

# Notice of Overview and Scrutiny Board

Date: Monday, 2 November 2020 at 2.00 pm

Venue: Virtual Meeting – Via Teams



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## Membership:

**Chairman:** To be elected

**Vice Chairman:** To be elected

Cllr S Bartlett  
Cllr M Cox  
Cllr M Davies  
Cllr B Dion  
Cllr M Earl

Cllr J Edwards  
Cllr G Farquhar  
Cllr D Farr  
Cllr L Fear  
Cllr P R A Hall

Cllr M Howell  
Cllr D Kelsey  
Cllr T O'Neill  
Cllr C Rigby  
Cllr V Slade

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All Members of the Overview and Scrutiny Board 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?MId=4615>

If you would like any further information on the items to be considered at the meeting please contact: Claire Johnston or email [claire.johnston@bcpCouncil.gov.uk](mailto:claire.johnston@bcpCouncil.gov.uk)

Press enquiries should be directed to the Press Office: Tel: 01202 454668 or email [press.office@bcpCouncil.gov.uk](mailto:press.office@bcpCouncil.gov.uk)

This notice and all the papers mentioned within it are available at [democracy.bcpCouncil.gov.uk](https://democracy.bcpCouncil.gov.uk)

GRAHAM FARRANT  
**CHIEF EXECUTIVE**

23 October 2020



Available online and  
on the Mod.gov app

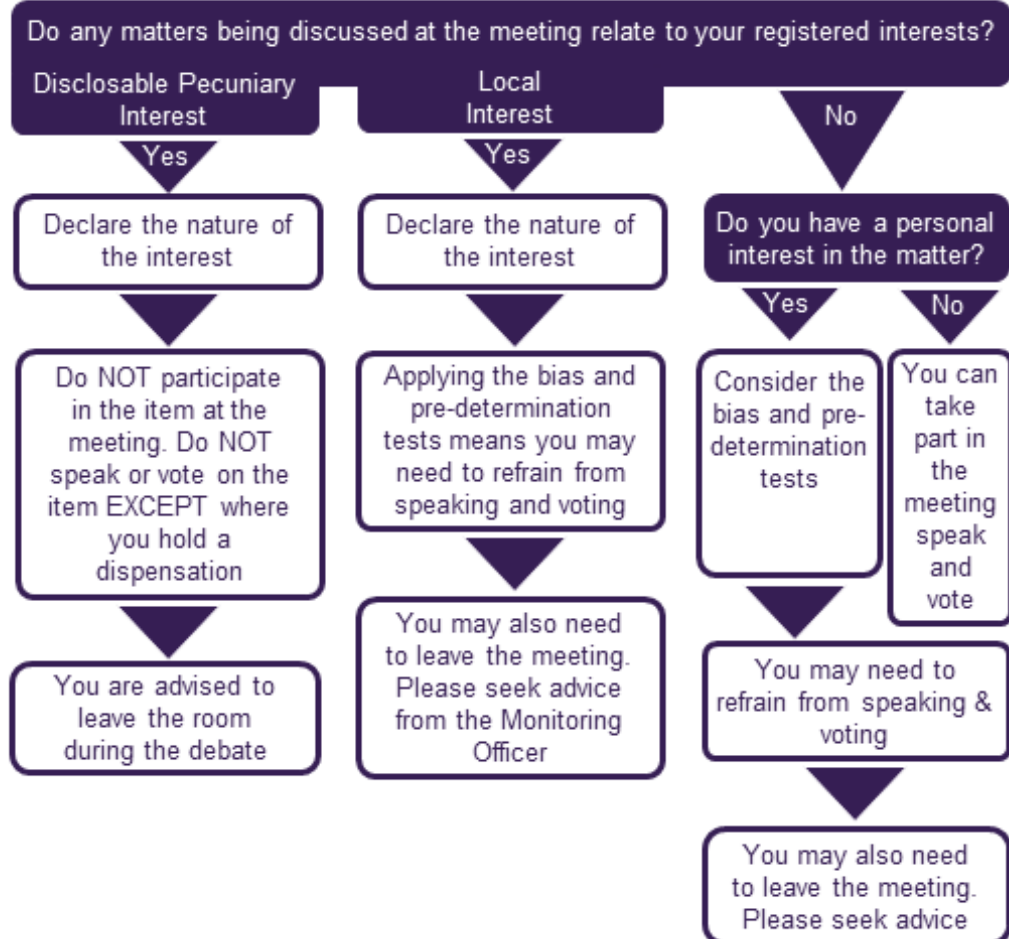


## Maintaining and promoting high standards of conduct

### Declaring interests at meetings

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

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



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](mailto: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 Members.

**2. Substitute Members**

To receive information on any changes in the membership of the Committee.

Note – When a member of a Committee is unable to attend a meeting of a Committee or Sub-Committee, the relevant Political Group Leader (or their nominated representative) may, by notice to the Monitoring Officer (or their nominated representative) prior to the meeting, appoint a substitute member from within the same Political Group. The contact details on the front of this agenda should be used for notifications.

**3. Election of Chairman for the Overview and Scrutiny Board**

Councillors are asked to elect the Chairman of the Overview and Scrutiny Board for the remainder of the 2020/2021 Municipal Year.

**4. Election of the Vice-Chairman for the Overview and Scrutiny Board**

Councillors are asked to elect the Vice-Chairman of the Overview and Scrutiny Board for the remainder of the 2020/2021 Municipal Year.

**5. 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.

**6. Confirmation of Minutes**

To confirm and sign as a correct record the minutes of the meetings held on 21 September 2020.

7 - 22

**6a. Action Sheet**

To note and comment on the attached action sheet which tracks decisions, actions and recommendations from previous meetings.

23 - 24

**7. 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.

## **8. Items Requested by Councillors for Scrutiny**

The following items have been requested by, Cllr T Trent. In line with the constitution these items are listed for consideration by the whole Board regarding whether to commission further scrutiny work in these areas. Democratic Services will source further information from Officers to provide some background and inform discussions at the meeting on these areas:

- Road maintenance across the BCP area
- Tree management across the BCP area

The Portfolio Holder for Environment, Cleansing and Waste has been invited to attend the meeting for consideration of this item.

## **9. Scrutiny of Finance Related Cabinet Reports**

25 - 104

To consider the following finance related reports scheduled for Cabinet consideration on 11 November 2020:

- 2020/21 Budget Monitoring and Medium-Term Financial Plan Update

The O&S Board is asked to scrutinise the reports and make recommendations to Cabinet as appropriate.

Cabinet member invited to attend for this item: Councillor Drew Mellor, Leader of the Council and Portfolio Holder for Finance and Transformation.

The Cabinet report is attached for consideration by the Overview and Scrutiny Board.

## **10. Development of the Overview and Scrutiny Board**

To discuss with Board members the possible ways to assess and develop the scrutiny focus of the Board going forward; and to consider requirements for any external support and possible dates for a development session.

## **11. Forward Plan**

105 - 110

To consider and amend the Board's Forward Plan as appropriate and to consider the published Cabinet Forward Plan.

## **12. Future Meeting Dates 2020/21**

To consider the following meeting dates and locations for the 2020/21 municipal year:

To consider the following meeting dates for the 2020/21 municipal year:

- 16 November 2020
- 7 December 2020
- 4 January 2021
- 1 February 2021
- 1 March 2021
- 1 April 2021

All meetings will be held via video conferencing until further notice.

**13. Exclusion of Press and Public**

In relation to the items of business appearing below, the Committee is asked to consider the following resolution: -

‘That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 3 in Part I of Schedule 12A of the Act and that the public interest in withholding the information outweighs such interest in disclosing the information.’

**14. Feedback from the Working Group on BH Live Leisure Services**

To consider feedback from the group on the outcome of the work it has undertaken.

Following a resolution by the Board at its meeting in July 2020 a working group was established to consider leisure services in Bournemouth.

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

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**BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL**  
**OVERVIEW AND SCRUTINY BOARD**

Minutes of the Meeting held on 21 September 2020 at 2.00 pm

Present:-

Cllr P Broadhead – Chairman

Cllr M Haines – Vice-Chairman

Present: Cllr M Anderson, Cllr S Bartlett, Cllr M F Brooke, Cllr M Earl,  
Cllr G Farquhar, Cllr L Fear, Cllr M Greene, Cllr N Greene,  
Cllr M Iyengar, Cllr D Mellor, Cllr C Rigby and Cllr T Trent

Also in  
attendance:

48. Apologies

Apologies were received from Cllr P Miles.

49. Substitute Members

There were no substitute members

50. Declarations of Interests

Cllr M Haines declared a local interest in Agenda Item 7, Covid-19 Recovery – Community and People as she was a member of the Access to Food Working Group in relation to the feedback provided from Faithworks Wessex. She would stay and participate in the item.

51. Confirmation of Minutes

The minutes of the meetings held on Monday 24 August at 2.00pm and 6.00pm were agreed as correct records.

52. Action Sheet

The Board's current action sheet was noted.

53. Public Speaking

There were no public questions, statements or petitions received for this meeting

54. Chairman's Update

The Chairman updated the meeting on the current focus of the Overview and Scrutiny Board meetings in that it had recently been taking a deep dive into listening mode to look at issues concerning Covid-19 recovery.

Previous meetings had focused on tourism & economy, and transport & infrastructure with feedback from partner organisations. This meeting would look at this issue from the aspect of 'community and people'. Including partner organisations but also the Council response to this issue.

The Chairman advised that, due to the presenting officer's other commitments related to Covid-19 and if there were no objections, the Board would consider the first part of agenda item 8 prior to agenda item 7

55. Covid-19 Recovery - Community and People

The Director for Community, gave a presentation to the Board which provided an update on the current situation and included information concerning community issues within the BCP area, including:

- The level of domestic abuse and BCP Council's work in preventing domestic abuse, which included a helpline and online support. It was noted that there was an 8 percent increase in cases on last year.
- Anti-Social Behaviour reports to the police were up by 30% on last year, this included breaches of Covid regulations. Reports to the Council team were also up. These could be treated as related to the current situation including neighbour disputes and Covid breaches.
- The Anti-Social Behaviour team had been undertaking significant work concerning a number of areas, including working with licensed premises and shops on reopening to tackle street-based ASB, begging and issues linked to licenses premises

Together We Can, including the partnership working to provide direct support in more than 4000 cases in response to over 14,000 calls received to the telephone helpline.

It was noted that the volunteers had done an excellent job in supporting shopping, delivering information postcards phone call support for those self-isolating.

The initiative also secured funding for community and voluntary sector groups, supported several initiatives to target food poverty, and introduced a financial resilience helpline to provide a simple route to talk about debt, finance and benefits.

Work was going on in conjunction with Public Health Dorset to develop contingency plans under the Local Outbreak Management Plan if shielding were reintroduced.

The Director advised that everyone had worked so hard and so fast to support vulnerable people in our community at a difficult time and expressed her thanks to all involved. Through the initiative strategies had been put in place to strengthen the voluntary and community sector.

The Chairman thanked the Director and team for all the work which has been done and opened the meeting up to questions from the Board, during which time a number of issues were raised including:



- Whether Community Safety Accreditation Scheme (CSAS) officers could be deployed in Charminster as there had been a recent outbreak of Anti-Social Behaviour in the area.
- The Director advised that although CSAS resources were limited the Council did now have the power to use CSAS officers over the whole BCP area rather than in specifically targeted areas. It was noted that it was hoped to move some resource to the area. The Director asked the Councillor to keep the Council and Dorset Police updated on the situation and encourage residents to report any instances of ASB.
- A Councillor raised a query concerning the Domestic Abuse Helpline and the Financial Resilience helpline as he wasn't able to easily access the numbers through the BCP website. The Director expressed her disappointment in this as they were extremely important. The Councillor was advised that a link to the helpline would be posted for Board members, but they would also look at the accessibility of these.
- A Councillor commended staff for their work. A concern was raised that anti-social behaviour was on the increase since the end of lockdown, but a significant proportion was due to a single group of young people who moved to different areas around the town. The Director advised that the Anti-Social Behaviour team worked with Children's services to address these issues.
- Anti-social behaviour during lockdown. Low levels but has now increased. Same group of young people migrating around the town.
- It was noted that there were lots of people who wouldn't ask for help and it was questioned whether the most vulnerable were being found and helped and how they were identified and supported. The Board was advised that lessons had been learnt from the first period of lockdown and process had been put in place to ensure that those most in need could be targeted.
- A Councillor noted that the governance arrangements allowed for a step down when necessary and sought assurance that there was an opportunity for a step up as and when this was required. The Director advised that they had the ability to step up the programme in a matter of days if necessary and although the steering group was currently paused both groups had agreed to stand back up as necessary.
- A Councillor commented on the incredible adaptation of the Council to become a volunteer management structure which was a major change from where council was before and the development of a positive community spirit. The Councillor thanked the volunteers for the community response.

The Chairman echoed the comments of the previous Councillor and suggested that there was unanimity from the Board on the positives from the Covid pandemic that had been seen through the Together We Can Initiative.

**Citizens Advice** – The Chairman welcomed Zoe Bradley, Chief Executive and Tom Lund, Head of Operations and Service Delivery, Citizens Advice BCP, to the Board to provide an update on how the organisation has been

reacting throughout Covid and during the recovery period. The Board was advised that the organisation had been working throughout the pandemic.

Citizens Advice had been using digital and telephone engagement since the start of lockdown. Face to face meetings were by appointments only and were taking place in Bournemouth Town Hall and Christchurch Library and they were investigating using the Poole Civic Centre customer area. Debt advice was being provided at Bournemouth Town Hall. Outreaches services were also beginning to resume which included specialist services. However, a return to full face to face drop-in services was not anticipated in the near future. BCP Citizen's Advice was also exploring new ways of engaging through digital means.

Throughout the pandemic since lockdown there had been 4500 benefit enquiries, over 1000 employment enquiries, over 2000 financial enquiries and over 400 housing enquiries. In terms of moving forward there was concern with the job retention scheme coming to an end and they were looking to extend capacity for employment and financial advice in the near future. The 'Lets Talk Money' financial resilience helpline was highlighted and the details were available on then Council website.

It was noted that there was a large cohort of clients who could not be reached through digital means and there needed to be a wide range of ways to reach these members of the community which needed to be done in partnership with other organisations and the Council. The cohort of people that Citizens Advice was dealing with had been influenced through the situation and furlough. However it was recognised that there were many clients who would approach Citizens Advice with mental health, disabilities, and range of substance misuse issues who needed to be reached. The Chief Executive advised that they hoped to be able to get a mobile unit to reach out to the community.

The Chairman asked whether there were any areas in which there had been a significant impact from Covid that were not necessarily expecting. It was noted that whilst perhaps not surprising there had been a number of queries received about unfair dismissal or employment discrimination. This had been a growing issue of over the past couple of weeks and appeared to be related to the end of the job retention scheme.

In response to being asked what the Council could do it was noted that there will be a spike happening again as government support was ending concerning evictions and debt issues which were not so great a factor during the pandemic due to the moratorium on evictions and the increase in universal credit. Citizens Advice confirmed that they had been able to retain 90 percent of volunteers and have had more volunteers sign-up through 'together we can' and had more waiting to sign up.

A Councillor asked about where the mobile van was planned to be deployed and if specific communities or clients would be targeted. The Board was advised that the location of the mobile van would be planned against where outreach used to take place prior to lockdown which

included supermarkets, doctors' surgeries and other locations within a large network. There would be a planned rota for where it would go.

There was a significant funding target and there was a hope that something would be in place for December or January.

The Chairman thanked the representatives of Citizens advice for attending the meeting and providing the information to the Board on the excellent working the organisation had been undertaking

**Faithworks Wessex** – The Chairman welcomed the Chief Executive of Faithworks to update the meeting on the work that the organisation had been undertaking. The Board was advised that part of the purpose of the organisation was to ensure access to food for all and ensure no one in the community was missed out.

They had been involved with the Head of Community engagement to appoint a food coordinator for the BCP just before the lockdown period and they had been and involved with coordinating the network of foodbanks and other food poverty initiatives. There had been work in streamlining the response which previously was only coordinated with the crisis team in Poole and people were now able to get a more holistic response by going through the crisis team.

A directory of local food businesses who wanted to help had been established in order that surplus food was able to be directed to where it could be used. Creative ideas for sharing food and had been developed including a link with Hope for Food and allotments in North Bournemouth, a school pop up pantry was working with Poole Housing Partnership and there was also work around helping people to cook and having confidence to cook through the Friendly Food Club initiative which provided a bag of food, recipes and links to the completed meal. The initiatives set up were about local people responding to need in local areas.

There were a number of community groups coming together to share knowledge and resources in a number of areas including Christchurch, Townsend, Hamworthy and Boscombe.

The Food Map/Network Map identified where resources were, including four community fridges, food pantries and food banks. It also identified where the gaps were in terms of community food support, this could also be overlaid with deprivation statistics to identify where support should be required. It also allowed electronic vouchers to be provided direct to foodbanks to avoid unnecessary contact during the Covid pandemic.

The Chief Executive advised the Board that there was a strong desire that momentum was not lost. There were several measures now in place ready for a future lockdown or second wave. The vision for the future of BCP was one where everyone was able to feed their family nutritious food all of the time. A good local response was very important but they were also looking at other areas of the country to look at different responses to food poverty.

The Chairman commented that some of the unintended consequences of the Covid Crisis were both surprising and positive and on the great work of Faithworks and its partner organisations across the area. The Chairman asked whether there was confidence in the continuing positive partnership working after the pandemic. The Chief Executive advised that groups had on the past all being going for the same money and grants but with closer links developed it was easier to see which community organisations or groups would benefit the most from different initiative and could gain important feedback from the groups on the ground and the impact of their areas. However, it was noted that it takes a lot of work and time put into it.

A Councillor commented that the Food Co-Ordinator had been essential for everyone involved in food poverty and that Faithworks Wessex had provided a good base for everyone to work together using technology including the map and WhatsApp group. The Councillor commented that she hoped the Council would continue to support work on food poverty and that everyone continues to work together.

The Chairman thanked the Chief Executive of Faithworks Wessex for attending and for their work and hoped that the Board would be able to hear again from them in the future.

**Community Action Network** - The Chairman welcomed the Chief Executive and the Partnerships Development Manager to the meeting. The Chief Executive advised the Board of the purpose of the organisation and the work that they had been undertaking during the period of lockdown and since. Right at the beginning of lockdown they had been able to recruit additional volunteers. They had also been extremely busy offering advice and information about funding to small grassroots organisations. The voluntary sector had been able to respond quickly and agilely to the changing situation. The Board was advised that three quarters of organisations were operating at the same or an increased level from before lockdown. All local voluntary organisations seem to have handled working with Zoom or Teams. However over half of the voluntary sector groups were concerned about the sustainability of their organisations.

The Chief Executive advised the Board of some of the different initiatives that the voluntary sector had undertaken during lockdown, these included: a friendship group by phone in collaboration with Prama, young volunteers writing to older people, Crumbs had developed online training, Age UK had completely changed the way they worked and Dorset Children's foundation - distributed fortnightly 'bags of happiness'. Dorset race equality support. In addition, there were many positive stories from across the sector that had been captured on the CAN100 website.

It was noted that the work locally was looked at from a national perspective as being a success with how everyone had come together. Having the volunteers from the 'Together We Can' initiative had been essential. It was noted that a thank you and planning session was being planned for the volunteers in order to find out what went well and ensure that if there was a need to deploy again there was a strong cohort of volunteers. The Chief

Executive advised that they would be ensuring that they continued to collaborate and communicate with other organisations and patterns including lots of work with the NHS and how they were working with the voluntary sector.

A Councillor placed on record their thanks to all volunteers and asked how volunteers were being kept informed. A survey had recently been undertaken to ask how many people were still interested in volunteering particularly as previously a lot of people were on furlough but the results came back that a lot still wanted to be involved. CAN was also working with BCP Council to write its volunteering strategy with BCP. Although CAN had always worked in partnership with the Council in now felt that there was a much greater feeling of being one team.

A Councillor asked about the impact of funding on sustainability and it was noted that the ability to fundraise had been greatly restricted at present It was asked what barriers or challenges were CAN hearing about at the moment. The Chief Executive advised that a lot of the funding available at the moment was focused on covid response for example the National Lottery was totally focused on that. The sector was being creative with accessing funding. Groups were wanting to collaborate more. Smaller groups were being supported to ensure that their governance arrangements were robust in order to be able to access funding.

56. Covid 19 Recovery - Community and People Council Response

The Director Organisational Development outlined to the Board that the Council had taken public health approach as to where staff should be working. It was noted that staff should be working from home whenever possible and should continue to do so in the future. Many of workforce were able to work successfully from home. However, this did not mean that the offices were closed, they remained open with appropriate covid measures in case. More vulnerable employees were also being supported.

Significant technology support was required including providing over 4500 laptops to enable home working, Microsoft Teams telephony for customer service staff was in place. Exposure to mobile phones would be reduced when Teams telephony was introduced in the next few months. However, it was noted that remote working didn't suit everyone's home circumstances but for most staff it had been a welcome feature and will impact how they continue to work in the future.

A staff survey conducted in June received 1900 staff responses. Ninety percent of responses showed that staff either enjoyed, really enjoyed or found working from home ok the main reasons given were the convenience and time to focus without office environments. IT issues were a concern in some cases, but it was unclear if this was related to equipment, broadband, other bandwidth use within the household.

The Council were supporting staff during this period with a number of wellbeing measures, including Counselling for members of staff who require it. The pace of change from a largely traditional office-based environment had been significant. Roll out of ICT had been rapid and vital. Overall the changes had been well received which allowed for greater opportunities in future for a more flexible approach to working.

A Councillor commented that they fully understood the issues members of staff have had working from home as he needed to access the Council buildings due to not having a suitable place to work from home. It was noted that since lockdown there had been difficulty in obtaining timely responses to generic Council email addresses and emails appeared to get trapped in an endless loop. It was noted that with lots of people working from home as individuals there have been challenges, certainly in the transition period. Previously embedded and generally infallible ways of working needed to be changed to ensure they continued to work with the new conditions.

In response to a question it was explained that the previous technology used by the customer contact centre only worked within an office based environment. Microsoft Teams with telephony had been rolled out so that customer contact staff could continue but the system did not work in the same way. The current system could not be used remotely and the Council was working on procuring a new system that could be used with remote working.

A Councillor asked about those who hadn't been able to work from home and how they have coped with work and the impact on their mental health. The Corporate Director advised that most were able to work from home and most were coping well with it. It was noted that the Council wanted to live up to expectations from pre-lockdown and pre-covid. Technically there wasn't a reason why this should have slipped however there were issues which each department and team would need to address. In the last two months there had been a far greater focus on achieving something approaching normality and there was a need to ensure that staff responded to contact centre enquiries when raised.

A Councillor asked about the expected efficiencies to be made in relation to jobs required and staff retention post local government reorganisation and post covid to deliver the Council services and whether LGR and would be revisited under these circumstances. Through LGR all savings forecast as deliverable had been made. In relation to the anticipated reduction in headcount that the Council were expected to make. There was a need to reconcile the need to make efficiency savings with the public services needed and the potential increase in demand stemming from covid. There was a need to reconcile the Medium Term Financial Plan for the next four years over the next three months. The Council will have to come to terms with the situation as the budget cycle is developed for next year.

A Councillor commented that they were pleased to see that the staff survey showed broadly positive experience of officers. However there had been an

issue of how members have been consulted throughout this period, particularly with the lack of ability to make phone calls and speak to officers. Most residents had been very understanding but it made the process very difficult when Councillors had been left waiting for 3 or 4 days for email and was also an issue for officers.

A Councillor noted that it was positive that staff had responded to changes and working from home but also noted that there had been some slips in some areas of customer service. The Councillor asked whether the Council had any measurable statistics for staff productivity? It was noted that with a diverse range of services there were some areas where it was more difficult to monitor productivity than others, some would be able to compare data from pre Covid and the current situation. Most areas had been maintaining their customer service levels but issues which occurred had been highlighted. The performance report going to the next Cabinet meeting would provide an indication of where the levels of performance were and there may be areas where performance was not at the level that was anticipated from previous years.

Thanks to the Council Officers for the insight into how the Council as an organisation has been dealing with its response to Covid recovery.

The meeting ended at 4.09 pm

CHAIRMAN

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**BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL**  
**OVERVIEW AND SCRUTINY BOARD**

Minutes of the Meeting held on 21 September 2020 at 6.00 pm

Present:-

Cllr P Broadhead – Chairman

Present: Cllr M Anderson, Cllr S Bartlett, Cllr M F Brooke, Cllr M Earl,  
Cllr G Farquhar, Cllr L Fear, Cllr M Greene, Cllr N Greene,  
Cllr M Iyengar, Cllr D Mellor, Cllr C Rigby, Cllr T Trent and  
Cllr B Dove (In place of Cllr M Haines)

Also in attendance: Cllr A Hadley, Cllr M Haines, Cllr Dr F Rice, Cllr V Slade and  
Cllr S Moore

57. Apologies

Apologies have been received from Cllrs M Haines and P Miles.

58. Substitute Members

Cllr B Dove substituted for Cllr M Haines.

59. Declarations of Interests

Cllr M Iyengar declared a local interest in agenda item 8, Scrutiny of Environment Related Cabinet Reports – Managing Unauthorised Encampments: Policies and Procedures, as he was previously a member of the working Group as outlined in the report. He would comment on the item as a member of the working group but would not take part in the discussion or vote on any motions.

Cllr T Trent declared a local interest in agenda item 8, Scrutiny of Environment Related Cabinet Reports – Managing Unauthorised Encampments: Policies and Procedures, as he was a member of the working Group as outlined in the report. He would comment on the item as a member of the working group but would not take part in the discussion or vote on any motions.

Cllr T Trent declared a personal interest for the purpose of transparency in agenda item 6, Scrutiny of Transport and Infrastructure related Cabinet Reports – Highway Maintenance Funding 2020/21 report, that he lived on a Road which was part of the programme a few weeks ago.

60. Public Speaking

There were no public questions, statements or petitions.

61. Forward Plan

The Board noted the current forward plan and confirmed that it was happy to delegate planning of the future meetings to the Chairman and Vice-Chairman in consultation with officers and the Board.

The Chairman advised that the order of the agenda would be varied slightly to take the second report in item 8 prior to the first report.

62. Scrutiny of Transport and Infrastructure related Cabinet Reports

**Highway Maintenance Funding** - The Portfolio Holder for Transport and Infrastructure introduced the report, a copy of which had been circulated and which appears as Appendix 'C' to the Cabinet minutes of 30 September 2020 in the Minute Book. A number of issues were raised by the Board in the subsequent discussion, including:

- A Board member asked what paragraph 22 of the report meant in reference to the comment on an increase in maintenance block allocations in future years. The Portfolio Holder advised that we were coming to the end of the three-year period of the pothole fund and the Local Transport Plan and we did not know what the allocations would be for next year. The Council would need to bid into the Challenge Fund – and would find out in December what the allocation would be.
- In response to a question regarding road maintenance in Christchurch it was noted that historically compared to Bournemouth and Poole it was underfunded. It was noted that the funding in Christchurch was approximately a quarter of that per kilometre compare to the rest of the area. The inspection regime was more frequent for more urban frequently used roads, particularly on bus routes and there were less of these types of roads in Christchurch.
- A Board member asked about the various repair dates which had fallen behind. The Portfolio Holder advised that this was partly due to the impact of Covid on the supply chain but also due to staff not being available as they had to shield and it was recognised that there was some catching up to do on this.
- A Board member asked about the uses of the Pothole fund and whether there was a mechanism for Councillors to get more involved in improving roads. It was noted that funding was limited so it was not possible to undertake any major changes under this fund. However, sometimes opportunities arose to carry out repairs in line with transforming cities or other major works and in these cases the team would do its best to manage how and when repairs were completed.
- A Councillor commented that approximately three years ago some local roads were given a treatment which did not work and have now been resurfaced. In light of this, it was suggested that the O&S Board could look at whether anything had been done to evaluate the different measures of resurfacing. The Portfolio Holder advised that in some cases a road inspector will fill in as a temporary measure for safety issues but in the case referred to there was an issue with a contractor at the time. The Portfolio Holder suggested member seminar on the issue

may be useful. The Councillor stated that he was concerned that this was an issue which needed looking into.

- A Councillor commented that the highways budget included pavements as well as roads but that he couldn't see pavement improvements included in the report. The Portfolio Holder advised that pavements were inspected and there was a specific set of funding within the budget.

63. Scrutiny of Regeneration Related Cabinet Reports

**Flood Defences - Poole Bridge to Hunger Hill** - The Portfolio Holder for Environment and Climate Change introduced the report, a copy of which had been circulated and which appears as Appendix 'E' to the Cabinet minutes of 30 September 2020 in the Minute Book. The Portfolio holder explained that this report was mostly related to seafront services so bore a greater relation to her Cabinet Portfolio rather than the Regeneration portfolio. A number of issues were raised by the Board in the subsequent discussion, including:

- A Board member asked, in relation to paragraph 11, what the reason was for alternative options and alternative funding mechanisms. The Portfolio Holder advised that in the past there had been many attempts to achieve delivery of flood defences using various different schemes using the Community Infrastructure Levy (CIL). This required a number of landowners to contribute in a combined approach or it would not work. The change in the amount of funding available from central government due to the recognition of the wellbeing aspect of flooding meant that the partnership contribution was not required. CIL contributions had previously been set at zero to encourage developers to install the flood defences. However, this would now be increased so that funding would still come from developers, but it would just be used in different ways.

In response to a question regarding the funding arrangements and whether this would be through the Environment Agency or whether it was a business case for the Council to commit the money. The Portfolio Holder advised that the Council would not need to pay towards the scheme but would need to commit to the maintenance of the scheme once in place and also for changes which would be needed for the scheme in 2075 and 2105. Full funding would be received from the EA once the bid is submitted. The steering group for the project will go straight to Cabinet. The Cabinet report was ensuring certainty to Large Project Review Group that all of the funding required would be available.

64. Scrutiny of Environment Related Cabinet Reports

**Christchurch Bay and Harbour FCERM (Flood and Coastal Erosion Risk Management Strategy)** - The Portfolio Holder for Environment and Climate Change introduced the report, a copy of which had been circulated and which appears as Appendix 'D' to the Cabinet minutes of 30 September 2020 in the Minute Book. A number of issues were raised by the Board in the subsequent discussion, including:

- A Board member asked about the how the strategy worked with the other plans in place to manage the shoreline. It was noted that there were three different levels of shoreline management. The Christchurch Bay area extended into New Forest District Council and therefore they would also be approving the plan. Previous plans which were in place did not have the approval of the Environment Agency.
- In response to a question regarding whether there was any modelling available for the different scenarios and the impact of the long groyne at Hengistbury Head. It was noted that the long groyne was covered under the Poole Bay Management plan and there was funding available for work on this which would begin next year. There was an in-house model running on sediment movement around the two bays. However, there were no plans in place to change the shape and length of the groyne except to increase the height to deal with rising sea levels. There was also a concern that too much sediment could have impact by blocking up the harbour.
- In response to a query regarding the different plans in place and where the ownership and responsibility sat with these the Board was informed that that there was currently a strategy in place for Poole Bay to Poole Harbour to Wareham but this strategy was required for the frontage from Hengistbury head eastwards and would cover this area from a strategic position in conjunction with the other coastal plans in place.

**Managing unauthorised Encampments: Policies and Procedures** - The Portfolio Holder for Environment and Climate Change introduced the report, a copy of which had been circulated and which appears as Appendix B to the Cabinet minutes of 30 September 2020 in the Minute Book. A number of issues were raised by the Board and Members of the Working Group in the subsequent discussion, including:

- A Working Group member advised the Board that there were cautious about the recommendation regarding a stopping place. The Borough of Poole had been through an exercise to identify a stopping place at least twice and a site wasn't identified. They commented that on paper it looked like a sensible option but in reality, it would be difficult to carry out.
- Another Group member commented that when looking at this previously all of the solutions seemed to depend on making progress in actively looking for alternative stopping places. The ability to take out pre-emptive injunctions was useful but dependent upon seeking out alternative stopping places. The commented that they felt that they were a fairly balanced set of recommendations.
- A Board member suggested that the situation was different for the whole of BCP and that past issues were not particularly relevant. They suggested that other local authorities had benefitted from alternative stopping places in dealing with unauthorised encampments.
- Another member of the working group advised that there had been very good debate with input from officers and legal. The situation with pre-emptive injunctions in use in London Boroughs and the legal challenges to using these was considered. Alternative stopping places needed

further debate between different parties which was the reason for the wording within the Cabinet report.

- A Councillor commented on their experience of an incursion into their ward and the disruption that this caused to residents. The recommendation in question was for the working group to look into these issues further in accordance with legal advice and they suggested that the working group should look at all of these issues.
- In response to previous comments made by a Board member a Councillor advised that they felt that previous work undertaken by preceding Councillors shouldn't devalue anyone's experiences. It was noted that recommendation b appeared to wrap up a number of possibilities and they felt that there was a need to explore all options more widely before anything was taken to Cabinet or any recommendations were agreed.
- Members raised concern that certain options were being ruled in or out without appropriate consultation taking place particularly with the travelling community.
- A Board member proposed a motion that 'recommendation b' in the report should not be approved by Cabinet as this had the effect of distilling the next steps down to just two parts before appropriate consultation could take place. Other members of the Board raised concerns that the motion made would prevent the working group moving forward and the original recommendation was just asking the working group to look at what was possible legally and feasible within a couple of options but without limiting other options.

There was some concern raised as to what the motion was trying to achieve but the proposer of the motion confirmed that the intent was to allow considerations to move forward without restricting the available options. The Board took a vote on the proposed motion and it was:

**RECOMMENDED that that the recommendation outlined in the Cabinet report at 'b' should not move forward for approval by Cabinet.**

Voting: For – 7, Against 5

Cllr M Iyengar and T Trent did not vote as they were members of the Working Group.

The Chairman advised that he could see that there were strong issues on each side but that there was a need to move forward with all options open and the work was fully supported. A Board member commented that the member briefing seemed to indicate that these were the options as selected by the member working group and asked what the further options were that weren't being taken forward. A Councillor responded and outlined that there were several options which could be given further consideration. It was noted that there seemed to be general consensus but there was a need for clarification on the overall wording of the particular recommendation.

**2019/20 End of Year Performance Report** - The Corporate Director and former Leader of the Council introduced the report, a copy of which had been circulated and which appears as Appendix 'G' to the Cabinet minutes of 30 September 2020 in the Minute Book. A number of issues were raised by the Board in the subsequent discussion, including:

- A Councillor raised a query about the issues with facilities for older people, there were sites earmarked in local plans for care homes, but that people were not interested in developing them. The Councillor asked why this appeared to be such a difficult target to meet. This was primarily a legacy issue from Bournemouth as there were more people in residential care than home care. All three issues were linked together, there was an aim to have more people in Bournemouth living in an independent setting and with a new facility opening in Bournemouth all three of these issues should improve.
- There was a concern raised that reference one on the scorecard should perhaps be orange rather than red as it was improving and was better than forecast. The target also appeared to be high when compared to the national average. It was noted that in this instance it could perhaps be orange and was possibly unduly harsh.
- In a response to a query raised about paragraph 82 of the report the Board was advised that a suicide prevention plan was part of the Cabinet Forward Plan and was about 3 or 4 months away from coming forward.
- A Councillor commented that paragraphs 88 onwards within the report appeared to be very light in detail and suggested that there was a need for specifics on what the Council were doing going forwards. It was noted that this was a reflection on the basket of measures previously used and shadowed for this year. Targets had been set out for 2020/21 but this reflected the part of the year when the Council did not have a corporate strategy signed off and the associated performance management framework was not signed off until a few weeks ago.

The former Leader advised that there were a number of measures where the Council was doing exceptionally well, and she congratulated everyone on the number of greens outlined in the paper on areas such as children's social care, delayed discharge and processing benefit claims.

66. Future Meeting Dates 2020/21

The future meeting dates were noted.

The meeting ended at 7.58 pm

CHAIRMAN

## ACTION SHEET – BOURNEMOUTH, CHRISTCHURCH AND POOLE OVERVIEW AND SCRUTINY BOARD

Minute number	Item	Action* *Items remain until action completed.	Benefit	Outcome
<b>Actions Arising from Board Meeting: February 2020</b>				
113	Chairman's Update	<p>Carter Expansion Project Update – the Board noted that this item recorded on the Cabinet Forward Plan was not selected for scrutiny but had a financial element within it. The Board agreed:</p> <ol style="list-style-type: none"> <li>1. To recommend that the Children's O&amp;S Committee should maintain an overview of this matter;</li> <li>2. That Councillors Mike Brooke and Nicola Greene be agreed by the Board as members who will maintain an informal overview of this matter in relation to the financial aspects of the project, and to report back to the O&amp;S Board as required.</li> </ol> <p><b>Action: TBC</b></p>	To enable continued overview and scrutiny during this project and if felt necessary, a report back to O&S Board.	
<b>Actions Arising from Board Meeting: 21 September 2020 – 2.00pm</b>				
There were no direct actions arising from this meeting.				
<b>Actions Arising from Board Meeting: 21 September 2020 – 6.00pm</b>				
64.	<p>Scrutiny of Environment Related Cabinet Reports</p> <p>Managing unauthorised Encampments: Policies and Procedures</p>	<p>Recommended to Cabinet: That that the recommendation outlined in the Cabinet report at 'b' should not move forward for approval by Cabinet.</p> <p>Actioned: Reported to the Cabinet meeting on 30 September</p>	To enable O&S views to be taken into account by Cabinet when making decisions.	See Cabinet minutes for the response to the recommendation

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## CABINET



Report subject	<b>2020/21 Budget Monitoring &amp; Medium-Term Financial Plan (MTFP) Update</b>
Meeting date	11 November 2020
Status	Public
Executive summary	<p>This report includes 2020/21 budget monitoring information as at the end of August 2020 and an updated MTFP.</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. The pressures due to the pandemic have grown since the June report, partially offset by further government support announced on 2 July. This includes significant funding to replace a proportion of lost sales, fees and charges.</p> <p>The updated 2020/21 projections for reserve movements, the capital programme and housing revenue account (HRA) are also included.</p> <p>Financial planning is an iterative process with the latest refresh of the MTFP extended to cover the period 2021/22 to 2023/24 included in the report. The plan is based on the most recent information available and a set of assumptions that will need to be refined through the autumn. The current plan is showing a funding gap to close for next year of £13.4 million with the financial strategy setting out the process that the council will now adopt to be able to set a balanced and lawful budget for 2021/22.</p>
Recommendations	<p><b>It is RECOMMENDED that:</b></p> <p><b>Cabinet:</b></p> <ul style="list-style-type: none"> <li><b>a) Note the current budget position for 2020/21.</b></li> <li><b>b) Note progress made in refreshing the MTFP and the key financial planning assumptions as set out in Appendix D2 and D3.</b></li> <li><b>c) Accept the grant awarded for additional revenue and capital expenditure as set out in paragraph 86.</b></li> <li><b>d) Approve the financial strategy as referenced in paragraphs 125 to 138 and as set out in Appendix D4</b></li> <li><b>e) Note the actions of the report and the requests for</b></li> </ul>

	<p><b>future reports from both the Corporate Director for Children's and the Chief Executive.</b></p> <p><b>f) Request the Corporate Director for Transformation to bring forward a report outlining how £15 million of ongoing Transformation savings will be achieved in 2021/22.</b></p> <p><b>Council:</b></p> <p><b>a) Request the Audit and Governance Committee to review the financial regulations and consider whether new provisions are required for larger scale budget management actions taken by officers.</b></p> <p><b>b) Approve the revenue and capital virements as set out in paragraphs 32 and 109.</b></p>
Reason for recommendations	<ul style="list-style-type: none"> <li>• To comply with accounting codes of practice and best practice which requires Councils to regularly monitor the annual budget position and have a rolling multi-year MTFP.</li> <li>• To present a proposed financial strategy to support the delivery of a balanced budget for 2020/21.</li> <li>• To ensure the financial regulations remain fit for purpose</li> </ul>
Portfolio Holder(s):	Councillor Drew Mellor, Leader, Finance & Transformation
Corporate Director	Graham Farrant, Chief Executive
Report Authors	Adam Richens, Chief Finance Officer and S.151 Officer <a href="mailto:Adam.richens@bcpcouncil.gov.uk">Adam.richens@bcpcouncil.gov.uk</a>
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 which resulted in a budget gap of £30.3 million. Included in the report was a mitigation strategy to rebalance the budget. This included finding new savings and using earmarked and unearmarked reserves.

3. This second budget monitoring report provides updated annual projections for the 2020/21 revenue account, reserve movements, the capital programme and the HRA.
4. Not yet reflected in the budget monitoring are announcements on 12 October of further emergency funding to support council services over the winter and allocations made from a cold weather fund to support rough sleepers. The detail of the allocations and any specific spending requirements are not yet known.
5. Included in the June Cabinet report was an updated MTFP which reflected the permanent savings for future years identified through the development of the mitigation strategy to rebalance 2020/21. Also reflected was an assumed level of future lost tax revenues from the economic impact of the pandemic. Included in this report is the outcome of the baseline financial assessment undertaken over the summer and a revised set of assumptions for the MTFP covering the years 2021/22 to 2023/24.

### **Covid-19 budget mitigation strategy 2020/21**

6. The 2020/21 budget mitigation strategy for projected Covid-19 revenue pressures was developed by officers in consultation with Cabinet members. The strategy included finding new savings and expediting the transformation and alignment of services. Also included were the potential uses of earmarked and unearmarked reserves and the possibility of refinancing some capital schemes to relieve pressure on the revenue account, if necessary.
7. This strategy recognised the high level of uncertainty that exists regarding 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 with the expectation that there would likely be new cost pressures as the impact of the pandemic was managed both nationally and locally.
8. All decisions regarding the mitigating actions were made by officers under delegated powers for effective budget management in accordance with the current financial regulations. A report detailing the officer decision-making process was presented to the Audit and Governance Committee in July.
9. The Audit and Governance Committee report makes clear that the budget mitigation strategy was developed and implemented in accordance with the approved financial regulations. These regulations are refined over time as new situations arise. The budget changes made to manage the impact of the pandemic in 2020/21 to balance the overall position could be considered as more fundamental than would normally be envisaged. It is recommended that a review of the financial regulations should take place to consider whether requirements need to vary according to the scale of budget changes being implemented. The Audit and Governance Committee will consider the next evolution of the financial regulations later in the financial year.

### **Revenue budget monitoring at September 2020/21**

10. The projected 2020/21 revenue outturn is for a balanced position, after potentially using £1.9 million of reserves. The inclusion of £12.1 million forecast additional funding from the government to compensate for lost sales, fees and charges has reduced the reliance on the potential use of reserves to balance the position when compared with the June position.

11. Cost pressures from the pandemic have grown since the June report but extra government funding has also been announced. The net budget impact from the pandemic is now estimated at £18.2 million.
12. Budget variances unrelated to the pandemic have emerged since June, with these now included in the projected outturn. A summary of the Covid-19 pressures, mitigation savings and other budget variances are summarised in the table below.

**Figure 1: General Fund – Summary projected outturn as at 31 March 2021**

June Variances £m		Approved Resource £m	Covid-19 Pressures £m	Mitigation £m	Other Variances £m	Projected Outturn £m	Projected Variance £m
	<b>Service Budgets</b>						
3.8	Adult Social Care & Public Health	111.6	6.4	(4.2)		113.8	2.2
1.0	Children's Services	61.6	5.2	(0.8)	1.1	67.1	5.5
2.4	Environmental & Community	51.5	4.0	(3.0)	0.2	52.7	1.2
17.1	Regeneration & Economy	7.0	22.9	(4.1)	0.2	26.0	19.0
0.9	Resources	32.5	3.0	(1.3)	0.5	34.7	2.2
(0.3)	Furlough of staff			(0.8)		(0.8)	(0.8)
<b>24.9</b>	<b>Total Service</b>	<b>264.2</b>	<b>41.5</b>	<b>(14.2)</b>	<b>2.0</b>	<b>293.5</b>	<b>29.3</b>
	<b>Corporate</b>						
2.1	Investment		2.1			(4.5)	2.1
	Property Income	(6.6)					
	Pensions	5.6				5.6	
	Repayment of debt (MRP)	10.6				10.6	
	Corporate Items	1.9			(0.1)	1.8	(0.1)
	Interest on borrowings	1.8			(0.2)	1.6	(0.2)
	Treasury Income	(0.3)			0.1	(0.2)	0.1
(2.5)	Contribution to Capital	2.8		(2.5)		0.3	(2.5)
2.5	Capital Cont to Transformation			2.5		2.5	2.5
(1.2)	Transfer to Reserves	2.0		(1.2)		0.8	(1.2)
1.2	Revenue Cont to Transformation			1.2		1.2	1.2
11.9	Council Tax /NDR		11.9			11.9	11.9
<b>14.0</b>	<b>Total Corporate</b>	<b>17.8</b>	<b>14.0</b>	<b>0</b>	<b>(0.2)</b>	<b>31.6</b>	<b>13.8</b>
<b>(22.0)</b>	<b>Covid-19 Grant</b>		<b>(25.2)</b>			<b>(25.2)</b>	<b>(25.2)</b>
	Grant for lost income		(12.1)			(12.1)	(12.1)
<b>16.9</b>	<b>Total Budget</b>	<b>282.0</b>	<b>18.2</b>	<b>(14.2)</b>	<b>1.8</b>	<b>287.8</b>	<b>5.8</b>
	<b>Potential funding:</b>						
(1.1)	Contingency	1.1		(1.1)		0	(1.1)
(2.8)	Release from capital projects			(2.8)		(2.8)	(2.8)
(10.7)	Financial resilience reserve			(1.9)		(1.9)	(1.9)
<b>0</b>	<b>Net Budget</b>	<b>283.1</b>	<b>18.2</b>	<b>(20.0)</b>	<b>1.8</b>	<b>283.1</b>	<b>0</b>

13. The estimated pressures due to the pandemic have increased from £52.3 million gross of government grant (£30.3 million net) in the June report to £55.5 million gross (£18.2 million net) in September. The £3.2 million increase in gross pressures since June is largely due to children's social care, support for leisure centre and conference centre operators and the cost of safely opening up facilities post lockdown.
14. The above table includes the additional government funding announced on 2 July, being £3.2 million from the emergency fund plus an estimate of £12.1 million to be recovered through a specific grant claims process for a proportion of lost sales, fees and charges.
15. The council will be able to submit three claims during the course of the financial year relating to losses in sales, fees and charges income that is directly related to the pandemic. The council must 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 forecast at the time of writing this report is based on the estimated loss in sales, fees and charges as reported in the September Covid-19 budget pressure return to MHCLG.
16. Monthly reports are continuing to be submitted to MHCLG, with the pressures shown above in Figure 1 consistent with the September return. The estimates have been updated to include:
  - Reassessment of pandemic costs.
  - Emerging trends post lockdown for income streams.
  - New government legislation.
  - Changes in demand for services.
17. Delivery of the £13.4 million of new service savings identified as part of the mitigation strategy to balance the budget in the June report remains on track.
18. Employees have continued to be furloughed where appropriate although numbers have significantly reduced since the peak in April and May. In total £0.8 million has been claimed in the period to August.
19. A full revenue summary is 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 £2.2 million**

21. The main Covid-19 pressures are support to the care market in the initial part of the financial year of £4.9 million. In May 2020, the government made available £600 million nationally (£6.064 million for BCP) for infection control pressures across the care sector. In addition to this, the government has recently announced a further £546 million for infection control during the winter (estimate £5 million for BCP) to help the care sector restrict the movement of staff between care homes and pay staff full wages if they are self-isolating. The government will also provide the care sector with free PPE.

22. In view of the above announcement, the original Covid-19 pressures have been adjusted in appendix A1 and will be reflected in the next return to MHCLG.
23. Most of the £4.170 million mitigating savings are on course to be delivered as intended. The packages of measures including targeted reviews for people with learning disabilities remains a challenge at this stage.
24. Other movements in the adult social care financial projections include £1.6 million projected pressures in care packages mainly due to additional demand from people with learning disabilities including challenges in the delivery of savings measures and targeted reviews.
25. The projected overspend in care packages is mitigated by additional income from client contributions and deferred payments of £1.7 million which also mitigate other smaller miscellaneous variances.

#### **Children – net variance of £5.5 million**

26. The main Covid-19 pressures are support and cost of care placements. The increase from the June position is £3.4 million. There are also pressures resulting from the loss of income on our in-house nurseries and traded income.
27. The care costs are as a result of both significantly increased cost of some placements due to needs but also a recent increase in numbers of children coming into care. There are also pressures in remand/secure beds (placement searches are underway to enable solicitors to secure dates for bail hearing) and a very high cost placement within the children's health & disability team.
28. Permanent savings of £0.237 million are included for staff restructures across the three service areas and commissioning savings of £0.2 million. There are also other various miscellaneous savings of £0.355 million (£0.255 million are permanent and £0.1 million a one year only contribution). Total 20/21 covid mitigation savings of £0.757 million are on course to be delivered.
29. The projected in year overspend in children's is mostly due to staffing.
30. Staffing pressures continuing from the previous financial year include the social work front door team and business support. Additional staffing pressures are being seen in the significantly under pressure SEN team and also the systems team which is part of the wider care together programme.

#### **Environment and community – net variance of £1.2 million**

31. The June report identified £5.4 million worth of pressures related to the Covid-19 pandemic. This has now decreased to £4.0 million, in part due to the period for which income will be lost extending to a full year, and also the full year impact of cost. The main impact however is the allocation of £1.885 million of Next Steps Accommodation Programme (NSAP) grant towards the additional costs related to temporary housing. There have been some improvements in income anticipated for green waste, catering and highways maintenance, although there are still pressures in these areas.
32. In accordance with the council's financial regulations the approval of Council is sought to accept the NSAP external funding of £1.885 million and allocate it to funding the additional temporary housing costs.
33. The Covid-19 pressures within housing are due to the measures to reduce homelessness. The decrease compared with the June position is largely due to a local strategic response plan prepared in collaboration with voluntary sector partners and

submitted to MHCLG resulting in the receipt of the NSAP grant, although there has been some increase in costs as a result of continuing to provide services during lockdown (everybody in). A related capital bid has been made to support a more permanent solution to reduce homelessness. Notification of the success of this bid is awaited.

34. The pressures within bereavement relate in the main to the council's share of the cost of providing the Mortality Support Facility at Poole port and in Dorset. There will also be some impact on the coroner's service due to an increase in the number of inquests and the special measures required when carrying out an inquest and the cost of employing agency pathologists.
35. 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 and is improving.
36. Waste services continue to be under pressure as a result of the pandemic, the increase from June is mainly down to the full year impact of the loss of income at the Household Waste Recovery Centre sites, although now open for household waste, the commercial element of the service is still closed.
37. Within communities the reason for the increase in pressures relating to covid since June is the full year impact of lost licensing and fixed penalty notice income, plus some additional security costs for the town centre.
38. The review of community budgets for temporary savings due to Covid-19 can provide £0.1 million. Permanent savings relating to service restructures vacant posts and other budget reductions total £0.3 million.
39. Savings within the environment budgets include £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 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 included from increased income from cess pit emptying and bringing forward the early harmonisation of charging policies across the area for replacement bins. Other permanent savings include deleting some vacant posts and rebalancing two collection rounds to improve efficiency
40. 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.
41. The £0.3 million saving from rebalancing the solar panel budget for HRA stock reflects current activity and will be treated as permanent.
42. A number of small non-covid related pressures have emerged since June, mainly relating to disaggregated recharge budget issues.

#### **Regeneration and economy – net variances of £19.0 million**

43. Overall pressures have increased by £1.9 million since the June report.
44. The main Covid-19 pressures in the directorate as identified in the June update 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 is also now a significant pressure for the directorate.

45. The easing of lockdown during the summer enabled some income streams to recover, particularly car parking (£2.0 million) and seafront trading (£1.2 million). 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.
46. Income levels have been less than anticipated following the reopening of cultural and heritage assets increasing the pressure by £84,000.
47. In meeting its obligations BCP has agreed to provide significant support to our leisure services partners, BH Live and SLM, to help them through the pandemic as well as pressure associated with the 2RM Christchurch leisure centre. This has increased the pressure from £1.4 million to £4.2 million.
48. Car parking income at Upton Country Park has improved due to the new play park attraction and the easing of lockdown enabling it to reopen sooner. This has reduced the pressure by £63,000 to £136,000.
49. New fee income pressures are expected in planning and building control services as the wider economic impact of Covid-19 is manifesting itself. Both planning and building control service have identified further temporary staff and expenditure savings to help mitigate the reduction in income.
50. Major repair work required at the entrance of the Richmond Gardens car park has meant £0.1 million of unbudgeted costs have been incurred creating a further pressure within car parking services.
51. Transport network services have a new pressure relating to the traffic light and signalling contract which is £0.1 million more than budget.
52. All previously reported mitigation savings remain on track as described below.
53. Destination and culture have projected temporary savings arising from the outbreak period at £1.3 million. The cancellation of the air festival has saved £0.3 million and plans for a new outdoor event could provide new income of £0.1 million. The delay until next year of spend on culture as part of Members' priorities will save £0.15 million, with vacant posts and other budgets providing a further £0.1 million.
54. 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.
55. 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 £2.2 million**

56. The June report identified a net overspend of £2.2 million all in relation to the impact of Covid-19.
57. Since then a further £0.8 million of Covid-19 related pressures has been identified. The biggest increase is the loss of income in relation to council tax and business rates summons income. During lockdown courts were closed and although operating now they have yet to supply any court dates to the council which impedes the process of raising summons to taxpayers. This represents a total pressure of £1.1 million.
58. The loss of income forecasted for the land charges service is expected to be £0.2 million compared to the previous forecast of £0.4 million due to an increase of demand



in the service in the last couple of months. Although the pressure has reduced, the finance team and the service will continue to monitor this closely to ensure this remains a realistic forecast.

- 59. Additional pressures in the directorate have been identified in relation to salary pressures associated with the replacement of the Director of Children's and ongoing staffing pressures for customer services.
- 60. The mitigation savings identified in June are largely on track to be delivered.

#### **Central items**

- 61. Council tax and business rates loss of income remains the most significant pressures in year due to the Covid-19 pandemic, totalling £11.9 million. This remains unchanged from the forecast pressure in June. The finance team are monitoring this very closely particularly around the impact of closure of the government furloughing scheme and the job support scheme that replaces it, and what impact this has on any additional uptake to the local council tax support scheme.
- 62. The council claim to government for furloughing staff will total £0.8 million up to the end of October helping the overall position.
- 63. Appendix A1 includes the detail of all 2020/21 projected budget variances greater than £100,000.

#### **New administration priorities**

- 64. The clear message from the new administration has been that there are a number of priority areas for investment in year and these are being worked up at pace and will be reported in due course.

#### **Reserves monitoring 2020/21**

- 65. 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.
- 66. The review recommended that £10.7 million of reserves could be re-designated to support the revenue funding gap (notionally into a new Covid-19 financial resilience earmarked reserve). The review also recommended that £2.3 million of un-earmarked reserves could potentially be required but that these would need to be topped back up in 2021/22 as this utilisation would take them below the minimum recommended prudent level.
- 67. The updated position is that £1.9 million financial resilience reserves may now be needed in 2020/21. The potential reliance on reserves to balance the budget is reduced due to the additional government funding in relation to compensation for reduced fees and charges income.
- 68. The recommended strategy concerning the £11.1 million of financial resilience reserves that were earmarked to balance the 2020/21 position but are no longer required, is to utilise these reserves in support of the MTFP.
- 69. These reserves are not required for their original purpose but will be held as such until it becomes clear that they will not be needed to support the revenue budget this year or next, with no expenditure to be incurred without the approval of the corporate management board. A formal decision regarding these reserves will be made later in the year.

70. 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	27.3	(26.5)
Un-earmarked reserves*	15.4	14.2	(1.2)
<b>Total reserves</b>	<b>69.2</b>	<b>41.5</b>	<b>(27.7)</b>

\*These amounts do not include the deficit on the dedicated schools grant

71. The main movement on other earmarked reserves during the year are as follow:

**Financial Resilience Reserves**

- a) £1,948k **Covid-19 Financial Resilience Reserve**  
Draw down to support overall budget position
- b) (£2,500k) **Covid-19 Financial Resilience Reserve**  
Contribution from previous voluntary revenue provision as per Covid-19 report in June 2019

**Transition and Transformation Reserves**

- c) £1,364k **Pay & Reward Strategy**  
Full use of reserve to pay for work on pay and reward strategy
- d) £425k **Local Government Reorganisation Costs**  
Full use of reserve to pay for remaining LGR costs
- e) £947k **Redundancy Reserve**  
Full use of reserve to pay for actual and potential redundancy costs.

**Government Grants**

- a) £11,102k **Covid-19 Grant Tranche 1**  
Full use of Tranche 1 grant received in March 2020 rolled forward

72. Appendix B provides the detail of projected reserve movements for 2020/21

**Dedicated Schools Grant (DSG) 2020/21**

- 73. 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.
- 74. 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.

75. This £6 million funding shortfall does include £2.5 million of identified savings from the service including health contribution from joint commissioning, review of EHCP process, early help, review of high cost placements and the impact of creating further additional capacity.
76. The service is scheduled to report progress in reducing the high needs budget at monthly budget overview meetings.
77. There is a surplus in 2020/21 of £1 million from the school's funding block after all mainstream schools have received their full national formula allocations. This balance is being held to offset the shortfall from high needs, reducing the annual budgeted deficit to £5 million.
78. The accumulated deficit at 31 March 2020 was £4.6 million, with the budgeted shortfall increasing this to £9.6 million by 31 March 2021.
79. The current projection for the High Needs Block is for expenditure to be at the budgeted level with the funding shortfall remaining at £6 million. There are small savings projected for other DSG expenditure blocks.
80. Figure 3 below summarises the position regarding the dedicated schools grant.

**Figure 3: Summary position for dedicated schools grant**

	£m
<b>Accumulated deficit 1 April 2020</b>	<b>4.6</b>
Budgeted high needs shortfall 2020/21	6.0
School funding block surplus 2020/21	(1.0)
Savings on other expenditure blocks	(0.3)
<b>Projected deficit 31 March 2021</b>	<b>9.3</b>

81. The plan to reduce the growth in the number of EHCP's appears to be on target, and although the average cost of a plan remains above target, progress to reduce is being made.
82. Members are reminded that the council is in dialogue with the DfE in respect of its high needs recovery plan. The first meeting on 24 April 2020 provided an opportunity to discuss the specific circumstances for the council as a result of local government reorganisation and the pattern of school provision locally. The main focus of the discussion concerned the actions currently underway within the council to address the funding shortfall.
83. The plan to reduce revenue expenditure includes building more places across a range of provision but with limited capital resources available. This was acknowledged but all agreed that creating more provision was only part of the solution to the annual funding deficit.
84. Meetings are being arranged at six monthly intervals to enable the DfE to monitor the progress of the action plan and share best practice examples as they emerge elsewhere.

### **Churchill Gardens ASPIRE building**

85. BCP Council have been granted £0.530 million of European Regional Development Funding as part of the ASPIRE project. The project includes replacing the existing café

in Churchill Gardens and running a project to develop a food hub, helping residents who are unemployed and/or overweight to develop skills and confidence taking them closer to the job market. Match funding of £0.238 million was approved by the legacy Bournemouth Borough Council and forms part of the BCP Capital Investment Programme. The total project equates to £0.768 million of which approximately £0.330 million is capital spend.

86. In accordance with the council's financial regulations the approval of Cabinet is sought to accept the external funding of £0.530 million and proceed with the project.

### Capital budget monitoring 2020/21

87. 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.
88. Members will note the increase in current forecast spend of £146.7 million in comparison with previous original budget of £105.7m approved by Council in February 2020. Significant changes to original budget are summarised in Figure 4 below:

**Figure 4: Amendments to the capital programme**

	£m
<b>Original budget 2020/21</b>	<b>105.7</b>
Reprofiling of unspent resource from 2019/20	16.5
Transforming Cities Fund	13.2
Additional Pothole Grant	2.9
Challenge Fund Grant (28 September Cabinet)	4.2
Organisation Design	8.8
Children's Capital Projects (including Strategy)	(2.8)
Lansdowne Business District	(3.7)
Towns Fund Grant	1.0
Various others	0.9
<b>Forecast as at 31 August 2020</b>	<b>146.7</b>

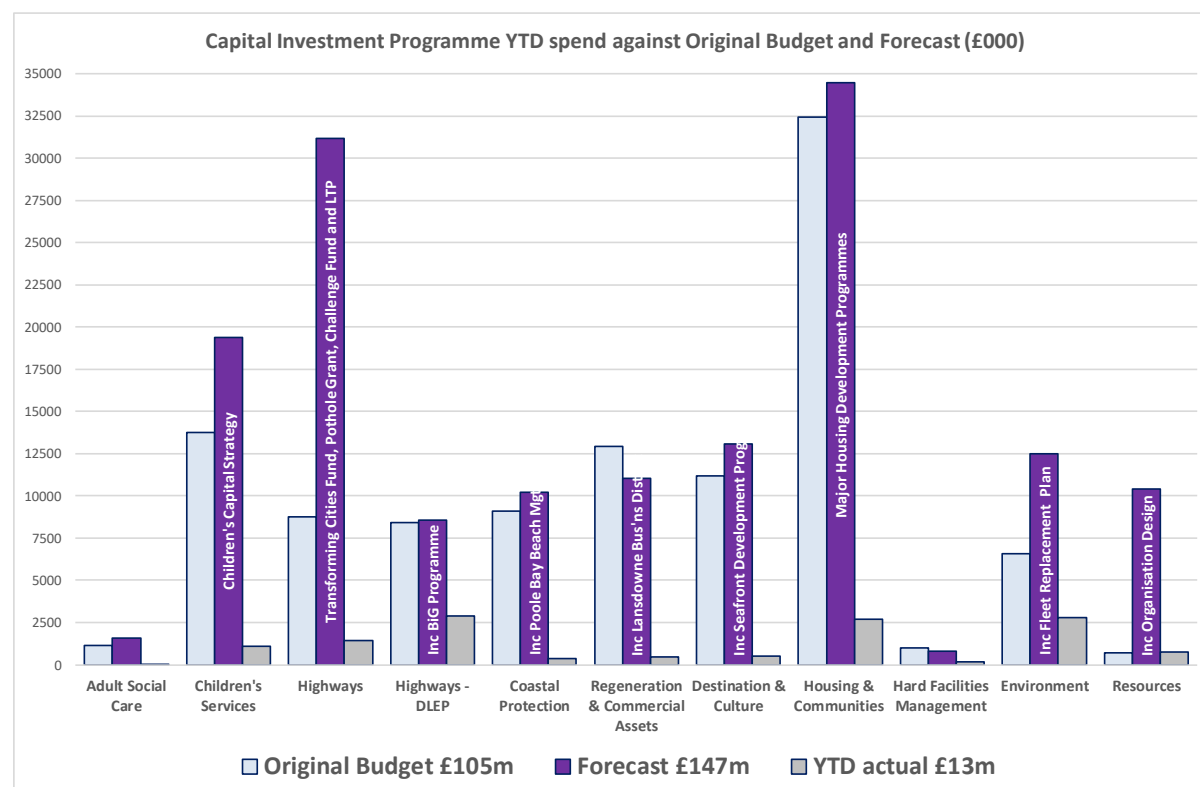
89. Figure 5 below compares actual spend to 31 August 2020 with original budget and latest forecast. At £13.1 million, this represents 9% of latest full year forecast. Members are reminded that, in an average financial year, the council would normally expect to have spent around 10% of full year forecast by the end of June. The comparative pace of capital expenditure in 2020/21, however, reflects the ongoing impact of Covid-19 on delivery of capital projects, as well as the extent of high value government grant awards only recently confirmed.
90. It is likely that significant reprofiling of current forecast spend will be required in the next quarter's budget monitoring report. In considering this, the council is mindful of the requirement to spend specific capital grants by 31 March 2021, including:
- Dorset Local Enterprise Partnership (DLEP) £14.5 million capital spend must be incurred between 1 September 2020 and 31 March 2021 (including £1.2 million to be spent by 28 February 2021). Given the financial and reputational risks

associated with this as the council nears the spend deadline, these projects will be monitored on a monthly basis by the council's capital & transformation board.

- Department for Transport (DfT) £4.2 million Challenge Fund – there is an expectation that this will be spent or committed by 31 March 2021.
- Department for Transport (DfT) £0.3 million Emergency Active Travel Fund Part I – must be spent within 8 weeks of grant receipt (this has now been achieved)
- Ministry for Housing, Communities and Local Government (MHCLG) £1.0m Towns Fund grant awarded 25 September 2020, to be spent on Boscombe regeneration by 31 March 2021.

91. Members are also asked to note that, in addition to the above, in August / September, the council submitted new grant bids for DLEP funding at a combined value of £3.6 million as well as £1.6 million DfT Emergency Active Travel Fund Part II funding. If the bids are successful (and Council formally approves their acceptance), the CIP would be further increased by £5.2million – all of which must be spent by 31 March 2021.

**Figure 5: Capital investment programme spend**



### Progress on significant capital projects

92. **Adults social care** – capital budget includes completion and roll-out of integrated case management system and annual investment in integrated care equipment store (ICES), both of which are still planned to be spent by 31 March 2021.
93. **Children's services** – In line with the children's capital strategy, investment in SEND capital projects is progressing at pace. This is expected to help mitigate demand driven revenue pressures in the high needs block. Hillbourne new school building progressed

to contract award in August 2020. Carter school works are also progressing to schedule and are currently expected to complete within budget.

94. **Highways** - Over 20% of the CIP consists of highways capital projects. This reflects an ambitious strategic programme of capital investment across the conurbation that is funded predominantly from external capital grants. Given the value and profile of this programme of works, they are the subject of separate service unit led Member reports.
95. **Highways – DLEP** - Completed works include Cooper Dean and Blackwater West. Remainder of spend is on course for completion by March 2021 and will be subject to separate scrutiny by the capital & transformation board. The Wallisdown Crossroads project (funded from the National Productivity Investment Fund) is also progressing to schedule.
96. **Coastal protection** – contracts recently awarded for both the timber groyne and beach re-nourishment elements of the Poole Bay beach management programme. As a result, beach re-nourishment, using around 350,000 cubic metres of select fill, will be undertaken at specific locations.
97. **Regeneration** – the majority of budgeted capital spend this year relates to Lansdowne Business District and 5G digital connectivity and infrastructure. Council originally approved a £4.1 million reduction in the value of this programme. This has subsequently been revised to a £3.7 million reduction in value. A revised programme of works has subsequently been developed that will continue to deliver public realm improvements on Holdenhurst Road and 5G digital connectivity and infrastructure as planned. Revisions to original plans include refocussing of Lansdowne roundabout and Lansdowne Road (south) works to cycle and pedestrian priority. Planned works at Madeira Road roundabout are no longer part of the 2020/21 delivery phase of works. The council's capital & transformation board will monitor delivery of Lansdowne Business District programme monthly from October 2020.
98. **Destination & culture** – Delivery of the council's seafront development programme continues. Contract has been awarded for Canford Cliffs stabilisation, and work is nearing completion on Coastal Community Fund funded public realm improvements across the seafront. The impact of Covid-19 on the financial viability and deliverability of newer projects within the seafront development programme will continue to be reviewed by the council's seafront development board.
99. **Housing** – The council completed its acquisition of Holes Bay land (former Power Station site) for housing development at the end of September 2020.
100. **Hard facilities management (estates)** – work on high priority estates maintenance continues within approved budget. Work is undertaken in this area with due regard for the council's organisational design and estates & accommodation Strategies.
101. **Resources** – The council's ICT investment plan is continuing to schedule. The council's organisational design programme, to relocate BCP staff to a single primary civic centre space is now also included within the CIP.

### **Capital programme - financing**

102. The council continues to rely on its own resources – principally earmarked reserves (including capital fund) and borrowing (the costs of which are included within the MTFP). Figure 6 summarises the latest funding profile for 2020/21 capital spend forecast.

**Figure 6: Capital investment programme financing**

<b>Figure 6</b>	
	<b>Forecast 2020/21 £'000</b>
Government Grant	76,071
Third Party Receipts	866
s106	4,296
CIL	2,019
<b>External Funding Contributions</b>	<b>83,252</b>
<b>BCP Funding Requirement</b>	<b>63,480</b>
<b>Capital Investment Funding</b>	
	<b>146,732</b>

103. In line with the council's approved flexible use of capital receipts strategy, capital receipts of £14.06 million anticipated between 1 April 2019 and 31 March 2022 are earmarked as funding for organisational design. This can only be applied to spend incurred in advance of 31 March 2022. The £14.06 million includes £1.25 million in respect of assets transferred from the general fund to the housing revenue account and £0.55 million where the capital receipt has already been received. There is risk associated with the residual £12.26 million balance of capital receipts forecast but not yet received. These are estimates only and remain susceptible to changing market conditions.
104. In line with CIPFA guidelines, the use of prudential borrowing is permitted only for the capital elements of organisational design. Accordingly, £5.8 million of prudential borrowing is planned to be utilised in order to finance the capital elements of organisational design. Borrowing should be repaid over the useful life of the asset, which is estimated to be five years. The resulting annual borrowing repayment will be a revenue cost and is shown in Figure 7 below.
105. The revenue elements of the organisational design programme are planned to be funded from a combination of the general fund and one-off revenue reserves. The council has made available £13.5m revenue reserves previously allocated to organisational design to help relieve the MTFP funding pressure in 2021/22. Once the additional revenue costs are taken into account the net benefit to the 2021/22 budget is £10.84 million as shown in Figure 7 and Figure 8. The repurposing of revenue reserves results in an overall funding gap of £9.4m in relation to the revenue elements of organisational design which is built into the MTFP. Figure 7 provides a full overview of the financial implications of this.

**Figure 7: Organisational design expenditure**

Figure 7 Organisational Design - potential funding model	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	£m
<b>Capital expenditure</b>						
Capital expenditure	3.80	1.00	1.00	0.00	0.00	5.80
	<b>3.80</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>Capital funding</b>						
Prudential Borrowing	(2.55)	(1.00)	(1.00)	0.00	0.00	(4.55)
Prudential Borrowing (funded from HRA land tfr)	(1.25)	0.00	0.00	0.00	0.00	(1.25)
	<b>(3.80)</b>	<b>(1.00)</b>	<b>(1.00)</b>	<b>0.00</b>	<b>0.00</b>	
<b>One-off revenue expenditure</b>						
One-off costs	1.95	10.43	7.08	2.45	1.35	23.26
Redundancy	3.00	3.00	0.00	0.00	0.00	6.00
Contingency	0.00	1.43	0.69	0.00	0.44	2.56
	<b>4.95</b>	<b>14.86</b>	<b>7.77</b>	<b>2.45</b>	<b>1.79</b>	
<b>One-off revenue funding</b>						
Voluntary Revenue Provision	(1.77)	0.00	0.00	0.00	0.00	(1.77)
Corporate in-year RCCO	(1.90)	0.00	0.00	(2.00)	(1.76)	(5.66)
Estate RCCO (including £250k one-off from 2019/20)	(0.73)	(0.48)	(0.48)	(0.45)	(0.03)	(2.17)
Capital receipts	(0.55)	(12.26)	0.00	0.00	0.00	(12.81)
	<b>(4.95)</b>	<b>(12.74)</b>	<b>(0.48)</b>	<b>(2.45)</b>	<b>(1.79)</b>	
<b>Total expenditure</b>	<b>8.75</b>	<b>15.86</b>	<b>8.77</b>	<b>2.45</b>	<b>1.79</b>	<b>37.62</b>
<b>Total funding</b>	<b>(8.75)</b>	<b>(13.74)</b>	<b>(1.48)</b>	<b>(2.45)</b>	<b>(1.79)</b>	<b>(28.21)</b>
<b>Organisational Design funding gap</b>	<b>0.00</b>	<b>2.12</b>	<b>7.29</b>	<b>0.00</b>	<b>0.00</b>	<b>9.41</b>
<b>MTFP impact (absolute NOT incremental)</b>						
Redundancy reserve release	0.00	(0.72)	0.00	0.00	0.00	(0.72)
Voluntary Revenue Provision	0.00	(2.47)	0.00	0.00	0.00	(2.47)
Financial Liability Earmarked Reserve release	0.00	(10.33)	0.00	0.00	0.00	(10.33)
Estate RCCO base budget release	0.00	0.00	0.00	(0.03)	(0.45)	(0.48)
<b>Absolute resources being released</b>	<b>0.00</b>	<b>(13.52)</b>	<b>0.00</b>	<b>(0.03)</b>	<b>(0.45)</b>	<b>(14.00)</b>
<b>Shortfall in Organisational Design revenue funding</b>	<b>0.00</b>	<b>2.12</b>	<b>7.29</b>	<b>0.00</b>	<b>0.00</b>	<b>9.41</b>
Borrowing on £4.55m OD capital (over 5 years @ 3.5%)	0.00	0.56	0.79	1.01	1.01	3.37
<b>Absolute Impact on MTFP</b>	<b>0.00</b>	<b>(10.84)</b>	<b>8.08</b>	<b>0.98</b>	<b>0.56</b>	<b>(1.22)</b>

106. The Council continues to review the availability of community infrastructure levy (CIL) and s106 contributions for the financing of capital expenditure. The identification of available CIL and s106 contributions will potentially support the MTFP by reducing annual prudential borrowing repayments or releasing capital fund resources currently financing the CIP.

107. Members are reminded that in June 2020, Council was advised of the availability of up to £2.8m capital fund reserve to potentially release to help mitigate revenue pressures in 2020/21. This relates to capital fund allocations currently approved for the Heart of Poole and Canford Cliffs beach hut development capital projects, which could be replaced with alternative funding sources (e.g. prudential borrowing) if required.



## Capital budget virements 2020/21

108. In accordance with the council's financial regulations the following rules associated with capital virements apply (after advice from the Chief Finance Officer):

- ☐ Virements over £1 million require prior Council approval.
- ☐ Virements over £0.5m and up to £1 million require prior Cabinet approval.
- ☐ Corporate Directors can approve virements over £100k up to £500k.
- ☐ Service Directors can approve virements up to £100k.

109. The following capital virement requires **Council approval**.

Service area

**Regeneration**

Budget purpose **Increase capital programme by £1m**

Council approval is sought to accept £1 million Ministry for Housing, Communities and Local Government (MHCLG) grant funding. This will enable the council to deliver a programme of accelerated capital investment in Boscombe by 31 March 2021 – the first phase of the council's strategic Boscombe Towns Fund regeneration programme. The funds will be allocated to capital projects outlined within the grant bid. Cabinet will be provided with a detailed Boscombe Towns Fund report in December 2020 with further details on projects funded from the £1m grant, as well as information on the council's bid for the second phase of the Towns Fund Intervention programme.

## Housing Revenue Account (HRA) monitoring 2020/21

110. 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.

111. 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.

112. The impact of the pandemic was 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, however there is still an expectation that when some of the central government Covid-19 policies end (e.g. the furlough scheme) that there will be some impact on rents collected

113. Delays in progressing new build projects due to the Covid-19 lockdown will result in a delay in the requirement for borrowing and associated charges. Any changes to the revenue forecast is reflected in either an adjustment to the revenue contribution to capital, or a call on HRA reserves, within the HRA ringfence.

114. HRA capital budgets will be more substantially impacted by Covid-19 as the lockdown has impacted planned works to people's homes where access has not been available. Planned maintenance programmes will be reduced by approximately £1.2 million

across both neighbourhoods and this unused budget will remain in HRA reserves. Additionally, there have been significant delays in some of the major capital projects planned for this year. These projects will be rephased with £12 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**

115. Appendix C1 provides the detail of revenue and capital budget monitoring statements for the Bournemouth neighbourhood.

#### **Revenue account**

116. The current forecast is for an underspend of £0.07 million compared to budget. Rents appear to be being maintained against plan. There are some support cost and repairs savings as a result of the lockdown, although in the case of repairs it is hoped that much of the work can be caught up.

#### **Capital programme**

117. There is a relatively small underspend of £0.2 million in respect of programmed kitchen and bathroom works to be carried out this year. By far the biggest variation is in the development programme, where the closedown of sites has had a material impact, slipping the programme by £5.9 million. These delays are likely to have a knock on effect across the programme into future years.

### **Poole neighbourhood**

118. Poole Housing Partnership prepare the budget monitoring information for the Poole neighbourhood with the latest available statement being for the first quarter to the end of June. The report for the second is due in mid-October.

119. Appendix C2 provides the detail of revenue and capital budget monitoring statements for the Poole neighbourhood.

#### **Revenue account**

120. There are no material budget variances currently projected for the revenue account.

121. The rents raised in the first quarter are 25% of the annual budget, with no significant variation due to voids. Arrears for tenants on universal credit are rising with the pandemic providing a further risk to collectability. An assessment of the adequacy of the bad debt provision is in progress.

#### **Capital account**

122. 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.

123. The projected outturn is a shortfall in the programme of £7.4 million with by June £1.6 million spent. This equates to eleven per cent of the annual projection of £14.2 million.

124. The main projected expenditure variances against the revised budget are as follows:

- £3.1 million delay in redevelopment of the 4 tower blocks in Poole Old Town. The property buy backs within the project are expected to be completed this year, but the delivery of works has been re-phased.
- £1.2 million delay in the Herbert Avenue scheme. Planning has been agreed with only approximately half the annual budget expected to be spent this year.
- £1.1 million delay for in fill projects with the development team currently forecasting only minimal spend against this budget in 2020/21 while potential opportunities are assessed.
- £0.7 million delay in planned maintenance from reduced ability during the pandemic to access properties during the first quarter with catch up unlikely.
- £0.4 million delay for Cynthia works with the majority of the project re-phased to 2021/22.
- £0.35 million delay in retro fit of sprinklers with re-phasing of the programme.
- £0.3 million delay for Hillbourne school development with only minimal spend forecast this year.
- £0.15 million for the completed Canford Heath scheme with the retention now due next year.

### **Medium Term Financial Plan Update and 2021/22 Financial Strategy**

125. The process of setting a robust and lawfully balanced budget for 2021/22 will be an extremely challenging one for the Council. The ongoing legacy of the coronavirus global pandemic will mean unprecedented levels of uncertainty in determining the costs that will need to be met in the next financial year and in predicting the levels of income that will be achieved.
126. As a new unitary authority, we recognise the predecessor councils consciously applied a strategy to grow their local sources of sales, fees and charges to mitigate the £103 million per annum (comparing 2020/21 with 2010/11) reduction in un-ringfenced government funding due to austerity. This enforced strategy now leaves the BCP Council vulnerable in the current uncertain and recessionary climate which is particularly predicted to have a hard impact on deprived and coastal communities. As a consequence, the authority will need to maximise the potential and pace of its transformation agenda and make some difficult choices about its priorities and which local services should be protected and funded, and to what level, as part of its 2021/22 budget.
127. In response to this high level of uncertainty, the council's financial strategy has been drawn up based on different scenarios. The scenario being adopted at this stage identifies that the council needs to implement a strategy designed to save a further £13.4 million to enable a balanced budget to be delivered next year. This position is net of £8.8m of savings and efficiencies already programmed and assumed for 2021/22 and a £15 million savings target for the transformation programme.
128. Alternative scenarios emphasise that this basis position could easily vary both positively and negatively significantly. The current position has been updated since the June 2020 Cabinet 2020/21 budget monitoring report to reflect two key workstreams;
- the refresh of the MTFP undertaken at the end of August in accordance with the MTFP timeline in Appendix D1.

- A further refinancing of certain capital and revenue schemes.

129. Figure 8 below sets out a summary of the current funding gap position in respect of the 2021/22 Budget.

**Figure 8: Funding gap 2021/22**

£m	Details
17.3	Position as per February 2020 February Budget Report
(6.4)	Ongoing savings introduced in the June 2020 Cabinet Report
(5.0)	Changes in assumptions (negative RSG, Pay Award, contribution to DSG)
3.5	Transformation – revenue investment (June Cabinet Organisational Design report)
5.5	Revised operational pressures and savings following August Refresh
<b>14.9</b>	<b>Sub-Total Funding Gap for 2021/22</b>
4.0	Requested Service Investments
<b>18.9</b>	<b>Sub-Total Funding Gap for 2021/22</b>

Covid19 Legacy Issues	
17.1	Sales, Fees and Charges (predominately Town Centre Car Park Income)
12.2	Core Income (Council Tax and Business Rates yield)
0.9	Legacy Costs Issues (Infection Control, homelessness, economic development)
<b>30.2</b>	<b>Total Covid19 Legacy Issues</b>
<b>49.1</b>	<b>Sub-Total Funding Gap for 2021/22</b>

Mitigations	
(15.0)	Savings target set for the Transformation Programme
(4.0)	Removal of requested service improvements
(2.0)	Removal of revenue contribution to capital
(0.1)	Residual MTFP
(1.3)	ICT Investment Plan – refinance by borrowing
(10.8)	Transformation Fund – refinance by borrowing and profile into MTFP
(2.5)	Other schemes refinanced by borrowing
<b>13.4</b>	<b>Funding Gap for 2021/22</b>

130. This update forms part of the latest MTFP position of the authority which can be set out as follows. It should be noted that this table is presents on an absolute, rather than incremental, basis.

**Figure 9: Latest medium-term financial plan**

	2021/22	2022/23	2023/24
<b>Position prior to legacy Covid position</b>	<b>24.4</b>	<b>45.2</b>	<b>62.7</b>
Service Investments	4.0	4.0	4.1
Transformation Revenue Costs	3.5	4.0	4.5
Service Savings – Assumed / programmed	(8.8)	(10.3)	(10.4)
Council Tax – Annual uplift (Harmonisation / 2.99%) & Tax-base	(4.5)	(12.2)	(20.3)
Business Rates – Annual inflationary uplift	(1.1)	(2.2)	(3.3)
Collection Fund – One-off surplus 2020/21	1.4		
<b>Position prior to legacy Covid position</b>	<b>18.9</b>	<b>28.5</b>	<b>37.3</b>
Covid19 – Sales, Fees and Charges	17.1	8.5	4.2
Covid19 – Core Income	12.2	6.1	3.0
Covid19 - Costs	1.0	0.6	0.6
<b>Current Base MTFP Position</b>	<b>49.1</b>	<b>43.6</b>	<b>45.1</b>
Removal of service investments	(4.0)	(4.0)	(4.0)
Revenue contribution to capital	(2.0)	(2.0)	(2.0)
Residual capital funding	(0.1)		
Town Centre Development Fund	(2.5)		
ICT Investment Plan Resources One-Off & funding obligations	(1.3)	0.3	0.3
Transformation Fund Resources One-Off & funding obligations	(10.8)	8.1	3.0
<b>Net Funding Gap – Before Transformation</b>	<b>28.4</b>	<b>46.0</b>	<b>42.4</b>
Transformation Saving Target 2021/22	(15.0)	(24.1)	(33.2)
<b>Net Funding Gap</b>	<b>13.4</b>	<b>21.9</b>	<b>9.2</b>

131. The scale of the challenge is best understood by recognising that the current 2021/22 funding gap represents 4.7 per cent of the councils 2020/21 net revenue budget.
132. Appendix D2 and D3 provides summaries of the current assumptions used. These are likely to change as government announcements are made and other issues become clearer.
133. Appendix D4 includes full details of the financial strategy, including scenario planning and options for setting council tax in 2021/22. In summary the financial strategy can be summarised as follow;
- Encourage the government to continue to meet the original commitment from Robert Jenrick the Secretary of State for Housing Communities and Local Government that promised councils will get all the resources they need to cope with this pandemic.
  - The first draft of the 2021/22 Budget will be drawn including a £2.5 million investment in corporate priorities which is £1.1 million more than the amount assumed in the base for 2020/21.
  - The £15 million savings target for transformation is reaffirmed. It is recommended that the Corporate Director for Transformation brings forward to Cabinet in December a report detailing how such savings will be achieved, including their implications, risks and mitigations and the extent to which they will be itemised in setting the 2021/22 budget. This assumed level of savings for 2020/21 was approved as part of 2020/21 budget monitoring report to June Cabinet.
  - The review of projects (revenue and capital) as put forward as part of the June Cabinet report which set out those schemes and programmes that could be deferred, cancelled or refinanced.

- e) Proposals to refinance other capital schemes where appropriate, designed to release resources which can be used to support the 2021/22 budget of the Council. The intention now being to borrow to fund these schemes over the life of the asset, or where they are revenue in nature to meet the cost as part of the budget for the year in which the expenditure falls. Examples of such schemes include the ICT Investment and the previous transformation programme.
- f) Recognising the scale of the Covid-19 legacy issues, which the government often refer to as the Covid-19 scarring costs, and the uncertainty as to whether they will be covered by government in either full or part it is recommended that the council;
  - f1) take all possible steps to avoid using reserves and protect resources earmarked in 2020/21 to mitigate the impact of Covid-19 in the current financial year. If this can be achieved the proposal would be to redirect these resources into a Covid-19 income mitigation reserve.
  - f2) take all possible advantage of the system to allow council and business rates tax deficits to be repaid over three years instead of one, accepting that the details of the scheme are yet to be announced and therefore the advantage or otherwise of doing so is yet to be clarified.
  - f3) request that Portfolio Holders, Corporate Directors and Service Directors work together to reduce the operating cost pressures put forward as part of the August 2020 rebase of the Medium Term Financial Plan or to increase the £8.8m of savings, efficiencies and additional income already being put forward for 2020/21 outside of separate transformation programme. The first draft of the 2021/22 budget will also be drawn excluding £4.0 million of service improvements requested by the Corporate and Service Directors and the £2.0 million assumed revenue contribution to capital.
- g) An ongoing review of resources and provisions to consider inherited amounts from predecessor councils relating to s106 deposits and the community infrastructure levy receipts. This is to establish if there has been consistency in how they have been used and to determine the extent to which they should have been applied to historic capital expenditure. This workstream should also consider the adequacy or otherwise of historic provisions for business rates appeals and provisions.
- h) A review of third-party contributions towards forecast costs to ensure they are being maximised. This includes contributions from the Clinical Commissioning Group towards the cost of care.

## Scenario planning

- 134. In the June budget monitoring report three scenarios had been maintained regarding the length of the pandemic and recovery period with a standardised annual approach for the impact across services. As an example, one scenario assumed that after a short recovery period, most service costs and income would return to normal levels. A second scenario assumed the full impact lasted all year.
- 135. As the summer has progressed it is now clear that services will not all recover at the same pace and some are likely to have higher costs all year (for example to manage social distancing and PPE requirements). Income recovery assumptions are now more nuanced depending how lockdown restrictions have been eased with experience gained about changed behaviours as the population returns to work and leisure activities.

136. There remains the risk that the financial impact could be significantly better or worse than current projections. In these cases, we would expect government support to also change to reduce the impact on the annual position.
137. The financial strategy in the report appendix D4 provides illustrative examples of alternative MTFP assumptions to put into context the high level of uncertainty that exists at this stage in the budget cycle and the scale of decisions still to be made.
138. Also included in the financial strategy is consideration of options for setting the level of council tax in 2021/22 and future years.

### **Proposed Actions**

139. Request the Corporate Director for Children's Services set out in the next budget monitoring report further details of the budget variances within the directorate and the actions being taken to mitigate these pressures.
140. Request the Chief Executive to set out in the next budget monitoring report further details of the pressures within the directorate and any potential mitigations.

### **Summary of financial implications**

141. This is a financial report with budget implications a key feature of the above paragraphs

### **Summary of legal implications**

142. The recommendation in this report are to ensure the council remains financially viable over 2020/21 with an improved prospect of balancing future year budgets.

### **Summary of human resources implications**

143. 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**

144. 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**

145. 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.
146. 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**

147. Budget holders are managing their in-year budget savings to minimise any adverse equalities issues.
148. In developing their final MTFP proposals, directorates will each undertake an equalities impact assessment which will be reviewed corporately and summarised for inclusion in the February 2021 report to Council.

## Summary of risk assessment

149. There remains significant uncertainty in the length and depth of impact from the Covid-19 emergency. Three scenarios were considered in the early part of the year with now the most likely scenario taken forward and constantly updated to take account of the latest government guidance and emerging issues.
150. Further actions may be needed during the year if the financial impact grows beyond that currently estimated.

## Background papers

1. 2020/21 Budget and MTFP report to February 2020 Council  
<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=3726&Ver=4>
2. Finance update report to 27 May 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)
3. Covid-19 budget monitoring report 2020/21 to 24 June 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)
4. Audit Committee report July 2020  
[http://ced-pri-cms-02.ced.local/documents/s18726/Governance%20of%20Budget%20Monitoring.pdf?\\$LO\\$=1](http://ced-pri-cms-02.ced.local/documents/s18726/Governance%20of%20Budget%20Monitoring.pdf?$LO$=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
- Appendix D1 MTFP timeline
- Appendix D2 MTFP Assumptions summary table
- Appendix D3 MTFP Key financial planning assumptions
- Appendix D4 Financial strategy 2021/22 to 2023/24



## Appendix A1: Budget Variances Greater than £100,000

### Adult Social Care & Public Health

Budget	Explanation	June Variance 2020/21 £000s	August Variance 2020/21 £000s	Change £000s
<b>Covid Pressures</b>				
All client groups	Potential market pressures	6,425	4,902	(1,523)
All client groups	Client related expenditure - all client groups	511	210	(301)
All client groups	Service user contributions	205	255	50
Reablement	In house care provision	71	65	(6)
Employees	Other worker related expenditure	27	0	(27)
All client groups	Delayed transformation and other savings	690	940	250
All client groups	Additional infection control pressures to support the market	0	5,053	5,053
All client groups	Additional infection control grant	0	(5,053)	(5,053)
All client groups	Care cost from hospital discharge schemes funded by Health	0	11,837	11,837
All client groups	Funding from Health for hospital discharge schemes	0	(11,837)	(11,837)
<b>Savings in June Mitigation Strategy</b>				
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.	(500)	(500)	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.	(60)	(60)	0
<b>Other Pressures and Savings</b>				
Employees	Saving from vacancies	0	(63)	(63)
Care Packages	Demand for care from all client groups	0	1,618	1,618
Client Contributions	additional client contributions including deferrred payments from all client groups	0	(1,751)	(1,751)
Miscellaneous	Other smaller pressures and savings	0	196	196
<b>Total Adult Social Care &amp; Public Health</b>		<b>3,759</b>	<b>2,202</b>	<b>(1,557)</b>

## Children's Services

Budget	Explanation	June Variance 2020/21 £000s	August Variance 2020/21 £000s	Change £000s
<b>Covid Pressures</b>				
Social Care	Additional places	944	4,020	3,076
Employees	Staffing restructures	229	229	0
Support to Schools	Support in the recovery period	250	250	0
Social Care	Early help contact/ S17/ and loss of income	330	660	330
<b>Savings in June Mitigation Strategy</b>				
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
<b>Other Pressures and Savings</b>				
Employee Costs	Pressures continuing from last year in the Front Door and Business Support and new pressure in SEN Team, Operation Thunderstorm and Systems Team	0	1,139	1,139
<b>Total Children's Services</b>		<b>996</b>	<b>5,541</b>	<b>4,545</b>

## Environment & Community

Budget	Explanation	June Variance 2020/21 £000s	August Variance 2020/21 £000s	Change £000s
<b>Covid Pressures</b>				
Waste Services	Income-generating services: closure of HWRC, loss of trade waste income	442	590	148
Highways Maintenance	Reduced inspections, potentially increased insurance claims, loss of income-generating work	504	12	(492)
Bereavement Services	Establishment of excess death facility and additional service activity, implementation of social distance measures	556	773	217
Catering & Concessions	Income loss due to closures	562	225	(337)
Housing	Temporary accommodation costs, telecare, additional communal cleaning costs	2,164	1,200	(964)
Communities	Licensing/Markets loss of income	237	384	147
Parks and Open Spaces	Kings Park Nursery, Catering, Golf, Hengistbury Head Visitor Centre & Land Train	896	852	(44)
<b>Savings in June Mitigation Strategy</b>				
<b>Communities:</b>				
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.	(143)	(143)	0
<b>Environment:</b>				
2020/21 priorities	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
<b>Housing:</b>				
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
<b>Other Pressures and Savings</b>				
Disaggregated Recharges	Rebase income budget inline 2019/20 outturn	0	246	246
Other Items Below £100k.		0	(80)	(80)
<b>Total Environment &amp; Community</b>		<b>2,363</b>	<b>1,204</b>	<b>(1,159)</b>

## Regeneration & Economy

Budget	Explanation	June Variance 2020/21 £000s	August Variance 2020/21 £000s	Change £000s
<b>Covid Pressures</b>				
Car Parking	Parking charges, PCN income	11,716	9,716	(2,000)
Seafront and Tourism	Short term beach hut lets, concession income	5,341	4,163	(1,178)
Culture and Heritage	Highcliffe Castle, Arts & Museums, Libraries, Archives, Russell Cotes	703	787	84
Leisure Centres	BH Live, Two Riversmeet	1,446	4,168	2,722
Growth and Infrastructure	Fewer hours able to be recharged to capital schemes	1,479	1,479	0
Upton Country Park	All park activities	199	136	(63)
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	0	1,253	1,253
Planning	Covid-19 impact on fees	0	577	577
Building control	Covid-19 impact on fees	0	585	585
<b>Savings in June Mitigation Strategy</b>				
<b>Destination &amp; Culture:</b>				
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	(100)	(100)	0
Other Items Below £100k.	Various budget reductions.	(61)	(61)	0
<b>Development:</b>				
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
<b>Growth &amp; Infrastructure:</b>				
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	0	(184)	(184)
Building control	Salaries and non pay savings	0	(78)	(78)
<b>Other Pressures and savings</b>				
Car parking	Richmond Gardens car park repair of sink hole	0	71	71
Transport Network	Traffic lights and signalling contract pressures	0	92	92
<b>Total Regeneration &amp; Economy</b>		<b>17,084</b>	<b>18,965</b>	<b>1,881</b>

## Resources

Budget	Explanation	June Variance 2020/21 £000s	August Variance 2020/21 £000s	Change £000s
<b>Covid Pressures</b>				
Land Charges	Lost of income due to reduced activity	435	200	(235)
Registrars	Reduced weddings, increased death certificates	616	616	0
Housing Benefits	Housing Benefit Subsidy	50	50	0
Emergency Planning	Standby payments	20	0	(20)
ICT Services	Budget WAN saving undeliverable as unable to be on site	190	184	(6)
PPE Purchases	Estimate for items not within services	651	600	(51)
Tax Collection	Reduction in court summons income from Council Tax and NNDR	279	1,116	837
Customer Services	Overtime and equipment	0	61	61
Law & Governance	Legal Fees	0	45	45
Other Pressures	Miscellaneous other (< £100k overall)	0	94	94
<b>Savings in June Mitigation Strategy</b>				
Supplies & Services - Miscellaneous	Review of budgets that will be temporarily underspent due to Covid-19 and budgets that can be permanently reduced.	(509)	(514)	(5)
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
<b>Other Pressures and savings</b>				
Resources	Salary cost pressures (including Customer Services £102k and Director of Children's Services £96)	0	162	162
Resources	Other cost pressures (including loss of Academy income £96k, bank charges £58k)	0	326	326
<b>Total Resources</b>		<b>966</b>	<b>2,174</b>	<b>1,208</b>



## Corporate Items

Budget	Explanation	June Variance 2020/21 £000s	August Variance 2020/21 £000s	Change £000s
<b>Covid Pressures</b>				
Investment Property	Rent reductions / company administrations	2,143	2,104	(39)
Council Tax	5% on annual yield for duration of scenario	5,009	5,009	0
Council Tax	Increased bad debt provision	3,271	3,271	0
Business Rates	Loss of excess income to safety net	3,661	3,661	0
<b>Savings in June Mitigation Strategy</b>				
Furloughed Staff	Estimated claim to October	(317)	(804)	(487)
Pension Costs	Saving in pension contribution to reflect actual costs.	(30)	(30)	0
<b>Other Pressures and savings</b>				
Interest Payable	Reduction in interest rates allowing cheaper temporary borrowing	0	(185)	(185)
Investment Income	Reduction in interest rates means less investment returns	0	73	73
One off small items	Various income items	0	(65)	(65)
<b>Total Corporate Items</b>		<b>13,737</b>	<b>13,034</b>	<b>(703)</b>

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## BCP Council - General Fund Summary 31 August 2020

Directorate	Revenue	Working Budget	Covid 19 Pressures	Covid 19 Mitigation	Other Q1 Pressures	Forecast Outturn	Forecast Variance
Adult Social Care	Expenditure Total	192,556	23,710	(4,170)	1,700	213,796	21,240
	Income Total	(80,997)	(17,337)	0	(1,700)	(100,034)	(19,037)
<b>Adult Social Care Total</b>		<b>111,559</b>	<b>6,373</b>	<b>(4,170)</b>	<b>0</b>	<b>113,762</b>	<b>2,203</b>
Children's Services (excl DSG)	Expenditure Total	75,173	4,499	(657)	1,774	80,789	5,616
	Income Total	(13,581)	660	(100)	(635)	(13,656)	(75)
<b>Children's Services Total</b>		<b>61,592</b>	<b>5,159</b>	<b>(757)</b>	<b>1,139</b>	<b>67,133</b>	<b>5,541</b>
Environment & Community	Expenditure Total	89,124	1,910	(2,562)	462	88,934	(190)
	Income Total	(37,602)	2,126	(436)	(296)	(36,208)	1,394
<b>Environment &amp; Community Total</b>		<b>51,522</b>	<b>4,036</b>	<b>(2,998)</b>	<b>166</b>	<b>52,726</b>	<b>1,204</b>
Regeneration & Economy	Expenditure Total	63,775	4,783	(4,520)	163	64,201	426
	Income Total	(56,805)	18,111	428	0	(38,266)	18,539
<b>Regeneration &amp; Economy Total</b>		<b>6,970</b>	<b>22,894</b>	<b>(4,092)</b>	<b>163</b>	<b>25,935</b>	<b>18,965</b>
Resources (inc PPE costs)	Expenditure Total	146,317	1,034	(1,280)	487	146,558	241
	Income Total	(113,768)	1,932	0	0	(111,836)	1,932
<b>Resources Total</b>		<b>32,548</b>	<b>2,966</b>	<b>(1,280)</b>	<b>487</b>	<b>34,722</b>	<b>2,174</b>

<b>Total Net Cost of Service</b>		<b>264,192</b>	<b>41,428</b>	<b>(13,297)</b>	<b>1,955</b>	<b>294,278</b>	<b>30,087</b>
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### Corporate Items

Furlough Savings		0	0	(804)	0	(804)	(804)
Provision for repayment (MRP)		10,615	0	0	0	10,615	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	2,480	0	0	2,480	2,480
Interest on borrowings		1,799	0	0	(185)	1,614	(185)
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		1,143	0	(1,143)	0	(1)	(1,143)
Parish, Town, Neighbourhood Councils & Charter Trustees		969	0	0	0	969	0
Contingency for pay award		960	0	0	0	960	0
Movement to and (from) reserves		734	0	0	0	734	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		61	0	0	0	61	0
<b>Corporate Items</b>	<b>Expenditure Total</b>	<b>27,124</b>	<b>0</b>	<b>(1,977)</b>	<b>(250)</b>	<b>24,897</b>	<b>(2,227)</b>

### Corporate Items

Investment property income		(6,552)	2,104	0	0	(4,448)	2,104
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	73	(112)	73
Dividend Income		(100)	0	0	0	(100)	0
<b>Corporate Items</b>	<b>Income Total</b>	<b>(8,137)</b>	<b>2,104</b>	<b>0</b>	<b>73</b>	<b>(5,960)</b>	<b>2,177</b>

<b>Net Budget Requirement</b>		<b>283,178</b>	<b>43,532</b>	<b>(15,274)</b>	<b>1,778</b>	<b>313,215</b>	<b>30,037</b>
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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)
Covid 19 Grant - Sales, Fees and Charges Compensation		0	(12,100)	0	0	(12,100)	(12,100)
Council Tax Income		(217,075)	8,280	0	0	(208,795)	8,280
Net Income from Business Rates		(58,102)	3,661	0	0	(54,441)	3,661
Revenue support grant		(3,005)	0	0	0	(3,005)	0
New Homes Bonus Grant		(2,647)	0	0	0	(2,647)	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

<b>Total Funding</b>		<b>(283,178)</b>	<b>(25,319)</b>	<b>0</b>	<b>0</b>	<b>(308,497)</b>	<b>(25,319)</b>
<b>Net Position</b>		<b>0</b>	<b>18,213</b>	<b>(15,274)</b>	<b>1,778</b>	<b>4,718</b>	<b>4,718</b>

Potential Project Savings		0	0	0	0	(2,770)	(2,770)
Potential use of Financial Resilience Reserve		0	0	0	0	(1,948)	(1,948)
<b>Net Position after potential use of reserves</b>		<b>0</b>	<b>18,213</b>	<b>(15,274)</b>	<b>1,778</b>	<b>(0)</b>	<b>0</b>

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## Appendix B - BCP Council - Earmarked Reserves

Detail	31/03/20 Actual Balances	Covid Resilience	Transformation	Estimated Movements	31/03/21 Estimated Balances
	£000's	£000's	£000's	£000's	£000's
<b>(A) - Financial Resilience Reserves</b>	<b>(13,318)</b>	(6,282)	10,331	(1,751)	<b>(11,020)</b>
<b>(B) - Transition and Transformation Reserves</b>	<b>(3,454)</b>	0	718	2,736	<b>0</b>
<b>(C) - Asset Investment Strategy Rent, Renewals and Repairs</b>	<b>(2,491)</b>	0	0	0	<b>(2,491)</b>
<b>(D) - Insurance Reserve</b>	<b>(3,500)</b>	0	0	0	<b>(3,500)</b>
<b>(E) - Held in Partnership for External Organisations</b>	<b>(3,071)</b>	0	0	712	<b>(2,359)</b>
<b>(F) - Required by Statute or Legislation</b>	<b>(3,013)</b>	2,591	0	0	<b>(422)</b>
<b>(G) - Planning Related</b>	<b>(1,396)</b>	461	0	210	<b>(725)</b>
<b>(H) - Government Grants</b>	<b>(18,190)</b>	0	0	14,012	<b>(4,178)</b>
<b>(I) - Maintenance</b>	<b>(1,601)</b>	224	0	0	<b>(1,377)</b>
<b>(J) - ICT Development &amp; Improvement</b>	<b>(1,203)</b>	380	0	749	<b>(74)</b>
<b>(K) - Corporate Priorities &amp; Improvements</b>	<b>(2,529)</b>	1,228	0	122	<b>(1,179)</b>
<b>GF Earmarked Reserve Balance - 31 March 2020</b>	<b>(53,766)</b>	<b>(1,398)</b>	<b>11,049</b>	<b>16,790</b>	<b>(27,325)</b>

**(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	(251)	0	0	251	0
Covid-19 Financial Resilience Reserve	0	(7,970)	0	(3,050)	(11,020)
<b>Financial Resilience Reserves</b>	<b>(13,318)</b>	<b>(6,282)</b>	<b>10,331</b>	<b>(1,751)</b>	<b>(11,020)</b>

**(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
<b>Purpose:</b> 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	191	0
BCP Programme Resources - Pay and Reward Strategy	(1,364)	0	0	1,364	0
<b>Transition and Transformation Reserves</b>	<b>(3,454)</b>	<b>0</b>	<b>718</b>	<b>2,736</b>	<b>0</b>

**(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
<b>Purpose:</b> 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.					
<b>Asset Investment Strategy Rent, Renewals and Repairs</b>	<b>(2,491)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2,491)</b>

**(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
<b>Purpose:</b> 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.					
<b>Insurance Reserve</b>	<b>(3,500)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,500)</b>

**(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
<b>Purpose:</b> 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	(33)	(420)
- 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	0	(46)
<b>Held in Partnership for External Organisations</b>	<b>(3,071)</b>	<b>0</b>	<b>0</b>	<b>712</b>	<b>(2,359)</b>

**(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
<b>Purpose:</b> 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
<b>Required by Statute or Legislation</b>	<b>(3,013)</b>	<b>2,591</b>	<b>0</b>	<b>0</b>	<b>(422)</b>

**(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
<b>Purpose:</b> 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	81	(563)
Planning Hearing and Enforcement Reserve	(123)	0	0	0	(123)
Other Planning Related Reserves	(629)	461	0	129	(39)
<b>Planning Related</b>	<b>(1,396)</b>	<b>461</b>	<b>0</b>	<b>210</b>	<b>(725)</b>

**(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
<b>Purpose:</b> Amounts which the council is required to hold as a reserve in line with specific grant conditions.					
<b>Total Unspent Grants</b>	<b>(18,190)</b>	<b>0</b>	<b>0</b>	<b>14,012</b>	<b>(4,178)</b>



**(I) - Maintenance**

	31/03/20 Estimated £000's	Covid Resilience £000's	Transformation £000's	Movement £000's	31/03/21 Estimated £000's
<b>Purpose:</b> 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)
<b>Maintenance</b>	<b>(1,601)</b>	<b>224</b>	<b>0</b>	<b>0</b>	<b>(1,377)</b>

**(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
<b>Purpose:</b> Resources set aside to meet various ICT improvement projects					
<b>ICT Development &amp; Improvement</b>	<b>(1,203)</b>	<b>380</b>	<b>0</b>	<b>749</b>	<b>(74)</b>

**(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
<b>Purpose:</b> 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	0	(342)
Local Elections Reserve	(187)	0	0	0	(187)
Other Corporate Priorities & Improvements	(1,879)	1,228	0	1	(650)
<b>Corporate Priorities &amp; Improvements</b>	<b>(2,529)</b>	<b>1,228</b>	<b>0</b>	<b>122</b>	<b>(1,179)</b>

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## HRA Bournemouth Neighbourhood - Revenue Account 2020/21

	June	Approved	Forecast	Forecast
	Actuals	Budget	Outturn	Variance
	£000s	£000s	£000s	£000s
<b>Income</b>				
Dwelling Rents	(5,746)	(22,439)	(22,439)	0
Non-Dwelling Rents	(31)	(147)	(125)	22
Charges for Services and Facilities	(55)	(1,602)	(1,551)	51
Contributions towards expenditure	0	(190)	(19)	171
<b>Total Income</b>	<b>(5,832)</b>	<b>(24,378)</b>	<b>(24,134)</b>	<b>244</b>
<b>Expenditure</b>				
Repairs and Maintenance	419	5,389	5,361	(28)
Supervision and Management	887	8,764	8,484	(280)
Rent, rates, taxes and other charges	96	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
Interest & Similar Charges	160	2,517	2,517	0
Interest & Investment Income	0	(30)	(30)	0
<b>Total Expenditure</b>	<b>1,562</b>	<b>24,378</b>	<b>24,068</b>	<b>(310)</b>
<b>(Surplus) / Deficit</b>	<b>(4,270)</b>	<b>0</b>	<b>(66)</b>	<b>(66)</b>

## HRA Bournemouth Neighbourhood - Capital Programme 2020/21

	June	Approved	Forecast	Forecast
	Actuals	Budget	Outturn	Variance
	£000s	£000s	£000s	£000s
<b>Basic Planned Maintenance</b>				
External Doors	1	300	300	0
Heating & Hot Water Systems	(65)	670	670	0
Windows	535	1,180	1,180	0
Bedroom Extensions	0	200	200	0
Building External – All schemes	88	700	700	0
Fire Risk Remedial works	0	600	600	0
Electrical Works	1	130	130	0
Kitchen Replacement Programme	51	850	770	(80)
Roofing	47	350	350	0
Bathrooms	38	950	870	(80)
Disabled Adaptations	11	700	640	(60)
Various programmes under £100,000	79	626	626	0
Contingency	0	350	290	(60)
Capitalised Salaries	0	331	331	0
<b>Major Projects</b>				0
Northbourne Day Centre	0	962	751	(211)
Templeman House	13	1,700	1,428	(272)
Barrow Drive	0	454	345	(109)
Princess Road	(21)	1,400	101	(1,299)
Ibbertson Way	1	662	480	(182)
Luckham Rd/Charminster Rd	0	1,706	726	(980)
Cabbage Patch	1	1,700	701	(999)
Moorside Road	0	1,950	72	(1,878)
New Build & Acquisition TBC	(75)	1,147	1,479	332
<b>Total Capital Programme</b>	<b>705</b>	<b>19,618</b>	<b>13,740</b>	<b>(5,878)</b>

## HRA Poole Neighbourhood - Revenue Account 2020/21

	June	Approved	Forecast	Forecast
	Actuals	Budget	Outturn	Variance
	£000s	£000s	£000s	£000s
<b>Income</b>				
Dwelling Rents	(5,021)	(20,070)	(20,059)	11
Non-Dwelling Rents	(5)	(41)	(32)	9
Charges for Services and Facilities	(284)	(1,553)	(1,572)	(19)
Contributions towards expenditure	0	(54)	(54)	0
<b>Total Income</b>	<b>(5,310)</b>	<b>(21,718)</b>	<b>(21,717)</b>	<b>1</b>
<b>Expenditure</b>				
Repairs and Maintenance	1,251	5,368	5,366	(2)
Supervision and Management	586	4,366	4,348	(18)
Rent, rates, taxes and other charges	8	160	160	0
Bad or Doubtful debts	0	197	197	0
Capital financing costs (debt management)	0	105	105	0
Depreciation Charge	0	4,861	4,861	0
Capital Charges (net)	(98)	3,013	3,013	0
Contribution to transformation	0	1,000	1,000	0
Contribution to HRA reserve	0	162	162	0
Contribution new builds	0	2,486	2,505	19
<b>Total Expenditure</b>	<b>1,747</b>	<b>21,718</b>	<b>21,717</b>	<b>(1)</b>
<b>(Surplus) / Deficit</b>	<b>(3,563)</b>	<b>0</b>	<b>0</b>	<b>0</b>

## HRA Poole Neighbourhood - Capital Programme 2020/21

	June	Approved	Forecast	Forecast
	Actuals	Budget	Outturn	Variance
	£000s	£000s	£000s	£000s
<b>Basic Planned Maintenance</b>				
External Doors	(12)	150	125	(25)
Boiler Replacement Programme	68	1,389	1,196	(193)
Windows	(2)	628	523	(105)
Building External – All schemes	(0)	290	200	(90)
Fire Risk Remedial works	20	841	841	0
Electrical Works	(26)	450	450	0
Kitchen Replacement Programme	(23)	675	563	(113)
Building Envelope (Seddons)	(0)	312	260	(52)
Roofing	31	380	380	0
Bathrooms	(7)	250	208	(42)
Various programmes under £100,000	(27)	693	633	(60)
Capitalised PHP Salaries	133	524	524	0
<b>Other Planned Maintenance</b>	0	0	0	0
Voids Maintenance	0	50	50	0
Sustainability	(23)	100	100	0
Contingency	0	250	100	(150)
Sales Admin	0	26	26	0
DA - Stairlifts	0	10	10	0
Disabled Adaptations	31	350	290	(60)
New Computer System	60	250	250	0
<b>Major Projects</b>	0	0	0	0
Cladding	(185)	450	450	0
New Build - Infill Projects	1	1,100	5	(1,095)
New Build - Montacute	(294)	151	0	(151)
Old Town Tower Block Works	224	7,350	4,250	(3,100)
Herbert Avenue Modular	(13)	2,347	1,175	(1,172)
Small Projects/Acquisitions	312	1,000	1,000	0
Sheltered Sites Works	6	0	0	0
Cynthia House	(39)	577	175	(402)
Sprinkler Installations	0	754	400	(354)
Hillborne School Development	(10)	285	5	(280)
<b>Total Capital Programme</b>	<b>221</b>	<b>21,633</b>	<b>14,190</b>	<b>(7,443)</b>

## Key Financial Reports - 2020/21 Budget Monitoring & 2021/22 Budget Timeline

Date	Event	Report Title / Action	Detail
27 May 2020	Cabinet	BCP Council Financial Update	To contextualise the impact of the covid19 public health emergency on the council's financial position and develop the budget mitigation strategy.
24 June 2020	Cabinet	Covid19 - 2020/21 Budget Monitoring Report	Progress on the budget mitigation strategy.
29 July 2020	Cabinet	2019/20 Financial Outturn Report	Summary report covering the financial outturn for the first year of operation of BCP Council.
31 August 2020		Corporate Directors & Service Directors	Deadline to produce MTFP baseline financial assessments following review process to support the fundamental refresh of the MTFP
11 November 2020	Cabinet	2020/21 Budget Monitoring & MTFP Update	Includes; <ul style="list-style-type: none"> <li>• in-year budget monitoring report</li> <li>• impact of the Chancellors July emergency budget</li> <li>• fundamental refresh of the MTFP</li> <li>• progress on setting a balanced budget for 2021/22</li> </ul>

Date	Event	Report Title / Action	Detail
26 November 2020	Audit & Governance	2019/20 Statement of Accounts	Report presents the 2019/20 statement of accounts for BCP Council including the Annual Governance Statement;
16 December 2020	Cabinet	2020/21 Budget Monitoring & MTFP Update	Includes; <ul style="list-style-type: none"> <li>• Quarter 2 in-year budget monitoring</li> <li>• impact of Autumn Spending Round</li> <li>• progress on setting a balanced budget for 2021/22</li> <li>• details of a fundamental review of earmarked &amp; unearmarked reserves</li> </ul>
13 January 2021	Cabinet	Taxbase Report	2021/22 Council Tax Taxbase
21 January 2021	Audit & Governance	Treasury Management Strategy 2021/22	Seeks approval for 2021/22 Treasury management strategy
February 2021		Presentation to representatives from Commerce & Industry	Consultation on 2021/22 Budget & MTFP
10 February 2021	Cabinet	2020/21 Budget Monitoring	Quarter 3 in-year budget monitoring
10 February 2021	Cabinet	2021/22 Budget & MTFP Update Report	Includes; <ul style="list-style-type: none"> <li>• 2021/22 Provisional Local Government Finance Settlement</li> <li>• 2021/22 Budget Proposal</li> <li>• 2021/22 Council Tax Resolution</li> </ul>



Date	Event	Report Title / Action	Detail
23 February 2021	Council	2021/22 Budget & MTFP Update Report	Formal approval of the 2021/22 budget and council tax
March 2021	n/a	n/a	Publish 2021/22 Budget Book
June 2021	Cabinet	2020/21 Financial Outturn Report	Q4 budget monitoring report

#### **Subject to determination**

- Scrutiny arrangements of the both the 2020/21 budget monitoring reports and the 2021/22 MTFP/Budget reports
- Dates of the precept meetings for the Town, Parish and Neighbourhood Councils in Christchurch and the Chartered Trustees in both Bournemouth & Poole

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## Appendix D2 - BCP Council MTFP 2021/22 Assumptions

	2020/21	2021/22	2022/23	2023/24	Comments
<b>Council Tax Increase</b>					
Bournemouth	3.84%	0.76%	2.99%	2.99%	
Christchurch	-3.55%	0.00%	2.99%	2.99%	
Poole	3.99%	2.99%	2.99%	2.99%	
Increase in Council Tax due to Strategy £'000s	0	-3,364	-6,591	-6,822	
Increase in Council Tax due to Tax Base Growth £'000s	0	-1,102	-1,135	-1,174	
<b>Covid Impact £'000s</b>	<b>0</b>	<b>8,500</b>	<b>0</b>	<b>0</b>	Built into base
Covid Impact on Tax Base	0	1,102	0	0	
Covid loss loss in income collection	0	7,398	0	0	
<b>Council Tax Base Growth</b>					
Bournemouth	-0.45%	0.00%	0.50%	0.50%	
Christchurch	0.41%	0.00%	0.50%	0.50%	
Poole	1.80%	0.00%	0.50%	0.50%	
<b>Business Rate Growth</b>	<b>0</b>	<b>-1,078</b>	<b>0</b>	<b>0</b>	
<b>Covid Impact £'000s</b>	<b>0</b>	<b>3,700</b>	<b>0</b>	<b>0</b>	Built into base
Covid 19 Business Rates Impact	0	3,700	0	0	
Growth	0	0	0	0	
<b>Pay Award</b>	<b>2.75%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	
<b>General Inflation</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	
<b>Increase in Fees &amp; Charges</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	
<b>Employer Pension Contribution</b>	<b>16.2%</b>	<b>16.8%</b>	<b>17.4%</b>	<b>18.0%</b>	
<b>Pension Back funding £000's</b>	<b>5,887</b>	<b>6,101</b>	<b>6,342</b>	<b>6,547</b>	
<b>Contingency - % of previous year budget requirement</b>	<b>0.4%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.5%</b>	

### Service Based Assumptions

	2020/21	2021/22	2022/23	2023/24	Comments
<b>Adult Social Care</b>					
National Living Wage	6.21%	5.00%	5.00%	5.00%	Homecare - 70% NLW 30% CPI, Residential - 65% NLW, 35% CPI
Infection Control - Building Based (care homes / daycentres)	N/A	0.00%	0.00%	0.00%	Assumption is government will fund infection control for the medium term
Infection Control - Other Community Services	N/A	0.00%	0.00%	0.00%	
Long Term Conditions		1.90%	1.90%	1.90%	1.9% demographic of LTC budget to reflect high increase of >80s
Inflation - CPI	1.90%	2.00%	2.00%	2.00%	
<b>Children's Services</b>					
Care Placements		2,250	2,475	2,723	
Standard External CiC Placements		1,650	1,875	2,123	Predicted Residential, Independent Foster Agency & Supported Living based on current costs/placements
Secure and Remand Beds		600	600	600	Estimated based on current costs/placements
<b>Regeneration &amp; Economy</b>					
Concessionary fares		3.00%	3.00%	3.00%	
<b>Car Parking Pressure £'000s</b>		<b>10,755</b>	<b>0</b>	<b>0</b>	Gross income pressure reduced due to reduced direct costs (eg pay by phone) and overall judgement
Seafront		0	0	0	
Town Centre		8,079	0	0	
Other - residential districts, parks		2,676	0	0	

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## BCP Medium Term Financial Plan

### Key Financial Planning Assumptions

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

#### **Additional Investment into Services gross of savings (include pay, pensions, price and excluding savings)**

##### **a) Investment in adult social care - £8.8 million 2021/22**

The MTFP makes provision for an additional net £19.5 million investment in adult social care services over the 3-year period to March 2024. This pressure is a combination of;

- 1) 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.
- 2) Demographic growth within the Learning Disability and Mental Health client group.
- 3) 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.
- 4) 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. The NLW increased from £8.21 to £8.72 in April 2020 (6.2%). The NMW remains a key cost driver for the cost of care services has been factored into the cost pressures increasing 5% per year reaching £10.50 by April 2024.

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.

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. The spending round in 2019 SR19 and the subsequent Queen's Speech set out that the government intend to provide the detail of these fundamental reforms in due course.

## **b) Investment in children's services (including social care) - £5.5 million 2021/22**

The MTFP makes provision for an additional net £11.5 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 for the early months of the financial year but we are now seeing an increase in the numbers entering care, and the new children coming into care are often more expensive than the children leaving care for instance after turning 18.
  - 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.
  - there is a significant package of cost within the CHAD team (Children with Health & Disability). This has recently been agreed to receive a health contribution and the process is underway in health with a lead nurse engaging with the family and with existing support/professionals to determine the package of care required. It is only once the required package of care is determined that we will know which health elements cannot be provided through universal services and require funding from health. Last financial year we also had a significant high cost package of care, so we are beginning to see a pattern of highly complex needs cases which require support from health.
- 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 for S17 payments. Under section 17 of the Children Act 1989, social services have a general duty to safeguard and promote the welfare of children in need in their area where children require extra help from professionals to achieve or maintain a reasonable standard of health and/or development. Investment into this area can delay or reduce the expenditure needed for instance on expensive residential packages.

## **c) Investment in Environment and Communities - £2.8 million 2021/22**

The proposed budget for 2021/22 makes provision for £2.8 million additional investment into environment and communities.

Predominately this relates to the disposal of waste, both residual and recycling.

- 1) Recycling - Seven years ago, the predecessor councils would have been receiving income for the recycling material it collected. Two years ago, it would have cost approximately £35 per tonne to dispose of the same quality of material. Today the council is having to pay in the region of £60 per tonne. The market is proving to be volatile in an unprecedented way, partly related to the covid pandemic, and forecasting the cost of disposal for 2021/22 is difficult. The tonnages collected are also running at about 5% higher than the previous twelve months, the reason for this is thought to be the increased number of people working from home. The current estimate for the impact of the volatility of the cost and the increased tonnage is £0.6 million.
- 2) Waste - The residual waste contract is due for renewal in August 2021 for the Bournemouth and Christchurch areas. Currently the council pays £133 per tonne for disposal of residual waste in the Christchurch area, and £109 per tonne in the Bournemouth area. Both are expected to increase to about £135 per tonne. As with recycling waste, the tonnages collected are in the

region of 5% higher than the previous twelve months for the same reason. The expected increase in cost and tonnages will result in an additional cost of £0.4 million.

- 3) The above two pressures have been mitigated to some extent by the fact that the anticipated £0.6 million increase in costs assumed as part of the 2020/21 budget relating to the 32 euro per tonne tax on all waste imported to Holland (which has been converted to fuel) has not been passed onto the council.

In addition, there are several further pressures including;

- 4) A reduction in the income forecast to be generated from bereavement services in relation to cremations of £0.5million. In addition to the private crematorium that opened just outside the BCP conurbation with a private chapel within Christchurch, planning permission has been given for the building of a private crematorium in New Milton. A revised business case for the service will be presented to cabinet later in the year.
- 5) The purchase and maintenance of the council's fleet has been centralised. Individual services are no longer responsible, or hold the budget, for these fleet functions. A separate report on creating a sustainable fleet management strategy for the council is due to be reported to Cabinet and identifies a pressure from 2022/23 to repay the prudential borrowing used to purchase vehicles. The fleet requirement has been reviewed with each of the services to ensure that proposed purchases are essential to service provision. Without this investment council services could fail e.g. social services transport, waste collection, seafront maintenance etc. The reason for the pressure is mainly due to the use of one-off revenue funds/grants to purchase vehicles in a legacy council. Purchasing vehicles from such sources meant there was no built-in ability to purchase replacements when due.
- 6) BCP Council inspects its highway in accordance with the Well Managed Highways Infrastructure code of practice 2016 and insurance provider requirements. At the current time there are c.1000 outstanding defect repairs across BCP Council of which c.750 are overdue their allocated rectification date which presents a real legal, financial and reputational risk to the Council. The ongoing overall decline of the network means that defect demand is increasing and as such there is a pressure on revenue budgets. The estimated on-going annual impact on revenue budgets is £0.5 million. This pressure has been mitigated by the confirmed application of capital funding in 2020/21.
- 7) Port Health costs associated with the transition from the European Union which have been mitigated in part by grant income.

#### **d) Investment in Regeneration and Economy - £18.2 million 2021/22**

An amount of £18.2 million has been set-a-side as part of the budget for 2020/21 to support increasing cost pressures specifically associated with regeneration and economy.

The most significant theme is the potential ongoing impact of the pandemic. Significant reductions in income totalling £16.6m are forecast. The key areas affected are car parking (£9.9m), seafront trading operations (£3.4m), cultural, heritage and leisure assets (£2.1m) and property (£1.2m).

Further to this, a need to increase investment and support to help the local economy recover from Covid-19 has resulted in £0.8m of pressures.

The impact of inflation (including concessionary fares, PFI contracts, rates and utilities), pension and pay award increases has led to pressures of £1.3m.

Regeneration schemes being delivered via the Bournemouth Development Company (BDC) necessitate temporary closure of car parks during the construction phase this has resulted in pressures of £0.8 being included.

**e) Government funding reductions (including New Homes Bonus)**

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

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

As part 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 Governments stated intention was to remove these resources which would have meant BCP 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 both 2019/20 and 2020/21 to avoid negative RSG impacting on the council.

On the basis that the potential impact of negative RSG has not been implemented in either of the last two years, the government's manifesto pledge not to allow a return to austerity cuts, and the expectation that current levels of government funding will be rolled forward into 2021/22 it is proposed not to assume that the council's funding will be reduced by £3.1 million. This assumption maybe vulnerable due to the government's previous commitment to a levelling up every part of the country and investing in every region.

The assumption of a roll forward of 2020/21 government grants into 2021/22 has also been applied to specific grants such as;

- Adults and Children's social care grant (£9.6 million 2020/21)
- Better Care Fund

There are two exception to this assumption. The first is in respect of the housing benefit administration grant which is being reduced year on year to reflect the movement of clients towards universal credit. The second is the new homes bonus (NHB) grant which 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 per cent baseline, with the value based on the average national council tax level. Previously the indication was that 2019/20 would be the final year for any new NHB allocations as the government looked to explore how to incentivise housing growth as part of the next spending review.

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. Therefore, the MTFP assumes the following profile of NHB payments which equates to a £0.9 million reduction in government funding when comparing 2021/22 with 2020/21.



**Figure 1: Profile of New Homes Bonus payments**

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

Alongside the reduction in NHB the council is also anticipating a £0.2 million reduction in the housing benefit administration grant it receives. This reflects the historical year on year reduction to reflect the move from housing benefit to universal credit.

**f) Pay Award across all council services**

Local government agreed pay awards for 2018/19, 2019/20 and 2020/21 were 2 per cent, 2 per cent and 2.75 per cent 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 per cent increase which reflected the strong wage inflation during the previous twelve months.

The MTFP makes provision for a 0% increase in 2021/22. This reduced overall provision reflects the 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 base revenue budget contingency will need to consider the risk associated with this assumption and ensure appropriate provision should a national pay award be approved.

In addition, the budgetary provision is made for between 95 per cent and 98 per cent 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 1 October 2021.

**g) Pension Fund – Revaluation impact**

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 2: 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%
<b>BCP Council</b>	<b>92%</b>	<b>82%</b>

As at 31 March 2019 BCP Council has a funding deficit of £86.6 million with a resulting funding level of 92 per cent. 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 impact of the pandemic as any impact will not impact 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 3: 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.

#### **h) 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 August 2020 was 0.2 per cent as measured by the (CPI) Consumer Price Index (July 1 per cent).

#### **i) 2021/22 Local Council Tax Support scheme (LCTSS)**

Cabinet in December 2019 agreed there would be no change to the local council tax support scheme (LTCS) between 2019/20 and 2020/21.

As part of the government's response to Covid19 the Council was allocated £3.1 million to credit the council tax accounts of working age claimants with a recommended minimum £150 for this financial year. This will include the new LCTSS accounts resulting from the 14% increase in the cost associated with working age claimants between March and August 2020. There is no indication that the government will support a similar support mechanism in 2021/22.

Ongoing consideration is being given to potentially consulting during the spring/summer of 2021 on a revised scheme for 2022/23 onwards.

## j) Assumed savings and efficiencies

Figure 4 below identifies that the current £13.4 million funding gap for 2021/22 is after the assumed delivery of £8.8 million in additional savings and efficiencies being put forward by Directorates in establishing their estimated funding requirements for next year. These savings generally flow from reduced staffing, reduced operational costs, from creating common and consistent charging policies following the creation of the new BCP Council as part of the review of local government in Dorset. At this stage they exclude the savings from the main transformation programme which has been set a £15 million target for 2021/22.

A full detailed schedule of these already assumed savings and efficiencies are attached as Appendix D3i. 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.

Figure 4 below sets out an analysis of the £29.4 million service-based savings and efficiencies for 2019/20 (£11.2 million), 2020/21 (£9.4 million) and 2021/22 (£8.8 million);

**Figure 4:** 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)	(1.9)	<b>(10.1)</b>
Transformation		(1.0)	(0.3)	<b>(1.3)</b>
Democratic Representation	(0.5)			<b>(0.5)</b>
External Audit	(0.2)			<b>(0.2)</b>
Service Efficiencies				
Adult Social Care	(2.0)	(2.0)	(3.3)	<b>(7.3)</b>
Children Services	(0.2)	(0.1)	(0.3)	<b>(0.6)</b>
Place Theme	(0.7)			<b>(0.7)</b>
Regeneration & Economy		(0.5)	(0.0)	<b>(0.5)</b>
Environment & Communities		(0.2)	(0.4)	<b>(0.6)</b>
Resources	(0.7)	(0.3)	(0.7)	<b>(1.7)</b>
Commercial Opportunities	(0.7)	(0.3)		<b>(1.0)</b>
Fees and Charges	(0.9)	(2.1)	(1.9)	<b>(4.9)</b>
<b>Total</b>	<b>(11.2)</b>	<b>(9.4)</b>	<b>(8.8)</b>	<b>(29.4)</b>

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.

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### 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
<b>Resources</b>							
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	(244)			(244)
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			45
		<b>Savings Resources Directorate</b>		<b>(1,243)</b>	<b>0</b>	<b>0</b>	<b>(1,243)</b>
<b>Children's Services</b>							
6	Children's Directorate	Base Budget Review	Inclusion & Family Services - service efficiencies	(262)			(262)
7	Children's Directorate	Base Budget Review	Quality & Commissioning - service efficiencies	(26)			(26)
		<b>Savings Children's Directorate</b>		<b>(288)</b>	<b>0</b>	<b>0</b>	<b>(288)</b>

Ref:	Theme	Name of Proposal	Description	2021/22 £000's	2022/23 £000's	2023/24 £000's	Total to 2024 £000's
<b>Adult Social Care</b>							
8	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.	(1,500)			<b>(1,500)</b>
9	Adult Social Care 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	(900)			<b>(900)</b>
10	Adult Social Care Directorate	Fees and Charges	Rebase deferred payments budgets in line with current level of activity	(500)			<b>(500)</b>
11	Adult Social Care Directorate	Fees and Charges	Rebase client contributions in line with current level of base activity	(400)			<b>(400)</b>
12	Adult Social Care Directorate	Fees and Charges	Client Contributions - application inflation uplift and uprating in line with income changes.	(400)			<b>(400)</b>
13	Adult Social Care 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 for the Adult Social Care Services	(300)			<b>(300)</b>
14	Adult Social Care Directorate	Transformation - Organisational Redesign	Review approach to early intervention and develop options for front door model (potentially using KPMG)	(250)	(1,250)		<b>(1,500)</b>
15	Adult Social Care 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 for the Commissioning and Improvement Service	(220)			<b>(220)</b>
16	Adult Social Care Directorate	Service Efficiencies - General	Efficiencies from the review of services delivered by Tricuro	(200)			<b>(200)</b>
17	Adult Social Care Directorate	Service Efficiencies - General	Review of reablement service.	(150)			<b>(150)</b>
18	Adult Social Care Directorate	Service Efficiencies - General	Review commissioning dementia home care (Poole Area).	(120)			<b>(120)</b>

Ref:	Theme	Name of Proposal	Description	2021/22 £000's	2022/23 £000's	2023/24 £000's	Total to 2024 £000's
19	Adult Social Care Directorate	Service Efficiencies - General	Use of technology in meeting care and support needs.	(100)			(100)
20	Adult Social Care Directorate	Service Efficiencies - General	Enhance support to self funders to make decisions about their care.	(100)	(50)		(150)
21	Adult Social Care Directorate	Domiciliary Care costs	Use of BCP framework contract for new domiciliary demand in the Christchurch area.	(80)			(80)
22	Adult Social Care Directorate	Service Efficiencies - General	Efficiencies from the review of day opportunity initiatives delivered by Tricuro	(60)			(60)
23	Adult Social Care Directorate	Service Efficiencies - General	Harmonise Catering Services.	(50)			(50)
24	Adult Social Care Directorate	Fees and Charges	Fee consistency / harmonisation Adult Charging Policy. Item scrutinised by Health and Adult Social Care Overview and Scrutiny Committee on 18.12.2019 and will return for further scrutiny after public consultation in Spring 2020.	(25)			(25)
25	Adult Social Care Directorate	Service Efficiencies - General	Reduce bad debt by improving debt management.	(20)	(20)		(40)
26	Adult Social Care Directorate	Service Efficiencies - General	Review of discretionary managing other people money services ensuring full cost recovery.	(10)	(10)		(20)
27	Adult Social Care Directorate	Service Efficiencies - General	Investigate telephone/online options to speed up financial assessments	(10)	(5)		(15)
		<b>Savings Adult Social Care Directorate</b>		<b>(5,395)</b>	<b>(1,335)</b>	<b>0</b>	<b>(6,730)</b>
<b>Regeneration &amp; Economy</b>							
28	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)
29	Regeneration & Economy Directorate	Fees and Charges	Rebase planning income inline with historical performance	(25)			(25)
30	Regeneration & Economy Directorate	Service Efficiencies	Reduction in art centre grant support already agreed	(25)			(25)
31	Regeneration & Economy Directorate	Fees and Charges	Rebase parking income inline with historical performance	(20)			(20)

Ref:	Theme	Name of Proposal	Description	2021/22 £000's	2022/23 £000's	2023/24 £000's	Total to 2024 £000's
32	Regeneration & Economy Directorate	Service Efficiencies - General	Numerous small budget adjustments	(9)			(9)
33	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)
34	Regeneration & Economy Directorate	Transformation cost recovery fees and charges	Consistent service operating model for Leisure Centres			(100)	(100)
		Savings Regeneration and Economy Directorate		(79)	(121)	(127)	(327)
Environment & Community							
35	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	(748)			(748)
36	Environment & Communities Directorate	Transformation - Organisational Redesign	Operational Service Delivery Reviews in Environment & Communities	(356)			(356)
37	Environment & Communities Directorate	Transformation - Cost recovery - Fees and Charges	Fee consistency / harmonisation across a number of services. Includes Green Waste	(352)			(352)
38	Environment & Communities Directorate	Transformation - Cost recovery - Fees and Charges	Rebase Solar Panel income inline with historical performance	(300)			(300)
39	Environment & Communities Directorate	Base Budget Review	Communities - Regulatory Services - Port Health Brexit costs - new burdens funding	(62)			(62)
		Savings Environment & Communities		(1,818)	0	0	(1,818)
		Overall Total		(8,823)	(1,456)	(127)	(10,406)





## BCP Financial Strategy 2021/22

1. A financial strategy is integral to the development of the overall organisational health of the council. Its aim is to detail how the council plans to finance its operations and meet its strategic priorities. The intent of the strategy is to set out the themes and categories the council will look to further develop as a means of delivering a balanced budget for 2021/22 and any underlying actions that need to be taken. The document will also support the approval of the medium-term financial plan (MTFP) and a positive value for money judgement for the new authority.
2. The strategy will help BCP continue to build a culture of strong and effective financial management, a culture which enabled the council to deliver a financial outturn which was within the parameters of its original budget for 2019/20. No mean feat for the first year of operating a council created following the most complex local government reorganisation for 45 years and with only eight months' notice. No mean feat for a council created to help the community manage the legacy impact of austerity which saw a reduction in government funding which has been estimated at approximately £103 million per annum.
3. The council has and will clearly need to continue to harness the positive focus, goodwill and personal contribution from officers and councillors which enabled the predecessor councils to deliver balanced budgets and positive financial outturn positions.
4. The overriding principle will be to deliver a responsible, sustainable and balanced budget for 2021/22 which is one where spending levels are matched against available resources and one which is not overly reliant on the use of reserves to cover any gap between resources available and ongoing expenditure.

### Financial Context

5. In considering the 2021/22 financial strategy for BCP Council it will be important that it is considered 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 2020/21 was £283 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 Covid-19 public health emergency.
6. BCP Council's Corporate Strategy was adopted by council on 5 November 2019. 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.
7. The strategy is underpinned by an agreed set of core values and delivery plans which set out how the council will achieve the priorities.

**Figure 1: BCP Corporate Strategy**



### Impact of the Covid-19 Public Health Emergency beyond 2020/21

8. A financial strategy can also not be established without considering the medium to long term impact of the country's biggest public health emergency for a generation. Since March 2020 this 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 sustainability.
9. 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 heroic public sector and social care workforce, and making over £83 million in grants to local businesses.
10. At the same time the council's income base collapsed with leisure centres shut, seafront services closed, and parking fees not being generated, as well as lower council tax and business rates yields predicted. This loss of income represented a real reduction in the resources available to fund local services.

11. 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 the benchmarking that shows the council is in the top four of unitary councils as being supported by sales, fees, charges, trading accounts, interest & investment income. Growing our income base was a strategy to sustain services directly linked to reduced government funding and growing pressures.
12. That said, the position is now compounded by the possibility of further periods of disruption related to the outbreak in this and future financial years as well as the less well understood future impact on the demand pressures faced by local authorities such as;
  - adult social care-specifically relating to the legacy impact of the 10 per cent uplift to the cost of care during the period to the end of July 2020/21 and whether further funding will be forthcoming from central government for infection control in the care sector in future years.
  - children's social care, specifically the issue of latent safeguarding demands.
  - school reopening's with specific issues such as those relating to home to school transport.
  - collection fund issues.
13. This will be exacerbated by what the 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.
14. 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 growth in unemployment. The council will need to challenge itself to determine if its 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 14% 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.

### **MTFP Refresh 2021/22 to 2023/24**

15. In the February 2020 budget report to Council the MTFP included a funding deficit of £17.3 million for 2021/22 and £6.9 million for 2022/23.
16. The MTFP set out in the Covid-19 – 2020/21 Budget Monitoring Report to 24 June 2020 Cabinet identified that after making provision for assumed cost and demand increases, after certain provision for the impact of the public health emergency on ongoing core income, after allowing for the borrowing costs on key regeneration projects, and after factoring in certain savings that have already been identified along with the strategy to harmonise council tax in 2021/22, the council will have a £32m funding gap in 2021/22.
17. The MTFP has subsequently been updated to a three-year time horizon covering 2021/22 through to 2023/24 as part of a fundamental base budget review process undertaken over the summer. It should be noted that this table is presents on an absolute, rather than incremental, basis.

**Figure 2: MTFP update at October 2020 (Scenario A)**

	2021/22	2022/23	2023/24
<b>Position prior to legacy Covid position</b>	<b>24.4</b>	<b>45.2</b>	<b>62.7</b>
Service Investments	4.0	4.0	4.1
Transformation Revenue Costs	3.5	4.0	4.5
Service Savings – Assumed / programmed	(8.8)	(10.3)	(10.4)
Council Tax – Annual uplift (Harmonisation / 2.99%) & Tax-base	(4.5)	(12.2)	(20.3)
Business Rates – Annual inflationary uplift	(1.1)	(2.2)	(3.3)
Collection Fund – One-off surplus 2020/21	1.4		
<b>Position prior to legacy Covid position</b>	<b>18.9</b>	<b>28.5</b>	<b>37.3</b>
Covid19 – Sales, Fees and Charges	17.1	8.5	4.2
Covid19 – Core Income	12.2	6.1	3.0
Covid19 - Costs	1.0	0.6	0.6
<b>Current Base MTFP Position</b>	<b>49.1</b>	<b>43.6</b>	<b>45.1</b>
Removal of service investments	(4.0)	(4.0)	(4.0)
Revenue contribution to capital	(2.0)	(2.0)	(2.0)
Residual capital funding	(0.1)		
Town Centre Development Fund	(2.5)		
ICT Investment Plan Resources One-Off & funding obligations	(1.3)	0.3	0.3
Transformation Fund Resources One-Off & funding obligations	(10.8)	8.1	3.0
<b>Net Funding Gap – Before Transformation</b>	<b>28.4</b>	<b>46.0</b>	<b>42.4</b>
Transformation Saving Target 2021/22	(15.0)	(24.1)	(33.2)
<b>Net Funding Gap</b>	<b>13.4</b>	<b>21.9</b>	<b>9.2</b>

The current position represents 4.7% of its 2020/21 £283 million net budget.

18. This financial strategy will therefore need to be kept under constant review as the immediate and ongoing impact of Covid-19 emerges. The requirement to predict the future as part of the councils financial planning framework is always accompanied by significant risk but this year the uncertainty and potential variability will be particularly high. Of particular concern will be the impact on the main income streams to the council, notably;
- **Business rates yield** - businesses in retail, hospitality and leisure (RHL) sector were not required to pay business rates in 2020/21 and as they account for 52% of the total normal business rates yield the council will be watching their recovery very carefully and considering the impact on the amount it would ordinarily expect to raise in 2021/22. Any impact on this sector will be in addition to the £3.7 million reduction in yield currently being experienced in 2020/21. An element of this is expected to reoccur next year in the non RHL sectors as they struggle to recover from the impact of the pandemic. As per this year a £3.7 million impact of business rates yield is being assumed in 2021/22.
  - **Council tax yield** – the income generated next year will be influenced not only by the council tax harmonisation strategy but also by the extent to which residential development schemes have been delayed or even moth balled. The number of homes over which council tax is chargeable, referred to as the tax base, is a key element of the council tax calculation. The fact that the tax base may not be as high as previously assumed or may even have reduced between years will be significant. A specific reason

it may have reduced is due to the number of local council tax support (LCTSS) claimants with the cost of the scheme in respect of working age claimants having increased by 14% between March and August 2020. This impact on tax base will also have consequences for other preceptors such as the police, fire and local town and parish councils.

- **Sales, fees and charges** – based on the September monthly return to government and included in the projected outturn in the October monitoring, the council is predicting to have a £23.0 million shortfall in the income it generates via sales, fees and charges during 2020/21 with an estimated £12.1 million to be allocated by the government compensation scheme to provide a level of financial assistance. In respect of 2021/22 the indication is that the government have no intention of rerunning the scheme next year. Therefore, the MTFP will need to estimate the level of such income that may be generated in a hopefully post Covid-19 scenario which, in all likelihood, will not be to the levels budgeted for 2020/21 or experienced in 2019/20.

19. The level of national government interventions, mitigations and direct support arrangements relating to the pandemic will clearly impact on both the economic recovery and individuals. Ending of the ban on evictions in September and the cessation of the job retention scheme, often referred to as the furlough scheme, in October will be two policy areas which could impact on the demands placed on the council. The revised Job Support Scheme recently announced by the government to replace the furlough scheme should mitigate potential job losses in certain sectors of the economy.
20. What is clear is that the government need to continue to ensure sustainable funding to local areas to enable them to invest in long term infrastructure, economic growth, support for businesses and help with skills and employment.
21. Figure 4 overleaf shows in an absolute and on an incremental basis a summary of the budget changes.

**Figure 4: BCP Council MTFP in absolute and incremental terms (Scenario A).**

	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> )	109.7	3.4	113.1	7.3	120.4	8.8	129.2
Children's Services	63.1	5.2	68.4	3.0	71.4	3.2	74.6
Environment & Community	49.8	1.0	50.8	1.4	52.2	0.4	52.6
Regeneration & Economy	9.7	17.0	26.6	(7.1)	19.5	(3.4)	16.1
Resources	31.9	0.0	31.9	0.4	32.3	0.2	32.6
Transformation Revenue Implications	0.0	3.5	3.5	0.5	4.0	0.5	4.5
Corporate Priorities	1.4	1.1	2.5		2.5		2.5
<b>Net cost of services</b>	<b>265.6</b>	<b>31.2</b>	<b>296.8</b>	<b>5.6</b>	<b>302.4</b>	<b>9.6</b>	<b>312.0</b>
Provision for repayment borrowing (MRP)	9.8	0.1	9.9	0.1	10.1	0.1	10.1
Pensions	5.6	(0.1)	5.5	(0.1)	5.5	0.2	5.7
Revenue contribution to capital	0.8	(0.5)	0.4		0.4	0.0	0.4
Transformation Funding	2.0	(1.5)	0.5		0.5	2.0	2.5
Interest on borrowing	1.8	1.4	3.2	(0.0)	3.2	(0.0)	3.2
Contingency	1.2	3.4	4.6	3.4	7.9	3.3	11.2
Parish, Town, Neighbourhood Councils & Charter Trustees	0.8		0.8		0.8		0.8
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
Levies (Environment Agency / Fisheries)	0.6		0.6		0.6		0.6
Apprentice Levy	0.6		0.6		0.6		0.6
Revenue expenditure on surplus assets	0.2		0.2		0.2		0.2
Investment property income	(6.7)	1.2	(5.5)	(0.4)	(5.9)	(0.4)	(6.3)
Income from HRA	(0.9)		(0.9)		(0.9)		(0.9)
Interest on cash investments	(0.2)	0.1	(0.0)		(0.0)		(0.0)
Dividend income	(0.1)		(0.1)		(0.1)		(0.1)
Residual capital funding	0.0	(0.1)	(0.1)	0.1	0.0	0.0	0.0
Town Centre Development Fund	0.0	(2.5)	(2.5)	2.5	0.0	0.0	0.0
ICT Investment Plan Resources One-Off	0.0	(1.6)	(1.6)	1.6	0.0	0.0	0.0
ICT Investment Plan funding obligations	0.0	0.3	0.3	0.0	0.3	0.0	0.3
Transformation Fund Resources One-Off	0.0	(13.5)	(13.5)	13.5	0.0	0.0	0.0
Transformation Fund funding obligations	0.0	2.7	2.7	5.4	8.1	(7.1)	1.0
Transformation Saving Target 2021/22	0.0	(15.0)	(15.0)	(9.1)	(24.1)	(9.1)	(33.2)
<b>Net Budget</b>	<b>283.0</b>	<b>4.4</b>	<b>287.4</b>	<b>22.6</b>	<b>310.0</b>	<b>(1.4)</b>	<b>308.6</b>
Council Tax income	(217.1)	4.0	(213.0)	(12.0)	(225.1)	(10.2)	(235.2)
Net income from Business Rates	(58.1)	2.6	(55.5)	(3.0)	(58.4)	(2.0)	(60.5)
Revenue Support Grant	(3.0)	0.0	(3.0)		(3.0)		(3.0)
New Homes Bonus Grant	(2.6)	0.9	(1.7)	0.9	(0.8)	0.8	0.0
Collection Fund Surplus Distribution	(1.4)	1.4	0.0		0.0		0.0
Parish, Town, Neighbourhood Councils & Charter Trustees	(0.8)	0.0	(0.8)		(0.8)		(0.8)
<b>Total Funding</b>	<b>(283.0)</b>	<b>9.0</b>	<b>(274.0)</b>	<b>(14.1)</b>	<b>(288.1)</b>	<b>(11.3)</b>	<b>(299.5)</b>
<b>Annual – Net Funding Gap</b>	<b>(0.0)</b>	<b>13.4</b>	<b>13.4</b>	<b>8.5</b>	<b>8.5</b>	<b>(12.7)</b>	<b>(12.7)</b>
<b>Cumulative MTFP – Net Funding Gap</b>			<b>13.4</b>		<b>21.9</b>		<b>9.1</b>



22. Appendix D3 to the substantive Cabinet report includes the detail of the current assumptions used in supporting the MTFP.
23. In terms of updating the MTFP it is recommended that the council prepares its financial strategy on this basis outlined above (scenario A). It is also worth reflecting that different scenarios are possible, due to the considerable uncertainty that exists in the current financial planning environment and framework. To emphasise the point an alternative financial scenario is summarised below;

**Scenario B**

£13.4m	Total MTFP pressure for 2021/22 based on scenario A
£3.1m	No additional government support from the impact of negative revenue support grant (RSG) as made available in the previous two financial years.
£3.9m	Council required to request Secretary of State permission to contribute towards High Needs Deficit
<b>£20.4m</b>	<b>Total Scenario B MTFP pressure</b>

**Summary 2021/22 Financial Strategy**

24. The summary of the current funding gap position in respect of the 2021/22 Budget can be set out as in Figure 4 below

**Figure 4: MTFP update at October 2020 (Scenario A)**

£m	Details
17.3	Position as per February 2020 February Budget Report
(6.4)	Ongoing savings introduced in the June 2020 Cabinet Report
(5.0)	Changes in assumptions (negative RSG, Pay Award, contribution to DSG)
3.5	Transformation – revenue investment (June Cabinet Organisational Design report)
5.5	Revised operational pressures and savings following August Refresh
<b>14.9</b>	<b>Sub-Total Funding Gap for 2021/22</b>
4.0	Requested Service Investments
<b>18.9</b>	<b>Sub-Total Funding Gap for 2021/22</b>

Covid19 Legacy Issues	
17.1	Sales, Fees and Charges (predominately Town Centre Car Park Income)
12.2	Core Income (Council Tax and Business Rates yield)
0.9	Legacy Costs Issues (Infection Control, homelessness, economic development)
<b>30.2</b>	<b>Total Covid19 Legacy Issues</b>
<b>49.1</b>	<b>Sub-Total Funding Gap for 2021/22</b>

Mitigations	
(15.0)	Savings target set for the Transformation Programme
(4.0)	Removal of requested service improvements
(2.0)	Removal of revenue contribution to capital
(0.1)	Residual MTFP
(1.3)	ICT Investment Plan – refinance by borrowing
(10.8)	Transformation Fund – refinance by borrowing and profile into MTFP
(2.5)	Other schemes refinanced by borrowing
<b>13.4</b>	<b>Funding Gap for 2021/22</b>

25. It should be emphasised that the current funding gap of £13.4 million as shown above is net of £8.8 million of savings and efficiencies already programmed and assumed for 2021/22.
26. The approach to setting a robust and lawfully balanced budget for 2021/22 will be therefore an extremely challenging one for the council. The approach to ensuring this happens can be summarised as follow;
- Encourage the government to continue to meet the original commitment from Robert Jenrick the Secretary of State for Housing Communities and Local Government that promised councils will get all the resources they need to cope with this pandemic.
  - The first draft of the 2021/22 Budget will be drawn including a £2.5 million investment in corporate priorities which is £1.1 million more than the amount assumed in the base for 2020/21.
  - The £15 million savings target for transformation is reaffirmed. It is recommended that the Corporate Director for Transformation brings forward to Cabinet in December a report detailing how such savings will be achieved, including their implications, risks and mitigations and the extent to which they will be itemised in setting the 2021/22 budget. This assumed level of savings for 2020/21 was approved as part of 2020/21 budget monitoring report to June Cabinet.
  - The review of projects (revenue and capital) as put forward as part of the June Cabinet report which set out those schemes and programmes that could be deferred, cancelled or refinanced.
  - Proposals to refinance other capital schemes where appropriate, designed to release resources which can be used to support the 2021/22 budget of the Council. The intention now being to borrow to fund these schemes over the life of the asset, or where they are revenue in nature to meet the cost as part of the budget for the year in which the expenditure falls. Examples of such schemes include the ICT Investment and the previous transformation programme.
  - Recognising the scale of the Covid-19 legacy issues, what the government often refer to as the Covid-19 scarring costs, and the uncertainty as to whether they will be covered by government in either full or part it is recommended that the council;
    - take all possible steps to avoid using reserves and protect resources earmarked in 2020/21 to mitigate the impact of Covid-19 in the current financial year. If this can be achieved the proposal would be to redirect these resources into a Covid-19 income mitigation reserve.



f2) take all possible advantage of the system to allow council and business rates tax deficits to be repaid over three years instead of one, accepting that the details of the scheme are yet to be announced and therefore the advantage or otherwise of doing so is yet to be clarified.

f3) request that Portfolio Holders, Corporate Directors and Service Directors work together to reduce the operating cost pressures put forward as part of the August 2020 rebase of the Medium Term Financial Plan or to increase the £8.8m of savings, efficiencies and additional income already being put forward for 2020/21 outside of separate Transformation programme. The first draft of the 2021/22 will also be drawn excluding £4.0 million of service improvements requested by the Corporate and Service Directors and the £2.0 million assumed revenue contribution to capital.

- g) An ongoing review of resources and provisions to consider inherited amounts from predecessor councils relating to s106 deposits and the community infrastructure levy receipts to establish if there has been consistency in how they have been used and to determine the extent to which they should have been applied to historic capital expenditure. This workstream should also consider the adequacy or otherwise of historic provisions for business rates appeals and provisions.
- h) A review of third-party contributions towards forecast costs to ensure they are being maximised. This includes contributions from the Clinical Commissioning Group towards the cost of care.

27. Some of these issues is explored in further detail in the following sections.

### Investments in Corporate and Service Priorities

28. As previously stated, the first draft of the budget for 2021/22 will include a £2.5 million investment in corporate priorities. This is in line with the assumptions of the medium-term financial plan as endorsed by Council in February 2020. Figure 5 below sets out how the previous administration intended to allocate these resources.

**Figure 5:** Previous proposal for the investment of £2.5m in corporate priorities in 2021/22 budget.

	Amount 2020/21 Base £000s	Additional Amount Requested 2021/22 £000s	Originally proposed total amount for 2021/22 £000s
Regeneration	370	380	750
Highway Maintenance	390	265	655
Arts and Culture	150	370	520
Street Cleansing	150	103	253
Climate Change and Ecological Emergency	240	0	240
Unauthorised Encampments	50	0	50
Community Engagement Strategy	50	0	50
<b>Total</b>	<b>1,400</b>	<b>1,118</b>	<b>2,518</b>

29. As could be anticipated, the new Conservative administration will continue to reflect if these allocations accord with their priority areas for investment with future reports

updated for any reprioritisation. Cabinet will also need to consider both the affordability of this commitment and the opportunity, subject to successful management of the all the financial challenges currently faced, to extend this commitment further.

30. This financial strategy also assumes that the first draft of the budget will exclude the £4 million investment in services that has been specifically requested by Corporate and Service Directors.

## Transformation

31. 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.
32. Council on the 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 set out that the £43.9 million must now be adopted as our minimum expectation of savings and efficiencies with the 24 June budget monitoring report to Cabinet setting out the proposal to adopt £15 million as the minimum savings target for 2021/22 which is net of an estimated £1.5 million of ongoing savings from the employee base put in place in 2020/21 to help manage the in-year financial position.
33. Figure 6 below statement arguably sets out the benefits from the transformation programme which remain to be realised;

**Figure 6: Transformation Programme Benefits**

Programme of Change	Estimated benefit - Highpoint (£m)	Phasing (£)			
		Year 1	Year 2	Year 3	Year 4
Customer Contact	(11.6)	(1.9)	(1.9)	(5.9)	(1.9)
Service Redesign	(5.1)	(0.8)	(0.8)	(2.7)	(0.8)
Enabling Functions	(5.8)	(1.0)	(1.9)	(1.9)	(1.0)
Third party Spend	(19.8)	(3.3)	(3.3)	(9.9)	(3.3)
Cost recovery	(1.6)	(0.8)	(0.8)		
<b>Total Forecast Benefits</b>	<b>(43.9)</b>	<b>(7.8)</b>	<b>(8.7)</b>	<b>(20.4)</b>	<b>(7.0)</b>
<b>Permanent savings identified as part of 2020/21 Covid19 response</b>					
Expenditure Cost Base	4.9	4.9			
Employee Cost Base	1.5	1.5			
<b>2020/21 - Total Savings identified in-year</b>	<b>6.4</b>	<b>6.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Benefits to Realise</b>	<b>(37.5)</b>	<b>(1.4)</b>	<b>(8.7)</b>	<b>(20.4)</b>	<b>(7.0)</b>
<b>Previous MTFP Savings which were part factored into 2020/21 budget</b>					
ASC - Front Door	2.5	1.0	0.8	0.8	
R&E - Cost Recovery - Town Centre & Beach Parking	0.7	0.7			
R&E - Cost Recovery - Seafront Rent Reviews	0.2	0.2			
R&E - Cost Recovery - CIL Admin fee	0.2	0.2			
R&E - Cost Recovery - Beach Hut Income	0.1	0.1	(0.1)	0.1	
R&E - Cost Recovery - Increase car parking permits	0.1	0.1			
R&E - Cost Recovery - Upton Country Park parking	0.0	0.0			
E&C - Cost Recovery - HWRC residents other councils	0.2	0.2			
E&C - Cost Recovery - Recharges inhouse maintenance team	0.2	0.2			
E&C - Cost Recovery - Trade Waste Charges	0.1	0.1			
E&C - Cost Recovery - Bereavement service harmonise	0.1	0.1			
E&C - Cost Recovery - Green Waste charges	0.1	0.1			
<b>2020/21 - Total Savings - Detailed in the Original Budget</b>	<b>4.3</b>	<b>2.8</b>	<b>0.7</b>	<b>0.8</b>	<b>0.0</b>
<b>Total Benefits to Realise</b>	<b>(33.2)</b>	<b>1.4</b>	<b>(8.0)</b>	<b>(19.6)</b>	<b>(7.0)</b>

34. On the basis that the £15 million has now been set as the savings target for 2021/22 it is proposed to weight the residual £18.2 million evenly (£9.1 million per year) over the following two years. The assumption is that the transformation programme will capture any savings 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 stationary, photocopying and printing. There has also been a 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 creation of a new corporate director for marketing, communications & strategy.
  - The councils Estate Strategy is also an integral part of the transformation strategy.

### **Estate Strategy**

35. Cabinet have established a working group to consider the estates & accommodation strategy and the potential for a single civic centre. This is further to the decision of Cabinet in February 2020, to adopt the Bournemouth town hall campus as our principal office accommodation. As part of their decision Cabinet established that;
- a. In the first instance, the relocation of all staff from Poole civic centre, Christchurch civic offices and the Bournemouth learning centre (to the Bournemouth town hall campus) be accelerated to facilitate the closure and/or repurposing of those offices as quickly as possible.
  - b. As this programme evolves, we will also look to identify as many other buildings as possible that can also be included in the relocation programme in order to either support service development proposals, to facilitate regeneration, or to generate long term income or capital receipts for the council. It should be noted, however, that there is often a significant time lapse between the release of any buildings and the subsequent regeneration or receipt of the transfer proceeds.
  - c. In undertaking this short-term programme of relocations, we will not materially redesign or refurbish the Bournemouth town hall campus and will seek to reuse as much of the existing office furniture estate as possible. This will mean that the up to £29 million costs identified in the February 2020 Cabinet report will not be incurred.
  - d. Notwithstanding this, there will be a need to incur some costs to facilitate this short-term programme of relocation and consolidation. These costs are required to cover aspects such as:
    - Removal of non-structural walls to create more open space within some parts of the Bournemouth town hall campus.
    - Investment in appropriate facilities/solutions to comply with social distancing requirements within office environments.

- Transportation of equipment from decommissioned sites to Bournemouth town hall campus.
  - The relocation of some critical services currently located within buildings that we are vacating, such as the CCTV monitoring service and the telecare/Out of Hours Support service.
- e. A report will be brought to Cabinet to approve any financial consequences once the necessary planning and budgeting work has been completed. This will need to reflect on levels expenditure it is reasonable to spend in the current uncertain financial position and what might be ultimately desirable. This report is presented as a separate agenda item to Cabinet on the 11 November 2020 and requests £6.6m combined revenue and capital investment.
36. Through this workstream, accepting some funding may need to be set aside to cover the borrowing costs of the refit works, it should be possible at a future point in time to deliver at least an element of the operational costs of the following buildings as savings. It should be noted that circa 42 per cent of the budget relates to the business rates for these premises and the exit from such costs will need to be carefully managed.

**Figure 7: Cost of Corporate Centres 2020/21**

2020/21 Budgets	Operational Budget £000s	Business Rates £000s	Total Budget £000s
Poole Civic Centre	412	168	580
Poole CC Annexe	55	46	101
Christchurch Civic Centre	191	93	284
Bournemouth TH Annexe	45	117	162
<b>Total</b>	<b>703</b>	<b>424</b>	<b>1,127</b>

37. These premises could yield a capital receipt or alternatively could be used to provide an opportunity for regeneration. The latest asset valuations for these assets were identified as follows;

Poole Civic Centre	Asset Valuation 2019	£3,160,000
Poole CC Annexe	Asset Valuation 2018	£1,380,000
Christchurch Civic Centre	Asset Valuation 2017	£2,270,000
Bournemouth Town Hall Annexe	Asset Valuation 2016	£1,820,000

38. Work is also ongoing to consider an exit strategy for the leased office accommodation at Newfields, which has an annual operational budget of £161,000 (including £36,000 business rates).

## Project Review

39. The June Cabinet report set out the implications of a review of all projects (revenue and capital) to determine the extent to which they can be deferred, cancelled or refinanced to release resources to support either the in-year 2020/21 position of the council or the funding of the £37.6 million transformation programme.
40. The proposal now is to take the refinancing of some capital schemes a step further with the process designed to release resources back into revenue in direct support of the 2021/22 budget of the Council. Where capital expenditure is being refinanced the intention is to borrow to fund these schemes with the cost spread of the life of the asset. Where the expenditure is of a revenue nature the intention is to fund the cost as part of the budget for year in which the expenditure is programmed to fall. This

approach is clearly different from the historic approach adopted by the Council however it will enable the Council to match the cost of investments with their benefits. It will also enable the Council to manage its resources over the period it expects its transformation programme will take to mature and deliver the full scale of its benefits.

41. Examples of such schemes include the ICT Investment which will be refinanced via borrowing and the transformation programme which will be refinanced through a mixture of borrowing and future year revenue commitments. Should any future year revenue commitments not be deliverable then the underlying programme will need to be curtailed at that point. Borrowing commitments are a first call on the resources the Council is annually able to generate.

### Government Lobbying

42. Financial planning is difficult at the best of times let alone during a public health emergency and outside of a clear financial planning framework from government. Such a framework is normally provided by three- or four-year government spending reviews which set the departmental spending limits and although not at a local authority level provide a degree of certainty and stability for the council's own financial planning. The last multiyear spending review ended in 2019/20 and a one-year spending round was issued for 2020/21. As part of his summer statement the Chancellor announced that he will introduce measures to support the longer-term recovery through a budget and spending review in the autumn. It has been announced that a further one-year spending round will be issued for 2021/22 with a longer-term spending review deferred until 2021 at the earliest.
43. Councils will keenly await any announcements in this spending round / review especially those relating to;
  - Any further actions taken to continue to meet the government promise that councils will get all the resources they need to cope with this pandemic.
  - The scheme introduced by Robert Jenrick as part of his announcement on the 2 July 2020 of a comprehensive new funding package for councils to help address coronavirus pressures and cover lost income during the pandemic and specifically the system to allow council and business rates tax deficits to be repaid over 3 years instead of one.
  - Council tax referendum limits for 2021/22 onwards.
  - Whether the funding introduced annually by the government over the last two years to prevent the removal of negative revenue support grant will continue. Scenario A of the MTFP refresh currently assumes this funding will continue. This assumption maybe vulnerable due to the government's previous commitment to a levelling up every part of the country and investing in every region.
  - The future replacement for the new homes bonus. A £920,000 provision is currently provided for in next year's MTFP to reflect the reducing profile of payments for legacy allocations.
  - Social care funding and the extent to which specific government grant funding will continue in line with the current planning assumption.
  - The timing and impact of the implementation of a 75% Business Rates retention model and the Fair Funding Review.
  - Impact of the Social Care Green Paper.
44. It is therefore proposed that the council continue to lobby to ensure the government can continue to demonstrate that it has met its commitment to cover the cost of anything it has asked the council to do in response to Covid-19, be that protecting

vulnerable children, the provision of social care or housing support for rough sleepers. The council continues to be active in this area through direct representation to both the Treasury and the Ministry of Housing, Communities and Local Government, letters to local MPs so they can campaign on our behalf, and via the work with both the Local Government Association (LGA) and south west councils. This included undertaking a case study as part of the LGA work to demonstrate the financial impact of Covid-19.

45. It is also recommended the Council support submissions to the Government as part of the autumn spending review and directly lobby in respect of the impact of the pandemic on the level of income that can be assumed in 2021/22 not just around council tax and business rate yields but also sales, fees and charges. The Government are cited as saying consideration to such issues, which they refer to as an example of "covid19 scarring costs" will be referenced in the spending round / review.
46. Opportunities will also be taken to continue to bid for government investment in key projects and infrastructure in support of the council's corporate strategy. Examples include bidding for funding from Homes England to support the delivery of affordable housing or bidding for funding from the Transforming Cities Fund to support key transport infrastructure.

### Fundamental Review of Services

47. The target set for transformation clearly demonstrates the shift away from a service-based savings approach and towards delivering savings at an enterprise level. However, there is a high degree of risk associated with the delivery of the transformation programme especially as a strategic partner is unlikely to be appointed until early in the 2021 calendar year. It is also recognised that the £15 million target for transformation is insufficient in the first instance to close the funding gap for 2021/22.
48. On that basis it is recommended that Portfolio Holders work with each of the Corporate Directors and Service Directors to challenge the additional resources they have requested as part of the fundamental annual rebase of the MTFP and to explore the extent to which additional savings and efficiencies can be delivered.
49. Notwithstanding the specifics of this approach, work still to be carried out includes:
  - A review of models for the delivery of the council's housing stock and to consider a consistent future operating model.
  - Consideration of the extent to which services should be reset following the public health emergency.
  - Creating consistent service standards by April 2021.
  - Alignment of fees and charges policy by April 2021.
  - Consideration to increasing all fees and charges annually in line with the Government's 2% inflationary target.

It is the stated intention of the council to create consistent service standards and align fees and charges policies by next April to ensure consistency with the intention to harmonise council tax from 1 April 2021 onwards.

### Reserves

50. Consideration will be given as to extent to which the 2021/22 Budget can and should be supported by reserves. For example, it might be appropriate to mitigate the risk associated with legacy impact of Covid-19 to use the specific earmarked reserve established in the current 2020/21 financial year to support the uncertainty associated with future income streams. However, this would only be possible in

circumstances where the reserve is not needed to support, as set out in the June Cabinet report, the balancing of the 2020/21 budget.

### Ongoing Review of Resources and Provisions

51. It is proposed as part of this financial strategy that the council also continues with the previously commissioned workstreams in respect of considering inherited amounts from predecessor councils relating to s106 deposits and the community infrastructure levy receipts to ensure they have been applied as anticipated.
52. This review of baseline resources will also consider the adequacy or otherwise of historic provisions for business rates appeals and provisions.

### Council Tax Strategy

53. 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 a 3.99 per cent assumed increase as adjusted for the impact of the precept for Chartered Trustees in 2020/21. The changes in each town being as follows in Figure 9;

**Figure 9: Council Tax Strategy Budget Report 2020/21**

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

- Please note the above table excludes the impact of the separate Chartered Trustee council tax charge in Poole and Bournemouth which will be applied from 2020/21 onwards.
- The above table also excludes any potential adjustment to the Bournemouth area council tax arising from the establishment of the Throop and Holdenhurst parish on 1 April 2021.

54. 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.

55. As part of 2019 spending round the government announced that the council tax referendum threshold was 3.99 per cent for 2020/21, made up of a 1.99 per cent core increase and a 2 per cent adult social care precept. Such a move was consistent with the strategic approach taken by government in its 2015 spending review 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.
56. In respect of the legislation which supported the creation of BCP Council the Secretary of State was keen to strike the right balance between ensuring council tax payers do not experience a large increase in bills and not allowing residents in any one part of the area to be concerned that they are effectively contributing more to the cost of services than others in the area. Therefore, BCP Council are permitted to consider either;
1. harmonising over a maximum of seven years with a fully equalised council tax to be set by the start of year eight at the latest (2026/27).
  2. harmonising at the average council tax across the area in any year prior to 2026/27. Option B in the table below.
57. The regulations also allow 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.

Adam Richens - 20 October 2020



## Forward Plan – BCP Overview and Scrutiny Board

Updated 20.10.2020

	Subject and background	Anticipated benefits and value to be added by O&S engagement	How will the scrutiny be done?	Lead Officer / Cabinet Portfolio Holder
<b>Meeting Date – 2 November 2020</b>				
<b>1.</b>	<b>Scrutiny of Cabinet Items</b> To consider the following Cabinet items as part of pre-decision scrutiny: <ul style="list-style-type: none"> <li>• Housing Allocations Policy</li> <li>• Lansdowne Programme – Design and Modelling Update</li> <li>• Estates and Accommodation – BCP Council Civic Centre</li> <li>• 2020/21 Budget Monitoring an MTFP Update</li> </ul>	To enable the Board to consider proposed Cabinet decisions and to make recommendations to Cabinet as appropriate.	Scrutiny of Cabinet reports and invitations to Cabinet Portfolio Holders to respond to questions.	Bob Lawton, Portfolio Holder for Homes; Drew Mellor, Leader of the Council, Portfolio Holder for Transformation and Finance; Phil Broadhead, Portfolio Holder for Regeneration, Economy and Strategic Planning; Mike Greene Portfolio Holder for Transport and Sustainability
<b>2.</b>	<b>Working Group – BH Live / Provision of leisure services</b> At its meeting at 6.00pm on 20 July 2020, the Overview and Scrutiny Board Scrutinised a Cabinet report which outlined options and recommendations regarding the provision of leisure services in Bournemouth and a separate report on the provision of leisure services in Poole. The Board felt that further understanding of the issues concerning the recommendations within these reports was required.	1. To provide an opportunity to look further into the issues as further information and evidence becomes available. 2. To support Officers in decision making on this issue	Working Group – non-public	Bill Cotton, Director of Regeneration and Economy Mohan Iyengar, Portfolio Holder for Tourism, Leisure and Culture

	Subject and background	Anticipated benefits and value to be added by O&S engagement	How will the scrutiny be done?	Lead Officer / Cabinet Portfolio Holder
3.	<b>Items requested for scrutiny (not Cabinet related)</b> <ul style="list-style-type: none"> <li>Road maintenance across the BCP area</li> <li>Tree management across the BCP area</li> </ul>	TBD	TBD	Mark Anderson, Portfolio Holder for Environment, Cleansing and Waste
<b>Meeting Date – 16 November 2020</b>				
3.	<b>Items to be determined by the Board</b>			
<b>Meeting Date – 7 December 2020</b>				
4.	<b>Items to be determined by the Board</b>			
<b>Commissioned Work</b> Work commissioned by the Board (for example task and finish groups and working groups) is listed below: Note – to provide sufficient resource for effective scrutiny, one item of commissioned work will run at a time. Further commissioned work can commence upon completion of previous work.				

	Subject and background	Anticipated benefits and value to be added by O&S engagement	How will the scrutiny be done?	Lead Officer / Cabinet Portfolio Holder
6.	<b>Working Group – Organisational Development and Estates and Accommodation Strategy</b>  At its meeting of 6pm on 10 February 2020, the Overview and Scrutiny Board scrutinised a Cabinet report which outlined options and a recommendation for a Council hub at the Town Hall. The Board felt that further understanding of the evidence base and methodology was required and agreed to establish a working group.	1. To give opportunity for a 'deep dive' into the estates strategy in order to understand the evidence base, methodology and rationale behind the decision; 2. To understand the detail behind the proposed next steps for this work; 3. To understand how O&S may helpfully engage in this work going forward in order to add value to the related decisions and outcomes.	Working Group – Note: This working group met just prior to the Covid-19 epidemic resulted in considerable changes the working group undertook the first stage of this work but has not met again.  The Board needs to determine if the Group is still required and how it would be reconstituted.	Julian Osgathorpe, Corporate Director of Resources
7.	<b>Working Group – BH Live / Provision of leisure services</b>  At its meeting at 6.00pm on 20 July 2020, the Overview and Scrutiny Board Scrutinised a Cabinet report which outlined options and recommendations regarding the provision of leisure services in Bournemouth and a separate report on the provision of leisure services in Poole. The Board felt that further understanding of the issues concerning the recommendations within these reports was required.	3. To provide an opportunity to look further into the issues as further information and evidence becomes available. 4. To support Cabinet in their decision making regarding this issue	Working Group – non-public	Bill Cotton, Corporate Director of Regeneration and Economy
8.	<b>Working Group – Economy and Tourism Impact of Covid 19</b>  Proposed at the Board meeting in July by the Chairman.	TBC	Working Group has not yet met. The Board needs to determine if the Group is still required and how it would be reconstituted.	TBC

	Subject and background	Anticipated benefits and value to be added by O&S engagement	How will the scrutiny be done?	Lead Officer / Cabinet Portfolio Holder
<b>Items to be programmed</b> The following items have been identified by the Overview and Scrutiny Board as requiring further scrutiny. Dates are TBC.				
9.	<b>Pay and Reward Strategy</b> The Board considered this issue prior to a Cabinet decision in September 2019. The Board requested that they have an opportunity for further scrutiny prior to Cabinet agreeing the final Strategy.	To enable the Board to test, challenge and contribute to the development of the Strategy.	Scrutiny of Cabinet report and invitation to Cabinet Portfolio Holder to respond to questions.	Matti Raudsepp, Director of Organisational Development.
10.	<b>Lansdowne Digital Pilot</b> The Board requested, at its meeting in November 2019, that the findings of the continuous monitoring for the Lansdowne Pilot.	To enable the Board to maintain an oversight of the findings.	Chairman and Vice-Chairman to consider and determine the best method for O&S Board to monitor this.	TBC
11.	<b>Poole Town Centre Master Plan</b> At its meeting in December 2019 the Board requested to undertake further scrutiny of the Masterplan for Poole town centre prior to its further consultation	To enable the Board the opportunity to further scrutinise the detail of the Master Plan for Poole Town Centre regeneration in further detail once drawn up and prior to further consultation.	TBC	Phil Broadhead, Portfolio Holder for Regeneration, Economy and Strategic Planning
12.	<b>Acquisition and Compulsory Purchase Order (CPO) Strategy</b> At its meeting in December 2019 the Board requested to undertake further scrutiny of this strategy, which was referred to as part of the Poole Regeneration report.	To enable the Board to test, challenge and contribute to the development of this strategy prior to its final adoption.	TBC	TBC

	Subject and background	Anticipated benefits and value to be added by O&S engagement	How will the scrutiny be done?	Lead Officer / Cabinet Portfolio Holder
13.	<b>Review of Leisure Centre Management</b> At its meeting in December 2019 the Board agreed to receive information from the consultants appointed to undertake the Leisure Services Review prior to its report back to Cabinet.	To enable the Board to have an early opportunity to contribute to the development of the Leisure Centre Review.	TBC	Mohan Iyengar, Portfolio Holder for Tourism, Leisure and Culture
14.	<b>Tricuro</b> To consider the partnership arrangements and in particular the overall business case for the company.	TBC	Possibly joint scrutiny with the Health and Adult Social Care Overview and Scrutiny Committee	Karen Rampton, Portfolio Holder for Adults
15.	<b>Green Credentials</b> An annual report on the Council's progress to assess our performance against targets in respect of climate change.	To enable the Board to retain oversight of the Council's performance against climate change targets and make regular recommendations as required.	Annual Report to O&S	Mike Greene, Portfolio Holder for Transport and Sustainability

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