify the planning application process by removing the need for applicants to identify and implement bespoke mitigation projects to mitigate the air quality impact of developments upon the Dorset Heathlands.</p>

Portfolio Holder(s):	Councillor Philip Broadhead, Portfolio Holder for Regeneration, Economy and Strategic Planning and Deputy Leader of the Council Councillor Mike Greene, Portfolio Holder for Transport and Sustainability
Corporate Director	Bill Cotton, Corporate Director Regeneration and Economy
Report Authors	Steve Dring, Planning Research GIS & Information Manager
Wards	Council-wide
Classification	For Recommendation

Background

1. The lowland heaths in South East Dorset, collectively known as the Dorset Heathlands are designated as Special Protection Area (SPA), Special Area of Conservation (SAC) and Ramsar Site.
2. Airborne nitrogen and ammonia gases from multiple sources including agriculture and vehicle emissions settle on heathlands, enriching the soil. This favours faster growing plants and the spread of species not normally found on heathlands which outcompete and inhibit the recovery of the heathland habitats.
3. Vehicle emissions cause nutrient deposition and direct toxicity effects, principally within 200 metres of roads. Additional vehicle trips generated by new development, in-combination with all planned development across South East Dorset, is likely to have a significant adverse effect upon the integrity of Dorset Heathlands.
4. When preparing a local plan or granting planning permission for development, Councils are required through habitats regulations assessment to conclude no significant adverse effects on the integrity of designated sites, such as those sites which comprise the Dorset Heathlands.
5. Whilst air quality on designated sites has been an issue for a long time, it was a 2017 High Court ruling in the case of Wealden District Council v Secretary of State that made the impact of air quality on designated sites the responsibility of local planning authorities. The 'Wealdon Judgement' highlighted the need to consider the impact of all development 'in-combination' under the Habitats Regulations, rather than determine each application on a stand-alone basis.
6. For this reason, Natural England has objected to live planning applications concerning growth at Bournemouth Airport / Aviation Business Park and two strategic urban extensions at Merley and Bearwood that in-combination with other planned developments in South East Dorset would be harmful to the Dorset Heathlands. The applicants for these schemes have each employed ecological consultants to look at the issue and identify bespoke mitigation packages to ensure that each development does not harm the Dorset Heathlands. This is proving a difficult exercise and the production of the interim air quality strategy would simplify and speed up the process for all parties.

7. There are several other local authorities grappling with this issue across the country. BCP Council (with Dorset Council) has a track record of pioneering strategies for mitigating designated sites (e.g. recreational impacts on heathland and nitrogen pollution in Poole Harbour), and again can set a benchmark through the preparation of an air quality strategy.

The proposed strategy

8. The proposed strategy set out in Appendix 1 will simplify and speed up the planning process, facilitating growth, by avoiding each applicant having to employ ecological consultants to tackle this issue and identify and deliver bespoke mitigation.
9. Government plans to phase out sales of new petrol and diesel cars and vans by 2030 to accelerate the transition to zero emission vehicles. As car manufacturing responds to this challenge, the current expectation is that by around 2030 the shift to zero emission cars and vans should result in air pollution levels returning to an acceptable level, helping to achieve the conservation objectives of the Dorset Heathlands in respect of air quality. At that point this strategy will no longer be needed.
10. The strategy has been prepared jointly with Dorset Council. It identifies 3 phases to facilitate the recovery the Dorset Heathlands towards favourable conservation status with regard to air quality:
 - *Phase 1: Measures already in place 2015-2020* – Projects implemented for other reasons but have air quality benefits to the protected heathland nearby;
 - *Phase 2: Interim approach from 2020-2025* - Projects to deliver benefits ahead of the preparation of formal local plan policy; and
 - *Phase 3: Local plan approach from 2025 onwards* - Projects aligned to new policies set out in the BCP Council Local Plan and the Dorset Council Local Plan. This strategy will then become an SPD.
11. Phase 2 is the first documented phase of the overall strategy. It is an interim strategy to deliver projects in the short term from 2020-2025. The aim of Phase 3 is to formalise the strategy in policy through local plans from 2025 onwards. The measures will be needed until air pollution levels return to an acceptable level and the conservation objectives of the Dorset Heathlands are achieved in respect of air quality. Measures include:
 - Managing heathland adjacent to roads;
 - Reducing vehicle trips by encouraging modal shift to other forms of transport;
 - Reducing vehicle speed past heathlands (e.g. A338 at Hurn & Gravel Hill);
 - Encouraging the use of zero emission vehicles (e.g. charging points, subsidy);
 - The re-siting or cleaning up of certain operations that generate emissions alongside heathlands (e.g. slurry pits, intensive livestock units); and
 - Changing of use of agricultural land adjacent to heathlands to less intensive use;
12. By taking a holistic approach with other mitigation measures and initiatives, this strategy will drive an improving trend in air quality which is targeted to the sources which make the greater contribution to current exceedances. This improving trend might then be taken into account by the Council when undertaking habitats regulations assessment of a development proposal and considering whether to grant

planning permission. The improvements to air quality on the Dorset Heathlands will also benefit air quality for local residents.

13. The projects will be solely funded from the Community Infrastructure Levy (CIL) paid to the Council by developers. A budget of £750,000 would be set aside to appoint a project coordinator and for the implementation of projects. The budget for 2020-2025 is based upon 15,000 planned homes at £50 per home. Split by the proportion of planned development within 5 kilometres of the Dorset Heathlands, BCP Council would provide £562,500 (75%) and Dorset Council £187,500 (25%). Funding would be paid by developers from CIL.
14. The Air Quality Project Coordinator will prepare the Implementation Plan and update it regularly. The Coordinator will work with landowners to bring forward projects and establish a monitoring strategy to identify a baseline and assess vegetation changes and transport emission data over the timeframe of this strategy.

Options Appraisal

Preferred Option:

15. The preferred option is to adopt the Dorset Heathlands Air Quality Strategy. The strategy has the support of Natural England and would have multiple benefits:
 - It would enable the Council to mitigate development and thereby continue to grant planning permission;
 - Mitigation of the impact of the development will be passed from the developer to the Council, removing a block from the planning application process;
 - It saves planning applicants the cost of ecological consultants as all development that generates car trips would have to provide mitigation;
 - It enables the Council to achieve environmental benefits by facilitating the recovery the highly valued Dorset Heathlands towards favourable conservation status with regard to air quality;
 - Improvements to air quality would equally benefit human health; and
 - Mitigation projects can have 'layered benefits' such as a net gain in biodiversity, carbon offsetting and public access.

Alternative Option 1 – Require applicants to provide bespoke mitigation packages

16. In the absence of a strategy, applicants seeking planning permission will need to identify and agree with the Council, a package of bespoke mitigation measures. This will be necessary for the proposed development to pass habitats regulations assessment enabling the Council to grant planning permission.
17. The reasons this option is not taken forward:
 - This option is onerous upon the applicant, requiring appointment of ecological consultants at extra cost;
 - Bespoke mitigation measures would inevitably overlap where targeted on roads alongside heathland, risking developers paying multiple times for the same mitigation;
 - The Council does not have the ecological resource to negotiate bespoke mitigation packages with applicants; and

- The complex nature of the mitigation would cause delay in issuing planning decisions.

Alternative Option 2 – Do nothing

18. The Council could continue to grant planning permissions and ignore the advice of Natural England that mitigation is required.
19. The reasons this option is not taken forward:
 - Granting planning permission without mitigation would be unlawful, risking reputational damage to the Council and legal challenge or call-in of a planning decision by the Secretary of State;
 - To overcome Natural England concerns the Council may have to impose Grampian conditions on all new planning permissions for development that generates vehicular trips, effectively delaying construction until mitigation is in place; and
 - The risk of stifling development disadvantages local people, the economy (construction /employment) and has budgetary implications for the Council (Council tax, business rates, New Homes Bonus).

Summary of Options:

20. The preferred option is to the publish and implement the Dorset Heathlands Interim Air Quality Strategy to enable the Council to continue granting planning permission for new homes and jobs. The strategy would facilitate the recovery the Dorset Heathlands towards favourable conservation status with regard to air quality; simplify the planning process for applicants; facilitate growth; whilst also providing considerable environmental and health benefits to local residents.
21. Alternative Option 1 would require each applicant seeking planning permission to employ ecologists to identify the harm from the development and plan and deliver the necessary mitigation. This is onerous upon applicants and costly, when a Council led solution would provide a strategic approach that developers would contribute towards. All the work would be done by the Council, simplifying the planning process for applicants.
22. Alternative Option 2, Doing nothing, risks reputational damage to the Council and social and economic costs.
23. In summary, the Alternative Options would lead to delays in processing planning applications and the consequential reputational damage to the Council. The Council would also have to consider using Grampian conditions on planning permissions, meaning that developers would be unable to build new homes until the Council had provided the necessary mitigation. These options cannot therefore be supported.
24. The preferred option of a Council led strategy will provide certainty and allow the Council to continue granting planning permissions. Such certainty will ensure applicants seeking planning permission can through the payment of CIL mitigate the harm of their development, simplifying the process. A positive lead from the Council will be welcomed by developers who will be able to continue to build homes without delay. Through the payment of CIL the issue is resolved, simplifying and speeding up the development process. The social and economic benefits of this proposal therefore match the multi-layered environmental benefits.

Summary of financial implications

25. There would be no cost to the Council as projects would be funded from CIL, paid by developers to mitigate their schemes.
26. It is proposed that a budget of £750,000 is set aside to cover Phase 2 and enable the strategy to be implemented immediately. The budget is based upon 15,000 homes planned over the 2020-2025 period at £50 per home. Based on planned growth BCP Council would find £562,500 (75%) and Dorset Council £187,500 (25%). There are CIL funds available for this. The budget would fund a project co-ordinator, the delivery of projects and monitoring over the five-year period.
27. Further work is needed on costing up the projects and these will be set out in the separate Implementation Plan, published after the strategy is in place.
28. There is potential to link projects involving the change of use of agricultural land to other mitigation strategies to provide more cost-effective solutions such as Suitable Alternative Natural Greenspace, nitrogen offsetting land, biodiversity net gain / compensation projects and carbon offsetting projects.

Summary of legal implications

29. The Councils are responsible as Competent Authority under the Conservation of Habitats and Species Regulations 2017, as amended by the Conservation of Habitats and Species Amendment (EU Exit) Regulations 2019 which came into force on 31 December 2020. As Competent Authority the Council must ensure that when granting planning permission, the development will not have an adverse effect upon integrity of the Dorset Heathlands SPA, SAC and Ramsar site.
30. When granting planning permission, the Council must undertake a Habitats Regulations Assessment of each proposal and be certain that the proposed development will not have an adverse effect upon a designated site such as the Dorset Heathlands SPA, SAC and Ramsar site.
31. The proposed strategy will allow the Council to grant planning permission with the certainty that the impact of the development will be mitigated. Were the Council to fail to deliver mitigation and knowingly grant planning permission, this would be unlawful.

Summary of human resources implications

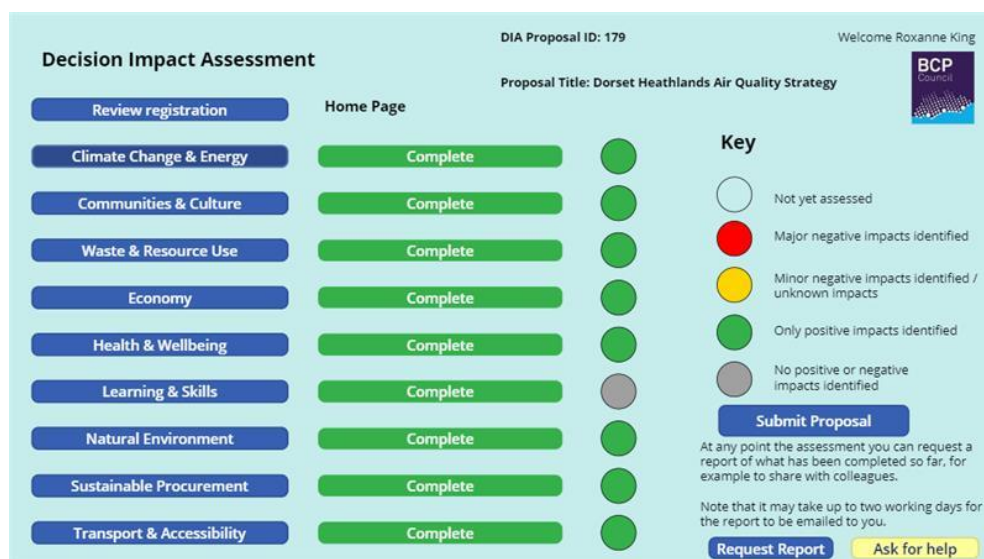
32. A project officer would be needed to coordinate and deliver projects. Discussions are ongoing with Dorset Council to sign to jointly fund a part time post. The post would be funded from CIL and could be employed by the Urban Heaths Partnership. The proposal has no implications for BCP staff, other than to maintain Council services.

Summary of sustainability impact

33. The strategy would have significant environmental benefits by helping to return the Dorset Heathlands to favourable condition, and through a general improvement to air quality.
34. Projects on agricultural land can be brought forward with 'layered benefits' such as carbon offsetting and net gain in biodiversity. The emerging Environment Bill will make it a requirement for all developers to contribute to achieving a net gain

in biodiversity and the Council will be looking for projects to spend developer contributions in coming years.

35. The Decision Impact Assessment 179 is a background paper. The summary of the assessment is below.



Summary of public health implications

36. The strategy would lead to an overall improvement to air quality to humans as well as the Dorset Heathlands, benefitting public health and well-being. Projects could also provide local residents greater public access to the countryside for exercise, education and general health and wellbeing.

Summary of equality implications

37. The Equalities Impact Conversation Guidance concluded that there are no equalities implications. The strategy will have a positive impact upon the Dorset Heathlands designated sites and upon air quality for human health.

Summary of risk assessment

38. Doing nothing risks considerable reputational damage to the Council due to uncertainty in determining planning applications.
39. Without the strategy, each application would need a bespoke mitigation package worked out by the applicant which is extremely onerous and costly. This can be easily avoided through the preparation of an overarching strategy.
40. Without the strategy the Council would have to consider using Grampian conditions on all vehicle generating development (e.g. employment, housing, etc.), preventing the development from being built until mitigation has been put in place. This would hinder developers at a crucial time for jobs and the economy during the recovery from the Covid pandemic. There would be social costs of housing delivery from lack of available housing. There could be damage to the economy and unemployment from a slowdown in construction. The Council would also miss out on Council tax, business rates and New Homes Bonus.

41. Therefore, a strategic approach is recommended as it will speed up the planning process, by providing certainty for all parties that the necessary mitigation will be delivered. This will enable the Council to continue to grant planning permission, continue to encourage growth and gain recognition for its positive approach for facilitating growth whilst improving habitat and air quality.

Background papers

Equalities Impact Conversation Guidance

Decision Impact Assessment

Appendices

1, Dorset Heathland Air Quality Strategy

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Dorset Heathlands Interim Air Quality Strategy

.....
A Strategy to help achieve the conservation objectives
of the Dorset Heathlands designated sites

Phase 2 – Interim Measures for 2020-2025

17 December 2020

V5.6 For Cabinet
BCP Council Planning Policy Team

Executive Summary

The aim of this strategy is to address the adverse effect of airborne nitrogen upon the Dorset Heathlands designated sites by contributing to the achievement of the conservation objectives for air quality and in doing so, facilitate the delivery of planned development.

This document is part of an agreed strategic approach by Bournemouth, Christchurch and Poole Council (BCP Council), Dorset Council and Natural England to address sources of airborne nitrogen based pollution generated in the vicinity of the Dorset Heathlands.

Airborne nitrogen-based pollutants from multiple sources including agriculture and vehicle emissions settle on heathlands, enriching the soil. This favours faster growing plants and the spread of species not normally found on heathlands which outcompete and inhibit the recovery of the heathland habitats. Ammonia and nitrogen oxides also have direct toxic effects on plant communities.

Article 6(2) of the Habitats Directive requires member states to take appropriate steps to avoid deterioration of designated sites. When preparing a local plan or granting planning permission for development, Councils are also required under Article 6(3) of the Habitats Directive, through a habitats regulations assessment, to conclude no significant adverse effects on the integrity of designated sites, such as those which comprise the Dorset Heathlands.

Vehicle emissions cause nutrient deposition and direct toxicity effects, principally within 200 metres of roads. Additional vehicle trips generated by new development, in-combination with all planned development across South East Dorset, is likely to have a significant adverse effect upon the integrity of Dorset Heathlands SAC. The Councils can partially address this pollution by using developer contributions to fund targeted management of heathland but measures to actively reduce emissions are also required. This element forms part of the overall strategy to deliver the reductions in pollution necessary to help achieve the conservation objectives of the Dorset Heathlands.

The Councils have already implemented, or are already implementing, projects that will improve air quality on heathlands. The strategy envisages a phased approach to the delivery of further projects and measures to contribute to the recovery the Dorset Heathlands towards favourable conservation status with regard to air quality:

- *Phase 1: - Measures already in place 2015-2020* – Projects implemented for other reasons which have air quality benefits to the protected heathland nearby.
- *Phase 2: Interim approach from 2020-2025* - Projects to deliver benefits ahead of the preparation of formal local plan policy.
- *Phase 3: Local plan approach from 2025 onwards* - Projects aligned to new policies set out in the BCP Council Local Plan and the Dorset Council Local Plan.

This document constitutes Phase 2. It is the first documented phase of the overall strategy and will deliver projects from 2020-2025. Phase 3 of the strategy will be prepared through the BCP Council and Dorset Council local plans process. This strategy can then become a supplementary planning document (SPD) setting out the detail to implement local plan policies. By 2030, or when government policy on vehicle emissions will trigger an increasing shift to zero emission vehicles, the measures set out in this strategy should become embedded. The measures will be needed until air pollution levels return to an acceptable level and the conservation objectives of the Dorset Heathlands are achieved in respect of air quality.

Types of measures include direct measures targeting vehicle emissions adjacent to heathland. These include projects to encourage modal shift to other forms of transport, reduce vehicle speeds adjacent to heathlands, encourage the use of zero emission vehicles and through heathland management alongside roads. The strategy also addresses wider measures to reduce nitrogen deposition from agricultural land near to heathlands, or the re-siting / cleaning up of certain operations that generate emissions.

By taking a holistic approach with other mitigation measures and initiatives, this strategy will drive an improving trend in air quality which is targeted to the sources which make the greater contribution to current exceedances. This improving trend might then be taken into account by the Councils when considering whether to grant planning permissions in accordance with regulation 63 of the Habitats Regulations.

The Councils will produce and regularly update an Implementation Plan. A projects coordinator will be appointed to bring forward projects and establish a monitoring strategy to assess vegetation changes and transport emissions data over the timeframe of this strategy. A budget of £750,000 will be set aside from Community Infrastructure Levy, split between the Councils on the basis of planned development (75% BCP Council and 25% Dorset Council).

As projects are implemented and landowners are engaged within the process, the strategy will not only play its part in avoiding adverse effects to site integrity from proposed development but will also actively contribute to achieving the conservation objectives in respect of air quality for the Dorset Heathlands designated sites.

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1. Legislative and Policy Background

Designations

- 1.1 The lowland heaths in South East Dorset are covered by several international, European and national designations:
- Dorset Heathlands Special Protection Area (SPA);
 - Dorset Heathlands Ramsar Site;
 - Dorset Heaths Special Area of Conservation (SAC); and
 - Dorset Heaths (Purbeck and Wareham) and Studland Dunes SAC.
- 1.2 Collectively these designations are referred to as the Dorset Heathlands and cover an extensive area of South East Dorset fragmented by urban development, forestry, agriculture and other land uses. The sites include lowland dry heath, wet heath and mire, in particular air pollution affects the lower plant and lichen communities, as well as functional aspects of the habitats such as the structure. Examples of species negatively impacted by nitrogen include common heather, reindeer lichen, cross leaved heath and sundew in wet heathland and Sphagnum mosses, liverworts, Utricularia (bladderwort) species and bog asphodel in the Rhynchosporion community.
- 1.3 The Site Improvement Plan (SIP) for the Dorset Heathlands provides a high-level overview of the issues (both current and predicted) affecting the condition of features on the site and outlines the priority measures required to improve the condition of those features. The following extract is from the Dorset Heathlands SIP (2014):

Plan Summary This table shows the prioritised issues for the site(s), the features they affect, the proposed measures to address the issues and the delivery bodies whose involvement is required to deliver the measures. The list of delivery bodies will include those who have agreed to the actions as well as those where discussions over their role in delivering the actions is on-going				
Priority & Issue	Pressure or threat	Features affected	Measure	Delivery Bodies
11 Air Pollution: impact of atmospheric nitrogen deposition	Pressure	H4010 Northern Atlantic wet heaths with Erica tetralix; H4030 European dry heaths; H7150 Depressions on peat substrates of the Rhynchosporion	Reduce atmospheric nitrogen deposition	Natural England

- 1.4 The SIP also identified ‘actions’ against the issues and the extract in respect of air pollution is as follows. The need for the control, reduction and amelioration of atmospheric nitrogen impacts has therefore been recognised within the SIP.

11 Air Pollution: impact of atmospheric nitrogen deposition							
Air pollution impacts on the site's vegetation diversity. As with most lowland heathlands and mires in England N deposition is close to, and in some cases exceeds critical loads (e.g. fFor Rhynchosporion							
Action	Action description	Cost estimate	Timescale	Mechanism	Funding option	Delivery lead body	Delivery partner(s)
11A	Control, reduce and ameliorate atmospheric nitrogen impacts.	Not yet determined	2014-20	Site Nitrogen Action Plan	Not yet determined	Natural England	Not yet determined

The Habitats and Birds Directives

- 1.5 The European Commission Habitats Directive (1992) contributes towards securing biodiversity through the conservation of natural habitats and species. Both the Dorset Heaths SAC and the Dorset Heaths (Purbeck and Wareham) and Studland Dunes SAC are designated in accordance with the Habitats Directive.
- 1.6 The European Commission Wild Birds Directive (2009) concerns the conservation of all species of wild birds. The Dorset Heathlands SPA is classified under the Birds Directive.

- 1.7 Following the exit from the European Union, the United Kingdom is no longer a 'Member State'. However, the Conservation of Habitats and Species Amendment (EU Exit) Regulations 2019 came into force on 31 December 2020. Regulation 3A covers interpretation of the Directives, where it sets out that all references to 'Member States' include the United Kingdom. The requirements of the Habitats and Birds Directives therefore continue to have effect. Furthermore, regulation 16A sets out new duties to manage the national site network with a view to contributing to the achievement of its management objectives. The management objectives are to maintain or restore habitats and species to a favourable conservation status and to contribute to ensuring the survival and reproduction of Annex 1 bird species as well as regularly occurring migratory species of birds.
- 1.8 Article 6(1) of the Habitats Directive requires Member States *[including the United Kingdom]* to establish the necessary conservation measures which correspond to the ecological requirements of the habitats and species. Article 6(2) of the Habitats Directive requires Member States *[including the United Kingdom]* to take appropriate steps to avoid the deterioration of designated SACs. In addition, regulation 10 of the Habitats Regulations sets out similar duties in respect of wild bird habitat where designated as part of an SPA, and UK National Planning Policy Framework (2019) affords Ramsar sites (known as International Sites) the same protection as SACs and SPAs (known as European sites). SPAs, SACs and Ramsar sites are collectively known as the Natura 2000 network across Europe and this, following the exit from the European Union, is now known as the National Sites Network in the UK.
- 1.9 Article 6(3) of the Habitats Directive, regarding the need for appropriate assessment of a plan or project which has a likely significant effect (either alone or in combination with other plans and projects), is transposed into UK law through Regulation 63 of the 'Habitats Regulations'.

The Habitats Regulations

- 1.10 European sites are protected by the European Commission Birds and Habitats Directives, specific provisions of which are applied in the UK by the Conservation of Habitats and Species Regulations 2017 (as amended). The regulations are more commonly referred to as the Habitats Regulations. They place responsibilities on a decision maker (referred to as the 'competent authority') in relation to such sites. The Councils when determining planning applications take on the role of the competent authorities under the Habitats Regulations and are advised by Natural England on how to fulfil these duties.
- 1.11 Regulation 63 of the Habitats Regulations requires that any application for development or strategic plan or policy which is likely to significantly affect a European site is subject to an appropriate assessment of the implications of the proposal in view of the site's conservation objectives. The planning authority must ascertain that the plan or project will not have an adverse effect on the integrity of the site, either alone or in combination with other plans or projects, either directly or indirectly, taking account of any conditions or restrictions that would help ensure no adverse effect, before granting permission or adopting a plan or policy.
- 1.12 Regulation 9(3) places a general duty upon a competent authority, in exercising any of its functions, to have regard to the requirements of the Directives so far as they may be affected by the exercise of those functions.

Legal Judgements

- 1.13 When preparing a local plan or granting planning permission for development, Councils are required, through appropriate assessment, to conclude no significant adverse effects on the integrity of designated sites, such as the Dorset Heathlands.
- 1.14 In 2017, the High Court ruled in the case of *Wealden District Council v Secretary of State*¹ that the failure to take account of proposed housing development in combination with other plans and

¹ Wealden DC v SoS and Lewes DC [2017] EWHC 351 (Admin)

projects had brought about a clear breach of the Habitats Directive. The Court explicitly recognised that ‘*if it is known that specific impacts are very low indeed, or are likely to be such, these can properly be ignored*’ (emphasis added) but the failure to take account of in combination effects could not be supported (under the circumstances) on logical and empirical grounds.

National Planning Policy Framework

- 1.15 The National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) outline the procedure set out by the government that should be followed in deciding whether to approve a proposal (a plan or project) that will potentially affect a protected habitats site.
- 1.16 The NPPF recognises the value of our natural environment stating that the ‘*planning system should contribute to and enhance the natural and local environment*’², for example by protecting and enhancing valued landscapes such as heathland, establishing coherent and resilient ecological networks and providing net gains for biodiversity. Importantly the presumption in favour of sustainable development does not apply where development requiring appropriate assessment under the Birds or Habitats Directives or Ramsar convention is being considered, planned or determined.³

Development Plans

- 1.17 The two Councils have adopted legacy Local Plans which contain similarly worded policies to address the adverse effects on the Dorset Heathlands of pressures arising from population growth:
- Bournemouth Core Strategy (2012) - Policy CS33 Heathland.
 - Christchurch and East Dorset Local Plan Part 1 (2014) - Policy ME2 Protection of the Dorset Heathlands.
 - The Poole Local Plan (2018) - Policy PP32 Part (1) Poole’s nationally, European and internationally important protected sites.
 - The North Dorset Local Plan Part 1 (2016) – Policy 4 Natural Environment.
 - The Purbeck Local Plan Part 1 (2012) Policy DH Dorset Heaths International Designations and Swanage Local Plan (2017). A new Purbeck Local Plan is currently at examination and will replace the 2012 Plan with a replacement heathland policy (Policy E8).
 - The West Dorset, Weymouth & Portland Local Plan (2015) – Policy ENV2 Wildlife and Habitats.
- 1.18 The strategy to implement these policies is set out in The Dorset Heathlands Planning Framework 2020-2025 SPD. The SPD identifies air pollution as an issue for the heathlands, but the strategy is focussed upon the recreational impacts of development, so does not deal directly with the additional airborne emissions associated with the developments.
- 1.19 The local plans are accompanied by habitats regulations assessments which set out the measures that need to be provided to enable development to be delivered. Together the habitats regulations assessments provide a consistent record of the approach to avoidance and mitigation and in varying levels of detail, the type and nature of projects required.
- 1.20 In addition to the local plans, there may be relevant policies in neighbourhood plans which will provide local context and support for the strategy.

² NPPF para 170

³ NPPF para 176,177

2. Evidence

2.1 The evidence section is broken down into 3 parts:

- Evidence of air pollution effects;
- Evidence of traffic patterns; and
- Evidence of air pollution remediation/mitigation opportunities.

Evidence of air pollution effects

Nitrogen deposition

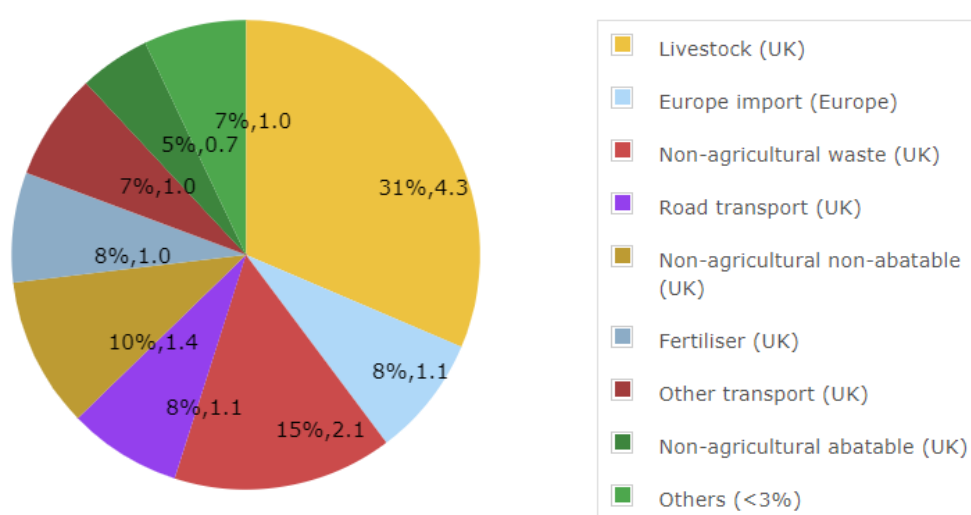
2.2 It is important to acknowledge that nitrogen deposition on to the heathlands comes from several sources. The main sources of atmospheric nitrogen deposition are nitrogen oxides (NO_x) from vehicles, industry and electricity generation and ammonia (NH₃), mainly from agricultural sources. Some local sources will make larger contributions when they lie close to the heathlands, such as road transport, airports, waste sites and agricultural activities.

2.3 Figure 1 below produced by the UK Air Pollution Information System (APIS) provides an indication of the contributions of different sources to total nitrogen deposition on the Dorset Heaths SAC. It represents the contributions averaged over a 5x5km square for the year 2012. It does not include the contribution from ammonia within the transport sector as this is an emerging area of research⁴ into how commercially available fuel additives, e.g. Adblue (used to control NO_x emissions in diesel exhaust gasses) lead to elevated ammonia emissions which may require consideration at the local level - hence it is only indicative.

2.4 There are some activities which can't be influenced at a local level such as deposition coming from abroad (Europe import) or aeroplanes and shipping (Other transport). Activities that can be influenced include agriculture (Livestock, Fertilisers) which accounts for 39% of deposition and vehicles (Road Transport) which accounts for 8%.

Figure 1 – Indicative proportions of nitrogen deposition on the Dorset Heaths SAC from different activities

■ Pie Chart: Local contributions to Nitrogen deposition (Kg N/ha/yr) from sources (UK)

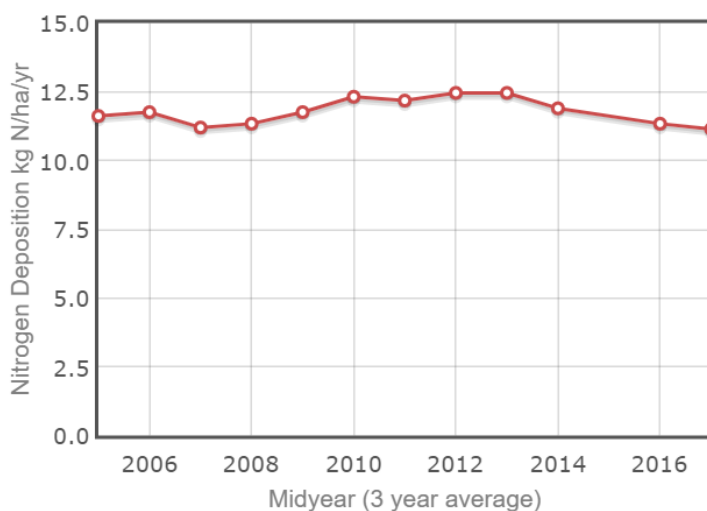


Source: <http://www.apis.ac.uk/src/source-attribution?submit=Source+Attribution&sitetype=SAC&sitecode=UK0019857&sitename=Dorset+Heaths>

⁴ A Guide to the assessment of air quality impacts on designated nature conservation sites. Institute of Air Quality Management, May 2020

2.5 Figure 2, also from APIS, shows the trend in nitrogen deposition to short vegetation within Dorset Heaths SAC over the period 2004 to 2018. This shows little change over the 14 year period.

Figure 2 – Trend in total nitrogen deposition to short vegetation on the Dorset Heaths SAC, 2004 to 2018.

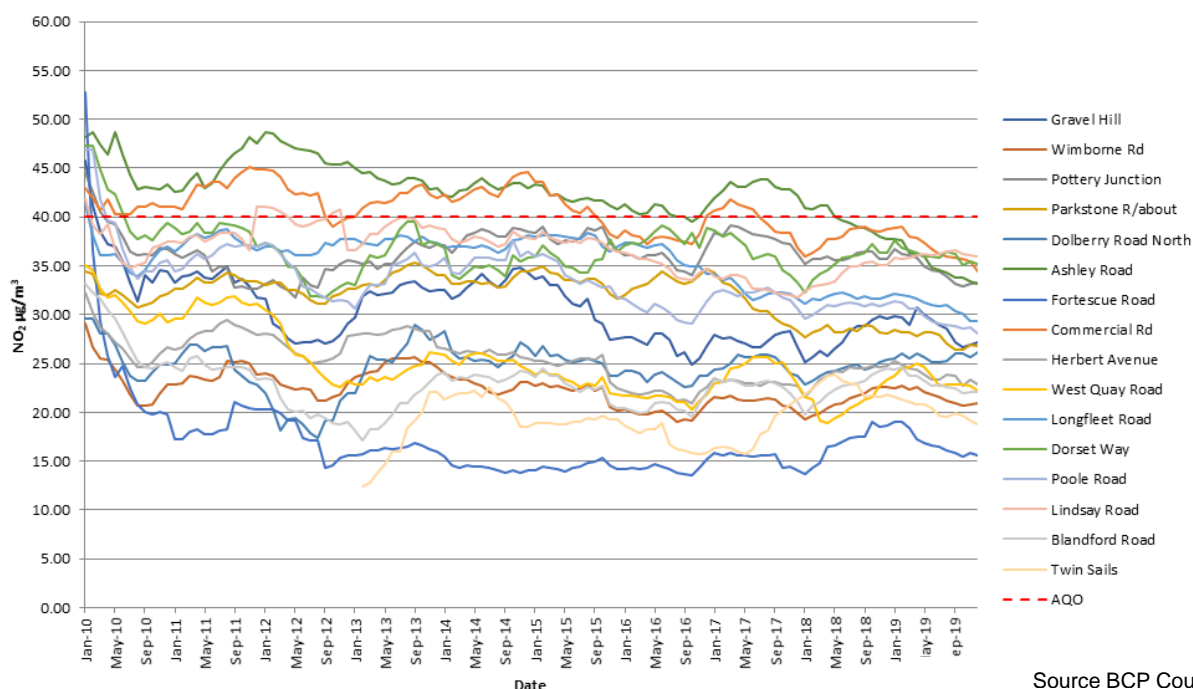


Source <http://www.apis.ac.uk/src/select-a-feature?site=UK0019857&SiteType=SAC&submit=Next>

Ammonia and Nitrogen Oxides

- 2.6 Ammonia and nitrogen oxides have toxic effects in their gaseous form, as well as contributing to nitrogen deposition. Key sources of ammonia are from agricultural activities with a further contribution from road vehicle emissions associated with the technologies being used to control the nitrogen oxides emissions. Lichens and mosses are particularly sensitive to toxic effects from ammonia.
- 2.7 Nitrogen oxides come from combustion sources, with road traffic being the key source. Emissions of nitrogen oxides from road traffic have been declining over the last decade, due to the introduction of legal controls on vehicle emissions. This is reflected in the roadside monitoring results for nitrogen dioxide from the former Borough of Poole over the period 2010 to 2019, as set out in Figure 3; there has been an overall decline over this period. This is due to both a reduction in regional emissions of nitrogen oxides and more directly to declining emissions from the road traffic close to the monitoring site from improving vehicle engine performance.

Figure 3: Reduction in nitrogen oxides from vehicle emissions in Poole from 2010-2019



Source BCP Council

The effect of nitrogen deposition

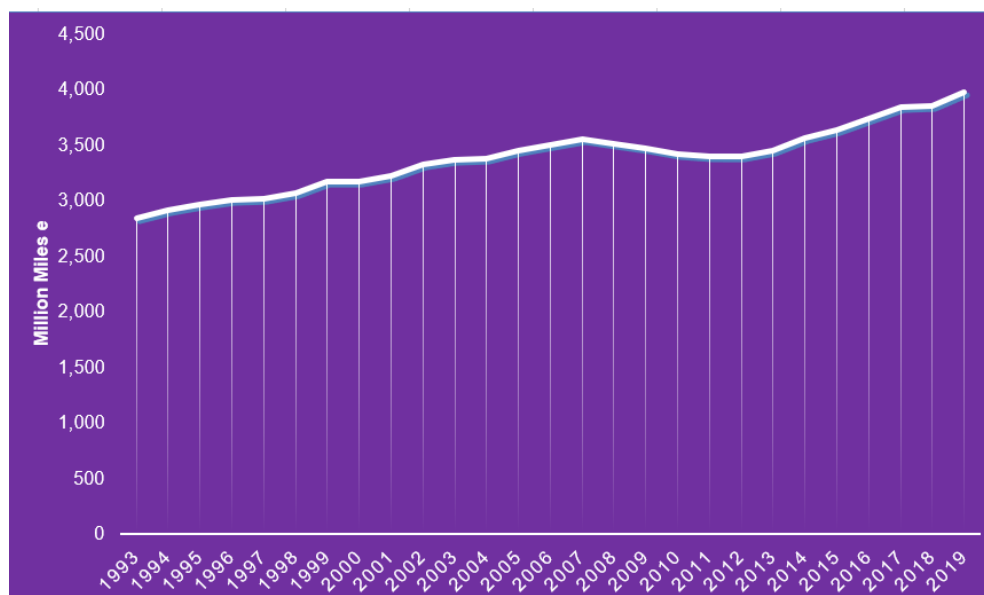
- 2.8 This nitrogen deposition affects the vegetation of lowland dry heath, wet heath and mire, in particular, the lower plant and lichen communities as well as functional aspects of the habitats. The likely effects of nutrient deposition are:
- Heath vegetation becomes "lusher" and so more prone to adverse effects such as heather beetle, fungal attacks etc. The growth rate of some species is accelerated e.g. European and dwarf gorses;
 - The vegetation responds with increased grass dominance and especially non-typical grasses and herbs responding to higher levels of available nutrients;
 - Nitrogen levels in heathland soils build up when there is increased aerial pollution and standard management measures such as cutting are less effective at removing nitrogen than more aggressive approaches such as humus removal;
 - The wetter habitats show increased vigorous purple moor grass cover due to increased nutrient availability;
 - Bare ground and open habitats used by SPA birds and features such as sand scrapes, which are important habitats for sand lizards, become vegetated over more rapidly and require more frequent management;
 - Site restoration measures are inhibited, e.g. succession pathway towards a bracken, birch seedling, grassland phase is facilitated rather than to heathland;
 - Non-native invasive species such as Gaultheria spp, rhododendron, Amelanchia spp and laurel are able to grow and spread more effectively; and
 - More vegetation growth can lead to an increased fire risk due to the higher fuel load produced and increased management costs and considerations.

The air quality impact of combustion engine vehicles and how this affects the Dorset Heathlands

- 2.9 As highlighted above by APIS, combustion engine vehicles (motor vehicles) make an overall contribution of around 8% of the nitrogen deposition upon the heathlands. However, Natural England advice to competent authorities is that this contribution will be higher within around 200 metres of the roadside⁵. The amount deposited on the vegetation declines rapidly away from the road.
- 2.10 Vehicle trips in the BCP Council and Dorset Council areas are rising as shown in Figure 4, and the Department for Transport projects this to continue. Traffic volume increased by 4% from 2001-2018. This trend makes it harder to reduce nitrogen deposition to the heathlands in order to meet the conservation objectives.

⁵ [Natural England's approach to advising competent authorities on the assessment of road traffic emissions under the Habitats Regulations](#)

Figure 4: Car Trips in Dorset and BCP Council Areas (million miles)



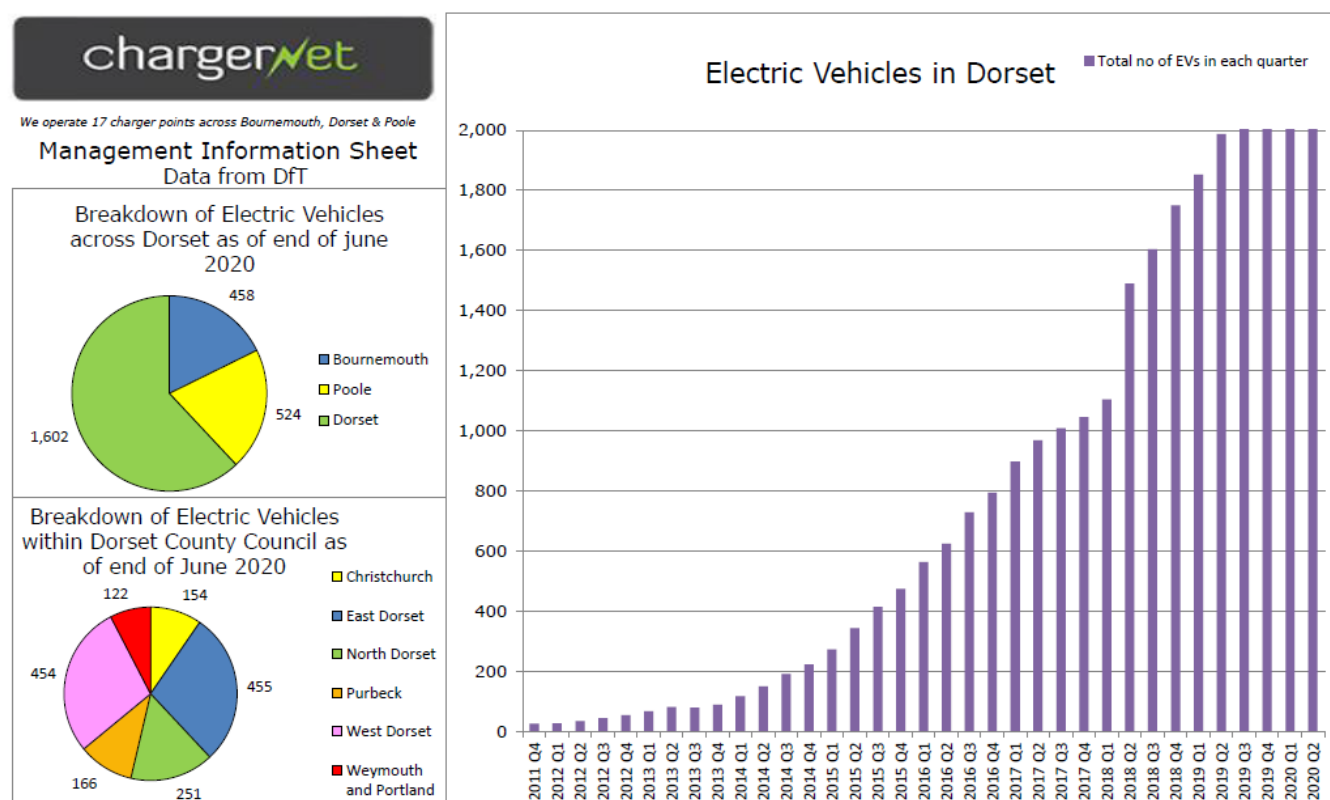
Source DfT: <https://www.gov.uk/government/statistical-data-sets/road-traffic-statistics-tra#traffic-by-local-authority-tra89>

Evidence of traffic patterns

The transition to zero emission vehicles

- 2.11 Government through '*The Ten Point Plan for a Green Industrial Revolution*' (November 2020) is planning to ban the sale of new purely petrol and diesel-powered cars and vans by 2030 and the sale of new internal combustion engines (including hybrids) by 2035. Government intends to invest in electric-vehicle charge points. The Ten Point Plan states that cars and vans make up nearly a fifth of emissions.
- 2.12 As car manufacturing responds to this challenge, the current expectation is that by around 2030 the shift to zero emission cars and vans should result in air pollution levels returning to an acceptable level, helping to achieve the conservation objectives of the Dorset Heathlands in respect of air quality. Measures are therefore required in the period between now and when wider government measures take effect and vehicle emissions reduce.
- 2.13 The two Councils are facilitating the transition to electric vehicles through the provision of publicly accessible electric charging points and by encouraging developers to make electric charging points available in new homes and businesses. Figure 5 shows the rapid growth in electric vehicles across BCP Council and Dorset Council areas.

Figure 5: Increase in electric vehicle ownership across BCP Council and Dorset Council areas



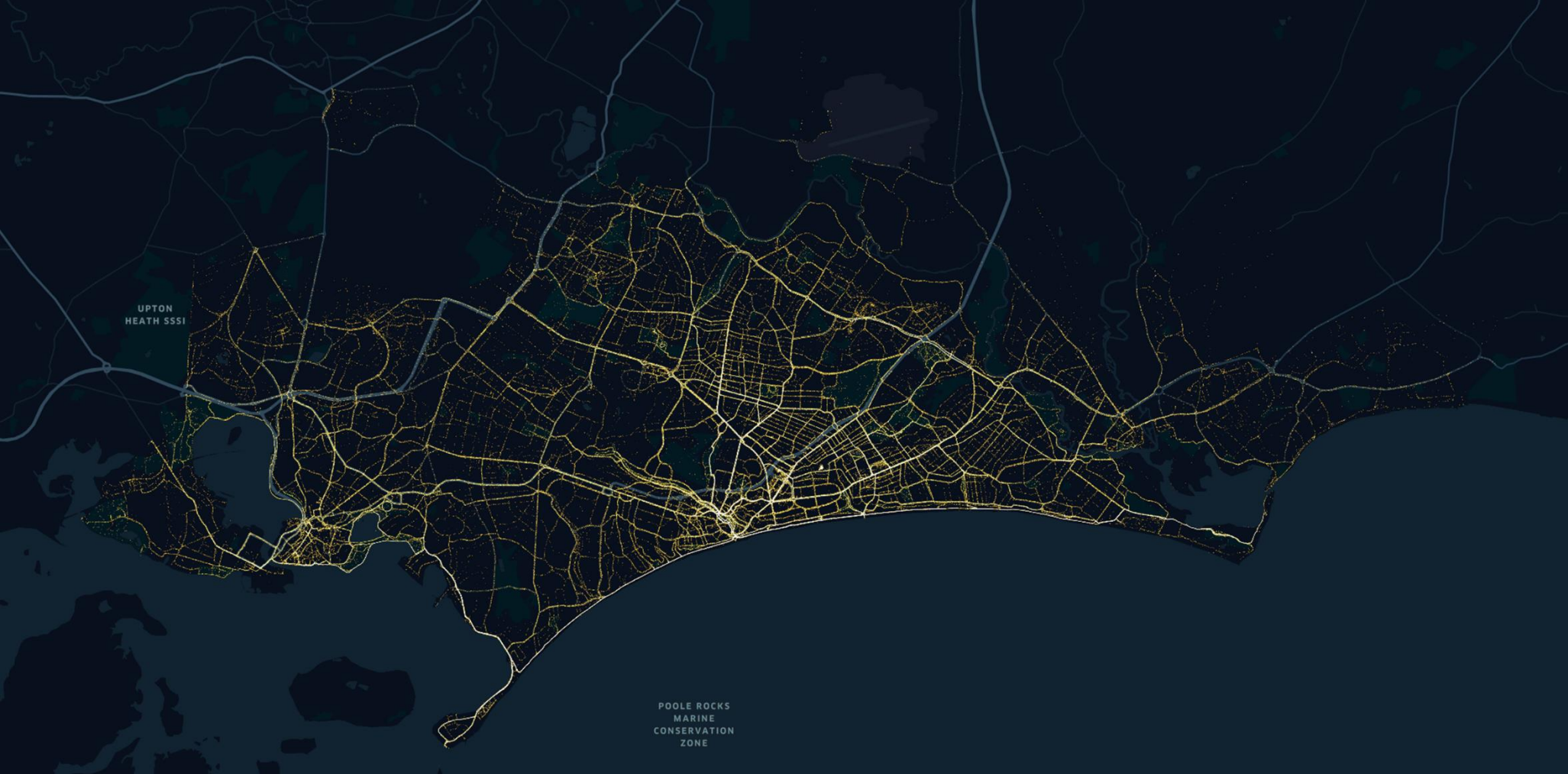
Source DfT, <https://www.gov.uk/government/statistical-data-sets/road-traffic-statistics-tra#traffic-volume-in-miles-tra01>

Transforming Travel

- 2.14 The Government's ten-point plan also includes proposals for significant further investment in public transport, cycling and walking. Government had already awarded BCP Council and Dorset Council £100m plus from the Transforming Cities Fund to make a step-change in local sustainable transport options. The local initiative called '*Transforming Travel*'⁶ will be the largest sustainable transport infrastructure improvement programme ever seen in the area.
- 2.15 The Councils are already actively promoting sustainable transport options. These strategies aim to improve accessibility and reduce reliance upon private motor vehicles for trips. BCP Council introduced a bike hire system in June 2019, with 235,000 journeys by bike in the first year. Survey data from riders indicates that 18% of riders used a hire bike instead of a private car, taking 42,300 car journeys off the road. Figure 6 provides a heatmap of all journeys since the launch.

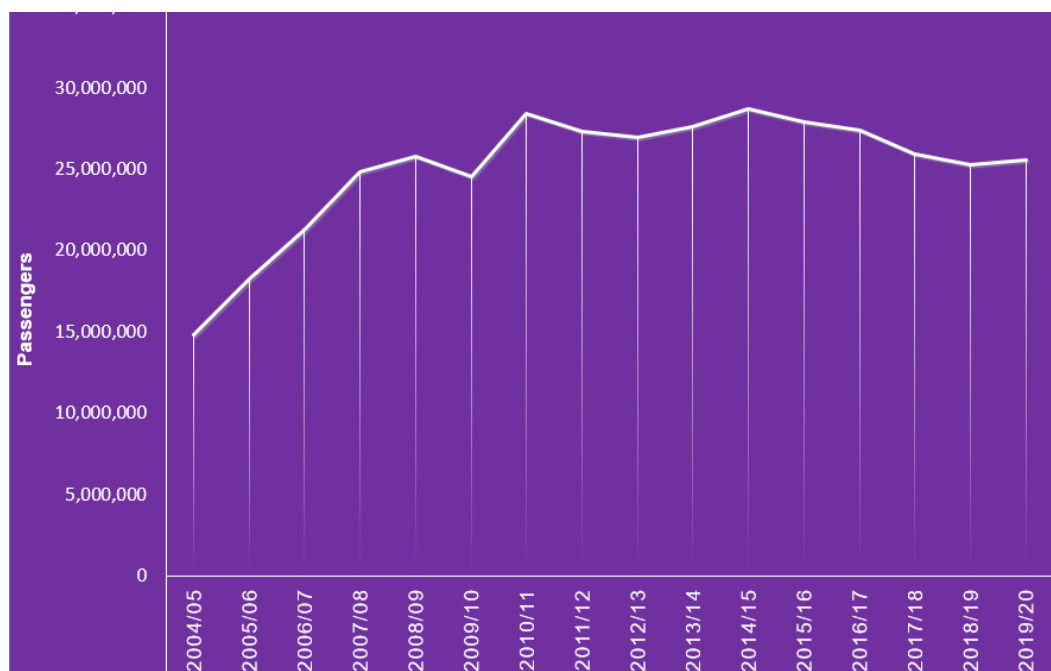
⁶ <https://www.bcpCouncil.gov.uk/News/News-Features/Transforming-Travel/Transforming-Cities-Fund.aspx>

Figure 6: Heatmap showing trips made by hire bikes since June 2019



- 2.16 The provision of bus services including high speed routes across the conurbation saw a large increase in bus patronage to 2010 after which usage has levelled off as illustrated in Figure 7

Figure 7 - Passengers using local bus services in Bournemouth and Poole



Source: BCP Council

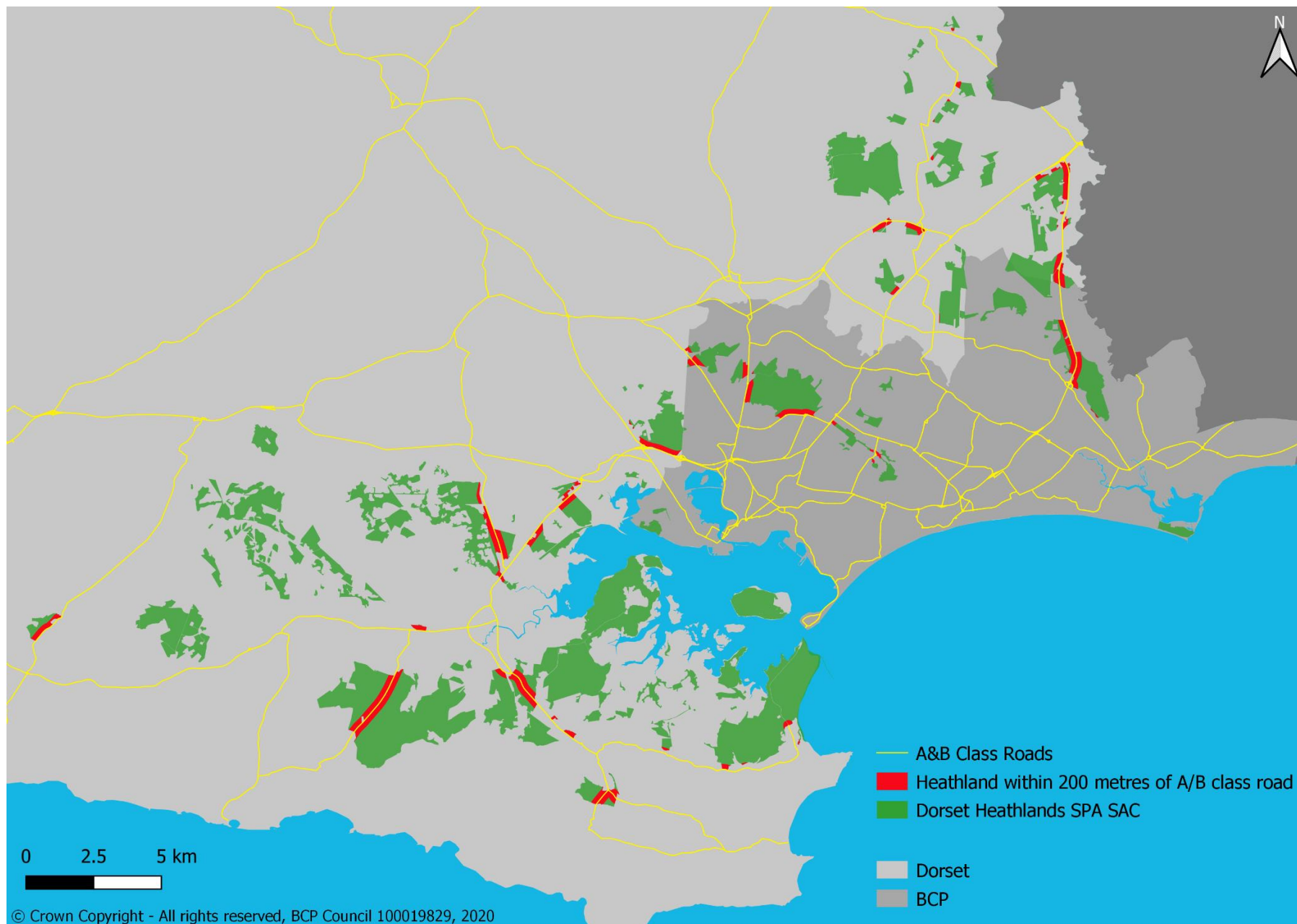
- 2.17 Moving forward the two Councils are committed to Transforming Travel and as the project progresses over the next few years, will encourage an increasing of proportion of all trips to be made by public transport, cycling and walking.

Evidence of air pollution remediation/mitigation opportunities

Additional management practices on heathlands

- 2.18 As evidenced above, heathland management can counteract the harmful effects from air pollution. To counteract air pollution from vehicles within 200 metres of a road, measures could include focussed grazing or stripping back of nutrient enriched soil / vegetation within these areas. These methods are consistent with current heathland management practices but carried out in a more focussed manner. This management will help facilitate native heathland species to recover. Currently landowners can secure countryside stewardship payments to maintain lowland heath at £274 per hectare per year. In the absence of detailed and costed management plans for the individual heathland sites, this cost is considered an established figure which should over the duration of the strategy ensure enough resources are available to counteract the identified harmful processes.
- 2.19 Using the road centre line for A and B class roads and measuring 200 metres in either direction identifies 638 hectares of heathland that are likely to be affected by vehicle emissions, as coloured red in Figure 8. Only some of this area will be suited to measures, as for example some heathland will be established broadleaved woodland, or landowners may not be interested in introducing measures.

Figure 8: A and B class roads passing heathland sites in South East Dorset



- 2.20 To counter the effects of vehicle emissions, increased land management practices can prevent areas remaining in an unfavourable condition, including:
- Heather sward cut or burnt more frequently;
 - Increased grazing stock rate/more mixed grazing;
 - Focussed small grazing units to tackle specific problem areas;
 - Litter stripping with the creation of banks;
 - Soil stripping of affected soil humus and enhanced control of invasive non-native plants;
 - Increased frequency of bracken and gorse control to direct regeneration to heathland;
 - Creation of bare ground; and
 - Change of use of adjacent agricultural land to support conservation measures, e.g. Heathland Support Area.

Nitrogen Futures

- 2.21 The DEFRA Nitrogen Futures project⁷ aims to compare current and possible future emission reduction policies to help maximise the benefits to ecosystems and the people that live near them.
- 2.22 The project has quantified the benefits from a range of potential emission mitigation options and develop different scenarios. The scenarios explore the location for mitigation measures to maximise benefits to ecosystems and protected areas. The project results will be used as evidence to inform policy development at UK, country and local scale. It is not yet clear what the effect of the project on nitrogen deposition will be or the time scales involved.

Identification of Potential Remedies for Air Pollution (nitrogen) Impacts on Designated Sites (RAPIDS)

- 2.23 The 2015 RAPIDS study⁸ sets out potential measures and delivery mechanisms to reduce nitrogen deposition on heathland. Some of the suggested measures are set out below in Figure 9 for both agriculture and vehicle emissions, with an indication of the potential mitigation effect.

Figure 9: A selection of potential mitigation measures identified by RAPIDS

Method	Mitigation effect
Agricultural emissions	
Convert intensive agricultural land (arable and grass) to unfertilised grassland or semi-natural land cover (inc. woodland) around designated sites	90%
Reduce mineral fertiliser application rates	20%
Tree belt next to designated site	20%
Improvements to manure spreading, e.g. slurry injection	70-90%
Improved manure storage, e.g. a floating cover on slurry pits	50%
In planning applications for new sites, local protection of a designated site may be much improved by landscape-planning, i.e. siting the development further away.	Unspecified
Vehicle emissions	
Installation of bunds/screens alongside roads	Unspecified
Introduction of demand management technique, e.g. low emission zones (LEZs).	12%
Real time traffic information e.g. optimising traffic flows, re-routing of traffic	Unspecified
Promote greener technologies e.g. financial incentives to take up electric vehicles	Unspecified

⁷ <https://jncc.gov.uk/our-work/nitrogen-futures/>

⁸ https://uk-air.defra.gov.uk/library/reports?report_id=865

3. The Dorset Heathlands air quality strategy

Aim of the strategy

- 3.1 The aim of this strategy is to address the adverse effect of airborne nitrogen upon the Dorset Heathlands designated sites by contributing to the achievement of the conservation objectives for air quality and in doing so, facilitate the delivery of planned development.

Objectives of the strategy

- 3.2 The objectives are:
- Contributing to the achievement of the conservation objectives of the Dorset Heathlands;
 - Facilitating the delivery of planned development;
 - Encouraging modal shift to reduce the number of trips by combustion engine vehicles;
 - Accelerating the shift to zero emission vehicles;
 - Working pro-actively with the agricultural sector to implement measures; and
 - Multi-layering projects to provide other benefits to include:
 - improved air quality for public health;
 - net gain in biodiversity; and
 - helping towards achievement of the Council's climate and ecological emergencies.

Types of Mitigation Measures

- 3.3 Figure 1 illustrates the range of air pollution sources affecting the Dorset Heaths SAC and highlights the need for the Councils to work with multiple agencies and landowners on a variety of different types of mitigation projects in order to help achieve the conservation objectives in respect of air quality.
- 3.4 Many of the sources require a national or even international approach to mitigate the harm. The RAPIDS study notes that *'While locally targeted remedies may be particularly effective for a number of designated sites, this is not a substitute for overall national and international efforts to reduce emissions, which are necessary to reduce large-scale regionally elevated background N concentrations and deposition.'* As mentioned above, a key national approach is the current government's aim to only allow sales of zero emission cars and vans by 2030 and all vehicles by 2035. Combustion engine vehicle use may be assumed to substantially decline thereafter.
- 3.5 This strategy is therefore limited to local measures that the two Councils can influence. As highlighted by the RAPIDS study there are some options that can be achieved locally. For instance, the two Councils can:
- As local planning authority prepare local plans for waste and for the location of development;
 - As local planning authority gather developer contributions as set out in the relevant local plans and supporting documents and use this funding to implement a range of management measures either on or adjacent to designated heathland;
 - As local highway authority encourage a modal shift from private cars to public transport, cycling and walking; manage transport and facilitate electric vehicle charging;
 - As landowners deliver projects within the Council owned estate; and
 - Continue working with landowners and the farming community, as with other habitats regulations mitigation projects, in particular on the emerging Poole Harbour Nutrient

Management Scheme, which provides a useful platform to identify air quality improvement projects.

3.6 Measures fall into two types; Category 1 and Category 2:

Category 1 measures - to mitigate the direct impact of development

3.7 These measures will directly mitigate the impact of development by increasing the resilience of heathland habitats within 200m of the road. Measures will allow the heathland to recover as traffic emissions continue to decline as a result of modal shift and a greater take up of zero emission vehicles. These projects will be focussed around transport corridors with the aim of tackling vehicle emissions.

Category 2 measures - to improve air quality across the whole of the Dorset Heathlands

3.8 Category 1 measures alone may not be sufficient to avoid adverse effects to integrity of the Dorset Heathlands if other sources are anticipated to increase or if the current exceedances of critical nitrogen loads/levels are predicted to persist into the long term. Therefore Category 2 measures will aim to address air pollution across the entire heathland site (beyond 200 metres from a road). Category 2 measures are essential to ensuring that Category 1 measures are not undermined and that the conservation objectives in relation to air quality are achieved. These projects will be carried out at locations around the heathland area and focussed on reducing emission from agriculture.

3.9 By taking a holistic approach in which category 1 measures are delivered in parallel with other category 2 mitigation measures and initiatives, this strategy will drive an improving trend in air quality which is targeted to the sources which make the greatest contribution to current exceedances. This improving trend might then be taken into account by the Councils when considering whether to grant planning permissions in accordance with Article 6(3) of the Habitats Directive.

A phased approach to the strategy

3.10 The strategy has 3 phases, each phase of which will combine Category 1 and Category 2 measures:

- *Phase 1: - Measures already in place 2015-2020* – Projects implemented for other reasons which also have air quality benefits for the protected heathland nearby.
- *Phase 2: Interim approach from 2020-2025* - Projects to deliver benefits ahead of the preparation of formal local plan policy.
- *Phase 3: Local plan approach from 2025 onwards* - Projects aligned to new policies set out in the BCP Council Local Plan and the Dorset Council Local Plan.

3.11 This document constitutes Phase 2, the Interim approach from 2020-2025 and is the first documented phase of the strategy. It will act as the Site Nitrogen Action Plan as set out in the SIP. Phase 3 of the strategy will be prepared through the formal BCP Council and Dorset Council local plan processes. This strategy will then be integrated into each Council's local plan policy, with an expectation that this document will become a supplementary planning document (SPD), setting out the strategy to implement local plan policies.

3.12 By 2030, or when government policy on vehicle emissions drives a shift to other transport modes such as zero emission vehicles, the measures set out in this strategy should become embedded. The measures will be needed either until air pollution levels return to an acceptable level and favourable conservation status of the Dorset Heathlands, in respect of air pollution, is achieved or it is shown that vehicle emissions no longer contribute towards this issue

3.13 The next section focusses on the types of project considered at each phase of the strategy.

4. Phase 1 - Measures already in place 2015-2020

- 4.1 When preparing Phase 2 of this strategy, it has become evident that the Councils have already been delivering projects for other reasons, which have the incidental benefit of also reducing air pollution on the heaths. These projects have been captured below as a record of how this strategy is ongoing:

Category 1 measures:

- Traffic management to reduce vehicle speeds:
 - From 50mph to 40mph on Gravel Hill alongside Canford Heath (2016); and
 - From 70mph to 50mph using average speed cameras along the Wessex Way (2019) alongside Town Common / St Catherine's Hill; Sopley / Ramsdown heaths (2019).
- Encouraging modal shift away from private motor vehicles:
 - South East Dorset Urban Mobility Strategy (SEDUMS) and the Transforming Travel strategy - implement sustainable transport measures across South East Dorset and avoid reliance upon private car travel; and
 - Local Transport Plan and Local Plan transport mitigation strategies.
- Encouraging the switch to zero emission vehicles:
 - Provision of publicly available electric vehicle charging points; and
 - Requirement to provide electric charging points in new homes to encourage the switch to electric cars.

- 4.2 The air quality benefits of these transport measures have not been quantified, although the Implementation Plan will attempt to do so. However, these measures provide some context as to how wider initiatives can help to tackle traffic emissions and contribute towards achieving the conservation objectives in respect of air quality on the Dorset Heathlands.

Category 2 measures:

- Changing the management of agricultural land around heathlands to low nitrate use through mitigation measures under the Dorset Heathlands SPD and Nitrogen Reduction in Poole Harbour SPD:
 - Upton Park Farm to create a 30-hectare Suitable Alternative Natural Greenspace alongside Upton Heath (2015-2020);
 - Agreement with tenant farmer of Upton Park Farm for low intensity nitrate usage for a further 30 hectares of fields adjacent to Upton Heath (2015); and
 - Soldiers Road to revert use of 6 hectares of horse paddocks to heathland and incorporate into the adjacent Stoborough Heath National Nature Reserve (2017).

- 4.3 It should be possible to calculate the benefits of these measures and this will be carried out as part of the Implementation Plan. The RAPIDS study indicates that these changes of use can be up to 90% effective in tackling nitrogen deposition on nearby heathland.

5. Phase 2 Interim approach from 2020-2025

Planned development

- 5.1 Paras 4.12-15 of the Dorset Heathland Planning Framework 2020-2025 SPD identify the number of homes expected to come forward in each Council area within 5km of heathland over the 5 year period 2020/21-2024/25. This is 11,290 homes in the BCP Council area and 3,716 in the Dorset Council area, a total of 15,006 homes (rounded to 15,000).
- 5.2 This quantum of growth is likely to generate more vehicular trips on the road network and therefore contribute to nitrogen deposition on the Dorset Heathlands. However, current adopted local plans and habitats regulations assessments do not contain measures to ensure that new developments do not, alone or in combination, have an adverse effect upon heathland sites from increased air pollution. Because of recent legal judgements elsewhere in the UK and in the Dutch Nitrogen Case the issue has become critical for the Councils to address.
- 5.3 This leaves a policy vacuum for any new planning permissions until such time as the new local plans are adopted. The two Councils need to grant planning permissions and enabling housing growth during this time. To facilitate this, this strategy is intended to front load the implementation of projects to create a buffer through the delivery of measures. The two Councils can then take account of the mitigation provided through the delivery of such measures when completing habitats regulations assessments for new planning permissions.

Projects budget

- 5.4 Phase 2 will have an initial budget of £750,000 over 5 years, or £150,000 per year. This is based upon allocating £50 per dwelling from CIL paid by developers. Due to the need for mitigation to be provided early in Phase 2 and before harm is caused, this budget should be set aside from CIL from the outset (i.e. front loaded before CIL is paid by developers). In line with the proportion of development in each area the budget will be split 75% BCP Council (£562,500) and 25% Dorset Council (£187,500). This budget will include funding a projects coordinator, monitoring work and implementation of projects.
- 5.5 Mitigation will be funded from Community Infrastructure Levy (CIL) or planning obligations. As with other strategies the Councils will ensure that the mitigation measures for designated sites remain the top priority for funding from the CIL.
- 5.6 Where housing proposals do not contribute CIL, there may be a requirement to provide a bespoke contribution towards the strategy through a planning obligation. By doing so the Councils will be able to conclude that the proposed development can satisfy Habitats Regulations Assessment.
- 5.7 There are other uses which do not contribute CIL, such as commercial uses that can generate vehicular trips. However, in practice, calculating the air quality impact of a specific proposal is both onerous for the applicant and uncertain in the longer term due to potential changes in occupancy. Any resulting bespoke mitigation package will inevitably contribute to the same measures as housing growth (i.e. using the same roads and impacting upon the same heathlands). Therefore, for simplicity, in terms of calculating air quality impacts, this strategy assumes that outward or inward commuting is balanced. Therefore, on the basis that people live and work in the area then any growth in commercial or other trip generating uses will be covered by the air quality mitigation necessary to mitigate housing growth. The Councils will use funds from the overall CIL fund to ensure these impacts are mitigated. There may be exceptions where major proposals are clearly going to have measurable impacts and these will be dealt with on a case by case basis with advice from Natural England.

Projects coordinator

- 5.8 To implement the Phase 2 measures (2020-2025) a projects coordinator will be appointed early in the five year period to:
- Prepare and regularly update the Implementation Plan to document the measures;
 - Establish an air quality monitoring programme and implement it early in the five year period;
 - Work with landowners of heathland to identify areas within 200 metres of roads where management change is necessary;
 - Contact owners of land around heathland to identify opportunities to change the management of the land;
 - Coordinate the efforts across Council departments including environment, transport and estates teams;
 - Input evidence into the preparation of the local plans and formalisation of Phase 3 elements of policy approach; and
 - Maintain a register of measures against which development can be released.
- 5.9 The possible types of measures are listed below. This is not an exhaustive list and the two Councils will work positively with local partners to investigate other proposals as they arise.

Category 1 measures:

- Work with the landowners of heathland sites (including Council owned sites) to implement new and additional management practices within 200 metres of roads;
- Actively encourage modal shift by improving public transport, cycling and walking and through positive communications strategy with public awareness campaigns;
- Ensuring that opportunities to facilitate zero emission vehicles e.g. through national government grants are taken;
- Actively incentivise the switch to zero emission vehicles through the delivery of a vehicle scrappage scheme that provides financial grants to households living within a defined distance of the Dorset Heathlands; and
- Require all new houses to install electric vehicle charging points through the Bournemouth, Christchurch and Poole Parking Standards Supplementary Planning Document (2021).

Category 2 measures:

- Decommission Poole's crematorium alongside Canford Heath (Completed April 2020);
 - Install nitrogen oxides abatement equipment at Bournemouth crematorium; and
 - Work with landowners and the farming community to change the management of agricultural land around heathlands to non-agricultural or low nitrate use.
- 5.10 The cost of measures is not yet known, and if the budget identified above is insufficient to mitigate planned growth, the projects coordinator can apply for further CIL funding.

Habitats regulations assessments of planning applications during Phase 2

- 5.11 Applicants seeking planning permission for trip generating uses will need to consider the impacts of air quality arising from the proposed development. Most applicants will be able to conclude through shadow appropriate assessment that the respective development will be contributing towards the Council's strategic approach where the proposal:
- (i) Encourages modal shift;
 - (ii) Facilitates the use of zero emission vehicles, and/or

(iii) Contributes CIL towards mitigation measures.

- 5.12 Subject to exceptional circumstances, where a bespoke approach may be required, it is anticipated that where development proposals satisfy the criteria above, it would be possible for the Council to conclude that air quality impacts from the proposed development will not have an adverse effect on the integrity of the Dorset Heathlands, either alone or in combination with other developments. Regular monitoring will be essential to ensuring that mitigation measures keep pace with development.
- 5.13 For proposals that don't involve housing, applicants can conclude that the Councils will implement the necessary measures from the overall CIL fund.
- 5.14 The Council after completing the Habitats Regulations Assessment for the proposed development will publish it alongside the determination of the planning application. The two Councils' application of the Habitats Regulations is in accordance with recent case law, e.g. *People over wind*⁹, *Holohan*¹⁰ and *Dutch nitrogen*¹¹, which all reinforce the need for a rigorous approach.

⁹ [People over wind case, Sweetman vs Coillte Teoranta \(ref: C-323/17\)](#)

¹⁰ [Holohan and Others \(C 461/17\)](#)

¹¹ [Dutch nitrogen case, Coöperatie Mobilisation for the Environment and Vereniging Leefmilieu \(C-293/17\)](#)

6. Phase 3 - Local plan approach from 2025 onwards

- 6.1 This strategy will be developed and formalised as policy in the BCP Council Local Plan and the Dorset Council Local Plan to ensure that new development does not have an adverse effect upon heathland. The Local Plans will be subject to a rigorous Habitats Regulations Assessment to ensure the development proposals have no significant adverse effect from new development upon the Dorset Heathlands. The Local Plans could include policies to address:
- The siting of new development by focussing growth in the urban area where there is better access to facilities and services and thereby minimising the need for additional car trips past heathland sites;
 - The siting and design of new agricultural buildings that create pollutants, e.g. stocking sheds, slurry pits, etc.;
 - The change of use of agricultural land near heathland to lower nitrogen inputs;
 - Ensuring that any major development proposals in the countryside near heathland include measures to reduce impacts elsewhere in the wider land ownership;
 - Look to identify multiple use benefits in the siting of Heathland Infrastructure Projects (HIPs), Poole Harbour Infrastructure Projects (PHIPs) and nitrogen offsetting projects on sites adjacent to heathland; and
 - Help implement the outcomes of the government's Nitrogen Futures project.
- 6.2 It is expected that this interim strategy document will be updated to reflect local plan policy and be formalised as a supplementary planning document (SPD). The SPD would set out the detailed strategy to implement local plan policies.
- 6.3 Government policy decisions based upon the Nitrogen Futures Project, modal shift and the move to zero emission cars and vans by 2030 should further contribute to support the local measures provided by the Councils. Since work commenced on this strategy Government commitments have tightened due to the climate change emergency and are likely to further strengthen over the duration of the strategy.

7. Implementation Plan

- 7.1 An Implementation Plan will be published early in the five-year period to 2025. The implementation plan will set out the monitoring strategy and the specific mitigation measures (projects) and timeline in which these measures will be delivered. The Implementation Plan will require regular updating to ensure that mitigation measures are delivered in pace with development.
- 7.2 An important part of the Implementation Plan will be quantifying the effectiveness of the delivered measures. It should be possible to calculate the benefits of the mitigation measures, starting with Phase 1 and looking ahead to Phase 2.
- 7.3 It is crucial that any grant payments towards management work secured by the Councils is over and above any existing funded management that takes place. It will therefore be important to ensure any agreements with landowners take this into account.

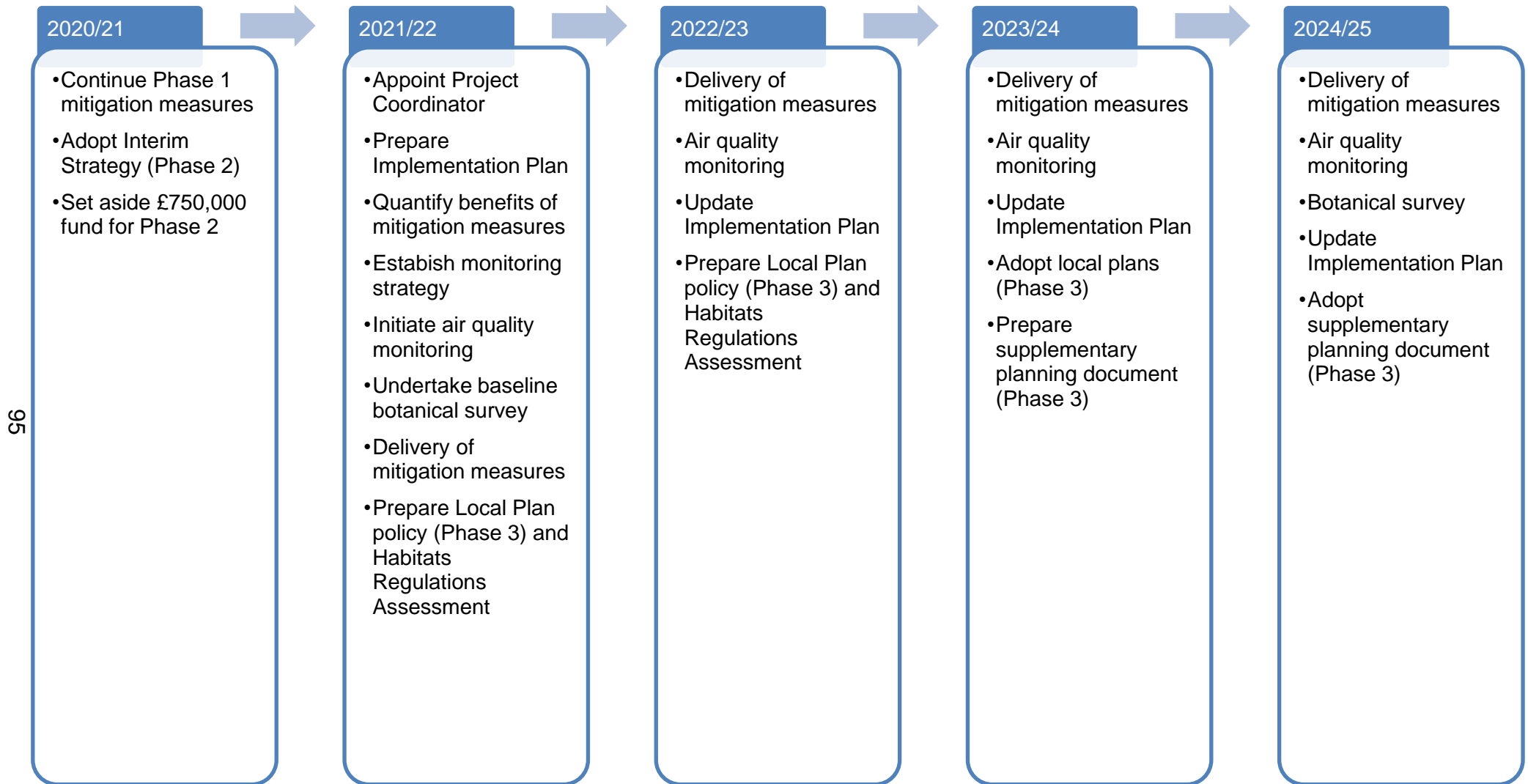
Monitoring Strategy

- 7.4 The monitoring strategy will need to be set up early in Phase 2 to enable the Councils to document the benefits of planned mitigation measures. The monitoring strategy will:
- Collect botanical data on heathland sites; and
 - Collect air quality data (ammonia and nitrogen dioxide) to monitor changes in air quality on heathland sites in relation to traffic levels.
- 7.5 The botanical surveyor would be required to visit all the relevant sites to establish a baseline condition. Survey information will include, where appropriate, lower plants and lichens and identification of specific monitoring trees as well as quadrat locations. The surveyor will identify possible measures to counteract the adverse effects from the available options. The Councils will then be in a position to approach land managers to discuss implementing such measures. When these measures are carried out the surveyor will revisit the site to confirm the actions and monitor the impacts. Based on 5 yearly monitoring cycle, the sites will need to be resurveyed prior to adoption of Phase 3 and twice up to 2030 or 2035. This will provide a minimum of three visits.
- 7.6 Air quality would need to be monitored continuously at various locations where busy roads run alongside the heathland, as well as at control sites away from roads. This will capture trend data on vehicle emissions directly affecting the adjacent heathland sites.

Timeline for Phase 2

- 7.7 Following adoption of this interim strategy the Councils will need to make swift progress with implementation. A timeline for implementation of Phase 2 is set out in Appendix A.

Appendix A: Timeline for Implementation



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Hackney Carriage and Private Hire Driver Policy

2021 - 2025

Bournemouth Christchurch and Poole (BCP) Licensing

Author: Nananka Randle
Version: 1
Review Date: 2025



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Introduction

The Licensing Committee and officers are committed to ensuring the highest standards in order to protect public safety when administering this policy.

All requirements contained within this policy together with conditions on the licence are mandatory requirement for holding a Private Hire or Hackney Carriage Driver Licence issued by BCP Council.

From the first day of adoption of this policy ALL licence holders are required to meet these high standards and it is expected that they will ensure they are fully aware of this policy and comply with all the requirements set out within it.

The Licensing Committee will not accept the excuse that a licence holder was not aware of these requirements when considering any matters brought before them.

1. Purpose statement

- 1.1 BCP Council has a responsibility to issue Hackney Carriage and Private Hire driver licences under the Local Government (Miscellaneous Provisions) Act 1976 and the Town Police Clauses Act 1847.
- 1.2 In the interest of public safety and to safeguard vulnerable persons BCP Council seek to ensure that anyone issued with such a licence is considered to be 'fit and proper'.
- 1.3 This policy is concerned with the regulation of Hackney Carriage and Private Hire licensed drivers and the Council adopts the overall approach to encourage the responsible activity of all drivers. In the interests of its residents and visitors, it will not tolerate any driver who poses a threat to the safety of any passenger or other road user.
- 1.4 Notwithstanding the existence of this policy, each application or enforcement measure will be considered on its own merits.
- 1.5 Where it is appropriate for the Council to depart from its policy clear reasons will be given for doing so. Nothing in this policy will prevent an applicant or licence holder requesting that the Council considers the individual merits of their case and gives reasonable consideration to departing from its policy. Such requests must either be in writing, via email or orally before the Licensing Committee or Sub Committee.

2. Who does the policy apply to

- 2.1 This policy will assist applicants, licence holders, officers of the Licensing Authority, Members of the Licensing Committee and persons using public carriages to be aware of the standards of conduct and behaviour required of all prospective or existing licensed drivers.
- 2.2 This policy also affords members of the Licensing Committee and officers alike, to consider the concerns of the public and other recognised bodies and to take appropriate measures where the behaviour of drivers is called into question at application or after licences have been issued.

3. This policy replaces

- 3.1 This policy replaces the three previous Taxi and Private Hire Public Carriage policies that covered Bournemouth Borough Council, Christchurch Borough Council and Poole Borough Council.

4. Approval process

- 4.1 BCP Council as the Licensing Authority has delegated the Licensing Committee to oversee the development and review of its 'Hackney Carriage and Private Hire Driver Policy'.
- 4.2 Once drafted the policy is subject to a period of public consultation. Consultation responses are reported to the full licensing committee for consideration.
- 4.3 Once finalised the policy is presented to the Full Council for ratification.

5. Links to BCP Council strategies

- 5.1 This policy supports the BCP Council Core Strategy.
- 5.2 During the preparation of this policy document due consideration has been given to the following Key Council Strategies:
- Corporate Plan
 - Sustainable Transport Plan
 - Workforce Strategy
 - Health & Wellbeing Strategy
 - Safeguarding Strategy
 - Climate Change Strategy
 - Children in Care Strategy
 - Crime & Disorder Reduction Strategy
 - Equality & Diversity

6. The Policy

- 6.1 This policy is a working document and the Licensing Authority reserves the right to alter and amend the Policy as appropriate to correct errors, inconsistencies, clarify guidance, legislative changes and issue a revised version of the Policy at any time. However, any **significant changes** to the Policy will only be implemented after a formal consultation process with the trade and public.
- 6.2 Any **significant amendment** is defined as one that:
1. is likely to have a significant financial effect on licence holders or
 2. is likely to have a significant procedural effect on licence holders or
 3. is likely to have a significant adverse effect on the community

7. New driver applications

- 7.1 Anyone wishing to make an application must prove to BCP Council that they are fit and proper to be issued with such a driver's licence. Anyone making an application must be at least 21 years old at the time of application. Applications are made on line and applicants must meet the Council's entry level criteria and provide the necessary documentation.
- 7.2 All applications must be completed within one year of commencing the application process. If an applicant fails to meet all the necessary application criteria within one year the application will be closed. The applicant is not permitted to apply again for a year from the date the application is closed.
- 7.3 All applicants must meet the qualification requirement by having studied and passed Level 2 Introduction to the role of Taxi and Private Hire Driver.
- 7.4 In order to ensure applicants, meet the required standard of English language competency and gain the necessary hands-on practice required to be a licensed driver, the Licensing Authority will only accept certificates from an approved provider. Other providers via on line courses are not deemed to meet the high standards required and do not provide the practical aspects of training to assist passengers with mobility.
- 7.5 Applicant identity verification checks with the college or other provider may be undertaken. This will involve confirming that the person who is submitting the certificate is the same person who attended the course. Information such as passport data and photo may be shared as deemed necessary.
- 7.6 All drivers must pass the 'Local Knowledge and Safeguarding Test' prior to being issued with a licence. The 'Local Knowledge and Safeguarding Test' will require applicants to demonstrate a working knowledge of the licensed area of BCP for Private Hire vehicles and more detailed working knowledge of the zones for Hackney Carriage licences which are not pre booked.
- 7.7 All applicants are permitted to sit the 'Local Knowledge and Safeguarding Test' on three occasions during the one-year application period. If the applicant fails to pass the test three times, then their application will be closed, and they are not permitted to reapply for a year from the date of closure of their application.
- 7.8 Applicants are required to submit an enhanced Disclosure and Barring Service Certificate (DBS) on application.
- 7.9 From the implementation date of this policy all drivers will be required to sign up to the DBS update service. This is an annual subscription service that allows drivers to provide the Council's licensing officers with access to DBS records at any time. Applicants must sign up to the update service within 28 days of the DBS certificate being issued. <https://www.gov.uk/dbs-update-service>
- 7.10 Applications will be assessed with reference to the 'Fit and Proper' criteria as set out in Chapter 8. If you are deemed not to meet the criteria your application will be rejected.
- 7.11 Any applicant who makes a false or inaccurate statement on their application form will not be deemed to be a fit and proper person to hold a licence and their application will

be terminated. This includes not disclosing convictions, cautions, penalty or previous licence revocation.

7.12 Anyone whose application is terminated for making a false or inaccurate statement on their application form will not be permitted to reapply for a licence for 12 months from the termination of their application. It is an offence to knowingly or recklessly make a false statement or to omit information required by the Council by virtue of s.57 Local Government (Miscellaneous Provisions) Act 1976.

7.13 When a licence is issued to a new driver, on collection of their licence they will be required to sign a declaration that they have read and understood this policy document and all annexes which include the driver licence conditions/byelaws which they are required to adhere to all times (Appendix A)

7.14 Licences will be issued for a period of 3 years.

8. Fit and Proper Person test

8.1 The sections below, apply equally to Private Hire and Hackney Carriage drivers. The Licensing Authority may impose such additional conditions on a Private Hire driver's licence as it sees fit.

8.2 Passengers are potentially vulnerable when being transported due to; their age, unaccompanied children, people with a disability, those who may have consumed excessive quantities of alcohol, lone people and overseas' visitors or tourists to the area.

8.3 The Licensing Authority has a duty to take a robust stance in ensuring that applicants and licence holders are and remain 'fit and proper' to hold a licence at all times.

8.4 The term 'fit and proper person' is not defined in law and this Authority considers the definition be considered in line with modern thinking as 'safe and suitable' to be a licensed driver.

8.5 In considering what might be assessed to ensure that a driver is fit and proper or safe and suitable the Licensing Authority considers the following to be amongst appropriate matters that it will take into account:

1. Criminality (see criminal convictions guidelines Appendix C.)
2. Period of holding a drivers licence.
3. Conduct of the driver during the licence period, including relationship and co-operation with officers of the Licensing Authority.
4. Number of points on a licence or driving convictions.
5. Right to work in the UK and any time restrictions.
6. Medical fitness – physical and mental condition.
7. Enhanced driver competence by means of an appropriate higher standard Driving Assessment Test.
8. Behaviour displayed by a driver towards customers and others, ie staff in the Licensing Team or other Council officers and their overall integrity.

8.6 From the date of this policy enhanced DBS checks on licenced drivers will take place every 6 months via the DBS update service. Should any driver disclose any conviction, caution or penalty or the DBS check shows a change in the DBS status the drivers will be required to provide a full DBS certificate on request.

- 8.7 BCP Council will have regard to the Institute of Licensing guidance on determining the suitability of applicants and licensees in the taxi and private hire trade as a minimum standard
[https://www.instituteoflicensing.org/documents/Guidance_on_Suitability_Web_Version_\(16_May_2018\).pdf](https://www.instituteoflicensing.org/documents/Guidance_on_Suitability_Web_Version_(16_May_2018).pdf), however the convictions guidelines in Appendix C will be taken as the base line relating to convictions.
- 8.8 In addition consideration on suitability may include other factors including the conduct of the applicant during the application process or during the term of their existing or previous licence as well as their conduct, co-operation and working relationship with the Authority and its officers. .
- 8.9 In cases of convictions or cautions received whilst licensed that only come to light following the 6 monthly enhanced DBS check the matter will be referred to the Licensing Committee to consider if the driver remains a fit and proper person to hold such a licence.
- 8.10 In essence a 'fit and proper' person;
1. should not be violent, abusive or threatening in their behaviour even if subjected to unpleasant, confrontational or dishonest passenger behaviour or when subject to enforcement action from officers.
 2. should be honest, trustworthy **and** have integrity, as they have access to a large amount of personal information that could be misused with significant opportunity to defraud passengers in drink or under the influence of drugs, the vulnerable or overseas passengers, or to steal property left in their vehicles.
 3. should display safe and competent driving standards, as they are professional drivers and should be fully aware of all road traffic legislation, the safety of their passengers and the safety of their vehicles at all times.
 4. be in good physical and mental health to ensure they do not put passengers at any risk whilst transporting them, through for example having uncorrected or impaired eyesight, suffering from medical conditions including cardiac events, depression, recovering from a stroke, or have impaired driving ability through the use of prescribed medication. They must also be physically fit and agile to load passengers in wheelchairs into their vehicles.
 5. should work co-operatively with and be civil and respectful towards officers of the Licensing Authority who are carrying out their duties.
- 8.11 This list is not exclusive and other factors may also be relevant to the 'fit and proper person' definition.
- 8.12 The Licensing Authority will consider all information provided to it from sources such as the Police, Children and Adults Safeguarding Boards, Passenger Services and other statutory agencies. Existing licence holders will also have previous history/outcomes during their time as a licensed driver /operator or previous applicant taken into account and their ability to work constructively and positively with the Licensing Authority.
- 8.13 The Licensing Authority will consider all criminal history, unacceptable behaviour and conduct , irrespective of whether the specific history, behaviour or conduct occurred whilst

drivers were directly engaged in Private Hire or Hackney Carriage work at the time or whether they occurred during the driver's own personal time.

- 8.14 Where an EU national or other nationality has made an application and they have lived in the UK for at least 12 months, but information on their previous criminal history/convictions is limited or not available at all then the matter will be brought before the Licensing Committee for final determination as to whether a licence should be granted in these circumstances.
- 8.15 Periods of residency outside the UK. Applicants who have spent six months or more living overseas whilst holding a driver's licence with the Authority will be required to present a criminal record check from the country/countries they have lived in/visited covering the period that the applicant was living overseas.
- 8.16 This can be done through the 'Certificate of Good Conduct' from the Embassy of the relevant country. This will include renewal applicants where the driver has returned overseas to spend several months with their family. Private Hire Operators will be required to share information with the Licensing Authority where they are aware that a driver they use for private hire services has returned overseas for a lengthy period of six months or more.

9. Renewals

- 9.1 Holders of existing driver's licences must apply to renew their licence no earlier than 2 months prior and no later than 5 working day prior to the expiry date.
- 9.2 Hackney Carriage and Private Hire Drivers Licence shall be issued for a standard length of three years (maximum duration). Any shorter duration must be requested by an applicant and shall only be issued when the Licensing Authority considers it is appropriate due to the specific circumstances of the case.
- 9.3 The Council has no duty to notify drivers that their licence is due for renewal as it is the licence holder's responsibility to renew their licence. As a courtesy an e-mail reminder will be sent to the driver in advance of their renewal date.
- 9.4 Renewal applications and all associated paperwork must be submitted electronically via e-mail to taxi.privatehire@bcpCouncil.gov.uk, before the licence has expired. Payment should be made on line.
- 9.5 From the implementation date of this policy all drivers will be required to sign up to the DBS update service. This is an annual subscription service that allows drivers to provide the Council's licensing officers with access to DBS records at any time, applicants must sign up to the update service within 30 days of the DBS certificate being issued.
- 9.6 Failure to disclose or declare **any** previous convictions, cautions, fixed penalty notices or pending charges may be construed as an attempt to deceive and appropriate and proportionate action will be taken. It is an offence to knowingly or recklessly make a false statement or to omit information required by the Council by virtue of s.57 Local Government (Miscellaneous Provisions) Act 1976.
- 9.7 In cases of convictions or cautions received whilst licensed and only declared at the time of renewal, the decision to renew a driver's licence will be referred to the Licensing Committee.

- 9.8 Renewal applications with newly disclosed convictions will be assessed with reference to the convictions guidelines as detailed in Appendix C of this document.
- 9.9 Drivers who do not renew their licence by the expiry date are no longer authorised as a licensed driver from the date of expiry of the licence. The Licensing Authority may notify the driver's Operator or vehicle proprietor that the licence has lapsed if appropriate.
- 9.10 Anyone who does not renew their licence by the renewal date is required to return their badge within 5 working days and their licence will be deemed lapsed.

10. Safeguarding

- 10.1 Awareness about human trafficking and child sexual exploitation can assist Private Hire and Hackney Carriage drivers to protect those who are vulnerable and/or being exploited. Licensed drivers can help identify those who commit these crimes and can help assist those in need of help.
- 10.2 Anyone applying to become a licensed driver and those renewing their licence will be expected to undertake Safeguarding training.
- 10.3 Safeguarding training will be delivered by an approved provider such as the Blue Lamp Trust, in a classroom setting. All applicants must attend this training and present the certificate prior to sitting the knowledge test.
- 10.4 Drivers renewing their licence must, no earlier than 8 weeks of their renewal date, renew their safeguarding training certificate by attending the training as detailed above. A certificate is issued and must be presented at renewal.
- 10.5 During any exceptional circumstances whereby it is not safe to deliver classroom training, applicants and existing drivers can attend the training virtually.
- 10.6 All drivers are expected to adhere to good safeguarding practices

11. Medicals

- 11.1 The council has determined that all licensed drivers must comply with the DVLA 'Group 2 Standard for Drivers'. This is a higher medical standard that recognises the length of time an occupational driver spends behind the wheel. Guidance of what medical conditions affect a drivers licence can be found at <https://www.gov.uk/guidance/general-information-assessing-fitness-to-drive>
- 11.2 Group 2 medical certificates must be completed by the drivers own GP or recognised medical centre, with access to the driver's medical records.
- 11.3 Medical certificates are required at the time of any new application and then every 5 years from the age of 45 to the age of 65. After the age of 65 the medical is required on an annual basis.
- 11.4 Drivers will be required to submit their completed medical certificate to the licensing office via email at taxi.privatehire@bcpcouncil.gov.uk on or before their birthday when they reach the ages of 45,50,55,60 and 65. Then from the age of 65 every year on their birthday..

- 11.5 If a driver fails to submit a completed medical certificate by the due date their Public Carriage drivers licence will be suspended until such time as the certificate is received and accepted by the licensing team. In all such cases the licensing officer will also notify the driver's operator or the proprietor of the vehicle they drive, to advise them of the suspension. Once the medical is received all parties will be notified that the suspension has been lifted.
- 11.6 This requirement is not contingent on any other need to provide a medical, such as date of first application or reported health concerns that may reflect the need for additional medical assessments.

12. Data handling and National Register of Hackney Carriage and Private Hire vehicle driver licence refusals and revocations database

- 12.1 This Council has subscribed to the National Register of Hackney Carriage and Private Hire Vehicle driver licence refusals and revocations, the 'national register of refusals and revocations' or NR3 database.
- 12.2 At the point of application, checks will be made on the National Anti Fraud Network Database (NAFN), to ensure any history held regarding an applicant's previous refusals/revocations from other licensing authorities is available for consideration.
- 12.3 The Licensing Authority will upload data on refused/revoked licences into the NAFN database,
- 12.4 Any applicant who has held a licence issued by another Council and has had their licence revoked within three years of their application will be referred to the Licensing Committee who will consider the application on its own merits.
- 12.5 Information held by the Licensing Authority complies with requirements of the Data Protection Act 2018; however, there is a requirement for a 'Public Register' to be kept available for the free public inspection of all dual drivers' licences granted. To promote public safety this register will also detail information of any dual driver licences suspended or revoked.
- 12.6 Any information given may be shared with other internal/external organisations/partners to prevent crime and/or detect fraud, to promote public safety and safeguarding, or when a driver is suspected of having committed an offence, civil or criminal.
- 12.7 Under the Freedom of Information Act 2000 the Licensing Authority is required to provide certain information to the public by request. There are, however, exemptions to this duty, which includes certain personal or sensitive data, confidential information and business/commercial information.
- 12.8 The Licensing Authority may lawfully disclose information to other public sector agencies and external partners to:-
1. Protect the safety of the public.
 2. Prevent or detect fraud and any other crime.
 3. Support national fraud initiatives.
 4. Protect public funds.
 5. Progress a request for service.

- 12.9 Safeguard children and those adults at risk of harm in particular sharing information with the Children or Adults Safeguarding Board or officers of the Safeguarding Unit, other Licensing Authorities to protect the travelling public or with the Council's Legal Services Team or Transport Services Team, which may impact, on the delivery of its schools and adult services contracts.
- 12.10 The safeguarding and protection of the public will be the primary aim when deciding whether to share information with other services, organisations or partners.
- 12.11 Relevant information is held on record relating to the history of a licensed driver, vehicle owner or operator, is retained until the lapse, surrender, refusal or revocation of a licence and then usually held for an additional period of 6 years before being destroyed. Each case will be considered on its own merits prior to its destruction in line with the 'Licensing Retention of Documents' policy.
- 12.12 In some cases due to the serious nature of offences/allegations the information may be held indefinitely by the Authority. Historic data can be very relevant to the Licensing Authority to demonstrate a pattern of behaviour and characteristics by a licensed driver or applicant over a number of years or that a licence has been revoked by the Licensing Authority for a serious safeguarding or public safety matter.
- 12.13 In addition, information from the enhanced Disclosure and Barring Certificate checks are retained in accordance with the DBS Code of Practice. However as drivers are now registered on the online DBS Update service there will be little need to retain this information in the future, other than noting any recordable offences for future reference.

13. Equality Act 2010 and medical exemptions

- 13.1 Under section 165 licensed drivers of designated wheelchair accessible vehicles must provide assistance to passengers into and out of the vehicle. Full guidance on driver responsibilities is included in Appendix B.
- 13.2 Drivers of wheelchair accessible vehicles must undergo additional passenger transportation training and the evidence of this training must be supplied at renewal of both the drivers licence and the vehicle licence.
- 13.3 Under section 168 licensed drivers are under a duty to carry passengers with guide/hearing and other assistance dogs without additional charge for the animal. When carrying such passengers drivers must: -
1. Convey the disabled passenger's dog and allow it to remain under the physical control of the owner.
 2. Not make any additional charge for doing so.
- 13.4 Any driver of a wheelchair accessible vehicle or any licensed vehicle who has a medical reason why they cannot comply with the requirements of the Equality Act 2010 must apply for a medical exemption as set out in the Equality Act Policy (Appendix B)
- 13.5 The 'Medical Exemption Certificate' (MEC) is only valid for drivers when it is displayed in the vehicle. If the MEC is not displayed the driver MUST comply with the legislation.

13.6 The MEC is granted to the driver only and cannot be transferred to any other driver of the vehicle. Once the driver leaves the vehicle at the end of his shift the MEC must be removed from the front screen.

14. Driver conduct requirements

14.1 It is expected that all licensed drivers will take reasonable steps to comply with the following standards failure to do so will lead to questions about their continued fitness and propriety:

1. To carry out a daily check to ensure that the vehicle is in a roadworthy condition prior to carrying passengers. Where faults of any description are identified which undermine the roadworthy condition of the vehicle the driver should not drive the vehicle and should report them to the proprietor as soon as possible.
2. To be professional and understanding to other road users.
3. To be polite and courteous to passengers.
4. To behave in a manner that is in keeping of that expected of a professional licensed driver.
5. Not to engage in any activity that would undermine professional standards and public confidence in the service.
6. Not to engage in any unwanted conversation or enter into any conversation of a personal or sexual nature.
7. Not to ask for or share any personal contact details with any passengers including via any social media apps.
8. To assist passengers, where necessary into and out of the vehicle.
9. To offer assistance to passengers with their luggage.
10. To wear the driver's identification badge at all times when working.
11. Be punctual.
12. Not to allow passengers to smoke in your vehicle.
13. Not to use a hand held mobile phone or similar device whilst driving.
14. Transport passengers by the shortest available route (subject to any unforeseen circumstances such as any road works or congestion where it may be appropriate to take an alternative route by agreement with the passenger).
15. Hackney Carriage drivers are expected to comply with sections 20.3 and 20.4 of the Taxi and Private Hire Vehicle Policy relating to the correct use of taximeter or GPS fare calculator.
16. Charge the correct monetary fare.
17. Comply with the requirements of the current Highway Code.

14.2 A licensed driver has successfully passed a local knowledge test which demonstrates a good knowledge of all main routes throughout the BCP area. A licensed driver is then expected to develop and improve their knowledge whilst working. Sole reliance on Satellite Navigation equipment is not an image that the Council wishes to promote.

14.3 A professional driver is expected to know the shortest route and where unsure to ask the passenger when nearing the desired destination.

14.4 A licensed driver should also have regard to their surrounding environment and not cause nuisance when picking up or dropping off passengers so they must take reasonable steps to comply with the following requirements:

1. Not sound the vehicle horn as a means of notifying a passenger of your arrival.
2. Switch off the engine if required to wait.

3. Do not play amplified music without passenger consent.
4. Take whatever action is necessary to avoid disturbance to local residents.
5. Pick up and drop off safely and without risk to pedestrians and other road users.

14.5 Hackney Carriages Drivers Hackney Carriage drivers **can** 'stand or ply for hire' so when using appointed ranks drivers they must comply with the following requirements:

1. Rank in an orderly manner.
2. Move up promptly to allow others to access the end of the rank.
3. If a space is not available, proceed to the next available rank.
4. Remain with the vehicle whilst ranked.
5. When hailed on the street, to stop in a safe manner without hazard to other road users.

14.6 Private Hire drivers **cannot** 'stand or ply for hire' or pick up from the street when hailed. A Private Hire driver can only accept a fare that has been pre-booked through an operator.

14.7 The Council views the following activities as examples of unlawful plying for hire:

1. Accepting a booking direct from a member of the public without the fare having been pre-booked.
2. Touting or standing at the roadside directing persons to vehicles.
3. A driver contacting his office by radio in order to make a booking on behalf of the customer.
4. A driver contacting his office using his own mobile phone to make a booking on behalf of the customer.
5. A driver offering their mobile to assist the customer to make a booking.

14.8 The Council consider all licensed drivers to be 'ambassadors' who will take personal responsibility for presenting BCP Council in a positive light. The Council is committed to improving the overall standards and as such expects all licensed drivers to present themselves in the manner that promotes a good professional image.

15 Driver dress code

15.1 The purpose of a driver's dress code is to seek a standard of dress that portrays a positive image of the BCP licensed trade, to enhance a professional image of drivers licensed by this Authority and to ensure public and driver safety is not compromised.

15.2 The Licensing Authority expects that drivers will always comply with the following requirements when they are working:

1. Drivers are expected to be well groomed and tidy.
2. Drivers must always ensure a smart standard of dress and cleanliness is maintained at all times.
3. Drivers must wear a top at all times.
4. Clothing should be free from holes, rips and snags.
5. Drivers must wear either a shirt, blouse/top, collared polo shirt or smart-shirt together with trousers, tailored shorts, a skirt. Demin jeans and track suit bottoms are not permitted.

6. Drivers should not wear or display any clothing, logos, badges or any other image that implies a political, sporting, national or similar allegiance which could cause offence, discriminate or enflame sections of the community.
7. Sports replica shirts e.g. football, rugby or cricket tops, track suits or gym type wear are not acceptable.
8. Footwear for all drivers shall fit around the heel of the foot. Mules or flip flops and/or bare feet are not acceptable.
9. Headwear is not permitted unless for religious or medical reasons.
10. Drivers shall not wear any item of clothing or apparel which exhibits any of the following:
 - A. Offensive language.
 - B. References to drunkenness or the use of recreational drugs.
 - C. Anything racist, sexist, discriminatory or otherwise offensive.
 - D. Uncovered offensive tattoos, words or images.

16 Driver licence conditions

16.1 The Licensing Authority may attach such conditions to a Private Hire and/or Hackney Carriage, and/or dual drivers licence as are considered necessary.

16.2 The standard conditions are available in Appendix B.

16.3 All drivers must read and understand the licence conditions which will be available on the Council website.

16.4 When new drivers collect their licence for the first time they will be required to sign a declaration that they have read and understood the conditions. A copy of this policy and all accompanying appendices will be issued to them.

16.5 Failure to comply with the conditions set out in this document may result in enforcement action (see Chapter 18)

17 How to use this policy

17.1 All BCP licensed drivers should ensure that they are fully compliant with the policy and appendices

17.2 At first application and renewal licenced drivers will be provided with an up to date link to this policy and its appendices.

17.3 It is a requirement that all drivers adhere to this policy and the conditions set out in it. In the event of enforcement action being necessary, it is not deemed acceptable that a licenced driver uses the excuse they were not aware of the requirements of this policy.

18 Roles and responsibilities

18.1 The Licensing Manager is responsible for overseeing the functions and work of the licensing team who deliver the policy.

18.2 The Licensing Committee or Sub- Committee will be presented with reports in cases where drivers do not meet the conditions of their licence, or where a complaint has resulted in the need for the licence to be reviewed.

19 Enforcement and sanctions

19.1 Any driver who does not comply with this policy, or any conditions contained in it, which leads to a breach of a condition or any complaint received will be subject to investigation, the result of which may be brought before the Licensing Committee.

19.2 The Licensing Committee can choose to revoke a licence or suspend a licence pending any necessary action by the drivers such as attending training or counselling as required.

19.3 Decisions by the Licensing Committee are subject to appeal to the Magistrates Court within a statutory appeal period of 21 days from the notification of any committee hearing decision.

20 Complaints, disciplinary and delegation to officers

20.1 In cases of complaints, allegations or reports of unacceptable behaviour by a licensed driver, the licensing officer will investigate the matter fully and determine the seriousness of the allegation.

20.2 Where there are serious allegations that are deemed to pose an **imminent risk to public safety**, they will need to be investigated and actioned immediately.

The Licensing Manager or other Licensing officer will try to contact the driver in question to discuss the allegations. If the officer deems that the complaint is founded (✓) and the evidence is sufficient to support the allegation of an imminent risk to public safety, then the matter will be referred to three members of the Licensing Committee to include the Chair and/or Vice Chair for them to make a decision if any immediate action needs to be taken in respect of a licence.

20.3 If members determine that the evidence presented demonstrates there is an imminent risk to public safety, the driver's licence could be immediately revoked and the driver concerned will be notified and required to surrender their badge and paper licence the same day. Members will confirm in writing the decision made and the reasons why the decision was reached.

20.4 If members agree there is a risk to public safety, but it is not an imminent risk the matter will be referred to the Licensing Sub-Committee.

20.5 Complaints of a less serious matter will be dealt with by the Licensing Manager or another licensing officer, who is permitted to issue/authorise a letter of caution and/or suspend a licence for a period of no more than 2 weeks.

20.6 In all cases of complaint, officers will make reference to the driver licence conditions attached to all licences as detailed in Appendix A, the convictions guidelines in Appendix C as well as the Institute of Licensing guidance on the suitability of applicants and licensees in the hackney and private hire trades.

[https://www.instituteoflicensing.org/documents/Guidance_on_Suitability_Web_Version_\(16_May_2018\).pdf](https://www.instituteoflicensing.org/documents/Guidance_on_Suitability_Web_Version_(16_May_2018).pdf)

Appendix A

Private Hire / Hackney Carriage Driver Conditions of Licence

These conditions of licence are made pursuant to Section 51 of the Local Government (Miscellaneous Provisions) Act 1976 and Section 46 of the Town and Police Clauses Act 1847

1 DRIVER BADGE

- a. The driver must at all times, when driving a licensed vehicle for hire or reward, wear the driver's badge issued by the Council on a prominent visible place on the outer clothing.
- b. The driver's badge remains the property of the Council. Upon expiry of the licence and badge (whether application to renew has been made or not) the badge must be returned to the Council within 7 days of expiry or other such time as the Council may specify.
- c. The badge must be returned to the Council immediately should the licence be suspended, revoked or becomes invalid for any reason (eg: expiry).

2 CONDUCT OF DRIVER

- a. The driver must dress in accordance with the BCP Council Licensed Driver Dress Code as stated in chapter 14 of the Taxi and Private Hire Driver Policy 2020-2025.
- b. The driver must comply with the BCP Code of Conduct in relation to working with vulnerable passengers chapter 15 of the Taxi and Private Hire Driver Policy 2020-2025.
- c. The driver must behave in a civil and orderly manner and comply with all reasonable requirements of any person hiring or being conveyed in the vehicle.
- d. The driver must afford all reasonable assistance with passenger luggage as may be required. At the conclusion of the journey the driver must similarly offer all reasonable assistance to passengers leaving the vehicle and assist them with luggage or any disability aids or wheelchair.
- e. Particular care must be taken with unaccompanied children and vulnerable adults. Drivers must remain alert safeguarding matters related to children and vulnerable adults. Drivers should ensure that children and vulnerable adults leave the vehicle directly onto the kerb and immediately outside their destination (if it is safe and legal to do so).
- f. The driver must take all reasonable steps to ensure the safety of passengers entering or conveyed in or alighting from the vehicle, especially those passengers with a disability – see 4 below.
- g. The driver must not smoke tobacco or like substance (including vape) in the vehicle at any time as detailed by the Health Act 2006.
- h. The driver must not, without the express consent of the hirer, drink or eat in the vehicle (water may be drunk) or play any radio or sound reproducing instrument or equipment in the vehicle other than for the sending or receiving messages in connection with the operation of the vehicle.
- i. The driver must at all times when driving a licensed vehicle ensure that such vehicle is maintained in a roadworthy and clean condition.
- j. The driver of a licensed vehicle must ensure that none of the markings / signs / notices that are required to be displayed on the vehicle become concealed from public view or be so damaged or defaced that any figure or material particular is rendered illegible.

k. The driver of a private hire vehicle must if he/she is aware that the vehicle has been hired to be in attendance at an appointed time and place or he/she has otherwise been instructed by the operator or proprietor of the vehicle to be in attendance at an appointed time and place punctually attend at the appointed time and place unless delayed or prevented by sufficient cause.

l. The use of scanner equipment is prohibited.

m. The driver of a wheelchair accessible vehicle is required to hold a Driving Standards Agency (DSA) Wheelchair Assessment Certificate.

n. Drivers must undertake an inspection of any vehicle that they are driving whilst working as a private hire / Hackney Carriage driver. This inspection must be undertaken at least daily and before the first carriage of fare paying passengers in the vehicle whilst it is being driven by the licence holder. The checks to be carried out by the driver must include all vehicle maintenance items listed in the annex to the Highway Code entitled 'vehicle maintenance, safety and security'. In addition, a check must be made to ensure that all signage and notices that are required by BCP Council licensing conditions are appropriately fixed / attached to the vehicle. A record must be made by the driver to confirm that the checks have been undertaken, this record must be available for inspection by an authorised officer of the council.

o. The driver must ensure that in cases where the vehicle has been fitted with a CCTV system, it is operational at all times that the vehicle is being used as a licensed vehicle (i.e. for the carriage of fare paying passengers). The system does not need to be operational during other times (for example when being used for domestic purposes).

Video recording must be active at all times.

The driver must not tamper or otherwise interfere with the system or the footage that is contained within it (nor must the driver allow the system to be tampered or interfered with by any person that does not have the council's express authority to do so), except as would be expected in order to operate the system in accordance with the manufacturers directions.

3 FARES AND FARECARDS

a. The driver of a **private hire vehicle** must ensure that a notice is visibly displayed for the benefit of passengers to the effect that in the absence of a published fare scale, the fare should be agreed between passenger(s) and driver before commencement of the journey.

When a fare scale is used that fare scale must be displayed and must be a similar size to the fare cards carried by Hackney Carriages and must give an accurate reflection of the charge, including any specific additions (i.e. Bank Holiday and after midnight loading) the customer may be expected to pay.

b. The driver must not, if driving a licensed vehicle fitted with a taximeter, other approved device, cause the fare recorded thereon to be cancelled or concealed until the hirer has had the opportunity of examining it and has paid the fare.

c. The driver must not demand from any hirer of a **private hire vehicle** a fare in excess of any previously agreed for that hiring between the hirer and the operator or if the vehicle is fitted with a taximeter and there has been no previous agreement as to the fare, the fare shown on the face of the taximeter.

d. The driver must, if requested by the hirer, provide a receipt for the fare paid, such receipt to bear the name and address of the proprietor of the vehicle together with the badge number of the driver.

4 PASSENGERS

a. The licence holder must not cause or suffer or permit to be conveyed in a licensed vehicle a greater number of persons exclusive of the driver than the number of persons specified in the licence issued in respect of that licensed vehicle. In addition the driver must ensure that seat belt legislation is complied with in respect of all children conveyed in the vehicle.

b. The driver must not allow to be conveyed in the front of a licensed vehicle:-

- i. more than one person unless the vehicle is manufactured to carry two front seat passengers and seat belts are fitted for both passengers, or
- ii. subject to paragraph iv below, any child under the age of 10 years old,
- iii. subject to paragraph iv below, any person between the ages of 10 and 18 years old, unless the passenger is part of a group that includes at least one person over the age of 18, or all other passenger seats in the vehicle are occupied by persons under the age of 18.
- iv. Paragraphs ii and iii above do not apply in cases where it is not reasonably practicable for the child to sit in the rear of the vehicle due to them having impaired mobility or some other impairment that would mean that it is safer for them to sit in the front seat. The impairment must be confirmed by an appropriate adult (who is independent of the driver). The adult must be familiar with the child's specific needs and confirm that it is not reasonably practicable for the child to sit in the rear seat as a result of that impairment. In these cases a record must be made of the adult's name and contact details and this record must be retained by the driver for at least 28 days.
- c. The driver must not, without the consent of the hirer of the vehicle, convey or permit to be conveyed any other person in that vehicle.
- d. The driver must provide all reasonable assistance to passengers and especially those with a disability.

All drivers must comply with the requirements of The Equality Act 2010

Duty to assist passengers in Wheelchairs

Section 36 of the Disability Discrimination Act 1995 places a duty on the driver of a designated* wheelchair accessible Hackney Carriages and Private Hire vehicles to:

- Carry the passenger while in the wheelchair;
- Not to make any additional charge for doing so;
- If the passenger chooses to sit in a passenger seat to carry the wheelchair;
- To take such steps as are necessary to ensure that the passenger is carried in safety and reasonable comfort; and
- To give the passenger such mobility assistance as is reasonably required.

* Designated vehicles are those listed by the Licensing Authority under section 167 of the Equality Act 2010 as being a 'wheelchair accessible vehicle'

Section 36 of the DDA 1995 remains in effect until such time as section 165 of the Equalities Act 2010 comes into force. It will then be a condition of licence that drivers adhere to the requirements of s165 of the 2010 Act.

Duty to carry guide dogs and assistance dogs The driver must not fail or refuse to carry out a booking by or on behalf of a person with disabilities who is accompanied by an 'assistance dog' unless the driver has a Medical Exemption granted by the Licensing Authority and is displaying the Exemption Certificate in the approved manner or in the vehicle.

Any animal belonging to or in the custody of any passenger should remain with that passenger and be conveyed in the front or rear of the vehicle.

Drivers are advised to have a blanket / towel which is kept in the boot of the licensed vehicle to be used where he/she may have concerns about excess dog hair being left in the vehicle.

5 FOUND PROPERTY

The driver must, following the setting down of passengers, ascertain if any property belonging to the hirer(s) has been left in the vehicle and if not immediately able to return any such property. Must at the

earliest opportunity deliver the item to the Customer Services centres in the Civic Offices, unless an alternative arrangement has been made with the owner of the property.

6 MEDICAL CONDITION(S)

- a. The licence holder must notify the Council ***in writing without undue delay*** of any change in medical condition.
- b. The licence holder must at any time, or at such intervals as the Council may reasonably require, produce a certificate in the form prescribed by the Council signed by a registered medical practitioner to the effect that he/she is or continues to be physically fit to be a driver of a Private Hire/Hackney Carriage vehicle.

7 CONVICTIONS, CAUTIONS, ARREST ETC.

The licence holder must notify the Council **in writing within 5 working days (or 3 working days in the case of arrest)** providing full details of any conviction, binding over, caution, warning, reprimand or arrest for any matter (whether or not charged) imposed on him / her during the period of the licence.

The 5 days excludes a Saturday or a Sunday, Christmas Eve, Christmas Day, Good Friday, Bank Holidays or any other day on which the Licensing Office is closed.

What should be reported:-

- Any conviction (criminal or driving matter);
- Any caution (issued by the Police or any other agency);
- Issue of any Magistrate's Court summonses against you;
- Issue of any fixed penalty notice for any matter;
- Any harassment or other form of warning or order within the criminal law including anti-social behaviour orders or similar;
- Arrest for any offence (whether or not charged).
- Any acquittal following a criminal case heard by a court.

Fixed Penalty Notices

The driver must notify the Council in writing of the acceptance of any fixed penalty endorsement within **5 working days**. The driver must subsequently produce his / her driving licence to the Council, immediately following its endorsement.

Arrest for any Offence

Whether charged or not the driver must notify the Council within 3 working days of their arrest for an alleged offence(s).

9 DISCLOSURE AND BARRING SERVICE ONLINE UPDATE SERVICE

All licence holders must subscribe to the Disclosure and Barring Service Online Update Service. Any costs associated with maintaining this subscription must be met by the licence holder.

<https://www.gov.uk/dbs-update-service>

The licence holder must give permission for the council to undertake checks of their DBS status should the council consider it necessary to do so. The council will use the update service to monitor the criminal record of licence holders.

10 CHANGE OF OPERATOR

The licence holder must notify the Council ***in writing within 5 working days*** * of any change of operator through whom he/she works.

**** The 5 working days excludes a Saturday or a Sunday, Christmas Eve, Christmas Day, Good Friday, Bank Holidays or any other day on which the Licensing Office is closed.***

11 CHANGE OF ADDRESS AND EMAIL ADDRESS

- a. The licence holder must notify the Council ***in writing/email within 5 working days*** * of any change of his/her address taking place during the period of the licence, whether permanent or temporary.
- b. The licence holder must notify the Council ***in writing/email within 5 working days*** * of any change of his/her contact email address taking place during the period of the licence, whether permanent or temporary

**** The 5 working days excludes a Saturday or a Sunday, Christmas Eve, Christmas Day, Good Friday, Bank Holidays or any other day on which the Licensing Office is closed.***

12 WORKING HOURS

Licensed drivers will not drive when their ability to do so is impaired by having worked excessive hours.

13 CUSTOMER AND OTHER PERSONAL INFORMATION

Drivers must ensure that any personal information obtained during the course of their business is stored securely, and only retained for as long as is absolutely necessary. Access to this information must be restricted to those that will use it for the purpose for which it has been collected.

Personal information must not be used for any other purpose other than that for which it was collected without the express permission of the individual to which the information relates.

For example, telephone numbers provided by customers so that they can be alerted / updated by SMS text message with regard to a booking they have made must only be used for this purpose. The information must not be retained by the driver after the text message has been sent, and / or used for any other purpose (such as unsolicited marketing calls).

14 DUTY TO COOPERATE ON REGULATORY MATTERS

Licensed drivers must co-operate with authorised officers of the council in all matters relating to the regulation of the licensed vehicle trade. However nothing in this condition affects the licence holders statutory protection afforded by other legislation.

15 APPEARANCE OF DRIVER

If a licensed driver alters their appearance significantly (for example by growing / removing a beard or moustache, changing hair colour etc), they must request a replacement ID badge from the council at the earliest opportunity and supply them with a up to date photograph that is an accurate portrayal of their current appearance.

16 ACCIDENTS

If at any time the vehicle is involved in an accident, however minor, the driver must inform the Council of this fact as soon as possible and in any event within 1 working day (by telephone or email).

Appendix B

Equality Act 2010

Duty to assist passengers in wheelchairs

1. Under section 165 licensed drivers of designated wheelchair accessible vehicles **MUST** undertake the following duties
 - Carry the passenger while in the wheelchair
 - Not make any additional charge for doing so – this includes making sure the meter is NOT running while you are rendering assistance into and out of the vehicle
 - If the passenger chooses to sit in a passenger seat to carry the wheelchair
 - To take such steps as are necessary to ensure that the passenger is carried in safety and comfort
 - To provide such assistance as it necessary to :-
 - enable the passenger to get into and out of the vehicle, this should include installing the boarding ramp
 - if the passenger wishes to remain in the wheelchair, to enable them to get into and out of the vehicle while in the wheelchair. This should include pushing a manual wheelchair or light electric wheelchair up a ramp
 - to load the passenger's luggage into out of the vehicle
 - if the passenger does not want to remain in the wheelchair to load the wheelchair into and out of the vehicle. This should include folding a manual wheelchair and placing it in the luggage compartment, or stowing a light electric wheelchair in the luggage compartment
2. It is expected by the Council that the owner and/or driver of a designated wheelchair accessible vehicle is fully aware of the safe method for loading, securing and unloading of wheelchair users. The owner and/or driver should also be aware of any limitations that the vehicle may have in relation to different types of wheelchairs.
3. It is a criminal offense to refuse to undertake any of the duties listed above any driver who breaches the duties outlines above will be liable to prosecution and their taxi license could be a risk.
4. It is recognised that some types of wheelchair, particularly some powered wheelchairs, may be unable to access some of the vehicles included in the LA's list. The Act recognises this possibility, and section 165(9) provides a defence for the driver if it would not have been possible for the wheelchair to be carried safely in the vehicle.
5. Drivers who have a certified medical condition or physical condition, which makes it impossible or unreasonably difficult for them to assist wheelchair users may apply to the council for an exemption from one or more of the duties listed above. Any such application will need to be supported by a completed medical form which is available to download from the council website. The medical form must be completed by the drivers' doctor or specialist, detailing the following:
 - What duties cannot be undertaken;
 - Why they cannot be undertaken;

- Date the conditions was first noted;
 - Whether any modification to the vehicle or the way the driver provides the service can be made that would negate the need for an exemption;
 - How long the medical exemption will be required for;
 - Provide medical reports in support of the request being made.
6. The Council reserves the right to refer the driver to the Council's own medical or occupational health practitioner if an assessment by a third party medical practitioner is felt necessary. Any additional costs will be borne by the driver.
 7. On a case by case basis a temporary exemption certificate or a permanent exemption certificate will be issued which must be displayed clearly in the front windscreen of the vehicle at all times that the driver is using the vehicle. **The exemption only applies if the notice is displayed correctly.**
 8. In cases where the licensing officer has any concerns regarding granting an exemption then the matter will be referred to the Licensing Committee.
 9. There is a right of appeal to any decision made and the driver can appeal to the Magistrates court within 28 days of the decision being made.

Carrying of Assistance dogs

10. Under section 168 licensed drivers of taxis and private hire vehicles are under a duty to carry passengers with guide, hearing and other assistance dogs without additional charge. When carrying such passengers drivers must: -
 3. Convey the disabled passengers dog and allow it to remain under the physical control of the owner and
 4. Not make any additional charge for doing so.
11. It is a criminal offence to refuse to carry an assistance dog and any driver who breaches the duties outlines above will be liable to prosecution and their taxi licence could be a risk.
12. Drivers who have a certified medical conditions which is aggravated by exposure to dogs may apply to the Council for an exemption from the duties listed above. Any such application will need to be supported by a completed medical form which is available to download from the council website. The medical form must be completed by the driver's doctor or specialist, detailing the following:
 - What duties cannot be undertaken;
 - Why they cannot be undertaken;
 - Date the conditions was first noted;
 - Whether any modification to the vehicle or the way the driver provides the service can be made that would negate the need for an exemption;
 - How long the medical exemption will be required for;
 - Provide medical reports in support of the request being made.

13. The Council reserves the right to refer the driver to the Council's own medical or occupational health practitioner if an assessment by a third party medical practitioner is felt necessary. Any additional costs will be borne by the driver.
14. On a case by case basis a temporary exemption certificate or a permanent exemption certificate will be issued which **must be displayed clearly in the front of the vehicle at all times that the driver is using the vehicle**. The exemption only applies if the notice is displayed correctly.
15. In cases where licensing officer have any concerns regarding granting an exemption then the matter will be referred to the Licensing Committee.
16. There is a right of appeal to any decision made and the driver can appeal to the Magistrates court within 28 days of the decision being made.

Appendix C

Criminal Convictions Guidelines

NOTE: In the Council's view this statement and the guidelines that follow are compatible with the rights and freedoms under the European Convention on Human Rights.

This document aims to provide guidance to any person with an interest in public and Private Hire licensing. In particular, but not exclusively:

- Applicants for drivers' licences
- Existing licensed drivers whose licences are being reviewed/renewed
- Applicants for operators' licences
- Existing licensed operators whose licences are being reviewed/renewed
- Licensing Officers
- Members of the Licensing Committee (or other relevant decision making body)
- Magistrates hearing appeals against local authority decisions
- Police Officers

Thereby providing transparency and consistency, in accordance with the principles of good enforcement and relevant Regulatory Compliance Codes.

Where Licensing Officers have delegated powers to grant or refuse licences, they will utilise these guidelines when making a decision to grant a licence. In all other cases applications for licences will be referred to the Licensing Committee (or other relevant decision-making body). Whilst Officers and the Committee will have regard to the guidelines contained in the policy, each case will be considered on its individual merits and, where the circumstances demand, the Committee may depart from the guidelines.

1. Background

- 1.1 In this policy the word "individual" includes an existing licence holder, an applicant for a new licence, and an applicant for the renewal of an existing licence.
- 1.2 Licences for drivers of Hackney Carriages, Private Hire vehicles or Private Hire Operator may only be granted where the Council is satisfied that the individual is a fit and proper person to hold such a licence.
- 1.3 In this policy the word "issue" is used. This includes complaints made to the Council, Police, Operators or any other agency, breaches of licensing conditions and intelligence received from other agencies (including circumstances which have not resulted in a criminal conviction, caution or other disposal). E.g. incidents which have resulted in a police investigation where there has been no further action due to the criminal burden of proof will still be considered if Licensing Committee is satisfied that the incident occurred based on the balance of probabilities.

- 1.4 Licences for operators of Private Hire vehicles may only be granted where the Council is satisfied that the individual is a fit and proper person to hold such a licence.
- 1.5 The document is intended to give guidance on one aspect of whether a person is or is not a fit and proper person namely the situation where a person has previous convictions and cautions.
- 1.6 The Council is concerned to ensure:
 - a. That a person is a fit and proper person.
 - b. The public are not exposed to persons with a history of dishonesty, indecency or violence.
 - c. The safeguarding of children and young persons and vulnerable adults.
- 1.7 The public are not normally permitted to attend Committee hearings for private hire, Hackney Carriage driver applications or Private Hire operator applications or reviews, however, in determining whether to grant a licence the Committee or Officers will take into account the human rights of the wider public and balance these against the human rights of the applicant.
- 1.8 When submitting an application for a licence to drive a Hackney Carriage or Private Hire vehicle, or for an operators' licence, individuals are required to declare all previous convictions they may have. Individuals are also required to declare all formal/simple cautions, any matters of restorative justice and all fixed penalties and all endorsable fixed penalties they have received and to provide details of all criminal matters of which they are currently the subject of criminal investigation or prosecution.
- 1.9 An application for a drivers' licence is an exempt activity listed in the Rehabilitation of Offenders Act 1974 (Exemptions) Order 1975 (as amended in 2013) and as such both spent and unspent convictions and cautions must be declared.
- 1.10 The information given will be treated in confidence and will only be taken into account in relation to the relevant application to assist the Council in determining whether the applicant is a fit and proper person to hold a licence for the purposes of sections 51, 55 and 59 of the Local Government (Miscellaneous Provisions) Act 1976, or whether the Council should exercise any of its powers under section 61 and 62 of the Act (i.e. suspension, revocation or refusal to renew a licence).

Where a person is referred to the Licensing Committee and they hold more than one Licence the fit and proper test will be applied individually to each Licence.

- 1.11 Applicants for a licence to drive a Hackney Carriage or Private Hire vehicle should be aware that the Council is empowered by law to check with the Disclosure Barring Service for the existence and content of any criminal record and other intelligence held in their name. Officers from the licensing section will where appropriate contact other agencies for any other information which they may hold for instance, Housing Service, Children's Services and Dorset Police. Information received from the Disclosure Barring Service or other agency will be kept in strict confidence while the licensing process takes its course and will be retained no longer than is necessary and in any event, will be destroyed in accordance with the requirements of the Data Protection Act 1998 and in accordance with good practice after the application is determined or any appeal against such determination is decided.
- 1.12 The disclosure of a criminal convictions/fines or cautions or other relevant information relating

to an individual's conduct will not necessarily debar an individual from being granted, retaining or renewing a licence. It will depend on whether or not the individual can satisfy the Council that they are a fit and proper person to hold such a licence.

- 1.13 The Council may fail to be satisfied that an individual is a fit and proper person to hold a driver's licence or an operator's licence for any reasonable cause. If an applicant is unable to produce adequate evidence that they are a fit and proper person or if there is reasonable cause to question or doubt the evidence provided, then that could amount to reasonable cause to refuse a licence.
- 1.14 In considering evidence of an individual's good character and fitness to hold a driver's licence or operator's licence, where previous convictions/cautions or other information relating to criminal matters/character is disclosed, the Council will consider the nature of the offence/issue and penalty; when it was committed/took place; the date of conviction/issue and the length of time which has elapsed, the individual's age when the offence was committed/issue took place; whether or not it is part of a pattern of criminal behaviour, the intent, the harm which was, or could have been caused and any other factors which might be relevant. Where an individual has been convicted of a criminal offence, the Council cannot review the merits of the conviction [*Nottingham City Council v. Mohammed Farooq (1998)*].

However, if an individual is acquitted of an offence, the Council are entitled to go behind the acquittal because of the different standard of proof (*R v Maidstone Crown Court Ex Parte Olson 1992*).

- 1.15 The Council has adopted the following guidelines relating to the relevance of convictions to which it refers in determining new/renewal applications for drivers' licences and operators' licences and when considering whether to take any disciplinary action against an existing licence holder.
- 1.16 The guidelines do not deal with every type of offence, and do not prevent the Council from taking into account offences not listed in the guidelines, or any other conduct, which may be relevant to an individual. Regard will be given to all relevant information when deciding to issue or renew a licence or whether any disciplinary action should be taken.
- 1.17 Offences described in the guidelines and similar offences, though differently entitled in any statutory provision, modification or re-enactment, will be taken into account in accordance with the guidelines.
- 1.18 The guidelines are not an attempt to define what is a "fit and proper person". There is no statutory definition of what is a "fit and proper person" but is guidance given in the case of *McCool v Rushcliffe BC 1998*.
- 1.19 Any individual who is refused a driver's licence or has such a licence suspended or revoked on the ground that the Council is not satisfied he/she is a fit and proper person to hold such a licence has a right of appeal to the Magistrates' Court within 21 days of the notice of refusal.
- 1.20 Any individual who is refused an operator's licence has a right of appeal to the Magistrates' Court within 21 days of the notice of refusal.

2. General Policy

- 2.1 Each case will be decided on its own merits. A person with a conviction for a single serious

offence or a number of separate offences need not be automatically barred from obtaining a licence, but would normally be expected to:

- a. Remain free of conviction for an appropriate period (which will depend on the nature of the offence); and
- b. Show adequate evidence that he or she is a fit and proper person;
- c. Simply remaining free of conviction will not generally be regarded as adequate evidence that a person is a fit and proper person to hold a licence.

2.2 The Council has a duty to ensure so far as possible that drivers and operators are fit and proper persons to hold licences. One aspect of that is the extent to which previous convictions, including but not limited to convictions for offences against children and young persons, dishonesty, sexual offences, traffic offences, violence and drugs indicate that a person is not a fit and proper person, and would not take advantage of passengers or abuse or assault them.

2.3 In reaching a decision the Council may assess the seriousness of the offence in accordance with the penalty imposed in using the following table:

Sentence length	Rehabilitation period
0-6 Months	3 years
6-30 Months	5 years
30 months to 4 years	7 years
Over 4 years	None

2.3.1 Restorative justice and other criminal disposals are increasingly used by the police as a less formal way of dealing with issues and as an alternative to the criminal disposals tend to be applied in less serious cases or for first time offenders, nevertheless all such disposals will be taken into account when determining if a person is a fit and proper person.

2.3.2 Amongst situations where it may be appropriate to depart from the general policy, for example, may be situations where the offence is an isolated one with mitigating circumstances or where a conviction defaults outside of the policy between the application and determination date. Similarly, multiple offences or a series of offences over a period of time are likely to give greater cause for concern and may demonstrate a pattern of inappropriate behaviour, which will be taken into account. In any case which involves certain specified sexual offences, murder or manslaughter a licence will normally be refused.

2.6 The Council through the Licensing Committee will convene to consider any information/representations received that a person is not/no longer a “fit and proper” person, or if a breach of a condition of a licence. If proved they may refuse, or revoke a licence or suspend for any specified period.

- a. Hearing with notice – Where a Committee is to be convened to consider whether or not a person is a “fit and proper” person, notice of the time and date of the meeting will be given in order to allow the person to seek independent legal advice and to attend and be represented at the hearing.
- b. Hearing without notice – Where a sub-committee is convened as a result of sensitive information being received by the Council an assessment will be undertaken in balancing a person’s right to a fair hearing against whether or not it is in the public interest to hold the hearing without notice against the Councils first priority of Public Safety.

- c. Where new offences are created or existing offences are consolidated or re-enacted etc. they will be treated in a manner appropriate to their severity whether or not this guidance has been updated to reflect the changes.

3. Disclosed Convictions General Guide

Spent Convictions

- 3.1 The Council will only consider spent convictions if it appears to be relevant for deciding whether the individual is a fit and proper person to hold a licence and that justice cannot be done in the case, except by admitting or requiring evidence relating to that spent conviction. The council will consider the nature of the offence(s), the history or pattern of offending, the lapse of time and whether all the convictions have previously been considered.

Formal/Simple Cautions and Endorsable Fixed Penalties

- 3.2 For the purpose of these guidelines formal/simple/conditional cautions and endorsable fixed penalties shall be treated as though they were convictions.

Multiple Convictions from a Single Incident

- 3.3 Where an individual has multiple convictions arising from a single incident, the convictions will generally be treated as one conviction for the purposes of these guidelines.
- 3.4 In these circumstances the period for which the individual would normally be expected to show free from conviction will be the longest applicable period calculated by reference to each offence.

4. Offence of Dishonesty

- 4.1 In view of the nature of their work drivers of Hackney Carriage and Private Hire vehicles are expected to be trustworthy.
- 4.2 Members of the public entrust themselves to the care of drivers both for their own safety and for fair dealing, Passengers may include especially vulnerable people and children.
- 4.3 It is comparatively easy for a dishonest driver to defraud the public by demanding more than the legal fare and in other ways.
- 4.4 The widespread practice of delivering unaccompanied property is indicative of the trust that businesses put into drivers.
- 4.5 In certain situations, drivers will know that a property is empty whilst the occupants are away on holiday for a set period of time after taking them to the airport or railway station.
- 4.6 For these reasons a serious view is taken of any convictions involving dishonesty. In general, an applicant with conviction(s) and/or caution(s) for dishonesty, which are less than 5 years old, is unlikely to be considered favourably and are to be referred to the Licensing Committee for determination.
- 4.7 In particular, an application will normally be refused where the individual has conviction(s) and/or caution(s) for an offence or similar offences or offences which replace the

below offences.

- i. Theft
- ii. Burglary
- iii. Fraud
- iv. Benefit fraud (including offences under ss.111A and 112 of the Social Security Administration Act 1992)
- v. Handling or receiving stolen goods
- vi. Forgery (e.g. producing false insurance policy)
- vii. Conspiracy to defraud
- viii. Obtaining money or property by deception
- ix. Other deception
- x. Blackmail

5. Violence

- 5.1 Members of the public and in particular, the elderly, infirm and children or vulnerable adults entrust their personal safety to Private Hire and Hackney Carriage drivers whenever they take a journey.
- 5.2 Passengers often travel alone and are vulnerable to physical attack etc. Users of Private Hire and Hackney Carriage vehicle have a right to expect that drivers are not individuals with a predisposition towards or a propensity for violent behaviour at any level.

6. Offences against Other Persons

- 6.1 As Hackney Carriage and Private Hire vehicle drivers maintain close contact with the public, where the commission of an offence involved loss of life a licence will normally be refused.
- 6.2 The Council seeks to minimise risks associated with children and young persons and for that reason a more serious view will be taken where offences of violence children under 14 or young persons.
- 6.3 An application will normally be refused where the individual has a conviction for an offence or similar offence(s), or similar offence(s) which replace the below offences:
- Murder
 - Manslaughter
 - Manslaughter or culpable homicide while driving
- 6.4 An application will also normally be refused where the individual has a conviction for an offence or similar offence(s) or similar offence(s) which replace the below offences:
- Malicious wounding or grievous bodily harm (s.20 Offences Against the Person Act 1861) which is racially aggravated (s.29(1)(a) Crime and Disorder Act 1998)
 - Actual bodily harm (s.47 Offences Against the Person Act 1861) which is racially aggravated (s.29(1)(b) Crime and Disorder Act 1998)
 - Grievous bodily harm with intent (s.18 Offences Against the Person Act)
 - Grievous bodily harm with intent (s.20 Offences Against the Person Act)
 - Robbery

- Possession of firearm
- Riot
- Assault Police
- Common assault with racially aggravated (s.29(1)(c) Crime and Disorder Act 1998)
- Violent disorder
- Resisting arrest

6.5 An application will also normally be refused where the individual has a conviction for an offence or similar offence(s) or similar offence(s) which replace the below offences.

- Racially-aggravated criminal damage (s.30 Crime and Disorder Act 1998)
- Racially-aggravated s.4 Public Order Act 1986 offence (fear of provocation of violence) (s.31(1)(a) Crime and Disorder Act 1998)
- Racially-aggravated s.4A Public Order Act 1986 offence (intentional harassment, alarm or distress (s.31(1)(b) Crime and Disorder Act 1998)
- Racially-aggravated s.2 Protection from Harassment Act 1997 offence (harassment) (s.32(1)(a) Crime and Disorder Act 1998)
- Racially-aggravated s.4 Protection from Harassment Act 1997 offence (putting people in fear of violence) (s.32(1)(b) Crime and Disorder Act 1998)
- Racially-aggravated s5 Public Order Act 1986 offence (harassment, alarm or distress) (s.31(1)(c) Crime and Disorder Act 1998)

6.6 An application will also normally be refused where the individual has a conviction for an offence or similar offence(s) or similar offence(s) which replace the below offences.

- Common assault
- Assault occasioning actual bodily harm (s.47 Offences Against the Person Act)
- Affray
- S5 Public Order Act 1986 offence (harassment, alarm or distress)
- S.4 Public Order Act 1986 offence (fear of provocation of violence)
- S4A Public Order Act 1986 offence (intentional harassment, alarm or distress)
- Harassment- breach of restraining order- on conviction Protection from Harassment Act 1997 s5(5) = s. 5(6)
- Obstruction
- Possession of offensive weapon
- Criminal damage

7. Drugs

7.1 An application will normally be refused where the individual has a conviction for an offence related to the supply of drugs and the conviction is less than 5-10 years prior to the date of application.

7.2 An offence related to the supply of drugs and the conviction is less than 10 years prior to the date of application will be referred to the Panel for determination. A conviction less than 5 years old will generally be refused.

7.3 An application will normally be refused where the individual has more than one conviction for offences related to the possession of drugs.

- 7.4 For convictions for driving whilst unfit through drugs see Section 10 'Drunkenness.'
- 7.5 If any applicant was an addict, then they will normally be required to show evidence of 5 years free from drug taking after detoxification treatment as required by the Council.

8. Sexual and Indecency Offences

- 8.1 Any individual currently on the sex offenders' register would not normally be granted a licence.
- 8.2 Drivers of Hackney Carriage and Private Hire vehicles are often entrusted with care of children and young persons. It is comparatively easy for an unscrupulous driver to take advantage of such vulnerable persons.
- 8.3 Where the commission of a sexual offence involves a child or young person an application for a licence will normally be refused.
- 8.4 The Council will sometimes be made aware of other intelligence or low level information about an individual which has not resulted in the conviction of that person but is relevant in relation to their character. Officers will give appropriate consideration to this information and will seek to consult with other appropriate agencies such as police and social services, in order to ensure that they have a comprehensive understanding. Where appropriate, officers will refer such information/ intelligence to other agencies. Any additional information gathered through this process may then be taken into account at any subsequent licensing committee.

9. Offences against persons other than children / young persons

- 9.1 As Hackney Carriage and Private Hire vehicle drivers often carry unaccompanied passengers, an individual with a conviction for rape, indecent assault, or other similar offences or similar offences under the Sexual Offences Act 2003, will normally be refused a licence.
- 9.2 Individuals with a conviction relating to sexual offences such as soliciting, importuning, indecent exposure or other similar offences or similar offences under the Sexual Offences Act 2003, will normally be referred to the Committee for determination.
- 9.3 Amongst circumstances, which the Council may wish to consider, are circumstances, which if they occurred at the time of the consideration of the application would not now be a criminal offence.

10 Drunkenness

- 10.1 Driving whilst under the influence of drink is unacceptable under any circumstances and puts not only the driver, but passengers and other road users at risk. Such irresponsible behaviour is not conducive with the responsibilities of a Private Hire or Hackney Carriage driver.

With a motor vehicle (No Disqualification)

- 10.2 A serious view will be taken of convictions of driving or being in charge of a vehicle while under the influence of drink.

- 10.3 An application will normally be refused where the individual has a conviction, which does not result in disqualification, for an offence within 2 years of the date of the application.

With a motor vehicle (Disqualification)

- 10.4 Where a disqualification has occurred as a result of a drink-driving offence, an application will not normally be considered until at least 5 years have passed from the date of the restoration of the DVLA licence.

Not in a motor vehicle

- 10.5 An isolated conviction for drunkenness need not debar an applicant from gaining a licence. In some cases, a warning may be appropriate.
- 10.6 In addition, individual will generally be required to show a period of at least 5 years has elapsed after completion of detoxification treatment if they were an alcoholic.
- 10.7 More than one conviction for drunkenness could indicate a medical problem necessitating critical examination and refusal of a licence.

11. Motoring Convictions

Major Traffic Offences

- 11.1 New applicants and existing licensed drivers with a conviction for a 'Major Traffic Offence' as defined below, which is less than 5 years prior to the date of the application (the present date in relation to existing licensed drivers) will be referred to the Licensing Committee for determination. A conviction less than 2 years prior to the date of the application will generally be refused.
- 11.2 Where the conviction resulted in a period of disqualification, an application will normally be refused unless a period of 3 years free from conviction has lapsed from the restoration of the DVLA licence and 5 years where the disqualification relates to driving whilst unfit through drink or drugs
For the purposes of these guidelines the following motoring offences are classed as 'Major Traffic Offences':

AC10	Failing to stop after an accident
AC20	Failing to give particulars or to report an accident within 24 hours
AC30	Undefined accident offences
BA10	Driving while disqualified by order of Court
BA30	Attempting to drive while disqualified by order of Court
CD40	Causing death through careless driving when unfit through drink
CD50	Causing death through careless driving when unfit through drugs
CD60	Causing death through careless driving with alcohol level above the limit
CD70	Causing death through careless driving then failing to supply a specimen for alcohol analysis

CD71	Causing death through careless driving the failing to supply a specimen for drug analysis
DD10	Causing Serious injury by dangerous driving
DD40	Dangerous driving
DD60	Manslaughter or culpable homicide while driving a vehicle
DD80	Causing death by dangerous driving
DD90	Furious driving
DR10	Driving or attempting to drive with alcohol level above limit
DR20	Driving or attempting to drive while unfit through drink
DR30	Driving or attempting to drive then failing to supply a specimen for
DR31	Driving or attempting to drive when unfit through drugs
DR40	In charge of a vehicle while alcohol level above limit
DR50	In charge of a vehicle while unfit through drink
DR60	Failure to provide specimen for analysis in circumstances other
DR61	Failure to provide specimen for drug analysis in circumstances other than driving / attempting to drive
DR70	Failing to provide specimen for breath test
DR80	Driving or attempting to drive when unfit through drugs
DR90	In charge of a vehicle when unfit through drugs
IN10	Using a vehicle uninsured against third party risks
LC20	Driving otherwise than in accordance with a licence
LC30	Driving after making a false declaration about fitness when applying
LC40	Driving a vehicle having failed to notify a disability
LC50	Driving after a licence has been revoked or refused on medical
MS50	Motor racing on the highway
MS60	Offences not covered by other codes
MS90	Failure to give information as to identity of driver, etc.
UT50	Aggravated taking of a vehicle

Aiding, Abetting, Counselling or Procuring

11.3 Offences as coded above, but with 0 changed to 2 (e.g. IN10 becomes IN12).

Causing or Permitting

11.4 Offences as coded above, but with 0 changed to 4 (e.g. IN10 becomes IN14).

Inciting

- 11.5 Offences as coded above, but with 0 changed to 6 (e.g. IN10 becomes IN16). Or similar offences or offences which replace the above offences.

Intermediate and Minor Traffic Offences

- 11.6 New applicants and existing licensed drivers with a Conviction / Fine / Simple Caution/Fixed Penalty Points for an offence which falls under the headings of 'Minor' or 'Intermediate' Traffic Offences and where the total number of accumulated points on their drivers licence is less than 12 or does not result in a period of disqualification, can have their applications granted without the application being referred to the Committee.
- 11.7 An applicant with a disqualification owing to the totting up system or in relation to an offence under these two group headings for any period of disqualification, will not normally be granted a licence unless they have held a DVLA licence for at least 12 months following the expiry of the period of the disqualification.
- 11.8 Existing drivers disqualified for incurring 12 or more penalty points within a three year period, will be required to complete a driver competency assessment on expiry of the disqualification before they are allowed to drive a public carriage. If the driver is not disqualified their Public Carriage Licence will be suspended until a driver competency assessment has been completed.

For the purposes of these guidelines the following motoring offences are classed as 'Intermediate Traffic Offences':

CU10	Using vehicle with defective brakes
CU20	Causing or likely to cause danger by reason of use of unsuitable vehicle or using a vehicle with parts or accessories (excluding brakes, steering or tyres) in a dangerous condition
CU30	Using a vehicle with defective tyres
CU40	Using a vehicle with defective steering
CU50	Causing or likely to cause danger by reason of load or passengers
CU80	Breach of requirements as to control of the vehicle mobile phones etc
CD10	Driving without due care and attention
CD20	Driving without reasonable consideration for other road users
CD30	Driving without due care and attention or without reasonable consideration of other road users
SP10	Exceeding goods vehicle speed limit
SP20	Exceeding speed limit for type of vehicle (excluding goods or passenger vehicles)
SP30	Exceeding statutory speed limit on a public road – not resulting in a fixed penalty
SP40	Exceeding passenger vehicle speed limit
SP50	Exceeding speed limit on a motorway
SP60	Exceeding speed limit offence

Aiding, Abetting, Counselling or Procuring

11.9 Offences as coded above, but with 0 changed to 2 (e.g. CU10 becomes CU12).

Causing or Permitting

11.10 Offences as coded above, but with 0 changed to 4 (e.g. CU10 becomes CU14).

Inciting

11.11 Offences as coded above, but with 0 changed to 6 (e.g. CU10 becomes CU16).

For the purposes of these guidelines the following motoring offences are classed as 'Minor Traffic Offences':

MS10	Leaving a vehicle in a dangerous position
MS20	Unlawful pillion riding
MS30	Play street offences
MS70	Driving with uncorrected defective eyesight
MS80	Refusing to submit to an eyesight test
MW10	Contravention of Special Road Regulations (excluding speed limits)
PC10	Undefined contravention of Pedestrian Crossing Regulations
PC20	Contravention of Pedestrian Crossing Regulations with moving vehicle
PC30	Contravention of Pedestrian Crossing Regulations with stationary
SP30	Exceeding statutory speed limit on a public road resulting in a fixed
TS10	Failing to comply with traffic light signals
TS20	Failing to comply with double white lines
TS30	Failing to comply with a "Stop" sign
TS40	Failing to comply with direction of a constable or traffic warden
TS50	Failing to comply with traffic sign (excluding "Stop" sign, traffic lights or double white lines)
TS60	Failing to comply with school crossing patrol sign
TS70	Undefined failure to comply with a traffic direction sign

Aiding, abetting, counselling or procuring

11.12 Offences as coded above, but with 0 changed to 2 (e.g. PC10 becomes PC12).

Causing or permitting

11.13 Offences as coded above, but with 0 changed to 4 (e.g. PC10 becomes PC14).

Inciting

11.14 Offences as coded above, but with 0 changed to 6 (e.g. PC10 becomes PC16).

12. Plying for Hire

- 12.1 Offences under the Town Police Clauses Acts and Part II of the Local Government (Miscellaneous Provisions) Act 1976 and Hackney Carriage Byelaws and Section 167 Criminal Justice and Public Order Act 1994.
- 12.2 One of the main purposes of the licensing regime set out in the Town Police Clauses Acts and Part II of the Local Government (Miscellaneous Provisions) Act 1976 (“the Acts”) and Hackney Carriage Byelaws, is to ensure the protection of the public.
- 12.3 For this reason, a serious view is taken of convictions for offences under the Acts (including illegally plying for hire and/or touting) when deciding whether an individual is to be treated as a fit and proper person to hold a licence.
- 12.4 In particular, an individual will normally be refused a licence if (s)he has been convicted of an offence under the Acts at any time during the 2 years preceding the application or has more than one conviction within the last 5 years preceding the date of the application.
- 12.5 In the case of a Private Hire driver found guilty of an offence of plying for hire, the driver would be asked to appear before the Licensing Committee to show why they believe they are still a fit and proper person to hold a public carriage drivers licence. The Committee will consider whether any further disciplinary action should be taken.

13. Breach of Conditions, and complaints

- 13.1 This guidance is not intended to cover every possible circumstance and there is an expectation that licensees will comply with all relevant legislation.
- 13.2 The Licensing Authority will act with proportionality and consistency. Disciplinary action taken under this policy is without prejudice to the Licensing Authorities right to institute legal proceedings, where a criminal offence has been committed.

Examples of licensing breaches or conduct likely to receive a written caution

- 13.3 Cautioning may be appropriate for single breaches, where the offender has not received any written caution or other disciplinary action for the same or similar breach within the last 12 months:

General

- Persistent failure to comply with Road Traffic legislation.
- Failure to behave in a civil and orderly manner to customer and/or other road users.
- Refusal to carry passengers without reasonable excuse/ refusing to wait.
- Failure to convey or assist with carrying of luggage.
- Driving in a manner likely to cause alarm to passengers/ road users.
- Failure to display tariff or fares or to conceal same.
- Vehicle not cleaned or well maintained.
- Failure to wear/display driver badge.
- Failure to deliver lost property to Town Hall.

Vehicle defects

- Failure to display vehicle licence plate/licence disc internally/ other signage.
- Failure to report accident within 72 hours.
- Failure to produce insurance documents at request of authorised officer within 5 days.
- Failure to produce interim MOT.
- Unauthorised signs /window stickers/ adverts.
- Failure to notify transfer of vehicle licence—or change of vehicle.
- Defective taxi meter/ printer.
- Defective taxi top light.
- Unattended Hackney Carriage vehicle on rank.
- Failure to attend mechanical inspection.
- Late cancellation of mechanical inspection—give less than 24 hours' notice.
- Defective lights, horn, indicators, exhaust system, tyres, brakes.

Operator breaches

- Premises unclean—not fit for use.
- Failure to keep proper records of bookings of complaints.
- Failure to keep current driver/ vehicle licence details.

13.4 In all cases the caution will be in writing and stipulate a timescale for the matter to be corrected, if appropriate. If the matter is not corrected within the timescale stipulated, or there is a repetition, further disciplinary action may follow.

13.5 The Licensing Team Manager or another manager at principal officer level or higher, has authority to approve and issue letters of caution.

Examples of licensing breaches or conduct likely to receive suspension for a defined period, or revocation of licence:

- Any of the contraventions listed in the 'caution' section above, in these or similar circumstances:
- where the offender has received a written caution or other disciplinary action for the same or a similar breach within the last 12 months; or
- where the offender did not correct a matter as required by a written caution; or where several breaches have been committed together; or where the matter is considered too serious for a caution to be appropriate.
- Permitting no insurance, or insurance that is invalid to cover public carriage use
- Permitting unauthorised/ unlicensed drivers.
- Using or permitting use of unlicensed /unauthorised vehicle.
- Falsifying or making untrue representations in Licence applications or other council licensing documentation.
- Obstruction of an authorised officer of the Council or of a Police Officer in the course of their duty.

- The commission of a criminal offence, or engagement in an activity of a type that brings suitability as a licensee into question.
- Causing injury to passengers, members of the public or other road users by negligence or intent.

13.6 The action taken will be proportionate and take into account all the circumstances including previous suspensions and cautions. Decisions will be determined by a review of available facts at the time the decision is taken.

14. Authority to suspend or revoke.

Suspension/Revocation with immediate effect:

14.1 A licence can be suspended or revoked immediately in the interests of public safety under the provisions of section 61(2B) of the Local Government (Miscellaneous Provisions) 1976. If the Council is advised of such conduct, a decision may be taken in consultation between officers and at least three members of the Licensing Committee. In such cases efforts, will be made to contact the driver to advise of the situation and establish if there is any other information that may be relevant and should be considered before any decision is made.

Suspension/Revocation/Caution following Licensing Committee hearing:

- 14.2 Where a decision does not need to be considered immediately, it will be considered at a formal hearing of the Licensing Committee where the alleged offender (and any witnesses) will be afforded the opportunity to hear the evidence and present their case.
- 14.3 Following a hearing members may direct that letters of caution be issued, suspend a licence for specified periods of time, or revoke a licence. Other conditions or stipulations may be attached to the decision as Members see fit.

Appeals against decisions taken

- 14.4 Decision to caution by manager—register a complaint in writing to the Head of Community Safety .
- 14.5 Decision to caution by Members—no appeal possible.
- 14.6 Decision to suspend or revoke licence— relevant information regarding statutory right of appeal to the Magistrates Court, will be provided in a written notification of the Council's decision.

15. Reapplication

15.1 Where an applicant has previously had a licence revoked by the Council the Authority will not, save in exceptional circumstances, consider any further application from the applicant for a period of three years from the date of the Authority's decision or, if that decision was appealed against and the appeal was dismissed, abandoned, or otherwise failed, from the date of the dismissal, abandonment or other failure of the appeal, whichever is the later.

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Hackney Carriage and Private Hire Vehicle Policy

2021 - 2025

BCP Licensing

Author: Nananka Randle
Version: 1
Review Date: 2025



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Introduction

The Licensing Committee and officers are committed to ensuring the highest standards in order to protect public safety when administering this policy.

All requirements contained within this policy together with conditions on the licence are a mandatory requirement for holding a Private Hire or Hackney Carriage Vehicle Licence issued by BCP Council.

From the first day of adoption of this policy ALL licence holders are required to meet these high standards and it is expected that they will ensure they are fully aware of this policy and comply with all the requirements set out within it.

The Licensing Committee will not accept the excuse that a licence holder was not aware of these requirements when considering any matters brought before them.

1. Purpose statement

- 1.1 BCP Council has a responsibility to issue Hackney Carriage and Private Hire vehicles, operators and driver licences under the Local Government (Miscellaneous Provisions) Act 1976 and the Town Police Clauses Act 1847.
- 1.2 The policy also reflects government guidance as set out in the Department for Transport Statutory Taxi and Private Hire Vehicle Standards issued in July 2020.
<https://www.gov.uk/government/publications/statutory-taxi-and-private-hire-vehicle-standards>
- 1.3 In the interest of public safety BCP Council seek to ensure that anyone issued with such a licence is considered to be 'fit and proper' and that the vehicle meets the safety standards prior to issuing or reissuing any licence.
- 1.4 This Policy is concerned with the regulation of Hackney Carriage and Private Hire licenced vehicles, operators and drivers and the council adopts the overall approach to encouraging the responsible activity of all licence holders. In the interests of its residents and visitors, it will not tolerate any vehicle which poses a threat to the safety of any passenger or other road user.
- 1.5 Notwithstanding the existence of this Policy, each application or enforcement measure will be considered on its own merits. Where it is appropriate for the Council to depart from its Policy clear reasons will be given for doing so. Nothing in this Policy will prevent an applicant or licence holder requesting that the Council considers the individual merits of their case and give reasonable consideration to departing from its Policy. Such requests may either be in writing via email or orally before the Licensing Committee or Sub Committee.

2. Who the policy applies to

- 2.1 This Policy will assist applicants, licence holders, officers of the Licensing Authority, Members of the Licensing Committee, and persons using public carriages to be aware of the standards of conduct and behaviour required of all prospective or existing licenced vehicle proprietors, drivers and operators.

- 2.2 This Policy also affords members of the Licensing Committee and Officers alike, to consider the concerns of the public and other recognised bodies, and to take appropriate measures where the behaviour of licensed vehicle proprietors, drivers and operators are called into question at application or after licences have been issued.

3. This policy replaces

- 3.1 This Policy replaces the three previous Taxi and Private Hire Public Carriage Policies that covered Bournemouth Borough Council, Christchurch Borough Council and The Borough of Poole.

4. Approval process

- 4.1 BCP Council as the Licensing Authority has delegated the Licensing Committee to oversee the development and review of its Hackney Carriage and Private Hire Operator Policy.
- 4.2 Once drafted the policy is subject to a period of public consultation. Consultation responses are reported to the full licensing committee for consideration.
- 4.3 Once finalised the policy is presented to the Full Council for ratification.

5. Links to Council Strategies

- 5.1 This policy supports the BCP Council Core Strategy.
- 5.2 During the preparation of this policy document due consideration has been given to the following Key Council Strategies:
- Corporate Plan
 - Sustainable Transport Plan
 - Workforce Strategy
 - Health & Wellbeing Strategy
 - Safeguarding Strategy
 - Climate Change Strategy
 - Children in Care Strategy
 - Crime & Disorder Reduction Strategy
 - Equality & Diversity

6. The policy

- 6.1 This policy is a working document and the Licensing Authority reserves the right to alter and amend the policy as appropriate to correct errors, inconsistencies, clarify guidance, legislative changes and issue a revised version of the policy at any time. However, any **significant changes** to the Policy will only be implemented after a formal consultation process with the trade and public.
- 6.2 Any **significant amendment** is defined as one that:-
- Is likely to have a significant financial effect on licence holders or
 - Is likely to have a significant procedural effect on licence holders or
 - Is likely to have a significant adverse effect on the community

7. Vehicle requirements for new or replacement vehicles

- 7.1 All vehicles must comply with British and European vehicle regulations, be approved to the standard of type M1 European Whole Vehicle Type Approval (EWVTA), and materially unaltered from the type approval specification. A certificate of conformity bearing the vehicle's unique identification number which relates to an M1 whole vehicle type approval may be required. This requirement is subject to the following provisions:
- The Council may, at its discretion, accept vehicles converted and certified as conforming to a national Small Series or Low Volume Type Approval in place of the above requirement, providing no further modifications have been made to the vehicle since conversion. A certificate of conformity, bearing the vehicle's unique identification number, will be required as evidence of the satisfactory conversion.
 - Proprietors of vehicles which have been modified from an original type approval specification must additionally provide proof of type conformity by way of successful completion of a voluntary Individual Vehicle Approval (IVA) test to M1 standards at a Vehicle and Operator Services Agency (VOSA) testing station, following completion of the modification and with any additional equipment (e.g. wheelchair access/restraints) in place. In such cases, the original vehicle, prior to modification, must be of M1 EWVTA Approval.
 - Vehicles converted from other base vehicle types (e.g. M2 or N1) will not be accepted for licensing, unless converted and certified in accordance with sub-paragraph 7.1.1.
- 7.2 No material alteration or change in the specification, design, condition or appearance of the vehicle shall be made subsequent to the inspection of the vehicle by the Council at any time while the licence is in force and at all times the vehicle shall comply with the specifications of the Council for a licensed Private Hire vehicle. (Vehicles which have been modified in any way from the manufacturer's standard of construction may not be considered suitable for licensing purposes depending upon the nature of the modification).
- 7.3 The vehicle should have a minimum of four opening doors, two on each side of the vehicle with the exception of London style taxis.
- 7.4 To assist applicants the council will publish a list of approved vehicles on the website for reference purposes only.

Vehicle age and emissions

- 7.5 All vehicles at first licence must be no more than 3.5 years old from the date of first registration and the the vehicle engine emissions must meet euro 6 emission standard or higher (or other equivalent standard.) See section 9.
- 7.6 For wheelchair accessible vehicles additional requirements are set out in section 11.

Tinted windows

- 7.7 Window tints are not recommended in licenced vehicles. In order to safeguard vulnerable passengers the glass in doors behind the driver at the side of the rear passengers must

let in at least 70% of the light. This is the same as that in front windscreens. If you have tinted windows you must provide calibrated evidence that the windows allow in the permitted amounts of light.

- 7.8 After-market tinted or blacked out windows are not acceptable. Tint film must not be applied to any windows.

Passenger seating

- 7.9 The vehicle must have sufficient seating capacity to carry not less than four and not more than eight passengers in addition to the driver. (The seating capacity is determined on the assumption that allowance is made for a rear seating width of approximately 400 mm (16") per passenger measured laterally along the widest part of the seat and where arm rests are positioned over such seats the measurement shall be taken between arm rests.)
- 7.10 Access to every passenger seat must be unobstructed and be easily accessible to passengers and without the need for more than one passenger to move.
- 7.11 Head rests must be fitted to all forward or rear facing seats.

Luggage

- 7.12 A suitable space separated from the passenger compartment for the safe carriage of luggage.
- 7.13 The boot capacity shall be no less than 370 litres, please ensure with estate and hatchback or similar type cars this is not calculated to include above the parcel shelf unless there is a permanently fixed divider behind the rear seats.
- 7.14 The vehicle shall not carry luggage on the roof of any vehicle without ensuring that it is adequately fixed on a secure luggage rack which complies with necessary safety standards and weight restrictions.

Executive Private Hire vehicles

- 7.15 Speciality vehicles such as limousines, executive or party Private Hire vehicles must comply with the requirements as set out in Appendix A.

8. Vehicle Inspections

- 8.1 All licenced vehicles regardless of age or mileage will be required to have two mechanical inspections per calendar year.
- Prior to the issue of a licence and annually thereafter a licensed vehicle must undergo a mechanical examination at one of the Council approved designated testing centres. The testing station will issue a Mechanical Examination Certificate (MEC) for twelve months.
 - The vehicle must then be tested no more than 6 months but no less than five months after the MEC issue date (8.1.1). This inspection will take the form of a standard MoT and can take place at any DVSA authorised garage. (if there is an existing MoT this can mean the vehicle is tested three times the first year to bring the testing into synchronisation with the policy requirements_

- 8.2 Failure to submit the MEC or MoT certificate by the due date will result in the vehicle licence being immediately suspended and the vehicle cannot be used as a licensed vehicle until confirmation that the test has been successfully completed is received and reviewed by the taxi licensing team.
- 8.3 For the annual MEC test the vehicle must also be presented no more than 4 weeks of the anniversary of the first MEC test inspection date.
- 8.4 The Council does not have a duty to notify the licence holder's that their vehicle requires a test certificate to remain licenced. It is the licence holder's responsibility to ensure that the vehicle is tested in accordance with the requirements of the licence. As a courtesy the Council will try to ensure that we send out notification to the licence holder prior to the test date.

9. Vehicle emission requirements

- 9.1 BCP council has declared an Environment Emergency, vehicles exhaust emissions are a principle source of air pollution.
- 9.2 From the date of this new policy no licence will be issued to any vehicle which does not meet the minimum emission standard Euro 6 or equivalent standard.
- 9.3 The aim of Euro 6 is to reduce levels of harmful car and van exhaust emissions, both in petrol and diesel cars.
- 9.4 All vehicles licenced by BCP council will meet the Euro 6 emission standard by 31st December 2023. No vehicle licences at renewal will be issued for vehicles which fail to meet this standard after this date.

10. Applications for new or replacement vehicles

- 10.1 Vehicle licences for new or replacement vehicles will only be issued on receipt of all the necessary paperwork. Applicants are reminded that the licence is for the vehicle and the plate together so the person who applies for the licence MUST own the vehicle as well be a licence holder. Licences can be issued to multiple applicants to ensure everyone who has a financial interest in the vehicle and its licence are named.
- 10.2 Applications must be accompanied by the following documents
- V5 – this is the registered keeper details
 - Certificate of mechanical inspection from appointed testing centre
 - Proof of purchase – receipt/bill of sale/HP agreement
 - Valid insurance which includes hire and reward
 - Basic DBS certificate, if the applicant already holds a Private Hire or Hackney Carriage drivers licence issued by BCP council the DBS update service details must be provided with the application. The basic DBS certificate or DBS update details are required for each named person applying for the vehicle licence
 - Certificate of conformance (for wheelchair accessible vehicles only on first application)
 - Driver wheelchair accessible training certificates (for wheelchair accessible vehicle only)
 - Correct fee

- 10.3 Once all the relevant paperwork has been submitted a vehicle licence and plate will be issued to the main designated licence holder.
- 10.4 Once issued the licence holder is responsible for complying with the licence conditions as set out in Appendix B Private Hire and Hackney Carriage Conditions of Licence.

11. Renewal of licence

- 11.1 From the date of this policy no licence will be issued for the renewal for any vehicle aged 15 years or older from the date for first registration.
- 11.2 The applicant must submit the necessary documentation via email to taxi.privatehire@bcpcouncil.gov.uk in order for the application to be considered to be valid.
- 11.3 Holders of existing driver's licences must apply to renew their licence no earlier than 2 months prior and no later than 5 working day prior to the expiry date.
- 11.4 The council has no duty to notify the holder that their licence is due for renewal as it is the licence holder's responsibility to renew their licence. As a courtesy an email reminder will be sent to the driver in advance of their renewal date.
- 11.5 Renewal applications must be submitted electronically via email to taxi.privatehire@bcpcouncil.gov.uk.
- 11.6 The renewal criteria as the same as for application as set out section 10.
- 11.7 Licence holder who do not renew their licence by the expiry date are no longer authorised and must return their external plates within 5 working days.
- 11.8 In the case of Hackney Carriage Vehicle Licences if they are not renewed by the expiry date, the licence will then be offered to the next person on the waiting list for a vehicle licence in the relevant zone.

12. Criminal Records

- 12.1 The applicant must declare any previous criminal convictions, cautions and fixed penalty notices received, including those awaiting appeal, and any charges pending. The council will make a decision as to the relevance of convictions, cautions, charges and fixed penalty notices in accordance with criminal convictions guidelines in Appendix C.
- 12.2 The council may require further information from the Police or Crown Prosecution Service. Applicants who have previous criminal convictions, cautions, fixed penalty notices or charges pending will be interviewed and details of that interview may be included in any report which is referred to the Licensing Committee.
- 12.3 Failure to disclose or declare any previous convictions, cautions, fixed penalty notices or pending charges maybe construed as an attempt to deceive and appropriate and proportionate action will be taken
- 12.4 BCP Council will have regard to the IOL guidance on determining the suitability of applicants and licensees in the taxi and Private Hire trade as a minimum standard

[https://www.instituteoflicensing.org/documents/Guidance_on_Suitability_Web_Version_\(16_May_2018\).pdf](https://www.instituteoflicensing.org/documents/Guidance_on_Suitability_Web_Version_(16_May_2018).pdf), however the convictions guidelines in Appendix C will be taken as the base line relating to convictions.

12.5 In addition consideration on suitability may include other factors including the conduct of the applicant during the application process or during the term of their existing or previous licence as well as their conduct, co-operation and working relationship with the Authority and its officers.

12.6 In essence a 'fit and proper' vehicle proprietor;

- should not be violent, abusive or threatening in their behaviour even if subjected to unpleasant, confrontational or dishonest passenger behaviour or when subject to enforcement action from officers
- should be honest and trustworthy with integrity as they have access to a large amount of personal information that could be misused and significant opportunity to defraud people
- should work co-operatively with and be civil and respectful towards officers of the Licensing Authority who are carrying out their duties.

12.7 This list is not exclusive and other factors may also be relevant to the fit and proper person definition.

12.8 The Licensing Authority will consider all information provided to it from sources such as the Police, Children and Adults Safeguarding Committees, Passenger Services and other statutory agencies. Existing licence holders will also have previous history/outcomes during their time as a licensed driver /operator or previous applicant taken into account and their ability to work constructively and positively with the Licensing Authority.

12.9 The Licensing Authority will consider all criminal history, unacceptable behaviour and conduct irrespective of whether the specific history, behaviour or conduct occurred whilst licence holders drivers were directly engaged in their professional capacity at work or whether they occurred during the licence holders own personal time.

13.CCTV and other electronic equipment

13.1 The Licensing Authority has determined that CCTV systems can be installed and operated in Hackney Carriage and Private Hire vehicles for the following legitimate purposes:

- preventing and detecting crime
- reducing the fear of crime
- enhancing the safety of Hackney Carriage and Private Hire vehicle drivers, and their passengers

13.2 The policy seeks to ensure that the installation and operation of CCTV systems does not
(a) unreasonably interfere with the rights and freedoms of members of the public; and
(b) compromise the safety of drivers and passengers.

- 13.3 A CCTV system will include any electronic recording device attached to the inside of a taxi or Private Hire car having the technical capability to capture and retain visual images from inside or external to the vehicle. See Appendix D
- 13.4 Any CCTV system to be fitted in a Hackney Carriage or Private Hire car must, as a minimum, meet the requirements of this policy.
- 13.5 Where a licensed vehicle proprietor/driver wishes to install and use a CCTV system, it will be a condition of the Hackney Carriage or Private Hire vehicle licence that the requirements of this policy are fully complied with.
- 13.6 This policy does not place a mandatory requirement to install a CCTV system in all Hackney Carriage or Private Hire vehicles.
- 13.7 Other electronic equipment which is not supplied with the vehicle as standard should be for the receiving and fulfilling of bookings and be of an approved type.
- 13.8 Unauthorised equipment for the recording and replay of video and audio is not permitted.
- 13.9 Dashcams can be installed with the agreement of the licensing team, which must be set up correctly for recording outside of the vehicle only.

14. Wheelchair accessibility

Wheelchair Accessible Vehicle Requirements and published list

- 14.1 The Equality Act 2010 statutory guidance requires that local authorities must publish a list of wheelchair accessible vehicles that are capable of transporting a reference wheelchair as set out in Public Services Vehicles Accessibility Regulations 2000 <http://www.legislation.gov.uk/uksi/2000/1970/schedule/1/made>
- 14.2 It is expected all vehicles presented to the council to be licenced as a wheelchair accessible vehicle will meet required space standards which are 1500mm high, 750mm wide and 1300mm length.
- 14.3 Prior to any licence being issued the applicant will have to provide a copy of the vehicle conformance certificate for the adaptation of any vehicles which are not purpose-built vehicles.
- 14.4 These regulations also set out the requirements for the testing of wheelchair restraints and hoists. It will be a requirement at first licence and each subsequent renewal that testing certificates showing annual maintenance of any hoist, restraint system and ramps is submitted. (this may form part of the annual advanced mechanical test)
- 14.5 The council has a duty to publish a list of wheelchair accessible vehicles so that anyone that requires such a vehicle is able to book one directly. All wheelchair accessible vehicle licence holders will be required to provide a contact name and number together with vehicle availability details on an annual basis on first application and at renewal. If the details change it is the responsibility of the licence holder to notify the licensing team.

Duty to assist passengers in wheelchairs

- 14.6 Under section 165 of the Equality Act 2010 licensed drivers of designated wheelchair accessible vehicles MUST undertake the following duties
- Carry the passenger while in the wheelchair
 - Not make any additional charge for doing so – this includes making sure the meter is NOT running while you are rendering assistance into and out of the vehicle
 - If the passenger chooses to sit in a passenger seat to carry the wheelchair
 - To take such steps as are necessary to ensure that the passenger is carried in safety and comfort
 - To provide such assistance as it necessary to enable the passenger to get into and out of the vehicle, this should include
 - installing the boarding ramp, if the passenger wishes to remain in the wheelchair, to enable them to get into and out of the vehicle while in the wheelchair. This should include pushing a manual wheelchair or light electric wheelchair up a ramp.
 - to load the passenger's luggage into out of the vehicle
 - if the passenger does not want to remain in the wheelchair to load the wheelchair into and out of the vehicle. This should include folding a manual wheelchair and placing it in the luggage compartment or stowing a light electric wheelchair in the luggage compartment.
- 14.7 It is expected by the Council that the proprietor and/or driver of a designated wheelchair accessible vehicle is fully aware of the safe method for loading, securing and unloading of wheelchair users for their particular vehicle.
- 14.8 The licence holder will be responsible for ensuring drivers of their vehicle can safely transport and assist passengers in a wheelchair and as such they must submit a certificate of training for each named driver as part of the vehicle renewal process.

15. Hackney Carriages

- 15.1 Hackney Carriage vehicles are available for immediate hire by being hailed (flagged down) in a public street or hired from a taxi rank.
- 15.2 As these vehicles are not pre-booked it is important that members of the public can easily identify a licenced vehicle in order to flag it down or accept a ride from a rank.
- 15.3 Hackney Carriages can also be used as a Private Hire vehicle and can work for any operator regardless of the area the operator is licenced in.
- 15.4 Hackney Carriage appearance and livery reflects the conurbation and in order to ensure visitors and residents alike they should be easily identifiable as a BCP Hackney Carriage. See Section 17.
- 15.5 All Hackney Carriages must have an illuminated roof sign. See Section 18.
- 15.6 The Hackney Carriage licence plates issued by BCP Council must be displayed in the approved positions. See Section 19.
- 15.7 All Hackney Carriages must be fitted with a meter and receipt printer. See Section 18.

16. Quantity restrictions on Hackney Carriage numbers

- 16.1 An 'Unmet Needs' survey was undertaken on behalf of the Licensing Authority in January 2020, the survey concluded that there is no unmet need in any of the three

licensed zones within the BCP area. A copy of the survey can be found on the council website .

- 16.2 The three Hackney Carriage vehicle zones for B (Bournemouth), C (Christchurch) and P (Poole) will be retained. Applicants will be required to state which zone the vehicle is to work in when applying for a new licence.
- 16.3 There will be up to 15 new Hackney Carriage vehicles licences released each year in each of the Bournemouth and Poole zones for wheelchair accessible vehicles (WAV) only. These licences will be released on the 1st April each year.
- 16.4 From the implementation of this policy Hackney Carriage vehicle licences in Christchurch zone will only be approved for WAV only.
- 16.5 Hackney Carriage licences issued after the date of this policy in any of the three zones must remain wheelchair accessible at all times and any replacement vehicles must meet the wheelchair accessible requirements of this policy.
- 16.6 All restrictions on numbers of Hackney Carriage vehicle licences will be removed by the next review of this policy in 2025.

17. Hackney Carriage Livery

- 17.1 From the date of this policy all new/ replacement Hackney Carriage vehicles must be white in colour with a blue reflective stripe down the side of the vehicle just under the window line.
- The blue strip should be 85mm wide and run continually along each side (exact colour to be agreed)
 - BCP logo on bonnet of vehicle
- 17.2 Existing licensed Hackney Carriage vehicles will not be expected to change colour however on replacement all vehicles must comply with the new livery requirements.
- 17.3 The vehicle door insignia (as approved by BCP Council) must be displayed on both front doors of the vehicle. These should be permanently affixed in the prescribed position.
- 17.4 All licenced Hackney Carriage vehicles will be required to meet the livery standards by December 2024.

18. Hackney Carriage Roof Signs

- 18.1 All Hackney Carriage vehicle must be fitted with an illuminated roof sign of a size and design approved by BCP Council Licensing Office.
- 18.2 The front of the sign should have a white background and in black letters a minimum of height of 62.5mm and a maximum of 75mm display the word 'TAXI'.
- 18.3 The rear of the sign should be the same size letters and wording as 16.2 but it should be on a red background.

19. Hackney Carriage Licence Plates

- 19.1 All Hackney Carriages will be issued with three licence plates two to be displayed externally and one internally.
- 19.2 The external vehicle plates are to be displayed on outer rear of the vehicle by the number plate or bumper and be clearly visible.
- 19.3 The internal licence plate is to be displayed in the front windscreen preferably in the top passenger side of the vehicle or on the internal partition if present in the vehicle. The internal plate must be clearly visible with the illuminated side showing into the vehicle so all traveling passengers can easily identify the licence number and how to make a complaint .
- 19.4 Any damaged or lost plates must be notified to the Licensing authority immediately. The cost of a replacement plate will incur an additional charge to the licence holder.
- 19.5 External plates will be replaced for free once in any five-year period.
- 19.6 The licence plate is the property of BCP Council and must be returned to the Licensing Office when the licence expires and/or it is not to be renewed.

20. Hackney Carriage Fare Meters and Printers

- 20.1 All Hackney Carriages must be fitted with either of the following types of device:
- a) A meter of the clock/calendar type which has been approved by the Council and which will calculate distance and time of the hiring and a receipt printer attached to the meter ("a taximeter");
Or
 - b) A GPS equipped fare calculator which has been approved by the Council and which will calculate distance and time of the hiring and a receipt printer attached to it ("a GPS fare calculator")
- 20.2 In both cases the device must be calibrated and set to a rate which does not exceed the Councils table of fares as may be made and be in force from time to time.
- 20.3 All Hackney Carriages fitted with a taximeter (as defined in (a) above) must comply with bylaw numbers 4 and 6 during every appropriate hiring.
- 20.4 All Hackney Carriages fitted with a GPS fare calculator (as defined in (b) above) must ensure that:
- i. When standing or plying for hire the GPS fare calculator is inactive insofar as it is not recording time or distance or calculating a fare;
 - ii. Before beginning a journey for which a fare is charged for distance and time, activate the GPS fare calculator to record and display the fare until the hiring terminates.
- 20.5 All Hackney Carriage vehicles should be fitted with a printer connected to the taximeter or GPS fare calculator this must be either hard wired or connected via Bluetooth and must be able to provide either a printed receipt or a virtual receipt to any passenger on request. (A handwritten receipt is not permitted except if the vehicle has a meter temporary permit.)
- 20.6 A receipt which must include the following information: -

- a. fare displayed and calculated by the meter together with other approved charges in accordance with the fare chart
- b. licence number of the vehicle

20.7 It is not necessary to produce a physical receipt. It is accepted that were technology is able to many passengers are happy for a receipt to be sent via text or email. However, the means to be able to print a receipt should always be available.

20.8 The meter and any associated receipt printer must be maintained in proper working order at all times.

20.9 The licensed holder must ensure that any driver using the licensed vehicle is trained to use the meter and printer in order to facilitate the above requirements.

20.10 In cases where a meter or approved system /and or printer is out of action the licensed vehicle holder must notify the Licensing Office immediately. A meter temporary permit to ply for hire without a meter and or printer may then be issued for a period not exceeding fourteen days and subject to immediate steps being taken to effect repair.

21. Private Hire Vehicles

21.1 Private Hire vehicles cannot be hired without a prior booking via a licenced Private Hire Operator. The requirements of the legislation require that licenced private hire vehicles, drivers and operators must all be licenced within the licensing area.

21.2 BCP council will create one Private Hire area which covers the entire council area allowing licenced Private Hire vehicles to be used any BCP licenced Private Hire Operator.

21.3 Private Hire vehicle categories

- Vehicles of the approved type will be licensed according to their proposed usage in the following categories:-
 - A. Non-metered Vehicles: Specialist and port/airport vehicles
 - B. Metered Vehicles: All other vehicles
- The proprietor of a Private Hire vehicle shall at all times ensure the vehicle is not of such design and appearance as to lead any person to believe that the vehicle is a Hackney Carriage.

22. Private Hire fare meter and printer

22.1 Category B Private Hire vehicles must be fitted with meter of the clock/calendar type to calculate distance and time of the hiring and a receipt printer attached to the meter.

- The Licensing Authority consider a meter to include a GPS type system or any other system that is capable of meeting the requirements as set out in Clause 4 of the Bylaws with respect of Hackney Carriages made in 1968.
- Any such system shall be approved by the Licensing Authority prior to installation.

22.2 Category B Private Hire vehicles should be fitted with a printer connected to the meter or other approved system this must be either hard wired or connected via Bluetooth and

must be able to provide either a printed receipt or a virtual receipt to any passenger on request. (A handwritten receipt is not permitted except if the vehicle has a meter temporary permit.)

22.3 A receipt which must include the following information: -

- c. fare displayed and calculated by the meter together with other approved charges in accordance with the fare chart
- d. Licence number of the vehicle

22.4 It is not necessary to produce a physical receipt. It is accepted that were technology is able to many passengers are happy for a receipt to be sent via text or email. However, the means to be able to print a receipt should always be available.

22.5 The meter and any associated receipt printer must be maintained in proper working order at all times.

22.6 The licensed holder must ensure that any driver using the licensed vehicle is trained to use the meter and printer in order to facilitate the above requirements.

22.7 In cases where a meter or approved system /and or printer is out of action the licensed vehicle holder must notify the Licensing Office immediately. A meter temporary permit to ply for hire without a meter and or printer may then be issued for a period not exceeding fourteen days and subject to immediate steps being taken to effect repair.

23. Private Hire Vehicle Colour and signage

23.1 No vehicle licensed as a Private Hire shall be coloured white. (this is to avoid confusion with Hackney Carriages.)

23.2 Signage all category B vehicles shall permanently affixed in the prescribed positions the following:

- Large 'No booking No ride' stickers on both rear passenger doors as near to the door handle as is possible either to the side or directly underneath. (they are clearly visible to the customer when entering the vehicle).
- Small 'No booking, No ride' sticker on front passenger door in as above.
- If the vehicle wishes to use the bus lanes in the BCP Council area a 'Chequered flag' sticker should be on the offside, front of the bonnet.

24. Private Hire Licence Plates

24.1 All Private Hire vehicles will be issued with two licence plates one to be displayed externally and one internally.

24.2 The external vehicle plate must be displayed on outer rear of the vehicle by the number plate or bumper and be clearly visible.

24.3 The internal licence plate is to be displayed in the front windscreen preferably in the top passenger side of the vehicle. The internal plate must be clearly visible with the illuminated side showing into the vehicle so all traveling passengers can easily identify the licence number and how to make a complaint.

24.4 Any damaged or lost plates must be notified to the Licensing Authority immediately. The cost of a replacement plate will incur an additional charge to the licence holder.

24.5 External plates will be replaced for free once in any five-year period.

24.6 The licence plate is the property of BCP Council and must be returned to the Licensing Office when the licence expires and/or it is not to be renewed.

25. Vehicle advertising

25.1 All vehicle advertising must be approved by the Licensing Office before being used.

25.2 A proof of the proposal must be provided to the Licensing Office and where necessary an appropriate fee prior to approval.

25.3 All advertising and signs should meet the following as stated in Appendix D.

26. Changes to Vehicle Licence holder

26.1 Vehicle licences can be amended to add or remove licence holders.

26.2 A vehicle licence includes the licence and the vehicle to which it relates, as such a vehicle cannot change hands without the licence being updated to reflect this change in ownership. In addition a licence cannot change hands if the vehicle is not owned by anyone on the licence.

26.3 As a vehicle licence is technically a business, the licensing team must ensure that everyone involved in the business is aware of any change in ownership of the licence. Identity documentation will be checked, and copies will be required prior to the change in licence being administered.

27. Accidents/damage to vehicles and temporary substitution

27.1 In the event that a licenced vehicle requires repair due to accident or mechanical breakdown the licence holder can apply for a temporary licence to allow an alternative vehicle to be used for a period of no more than 28 days on application to the Licensing Authority.

27.2 In the case of repair due to an accident, the licence holder must have reported the accident as per the conditions of the licence.

27.3 Temporary vehicles must meet the councils colour requirements.

27.4 The age policy for temporary substitute vehicle will not apply provided that the vehicle has undergone a mechanic inspection at one of the appointed council testing centres within 7 days of the application.

27.5 The application form must be completed by the vehicle licence holder (not vehicle hire company) and must include the following requirements:

- V5 – this is the registered keeper details
- Certificate of mechanical inspection from appointed testing centre
- Proof of purchase – receipt/bill of sale/HP agreement
- Valid insurance which includes hire and reward

- Correct fee

25.6 Temporary substitute plates will be provided by appointment only at the civic offices and at the time of appointment the licence holder must provide the plate from the vehicle being repaired in exchange for a temporary plate. On the expiry of 28 days, by appointment, the licence holder must return the temporary plate to the civic officers in exchange for the plate for the licenced vehicle.

25.7 In exceptional circumstances an extension for the temporary substitute will be granted on receipt of written request detailing the reasons that an extension is necessary. A further fee will be payable.

28. How to use this policy

28.1 All BCP vehicle licence holders should ensure that they are fully compliant with their policy and appendices.

29. Roles and responsibilities

29.1 The Licensing Manager is responsible for overseeing the functions and work of the licensing team who deliver the policy.

29.2 The Licensing Committee or Sub-Committee will be presented with reports in cases where drivers do not meet the conditions of their licence or where complaints have been received and a decision is required if the driver remains a fit and proper person.

29.3 Decisions by the Licensing Committee are subject to appeal to the Magistrates court within a statutory appeal period of 28 days from the notification of any committee hearing decision.

30. Enforcement and sanctions

30.1 Any driver who does not comply with the policy and legislation will be referred to the licensing committee for consideration. The Licensing Committee can choose to revoke a licence or suspend a licence pending any necessary action by the drivers such as attending training or counselling as required.

30.2 Decisions by the Licensing Committee are subject to appeal to the Magistrates court within a statutory appeal period of 28 days from the notification of any committee hearing decision.

31. Complaints, disciplinary and delegation to officers

31.1 In cases of complaints or allegations about a licenced vehicle, the licensing officer will investigate the matter fully and determine the seriousness of the allegation.

31.2 Where there are serious allegations that are deemed to pose an **imminent risk to public safety**, the Licensing Manager or other senior officer, will contact the vehicle proprietor/operator in question and obtain their version of the event. If the officer deems that the complaint is founded the matter will be referred to three members of the Licensing Committee to include the chair and vice chair.

- 31.3 If members determine that the evidence presented demonstrates there is an imminent risk to public safety, the drivers licence will be immediately revoked and the person concerned will be notified and required to surrender their badge and paper licence the same day. Members will confirm in writing the decision made and the reasons why the decision was reached.
- 31.4 If members agree there is a risk to public safety, but it is not an imminent risk the matter will be referred to the Licensing Sub-Committee.
- 31.5 For complaints of a less serious matter with no requirement for consideration by the Licensing Committee, the Licensing Manager is permitted to issue/authorise caution letters and can suspend a licence for a period of no more than 2 weeks.
- 31.6 In all cases of complaint, officers will make reference this policy and any conditions as specified as well as the Institute of Licensing guidance on the suitability of applicants and licensees in the Hackney Carriage and Private Hire trades.

[https://www.instituteoflicensing.org/documents/Guidance_on_Suitability_Web_Version_\(16_May_2018\).pdf](https://www.instituteoflicensing.org/documents/Guidance_on_Suitability_Web_Version_(16_May_2018).pdf)

Appendix A

Executive/Speciality Private Hire Vehicles requirements

Executive Private Hire Vehicle licences will only be granted to vehicles which comply with sections 1, 2 and 4 below. Limousine or Party Private Hire Vehicle Licenses will only be granted to vehicles which comply with 1, 3 & 4 below

1.Executive/limousine/party

1.1 The vehicle shall be of a make and model which the Council considers appropriate for an Exemption Notification. The Council may consult any person or organisation as it considers appropriate before deciding whether an Exemption Notification shall be granted in respect of any vehicle.

1.2 Without prejudice to the generality of Clause 1 above, the vehicle shall comply with all of the following minimum requirements:

- a) Be a recognised model of a four door saloon motor car or people carrier but **not** a hatchback, kit car or vehicle substantively altered in appearance or modified in any way except as within the section Limousines/Party Vehicles below.
- b) The vehicle interior and exterior shall be of the very highest quality in design and use of materials available and in exceptional condition.
- c) The vehicle shall not be designed or adapted for off road purposes.
- d) Vehicles manufactured as people carriers may be considered for an exemption to display the plate. However, the vehicle shall be of the highest specification, quality and condition. Each application will be considered on its own merits. Only vehicles on the approved executive list shall be considered for licensing as an executive vehicle.

1.3 Any vehicle presented for licensing for the first time shall not be older than five years on the day that the fully and correctly completed application is received with the appropriate fee. (Limousines and Party vehicles shall be considered for exemption of this condition in exceptional circumstances where the vehicle is in immaculate condition).

1.4 Only vehicles that satisfy Clauses 2 (a) to 2 (d) above, are on the approved executive list and at the top of the range within the manufactures fleet of vehicles, may be considered for a Exemption Notice, not to display the vehicle plate, which will be at the Council's discretion.

2 Executive

2.1 The makes and models of vehicle which **will** be considered for licensing as an executive vehicle are:

- BMW 7 SERIES
- MERCEDES S CLASS
- MERCEDES E CLASS
- LEXUS GS and LS
- JAGUAR I PACE (electric vehicle)
- JAGUAR XJ SWB and LWB

- TESLA Model S (electric vehicle)
- AUDI A8

For vehicles not included on the above list contact the Licensing team by email:
taxi.privatehire@bcpcouncil.gov.uk.

3 Limousine and party

3.1 On being presented for licensing for the first time, the vehicle shall have proof of one of the following:

- Individual Vehicle approval certificate
- a European whole vehicle certificate
- a UK low vehicle type approval certificate

3.2 No Stretched Limousine/Party Vehicle shall be licensed by the Council where the maximum unladen weight of the vehicle exceeds 3,220.50kg (7,100 lbs).

3.3A Stretched Limousine/Party Vehicle shall only be considered for licensing where the applicant produces evidence that the “stretch” was performed by the manufacturer or by a coachbuilder approved by the vehicle manufacturer. American limousines/party vehicles shall have been built by an approved coachbuilder under the QVM programme for Ford vehicles or the CMC programme for Cadillac vehicles. The onus shall be upon the applicant to prove that the vehicle meets the prescribed standards.

3.4 Any replacement parts fitted to a Stretched Limousine/Party Vehicle shall meet the approved standards of the stretched specifications i.e. tyres shall meet both the size and weight specifications.

3.5 Vehicles shall be capable of carrying no fewer than three and not more than eight passengers in addition to the driver. Side facing seats shall only be permitted on a Stretched Limousine/Party Vehicle if they meet the minimum requirements of lap belts fitted to each passenger seat of the side facing seats. A seat shall be a minimum width of 400mm. Stretched limousines shall only be licensed to carry a maximum of eight passengers regardless of how many seats are fitted to the vehicle.

3.6 Vehicles shall be equipped at all times with seat belts of an acceptable type in respect of every seat which can be used for the carriage of passengers. Seat belts shall comply with current legislation and be in proper working order at all times.

3.7 passenger shall have direct access to a door without the need to fold flat, tilt up or remove other seating.

3.8 Vehicles shall be fitted with at least four doors and four wheels.

3.9 The vehicle may be left or right hand drive.

3.10 All paintwork shall be free of rust and corrosion and be of a very high standard.

3.11 Vehicles shall have adequate space for luggage.

3.12 All brakes and mechanical parts shall be kept in good order and condition.

3.13 The vehicle shall have a serviceable spare wheel, together with the proper tools and equipment to change the wheel in the event of a tyre or wheel becoming defective.

3.14 All tyres (including the spare) shall be suitable for the vehicle

3.15 The vehicle shall not be designed or adapted for off road purposes.

3.16 The vehicle shall not be designed or adapted as a people carrier, mini bus, people mover or other like vehicle.

Note: **PRIOR TO** purchasing any vehicle to be used as an executive vehicle or limousine/party vehicle you are strongly advised to contact the Licensing Team for advice concerning the different makes and models of vehicles considered appropriate for licensing for this type of work.

4. Identification signs

Executive, Limousine and Party Private Hire vehicles are not required to display a vehicle plate to rear or side identification panels.

Appendix B

Private Hire and Hackney Carriage Conditions of Licence

These conditions of licence are made pursuant to of the Local Government (Miscellaneous Provisions) Act 1976 the Town and Police Clauses Act 1847

The licence holder must observe and carry out the requirements of the Local Government (Miscellaneous Provisions) Act 1976, Part II, and any orders or regulations made thereunder.

1. Change to licence holders address

The licence holder must notify the Council *in writing/email within 5 working days* * of any change of his/her address taking place during the period of the licence, whether permanent or temporary.

2. Change to licence holders contact information including email address

The licence holder must notify the Council *in writing/email within 5 working days* * of any change of his/her contact numbers and/or email address taking place during the period of the licence, whether permanent or temporary

**** The 5 working days excludes a Saturday or a Sunday, Christmas Eve, Christmas Day, Good Friday, Bank Holidays or any other day on which the Licensing Office is closed.***

3. Insurance

At all times during the licence period the licence holder shall hold valid insurance in relation to the use of the vehicle as a licenced vehicle for hire and reward. The licence holder is required to produce the most up to date copy of this on request by the Licensing Authority.

4. Cooperation in regulatory matters

Licensed holders must co-operate with authorised officers of the council in all matters relating to the regulation of the licensed vehicle. However nothing in this condition affects the licence holders statutory protection afforded by other legislation.

5. Reporting of accidents

The licence holder must report any accident or damage to the vehicle within 1 day of the incident and provide full details

6. Maintenance of vehicle

The vehicle, all of its fittings and any attached equipment shall at all times when the vehicle is in use or available for hire, be kept in a clean, safe, tidy and efficient state, and must also comply with all relevant statutory provisions including in particular those contained in the Road Vehicles (Construction and Use) Regulations 1986.

No material alteration or change to the vehicle, its fittings or any attached equipment shall be made without the prior approval of the Council. 1

7. Tyres

A spare wheel tyre appropriate for the vehicle must be carried when the vehicle is being used for public hire.

All tyres fitted to the vehicle or carried as a spare must comply with the Motor Vehicles (Construction and Use) Regulations 1986 and Motor Vehicle (Tests) Regulations 1981.

Re-cut and Remoulded Tyres Re-cut tyres are not acceptable for M1 passenger vehicles and remould tyres shall only be acceptable if they carry a recognised approval marking (currently BSAU144e) and display the following information clearly displayed on each tyre:

- a) Nominal size;
- b) Construction type (e.g. radial ply);
- c) Load capacity; and d) Speed capability Space Saver Tyres

The carrying and use of Space saver tyres and tyre sealant kits will only be approved with the support of a method statement. The method statement will detail the drivers and vehicle owners responsibility with regard to the maximum permitted speed and restrictions of use and highlight that they are ONLY a temporary measure to complete the journey in which the puncture occurred.

An approved repair to BS AU159 or a replacement tyre must be undertaken before any further fares are carried. Run flat tyres fitted to any vehicle by the manufacturer will not be replaced by any other type or make either individually or all of them. The use of these tyres must be supported by a method statement (such as the manufacturers handbook for the vehicle) specifying the capability and restrictions of use following a puncture. In all cases the Tyre Pressure Monitoring System (TPMS) must be working correctly and if required, be reset when a tyre(s) are renewed ore replaced. Worn or damaged run flat tyres must be replaced by the same make and size.

8. Roof racks

A roof rack may only be used when excess luggage is to be carried and any luggage so carried shall be safely secured and shall not exceed such weight or size that as can safely be carried on the vehicle.

9. Advertising

The proprietor of any licenced vehicle shall not place or allow any window or on any part of the exterior of such carriage any advertisement or printed matter other than such as may be required to comply with this policy or approved by the Council.

10. No smoking

The Health Act 2006 prohibits smoking in enclosed places, all licensed vehicles are designated as an enclosed public space and therefore it is unlawful for any person to smoke in a licensed vehicle at any time, including any time when it is not being used for hire.

11.Driver records

If the proprietor permits or employs any other person to drive the vehicle as a Taxi or Private Hire vehicle, the proprietor shall retain the person's Taxi or Private Hire drivers licence until such time as the driver ceases to be permitted or employed to drive the vehicle.

12. Licenced drivers

The proprietor of a Private Hire vehicle or Hackney Carriage shall not allow the vehicle to be driven and used for hire by any person who does not hold a current Private Hire or Hackney Carriage driver's licence, as appropriate, issued by the Council.

Criminal Convictions Guidelines

NOTE: In the Council's view this statement and the guidelines that follow are compatible with the rights and freedoms under the European Convention on Human Rights.

This document aims to provide guidance to any person with an interest in public and Private Hire licensing. In particular, but not exclusively:

- Applicants for drivers' licences
- Existing licensed drivers whose licences are being reviewed/renewed
- Applicants for operators' licences
- Existing licensed operators whose licences are being reviewed/renewed
- Licensing Officers
- Members of the Licensing Committee (or other relevant decision making body)
- Magistrates hearing appeals against local authority decisions
- Police Officers

Thereby providing transparency and consistency, in accordance with the principles of good enforcement and relevant Regulatory Compliance Codes.

Where Licensing Officers have delegated powers to grant or refuse licences, they will utilise these guidelines when making a decision to grant a licence. In all other cases applications for licences will be referred to the Licensing Committee (or other relevant decision-making body). Whilst Officers and the Committee will have regard to the guidelines contained in the policy, each case will be considered on its individual merits and, where the circumstances demand, the Committee may depart from the guidelines.

1. Background

- 1.1 In this policy the word "individual" includes an existing licence holder, an applicant for a new licence, and an applicant for the renewal of an existing licence.
- 1.2 Licences for drivers of Hackney Carriages, Private Hire vehicles or Private Hire Operator may only be granted where the Council is satisfied that the individual is a fit and proper person to hold such a licence.
- 1.3 In this policy the word "issue" is used. This includes complaints made to the Council, Police, Operators or any other agency, breaches of licensing conditions and intelligence received from other agencies (including circumstances which have not resulted in a criminal conviction, caution or other disposal). E.g. incidents which have resulted in a police investigation where there has been no further action due to the criminal burden of proof will still be considered if Licensing Committee is satisfied that the incident occurred based on the balance of probabilities.
- 1.4 Licences for operators of Private Hire vehicles may only be granted where the Council is satisfied that the individual is a fit and proper person to hold such a licence.
- 1.5 The document is intended to give guidance on one aspect of whether a person is or is not a fit and proper person namely the situation where a person has previous convictions and cautions.
- 1.6 The Council is concerned to ensure:

- a. That a person is a fit and proper person.
 - b. The public are not exposed to persons with a history of dishonesty, indecency or violence.
 - c. The safeguarding of children and young persons and vulnerable adults.
- 1.7 The public are not normally permitted to attend Committee hearings for private hire, Hackney Carriage driver applications or Private Hire operator applications or reviews, however, in determining whether to grant a licence the Committee or Officers will take into account the human rights of the wider public and balance these against the human rights of the applicant.
- 1.8 When submitting an application for a licence to drive a Hackney Carriage or Private Hire vehicle, or for an operators' licence, individuals are required to declare all previous convictions they may have. Individuals are also required to declare all formal/simple cautions, any matters of restorative justice and all fixed penalties and all endorsable fixed penalties they have received and to provide details of all criminal matters of which they are currently the subject of criminal investigation or prosecution.
- 1.9 An application for a drivers' licence is an exempt activity listed in the Rehabilitation of Offenders Act 1974 (Exemptions) Order 1975 (as amended in 2013) and as such both spent and unspent convictions and cautions must be declared.
- 1.10 The information given will be treated in confidence and will only be taken into account in relation to the relevant application to assist the Council in determining whether the applicant is a fit and proper person to hold a licence for the purposes of sections 51, 55 and 59 of the Local Government (Miscellaneous Provisions) Act 1976, or whether the Council should exercise any of its powers under section 61 and 62 of the Act (i.e. suspension, revocation or refusal to renew a licence).

Where a person is referred to the Licensing Committee and they hold more than one Licence the fit and proper test will be applied individually to each Licence.

- 1.11 Applicants for a licence to drive a Hackney Carriage or Private Hire vehicle should be aware that the Council is empowered by law to check with the Disclosure Barring Service for the existence and content of any criminal record and other intelligence held in their name. Officers from the licensing section will where appropriate contact other agencies for any other information which they may hold for instance, Housing Service, Children's Services and Dorset Police. Information received from the Disclosure Barring Service or other agency will be kept in strict confidence while the licensing process takes its course and will be retained no longer than is necessary and in any event, will be destroyed in accordance with the requirements of the Data Protection Act 1998 and in accordance with good practice after the application is determined or any appeal against such determination is decided.
- 1.12 The disclosure of a criminal convictions/fines or cautions or other relevant information relating to an individual's conduct will not necessarily debar an individual from being granted, retaining or renewing a licence. It will depend on whether or not the individual can satisfy the Council that they are a fit and proper person to hold such a licence.
- 1.13 The Council may fail to be satisfied that an individual is a fit and proper person to hold a driver's licence or an operator's licence for any reasonable cause. If an applicant is unable to produce adequate evidence that they are a fit and proper person or if there is reasonable cause to question or doubt the evidence provided, then that could amount to reasonable cause to refuse a licence.

- 1.14 In considering evidence of an individual's good character and fitness to hold a driver's licence or operator's licence, where previous convictions/cautions or other information relating to criminal matters/character is disclosed, the Council will consider the nature of the offence/issue and penalty; when it was committed/took place; the date of conviction/issue and the length of time which has elapsed, the individual's age when the offence was committed/issue took place; whether or not it is part of a pattern of criminal behaviour, the intent, the harm which was, or could have been caused and any other factors which might be relevant. Where an individual has been convicted of a criminal offence, the Council cannot review the merits of the conviction [*Nottingham City Council v. Mohammed Farooq (1998)*].

However, if an individual is acquitted of an offence, the Council are entitled to go behind the acquittal because of the different standard of proof (*R v Maidstone Crown Court Ex Parte Olson 1992*).

- 1.15 The Council has adopted the following guidelines relating to the relevance of convictions to which it refers in determining new/renewal applications for drivers' licences and operators' licences and when considering whether to take any disciplinary action against an existing licence holder.
- 1.16 The guidelines do not deal with every type of offence, and do not prevent the Council from taking into account offences not listed in the guidelines, or any other conduct, which may be relevant to an individual. Regard will be given to all relevant information when deciding to issue or renew a licence or whether any disciplinary action should be taken.
- 1.17 Offences described in the guidelines and similar offences, though differently entitled in any statutory provision, modification or re-enactment, will be taken into account in accordance with the guidelines.
- 1.18 The guidelines are not an attempt to define what is a "fit and proper person". There is no statutory definition of what is a "fit and proper person" but is guidance given in the case of *McCool v Rushcliffe BC 1998*.
- 1.19 Any individual who is refused a driver's licence or has such a licence suspended or revoked on the ground that the Council is not satisfied he/she is a fit and proper person to hold such a licence has a right of appeal to the Magistrates' Court within 21 days of the notice of refusal.
- 1.20 Any individual who is refused an operator's licence has a right of appeal to the Magistrates' Court within 21 days of the notice of refusal.

2. General Policy

- 2.1 Each case will be decided on its own merits. A person with a conviction for a single serious offence or a number of separate offences need not be automatically barred from obtaining a licence, but would normally be expected to:
- Remain free of conviction for an appropriate period (which will depend on the nature of the offence); and
 - Show adequate evidence that he or she is a fit and proper person;
 - Simply remaining free of conviction will not generally be regarded as adequate evidence that a person is a fit and proper person to hold a licence.
- 2.2 The Council has a duty to ensure so far as possible that drivers and operators are fit and

proper persons to hold licences. One aspect of that is the extent to which previous convictions, including but not limited to convictions for offences against children and young persons, dishonesty, sexual offences, traffic offences, violence and drugs indicate that a person is not a fit and proper person, and would not take advantage of passengers or abuse or assault them.

- 2.3 In reaching a decision the Council may assess the seriousness of the offence in accordance with the penalty imposed in using the following table:

Sentence length	Rehabilitation period
0-6 Months	3 years
6-30 Months	5 years
30 months to 4 years	7 years
Over 4 years	None

- 2.3.1 Restorative justice and other criminal disposals are increasingly used by the police as a less formal way of dealing with issues and as an alternative to the criminal disposals tend to be applied in less serious cases or for first time offenders, nevertheless all such disposals will be taken into account when determining if a person is a fit and proper person.
- 2.3.2 Amongst situations where it may be appropriate to depart from the general policy, for example, may be situations where the offence is an isolated one with mitigating circumstances or where a conviction defaults outside of the policy between the application and determination date. Similarly, multiple offences or a series of offences over a period of time are likely to give greater cause for concern and may demonstrate a pattern of inappropriate behaviour, which will be taken into account. In any case which involves certain specified sexual offences, murder or manslaughter a licence will normally be refused.
- 2.6 The Council through the Licensing Committee will convene to consider any information/representations received that a person is not/no longer a “fit and proper” person, or if a breach of a condition of a licence. If proved they may refuse, or revoke a licence or suspend for any specified period.
- Hearing with notice – Where a Committee is to be convened to consider whether or not a person is a “fit and proper” person, notice of the time and date of the meeting will be given in order to allow the person to seek independent legal advice and to attend and be represented at the hearing.
 - Hearing without notice – Where a sub-committee is convened as a result of sensitive information being received by the Council an assessment will be undertaken in balancing a person’s right to a fair hearing against whether or not it is in the public interest to hold the hearing without notice against the Councils first priority of Public Safety.
 - Where new offences are created or existing offences are consolidated or re- enacted etc. they will be treated in a manner appropriate to their severity whether or not this guidance has been updated to reflect the changes.

3. Disclosed Convictions General Guide

Spent Convictions

- 3.1 The Council will only consider spent convictions if it appears to be relevant for deciding whether the individual is a fit and proper person to hold a licence and that justice cannot be

done in the case, except by admitting or requiring evidence relating to that spent conviction. The council will consider the nature of the offence(s), the history or pattern of offending, the lapse of time and whether all the convictions have previously been considered.

Formal/Simple Cautions and Endorsable Fixed Penalties

- 3.2 For the purpose of these guidelines formal/simple/conditional cautions and endorsable fixed penalties shall be treated as though they were convictions.

Multiple Convictions from a Single Incident

- 3.3 Where an individual has multiple convictions arising from a single incident, the convictions will generally be treated as one conviction for the purposes of these guidelines.
- 3.4 In these circumstances the period for which the individual would normally be expected to show free from conviction will be the longest applicable period calculated by reference to each offence.

4. Offence of Dishonesty

- 4.1 In view of the nature of their work drivers of Hackney Carriage and Private Hire vehicles are expected to be trustworthy.
- 4.2 Members of the public entrust themselves to the care of drivers both for their own safety and for fair dealing, Passengers may include especially vulnerable people and children.
- 4.3 It is comparatively easy for a dishonest driver to defraud the public by demanding more than the legal fare and in other ways.
- 4.4 The widespread practice of delivering unaccompanied property is indicative of the trust that businesses put into drivers.
- 4.5 In certain situations, drivers will know that a property is empty whilst the occupants are away on holiday for a set period of time after taking them to the airport or railway station.
- 4.6 For these reasons a serious view is taken of any convictions involving dishonesty. In general, an applicant with conviction(s) and/or caution(s) for dishonesty, which are less than 5 years old, is unlikely to be considered favourably and are to be referred to the Licensing Committee for determination.
- 4.7 In particular, an application will normally be refused where the individual has conviction(s) and/or caution(s) for an offence or similar offences or offences which replace the below offences.
- i. Theft
 - ii. Burglary
 - iii. Fraud
 - iv. Benefit fraud (including offences under ss.111A and 112 of the Social Security Administration Act 1992)
 - v. Handling or receiving stolen goods
 - vi. Forgery (e.g. producing false insurance policy)
 - vii. Conspiracy to defraud
 - viii. Obtaining money or property by deception

- ix. Other deception
- x. Blackmail

5. Violence

- 5.1 Members of the public and in particular, the elderly, infirm and children or vulnerable adults entrust their personal safety to Private Hire and Hackney Carriage drivers whenever they take a journey.
- 5.2 Passengers often travel alone and are vulnerable to physical attack etc. Users of Private Hire and Hackney Carriage vehicle have a right to expect that drivers are not individuals with a predisposition towards or a propensity for violent behaviour at any level.

6. Offences against Other Persons

- 6.1 As Hackney Carriage and Private Hire vehicle drivers maintain close contact with the public, where the commission of an offence involved loss of life a licence will normally be refused.
- 6.2 The Council seeks to minimise risks associated with children and young persons and for that reason a more serious view will be taken where offences of violence children under 14 or young persons.
- 6.3 An application will normally be refused where the individual has a conviction for an offence or similar offence(s), or similar offence(s) which replace the below offences:
 - Murder
 - Manslaughter
 - Manslaughter or culpable homicide while driving
- 6.4 An application will also normally be refused where the individual has a conviction for an offence or similar offence(s) or similar offence(s) which replace the below offences:
 - Malicious wounding or grievous bodily harm (s.20 Offences Against the Person Act 1861) which is racially aggravated (s.29(1)(a) Crime and Disorder Act 1998)
 - Actual bodily harm (s.47 Offences Against the Person Act 1861) which is racially aggravated (s.29(1)(b) Crime and Disorder Act 1998)
 - Grievous bodily harm with intent (s.18 Offences Against the Person Act)
 - Grievous bodily harm with intent (s.20 Offences Against the Person Act)
 - Robbery
 - Possession of firearm
 - Riot
 - Assault Police
 - Common assault with racially aggravated (s.29(1)(c) Crime and Disorder Act 1998)
 - Violent disorder
 - Resisting arrest
- 6.5 An application will also normally be refused where the individual has a conviction for an offence or similar offence(s) or similar offence(s) which replace the below offences.
 - Racially-aggravated criminal damage (s.30 Crime and Disorder Act 1998)
 - Racially-aggravated s.4 Public Order Act 1986 offence (fear of

- provocation of violence) (s.31(1)(a) Crime and Disorder Act 1998)
- Racially-aggravated s.4A Public Order Act 1986 offence (intentional harassment, alarm or distress (s.31(1)(b) Crime and Disorder Act 1998)
- Racially-aggravated s.2 Protection from Harassment Act 1997 offence (harassment) (s.32(1)(a) Crime and Disorder Act 1998)
- Racially-aggravated s.4 Protection from Harassment Act 1997 offence (putting people in fear of violence) (s.32(1)(b) Crime and Disorder Act 1998)
- Racially-aggravated s5 Public Order Act 1986 offence (harassment, alarm or distress) (s.31(1)(c) Crime and Disorder Act 1998)

6.6 An application will also normally be refused where the individual has a conviction for an offence or similar offence(s) or similar offence(s) which replace the below offences.

- Common assault
- Assault occasioning actual bodily harm (s.47 Offences Against the Person Act)
- Affray
- S5 Public Order Act 1986 offence (harassment, alarm or distress)
- S.4 Public Order Act 1986 offence (fear of provocation of violence)
- S4A Public Order Act 1986 offence (intentional harassment, alarm or distress)
- Harassment- breach of restraining order- on conviction Protection from Harassment Act 1997 s5(5) = s. 5(6)
- Obstruction
- Possession of offensive weapon
- Criminal damage

7. Drugs

- 7.1 An application will normally be refused where the individual has a conviction for an offence related to the supply of drugs and the conviction is less than 5-10 years prior to the date of application.
- 7.2 An offence related to the supply of drugs and the conviction is less than 10 years prior to the date of application will be referred to the Panel for determination. A conviction less than 5 years old will generally be refused.
- 7.3 An application will normally be refused where the individual has more than one conviction for offences related to the possession of drugs.
- 7.4 For convictions for driving whilst unfit through drugs see Section 10 'Drunkenness.'
- 7.5 If any applicant was an addict, then they will normally be required to show evidence of 5 years free from drug taking after detoxification treatment as required by the Council.

8. Sexual and Indecency Offences

- 8.1 Any individual currently on the sex offenders' register would not normally be granted a licence.

- 8.2 Drivers of Hackney Carriage and Private Hire vehicles are often entrusted with care of children and young persons. It is comparatively easy for an unscrupulous driver to take advantage of such vulnerable persons.
- 8.3 Where the commission of a sexual offence involves a child or young person an application for a licence will normally be refused.
- 8.4 The Council will sometimes be made aware of other intelligence or low level information about an individual which has not resulted in the conviction of that person but is relevant in relation to their character. Officers will give appropriate consideration to this information and will seek to consult with other appropriate agencies such as police and social services, in order to ensure that they have a comprehensive understanding. Where appropriate, officers will refer such information/ intelligence to other agencies. Any additional information gathered through this process may then be taken into account at any subsequent licensing committee.

9. Offences against persons other than children / young persons

- 9.1 As Hackney Carriage and Private Hire vehicle drivers often carry unaccompanied passengers, an individual with a conviction for rape, indecent assault, or other similar offences or similar offences under the Sexual Offences Act 2003, will normally be refused a licence.
- 9.2 Individuals with a conviction relating to sexual offences such as soliciting, importuning, indecent exposure or other similar offences or similar offences under the Sexual Offences Act 2003, will normally be referred to the Committee for determination.
- 9.3 Amongst circumstances, which the Council may wish to consider, are circumstances, which if they occurred at the time of the consideration of the application would not now be a criminal offence.

10 Drunkenness

- 10.1 Driving whilst under the influence of drink is unacceptable under any circumstances and puts not only the driver, but passengers and other road users at risk. Such irresponsible behaviour is not conducive with the responsibilities of a Private Hire or Hackney Carriage driver.

With a motor vehicle (No Disqualification)

- 10.2 A serious view will be taken of convictions of driving or being in charge of a vehicle while under the influence of drink.
- 10.3 An application will normally be refused where the individual has a conviction, which does not result in disqualification, for an offence within 2 years of the date of the application.

With a motor vehicle (Disqualification)

- 10.4 Where a disqualification has occurred as a result of a drink-driving offence, an application will not normally be considered until at least 5 years have passed from the date of the restoration of the DVLA licence.

Not in a motor vehicle

- 10.5 An isolated conviction for drunkenness need not debar an applicant from gaining a licence. In some cases, a warning may be appropriate.
- 10.6 In addition, individual will generally be required to show a period of at least 5 years has elapsed after completion of detoxification treatment if they were an alcoholic.
- 10.7 More than one conviction for drunkenness could indicate a medical problem necessitating critical examination and refusal of a licence.

11. Motoring Convictions

Major Traffic Offences

- 11.1 New applicants and existing licensed drivers with a conviction for a 'Major Traffic Offence' as defined below, which is less than 5 years prior to the date of the application (the present date in relation to existing licensed drivers) will be referred to the Licensing Committee for determination. A conviction less than 2 years prior to the date of the application will generally be refused.
- 11.2 Where the conviction resulted in a period of disqualification, an application will normally be refused unless a period of 3 years free from conviction has lapsed from the restoration of the DVLA licence and 5 years where the disqualification relates to driving whilst unfit through drink or drugs
For the purposes of these guidelines the following motoring offences are classed as 'Major Traffic Offences':

AC10	Failing to stop after an accident
AC20	Failing to give particulars or to report an accident within 24 hours
AC30	Undefined accident offences
BA10	Driving while disqualified by order of Court
BA30	Attempting to drive while disqualified by order of Court
CD40	Causing death through careless driving when unfit through drink
CD50	Causing death through careless driving when unfit through drugs
CD60	Causing death through careless driving with alcohol level above the limit
CD70	Causing death through careless driving then failing to supply a specimen for alcohol analysis
CD71	Causing death through careless driving the failing to supply a specimen for drug analysis
DD10	Causing Serious injury by dangerous driving
DD40	Dangerous driving
DD60	Manslaughter or culpable homicide while driving a vehicle
DD80	Causing death by dangerous driving
DD90	Furious driving
DR10	Driving or attempting to drive with alcohol level above limit
DR20	Driving or attempting to drive while unfit through drink

DR30	Driving or attempting to drive then failing to supply a specimen for
DR31	Driving or attempting to drive when unfit through drugs
DR40	In charge of a vehicle while alcohol level above limit
DR50	In charge of a vehicle while unfit through drink
DR60	Failure to provide specimen for analysis in circumstances other
DR61	Failure to provide specimen for drug analysis in circumstances other than driving / attempting to drive
DR70	Failing to provide specimen for breath test
DR80	Driving or attempting to drive when unfit through drugs
DR90	In charge of a vehicle when unfit through drugs
IN10	Using a vehicle uninsured against third party risks
LC20	Driving otherwise than in accordance with a licence
LC30	Driving after making a false declaration about fitness when applying
LC40	Driving a vehicle having failed to notify a disability
LC50	Driving after a licence has been revoked or refused on medical
MS50	Motor racing on the highway
MS60	Offences not covered by other codes
MS90	Failure to give information as to identity of driver, etc.
UT50	Aggravated taking of a vehicle

Aiding, Abetting, Counselling or Procuring

- 11.3 Offences as coded above, but with 0 changed to 2 (e.g. IN10 becomes IN12).

Causing or Permitting

- 11.4 Offences as coded above, but with 0 changed to 4 (e.g. IN10 becomes IN14).

Inciting

- 11.5 Offences as coded above, but with 0 changed to 6 (e.g. IN10 becomes IN16). Or similar offences or offences which replace the above offences.

Intermediate and Minor Traffic Offences

- 11.6 New applicants and existing licensed drivers with a Conviction / Fine / Simple Caution/Fixed Penalty Points for an offence which falls under the headings of 'Minor' or 'Intermediate' Traffic Offences and where the total number of accumulated points on their drivers licence is less than 12 or does not result in a period of disqualification, can have their applications granted without the application being referred to the Committee.
- 11.7 An applicant with a disqualification owing to the totting up system or in relation to an offence under these two group headings for any period of disqualification, will not normally

be granted a licence unless they have held a DVLA licence for at least 12 months following the expiry of the period of the disqualification.

- 11.8 Existing drivers disqualified for incurring 12 or more penalty points within a three year period, will be required to complete a driver competency assessment on expiry of the disqualification before they are allowed to drive a public carriage. If the driver is not disqualified their Public Carriage Licence will be suspended until a driver competency assessment has been completed.

For the purposes of these guidelines the following motoring offences are classed as 'Intermediate Traffic Offences':

CU10	Using vehicle with defective brakes
CU20	Causing or likely to cause danger by reason of use of unsuitable vehicle or using a vehicle with parts or accessories (excluding brakes, steering or tyres) in a dangerous condition
CU30	Using a vehicle with defective tyres
CU40	Using a vehicle with defective steering
CU50	Causing or likely to cause danger by reason of load or passengers
CU80	Breach of requirements as to control of the vehicle mobile phones etc
CD10	Driving without due care and attention
CD20	Driving without reasonable consideration for other road users
CD30	Driving without due care and attention or without reasonable consideration of other road users
SP10	Exceeding goods vehicle speed limit
SP20	Exceeding speed limit for type of vehicle (excluding goods or passenger vehicles)
SP30	Exceeding statutory speed limit on a public road – not resulting in a fixed penalty
SP40	Exceeding passenger vehicle speed limit
SP50	Exceeding speed limit on a motorway
SP60	Exceeding speed limit offence

Aiding, Abetting, Counselling or Procuring

- 11.9 Offences as coded above, but with 0 changed to 2 (e.g. CU10 becomes CU12).

Causing or Permitting

- 11.10 Offences as coded above, but with 0 changed to 4 (e.g. CU10 becomes CU14).

Inciting

- 11.11 Offences as coded above, but with 0 changed to 6 (e.g. CU10 becomes CU16).

For the purposes of these guidelines the following motoring offences are classed as 'Minor Traffic Offences':

MS10	Leaving a vehicle in a dangerous position
MS20	Unlawful pillion riding
MS30	Play street offences
MS70	Driving with uncorrected defective eyesight
MS80	Refusing to submit to an eyesight test
MW10	Contravention of Special Road Regulations (excluding speed limits)
PC10	Undefined contravention of Pedestrian Crossing Regulations
PC20	Contravention of Pedestrian Crossing Regulations with moving vehicle
PC30	Contravention of Pedestrian Crossing Regulations with stationary
SP30	Exceeding statutory speed limit on a public road resulting in a fixed
TS10	Failing to comply with traffic light signals
TS20	Failing to comply with double white lines
TS30	Failing to comply with a "Stop" sign
TS40	Failing to comply with direction of a constable or traffic warden
TS50	Failing to comply with traffic sign (excluding "Stop" sign, traffic lights or double white lines)
TS60	Failing to comply with school crossing patrol sign
TS70	Undefined failure to comply with a traffic direction sign

Aiding, abetting, counselling or procuring

11.12 Offences as coded above, but with 0 changed to 2 (e.g. PC10 becomes PC12).

Causing or permitting

11.13 Offences as coded above, but with 0 changed to 4 (e.g. PC10 becomes PC14).

Inciting

11.14 Offences as coded above, but with 0 changed to 6 (e.g. PC10 becomes PC16).

12. Plying for Hire

12.1 Offences under the Town Police Clauses Acts and Part II of the Local Government (Miscellaneous Provisions) Act 1976 and Hackney Carriage Byelaws and Section 167 Criminal Justice and Public Order Act 1994.

12.2 One of the main purposes of the licensing regime set out in the Town Police Clauses Acts and Part II of the Local Government (Miscellaneous Provisions) Act 1976 ("the Acts") and Hackney Carriage Byelaws, is to ensure the protection of the public.

- 12.3 For this reason, a serious view is taken of convictions for offences under the Acts (including illegally plying for hire and/or touting) when deciding whether an individual is to be treated as a fit and proper person to hold a licence.
- 12.4 In particular, an individual will normally be refused a licence if (s)he has been convicted of an offence under the Acts at any time during the 2 years preceding the application or has more than one conviction within the last 5 years preceding the date of the application.
- 12.5 In the case of a Private Hire driver found guilty of an offence of plying for hire, the driver would be asked to appear before the Licensing Committee to show why they believe they are still a fit and proper person to hold a public carriage drivers licence. The Committee will consider whether any further disciplinary action should be taken.

13. Breach of Conditions, and complaints

- 13.1 This guidance is not intended to cover every possible circumstance and there is an expectation that licensees will comply with all relevant legislation.
- 13.2 The Licensing Authority will act with proportionality and consistency. Disciplinary action taken under this policy is without prejudice to the Licensing Authorities right to institute legal proceedings, where a criminal offence has been committed.

Examples of licensing breaches or conduct likely to receive a written caution

- 13.3 Cautioning may be appropriate for single breaches, where the offender has not received any written caution or other disciplinary action for the same or similar breach within the last 12 months:

General

- Persistent failure to comply with Road Traffic legislation.
- Failure to behave in a civil and orderly manner to customer and/or other road users.
- Refusal to carry passengers without reasonable excuse/ refusing to wait.
- Failure to convey or assist with carrying of luggage.
- Driving in a manner likely to cause alarm to passengers/ road users.
- Failure to display tariff or fares or to conceal same.
- Vehicle not cleaned or well maintained.
- Failure to wear/display driver badge.
- Failure to deliver lost property to Town Hall.

Vehicle defects

- Failure to display vehicle licence plate/licence disc internally/ other signage.
- Failure to report accident within 72 hours.
- Failure to produce insurance documents at request of authorised officer within 5 days.
- Failure to produce interim MOT.
- Unauthorised signs /window stickers/ adverts.
- Failure to notify transfer of vehicle licence—or change of vehicle.
- Defective taxi meter/ printer.
- Defective taxi top light.
- Unattended Hackney Carriage vehicle on rank.
- Failure to attend mechanical inspection.
- Late cancellation of mechanical inspection—give less than 24 hours' notice.
- Defective lights, horn, indicators, exhaust system, tyres, brakes.

Operator breaches

- Premises unclean—not fit for use.
- Failure to keep proper records of bookings of complaints.
- Failure to keep current driver/ vehicle licence details.

13.4 In all cases the caution will be in writing and stipulate a timescale for the matter to be corrected, if appropriate. If the matter is not corrected within the timescale stipulated, or there is a repetition, further disciplinary action may follow.

13.5 The Licensing Team Manager or another manager at principal officer level or higher, has authority to approve and issue letters of caution.

Examples of licensing breaches or conduct likely to receive suspension for a defined period, or revocation of licence:

- Any of the contraventions listed in the 'caution' section above, in these or similar circumstances:
- where the offender has received a written caution or other disciplinary action for the same or a similar breach within the last 12 months; or
- where the offender did not correct a matter as required by a written caution; or where several breaches have been committed together; or where the matter is considered too serious for a caution to be appropriate.
- Permitting no insurance, or insurance that is invalid to cover public carriage use
- Permitting unauthorised/ unlicensed drivers.
- Using or permitting use of unlicensed /unauthorised vehicle.
- Falsifying or making untrue representations in Licence applications or other council licensing documentation.
- Obstruction of an authorised officer of the Council or of a Police Officer in the course of their duty.
- The commission of a criminal offence, or engagement in an activity of a type that brings suitability as a licensee into question.
- Causing injury to passengers, members of the public or other road users by negligence or intent.

13.6 The action taken will be proportionate and take into account all the circumstances including previous suspensions and cautions. Decisions will be determined by a review of available facts at the time the decision is taken.

14. Authority to suspend or revoke.

Suspension/Revocation with immediate effect:

- 14.1 A licence can be suspended or revoked immediately in the interests of public safety under the provisions of section 61(2B) of the Local Government (Miscellaneous Provisions) 1976. If the Council is advised of such conduct, a decision may be taken in consultation between officers and at least three members of the Licensing Committee. In such cases efforts, will be made to contact the driver to advise of the situation and establish if there is any other information that may be relevant and should be considered before any decision is made.

Suspension/Revocation/Caution following Licensing Committee hearing:

- 14.2 Where a decision does not need to be considered immediately, it will be considered at a formal hearing of the Licensing Committee where the alleged offender (and any witnesses) will be afforded the opportunity to hear the evidence and present their case.
- 14.3 Following a hearing members may direct that letters of caution be issued, suspend a licence for specified periods of time, or revoke a licence. Other conditions or stipulations may be attached to the decision as Members see fit.

Appeals against decisions taken

- 14.4 Decision to caution by manager—register a complaint in writing to the Head of Community Safety .
- 14.5 Decision to caution by Members—no appeal possible.
- 14.6 Decision to suspend or revoke licence— relevant information regarding statutory right of appeal to the Magistrates Court, will be provided in a written notification of the Council's decision.

15. Reapplication

- 15.1 Where an applicant has previously had a licence revoked by the Council the Authority will not, save in exceptional circumstances, consider any further application from the applicant for a period of three years from the date of the Authority's decision or, if that decision was appealed against and the appeal was dismissed, abandoned, or otherwise failed, from the date of the dismissal, abandonment or other failure of the appeal, whichever is the later.

Appendix D

CCTV specification

1. A CCTV system must not be used to record conversations between members of the public as this is highly intrusive and unlikely to be justified except in very exceptional circumstances.
2. Wherever possible, the CCTV system should not have any sound recording facility. However, if the system comes equipped with a sound recording facility then this functionality should be disabled and only capable of being utilised in the following limited circumstances:- where the recording is triggered due to a specific threat to driver or passenger safety, e.g. a 'panic button' is utilised and must be subject to the following safeguards:-
 - a) Where this audio recording facility is utilised a reset function must be installed which automatically disables audio recording and returns the system to normal default operation after a specified time period has elapsed.
 - b) The time period that audio recording may be active should be the minimum possible and should be declared at the time of submission for approval of the equipment.

In the limited circumstance where audio recording is justified, signs must make it very clear that audio recording is being or may be carried out.

3. The installation and operation of a CCTV system must comply with the requirements of the Information Commissioner's CCTV Code of Practice, which is available at the following address:- <https://ico.org.uk/for-organisations/guide-to-data-protection/cctv/>
4. All equipment must comply with any legislative requirements in respect of Motor Vehicle Construction and Use Regulations.
5. All equipment must meet any and all requirements as regards safety, technical acceptability and operational/data integrity.
6. All equipment must be designed, constructed and installed in such a way and in such materials as to present no danger to passengers or to the driver, including impact with the equipment in the event of a collision or danger from the electrical integrity being breached through vandalism, misuse, or wear and tear. In particular, the camera(s) must be fitted safely and securely in such a way that it does not adversely encroach into the passenger area and must not impact on the safety of the driver, passenger or other road users.
7. All equipment must be installed as prescribed by the equipment and/or vehicle manufacturer installation instructions by a qualified auto-electrician.
8. The CCTV system must not weaken the structure or any component part of the vehicle or interfere with the integrity of the manufacturer's original equipment.

9. All equipment must be installed in such a manner so as not to increase the risk of injury and/or discomfort to the driver and/or passengers. For example, temporary fixing methods such as suction cups will not be permitted, or lighting, such as infra-red, which emits at such a level that may cause distraction or nuisance to the driver and/or passengers.
10. All equipment must be protected from the elements, secure from tampering and located such as to have the minimum intrusion into any passenger or driver area or impact on the luggage carrying capacity of the vehicle.
11. It is contrary to the Motor Vehicle (Construction and Use) Regulations 1986 for equipment to obscure the view of the road through the windscreen.
12. Equipment must not obscure or interfere with the operation of any of the vehicle's standard and/or mandatory equipment, i.e. not mounted on or adjacent to air bags/air curtains or within proximity of other supplementary safety systems which may cause degradation in performance or functionality of such safety systems.
13. Viewing screens within the vehicle for the purposes of viewing captured images will not be permitted.
14. The location of the camera(s) installed within the vehicle must be for the purpose of providing a safer environment for the benefit of the Hackney Carriage and Private Hire vehicle driver and passengers, and not for any other purpose.
15. All equipment must be checked regularly and maintained to operational standards, including any repairs after damage.
16. All system components requiring calibration in situ should be easily accessible.

Automotive Electromagnetic Compatibility Requirements (Emc)

1. CCTV equipment must not interfere with any other safety, control, electrical, computer, navigation, satellite, or radio system in the vehicle.
2. Any electrical equipment such as an in-vehicle CCTV system fitted after the vehicle has been manufactured and registered, is deemed to be an Electronic Sub Assembly (ESA) under the European Community Automotive Electromagnetic Compatibility Directive and therefore must meet with requirements specified in that Directive.
3. CCTV equipment should be e-marked or CE-marked. If CE marked confirmation by the equipment manufacturer as being non-immunity related and suitable for use in motor vehicles is required.
4. Activation of the equipment may be via a number and combination of options, such as - door switches, time delay, drivers' panic button or in the case of incident/event recorder,

predetermined G-Force parameters set on one or more axis (i.e. braking, acceleration, lateral forces) and configured to record for a short period of time before the event, during the event and a short period following the event.

Security of Images

1. All images captured by the CCTV system must remain secure at all times.
2. The captured images must be protected using encryption software which is designed to guard against the compromise of the stored data, for example, in the event of the vehicle or equipment being stolen.
3. It is recommended by the Information Commissioner that the data controller ensures that any encryption software used meets or exceeds the current FIPS 140-2 standard or equivalent.
4. System protection access codes will also be required to ensure permanent security.

Retention of Images

1. The installed CCTV equipment must have the capability of retaining images either:
 - within its own hard drive;
 - using a fully secured and appropriately encrypted detachable mass storage device, for example, a compact flash solid state card;
 - or where a service provider is providing storage facilities, transferred in real time using fully secured and appropriately encrypted GPRS (GSM telephone) signalling to a secure server within the service provider's monitoring centre.
2. Images must not be downloaded onto any kind of portable media device (e.g. CDs or memory sticks) for the purpose of general storage outside the vehicle.

The CCTV system must include an automatic overwriting function, so that images are only retained within the installed storage device for a maximum period of 31 days from the date of capture.

Where a service provider is used to store images on a secure server, the specified retention period must also only be for a maximum period of 31 days from the date of capture.

Where applicable, these provisions shall also apply to audio recordings.

Use of the Information Recorded by the CCTV system

1. Any images and any audio recording should only be used for the purposes described in this policy.

2. Requests may be made to the data controller by Authorised Officers of the Licensing Authority, the Police or other statutory law enforcement agencies, insurance companies/brokers/loss adjusters or exceptionally other appropriate bodies, to view captured images, or obtain audio recordings if applicable. The licence holder, as data controller, is responsible for responding to these requests.
3. All requests should only be accepted where they are in writing and specify the reasons why disclosure is required.
4. Under the Data Protection Act 1998, members of the public may also make a request for the disclosure of images, but only where they have been the subject of a recording. This is known as a 'subject access request'. Such requests must only be accepted where they are in writing and include sufficient proofs of identity (which may include a photograph to confirm they are in fact the person in the recording).

The Data Controller

1. The Information Commissioner defines a "data controller" as the body which has legal responsibility under the Data Protection Act 1998 for all matters concerning the use of personal data. For the purpose of the installation and operation of a CCTV system in Hackney Carriage and Private Hire vehicles, the "data controller" will be the holder of the Hackney Carriage and Private Hire vehicles licence and not the driver.
2. The licence holder, as data controller, will therefore be responsible for ensuring compliance with the requirements of this policy and with all relevant data protection legislation, including the Data Protection Act 1998. The data controller is legally responsible for the use of all images including breaches of legislation.

Third Party Data Processor

1. Where a service provider is used for the remote storage of CCTV data they will act as a 'data processor'.
2. A data processor, in relation to personal data, means any person (other than an employee of the data controller) who processes data on behalf of the data controller, in response to specific instructions.
3. The data controller retains full responsibility for the actions of the data processor.
4. There must be a formal written contract between the data controller and the data processor. The contract must contain provisions covering security arrangements, retention/deletion instructions, access requests and termination arrangements.
5. A copy of the contract must be provided to an authorised officer of the Licensing Authority, or to the Police, on reasonable request.

Advertising and signs guidelines

EXTERNAL

Hackney Carriages

Advertising for Hackney Carriage vehicles using Licensed Private Hire Operator Radio Circuit

- Advertising shall only be located on the rear passenger doors or the equivalent portions
- The advertising panel shall not larger than 420mm wide x 300mm high
- It must be positioned below window level and the licensed vehicle stripe

Private Hire Vehicles

Category A vehicles

- Advertising must be limited to the operator name, logo, email/website and contact number
- They can positioned on the rear passenger door and/or rear of the vehicle below the registration plate. Company logo can be located on the bonnet of the vehicle.

Category B vehicles are permitted the following

- Advertising shall only be located on the rear passenger doors or the equivalent portions
- The advertising panel shall not larger than 420mm wide x 300mm high
- It must be positioned below window level and the licensed vehicle stripe
- Advertising must include the words "Pre-Bookable Vehicle Only" in letters not less than 18mm high in a contrasting colour which is clearly visible.
- No advertising shall contain the words "Taxi", "Tax", "Cab" or any other words that might imply that the vehicle is a Hackney Carriage, whether in the singular or plural or as part of another word.

All Vehicles

Third Party Advertising

This includes those vehicles that use other app based services.

- One advert per car to be placed on the rear quarter/ sides of the vehicle
- Advert to be fixed and maintained in good condition - that is, no peeling, blistering or fading
- Adverts will be permitted to display website addresses/emails address but not telephone numbers
- Background colour of advert to be transparent or match with the vehicle colour as appropriate

INTERNAL

- Advertising shall only be displayed below window level.
- Advertising on headrests including use of display screens will be permitted subject to the normal approval process for third party advertising.

The Licensing Committee may waive this fee where the display of signage is considered to be in the public interest.

- No signs shall be displayed on or in vehicle including windows other than those approved/required by policy ie. No smoking signs No booking No ride Signs etc.

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Private Hire Operator Policy

2021 - 2025

BCP Licensing

Author: Nananka Randle
Version: 1
Review Date: 2025



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Introduction

All requirements contained within this policy together with conditions on the licence are mandatory requirements for holding a Private Hire Operator Licence issued by BCP Council.

From the first day of adoption of this policy ALL licence holders are required to meet these high standards and it is expected that they will ensure that they are fully aware of this policy and comply with all the requirements set out within it.

The Licensing Committee will not accept the excuse that a licence holder was not aware of these requirements when considering any matters brought before them.

1. Purpose Statement

- 1.1 BCP council has a responsibility to issue private hire operator licences under Part II of the Local Government (Miscellaneous Provisions) Act 1976.
- 1.2 A private hire operator licence is required by anyone who, in the course of business, make provision for the invitation or acceptance of bookings for a private hire vehicles.
- 1.3 In the interest of public safety and to safeguard vulnerable persons BCP council seek to ensure that anyone issued with such a licence is considered to be 'fit and proper'.
- 1.4 This Policy is concerned with the regulation of private hire operators and the council adopts the overall approach to encouraging the responsible activity of all operators.
- 1.5 Notwithstanding the existence of this Policy, each application or enforcement measure will be considered on its own merits.
- 1.6 Where it is appropriate for the Council to depart from its Policy clear reasons will be given for doing so. Nothing in this Policy will prevent an applicant or licence holder requesting that the Council considers the individual merits of their case and give reasonable consideration to departing from its Policy. Such requests may either be in writing via email or orally before the Licensing Committee or Sub Committee.

2. Who the policy applies to

- 2.1 This Policy will assist applicants, licence holders, officers of the Licensing Authority, Members of the Licensing Committee, and persons using public carriages to be aware of the standards of conduct and behaviour required of all prospective or existing licenced operators.
- 2.2 This Policy also affords members of the Licensing Committee and Officers alike, to consider the concerns of the public and other recognised bodies, and to take appropriate measures where the behaviour of operators is called into question at application or after licences have been issued.

3. This policy replaces

- 3.1 This Policy replaces the three previous Taxi and Private Hire Public Carriage Policies that covered Bournemouth Borough Council, Christchurch Borough Council and The Borough of Poole

4. Approval process

- 4.1 BCP Council as the Licensing Authority has delegated the Licensing Committee to oversee the development and review of its Private Hire Operator Policy.
- 4.2 Once drafted the policy is subject to a period of public consultation. Consultation responses are reported to the full licensing committee for consideration.
- 4.3 Once finalised the policy is presented to the Full Council for ratification.

5. Links to council strategies

- 5.1 This policy supports the BCP Council Core Strategy.
- 5.2 During the preparation of this policy document due consideration has been given to the following Key Council Strategies:
 - Corporate Plan
 - Sustainable Transport Plan
 - Workforce Strategy
 - Health & Wellbeing Strategy
 - Safeguarding Strategy
 - Climate Change Strategy
 - Children in Care Strategy
 - Crime & Disorder Reduction Strategy
 - Equality & Diversity

6. The policy

- 6.1 This policy is a working document and the Licensing Authority reserves the right to alter and amend the policy as appropriate to correct errors, inconsistencies, clarify guidance, legislative changes and issue a revised version of the policy at any time. However, any **significant changes** to the Policy will only be implemented after a formal consultation process with the trade and public.
- 6.2 Any **significant amendment** is defined as one that:-
 - Is likely to have a significant financial effect on licence holders or
 - Is likely to have a significant procedural effect on licence holders or
 - Is likely to have a significant adverse effect on the community

7. Requirements for applicants

- 7.1 The objective when licensing Private Hire operators is ensuring the protection of the public who will be using the operator's premises and the vehicles and drivers arranged through them.
- 7.2 A Private Hire vehicle may only be dispatched to a customer by a Private Hire operator who holds an operator's licence. Such a licence permits the operator to make provision for the invitation or acceptance of bookings for a Private Hire vehicle.
- 7.3 A Private Hire operator must ensure that every Private Hire vehicle dispatched by him is licensed and driven by a person who holds a Private Hire driver's licence.

- 7.4 All three licences (operator, vehicle and driver) must be issued by the same licensing authority.
- 7.5 It is a criminal offence to operate a Private Hire vehicle without an operator's licence.
- 7.6 Basic DBS check is required for an initial Private Hire Operator application.
- 7.7 DBS checks will be required on an annual basis for licence holders unless they are already licenced as a driver by BCP Council.

Licence Duration

- 7.8 Operators licences will be issued for a standard 5 year period.
- 7.9 However, the council has the power to grant a licence for a shorter period should this be appropriate in the circumstances.
- 7.10 If an operator changes their name or address they must notify the council immediately.

Address from which an Operator may operate

- 7.11 Applicants must specify the address from which they will operate, and records can be inspected. These premises must be in the BCP council conurbation and where necessary should have planning consent for use as a Private Hire office. PO box addresses will not be accepted.
- 7.12 If an operator wishes to change the base from which they operate they will be required to submit a new application.
- 7.13 Operator's licences are non-transferrable. In the event of control of a licensed business passing to a different person, it will be necessary for the new owner of the business to apply afresh for a licence.

8. Application procedure

- 8.1 Applications must be submitted electronically by email to taxi.privatehire@bcpcouncil.gov.uk
- 8.2 To complete an application an applicant must
 - a) Complete an application form
 - b) For each listed director or individual, complete a standard criminal disclosure (DBS) form and produce at least 3 forms of valid identification as required by the DBS (note: a fee is payable for the DBS check). A DBS check may not be necessary if the applicant has registered for the DBS Update Service and provides evidence to that effect, or where the applicant is already a licenced driver with BCP Council;
 - c) All applicants must produce evidence of his or her right to work and live in the UK in accordance with the requirements of the Immigration Act 2016. Right to work in the UK will be checked as part of your licence application and this could include the checking of your immigration status with the Home Office. You must therefore provide a document or document combination that is stipulated as being suitable for this check. The list of documents found via this link [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/774286/Right to Work Checklist.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/774286/Right_to_Work_Checklist.pdf).

- d) Provide evidence of appropriate public liability insurance, if the premises are open to the public;
 - e) Pay the appropriate fee.
- 8.3 If there are restrictions on the length of time the applicant can work in the UK, the licence will not be issued for any longer than this period.
- 8.4 The application will not be determined until all of the above have been provided and the DBS criminal record disclosure certificate has been produced by the applicant
- 8.5 The application will not be determined until all of the above have been provided and the DBS criminal record disclosure certificate has been produced by the applicant.
- 8.6 Applicants are advised to obtain planning consent for the premises. If the planning consent is time restricted it is the operator's responsibility to ensure that a new permission is applied for prior to the current planning permission expiring.
- 8.7 Officers may require a site visit prior to the determination of the licence. The Council has power to impose such conditions on an operator's licence as it considers reasonably necessary.
- 8.8 Appendix A sets out the conditions to be attached to an operator's licence which cover the standards of service expected.
- 8.9 Any applicant who makes a false or inaccurate statement on their application form will not be deemed to be a fit and proper person to hold a licence and their application will be terminated. This includes not disclosing convictions, cautions, penalty or previous licence revocation.
- 8.10 Anyone whose application is refused for making a false or inaccurate statement on their application form will not be permitted to reapply for a licence for 12 months from the termination of their application. It is an offence to knowingly or recklessly make a false statement or to omit information required by the Council by virtue of s.57 Local Government (Miscellaneous Provisions) Act 1976.

9. Criminal records

- 9.1 The applicant must declare any previous criminal convictions, cautions and fixed penalty notices received, including those awaiting appeal, and any charges pending. The council will make a decision as to the relevance of convictions, cautions, charges and fixed penalty notices in accordance with criminal convictions guidelines Appendix B.
- 9.2 The council may require further information from the Police or Crown Prosecution Service. Applicants who have previous criminal convictions, cautions, fixed penalty notices or charges pending will be interviewed and details of that interview may be included in any report which is referred to the Licensing Committee.
- 9.3 Failure to disclose or declare any previous convictions, cautions, fixed penalty notices or pending charges may be construed as an attempt to deceive and appropriate and proportionate action will be taken
- 9.4 In considering what might be assessed to ensure that an operator is fit and proper or safe and suitable the Licensing Authority considers the following to be amongst appropriate matters that it will take into account:

- Criminality (see criminal convictions guidelines Appendix B)
 - Period of holding a operators licence
 - Conduct of the operator during the licence period, including relationship and co-operation with officers of the Licensing Authority.
 - Right to work in the UK and any time restrictions
 - Characteristics displayed by a licence holder towards customers and others ie staff in the Licensing Team or other council officers and their overall integrity
- 9.5 BCP Council will have regard to the IOL guidance on determining the suitability of applicants and licensees in the taxi and private hire trade as a minimum standard [https://www.instituteoflicensing.org/documents/Guidance_on_Suitability_Web_Version_\(16_May_2018\).pdf](https://www.instituteoflicensing.org/documents/Guidance_on_Suitability_Web_Version_(16_May_2018).pdf), however the convictions guidelines in Appendix D will be taken as the base line relating to convictions.
- 9.6 In addition consideration on suitability may include other factors including the conduct of the applicant during the application process or during the term of their existing or previous licence as well as their conduct, co-operation and working relationship with the Authority and its officers.
- 9.7 In essence a 'fit and proper' operator;
- should not be violent, abusive or threatening in their behaviour even if subjected to unpleasant, confrontational or dishonest passenger behaviour or when subject to enforcement action from officers
 - should be honest and trustworthy with integrity as they have access to a large amount of personal information that could be misused and significant opportunity to defraud people
 - should work co-operatively with and be civil and respectful towards officers of the Licensing Authority who are carrying out their duties.
- 9.8 This list is not exclusive and other factors may also be relevant to the fit and proper person definition.
- 9.9 The Licensing Authority will consider all information provided to it from sources such as the Police, Children and Adults Safeguarding Boards, Passenger Services and other statutory agencies. Existing licence holders will also have previous history/outcomes during their time as a licensed driver /operator or previous applicant taken into account and their ability to work constructively and positively with the Licensing Authority.
- 9.10 The Licensing Authority will consider all criminal history, unacceptable behaviour and conduct irrespective of whether the specific history, behaviour or conduct occurred whilst licence holders drivers were directly engaged in their professional capacity at work or whether they occurred during the licence holders own personal time.

10. Renewals

- 10.1 Holders of existing operators licences should apply to renew their licence no more than 2 months prior to the expiry of the previous licence.
- 10.2 The council has no duty to notify operators that their licence is due for renewal as it is the licence holder's responsibility to renew their licence. As a courtesy a reminder via email will be sent to the operator in advance of their renewal date.

- 10.3 Renewal applications and associated paperwork must be submitted electronically via email to taxi.privatehire@bcpCouncil.gov.uk, before the licence has expired. Payment should be made on line.

11.Operator licence conditions

- 11.1 The Licensing Authority may attach such conditions to a licence as are considered necessary.
- 11.2 The standard conditions are available in Appendix A.
- 11.3 All operators must read and understand the licence conditions which will be available on the Council website.
- 11.4 Failure to comply with the conditions set out in this document may result in enforcement action (see section 15)

12.How to use this policy

- 12.1 All BCP licensed operators should ensure that they are fully compliant with the policy and appendices
- 12.2 At first application and renewal licence holders will be provided with an up to date link to this policy and its appendices.
- 12.3 It is a requirement that all licence holders adhere to this policy and the conditions set out in it. In the event of enforcement action being necessary, it is not deemed acceptable that a licenced operator uses the excuse they were not aware of the requirements of this policy.

13.Roles and responsibilities

- 13.1 The Licensing Manager is responsible for overseeing the functions and work of the licensing team who deliver the policy.
- 13.2 The Licensing Committee or Sub- Committee will be presented with reports in cases where operators do not meet the conditions of their licence, or where complaint investigation has resulted in the need for the licence to be reviewed.

14.Enforcement and sanctions

- 14.1 Any operator who does not comply with this policy, or any conditions contained in it, which leads to a breach of a condition or any complaint received will be subject to investigation, the result of which may be brought before the Licensing Committee.
- 14.2 The Licensing Committee can choose to revoke a licence or suspend a licence pending any necessary action by the operators such as attending training or improving systems and record keeping as required.
- 14.3 Decisions by the Licensing Committee are subject to appeal to the Magistrates court within a statutory appeal period of 21 days from the notification of any committee hearing decision.

15.Complaints, disciplinary and delegation to officers

- 15.1 In cases of complaints, allegations or reports of unacceptable behaviour by a licenced operator, the licensing officer will investigate the matter fully and determine the seriousness of the allegation.
- 15.2 Where there are serious allegations that are deemed to pose an **imminent risk to public safety, they** will need to be investigated and actioned immediately. The Licensing Manager or other Licensing officer will try to contact the driver in question to discuss the allegations. If the officer deems that the complaint is founded, and the evidence is sufficient to support the allegation of an imminent risk to public safety, then the matter will be referred to three members of the Licensing Committee to include the Chair and/or Vice Chair for the to make a decision if any immediate action needs to be taken in respect of a licence.
- 15.3 If members determine that the evidence presented demonstrates there is an imminent risk to public safety, the driver's licence could be immediately revoked and the driver concerned will be notified and required to surrender their badge and paper licence the same day. Members will confirm in writing the decision made and the reasons why the decision was reached.
- 15.4 If members agree there is a risk to public safety, but it is not an imminent risk the matter will be referred to the Licensing Sub-Committee.
- 15.5 Complaints of a less serious matter will be dealt with by the Licensing Manager or another licensing officer, who is permitted to issue/authorise a letter of caution and/or suspend a licence for a period of no more than 2 weeks.
- 15.6 In all cases of complaint, officers will make reference to the driver licence conditions attached to all licences as detailed in Appendix B, the convictions guidelines in Appendix D as well as the Institute of Licensing guidance on the suitability of applicants and licensees in the hackney and private hire trades.
[https://www.instituteoflicensing.org/documents/Guidance_on_Suitability_Web_Version_\(16_May_2018\).pdf](https://www.instituteoflicensing.org/documents/Guidance_on_Suitability_Web_Version_(16_May_2018).pdf)

Appendix A

Private Hire Operator Conditions of Licence

These conditions of licence are made pursuant to of the Local Government (Miscellaneous Provisions) Act 1976 the Town and Police Clauses Act 1847

All operators must comply with the requirements of The Equality Act 2010

1. Record Keeping

The records required to be kept by the operator under s.56 (2) of the Local Government (Miscellaneous Provisions) Act 1976 must be kept in a suitable book, the pages of which are numbered consecutively, a computer record or other durable recording format. The operator shall enter or cause to be entered therein before the commencement of each journey, the following particulars of every booking of a private hire vehicle invited or accepted by him:-

- a) The time and date of the booking
- b) The name of the hirer
- c) The time of the pick-up
- d) The point of pick-up
- e) The destination
- f) The licence number of the vehicle allocated for the booking
- g) The name of any individual who responded to the bookings (where applicable)
- h) The name of any individual that dispatched the vehicle (where applicable)
- i) Remarks (including details of any sub-contract).

When the Operator passes the hiring to another company the record shall include the name, address and Council with which that Operator is licensed.

The operator shall also keep records of the particulars of all vehicles operated by him, which particulars shall include details of the proprietors, registration numbers and drivers of such vehicles, together with any radio call sign used.

The operator shall also keep records of all employee who take booking and dispatch vehicles.

Copies of all vehicle and driver licences shall be kept by the operator. All records kept by the operator shall be preserved for a period of not less than TWO years following the date of the last entry.

The Operator shall document the following particulars of any vehicle operated:

- a) The registration number of the vehicle
- b) The number of the identification plate provided by the Council pursuant to s.48(5) of the 1976 Act
- c) The make and model of the vehicle
- d) The name and address of the proprietor(s) of the vehicle
- e) The number of passengers permitted to be carried in the vehicle, as shown on the licence
- f) The start and expiry dates of the vehicle's licence issued by the Council
- g) The date on which the vehicle was added to the operator's fleet
- h) The date on which the vehicle was withdrawn from the operator's fleet.

The Operator shall keep a record of the following particulars of all licensed drivers:

- a) The full names of the driver
- b) The permanent address of the driver
- c) The drivers date of birth
- d) The drivers licence (badge) number
- e) The start and expiry dates of the driver's licence issued by the Council
- f) The dates the driver's engagement/employment was commenced and terminated.

The operator is required to keep a record of criminal record checks for all employees who take bookings and dispatch vehicles

2. Standard of Service

The operator shall provide a prompt, efficient and reliable service to members of the public at all reasonable times and for this purpose shall in particular:-

- a) Ensure that when a private hire vehicle has been hired to be in attendance at an appointed time and place, the vehicle shall, unless delayed or prevented by sufficient cause, punctually attend at that appointed time and place;
- b) Keep clean, adequately heated, ventilated and lit any premises which the operator provides and to which the public have access, whether for the purpose of booking or waiting;
- c) Ensure that any waiting area provided by the operator has adequate seating facilities;
- d) Ensure that any telephone facilities and radio equipment provided are maintained in a sound condition and that any defects are repaired promptly.
- e) Ensure that all vehicles dispatched by them are maintained at all times in a safe and roadworthy condition.
- f) Publish a complaints handling procedure, detailing how members of the public may make complaints to the Operator, in respect of any aspect of the service provided, and investigate any complaints received in a timely manner, making details of such complaints and investigations available to authorised Council

3. Safeguarding

The operator shall ensure all staff who take bookings and dispatch vehicles have been provided with suitable training in the awareness of and reporting of safeguarding concerns which includes human trafficking, county lines and child sexual exploitation.

The operator will keep records for all staff who have received training.

4. Complaints

The operator shall notify the Council in writing (email), within 7 days, of any complaints that are of a serious nature, in line with their policy

5. Change of Operator's Home Address

The operator shall notify the Council in writing of any change of his/her home address during the period of the licence within seven days of such change taking place.

6. Change of Operator's Business Premises

If an operator wishes to change the base from which they operate they will be required to submit a new application. (Note: all operators' business premises must be within the BCP Council Boundary).

7. Convictions and Cautions

The operator shall within seven days disclose to the Council in writing details of any conviction or caution imposed on him/her (or, if the operator is a Company, of any its Directors) during the period of the licence.

8. Operator's Licence

Operators shall operate wholly from those premises specified in the licence and situated within the boundaries

The Operator shall display the Operator's Licence issued by the Council in a conspicuous position at the licensed premises.

9. Signage

Each Private Hire Operator is responsible for ensuring that their advertising is only placed on a vehicle linked to their circuit. Only advertising approved by the Licensing Officers may be displayed.

When an operator ceases to dispatch a vehicle, the operator shall ensure that the driver returns all such signage and livery to them

10. Public Liability Insurance

Operators shall have at all times a current valid policy of public liability insurance for the premises they are licensed to operate from, if those premises are open to the public.

11. Duty to cooperate on regulatory matters

Operators must co-operate with authorised officers of the council in all matters relating to the regulation of the licensed vehicle trade. However nothing in this condition affects the licence holders statutory protection afforded by other legislation.

Criminal Convictions Guidelines

NOTE: In the Council's view this statement and the guidelines that follow are compatible with the rights and freedoms under the European Convention on Human Rights.

This document aims to provide guidance to any person with an interest in public and Private Hire licensing. In particular, but not exclusively:

- Applicants for drivers' licences
- Existing licensed drivers whose licences are being reviewed/renewed
- Applicants for operators' licences
- Existing licensed operators whose licences are being reviewed/renewed
- Licensing Officers
- Members of the Licensing Committee (or other relevant decision making body)
- Magistrates hearing appeals against local authority decisions
- Police Officers

Thereby providing transparency and consistency, in accordance with the principles of good enforcement and relevant Regulatory Compliance Codes.

Where Licensing Officers have delegated powers to grant or refuse licences, they will utilise these guidelines when making a decision to grant a licence. In all other cases applications for licences will be referred to the Licensing Committee (or other relevant decision-making body). Whilst Officers and the Committee will have regard to the guidelines contained in the policy, each case will be considered on its individual merits and, where the circumstances demand, the Committee may depart from the guidelines.

1. Background

- 1.1 In this policy the word "individual" includes an existing licence holder, an applicant for a new licence, and an applicant for the renewal of an existing licence.
- 1.2 Licences for drivers of Hackney Carriages, Private Hire vehicles or Private Hire Operator may only be granted where the Council is satisfied that the individual is a fit and proper person to hold such a licence.
- 1.3 In this policy the word "issue" is used. This includes complaints made to the Council, Police, Operators or any other agency, breaches of licensing conditions and intelligence received from other agencies (including circumstances which have not resulted in a criminal conviction, caution or other disposal). E.g. incidents which have resulted in a police investigation where there has been no further action due to the criminal burden of proof will still be considered if Licensing Committee is satisfied that the incident occurred based on the balance of probabilities.
- 1.4 Licences for operators of Private Hire vehicles may only be granted where the Council is satisfied that the individual is a fit and proper person to hold such a licence.
- 1.5 The document is intended to give guidance on one aspect of whether a person is or is not a fit and proper person namely the situation where a person has previous convictions and cautions.
- 1.6 The Council is concerned to ensure:

- a. That a person is a fit and proper person.
 - b. The public are not exposed to persons with a history of dishonesty, indecency or violence.
 - c. The safeguarding of children and young persons and vulnerable adults.
- 1.7 The public are not normally permitted to attend Committee hearings for private hire, Hackney Carriage driver applications or Private Hire operator applications or reviews, however, in determining whether to grant a licence the Committee or Officers will take into account the human rights of the wider public and balance these against the human rights of the applicant.
- 1.8 When submitting an application for a licence to drive a Hackney Carriage or Private Hire vehicle, or for an operators' licence, individuals are required to declare all previous convictions they may have. Individuals are also required to declare all formal/simple cautions, any matters of restorative justice and all fixed penalties and all endorsable fixed penalties they have received and to provide details of all criminal matters of which they are currently the subject of criminal investigation or prosecution.
- 1.9 An application for a drivers' licence is an exempt activity listed in the Rehabilitation of Offenders Act 1974 (Exemptions) Order 1975 (as amended in 2013) and as such both spent and unspent convictions and cautions must be declared.
- 1.10 The information given will be treated in confidence and will only be taken into account in relation to the relevant application to assist the Council in determining whether the applicant is a fit and proper person to hold a licence for the purposes of sections 51, 55 and 59 of the Local Government (Miscellaneous Provisions) Act 1976, or whether the Council should exercise any of its powers under section 61 and 62 of the Act (i.e. suspension, revocation or refusal to renew a licence).

Where a person is referred to the Licensing Committee and they hold more than one Licence the fit and proper test will be applied individually to each Licence.

- 1.11 Applicants for a licence to drive a Hackney Carriage or Private Hire vehicle should be aware that the Council is empowered by law to check with the Disclosure Barring Service for the existence and content of any criminal record and other intelligence held in their name. Officers from the licensing section will where appropriate contact other agencies for any other information which they may hold for instance, Housing Service, Children's Services and Dorset Police. Information received from the Disclosure Barring Service or other agency will be kept in strict confidence while the licensing process takes its course and will be retained no longer than is necessary and in any event, will be destroyed in accordance with the requirements of the Data Protection Act 1998 and in accordance with good practice after the application is determined or any appeal against such determination is decided.
- 1.12 The disclosure of a criminal convictions/fines or cautions or other relevant information relating to an individual's conduct will not necessarily debar an individual from being granted, retaining or renewing a licence. It will depend on whether or not the individual can satisfy the Council that they are a fit and proper person to hold such a licence.
- 1.13 The Council may fail to be satisfied that an individual is a fit and proper person to hold a driver's licence or an operator's licence for any reasonable cause. If an applicant is unable to produce adequate evidence that they are a fit and proper person or if there is reasonable cause to question or doubt the evidence provided, then that could amount to reasonable cause to refuse a licence.

- 1.14 In considering evidence of an individual's good character and fitness to hold a driver's licence or operator's licence, where previous convictions/cautions or other information relating to criminal matters/character is disclosed, the Council will consider the nature of the offence/issue and penalty; when it was committed/took place; the date of conviction/issue and the length of time which has elapsed, the individual's age when the offence was committed/issue took place; whether or not it is part of a pattern of criminal behaviour, the intent, the harm which was, or could have been caused and any other factors which might be relevant. Where an individual has been convicted of a criminal offence, the Council cannot review the merits of the conviction [*Nottingham City Council v. Mohammed Farooq (1998)*].

However, if an individual is acquitted of an offence, the Council are entitled to go behind the acquittal because of the different standard of proof (*R v Maidstone Crown Court Ex Parte Olson 1992*).

- 1.15 The Council has adopted the following guidelines relating to the relevance of convictions to which it refers in determining new/renewal applications for drivers' licences and operators' licences and when considering whether to take any disciplinary action against an existing licence holder.
- 1.16 The guidelines do not deal with every type of offence, and do not prevent the Council from taking into account offences not listed in the guidelines, or any other conduct, which may be relevant to an individual. Regard will be given to all relevant information when deciding to issue or renew a licence or whether any disciplinary action should be taken.
- 1.17 Offences described in the guidelines and similar offences, though differently entitled in any statutory provision, modification or re-enactment, will be taken into account in accordance with the guidelines.
- 1.18 The guidelines are not an attempt to define what is a "fit and proper person". There is no statutory definition of what is a "fit and proper person" but is guidance given in the case of *McCool v Rushcliffe BC 1998*.
- 1.19 Any individual who is refused a driver's licence or has such a licence suspended or revoked on the ground that the Council is not satisfied he/she is a fit and proper person to hold such a licence has a right of appeal to the Magistrates' Court within 21 days of the notice of refusal.
- 1.20 Any individual who is refused an operator's licence has a right of appeal to the Magistrates' Court within 21 days of the notice of refusal.

2. General Policy

- 2.1 Each case will be decided on its own merits. A person with a conviction for a single serious offence or a number of separate offences need not be automatically barred from obtaining a licence, but would normally be expected to:
- Remain free of conviction for an appropriate period (which will depend on the nature of the offence); and
 - Show adequate evidence that he or she is a fit and proper person;
 - Simply remaining free of conviction will not generally be regarded as adequate evidence that a person is a fit and proper person to hold a licence.
- 2.2 The Council has a duty to ensure so far as possible that drivers and operators are fit and

proper persons to hold licences. One aspect of that is the extent to which previous convictions, including but not limited to convictions for offences against children and young persons, dishonesty, sexual offences, traffic offences, violence and drugs indicate that a person is not a fit and proper person, and would not take advantage of passengers or abuse or assault them.

- 2.3 In reaching a decision the Council may assess the seriousness of the offence in accordance with the penalty imposed in using the following table:

Sentence length	Rehabilitation period
0-6 Months	3 years
6-30 Months	5 years
30 months to 4 years	7 years
Over 4 years	None

- 2.3.1 Restorative justice and other criminal disposals are increasingly used by the police as a less formal way of dealing with issues and as an alternative to the criminal disposals tend to be applied in less serious cases or for first time offenders, nevertheless all such disposals will be taken into account when determining if a person is a fit and proper person.
- 2.3.2 Amongst situations where it may be appropriate to depart from the general policy, for example, may be situations where the offence is an isolated one with mitigating circumstances or where a conviction defaults outside of the policy between the application and determination date. Similarly, multiple offences or a series of offences over a period of time are likely to give greater cause for concern and may demonstrate a pattern of inappropriate behaviour, which will be taken into account. In any case which involves certain specified sexual offences, murder or manslaughter a licence will normally be refused.
- 2.6 The Council through the Licensing Committee will convene to consider any information/representations received that a person is not/no longer a “fit and proper” person, or if a breach of a condition of a licence. If proved they may refuse, or revoke a licence or suspend for any specified period.
- Hearing with notice – Where a Committee is to be convened to consider whether or not a person is a “fit and proper” person, notice of the time and date of the meeting will be given in order to allow the person to seek independent legal advice and to attend and be represented at the hearing.
 - Hearing without notice – Where a sub-committee is convened as a result of sensitive information being received by the Council an assessment will be undertaken in balancing a person’s right to a fair hearing against whether or not it is in the public interest to hold the hearing without notice against the Councils first priority of Public Safety.
 - Where new offences are created or existing offences are consolidated or re-enacted etc. they will be treated in a manner appropriate to their severity whether or not this guidance has been updated to reflect the changes.

3. Disclosed Convictions General Guide

Spent Convictions

- 3.1 The Council will only consider spent convictions if it appears to be relevant for deciding whether the individual is a fit and proper person to hold a licence and that justice cannot be

done in the case, except by admitting or requiring evidence relating to that spent conviction. The council will consider the nature of the offence(s), the history or pattern of offending, the lapse of time and whether all the convictions have previously been considered.

Formal/Simple Cautions and Endorsable Fixed Penalties

- 3.2 For the purpose of these guidelines formal/simple/conditional cautions and endorsable fixed penalties shall be treated as though they were convictions.

Multiple Convictions from a Single Incident

- 3.3 Where an individual has multiple convictions arising from a single incident, the convictions will generally be treated as one conviction for the purposes of these guidelines.
- 3.4 In these circumstances the period for which the individual would normally be expected to show free from conviction will be the longest applicable period calculated by reference to each offence.

4. Offence of Dishonesty

- 4.1 In view of the nature of their work drivers of Hackney Carriage and Private Hire vehicles are expected to be trustworthy.
- 4.2 Members of the public entrust themselves to the care of drivers both for their own safety and for fair dealing, Passengers may include especially vulnerable people and children.
- 4.3 It is comparatively easy for a dishonest driver to defraud the public by demanding more than the legal fare and in other ways.
- 4.4 The widespread practice of delivering unaccompanied property is indicative of the trust that businesses put into drivers.
- 4.5 In certain situations, drivers will know that a property is empty whilst the occupants are away on holiday for a set period of time after taking them to the airport or railway station.
- 4.6 For these reasons a serious view is taken of any convictions involving dishonesty. In general, an applicant with conviction(s) and/or caution(s) for dishonesty, which are less than 5 years old, is unlikely to be considered favourably and are to be referred to the Licensing Committee for determination.
- 4.7 In particular, an application will normally be refused where the individual has conviction(s) and/or caution(s) for an offence or similar offences or offences which replace the below offences.
- i. Theft
 - ii. Burglary
 - iii. Fraud
 - iv. Benefit fraud (including offences under ss.111A and 112 of the Social Security Administration Act 1992)
 - v. Handling or receiving stolen goods
 - vi. Forgery (e.g. producing false insurance policy)
 - vii. Conspiracy to defraud
 - viii. Obtaining money or property by deception

- ix. Other deception
- x. Blackmail

5. Violence

- 5.1 Members of the public and in particular, the elderly, infirm and children or vulnerable adults entrust their personal safety to Private Hire and Hackney Carriage drivers whenever they take a journey.
- 5.2 Passengers often travel alone and are vulnerable to physical attack etc. Users of Private Hire and Hackney Carriage vehicle have a right to expect that drivers are not individuals with a predisposition towards or a propensity for violent behaviour at any level.

6. Offences against Other Persons

- 6.1 As Hackney Carriage and Private Hire vehicle drivers maintain close contact with the public, where the commission of an offence involved loss of life a licence will normally be refused.
- 6.2 The Council seeks to minimise risks associated with children and young persons and for that reason a more serious view will be taken where offences of violence children under 14 or young persons.
- 6.3 An application will normally be refused where the individual has a conviction for an offence or similar offence(s), or similar offence(s) which replace the below offences:
 - Murder
 - Manslaughter
 - Manslaughter or culpable homicide while driving
- 6.4 An application will also normally be refused where the individual has a conviction for an offence or similar offence(s) or similar offence(s) which replace the below offences:
 - Malicious wounding or grievous bodily harm (s.20 Offences Against the Person Act 1861) which is racially aggravated (s.29(1)(a) Crime and Disorder Act 1998)
 - Actual bodily harm (s.47 Offences Against the Person Act 1861) which is racially aggravated (s.29(1)(b) Crime and Disorder Act 1998)
 - Grievous bodily harm with intent (s.18 Offences Against the Person Act)
 - Grievous bodily harm with intent (s.20 Offences Against the Person Act)
 - Robbery
 - Possession of firearm
 - Riot
 - Assault Police
 - Common assault with racially aggravated (s.29(1)(c) Crime and Disorder Act 1998)
 - Violent disorder
 - Resisting arrest
- 6.5 An application will also normally be refused where the individual has a conviction for an offence or similar offence(s) or similar offence(s) which replace the below offences.
 - Racially-aggravated criminal damage (s.30 Crime and Disorder Act 1998)
 - Racially-aggravated s.4 Public Order Act 1986 offence (fear of

- provocation of violence) (s.31(1)(a) Crime and Disorder Act 1998)
- Racially-aggravated s.4A Public Order Act 1986 offence (intentional harassment, alarm or distress (s.31(1)(b) Crime and Disorder Act 1998)
- Racially-aggravated s.2 Protection from Harassment Act 1997 offence (harassment) (s.32(1)(a) Crime and Disorder Act 1998)
- Racially-aggravated s.4 Protection from Harassment Act 1997 offence (putting people in fear of violence) (s.32(1)(b) Crime and Disorder Act 1998)
- Racially-aggravated s5 Public Order Act 1986 offence (harassment, alarm or distress) (s.31(1)(c) Crime and Disorder Act 1998)

6.6 An application will also normally be refused where the individual has a conviction for an offence or similar offence(s) or similar offence(s) which replace the below offences.

- Common assault
- Assault occasioning actual bodily harm (s.47 Offences Against the Person Act)
- Affray
- S5 Public Order Act 1986 offence (harassment, alarm or distress)
- S.4 Public Order Act 1986 offence (fear of provocation of violence)
- S4A Public Order Act 1986 offence (intentional harassment, alarm or distress)
- Harassment- breach of restraining order- on conviction Protection from Harassment Act 1997 s5(5) = s. 5(6)
- Obstruction
- Possession of offensive weapon
- Criminal damage

7. Drugs

- 7.1 An application will normally be refused where the individual has a conviction for an offence related to the supply of drugs and the conviction is less than 5-10 years prior to the date of application.
- 7.2 An offence related to the supply of drugs and the conviction is less than 10 years prior to the date of application will be referred to the Panel for determination. A conviction less than 5 years old will generally be refused.
- 7.3 An application will normally be refused where the individual has more than one conviction for offences related to the possession of drugs.
- 7.4 For convictions for driving whilst unfit through drugs see Section 10 'Drunkenness.'
- 7.5 If any applicant was an addict, then they will normally be required to show evidence of 5 years free from drug taking after detoxification treatment as required by the Council.

8. Sexual and Indecency Offences

- 8.1 Any individual currently on the sex offenders' register would not normally be granted a licence.

- 8.2 Drivers of Hackney Carriage and Private Hire vehicles are often entrusted with care of children and young persons. It is comparatively easy for an unscrupulous driver to take advantage of such vulnerable persons.
- 8.3 Where the commission of a sexual offence involves a child or young person an application for a licence will normally be refused.
- 8.4 The Council will sometimes be made aware of other intelligence or low level information about an individual which has not resulted in the conviction of that person but is relevant in relation to their character. Officers will give appropriate consideration to this information and will seek to consult with other appropriate agencies such as police and social services, in order to ensure that they have a comprehensive understanding. Where appropriate, officers will refer such information/ intelligence to other agencies. Any additional information gathered through this process may then be taken into account at any subsequent licensing committee.

9. Offences against persons other than children / young persons

- 9.1 As Hackney Carriage and Private Hire vehicle drivers often carry unaccompanied passengers, an individual with a conviction for rape, indecent assault, or other similar offences or similar offences under the Sexual Offences Act 2003, will normally be refused a licence.
- 9.2 Individuals with a conviction relating to sexual offences such as soliciting, importuning, indecent exposure or other similar offences or similar offences under the Sexual Offences Act 2003, will normally be referred to the Committee for determination.
- 9.3 Amongst circumstances, which the Council may wish to consider, are circumstances, which if they occurred at the time of the consideration of the application would not now be a criminal offence.

10 Drunkenness

- 10.1 Driving whilst under the influence of drink is unacceptable under any circumstances and puts not only the driver, but passengers and other road users at risk. Such irresponsible behaviour is not conducive with the responsibilities of a Private Hire or Hackney Carriage driver.

With a motor vehicle (No Disqualification)

- 10.2 A serious view will be taken of convictions of driving or being in charge of a vehicle while under the influence of drink.
- 10.3 An application will normally be refused where the individual has a conviction, which does not result in disqualification, for an offence within 2 years of the date of the application.

With a motor vehicle (Disqualification)

- 10.4 Where a disqualification has occurred as a result of a drink-driving offence, an application will not normally be considered until at least 5 years have passed from the date of the restoration of the DVLA licence.

Not in a motor vehicle

- 10.5 An isolated conviction for drunkenness need not debar an applicant from gaining a licence. In some cases, a warning may be appropriate.
- 10.6 In addition, individual will generally be required to show a period of at least 5 years has elapsed after completion of detoxification treatment if they were an alcoholic.
- 10.7 More than one conviction for drunkenness could indicate a medical problem necessitating critical examination and refusal of a licence.

11. Motoring Convictions

Major Traffic Offences

- 11.1 New applicants and existing licensed drivers with a conviction for a 'Major Traffic Offence' as defined below, which is less than 5 years prior to the date of the application (the present date in relation to existing licensed drivers) will be referred to the Licensing Committee for determination. A conviction less than 2 years prior to the date of the application will generally be refused.
- 11.2 Where the conviction resulted in a period of disqualification, an application will normally be refused unless a period of 3 years free from conviction has lapsed from the restoration of the DVLA licence and 5 years where the disqualification relates to driving whilst unfit through drink or drugs
- For the purposes of these guidelines the following motoring offences are classed as 'Major Traffic Offences':

AC10	Failing to stop after an accident
AC20	Failing to give particulars or to report an accident within 24 hours
AC30	Undefined accident offences
BA10	Driving while disqualified by order of Court
BA30	Attempting to drive while disqualified by order of Court
CD40	Causing death through careless driving when unfit through drink
CD50	Causing death through careless driving when unfit through drugs
CD60	Causing death through careless driving with alcohol level above the limit
CD70	Causing death through careless driving then failing to supply a specimen for alcohol analysis
CD71	Causing death through careless driving the failing to supply a specimen for drug analysis
DD10	Causing Serious injury by dangerous driving
DD40	Dangerous driving
DD60	Manslaughter or culpable homicide while driving a vehicle
DD80	Causing death by dangerous driving
DD90	Furious driving
DR10	Driving or attempting to drive with alcohol level above limit
DR20	Driving or attempting to drive while unfit through drink

DR30	Driving or attempting to drive then failing to supply a specimen for
DR31	Driving or attempting to drive when unfit through drugs
DR40	In charge of a vehicle while alcohol level above limit
DR50	In charge of a vehicle while unfit through drink
DR60	Failure to provide specimen for analysis in circumstances other
DR61	Failure to provide specimen for drug analysis in circumstances other than driving / attempting to drive
DR70	Failing to provide specimen for breath test
DR80	Driving or attempting to drive when unfit through drugs
DR90	In charge of a vehicle when unfit through drugs
IN10	Using a vehicle uninsured against third party risks
LC20	Driving otherwise than in accordance with a licence
LC30	Driving after making a false declaration about fitness when applying
LC40	Driving a vehicle having failed to notify a disability
LC50	Driving after a licence has been revoked or refused on medical
MS50	Motor racing on the highway
MS60	Offences not covered by other codes
MS90	Failure to give information as to identity of driver, etc.
UT50	Aggravated taking of a vehicle

Aiding, Abetting, Counselling or Procuring

- 11.3 Offences as coded above, but with 0 changed to 2 (e.g. IN10 becomes IN12).

Causing or Permitting

- 11.4 Offences as coded above, but with 0 changed to 4 (e.g. IN10 becomes IN14).

Inciting

- 11.5 Offences as coded above, but with 0 changed to 6 (e.g. IN10 becomes IN16). Or similar offences or offences which replace the above offences.

Intermediate and Minor Traffic Offences

- 11.6 New applicants and existing licensed drivers with a Conviction / Fine / Simple Caution/Fixed Penalty Points for an offence which falls under the headings of 'Minor' or 'Intermediate' Traffic Offences and where the total number of accumulated points on their drivers licence is less than 12 or does not result in a period of disqualification, can have their applications granted without the application being referred to the Committee.
- 11.7 An applicant with a disqualification owing to the totting up system or in relation to an offence under these two group headings for any period of disqualification, will not normally

be granted a licence unless they have held a DVLA licence for at least 12 months following the expiry of the period of the disqualification.

- 11.8 Existing drivers disqualified for incurring 12 or more penalty points within a three year period, will be required to complete a driver competency assessment on expiry of the disqualification before they are allowed to drive a public carriage. If the driver is not disqualified their Public Carriage Licence will be suspended until a driver competency assessment has been completed.

For the purposes of these guidelines the following motoring offences are classed as 'Intermediate Traffic Offences':

CU10	Using vehicle with defective brakes
CU20	Causing or likely to cause danger by reason of use of unsuitable vehicle or using a vehicle with parts or accessories (excluding brakes, steering or tyres) in a dangerous condition
CU30	Using a vehicle with defective tyres
CU40	Using a vehicle with defective steering
CU50	Causing or likely to cause danger by reason of load or passengers
CU80	Breach of requirements as to control of the vehicle mobile phones etc
CD10	Driving without due care and attention
CD20	Driving without reasonable consideration for other road users
CD30	Driving without due care and attention or without reasonable consideration of other road users
SP10	Exceeding goods vehicle speed limit
SP20	Exceeding speed limit for type of vehicle (excluding goods or passenger vehicles)
SP30	Exceeding statutory speed limit on a public road – not resulting in a fixed penalty
SP40	Exceeding passenger vehicle speed limit
SP50	Exceeding speed limit on a motorway
SP60	Exceeding speed limit offence

Aiding, Abetting, Counselling or Procuring

- 11.9 Offences as coded above, but with 0 changed to 2 (e.g. CU10 becomes CU12).

Causing or Permitting

- 11.10 Offences as coded above, but with 0 changed to 4 (e.g. CU10 becomes CU14).

Inciting

- 11.11 Offences as coded above, but with 0 changed to 6 (e.g. CU10 becomes CU16).

For the purposes of these guidelines the following motoring offences are classed as 'Minor Traffic Offences':

MS10	Leaving a vehicle in a dangerous position
MS20	Unlawful pillion riding
MS30	Play street offences
MS70	Driving with uncorrected defective eyesight
MS80	Refusing to submit to an eyesight test
MW10	Contravention of Special Road Regulations (excluding speed limits)
PC10	Undefined contravention of Pedestrian Crossing Regulations
PC20	Contravention of Pedestrian Crossing Regulations with moving vehicle
PC30	Contravention of Pedestrian Crossing Regulations with stationary
SP30	Exceeding statutory speed limit on a public road resulting in a fixed
TS10	Failing to comply with traffic light signals
TS20	Failing to comply with double white lines
TS30	Failing to comply with a "Stop" sign
TS40	Failing to comply with direction of a constable or traffic warden
TS50	Failing to comply with traffic sign (excluding "Stop" sign, traffic lights or double white lines)
TS60	Failing to comply with school crossing patrol sign
TS70	Undefined failure to comply with a traffic direction sign

Aiding, abetting, counselling or procuring

11.12 Offences as coded above, but with 0 changed to 2 (e.g. PC10 becomes PC12).

Causing or permitting

11.13 Offences as coded above, but with 0 changed to 4 (e.g. PC10 becomes PC14).

Inciting

11.14 Offences as coded above, but with 0 changed to 6 (e.g. PC10 becomes PC16).

12. Plying for Hire

12.1 Offences under the Town Police Clauses Acts and Part II of the Local Government (Miscellaneous Provisions) Act 1976 and Hackney Carriage Byelaws and Section 167 Criminal Justice and Public Order Act 1994.

12.2 One of the main purposes of the licensing regime set out in the Town Police Clauses Acts and Part II of the Local Government (Miscellaneous Provisions) Act 1976 ("the Acts") and Hackney Carriage Byelaws, is to ensure the protection of the public.

- 12.3 For this reason, a serious view is taken of convictions for offences under the Acts (including illegally plying for hire and/or touting) when deciding whether an individual is to be treated as a fit and proper person to hold a licence.
- 12.4 In particular, an individual will normally be refused a licence if (s)he has been convicted of an offence under the Acts at any time during the 2 years preceding the application or has more than one conviction within the last 5 years preceding the date of the application.
- 12.5 In the case of a Private Hire driver found guilty of an offence of plying for hire, the driver would be asked to appear before the Licensing Committee to show why they believe they are still a fit and proper person to hold a public carriage drivers licence. The Committee will consider whether any further disciplinary action should be taken.

13. Breach of Conditions, and complaints

- 13.1 This guidance is not intended to cover every possible circumstance and there is an expectation that licensees will comply with all relevant legislation.
- 13.2 The Licensing Authority will act with proportionality and consistency. Disciplinary action taken under this policy is without prejudice to the Licensing Authorities right to institute legal proceedings, where a criminal offence has been committed.

Examples of licensing breaches or conduct likely to receive a written caution

- 13.3 Cautioning may be appropriate for single breaches, where the offender has not received any written caution or other disciplinary action for the same or similar breach within the last 12 months:

General

- Persistent failure to comply with Road Traffic legislation.
- Failure to behave in a civil and orderly manner to customer and/or other road users.
- Refusal to carry passengers without reasonable excuse/ refusing to wait.
- Failure to convey or assist with carrying of luggage.
- Driving in a manner likely to cause alarm to passengers/ road users.
- Failure to display tariff or fares or to conceal same.
- Vehicle not cleaned or well maintained.
- Failure to wear/display driver badge.
- Failure to deliver lost property to Town Hall.

Vehicle defects

- Failure to display vehicle licence plate/licence disc internally/ other signage.
- Failure to report accident within 72 hours.
- Failure to produce insurance documents at request of authorised officer within 5 days.
- Failure to produce interim MOT.
- Unauthorised signs /window stickers/ adverts.
- Failure to notify transfer of vehicle licence—or change of vehicle.
- Defective taxi meter/ printer.
- Defective taxi top light.
- Unattended Hackney Carriage vehicle on rank.
- Failure to attend mechanical inspection.
- Late cancellation of mechanical inspection—give less than 24 hours' notice.
- Defective lights, horn, indicators, exhaust system, tyres, brakes.

Operator breaches

- Premises unclean—not fit for use.
- Failure to keep proper records of bookings of complaints.
- Failure to keep current driver/ vehicle licence details.

13.4 In all cases the caution will be in writing and stipulate a timescale for the matter to be corrected, if appropriate. If the matter is not corrected within the timescale stipulated, or there is a repetition, further disciplinary action may follow.

13.5 The Licensing Team Manager or another manager at principal officer level or higher, has authority to approve and issue letters of caution.

Examples of licensing breaches or conduct likely to receive suspension for a defined period, or revocation of licence:

- Any of the contraventions listed in the 'caution' section above, in these or similar circumstances:
- where the offender has received a written caution or other disciplinary action for the same or a similar breach within the last 12 months; or
- where the offender did not correct a matter as required by a written caution; or where several breaches have been committed together; or where the matter is considered too serious for a caution to be appropriate.
- Permitting no insurance, or insurance that is invalid to cover public carriage use
- Permitting unauthorised/ unlicensed drivers.
- Using or permitting use of unlicensed /unauthorised vehicle.
- Falsifying or making untrue representations in Licence applications or other council licensing documentation.
- Obstruction of an authorised officer of the Council or of a Police Officer in the course of their duty.
- The commission of a criminal offence, or engagement in an activity of a type that brings suitability as a licensee into question.
- Causing injury to passengers, members of the public or other road users by negligence or intent.

13.6 The action taken will be proportionate and take into account all the circumstances including previous suspensions and cautions. Decisions will be determined by a review of available facts at the time the decision is taken.

14. Authority to suspend or revoke.

Suspension/Revocation with immediate effect:

- 14.1 A licence can be suspended or revoked immediately in the interests of public safety under the provisions of section 61(2B) of the Local Government (Miscellaneous Provisions) 1976. If the Council is advised of such conduct, a decision may be taken in consultation between officers and at least three members of the Licensing Committee. In such cases efforts, will be made to contact the driver to advise of the situation and establish if there is any other information that may be relevant and should be considered before any decision is made.

Suspension/Revocation/Caution following Licensing Committee hearing:

- 14.2 Where a decision does not need to be considered immediately, it will be considered at a formal hearing of the Licensing Committee where the alleged offender (and any witnesses) will be afforded the opportunity to hear the evidence and present their case.
- 14.3 Following a hearing members may direct that letters of caution be issued, suspend a licence for specified periods of time, or revoke a licence. Other conditions or stipulations may be attached to the decision as Members see fit.

Appeals against decisions taken

- 14.4 Decision to caution by manager—register a complaint in writing to the Head of Community Safety .
- 14.5 Decision to caution by Members—no appeal possible.
- 14.6 Decision to suspend or revoke licence— relevant information regarding statutory right of appeal to the Magistrates Court, will be provided in a written notification of the Council's decision.

15. Reapplication

- 15.1 Where an applicant has previously had a licence revoked by the Council the Authority will not, save in exceptional circumstances, consider any further application from the applicant for a period of three years from the date of the Authority's decision or, if that decision was appealed against and the appeal was dismissed, abandoned, or otherwise failed, from the date of the dismissal, abandonment or other failure of the appeal, whichever is the later.

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CABINET



Report subject	Quarter 3 Budget Monitoring 2020-21
Meeting date	10 February 2021
Status	Public
Executive summary	<p>This report includes 2020/21 budget monitoring information for the end of December 2020.</p> <p>The projection for the 2020/21 revenue account is a balanced position after Covid-19 pressures, mitigation action and other budget variances are reflected.</p> <p>The forecast service pressures due to the pandemic have grown since the December report particularly from further loss of income due to the third national lockdown. The overall position has improved, however, as the government has mandated that collection fund deficits arising from reduced levels of council tax and business rates collection are spread over the next three years. These previously reported pressures for the current year budget instead impact on the budget for 2021/22 and future years of the medium-term financial plan (MTFP).</p> <p>It is proposed in this report that as a result of the improved position, surplus resources of £13.3 million are carried forward into earmarked financial resilience reserves for transformation, Covid-19, and MTFP mitigation in future years.</p> <p>The updated 2020/21 annual projections for reserve movements, the capital programme and housing revenue account (HRA) are also included in the report.</p>
Recommendations	It is RECOMMENDED that:
	<p>Cabinet:</p> <ul style="list-style-type: none"> a) Note the current budget position for 2020/21. b) Approve capital virements as set out in paragraph 109. <p>Council:</p> <ul style="list-style-type: none"> a) Approve the transfer of £13.3 million to earmarked financial resilience reserves for transformation, Covid-19, and MTFP mitigation as set out in paragraph 11.

	b) Approve the capital virement as set out in paragraph 110.
Reason for recommendations	<ul style="list-style-type: none"> To comply with accounting codes of practice and best practice which requires Councils to regularly monitor the annual budget position. To comply with the council's financial regulations regarding budget virements.
Portfolio Holder(s):	Councillor Drew Mellor, Leader and Portfolio Holder for Finance & Transformation
Corporate Director	Graham Farrant, Chief Executive
Report Author	Adam Richens: Chief Finance Officer and Director of Finance ☎01202 123027 ✉ adam.richens@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Decision

Background

1. In February 2020 Council agreed the annual general fund net revenue budget of £283 million, a capital programme of £106 million and the net use of reserves of only £0.5 million. Budgets were also agreed for the housing revenue account (HRA).
2. In June 2020 the first budget monitoring report for 2020/21 considered the estimated impact from the Covid-19 lockdown and assumed recovery period and a mitigation strategy to rebalance the budget. This included finding new savings and using reserves.
3. Two further updates were provided to Cabinet in November and December. These reports included that the pressures from the pandemic were continuing to grow throughout the year with further government support also provided. Pressures were seen across all directorates and particularly for adult and children's social care placements, measures within housing services to reduce homelessness and from lost income, the largest areas being carparking and seafront trading during lockdown periods.
4. Government financial support received up to December for council services includes four allocations from the emergency Covid-19 fund totalling £29 million, and an estimated £12 million grant to replace a proportion of lost sales, fees, and charges. Alongside this un-ringfenced funding, specific grants have been received, with the main ones being for outbreak management, the provision of food and other essentials to the vulnerable during lockdown and through the winter period and to continue support for those otherwise homeless after the first lockdown ended. The £0.6 million annual budget deficit projected in the December report was covered by draw down from the Covid-19 financial resilience earmarked reserve to balance the position overall.

5. The Department of Health and Social Care allocation of £3.2 million for BCP from the Contain Outbreak Management Fund announced in October has from the beginning of December been increased by £0.8 million for each four-week period that the council area is placed within at least tier 2. The funding has been received for the period to 29 December and with the implementation of the national lockdown further allocations are expected. The government is monitoring the use of the grant.
6. In respect of businesses, the government is continuing to provide support based on rateable values through the Local Restrictions Support Grant (LRSRG) for those that need to remain closed under the tiered approach, with payment levels set nationally and also allocated for each four-week period.
7. Alongside the LRSRG is the Additional Restrictions Grant (ARG). Progress has been made since the December report in developing this discretionary grant scheme for businesses. This single allocation to BCP at £20 per head of population equates to £7.9 million and is cover the two years to March 2022. Funding is to support those closed due to the pandemic but without a rateable value (and therefore ineligible through the LRSRG) or those that have been severely impacted rather than closed.
8. The budget monitoring sections of the report include the latest annual projections for the capital programme, reserves and the HRA. The MTFP and budget for next year is included in a separate report.

Revenue budget monitoring 2020/21

9. The overall revenue budget projection is for a balanced position after allowing for a transfer to an earmarked reserve to mitigate Covid-19 budget risks next year and those related to the transformation programme. This is an improvement since quarter two despite the growing service pressures as a result of the third national lockdown.
10. The change at quarter three is largely as a result of accounting changes mandated by government. The local government finance settlement announced in December 2020 gave further clarity on how the deficits relating to council tax and business rates can be spread over the financial years 2021/22 to 2023/24. This pressure now appears as part of the budget for next year and over the MTFP period instead of the outturn for the current year.
11. The improved position has enabled £13.3 million to be set aside in earmarked financial resilience reserves for transformation, Covid-19 and MTFP mitigation as part of the management of budget risks. This level of contribution to reserves is broadly equivalent to the savings introduced early in the year to mitigate the initial assessment of the impact of the pandemic on the current year budget and before government support for local authorities in 2020/21 had been fully established. This contribution to reserves replaces the expectation at quarter two that £0.6 million would need to be drawn down from the financial resilience reserve to balance the account.
12. It should be noted that there is significant risk in the outturn projections for adult social care as the service remains at the forefront in supporting the NHS achieve rapid hospital discharges of adults due to the pandemic. This involves securing and funding care placements prior to the financial assessments that normally take place being undertaken to determine how costs are to be met. Costs can be the responsibility of the council, the NHS or individuals themselves. Projections for the costs remaining with the council are based on activity levels and trends while these assessments are being progressed.

13. The projected 2020/21 revenue outturn position is set out below.

Figure 1: General Fund – Summary projected outturn as at 31 March 2021

Quarter 2 Variance £m		Approved Resource £m	Covid-19 Pressures £m	Mitigation £m	Other Variances £m	Projected Outturn £m	Projected Variance £m
Service Budgets							
3.2	Adult Social Care & Public Health	111.5	7.1	(3.7)	(1.9)	113.0	1.5
6.3	Children's Services	61.7	5.1	(0.8)	2.0	68.0	6.3
1.6	Environmental & Community	7.4	5.7	(3.0)	(0.3)	9.8	2.4
18.2	Regeneration & Economy	51.2	24.1	(4.0)	0.3	71.6	20.4
2.2	Resources	32.9	3.2	(1.3)	0.6	35.4	2.5
0.4	100 Day Plan				0.4	0.4	0.4
(1.0)	Furlough of staff			(0.8)		(0.8)	(0.8)
30.9	Total Service	264.7	45.2	(13.6)	1.1	297.4	32.7
Corporate Items							
0.3	Estates Management				0.3	0.3	0.3
0.4	Smarter Structures				0.4	0.4	0.4
2.4	Investment Property Income	(6.2)	2.3			(3.9)	2.3
	Pensions	5.6				5.6	0.0
	Repayment of debt (MRP)	11.6				11.6	0.0
(0.1)	Corporate Items	1.0			(0.1)	0.9	(0.1)
(0.2)	Interest on borrowings	1.8			(0.2)	1.6	(0.2)
0.1	Treasury Income	(0.3)				(0.3)	0.0
(2.5)	Contribution to Capital Projects	2.8			(2.5)	0.3	(2.5)
	Contribution Covid and Transformation Mitigation Reserves				13.3	13.3	13.3
2.5	Transformation Revenue Implications				0.1	0.1	0.1
(1.2)	Transfer to Reserves	0.9				0.9	0.0
11.9	Contribution to Reserves for lost Council Tax / NDR						0.0
14.8	Total Corporate	17.2	2.3	0	11.3	30.8	13.6
(29.0)	Covid-19 Grant		(29.0)			(29.0)	(29.0)
(12.1)	Grant for lost income		(13.3)			(13.3)	(13.3)
4.6	Total Budget	281.9	5.2	(13.6)	12.4	285.9	4.0
(1.2)	Contingency	1.2		(1.2)		0	(1.2)
(2.8)	Refinanced capital projects			(2.8)		(2.8)	(2.8)
(0.6)	Financial resilience reserve						0.0
0	Net Budget	283.1	5.2	(17.6)	12.4	283.1	0

14. Figure 1 above shows that the estimated pressures due to the pandemic have decreased from £56.2 million gross of government grant (£15.1 million net) in the December report to £47.5 million gross (£5.2 million net) in February. This is largely due to increases in income pressures relating to car parking, seafront and trade waste which have increased service pressures from £41.9 million to £45.2 million, offset by the removal of the £11.9 million pressure relating to council tax and business rates noted above.
15. The forecast government compensation for lost sales, fees and charges has also been increased from £12.1 million to £13.3 million to reflect the increased losses in income. After meeting the first 5% loss of this income in full, losses above this level are funded by government at 75%. This is providing greater stability in the estimated budget impact from the pandemic since the details of the scheme were set out in September.
16. Delivery of the £13.4 million of new service savings identified as part of the June mitigation strategy remains largely on track, with reduced savings relating to learning disability and mental health and the cancellation of plans for a new fun fair. This loss of savings is offset by additional savings from furloughed staff.
17. Service budget variances unrelated to the pandemic are relatively small at £1.1 million with pressures largely within children's services relating to the front door, SEN team and business support employee costs plus additional central costs in progressing the council's transformation.
18. Monthly financial reports are continuing to be submitted to MHCLG detailing the impact of the pandemic on service pressures, income streams, and tax collection. The next return in January will include an assessment of the expected impact in the first quarter of 2021/22. The service pressures from the pandemic in Figure 1 are greater than those included in the December return due the impact of the third national lockdown.
19. Appendix A1 includes the detail of all 2020/21 projected budget variances greater than £0.1 million with a full revenue summary presented in Appendix A2.

Summary of 2020/21 projected outturn by directorate

20. The following paragraphs summarise the projected 2020/21 budget position for each directorate.

Adult social care net variance £1.5 million overspend

21. The main Covid-19 pressures are support to the care market in the initial part of the financial year of £5.1 million. This includes increased fees due to care cost increases above government funding and increased voids as a result of pandemic outbreaks in the care homes which prevents any new placements until the care home is clear.
22. The Government has funded the care sector £11.5m for infection control, this fund has been distributed to the independent sector as well as in house care services and the council's trading social care company (Tricuro).
23. Most of the £4.2 million mitigating savings are on course to be delivered as intended. The pandemic has absorbed all available staffing resource with it not possible to proceed with the work required to deliver £0.5 million of savings from a package of measures, which includes targeted reviews for people with learning disabilities.

24. Other movements in the adult social care financial projections include:

- reduced activity than previously anticipated for business as usual care packages,
- increased income from the better care fund confirmed in January (reflected in forecast for cost of care packages),
- additional client contributions, including from deferred payments, which support overspends in other areas of adult social care.

25. The Covid-19 pandemic has constrained implementation of housing adaptations with greater use made of the disabled facilities grant for community equipment and technology. This provides revenue budget savings to support overspends in other areas of adult social care.

26. The budget projection includes the costs from the impact of the hospital discharge scheme 1 (HDS1) funding being phased out between September 2020 and March 2021. Due to a level of eligibility and financial assessments being outstanding the real impact to the council's financial position is unclear at this stage. The council has, following national guidance, commissioned care on behalf of the whole health and social care system. This includes for those who are responsible for funding their own care or are the responsibility of the NHS as well as people who are eligible for council funding. Until this cohort is re-assessed, particularly for continuing health care funded by the NHS, it is not yet clear how much of these care costs will remain with the council.

27. In addition, the average cost of care home placements commissioned since the beginning of the pandemic under emergency hospital discharge arrangements continue to be higher than budgeted. The purchase of further interim beds has been necessary in the final quarter as NHS pressures have grown and are expected to be more severe than during the first wave of the pandemic. This will also have a significant financial impact in subsequent financial years. A sum of £1.3 million has been included in the MTFP for 2021/22 in recognition of these legacy costs but they could be much higher and be a draw on the £9.9 million of Covid-19 emergency funding provided for next year.

Children's services – net variance of £6.3 million

28. The projected in-year overspend in children's services for quarter three remains at the quarter two level and continues to be due to the cost of care and staffing. The total pressure on care is £4.2 million and the forecast overspend in other areas is £2.1 million. The underlying pressures in the service have grown over the quarter but the return to the council in December of £0.5 million of surplus grant provided to the pan-Dorset public health service has contained projected net growth at previous levels.

29. The care packages pressure is as a result of both significantly increased cost of some placements due to greater needs and complexity but also a continued increase in numbers of children being placed into care.

30. Permanent savings of £0.2 million are included for staff restructures across the three service areas along with commissioning savings of £0.2 million. There are also other miscellaneous savings of £0.35 million (£0.1 million a current year only contribution). Total 2020/21 Covid-19 mitigation savings of £0.8 million are on course to be delivered.

31. Staffing pressures continuing from last year include the social work front door team and business support. The projected overspend on the front door team has increased further since quarter two with the annual projection at quarter three indicating an overspend of £1.2 million. This is due to significant use of agency social workers above vacant establishment posts to clear a significant backlog of cases. This forecast may reduce in the last quarter with considerable focus on reducing the level of agency social worker and retaining and recruiting permanent staff. The cost of temporary and interim senior posts designed to make rapid improvements in the service is also adding to the overspend on staffing. Additional staffing pressures are also being seen in the significantly under pressure SEN team due to the growing caseload as well as the case management systems team which is engaged in the wider care together programme to establish a single system for the new council.
32. As noted in the budget report from the corporate director for children's services in September the forecast includes additional expenditure of £0.3 million to support the implementation of the service improvement plan.
33. Pressures within quarter three have been identified in SEN transport (£0.2 million) and the cost of legal support in the special educational needs (SEN) team for work on tribunals (£0.15 million). This reflects the growing caseload for education, health and care plans (EHCP's) and the continuing pressures outside the general fund in high needs expenditure funded by the Dedicated Schools Grant.
34. There are some miscellaneous underspends and vacancy drag to offset some of the pressures identified.
35. The allocation in December from the public health grant (£0.5 million) has been allocated to support expenditure in early help/children's centres in accordance with the purposes of this ring-fenced grant.

Environment and community – net variance of £2.4 million

36. The quarter two report identified £5.0 million of pressures related to the Covid-19 pandemic, this figure has increased to £5.7 million.
37. Waste services are seeing increased pressures from higher waste tonnages collected from domestic properties and a higher gate price for recycle. The estimated on-going loss of commercial waste income has increased directly as a result of the current lockdown. There is also a higher level of overdue debt against which a provision will need to be made.
38. Within the housing service costs for temporary accommodation, subsistence and security arrangements are increasing and the recent cold weather has increased the number of individuals being supported compared to earlier estimates. Making these placements has also reduced the amount of housing benefit subsidy the council can claim as some of the accommodation does not attract full subsidy. The total for all temporary accommodation related costs is additional spend of £5.0 million. This total is mitigated by the receipt of housing benefit and specific grants totalling £3.9 million.
39. The council's maintenance and works teams lost income through the first lockdown but were hopeful of making up once lockdown was lifted. The pick-up has not been realised as hoped, and the service also anticipate that the current lockdown, and subsequent reduction of works/projects through to March, will significantly impact on the outturn for this financial year. The overall impact is estimated to be in the region of £0.9 million. Within housing there is also a small pressure relating to telecare.

40. The pressures within bereavement relate in the main to the council's share of the cost of providing the mortality support facilities at Poole port and in the Dorset Council area. There is some impact on the coroner's service due to an increase in the number of inquests and the special measures required when carrying them out, together with the cost of employing agency pathologists.
41. There are also significant pressures within the catering & concessions and parks services as a result of facilities being closed and reduced services. The forecasting of lost income is under constant review but has been further impacted due to the current lockdown.
42. Within communities the Covid-19 pressures are the impact of lost licensing and fixed penalty notice income, plus some additional security costs for the town centre.
43. The review of communities' budgets for temporary savings due to Covid-19 can provide £0.1 million of mitigation. Permanent savings relating to service restructures vacant posts and other budget reductions total £0.3 million.
44. The Covid-19 mitigation savings identified by the previous administration within the environment budgets included £0.6 million from the potential to delay to 2021/22 the spend on member priorities relating to climate change, street cleansing, unauthorised encampments and highways maintenance. The budget for street cleansing in Christchurch has been restored through the 100-day plan and shown separately within figure 1 above.
45. The review of all other budgets can save £0.8 million. Included are temporary savings to recognise a level of underspending due to Covid-19 and service decisions to reduce grass cutting. Permanent savings are bringing forward the early harmonisation of charging policies across the area for replacement bins and rebalancing of waste collection rounds. Other permanent savings include deleting some vacant posts.
46. The review of housing budgets has provided £1.2 million of savings from temporary reductions in spending due to Covid-19 and suspension for one year of the contribution to the rent deposit bad debt provision. There are also savings from staffing changes and reduced back fill of vacancies, some of which will be permanent.
47. The £0.3 million saving from rebalancing the solar panel budget for HRA stock reflects current activity and will be treated as permanent.
48. Some non-Covid-19 related pressures and savings exist, significantly in waste & cleansing where the anticipated European taxes on recycling have not yet materialised. There are also anticipated savings from contract negotiations within housing related support and some pressures in income budgets identified when closing the first year.

Regeneration and economy – net variances of £20.4 million

49. Whilst there have been some movements over the third quarter, both positive and negative, the overall forecast position has deteriorated by £2.1 million since the quarter two report.
50. The main Covid-19 pressures in the directorate, as identified in previous monitoring reports during the year, continue to be from lost income due to the lockdown period plus a slow recovery, particularly from car parking. Financial support provided to leisure and conference providers remains a significant pressure for the directorate.

51. As previously reported the easing of lockdown during the summer enabled some income streams to recover, particularly car parking and seafront trading. However, this required significant investment in the management of the resort (£1.2 million). Extra measures were put in place to help manage social distancing during this period of high demand with additional cleansing, security, communication and support to residents, businesses and visitors. A number of these measures are now on-going or required to be re-instated due to the third lockdown.
52. The third lockdown will create additional pressures in the same income streams particularly car parking (£2.4 million movement). Seafront trading, including golf and the arcade, will be further impacted with an estimate of £0.4 million but catering income is proving resilient with this expected to continue. Uncertainty over leisure and hospitality tenant's ability to pay the council also remains.
53. Other income levels remain less than previously anticipated following the reopening of cultural and heritage assets with reduced visitors, particularly at Highcliffe Castle which is more heavily dependent on weddings and events. The new lockdown will restrict income generating opportunities, but costs are also being managed sensibly and overall, the position is not forecast to worsen significantly (£60,000).
54. In meeting its obligations, the council has agreed to provide significant support to our leisure services partners, BH Live and SLM, to help them through the pandemic and there are similar pressures associated with the council run 2RM Christchurch leisure centre. The projected costs from the pandemic had reduced in quarter two by £0.5 million to £3.7 million. This was due to the Arts Council England Cultural Recovery Fund support provided to BH Live of £1.5 million being partially offset by additional pressures across all leisure providers from the second period of national lockdown and closure of centres. A review of Two Riversmeet staffing costs has led to a further £0.2 million improvement. The third lockdown period is forecast to have a neutral effect across leisure services in total, as the additional costs and support required by providers is expected to be met from additional grants and central government support.
55. Engineering staff have been working more hours than previously anticipated on capital schemes where income is now forecast to be £0.135 million better than at quarter two.
56. Due to lower income expectations and reduced operating costs during January through to March as a result of the third lockdown there is no change to the forecast for Upton Country Park. This previously improved due to the new play park attraction and the easing of the earlier lockdown enabling it to reopen sooner than expected.
57. The net pressures expected in planning and building control services have decreased by £0.16 million to £0.8 million as the wider economic impact of Covid-19 has emerged.
58. Pressures in car parking associated with major repair work (£71,000) and business rates (£141,000) remain as well as those related to the transport network (traffic light and signalling contract costs of £92,000). Concessionary fare payments where reduced patronage would normally deliver savings are forecast to continue at pre pandemic level. A Council decision to continue to support bus operators in maintaining services in accordance with central government guidance will be made in February. This could generate a small budget saving not yet included in the forecast.
59. The costs of journeys relating to Adult Social Care and extra Covid-19 requirements is still projected to create a £0.25 million pressure within fleet services this year.

60. The PFI contract with Dorset Council covering Christchurch street lighting has a £197,000 budget pressure forecast.
61. An income pressure of £72,000 is forecast in sustainable transport relating to a reduction in departure fees earned at the Bournemouth Travel Interchange.
62. More positively, reduced activity and associated expenditure on staff and external agency and contractor workers means a £215,000 saving is forecast in transport development and similarly a £200,000 saving is forecast in flood and coastal management services.
63. Improved recovery of costs in the smart cities team will also provide a £100,000 saving in the year.
64. All previously reported mitigation savings remain on track, with the exception of the funfair as reported at quarter two. This includes within destination and culture temporary savings arising from the outbreak period at £1.3 million, cancellation of the air festival at £0.3 million. The delay by the previous administration until next year of £150,000 spend on culture as part of members' priorities has been restored by £20,000 through the 100-day plan. Vacant posts and other budgets continue to provide £0.1 million of savings.
65. Development have identified £0.3 million in savings from leaving vacancies unfilled and reduced spend as a result of the outbreak, and £0.3 million from delaying Member priorities.
66. Growth & infrastructure are projecting savings from reduced spend as a result of the outbreak of £0.7 million and unfilled vacancies of £0.5 million.

Resources – net variances of £2.5 million

67. The quarter two position identified a net overspend of £2.2 million mostly in relation to the impact of Covid-19. This has increased at quarter three to £2.5 million.
68. Additional pressures in the directorate of £0.3 million has been identified in relation to spend on mobile phone data and telephones partly as a result of Covid-19 working arrangements. This has been offset by reduction in the assumed overspend on salaries as highlighted in the last budget monitoring update report.
69. The mitigation savings identified in June are largely on track to be delivered.

Central items

70. In previous monitoring reports a pressure totalling £11.9 million has been reported in relation to council tax and business rates loss of income. The expectation was this amount would be earmarked in reserves to deal with the estimated collection fund deficit payable in 2021/22. The government in December 2020 confirmed that these estimated deficits are to be spread over 3 years. Therefore, the previous variance can be removed and instead a contribution made to the resilience reserves for transformation, Covid-19 and MTFP mitigation.
71. In previous monitoring reports it has been highlighted that the budget for a revenue contribution to capital would instead be redirected to support transformation costs. As part of setting the 2021/22 budget a thorough review of resources has been undertaken to ensure the impact on revenue is as limited as possible. This identified that the £2.4 million revenue contribution to capital could be released to further contribute towards the Covid-19 and transformation mitigation reserves.

72. The council claim to government for furloughing staff has reduced from that previously assumed in the September position by £0.2 million as staff returned to work earlier than expected. Future claims are expected to be small as any spare capacity created through service closures will be available to support additional activities required during the current lockdown within the council or to support the national effort in partner organisations.

Reserves monitoring 2020/21

73. Earmarked reserves have been set aside for specific purposes and these were reconsidered in June in the light of the new financial environment and need to fund the transformation programme which is fundamental to delivering savings at scale. The 2021/22 budget and MTFP report on the agenda considers the future use of reserves in more detail.
74. The position in December was that £0.6 million of financial resilience reserves may be needed in 2020/21 to balance the budget. The updated position requires no draw down to balance the position.
75. Any financial resilience reserves no longer needed to balance the 2020/21 budget can be used to support the MTFP.
76. Figure 2 below summarises the projected movement in reserves during the current financial year.

Figure 2: Summary of projected movements in reserves

	Balance 1 April 2020	Balance 31 March 2021	Movement
	£m	£m	£m
Earmarked reserves	53.8	66.7	12.9
Un-earmarked reserves*	15.4	15.4	0.0
Total reserves	69.2	82.1	12.9

*These amounts do not include the deficit on the dedicated schools grant

77. The main **movement** on other earmarked reserves during the year are as follow:

Financial Resilience Reserves

- | | |
|---------------|--|
| a) (£25,103k) | Refinancing of the Capital Programme Reserve
New reserve set up as culmination of refinancing the capital programme from borrowing. Amount will be drawn down in 2021/22 to support the budget |
| b) (£12,082k) | Covid-19 Financial Resilience Reserve
Contribution from the in-year position to support additional pressures as a result of the ongoing pandemic |
| c) (£6,198k) | Transformation Mitigation Resilience Reserve
Further contribution from the in-year position to fund estimated revenue pressures from the Transformation project. |

Transition and Transformation Reserves

- d) £1,364k **Pay & Reward Strategy**
Full use of reserve to pay for work on pay and reward strategy
- e) £425k **Local Government Reorganisation Costs**
Full use of reserve to pay for remaining LGR costs
- f) £947k **Redundancy Reserve**
Full use of reserve to pay for actual and potential redundancy costs.

Government Grants

- g) £11,102k **Covid-19 Grant Tranche 1**
Full use of Tranche 1 grant received in March 2020 rolled forward

78. Appendix B provides the detail of projected reserve movements for 2020/21

Dedicated Schools Grant (DSG) 2020/21

79. The DSG is allocated within four expenditure blocks for early years, mainstream schools, central council services and high needs. The aim would normally be to set the DSG budget for a balanced position overall.
80. The council is no longer able to add to the DSG from its own resources with the Department for Education (DfE) imposing a limit on how much funding can be transferred away from mainstream schools to support the high needs budget. Consequently, despite initiatives to reduce expenditure, the high needs budget for 2020/21 was set with a shortfall of £6 million compared with funding available from the DSG.
81. There is a surplus in 2020/21 of £1 million from the school's funding block after all mainstream schools received their full national formula allocations. The DfE did not approve transferring this to support high needs expenditure and it remains unallocated to offset the deficit overall.
82. The accumulated deficit at 31 March 2020 was £4.6 million, with the budgeted funding shortfall net of projected in-year variances increasing this to £10.6 million by 31 March 2021.
83. Figure 3 below summarises the projected deficit for the dedicated schools grant at 31 March 2021.

Figure 3: Summary position for dedicated schools grant

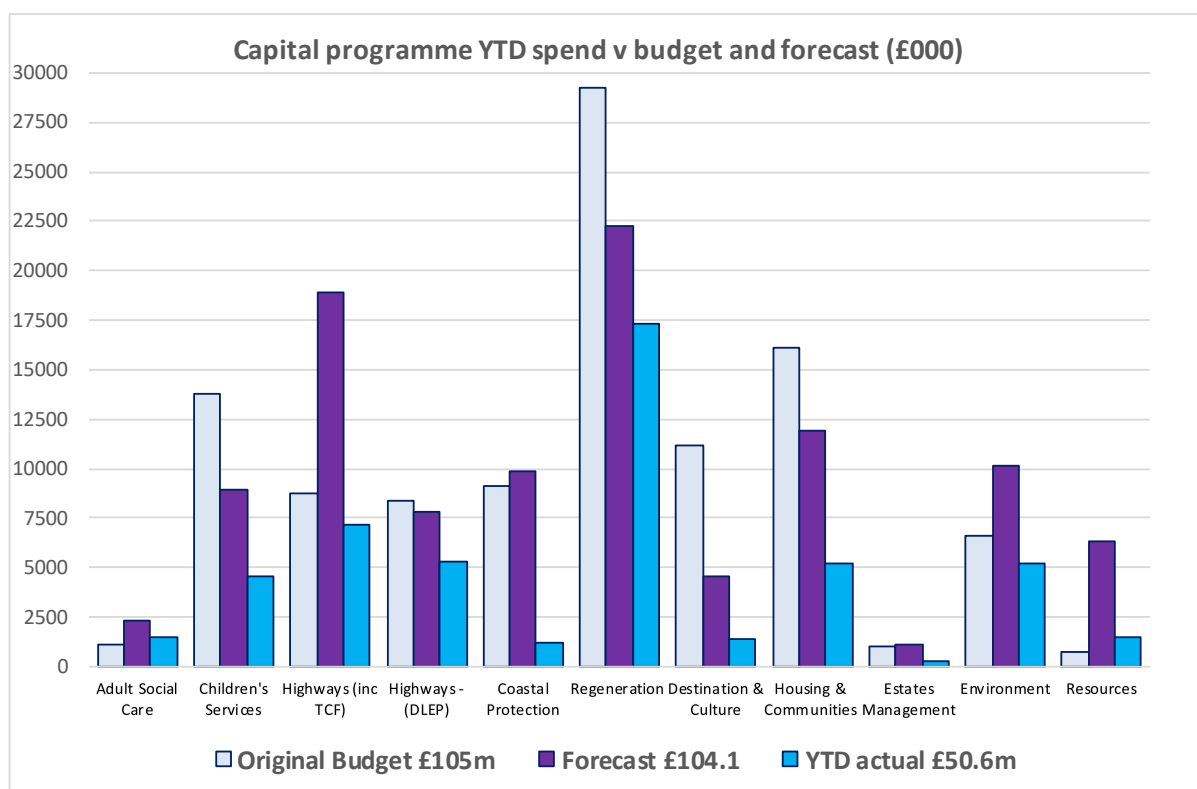
	£m
Accumulated deficit 1 April 2020	4.6
Budgeted high needs shortfall 2020/21	6.0
School funding block surplus 2020/21	(1.0)
Projected savings on other blocks 2020/21	(0.4)
Projected pressure in high needs block 2020/21	1.4
Projected deficit 31 March 2021	10.6

84. The plan to reduce the growth in the number of EHCP's is projected to deliver against target but the average cost of a plan remains greater than 2019/20. The savings target in the budget was based on the impact of the additional lower cost places being created in our local schools.
85. The service is continuing to report progress in reducing the high needs budget at monthly budget overview meetings with reporting to the Department for Education twice a year at regular intervals.

Capital budget monitoring 2020/21

86. 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.
87. The council has successfully secured significant levels of new government grant this financial year – including Transforming Cities Grant, Challenge Fund Grant, Emergency Active Travel Grant, and additional grant allocations for Pothole Grant and Disabled Facilities Grant. Given the timing of grant receipt and impact of three in-year national lockdowns, a significant proportion of this grant funding is not realistically expected to be utilised this financial year.
88. As a result, despite the allocation of additional external funding, the latest overall full year forecast capital spend is £104.1 million. This is comparable with the original budget of £105.7m approved by Council in February 2020.
89. Figure 4 below compares year to date spend to 31 December 2020 with original budget and latest forecast. At £50.6 million, actual spend to date is 49% of latest full year forecast. At time of report writing the UK has only just entered its third national lockdown. Where known, capital budgets have been adjusted for the impact of this on likely quarter four spend.
90. The full impact of lockdown is, however, difficult to assess with certainty at this stage. It is therefore probable that substantial levels of capital budget will remain unspent at 31 March 2021. These budgets will be rolled forward into next year's capital programme.

91. Figure 4: Capital investment programme spend



Capital investment programme - highlights

92. **Adults & Children's Services** - Carter School construction works are expected to complete in February / March 2021. Contracts have been awarded to progress new school build at Hillbourne School. The council continues to focus on additional capital investment in local SEND school places to mitigate significant revenue pressures in the high needs block. Around £1.7 million of capital budget is planned for 2020/21 for new satellite SEND provision across various sites, with further investment planned in 2021/22. In adult's social services, the integrated community equipment store capital budget is increased from £1.1 million to £1.8 million. This increase is funded from additional disabled facilities grant allocated to the service. Cabinet approval is sought for this budget increase in this report.
93. **Highways** – The council currently estimates spend around £8.3 million spend on transforming cities fund (TCF) capital projects in 2020/21, including investment in sustainable travel corridor S5 (Poole Town to Ferndown / Wimborne). The TCF is an ambitious and far-reaching programme of strategic investment that is supported by robust governance arrangements and is delivered in partnership with Dorset Council. Additionally, £1.6 million of the council's total £4.2 million challenge fund grant funding received this year is due to be spent in advance of the year end. The council has also allocated £0.9 million pothole grant funding towards its street scene operations, for highways improvements undertaken across the conurbation. The remainder of planned spend this year includes highways and bridges maintenance, walking and cycling improvements, road safety improvements and street lighting.

The council recognises there are significant challenges with delivering the highways capital investment programme through existing internal capacity. It is actively moving forward a recruitment process for new engineering roles ranging from junior to senior technician/engineer level, to increase resources available to manage project delivery.

94. **Highways DLEP** - £8.0 million investment (including funding from the Dorset Local Enterprise Partnership (DLEP) is budgeted for this financial year. As of 31 December, £5.3 million of this has been spent on major highways improvement works including Blackwater Junction and A338 widening works, Wallisdown connectivity works and Townside Access to the Port of Poole. These capital projects benefit from DLEP pipeline funding, which is limited to spend incurred before 31 March 2021. Spend in these capital budgets must therefore be incurred and invoiced (or accrued for) in advance of this deadline in order to be reclaimed from the DLEP.
95. **Coastal protection** – The council has recently awarded contracts for both the timber groyne and beach nourishment phases of the £8.9 million Poole Bay Beach Management programme, Work has commenced at pace with the majority of spend expected to be invoiced in quarter four. This programme is delivered in partnership with the Environment Agency.
96. **Regeneration** – The council remains committed to delivering a strategic programme of regeneration in the Lansdowne business district, including 5G digital connectivity and infrastructure, in partnership with DLEP. The scheme has undergone significant revision during the year. As a result, £3.7 million of DLEP grant funding originally earmarked to the programme will no longer be required. As with all DLEP funded schemes, the council must incur spend in advance of 31 March 2021 in order to access DLEP funding. Spend that fails to be included within final DLEP grant claim must be funded from council resources. Clearly there is significant financial risk to the council in the event that the council fails to meet this deadline – a risk that is heightened by the current national lockdown. **No financial provision has been made for this risk.**
97. As at 31 December the council has planned (but not yet reclaimed from DLEP) capital spend of £2.3 million in quarter four for Lansdowne Business District. A further £0.8 million planned spend for quarter four is outstanding on Lansdowne 5G and Smart Places Business Model development. Given the financial and reputational risks associated with this, these projects are monitored and reported to DLEP on a monthly basis. Officers are clear that every effort must be made to ensure the council does not commit to spend where there is no assurance that works will be completed in time to comply with DLEP grant claim deadlines. Officers are also clear that there is a need to ensure all spend attributable to these schemes is identified as quickly as possible and included within final DLEP grant claim.
98. Additionally, Ministry for Housing, Communities and Local Government (MHCLG) £1.0m towns fund grant awarded 25 September 2020, is required to be spent on Boscombe regeneration schemes by 31 March 2021. Whilst there is currently no scope to extend this deadline beyond this date, there is a clear plan in place to incur spend within the required timeframe.
99. The council also acquired the former power station land in the Holes Bay area of Poole earlier in the year. Work is underway to develop plans for new housing on this site – which will include an appropriate level of affordable housing provision.

100. **Destination & culture** – Cliff stabilisation works at Canford Cliffs are progressing well and are due to complete by Spring 2021. It is proposed that this project is 'refinanced' - with the use of new prudential borrowing to fund the project instead of capital fund - see capital budget virements section of this report. Subsequent phases of work in the area including pavilion works and new beach hut development are planned for 2021/22 and 2022/23. The seafront development programme also includes a programme of separate and innovative capital schemes that span the breadth of the council's coastline. These are planned to be delivered at pace in 2021/22. Programme delivery is monitored regularly by the council's Seafront Development Board.
101. **Housing** – Capital budget reflects construction of a new 46-unit housing development at the St Stephens. At the time of report writing the council expects the works to complete by the end of the year. There is clearly the potential for some work to slip into 2021/22 as a result of the third national lockdown. The council has also approved £3.5 million budget in 2020/21 for the acquisition of new homes under its temporary housing accommodation portfolio. The £3.5 million budget is part funded from £1.6 million Next Steps government grant, which must be utilised by 31 March 2021. 20 new homes are planned to be acquired through the programme this year. Of this 7 have been purchased, leaving 13 to be acquired before year end. Considering the lockdown, officers are preparing risk assessments and seeking management approval to resume viewing of properties identified as potential acquisitions.
102. **Environment** – The council is developing a long-term strategic fleet replacement plan, that will be both environmentally and financially sustainable. The capital programme will be updated once this plan is approved (expected spring 2021).
103. **Resources** – As well as annual investment in the council's ICT investment plan, the council has budgeted for £2 million one-off capital investment in ICT infrastructure and equipment as part of its transformation programme. This includes investment in laptops and Microsoft Teams, to maintain (and improve) agile working arrangements and investment in contact centre telephony, backup and security tools and data management.
104. In November 2020 the council approved capital budget of £5.7 million to facilitate the move to new civic office accommodation in Bournemouth. At this early stage of the programme the budget is profiled £2.9 million in 2020/21 and £2.8 million in 2021/22, with all works completed in time for full transition to new working space by autumn 2021. Existing civic office space that becomes vacant at this point (Poole and Christchurch civic centres) have been earmarked for subsequent disposal by 31 March 2022. No financial provision has been made for any building related costs beyond this date.

Capital investment programme – financing

105. The council has refinanced its capital investment programme significantly in response to the revenue budget pressures. This process has focussed on switching capital reserve funding allocated to specific capital projects to alternative funding sources (for example, community infrastructure levy or prudential borrowing). As a result of this work £2.8 million of capital reserves (built up from historic revenue budget contributions) have been released from the capital programme this year to support the 2020/21 revenue budget. In addition, a further £25.1 million of capital reserve (including £3.2 million capital refinancing adjustments proposed for Canford

Cliffs stabilisation and Hillbourne School in the capital virements section of this report) that was previously allocated to the capital programme has now been earmarked to support the 2021/22 revenue budget.

106. In choosing to undertake additional prudential borrowing the council is mindful of the CIPFA Prudential Code, which restricts the use of prudential borrowing to capital spend, and only where affordability of annual borrowing repayment costs can be demonstrated. Provision has been made within the MTFP for the new annual borrowing repayment costs. In doing so the council is taking advantage of comparatively low interest rates available from the Public Works Lending Board (PWLb) and linking expenditure to the timing of the benefits received.

107. Figure 5 below summarises the revised funding profile for 2020/21 planned capital programme. It demonstrates the general repurposing of earmarked reserves and capital receipts away from the capital investment programme (CIP). In line with the council's flexible use of capital receipts strategy, this funding is now earmarked to fund one-off revenue costs within the council's transformation programme. That said, based on the current profile of CIP spend in 2020/21, £2.7 million of capital fund is still currently earmarked for utilisation in 2020/21. Larger CIP projects to be funded from this include BH Live asset maintenance, Mosaic caseworker system, and Poole Park.

108. **Figure 5: Capital investment programme financing**

	£000
Government grant	62,148
Third party receipts	497
s106 developer contributions	2,416
CIL	1,895
External Funding Contributions	66,957
Capital fund (revenue funding for capital)	2,647
Capital receipts	34
Earmarked reserves	1,290
PRU borrowing - funded from HRA land transfers	1,250
PRU borrowing - repaid annually through the MTFP	31,904
BCP Funding Requirement	37,125
Capital Investment Programme Funding	104,082

Capital Budget Virements

109. In accordance with BCP Financial Regulations, the following capital budget virement requires **Cabinet** approval, as is in excess of £0.5 million but below £1m.

Service Directorate: **Adult Social Services**

Budget virement: **Increase Integrated Community Equipment Store (ICES) budget by £681k**

The capital budget for the council's investment in community equipment and technology enablement has been increased by £681,000 in 2020/21. This increase is funded largely from the allocation of prior year unspent disabled facilities grant originally earmarked to private housing adaptation work. Looking ahead, the council is rescheduling private housing adaptation work postponed from 2020/21 (and planned for 2021/22) as a result of constraints imposed by Covid-19.

110. In accordance with BCP financial regulations, the following capital budget virements require **Council** approval, as they are in excess of £1m.

Service Directorate: **Corporate**

Budget virement: **£3.2 million capital programme refinancing**

As part of the council's general refinancing of the capital programme, it is proposed that £3.2 million capital fund allocated as funding for Canford Cliffs stabilisation works (£1.9 million in 2020/21 and £0.6 million in 2021/22) and Hillbourne School (£0.7 million in 2020/21) is released to support the council's MTFP. The funding will be replaced with new prudential borrowing and CIL. The costs of additional annual borrowing repayments are factored into the MTFP.

Service Directorate: **Growth & Infrastructure – coastal protection**

Budget virement: **Accept £12.m Environment Agency Grant funding**

The council's outline business case for the Poole Bridge to Hunger Hill flood defence scheme was submitted to the Environment Agency in quarter three of this year, requesting £12.5 million flood defence grant in aid funding from which to deliver the scheme. Following a successful bid meeting with the Environment Agency's 'large projects review group', this funding has now been secured. In line with financial regulations council approval is sought to accept this funding. There is no local contribution funding requirement. The works are planned to commence in 2021/22 and are included within Budget 2021/22 report.

Housing Revenue Account (HRA) monitoring 2020/21

111. The 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.
112. 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.
113. The impact of the pandemic was initially expected to reduce HRA revenue collection by an increase in number of void properties leading to lower levels of rent charges raised. To date this has not happened but there continues to be a risk for income collection from the economic impact for tenants. This continues to be closely monitored.
114. Any changes to the revenue forecast from an otherwise balanced position is reflected in either an adjustment to the revenue contribution to capital or a call on HRA reserves within the ringfence.
115. In the capital programme, planned works in people's homes were delayed in the first lockdown period with further delays in November and now expected over the final quarter. Maintenance programmes are estimated to be reduced by approximately £4 million across both neighbourhoods (an increase from only £1 million of works projected to be delayed at quarter two). The unused budget this year will be carried forward within the programme for next year. As reported last time there have also

been significant delays in some of the major capital projects planned for this year. These projects will be rephased with £11 million of slippage into future years. This slippage results in lower borrowing requirement for the HRA in 2020/21 as reserves will be used to fund the capital programme.

Bournemouth neighbourhood

116. Appendix C1 provides the detail of revenue and capital budget monitoring statements for the Bournemouth neighbourhood.

Revenue account

117. There are no material income variances currently projected, with rents receivable being maintained against plan. There are support cost and repairs savings as a result of the lockdowns, with it now not expected that work will recover in the final quarter.

Capital programme

118. The capital programme of £19.7 million is projected to be £11.1 million spent (56% delivered) by the end of the year. At December 2020 expenditure of only £5 million has been incurred (45% of the latest forecast).

119. Previously delayed planned maintenance works are no longer expected to recover during the remainder of the year with £2.7 million projected to be carried forward into next year. There is reduced expenditure across most categories of spend in this element of the programme.

120. Significant delay is also being experienced in the development programme from the closedown of some sites during lockdown periods, slipping the programme by a further £5.9 million. These delays are likely to have an impact on the phasing of the programme into future years.

Poole neighbourhood

121. Poole Housing Partnership (PHP) prepare the budget monitoring information for the Poole neighbourhood with the end of December position reported on 19 January 2021 to the PHP Board.

122. Appendix C2 provides the detail of revenue and capital budget monitoring statements for the Poole neighbourhood.

Revenue account

123. There are no significant income budget variances currently projected for the revenue account with the rents raised projected to be only slightly ahead of budget (77% of the annual forecast raised by the end of quarter three). Collection rates are being maintained but will remain a risk over the final quarter.

124. In expenditure there is a £0.2 million overspend due the waking watch at Sterte Court from delay in the project to replace cladding. The impact of the overspend is reflected in the reduced revenue contribution to capital projected for the year.

Capital account

125. The February 2020 report to Council agreed a £21.4 million capital programme for the HRA in 2020/21. This budget included carry forwards from 2019/20 of £0.45 million. Additional carry forwards were identified at outturn totalling £0.23 million due

to delayed roofing, door replacement and fire risk assessment work. This brings the revised budget for 2020/21 to £21.6 million.

126. The projected outturn is for delivery of £14.3 million, representing 66% of the programme and a shortfall of £7.3 million (a similar level as reported at quarter two). At December 2020 only £5.3 million has been spent equating to 37% of the current annual projection. There is slippage in the maintenance programme of £1.2 million and £6 million for major projects.

127. The projected slippage across the programme reported at quarter two has increased with the third lockdown except for the Sterte Court cladding project and Old Town tower block works which are projected to recover some of the previously expected expenditure delay.

Scenario planning

128. Services consider previous and current year trends in estimating budget requirements over the remainder of the financial year with the most likely scenario taken forward in year-end financial projections.

129. At this stage it is assumed that the impact of the lockdown starting in January 2021 will be throughout quarter four.

Summary of financial implications

130. This is a financial report with budget implications a key feature of the above paragraphs.

Summary of legal implications

131. The recommendations in this report support the management of budget risks in the current year, MTFP and the overall financial viability of the council. The capital virements are required by the council's financial regulations.

Summary of human resources implications

132. There are no human resources implications from this report. The June Cabinet budget monitoring report included the implications of the current budget mitigation strategy.

Summary of sustainability impact

133. Different ways of working are continuing to reduce staff travel as included in the budget mitigation strategy. The accommodation strategy, and the smaller estate in future years will also lower pollution and energy consumption.

Summary of public health implications

134. The council is seeking to maintain appropriate services for the vulnerable as well as improve the sustainability of services important for the wellbeing of all residents.

135. The projected outturn includes a significant allowance for PPE to protect staff and residents to ensure compliance with all guidance to be issued by Public Health England over time.

Summary of equality implications

136. Budget holders are managing their in-year budget savings to minimise any adverse equalities issues.

Summary of risk assessment

137. The largest risk to current projections is within adult social care costs from the work underway to support the NHS achieve as rapid as possible discharge from hospital into suitable care provision.

Background papers

138. 2020/21 Budget and MTFP report to February 2020 Council

<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=3726&Ver=4>

139. Finance update report to 27 May 2020 Cabinet

[http://ced-pri-cms-02.ced.local/documents/s17294/BCP%20Council%20Finance%20Update.pdf?\\$LO\\$=1](http://ced-pri-cms-02.ced.local/documents/s17294/BCP%20Council%20Finance%20Update.pdf?LO=1)

140. Covid-19 budget monitoring report 2020/21 to 24 June 2020 Cabinet

[http://ced-pri-cms-02.ced.local/documents/s17802/Budget%20Rebase%20202021.pdf?\\$LO\\$=1](http://ced-pri-cms-02.ced.local/documents/s17802/Budget%20Rebase%20202021.pdf?LO=1)

141. 2020/21 Budget Monitoring and Medium-Term Financial Plan Update to 11 November 2020 Cabinet

<http://ced-pri-cms-02.ced.local/ieListDocuments.aspx?MId=4617&x=1>

142. 2020/21 Budget Monitoring and Medium-Term Financial plan Update to 16 December 2020 Cabinet

[http://ced-pri-cms-02.ced.local/ieListDocuments.aspx?CId=285&MId=4258&Ver=4&\\$LO\\$=1](http://ced-pri-cms-02.ced.local/ieListDocuments.aspx?CId=285&MId=4258&Ver=4&LO=1)

Appendices

Appendix A1 Projected variances greater than £100,000 for 2020/21

Appendix A2 Revenue summary position 2020/21

Appendix B Schedule of movement in reserves for 2020/21

Appendix C1 Summary of Bournemouth neighbourhood HRA for 2020/21

Appendix C2 Summary of the Poole neighbourhood HRA for 2020/21

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Appendix A1: Budget Variances Greater than £100,000

Adult Social Care & Public Health

Budget	Explanation	September Variance 2020/21 £000s	December Variance 2020/21 £000s	Change £000s
Covid Pressures				
All client groups	Potential market pressures	4,902	5,196	294
All client groups	Client related expenditure - all client groups	304	309	5
All client groups	Service user contributions	360	360	0
Reablement	In house care provision	77	0	(77)
Employees	Other worker related expenditure	300	275	(25)
All client groups	Delayed transformation and other savings	940	940	0
All client groups	Additional infection control pressures to support the market	0	0	0
All client groups	Additional infection control grant	0	0	0
All client groups	Care cost from hospital discharge schemes funded by Health	11,633	19,165	7,532
All client groups	Funding from Health for hospital discharge schemes	(11,633)	(19,165)	(7,532)
Savings in June Mitigation Strategy				
Fundamental Base Budget Review	Budget rebase including LGR disaggregated amounts, care costs and reduced activity due to Covid-19 such as mileage and training.	(1,300)	(1,300)	0
Employee Costs - Care	Savings relating to vacant posts.	(1,000)	(1,000)	0
Long Term Conditions	Reduction in placement numbers as measures are put in place to provide alternative provision in a client's own home.	(500)	(500)	0
Long Term Conditions	Implementation of a strengths based approach to assessment and enhanced review programme of support being provided to residents receiving home care, ensuring that care packages meet eligible needs under the Care Act 2014.	(300)	(300)	0

Long Term Conditions	Implementation of a strengths based approach to assessment and enhanced programme of review of support being provided to residents who use direct payments, ensuring that care packages meet eligible needs under the Care Act 2014.	(200)	(200)	0
Learning Disability and Mental Health	Package of measures including targeted reviews, achieving best value from s117 and reviewing the need to maintain case contingencies for cases in Continuing Health Care or Ordinary Residence disputes.	0	0	0
Tricuro Savings	Efficiency savings in relation to care services provided by Tricuro.	(200)	(200)	0
Employee Costs - Commissioning & Improvement	Savings relating to service restructure.	(110)	(110)	0
Day Opportunity Initiatives	Consistent application of eligibility criteria across the BCP Council area.	(100)	(100)	0
Other Pressures and Savings				
Employees	Saving from vacancies	(1)	0	1
Care Packages	Demand for care from all client groups	1,500	652	(848)
Client Contributions	additional client contributions including deferred payments from all client groups	(1,775)	(2,305)	(530)
Miscellaneous	Other smaller pressures and savings	276	(264)	(540)
Total Adult Social Care & Public Health		3,173	1,453	(1,720)

Children's Services

Budget	Explanation	September Variance 2020/21 £000s	December Variance 2020/21 £000s	Change £000s
Covid Pressures				
Social Care	Additional numbers and complexity of places	4,020	4,161	141
Employees	Staffing restructures	229	229	0
Support to Schools	Support in the recovery period	250	0	(250)
Social Care	Early help contact/ S17/ and loss of income	660	710	50
Savings in June Mitigation Strategy				
Employee Costs	Savings relating to service restructure.	(237)	(237)	0
Supplies & Services - Miscellaneous	Budgets temporarily underspent due to Covid-19 and budgets that can be permanently reduced.	(200)	(200)	0
Commissioning Framework	Review of commissioning framework and service level agreements.	(165)	(165)	0
Partnership Reserve	One-off return of built up partnership reserve - requires board agreement.	(100)	(100)	0
Other Items Below £100k.	Various budget reductions.	(55)	(55)	0
Other Pressures and Savings				
Employee Costs	Post ofsted action plan	310	310	0
Employee Costs	Pressures continuing from last year in the front door and business support and new pressure in SEN team, operation Thunderstorm and systems and locality teams	1,581	2,173	592
SEN Transport	Increased cost due to transportnig to new satalite sites and high cost for 2 children	0	230	230
SEN Legal Costs	Cost of tribunals	0	150	150
Miscellaneous	Other smaller pressures and savings / vacancy drag	0	(413)	(413)
Public Health	Contribution of pan Dorset public health service underspend to council spend on public health activities	0	(500)	(500)
Total Children's Services		6,293	6,293	0

Environment & Community

Budget	Explanation	September Variance 2020/21 £000s	December Variance 2020/21 £000s	Change £000s
Covid Pressures				
Waste Services	Income-generating services: Mainly impact of loss of trade waste income through previous lockdowns and continuation of current lock down until March	976	1,385	409
Highways Maintenance	Reduced inspections, potentially increased insurance claims, loss of income-generating work	15	15	0
Bereavement Services	Establishment of excess death facility and additional service activity, implementation of social distance measures	794	862	68
Catering & Concessions	Income loss due to closures - now extended to March	222	262	40
Temporary Accommodation	Considered net in previous reports	0	0	0
Temporary Accommodation	Accommodation and food costs	2,757	2,826	69
Temporary Accommodation	Security costs	1,056	1,056	0
Temporary Accommodation	Housing Subsidy shortfall	611	611	0
Temporary Accommodation	Temporary Accommodation - night support worker	581	387	(194)
Temporary Accommodation	Resettlement officer, cleaning, enhanced rent deposits	185	185	0
Temporary Accommodation	Housing Benefit	(797)	(848)	(51)
Temporary Accommodation	MHCLG specific grants related to covid pressures, plus reprioritisation of other revenue grants	(2,795)	(3,084)	(289)
Housing	Telecare	100	85	(15)

Housing - Facilities Management	Mainly reduced income for works with recovery of earlier losses no longer possible in third lockdown	64	942	878
Communities	Licensing/Markets loss of income	407	373	(34)
Parks and Open Spaces	Kings Park Nursery, Catering, Golf, Hengistbury Head Visitor Centre & Land Train	777	661	(116)
Savings in June Mitigation Strategy				
Communities:				
Supplies & Services - Miscellaneous	Review of budgets that will be temporarily underspent due to Covid-19.	(150)	(150)	0
Employee Costs - Regulatory	Savings relating to service restructure.	(121)	(121)	0
Employee Costs - Communities	Savings relating to vacant posts.	(69)	(69)	0
Other Items Below £100k.	Various budget reductions.	(142)	(142)	0
Environment:				
2020/21 priorities (some restoration through later 100 day plan)	Removal or reduction of priorities relating to climate change, street cleansing, unauthorised encampments and highways maintenance.	(582)	(582)	0
Employee Costs	Savings relating to vacant posts.	(384)	(384)	0
Poole Crematorium	Continue with current service provision.	(103)	(103)	0
Waste & Cleansing Collection Rounds	Efficiencies relating to collection round re-balancing for two rounds.	(77)	(77)	0
Supplies & Services - Miscellaneous	Review of budgets that will be temporarily underspent due to Covid-19.	(69)	(69)	0
Other Items Below £100k.	Various budget reductions plus increased income relating to cess pit emptying and replacement bins.	(145)	(145)	0
Housing:				
Supplies & Services - Miscellaneous	Review of budgets that will be temporarily underspent due to Covid-19.	(406)	(406)	0
Solar Panel Income	Rebalancing solar panel budget for HRA stock to reflect current activity.	(300)	(300)	0
Bad Debt Provision	Temporary suspension of contribution to rent deposit bad debt provision.	(150)	(150)	0

Employee Costs - Housing	Savings relating to vacant posts.	(138)	(138)	0
Employee Costs	Largely temporary changes to establishment budget and reduction to back fill.	(109)	(109)	0
Other Items Below £100k.	Various budget reductions.	(52)	(52)	0
Other Pressures and Savings				
Recharge Income	Rebase income budget in line 2019/20 outturn	246	246	0
Waste Services	Partially due to non application of RDF taxes	(534)	(546)	(12)
Housing	Housing Related Support Contract Saving	(127)	(100)	27
	Other Items Below £100k.	109	122	13
Total Environment & Community		1,650	2,443	793

Regeneration & Economy

Budget	Explanation	September Variance 2020/21 £000s	December Variance 2020/21 £000s	Change £000s
Covid Pressures				
Car Parking	Parking charges, PCN income	9,516	11,916	2,400
Seafront and Tourism	Short term beach hut lets, concession income	3,505	3,913	408
Culture and Heritage	Highcliffe Castle, Arts & Museums, Libraries, Archives, Russell Cotes	952	1,012	60
Leisure Centres	BH Live, Two Riversmeet	3,664	3,472	(192)
Growth and Infrastructure	Fewer hours able to be recharged to capital schemes	1,479	1,344	(135)
Upton Country Park	All park activities	103	103	0
Transportation	Free use of Beryl bikes by NHS staff and key workers	30	30	0
Resort Management	Costs incurred to ensure a safe and compliant resort following the easing of lockdown	1,253	1,253	0
Planning	Covid-19 impact on fees	604	534	(70)
Building control	Covid-19 impact on fees	607	529	(78)
Savings in June Mitigation Strategy				
Destination & Culture:				
Supplies & Services - Miscellaneous	Review of budgets that will be temporarily underspent due to Covid-19.	(1,320)	(1,320)	0
Air Festival	Net savings from cancellation of the air festival.	(232)	(232)	0
2020/21 Budget Priorities	Removal of budget priority relating to Culture.	(150)	(150)	0
Employee Costs	Savings relating to vacant posts.	(113)	(113)	0
Temporary Funfair	Major temporary funfair at Pier Approach, Lower Gardens and Poole Quay	0	0	0
Other Items Below £100k.	Various budget reductions.	(61)	(61)	0
Development:				

2020/21 Budget Priorities	Removal of budget priority relating to Regeneration.	(326)	(326)	0
Employee Costs	Savings relating to vacant posts.	(184)	(184)	0
Supplies & Services - Miscellaneous	Review of budgets that will be temporarily underspent due to Covid-19.	(106)	(106)	0
Growth & Infrastructure:				
Supplies & Services - Miscellaneous	Review of budgets that will be temporarily underspent due to Covid-19.	(688)	(688)	0
Employee Costs	Savings relating to vacant posts.	(510)	(510)	0
Other Items Below £100k.	Various budget reductions.	(40)	(40)	0
Planning	Salaries and non pay savings	(177)	(149)	28
Building control	Salaries and non pay savings	(49)	(88)	(39)
Other Pressures and savings				
Car parking	Richmond Gardens car park repair of sink hole	71	71	0
Transport Network	Traffic lights and signalling contract pressures	92	92	0
Car parking	Business rates	114	114	0
Passenger Transport	Adult Social Care Fleet	250	250	0
Street Lighting	PFI contract pressure	0	197	197
Smart Cities	Improved recovery of rechargable costs	0	(100)	(100)
Transport Development	Reduced activity and associated consultant costs	0	(215)	(215)
Flood and Coastal	Reduced activity and associated salary costs	0	(200)	(200)
Sustainable Transport	Loss of departure income from Travel Interchange	0	72	72
Total Regeneration & Economy		18,284	20,420	2,136

Resources

Budget	Explanation	September Variance 2020/21 £000s	December Variance 2020/21 £000s	Change £000s
Covid Pressures				
Land Charges	Lost of income due to reduced activity	150	150	0
Registrars	Reduced weddings, increased death certificates	700	700	0
Housing Benefits	Housing Benefit Subsidy	50	50	0
Emergency Planning	Standby payments	0	0	0
ICT Services	Budget WAN saving undeliverable as unable to be on site	226	243	17
PPE Purchases	Estimate for items not within services	600	600	0
Tax Collection	Reduction in court summons income from Council Tax and NNDR	1,116	1,116	0
Customer Services	Overtime and equipment	94	60	(34)
Law & Governance	Legal Fees	80	63	(17)
Other Pressures	Miscellaneous other (< £100k overall)	156	184	28
Savings in June Mitigation Strategy				
Supplies & Services - Miscellaneous	Review of budgets that will be temporarily underspent due to Covid-19 and budgets that can be permanently reduced.	(514)	(514)	0
Employee Costs	Savings relating to vacant posts.	(250)	(250)	0
Insurance	Temporary reduction in contribution to insurance provision.	(200)	(200)	0
Election Reserve	Temporary removal of election reserve contribution.	(170)	(170)	0
Housing Benefits	Removal of unused budget for the harmonisation of local council tax support scheme.	(146)	(146)	0
Other Pressures and savings				
Resources	Salary cost pressures	142	61	(81)
Resources	Other cost pressures (including additional spend on telephones and mobile phone data)	258	574	316
Resources	Changes to members allowances as agreed 24 November 2020 Council	36	76	40

Resources	Centralisation of stationery project to manage spend	(100)	(100)	0
Total Resources		2,228	2,497	269

Corporate Items

Budget	Explanation	September Variance 2020/21 £000s	December Variance 2020/21 £000s	Change £000s
Covid Pressures				
Investment Property	Rent reductions / company administrations	2,328	2,328	0
Council Tax	5% on annual yield for duration of scenario	5,009	0	(5,009)
Council Tax	Increased bad debt provision	3,271	0	(3,271)
Business Rates	Loss of excess income to safety net level	3,661	0	(3,661)
Savings in June Mitigation Strategy				
Furloughed Staff	Estimated claim - adjusted since October	(980)	(807)	173
Pension Costs	Saving in pension contribution to reflect actual costs.	(30)	(30)	0
Other Pressures and savings				
Redundancy Costs	Contribution towards expected redundancy costs as a result of Transformation.	0	13,282	13,282
Revenue contribution to capital - general	Previously showed the budget supporting transformation in 2019/20 but will instead support 2020/21 budget	0	(2,480)	(2,480)
Revenue contribution to transformation	Previously showed the budget supporting transformation of £2,480k in 2019/20 but instead £100k needed	0	100	100
Estates Management	Revenue impact of estates project (November Cabinet)	251	251	0
Transformation - Smarter Structures	External support to increase the pace of change	350	350	0
100 Day Plan	Additional in-year expenditure across various areas including street cleansing, prevention of antisocial behaviour, homeless initiatives, regeneration and mental health, much of which is aimed at increasing a sense of pride in the BCP Council area.	365	365	0
Interest Payable	Reduction in interest rates on temporary borrowing cost	(185)	(182)	3
Investment Income	Reduction in interest rates means lower investment returns	55	23	(32)
One off small items	Various income items	(65)	(65)	0
Total Corporate Items		14,030	13,135	(895)

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BCP Council - General Fund Summary 31 December 2020

Directorate	Revenue	Working Budget	Covid 19 Pressures	Covid 19 Mitigation	Other Pressures	Forecast Outturn	Forecast Variance
Adult Social Care	Expenditure Total	209,876	25,889	(3,710)	(37)	232,018	22,142
	Income Total	(98,397)	(18,809)	0	(1,880)	(119,086)	(20,689)
Adult Social Care Total		111,479	7,080	(3,710)	(1,917)	112,932	1,453
Children's Services (excl DSG)	Expenditure Total	76,299	4,540	(657)	1,384	81,566	5,267
	Income Total	(14,575)	560	(100)	566	(13,549)	1,026
Children's Services Total		61,724	5,100	(757)	1,950	68,017	6,293
Environment & Community	Expenditure Total	63,296	6,450	(2,561)	1,096	68,281	4,985
	Income Total	(55,895)	(731)	(436)	(1,375)	(58,437)	(2,542)
Environment & Community Total		7,401	5,719	(2,997)	(279)	9,844	2,443
Regeneration & Economy	Expenditure Total	76,342	4,166	(4,495)	281	76,294	(48)
	Income Total	(25,119)	19,940	528	0	(4,651)	20,468
Regeneration & Economy Total		51,223	24,106	(3,967)	281	71,643	20,420
Resources (inc PPE costs)	Expenditure Total	146,682	1,200	(1,280)	610	147,212	530
	Income Total	(113,768)	1,966	0	0	(111,802)	1,966
Resources Total		32,913	3,166	(1,280)	610	35,410	2,497
100 Day Plan	Expenditure Total	0	0	0	365	365	365

Total Net Cost of Service		264,740	45,171	(12,711)	1,010	298,211	33,471
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Corporate Items

Furlough Savings		0	0	(807)	0	(807)	(807)
Estates Management		0	0	0	251	251	251
Smarter Structures		0	0	0	350	350	350
Covid and Transformation Mitigation Reserve Contribution		0	0	0	13,282	13,282	13,282
Provision for repayment (MRP)		11,647	0	0	0	11,647	0
Pensions		5,612	0	(30)	0	5,582	(30)
Revenue contribution to capital - general		2,839	(2,480)	0	0	359	(2,480)
Revenue contribution to transformation		0	100	0	0	100	100
Interest on borrowings		1,799	0	0	(182)	1,617	(182)
High Needs Reserve Contribution		1,230	(1,230)	0	0	0	(1,230)
Revenue contribution to transformation		0	1,230	0	0	1,230	1,230
Contingency		1,151	0	(1,151)	0	0	(1,151)
Parish, Town, Neighbourhood Councils & Charter Trustees		969	0	0	0	969	0
Contingency for pay award		0	0	0	0	0	0
Movement to and (from) reserves		(344)	0	0	0	(344)	0
One off small items		0	0	0	(65)	(65)	(65)
Levies (Environment Agency / Fisheries)		597	0	0	0	597	0
Apprentice Levy		565	0	0	0	565	0
Revenue expenditure on surplus assets		171	0	0	0	171	0
Corporate Items	Expenditure Total	26,236	(2,380)	(1,988)	13,636	35,504	9,268

Corporate Items

Investment property income		(6,212)	2,328	0	0	(3,884)	2,328
Income from HRA		(949)	0	0	0	(949)	0
Other Grant Income		(351)	0	0	0	(351)	0
Interest on cash investments		(185)	0	0	23	(162)	23
Dividend Income		(100)	0	0	0	(100)	0
Corporate Items	Income Total	(7,797)	2,328	0	23	(5,446)	2,351

Net Budget Requirement		283,179	45,119	(14,699)	14,669	328,269	45,090
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Funding

Covid19 Grant - Tranche 1		0	(11,102)	0	0	(11,102)	(11,102)
Covid19 Grant - Tranche 2		0	(10,905)	0	0	(10,905)	(10,905)
Covid19 Grant - Tranche 3		0	(3,153)	0	0	(3,153)	(3,153)
Covid19 Grant - Tranche 4		0	(3,883)	0	0	(3,883)	(3,883)
Covid 19 Grant - Sales, Fees and Charges Compensation		0	(13,277)	0	0	(13,277)	(13,277)
Council Tax Income		(217,075)	0	0	0	(217,075)	0
Business Rates Income		(58,102)	0	0	0	(58,102)	0
Revenue support grant		(3,005)	0	0	0	(3,005)	0
New Homes Bonus Grant		(2,648)	0	0	0	(2,648)	0
Collection Fund Surplus Distribution		(1,380)	0	0	0	(1,380)	0
Parish/Town/Neigh Coun & Charter Trustees		(969)	0	0	0	(969)	0

Total Funding		(283,179)	(42,320)	0	0	(325,499)	(42,320)
Net Position		0	2,799	(14,699)	14,669	2,770	2,770

Potential Project Savings		0	0	0	0	(2,770)	(2,770)
Potential use of Financial Resilience Reserve		0	0	0	0	0	0
Net Position after potential use of reserves		0	2,799	(14,699)	14,669	0	0

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Appendix B - BCP Council - Earmarked Reserves

Detail	31/03/20 Actual Balances £000's	Covid Resilience £000's	Transformation £000's	Estimated Movements £000's	31/03/21 Estimated Balances £000's
(A) - Financial Resilience Reserves	(13,318)	(5,082)	10,331	(42,272)	(50,153)
(B) - Transition and Transformation Reserves	(3,454)	0	718	2,661	(75)
(C) - Asset Investment Strategy Rent, Renewals and Repairs	(2,491)	0	0	276	(2,215)
(D) - Insurance Reserve	(3,500)	0	0	0	(3,500)
(E) - Held in Partnership for External Organisations	(3,071)	0	0	933	(2,138)
(F) - Required by Statute or Legislation	(3,013)	2,591	0	0	(422)
(G) - Planning Related	(1,396)	461	0	224	(711)
(H) - Government Grants	(18,190)	0	0	13,419	(4,771)
(I) - Maintenance	(1,601)	224	0	0	(1,377)
(J) - ICT Development & Improvement	(1,203)	380	0	479	(344)
(K) - Corporate Priorities & Improvements	(2,529)	1,228	0	464	(1,025)
GF Earmarked Reserve Balance - 31 March 2020	(53,766)	(198)	11,049	(23,816)	(66,731)

(A) - Financial Resilience Reserves

	31/03/20 Estimated £000's	Covid Resilience £000's	Transformation £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)	0	10,331	(4,831)	0
Financial Planning Reserve	(892)	0	0	892	0
Financial Resilience Reserves	(6,675)	1,688	0	4,987	0
Other Financial Resilience Reserves	(63)	0	0	63	0
Refinancing of the Capital Programme Reserve	0	0	0	(25,103)	(25,103)
MFTP Mitigation Reserve	0	0	0	(2,100)	(2,100)
Covid 19 Financial Resilience Reserve	0	0	0	(9,982)	(9,982)
Transformation Mitigation Resilience Reserve	0	(6,770)	0	(6,198)	(12,968)
Financial Resilience Reserves	(13,130)	(5,082)	10,331	(42,272)	(50,153)

(B) - Transition and Transformation Reserves

	31/03/20 Estimated £000's	Covid Resilience £000's	Transformation £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	(1,181)	0	0	1,181	0
BCP Programme Resources - Costs originally profiled for 2019/20	(909)	0	718	116	(75)
BCP Programme Resources - Pay and Reward Strategy	(1,364)	0	0	1,364	0
Transition and Transformation Reserves	(3,454)	0	718	2,661	(75)

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

	31/03/20 Estimated £000's	Covid Resilience £000's	Transformation £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	(2,491)	0	0	276	(2,215)

(D) - Insurance Reserve

	31/03/20 Estimated £000's	Covid Resilience £000's	Transformation £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	0	0	(3,500)

(E) - Held in Partnership for External Organisations

	31/03/20 Estimated £000's	Covid Resilience £000's	Transformation £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	0	0	(202)
- Dorset Adult Learning Service	(387)	0	0	142	(245)
- Stour Valley and Poole Partnership	(781)	0	0	197	(584)
- CCG Emotional Wellbeing and Mental Health	(655)	0	0	250	(405)
- Local Economic Partnership	(1)	0	0	0	(1)
- Flippers Nursery	(89)	0	0	0	(89)
- Adult Safeguarding Board	(42)	0	0	0	(42)
- Dorset Youth Offending Service Partnership	(367)	0	0	200	(167)
- Music and Arts Education Partnership	(358)	0	0	0	(358)
- Bournemouth 2026	(98)	0	0	98	0
- Bournemouth 2026 - West Howe Bid	(45)	0	0	0	(45)
- Charter Trustees	(46)	0	0	46	0
Held in Partnership for External Organisations	(3,071)	0	0	933	(2,138)

(F) - Required by Statute or Legislation

	31/03/20 Estimated £000's	Covid Resilience £000's	Transformation £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	0	0	(128)
Bournemouth Library Private Finance Initiative (PFI)	(393)	0	0	0	(393)
Carbon Trust	99	0	0	0	99
Business Rates Levy payments annual variation reserve	(2,591)	2,591	0	0	0
Business Rates 19/20 Settlement Grant - paid 18/19 - Surplus national levy/safely net account	0	0	0	0	0
Required by Statute or Legislation	(3,013)	2,591	0	0	(422)

(G) - Planning Related

	31/03/20 Estimated £000's	Covid Resilience £000's	Transformation £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	(644)	0	0	95	(549)
Planning Hearing and Enforcement Reserve	(123)	0	0	0	(123)
Other Planning Related Reserves	(629)	461	0	129	(39)
Planning Related	(1,396)	461	0	224	(711)

(H) - Government Grants

	31/03/20 Estimated £000's	Covid Resilience £000's	Transformation £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	(18,190)	0	0	13,419	(4,771)

(I) - Maintenance

	31/03/20 Estimated £000's	Covid Resilience £000's	Transformation £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	(400)	149	0	0	(251)
Other Maintenance Related Reserves	(1,201)	75	0	0	(1,126)
Maintenance	(1,601)	224	0	0	(1,377)

(J) - ICT Development & Improvement

	31/03/20 Estimated £000's	Covid Resilience £000's	Transformation £000's	Movement £000's	31/03/21 Estimated £000's
Purpose: Resources set aside to meet various ICT improvement projects					
ICT Development & Improvement	(1,203)	380	0	479	(344)

(K) -Corporate Priorities & Improvements

	31/03/20 Estimated £000's	Covid Resilience £000's	Transformation £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	0	121	0
Capital Feasibility and Small Works Fund	(342)	0	0	342	0
Local Elections Reserve	(187)	0	0	0	(187)
Other Corporate Priorities & Improvements	(2,067)	1,228	0	1	(838)
Corporate Priorities & Improvements	(2,717)	1,228	0	464	(1,025)

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HRA Bournemouth Neighbourhood - Revenue Account 2020/21

	December	Approved	Forecast	Variance
	Actuals	Budget	Outturn	£000s
	£000s	£000s	£000s	
Income				
Dwelling Rents	(17,260)	(22,439)	(22,439)	0
Non-Dwelling Rents	(105)	(147)	(125)	22
Charges for Services and Facilities	(629)	(1,532)	(1,568)	(36)
Contributions towards expenditure	(47)	(60)	(60)	0
Total Income	(18,041)	(24,178)	(24,192)	(14)
Expenditure				
Repairs and Maintenance	2,106	5,378	5,173	(205)
Supervision and Management	4,110	8,575	8,169	(406)
Rent, rates, taxes and other charges	169	222	220	(2)
Bad or Doubtful debts	0	188	188	0
Capital financing costs (debt management)	0	75	75	0
Depreciation	0	7,253	7,253	0
Capital Charges (net)	0		0	0
Interest and investment income	1,238	2,487	2,487	0
Total Expenditure	7,623	24,178	23,565	(613)
(Surplus) / Deficit	(10,418)	0	(627)	(627)

HRA Bournemouth Neighbourhood - Capital Programme 2020/21

	December	Approved	Forecast	Variance
	Actuals	Budget	Outturn	£000s
	£000s	£000s	£000s	
Basic Planned Maintenance				
External Doors	21	300	50	(250)
Boiler Replacement Programme	79	670	250	(420)
Windows	881	1,180	950	(230)
Building External – All schemes	707	700	840	140
Fire Risk Remedial works	97	600	200	(400)
Electrical Works	53	130	130	0
Kitchen Replacement Programme	427	850	430	(420)
Building Envelope (Seddons)	6	60	20	(40)
Roofing	136	350	350	0
Bathrooms	367	950	400	(550)
Disabled Adaptations	440	700	500	(200)
Various programmes under £100,000	452	1,116	743	(373)
Capitalised Salaries	0	331	331	0
Major Projects				0
Northbourne Day Centre	12	962	12	(950)
Barrow Drive Garages	266	454	379	(75)
Princess Rd Development	105	1,400	1,389	(11)
Ibbertson Way Garages	153	662	371	(291)
Luckham Rd/Charminster Rd	4	1,706	614	(1,092)
Cabbage Patch Car Park	2	1,700	352	(1,348)
Moorside Road	46	1,950	209	(1,741)
Templeman House	36	1,700	935	(765)
New Build & Acquisition TBC	677	1,147	1,666	519
				0
Total Capital Programme	4,967	19,618	11,121	(8,497)

HRA Poole Neighbourhood - Revenue Account 2020/21

	December	Approved	Forecast	Variance
	Actuals	Budget	Outturn	£000s
	£000s	£000s	£000s	
Income				
Dwelling Rents	(15,509)	(20,070)	(20,112)	(42)
Non-Dwelling Rents	(21)	(41)	(27)	14
Charges for Services and Facilities	(928)	(1,553)	(1,553)	0
Contributions towards expenditure	(53)	(54)	(53)	1
Total Income	(16,511)	(21,718)	(21,745)	(27)
Expenditure				
Repairs and Maintenance	4,105	5,368	5,357	(11)
Supervision and Management	3,478	4,365	4,595	230
Rent, rates, taxes and other charges	156	160	160	0
Bad or Doubtful debts		197	197	0
Capital financing costs (debt management)	105	105	105	0
Depreciation Charge	0	4,861	4,861	0
Capital Charges (net)	1,431	3,013	3,007	(6)
Contribution to transformation	1,000	1,000	1,000	0
Contribution to HRA reserve		162	162	0
Contribution new builds		2,487	2,301	(186)
Total Expenditure	10,275	21,718	21,745	27
(Surplus) / Deficit	(6,236)	0	0	0

HRA Poole Neighbourhood - Capital Programme 2020/21

	December	Approved	Forecast	Variance
	Actuals	Budget	Outturn	£000s
	£000s	£000s	£000s	
Basic Planned Maintenance				
External Doors	64	150	150	0
Boiler Replacement Programme	654	1,389	1,196	(193)
Windows	421	628	628	0
Building External – All schemes	5	290	10	(280)
Fire Risk Remedial works	422	841	785	(56)
Electrical Works	44	450	360	(90)
Kitchen Replacement Programme	163	675	495	(180)
Building Envelope (Seddons)	72	312	266	(46)
Roofing	246	380	330	(50)
Bathrooms	21	250	131	(119)
Various programmes under £100,000	318	693	468	(225)
Capitalised PHP Salaries	399	524	532	8
Other Planned Maintenance				
Voids Maintenance	0	50	50	0
Sustainability	26	100	70	(30)
Contingency	0	250	0	(250)
Sales Admin	0	26	0	(26)
DA - Stairlifts	0	10	0	(10)
Disabled Adaptations	147	350	230	(120)
New Computer System	159	250	250	0
Major Projects				
Cladding	105	450	795	345
New Build - Infill Projects	5	1,100	30	(1,070)
New Build - Montacute	43	151	40	(111)
Old Town Tower Block Works	1,303	7,350	5,968	(1,383)
Herbert Avenue Modular	(8)	2,347	87	(2,261)
Small Projects/Acquisitions	469	1,000	750	(250)
Sheltered Sites Works	99	0	100	100
Cynthia House	(27)	577	60	(517)
Sprinkler Installations	172	754	365	(389)
Hillborne School Development	35	285	204	(82)
Total Capital Programme	5,357	21,633	14,349	(7,284)

CABINET



Report subject	Wessex Fields - Proposed Land Disposal
Meeting date	10 February 2021
Status	Public Report with Confidential Appendix
Executive summary	<p>On 16 December 2020 Cabinet agreed in principle to dispose of part of the Wessex Fields site to the adjoining landowner University Hospitals Dorset NHS Foundation Trust in partnership with Bournemouth University, to deliver their proposal for a strategically relevant development with a focus on Medical technology, medical research and education. Cabinet authorised officers to negotiate the heads of terms for the disposal.</p> <p>It is proposed that circa 5.65 acres of the site is sold to University Hospitals Dorset NHS Foundation Trust, leaving the Council with circa 8.95 acres of remaining land.</p> <p>The purchase price has taken into consideration an obligation on BCP Council to design, fund and build a new junction into the site from Deansleigh Road and a new access road from the A338.</p> <p>The terms of the disposal have been agreed between the parties and are outlined in the confidential appendix to this report.</p> <p>Progressing with this disposal will still enable BCP Council to develop the remainder of the Wessex Fields site in line with the preferred use themes, and in the most strategically beneficial way to the conurbation and local community and supports the Council's desire to work with the NHS Trusts.</p>
Recommendations	<p>That Cabinet RECOMMENDS to Council to;</p> <ul style="list-style-type: none"> (a) agree to dispose of approximately 5.65 acres of land at Wessex Fields, as outlined in blue on the attached plan in Appendix 1, to University Hospitals Dorset NHS Foundation Trust for the purchase price detailed in the confidential appendix to this report; (b) agrees to construct the new access road (including junctions) into the site shown on the attached plans in Appendix 3 and 4; (c) delegates authority to the Corporate Property Officer in consultation with the Portfolio holder, Monitoring

	<p>Officer and Section 151 Officer to finalise the detailed terms of the disposal;</p> <p>(d) amend the 2021/22 Capital programme to include an allocation as detailed in the confidential appendix to fund the road/junction works to enable the development of this land;</p>
Reason for recommendations	<p>The disposal of the land to allow the development proposed by UHD NHS Foundation Trust contributes to the Council's Corporate strategy priorities, specifically helping to create dynamic places and fulfilled lives and enables the repayment of part of the prudential borrowing utilised for the site acquisition in 2017.</p> <p>The proposed disposal meets the aspirations of the Council and its key strategic partners, the local NHS trust and Bournemouth University, to deliver the vision developed for Wessex Fields which is set out in a Memorandum of Understanding between the parties.</p>
Portfolio Holder(s):	Cllr Philip Broadhead, Portfolio Holder for Regeneration, Economy and Strategic Planning
Corporate Director	Bill Cotton, Corporate Director, Regeneration and Economy
Report Authors	Sarah Longthorpe, Strategic Projects and Investment Manager
Wards	Littledown & Iford;
Classification	For Recommendation

Background

1. A Cabinet report dated 16 December 2020 outlined the options in relation to the future development of the land at Wessex Fields.
2. Cabinet agreed the recommendation that sought approval in principle to a freehold disposal of part of the site to University Hospitals Dorset NHS Foundation Trust (UHD), working with Bournemouth University (BU), and to work in collaboration with these organisations on the longer term development of the remainder of the Wessex Fields site.
3. Cabinet authorised officers to negotiate the terms of the proposed disposal of part of the site which sought to maximise the preferred uses for the land and provide the best long term strategic and economic benefits for all parties.
4. The Council has already agreed in principle to dispose of a small parcel of land to UHD for the Pathology Laboratory, authority for this disposal was delegated to the Corporate Property Officer due to the value being under £350k.
5. The proposed disposal of a larger parcel of land, which runs along the existing boundary with the hospital adjacent to the proposed pathology laboratory site, will

enable UHD to progress the development of the pathology Laboratory at pace, commencing in 2021. It will allow UHD and BU to follow on with the delivery of education, research and Medtech uses an Energy Centre, and any other ancillary related use, together and a Multi Storey Car Park (MSCP), subject to planning.

6. The disposal will enable the realisation of new educational and research facilities and develop medical sciences and technologies, a high value growth sector, in partnership with BU who has a track record for being a Medtech anchor institution.
7. The exact land area (approx. 2.29 hectares or 5.65 acres) including the Pathology Laboratory site) is outlined in blue on the plan attached at Appendix 1.
8. The proposed heads of terms of the disposal have now been agreed between the parties and are outlined in the Confidential report attached at Appendix 2. As a result of the negotiations, consent is now being sought from Cabinet to progress with the disposal.
9. The agreed land value reflects an obligation on BCP Council that will be incorporated in the sale contract to fund the construction of part of the site access at the Deansleigh Road entrance, in accordance with the existing planning consent together with a new road to the proposed MSCP subject to the necessary planning consents. The indicative location of the road to the MSCP is detailed on Appendix 3 and the Deansleigh Road Junction in Appendix 4.
10. The final design of the junction from Deansleigh Road into the site which is in part on Council owned land will need to be determined in consultation with the adjacent landowner as a section of the adjoining land will need to be transferred to the Council and adopted as public highway. The landowner has agreed in principle to transfer the required land hatched blue in the plan in Appendix 4.
11. It is proposed that the new road infrastructure will be designed and built by the Council and designated as a public highway under the Highways Act 1980.
12. The proposed road works will increase the value of the retained land holding and are pivotal in unlocking the wider development potential of the site.
13. As previously mentioned, the Council has retained a large part of the site, circa 8.95 acres of employment land, and is committed to progressing the delivery of the wider masterplan (as shared by UHD in October 2020) in collaboration with UHB and BU to create a campus with pedestrian access and public spaces, minimising the impact of new road infrastructure; facilitating the delivery of key worker housing, estimated at 500 units, on the remainder of the site to provide affordable accommodation and help the NHS attract and retain staff. This close link between the hospital and housing will enable walk to work, thus reducing vehicle movements to and from the site.

Consultation with Ward Councillors

14. The site lies within the Littledown and Iford Ward. The ward Councillors were consulted on the options presented in the Cabinet report dated 16 December 2020 and were supportive of the disposal of part of the site to UHD.

Summary of financial implications

15. The financial implications are detailed in the Confidential report attached at Appendix 2.

Summary of legal implications

16. The Council has the necessary statutory powers to dispose of this land under Section 123 of the Local Government Act 1972, which gives a general power of disposal for the best consideration reasonable obtainable.
17. An independent RICS red book valuation has been produced by Savills in order for the Council to satisfy its obligations under Section 123, Local Government Act 1972. The report confirms the agreed sum represents best consideration.
18. The Council will retain vehicular access rights together with rights to lay services across any land sold to UHD, in order to facilitate the future wider development of the site.
19. Section 226 of the Town and Country Planning Act 1990 ("TCPA") authorises the Council to acquire land for planning purposes where the Council believes the acquisition will facilitate development or improvement of the land and achieve or promote the economic, social or environmental well being of any part of its area. The proposed disposal of the land at Wessex Fields is in accordance with this purpose.

Summary of human resources implications

20. There are no People implications arising from the recommendations within this report. There is no Equality Impact Assessment required or any contractual consequences.

Summary of sustainability impact

21. A Decision Impact Assessment (DIA) has been undertaken for this proposal and is attached in Appendix 5.
22. This impact assessment identified that whilst the disposal of land will have a positive impact it will also have some minor negative impacts. The Council aspires to a carbon-neutral development at Wessex Fields and has already taken measures to reduce the impact of site development through previous cabinet decisions, such as a commitment to reducing vehicle movements on the site and create green open spaces within the development.
23. UHD and BU both have excellent carbon reduction track records and support the aspiration to low or zero carbon developments.
24. These principles are underpinned in the Memorandum of Understanding. All parties have agreed to collaborate to create sustainable, efficient and quality developments including sustainable transport solutions at this site which will help to mitigate some of the minor negative impacts identified in the DIA.

Summary of public health implications

25. The health and wellbeing of the local community will be enhanced through the recommendations in this report.
26. The challenge of an ageing society here in Dorset (where the average age is 20 years older than the rest of the UK) is not something which can be ignored. Medical research, Medtech developments and provision of sufficient care infrastructure for those not able to remain in their own homes, is vital to give the local population the best quality of life possible in their later years.

27. The disposal of part of the land to UHD will facilitate development uses in line with public consultation previously undertaken which has affirmed the appetite within the community to use the land in a way which enhances the options of the eldest sector of the community.
28. It is hoped that by working in collaboration with UHD and BU and Friends of the Elderly, as a local stakeholder on the wider site master plan, facilities will be improved for older people.

Summary of equality implications

29. There are no equality implications associated with the recommendations brought forward in this report. However, we wish to continue to work with local community groups with specific needs in the longer term, to ensure all implications are identified and addressed.

Summary of risk assessment

30. Cabinet should be mindful of the following specific risks attached to any transaction of the land at Wessex Fields:
31. The financial risks associated with developing out the remainder of the site remain with the Council. Funds have been allocated to seek further professional, commercial and development advice as a matter of priority to determine how development of the remainder of the site is structured in the future in order to mitigate this risk and maximise returns.
32. The planning and design of the road to the MSCP has yet to be finalised and a planning consent secured. Should the funding of the proposed road infrastructure exceed the budgeted allocation BCP Council would need to fund these increased costs. This has been mitigated by a high contingency provision of 50% for this element.
33. The delivery of the necessary highway's infrastructure works will need to be appropriately resourced by the Council to ensure they are delivered within the agreed timescales.
34. The UHD still has to obtain a planning consent for its proposed development, except the pathology laboratory. However, the land has been allocated for employment uses and therefore there is a low risk of planning not being granted for the uses that UHD are proposing. This has been factored into the land value which considers the value of the employment land allocation.

Background papers

None

Appendices

Appendix 1 – Plan - Disposal area

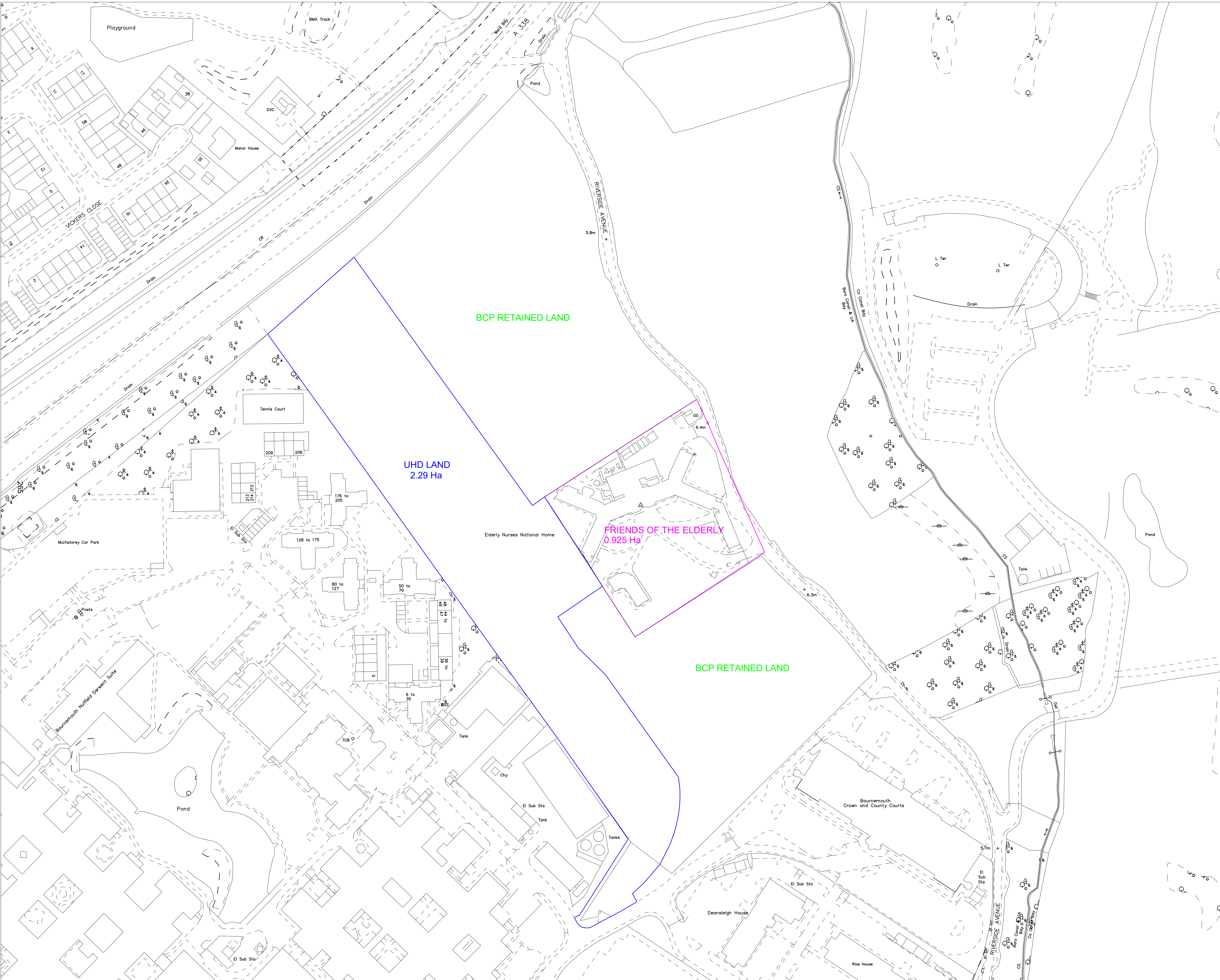
Appendix 2 – CONFIDENTIAL Financial Report

Appendix 3 – Proposed indicative new road and junction locations

Appendix 4 - Plan - Proposed highways dedication for Deansleigh Road Junction

Appendix 5- Decision Impact Assessment.

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Figured dimensions only are to be taken from this drawing. All dimensions are to be checked on site before any work is put in hand.

Layout Sign Off

Client Approved :

Date :

Friends of the Elderly Land

UHD Land

1	First Issue	12 Jan 2021	RC	RC
Rev	Description	Date	Drawn	Checked

Checked

r.cullen

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Client's name

Bournemouth Borough Council

Job Title

Wessex Fields Business Park

Drawing Title

Indicative UHD Land Purchase Plan

Scale

1:1000 @ A1

Job No.

18071

Drawing No.

18071-SBR-XX-DR-A-00003

Status

PRELIMINARY

Rev.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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Date :

UHD Land

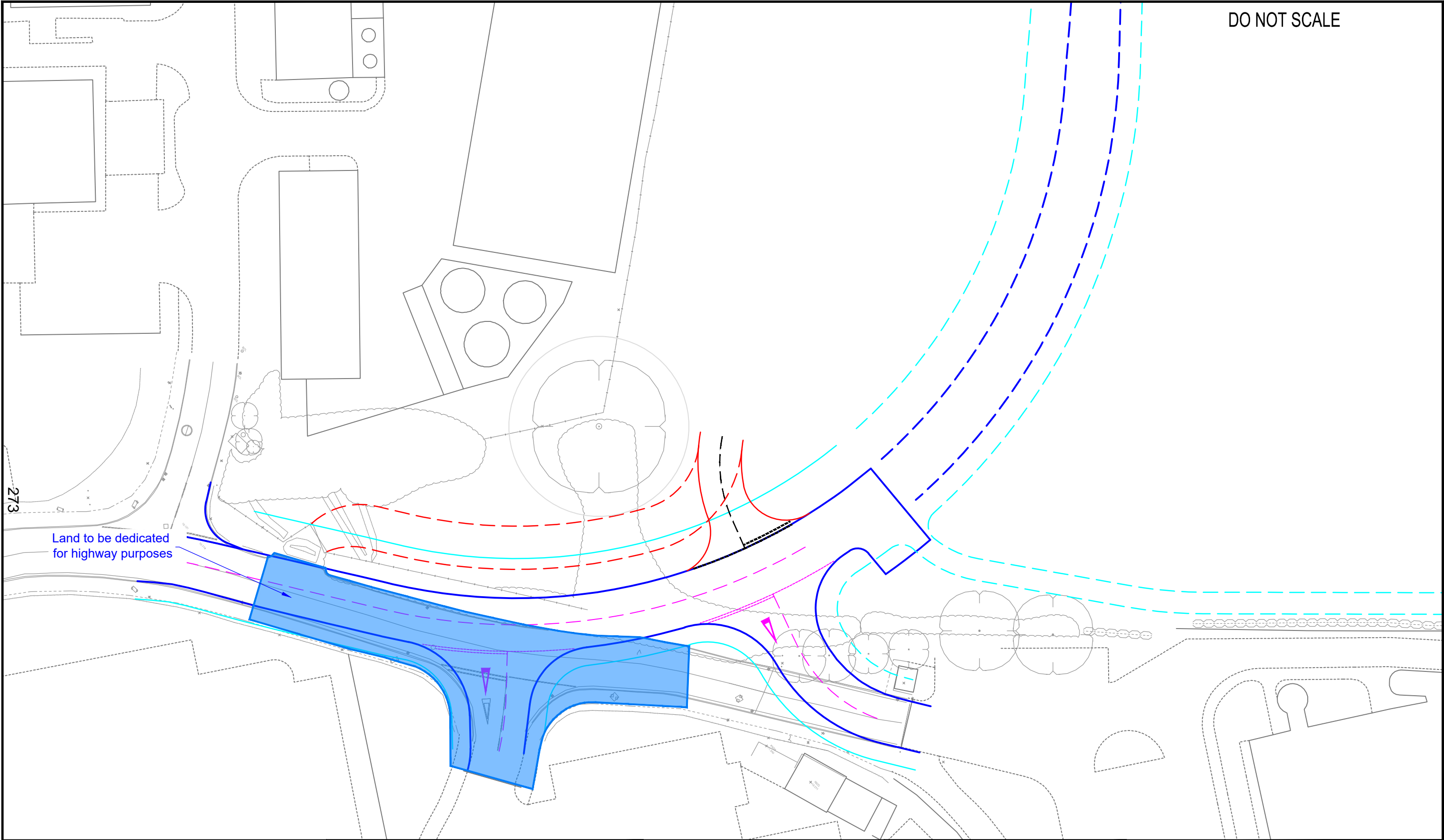
1	First Issue	20 Jan 2021	RC	RC
Rev	Description	Date	Drawn	Checked

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P01	14/01/2021	EC	FIRST ISSUE	SH	SH
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S2 - FOR INFORMATION					



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CLIENT:	UHD NHS Foundation Trust
ARCHITECT:	

PROJECT:	Royal Bournemouth Hospital Expansion
TITLE:	Land for Highway Dedication

SCALE @ A3:		CHECKED:		APPROVED:	
1:500		SH		SH	
PROJECT No:		DESIGNED:	DRAWN:	DATE:	
70057027			EC	January 21	
DRAWING No:				REV:	
70057027-0100-SK9				P01	
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Decision Impact Assessment Report

Wessex Fields Disposal of Land

DIA Proposal ID: 182

Assessment date: 17th December 2020

Assessor(s): Sarah Longthorpe

Support: Roxanne King



The Decision Impact Assessment (DIA) is a requirement of BCP Council's Financial and Procurement Regulations. It has been developed to help project managers maximise the co-benefits of proposals, reduce risk and ensuring that sustainable outputs and value for money are delivered through every project, plan, strategy, policy, service and procurement.

The following report highlights the opportunities and potential issues associated with the above titled proposal. It has been assessed against a number of themes and shared with BCP Council Theme Advisors for internal consultation. The RAG ratings and additional information have been provided by the project manager and may or may not have incorporated feedback from theme advisors. Results should be scrutinised by decision-makers when considering the outcome of a proposal.

The results of this DIA will be combined with all other assessments to enable cumulative impact data across a wide range of data sets. Individual DIA reports should be included in proposal documentation and made available to decision makers for consideration. Cumulative impact reports will be produced annually or as required by the Climate Action Steering Group and Members Working Group.

For questions and further information, please contact Sustainability Team at DIA@bcpcouncil.gov.uk

Please note: This report is in a draft format and may appear different to future DIA reports.

Decision Impact Assessment

DIA Proposal ID: 182

Welcome Roxanne King



Proposal Title: Wessex Fields Disposal of Land

[Review registration](#)

Home Page

Climate Change & Energy

Complete



Communities & Culture

Complete



Waste & Resource Use

Complete



Economy

Complete



Health & Wellbeing

Complete



Learning & Skills

Complete



Natural Environment

Complete



Sustainable Procurement

Complete



Transport & Accessibility

Complete



Key



Not yet assessed



Major negative impacts identified



Minor negative impacts identified / unknown impacts



Only positive impacts identified



No positive or negative impacts identified

[Submit Proposal](#)

At any point the assessment you can request a report of what has been completed so far, for example to share with colleagues.

Note that it may take up to two working days for the report to be emailed to you.

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

Proposal Title	Wessex Fields Disposal of Land
Type of Proposal	Other
Brief Description	Disposal of approximately 6.15 acres of land at Wessex Fields to University Hospital Dorset NHS Foundation Trust to enable development of the land for a pathology lab, MedTech/research buildings and a multi-storey car park.
Assessor	Sarah Longthorpe, Commercial Programme Manager
Directorate	Regeneration & Economy
Service Unit	Development
Estimated Cost	No cost
Ward(s) Affected	Littledown & Iford

Sustainable Development Goals (SDGs) Supported:



RAG reasoning and proposed mitigation/monitoring actions

Theme	RAG	RAG reasoning <i>Details of impacts including evidence and knowledge gaps</i>	Mitigation and monitoring actions <i>Additional information relevant to the theme e.g. monitoring activities, performance indicators, related strategies. Amber / Red ratings - any mitigation/remedial action being considered</i>
Climate Change & Energy		This relates to a freehold disposal of land. The exact nature and design of the development is still to be determined and would require the necessary planning consent. Both UHD and BU are committed to delivering carbon neutral developments and have a good track record of delivery. The partners are committed to reducing traffic movement on their site and this newly acquired piece of land.	Sale of land to be completed by 31st March 2021.
Communities & Culture		The sale of the land will support new MedTech research facilities which will improve public health and wellbeing in the community. The remainder of the site, which BCP Council are retaining ownership of, will be developed out to provide affordable/key worker housing and elderly living.	The council has entered into a Memorandum of Understanding with UHD and BU.
Waste & Resource Use		This relates to a freehold disposal of land. The exact nature and design of the development is still to be determined and would require the necessary planning consent. Both UHD and BU are committed to delivering carbon neutral developments and have a good track record of delivery.	Waste management strategy will be required for planning purposes.

Economy		This relates to a freehold disposal of land. The exact nature and design of the development is still to be determined and would require the necessary planning consent. Both UHD and BU are committed to delivering carbon neutral developments and have a good track record of delivery. The partners are committed to reducing traffic movement on their site and supporting sustainable methods of transport. The pathology lab has planning consent and includes new cycle lanes.	It is anticipated that this development will contribute to the creation of circa 500 new jobs.
Health & Wellbeing		Whilst the exact design is undetermined at the stage, the use of the land will support new medical and health facilities that will benefit the community and staff. UHD is committed to delivering a sustainable development on this site.	N/A
Learning & Skills		Bournemouth University is a key strategic partner and will be a tenant in the completed development, however the exact nature and extent is for the partners to determine.	N/A
Natural Environment		Previously agricultural land now designated for employment use. Any future design/ development is subject to planning and will seek to maximise green space within the development and connectivity to the adjacent SSSI.	As part of the A338 Wessex Fields link road installation, the relevant ecological survey were undertaken.
Sustainable Procurement		No procurement - disposal of freehold land.	
Transport & Accessibility		This relates to a freehold disposal of land. The exact nature and design of the development is still to be determined and would require the necessary planning consent. Both UHD and BU are committed to delivering carbon neutral developments and have a good track record of delivery. The partners are committed to reducing traffic movement on their site and this newly acquired piece of land, however part of the site will be for the creation of a new staff multistorey carpark.	Traffic Impact Assessment will be undertaken for planning purposes.

CABINET



Report subject	Dedicated Schools Grant (DSG) Schools and Early Years Formulae 2021/22
Meeting date	10 February 2021
Status	Public Report
Executive summary	<p>The council is required to set funding formulae for:</p> <ul style="list-style-type: none"> • Early education and childcare for eligible 2 year olds and all 3&4 year olds. • Mainstream schools for pupils in reception to year 11 <p>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 School's Forum papers.</p> <p>Consultation has taken place with all relevant providers, schools and the School's Forum.</p> <p>This report includes the recommendations of the Schools Forum for approval. To support Cabinet consideration, the School's Forum Papers can be accessed through the link below:</p> <p>BCP Schools Forum</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>Cabinet to recommend to the council:</p> <p>(a) The early years funding formula as set out in Table 2 of paragraph 31.</p> <p>(b) The mainstream school's funding formula set out in Table 6 of Appendix 2 allowing for a £1.1 million (0.5%) transfer of Schools Block funding to support High Needs.</p> <p>(c) The local formula to adopt the National Funding Formula (NFF) funding values and mechanisms as set out in the report.</p> <p>(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 Portfolio Holder for Covid Resilience, Schools and Skills, taking into account the methodology recommended by the School's 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 2021/22 increase in funding from government to early years providers.</p> <p>Recommendation (b) allocates funding to mainstream schools by a formula methodology recommended by the School's Forum.</p> <p>Recommendation (c) allocates funding to all schools in line with the full NFF if a transfer level below £1.3 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>
Portfolio Holder(s):	Councillor Nicola Green, Portfolio Holder for Covid Resilience, Schools and Skills
Corporate Director	Elaine Redding, Corporate Director, Children's Services
Report Authors	<p>Neil Goddard,</p> <p>Director, Quality and Commissioning</p> <p>✉ neil.goddard@bcpcouncil.gov.uk</p> <p>☎ 01202 128702</p>
Wards	Council-wide
Classification	For Recommendation

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 BCP in 2021/22 of circa £300 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 levels is pupil numbers. Details of the provisional BCP DSG settlement for 2021/22 are as follows:

Table 1: BCP DSG Settlement 2021-22

Funding Block	2020-21 Budget	2021-22 Forecast	Annual Change		Reason for Change
	£000's	£000's	£000's	%	
Early Years	20,995	21,283	288	1.4%	Increase in funding rates by £0.06 (3&4 yo) and £0.08 (2 yo) per hour
Schools	219,176	228,879	9,704	4.4%	Demographic and funding growth
Central School Services	2,088	2,058	-30	-1.4%	Demographic growth offset by funding reduction
High Needs	43,738	47,756	4,018	9%	Demographic and funding growth
Total Funding	285,997	299,976	13,980	4.9%	

2. Early Years funding for 2021-22 has been estimated by the DfE based on the January 2020 census. This will be finalised in summer 2022 based on the January census in the following two years.
3. Funding through the Schools and Central School Services Blocks is finalised each year in the December Settlement, based on the previous October school census. In 2021-22 the increase in pupils at October 2020 has generated £2.1 million of additional funding with the remaining £7.6 million delivered through higher funding values in the schools NFF.
4. The DfE School Funding Statutory Framework governs the expenditure that can be met from each funding block.

Schools Forum

5. The Schools Forum is a statutory independent 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.
6. 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.
7. The Regulations set out the responsibilities for decision-making between the Schools Forum and the LA, including any consultation requirements.
8. 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.

High Needs Block

9. The High Needs Block (HNB) largely funds the costs of meeting individual pupils identified additional needs through top up funding for those in mainstream schools, special school funding and the cost of specialist provision. There several factors placing pressure on this budget. Following legislative changes in 2014 there has been significant increases, locally and nationally, on the number of children and young people with Education, Health and Care Plans (8.9% in BCP in 2020), increasing preference and use of Special Schools at a greater cost and the rising numbers of pupils post 16 and 19 young people remaining in education following the legislation extending support to potential 25. Nationally the vast majority of Local Authorities are reporting their high needs budget expenditure is in excess of funding.
10. Within BCP, following a review of High Needs spending and increased robustness of financial data recording, we have identified a high needs funding gap of £10.8 million for 2021-22. This will be additional to the overall accrued deficit in the DSG that has been brought forward from previous years (£4.6 million) and the funding shortfall in 2020/21 which includes the budgeted shortfall (£5 million) and projected overspend (£1 million). Without further mitigating actions the total deficit at the end of the 2021/22 financial year is projected therefore at £21.4 million.

11. In order to address the High Needs Block overspend, Schools Forum has agreed to set up a High Needs working group of LA and School representatives. The group will overview the High Needs Budget recovery plan including reviewing expenditure and further developing options to address the overspend. To support this working group and to ensure financial rigour for the Council a full options appraisal will be undertaken to inform any capital bids and changes in funding arrangements within the High Needs Budget Recovery Plan.
12. There are a number of variables impacting on the High Needs Budget most notably the changing child population demographics and DfE funding arrangements. However, several other factors such as parental preference, Ofsted ratings of schools and levels of exclusions can also impact on the overall budget. As part of the full options appraisal, detailed financial modelling and analysis will be undertaken to support a more robust High Needs Budget Recovery Plan.
13. Fundamental to reducing the overspend is the need for our schools to be more inclusive to avoid the escalation of needs and resultant placement of children and young people in more expensive special schools and non-maintained independent schools.
14. With significant increases in the numbers of pupils with EHCPs in secondary school there is a clear need to provide locally good quality and cost effective post 16 and Post 19 employment, education and training opportunities. Building upon ongoing work a capital bid has been made to develop a SEND Preparing for Adulthood Hub to provide support and guidance to young people and their families on local options as well as developing additional Post 19 specialist provision for young people with a severe learning disability or autism with complex needs to reduce high cost placements.
15. Whilst additional special school places have been created there is a need to support more inclusion within our mainstream schools. A capital bid has been made to develop up to 4 additional resource provision within mainstream schools to meet specific needs, such as those pupils with autism with mainstream abilities and those children with moderate learning difficulties. With some capital funding to adapt existing special school provision this will allow for additional pupils with more complex needs to be met within our local special schools avoiding high cost placements.
16. In order to support the increasing costs of meeting additional needs, the Council is able to consider transferring resources from the School's Block (SB) of the DSG into the High Needs Block (HNB). The effect of this is to reduce the resources vulnerable to distribute to schools and increase those retained to be targeted at additional needs. If this transfer is less than 0.5% of the total SB, then approval can be given by the Schools Forum, a transfer greater than this would require an application for approval by the DFE. Any transfer of 0.5% or less that is not agreed by the School's Forum, would also need to be approved by DFE.
17. The Schools Forum meeting held on 14th January 2021 received details of the provisional DSG settlement for BCP along with the feedback from the consultation process that has been undertaken in relation to the allocation of DSG resources for the 2021/22 financial year. A DFE representative attended the Forum meeting to observe and gather immediate feedback on any proposed transfer.
18. Having considered these responses, the Schools Forum decided to support the transfer of 0.5% of the School's Block, an amount that would be available after funding all schools at the

full National Funding Formula level, of £1.1 million to support the High Needs Block. The Forum further supported the remaining surplus of £0.17 million (0.1%) to be added to the centrally retained growth fund as a contingency. Based on this approach, an application for DfE approval would not be required as this falls within the School's Forums powers to approve. The DfE representative who observed the Forum meeting did not raise any concern with this approach.

19. The Council could decide to make an application for a higher level of transfer, given the forecast overspend in HNB set out above. A 1.1% transfer would represent the transfer of the surplus in SB as set out above plus an additional 0.5% reduction in NFF, for which there was some support in the consultation process. A transfer level of 5% would be required to fully meet the forecast overspend in 2021/22, however this would be difficult to deliver due to restrictions on how the NFF can be scaled down to allow any transfer.
20. The Schools Forum only agreed a transfer of 0.5% and so any application for an amount over this would be considered without their support. A request to transfer more than the 0.5% even with Forum approval was turned down in 2020/21. Soft intelligence suggests most Councils will look to request no more than a 0.5% transfer as anything else is unlikely to be approved.
21. The LA can decide to transfer funding from early years or central school services, but this could not be at any scale and funding is fully committed between early years providers and Council services.
22. Based on this a transfer as set out in paragraph 13 above is recommended. These proposals recognise the challenges in setting a balanced DSG budget to meet the needs of all pupils.

Early Years Single Funding Formula (EYSFF)

23. BCP Council is required to operate a single EYSFF. The formula is applicable for 2, 3 and 4-year old 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.
24. The funding rates were unchanged over the 3- year period 2017/18 to 2019/20 and uplifted nationally in-line with inflation for 2020/21 by £0.08 per hour.
25. Funding rates for 2021-22 have again been uplifted nationally in line within inflation by £0.06 for 3&4 year olds and £0.08 for 2 year olds. This report recommends that this is passed on to providers in full, with centrally retained funding at the same level as 2020/21. The increase is proposed to be added to the provider base rate.

2021/22 Local Formula

26. The structure of the formula for 2-years-olds is a mandatory single base rate (eligibility is restricted to children from low income families).
27. 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.

2021/22 Formula Development

28. The principles proposed for the formula are to be a continuation of the 2020/21 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.

Formal Consultation and Recommendation from the Schools Forum

29. The consultation ran for 4 consecutive weeks, ending on 14 December 2020. A consultation paper was distributed to the 364 providers and a virtual consultation event was held. Responses were provided via an on-line survey with a 14% response rate achieved. The consultation proposed the 2020/21 formula was retained for 2021/22 with only the base rate adjusted to reflect the level of funding available. This had the broad support of providers.

30. The Schools Forum considered the outcome of the consultation at the 14 January 2021 meeting and supported the proposal for central retention from Early Years for LA support functions.

Proposed EYSFF 2021/22 for Council Decision

31. The 2020/21 base rate for 3&4 year olds is updated by £0.06 per hour, and 2 year olds by £0.08 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	£5.08	£5.08	Every child
SEND Inclusion Fund	£0.13	£2.00 or £6.30	Per eligible child
Central Functions	£0.18		
DSG Funding Per Hour	£5.39		

Children Aged 3 and 4:

Funding Elements	Allocation from Funded Rate *	EYSFF Provider Rate	Note
Base Rate	£4.12	£4.12	Every child
Deprivation	£0.13	£0.53	Per eligible child
SEND Inclusion Fund	£0.11	£2.00 or £6.30	Per eligible child
Central Functions	£0.02		
DSG Funding Per Hour	£4.44		

*The shaded allocations from the DSG funding levels of £5.39 (2-year-olds) and £4.44 (3 and 4 year olds) are shown for context.

Appendix 1 provides a summary of the formula for BCP

Mainstream Schools Formula

32. 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.
33. BCP has £229 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

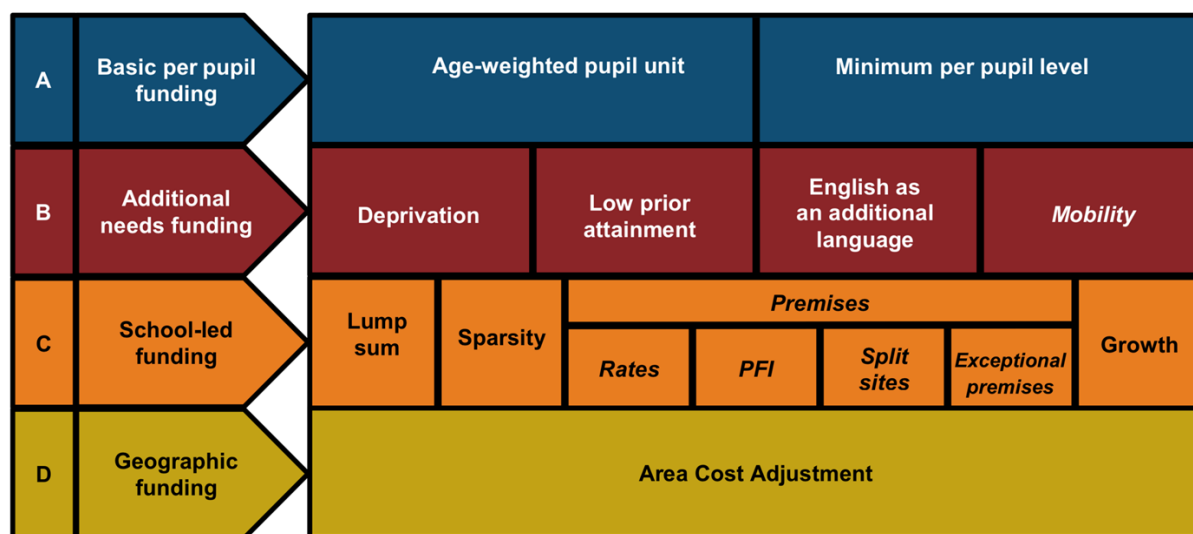
Allocation of Funding	£000's
Total Schools Block Allocation – Table 1	228,879
Growth Fund agreed by Schools Forum plus agreed contingency	(402)
Transfer to High Needs –£1.1m agreed by Schools Forum with application to DfE in progress	(1,144)
Total for Individual School Budgets (ISB)	£227,333

Schools NFF to Fund LAs

34. 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 2022/23. BCP

adopted the NFF in 2020/21 as the level of funding transfer to high needs was limited by the DfE with the full NFF therefore affordable.

Figure 1: Factors in the schools national funding formula



35. The impact of the 2021/22 NFF for BCP to fund its 89 mainstream schools is as follows:

- Minimum per pupil funding level (MPPFL)** impacting on 50 schools. MPPFL increase compared with 2020/21 of Primary 6.4%, Secondary 2.8%. 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 2021/22 than in 2020/21.
- Minimum per pupil funding protection of 2%** for 10 schools where the **NFF provides less than local historic allocations** (typically schools with higher levels of deprivation).
- The remaining 29 schools are fully **formula funded** with changes in NFF allocations compared with 2020/21 driven by a 3% uplift on all NFF formula factors unit values other than Free School Meals (1.5% uplift) and by data changes from the October 2019 school census.

36. The school level NFF allocations for each phase are totalled and divided by pupil numbers at October 2019 to derive the unit funding levels for 2021/22. These are then applied to October 2020 census pupil numbers to determine the final Schools NFF funding for all mainstream schools.

Local Formula to Fund Mainstream Schools

37. 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.

38. 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 2020/21. The NFF uses this mechanism but instead compares to the 2020/21 NFF rather than the local formula.

39. 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.

2021/22 BCP Mainstream Formula Development

40. At its meeting in October 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 2020/21.
41. The funding gap in high needs was considered at the same meeting. The proposals for the mainstream formula were the same as those adopted for 2020/21:
- a) all schools should share the cost of any transfer as equitably as possible
 - b) the methodology developed by the working group for 2020/21 budgets to reduce NFF allocations for varying levels of transfer was to form the basis of the consultation with all schools.
 - c) a number of technical formula adjustments were also to be included.

Formal Consultation and Recommendation from the Schools Forum

42. The consultation with schools was undertaken over 4 weeks, closing on 14 December 2020. 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 virtual consultation meeting was held in early December, aided by a presentation, that was well-attended by schools.
43. A response rate from mainstream and special schools of 68% was achieved.
44. The majority of schools (55% of responses) agreed schools should give up 0.5% (£1.1 million) NFF funding to contribute to any transfer to high needs with support for the mechanism proposed, with no schools supporting schools giving up either 1% or 1.5% of funding from NFF for a transfer. However, this was in the context of no assumed surplus being available once schools were fully funded at NFF levels.
45. The Schools Forum received the outcome of the consultation with schools at the 14 January 2021 meeting and made a recommendation as to how the Schools NFF should be adjusted to manage a funding transfer if the council decided to pursue a transfer above 0.5% and 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.

2021/22 Proposed BCP Mainstream Formula based on a £1.1 million transfer

46. The final formula for approval (based on a £1.1 million transfer) is included in Table 6 of Appendix 2, with a comparison with the 2020/21 local BCP formula and the 2021/22 Schools NFF for context.
47. The Schools Forum supported a transfer of £1.1 million, and, 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.

Financial Impact for Mainstream Schools by Phase

48. The phase impact of the proposal based on a £1.1 million transfer compared with 2020/21 school budgets and the 2021/22 NFF is shown in Table 4 below:

Table 4: Impact of the Proposed 2021/22 Mainstream Schools Formula by School Phase

Phase	2020/21 Per pupil Budget	2020/21 Budget £000s	2021/22 Per pupil Budget	Per Pupil change against 2020/21	2021/22 Budget £000s	NFF Per pupil Budget	Per Pupil change against NFF
Infant/ First Total	4,086	19,052	4,305	5.36%	20,212	4,305	0.00%
Junior Total	4,060	21,309	4,264	5.00%	21,817	4,264	0.00%
Primary Total	4,148	67,986	4,331	4.42%	70,382	4,331	0.00%
Primary	4,120	108,348	4,313	4.71%	112,411	4,313	0.00%
Middle/Secondary	5,482	91,817	5,637	2.84%	96,683	5,637	0.00%
All- through	4,900	16,468	5,040	2.85%	18,240	5,040	0.00%

Minimum Funding Guarantee for Maintained and Academy Specialist Providers

49. The MFG must also be set for the funding rates of special schools and alternative provision between 0.0% and plus 2.0%. It can be set at a different level than for mainstream schools.

50. If the 0.5% 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.

51. 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:

- 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 for a 0.5% transfer of Schools Block funding to High Needs.
- c) 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.

52. 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.

53. 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

54. The consultations undertaken and the recommended proposals are compliant with the School Funding Statutory Framework for 2021/22.
55. School budgets must be finalised and notified to maintained schools by 28 February 2021.

Summary of Human Resources Implications

56. There are no Human Resources implications within the council from these proposals.

Summary of Sustainability Impact

57. There are no expected sustainability issues from the proposals.

Summary of Public Health Implications

58. 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

59. 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

60. 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.
61. 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

62. BCP Schools Forum 23 October Agenda Item 8: Mainstream Schools' Funding Formula
<https://democracy.bcpCouncil.gov.uk/documents/s20633/Item%208%20-%20Mainstream%20Funding%20Formula%202021-22%20FINAL%20v5.pdf>
63. BCP Schools Forum 14 January, Agenda Item 8
<https://democracy.bcpCouncil.gov.uk/documents/s22755/Enc.%201%20for%20Mainstream%20schools%20and%20Early%20Years%20Funding%20formulae%202021-22%20and%20DSG%20Funding%20Block%20transfe.pdf>

Appendices

Appendix 1 -3

Appendix 1

Table 5: EYSFF Current Hourly Funding Rates across BCP

<u>3 and 4 Year Olds</u>	Government Rate	Provider Rate	
	£4.38		
Base Rate	£4.12	£4.12	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
Central Functions	£0.02		

<u>2 Year Olds</u>	Government Rate	Provider Rate	
	£5.31		
Base Rate	£5.08	£5.08	Per eligible child
SEN/D Inclusion Fund	£0.07	£2.00 or £6.30	Per eligible child
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 2020/21 to allow for a transfer from the Schools Block of 0.5%

(a) Factors within the formulaic Schools NFF

Factor	BCP 2020/21	Proposed BCP 2021/22	NFF 2021/22
Basic Entitlement – Primary	99% of NFF	NFF	£3,123
Basic Entitlements Secondary	99% of NFF	NFF	KS3 £4,404 KS4 £4,963
Deprivation – FSM data	NFF	NFF	£460
Deprivation – FSM ever 6 data	NFF	NFF	Pri £575 Sec £840
Deprivation*- IDACI bands	NFF	NFF	Range (£215 to £865)
Prior Attainment Primary	NFF	NFF	£1,095
Prior Attainment Secondary	NFF	NFF	£1,660
LAC	Not used	Not used	Not used
EAL Primary	NFF	NFF	£550
EAL Secondary	NFF	NFF	£1,485
Lump Sum Primary	NFF	NFF	£117,800
Lump sum Secondary	NFF	NFF	£117,800
Sparsity	NFF Method	NFF Method	NFF Method
Primary MPPFL	£3,930	NFF	£4,180

Secondary MPPFL	£5,265	NFF	£5,415
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(b) Factors and mechanisms outside the formulaic Schools NFF (funding provided at historic cost to the LA)

Factor	BCP 2020/21	Proposed BCP 2021/22	NFF 2021/22
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 2020/21	Proposed BCP 2021/22	NFF 2021/22
MFG (annual change)	Minus 0.5%	Plus 2.0%	Plus 2.0%

Table 7: Proposed 2021/22 Formula Outcome for Schools with 0.5% Transfer (all schools receiving National Funding Formula)

Number of Schools	Formula	MPPFL	MFG	Total
Infant/ First Total	3	12	1	16
Junior Total	3	9	-	12
Primary Total	8	22	7	37
PRIMARY PHASE	14	43	8	65
Primary %	22%	66%	12%	100%
Middle/Secondary	12	7	2	21
All- through Total	3	-	-	3
OTHER PHASES	15	7	2	24
Other %	63%	29%	8%	100%
TOTAL SCHOOLS	29	50	10	89
Total %	33%	56%	11%	

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 2020-21 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			
Formula Changes (implemented in this order)	MFG	MPPFLs changed against 2021- 22 NFF £	Basic Entitlement all phases %
2021-22 NFF	+2.00%	0	100.0%
(a) 0.5% only MFG & Formula schools contribute	+1.00%	No change	98.3%
(b) 0.5% all schools contribute	+1.40%	-20	99.3%

Description of erratum notice.

Please note that the table included within appendix 2 contained some errors in the BCP 2020/21 column in the Basic Entitlement and MFG rows, and an additional line has been added for mobility. The BCP 2020/21 formula funded all schools at NFF.

Please also note that table 3 within the main report should read 'School Block Funding Allocations 2021/22'

Appendix 2

Table 6: Proposed BCP Mainstream Formula 2021/22 to allow for a transfer from the Schools Block of 0.5%

(a) Factors within the formulaic Schools NFF

Factor	BCP 2020/21	Proposed BCP 2021/22	NFF 2021/22
Basic Entitlement – Primary	NFF	NFF	£3,123
Basic Entitlements Secondary	NFF	NFF	KS3 £4,404 KS4 £4,963
Deprivation – FSM data	NFF	NFF	£460
Deprivation – FSM ever 6 data	NFF	NFF	Pri £575 Sec £840
Deprivation*- IDACI bands	NFF	NFF	Range (£215 to £865)
Prior Attainment Primary	NFF	NFF	£1,095
Prior Attainment Secondary	NFF	NFF	£1,660
LAC	Not used	Not used	Not used
EAL Primary	NFF	NFF	£550
EAL Secondary	NFF	NFF	£1,485
Lump Sum Primary	NFF	NFF	£117,800
Lump sum Secondary	NFF	NFF	£117,800
Sparsity	NFF Method	NFF Method	NFF Method
Primary MPPFL	£3,930	NFF	£4,180
Secondary MPPFL	£5,265	NFF	£5,415
Mobility	At historic level	NFF	Primary £900 Secondary £1,290

(b) Factors and mechanisms outside the formulaic Schools NFF (funding provided at historic cost to the LA)

Factor	BCP 2020/21	Proposed BCP 2021/22	NFF 2021/22
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 2020/21	Proposed BCP 2021/22	NFF 2021/22
MFG (annual change)	Plus 1.84%	Plus 2.0%	Plus 2.0%

CABINET



Report subject	Housing Revenue Account (HRA) Budget Setting 2021 to 2022
Meeting date	10 February 2021
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, including housing in both the Bournemouth and Poole neighbourhoods.</p> <p>This report seeks approval for the proposed budget for the HRA for 2021/22 and the key principles on which it is based.</p> <p>It sets out the proposals regarding the rents, service charges and other charges to tenants as well as the expenditure plans for the 2021/22 rent year. These proposals and the actions within the attached delivery plans for each neighbourhood all support the priorities set out in the Council's Corporate Strategy.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>(a) That revenue budgets for 2021/22 and provisionally for 2022/23 and 2023/24 are set using the following principles:</p> <ul style="list-style-type: none"> (i) That dwelling rents are increased by 1.5% (CPI for September 2020 + 1%) from 5 April 2021 in line with the Ministry of Housing, Communities and Local Government (MHCLG) Policy statement on rents for social housing published in February 2019. (ii) That dwelling rents are moved to formula rent when a property is re-let following a vacancy. (iii) That garage rental charges are increased by 2% from the 5 April 2021 across both neighbourhoods. That rental charges for garage bases and parking plots in the Bournemouth neighbourhood also increase by 2% from 5 April 2021. (iv) That the garages owned by the HRA at Anchor Close, Bearwood are transferred to the General Fund. (v) That leasehold services are charged to leaseholders in line with actual costs incurred. (vi) That the changes to service charges are agreed as set out in appendix 2. (vii) That the budgeted bad debt charge is maintained at £188,000 in the Bournemouth neighbourhood and

	<p>£197,000 in the Poole neighbourhood.</p> <p>(viii) That the depreciation budget is set at £6.878m for the Bournemouth neighbourhood and £4.665m for the Poole neighbourhood.</p> <p>(ix) That HRA reserves should be maintained at a minimum level of 5% of total expenditure in line with good practice. This equates to £976,250 for the Bournemouth neighbourhood and £769,900 for the Poole neighbourhood for 2021/22, totalling £1.746m</p> <p>(b) That capital budgets for 2021/22 and provisionally for 2022/23 and 2023/24 are set using the following principles:</p> <p>-</p> <p>(i) That the planned maintenance programme as set out in Appendix 5 is agreed.</p> <p>(ii) That the major project capital programme as set out in Appendix 6 is agreed.</p> <p>(iii) That funding totalling £6.824 million is carried forward from the 2020/21 Bournemouth neighbourhood capital programme and that funding totalling £4.955 million is carried forward from the 2020/21 Poole neighbourhood capital programme to reflect where expenditure on major projects has commenced but these projects have not yet been completed.</p> <p>(c) That the Delivery Plans for each neighbourhood to support the key principles for the HRA and the Council's Corporate Strategy are agreed as set out in appendices 7 and 8.</p>
Reason for recommendations	HRA rents and other changes 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(s):	Councillor Robert Lawton - Homes
Corporate Director	Kate Ryan – Corporate Director for Environment and Community
Report Authors	<p>Seamus Doran – Head of Neighbourhood Management, BCP Council</p> <p>Su Spence – Chief Executive, Poole Housing Partnership (PHP)</p> <p>Richard Sumner – Accountant, PHP</p> <p>Tina Worthing – Finance Manager, BCP Council</p>
Wards	Council-wide
Classification	For Recommendation

Background

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 2021/22 rent year.
2. The Council housing stock is situated within the Bournemouth and Poole neighbourhoods and comprises 9,616 rented properties (5,071 in Bournemouth and 4,545 in Poole), 1,137 leasehold properties and 35 low cost home ownership properties (as at 1 April 2020) with a rent roll of £43.236 million in 2021/22. There is no Council owned 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 when BCP Council was created and combined the former 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 the homes in the Poole Neighbourhood in line with a management agreement with the Council. Compliance with this agreement is formally managed by the Council through a Commissioning and Performance Management Framework.
6. It has not yet been feasible to merge the two neighbourhood accounts into one. While the differences will continue for the foreseeable future an independent review to consider the future housing management model for BCP Council has been completed. The recommendations of this review will be considered by the Council through a councillor working group which will advise the Portfolio Holder for Homes for further consideration and inform future direction measured against the Council's strategic priorities.
7. The current approach allows the two neighbourhoods to manage the different services that currently exist. The financial management of the accounts is overseen by the BCP Director of Finance with input from the Director of Housing and includes regular meetings with the PHP finance team through the Performance Management Framework and meetings with the BCP Council Finance team. Some policies and practices have already been aligned, such as the level of balances, rent void calculations, bad debt charge calculations and allocations of costs to supervision and management and repairs and maintenance. Where possible service charges can also be aligned. Other practices are in the process of being harmonised, for example depreciation calculations. Although operating as two neighbourhoods, any borrowing decisions are taken based on the financial requirements of the HRA as a whole.
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% of expenditure. In 2021/22 this gives a minimum level of reserve for the Bournemouth and Poole neighbourhoods of £976,250 and £769,900 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 £16.5 million in 2021/22, £23.1 million in 2022/23 and £23.8 million in 2023/24.
10. Business cases for any new housing development or other major work that have not been approved as part of the anticipated programmes set out in appendices 5 and 6 will be submitted for approval separately to Cabinet if over the £500,000 threshold. These will set out how and when the HRA will borrow.
11. The delivery of new affordable homes and ensuring existing homes meet local requirements is a key priority for councils. Within both neighbourhoods' we will continue to look at how we can make best use of our homes to meet the needs of those on the housing register. Previously, this has included the re-designation and redevelopment of sheltered stock with some changing to general needs.

National Policy Context

12. In November 2020 the Housing White Paper was released by government. This set out the direction of travel for social housing providers and the introduction of a changed and enhanced regulatory approach across the consumer standards inherent for all providers to deliver. The White Paper draws on work around building safety that has been developed since the Grenfell tragedy as well as requirements to demonstrate resident engagement in service delivery and development. This will be overseen by a programme of oversight by the Regulator of Social Housing (the Regulator) which will assess each local authority every 4 years to test delivery against the required standards.
13. Within the consumer standards there are requirements for the delivery of safe and effective homes, and these can best be described as the health and safety compliance standards covering fire safety, gas safety, water hygiene, lift safety and asbestos safety. An annual report has already been 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. These are high risk areas and are given a high priority to ensure compliance, with a requirement in the white paper to identify a named individual over seeing health and safety across service areas.
14. Separate to the consumer standards are expectations around demonstrating how residents are involved in governance and supporting service delivery and change. Both neighbourhoods will need to review the processes in place to ensure that this is happening and also to be able to demonstrate this. Key to this will be the collection of satisfaction measures of residents in the services provided by their landlord, which will be subject to a consultation in 2021.
15. The White Paper reinforces the development of the role of the Housing Ombudsman (Ombudsman) that has been happening over the past 2 to 3 years and ensures that there is no duplication of roles between the Regulator and the Ombudsman. This allows residents to access the Ombudsman if local services are not delivering as expected and reinforces the requirement to deliver a complaints service in line with the Ombudsman standards.
16. The White Paper builds on the independent review of building regulations and fire safety commissioned following the Grenfell fire in 2017. A draft Building Safety Bill was published by the government in July 2020 and is awaiting further comments before being introduced to Parliament although as yet there are no timescales

regarding implementation. The draft Bill reinforced more stringent requirements in relation to the management of higher risk buildings such as tower blocks and will seek to increase landlord powers and responsibilities in relation to safety.

17. These changes were set out in the annual Housing and Property Compliance Update to Cabinet last year. They will have an impact on the HRA as there will be a requirement to have additional roles in place to manage buildings safely. There will be added complexity in ensuring that we have systems in place to manage the additional requirements and that resources are in place to deliver actions required.
18. 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.
19. The changes required to deliver the White Paper and the new building safety legislation will take place against the backdrop of the pandemic throughout 2020. Housing services across both neighbourhoods were revised throughout the year to deliver Covid-19 safe services and ensuring that residents were supported in many various ways. While some services were scaled back as they required long and sustained access to homes, others were increased such as more regular contact with residents and measures taken to manage fly tipping, Covid-19 related ASB and loneliness.
20. The impact of Covid-19 on income to the HRA has not been as significant as in other areas of the Council. Both neighbourhoods are within target on rent collected and the level of allowance for voids and bad debts remains the same as in recent years. The wider impact on the economy and job losses may yet have an effect in the future as furlough and other support schemes come to an end. This may have a particular impact on rental income but both neighbourhoods have been focusing on offering advice and support during the pandemic and this will continue. The importance of continued ongoing and proactive engagement with tenants to ensure they pay their rent remains a priority.

Longer term financial planning

21. The longer-term impact of income collection will be reflected in the 30-year financial business plan that underpins the 3-year plan that is presented in this report. The work on the 30-year plan seeks to provide assurance that the plans set out to Council are affordable in the longer term. While this is the case, requirements over 30 years with regards delivery of new affordable housing and achieving the government's requirement to deliver carbon reductions across the current stock will be challenging. The 30-year plan is being progressed and will evolve over time as policy options for longer term spend are tested through the plan's model and will help inform our future spending decisions.

BCP Council's Corporate Strategy

22. The Council's 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.
23. **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 could include:

- Measures such as heat pumps, use of renewable energy sources and high levels of insulation.
 - LED replacement lighting will be used in communal areas and homes
 - Replacement double glazing for existing homes and
 - non-combustible cladding to improve insulation and comfort levels on tower blocks
- Each project will be considered individually with consideration of the overall carbon savings which can be secured.
24. PV panels fitted to the council housing stock remain in place. These panels generate electricity for residents to use and to feedback into the national grid creating an additional income for the Council, therefore reducing overall usage of fossil fuels as well as being of economic benefit to the Council and residents.
25. These measures 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 further 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 and planning for the retrofit of existing homes will form an important part of the 30-year HRA Business Plan.
26. **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. There is a healthy development programme over coming years and over the last year the following new homes have been completed:
- Townsend – 3 new general needs homes
 - Canford Heath Road – 56 new general needs homes and 6 specialist flats for residents with complex needs.
27. **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 with residents to develop these services and policies. These service areas will be critical in the delivery of the white paper requirements and being able to demonstrate to the Regulator how residents influence and shape service delivery.
28. The Poole neighbourhood works with a number of local charities and resident groups to deliver services across the estates that tackle loneliness and poverty. These can range from befriending services to supporting wider community engagement to support for lone parents or food delivery services. Within Bournemouth this is delivered from within the community development team and forms part of the wider service offer to all residents.
29. 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. During the Covid-19 pandemic thousands of additional welfare calls have been made to vulnerable residents and staff have continued to offer support by responding to emergency alarms calls, welfare and safeguarding issues.

30. **Brighter Futures** – Housing can play an important part in the care of 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 through the housing register as well as providing temporary accommodation to help facilitate move on into more permanent homes.
31. **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 permanent accommodation. Both will also be involved in helping to ensure that those rehoused in temporary accommodation as part of the response to Covid-19 do not return to street homelessness. Minimising evictions of existing tenants is also a priority with ongoing work to look at how support can be provided to help tenants sustain their tenancies and prevent homelessness.
32. **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 social housing white paper has set out the steps that the government will take to ensure that residents are listened to, are safe in their homes and have access to redress when things go wrong. This 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

33. The strategic objectives previously agreed for the BCP HRA remain as they were previously and are as follows:
- a) Deliver strong financial management of the HRA which maximises the ability to collect income, gain efficiencies and service outstanding debt
 - b) 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
 - c) Focus on the delivery of effective housing management services to support successful tenancies and strong and sustainable communities
 - d) Continue to secure funding opportunities to deliver additional social rented and affordable housing through new build and acquisitions
34. 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.
35. The approach to HRA budget setting has focused on three key areas for 2021/22 and the following sections of the report take each of these areas in turn;
- a) Revenue income expected to be achieved and proposals around rent and service charge levels for tenants and leaseholders

- b) Revenue expenditure plans that reflect local priorities and service delivery patterns, including revenue contributions to capital
- c) Capital expenditure plans that will deliver essential maintenance to the stock as well as ensuring the Decent Homes Standard is maintained and which support the affordable homes new build programme

36. Financial summaries for the BCP HRA are provided in Appendix 1 -6.

37. The delivery plans are provided in Appendices 7 and 8.

Revenue Income

38. Tenant dwelling rents

- 39. 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. 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%.
- 40. The rent formula was superseded by an announcement in the July 2015 budget statement that all social rents would decrease by 1% each year from 2016/17 to 2019/20. Rent increases from April 2020 of CPI + 1% have resumed for a period of five years as set out in the MHCLG policy statement on rents published in February 2019.
- 41. 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 – a total of over £6 million - 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.
- 42. Any income that is available after the cost of servicing debt and managing and maintaining the stock is made available to the capital programme and supports the delivery of new homes.
- 43. 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 to the RTB, it is assumed there will be 20 sales during the year in both neighbourhoods.
- 44. 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.
- 45. For 2021/22 it is assumed that 1% of the Bournemouth and Poole 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 £206,000 for the Poole Neighbourhood.
- 46. Acquisition and new build programmes increase the stock of affordable housing for the HRA. The Bournemouth neighbourhood account will reflect the additional income from the delivery of 39 homes across several sites including some acquisitions. The

Poole neighbourhood account will reflect the additional income expected from the delivery of 62 new homes from 2020/21. However, there are inherent uncertainties around timescales for new build schemes, but an estimate has been accounted for.

Recommendation a(i) –

That dwelling rents are increased by 1.5% (CPI for September 2020 + 1%) from 5 April 2021 in line with the Ministry of Housing, Communities and Local Government (MHCLG) Policy statement on rents for social housing published in February 2019.

47. Since 2001, rents for properties let at 'social rent' (which constitute a majority of rented social housing properties) have been based on a formula set by government. This creates a 'formula rent' for each property, which is calculated based on the relative value of the property, relative local income levels, and the size of the property. One aim of this formula-based approach was to ensure that similar rents were charged for similar social rent properties in geographical areas across both councils and housing associations.
48. The national policy on rent setting is set out in the Ministry of Housing, Communities and Local Government (MHCLG) Policy statement on rents for social housing. This statement is included in the background papers to this report. A summary of the national rent setting policy is also included as appendix 9 to this report.
49. The average weekly rent charged by the Council in general needs housing is £84.85 which is below the average formula rent of £87.65 for these properties. Both can only be increased by CPI+1% each year which means that some existing tenants will not see their rent reach the formula rent level. However, where a property becomes vacant it can be re-let at the formula rent.
50. Rents for sheltered housing properties are slightly above the formula rent and will be moved down to formula rent when re-let after a vacancy.
51. Moving to a formula rent when properties are re-let will ensure that rents are charged in accordance with the national rent setting policy sooner and bring consistency with the national policy position.

Recommendation a(ii) –

That dwelling rents are moved to formula rent when a property is re-let following a vacancy

52. Garage Rents and Service Charges

53. 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.
54. Garage rents cover income received from garages in Bournemouth and Poole. The majority of garages in both Bournemouth and Poole were transferred from the HRA to the General Fund in 2018/19 and those that remained were located on sites identified as potential for re-development. Several sites have been or are being developed on. In Bournemouth, 26 garages with potential redevelopment will remain in the HRA alongside a further 211 garage plots and bases. In Poole, 43 garages remain within the HRA but no plots or bases.
55. There will need to be further consideration given to garage charges that reflect the level of demand in different areas. This may mean that charges for garages in more popular areas where demand is higher may be set at a higher level than in less popular areas. However, how this might affect any alignment of charges would also need to be considered.

56. The current level of garage charges has been benchmarked against those charged by other landlords locally and these have been confirmed as less than these. It is therefore proposed to increase charges by 2% 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. This increase seems reasonable in terms of maintenance costs and demand. Benchmarking has also been carried out against charges in the private sector.

Recommendation a(iii) –

That garage rental charges are increased by 2% from 5 April 2021 across both neighbourhoods. That rental charges for garage bases and parking plots in the Bournemouth neighbourhood also increase by 2% from 5 April 2021.

57. In April 2018, most garages were transferred from the HRA to the General Fund. Those sites that were considered potential redevelopment sites were not transferred. A further site of 21 garages at Anchor Close have been deemed unsuitable for re-development and therefore will now also be transferred to the General Fund. The transfer will be funded by a switch in the Capital Financing Reserve of £0.02m. This transfer will marginally reduce the HRA's current borrowing requirement, the increased borrowing requirement within the General Fund will be covered by the rental income from the transferred assets.

Recommendation a(iv) –

That the garages owned by the HRA at Anchor Close, Bearwood are transferred to the General Fund.

58. 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.
59. 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 adjusted to actual costs incurred once these are known.

Recommendation a(v) -

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

60. Tenant service charges must mirror the charges incurred by the HRA in the same way as leasehold charges. Both neighbourhoods are expected to set reasonable and transparent service charges which reflect the service being provided to tenants. Tenants should be supplied with clear information on how service charges are set. In the case of social rent properties, providers are expected to identify service charges separately from the rent charge. Most service charges are expected to be included in affordable rents.
61. Service charges are not governed by the same factors as rent. However, registered providers should endeavour to keep increases for service charges within the limit on rent changes, of CPI + 1 percentage point, to help keep charges affordable. This is difficult to do for some charges such as electricity where costs are set by utility companies and are determined based on actual usage.

62. Tenants should be consulted where new or extended services are introduced where this will result in additional charges to tenants.
63. Service charges are in place for the provision of a sheltered housing extra care service and associated support in the Poole neighbourhood. The charges relate to the additional work to manage these schemes for example, looking after communal areas and health and safety inspections, as well as support for tenants to help them manage their tenancies. These will increase by 2%. The charges are not applicable in the Bournemouth neighbourhood and will be considered during the review of sheltered housing that will include both neighbourhoods.
64. Charges for guest rooms on sheltered schemes have been increased by 1.1% with an adjustment to round the new amounts in the Poole neighbourhood. Charges for the Bournemouth neighbourhood have been aligned to those in Poole.
65. The HRA incurs electricity and gas utility costs and recovers these from tenants in relation to:
- The heating of individual tenant's homes that are served by a communal heating system the costs of which are recovered through the heating charge.
 - The lighting and heating of communal areas, the costs of which are recovered through the communal supply charge.
66. Expenditure on utility costs for the Poole neighbourhood covering gas and electricity were subject to a 4-year fixed price agreement which ended on 30 September 2020. For the Bournemouth neighbourhood a new utility contract commenced in October 2018. Both neighbourhoods have experienced significant increases in utility costs that reflect the price of supplies. These will need to be recovered through increased service charges incurred by tenants as these underlying price increases work through into usage charges.
67. Heating charges in the Poole neighbourhood are set at a standard charge for each property type and based on usage. For most homes that are served by a communal heating system the heating charge will need to increase by 10% in order to recover the increased utility costs. Last year residents in Poole benefitted from a 3% reduction in heating charges as a result of falling usage.
68. Heating charges in the Bournemouth neighbourhood are set according to the usage on each scheme. There has been an increase in costs from suppliers but also an under-recovery of costs on some schemes. The increase for 2021/22 reflects both, but any increase, primarily due to the under recovery, has been capped at £1.00 per week.
69. Charges for communal power are set according to the energy used in both neighbourhoods and are increased according to usage. Within Poole the charges also relate to a new contract for utilities that includes gas. Residents previously benefitted from a 3% reduction in charges last year and the contracts in place reflect the current cost of energy supplies.
70. Scooter charges in the Poole neighbourhood will increase by the retail price index for September 2020, 1.1%. In Bournemouth the charge will not increase which will allow for alignment across both neighbourhoods over time.
71. The window cleaning charge in Bournemouth will remain unchanged.
72. Within Bournemouth, the previously agreed service charge policy will continue to be rolled out with additional charges for communal bulk refuse removal being applied from 1 April 2021. This will be the last of the new charges that were introduced to be applied. A cap on the new service charges introduced will continue to be applied until

April 2023/24. The cap for 2021/22 will ensure that the maximum amount paid for new services charges that include communal supply, cleaning, gardening and bulk refuse will not exceed £4.00 per week.

73. Service charges in the Bournemouth neighbourhood for communal gardening and cleaning are usually based on costs previously incurred. During the Covid-19 pandemic these 2 services were suspended for approximately 3 months although tenants continued to pay for the service. Charges for 2021/22 have been adjusted to account for this in year so that tenants realise the revised costs now rather than in 12 months' time.
74. There has been an overall increase in communal gardening charges in the Bournemouth neighbourhood even when adjustments for the disruption to services due to Covid-19 have been made. These charges are relatively low, and any increases can appear to have a disproportionate impact on the overall percentage increase.

Recommendation a(vi) –

That the changes to service charges are agreed as set out in appendix 2.

Revenue Expenditure

75. The HRA manages expenditure that covers delivery of the general housing management function as well as overhead and capital financing charges.
76. Management and Maintenance
77. 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. For the Bournemouth neighbourhood the revenue expenditure is contained within the overall revenue budgets for the HRA without the separation of a similar management fee.
78. It is recognised that the financial climate has been and remains challenging 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 new homes. Both neighbourhoods therefore regularly review the level of costs incurred and ensure that funding is linked to service priorities.
79. 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.
80. Key current and future changes to service delivery and financial pressures can be summarised as follows
- a. Increases in Development Team staffing resources to help bring forward the new build programme (although much of the costs are capitalised to the individual schemes).
 - b. Additional resources to help ensure the effective management of tenancies involving tenants with complex needs such as substance misuse.
 - c. Additional resources to support the delivery of the building safety requirements and compliance approach
 - d. Increases in the cleansing services to ensure that lessons learnt from Covid-19 on service delivery are embedded

- e. Resource identification to support delivery of the white paper requirements to ensure that BCP can deliver effective assurance to the Regulator
81. The use of the revenue resources for day to day delivery of services are summarised in the delivery plans for each neighbourhood which are summarised in appendices 7 and 8.
 82. The HRA contributed £2 million to the Councils Transformation Programme in 2020/21. This was on the condition that savings as a result of this would also be delivered to the HRA. This project has now been brought forward to help deliver savings to the general fund because of the Covid-19 pandemic. As part of this, the "Smarter Structures" project has commenced to implement a staff structure to support organisational design. It is not clear yet what impact this will have on the HRA but it will need to be phased as the 2 neighbourhood services are aligned alongside the housing management model review process. However, new telephony and IT delivered through the Transformation Programme has enabled remote working while maintaining services in a safe way during the pandemic.
 83. Overheads and other expenditure
 84. 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.
 85. 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.
 86. Management of bad debts
 87. 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.
 88. One key current risk is Universal Credit (U.C.) which went live for Bournemouth in November 2017 and for Poole in October 2017 with approximately 18% of tenants now receiving this benefit. Evidence from other areas, along with our experience so far, shows the level of arrears increases in the short to medium term following implementation. The system is also more complicated than the old housing benefit system and requires additional interventions and support from landlords.
 89. 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.
 90. The impact of Covid-19 has not yet had a noticeable impact on the level of rent arrears. However, this will have to be carefully monitored as furlough and other support schemes come to an end early next year. This will have been assisted by the proactive work the teams have been doing with tenants to encourage continued payment of rent during the year.
 91. 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 charge of £188,000 for the Bournemouth neighbourhood and £197,000 for the Poole neighbourhood is considered to be adequate and has been maintained at the same level for 2020/21.

Recommendation a(vii) –

That the budgeted bad debt charge is maintained at £188,000 for the Bournemouth neighbourhood and £197,000 for the Poole neighbourhood.

92. 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.

93. 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 have started to be reviewed 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 a(viii) –

That the depreciation budget is set at £6.878m for the Bournemouth neighbourhood and £4.665m for the Poole neighbourhood.

94. Reserves

95. 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% 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 2021/22 this gives a minimum reserve requirement of £976,250 million for the Bournemouth Neighbourhood and £769,900 for the Poole Neighbourhood.

Recommendation a(ix) –

That HRA reserves should be maintained at a minimum level of 5% of total expenditure. This equates to £976,250 for the Bournemouth neighbourhood £769,900 for the Poole neighbourhood for 2021/22, totalling £1.746m.

96. Capital Financing

97. The budget to support interest paid on HRA debt will rise in future years as external borrowing is required. For 2021/22 the BCP HRA will require £16.5 million of external borrowing to fund its capital programme.

98. The continued strong management of expenditure costs and the good level of income collection mean that for 2021/22 the revenue contribution to capital from the Bournemouth neighbourhood is £1.822 million and £3.642 in the Poole neighbourhood. The remainder of the capital programme will be funded from a combination of capital receipts, drawdown of the Major Repair Reserve (MRR) and section 106 receipts.

Capital Expenditure

99. Financial regulations require capital schemes to be categorised into appropriate approvals categories. All Planned Maintenance Programme items within Appendix 5 are Unconditional. Major Projects (shown in detail in Appendix 6) are categorised as No Further Approval, Conditional Approval or requires Further approval, as appropriate.
100. Planned Maintenance Programme
101. 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 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.
102. There are various areas of work that need to be delivered as part of the planned maintenance programme. Fire safety is a key area and additional work will be required to remove cladding at the Sterte Court tower blocks. Budgets have been set aside for the replacement of all fire doors to flats.
103. To support the Council's Corporate Strategy there are objectives to ensure that sustainability underpins our policies, tackle the climate change emergency and promote sustainable resource management. This can be 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. There is a clear focus on the overall carbon savings that can be achieved with any additional investment.
104. 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. The development of the 30-year business plan will help determine how we meet the challenges.
105. 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. These are slowly being brought together with best practice being shared while ensuring locally appropriate services are in place.
106. The planned maintenance programme is proposed at £7.446 for Bournemouth and £7.151 million for Poole and. A full breakdown of these programmes is included within appendix 5 and these will deliver a programme of work that is safe and meets legislative and other priorities.

Recommendation b(i) –

That the planned maintenance programme as set out in Appendix 5 is agreed.

107. Major works capital programme

108. 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 properties that had been previously sold under the right to buy but may be where other housing providers are looking to dispose of suitable stock. 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.
109. The exact tenure mix of this new build programme will be 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.
110. 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. Funding of this programme can be achieved in part via additional borrowing. In the October 2018 budget, the Chancellor abolished the limit on HRA borrowing cap. This allows for more to be delivered from HRA budgets where additional funding can now be raised in accordance with the Prudential Code. 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.
111. Borrowing by the BCP Council HRA is forecast to be £16.5 million for the year to 31 March 2022 to help finance new build and major projects.
112. 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.
113. The new build and major projects programme for Bournemouth totals £18 million for 2021/22. The new build and major projects programme for Poole totals £24.279 million.

114. New build and major projects – Bournemouth

115. Northbourne Day Centre, Wimborne Road, Kinson – on site. Will provide 9 homes for rent including 1 and 2-bedroom flats and 2-bedroom houses.
116. Barrow Drive garage site, Townsend – on site. 3, 2-bedroom houses. Completion and handover to be in 2020/21 financial year with some remaining capital spend budgeted for 2021/22.
117. Templeman House, Leedam Road, Kinson – 27 flats.
118. Princess Road, Westbourne – 120 new homes including 1,2 and 3-bedroom flats for rent and shared ownership. At planning stage.
119. Ibbertson Way garage site, Townsend – on site. 2, 2-bedroom houses and 1, 3-bedroom house for rent.
120. Luckham Road/Charminster Road, Charminster – on site. 6, 1 and 2-bedroom flats and 3, 3-bedroom houses.
121. Cabbage Patch car park, St Stephens Road, Bournemouth Town Centre – 11, 1 and 2-bedroom flats.

122. Moorside Road, West Howe – 14, 3-bedroom houses.
123. Duck Lane, Bearcross – 12, 2-bedroom flats. At planning stage.
124. Craven Court, Knyveton Road, Boscombe – 24 ,1 and 2-bedroom flats. At planning stage.
125. Wilkinson Drive, Townsend – 9,2-bedroom flats and 4, 3-bedroom houses. At planning stage.
126. Purchase and repair – 5 homes currently being purchased.
127. New build and acquisition – budget amount that has not yet been committed.
128. New build and major projects – Poole
129. Project Admiral is ongoing and will deliver a major maintenance programme of the 4 tower blocks situated in Poole Old Town. This work includes the provision of a non-combustible cladding system that will ensure that these blocks remain fit for purpose and extend their life by a further 30 years. This project is being delivered over 3 years and should complete in 2022/23.
130. Cladding, Sterte Court, Poole – work will soon commence to remove combustible cladding to the 2 tower blocks and to replace with a non-combustible cladding system. It is anticipated that the work to remove and replace will take approximately 9 months to complete.
131. Infill –delivery of up to 15 new homes on infill sites throughout 2021.
132. Acquisitions – there is £1.5 million budget to deliver homes via the acquisitions programme that will support increases in the overall stock.
133. Cynthia House – 22 new homes by 2022, flats and houses and a mix of shared ownership and affordable rent.
134. Herbert Avenue - this scheme will deliver 24 flats for use as temporary accommodation.
135. Sprinkler Installation – work has started to install sprinklers across all 6 tower blocks and will be completed by June 2021 at Sterte Court and March 2022 in the Old Town.
136. Hillbourne –delivery of approximately 100 new homes on the old school site. Wider approvals will be sought towards the end of 2021.

Recommendation b(ii)

That the major project capital programme as set out in Appendix 6 is agreed.

137. The 2020/21 capital programme was agreed at £19.618 million for Bournemouth (revised to £11.147 million) and £21.633 million (revised to £14.349 million) for Poole. 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. These projects often require consultation, planning and building control approval and are subject to competitive tendering processes. Capital budgets are carried forward when timing of cash flows becomes more accurate to predict.

Recommendation b(iii) –

That funding totalling £6.824 million is carried forward from the 2020/21 Bournemouth neighbourhood capital programme and that funding totalling £4.955 million is carried forward from the 2020/21 Poole neighbourhood capital programme to reflect where expenditure on major projects has commenced but these have not yet been completed.

138. Delivery Plan

139. 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. It is notable that many actions cited in each Delivery plan are being progressed jointly across the two neighbourhoods.

Recommendation c –

That the Delivery Plans for each neighbourhood to support the key principles for the HRA and the Council's Corporate Strategy are agreed as set out in appendices 7 and 8.

140. Financial modelling

141. The existing new build programme reflects the ambitious plan to provide much needed additional homes for rent and shared ownership. Financial modelling is taking place to look at options to help shape the identified new build and retrofitting programme over the next few years. To support this work there is an ongoing update of the 30-year business plan for the HRA combined across the two neighbourhoods.

142. Consultation

143. There is no legal obligation to consult on the annual rent changes. The rent changes noted in this report for 2021/22 are set by government policy.
144. 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.
145. The Portfolio Holder for Homes has been consulted and their feedback had been addressed in this report.

Options Appraisal

146. This report sets out the proposals for increases in rent and other charges to support the provision of services to residents, day to day maintenance of the housing stock, disabled adaptations, the planned maintenance programme, new developments and other major works. The income received is also used to ensure that the Council can meet its legal responsibilities as a landlord as well as regulatory standards. The proposals support the Council's wider strategic objectives and demonstrates the importance of housing revenue account activities in helping to meet these. Any decision not to increase charges would have an impact on the ability of the HRA to meet the objectives in the delivery plan, and services to residents as well as wider strategic objectives. It would also increase the risk of failing to meet the challenges from the 30-year business plan as set out below.

Summary of financial implications

147. The Housing Revenue Account is a separate account within the Council that ring-fences the income and expenditure associated with BCP Council's housing stock. The estimated income from rent and other charges will be £43.236 million. The income from the HRA is used to support the Council's activities as a landlord and the proposed expenditure of £56.876 million on planned maintenance and new homes as the cost of managing and maintaining the housing stock. Proposed rent increases are in line with government requirements and the additional income that is generated is also used to develop the 30-year business plan. This plan will ensure that the

Council continues to meet its responsibilities as a landlord and in meeting the Council's wider objectives, including new homes, as well as the national agenda to reduce carbon emissions. There are other challenges associated with improvements to building safety and it is important that the HRA can meet these.

Summary of legal implications

- 148. 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.
- 149. 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% of expenditure. In 2021/22 this gives a minimum level of reserve for the Bournemouth and Poole neighbourhoods of £976,250 and £769,900 respectively.
- 150. Approval from Cabinet and Council is required before changes to rents and other charges can be made as well as commitment to the level of expenditure on planned maintenance and major works.

Summary of human resources implications

- 151. There are no HR implications for this report.

Summary of sustainability impact

- 152. As a landlord the Council is responsible for the management and maintenance of Council homes and provision of new homes. Measures can be taken to ensure that more energy efficient measures are used in the maintenance of homes, for example more energy efficient gas boilers. There are more opportunities for energy efficient measures in new homes and this is considered for each new development including consideration of options for carbon savings.

Summary of public health implications

- 153. 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 for new homes which would benefit tenants and the local area.

Summary of equality implications

- 154. Proposed revenue budgets for 2021/22 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.
- 155. Older and disabled residents will be positively affected by the investment in dwelling insulation, energy efficiency and competitive heating and communal utility charges. Many have benefited from low personal heating charges and a lower split of communal utility costs between all residents benefiting from these services.
- 156. 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.

157. 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.
158. The income received also enables the Council to provide services to vulnerable tenants to help them maintain their tenancies.
159. 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 continue 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.
160. A number of the mitigations are in place to minimise the impact of any increase in charges on those on low incomes. These include:
 - The move to formula rents will not apply to existing tenants.
 - Rent increases for the last two years come after a period of 4 years of 1% rent reductions. This increase and last year's increases are in line with national rent setting policy and rents are not at the level they would have been if there had been uplifts in previous years instead of reductions.
 - Any tenants who are on low incomes are eligible for help with their rent through housing benefit or universal credit.
 - Most service charges are also covered by housing benefit or universal credit enabling those on low incomes to get help with these.
 - Those tenants on housing benefit or universal credit are exempt from the supporting people charge within sheltered housing in Poole.
 - Heating charges in Poole were reduced by 3% last year. There was no increase in Bournemouth.
 - Supplies for utility contracts for communal utilities are negotiated within both neighbourhoods to secure lower costs.
 - Increases in heating charges in Bournemouth have been capped at £1.00 per week.
 - Increases in water and sewage charges in Bournemouth have also been capped at £1.00 per week.
 - There is a cap of £4.00 per week on new service charges that were introduced in Bournemouth several years ago. These include communal gardening and cleaning.
 - There has been no significant impact on the level of unpaid rent because of the pandemic. Staff have been offering support to residents who have had problems paying their rent and will continue to do so.

Summary of risk assessment

161. 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.
162. The risk associated with future rent increases and decreases is no longer a local decision.
163. 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% 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.
 - g) The requirement to have an effective HRA 30-year business plan to help prepare and manage future costs and requirements to manage the housing stock.
 - h) The ongoing and longer-term impact of Covid is expected to negatively impact on HRA finances if tenants struggle with rent payments and assets cannot be maintained on site in a timely way due to social distancing.
164. 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 Bournemouth and Poole 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.

Background papers

Policy Statement on Rents for Social Housing, February 2019

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/781746/Policy_Statement.pdf

Appendices

- 1: The Rent Increase Effect on Residents
- 2: Service Charges for 2021-22
- 3: Income and Expenditure Statement for 2021-22
- 4: HRA Balances for 2021-22

- 5: Capital Programme for 2021-22 to 2023-24
- 6: Major Project Capital Programme for 2021-22
- 7: Delivery Plan – Poole Housing Partnership (Poole Neighbourhood)
- 8: Delivery Plan – (Bournemouth Neighbourhood)
- 9. Summary of national rent setting policy

APPENDIX 1 **Housing Revenue Account** **The Rent Increase Effect on Residents**

		2020/21		2021/22				
		52 week	48 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	85.90		87.47		1.57		1.8%
	Poole Neighbourhood	84.88	93.72	87.81	95.13	2.93	1.41	1.5%
Examples of Rent Increases								
General Properties								
Bournemouth Neighbourhood								
Hamilton Road	1 Bedroom flat	74.19		75.30		1.11		1.5%
Belle Vue Road	1 Bedroom flat	74.65		75.77		1.12		1.5%
Turbary Park	1 Bedroom flat	79.63		80.82		1.19		1.5%
Cunningham Crescent	1 Bedroom flat	106.49		108.09		1.60		1.5%
Florence Road	2 Bedroom flat	81.89		83.12		1.23		1.5%
Nothery Road	2 Bedroom House	89.63		90.97		1.34		1.5%
Ripon Road	3 Bedroom House	107.42		109.03		1.61		1.5%
Turnbull Lane	3 Bedroom House	157.85		160.22		2.37		1.5%
Dolphin Avenue	3 Bedroom Bungalow	124.98		126.85		1.87		1.5%
Cranleigh Road	4 Bedroom House	111.36		113.03		1.67		1.5%
Poole Neighbourhood								
Herbert Court	1 Bedroom flat	76.14	82.48	77.28	83.72	1.14	1.24	1.5%
Junction Road	1 Bedroom flat	65.42	70.87	66.40	71.93	0.98	1.06	1.5%
Rockley Road	1 Bedroom flat	73.37	79.48	74.46	80.67	1.09	1.19	1.5%
Sterte Court	1 Bedroom flat	70.78	76.68	71.84	77.83	1.06	1.15	1.5%
Rodney Court	2 Bedroom flat	88.87	96.28	90.20	97.72	1.33	1.44	1.5%
Plumer Road	2 Bedroom house	89.95	97.45	91.30	98.91	1.35	1.46	1.5%
Christopher Crescent	3 Bedroom house	99.50	107.79	100.99	109.41	1.49	1.62	1.5%
Egmont Road	3 Bedroom house	90.40	97.93	91.75	99.40	1.35	1.47	1.5%
Haskells Road	3 Bedroom house	89.52	96.98	90.86	98.43	1.34	1.45	1.5%
Perry Gardens	4 Bedroom house	111.71	121.02	113.39	122.84	1.68	1.82	1.5%
Independent Senior Living serviced properties								
Bournemouth Neighbourhood								
Cornish Gardens	Studio Flat	63.67		64.63		0.96		1.5%
Castle Dene Court	1 Bedroom flat	74.76		75.88		1.12		1.5%
Southbourne Road	1 Bedroom flat	76.15		77.29		1.14		1.5%
Deacon Gardens Bear Cross	1 Bed Bungalow	84.97		86.24		1.27		1.5%
Sheltered Housing Officer serviced properties								
Poole Neighbourhood								
Cynthia Close	1 Bedroom flat	77.61	84.08	78.78	85.34	1.17	1.26	1.5%
Millfield	1 Bedroom flat	74.88	81.12	76.01	82.34	1.13	1.22	1.5%
South Road	1 Bedroom flat	77.59	84.06	78.76	85.32	1.17	1.26	1.5%
Trinidad House	1 Bed Bungalow	76.24	82.59	77.38	83.83	1.14	1.24	1.5%
Waterloo House	1 Bed Bungalow	84.21	91.23	85.48	92.60	1.27	1.37	1.5%

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.

The overall average increase in rents for Bournemouth neighbourhood is higher than 1.5% due to new affordable properties being brought on line in 20/21. These new properties typically have rents higher than average rents.

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APPENDIX 2
Housing Revenue Account
Service Charges For 2021/22

	2020/21 £	Uplift	2021/22 £	
1. Garage Rents				
<i>Proposed Charges - Tenants</i>				
Bournemouth	£10.90	2.0%	£11.12	
Poole Old Town	£11.80	2.0%	£12.04	
Remainder of Poole	£6.71	2.0%	£6.84	
<i>Charges - Leaseholders - Bournemouth only</i>				
Bournemouth (excl VAT)	£12.84	2.0%	£13.10	
<i>Charges - Non-Tenants</i>				
Poole Old Town (excl VAT)	£16.34	2.0%	£16.67	
Poole Old Town (incl VAT)	£19.61	2.0%	£20.00	
Remainder of Poole (excl VAT)	£10.26	2.0%	£10.47	
Remainder of Poole (incl VAT)	£12.31	2.0%	£12.56	
Bournemouth (excl VAT)	£12.84	2.0%	£13.10	
Bournemouth (incl VAT)	£15.41	2.0%	£15.72	
2. Garage Bases Bournemouth only				
<i>Charges -Tenants</i>	2.29	2.0%	2.34	
<i>Leaseholders</i>	3.72	2.0%	3.79	
<i>Private</i>	4.46	2.0%	4.55	
3. Garage Plots Bournemouth only				
<i>Charges -Tenants</i>	2.29	2.0%	2.34	
<i>Private</i>	2.75	2.0%	2.81	
4. Sheltered Housing Service Charges inc Lifeline - Poole only				
General - Poole	£7.24	2.0%	£7.38	
Willow Park - Poole	£7.24	2.0%	£7.38	
Belmont Court - Poole	£17.73	2.0%	£18.08	
5. Supporting People Service Charge - Poole only				
Personal charge	£7.32	2.0%	£7.47	
6. Guest Bedrooms in Sheltered Accommodation				
	1 night	2 nights	3 nights	4-7 nights
Cost per room with no ensuite - includes cleaning	£20.75	£29.00	£37.25	£46.50
Cost per room with ensuite - includes cleaning	£24.75	£35.25	£45.50	£55.75
7. Heating Charges - Poole				
1 bed	£8.53	10.0%	£9.38	
2 bed	£10.24	10.0%	£11.26	
3 bed	£11.95	10.0%	£13.15	
Trinidad Village	£2.10	10.0%	£2.31	
Bournemouth	£0.81 - £12.34	Average 12%	£1.39 - £8.77	
8. Communal Supply				
Standard Charge - Poole	£0.71 - £7.84	Average 27.0%	£0.73 - £9.02	
Standard Charge - Bournemouth	£0.06 - £5.26	Average 16.8%	£0.06 - £5.49	
9. Laundry - Bournemouth only				
Standard Charge	£0.73	1.1%	0.74	
10. Scooter Charges				
Scooter Charge point - Bournemouth	£1.09	n/a	£1.09	
- Poole	£51.12 p.a.	1.1%	£51.68 p.a.	
11. Window Cleaning - Bournemouth only				
Standard Charge	£0.61	n/a	£0.61	
12. Communal Cleaning - Bournemouth only				
	£0.11-£2.19	Average -41%	£0.06 - £1.49	
13. Communal Gardening - Bournemouth only				
	£0.16-£2.47	Average 19%	£0.23 - £3.06	
14. Water and sewage - Bournemouth only				
	£1.30 - £6.05	Average 14%	£1.25 - £6.78	
15. Communal Telephone and Internet Charges - Bournemouth Extra Care only				
Standard charge	£2.21	-34.39%	£1.45	
16. Communal bulk refuse removal - Bournemouth only				
	n/a	n/a	£0.02 - £2.64	
17. White goods - Temporary Accomodation - Poole Only				
	£3.91	1.1%	£3.95	

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APPENDIX 3 **Housing Revenue Account** **Income & Expenditure Statement**

	Bournemouth Neighbourhood				
	Budget 2020/21 £000's	Forecast Outturn 2020/21 £000's	Budget 2021/22 £000's	Budget 2022/23 £000's	Budget 2023/24 £000's
Income					
Dwelling Rents (gross)	(22,610)	(22,439)	(22,879)	(23,520)	(24,225)
Non-Dwelling Rents (gross)	(147)	(125)	(149)	(153)	(155)
Charges for Services and Facilities	(565)	(776)	(747)	(767)	(789)
Contributions to Expenditure	(191)	(60)	(59)	(61)	(62)
Total Income	(23,513)	(23,400)	(23,834)	(24,501)	(25,231)
Expenditure					
Repairs and Maintenance	5,869	5,636	5,783	5,939	6,111
Supervision and Management	7,393	6,888	6,381	6,483	6,586
Rent, rates, taxes and other charges	222	220	220	224	229
Bad or Doubtful debts	188	188	188	188	188
Capital financing costs (debt management costs)	75	75	75	75	75
Depreciation - Council Dwellings & Land and Property	7,253	7,253	6,878	6,878	6,878
Total Expenditure	21,000	20,260	19,525	19,787	20,068
Net Cost of HRA Services - (Surplus) / Deficit	(2,513)	(3,140)	(4,309)	(4,714)	(5,163)
Capital Charges					
- Cost of Capital Charge	2,517	2,517	2,517	2,517	3,484
- Interest Receivable	(30)	(30)	(30)	(31)	(31)
Total Capital Charges	2,487	2,487	2,487	2,486	3,453
Net Operating Expenditure - (Surplus) / Deficit	(26)	(653)	(1,822)	(2,227)	(1,711)
Appropriations					
Revenue contribution to capital outlay (RCCO)	26	653	1,822	2,227	1,711
Transfer to HRA reserve	0	0	0	0	0
Total Appropriations	26	653	1,822	2,227	1,711
(Surplus) / Deficit on the HRA for the Year	0	0	0	0	0

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	Poole Neighbourhood				
	Budget 2020/21 £000's	Forecast Outturn 2020/21 £000's	Budget 2021/22 £000's	Budget 2022/23 £000's	Budget 2023/24 £000's
	(20,070)	(20,112)	(20,357)	(20,927)	(21,554)
	(41)	(27)	(43)	(43)	(43)
	(1,292)	(1,305)	(1,390)	(1,420)	(1,452)
	(315)	(301)	(328)	(334)	(340)
	(21,719)	(21,745)	(22,117)	(22,723)	(23,390)
	5,368	5,357	4,031	4,138	4,254
	5,366	5,594	6,235	6,241	6,365
	160	161	162	164	167
	197	197	197	197	197
	105	105	107	109	112
	4,861	4,861	4,665	4,665	4,665
	16,056	16,275	15,398	15,515	15,760
	(5,663)	(5,470)	(6,720)	(7,208)	(7,630)
	3,088	3,082	3,179	3,362	3,477
	(75)	(75)	(107)	(107)	(107)
	3,013	3,008	3,072	3,255	3,370
	(2,649)	(2,462)	(3,648)	(3,953)	(4,260)
	2,487	2,300	3,642	3,941	4,260
	162	162	6	12	0
	2,649	2,462	3,648	3,953	4,260
	(0)	(0)	0	(0)	(0)

	BCP Council HRA				
	Budget 2020/21 £000's	Forecast Outturn 2020/21 £000's	Budget 2021/22 £000's	Budget 2022/23 £000's	Budget 2023/24 £000's
	(42,680)	(42,551)	(43,236)	(44,446)	(45,780)
	(188)	(152)	(192)	(196)	(198)
	(1,857)	(2,081)	(2,137)	(2,187)	(2,241)
	(506)	(361)	(387)	(395)	(402)
	(45,232)	(45,145)	(45,951)	(47,224)	(48,621)
	11,237	10,993	9,814	10,077	10,366
	12,759	12,482	12,616	12,724	12,951
	382	381	382	389	396
	385	385	385	385	385
	180	180	182	184	187
	12,114	12,114	11,543	11,543	11,543
	37,056	36,535	34,923	35,302	35,828
	(8,176)	(8,610)	(11,029)	(11,922)	(12,793)
	5,605	5,599	5,696	5,879	6,961
	(105)	(105)	(137)	(138)	(138)
	5,500	5,495	5,559	5,742	6,822
	(2,675)	(3,115)	(5,470)	(6,180)	(5,971)
	2,513	2,953	5,464	6,168	5,971
	162	162	6	12	0
	2,675	3,115	5,470	6,180	5,971
	(0)	(0)	0	(0)	(0)

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APPENDIX 4
Housing Revenue Account
HRA Balances

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Bournemouth Neighbourhood						Poole Neighbourhood					BCP HRA				
	Budget 2020/21 £000's	Forecast Outturn 2020/21 £000's	Budget 2021/22 £000's	Budget 2022/23 £000's	Budget 2023/24 £000's	Budget 2020/21 £000's	Forecast Outturn 2020/21 £000's	Budget 2021/22 £000's	Budget 2022/23 £000's	Budget 2023/24 £000's	Budget 2020/21 £000's	Forecast Outturn 2020/21 £000's	Budget 2021/22 £000's	Budget 2022/23 £000's	Budget 2023/24 £000's
HRA Reserves															
HRA Reserve as at 1st April (Brought Forward)		(1,095)	(15,459)	(5,801)	(1,085)	(742)	(742)	(7,026)	(2,108)	(792)		(1,837)	(22,485)	(7,910)	(1,878)
Other Reserves as at 1st April (Brought Forward)		(13,683)	0	0	0	0	0	0	0	0		(13,683)	0	0	0
MRR Balance as at 1st April (Brought Forward)		(1,200)	0	0	0	(9,825)	(11,167)	0	0	0		(12,367)	0	0	0
Bought Forward Balance	(12,641)	(15,978)	(15,459)	(5,801)	(1,085)	(10,567)	(11,909)	(7,026)	(2,108)	(792)	(23,208)	(27,887)	(22,485)	(7,910)	(1,878)
Income															
RCCO	(26)	(653)	(1,822)	(2,227)	(1,711)	(2,487)	(2,300)	(3,642)	(3,941)	(4,260)	(2,513)	(2,953)	(5,464)	(6,168)	(5,971)
Depreciation	(7,253)	(7,253)	(6,878)	(6,878)	(6,878)	(4,861)	(4,861)	(4,665)	(4,665)	(4,665)	(12,114)	(12,114)	(11,543)	(11,543)	(11,543)
Useable Capital Receipts	(2,859)	(1,019)	(5,361)	(8,139)	(4,221)	(1,856)	(1,353)	(1,700)	(3,177)	(4,265)	(4,715)	(2,372)	(7,061)	(11,316)	(8,486)
Transfer to HRA reserve						(162)	(162)	(6)	(12)	0	(162)	(162)	(6)	(12)	0
Borrowing	0	0	0	(15,900)	(16,000)	0	0	(16,500)	(7,200)	(7,800)	0	0	(16,500)	(23,100)	(23,800)
S106 receipts utilised	0	(1,343)	(1,727)	(705)	(28)	0	0	0	0	0	0	(1,343)	(1,727)	(705)	(28)
Grant, Capital Receipts and GF Contribution	(360)	(360)	0	(550)	(550)	(791)	(791)	0	0	0	(1,151)	(1,151)	0	(550)	(550)
Capital Expenditure															
Planned Maintenance	7,937	5,220	7,446	7,386	7,360	7,369	5,801	7,151	7,178	6,420	15,306	11,021	14,597	14,564	13,780
Major Projects	11,681	5,927	18,000	31,729	22,069	14,264	8,548	24,279	13,133	14,530	25,945	14,475	42,279	44,862	36,600
Intra-HRA Cashflow	2,300	0	0	0	0	(2,300)	0	0	0	0	0	0	0	0	0
Balance (surplus) as at 31 March	(1,221)	(15,459)	(5,801)	(1,085)	(1,044)	(1,391)	(7,026)	(2,108)	(792)	(833)	(2,612)	(22,485)	(7,910)	(1,878)	(1,877)

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APPENDIX 5
Housing Revenue Account - Capital Programme for 2020/21 to 2023/24

	Bournemouth Neighbourhood					Poole Neighbourhood					BCP HRA							
	Budget	Forecast		Estimate	Estimate	Estimate	Budget	Forecast		Estimate	Estimate	Estimate	Budget	Forecast		Estimate	Estimate	Estimate
	2020/21	2020/21		2021/22	2022/23	2023/24	2020/21	2020/21		2021/22	2022/23	2023/24	2020/21	2020/21		2021/22	2022/23	2023/24
<u>Planned Maintenance Programme</u>																		
External Standard Doors	300,000	50,000		350,000	400,000	400,000	150,000	150,000		172,000	158,000	158,000	450,000	200,000		522,000	558,000	558,000
Fire Safety Programmes	600,000	200,000		600,000	600,000	600,000	841,160	785,000		480,500	326,500	226,500	1,441,160	985,000		1,080,500	926,500	826,500
Kitchen Replacement Programme	850,000	430,000		850,000	800,000	800,000	675,000	495,000		863,000	932,000	997,000	1,525,000	925,000		1,713,000	1,732,000	1,797,000
Heating and Hot Water Systems	670,000	250,000		650,000	650,000	650,000	1,389,200	1,196,000		1,219,000	925,000	331,000	2,059,200	1,446,000		1,869,000	1,575,000	981,000
Bathrooms	950,000	400,000		900,000	900,000	900,000	250,000	131,000		272,000	273,000	242,000	1,200,000	531,000		1,172,000	1,173,000	1,142,000
Building Envelope	60,000	20,000		-	-	-	312,000	266,000		318,000	324,000	324,000	372,000	286,000		318,000	324,000	324,000
Electrical and Lighting Works	130,000	130,000		150,000	160,000	160,000	465,000	361,000		405,000	315,000	315,000	595,000	491,000		555,000	475,000	475,000
Door Entry System	50,000	20,000		50,000	50,000	50,000	20,000	25,000		27,000	27,000	27,000	70,000	45,000		77,000	77,000	77,000
Structural Repairs \ Works	45,000	20,000		35,000	35,000	30,000	7,500	2,000		7,500	7,500	7,500	52,500	22,000		42,500	42,500	37,500
Lift Improvements & Replacements	120,000	200,000		140,000	160,000	200,000	18,000	8,000		18,000	269,000	19,000	138,000	208,000		158,000	429,000	219,000
Building External - all schemes	700,000	840,000		600,000	600,000	600,000	290,350	10,000		290,000	290,000	290,000	990,350	850,000		890,000	890,000	890,000
Out buildings (inc. garages)	65,000	50,000		65,000	65,000	50,000	45,000	2,000		45,000	45,000	45,000	110,000	52,000		110,000	110,000	95,000
Asbestos	-	-		-	-	-	90,000	70,000		95,000	95,000	95,000	90,000	70,000		95,000	95,000	95,000
Insulation / Energy Conservation / Environmental improvements	110,000	-		110,000	110,000	110,000	155,000	120,000		155,000	155,000	155,000	265,000	120,000		265,000	265,000	265,000
Roofing	350,000	350,000		300,000	300,000	300,000	380,000	330,000		305,000	360,000	360,000	730,000	680,000		605,000	660,000	660,000
Windows	1,180,000	950,000		1,000,000	900,000	900,000	628,000	628,000		637,000	910,000	1,050,000	1,808,000	1,578,000		1,637,000	1,810,000	1,950,000
Housing & Health Safety Rating Systems - Category 1 & 2	-	-		-	-	-	137,560	35,000		138,000	143,000	143,000	137,560	35,000		138,000	143,000	143,000
Plastering	-	-		-	-	-	75,000	25,000		79,000	79,000	79,000	75,000	25,000		79,000	79,000	79,000
Modifications to Boundaries, Communal Area, Hardscapes and Drainage	65,000	50,000		65,000	65,000	50,000	150,000	60,000		150,000	157,000	157,000	215,000	110,000		215,000	222,000	207,000
Bedroom Extensions	200,000	-		200,000	200,000	180,000	-	-		-	-	-	200,000	-		200,000	200,000	180,000
Capitalized Salaries	331,000	331,000		336,000	341,000	330,000	524,000	532,000		611,000	623,000	635,000	855,000	863,000		947,000	964,000	965,000
Disabled Adaptations & Stairlifts	700,000	500,000		550,000	550,000	550,000	360,000	230,000		360,000	360,000	360,000	1,060,000	730,000		910,000	910,000	910,000
Minor Works	85,000	113,000		145,000	150,000	150,000	130,000	240,000		154,000	154,000	154,000	215,000	353,000		299,000	304,000	304,000
Right to Buy Administration	26,000	26,000		-	-	-	26,000	-		-	-	-	52,000	26,000		-	-	-
Sheltered sites	-	-		-	-	-	-	100,000		100,000	-	-	-	100,000		100,000	-	-
Contingency	350,000	290,000		350,000	350,000	350,000	250,000	-		250,000	250,000	250,000	600,000	290,000		600,000	600,000	600,000
Planned Maintenance Programme Expenditure	7,937,000	5,220,000		7,446,000	7,386,000	7,360,000	7,368,770	5,801,000		7,151,000	7,178,000	6,420,000	15,305,770	11,021,000		14,597,000	14,564,000	13,780,000
<u>Major Projects</u>																		
Major Projects Expenditure	11,681,000	5,927,000		17,999,800	31,729,000	22,069,300	14,264,027	8,547,900		24,279,400	13,133,410	14,530,250	25,945,027	14,474,900		42,279,200	44,862,410	36,599,550
TOTAL CAPITAL EXPENDITURE	19,618,000	11,147,000		25,445,800	39,115,000	29,429,300	21,632,797	14,348,900		31,430,400	20,311,410	20,950,250	41,250,797	25,495,900		56,876,200	59,426,410	50,379,550

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APPENDIX 6
Housing Revenue Account
Major Project Capital Programme

Bournemouth Neighbourhood						Council Approval Category		
	Budget	Forecast	Estimate	Estimate	Estimate	No further approval	Conditional Approval	Further approval required
	2020/21	2020/21	2021/22	2022/23	2023/24			
Major Projects - Bournemouth Neighbourhood								
Northbourne Day Centre	962,000	12,000	1,388,200	76,000	-	1,464,200	-	-
Barrow Drive Garages	454,000	378,500	98,500	-	-	98,500	-	-
Templeman House	1,700,000	935,200	2,750,000	2,752,600	-	5,502,600	-	-
Princess Road Development (HRA element)	1,400,000	1,389,000	750,000	10,000,000	8,823,100	19,573,100	-	-
Ibbertson Way Garages	662,000	370,600	264,000	-	-	264,000	-	-
Luckham Road/Charminster Rd	1,706,000	613,900	1,212,100	-	-	1,212,100	-	-
Cabbage Patch car park	1,700,000	352,300	1,400,000	603,100	-	2,003,100	-	-
Moorside Road	1,950,000	209,100	2,873,000	1,162,100	-	4,035,100	-	-
Duck Lane Phase 2	-	34,700	1,600,000	767,800	-	2,367,800	-	-
Craven Court	-	30,800	1,750,000	3,498,900	-	-	-	5,248,900
Wilkinson Drive	-	14,500	1,450,000	1,299,100	-	2,749,100	-	-
Purchase & Repair	-	1,070,000	1,653,700	-	-	1,653,700	-	-
New Build & Acquisition TBC	1,147,000	516,400	810,300	11,569,400	13,246,200	-	-	25,625,900
Major Projects Expenditure - B'mouth Neighbourhood	11,681,000	5,927,000	17,999,800	31,729,000	22,069,300	40,923,300	-	30,874,800

Poole Neighbourhood						Council Approval Category		
	Budget	Forecast	Estimate	Estimate	Estimate	No further approval	Conditional Approval	Further approval required
	2020/21	2020/21	2021/22	2022/23	2023/24			
Major Projects - Poole Neighbourhood								
Information Technology Capital Costs	250,000	250,000	250,000	-	-	250,000	-	-
Project Admiral	6,600,000	5,217,500	13,552,000	1,209,500	271,000	15,032,500	-	-
Project Admiral - Buy backs	750,000	750,000	-	-	-	-	-	-
Cladding	450,000	795,000	3,079,000	62,000	-	3,141,000	-	-
New Build - Infill	750,000	30,000	1,100,000	1,100,000	1,100,000	-	-	3,300,000
Small Sites programme - Acquisitions	1,000,000	750,000	1,500,000	1,000,000	1,000,000	3,500,000	-	-
Cynthia House	577,000	60,000	2,175,000	1,820,000	59,250	4,054,250	-	-
Herbert Avenue	2,697,449	86,900	2,335,000	36,210	-	2,371,210	-	-
Canford Heath Road	150,753	40,000	-	-	-	-	-	-
Sprinklers	753,825	365,000	213,400	-	-	213,400	-	-
Hillbourne School site - phase 1	285,000	203,500	75,000	7,905,700	12,100,000	-	-	20,080,700
Major Projects Expenditure - Poole Neighbourhood	14,264,027	8,547,900	24,279,400	13,133,410	14,530,250	28,562,360	-	23,380,700
Total Major Project Expenditure - BCP HRA	25,945,027	14,474,900	42,279,200	44,862,410	36,599,550	69,485,660	-	54,255,500

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DELIVERY PLAN

2021/22



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				
Roll out the replacement lock programme across all sheltered properties by March 2022 to maintain integrity of doors	Fire Strategy	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				
Bring forward plans to ensure that PHP meets all requirements of the new Building safety legislation expected in early 2021	Board Discussion	Brighter Futures				
Ensure the new resident engagement strategy for fire safety is embedded across service delivery areas	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				
Complete the programme for retrofitting of the sprinklers across Sterte Court and agree the programme of works for the Old Town.	Major Projects Report	Modern Accessible and Accountable Council				
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				
Ensure ongoing compliance against Housing Ombudsman code of conduct for complaints	Board KPI Dashboard	Modern Accessible and Accountable Council				
Ensure that all areas of work are COVID secure, meet relevant government guidelines and that this is monitored regularly	via SMT report	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
Complete construction of the modular build on the Herbert Avenue site, delivering 24 units for use by BCP council.	Major Projects Report	Dynamic Places				
Complete works on 2 blocks within the Project Admiral programme delivering the upgraded façade and enhanced fire safety measures	Major Projects Report	Dynamic Places				
Complete super structure works at Cynthia House ensuring good progress within the overall build programme	Major Projects Report	Dynamic Places				
Complete all preparation work for the Hillborne development site, ensuring resident consultation has been completed, planning permission obtained and procurement of a contractor has been delivered. Ensure that the handover of the site from the school can take place in May 2022 and that construction can begin	Major Projects Report	Dynamic Places				
Set out options for the delivery of new homes across the Poole Neighbourhood HRA. Enabling a review of the pipeline, reflecting current BCP priorities and agreeing with BCP colleagues priority schemes and approaches	Major Projects Report	Dynamic Places				
Complete the delivery of a new façade at Sterte Court	Major Projects Report	Dynamic Places				
Bring forward proposals for refurbishment of sheltered schemes following outcomes of the older peoples review	Major Projects Report	Dynamic Places				
To take forward the recommendations from the analysis of the older people housing stock data across Bournemouth and Poole, to inform the 10 year development plan and to devise a stock improvement plan.	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.	House mark Return	Brighter Futures				
Deliver a cyclical maintenance programme that meets all of PHP's statutory requirements	H&S Dashboard	Brighter Futures				
Ensure that all planned and reactive maintenance is delivered in a COVID secure manner, reflecting latest guidelines, uses PPE where appropriate and maintains social distancing	via SMT report	Modern Accessible and Accountable Council				
Bring forward a new 30 year asset management plan	Asset Management Plan	Brighter Futures				
Set out key issues within the new 30 year asset management plan that require further discussions and ensures that the 5 year plan is adequately funded, meets wider council objectives and supports national delivery targets	Asset Management Plan	Modern Accessible and Accountable Council				
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 125 bathrooms and 83 kitchens across the stock, supporting effective decent homes. (to be confirmed)	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 deliver the installation of a new heating system at Willow Park effectively and in line with agreement with local residents	via SMT report	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 92.2% 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 further properties from PHP resources to be used to support households facing homelessness.	Finance Board Reports	Brighter Futures				
To support the BCP Council objective 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 work with BCP council to roll out the homelessness strategy across Poole	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				

Key Deliverable – Housing Management and Maintenance

Actions	Measurement	BCP Corporate Strategy	Q1 RAG	Q2 RAG	Q3 RAG	Q4 RAG
Deliver at least 1 resident magazine in 2021/22 and continue a conversation with residents regarding value of approach.	via CE Updates	Connected Communities				
To roll out the understanding of consumer standards across the organisation and reflect in service delivery reported to Panels	via CE Updates	Modern Accessible and Accountable Council				
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				
Publicise the tenant portal and work with residents to increase usage and improve customer experience	via CE Updates	Connected Communities				
To complete an annual estates inspection programme and direct investment based on the outcomes of this programme towards any estate that does not achieve "good".	via SMT report	Connected Communities				
Develop the estates grading programme to support requirements in the Housing white paper around community engagement and improvement	via SMT report	Modern Accessible and Accountable Council				
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				
To review the customer service model and using customer insight bring forward proposals for an updated model that drives efficiency and effectiveness across the whole business, ensuring that where possible enquiries are dealt with at first point of contact	via SMT report	Modern Accessible and Accountable Council				
Develop a programme of work that collects customer satisfaction information in line with the requirements of the white paper	via SMT report	Modern Accessible and Accountable Council				
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 the organisation rolls out and embeds approaches to meet the new Breathing Space legislation, supporting residents appropriately	via CE Updates	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 review the impact of social distancing on how resident involvement can be delivered, drawing on good practice elsewhere and co-designing delivery options that maximises involvement using different channels	via CE Updates	Connected Communities				

To bring forward engagement events and approaches that can replace the annual delivery of a face to face resident conference	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				
To bring forward recommendations from the wider Older People's review to set out the delivery of services to the residents within sheltered housing over the next 10 years	Board report	Dynamic Places				
To gain agreement to the recommendations within the Older People Housing Review with key stakeholders and set out delivery approaches that will begin within 2021/22	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 than 10 households in any one year.	Board KPI Dashboard	Fulfilled Lives				
To establish the Tenancy Sustainment Board within PHP and use this to drive improvements in how the organisation works to deliver services	via CE Updates	Modern Accessible and Accountable Council				
Aim to deliver resolution of 90% of ASB cases without legal action	SMT KPI Dashboard	Modern Accessible and Accountable Council				
To review current and recent ASB cases and understand common failure points, setting out development of revised working practices and key messages	SMT KPI Dashboard	Modern Accessible and Accountable Council				
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				
In partnership with BCP Council, use the demand and allocation information in developing a plan to resolve the issues with hard to let properties	via CE Updates	Modern Accessible and Accountable Council				
To review the current Poole standard for voids and understand the impact that this has on ability to let properties, setting out recommendations for change where relevant	via CE Updates	Modern Accessible and Accountable Council				
Review of the current cleaning approach for void properties in light of the 2021 procurement of the cleansing contract and changes required to deliver a more effective model that supports Lettings	via CE Updates	Modern Accessible and Accountable Council				
Deliver the procurement of a new cleansing contract that delivers an effective cleaning service across sheltered schemes and the Lettings team that also meets enhanced measures required under COVID	Board report	Modern Accessible and Accountable Council				
To ensure that all teams work in a manner that reflects social distancing and takes account of required health and safety standards in response to COVID19	via SMT report	Modern Accessible and Accountable Council				

To assist in the roll out of the 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
To ensure that resources are identified within the Poole Neighbourhood HRA that support the delivery of the new build programme and reflects BCP priorities with regards increasing housing supply	HRA budget report	Modern Accessible and Accountable Council				
To ensure that key policy areas within the HRA are delivered jointly across Poole and Bournemouth, to include as a minimum depreciation, bad debt and service charges	HRA budget report	Modern Accessible and Accountable Council				
To ensure that pooling returns are prepared in accordance with MHCLG requirements and that measures to limit any repayments that arise as a result in delays in projects are in place	HRA budget report	Modern Accessible and Accountable Council				
Ensure that the organisation is effectively staffed, morale is maintained, and that turnover is limited. Lynn to update	SMT KPI Dashboard	Modern Accessible and Accountable Council				
Ensure that a COVID secure environment is maintained at all times within Beech House and the sheltered schemes	via SMT updates	Modern Accessible and Accountable Council				
Establish new ways of working with staff using new technology and embracing remote working, agreeing a new remote working policy following staff consultation	via SMT updates	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 complete roll out of phase 2 of the Cx system, maximising efficiencies inherent in the system and supporting more agile working	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				
To roll out the new telephony system and explore the benefits available from this in new ways of working and the improved reporting functionality	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				
Review the management agreement with BCP council to ensure that this meets of the Housing white paper	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				

Responsibility		Indicator Detail		2021/22 Targets		Performance								
Area	Team	KPI	Cumulative?	Target	Tolerate*	2020/21 Year End	QTR 1	Trend	QTR 2	Trend	QTR 3	Trend	Year End	Trend
Compliance	Business Support	To have no GDPR breaches and no recommendations for improvement from the ICO.	Yes	0	-									
	Business Support	Percentage of Subject Access Requests completed on time	Yes	100.00%	-									
	Business Support	Ensure 95% of complaints are dealt with within timescale (5 working days for rapid response and 10 working days for formal stage 1)	Yes	95.00%	90.00%									
	Repairs	% properties with an in-date LGSR	No	100.00%	-									
	Repairs	% properties with an in-date EICR	No	100.00%	-									
	Repairs	% lifts with an in-date inspection report	No	100.00%	-									
	Repairs	% properties with an in-date FRA	No	100.00%	-									
	Repairs	% properties with an in-date WRA (Legionella)	No	100.00%	-									
	Repairs	% properties with an in date ACM survey	No	100.00%	-									
Housing Management and Maintenance	Income	Proportion of rent collected (BVPI66a)	Yes	98.00%	94.50%									
	Income	Current tenant arrears as a % of the annual rent debit	Yes	4.00%	3.44%									
	Income/ Legal	Evictions due to rent arrears	Yes	10	17									
	Repairs	% tenant satisfaction with quality of repairs	No	95.00%	85.00%									
	Repairs	% of response repairs completed on first visit	No	93.00%	85.67%									
	Repairs	% response repairs appointments made and kept	No	99.50%	95.14%									
	ASB	% of ASB cases resolved successfully without recourse to court action	No	94.00%	90.00%									
	ASB	% of ASB cases per 1,000 homes	No	2.00%	2.50%									
	Voids	Rent loss due to voids	Yes	1.00%	1.03%									
	Voids	Average relet time for standard works (GN) (Calendar Days)	Yes	15.00	23.84									
	Voids	Average relet time for standard works (SH) (Calendar Days)	Yes	20.00	23.84									
Adding Value	Business Support	To ensure the Board meets at least six times during the year, plus one AGM.	Yes	6 + 1	-									
	HR	Average number of days per person lost to short and medium term sickness (absence of 1 to 30 days). Rolling 12 month period.	Yes	4.50	12.02									
	HR	Average number of days per person lost to long term sickness (absence of 31 days or over). Rolling 12 month period.	Yes	5.00	12.02									

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Delivery Plan

2021/22

The actions are 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.

Compliance

Actions	Measurement	BCP Corporate Strategy	Q1 RAG	Q2 RAG	Q3 RAG	Q4 RAG
Agree and produce a monthly health and safety dashboard identifying performance against legislative standards and agree actions where performance is below target.	HRA compliance meeting	Modern Accessible and Accountable Council				
Deliver a programme of works to meet all FRA remedial actions within a reasonable period of time.	HRA compliance meeting	Modern Accessible and Accountable Council				
Ensure that plans are in place to meet any requirements from the new Building Safety legislation expected in early 2021.	HRA compliance meeting	Modern Accessible and Accountable Council				
Ensure the new resident engagement strategy for fire safety is embedded across service delivery areas.	HRA Management Group	Connected Communities				
On the 31st March 2021 all properties will have an electrical test certificate that is no older than 10 years	HRA compliance meeting	Modern Accessible and Accountable Council				
To ensure compliance with GDPR and Data Protection Acts	HRA Management Group	Modern Accessible and Accountable Council				
Ensure that 90% of complaints are dealt with within timescales	HRA Management Group	Modern Accessible and Accountable Council				
Ensure ongoing compliance against the Housing Ombudsman code of conduct for complaints	HRA Management Group	Modern Accessible and Accountable Council				
Ensure that the corporate complaints policy is rolled out to all staff and that complaints are recorded on Northgate	HRA Management Group	Modern Accessible and Accountable Council				
Ensure that all areas of work are COVID secure, meet relevant government guidelines and that this is monitored regularly	HRA Management Group	Modern Accessible and Accountable Council				
Identify improvements to monitoring compliance and recording certification to deliver efficiencies	HRA compliance meeting	Modern Accessible and Accountable Council				
Review property compliance policies, procedures and accountability across housing	HRA compliance meeting	Modern Accessible and Accountable Council				

Refresh terms of reference for BCP Housing Fire Safety Group	HRA Management Group	Modern Accessible and Accountable Council				
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New Build and Major Projects

Actions	Measurement	BCP Corporate Strategy	Q1 RAG	Q2 RAG	Q3 RAG	Q4 RAG
Complete construction of 9 homes for rent on Northbourne Day Centre, Kinson	HRA Management Group	Dynamic Places				
Complete remainder of spend for Barrow Drive, Townsend	HRA Management Group	Dynamic Places				
Progress development on Templeman House, Leedham Road site, Kinson to provide 27 flats built to Passive Haus standards	HRA Management Group	Dynamic Places				
Progress development on Princess Road site, Westbourne to provide 120 new homes for rent	HRA Management Group	Dynamic Places				
Complete construction of 3 homes for rent on Ibbertson Way garage site, Townsend	HRA Management Group	Dynamic Places				
Complete construction of 9 homes for rent at Luckham Road, Charminster	HRA Management Group	Dynamic Places				
Progress development on Cabbage Patch car park, St Stephens Road site, Bournemouth town centre to provide 11 flats for rent built to Passiv Haus standards	HRA Management Group	Dynamic Places				
Progress development on Moorside Road site, West Howe to provide 14 3-bedroom houses for rent	HRA Management Group	Dynamic Places				
Progress development on Duck Lane site, Bearcross to provide 12 flats for rent	HRA Management Group	Dynamic Places				
Progress development at Craven Court, Knyveton Road site to provide 24 flats for rent	HRA Management Group	Dynamic Places				
Progress development on Wilkinson Drive site, Townsend to provide 13 homes for rent	HRA Management Group	Dynamic Places				

Compete purchase of 5 properties for repair and rent	HRA Management Group	Dynamic Places				
Demolish defective flats at 1001 Wimborne Road and create 3 new build one bed flats	HRA Management Group	Dynamic Places				
Repairs to defective balconies across the housing stock	HRA Management Group	Dynamic Places				
Bring forward any proposals for refurbishment of sheltered schemes following outcomes of the older people's review	HRA Management Group	Dynamic Places				
To take forward the recommendations from the analysis of the older people housing stock data across Bournemouth and Poole, to inform any development or stock improvement plan.	HRA Management Group	Dynamic Places				

Dynamic Quality Homes

Actions	Measurement	BCP Corporate Strategy	Q1 RAG	Q2 RAG	Q3 RAG	Q4 RAG
347 All stock to continue to meet the Decent Homes Standard.	HRA Management Group	Dynamic Places				
Deliver a cyclical maintenance programme that meets all of the Council's statutory requirements	H&S dashboard	Dynamic Places				
Ensure that all planned and reactive maintenance is delivered in a COVID secure manner, reflecting latest guidelines, using PPE where appropriate and maintain social distancing	Via Housing Leadership Team	Modern Accessible and Accountable Council				
Bring forward a new 30-year asset management plan to include how we carry out retrofitting	HRA Management Group	Dynamic Places				
Set out key issues within the new 30-year asset management plan that require further discussions and ensures that the 5-year plan is adequately funded, meets wider council objectives and supports national delivery targets	HRA Management Group	Modern Accessible and Accountable Council				
Explore work to deliver net zero carbon emissions across the current stock by 2050, setting out timelines and options for consideration	HRA Management Group	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	HRA Management Group	Dynamic Places				

To replace 100 kitchens and 100 bathrooms across the housing stock	End of Quarter Performance Reporting meeting	Dynamic Places				
Ensure 100% of Right to Repair works orders are completed within target	End of Quarter Performance Reporting meeting	Modern Accessible and Accountable Council				
Ensure 95.5% of appointments for responsive repairs are kept	End of Quarter Performance Reporting meeting	Modern Accessible and Accountable Council				
Maintain an overall 95% satisfaction rate of the overall service	End of Quarter Performance Reporting meeting	Modern Accessible and Accountable Council				
Reviewing property compliance policies, procedures and accountability across housing	Monthly HRA compliance meeting	Modern Accessible and Accountable Council				
Provide an annual report to Cabinet regarding compliance of the housing stock with reference to Consumer Standards.	HRA Management Group	Modern Accessible and Accountable Council				
Increase resources required to maintain our programme of safety inspections of blocks of flats including Senior Living accommodation and ensuring high standards of estate management.	HRA Management Group	Modern Accessible and Accountable Council				

Homelessness

Actions	Measurement	BCP Corporate Strategy	Q1 RAG	Q2 RAG	Q3 RAG	Q4 RAG
To continue to support the Housing First programme providing accommodation for those requiring high levels of intensive support	Neighbourhood Management Group	Connected Communities				
To work with colleagues across the Council and Poole Housing Partnership to agree a tenancy sustainment approach.	Neighbourhood Management Group	Dynamic Places				
To provide suitable accommodation to support the Council's wider approach to preventing homelessness	Neighbourhood Management Group	Dynamic Places				

To use HRA resources where appropriate to support the Councils homelessness strategy and housing strategy	Via Housing Leadership Team	Dynamic Places				
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Housing Management and Maintenance

Actions	Measurement	BCP Corporate Strategy	Q1 RAG	Q2 RAG	Q3 RAG	Q4 RAG
Deliver residents magazine in 2021/22	HRA Management Group	Connected Communities				
Support community engagement projects that enable the Council to meet its strategic objectives and empower residents to contribute to their communities	HRA Management Group	Connected Communities				
To support the Council's Transformation Programme to deliver organisational change and smarter structures ensuring that customers are better understood and better served.	Via Housing Leadership Team	Connected Communities				
To review the estates inspections programme to ensure that it is effective in maintaining areas as places people want to live in and that it informs investment	HRA Management Group	Modern Accessible and Accountable Council				
Deliver or support a range of preventative community work, e.g. estate clean up days that meet the needs of communities and wider BCP objectives	HRA Management Group	Connected Communities				
Deliver income collection levels of at least 98%	End of Quarter Performance Reporting meeting	Modern Accessible and Accountable Council				
To have rent arrears of no more than 3.5%	End of Quarter Performance Reporting meeting	Modern Accessible and Accountable Council				
Roll out and embed approaches to meet the new Breathing Space legislation, supporting residents appropriately	Neighbourhood Management Group	Modern Accessible and Accountable Council				
To ensure that all resident panels to meet at least quarterly and that residents are effectively informed and supported to challenge and engage with the organisation.	HRA Management Group	Connected Communities				
To review the impact of social distancing on how resident involvement can be delivered, drawing on good practice elsewhere and co-designing delivery options that maximises involvement using different channels	HRA Management Group	Connected Communities				

To bring forward engagement events and approaches that can replace the annual delivery of a face to face resident conference	HRA Management Group	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	HRA Management Group	Connected Communities				
Agree approach to ensure increased tenancy sustainment for Poole and Bournemouth neighbourhoods	Neighbourhood Management Group	Fulfilled Lives				
To minimise evictions and evict no more than 10 households in any one year	Neighbourhood Management Group	Fulfilled Lives				
To review current and recent ASB cases and understand common failure points, setting out development of revised working practices and key messages	Neighbourhood Management Group	Modern Accessible and Accountable Council				
To review ASB performance indicators	Neighbourhood Management Group	Modern Accessible and Accountable Council				
Deliver an effective voids management service, with minor void (standard void) turnaround within 25 days.	Neighbourhood Management Group	Modern Accessible and Accountable Council				
To assist in the roll out of the choice-based lettings scheme	Neighbourhood Management Group	Dynamic Places				
To agree a target for securing additional benefits for residents experiencing financial hardship	Neighbourhood Management Group	Modern Accessible and Accountable Council				
Develop one plan for alignment of strategies, policies and procedures as part of housing management model work, including HRA asset management strategy	Councillor Working group	Modern Accessible and Accountable Council				

Adding Value

Actions	Measurement	BCP Corporate Strategy	Q1 RAG	Q2 RAG	Q3 RAG	Q4 RAG
To ensure that resources are identified within the Bournemouth Neighbourhood HRA that support the delivery of the new build programme and reflects BCP priorities with regards increasing housing supply	HRA Management Group	Modern Accessible and Accountable Council				

To ensure that key policy areas within the HRA are delivered jointly across Poole and Bournemouth, to include as a minimum depreciation, bad debt and service charges	Performance Management Framework	Modern Accessible and Accountable Council				
To ensure that pooling returns are prepared in accordance with MHCLG requirements and that measures to limit any repayments that arise as a result in delays in projects are in place	HRA Management Group	Modern Accessible and Accountable Council				
Undertake benchmarking to challenge performance	HRA Management Group	Modern Accessible and Accountable Council				
To support new ways of working through the Council's Transformation programme.	Via Housing Leadership Team	Modern Accessible and Accountable Council				

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Appendix 9

Summary of national rent setting policy

1. The Council needs to ensure that it sets its rents in accordance with national policy and implement rent increases that enable it to manage and maintain its properties to a high standard as well as develop new homes.
2. The national policy does not apply to service charges although registered providers should endeavour to keep increases for service charges within the limit on rent changes, of CPI + 1 percentage point, to help keep charges affordable. This can be difficult where the Council does not have control over costs, for example utility charges.
3. The national policy does not apply to rents for garages.
4. The national policy sets out how affordable rents can be set and that increases to these are also subject to CPI + 1 percentage point.
5. Since 2001 rents for the majority of social housing have been let at a “social rent”. This is based on a formula for each property which uses the following:
 - The relative property value as at January 1999
 - The relative local earnings as at 1999 levels
 - Size of the property
6. Actual rents and formula rents were then increased in line with national policy.
7. Where a tenant was paying below the formula rent their rent could only be increased by the maximum amount allowed even if this meant they continued to pay below the formula rent. However, following a vacancy a property could be re-let at the formula rent.
7. The same formula based on 1999 values is used to calculate the social rent of any new properties and then uplifted in accordance with the national rent setting policy to today's levels.
8. Actual rents and formula rents will continue to be increased by CPI+1% until at least 1 April 2024.
9. The Council and Poole Housing Partnership will move to formula rent when re-letting a property following a vacancy.

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CABINET



Report Subject	2021/22 Budget and Medium Term Financial Plan (MTFP)
Meeting date	10 February 2021
Status	Public
Executive summary	<p>To set out for cabinet consideration and recommendation to council the proposed 2021/22 budget and council tax.</p> <p>The budget as presented;</p> <ul style="list-style-type: none"> a) has been drafted on a base 1.55% increase in council tax for 2021/22 applied to the average BCP council tax for 2020/21 as permitted by Government under the Dorset local government review process. b) harmonises council tax at £1,541.57 from 1 April 2021 which is the amount assumed in the 2020/21 budget report. c) Invests £7.5 million into the Children's Services improvement plan.
Recommendations	<p>Cabinet RECOMMENDS that council;</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 £241.1 million, resulting in a total council tax requirement of £214.5 million, is set for 2021/22 based on the settlement figures published by government in December 2020. This is based upon: <ul style="list-style-type: none"> i. an increase in council tax in 2021/22 which means that the total BCP unitary charge will increase by 1.55% when applied to the average charge for 2020/21. Individual resident charges can be summarised as; <ul style="list-style-type: none"> 1. Bournemouth's council tax charge being an increase of 0.76% over that levied in 2020/21. 2. Christchurch's council tax charge being frozen compared to that levied in 2020/21. 3. Poole's council tax charge being an increase of 2.99% over that levied in 2020/21. <p>These increases can be compared to the 4.99% maximum permitted increase for 2021/22 and recognises that the government continue to promote council tax increases via the social care precept as a funding mechanism for social care.</p> ii. the key assumptions and provisions made in the budget as proposed,

	<p>set out in paragraph 35 to 56;</p> <ul style="list-style-type: none"> 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 154 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 155 to 173 and Appendix 3 to this report; vi. treasury management strategy (TMS) and prudential indicators as set out in paragraphs 174 to 183 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 185 to 186 and Appendix 7; <ul style="list-style-type: none"> b) approve a £7.2 million gross investment in the council's corporate priorities (£6.2 million net) in 2021/22 which is an increase of £4.8 million compared to the 2020/21 budget; c) approve the flexible use of capital receipts strategy to deliver significant resources towards the BCP Council transformation programme as set out in paragraphs 57 to 67; d) approve the fundamental refinancing of the capital programme and the move to borrowing as a means of financing previously approved programmes of the council as discussed in paragraphs 150 to 154; e) approve the establishment of a £50 million futures fund to support key infrastructure developments as set out in paragraph 97; f) approve the investment of £10 million in special educational needs and disability (SEND) capital expenditure to support the Council in addressing the year on year deficits in the high needs block of the dedicated schools grant as set out in paragraph 110; g) note that it has been agreed, due to unforeseen circumstances, that neither the Council nor Homes England will be taking forward the provision of the grant award relating to the Turlin Moor housing site at this time. This will result in the loss of £3.838m grant funding for the scheme as set out in paragraph 139; h) approve the revised funding strategy for the Council's current approved Capital budget of £420,000 to support delivery of the Turlin Moor project as set out in Appendix 4a, as follows: - <ul style="list-style-type: none"> a. £138,000 which was originally to be funded from the Homes England Grant monies for professional work required to inform the land remediation requirements will now be met from Section 106 monies collected to deliver affordable housing b. £168,000 from further Section 106 monies collected to deliver affordable housing c. £114,000 as an allocation from 2018/2019 in-year capital underspend
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	i) 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, and chartered trustees once these have been determined prior to the Council meeting on the 23 February 2021.
Reasons 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 2021/22 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	Cllr Drew Mellor – Leader and Portfolio Holder for Finance and Transformation
Report author	Adam Richens Chief Finance Officer and Director of Finance ☎01202 123027 ✉ adam.richens@bcpcouncil.gov.uk
Contributors	Dan Povey, Acting Assistant Chief Finance Officer Nicola Webb, Assistant Chief Finance Officer Matthew Filmer, Finance Manager
Wards:	All
Classification:	For Recommendation

Overview of the proposed 2021/22 budget

1. The 2021/22 budget as presented is a bold, creative, dynamic, responsible, and robust budget which;
 - a) harmonises council tax with a consistent rate being charged across the BCP area from April 2021 onwards.
 - b) continues to work to ensure consistent standards of service are delivered across the council.
 - c) invests £7.5 million in the Councils highest priority area, namely the children's services improvement plan alongside an additional £1 million for the innovative Children's Covid Recovery Fund.
 - d) has due regard to the severely high level of uncertainty being caused by the global public health emergency and the need to support the integrity of the council's financial position and its future sustainability. This includes, as a one-off for 2021/22, increasing the base revenue budget contingency by £2.4 million to £3.6 million.
 - e) invests £50 million in a futures fund which will enable the Council to support our community recover from Covid-19 with an emphasis on creating a world class city region,

stepping up regeneration with a renewed focus on place-based leadership and restoring a sense of pride.

- f) is based on the delivery of a further £20.6 million in annual service-based and transformation-based savings in addition to the £20.6 million delivered to support the 2019/20 and 2020/21 budgets, bringing the total service-based annual savings following local government review (LGR) to £41.2 million whilst reducing the previous target for 2021/22 transformation savings from £15 million to £7.5 million to reflect the pressure the organisation is under in terms of its response to the Covid pandemic. These savings have prevented some of the cuts to services being implemented by other local authorities at this time.
- g) Invests £7.236 million gross in the new council's priorities in 2021/22. This expenditure most notably includes;
 - £1,750,000 investment in regeneration.
 - £1,000,000 as a one-off in education to help children catch up with their education and to support their mental health.
 - £1.155 million gross to improve standards in the highway maintenance network and to address the impact of the inherited under-investment across the Christchurch locality.
 - £500,000 in arts and culture recognising the importance of taking forward the BCP Cultural Compact.
 - £453,000 to improve street cleaning standards across the conurbation including addressing the lack of resources available within the Christchurch locality.
 - £250,000 in support of a cultural bounce back festival.
 - £250,000 to reduce the current pressures in the planning system.
 - £240,000 being set aside to support the climate change and ecological emergency.
 - £240,000 to improve Community Safety by appointing six extra Community Safety Accreditation Officers.
 - £60,000 in assistive technology to start the transformation journey in Adult Social Care
 - £50,000 to improve site management of unauthorised encampments
 - £50,000 in a community engagement strategy with a particular focus on embedding Asset-Based Community Development.
- h) prioritises investment in services to the most vulnerable members of our community with an extra £13 million allocated for adult services.
- i) delivers resources to fund the transformation of the council in 2021/22, with £23.6 million being funded from the application of a flexible use of capital receipts policy with a specific £12.9 million transformation financial resilience reserve being set aside in mitigation which for the purposes of the budget it has been assumed will be applied.
- j) continues the transformation of the council and our journey to create a vibrant new entity which re-imagines and creates a modern and efficient organisation.
- k) continues to protect and invest in vital frontline services.

Background detail

2. The creation of two new unitary authorities, covering the geographical area of Dorset, was a strategic response to the financial challenges faced by all local authorities since 2010 following the application of the government's austerity programme, 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 was 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. In considering the 2021/22 budget for BCP Council it will be important that it is within the context of a unitary authority which is currently only in its second year of operation with turnover of around £0.7 billion per annum and an annual net budget which for 2021/22 is proposed to be £241 million per annum. It is also critical that consideration is given to the ambition and purpose of the council as expressed through the approved corporate strategy as well as the impact on the organisation's financial and non-financial resources of the global Covid-19 public health emergency.
4. BCP Council's Corporate Strategy was adopted by the 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.
5. The strategy is underpinned by an agreed set of core values and delivery plans which set out how the council will achieve the priorities. Alongside this the Leader and Cabinet have developed a vision and narrative for the place of Bournemouth Christchurch and Poole as the UK's newest coastal city region, picking up many of the aspirational themes for the place from the original Local Government Reorganisation planning papers.
6. As well as the delivery plans, which describe how the Council will deliver the priorities in the Corporate Strategy, a programme of five major projects has been developed to deliver big changes across our whole area over the next five to ten years. It is expected that these will support the creation of 30,000 jobs across all sectors of our economy, creating wealth for our businesses and incomes for our families.

7. The projects will make up the 'Big Plan' that reflects the scale of the council's ambition for the area and which will enable the articulation of that vision with key regional and sub-regional partners and with government.
8. These are presented to this meeting as a separate item on the agenda and provide the strategic context for this budget

Figure 1: BCP Corporate Strategy



Impact of the Covid-19 Public Health Emergency

9. This budget cannot be established without considering the medium to long term impact of the country's biggest public health emergency for a generation. Since March 2020 the Covid-19 global pandemic has required urgent and decisive action to be taken by the council to support its community while also supporting the integrity of the council's financial position and future sustainability.
10. The public health emergency resulted in extra pressures on services in support of the most vulnerable; the elderly, disabled and homeless. This included getting rough sleepers off the street, supporting new shielding programmes for clinically extremely vulnerable people, assisting the response of the public sector and social care workforce, and making over £145 million in grants to local businesses and individuals through the council.

11. At the same time the council's varied income base collapsed with leisure centres shut, seafront services closed, and parking fees not generated, as well as lower council tax and business rates yields. This loss of income represented a real reduction in the resources available to fund local services and without government support would have meant the council would have had to fundamentally review the services it could continue to provide.
12. In considering the council's overall financial position it must be borne in mind that BCP as well as being one of the twelve largest unitary councils is also a coastal community particularly exposed to significant income reductions. In a normal year the tourism sector makes a considerable contribution to the budget, including for vital council services such as adults and children's social care. This is emphasised by benchmarking that shows the council is in the top four of unitary councils for being supported by its sales, fees, charges, trading accounts, interest & investment income. Growing our income base was a strategy to sustain services directly linked to reduced government funding through austerity alongside a growing demand and cost base.
13. That said, the position is compounded by the continuing future uncertainty with the possibility of further periods of disruption related to the outbreak in the current and future financial years as well as the less well understood future impact of the pandemic on the cost and demand pressures faced by local authorities such as;
 - adult social care-specifically relating to the legacy impact of the hospital discharge programme and the uplift in care costs experienced in 2020/21.
 - children's social care, specifically the issue of latent safeguarding demands.
 - council tax and business rates yield.
14. These will be exacerbated by what HM Treasury expect to be the worst recession on record and the need for the government to reassure the financial markets that there is a plan to control spending in the medium term. The impact of the pandemic on the country's public finances and in turn its fiscal sustainability can be shown by provisional estimates that indicate the government borrowed £188.6 billion more between April and November 2020 compared to the same period in 2019 with public sector debt increasing by just over £300 billion in the first eight months of the 2020/21 financial year. At the end of November 2020, it stood at £2.1 trillion equivalent to 99.5 per cent of UK gross domestic product (GDP) which is the highest debt to GDP ratio since 1962. As highlighted the legacy impact of Covid-19 is that it will directly impact on the services that our community require us to provide, which in turn will be influenced by the consequential recessionary impact of a predicted growth in unemployment. The council will need to challenge itself to determine how the corporate strategy provides the priorities and objectives required as our community emerges from the public health emergency and begins the recovery and reset phase. Even at this potentially early stage the 13.1% growth in the cost of local council tax support working age claimants since March 2020 and the number of job losses in the local economy point to the need to support our working age benefits claimants and to help our businesses recover. This is one of the reasons why it is believed that now is the time to bring forward an investment budget as we show the leadership our communities need out of this time of crisis

Impact of Covid-19 on the 2020/21 budget of the Council

15. In February 2020 Council agreed a General Fund 2020/21 net revenue budget of £283 million, and a capital programme of £106 million. Budgets were also agreed for the housing revenue account (HRA).

16. In May 2020 a finance update paper to Cabinet considered the impact of the pandemic on the council's approved 2020/21 budget under several potential scenarios and acting reasonably and responsibly commissioned various workstreams designed to ensure the budget remained in balance.
17. The first 2020/21 budget monitoring report for 2020/21 in June 2020 estimated the impact of the pandemic to be a £52.3 million in-year pressure (net of any specific government grants) reduced to a £30.3 million funding gap once £22.0 million in unringfenced Covid-19 emergency government funding had been taken into account. The report also included the previously commissioned mitigation strategy which could then be implemented to rebalance the budget as the uncertainty around the position lifted. This mitigation strategy included;
 - Reducing expenditure which is not being specifically incurred in support of the pandemic.
 - Utilising the 2020/21 base revenue budget contingency.
 - Bringing forward permanent savings from transformation and service alignment which also ensured progress towards supporting the 2021/22 budget.
 - A fundamental review of all projects (revenue and capital) to determine the extent to which they can be deferred, cancelled or refinanced.
 - Reclassification of earmarked reserves.
 - Reducing unearmarked reserves to below the 5% statutory limit.
 - Deferring, until the drawdown on reserves is no longer needed to balance the 2020/21 position, any uncommitted expenditure from the £1.4 million invested as part of the 2020/21 budget on specific corporate priorities.
18. This approach recognised the extremely high level of uncertainty that existed regarding both the financial impact of the pandemic over the course of the year and the extent of central government support to local councils. It also recognised the difficulty in estimating the scale of income losses so early in the financial year.
19. To support government understanding of the severity of the impact of the pandemic on the council's financial position the council has been submitting detailed returns on a monthly basis to the Ministry of Housing, Communities & Local Government (MHCLG). The eighth return submitted in December 2020 has been incorporated in the quarter three budget monitoring report which sets out the council's 2020/21 current in-year position as detailed in figure 2 below. It should also be highlighted that the council is required to submit regular claims to MHCLG in respect of its losses under the sales, fees and charges compensation scheme.

Figure 2: 2020/21 Latest estimate of the General Fund revenue budget position.

	£ millions
Total estimated pressure (83%) of net £283.1m net budget)	236.3
Analysis of total unbudgeted expenditure	
Funding for grant payments to businesses etc.	(145.1)
Ringfenced, specific government grants	(22.9)
Clinical Commission Group (CCG) funded expenditure	(19.2)
Adult Social Care and Public Health services	5.2
Children's services	7.1
Environment and Community services	5.4
Regeneration and Economy services	24.4
Resource services	3.9
Estate management strategy and smarter structures	0.7
100-day plan expenditure	0.4
Investments / central items	2.0
Total Gross Pressures	49.1
Unringfenced, government covid19 specific emergency funding	(29.0)
Unringfenced, government compensation sales, fees & charges (estimate)	(13.3)
Furlough claim	(0.8)
Net in-year pressures	6.0
Directorate savings	
Employee cost base	(3.3)
Expenditure cost base	(9.5)
Contribution to the Covid-19, MTFP and Transformation mitigation reserves	13.3
Net in-year budget gap	6.5
Earmarking of central resources:	
Base revenue budget contingency	(1.2)
Refinancing of the capital programme, review of projects	(2.8)
Refinancing of the capital programme, revenue contribution to capital	(2.5)
Total residual funding gap	0

20. Specific government grants have been made available in year including the £11.458 million Department of Health (DoH) Infection Control Grant, £4.0 million Contain Outbreak Management Fund, £1.8 million Public Health Test and Trace grant, £1.1 million Covid19 Winter Grant Scheme, and the £1.9 million housing related Next Steps Accommodation programme grant amongst many others.
21. The £145.1 million business grants references both the mandatory and discretionary grants available in support both the original (£83.9 million) and November to current national lockdowns (£57.8 million) including the discretionary business grants to 31 March 2022, the test and trace support payments (£0.3 million) and the £3.1 million hardship fund designed to support local council tax support claimants.
22. Additional expenditure included in the total gross pressures includes;

Adult Social Care

- Support for the care market
- Providing the care sector with government funded free personal protective clothing
- Hospital discharge programme
- Additional demand in care packages for people with learning disabilities
- Challenges in the delivery of savings assumed in the 2020/21 budget.

Children's Services

- Increase in the number of children coming into care.
- Increased cost of some placements due to needs and complexity.
- High cost placements within the children's health and disability team
- Pressure for secure / remand beds
- Staffing pressures associated with the social work front door special educational needs and disability (SEND), business support teams and interim management positions.

Environment and Community

- Measures to support homelessness.
- Provision of a mortality support facility.
- Increases in the tonnages of waste being collected from domestic properties
- Increased cost for recycle.
- Reduced sales, fees and charges income associated with trade waste, household waste recycling centre, catering concessions, parks, licensing, and fixed penalty notices.
- Additional town centre security costs.

Regeneration and Economy

- Reduced sales, fees and charges income associated with car parking income, seafront, cultural and heritage assets, planning, and building control
- Additional Investment in the management of the resort (social distancing, additional cleansing, security, and communication).
- Support to leisure and conference providers.

Resources / Central Items

- Reduced sales, fees and charges associated with summonses, land charges, and investment property income.

23. An estimated pressure of £236.3 million, which is more than 83% of the 2020/21 net budget for the year, highlights the huge impact that the Covid-19 public health emergency is having on the council and its financial resources. A clear priority for the council will be the constant vigilant management and oversight of this position to ensure not just the maximum inward investment into the community, but that the grant conditions, necessary returns, reconciliations and assurance processes are adhered to with a view to limiting our financial risk and exposure to potential variations. The cultural of strong and effective financial management which enabled the council to deliver a financial outturn for its first year of operation within the parameters of the original budget for 2019/20, will help support and guide the council through the pandemic.
24. The December 2020 forecast financial outturn indicates that through the continued diligent and careful financial management and due to the comprehensive package of financial support from the government that the June £30.3 million predicted funding gap for 2020/21 has reduced to £6 million which releases approximately £24 million in support of the 2021/22 budget and Medium Term Financial Plan.

Financial Strategy 2021/22

25. The budget and MTFP for 2021/22 should be seen in the context of a rolling, evolving process structured to enable the proactive management and prioritisation of the council's resources.
26. As a new council, setting the budgets in the first two years has been a challenge due to the lack of complete historic data and trend information for the Council as a single entity. For year three, 2021/22, this has now been compounded by the uncertainty around what the new normal and longer-term impacts of Covid-19 will be.
27. At the meetings of the Cabinet on the 27 May 2020, 24 June 2020, 11 November 2020 and 16 December 2020 the councils financial exposure to the pandemic has been explored with prompt action taken to ensure the 2020/21 budget was rebalanced and a financial strategy developed to set out the themes and categories the council would further develop as a means of delivering a robust and lawfully balanced budget for 2021/22. Included in these reports were the budget timetable, key planning assumptions, and details of the savings being assumed.
28. The key dates in the 2021/22 budget setting process can therefore be set out as follows;
- | | |
|------------------|---|
| 27 May 2020 | Cabinet (BCP Council Finance Update) |
| 24 June 2020 | Cabinet (Budget Monitoring and MTFP Update) |
| 11 November 2020 | Cabinet (Quarter 1 and MTFP update) |
| November 2020 | Portfolio Holders presentation of the budget to Cabinet, the Chief Executive and Chief Finance Officer. |
| 16 December 2020 | Cabinet (Quarter 2 and MTFP update) |
| 18 December 2020 | Budget Café (all councillor presentations) |
| 1 February 2021 | Budget to Overview and Scrutiny Board |
| 3 February 2021 | Presentation to representatives from Commerce and Industry |
| 10 February 2021 | Budget to Cabinet |
| 23 February 2021 | Budget to Council |
29. The financial strategy approved by Cabinet on 11 November set out the following themes and workstreams for developing the 2021/22 budget;
- Influence and lobbying:** to encourage government to continue to meet its commitment that councils will get all the resources they need to cope with the pandemic. This to include consideration of the 2021/22 local government finance settlement following the November 2020 government spending review.
 - Transformation:** maximising the savings afforded by the £38 million investment in the programme.
 - Refinancing of the Capital Programme:** release of resources in support of the revenue budget by greater use of borrowing.
 - Ongoing review:** of normal operating costs, what is referred to a Covid-19 scarring costs, and the potential for savings, efficiencies and additional resources by the portfolio holders, corporate directors, service directors and budget holders.

- e) **Review of projects (revenue and capital):** to determine the extent to which schemes and programmes could be deferred, cancelled or refinanced.
 - f) **Review of inherited resources and provisions:** release of resources in support of the revenue budget with specific reference to historic section 106 and community infrastructure levy receipts.
 - g) **Review of third-party contributions:** towards costs.
 - h) **Maximising government financial flexibilities** includes taking advantage of the system to allow council tax and business rates tax deficits to be repaid over three years instead of one.
 - i) **Reserves:** consideration of the extent to which it would be prudent and appropriate to support the 2021/22 by the application of any available reserves.
30. The government's working assumption is that Covid-19 will start to decline from Easter 2021 onwards.
31. Figure 3 below sets out the budget for 2021/22 and Medium-Term Financial Plan (MTFP) to 2024. 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. Key features of the 2021/22 budget as presented include;
- £23.9 million investment in the transformation programme revenue costs.
 - £13.1 million investment in adult social care services.
 - £7.5 million investment in children's services.
 - £7 million provision for reduced car parking income, mostly town centre based, recovering by 90% from 2022/23 onwards.
 - £6 million provision for reduced sales, fees and charges income (non-car parking related) recovering fully from 2022/23 excluding the service fee from BH Live which is based on a revised fee structure arrangement.
 - £6.2 million (net investment) in corporate priorities.
 - A £3.5 million provision for the ongoing revenue costs of the transformation programme.
 - A £3.6 million base budget revenue contingency. Increased as a one-off for 2021/22 due to the increased level of uncertainty.
 - Delivery of £25.2 million as a one-off contribution from the fundamental refinancing of the capital investment programme through borrowing and in doing so better matching the cost with the period over which the council anticipates benefitting from the investment.
 - £20.6 million of ongoing savings and efficiencies including the assumption of £7.5 million from the transformation programme.
 - Delivery of £4.7 million as a one-off contribution from the fundamental review of inherited section 106 and community infrastructure levy resources as agreed by Council in January 2021.
 - Recognising numerous unringfenced grants being made available from the government as part of their fundamental package of support to assist local authorities address the implications of the public health emergency.

- A 1.55% council tax increase from the average for 2020/21, harmonisation of council tax from 1 April 2021 and recognition of reduced council tax yield as evidenced by the reduced tax base agreed by Cabinet in January 2021.
- Recognition of reduced business rate yield / income.

Figure 3: General Fund - Budget 2021/22 and MTFP 2021 to 2024

20/21 £m	Additional Investment into Services	21/22 £m	22/23 £m	23/24 £m	Total £m
11.0	Adult social care inc public health	13.0	10.1	10.6	33.7
3.0	Children's services	7.5	2.4	2.2	12.1
3.2	Environment and communities	3.3	1.7	0.4	5.4
2.0	Regeneration and economy	13.8	(10.2)	(0.4)	3.2
0.8	Resource services	1.6	(0.2)	0.2	1.6
3.9	Contingency - pay award	1.8	3.1	3.1	8.0
1.1	Core government funding changes	0.0	2.1	0.8	2.9
0.0	Transformation programme costs including borrowing	23.9	(15.9)	(5.3)	2.7
0.0	Transformation - ongoing revenue costs	3.5	0.5	0.5	4.5
(0.5)	Minimum revenue provision & interest payable	1.7	0.7	0.3	2.7
1.4	Corporate priorities	4.8	(2.0)	0.0	2.8
1.2	Investment related to the high needs deficit	(1.2)	0.0	0.0	(1.2)
1.1	Revenue contribution to capital	(2.8)	0.0	0.0	(2.8)
(1.7)	Pension fund – tri-annual revaluation impact	0.0	0.0	0.2	0.2
(1.3)	Contingency	2.4	(1.6)	0.0	0.8
25.2	Total Additional Investment into Services	73.3	(9.3)	12.6	76.6
	Cumulative Investment into Services	73.3	64.0	76.6	

20/21 £m	Additional Resources	21/22 £m	22/23 £m	23/24 £m	Total £m
(7.7)	Council tax – income	2.5	(14.3)	(6.6)	(18.4)
(1.0)	Business rates income	1.7	0.0	0.0	1.7
(1.2)	Collection fund – (surplus) / deficit distribution net of S31 grant	4.2	0.7	0.0	4.9
0.8	Use of reserves	0.0	(2.1)	2.1	0.0
0.0	NNDR 75% loss grant through reserves	(0.6)	0.0	0.0	(0.6)
0.0	Council tax 75% loss grant through reserves	(0.4)	0.0	0.0	(0.4)
0.0	Local council tax support scheme grant 2021/22	(3.8)	3.8	0.0	0.0
0.0	Sales, fees and charges compensation 2021/22	(1.7)	1.7	0.0	0.0
0.0	Top slice covid pressures grant 2021/22	(1.1)	1.1	0.0	0.0
(6.7)	Social care funding	0.0	0.0	0.0	0.0
0.0	Investment income	0.1	0.0	0.0	0.1
0.0	Refinancing of capital programme	(25.2)	25.2	0.0	0.0
0.0	Review of inherited resources	(4.7)	4.7	0.0	0.0
0.0	Transformation savings	(7.5)	(17.5)	(17.4)	(42.4)
0.0	Transformation programme funding - capital receipts / reserves	(23.6)	23.6	0.0	0.0
(9.4)	Service based savings	(13.2)	(0.6)	(0.2)	(14.0)
(25.2)	Total annual extra resource & savings	(73.3)	26.3	(22.1)	(69.1)
	Cumulative extra resources & savings	(73.3)	(47.0)	(69.1)	

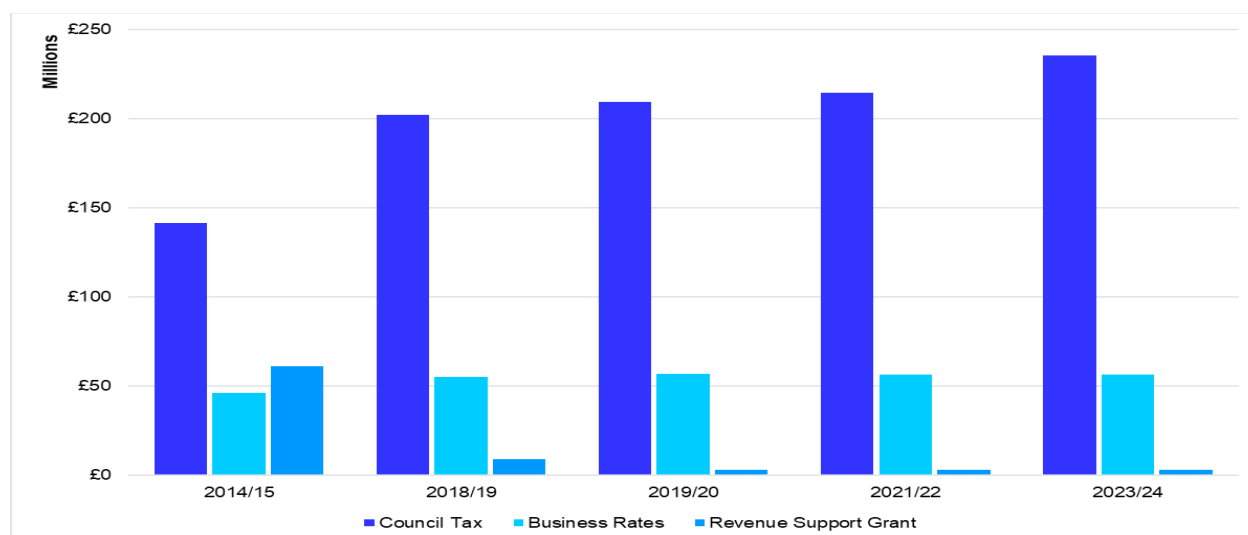
Annual – Net Funding Gap	0.0	17.0	(9.5)	7.5
Cumulative MTFP – Net Funding Gap	0.0	17.0	7.5	

32. Based on the assumptions within the MTFP, and based on the recovery of the majority of the councils sales, fees and charges income streams from the 1 April 2022, the Council will need to identify a further £17 million to balance the 2022/23 budget but this drops to a cumulative deficit of £7.5 million for 2023/24 as the Council moves to a net surplus position expected through transformation delivery.
33. The 2022/23 position is therefore net of the delivery of £38.7 million in savings and efficiencies of which £25 million is transformation related and £13.7 million service based. Therefore, the intention is to underpin the 2022/23 funding gap by the consideration of two new financial resilience earmarked reserves. A £9.9 million Covid-19 mitigation (matching the tranche 5 Covid19 grant allocation from government) and a £12.9 million Transformation Mitigation reserve. The strategy assumes that the strong and effective financial management culture of the council can protect these reserves in support of the current funding gap for 2022/23. This will be achieved by generating capital receipts above the £13.8 million currently underpinning the transformation programme as set out later in the report.
34. The proposed 2021/22 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;
35. **Government funding** (including new homes bonus)

BCP Council received £3 million in revenue support grant (RSG) from the government in 2020/21. This RSG is unringfenced meaning it can be used to finance revenue expenditure on any council service. RSG is confirmed annually as part of the local government finance settlement with the £3 million allocation for 2020/21 driven by the characteristics and activity of the Bournemouth area.

The council's finances remain under immense pressure including cost increases through such factors as the living wage (8.5% over the last two financial years 2020/21 and 2021/22) as well as the relentless increase in demand for council services, particularly those related to vulnerable adults and children. As a result, by 2024 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. As a council our unringfenced funding is highly geared (weighted) towards Council Tax but this will be only one ingredient along with others such as cost pressures, demand management, efficiency and revenue creation which will influence the future financial sustainability of the council. Figure 4 below highlights the anticipated changing pattern of council funding.

Figure 4: Changing pattern of council funding



36. Local Government Finance Settlement and Spending Review 2020 (SR20)

On the 25 November the Chancellor announced a one-year spending review which set out government's revenue and capital plans for the various government departments for 2021/22. Originally it had been hoped that the review would set out the government's plans for the remaining life of this parliament and in doing so provide the council with the level of certainty that it needs to conduct effective long-term financial planning. A one-year settlement was understandable in the circumstance, even if it does subject us to further periods of uncertainty in being able to plan how to provide the local services upon which our local community relies.

The 2020 spending review was focused on three areas, namely;

1. Providing departments with the certainty they need to tackle Covid-19 and deliver a plan for jobs to support employment.
2. Giving vital public services enhanced support to continue to fight against the virus alongside delivering first class frontline services.
3. Investing in infrastructure to deliver ambitious plans to unite and level up the different areas of the country, drive economic recovery and build back better.

As part of the review the government made several key announcements which are relevant to local government and the council's budget for 2021/22. Principal amongst which was the government's strategy that unitary councils may increase their council tax for 2021/22 by 4.99% made up of a basic annual referendum threshold of 1.99% plus 3% for a social care precept. The government continues to promote council tax increases via the social care precept as the main additional funding mechanism for social care. Subsequent clarification emphasised that the 3% social care precept can be spread over the two financial years 2021/22 and 2022/23.

A known risk BCP Council has held for some time is that as part 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 £3.1 million for Poole and Christchurch. The

Government's stated intention was to remove these resources which would have meant the council paying across £3.1 million of its council tax and business rates resources to be redistributed nationally. The government however have provided what they described as one-off resources in the previous two years, 2019/20 and 2020/21, to avoid negative RSG impacting on the council. As part of SR20 the government confirmed that negative RSG will also not be implemented in next year 2021/22.

In addition, the government also announced that the existing new homes bonus (NHB) scheme will be extended for a further year with no new legacy payments. NHB was introduced in 2011 to incentivise local authorities to encourage housing growth in their area. BCP 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% baseline, with the value based on the average national council tax level. The previous 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. The 2019 government spending round however set out the 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. The 2020 government spending review adopted the same stance with them making a one-off allocation for 2021/22 that does not result in any legacy payments.

Figure 5: Profile of New Homes Bonus payments

Year Payment	2019/20	2020/21	2021/22	2022/23	2023/24
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			
2021/22			£834,836		
Total Payment	£3,788,154	£2,647,837	£2,562,848	£846,339	£ nil

Initially as part of the spending review and then later as part of the local government finance settlement received on 17 December 2020, the government set out further details of their comprehensive package of support designed to assist council in addressing the impact of the public health emergency and honour the government's commitment to provide councils with all the support necessary to cope with the pandemic. This included the following;

- a) Rephasing of collection fund deficits.
- b) Compensation towards local tax losses.
- c) Compensation towards the impact of increasing council tax support scheme claimants.
- d) Extension of the current sales, fees and charges compensation scheme into the first three months of 2021/22.
- e) Tranche 5 Covid19 grant to specifically cover cost pressures caused by the pandemic in the first few months of 2021/22.

37. Rephasing of Collection Fund Deficits

On 5 November 2020 the Government laid before Parliament the Local Authority (Collection Fund: Surplus and Deficit) (Coronavirus) (England) Regulations 2020 which gave effect to the three-year phasing of local tax deficits as originally considered in the Governments July 2020 comprehensive plan to support local authorities through the pandemic.

These regulations mean that council tax and national non-domestic rates deficits arising in the 2020/21 financial year are now required to be spread evenly over the three years 2021/22 to 2023/24. The Council cannot opt out of this deficit phasing or adopt a different repayment profile. This provision does not however include any surplus or deficit carried forward from 2019/20 into 2020/21 which will need to be distributed in the normal way.

The actual amount to be rephased is £10.568 million based on an estimate using the Government's methodology in January 2021. As this pressure, as a matter of prudence, was previously recognised as part of the 2020/21 forecast outturn its rephasing releases £11.9 million to support the creation of the Covid-19 and transformation mitigation reserves.

38. Compensation towards local tax losses.

In addition to this rephasing the government have also introduced a local tax income guarantee scheme for 2020/21. This scheme sets out that local authorities will be compensated for 75% of irrecoverable 2020/21 losses in council tax and business rates income.

For council tax, losses in scope will be measured through a comparison of each authority's 2020/21 original council tax requirement against the actual net collectable debit for the year. This loss might be for example due to an increase in local council tax support costs or unachieved council tax base growth. The government expects billing authorities to continue appropriate collection and enforcement action for outstanding council tax debt, in the usual way.

For business rates, losses will be measured through a comparison of income as calculated in the National Non-Domestic Rates ('NNDR') statistical collection forms 1 (estimate) and 3 (actual) for the year. Estimates of this position have had to be calculated as the actual position will not be known until after the financial year end.

Government do not expect to be able to make these grant payments until January 2022 at the earliest.

The compensation funding is calculated as £1.8 million for business rates and £1.3 million for council tax, and the MTFP phases this income across the three years in which the council must spread the collection fund deficits.

39. Compensation towards the impact of increasing council tax support scheme claimants

On 18 December 2020 the government announced a £3.8 million allocation to BCP Council in 2021/22 as part of a £670 million national allocation to help authorities meet the additional costs associated with increases in local council tax support scheme (LCTSS) caseloads in 2021/22. The increase in the costs of the LCTSS is considered directly linked to higher levels of unemployment.

This is different from the 2020/21 hardship fund, see section 51 below, as it is being distributed to all major preceptors including police and fire authorities to help them manage the impact on their

taxbase of the LCTSS set by the relevant billing authorities. The hardship scheme was a scheme introduced specific to billing authorities to enable them to provide direct support to claimants in 2020/21.

The taxbase report to Cabinet in January 2021 set out that the costs of the local council tax support scheme had increased by £3.4 million between years or a 13.1% increase and reflects a 13.5% increase in the cost of working age claimants. This is the principle reason why the council's taxbase reduced between 2020/21 and 2021/22 by 2.7%.

The taxbase is the number of band D equivalent properties after adjustments for the number of claimants entitled to a discount and after the impact of the LCTSS has been factored in. It is used for calculating the levels of council tax charged to residents.

40. Extension of the current sales, fees and charges compensation (income support) scheme into the first three months of 2021/22.

On 2 July 2020 the government announced a sales, fees and charges compensation scheme for 2020/21. Under this arrangement the council is be able to submit three claims during the 2020/21 financial year relating to losses in sales, fees and charges income that is directly related to the pandemic. The council is required to cover the first 5% of the budgeted amount for these losses, after which the government will compensate for 75% of the remaining loss. The exact amount receivable will not be known until the three payments on account are received and a final reconciliation and verification exercise is carried out by MHCLG after the year end. The December 2020 forecast at the time of writing this report is that the council is looking to reclaim £13.3 million. Based on the first claim BCP Council was claiming the second highest amount, of any local authority in England, behind only Leeds City Council.

As part of SR20 the government announced that it will extend the scheme to cover the first quarter of 2021/22. In so doing they intend to use councils' 2020/21 budgeted income as the baseline from which to assess losses retaining the 5% deductible rate and providing compensation at a rate of 75p in the pound of relevant losses thereafter.

Based on a monthly profile of BCP councils forecast lost sales, fees and charges next year it has been estimated that this claim will be valued at £1.6 million.

41. Tranche 5 Covid-19 grant to specifically cover cost pressures caused by the pandemic in the first few months of 2021/22.

The government is optimistic about overcoming the public health emergency specifically due to the roll out of new vaccines. However, they also recognise that many of the challenges posed by the virus will not go away immediately especially as new strains are identified. Nationally the government expect councils to have unbudgeted cost pressures associated with Covid-19 until the middle of the 2021 calendar year. In support the government have already announced Tranche 5 of their unringfenced grant funding. BCP Council has been awarded £9.9 million from a national allocation of £1.55 billion. The council is expected to use this funding to support costs which have not been included in the 2021/22 budget in respect of the following potential costs.

- Shielding the clinically extremely vulnerable
- Homelessness and rough sleeping
- Domestic abuse
- Managing excess deaths
- Support for re-opening the country
- Public health services

- Adult social care
- Children's services
- Household waste services
- Additional costs associated with the local elections in May 2021.

As these are unbudgeted cost pressures the council is advised not to budget for this grant and instead use it to cover the costs as they begin to transpire in a similar way to that adopted to the application of tranche 1 to 4 grants during 2020/21. That said as £1.030 million has been included in the budget by services for costs for such relevant items as personal protective equipment and emergency homelessness provision then an equivalent sum will be set aside for these costs. The grant allocation is based on a formula that recognises population and deprivation with a cost floor arrangement in place.

Additional investment into services

42. Investment in adult social care - £13.1 million 2021/22 - 12% gross increase

The MTFP makes provision for an additional gross £33.8 million investment in adult social care services over the 3-year period to March 2024. 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) Demographic growth within the learning disability and mental health client group.
- c) 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.
- d) Increased cost of care and additional resources as a result of the pandemic.
- e) Increased cost in respect of people with no recourse to public funds.

On 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 promised that the NMW for those aged over 25 will reach £10.50 per hour in 2024. The NLW increased from £8.21 to £8.72 in April 2020 (6.2%). The National Living Wage will be increased by 2.2% to £8.91 per hour for 2021/22 and extended to those aged 23 and over.

The NMW remains a key cost driver for the cost of care services and has been factored into the cost pressures increasing 6% per year to reach £10.50 by 2024.

The £1 billion social care grant provided in 2020/21 will be maintained into 2021/22 along with all other social care funding.

New grant funding of £300 million for adult and children's social care will be provided in 2021/22. The allocation to BCP is £1.3 million, split £0.9 million to adult social care and £0.4 million to children's social care.

The MTFP assumes that the government will continue to provide an infection control grant for the care sector to support restrictions of staff movement between care providers, paying

full wages for staff isolating and funding the cost of PPE for Covid-19 on an ongoing basis. The assumption therefore is that the council do not need to provide for and fund such costs.

The numbers and average cost of care home placements commissioned since the beginning of the pandemic under emergency hospital discharge arrangements have increased significantly during 2020/21. The increases in average costs have been related to market conditions and the intensity of needs of many people who are being placed in residential and nursing care. While there have been specific NHS funding schemes in 2020/21 to cover the costs of some of these placements, there will be a significant longer term impact on the adult social care budget of the costs of care home placements for people who are eligible for social care funding and who have been placed in care homes during the pandemic period. An initial sum of £1.3 million has been included in the MTFP for 2021/22 in recognition of these legacy costs. However, the severity of the pandemic in December 2020 and the initial months of 2021 has placed the highest level of pressure yet seen on the NHS. As a response, the health and care system has commissioned a further extensive range of higher cost beds in the care home sector, and some very high cost community care packages to support timely and safe hospital discharge. It is not possible to project in detail the financial impact of the legacy long-term care costs of the pandemic until all assessment work on people's eligibility for social care has been completed. The national timeframe for completion of assessment for people placed between March and August 2020 is March 2021; and the assessments of eligibility for everyone placed since September 2020 take place within six weeks of the care home placement. It is critical to highlight that there is a high likelihood that the initially budgeted figure of £1.3 million for 2021/22 will be exceeded and costs may also continue into 2022/23. A commitment has therefore been made that legacy care costs of the pandemic which exceed the £1.3 million budget will have a call on the £9.9 million of Covid-19 emergency funding which has been referenced previously in this report.

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 of October 2020 has been postponed. 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. The council will commit spending on this activity up to any amount funded by the government.

It had been anticipated that the green paper on social care funding would provide a sustainable funding source for adult social care moving forward. However, the government have set out the intent to provide the detail of these fundamental reforms in due course.

43. Better Care Fund

The fund requires Clinical Commissioning Groups (CCGs) and local authorities to pool budgets and agree integrated spending plans to support more people at home, reduce delays in discharges from hospital and to prevent avoidable hospital admissions.

The 2020/21 Better Care Fund (BCF) allocation is £59.8 million. The Dorset CCG is contributing approximately £40.8 million of which £10.5 million is passed to the BCP Council to support the delivery of adult social care services that also benefits health services.

The BCP Council contribution is £19 million and includes base budget resources (£2.5 million), the disabled facilities grant (£3.5 million), the improved better care fund (iBCF) (£13 million), which includes the previously separate winter pressures money.

In the November 2020 spending round, the government reiterated its commitment to the integration of health and social care. In support they confirmed that the BCF and (iBCF) would continue into 2021/22. They also announced that the NHS contribution to adult social care through the BCF will increase in the region of 5.5%, therefore the 2021/22 budget assumes an extra BCF allocation to BCP Council of £632,000 which will be applied to fund the government requirement of extended hours and 7 day working to support the discharge to assess programme (introduced as a result of the pandemic) as well as contributing to the ongoing increased cost of residential placements.

44. Investment in children's services (including social care) - £7.5 million 2021/22 - 12% gross increase

The MTFP makes provision for an additional net £12.1 million investment in children social care services over the 3-year period to March 2024. The most significant and notable of these can be listed as;

1. an increase in the cost of children in care:
 - the overall number of children in care has remained steady but the placement costs of new children coming into care are often more expensive than those of children and young people who leave care (for instance as they turn 18); and the costs of children who remain in care beyond 18 is high.
 - in addition to the cost of new placements is the increased cost arising due to the complexity of some existing and new cases.
 - new cases and subsequent placement costs relating to 16+ cohort around complex safeguarding, including those children vulnerable to Child Sexual Exploitation
 - a high cost placement within the CHAD team (children with health & disability). The cost of this placement has decreased considerably from the cost in 2020/21 due to the new agreement with health on the split of costs between health and social care.
2. rebase of the budget for the front door and assessment social work team's establishment to recognise the increase in workload.
3. additional investment needed to establish a fully functioning quality assurance team and complex safeguarding team to manage the 16+ cohort as mentioned above.
4. additional investment to support the recently agreed recruitment and retention strategy for children's services to provide stability in the social worker workforce and to reduce reliance on costly agency social work staff.
5. additional investment in specific post Ofsted activities around rapid improvement.

45. Investment in Environment and Communities - £3.4 million 2021/22 - 7% gross increase

The proposed budget for 2021/22 makes provision for £3.4 million additional investment into environment and communities.

Ongoing pressures from 2010/21 predominately relate to the disposal of waste, both residual and recycling. Waste collection and disposal services cost the council in the region of £28

million and generate £6 million income, with a significant portion of the budget relating to disposal through third parties.

Until recent years, recycling generated income for the council but now costs rise annually from approximately £35 per tonne two years ago to now in the region of £60 per tonne. The market is proving to be volatile in an unprecedented way, partly related to the Covid-19 pandemic. Budget growth of £0.3 million is included for price increase as well as higher tonnage collected, which is running at about 5% higher than the previous twelve months, possibly as more people are working from home.

Budget provision has also been made for re-tendering contracts for the disposal of organic and residual waste (£0.3 million) and to reduce unachievable income targets (0.3 million). Additional costs related to Port of Poole as a result of the UK transition from the European Union are expected to be met from additional income and government grant.

There is some ongoing pandemic impact expected in reduced income streams (£0.4 million) plus significant pressure from homelessness, with extra costs of £0.4 million provided. It has been assumed that the service will have continued success in bidding to government to maintain services due to the announced £254 million of additional resource to tackle homelessness and rough sleeping in 2021/22. This is a 60% cash increase compared to SR19, to bolster vital accommodation, substance misuse and frontline support services

46. Investment in Regeneration and Economy - £13.8 million 2020/21 - 205% gross increase

An amount of £13.8 million has been set aside as part of the budget for 2020/21 to support increasing cost pressures specifically associated with regeneration and economy.

The most significant theme is the potential ongoing impact of the pandemic. Significant reductions in income totalling £12.4 million are forecast. The key areas affected are car parking (£7.0 million), seafront trading operations (£1.8 million), cultural, heritage and leisure assets (£2.4 million) and property (£1.2 million). Some of these pressures can be mitigated in the first quarter from the continuation of the government grant scheme for lost sales fees and charges with this budget held centrally.

The impact of inflation and demand growth (including PFI contracts, rates, social care transportation and utilities), pension and pay award increases has led to pressures of £0.8 million.

Regeneration schemes being delivered via the Bournemouth Development Company (BDC) necessitate temporary closure of car parks during the construction phase with the resultant pressures of £0.6 million being included.

The cost of these investments has been partly supported by a one-off benefit to beach hut licence fee income (£0.5 million), the introduction of new car parking zones (£0.2 million) plus some smaller cost savings and underlying income improvements (£0.1 million).

47. Pay award

Local government agreed pay awards for 2018/19, 2019/20 and 2020/21 were 2%, 2% and 2.75% respectively.

The budget for 2020/21 assumed a 2% increase within the base budget of each service directorate with, as a corporate item, provision being made for a potential 0.75 % increase which reflected the strong wage inflation during the previous twelve months.

The MTFP makes no provision for a pay increase in 2021/22. This position reflects the recent biggest fall in wages since the three months to April 2009 amid lower pay for furloughed employees, reduced bonus in the wider economy and the likely impact of rising unemployment in a recessionary economy.

The position also accords with the announcement by the Chancellor of a public sector pay freeze as part of his November 2020 spending review in which he emphasised that in order to protect jobs and ensure fairness, pay rises in the public sector will be restrained and targeted in 2021/22. That said, it should be borne in mind that this has no formal bearing on the decisions around any annual local government pay increase as these are developed through negotiations with the trade unions.

The base revenue budget contingency considers the risk associated with this assumption and specifically the likelihood of a £250 increase for employees earning less than £24,000 which was also a feature of the spending review.

In addition, budgetary provision is made for between 95% and 98% of each service's 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. It is currently anticipated that the new pay and grading structure will become effective from January 2022.

48. Pension Fund

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

Figure 6: 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%. The improvement was 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.

As part of the process agreement was reached with the pension fund actuary in respect of the profile of primary rate and back-funding contributions over the three-year period which are then fixed until the next tri-annual revaluation. This approach offers a degree of protection to the council in respect of the consequences of the pandemic as any impact will be deferred until the 2023/24 financial year. That said, it should also be recognised that recent changes in legislation state that the actuary can now request an employer changes their contribution rates/levels between formal valuation dates although this ability has not yet been used;

Figure 7: 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, in respect of the 2019 revaluation, the increase on the ongoing rate was offset by the reduction in the back-funding element although it should be acknowledged that agreement was reached with the actuary to taper the ongoing rate increases over the three year period.

49. Exit payment cap and redundancy costs

Following the Government's consultation in April 2019, the Restriction of Public Exit Payments Regulations 2020 came into force on 4 November 2020. This limits the value of exit payments, resulting from redundancy or efficiency of the service retirements for members over the age of 55, made by the council to £95,000. However this new legislation is now in conflict with the Local Government Pension Scheme (LGPS) regulations which currently require the immediate payment of an unreduced pension for any member leaving their employment on the grounds of redundancy or efficiency of the service and who is aged 55 or over. This conflict only occurs where the £95,000 cap is breached. The largest, and most common payments to be included in the cap are the redundancy/pension strain payments.

This places the council in a difficult position in respect of any redundancies between 4 November 2020 and the date upon which the LGPS regulations are amended, which is currently unknown.

As the council's average redundancy cost per full time equivalent since its inception is £48,284, excluding tier 1 to tier 3 officers, then in all likelihood this conflict in regulations is unlikely to have any significant impact on the value of any budgeted provisions for redundancy costs associated with both non-transformation and transformation saving programmes. Recently further guidance has been issued to clarify that employer national insurance costs are ignored for the purposes of calculating the cap.

In consideration of the need for an appropriate provision for redundancy costs consideration has been given to the approach of advancing the profile of savings in respect of the transformation programme and the need to make further provision for staff exit costs over and above the £6 million provided as part of the original programme budget. This includes

approximately £1.3 million needed to cover the 26.5 full time equivalent posts that it is already known will be removed from the establishment as part of the £19.1 million of total savings and efficiencies proposals underpinning the 2021/22 budget.

To that effect provision has been made as both part of the transformation programme for a further £12.9 million in redundancy costs across 2020/21 and 2021/22. This provision is being funded in the first instance by a transformation mitigation earmarked reserve although it should be emphasised that the preference is to fund such costs by utilisation of the government's two year window whereby capital receipts can, via the flexible use of capital receipts policy, be used to fund transformation expenditure. Therefore, capital receipts over and above the £13.8 million already earmarked in support of the transformation programme will be sought. Such an approach will enable the reserve to be used support the 2022/23 base budget of the council.

50. Inflationary costs

Inflation is only provided for in service directorate budgets where it can be demonstrated that it will be needed due to either market or contract conditions. Inflation as at December 2020 was 0.6% as measured by the (CPI) Consumer Price Index (September which is applied to many annual uplifts was 0.5%).

Additional resources, savings, and efficiencies

51. 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 being 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 was new funding. It also confirmed that this grant would 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.

Spending review 2020 confirmed that the 2020/21 allocations would be maintained with a further £300 million of additional adult and children's social care funding was being made available in 2021/22 as noted above. This was lower than expected when calculated according to the usual allocation methodologies as the formula used for distribution recognised the different level of resources that each local authority can raise if they implement the 3 per cent social care council tax precept.

52. Council tax harmonisation strategy

The 2020/21 budget endorsed 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 was underpinned by the 3.99% assumed increase as adjusted for the impact of the precept for Charter Trustees in 2020/21 and an increase in line with the total referendum limit for 2021/22, estimated at the time to be 2.99%.

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

As part of November 2020 spending review the government announced that the council tax referendum threshold was 4.99% for 2021/22, made up of a 1.99% increase and a 3% adult social care precept. Such a move was consistent with the strategic approach taken by government in its 2015 spending review, and 2019 spending round which was to increase council tax as a mechanism for funding local services, and within that the use of the adult social care precept as a means of asserting national direction on how such resources are applied.

The 2021/22 local government finance settlement confirmed that some or all the 3 per cent adult social care precept can be deferred to 2022/23.

In proposing this budget, the administration has had to weigh up carefully the fact that as a council our unringfenced funding is heavily weighted towards Council Tax (76% in 2020/21) and therefore such increases undoubtedly support our future financial sustainability and the services vital to our local community. However, this must be considered against its affordability to the local taxpayer. The changes being proposed in each town for 2022/23 are set out as follows in figure 8 below;

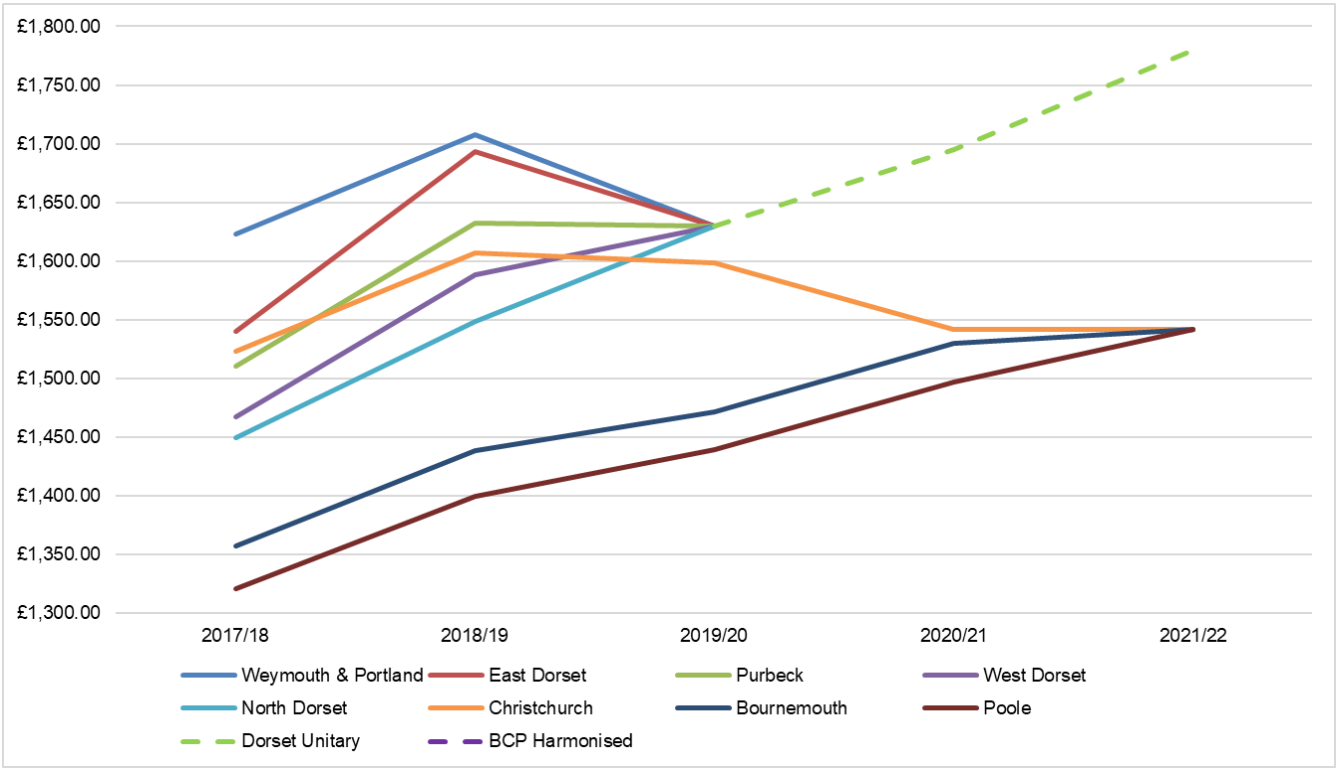
Figure 8: Proposed council tax harmonisation strategy

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 Charter 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"> • Calculate average council tax for 2020/21 being the total yield (£217.075 million) divided by the total tax base (£142,995.70) which equates to £1,518.05 • Increase £1,518 05 by 1.55% to £1,541.57 • £1,541.57 was the council tax charge proposed in the 2020/21 budget report 					
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 Charter Trustee council tax charge in Poole and Bournemouth which was applied from 2019/20 onwards and potential adjustment to the Bournemouth area council tax arising from the establishment of the Throop and Holdenhurst parish on 1 April 2021.
- This harmonisation approach provides the opportunity to defer the 3% adult social care precept from 2021/22 into 2022/23. The assumption therefore used for financial planning purposes and to produce the MTFP is that council tax will increase by 4.99% in 2022/23 (1.99% core plus 3% social care precept) and 1.99% in 2023/24 (1.99% core increase only).

The below table below sets out a comparison of the historic and 2021/22 council tax levels in Dorset, assuming that Dorset Council increases their 2021/22 council tax by 4.99% as previously indicated.

Figure 9: Dorset Councils – Historic and Projected Council Tax Levels



53. Alternative council tax 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). Each year the differential between the highest and lowest is required to reduce.
2. harmonising at the average council tax across the area in any year prior to 2026/27.

These 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 2021/22 BCP Council could set a £1,593.80 harmonised band D rate of council tax which is the £1,518.05 average for 2020/21 council tax plus 4.99%.

The proposal which underpins the proposed 2021/22 budget is consistent with the second of the options with the annual increase restricted to 1.55% which produces a harmonised rate

of council tax for 2021/22 of £1,541.57. This is the absolute amount assumed in the 2020/21 budget report for the 2021/22 financial year.

At this stage, other than the ability to defer the 2021/22 adult social care precept into 2022/23, the government have made no announcement of any future adult social care precepts.

There are numerous permutations available to the council within parameters of the Dorset local government reorganisation regulations in respect of the council tax level which could be proposed for 2021/22. By way of an example two that have been considered and rejected;

A. Average basis, as assumed in the proposed budget, but with a 4.99% increase instead of the 1.55%. This would create a harmonised rate of council tax for 2021/22 of £1,593.80.

B. Defer harmonisation until 2022/23

This would mean a 2021/22 Council Tax based on a 4.99% increase in both Bournemouth and Poole. The Christchurch council would increase by 4.98% to ensure the resultant differential between the highest and lowest rates is reduced.

Compared to the proposal underpinning the budget as set out, both option A and option B would generate approximately £7.3 million more in revenue in 2021/22. These approaches have been rejected on the basis that;

- Option A would mean residents in all predecessor areas facing larger increases in their bills. Poole's council tax would increase by 6.5% in 2021/22 which would be a 1.5 % increase above the level the government deem to be excessive (the 5% 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 by the current administration. Harmonisation under this option would be achieved in 2022/23 by the fourth year of the new council which is an additional year beyond that currently being assumed for financial planning purposes.

It may worth highlighting that a 1% change in council tax will change the council's revenue funding (in either direction) by approximately £2.1 million per annum.

54. **2021/22 Local Council Tax Support scheme (LCTSS)**

Cabinet in December 2020 agreed there would be no change to the local council tax support scheme between 2020/21 and 2021/22.

As part of the government's response to Covid19 BCP Council were allocated £3.1 million to support economically vulnerable working age people and households in their area for 2020/21. The expectation was that most of these funds would be used to provide council tax relief alongside existing local council tax support schemes (LCTSS) using discretionary powers under s13A of the Local Government Finance Act 1992. The strong expectation was that councils would provide working age LCTSS recipients with a further reduction in their 2020/21 annual council bill of £150. Where a taxpayer's liability for 2020/21 is following the application of council tax support, less than £150, then their liability is reduced to nil. This included the new LCTSS accounts resulting from the 13.1% increase in the cost associated with working age claimants since March 2020.

Expenditure for 2020/21 is currently forecast to be £2.3 million which is not as high as originally intended presumably because of the extension of the HMRC Covid-19 furlough support scheme.

On this basis the council's corporate incident management team agreed on the 18 January 2021 to allocate the remaining £830,000 by way of a higher level of council tax reduction for 2020/21 for those working age LCTSS recipients whose annual liability exceeds £200 which was a further £50 in hardship support.

55. Business rates

Our current financial planning assumption is that the council will retain £56.4 million in business rates for 2021/22, excluding the impact of prior year surplus and deficits. This represents a reduction of £1.7 million compared to the 2020/21 budgeted amount. This is based on the NDR1 statistical return that is submitted to the government in January 2021.

Based on the NDR1 return, the net collectable business rates for the BCP Council area are consistent with last year at £134.9 million (£135.0 million for 2020/21). However, the net collectable business rate figure for 2020/21 included retail relief of £5.8 million which was funded through additional S31 grant. This relief is not replicated for 2021/22 and so while the net collectable debits are comparable between years, the 2021/22 figure includes reductions to the tax base that will not be compensated. For example, gross rateable values for the BCP Council area are reduced by £1.8 million and the council will also receive £2.1 million less in S31 grants, largely due to the reduction in retail relief.

Within the NDR1 return provision has been made for further losses in business rate income from the effects of the pandemic, including a continued decline in the number of businesses, losses in collection rates and appeals for reduced rateable values by businesses.

At this stage the risk associated with this forecast cannot be underestimated. The legacy impact of Covid-19 on the business rates resources collected by the council will not be fully understood until the response phase has passed and we move into the recovery stage of the global pandemic.

It should be borne in mind that under the government's formula the council is initially allocated 49%, the government 50%, and the fire authority 1% of such resources. However due to the impact of issues such as appeals the council budget to retain 42% or £56.4 million of the total business rates collectable in 2021/22.

One such risk is that on the 22 December 2020 the Valuation Office Agency (VOA) set out details of a discussion they have had with rating agents concerning challenges to rateable value on the grounds of material changes of circumstances due to the Covid-19 pandemic and potentially for a 25 per cent reduction in rateable value for premises such as offices. We understand that the VOA are working to resolve these cases as quickly and efficiently as they can and will share details of any impact on the gross collectable business rates as quickly as possible.

Councillors may also recall that local government funding reforms were planned for introduction from April 2021 (i.e. Fair Funding, 75% Business Rates Retention and the full reset of the business rates baseline). These fundamental changes have been delayed, as a consequence of the government focusing its resources on other more pressing priorities. However, as part of the 2021/22 provisional local government finance settlement the Minister

highlighted there may be an opportunity to bring these reforms forward next year and that the position would be reviewed with the Treasury.

56. Assumed savings and efficiencies

Figure 10 below identifies that £20.6 million in additional savings and efficiencies have been identified in establishing the budget for 2021/22. These savings generally flow from reduced staffing, reduced operational costs, or from creating common and consistent charging policies following the creation of the new council as part of the review of local government in Dorset. They also include £7.5m in assumed savings from the transformation programme.

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 will have been subject to the consideration of the Overview and Scrutiny Board at its meeting on the 1 February 2021.

Figure 10 below sets out an analysis of the £41.2 million service-based savings and efficiencies for 2019/20 (£11.2 million), 2020/21 (£9.4 million) and 2021/22 (£20.6m);

Figure 10: Analysis of service-based savings (shown on an incremental basis)

	Budgeted 2019/20 £m	Budgeted 2020/21 £m	Estimated 2021/22 £m	Total £m
Staffing and organisation	(5.3)	(2.9)	(1.8)	(10.0)
Transformation		(1.0)	(7.8)	(8.8)
Democratic Representation	(0.5)			(0.5)
External Audit	(0.2)			(0.2)
Service Efficiencies				
Adult Social Care	(2.0)	(2.0)	(5.8)	(9.8)
Children Services	(0.2)	(0.1)	(0.7)	(1.0)
Place Theme	(0.7)			(0.7)
Regeneration & Economy		(0.5)	(0.0)	(0.5)
Environment & Communities		(0.2)	(1.7)	(1.9)
Resources	(0.7)	(0.3)	(0.8)	(1.8)
Commercial Opportunities	(0.7)	(0.3)		(1.0)
Fees and Charges	(0.9)	(2.1)	(2.1)	(5.1)
Total	(11.2)	(9.4)	(20.6)	(41.2)

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 local government review (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.

Transformation funding strategy - Flexible use of capital receipts – efficiency statement

57. 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 £20.6 million of annual service-based savings included in the BCP revenue budgets for 2019/20 and 2020/21 which were additional to the £1.3 million of additional resources identified on the disaggregation of the Dorset County Council 2018/19 budget.
58. 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.
59. 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 31 March 2022 as part of the 2018/19 local government finance settlement.
60. 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
61. A high-level business case was presented to Cabinet in November 2019 which set out the original scope of the council's organisation design project, which was facilitated by KPMG, and identified that it could potentially deliver up to £43.9 million of gross annual savings by year 4 based on an investment of £29.5 million. The profile of these savings was assumed to accumulate as £7.8 million in year 1 growing to £16.5 million in year 2, £36.9 million in year 3 and £43.9 million in year 4. It should be highlighted that these savings will impact on the council including both General Fund and Housing Revenue Account (HRA) services.
62. Council on 7 July 2020 agreed to the extension of the project to a £38 million programme referencing the quantum leap forward in different ways of working as a consequence of the Covid-19 public health emergency and the need to accelerate the pace at which we generate

savings and efficiencies. This report also approved the procurement of a strategy partner, approved oversight of the programme by a Cabinet Working Group as part of the governance arrangements and set out that the £43.9 million must now be adopted as our minimum expectation of savings and efficiencies.

63. This 2021/22 budget report is premised on the council delivering £7.5 million in savings to underpin the budget for the 2021/22 with additional savings of £34.9 million over the following two years. The 2021/22 savings from the transformation programme are associated with the;

- Work to enable communities take more responsibilities for their need.
- Reduction in employee headcount through the consolidation of common roles/work.
- Reduction in employee headcount through the consolidation of organisational layers/structures.
- Reduction in third-party spend through more robust procurement and contract management. This will include smarter ways of working such as the digital mail and the reduction of spend throughout the council by the centralisation of spending on items such as stationery, photocopying and printing.
- Review of the corporate structure to enable the council to continue to reflect and realign its management structure to ensure we are continuously improving towards being the organisation that we aspire to be and to ensure we deliver our priorities. This included the integration of the library services with customer facing services and community hubs and the recruitment / appointment of a new corporate director for marketing, communications & strategy
- The Councils estate and accommodation project.

It should be highlighted that at this stage these savings have not been itemised on a line by line basis. However, this is a key priority work stream for the council with significant activity providing reassurance that £7.5 million is achievable with a significant reduction in head count from the 1 October 2021 onwards. Direct assurance has also been received from the corporate management team on the validity of this assumption.

64. The current profile of expenditure within the transformation programme and the associated funding strategy are set out in Figure 11 below. This excludes the £3.5 million additional annual revenue operating costs required as a result of this investment and the borrowing costs associated with the financing of the capital elements of the programme. These revenue costs relate to new transformative operating systems and their licencing costs and will include the recent investment in Microsoft teams.

Figure 11: Transformation spend profile and funding strategy

Transformation Programme		2020/21	2021/22	2022/23	2023/24	2024/25	
		£m	£m	£m	£m	£m	£m
Capital Spend	Expenditure						
	Capital expenditure	2.06	2.74	1.00	0.00	0.00	5.80
		2.06	2.74	1.00	0.00	0.00	5.80
	Funding						
	Prudential Borrowing (funded from General Fund MRP)	(0.81)	(1.54)	(1.00)	0.00	0.00	(3.35)
	Prudential Borrowing (funded from HRA land tfr)	(1.25)	(1.20)	0.00	0.00	0.00	(2.45)
		(2.06)	(2.74)	(1.00)	0.00	0.00	(5.80)
Revenue Spend	Expenditure						
	One-off costs	1.84	10.32	7.08	2.45	1.35	23.04
	Original redundancy costs reprofiled	0.00	6.00	0.00	0.00	0.00	6.00
	Additional redundancy cost provision	1.28	5.62	0.00	0.00	0.00	6.90
	Contingency	0.00	1.65	0.69	0.00	0.44	2.78
		3.12	23.59	7.77	2.45	1.79	38.72
	Funding						
	Base Revenue funding for Transformation Agenda	0.00	0.00	(7.77)	(2.45)	(1.79)	(12.01)
	New Transformation Mitigation Reserve	0.00	(12.90)	0.00	0.00	0.00	(12.90)
	Temporary Funding	(2.44)	2.44	0.00	0.00	0.00	0.00
	Capital Receipts	(0.68)	(13.13)	0.00	0.00	0.00	(13.81)
		(3.12)	(23.59)	(7.77)	(2.45)	(1.79)	(38.72)
Total	Total expenditure	5.18	26.33	8.77	2.45	1.79	44.52
	Total funding	(5.18)	(26.33)	(8.77)	(2.45)	(1.79)	(44.52)

65. Therefore, the proposal is that the council under the flexible use of capital receipts approach uses all such resources generated in both 2020/21 and 2021/22 to support its investment in transformation. This includes the receipts generated from the following listed asset sales;

- Southbourne Crossroads surface car park
- Wessex Fields net of the necessary debt repayments
- Former depot site, Cambridge Road
- Waitrose car park (Christchurch)
- Former private car park, Upper Terrace Road
- Bargates site (corner of Barrack Road and Fairmile)
- Thistle hotel lease restructure
- BCP Councils share of Dorset County Council assets held for sale
- Former caretakers' accommodation

At this stage the estimated value of the above capital receipts in 2021/22 is £13.8 million with, as set out figure 11, the residual funding provided by the application of the transformation mitigation reserve. This assumption has been made based on prudent financial management, and the ambition is to generate significant receipts over and above the £13.8 million which will enable this reserve to be carried forward in support of the revenue funding gap in 2022/23.

The council will consider a range of options to ensure delivery of these capital receipts before the 31 March 2022 deadline. In doing so the Council will not be limited to traditional open market sales as consideration will also be given to disposal via current council owned companies and new property companies within the council's ownership or via joint ventures.

66. Ultimately the value and timing of the resources generated will impact on the scale and scheduling of the organisation's transformation as influenced by the work with the strategic partner.
67. 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.

Refinancing of the capital programme

68. The treasury management strategy section later in this report sets out further details of the fundamental change in approach to the financing of the capital programme and its refinancing designed to release resources in support of the revenue budget. The proposed approach is to borrow to finance these schemes over the life of the asset which will enable the council to match the cost of investment in capital infrastructure with its benefits. This approach releases £25.2 million in 2021/22 in addition to £2.8 million delivered in 2020/21 and includes resources previously committed to;
 - Transformation programme
 - ICT investment plan
 - Poole Bay beach master plan
 - Town centre development fund
 - Canford Cliff stabilisation programme
 - Hillbourne school
 - Heart of Poole project

The borrowing costs of these investments have been included in the budget and medium-term financial plan to the extent to which the necessary capital and interest repayments fall within the relevant time period. It is also worth highlighting in certain circumstances the council will look to avoid borrowing where provision can be made as part of its community infrastructure levy arrangements.

It should be highlighted these resources include those redirected from the transformation programme further to Council's approval of a £37.6 million budget as part of the organisational redesign report in July 2020. This budget included approximately £18 million in resources set aside up front (including £10 million from the financial liability earmarked reserves previously set aside as a counterweight to the deficit on the Dedicated Schools Grant).

69. As part of the process of considering the resources made available to support the capital programme and the focus on, where appropriate the use of borrowing, it is proposed to release the £2.8 million set aside as part of the 2020/21 budget as a revenue contribution to capital.

Review of inherited resources

70. Council on the 5 January 2021 endorsed the proposal of Cabinet on 16 December 2020 to refinance £4.8 million historic infrastructure spending via community infrastructure levy (CIL) and s106 funds to support the 2021/22 budget position.
71. This work focused on the first phase of a review of resources and provisions inherited from predecessor councils relating to s106 deposits and CIL receipts. The purpose was to establish if there had been consistency in how they have been used and to determine the extent to which they should have been applied to historic capital expenditure.

Schools Forum

72. 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.
73. The BCP Schools Forum has a complement of twenty-four members with representation from all categories of schools. Two meetings were held over the autumn and early January, with recommendations and decisions made for the BCP budget regarding school funding through the ring-fenced DSG.

Dedicated Schools Grant (DSG)

74. The gross DSG of £300 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).
75. The DSG is allocated to the council through four funding blocks, each with its own national formula methodology; early years, mainstream schools, high needs and central school services. Distribution to councils linked to historic allocations has now largely ended, with some funding protection mechanisms in place to reflect that expenditure patterns once well-established cannot be changed quickly. The separate DfE grants provided in recent years to reflect otherwise unfunded uplifts in teacher pay and pensions costs have been subsumed into the 2021/22 DSG within each of the three relevant funding blocks. This accounts for £11 million of the £25 million overall increase in the DSG for 2021/22.
76. The council brought forward a DSG accumulated deficit of £4.6 million in April 2020 due to the now recognised national underfunding of the high needs budget. The deficit was budgeted to grow by £5 million during the current year. The deficit arises from the restrictions in how funding can be moved between blocks with it not possible to reduce expenditure to balance the account

as well as meet the statutory education entitlements of pupils identified with high needs. A £1 million overspend is projected for 2020/21 with the accumulated deficit at March 2021, therefore, an estimated £10.6 million.

77. The council is not able to add to the DSG from its own funds to support annual expenditure or to reduce the accumulated deficit without the approval of central government. The projected annual high needs deficit for 2021/22 is £10.8 million and without any mitigation the deficit will grow to £21.4 million by 31 March 2022. The deficit recovery plan and related service action plan are being reviewed as a matter of urgency and this budget looks to materially impact both financial resilience and improved service delivery for our children in this area by the commitment of the council to finance £10 million in further capital investment in order to bring down expensive external placement costs.
78. The DSG accumulated deficit, under recently implemented accounting rules, is required to be carried on the council's balance sheet as an unusable negative earmarked reserve with this considered further in the reserves section of the report. The projected position is summarised below:

Figure 12: Projected dedicated schools grant at March 2022

	£m
Accumulated deficit 1 April 2020	4.6
Budgeted high needs shortfall 2020/21	6.0
Projected pressure in the High Needs Block 2020/21	1.4
School funding block surplus 2020/21	(1.0)
Projected savings on other blocks 2020/21	(0.4)
Projected deficit 31 March 2021	10.6
Projected high needs funding shortfall 2021/22	10.8
Projected deficit 31 March 2022	21.4
Surplus school's block funding (0.5%) agreed by schools' forum to transfer to high needs.	(1.1)
Proposed projected deficit 31 March 2022	20.3

Early years block - £21 million

79. The Department for Education (DfE) introduced a national formula in 2017/18 to fund Local Authorities for the free education childcare entitlements for those aged 2, 3 and 4. 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) was applicable for all local authorities in 2020/21. In 2021/22 the hourly funding rates have been increased for 2-year provision by £0.08 per hour (1.5%) and for 3 and 4 year- olds by £0.06 per hour (1.4%).
80. The level of funding retained for central budgets relating to the free entitlements have been agreed by the Schools Forum. The amount centrally retained is less than the 5% maximum allowed.
81. A consultation took place with all providers in November / December regarding how the formula is to be updated for the new funding level when it became known. The outcome of this was

considered by the school's forum in January 2021. A separate paper on the meeting agenda for a council decision includes the recommendations from this meeting

Schools block - £229 million

82. The national funding formula (NFF) for mainstream schools funding provided a £7.9 million (3.6 %) increase for 2021/22 due to uplifted formula values and revised local school data. A further £2.2 million (1.1%) has been provided in final allocations through growing pupil numbers from the October 2020 school census.
83. Consultation was undertaken with all schools in November / December regarding the mainstream school formula for 2021/22 with options regarding varying levels of funding transfer to high needs. The school's forum received the outcome of this consultation in January. A separate paper on this meeting agenda includes proposals for Council decisions regarding the mainstream school's formula.
84. Also included in the school's block is funding for pupil growth in mainstream schools from September 2021. These allocations are made to schools where growth meets specific national criteria. The DSG allocation has reduced by £0.4 million compared with last year but is enough to meet estimated costs with a balance available to transfer to high needs.

High needs block - £48 million

85. The funding shortfall for pupils with high needs continues to be a national problem with the LGA report (Have we reached a 'tipping point'?) still relevant despite the 9% increase in funding for 2021/22 of £4 million (which is similar in scale to the increase for 2020/21). 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. The trends in spending for children and young people with SEND have continued ahead of funding levels with the BCP annual gap growing each year due to the rise in caseload and average cost of provision. This is despite implementation of the high needs action plan, drawn up following a series of consultant reviews, and which includes the creation of a significant number of lower cost places in our local schools which are on track to be delivered.
86. The DSG regulations allow schools forum to approve a transfer of mainstream school funding of up to 0.5% in 2021/22 (with the £10 million of subsumed separate pay grants not permitted to be included in the percentage calculation). A higher level requires the approval of the DfE. A transfer to high needs of £1.1 million (0.5%) was considered by the school's forum in January and approved. The small school's block surplus remaining (after all mainstream schools have been allocated their full NFF allocations) of £0.2 million is to remain in the growth fund as a contingency. A request to the DfE for a greater level of transfer is considered unlikely to succeed as it was declined last year. Any significant increase beyond the 0.5% secured from school's forum would lead to schools not receiving their full NFF allocations for which there is little support from schools individually or the school's forum and with the DfE being very unlikely to override these views.
87. A separate report on the agenda recommends the transfer of £1.1 million from mainstream schools funding to the high needs budget. This balances the financial needs of the council and schools as far as possible within the approvals already secured and in accordance with the statutory school budget setting framework.

Central school services block - £2 million

88. The funding is provided largely through a national formula for on-going functions with per pupil rates uplifted for 2021/22 to reflect the previous teacher's pay grants now subsumed into the DSG for LA expenditure. This arises from the small number of teachers undertaking central functions. The underlying rate for BCP has reduced by 2.5% as expected from the transitional protection arrangements. Pupil number growth provides some mitigation with only a small overall reduction between years. Historic commitments in BCP are funded at previous levels (instead of the announced planned reduction) following a successful application to the DfE. Funding in this block supports specific central services for all schools and the DSG budgeting system. The school's forum has agreed the budgets are set at the level of funding.

Maintained schools

89. As last year, no schools have converted to Academy status during 2020/21 with none currently planned for 2021/22. BCP will, therefore, continue to have 16 schools plus the Christchurch learning centre to maintain at April 2021. Funding to continue statutory services for maintained schools is to be provided from central retention of maintained school budget shares through agreement of maintained schools representatives at school's forum. This retention totalling £0.2 million is still to be agreed by the relevant members of the school's forum but the outcome should be available by the end of January.

Academies

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

Education & Skills Funding Agency (ESFA)

91. 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

92. 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.

Capital strategy

93. 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 including;

- 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 (through the Housing Revenue Account).

94. 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.

Overview and core principles

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

- Capital projects are supported by appropriate business cases, that clearly identify funding sources, and are approved in accordance with BCP financial regulations. No project that relies on government grant, external funding (including third party contributions) or capital receipts can commence until the council has complete assurance the funding will be / has been received or has otherwise explicitly agreed to accept the risk.
- The use of prudential borrowing for capital projects where no alternative source of funding is identified must comply with published HM Treasury PWLB borrowing restrictions. Business cases must demonstrate the council is able to meet annual borrowing repayments. The council's overall borrowing capacity is set out in its treasury management strategy.
- Interest rates from the council's invest to save framework (which provides a framework through which to recognise an appropriate level of risk for each project) are applied to all business cases that rely on future income streams from which to meet annual borrowing repayment costs.
- 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.
- BCP capital resources (CIL, s106 contributions, capital reserves, capital receipts) are prioritised towards:
 - commitments under the council's flexible use of capital receipts strategy
 - 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.
- No resources are earmarked within the capital strategy for the consequential impacts of capital investment on the council's revenue budget (for example programme maintenance). These must be identified and managed within revenue budgets set as part of the MTFP.
- Funding earmarked for delivery of the capital strategy (including external government grant and new borrowing facilities) is only recognised within the capital programme as these funds are utilised / allocated to approved capital projects.

Capital investment programme (CIP) 2021/22 to 2025/26

96. BCP's 5-year capital investment programme consists of £124.8 million capital budget in 2021/22 and a further £131.3 million capital budget in the following four years – a total 5-year programme of £256.1 million spend on assets and infrastructure across the conurbation. 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. The programme does not include funding available but not yet earmarked to specific capital projects (e.g. new £50 million future fund and £10 million fund to support special educational needs and disability capital expenditure. Neither does it include capital projects where funding is still pending approval (e.g. £25 million Boscombe towns fund).
97. The £50 million futures fund and the £10 million support to SEND capital is in line with the bold vision to support our community respond to the impact of the pandemic. The assumption in the MTFP is that the £50 million futures fund will be drawn down in tranches of £10 million per annum over five years in support of investment in local infrastructure. It will be funded through borrowing with the capital and interest repayments which will reach £1.435 million per annum by year five factored into the 2021/22 budget and medium-term financial plan as appropriate.
98. The council's HRA capital budgets are also reported separately to the general fund capital investment programme.
99. Outside of 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, local organisations affiliated with the National Health Service, Bournemouth and Poole College, Port of Poole, Bournemouth Airport, academies and local employers.
100. The five-year capital programme represents an ambitious strategic medium-term programme of investment in each of the council's priorities. It includes all capital projects for which funding has been secured and will develop further as new capital projects are approved. It does not include grant funding (either anticipated or already received) that has not yet been allocated to approved projects. Neither does it include one-off capital grant bids that are pending outcomes, such as the council's £25 million Boscombe towns fund bid. It does, however, include estimates of annual capital grant allocations, where supported by government notifications of indicative grant awards (e.g. local transport plan, pothole grant, DfE capital grants, disabled facilities grant (DFG)). These indicative grants have been allocated to capital projects in the CIP. Indicative values are expected to be formally confirmed by March 2021, and the CIP adjusted if required.

101. **Figure 13: Capital Investment Programme (CIP) spend 2021/22 to 2025/26 (£256.1m)**

	2021/22	2022/23	2023/24	2024/25	2025/26	5 year total
	£000	£000	£000	£000	£000	£000
Adult Social Care	1,872	1,545	1,545	1,545	1,545	8,050
Children's Services	9,850	510	70	0	0	10,430
Highways maintenance	14,375	7,691	8,167	9,667	9,667	49,567
Highways major projects	43,354	32,444	1,500	0	0	77,298
Coastal Protection	8,045	16,981	3,451	1,788	8,417	38,682
Economic Regeneration	10,472	336	336	0	0	11,144
Destination & Culture	9,776	6,861	50	0	0	16,687
Housing & Communities	17,486	8,159	1,974	1,974	1,974	31,567
Hard Facilities Management	703	518	518	518	518	2,775
Environment	2,762	0	0	0	0	2,762
Resources	6,139	1,000	0	0	0	7,139
BCP planned capital expenditure	124,834	76,044	17,610	15,491	22,120	256,100

102. The following assumptions underpin the CIP 2021/22 to 2025/26:

- Capital schemes are only included within the CIP once funding has been identified and secured. The only exception to this is the transformation programme, which relies on capital receipts not yet realised to fully fund planned expenditure.
- The CIP includes indicative estimated values for local transport plan (LTP), pothole grant, school condition grant and better care fund (including disabled facilities grant) government grant awards. These are based on 2020/21 government grant allocations and will be revised, if necessary, once formal funding announcements are made (expected quarter four 2020/21).
- 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 2020/21 (amounts already reprofiled and final slippage that will only be quantified at the year-end) are / will be included within final CIP budget 2021/22.
- Any new capital projects not already included within the CIP will require separate approval in line with BCP financial regulations.

103. 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 £124.8 million capital programme budget 2021/22 (year 1 of total 5-year CIP budget of £256.1 million). A full listing of capital projects comprising CIP 2021/22 is attached as Appendix 4.

104. In endorsing this budget, councillors should be aware that it is likely to change during 2021/22 as new schemes are approved, new funding sources identified, indicative grant funding is confirmed, and capital schemes are potentially revised in line with new council-wide priorities. The 2021/22 capital budget will also be increased for any capital budget underspends from 2020/21, which will only become known at year end.

5-year capital investment programme (CIP) - key areas of focus

105. Significant capital projects by service directorate currently included within the five-year CIP include:

Adults services

Figure 14: 5-year capital investment £8.1m

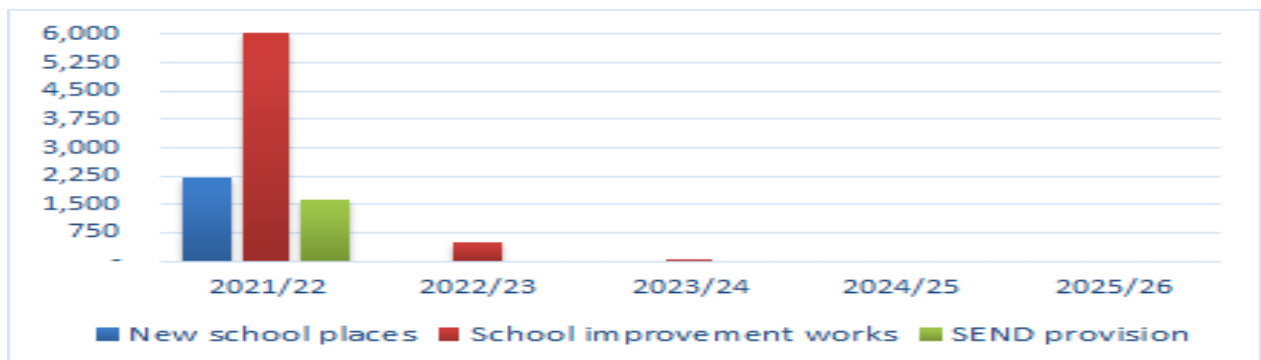


106. The capital programme assumes £1.5 million of the council's annual Disabled Facilities Grant (DFG) in-year allocation will be invested in its shared Integrated community equipment store (ICES) with Dorset Council, to better facilitate care within the home. This is based on an indicative BCP estimate of DFG funding over the five years of the capital programme. Actual grant funding allocations are expected to be confirmed February / March 2021. Officers from adult's social services and housing & community services will review the ongoing adequacy of the proportion of DFG allocated to the ICES programme periodically.

107. No direct provision has been made for an additional stand-alone investment in the council's adults and children's case management system within the CIP at this time. This will be considered as part of the resources set aside for the transformation programme.

Children's services

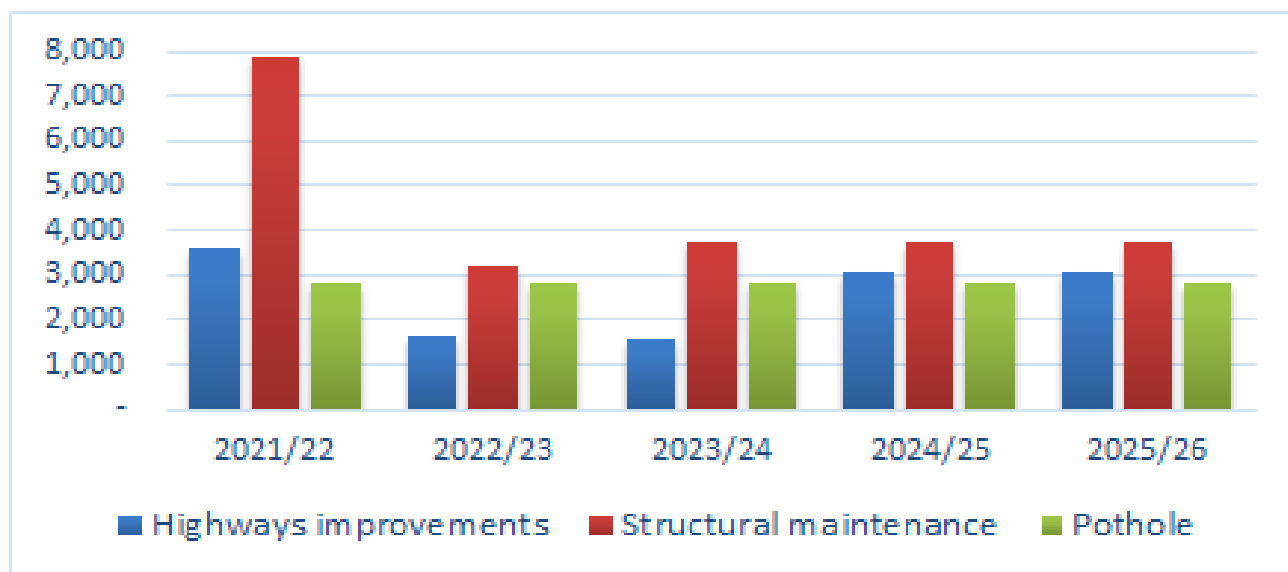
Figure 15: 5-year capital budget £10.4m



108. The children's capital strategy is funded from a combination of DfE capital grant, prudential borrowing (£4.65 million of which is funded from the transfer of surplus maintained school land from the general fund to the HRA), s106 developer contributions and CIL.
109. Children's services continue to face significant pressures, particularly within the high needs block revenue budget, that the capital strategy seeks to mitigate. In 2020/21 the Council invested significantly in creating additional SEND capacity within the locality. This focus continues in 2021/22, with the creation of new SEND school places at the Bournemouth Learning Centre and investment in SEND satellite provision at Somerford school. Whilst high level indicative budgets for these have been approved and included within the CIP, councillors should note that existing budget allocations could increase as previous cost estimates are reviewed (considering Covid-19) and procurement processes are completed.
110. DfE announced in the autumn 2020 spending review that a further £300 million has been allocated nationally for SEND provision in 2021/22. Based on prior year allocations, officers estimate BCP could expect to receive around £2.5 million of this additional funding but neither the grant nor its conditions and allocation methodology have yet been formally confirmed. Once confirmed the grant funding will be allocated to new capital projects within the CIP. To help mitigate funding pressures the council anticipates (and has budgeted for) use of a new £10 million SEND infrastructure loan. If this new borrowing is accessed, it will be repaid over 50 years and taken out from the middle of 2021/22. The financial implications of this £10 million investment amount to £287,000 per annum over the fifty-year period.
111. School improvement works currently approved include completion of a new school building at Hillbourne school. This is an ambitious project that requires extensive remodelling of the existing school site to provide a new school building and provision of over 100 new homes. The capital programme assumes £4.65 million of the school build costs will be funded from new borrowing repaid from transfer of surplus school land to the HRA for housing development. This can only take place once the land is formally declared as surplus to school requirements. The funding strategy assumes the transfer will be effected by 31 March 2022. A delay in meeting this deadline could potentially result in additional cost to the council as 'temporary borrowing' will likely be required until such time as land transfer takes place.
112. Based on prior year in-year allocations, the council assumes around £0.8 million additional school condition grant funding will be received in 2021/22. As with the SEND funding, this allocation will be included within the CIP once it is confirmed and allocated to new school building related projects.
113. Capital budget is also set aside within the CIP for the creation of new school places at St Aldhelm's Academy as well as completion of works at Carter School and Avonbourne Academy.

Growth & Infrastructure – highways and bridges maintenance

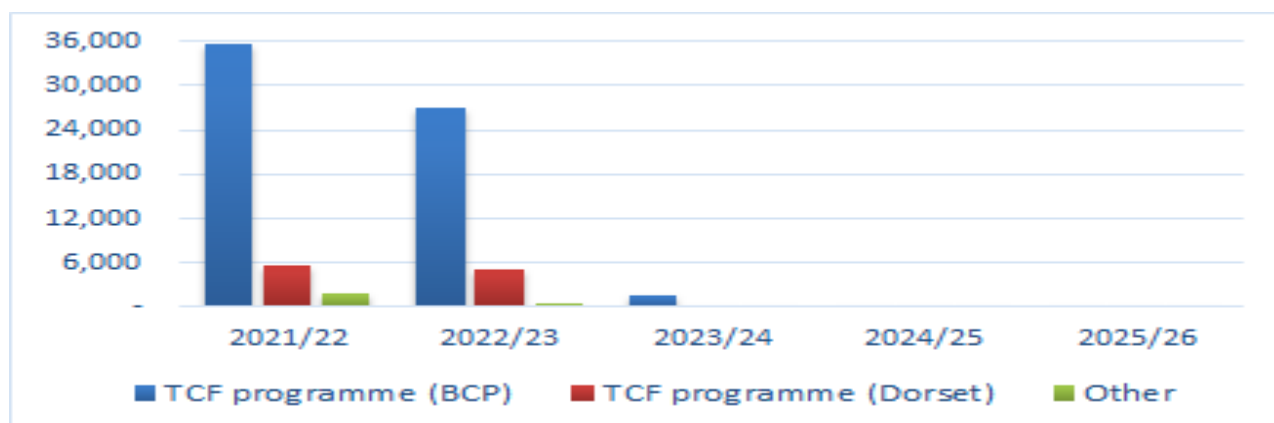
Figure 16: 5-year capital budget £49.6m



114. The Council's indicative annual integrated transport block DfT capital grant allocation of £3.1 million (part of total indicative local transport plan (LTP) annual allocation of £6.8 million) is earmarked for several planned highways improvements across the conurbation. Councillors are asked to note that around £2.3 million from future years LTP allocations may have to be set aside as local contribution for the council's £25m Boscombe towns fund regeneration bid - outcome still pending. Utilisation of future years' LTP funding as local contribution for Boscombe regeneration depends on whether the towns fund bid is successful, and on the availability of alternative sources of funding (for example highways infrastructure loan or CIL).
115. The annual structural maintenance budget within the capital programme is also based on indicative DfT annual capital grant allocation of £3.7 million (the remainder of the total indicative annual LTP allocation of £6.8 million). This funding is earmarked to fund various maintenance work on highways and bridges across the conurbation. A separate paper detailing planned LTP spend 2021/22 by project will be brought forward for councillor approval in due course.
116. The capital programme assumes the Council will continue to receive £2.9 million pothole grant annually. This is based on 2020/21 grant allocation and will be updated once final allocations are announced. The CIP allocates £0.7 million pothole capital grant (including £0.2m from LTP) each year to environmental services for routine pothole repairs. The remaining annual pothole capital grant is earmarked to fund longer term highways maintenance capital works. Clearly these allocations may need to be revised should final grant allocations differ significantly from indicative estimates.

Growth & Infrastructure – Major highways programmes

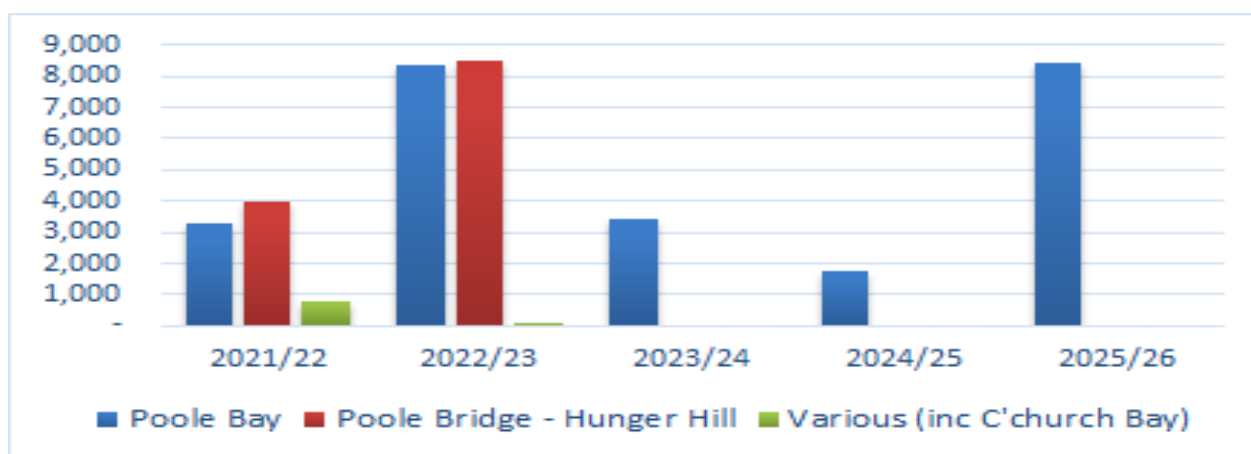
Figure 17: 5-year capital budget £77.3m



117. The Council is committed to promoting more environmentally sustainable means of travel across the conurbation. In late 2019/20 it was awarded £79 million government grant funding from the Transforming Cities Fund (TCF). Around £13 million of this grant funding will be allocated to Dorset Council for completion of the “A4 sustainable travel corridor” of works. In addition to TCF grant funding, the programme is supported by local authority LTP grant funding (provided by both BCP and Dorset Council), and third-party contributions. Governance arrangements are in place including internal programme boards and steering groups, with councillor representation. Regular progress reports are also submitted to the DfT, including works undertaken by Dorset Council as part of the TCF programme. A full breakdown of planned spend across each major corridor of works will be prepared for approval in line with financial regulations.
118. Other non-TCF major works planned for completion include £2.1 million investment to deliver 0.65km of cycleways along Ringwood Road / B3061 Sea View Road and A348 Ringwood Road – funded from LTP and NPIF grants and scheduled to complete by 31 March 2023. The current programme also includes planned works to complete Townside Access to Port of Poole project and Wallisdown Connectivity spend.

Growth & Infrastructure – coastal protection

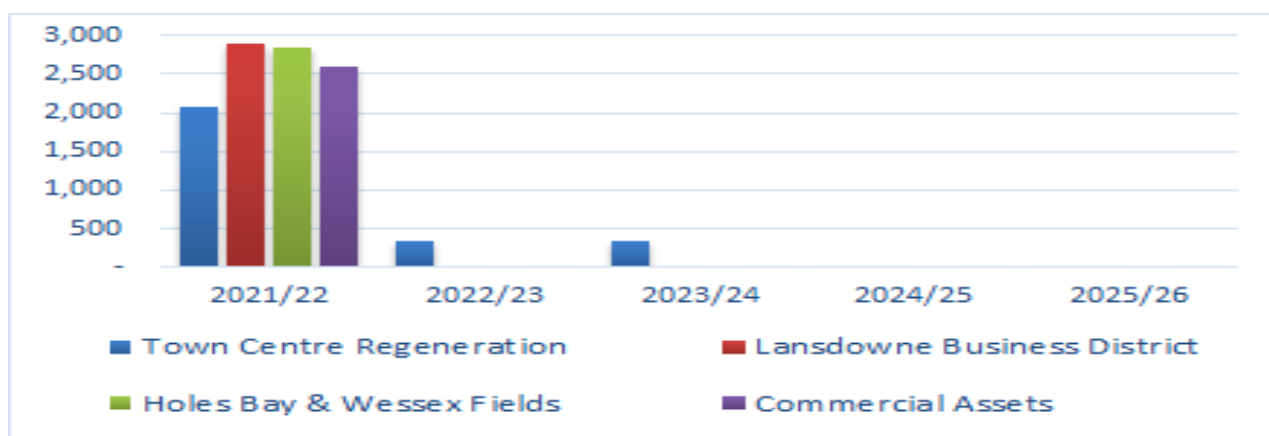
Figure 18: 5-year capital investment £38.7m



119. In partnership with the Environment Agency, the council continues to invest in protecting BCP's coastline including development of a flood and coastal erosion risk management plan for Christchurch Bay and harbour, and investment in the next phase of BCP's long term Poole Bay beach management plan. The latter will see a programme of significant investment in both timber groyne renewal and sand replenishment along the council's foreshore, stage 1 of which commenced in 2020/21.
120. In consultation with the Environment Agency the funding model for Poole Bay beach management plan has been revised. This has enabled £1.5 million of revenue funding for capital previously approved and allocated to the scheme to be released in support of the 2021/22 revenue budget. BCP is required to make a combined £3.3 million local contribution towards the programme. This contribution will now be funded predominantly from prudential borrowing.
121. The Council was informed in January 2021 that the Environment Agency has approved its business case for flood defence works between Poole Bridge and Hunger Hill. This will inject a further £12.5 million of Environment Agency grant funding for flood defence works in the area over 2021/22 and 2022/23. Council approval to accept this new grant is sought within the quarter three 2020/21 council budget monitoring report.

Economic regeneration

Figure 19: 5-year capital investment £11.1m

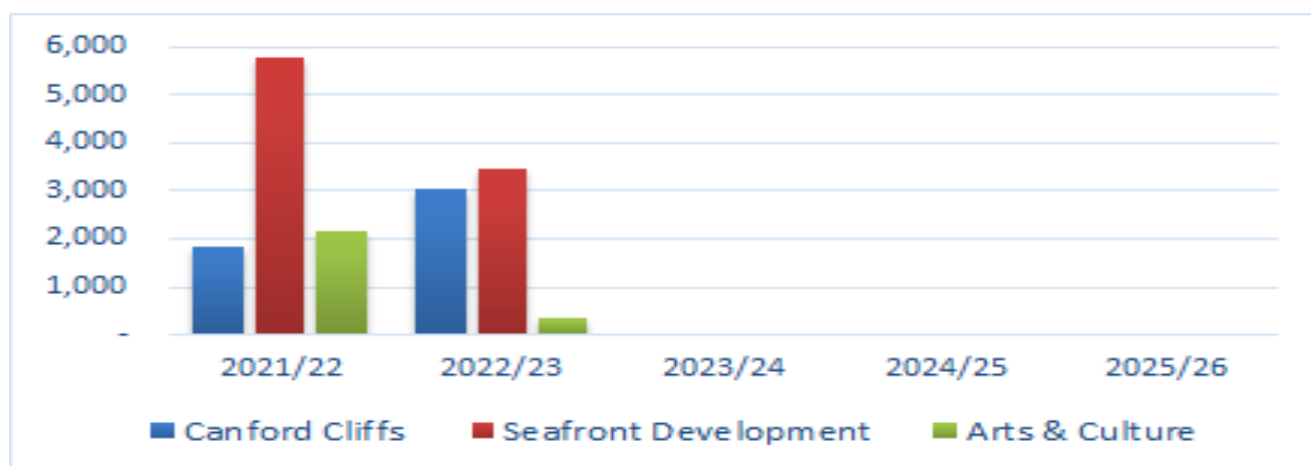


122. In 2020/21 alone the Council invested £22 million in economic regeneration programmes – including the acquisition of development land for new housing in the Holes Bay area of Poole (funded from a combination of government and Dorset Local Enterprise Partnership (DLEP) funding, prudential borrowing and right-to-buy receipts), Lansdowne Business District regeneration (in partnership with the DLEP) and investment in Boscombe (using accelerated grant funding from the Ministry for Housing, Communities and Local Government (MHCLG)).
123. A further £5.7 million town centre regeneration investment is approved for 2021/22, funded predominantly from BCP capital resources, consisting of the following:
- Town centre regeneration investment to finalise the revised heart of Poole masterplan
 - Relocation of the Dorset-wide Skills & Learning service to the Dolphin Centre
 - Poole High Street Heritage Action Zone investment and
 - Christchurch town centre focussed regeneration activities
 - Lansdowne business district – final phase of works.

124. In November 2020 the council submitted a bid to MHCLG for £25 million of towns fund grant to help deliver an ambitious and far-reaching programme of regeneration in Boscombe town centre, consisting of discrete but complementary capital schemes. If successful (and supporting business cases for each scheme are approved by MHCLG), the council can expect to start delivery of this programme in 2021/22. MHCLG grant funding will only be reflected in the CIP when individual schemes are approved. That said, at this time the council has recognised and earmarked £2.3 million of future years' LTP grant funding as local contribution for the 'local transport interventions' project within the Boscombe towns fund programme. Whilst this contribution has been earmarked, it will only be required if the local transport interventions business case is approved by MHCLG. The council also retains the option of swapping future LTP contribution for alternative funding sources, for example CIL or highways infrastructure loan.
125. The DLEP will only fund Lansdowne business district works incurred in advance of 31 March 2021. Spend committed to but not undertaken by 31 March 2021 cannot be reclaimed from DLEP and will have to be met from the Council's own internal resources. A further £2.9 million of BCP funded investment is planned for the final phase of the programme (works in 2021/22). This is the council's local contribution requirement as specified within the DLEP grant agreement. A funding strategy for the £2.9 million has been proposed to the Lansdowne steering group (January 2021). This assumes the use of £2.6 million of s106 contributions and CIL cash received, leaving a current funding shortfall of £0.3 million to be managed as the works progress. Councillors are asked to note that the £2.9 million funding is earmarked for the final phase of the programme and should not be regarded as funding for any spend not reclaimed from the DLEP. There are therefore clear financial risks to the council associated with both phases of the work.
126. Holes Bay development design phase, for the construction of new housing (including affordable housing) in the Holes Bay area of Poole is included within the CIP. The CIP will be amended for the construction of new housing on site as the scheme is developed and approved.
127. In addition to the above, the Council has approved the disposal of part of the 30 acres of land acquired at Wessex Fields (separate report on this agenda). In order to facilitate the land disposal, the council is required to undertake highways and junction / access improvements works, estimated to be around £2.1m. The costs of these works are proposed to be delivered by BCP and funded from prudential borrowing and are included within the CIP.
128. Investment in commercial assets - the council continues to work closely with BH Live to develop a long-term strategy for the Bournemouth International Centre (BIC). Funding has also been set aside for the remodelling and reconfiguration of retail units rented out within the Mallard Road retail park.

Destination & Culture

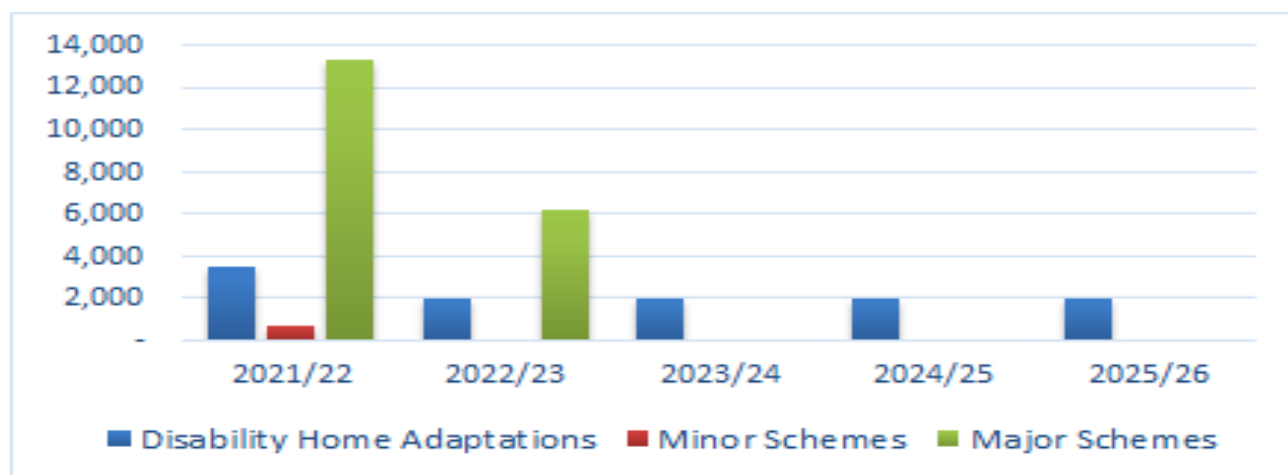
Figure 20: 5-year capital investment £16.7m



129. The Council's ambitious seafront development strategy is anticipated to progress at scale and with pace over the next two years. Canford Cliffs development includes completion of cliff stabilisation work, remodelling of Canford Cliffs pavilion and the construction of new beach hut provision in the area. This development is funded from a combination of BCP capital reserves, coastal communities fund grant funding and prudential borrowing. The programme was partially refinanced in 2020/21, resulting in the return of £3.8 million BCP capital resource to support the revenue budget position (capital reserve funding replaced with prudential borrowing). A refreshed business case will be prepared for the new beach huts development (final phase of programme planned for completion 2022/23) for Council approval in advance of committing to works.
130. The remainder of the BCP seafront development strategy including Durley Chine enterprise innovation hub, Mudeford Beach House Cafe and the Bistro on the Beach development are expected to complete by March 2023. The original design specification for the Bistro on the Beach has evolved since original capital budget approval. A separate report requesting an increase in the capital budget allocation will be brought forward for Council approval in due course. The council continues to explore long term development options for Sandbanks pavilion the results of which are expected by summer 2021.
131. The primary driver behind the council's seafront development strategy is the continued development and regeneration of the seafront. Whilst approved developments generate income for the Council (e.g. beach huts, cafes), net income after operational expenditure and debt financing costs are considered insufficient for them to be regarded as commercial investments in their own right. This means the Council is permitted to utilise prudential borrowing to finance these projects if required.
132. Investment in Upton country park discovery project, utilising up to £1.4 million national lottery heritage grant funding to deliver a new range of capital works, activities, educational projects and new visitor welcome centre is expected to complete in 2022/23.
133. Investment in BCP's heritage assets including Highcliffe Castle and Poole museum in partnership with the heritage lottery fund is also included within the CIP.

Housing & Community

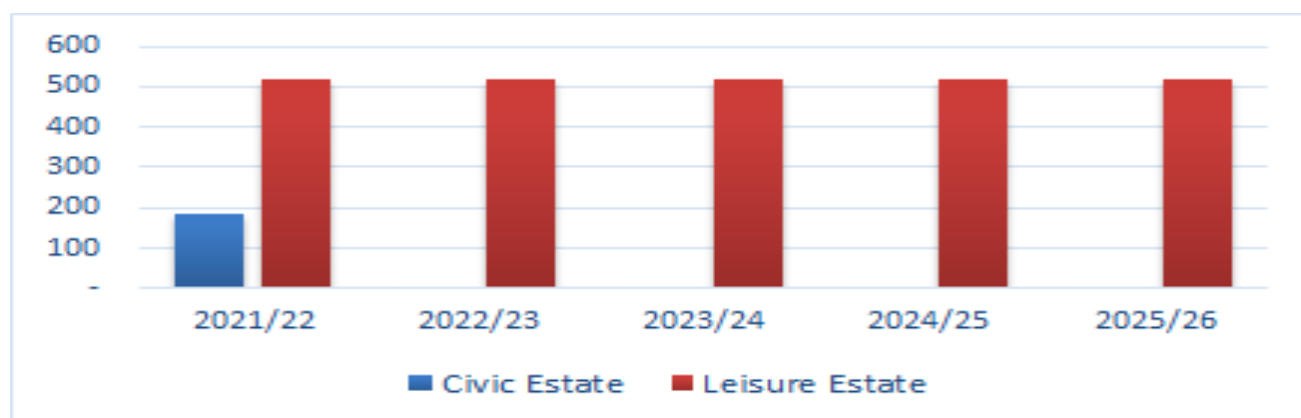
Figure 21: 5-year capital investment £31.6m



134. Based on estimated DFG allocations (expected to be confirmed February 2021), the council anticipates investing in a rolling programme of disabled facilities private home adaptations equivalent to £2 million each year. This investment will support and further promote independent living at home. The level of annual DFG allocated to fund private home adaptations will be reviewed periodically in liaison with adults' social services.
135. Minor schemes include continued investment in community led affordable homes projects.
136. Major schemes include continued investment in new temporary housing accommodation across the conurbation to support homelessness prevention. This does not include future development currently in design phase, for example Holes Bay development.
137. The Council is also planning significant new housing development at the Princess road and Prince of Wales road site to include a new 20-bed family hostel and 34 new private rented sector homes, which are separate to the HRA elements of the scheme.
138. Major housing schemes are heavily reliant on the use of prudential borrowing to deliver the projects. The council continues to review the potential use of right to buy receipts as part-funding for any affordable housing components within these schemes. This has the potential to reduce the level of new prudential borrowing required to be taken out.
139. Homes England approved a formal grant offer and an agreement was issued for the award of £3.838 million signed by the Council in August 2019 in relation to the proposed Turlin Moor development. To date no claims have been made by the Council or paid by Homes England. Cabinet is asked to note that due to unforeseen circumstances which have affected the compliance with the terms of the agreement, neither the Council nor Homes England will be taking forward the provision of the LAAC Grant award. The pandemic has meant that the necessary face-to-face consultation with the community has not been possible within the required timeline. Further details can be found in Appendix 4a.
140. Councillors are reminded that CIP housing investment complements and is in addition to capital investment planned within the Council's HRA.

Estates management

Figure 22: 5-year capital investment £2.8m



141. Work is ongoing to further rationalise the civic estate inherited by BCP from legacy Councils. Annual maintenance of the civic estate is now funded predominantly from revenue budgets, except for leisure facilities, for which an annual capital investment of £0.5 million is earmarked within the capital programme.

Environmental services (parks, open spaces and waste operations)

Figure 23: 5-year capital budget £2.8m

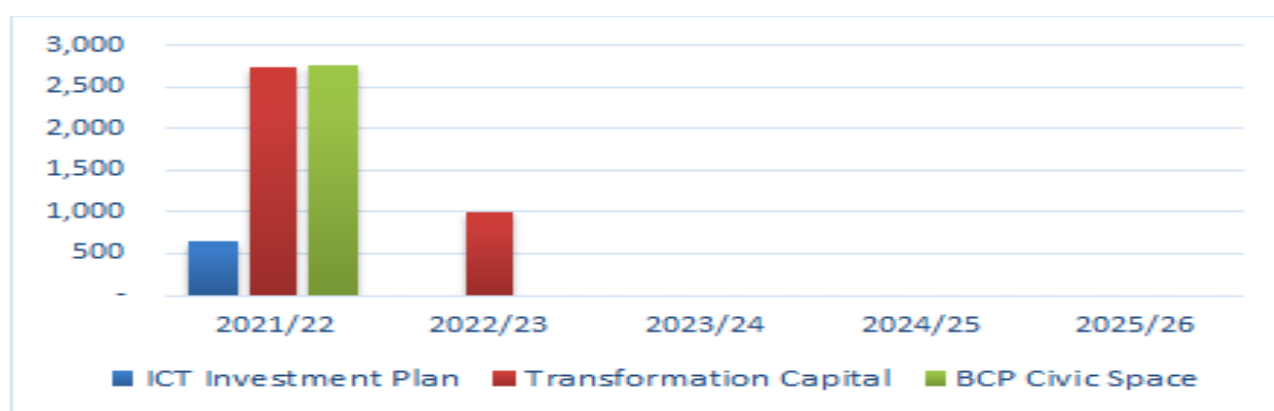


142. A long-term sustainable fleet strategy is intended to be submitted for council scrutiny and approval in April 2021. The strategy will seek to maximise the use of lower emission vehicles across frontline services' fleet operations and cover a period of years. It will include infrastructure investment required to facilitate the move to more low emission vehicles as well as provision for the replacement of fleet vehicles as they reach life expiry. The strategy will be funded from prudential borrowing, with annual budgets set aside within the MTFP to meet annual borrowing repayments. No specific provision has been made within the MTFP at this time for the repayment of additional borrowing costs arising from the strategy.

143. The council intends to develop plans for improved waste management facilities over the medium-term. Around £6.9 million waste infrastructure grant received is set aside as funding towards this - but will only be reflected within the capital programme once the capital project is designed and approved. Investment in parks and open spaces includes the completion of a significant programme of investment in Poole Park, investment at Kings Park athletics centre, construction of a new pavilion at Fernheath playing fields and continued investment in open spaces.
144. Outside of the capital programme, the Council has also approved the award of £2.8 million grant (funded from CIL and planning contributions) to Dorset Wildlife Trust, to purchase agricultural land and manage in perpetuity as low nitrate input. Known as the Dorset Nature Park, this proposal will allow the Council to continue to grant planning permission for new homes, as well as providing multiple benefits to residents across Dorset and BCP Council areas. This proposal has the written support of Natural England and is funded from developer contributions.

Resources

Figure 24: 5-year capital investment £7.1m



145. The Council's ICT investment plan is updated annually and represents ongoing investment to maintain, improve or replace existing IT infrastructure to maintain business as usual service delivery across the Council. This investment complements ICT related investment approved within the council's transformation programme and (as a result of capital programme refinancing undertaken in the summer) is now wholly funded from prudential borrowing. The CIP includes £0.375 million in 2021/22 in respect of this. New ICT investments are expected on an annual basis.
146. A further £3.7 million one-off ICT capital investment in laptops and IT hardware, to facilitate agile working, is included within the CIP for the transformation programme. This is funded from prudential borrowing. This capital investment is in addition to the £36.3 million set aside within the MTFP for the one-off revenue implications of the transformation programme.
147. The council expects to complete remodelling of the Bournemouth civic centre in 2021/22. The premises are expected to be available for use under the council's new normal arrangements by 31 October 2021. The MTFP currently assumes savings in Poole civic and Christchurch civic building related operational spend from 31 October 2021, the period when transition to the new civic space was assumed to end. In addition, the MTFP assumes these assets are repurposed on 31 March 2022 (Poole civic centre) and 31 October 2022 (Christchurch civic centre). No budget provision has been made for costs (including non-operational costs such as business rates and insurance) at these sites beyond these dates.

Capital investment programme funding

148. Figure 25 summarises capital resources currently earmarked to finance the 5-year capital programme. These include government grants, capital reserves, CIL and other developer contributions, capital receipts and prudential borrowing. This is the current position and will potentially change as ongoing work to maximise the utilisation of s106 and CIL contributions and right to buy receipts is completed. Broadly speaking, over the five years of the programme 77% of the CIP is funded from external sources (government grants and third-party contributions including CIL and s106 developer contributions) and 23% from council sources (capital reserves, capital receipts, prudential borrowing).
149. The CIP funding does not include significant grant bids from the MHCLG, decisions on which are currently pending. It also excludes new loan facilities approved but not yet drawn down and allocated to specific capital projects (£50 million future fund loan and £10 million SEND infrastructure loan).
150. The funding profile demonstrates the repurposing of capital reserves (capital receipts and earmarked capital reserves) away from supporting the capital strategy and towards delivering the council's transformation agenda. Significant refinancing of the capital programme that has been undertaken this year to release capital resources to support the revenue budget 2021/22. In total £25.1 million of capital reserve funding has been set aside to support 2021/22 budget (including funding risks associated with the transformation programme) consisting of:
- £7.2 million in earmarked capital reserves built up from previous years but no longer required to support delivery of the capital strategy.
 - £11.0 million from financial liability earmarked reserve and redundancy reserve.
 - £6.0 million from replacing capital fund financing for capital projects with prudential borrowing or CIL.
 - £0.9 million release of unallocated capital fund
151. Further work will be completed to understand the capacity to replace remaining capital fund and reserve allocations currently planned for 2021/22 with alternative funding sources (for example prudential borrowing or CIL). The results of this work will be reported in the year-end financial outturn report.
152. Capital funding required for capital programme delivery has either been received or secured (except for indicative annual government grant funding where assumed). The annual revenue cost or prudential borrowing repayments has been factored into the MTFP.

Figure 25: Financing BCP General Fund Capital Investment Programme

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	5 year total £000
Capital expenditure	124,834	76,044	17,610	15,491	22,120	256,100
Government Grant	76,994	60,646	16,793	14,810	20,702	189,946
Third Party Receipts	1,176	0	0	0	0	1,176
s106	4,172	487	193	0	0	4,852
CIL	721	0	0	0	0	721
External funding	83,063	61,133	16,986	14,810	20,702	196,695
Revenue funding in-year	615	518	518	518	518	2,687
Capital fund	1,444	5	0	0	0	1,449
Capital receipts	495	0	0	0	0	495
Earmarked capital reserves	840	0	0	0	0	840
Earmarked revenue reserves	686	0	0	0	0	686
PRU Borrowing - funded by HRA land transfers	6,700	330	70	0	0	7,100
PRU Borrowing - funded by general fund	30,992	14,059	36	163	900	46,150
BCP funding	41,772	14,912	624	681	1,418	59,406
Capital funding	124,834	76,044	17,610	15,491	22,120	256,100

153.Capital Contingency – In recognition of the inherent risks facing frontline services, in previous years the council has sought to maintain a capital fund / reserve from which to finance unplanned increases to approved spend, new urgent capital works where no other funding source is identified, and to enable local contributions to be funded to lever in new external grant funding.

154.As a result of extensive capital programme refinancing undertaken this year the Council no longer has any unallocated capital contingency fund available through which to manage emerging pressures and to support external grant bids. This risk is mitigated by the availability of alternative sources of funding, specifically borrowing.

Reserves

155.In setting the budget the Director of Finance, as the Council's 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.

156.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, reserves held on behalf of third parties and several reserves the council is required to hold in line with statute or its own governance requirements.

157. In considering the adequacy of reserves it should be recognised how quickly the demand that the council is required to manage can change. Relatively minor changes or shifts in key planning assumptions could have a significant impact on the council's financial position as highlighted in figure 26 below;

Figure 26: Council sensitivity to potential changes in assumptions

	Impact on level of net expenditure or council tax requirement £000's
Looked after child (high cost - residential) – per child	405
Looked after child (medium cost – independent fostering) –per child	77
Intensive homecare package for a disabled person	131
Vulnerable adults (learning disability – residential < 65)	185
Older person's supported residential care	41 <i>average</i> 104 <i>higher end</i>
Increase in the £8m cost of the concessionary fare scheme to the Council	£80k per 1% increase in journey numbers

158. In being mindful of these key sensitivities it should be established that the cost of a looked after child or vulnerable adult can exceed £1 million per annum on an individual case basis which the council is responsible for paying in the first instance. It is only subsequently able to reduce the amount to those shown in figure 27 above once it has negotiated a contribution from the Clinical Commissioning Group on behalf of the National Health Service but the risk of achieving this outcome is held by the council. It is also worth bearing in mind that every £100,000 is equivalent to the council tax generated on 66 homes (band d equivalents).

159. Another key consideration in assessing the adequacy of the council's reserves is the need to continually be alert to the position in respect of the deficit on its Dedicated Schools Grant (DSG) with specific reference to the high needs budget as noted above. In setting the original budget for

2020/21 in February 2020 the advice was that the deficit, predicted at that time to be £5.5 million on 31 March 2020 and £10.5 million on 31 March 2021, was held by the council and recognising its responsibilities to act reasonable and prudently it took steps in mitigation, namely the establishment of a Financial Liability Reserve to act as a counterweight against the forecast deficit. Growing deficits are seen as a direct consequence of the 2014 Children and Families Act, which increased the range of ages of children and young people with SEND that councils had to support as well as raising significantly the expectations of parents across all age ranges without providing the necessary financial support.

160. The resources in this financial liability reserve were however subsequently released as part of the Organisational Design Implementation & Budget report to Cabinet in June 2020 as endorsed by Council in July. This was on the basis that the CIPFA bulletin for the closure of the 2019/20 financial statements stipulated that the reserve did not need to be in place from the 1 April 2020 onwards. This position was reinforced by a Department for Education statutory instrument which became law at the end of November 2020 which states;

Where a local authority has a deficit in respect of its school's budget for a financial year beginning on 1st April 2020, 1st April 2021 or 1st April 2022, the authority—

(a) must not charge to a revenue account an amount in respect of that deficit; and

(b) must charge the amount of the deficit to an account established, charged and used solely for the purpose of recognising deficits in respect of its school's budget.

161. This means that the council cannot contribute to the deficit, cannot hold a reserve to act as a counterweight and will be required to move the deficit to an unusable reserve where it will sit as though it did not exist. It does though mean that the council will be required to cash flow the deficit and continue to prioritise the work needed to reduce the deficit as the statutory instrument was silent on what the position will be from 1 April 2023.
162. The current forecast deficit on the DSG is predicted to be £20.3 million as set out above in the DSG section (figure 12 paragraphs 74 to 78).
163. The Chief Financial Officer, in providing advice to council on the level of reserves required to support the budgeted position, has also been particularly mindful of the statement by the Chancellor, Rishi Sunak MP, in introducing his 25 November 2020 Spending Review that the public health emergency was not yet over and the economic emergency was only just starting. Consideration has though been given to ensuring that monies are not held up unnecessarily in reserves which could be better used to support the community and local economy at this difficult time.
164. It may also be worth emphasising that reserves should not be seen in a short-term context. They should be placed in the context of the likely future of necessary public sector spending restraint and the likely funding pressures, service pressures, cost 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 and smooth out the impact of the pandemic on the council's sales, fees and charges income as it recovers from the public health emergency.
165. Figure 27 below provides a summary of the council's reserve position since April 2019 through to 31 March 2022. In relation to the earmarked reserves position;

- The £11.1m tranche one unringfenced grant provided by the government to support the council address the consequences of the pandemic has been excluded from the 1 April 2020 position as it was paid to the council just before the year end date.
- The balance as at 31 March 2021 includes £25.1 million from the workstream to fundamentally refinance the capital programme which will be applied in support of the 2021/22 revenue budget. The balance as at the 31 March 2021 excludes £40.5 million of government grants to support the 2020/21 business rates and council tax deficits carried forward into 2021/22 alongside associated accounting adjustments.
- The balance as at 31 March 2022 reflects the normal annual level of government grants paid in advance of the associated expenditure, reserves held on behalf of third parties, and the earmarked reserves set aside to support the 2022/23 budget.

Figure 27: Movement in Reserves

	Balance 1 Apr 2019 £m	Balance 1 Apr 2020 £m	Balance 31 Mar 2021 £m	Balance 31 Mar 2022 £m
Un-earmarked Reserves	17.4	15.4	15.4	15.4
Earmarked Reserves	52.7	53.8	66.7	26.2
Total revenue reserves	70.1	69.2	82.1	41.6
Dedicated Schools Grant (deficit)	(3.6)	(4.6)	(10.6)	(20.3)

166. It should be noted that the growth in the DSG deficit of £1 million in the first year of BCP was suppressed by a £2.4 million council contribution that is no longer permitted and £2.4 million of mainstream school funding which in 2021/22 is limited to only £1.1 million.
167. To support the determination of the adequacy of these reserves, 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% and 10% of net revenue expenditure. For BCP this would mean maintaining such reserves at between £14 million and £28 million.
168. Having considered all matters and the known business requirements of BCP Council in 2021/22, 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 2021/22 budget which is approximately 5.5% of the proposed net revenue expenditure for the year. This is consistent with the level of unearmarked reserves used in supporting the 2020/21 budget of the council.
169. The position will be kept under review throughout the remainder of 2020/21 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.
170. Holding of unearmarked reserves at the lower end of the CIPFA recommend range is supported by the inclusion within the budget of a revenue base budget contingency. This contingency has been increased from £1.2 million, which represented 0.5% of the 2020/21 net revenue expenditure, to £3.6 million (1.3% of the 2021/22 net revenue expenditure) in reflection of additional operational risks associated with delivering services to our community as it recovers

from a global public health emergency and the additional risks associated with robustness of estimates at this time. A separate £1.7m contingency is being held in respect of the ambiguity associated with the 2021/22 pay award.

171. Regarding earmarked reserves, it is estimated that their level will be increased from £53 million as at the 31 March 2019 to £67 million as 31 March 2021. The budget proposal indicates that they will be reduced with the estimate for the 31 March 2022 currently £26 million. It should however be highlighted that the government have allocated a significant number of specific grants in the current 2020/21 financial year to support either payments to businesses or specific projects and initiatives. Some of these resources will be spent in the 2021/22 financial year therefore any unused amounts as at the 31 March 2021 may need to be transferred between years via the councils earmarked reserves position.
172. The budget as proposed is also premised on the assumption that any changes between the provisional 2021/22 Local Government Finance settlement, issued in December 2020, and the final settlement due in early February 2021, will be addressed as a movement either to or from the base revenue contingency.
173. 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 in the midst of a public health emergency, which is not yet over, 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 2021/22 and to assist the recovery of the local community and its economy.

Treasury management strategy

174. 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 2021. 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 2021/22 are set out in Appendix 4 for approval by council.
175. 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.

176. 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.

177. 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 approach 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.
- An asset life basis applied to capital expenditure schemes 2016/17 onwards.

178. A key change in the strategy for 2021/22 onwards has been the work to refinance capital schemes with the sole intention of releasing resources which can be used to support the general fund revenue budget. The approach being to borrow to finance these schemes over the life of the asset with examples being the ICT investment plan, the capital element of the transformation programme and the Poole Bay beach master plan. This approach is clearly different from the conventional approach previously adopted by the council however it will enable the council to match the cost of investment in capital infrastructure with its benefits.

179. In adopting this change in approach, the council needs to be satisfied that higher levels of debt are appropriate to the size of the authority, are affordable, and are financially sustainable over the period over which the borrowing will need to be repaid. While clearly this is very much a judgement call, the treasury management strategy included benchmark and comparison information replicated as Appendix 5a to this report. This indicated that as at quarter one 2020/21 BCP Council was towards the lower end of the spectrum of all unitary authorities in respect of longer-term debt as a percentage of the net revenue budget and per head of population. The benchmarking also demonstrated that BCP Council was previously using less borrowing to finance its capital programme than other unitary authorities. Appendix 5b also includes a schedule of additional borrowing the council is now committed to as part of the proposed capital programme.

180. As part of the process of considering funding options for future infrastructure projects the council will explore the use of community municipal bonds for projects specifically associated with the council's climate change and ecological emergency. The consideration process will only advise use of the bond from a value for money perspective if it can be demonstrated that the bond rates can be secured at levels lower than those that can be obtained from the public works loan board, although such consideration will also reflect on the value associated with direct public investment and engagement into the project.

181. In addition, the treasury management strategy reflects that as part of the November 2020 spending review the government announced the outcome of consultation on reforms to Public Works Loan Board (PWLb) lending designed to end the use of PWLB for investment property bought by councils primarily for yield. Government consider this presents a risk for both national and local taxpayers. Their guidance stipulates that if a local authority wishes to borrow from the PWLB they must submit a high-level description of the capital spending and financing plans for the next three years to include;

- Details of how much they plan to spend in defined categories.
- A description of the projects.
- Assurance from the s151 officer that the authority is not borrowing in advance of need and does not intend to buy assets primarily for yield.

182. The outcome of the consultation goes on to state that PWLB borrowing can continue to be used to finance capital expenditure associated with service spending, housing, regeneration, preventative action and treasury management. If the government conclude a transaction was not an appropriate use of PWLB then the transaction will need to be unwound, and the government reserve the right to request that all loans are repaid in full along with applicable exit charges.

183. Because of the reforms the rates of PWLB borrowing were generally reduced by 1% from the 26 November 2020.

Housing Revenue Account (HRA)

184. 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 2021/22.

Chief Officers' Pay Policy Statement

185. 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.

186. 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

187. The council is required to adopt an annual scheme of councillor allowances as specified under the Local Authorities (Members' Allowances) (England) Regulations 2003.

188. Council on the 24 November 2020 agreed a scheme of members' allowances for 2020/21 based on the following principles;

- No increase in the basic allowance for 2021/22 (frozen at £12,844)
- Linking any future increases to the local government national pay award but not starting before 2022/23.
- The Leader foregoing the additional leader special responsibility allowance (SRA) in full for the length of this term.

- The SRA of the ten Cabinet members reduced to £18,550
- The introduction of an additional SRA for Lead Members of £10,275
- An increase in the SRA for the Chairman of Licensing Committee to £10,275 be on par with the Chairman of Planning Committee.

189. As part of the proposed budget, provision has been made for a total cost of £1.4 million in 2021/22.

Consultation

190. 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 3 February 2021 on the budget for 2021/22 and Medium-Term Financial Plan from the BCP Council Leader, Chief Executive and the Chief Financial Officer.

191. 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

192. Section 50 of this report includes consideration of alternative Council Tax harmonisation strategies considered and rejected. There will however be numerous potential permutations.

Summary of finance and resourcing implications

193. In considering how appropriate the 2021/22 budget as proposed is at supporting the financial sustainability of BCP Council the councillors are advised to reflect on the following key issues;

- a) The current level of uncertainty in the estimates used to produce the budget due to the global public health emergency.
- b) The affordability of the investments into services bearing in mind approximately £30 million of one-off funding has been used in support of the 2021/22 budget such as those generated from the refinancing of the capital programme and review of inherited provisions. The extent to which these investments will continue to be affordable will clearly depend on future council tax decisions and the success in becoming more efficient and of the council's transformation programme. This should include a recognition that the financial implications of the £10 million capital investment in SEND will be a budget pressure of approximately £287,000 per annum over fifty years and the £50 million future fund investment will be £1.435 million per annum by year five, again over a fifty year period based on the current MTFP assumptions.
- c) The ultimate reduction in the councils overall financial flexibility by utilising the £30 million of one-off funding.
- d) A judgement has been made around the level of transformation savings which are in the process of being fully established, that should be included based on various levels of reassurance including direct assurance from the Corporate Management Board.
- e) The extent to which the council's level of reserves is adequate to cover the level of risk it is currently facing.

194. Such a judgement by councillors should also reflect on the Medium-Term Financial Plan of the Council which, based on numerous professional judgements, indicates a £17 million funding gap for 2022/23 dropping to £7.5 million for 2023/24. It should be highlighted that the £7.5 million is after the assumed delivery of £56.3 million in transformation and service-based savings, after the recognition of various cost and growth pressures over the next few years, and after the assumption of a 4.99% council tax increases in 2022/23 and 1.99% in 2023/24.

Summary of legal implications

195. 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.
196. 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

197. There are no direct human resource implications from this report acknowledging that the consequences of the transformation programme on the councils staffing establishment have been considered as part of the June Organisational Design report to Cabinet and then Council. The 2021/22 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

198. Consideration has been given as part of this budget for 2021/22 of ways in which BCP Council could contribute to environmental improvements / targets and by example encourage this approach in those with whom it deals.
199. As outlined earlier in this report this budget proposes a £240,000 annual commitment in support of climate change and the climate and ecological emergency.

Summary of public health implications

200. The budget as proposed aims to assist the council and its community address the consequences of the global Covid-19 public health emergency which is not yet over.
201. The council is seeking to maintain appropriate services for vulnerable residents as well as improve the sustainability of services important for the wellbeing of all residents.
202. Significant allowance has been made for personal protective equipment to protect staff and residents in compliance with guidance issued by Public Health England.

Summary of equalities and diversity impact

203. 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.

204. The full EINA is included as Appendix 6 to this report.

Summary of risk assessment

205. A key element of the reorganisation of local government in Dorset was the opportunity to best protect public services as central government reduced the core funding it provides to local authorities and both the demand for, and cost of, local services continued to rise.

206. 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.

207. Uncertainty caused by the pandemic will be a key risk in determining the adequacy of the budget as proposed. Reliance has been placed on the government's optimism in overcoming the spread of the virus as new vaccines are rolled out and their assumption that Covid-19 costs will start to decline from Easter 2021 onwards.

208. This will be compounded by the uncertainty associated with

- a) the country's transition from the European Union.
- b) 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. Both will continue to be significant risks, as will possible variations to base assumptions due to demand or cost factors.

Background papers

- c) The 2020/21 Budget and Medium-Term Financial Plan (MTFP) report of Bournemouth, Christchurch and Poole Council was approved on the 18 February 2020 and can be found at;
<https://democracy.bcpccouncil.gov.uk/documents/g3726/Public%20reports%20pack%2012th-Feb-2020%2009.30%20Cabinet.pdf?T=10>

- d) BCP Cabinet – 27 May 2020 – BCP Council Finance Update
<https://democracy.bcpccouncil.gov.uk/documents/s17294/BCP%20Council%20Finance%20Update.pdf>
- e) BCP Cabinet – 24 June 2020 – 2020/21 Budget Monitoring Report – June 2020
<https://democracy.bcpccouncil.gov.uk/documents/s17802/Budget%20Rebase%20202021.pdf>
- f) BCP Cabinet – 11 November 2020 – 2020/21 Budget Monitoring & Medium Term Financial Plan (MTFP) Update
<https://democracy.bcpccouncil.gov.uk/documents/s20366/202021%20Budget%20Monitoring%20MTFP%20Update.pdf>
- g) BCP Cabinet – 16 December 2020 –
<https://democracy.bcpccouncil.gov.uk/documents/s21208/Quarter%202%20Budget%20Monitoring%20Report%202020-21.pdf>
- h) All these reports were subject to the overview and scrutiny arrangements established to support consideration of reports presented to cabinet by the Overview and Scrutiny Board. In addition, all councillors were invited to the Budget Café which was run on the 18 December 2020.

Appendices

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 4a	Turlin Moor Scheme
Appendix 5	Treasury Management Strategy
Appendix 5a	Unitary Authority benchmarking data in respect of debt and borrowing.
Appendix 5b	Schedule of additional borrowing
Appendix 6	Equalities Impact Needs Assessment (EINA)
Appendix 7	Chief Officers' Pay Policy Statement

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BCP Council - Council Tax Harmonisation Modelling per Referendum Principles

	Actual Council Tax 2020/21	Average Council Tax 2020/21	Increase 21/22 %	Proposed Council Tax 2021/22
	£	£		£
BCP Council	£1,407.57	£1,385.63	1.55%*	£1,409.15
Adult Social Care Precept	£134.00	£132.42	0.00%	£132.42
Christchurch	£1,541.57	£1,518.05	1.55%	£1,541.57
BCP Council	£1,396.17	£1,385.63	1.55%*	£1,409.15
Adult Social Care Precept	£133.83	£132.42	0.00%	£132.42
Bournemouth	£1,530.00	£1,518.05	1.55%	£1,541.57
BCP Council	£1,366.48	£1,385.63	1.55%*	£1,409.15
Adult Social Care Precept	£130.33	£132.42	0.00%	£132.42
Poole	£1,496.81	£1,518.05	1.55%	£1,541.57

*1.55% increase on core council tax is calculated against the total average Band D for 2020/21 in accordance with referendum principles

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BCP Schedule of Council Tax Charges 2021/22

	Actual Council Tax 2020/21 £	Increase 21/22 %	Proposed Council Tax 2021/22 £
Christchurch			
Christchurch Town Council			
BCP Unitary Charge	£1,541.57	0.00%	£1,541.57
Christchurch Town Council	£42.22	1.99%	£43.06
Total Christchurch Town	£1,583.79		£1,584.63
Burton & Winkton Parish			
BCP Unitary Charge	£1,541.57	0.00%	£1,541.57
Burton & Winkton Parish Precept	£13.11	7.48%	£14.09
Total Burton Parish	£1,554.68		£1,555.66
Hurn Parish			
BCP Unitary Charge	£1,541.57	0.00%	£1,541.57
Hurn Parish Precept	£29.30	0.00%	£29.30
Total Hurn Parish	£1,570.87		£1,570.87
Highcliffe and Walkford			
BCP Unitary Charge	£1,541.57	0.00%	£1,541.57
Highcliffe and Walkford Neighbourhood Council	£25.86	0.50%	£25.99
Total Highcliffe and Walkford	£1,567.43		£1,567.56
Christchurch Unparished			
BCP Unitary Charge	£1,541.57	0.00%	£1,541.57
Total Christchurch Unparished	£1,541.57		£1,541.57

Bournemouth

Bournemouth (exc Throop and Holdenhurst)			
BCP Unitary Charge	£1,530.00	0.76%	£1,541.57
Bournemouth Chartered Trustee***	£2.15		TBC
Bournemouth Total	£1,532.15		£1,541.57
Bournemouth (Throop and Holdenhurst)			
BCP Unitary Charge	£1,530.00	0.76%	£1,541.57
Throop and Holdenhurst (New)***			TBC
Bournemouth Total	£1,530.00		£1,541.57

Poole

BCP Unitary Charge	£1,496.81	2.99%	£1,541.57
Poole Chartered Trustee***	£2.14		TBC
Poole Total	£1,498.95		£1,541.57

***TBC - once the precept demand is formally given to the Council appendix 1b will be updated.

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GENERAL FUND BUDGET SUMMARY 2021/22

	Gross Expenditure 2021/22 £000	Gross Income 2021/22 £000	Net Budget 2021/22 £000
Adult Social Care	182,835	(65,799)	117,036
Public Health	19,766	(19,766)	0
Children's Services	177,570	(109,474)	68,095
Environment & Community	98,331	(47,063)	51,268
Regeneration & Economy	68,960	(49,112)	19,847
Resources	146,207	(112,903)	33,304
Transformation Revenue Implications	3,500	0	3,500
Corporate Priorities	7,186	(950)	6,236
Net cost of services	704,354	(405,068)	299,286
Pensions	6,101	(562)	5,539
Contingency	3,594		3,594
Contingency for pay award	1,772		1,772
Levies			
Environment Agency	509		509
Fisheries	90		90
Corporate income and expenditure			
Interest on borrowings	3,181		3,181
Interest on cash investments		(45)	(45)
Investment property income		(6,213)	(6,213)
Revenue expenditure on surplus assets	171		171
Dividend income		(100)	(100)
Income from HRA		(949)	(949)
Admin Charged to Grant Income		(351)	(351)
Apprentice Levy	565		565
Net Operating Expenditure	720,337	(413,288)	307,049
Other financial items impacting on the general fund			
Provision for repayment (MRP)	11,506	(285)	11,221
Movement to reserves	688		688
Movement from reserves - S31 NNDR Grant - offsets NNDR Deficit below		(39,512)	(39,512)
Movement from reserves - Council Tax / NNDR Losses Grant		(1,021)	(1,021)
Transformation Programme Costs	23,590	(23,590)	0
Transformation Saving Target 2021/22		(7,500)	(7,500)
Refinancing of Capital Programme		(25,078)	(25,078)
Review of inherited resources		(4,738)	(4,738)
	35,784	(101,724)	(65,940)
Net Budget Requirement	756,121	(515,012)	241,109
Other funding before Council Tax Requirement			
New Homes Bonus Grant		(2,563)	(2,563)
LCTS Grant 2021/22		(3,833)	(3,833)
Lower Tier Service Grant 2021/22		(445)	(445)
Sales, fees and charges compensation 2021/22		(1,649)	(1,649)
Top Slice Covid Pressures Grant 2021/22		(1,030)	(1,030)
Collection Fund Deficit Distribution (Council Tax)	2,027		2,027
Collection Fund Deficit Distribution (NNDR)	40,322		40,322
Net Income from Business Rates - inc S31 Grant		(56,375)	(56,375)
Revenue support grant		(3,022)	(3,022)
	42,349	(68,917)	(26,568)
Total Council Tax Requirement	798,470	(583,929)	214,541

Service Directorate Budget Summary 2021/22

	Gross Expenditure 2021/22 £000's	Gross Income 2021/22 £000's	Net Budget 2021/22 £000's
Adult Social Care - Services			
Statutory Services	2,744	(353)	2,391
Learning Disability & Mental Health	52,749	(7,106)	45,643
Long Term Conditions	85,904	(39,920)	45,984
Access & Carers	1,862	(164)	1,698
Specialist Services	2,930	(453)	2,477
In House Services	2,973	(1,011)	1,962
Director Services	1,202	(95)	1,107
	150,364	(49,101)	101,263
Adult Social Care - Commissioning			
Strategic Commissioning - Long Term Conditions	27,966	(8,235)	19,732
Strategic Commissioning - Disabilities	1,082	(52)	1,030
Planning & Quality Assurance	1,345	(157)	1,188
Strategic Development and Change Management	723	(13)	711
Strategic Workforce Planning and Development	688	0	688
Strategic Director Commissioning	666	(8,241)	(7,575)
	32,471	(16,698)	15,773
Total for Adult Social Care	182,835	(65,799)	117,036
Public Health			
Public Health	19,766	(19,766)	0
Total for Public Health	19,766	(19,766)	0
Children's Social Care			
Children's Social Care	44,665	(5,143)	39,522
Inclusion & Family Services	17,534	(2,689)	14,845
Quality & Commissioning	11,243	(1,056)	10,187
CSM General	1,456	(6)	1,450
Dedicated Schools Grant	97,855	(97,855)	0
Partnerships	4,816	(2,726)	2,090
Total for Children's Services	177,570	(109,474)	68,095
Communities			
Communities	6,893	(1,643)	5,250
Environment	55,429	(20,637)	34,792
Housing	36,009	(24,783)	11,226
Total for Environment & Community	98,331	(47,063)	51,268
Destination & Culture			
Destination & Culture	30,470	(24,372)	6,098
Development	2,249	882	3,131
Growth & Infrastructure	36,241	(25,623)	10,619
Total for Regeneration & Economy	68,960	(49,112)	19,847
Executive			
Executive	1,547	(172)	1,375
Finance	12,267	(4,138)	8,130
Insurance	3,850	(377)	3,473
Corporate Management Costs	1,695	(348)	1,347
Housing Benefits	104,017	(104,507)	(490)
ICT	10,187	(651)	9,536
Law & Governance	6,782	(2,470)	4,312
Organisational Development	5,861	(240)	5,621
Total for Resources	146,207	(112,903)	33,304
Transformation			
Transformation	3,500	0	3,500
Total for Transformation	3,500	0	3,500
Corporate Priorities			
Corporate Priorities	7,186	(950)	6,236
Corporate Priorities	7,186	(950)	6,236
Net cost of services	704,354	(405,068)	299,286

GENERAL FUND BUDGET SUMMARY 2020/21 & 2021/22

	Working Net* Budget 2020/21 £000's	Net Budget 2021/22 £000
Adult Social Care	111,479	117,036
Public Health	0	0
Children's Services	61,724	68,095
Environment & Community	50,343	51,268
Regeneration & Economy	6,881	19,847
Resources	32,913	33,304
Transformation Revenue Implications	0	3,500
Corporate Priorities	1,400	6,236
Net cost of services	264,741	299,286
Pensions	5,611	5,539
Contingency	1,151	3,594
Contingency for pay award	0	1,772
Levies		
Environment Agency	509	509
Fisheries	88	90
Corporate income and expenditure		
Interest on borrowings	1,799	3,181
Interest on cash investments	(185)	(45)
Investment property income	(6,213)	(6,213)
Revenue expenditure on surplus assets	171	171
Dividend income	(100)	(100)
Income from HRA	(949)	(949)
Admin Charged to Grant Income	(351)	(351)
Apprentice Levy	565	565
Net Operating Expenditure	266,837	307,049
Other financial items impacting on the general fund		
Revenue contribution to capital - general	2,839	0
Provision for repayment (MRP)	10,570	11,221
Movement to reserves	734	688
High Needs Reserve Contribution	1,230	0
Movement from reserves - S31 NNDR Grant - offsets NNDR Deficit below	0	(39,512)
Movement from reserves - Council Tax / NNDR Losses Grant	0	(1,021)
Transformation Programme Costs	0	0
Transformation Saving Target 2021/22	0	(7,500)
Refinancing of Capital Programme	0	(25,078)
Review of inherited resources	0	(4,738)
	15,373	(65,940)
Net Budget Requirement	282,210	241,109
Other funding before Council Tax Requirement		
New Homes Bonus Grant	(2,648)	(2,563)
LCTS Grant 2021/22	0	(3,833)
Lower Tier Service Grant 2021/22	0	(445)
Sales, fees and charges compensation 2021/22	0	(1,649)
Top Slice Covid Pressures Grant 2021/22	0	(1,030)
Collection Fund (Surplus) / Deficit Distribution (Council Tax)	(1,380)	2,027
Collection Fund Deficit Distribution (NNDR)	0	40,322
Net Income from Business Rates - inc S31 Grant	(58,102)	(56,375)
Revenue support grant	(3,005)	(3,022)
	(65,135)	(26,568)
Total Council Tax Requirement	217,075	214,541

*Working budget is the original budget set in February 2020 as well any budgets changes made in year.

Medium Term Financial Plan 2021/22 (based on absolute budget)

	Adjusted Net Budget	MTFP	Net Budget	MTFP	Net Budget	MTFP	Net Budget
	2020/21 £m	2021/22 £m	2021/22 £m	2022/23 £m	2022/23 £m	2023/24 £m	2023/24 £m
Adult Social Care <i>(Including Public Health)</i>	111.4	5.1	116.5	9.3	125.8	10.3	136.1
Children's Services	61.7	6.9	68.6	2.4	71.0	2.2	73.2
Environment & Community	50.4	0.9	51.2	1.3	52.6	0.6	53.2
Regeneration & Economy	6.9	13.0	19.9	(8.5)	11.3	(0.5)	10.8
Resources	32.9	0.3	33.2	(0.2)	33.0	0.2	33.2
Transformation Revenue Implications	0.0	3.5	3.5	0.5	4.0	0.5	4.5
Corporate Priorities	1.4	4.8	6.2	(1.7)	4.6		4.6
Net cost of services	264.7	34.4	299.2	3.1	302.3	13.3	315.6
Pensions	5.6	(0.1)	5.5	(0.1)	5.5	0.2	5.7
Contingency	1.2	2.4	3.6	(1.9)	1.7	0.1	1.8
Contingency - pay award	0.0	1.8	1.8	3.1	4.9	3.3	8.2
Levies (Environment Agency / Fisheries)	0.6	0.0	0.6		0.6		0.6
Interest on borrowing	1.8	1.4	3.2	(0.0)	3.2	(0.0)	3.2
Interest on cash investments	(0.2)	0.1	(0.0)		(0.0)		(0.0)
Investment property income	(6.2)	0.0	(6.2)	(1.2)	(7.4)		(7.4)
Revenue expenditure on surplus assets	0.2	0.0	0.2		0.2		0.2
Dividend income	(0.1)	0.0	(0.1)		(0.1)		(0.1)
Income from HRA	(0.9)	0.0	(0.9)		(0.9)		(0.9)
Admin Charged to Grant Income	(0.4)	0.0	(0.4)		(0.4)		(0.4)
Apprentice Levy	0.6	0.0	0.6		0.6		0.6
Revenue contribution to capital	2.8	(2.8)	0.0		0.0	0.0	0.0
Provision for repayment borrowing (MRP)	10.6	0.7	11.3	0.7	12.0	0.4	12.4
Movement to and (from) reserves - inc unearmarked	0.7	0.0	0.7		0.7		0.7
High needs reserve contribution	1.2	(1.2)	0.0		0.0		0.0
Use of Reserves - NNDR Section 31 Grant	0.0	(39.5)	(39.5)	39.5	0.0		0.0
Use of Reserves - NNDR 75% Loss Grant	0.0	(0.6)	(0.6)		(0.6)		(0.6)
Use of Reserves - Ctax 75% Loss Grant	0.0	(0.4)	(0.4)		(0.4)		(0.4)
Use of Reserves - MTFP Mitigation	0.0	0.0	0.0	(2.1)	(2.1)	2.1	0.0
Transformation Programme Costs	0.0	0.0	0.0	7.8	7.8	(5.3)	2.5
Transformation Saving Target 2021/22	0.0	(7.5)	(7.5)	(17.5)	(25.0)	(17.5)	(42.4)
Refinancing of Capital Programme	0.0	(25.1)	(25.1)	25.1	0.0		0.0
Review of inherited resources	0.0	(4.7)	(4.7)	4.7	0.0	0.0	0.0
Net Budget	282.2	(41.1)	241.1	61.3	302.4	(3.4)	299.0
Council Tax income	(217.1)	2.5	(214.5)	(14.1)	(228.6)	(7.0)	(235.6)
Net income from Business Rates	(58.1)	1.7	(56.4)	0.0	(56.4)	0.0	(56.4)
Revenue Support Grant	(3.0)	(0.0)	(3.0)		(3.0)		(3.0)
New Homes Bonus Grant	(2.6)	0.1	(2.6)	1.7	(0.8)	0.8	0.0
LCTS Grant 2021/22	0.0	(3.8)	(3.8)	3.8	0.0		0.0
Lower Tier Service Grant 2021/22	0.0	(0.4)	(0.4)	0.4	0.0		0.0
Sales, fees and charges compensation 2021/22	0.0	(1.6)	(1.6)	1.6	0.0		0.0
Top Slice Covid Pressures Grant 2021/22	0.0	(1.0)	(1.0)	1.0	0.0		0.0
Collection Fund (Surplus) / Deficit Distribution NNDR	0.0	40.3	40.3	(39.5)	0.9		0.9
Collection Fund (Surplus) / Deficit Distribution Council Tax	(1.4)	3.4	2.0	0.6	2.7		2.7
Total Funding	(282.2)	41.1	(241.1)	(44.2)	(285.3)	(6.1)	(291.5)
Annual – Net Funding Gap	(0.0)	(0.0)	(0.0)	17.0	17.0	(9.5)	(9.5)
Cumulative MTFP – Net Funding Gap			(0.0)		17.0		7.5

BCP Unitary Council - Budget 2021/22 and MTFP - Assumed Savings

Ref:	Theme	Name of Proposal	Description	2021/22 £000's	2022/23 £000's	2023/24 £000's	Total to 2024 £000's
Resources							
1	Resources 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. Identified as part of the Covid 19 mitigation strategy	(551)			(551)
2	Resources Directorate	Staffing savings following Local Government Review	Further efficiencies from combining the Bournemouth, Christchurch (including and element of Dorset County Council) and Poole Teams. Identified as part of the Covid 19 mitigation strategy	(307)			(307)
3	Resources Directorate	Staffing and organisational savings within the Human Resources Service	Deletion of vacant posts to mitigate the loss of Tricuro and Academy Schools income	(191)			(191)
4	Resources Directorate	Organisational savings following Local Government Review	ICT Service Licensing Changes and changes to third party supply	(186)			(186)
5	Resources Directorate	Treasury Management Strategy	One off up front arrangement fee from the Dorset Pathology Unit investment - taken in 2020/21	(45)	90		45
		Savings Resources Directorate		(1,280)	90	0	(1,190)
Children's Services							
6	Children's Directorate	Base Budget Review	Inclusion & Family Services - service efficiencies	(262)	810		548
7	Children's Directorate	Base Budget Review	Quality & Commissioning - service efficiencies	(26)			(26)
8	Children's Directorate	Service Efficiencies - General	Social Care Grant	(381)			(381)
		Savings Children's Directorate		(669)	810	0	141
9	Public Health	Service Efficiencies - General	Dorset Partnership efficiencies reinvested in Children Services	(500)	500		0
		Savings Public Health		(500)	500	0	0
Adult Social Care & Public Health							
10	Adult Social Care Directorate	Service Efficiencies - General	Implementation of strengths based approach to assessment, reduction in residential care placements as we moved to provide an alternative provision in a client's own home, target reviews achieving best value from S 117, Continuing Health Care and other high cost provision for people with learning disabilities and mental health. Net of front door transformation savings	(650)			(650)
11	Adult Social Care Directorate	Organisational savings following Local Government Review	Further service based cost efficiencies from combining the Bournemouth, Christchurch and Poole Teams. Identified as part of the Covid 19 mitigation strategy	(622)			(622)
12	Adult Social Care Directorate	Fees and Charges	Rebase deferred payments budgets in line with current level of activity	(500)			(500)
13	Adult Social Care Directorate	Fees and Charges	Rebase client contributions in line with current level of base activity	(1,500)			(1,500)
14	Adult Social Care Directorate	Fees and Charges	Client Contributions - application inflation uplift and uprating in line with income changes.	(400)			(400)
15	Adult Social Care Directorate	Staffing savings following Local Government Review	Further efficiencies from combining the Bournemouth, Christchurch and Poole Teams. Identified as part of the Covid 19 mitigation strategy for the Adult Social Care Services	(300)			(300)
16	Adult Social Care Directorate	Transformation - Organisational Redesign	Review approach to early intervention and develop options for front door model (potentially using KPMG)	0	(1,250)		(1,250)
17	Adult Social Care Directorate	Staffing savings following Local Government Review	Further efficiencies from combining the Bournemouth, Christchurch and Poole Teams. Identified as part of the Covid 19 mitigation strategy for the Commissioning and Improvement Service	(220)			(220)
18	Adult Social Care Directorate	Service Efficiencies - General	Efficiencies from the review of services delivered by Tricuro	(260)	(100)		(360)
19	Adult Social Care Directorate	Service Efficiencies - General	Review commissioning dementia home care	(120)			(120)
20	Adult Social Care Directorate	Service Efficiencies - General	Use of technology in meeting care and support needs.	(100)			(100)

Ref:	Theme	Name of Proposal	Description	2021/22 £000's	2022/23 £000's	2023/24 £000's	Total to 2024 £000's
21	Adult Social Care Directorate	Service Efficiencies - General	Enhance support to self funders to make decisions about their care.	(100)	(50)		(150)
22	Adult Social Care Directorate	Domiciliary Care costs	Use of BCP framework contract for new domiciliary demand in the Christchurch area.	(80)			(80)
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.	(35)			(35)
24	Adult Social Care Directorate	Service Efficiencies - General	Reduce bad debt by improving debt management.	(20)	(20)		(40)
25	Adult Social Care Directorate	Service Efficiencies - General	Review of discretionary managing other people money services ensuring full cost recovery.	(10)	(10)		(20)
26	Adult Social Care Directorate	Service Efficiencies - General	Investigate telephone/online options to speed up financial assessments	(10)	(5)		(15)
27	Adult Social Care Directorate	Service Efficiencies - General	Review of care arrangements for people with Learning Disabilities and Mental health	(140)	(234)	(391)	(765)
28	Adult Social Care Directorate	Service Efficiencies - General	Expand Shared Lives scheme	(40)			(40)
29	Adult Social Care Directorate	Service Efficiencies - General	Beter Care Fund Increase	(632)			(632)
30	Adult Social Care Directorate	Service Efficiencies - General	Social Care Grant	(890)			(890)
31	Adult Social Care Directorate	Service Efficiencies - General	Integrated Community Equipment Store - pooled budget. Use of revenue + DFG.	(768)	172		(596)
		Savings Adult Social Care Directorate		(7,397)	(1,497)	(391)	(9,285)
Regeneration & Economy							
32	Regeneration & Economy Directorate	Staffing savings following Local Government Review	Further efficiencies from combining the Bournemouth, Christchurch (including and element of Dorset County Council) and Poole Teams. Identified as part of the Covid 19 mitigation strategy	(85)	(28)	(27)	(140)
33	Regeneration & Economy Directorate	Fees and Charges	Rebase planning income inline with historical performance	(25)			(25)
34	Regeneration & Economy Directorate	Service Efficiencies	Reduction in art centre grant support already agreed	(25)			(25)
35	Regeneration & Economy Directorate	Fees and Charges	Rebase parking income inline with historical performance	(30)			(30)
36	Regeneration & Economy Directorate	Fees and Charges	New Car Park Parking Zones	(150)			(150)
37	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.		85	(93)	(8)
38	Regeneration & Economy Directorate	Transformation cost recovery fees and charges	Consistent service operating model for Leisure Centres			(100)	(100)
39	Regeneration & Economy Directorate	Fees and Charges	R&E - Beach Huts licence fess	(522)	522		0
		Savings Regeneration and Economy Directorate		(837)	579	(220)	(478)

Ref:	Theme	Name of Proposal	Description	2021/22 £000's	2022/23 £000's	2023/24 £000's	Total to 2024 £000's
Environment & Community							
40	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. Identified as part of the Covid 19 mitigation strategy	(714)			(714)
41	Environment & Communities Directorate	Transformation - Organisational Redesign	Operational Service Delivery Reviews in Environment & Communities	(386)	(20)		(406)
42	Environment & Communities Directorate	Transformation - Cost recovery - Fees and Charges	Fee consistency / harmonisation across a number of services. Includes Green Waste	(367)			(367)
43	Environment & Communities Directorate	Transformation - Cost recovery - Fees and Charges	Rebase Solar Panel income inline with historical performance	(300)			(300)
44	Environment & Communities Directorate	Base Budget Review	Communities - Regulatory Services - Port Health Brexit costs - new burdens funding	(150)			(150)
45	Environment & Communities Directorate	Rental Income	St Stephens Road	(529)			(529)
		Savings Environment & Communities		(2,446)	(20)	0	(2,466)
Transformation							
46	Transformation	Transformation - Organisational Redesign	As per the KPMG report for potential savings post local government reorganisation. The report highlight savings already identified against the saving targets.	(7,500)	(17,450)	(17,450)	(42,400)
		Savings Transformation		(7,500)	(17,450)	(17,450)	(42,400)
		Overall Total		(20,629)	(16,988)	(18,061)	(55,678)

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BCP Council

10 February 2021

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 Director of Finance as the Councils section 151 (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.

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 uncertainty caused by the global public health emergency, long-term government funding reductions since 2010, the uncertainty caused by the lack of three year government spending review, service delivery problems within its Children's Directorate, and cost pressures 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% and 10% of net revenue expenditure. For BCP this would mean maintaining such reserves at between £14.1 million and £28.2 million.

(Net revenue expenditure = £281.922 million, which is our 2021/22 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 2020 reported positions, should be robust and within the CIPFA range.

It should be emphasised that Councils can and do experience significant financial difficulties as recent high-profile cases such as those at Northamptonshire County Council, Croydon Council and Birmingham City Council's demonstrates.

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 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 council's 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 near 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. All these at the time of a global public health emergency and its legacy impact.

Some of the key risks facing the council at this time can be summarised as;

- a) Assumed levels of financial support due to the Council from the Government comprehensive package of support measures including the £13.3 million 2020/21 sales, fees and charges compensation claim which will not be verified by the government until after the 2020/21 financial year end.
- b) Actual sales, fees and charges income receipts due to the council in the final quarter of 2020/21 and throughout 2021/22 with specific reference to car parking income, seafront trading activity and commercial waste income.
- c) Increasing deficit on the Dedicated Schools Grant with specific regard to the high needs block. The 2021/22 budget report forecasts the deficit to grow from £10.6 million as at the 31 March 2021 to £20.3 million as at the 31 March 2022.
- d) Impact on the costs of the Adult Social Care service in both the current 2020/21 financial year, 2021/22 and future years in supporting the NHS achieve rapid hospital discharges of adults due to the pandemic. This involves securing and funding care placements prior to the financial assessments that normally take place being undertaken to determine how costs are to be met. Costs can be the responsibility of the council, the NHS or individuals themselves. Projections for the costs remaining with the council are based on activity levels and trend analysis.
- e) The assessment of the councils Children's Service by Ofsted and the need to improve the service protecting the vulnerable younger members of our community.

- f) Demand and costs associated with the council's housing / homelessness services including rough sleepers including temporary accommodation, subsistence and security arrangements.
- g) Impact of the country's transition from the European Union. Particularly relevant to the Port of Poole and any specific European funding streams.
- h) Reductions in council tax yield which lead to a 2.7 % reduction in the councils taxbase between 2020/21 and 2021/22. This included a £3.4 million increase in the cost of the local council tax support scheme (LCTSS) or a 13.1 % increase compared to last year and reflects a 13.5% increase in the cost of working age claimants.
- i) Business Rates yield and the assumption of net collectable business rates for the BCP Council area for 2021/22 of £134.9 million (£135.0 million for 2020/21). There is significant risk with this estimate due to the potential for reductions in business rate income because of the pandemic, including decline in the number of businesses, losses in collection rates and appeals for reduced rateable values by businesses. What makes the risk particularly acute is that businesses within the BCP Council area received retail, hospitality and leisure relief from business rates to the value of £80.6 million in 2020/21 as part of the governments Covid19 mitigation strategy and this relief is due to end on the 31 March 2021.
- j) Financial planning risk associated with the lack of a three-year government spending review and the delayed local government funding reforms which were planned for introduction from April 2021 (i.e. Fair Funding, 75% Business Rates Retention and the full reset of the business rates baseline).
- k) Transformation programme and both;
 - the inclusion of an unitemised savings target of £7.5 million for 2021/22.
 - the requirement to deliver, as a minimum, £13.8 million in capital receipts in 2021/22.
- l) Lack of a capital contingency which will require the council to take on extra borrowing to finance any unforeseen or unprovided for capital expenditure.
- m) Redundancy cost provision. As part of the budget framework £12.9 million has been set aside for redundancy costs across the four years of the transformation programme. This can be compared to the often-cited need for the council to reduce its establishment by up to 600 posts which would cost £29 million based on the average current BCP Council redundancy cost of £48,284.

Summary of reserve movement

	Balance 1 Apr 2019 £m	Balance 1 Apr 2020 £m	Balance 31 Mar 2021 £m	Balance 31 Mar 2022 £m
Un-earmarked Reserves	17.4	15.4	15.4	15.4
Earmarked Reserves	52.7	53.8	66.7	26.2
Total revenue reserves	70.1	69.2	82.1	41.6

Dedicated Schools Grant (deficit)	(3.6)	(4.6)	(10.6)	(20.3)
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In relation to earmarked reserves position as shown;

- The £11.1m tranche one unringfenced grant provided by the government to support the council address the consequences of the pandemic has been excluded from the 1 April 2020 position as it was paid to the council just before the year end date.
- The balance as at 31 March 2021 includes £25.1million from the workstream to fundamentally refinance the capital programme which will be applied in support of the 2021/22 revenue budget. The balance as at the 31

March 2021 excludes £40.5 million of government grants to support the 2020/21 business rates and council tax deficits carried forward into 2021/22 alongside associated accounting adjustments.

- The balance as at 31 March 2022 reflects the normal annual level of government grants paid in advance of the associated expenditure, reserves held on behalf of third parties, and the earmarked reserves set aside to support the 2022/23 budget.

Mitigation of the stated risks and recognition of the difficulty of producing robust, reliable estimates is currently established through six key principle elements;

- Robust culture of financial management
- Unearmarked reserves
- Covid-19 mitigation financial resilience reserve
- Medium Term Financial Plan mitigation financial resilience reserve
- Transformation mitigation financial resilience reserve
- Base budget revenue contribution

In responding to the covid19 public health emergency the council took early and decisive preventive action to mitigate the potential financial challenge. Through reports to Cabinet in May and June 2020 consideration was given to the scale of the challenge and an action plan set out the strategy to provide resources, should they be required, to manage a financial pressure forecast to be up to £30 million. This included £13.4 million of in-year employee and expenditure cost base savings, a fundamental review of earmarked reserves, a review of capital projects, and the use of the base budget revenue contingency.

As part of the same reporting cycle the council agreed a £37.6 million budget to support the council's organisation redesign, its budget for the transformation programme. This included approximately £18 million in resources set aside up front (including £10 million from the financial liability earmarked reserves previously set aside as a counterweight to the deficit on the Dedicated Schools Grant), £2 million from the redirection of the 2020/21 revenue contribution to capital, and £4 million from the review of capital projects.

Since then through careful and diligent financial management the council is now able to identify that the 2020/21 financial in-year financial pressure has reduced to £6 million which includes a recognition of the governments comprehensive package of financial support to local authorities. At the same time the administration has extended further the fundamental review of the capital programme, refinancing the programme were possible by borrowing and in doing so better matching the cost of investment in infrastructure projects with the time period the asset will be used over. This review included the refinancing of the transformation programme releasing the previous set aside up-front resource.

The proposed budget for 2021/22 recognises the resources released through the 2020/21 in-year position, through the refinancing of the capital programme and through other workstreams such as a review of inherited resources. The resources are being used in support of the strategy to defer the 3% adult social care council tax precept into 2022/23, in support of the 2021/22 investment in services, in support of the additional financial resilience reserves, and in support of the higher 2021/22 revenue base budget contingency.

Two key risks with the position as set out are the fact that the 2021/22 budget includes £7.5 million of transportation programme savings that have not been itemised on a line by line basis and the delivery of £13.8 million in capital receipts. Direct assurance has been received from the leadership including the corporate management board that the work to ensure delivery of the transformation savings and capital receipts will be prioritised.

In forming a view of the adequacy of reserves councillors should also reflect on the Medium Term Financial Plan position. The plan is based on key assumptions such as the recovery of the majority of the councils sales, fees and charges income streams from the 1 April 2022, council tax increases of 4.99% in 2022/23 and 1.99% in 2023/24, and the delivery of £42.4 million in transformation savings over the three-year period. It also assumes the council will not be required to set aside resources to act as a counterweight for the growing deficit on the dedicated schools grants as it was required to do in setting the 2020/21 budget. The Medium-Term Financial Plan sets out that the council will need to identify £17 million to balance the 2022/23 budget which drops to £7.5 million for 2023/24.

The Chief Financial Officer (CFO) considers the level of reserves as proposed to be adequate for the purposes of the 2021/22 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.

This statement is supported on the basis that the budget as proposed includes;

- holding unearmarked reserve at £15.4 million which is the level they were at as at 31 March 2020.
- Increasing the council's financial resilience reserves from their £69 million position as at 31 March 2020 to their £82m forecast position 31 March 2021.
- Increasing the base revenue budget contingency from £1.2 million, which represented 0.5 per cent of the 2020/21 net revenue expenditure, to £3.6 million (1.3% of the 2021/22 net revenue expenditure). A separate £1.7m contingency is being held in respect of the ambiguity associated with the 2021/22 pay award.

The advice of the CFO is underpinned by an assumption of ongoing support from the government in helping the council manage the financial impact of the global public health emergency. It is also based on the assumption of ongoing support from councillors and officers;

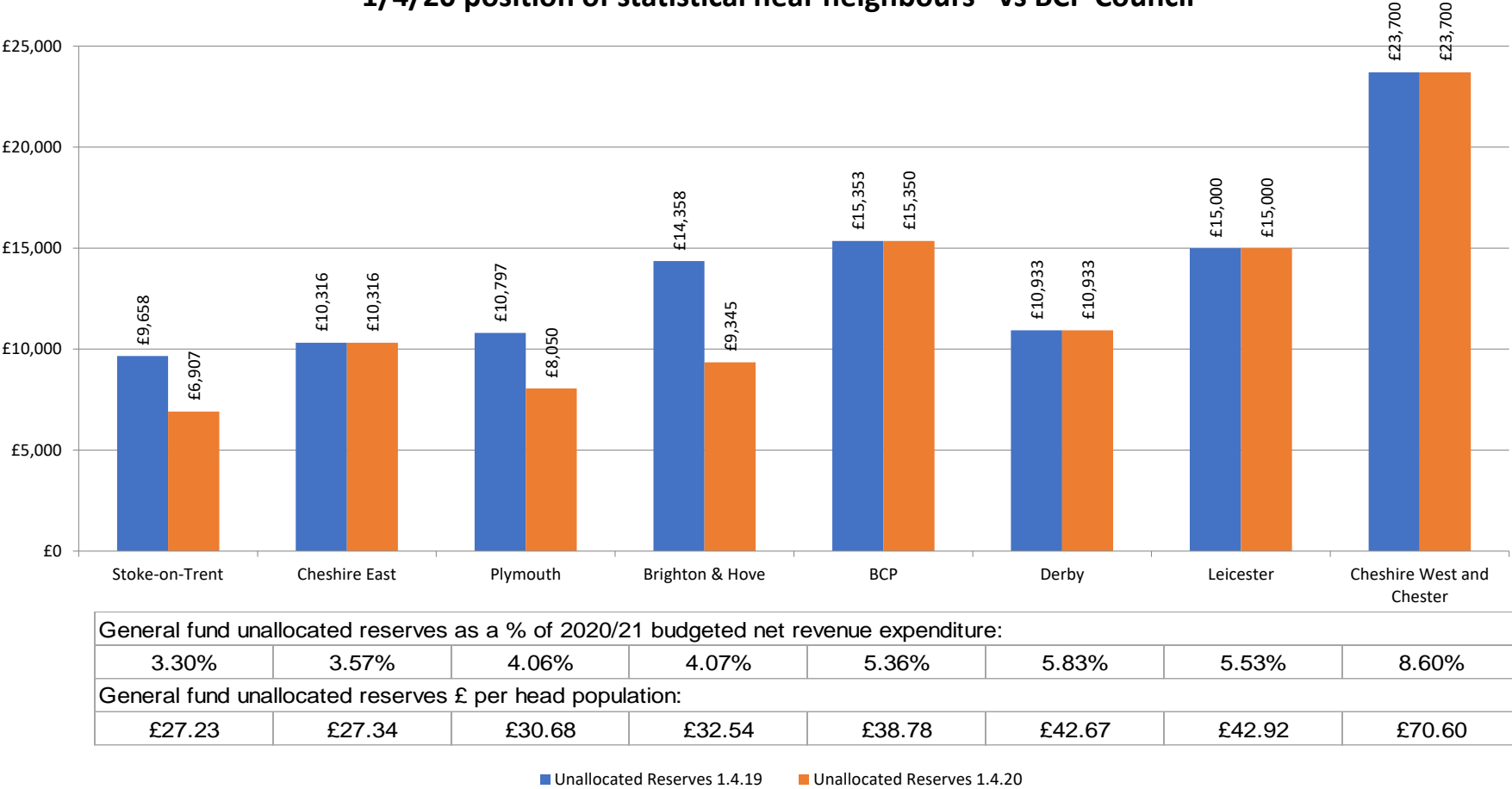
- a) to ensure a robust financial management culture continues to be implemented with constant vigilant financial management to ensure any variations from budget are actively managed.
- b) in making any necessary decisions around savings, council tax and in managing the growing deficit on the dedicated schools' grants (high needs block).

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Appendix 3a

Unallocated Reserves
1/4/20 position of statistical near neighbours* vs BCP Council

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Note: The above authorities have all reported their budgets **pre-covid**
* Unitary Authorities with similar populations and / or net budgets to BCP

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BCP Council - Earmarked Reserves

Detail	31/03/21 Estimated Balances	Estimated Movements	31/03/22 Estimated Balances
	£000's	£000's	£000's
(A) - Financial Resilience Reserves	(50,153)	38,071	(12,082)
(B) - Transition and Transformation Reserves	(75)	0	(75)
(C) - Asset Investment Strategy Rent, Renewals and Repairs	(2,215)	0	(2,215)
(D) - Insurance Reserve	(3,500)	0	(3,500)
(E) - Held in Partnership for External Organisations	(2,138)	492	(1,646)
(F) - Required by Statute or Legislation	(422)	0	(422)
(G) - Planning Related	(711)	0	(711)
(H) - Government Grants	(4,771)	1,305	(3,466)
(I) - Maintenance	(1,377)	461	(916)
(J) - ICT Development & Improvement	(344)	343	(1)
(K) - Corporate Priorities & Improvements	(1,025)	(94)	(1,119)
GF Earmarked Reserve Balance - 31 March 2020	(66,731)	40,578	(26,153)

(A) - Financial Resilience Reserves

	31/03/21 Estimated £000's	Movement £000's	31/03/22 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			
Refinancing of the Capital Programme Reserve	(25,103)	25,103	0
MTFP Mitigation Reserve	(2,100)	0	(2,100)
Covid 19 Financial Resilience Reserve	(9,982)	0	(9,982)
Transformation Mitigation Resilience Reserve	(12,968)	12,968	0
Financial Resilience Reserves	(50,153)	38,071	(12,082)

(B) - Transition and Transformation Reserves

	31/03/21 Estimated £000's	Movement £000's	31/03/22 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.			
BCP Programme Resources - Costs originally profiled for 2019/20	(75)	0	(75)
Transition and Transformation Reserves	(75)	0	(75)

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

	31/03/21 Estimated £000's	Movement £000's	31/03/22 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	(2,215)	0	(2,215)

(D) - Insurance Reserve

	31/03/21 Estimated £000's	Movement £000's	31/03/22 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

	31/03/21 Estimated £000's	Movement £000's	31/03/22 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	(245)	0	(245)
- Stour Valley and Poole Partnership	(584)	0	(584)
- CCG Emotional Wellbeing and Mental Health	(405)	250	(155)
- Local Economic Partnership	(1)	0	(1)
- Flippers Nursery	(89)	0	(89)
- Adult Safeguarding Board	(42)	42	0
- Dorset Youth Offending Service Partnership	(167)	100	(67)
- Music and Arts Education Partnership	(358)	100	(258)
- Bournemouth 2026 - West Howe Bid	(45)	0	(45)
Held in Partnership for External Organisations	(2,138)	492	(1,646)

(F) - Required by Statute or Legislation

	31/03/21 Estimated £000's	Movement £000's	31/03/22 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)	(393)	0	(393)
Carbon Trust	99	0	99
Required by Statute or Legislation	(422)	0	(422)

(G) - Planning Related

	31/03/21 Estimated £000's	Movement £000's	31/03/22 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	(549)	0	(549)
Planning Hearing and Enforcement Reserve	(123)	0	(123)
Other Planning Related Reserves	(39)	0	(39)
Planning Related	(711)	0	(711)

(H) - Government Grants

	31/03/21 Estimated £000's	Movement £000's	31/03/22 Estimated £000's
Purpose: Amounts which the council is required to hold as a reserve in line with specific grant conditions.			
Total Unspent Grants	(4,771)	1,305	(3,466)

(I) - Maintenance

	31/03/21 Estimated £000's	Movement £000's	31/03/22 Estimated £000's
Purpose: Reserves and sinking funds designed to support maintenance investments in specific services or assets.			
Corporate Maintenance Fund	(251)	251	0
Other Maintenance Related Reserves	(1,126)	210	(916)
Maintenance	(1,377)	461	(916)

(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	(344)	343	(1)

(K) -Corporate Priorities & Improvements

	31/03/21 Estimated £000's	Movement £000's	31/03/22 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.			
Local Elections Reserve	(187)	(170)	(357)
Other Corporate Priorities & Improvements	(838)	76	(762)
Corporate Priorities & Improvements	(1,025)	(94)	(1,119)

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BOURNEMOUTH, CHRISTCHURCH AND POOLE

General Unearmarked Reserves - Risk Assessment 2021/22

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
Assumed 2020/21 Sales, Fees and Charges compensation scheme will not be received until after financial year end.	Quarterly provisional claims	Continue to complete any grant claims requested by government and assess updates on guidance. <i>Impact based on 10% of the total estimated claim value.</i>	4	1	4	£1,330,000	25%	£332,500
General operational risk of a reduction in fees, charges and rents Income against 2021/22 budget. <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	£1,603,720	50%	£801,860
High Needs budget element of the Dedicated Schools Grant (DSG). Assessment of gross deficit for 2021/22 is a £9.7m deficit with the total accumulated deficit as at the 31 March 2022 forecast to amount to £20.3m. Following government regulation the Council is no longer required to make provision for this deficit by way of a specific earmarked reserve to act as a counterweight. With the previous reserve now released this would pose a significant risk if the regulations were reverted to the previous position.	Robust monitoring of the financial position and regular review by way of a monthly budget overview meeting. Budgeted investment to assist recovery plan.	Ongoing dialogue with government as to the impact once current statutory instrument expires after 1 April 2023. Key item in monthly budget review meetings and ongoing review by the Schools Forum. Impact on recognises 10% of the deficit as low risk for 2021/22.	4	1	4	£2,030,000	25%	£507,500
Legacy consequences of the NHS rapid hospital discharge of adults programme during the covid19 pandemic.	Budget preparation has placed significant reliance on historic trends in the absence of full data.	Reprioritisation of the tranche 5 government covid mitigation resources. Management of the data requirement from higher caseload, but the lag in financial/NHS assessment is inevitable for some months.	4	1	4	£5,360,000	25%	£1,340,000

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
Need to invest in Children's services following Ofsted external assessment. This risk is that the provision is insufficient to deliver required improvement.	BCP Children's Services Improvement Board	Continue improvement board arrangements with regular review by the Corporate Management Board. <i>Impact based on a further 50% increase in amounts specific to improvement.</i>	3	2	6	£1,700,000	50%	£1,500,000
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 further 50% service cost pressure based on the amount provided for 2021/22</i>	3	2	6	£1,815,000	50%	£907,500
Unforecast increase in service demand for homeless and housing 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 5% service cost pressure.</i>	2	2	4	£585,750	25%	£146,438
Implications of the United Kingdoms transition from the European Union on 31 December 2020.	Regular consideration of the issue.	Engagement with Dorset Local Resilience Forum, Business Community and port authority.	2	2	4	£500,000	25%	£125,000
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. <i>Impact based on risk of a 5% increase in caseload.</i>	3	2	6	£1,453,100	50%	£726,550
Significant assumptions included in the 2021/22 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	Continue establish monitoring arrangements. <i>Impact recognises 1% variation on total budgeted council tax income.</i>	3	2	6	£2,145,410	50%	£1,072,705

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
Instability to the Council's core funding streams due to the potential for variation in the £134m 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 if the Government move towards a 75% Business Rates retention model.	Monitoring process and tracking of business closures and start ups	Continue established monitoring arrangements. <i>Impact recognises 1% variation in the total collected.</i>	3	2	6	£1,336,100	50%	£668,050
Organisational Redesign / Transformation programme savings of £7.5 million assumed within the 2021/22 budget, but not yet itemised. Risk of non delivery.	Key workstream for the authority - monthly review by Corporate Management Board	Continue monitoring arrangements	4	2	8	£7,500,000	75%	£5,625,000
Non transformation programme savings, efficiencies and additional resources assumed within the 2021/22 base budget of £13.1m. Risk of non delivery.	Structured monitoring via the budget process	Continual monitoring of the budget. <i>Based on an assumed risk associated with 10% of the savings recognised in the base budget.</i>	3	1	3	£1,310,000	10%	£131,000
Organisational Redesign / Transformation 2021/22 budget is underpinned by the delivery of £13.8 million in capital receipts	Key workstream for the authority - monthly review by Corporate Property Group	Continue monitoring arrangements - <i>Impact based on 20% of the assumed capital receipts.</i>	4	1	4	£2,760,000	25%	£690,000
Lack of a capital contingency meaning the council has insufficient resources to support necessary capital infrastructure developments.	Schemes will only be approved once necessary resources are in place	Consideration of prudential borrowing were necessary	2	1	2	£500,000	10%	£50,000
Insufficient capital resources to support major capital ambitions such as those associated with Housing and Regeneration or specific projects such as the Bournemouth International Centre.	Schemes will only be approved once a funding strategy is in place. 2021/22 corporate priorities resource allocation to support regeneration and the Future Fund created.	Continue review and Cabinet/Council approval of any relevant business cases.	2	1	2	£500,000	10%	£50,000

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
Adequacy of redundancy provision in support of the councils transformation programme. Provision has been made for £12.9 million, against a requirement for up to £29 million based on often cited requirement to reduce the establishment by 600 posts.	Regular and separate monitoring of the councils redundancy costs and the transformation programme.	Continue monitoring arrangements. <i>Impact based on 20% of the potential shortfall.</i>	4	1	4	£3,220,000	25%	£805,000
Unforecast increase in service demand and cost 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	£5,677,100	75%	£4,257,825
Organisations associated with the Council or a Council owned company (or their subsidiary) go into Administration and the service has to be returned to the Council with significant financial consequences at least in the short term. This could include exposure to increased operational costs such as staff costs, maintenance, business rates and VAT.	Councillor representation on Boards. Regular review of financial information.	Continue monitoring arrangements.	4	2	8	£6,000,000	75%	£4,500,000
Lansdowne Programme. Dorset Local Enterprise Partnership will contribute £4.8m towards this programme provided it is completed by the 31 March 2021. As per November Cabinet report £2.9m of expenditure needed to be incurred or could fall to the Council to funded in 2021/22.	Councillor representation on Dorset LEP Board and specific scheme monitoring	Continue to monitor in liaison with the Dorset LEP Board. <i>Impact recognises 10% based on the fact that the council would borrow to finance any potential contribution.</i>	1	3	3	£290,000	10%	£29,000
Estate and Accommodation Project. Business case model supporting the £5.7m investment identifies that building related operational budget savings have been assumed from 31 October 2021 in respect of the Poole and Christchurch Civic Centres as they are vacated. Failure to vacate these buildings at that point in time will result in unbudgeted costs falling to the council.	Regular monitoring of the estates management programme as part of the transformation programme framework	Continue monitoring arrangements	1	3	3	246,000	10%	£24,600

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
Ongoing risk associated with the staff 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	£3,400,000	75%	£2,550,000
Pay and Reward Strategy. Project principle is that the new strategy due for implementation from January 2022 is cost neutral. This will include the potential impact of any variations to such items as annual leave entitlements and overtime payments.	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 1% variation to the pay bill.</i>	3	2	6	£1,700,000	50%	£850,000
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>	4	1	4	£3,650,000	25%	£912,500
Loans and mortgages extended via the Community Finance Initiative (now closed Bournemouth Borough Council enterprise) which remain outstanding as at 31 December 2020.	Regular monitoring of loans	Continue monitoring arrangements	2	2	4	£599,000	25%	£149,750
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
Final Local Government Finance Settlement not due until early February 2021. Risk resources allocated will be lower than those outlined in the provisional settlement received in December 2020.	Ongoing monitoring of Government announcements	Impact based on the provisional Revenue Support Grant allocation to BCP Council for 2021/22	4	1	4	£3,022,000	25%	£755,500

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
Significant assumptions included in the 2021/22 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	£2,496,600	75%	£1,872,450
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
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. November 2020 - CPI 0.3%	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 non compliance. An example would be the Finance Bill 2017 Off Payroll Workers Regulations or financial penalties if the 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

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
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
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
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 0.1% reduction in interest rates (what the markets refer to as downside risk).</i>	1	3	3	£45,000	10%	£4,500
The £35.7m of savings and efficiencies (transformation and non transformation based) identified in support of years 2 to 3 of the MTFP.	Robust Medium Term Financial Planning process	Continue monitoring and development of the process. Years 2 to 3 savings. <i>Risk recognises 25% of the savings target</i>	4	1	4	£8,925,000	25%	£2,231,250
Impact of potential 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 value of reduction experienced in 2019/20</i>	4	1	4	£6,891,000	25%	£1,722,750
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	4	2	8	£5,000,000	75%	£3,750,000

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
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						£96,567,780		£42,933,478

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 the 1/3rd and 2/3rd band range 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 £14.1 (5%) and £28.2 (10%) of the Councils Net Revenue Expenditure

The proposal is that un-earmarked reserves for BCP are maintained at £15.4m (5.5%) 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 approach of borrowing in support of the capital programme.

RESERVES RISK ASSESSMENT

SCORING MATRIX

		LIKELIHOOD				
		1	2	3	4	
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 Capital Investment Programme		capital budget	indicative planned programme				5 - year total
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2021 to 2026 £'000
ASC	Integrated Community Equipment Store	1,872	1,545	1,545	1,545	1,545	8,050
	Adult Social Care	1,872	1,545	1,545	1,545	1,545	8,050
Children's Services	Avonbourne Academy - phase 1 (feasibility)	100	0	0	0	0	100
	Avonbourne Academy - phase 2 (delivery)	800	0	0	0	0	800
	Feasibility Studies	300	0	0	0	0	300
	St Aldhems - additional provision	610	0	0	0	0	610
	Carter Community College	260	0	0	0	0	260
	Ocean Academy	140	0	0	0	0	140
	Additional school places	2,210	0	0	0	0	2,210
	School condition surveys	100	0	0	0	0	100
	Children's centres urgent works	10	0	0	0	0	10
	Contingency for schools capital maintenance	150	0	0	0	0	150
	Hillbourne school	5,710	510	70	0	0	6,290
	Access projects	25	0	0	0	0	25
	Health & Safety works (schools)	40	0	0	0	0	40
	School condition improvements	6,035	510	70	0	0	6,615
	Bournemouth Learning Centre	500	0	0	0	0	500
	SEND feasibility	100	0	0	0	0	100
	Special school Satellite Somerford	980	0	0	0	0	980
	Somerford	25	0	0	0	0	25
	SEND provision	1,605	0	0	0	0	1,605
	South East Dorset Multi-modal Transport Model	50	0	0	0	0	50
	STB, DfT, LCWIP, OBC Development & Bidding	240	0	0	0	0	240
	Programme Management Fees	75	0	0	0	0	75
	Advanced Design for Future LTP Schemes (new code)	480	0	0	0	0	480
	Boscombe Towns Fund (provisional allocation to support grant bid)	0	0	750	750	750	2,250
	Active Travel Fund - Baiter/Whitecliff cycleway	850	0	0	0	0	850
Active Travel Fund - Permanent Tranche 1 schemes	282	0	0	0	0	282	
Active Travel Fund - Programme monitoring	130	0	0	0	0	130	
Road Safety - Safety Improvements	100	0	0	0	0	100	
Longfleet Drive	10	0	0	0	0	10	
Recreation Road Traffic Calming	9	0	0	0	0	9	
Sopers Lane Zebra Crossing	60	0	0	0	0	60	
Road Safety: Safety Improvements - Pedestrian Crossings	200	0	0	0	0	200	
Road Safety: Casualty Reduction Measures, Cluster Sites	100	0	0	0	0	100	
Road Safety: Safe Routes to School (SRTS)	280	0	0	0	0	280	
Rights of Way	50	0	0	0	0	50	
Business Travel Network	20	0	0	0	0	20	
Electric vehicle infrastructure	20	0	0	0	0	20	
Dropped crossings/Accessibility improvements	50	0	0	0	0	50	
Walking and Cycling improvements	100	0	0	0	0	100	
Minor Transportation Works	70	0	0	0	0	70	
Intelligent Transport Systems (ITS) & Data Collection	150	0	0	0	0	150	
National Passenger Travel Information	25	0	0	0	0	25	
Bus Facilities	240	0	0	0	0	240	
BTN - Organisational Travel Planning	30	0	0	0	0	30	
DfT indicative unallocated integrated transport block LTP funding	0	1,618	828	2,328	2,328	7,102	
Highways improvements (integrated transport block LTP grant)	3,621	1,618	1,578	3,078	3,078	12,973	
Challenge Fund - A35 Commercial Road	261	0	0	0	0	261	
Challenge Fund - A3060 Castle Lane West	1,520	0	0	0	0	1,520	
Challenge Fund - A35 Poole Road	200	0	0	0	0	200	
Challenge Fund - A35 Christchurch Road	349	0	0	0	0	349	
Challenge Fund - A341 Wimborne Road	735	0	0	0	0	735	
Challenge Fund - Programme Management Fees	100	0	0	0	0	100	
Surface treatment - e.g. Road markings, planned patching, micro asphalt	940	0	0	0	0	940	
Planned pre-patching (Streetscene)	200	200	200	200	200	1,000	
Resurfacing Programme	1,300	0	0	0	0	1,300	
Bridge Maintenance works	400	0	0	0	0	400	
Principal Inspection Programme	100	0	0	0	0	100	
Bridge Maintenance (including Waterloo)	320	0	0	0	0	320	
Christchurch Bypass over the Mude (West of Somerford Rbt)	140	0	0	0	0	140	
Footpath resurfacing (including Footway slurry)	150	0	0	0	0	150	
Special Drainage (BCP)	125	0	0	0	0	125	
Surveys & software	80	0	0	0	0	80	
Street Lighting Maintenance	350	0	0	0	0	350	
Street Lighting Investment project	540	0	0	0	0	540	
Programme Management Fees Maintenance (Poole)	80	0	0	0	0	80	
DfT indicative unallocated structural maintenance LTP funding	0	3,009	3,525	3,525	3,525	13,584	
Routine and structural maintenance (structural maintenance LTP grant)	7,890	3,209	3,725	3,725	3,725	22,274	
Capital Maintenance (Streetscene)	500	500	500	500	500	2,500	
DfT indicative unallocated pothole & challenge fund allocation	2,364	2,364	2,364	2,364	2,364	11,820	
Pothole management	2,864	2,864	2,864	2,864	2,864	14,320	
Regeneration & Economy - highways network routine and structural maintenance (including indicative Local Transport Plan and Pothole Gra							

Regeneration & Economy - major highways (inc Transforming Cities Fund)	Transforming Cities Fund £79m TCF grant funded element	35,040	25,468	0	0	0	60,508
	C- Bus Infrastructure (2022/23 LTP ITB funded)	180	240	0	0	0	420
	Employment sites (2022/23 LTP ITB funded)	50	75	0	0	0	125
	Educational sites (2022/23 LTP ITB funded)	50	50	0	0	0	100
	E- Bike Sharing and E-Bikes (2022/23 LTP ITB funded)	0	745	0	0	0	745
	Westbourne Corridor (2022/23 and 2023/24 LTP ITB funded)	100	350	1,500	0	0	1,950
	Town Centre Walking Improvements	215	0	0	0	0	215
	Carter works (C3 (Section 2))	40	0	0	0	0	40
	Transforming Cities Fund - BCP managed schemes	35,675	26,928	1,500	0	0	64,103
	A4 Corridor	5,800	5,000	0	0	0	10,800
	Transforming Cities Fund - Dorset managed schemes	5,800	5,000	0	0	0	10,800
	Wallisdown Connectivity boundary - Growth Deal	169	0	0	0	0	169
Regeneration & Economy - Coastal Protection	DLEP Town side Access to the Port of Poole	163	0	0	0	0	163
	Ferndown, Wallisdown, Poole Corridor (2022/23 LTP struct maint funded)	1,548	516	0	0	0	2,064
	Other major programmes	1,880	516	0	0	0	2,396
	Poole Bay Beach Management 2020-2031	3,265	8,381	3,451	1,788	8,417	25,302
	Poole Bay	3,265	8,381	3,451	1,788	8,417	25,302
	Poole Bridge to Hunger Hill (PB2HH)	4,000	8,500	0	0	0	12,500
	Poole Bridge to Hunger Hill - flood defence	4,000	8,500	0	0	0	12,500
	Christchurch Coast Protection Work	228	0	0	0	0	228
	Christchurch Bay and Harbour FCERM Strategy	300	100	0	0	0	400
	Partnership funding for future schemes	100	0	0	0	0	100
	Dorset Coastal Asset Database	152	0	0	0	0	152
	Other coastal protection	780	100	0	0	0	880
Regeneration & Economy - Regeneration							
	Heart of Poole - Revised MasterPlan	840	0	0	0	0	840
	Boscombe Regeneration - Churchill Gardens	113	0	0	0	0	113
	Boscombe Town's Fund - Business Case Development	137	0	0	0	0	137
	Smart Places Team - economics analyser	34	0	0	0	0	34
	Poole High Street - Heritage Action Zone	100	336	336	0	0	772
	Oakdale Skills & Learning Centre - Relocation to Dolphin Centre	895	0	0	0	0	895
	Town centres regeneration	2,119	336	336	0	0	2,791
	DLEP Lansdowne Business District	2,896	0	0	0	0	2,896
	Lansdowne business district	2,896	0	0	0	0	2,896
	Holes Bay Development	753	0	0	0	0	753
	Wessex Fields land disposal (highways infrastructure works)	2,100	0	0	0	0	2,100
	Holes Bay & Wessex Fields	2,853	0	0	0	0	2,853
Regeneration & Economy - Destination & Culture							
	Mallard Road Investment	379	0	0	0	0	379
	Parkway House (insurance and landlord works)	340	0	0	0	0	340
	Potential Land Acquisition Strategy	50	0	0	0	0	50
	BIC Medium Term Refurbishment Plan	1,750	0	0	0	0	1,750
	Major Development Projects - External Advice Fund	86	0	0	0	0	86
	Commercial assets	2,604	0	0	0	0	2,604
	Highcliffe Castle, (inc Phoenix Flies Project)	191	0	0	0	0	191
	Christchurch Town Centre Strategy	90	0	0	0	0	90
	Upton Country Park - Discovery project	1,491	70	0	0	0	1,561
	Poole Museum HLF Round One Bid	182	0	0	0	0	182
	Scaplen's Court Museum	100	278	50	0	0	428
	Whitecliff Pavillion	100	0	0	0	0	100
	Arts & culture	2,154	348	50	0	0	2,552
Regeneration & Economy - Destination & Culture							
	Cliff Stabilisation Works (Canford Cliffs)	600	0	0	0	0	600
	Canford Cliffs Pavilion	1,250	0	0	0	0	1,250
	New Beach Huts - Canford Cliffs	0	3,050	0	0	0	3,050
	Canford Cliffs development	1,850	3,050	0	0	0	4,900
	Pier Approach - Phase 2	53	0	0	0	0	53
	Sandbanks Pavilion	25	0	0	0	0	25
	Durley Chine Environmental Innovation Hub	1,423	0	0	0	0	1,423
	Prom Café expansion & Green Living Wall Trail	29	0	0	0	0	29
	Bistro Redevelopment	3,277	3,463	0	0	0	6,740
	Mudford Beach House Café	965	0	0	0	0	965
	Seafront development	5,771	3,463	0	0	0	9,234

Environment & Community - housing	Disabled Facilities Grant - <u>indicative</u> allocation	3,502	1,974	1,974	1,974	1,974	11,397
	Disability homes adaptations	3,502	1,974	1,974	1,974	1,974	11,397
	Community Land Trust Project (Affordable housing)	420	0	0	0	0	420
	Private Sector Renewal-warmth & well-being	169	0	0	0	0	169
	Temporary Accommodation (Christchurch)	93	0	0	0	0	93
	Minor housing schemes	682	0	0	0	0	682
	New Temporary Accommodation Portfolio	8,662	0	0	0	0	8,662
	Milton House	140	0	0	0	0	140
Env & Community - estates	Princess Road - Hostel Accommodation	1,400	1,500	0	0	0	2,900
	Princess Road - Private Rented Sector	3,100	4,685	0	0	0	7,785
	Major housing schemes	13,302	6,185	0	0	0	19,487
	BH Live asset maintenance	518	518	518	518	518	2,590
	Leisure estate management	518	518	518	518	518	2,590
	Christchurch Priory, Wall Repairs	120	0	0	0	0	120
	Honeycombe Chine - waterproofing	25	0	0	0	0	25
	Russell Cotes Museum - Fire Protection	40	0	0	0	0	40
Environment & Community - Waste Management, Parks and Open Spaces	Civic estate management	185	0	0	0	0	185
	Public Conveniences	325	0	0	0	0	325
	Waste, street cleansing & fleet operations	325	0	0	0	0	325
	Poole Park Miniature Railway	330	0	0	0	0	330
	Alexandra Park Play and Open Space improvements	62	0	0	0	0	62
	Newtown - Turners Nursery	50	0	0	0	0	50
	Poole Park - delivery phase	423	0	0	0	0	423
	Fernheath Playing fields - construction of new pavilion	550	0	0	0	0	550
Resources - ICT Investment, Transformation Programme and BCP Civic Space	Kings Park Athletic Centre - track resurfacing and facilities upgrade	252	0	0	0	0	252
	Christchurch Legacy Play areas	190	0	0	0	0	190
	Parks management	1,857	0	0	0	0	1,857
	Canford Heath (East & West) Open Space improvements	170	0	0	0	0	170
	Muscliff Natural Burial Ground	50	0	0	0	0	50
	New Car park at Vicarage Fields (adj Cherry Tree Nursery)	60	0	0	0	0	60
	Paradise Walk (Landscaping/Fencing)	50	0	0	0	0	50
	Coastal Country Park (SANG)	250	0	0	0	0	250
	Open spaces management	580	0	0	0	0	580
	Enterprise Comms (WAN Migration)	250	0	0	0	0	250
	Enterprise Comms (Telephony)	17	0	0	0	0	17
	ICT investment	375	0	0	0	0	375
	ICT investment plan	642	0	0	0	0	642
	Laptops and Auto Pilot	2,367	400	0	0	0	2,767
	Backup and Security Tools	50	0	0	0	0	50
	Master Data Management	300	0	0	0	0	300
	IT Hardware (Capital one-off costs)	20	600	0	0	0	620
	Transformation programme - capital	2,737	1,000	0	0	0	3,737
	BCP Civic - building alterations - BCP Civic	719	0	0	0	0	719
	BCP Civic - Plant, equipment, fixtures and fittings	282	0	0	0	0	282
	ICT investment	66	0	0	0	0	66
	ICT Control Room relocation (not Corporate ICT delivered)	53	0	0	0	0	53
	Bournemouth Customer Services - (Buildings and Fittings)	400	0	0	0	0	400
	Christchurch Customer Services - (Buildings and Fittings)	210	0	0	0	0	210
	Poole Dolphin Centre Customer Services - (Buildings and Fittings)	280	0	0	0	0	280
	Coroners Service (Buildings and Fittings)	350	0	0	0	0	350
	Contingency	401	0	0	0	0	401
	BCP civic space	2,760	0	0	0	0	2,760
	Total BCP Capital Programme	124,834	76,044	17,610	15,491	22,120	256,100

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Appendix 4a - Turlin Moor Summary Report

1. In January 2017 the Homes and Communities Agency, now Homes England (HE) launched a funding package, the Local Authority Accelerated Construction (LAAC) Fund Programme. The opportunity was to enable housing sites to come forward and commence on site using off-site modern methods of construction by March 2022.
2. Housing demand across BCP is high and there are expectations in the Local Plan that need to be delivered in terms of the completion of additional new homes.
3. Homes England approved a formal grant offer and an agreement was issued for an award of £3,838,000, signed by the Council in August 2019. To date no claims have been made by the Council or paid by Homes England.
4. A multidisciplinary technical team of Atkins/Savills were appointed in January 2020 and significant progress was made in respect of the technical matters relating to the site remediation, site surveys, ecology surveys, drainage, and highways, to enable the master plan options to be developed fully. The pre-application planning process was commenced in summer 2020.
5. Due to the impact of the pandemic, a delayed timetable with face-to-face community engagement was developed with the intention for this to take place in March 2021 at the latest to inform a planning application process. It is now clear that face-to-face engagement will not be possible within this timeline leading up to the Homes England programme deadline of March 2022. Full community engagement is necessary for this site to proceed.
6. Homes England has been informed of the delayed timeframe and no longer being able to deliver the milestones of March 2022 requiring all site remediation work to be completed and invoiced. It has been agreed, due to unforeseen circumstances which have affected the compliance with the terms of the agreement, that neither the Council nor Homes England will be taking forward the provision of the LAAC Grant award. Both parties will continue to seek opportunities to work together in the future to support the provision of housing, but the grant to the project shall be cancelled and will not be available.
7. Work with English Nature, Environment Agency, Sport England and high-level viability work continues, to ensure that the Community Engagement is developed on full information showing both the site constraints and opportunities when we are able to safely commence the engagement.
8. Work will also continue on the community engagement approach over the next period so that we can implement this when it is safe to do so. It is critical that the community are fully informed as to the opportunities and constraints of the site as part of these discussions as they progress to help shape the plans.

Summary of legal implications

9. The termination of the funding agreement will be dealt with by HE as a result of milestones no longer being achievable.

Summary of environmental impact

10. The request for a screening opinion, in respect of an Environmental Impact Assessment was submitted to BCP Council and the opinion was issued in September 2020 confirmed a full EIA was not needed for the future Planning Application.

Summary of public health implications

11. The impact of the COVID-19 pandemic has caused all face to face public engagement to be paused. This project will be delayed until comprehensive face to face engagement can be held safely.

Summary of equality implications

12. Delaying the consultation process until face to face engagement is possible, will provide the most inclusive process as this will ensure that those residents who are not able to engage digitally will have the opportunity to be fully involved.

Summary of financial implications

13. A Council Capital Budget was approved in the sum of £420,000. To date £385,766 has been committed and £240,935 spend to date (including invoices authorised for payment but not yet on financial system). This phase of works is expected to complete within £420k approved capital budget allocation. External project management fees are funded from a separate approved capital budget of £53k.

	Budget £	Commitment to date £	Actual expenditure to date £
Architects fees *	100,000	198,140	128,184
Planning Advice *	30,000		
Flood Risk assessment Fees *	25,000		
Noise Assessment *	20,000		
Transport *	15,000	1,250	1,250
Site Survey	17,000	60,520	20,407
Ecological Fees	35,000	20,536	569
Remediation Consultants Fees	70,000	83,464	80,169
Miscellaneous costs	0	4,975	4,975
Cost Advice & Viability testing	40,000	11,500	0
Legal Costs	10,000	3,131	3,131
Planning Application Fees	18,000	2,250	2,250
Project Manager/Employers Agent fees	40,000	0	0
Total	420,000	385,766	240,935

* Combined appointment

14. The additional £138k of s106 housing contribution allocated to the pre-planning phase of Turlin Moor (to replace Homes England grant funding) utilises s106 housing contributions repurposed from other capital projects within the capital programme. This is made possible by the application of Right to Buy receipts to these projects instead of previously approved s106 housing contributions.
15. As no Homes England grant funding has yet been drawn down, the council is not in a position where it must repay grant funding.
16. The £420k 'pre-planning permission' spend will now be entirely funded from BCP resources (s106 housing contributions and prior year budget underspends). There is the potential for this funding to be recovered over time when the project commences to delivery phase, and a deal is potentially entered into with a development partner. However, there is a risk that if the project does not go forward to delivery stage, the £420k pre-planning spend is aborted as sunk costs that are not recoverable.
17. The ongoing relationship with HE is key to the future plans of BCP. There is likely to be opportunities to bid for funding for the project at a future date, when there is certainty of delivery and a planning consent has been achieved, although there is no guarantee at this time. Both parties will continue to seek opportunities to work together in the future to support the provision of housing.
18. Securing new grant funding will increase the financial viability of the longer-term development for potential future development partners, which reduces the financial risk of aborted spend.

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Bournemouth, Christchurch and Poole Council (BCP)

Treasury Management Strategy Statement 2021/22

Introduction

Background

- 1 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.
- 2 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.
- 3 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

- 4 **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.

- 5 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.
- 6 **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).
- 7 **Periodic 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.
- 8 **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.
- 9 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 2021/22

- 10 The strategy for 2021/22 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.

- 11 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury

Training

- 12 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 2021/22 but will look to arrange training for January 2022.
- 13 The training needs of treasury management officers are periodically reviewed.

Treasury management consultants

- 14 The Councils Treasury Management advisors are Link Asset Services.
- 15 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 2021/22 – 2023/24

- 16 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

- 17 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	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
General Fund	112,142	126,660	74,815	20,039
HRA	39,532	56,477	50,394	42,159
Total	151,674	183,137	125,209	62,198

- 18 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	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
General Fund Total	112,142	126,660	74,815	20,039
Financed by:				
Capital receipts	444	14,298	-	-
Capital grants & Contributions	69,565	77,171	52,297	16,650
Revenue Contributions	720	518	518	518
Reserve Contributions	10,029	4,963	7,775	2,450
Prudential Borrowing in HRA Transfers	31,384	29,710	14,225	421
Total financing for the year	112,142	126,660	74,815	20,039

HRA Capital Expenditure

Capital expenditure	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
HRA Total	39,532	56,477	50,394	42,159
Financed by:				
Capital receipts	4,268	6,551	10,007	7,703
Major Repairs Allowance	21,519	26,913	12,677	11,514
Other Contributions	8,161	6,514	6,210	6,142
Prudential Borrowing	5,584	16,500	21,500	16,800
Total financing for the year	39,532	56,477	50,394	42,159

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

- 19 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.
- 20 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.
- 21 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.
- 22 The Council is asked to approve the CFR projections overleaf:

	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
Capital Financing Requirement				
CFR – General Fund	330,041	348,667	350,528	339,717
CFR – HRA	145,929	162,429	183,929	200,729
CFR - IAS16 leases estimated impact	-	6,754	6,754	6,754
Total CFR	475,970	517,850	541,211	547,200
Movement in CFR	27,522	41,880	23,361	5,989
Movement in CFR represented by				
Net movement in borrowing for the year (above)	36,968	46,210	35,725	17,221
CFR - IAS16 leases estimated impact	0	6,754	0	0
Less MRP/VRP and other financing movements	(9,446)	(11,084)	(12,364)	(11,232)
Movement in CFR	27,522	41,880	23,361	5,989

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

Minimum Revenue Provision (MRP) policy statement

- 24 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.
- 25 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.
- 26 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);
- 27 These options provide for an approximate 4% reduction in the borrowing need (CFR) each year.
- 28 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);
- 29 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.
- 30 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.
- 31 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.
- 32 To allow for further flexibility in the Council MRP policy the Council will look at using specific asset life for individual schemes to ensure the debt repayments are reflective of the value these assets bring.
- 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.

Borrowing

- 35 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

- 36 The overall Treasury Management portfolio as at 31 March 2020 and for the position as at 31 December 2020 are shown below for both borrowing and investments.

	Actual 31/03/2020 £'000	Actual 31/03/2020 %	Current 31/12/2020 £'000	Current 31/12/2020 %
Treasury investments				
Money Market Funds	9,685	12%	7,825	10%
Bank Deposits	10,000	12%	10,000	13%
Local Authorities	5,000	6%	5,000	7%
DMO	26,100	31%	0	0%
Call Account	33,040	40%	51,800	69%
Total Treasury Investments	83,825	100%	74,625	100%
Treasury External Borrowing				
PWLB	142,354	55%	142,146	66%
Local Authorities	100,000	38%	56,000	26%
Private Sector	17,785	7%	17,232	8%
Salix	1,016	0%	507	0%
Total External Borrowing	261,155	100%	215,885	100%
Net treasury investment / (borrowing)	(177,330)		(141,260)	

- 37 It should be noted that Bournemouth Borough Council secured a £49m forward loan which will be issued to BCP Council in May 2021.
- 38 The Council's forward projections for borrowing are summarised below. 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.

	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
External Debt				
Treasury Debt at 1 April	261,155	202,905	269,981	297,613
PFI and Finance Lease Liability	8,520	8,076	7,632	7,188
Expected change in Debt	(66,770)	59,000	20,000	0
Actual gross debt at 31 March	202,905	269,981	297,613	304,801
The Capital Financing Requirement	475,970	517,850	541,211	547,200
Under / (over) borrowing	273,065	247,869	243,598	242,399

- 39 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.
- 40 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

- 41 **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.
- 42 **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:

	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Operational boundary	550	600	650	700
Authorised limit	600	650	700	750

Prospects for interest rates

- 43 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 Group Interest Rate View 9.11.20														
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20														
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60

- 44 The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings to 5th November, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown, no increase in Bank Rate is expected in the forecast table above as economic recovery is expected to be only gradual and, therefore, prolonged.

- 45 As the interest forecast table for PWLB certainty rates above shows, there is expected to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment, (as shown on 9th November when the first results of a successful COVID-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.

Investment and borrowing rates

- 46 Investment returns are likely to remain exceptionally low during 2021/22 with little increase in the following two years.
- 47 Borrowing interest rates fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England: indeed, gilt yields up to 6 years were negative during most of the first half of 20/21. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years.
- 48 On 25th November 2020, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three year capital programme. The new margins over gilt yields are as follows: -.
- PWLB Standard Rate is gilt plus 100 basis points (G+100bps)
 - PWLB Certainty Rate is gilt plus 80 basis points (G+80bps)
 - PWLB HRA Standard Rate is gilt plus 100 basis points (G+100bps)
 - PWLB HRA Certainty Rate is gilt plus 80bps (G+80bps)
 - Local Infrastructure Rate is gilt plus 60bps (G+60bps)
- 49 Borrowing for capital expenditure. As Link's long-term forecast for Bank Rate is 2.00%, and all PWLB rates are under 2.00%, there is now value in borrowing from the PWLB for all types of capital expenditure for all maturity periods, especially as current rates are at historic lows. However, greater value can be obtained in borrowing for shorter maturity periods so the Council will assess its risk appetite in conjunction with budgetary pressures to reduce total interest costs. Longer-term borrowing could also be undertaken for the purpose of certainty, where that is desirable.
- 50 While BCP Council will not be able to avoid borrowing to finance new capital expenditure and the rundown of reserves, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

Borrowing strategy

- 51 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.

- 52 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.
- 53 Against this background and the risks within the economic forecast, caution will be adopted with the 2021/22 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, 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.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

Policy on borrowing in advance of need

- 54 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.
- 55 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

- 56 Rescheduling of current borrowing in our debt portfolio is unlikely to occur as the 100 bps decrease in PWLB rates only applied to new borrowing rates and not to premature debt repayment rates.
- 57 If rescheduling was done, it will be reported to the Audit and Governance Committee, at the earliest meeting following its action.

Approved Sources of Long- and Short-term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
Community municipal bonds	●	●
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
UK Government (including gilts, Treasury Bills and the DMADF)	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	25%	5 years

	Rate		
--	------	--	--

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 unlikely to rise from 0.10% for a considerable period. It is very difficult to say when it may start rising so it may be best to assume that investment earnings from money market-related instruments will be sub 0.50% for the foreseeable future.
- 74 The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows (the long term forecast is for periods over 10 years in the future):
- 2021/22 0.10%
 - 2022/23 0.10%
 - 2023/24 0.10%
 - 2024/25 0.25%
- 75 The overall balance of risks to economic growth in the UK is probably now skewed to the upside, but is subject to major uncertainty due to the virus and how quickly successful vaccines may become available and widely administered to the population. It may also be affected by the deal the UK has agreed as part of Brexit.
- 76 There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, or a return of investor confidence in equities, could impact gilt yields, (and so PWLB rates), in the UK.

Negative investment rates

- 77 While the Bank of England said in August / September 2020 that it is unlikely to introduce a negative Bank Rate, at least in the next 6 -12 months, and in November omitted any mention of negative rates in the minutes of the meeting of

the Monetary Policy Committee, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the COVID crisis; this has caused some local authorities to have sudden large increases in cash balances searching for an investment home, some of which was only very short term until those sums were able to be passed on.

- 78 As for money market funds (MMFs), yields have continued to drift lower. Some managers have already resorted to trimming fee levels to ensure that net yields for investors remain in positive territory where possible and practical. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is a surfeit of money swilling around at the very short end of the market. This has seen a number of market operators, now including the DMADF, offer nil or negative rates for very short term maturities. This is not universal, and MMFs are still offering a marginally positive return, as are a number of financial institutions for investments at the very short end of the yield curve.
- 79 Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home at a time when many local authorities are probably having difficulties over accurately forecasting when disbursements of funds received will occur or when further large receipts will be received from the Government.

Investment treasury limit

- 80 The maximum period for investments will be 5 years except the Royal Bournemouth and Christchurch Hospital NHS Foundation Trusts investment.

Ethical Investing

- 81 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

- 82 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 - Approved Countries for investments

Appendix 1: Approved countries for investments

AA-

- United Kingdom

AA

- France

AA+

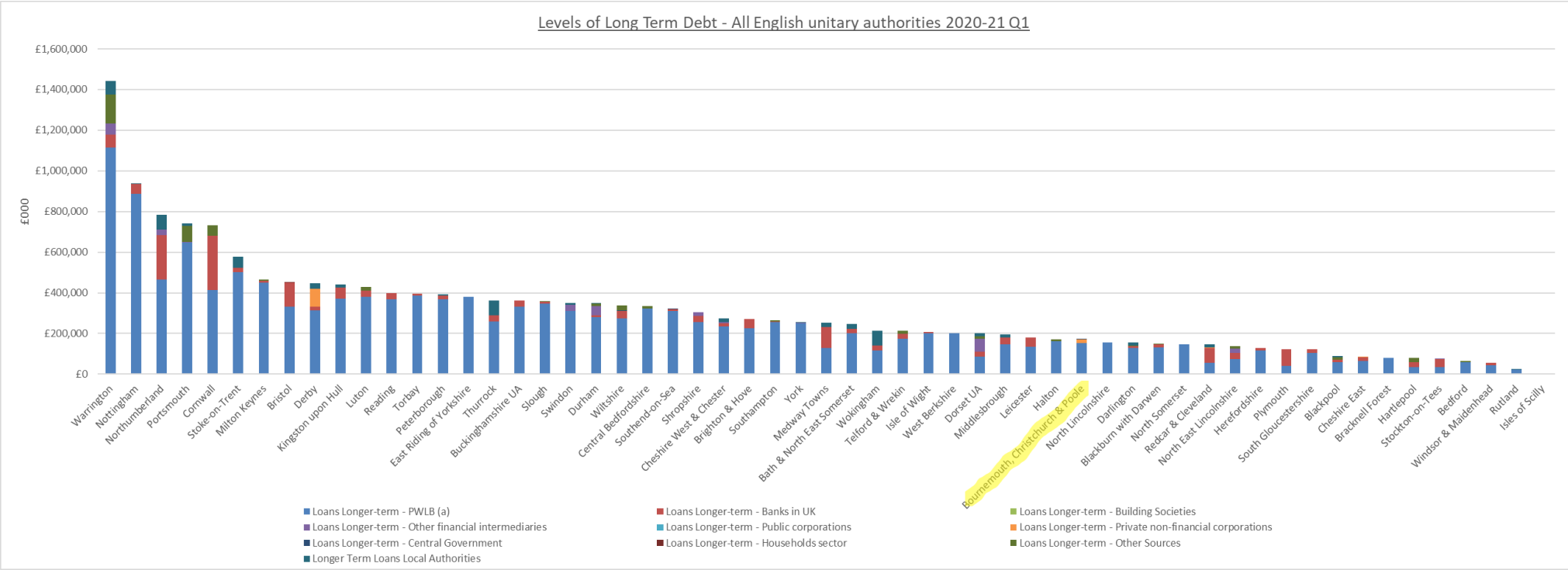
- Canada
- Finland
- U.S.A.

AAA

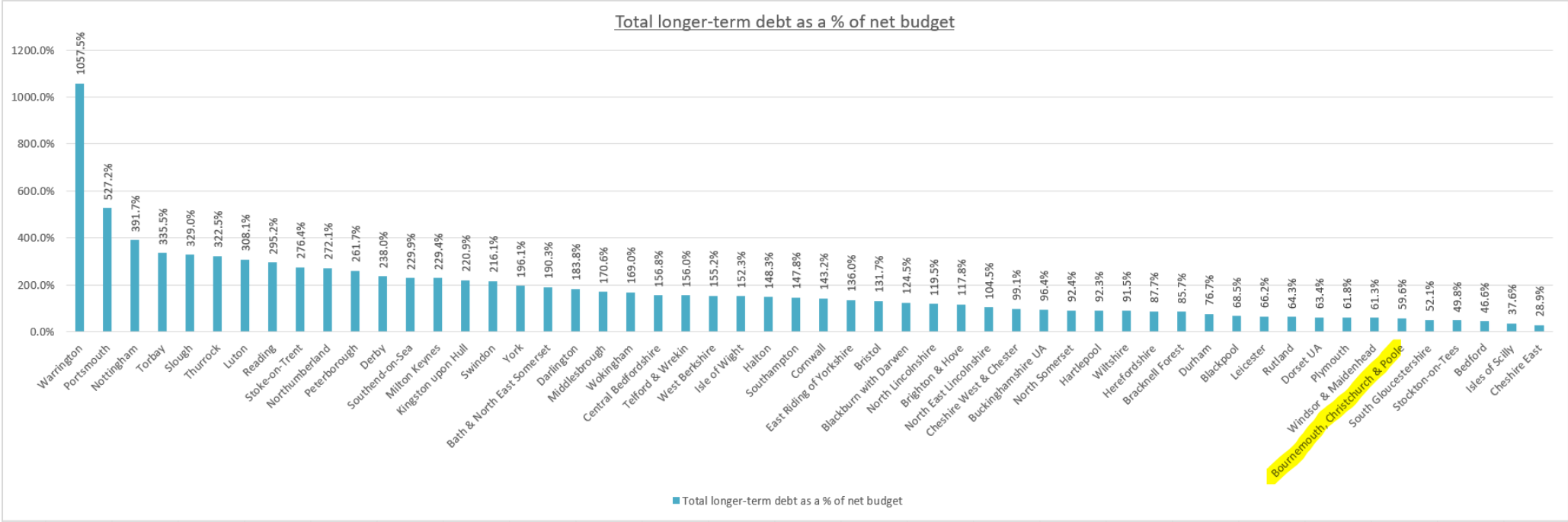
- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

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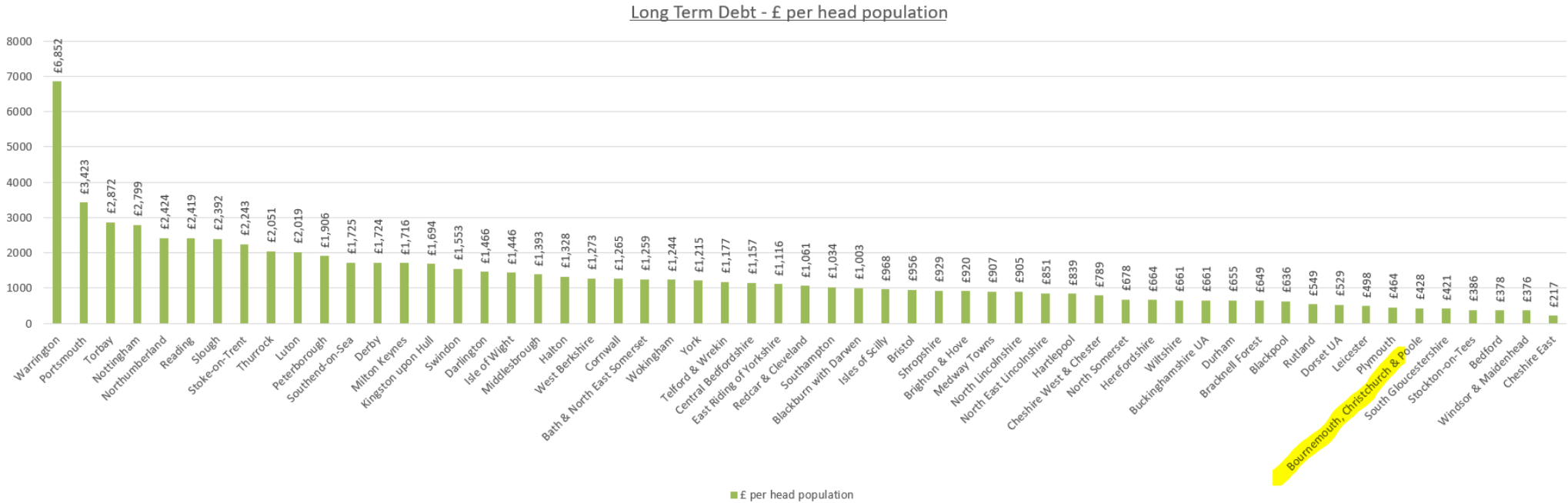
Appendix 5a – BCP Council Debt Benchmarking



Appendix 5a – BCP Council Debt Benchmarking

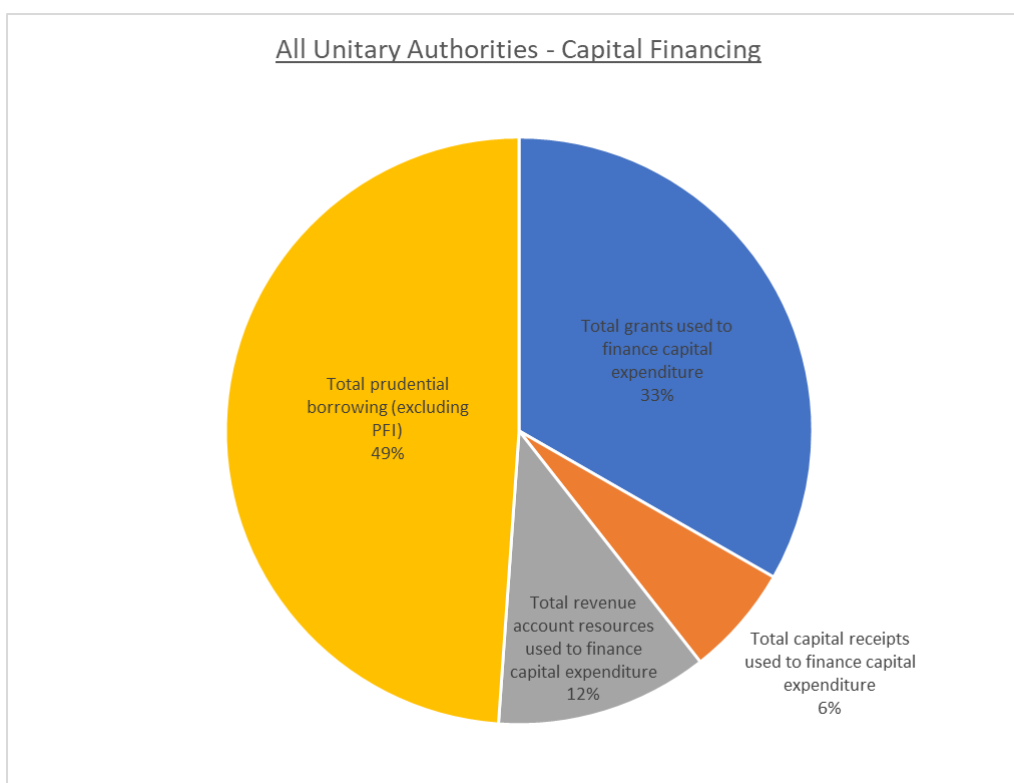
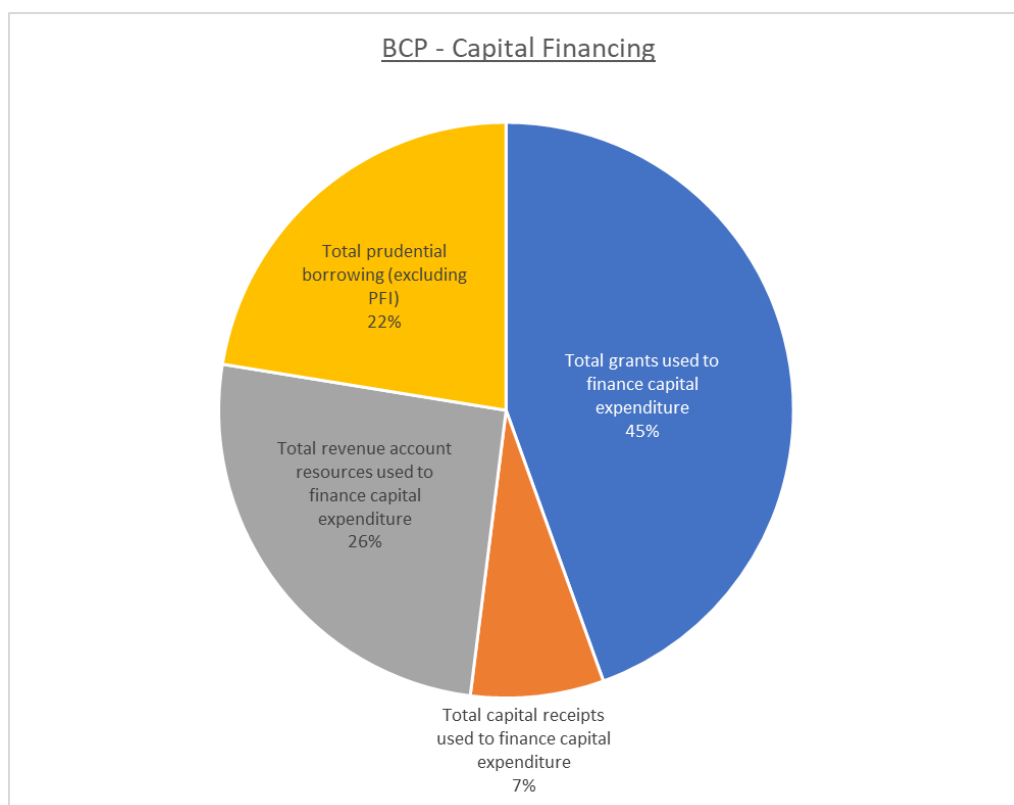


Appendix 5a – BCP Council Debt Benchmarking



Appendix 5a – BCP Council Debt Benchmarking

Figure based on the 2020/21 Finance Year



Appendix 5b - Itemised Borrowing Decisions for BCP Council

	New In-Year Borrowing 2020/21 £'000	New In-Year Borrowing 2021/22 £'000	New In-Year Borrowing 2022/23 £'000	New In-Year Borrowing 2023/24 £'000	MTFP Total 2020 to 2024 £'000
Linwood School	-				-
Carter School (Supported Borrowing)	1,156	300			1,456
Various Schools (Supported Borrowing from Carter repurpose)		1,800			1,800
Hillbourne School (Supported Borrowing)	958	-	167	385	1,510
Total Children's Services	2,114	2,100	167	385	4,766
Malvern Day Centre Refurbishment	29				29
Figbury Lodge Construction	45				45
Figbury Lodge Care Workstream - including FFE/ICT	30				30
Total Adult Social Care	104	-	-	-	104
Canford Cliffs Pavilion	-	1,000			1,000
New Beach Huts - Canford Cliffs (cap prog refinancing)			135		135
New Beach Huts - Canford Cliffs (original)	-	-	2,915		2,915
Manor Steps Overnight Huts (9 Beach Lodges)	5				5
Fisherman's Walk	14	-			14
Mudeford Beach House Café	85	715			800
Bournemouth Pier Building Renovation	18				18
Bistro Redevelopment	100	3,277	3,463		6,840
Bistro Redevelopment (revised spec)	-	-	-		-
Prom Café expansion & Green Living Wall Trail	2	29			30
Total Destination & Culture	223	5,021	6,513	-	11,757
Fleet Replacement	6,156	-	-	-	6,156
Garden waste bins	300				300
Kings Park Athletic Centre	-	126			126
Tuckton Gardens - new sewage connection	-				-
Muscliff Natural Burial Ground	-	250			250
Poole Park Miniature Railway	-	280			280
Total Environment (inc Parks and Open Spaces)	6,456	656	-	-	7,112
Street Lighting Investment project	-	540			540
Total Highways Infrastructure	-	540	-	-	540
St Stephens	4,953	-	-		4,953
Temporary Accommodation Portfolio	1,895	8,662	-		10,557
Milton House (approved as part of Temp Acc portfolio)	760	140	-		900
Ensburry Park Library (approved as part of Temp Acc portfolio)	150	-	-		150
Duck Lane Phase 2	-	-	-		-
Princess Road - Hostel Accommodation	55	905	1,500		2,460
Princess Road - Private Rented Sector	84	1,376	4,685		6,145
Redevelopment of Princess Road/Prince of Wales Site	16	-	-		16
Total Major Projects - Housing	7,914	11,083	6,185	-	25,182
Parkway House	-	340			340
BIC Medium Term Refurbishment Plan	32	1,750	-		1,782
Skills & Learning Relocation to Dolphin Centre	-	495			495
Holes Bay Development	7,954	646	-		8,600
Wessex Fields Highways Infrastructure		2,100			2,100
Total Regeneration	7,985	5,331	-	-	13,317
Poole Bay Beach Management Plan			360	36	396
Total Coastal Protection	-	-	360	36	396
Bournemouth Pier Building Renovation (ceiling)	80				80
Bournemouth Pier Building Renovation (other)	184				184
Russell Cotes		40			40
Total Estates	264	40	-	-	304
ICT Investment Plan 2020/21 (refinancing)	1,335	267			1,602
ICT Investment Plan 2021/22		375			375
Estates Office Accommodation (capital)	2,932	2,760			5,692
Organisation Design (capital)	810	1,537	1,000		3,347
Total Resources	5,077	4,939	1,000	-	11,016
Total HRA (Bournemouth and Poole combined)	5,584	16,500	21,500	16,800	60,384
Total New Prudential Borrowing	35,721	46,210	35,725	17,221	134,877

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Appendix 6 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.

In February 2020 Council agreed a general fund 2020/21 net revenue budget of £283 million, and a capital programme of £106 million. Budgets were also agreed for the housing revenue account (HRA). In May 2020 a finance update paper to Cabinet considered the impact of the pandemic on the council's approved 2020/21 budget under several potential scenarios. The first 2020/21 budget monitoring report for 2020/21 in June 2022 estimated the impact of the pandemic to be a £52.3 million in-year pressure (net of any specific government grants) reduced to a £30.3 million funding gap once £22.0 million in non-ringfenced Covid-19 emergency government funding.

A significant proportion of the deficit can be attributed to the rise in funding that is required to meet increasing demand from Adult and Children's services. The proposal provides an additional £20.6m for these two services in particular in 2021/22; 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 establishment with additional savings expected to derive through bringing forward the transformation of the council and a reduction in headcount and review of pay and reward

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 due to the profile of BCP Council area and its workforce.

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's equality and Diversity Policy and Equality Impact Assessment Guidance.

Appendix 6 BCP Equality Impact Assessment Template

Part 1 - The Project	
Policy/Service under development/review:	BCP Council Budget and Medium-Term Financial Plan 2021/22
Service Unit:	Finance
Service Lead:	Adam Richens
Contributors to the Equality Impact Assessment:	Tina Worthing, Paul Mitchell, Nicola Webb, Sam Johnson
Date assessment started:	27/05/20
Date assessment completed:	21/01/21
What are the aims/objectives of the policy/service?	<p>To deliver a sustainable balanced budget for 2020/21 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 £283m funded by 76% from council tax income, 21% from business rate income, 1% from revenue support grant, % from new homes bonus and 1% other items</p>
What outcomes will be achieved with the new or changed policy/service?	BCP Council will have set an annual balanced budget as required which details how its income and expenditure, are to be allocated and used. identified in bringing forward any budget proposals which are then used to inform final budget decisions
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

Appendix 6 BCP Equality Impact Assessment Template

Part 1 - The Project

	<ul style="list-style-type: none"> • 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
With consideration for their clients, please list any other organisations, statutory, voluntary or community that the policy/service/process will affect:	<p>NHS Trust Dorset CCG</p>

Part 2 – Supporting Evidence¹

BCP's commitment to the Public Sector Equality Duty

The council is required to set an annual balanced budget which details how its income and expenditure, are to be allocated and utilised. The Public Sector Equality Duty requires the council when making such decisions to consciously consider 'due regard' for advancing equality. This means removing or minimising disadvantages suffered by people due to their protected characteristics and taking steps to meet the needs of people from protected groups where these are different from the needs of other people. In bringing forward the budget proposals consideration has been given to whether services, customers, staff or partners will be impacted and where they if that impact will be negative or positive.

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

EIA's are an important service improvement tool that help in developing services to ensure we are meeting 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.

¹ 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.

Part 2 – Supporting Evidence¹

Impact of the Covid-19 Public Health Emergency

A previously agreed mitigation strategy was implemented which included;

- Reducing expenditure not specifically incurred in support of the pandemic.
- Utilising the 2020/21 base revenue budget contingency.
- Bringing forward permanent savings from transformation and service alignment which also ensured progress towards supporting the 2021/22 budget.
- Review of all projects (revenue and capital) to determine the extent to which they can be deferred, cancelled or refinanced.
- Reclassification of earmarked reserves.
- Reducing unearmarked reserves to below the 5% statutory limit.
- Deferring, until the drawdown on reserves is no longer needed to balance the 2020/21 position, any uncommitted expenditure from the £1.4 million invested as part of the 2020/21 budget on specific corporate priorities.

This approach took account of the uncertainty regarding both the financial impact of the pandemic over the course of the year and the extent of central government support to local councils.

An estimated pressure of £195.8 million (69%) more than the 2020/21 net budget for the year highlights the seismic impact that the Covid-19 public health emergency is having on the council and its financial resources. Additional pressure includes those in;

Adult Social Care

- Support for the care market
- Providing the care sector with government funded free personal protective clothing
- Hospital discharge programme

Appendix 6 BCP Equality Impact Assessment Template

Part 2 – Supporting Evidence¹

- Additional demand in care packages for people with learning disabilities
- Challenges in the delivery of savings assumed in the 2020/21 budget.

Children's Services

- Increase in the number of children coming into care.
- Increased cost of some placements due to needs and complexity.
- High cost placements within the children's health and disability team
- Pressure for secure / remand beds
- Staffing pressures associated with the social work front door special educational needs and disability (SEND), business support teams and interim management positions.

Environment and Community

- Measures to support homelessness.
- Provision of a mortality support facility.
- Increases in the tonnages of waste being collected from domestic properties
- Increased cost for recycling.
- Reduced sales, fees and charges income associated with trade waste, household waste recovery centre, catering concessions, parks, licensing, and fixed penalty notices.
- Additional town centre security costs.

Regeneration and Economy

- Reduced sales, fees and charges income associated with car parking income, seafront, cultural and heritage assets, planning, and building control
- Additional Investment in the management of the resort (social distancing, additional cleansing, security, and communication.
- Support to leisure and conference providers.

Resources / Central Items

- Reduced sales, fees and charges associated with summonses, land charges, and investment property income.

Other key dates during in the 2021/22 budget setting process were;

Appendix 6 BCP Equality Impact Assessment Template

Part 2 – Supporting Evidence¹

- 27 May 2020 Cabinet (BCP Council Finance Update)
- 24 June 2020 Cabinet (Budget Monitoring and MTFP Update)
- 11 November 2020 Cabinet (Quarter 1 and MTFP update)
- November 2020 Portfolio Holders presentation of the budget to Cabinet, the Chief Executive and Chief Finance Officer.
- 16 December 2020 Cabinet (Quarter 2 and MTFP update)
- 18 December 2020 Budget Café (all councillor presentations)

As a new council, setting the budgets in the first two years has been a challenge due to the lack of complete historic data and trend information as a single entity. For year three, 2021/22, this has now been compounded by the uncertainty around what the new normal and longer-term impacts of Covid-19 will be.

At the meetings of the Cabinet on the 27 May 2020, 24 June 2020, 11 November 2020 and the 16 December 2020 the councils financial exposure to the pandemic has been explored with prompt action taken to ensure the 2020/21 was rebalanced and a financial strategy developed to set out the themes and categories the council would further develop as a means of delivering a robust and lawfully balanced budget for 2021/22. Included in these reports were the budget timetable, key planning assumptions, and details of the savings being assumed.

Key features of the 2021/22 budget as presented include;

£23.9 million investment in the transformation programme revenue costs.

£13.1 million investment in adult social care services.

£7.5 million investment in children's services.

Appendix 6 BCP Equality Impact Assessment Template

Part 2 – Supporting Evidence¹

£7 million provision for reduced car parking income, mostly town centre based, recovering by 90% from 2022/23 onwards.

£6 million provision for reduced sales, fees and charges income (non-car parking related) recovering fully from 2022/23 excluding the service fee from BH Live which is based on a revised fee structure arrangement.

£6.7 million (net investment) in corporate priorities.

A £3.5 million provision for the ongoing revenue costs of the transformation programme.

A £3.2 million base budget revenue contingency. Increased as a one-off for 2021/22 due to the increased level of uncertainty.

Delivery of £25.2 million as a one-off contribution from the fundamental refinancing of the capital investment programme through borrowing and in doing so better matching the cost with the period over which the council anticipates benefitting from the investment.

£20.6 million of ongoing savings and efficiencies including the assumption of £7.5 million from the transformation programme.

Delivery of £4.7 million as a one-off contribution from the fundamental review of inherited section s106 and community infrastructure levy resources as agreed by Council in January 2021.

Recognises numerous non-ringfenced grants being made available from the government as part of their fundamental package of support to assist local authorities address the implications of the public health emergency.

A 1.55 per cent council tax increase from the average for 2020/21, recognition of reduced council tax yield as evidenced by the reduced tax base agreed by Cabinet in January 2021.

Recognition of reduced business rate yield / income.

A harmonisation of council tax from 1 April 2021.

Appendix 6 BCP Equality Impact Assessment Template

Part 2 – Supporting Evidence¹

Figure 3: General Fund - Budget 2021/22 and MTFP 2021 to 2024

20/21 £m	Additional Investment into Services	21/22 £m	22/23 £m	23/24 £m	Total £m
11.0	Adult social care inc public health	13.1	10.1	10.6	33.8
3.0	Children's services	7.5	2.4	2.2	12.1
3.2	Environment and communities	3.4	1.7	0.4	5.5
2.0	Regeneration and economy	13.8	(10.2)	(0.4)	3.2
0.8	Resource services	1.9	(0.2)	0.2	1.9
3.9	Contingency - pay award	1.8	3.1	3.1	8.0
1.1	Core government funding changes	0.0	2.1	0.8	2.9
0.0	Transformation programme costs including borrowing	23.9	(15.9)	(5.3)	2.7
0.0	Transformation - ongoing revenue costs	3.5	0.5	0.5	4.5
(0.5)	Minimum revenue provision & interest payable	1.8	0.6	0.3	2.7
1.4	Corporate priorities	5.3	(1.0)	0.0	4.3
1.2	Investment related to the high needs deficit	(1.2)	0.0	0.0	(1.2)
1.1	Revenue contribution to capital	(2.8)	0.0	0.0	(2.8)
(1.7)	Pension fund – tri-annual revaluation impact	0.0	0.0	0.2	0.2
(1.3)	Contingency	2.1	(1.6)	0.0	0.5
25.2	Total Additional Investment into Services	74.1	(8.4)	12.6	78.3
	Cumulative Investment into Services	74.1	65.7	78.3	

The [Corporate Strategy](#) was adopted by the council on 5 November 2020 and aims 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

Appendix 6 BCP Equality Impact Assessment Template

Part 2 – Supporting Evidence¹

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.

The ageing population across the UK, Dorset, and specifically with BCP Councils area continues to increase demand on adult Social Care Services. and growth within our disabled client and subsequent increase in costs.

Mitigating action has been taken to reduce the increased pressure and demand on Adult and Childrens Social Care by Additional investment into these services

It is important to note that the vulnerability of BCP Council continues due to the uncertainty of spend that will be required in response to the ongoing pandemic.

Tranche 5 Covid-19 grant

Will cover cost pressures caused by the pandemic in the first few months of 2021/22.

There is optimism about overcoming the public health emergency due to the roll out of new vaccines. However, many of the challenges posed by the virus will continue for some and BCP Council are expected councils to have unbudgeted cost pressures associated with Covid-19 until the middle of the 2021 calendar year. The Council has been awarded £9.9 million from a national allocation of £1.55 billion and is expected to use this funding to support costs which have not been included in the 2021/22 budget in respect of the following areas;

- Shielding the clinically extremely vulnerable
- Homelessness and rough sleeping
- Domestic abuse
- Managing excess deaths
- Support for re-opening the country

Part 2 – Supporting Evidence¹

- Public health services
- Adult social care
- Children's services
- Household waste services
- Additional costs associated with the local elections in May 2021.

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 pandemic. Consequently, the provision of statutory functions such as 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.

Investment in adult social care - £13.1 million 2021/22

- The MTFP makes provision for an additional gross £33.8 million investment in adult social care services over the 3-year period to March 2024. This pressure is a combination of;
- 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.
- Demographic growth within the learning disability and mental health client group.
- 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.
- Increased cost of care and additional resources as a result of the pandemic.
- Increased cost in respect of people with no recourse to public funds.

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 promised that the NMW for over 25 will reach £10.50 in 2024.

Appendix 6 BCP Equality Impact Assessment Template

Part 2 – Supporting Evidence¹

The NLW increased from £8.21 to £8.72 in April 2020 (6.2%). The National Living Wage will be increased by 2.2% to £8.91 per hour for 2021/22 and extended to those aged 23 and over.

New grant funding of £300 million for adult and children's social care will be provided in 2021/22. The allocation to BCP is £1.3 million, split £0.9 million to adult social care and £0.4 million to children social care.

The MTFP assumes that the government will continue to provide infection control grant for the care sector to support restrictions of staff movement between care providers, paying full wages for staff isolating and funding the cost of PPE for Covid-19 on an ongoing basis. The assumption therefore is that the council do not need to provide for and fund such costs.

The numbers and average cost of care home placements commissioned since the beginning of the pandemic under emergency hospital discharge arrangements have increased significantly during 2020/21. The increases in average costs have been related to market conditions and the intensity of needs of many people who are being placed in residential and nursing care. As a result of the severity of the pandemic

Further work will be required on each aspect of the savings proposals to meet the requirements of the public sector equality duty should the budget proposal be accepted by Cabinet.

Key contacts for further advice and guidance:

Equality & Diversity:

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

Consultation & Research:

[Lisa Stuchberry – Insight Manager](#)

BCP Pay Policy 2021/22	
Date: 18 January 2021	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 has now been in existence following Local Government Reorganisation (LGR) since April 2019 and is made up of the following preceding authorities; Bournemouth Borough Council, Christchurch Council and Borough of Poole. Where required information from preceding authorities have been provided. The financial information published to meet legislative responsibilities is relating to the 2020/21 salary information and the 2019/20 Statement of Accounts.</p>
Who the policy applies to	<p>Chief Officers - The Council will engage persons for the following posts, who will be designated Chief Officers:</p> <ul style="list-style-type: none"> (a) Chief Executive and Head of Paid Service (b) Directors who report directly to the Chief Executive within the line management structure
The policy	<p>The 2020/21 salaries of the Chief Executive and Chief Officers were set by the Leader and Deputy Leader of the BCP Shadow Authority on advice from the South West Local Government Employers Association and having regard for the Chief Executive and Chief Officers' national pay scales.</p> <p>The salaries for these staff will be increased in line with national pay awards agreed by Joint National Committee (JNC) for Chief Executives and Chief Officers unless financial constraints prevent the required funding from being available. In this case, some lesser figure or no increase will be applied.</p> <p>The Chief Executive is employed on JNC conditions of service.</p> <p>Section 38(1) of the Localism Act requires the following information to be published annually as part of the policy (Appendix A):</p> <ul style="list-style-type: none"> a The Head of Paid Service (Chief Executive) base salary, including pension contribution and the NI contribution with a total figure per annum (excluding expenses allowance). b The median full-time equivalent salary for staff, excluding employees 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. 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

BCP Pay Policy 2021/22

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 An extract from the annual statement of accounts for 2019/20 is given in Appendix B for BCP Council which gives details of the payments made to Chief Officers in 2019/20.
- h Whilst it is the Council's policy to recruit on the minimum of a pay scale, due regard will be taken of the prevailing market rates.
- i Incremental progression does not apply to Chief Officers.
- j No other fees are paid to Chief Officers, but they can make claims under the relevant authorities Business Travel and Subsistence arrangements.
- k Payments for working hours additional to contractual hours are not made.

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

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

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

The decision to employ Chief Officers who are in receipt of a Local Government Pension Scheme 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 includes reference to such cases for transparency purposes.

BCP Pay Policy 2021/22	
	<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 financial year 2021/22.</p> <p>The policy in relation to employer discretions under the Local Government Pension scheme is given in Appendix C</p>
How to use the policy	<p>This policy will be published on the Council's website to ensure that all staff, Councillors, residents and local businesses have access to it.</p> <p>Related Council policies and supporting documents:</p> <ul style="list-style-type: none"> • Business Travel and Subsistence arrangements • The Council's policy in relation to employer discretions under the Local Government Pension scheme • The Council's policy in relation to employer discretion under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 • 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) 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	£26,016.22	£209,616.22

- 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	£27,041.00	£1,425.12	£1,490.52	£29,956.64	1 : 7

- 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	£16,823.42	£925.32	£878.40	£18,627.14	1 : 11

Appendix B – Statement of Accounts 2020/21

EMPLOYEE REMUNERATION										
	Remuneration Salary (including supplements)	Expense Allowances	Compensation for Loss of Office	Employers Pension Contributions	Total payments including Pension Contributions					
	2019/20	2019/20	2019/20	2019/20	2019/20					
	£	£	£	£	£					
Chief Executive	183,600	21,552	0	0	205,152					
Corporate Director - Children's Services	142,634	0	0	22,240	164,875					
Corporate Director - Adult Social Care	122,400	0	0	0	122,400					
Corporate Director - Regeneration & Economy	122,400	0	0	19,094	141,494					
Corporate Director - Environment & Community	122,400	0	0	19,094	141,494					
Corporate Director - Resources	120,842	0	0	18,851	139,693					
Director of Finance	107,100	0	0	16,708	123,808					
Director of Laws and Governance	107,100	0	0	16,708	123,808					
Totals	1,028,476	21,552	0	112,696	1,162,724					

Appendix C

BCP ("THE COUNCIL")

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

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

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

PART A

Regulation	Policy
<p>Regulation 16 [R] – <u>Power of employing authority to contribute to a shared cost APC scheme</u></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>Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible</p>	<p>The Council will consider requests for Flexible Retirement in accordance with the agreed Flexible Retirement Policy and Procedure.</p> <p>On the basis of cost implications, only in exceptional circumstances would the Council consider waiving any required actuarial reduction to such benefits and the consideration of this issue would be delegated to the Cabinet Member with the Portfolio for Resources in consultation with the</p>

Regulation	Policy
retirement.	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 terms.	The policy is set to review the bandings on an annual basis.
Regulation 22 (7) (b) and (8) (b) [R] <u>Facility to extend time limits for active members to not aggregate deferred periods of LGPS</u>	The Council will only agree to extend the 12-month option period in exceptional

Regulation	Policy
<p><u>membership</u></p> <p>Whether to extend the 12-month option period for a member to elect that deferred benefits should not be aggregated with a new employment or ongoing concurrent employment.</p>	<p>circumstances. The Council delegates the consideration of this issue to the 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 pensionable pay (APP)</u></p>	<p>The Council will agree to substitute a higher level of pensionable pay when calculating APP on a case by case basis. Each case will be considered the Head of HR or their nominated representative on its own merits.</p>

Report subject	2021/22 Council Tax Resolution
Meeting date	23 February 2021
Status	Public Report
Executive summary	<p>Under the Local Government Finance Act 1992 the council as the billing authority must calculate a council tax requirement and basic amount of council tax for the following year.</p> <p>If the formal council tax resolution at Appendix A is approved the BCP Council Band D council tax will be £1,541.57 and harmonised across the predecessor areas of Bournemouth, Christchurch and Poole from 1 April 2021.</p> <p>The council tax resolution set out in Appendix A supports recommendation (i) of the 2021/22 Budget and Medium Term Financial Plan report, approved by Cabinet at their meeting of 10 February 2021, by providing a schedule setting out the rate of council tax for each category of dwelling prior to the Council meeting on the 23 February 2021.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>a) The BCP Council approves the council tax resolution as set out in Appendix A;</p>
Reason for recommendations	To enable the council to calculate and approve the council tax requirement and amounts billed by BCP Council in 2021/22, and to make the determination of excessiveness required by legislation.

Portfolio Holder(s):	Cllr Drew Mellor – Leader and Portfolio Holder for Finance and Transformation
Report Author	Adam Richens Chief Finance Officer and Director of Finance ☎01202 123027 ✉ adam.richens@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Decision

Background

1. This report reflects the Local Government Finance Act 1992 (as amended by the Localism Act 2011 and modified by Part 4 of The Local Government (Structural Changes) (Finance) Regulations 2008), which requires billing authorities to calculate the council tax requirement and amounts to be charged from tax payers for the coming year.
2. The council tax resolution set out in Appendix A supports recommendation (i) of the 2021/22 Budget and Medium Term Financial Plan report approved by Cabinet at their meeting of 10 February 2021. It provides a schedule setting out the rate of council tax for each category of dwelling based on the council tax requirement for BCP Council and the precepts to be levied by other major and local preceptors prior to the Council meeting on the 23 February 2021.

Council tax equalisation and referendum principles

3. Part 4 of The Local Government (Structural Changes) (Finance) Regulations 2008 modifies the 1992 Act to permit an authority undergoing restructuring to calculate different basic amounts of council tax for its predecessor areas for up to seven years as part of a process of equalisation. The latest date for the harmonisation of BCP Council basic amounts of council tax is by the start of the 2026/27 financial year.
4. Alternatively the council is permitted to equalise using the average council tax in any year prior to 2026/27.
5. The regulations also permit 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.
6. If the formal council tax resolution at Appendix A is approved the BCP Council Band D council tax will be £1,541.57 and harmonised across the predecessor areas of Bournemouth, Christchurch and Poole from 1 April 2021. Based on the application of referendum principles reflecting the average council tax across the council area this represents a 1.55% increase.
7. Based on the actual amounts levied in 2020/21 across individual predecessor areas, the council tax resolution as set out in Appendix A would represent the following increases: Bournemouth 0.76%, Christchurch frozen and Poole 2.99%.

8. These increases can be compared to the 4.99% maximum permitted increase for 2021/22.

Police and fire preceptors

9. The information from the police and fire precepting bodies is as follows:
 - a. On 4 February 2021 the Dorset Police and Crime Commissioner set its precept at £35,249,375, adjusted by a Collection Fund deficit of £319,821. This results in a Band D council tax of £255.58.
 - b. On 12 February 2021 the Dorset and Wiltshire Fire and Rescue Authority set its precept at £9,914,193, adjusted by a Collection Fund deficit of £924,406. This results in a Band D council tax of £77.88.

Charter trustee, town and parish precepts

10. The charter trustee, town and parish precepts are detailed in Appendix C and total £985,544.34.

Council tax bands

11. If the formal council tax resolution at Appendix A is approved the total Band D council tax charges are shown overleaf.

Options appraisal

12. The 2021/22 Budget and Medium Term Financial Plan report submitted to the 10 February 2021 Cabinet meeting considered alternative options for the harmonisation of council tax.

Summary of financial implications

13. The council tax resolution as presented in the report will generate council tax of £214,541,067.69 for BCP Council. This is in accordance with the budget as set out in the 2021/22 Budget and Medium Term Financial Plan report submitted to the 10 February 2021 Cabinet meeting.

Summary of legal implications

14. The council is required to set its council tax in accordance with the Local Government Finance Act 1992 and the Local Government (Structural Changes) (Finance) Regulations 2008. The formal council tax resolution at Appendix A complies with these requirements.

Summary of human resources implications

15. There are no direct human resource implications of this report. However, the 2021/22 budget and medium term financial plan 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 sustainability impact

16. Consideration has been given as part of the budget for 2021/22 of ways in which BCP Council could be made more environmentally-friendly and how it could act as an environmental ambassador towards others.

Summary of public health implications

17. None specifically related to this report.

Summary of equality implications

18. A full equality impact assessment was carried out as part of the budget process for 2021/22 and submitted to the 10 February 2021 Cabinet meeting.

Summary of risk assessment

19. The council tax resolution presented in this report will provide for the level of council tax income required for the 2021/22 budget as presented to the 10 February 2021 Cabinet meeting.
20. Key risks to this budget include uncertainty around the government's financial planning framework where the core funding made available to local authorities reduces while at the same time the demand for, and cost of, services continues to rise. Changes to base budget assumptions are also possible due to changes in demand or cost factors or the ongoing effects of the national pandemic.

Background papers

21. The 2021/22 Budget and Medium Term Financial Plan report presented to the 10 February 2021 Cabinet meeting.

Appendices

Appendix A – Council tax resolution 2021/22

Appendix B – Basic council tax

Appendix C – Charter trustee, town and parish precepts

Council Tax Bands

Ctax 2020/21 £	Ctax 2021/22 £	Increase 2021/22 %
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Christchurch Area

BCP Unitary Charge	£1,541.57	£1,541.57	0.00%
Dorset Police and Crime Commissioner	£240.58	£255.58	6.23%
Dorset and Wiltshire Fire and Rescue Authority	£76.36	£77.88	1.99%
Christchurch Total	£1,858.51	£1,875.03	0.89%

Christchurch Town Council	£42.22	£43.06	1.99%
Burton Parish	£13.11	£14.09	7.48%
Hurn Parish	£29.30	£29.30	0.00%
Highcliffe and Walkford	£25.86	£25.99	0.50%

Bournemouth Area

BCP Unitary Charge	£1,530.00	£1,541.57	0.76%
Dorset Police and Crime Commissioner	£240.58	£255.58	6.23%
Dorset and Wiltshire Fire and Rescue Authority	£76.36	£77.88	1.99%
Bournemouth Total	£1,846.94	£1,875.03	1.52%

Bournemouth Charter Trustee	£2.15	£2.39	11.16%
Throop and Holdenhurst		£34.93	

Poole Area

BCP Unitary Charge	£1,496.81	£1,541.57	2.99%
Dorset Police and Crime Commissioner	£240.58	£255.58	6.23%
Dorset and Wiltshire Fire and Rescue Authority	£76.36	£77.88	1.99%
Poole Total	£1,813.75	£1,875.03	3.38%

Poole Charter Trustee	£2.14	£2.14	0.00%
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Appendix A

The BCP Council is recommended to resolve as follows:

1. It be noted that on 13 January 2021 the BCP Cabinet recommended to council the council tax base 2021/22:
 - a. For the BCP Council is split for the year 2021/22 as Bournemouth **62,176.7**, Christchurch **20,021.9** and Poole **56,971.9** with a total BCP Council tax base of **139,170.5** (Item T in the formula in section 31B of the Local Government Finance Act 1992, as amended (the “Act”); and
 - b. For dwellings in those parts of its area to which a parish precept relates as in the attached Appendix C.
2. Calculate that the council tax requirement for the council’s own purposes for 2021/22 (excluding charter trustee, parish and town precepts) as **£214,541,067.69**.
3. That the following amounts be calculated for the year 2021/22 in accordance with Sections 31 to 36 of the Act:
 - a. **£845,406,288.07** being the aggregate of the amounts which the council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by parish councils.
 - b. **£629,879,676.04** being the aggregate of the amounts which the council estimates for the items set out in Section 31A(3) of the Act.
 - c. **£215,526,612.03** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the council in accordance with Section 31A(4) of the Act as its council tax requirement for the year. (Item R in the formula in Section 31B of the Act).
 - d. **£1,548.65** being the amount at 3(c) above (Item R), all divided by the Item T (1(a) above), calculated by the council, in accordance with Section 31B of the Act, as the basic amount of council tax for the year (including parish precepts). Appendix B details basic council tax by council area.
 - e. **£7.08** being the aggregate amount of all special items (charter trustee, parish, and town council precepts) referred to in Section 34(1) of the Act (**£985,544.34** as per the attached Appendix C) divided by the tax base **139,170.5** calculated as Item T in the formula in section 31B of the Local Government Finance Act 1992.
 - f. **£1,541.57** being the amount at 3(d) above less the amount at 3(e) above, calculated by the council, in accordance with Section 34(s) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no parish precept relates.

- To note that the Dorset Police and Crime Commissioner and the Dorset and Wiltshire Fire and Rescue Authority have issued precepts to the council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the council's area as indicated in the table below.
- That the council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of council tax for 2021/22 for each part of its area and for each of the categories of dwellings.

Precepts issued by major precepting authorities:

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Dorset Police and Crime Commissioner	170.39	198.78	227.18	255.58	312.38	369.17	425.97	511.16
Dorset and Wiltshire Fire and Rescue Authority	51.92	60.57	69.23	77.88	95.19	112.49	129.80	155.76
BCP Council	939.43	1,096.01	1,252.58	1,409.15	1,722.29	2,035.44	2,348.58	2,818.30
Adult Social Care Precept	88.28	102.99	117.71	132.42	161.85	191.27	220.70	264.84
Total BCP Council Charge	1,027.71	1,199.00	1,370.29	1,541.57	1,884.14	2,226.71	2,569.28	3,083.14

Aggregate amounts of council tax:

Location	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Bournemouth	1,251.61	1,460.21	1,668.82	1,877.42	2,294.63	2,711.82	3,129.03	3,754.84
Bournemouth - Throop and Holdenhurst	1,273.31	1,485.52	1,697.75	1,909.96	2,334.40	2,758.82	3,183.27	3,819.92
Christchurch Town	1,278.73	1,491.84	1,704.98	1,918.09	2,344.34	2,770.57	3,196.82	3,836.18
Burton Parish	1,259.41	1,469.31	1,679.22	1,889.12	2,308.93	2,728.72	3,148.53	3,778.24
Hurn Parish	1,269.55	1,481.14	1,692.74	1,904.33	2,327.52	2,750.69	3,173.88	3,808.66
Highcliffe and Walkford	1,267.35	1,478.56	1,689.80	1,901.02	2,323.48	2,745.91	3,168.37	3,802.04
Christchurch Unparished Area	1,250.02	1,458.35	1,666.70	1,875.03	2,291.71	2,708.37	3,125.05	3,750.06
Poole	1,251.45	1,460.01	1,668.60	1,877.17	2,294.33	2,711.46	3,128.62	3,754.34

Determination of Excessiveness

- BCP Council must determine whether its 2021/22 council tax is excessive by reference to the referendum principles set by the Secretary of State and approved by the House of Commons. The measure of excessiveness is the 'relevant basic amount of council tax' (essentially the Band D figure excluding local precepts). The Secretary of State may prescribe Alternative Notional Amounts (ANA) of relevant basic amounts to be used in respect of the preceding year where there has been a change of local authority functions but this is not applicable to BCP Council for 2021/22.

In accordance with the Local Government (Structural Changes) (Finance) Regulations 2008, BCP Council is applying the referendum principles for 2021/22 to the increase in the average amount charged across all predecessor areas.

As such the authority's relevant basic amount of council tax for 2021/22 is excessive if the amount mentioned in section 52ZC(3C)(a)(a) of the 1992 Act is 5% (comprising 3% for

expenditure on adult social care and 2% for other expenditure), or more than 5%, greater than the amount mentioned in section 52ZC(3C)(b) of that Act.

The value of the increase for BCP Council is calculated as 1.55% and therefore the council has determined that there is no excessive increase.

Appendix B

Basic council tax

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Christchurch Town Council	1,056.42	1,232.49	1,408.57	1,584.63	1,936.77	2,288.91	2,641.05	3,169.26
Burton Parish	1,037.10	1,209.96	1,382.81	1,555.66	1,901.36	2,247.06	2,592.76	3,111.32
Hurn Parish	1,047.24	1,221.79	1,396.33	1,570.87	1,919.95	2,269.03	2,618.11	3,141.74
Highcliffe and Walkford	1,045.04	1,219.21	1,393.39	1,567.56	1,915.91	2,264.25	2,612.60	3,135.12
Christchurch Unparished	1,027.71	1,199.00	1,370.29	1,541.57	1,884.14	2,226.71	2,569.28	3,083.14
Throop and Holdenhurst	1,051.00	1,226.17	1,401.34	1,576.50	1,926.83	2,277.16	2,627.50	3,153.00
Bournemouth Area	1,029.30	1,200.86	1,372.41	1,543.96	1,887.06	2,230.16	2,573.26	3,087.92
Poole Area	1,029.14	1,200.66	1,372.19	1,543.71	1,886.76	2,229.80	2,572.85	3,087.42

Appendix C

Charter trustee, town and parish precepts

	2020/21			2021/22		
	Precept £	Tax Base	Band D £	Precept £	Tax Base	Band D £
Christchurch Town	£514,417	12,184	£42.22	£513,577	11,927	£43.06
Burton Parish	£21,011	1,603	£13.11	£22,061	1,566	£14.09
Hurn Parish	£6,651	227	£29.30	£6,751	230	£29.30
Highcliffe and Walkford	£164,650	6,368	£25.86	£163,160	6,279	£25.99
Throop and Holdenhurst				£10,120	290	£34.93
Bournemouth Charter Trustee	£137,250	63,942	£2.15	£147,956	61,887	£2.39
Poole Charter Trustee	£125,222	58,609	£2.14	£121,920	56,972	£2.14
Total	£969,201	142,933		£985,544	139,150	

By council tax bands

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Christchurch Town Council	28.71	33.49	38.28	43.06	52.63	62.20	71.77	86.12
Burton Parish	9.39	10.96	12.52	14.09	17.22	20.35	23.48	28.18
Hurn Parish	19.53	22.79	26.04	29.30	35.81	42.32	48.83	58.60
Highcliffe and Walkford Neighbourhood Council	17.33	20.21	23.10	25.99	31.77	37.54	43.32	51.98
Throop and Holdenhurst	23.29	27.17	31.05	34.93	42.69	50.45	58.22	69.86
Bournemouth Charter Trustee	1.59	1.86	2.12	2.39	2.92	3.45	3.98	4.78
Poole Charter Trustee	1.43	1.66	1.90	2.14	2.62	3.09	3.57	4.28