

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
OVERVIEW AND SCRUTINY BOARD

Minutes of the Meeting held on 18 October 2021 at 2.00 pm

Present:-

Cllr S Bartlett – Chairman
Cllr V Slade – Vice-Chairman

Present: Cllr L Allison, Cllr D Borthwick (In place of Cllr T O'Neill), Cllr M Cox,
Cllr M Earl, Cllr J Edwards, Cllr D Farr, Cllr L Fear, Cllr S Gabriel,
Cllr M Howell and Cllr D Kelsey

Also in attendance: Cllr M Anderson, Cllr P Broadhead, Cllr A Hadley, Cllr D Mellor

90. Tribute to Sir David Amess, MP

The Board stood in silent tribute to Sir David Amess, Member of Parliament for Southend West, who had been tragically killed while meeting his constituents on 15 October 2021.

91. Apologies

Apologies were received from Cllr L Dedman, Cllr T O'Neill, and Cllr C Rigby.

92. Substitute Members

Cllr D Borthwick substituted for Cllr T O'Neill for this meeting of the Board.

93. Declarations of Interests

There were none.

94. Confirmation of Minutes

RESOLVED that the minutes of the meetings held on 20 September 2021 be confirmed and signed as a correct record.

94.1 **Action Sheet**

The Chairman reported that in respect of the action at minute no. 28 the Head of Planning had confirmed that Bournemouth Development Company was making affordable housing contributions, including £106,000 secured for the Madeira Road* development and £1million expected for the Winter Gardens. This action was therefore closed.

*After the meeting the Chairman clarified that he had stated Madeira Road in error, it was in fact the Leyton Mount development.

95. Public Speaking

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

96. Scrutiny of Transformation Related Cabinet Reports

Estates and Accommodation – Poole Civic Space

The Leader of the Council with Portfolio for Finance and Transformation presented a report, a copy of which had been circulated to each member of the Board and a copy of which appears as Appendix 'A' to these minutes in the Minute Book. The Leader and officers addressed a number of points raised by the Board including:

- Potential for conflict between the coroner and mayoralty in using the building would be managed through a booking system. This had been a key consideration when looking at which functions would complement each other best and had been discussed with both parties.
- It was hoped that next year's Mayor Making could take place before the commencement of works. The Mayoralty might need to be relocated to an interim location while the building was remodelled. The Mayor would continue to be consulted.
- Whether the 17.5% contingency figure within the capital budget requirement could be reduced by accelerating plans for the rest of the site. It was explained that the costs reflected the nature of the work required to separate the vertical slice and enable it to operate independently. The Urban Regeneration Company (URC) was now looking at options for the wider site.
- The figures shown in Appendix 2 were queried as incomplete. It was confirmed that the capital budget requirement total was £1.074 million and that the appendix would be adjusted.
- A Board member asked why opportunities for the community use of the building had not been considered, as requested by the Members Working Group. It was confirmed that although the coroner and mayoralty were the key tenants, nothing had been ruled out for the building or the wider site.
- A Board member queried the use of the term 'disposal' and asked about plans for the rest of the site, including the reference to a hotel and housing in the URC work programme. It was explained that the area outside the red line was located for alternative use and was now part of an active workstream for the Future Places team. The Leader confirmed that the asset was not being sold or disposed of and the best possible community use would be made.
- A councillor commented on the energy shortcomings of the current building and asked why a more campus based, energy efficient system wasn't being put forward. It was explained that in the short term the most viable option was to operate with electric heating. Longer term there may be more opportunity for solar energy. The

solar panels on the multi storey car park would be retained, or if necessary relocated.

- It was premature to make any decision on introducing car parking charges before the completion of work on BCP Civic Centre and before staff working patterns in the 'new normal' had been established.

During the discussion there were references to different types of community use, including the facility for community groups to book rooms for meetings and events, the community function of coroner and mayoralty services, and the wider benefits arising from a hotel or housing. Some members felt that the provision for the community to make use of parts of the building when it was available should be included as a commitment at this stage, otherwise it may get missed at a later stage in the plans. It was acknowledged that the coroner and mayoralty would take precedence in the use of the building.

Following discussion, it was proposed that an additional recommendation should be made to the Cabinet report. It was then

RESOLVED that the Overview and Scrutiny Board recommends that Cabinet considers how use of the retained section of the building by community groups can best be accommodated outside of Coroner and Mayoralty hours, making appropriate and reasonable adjustments to the current proposal where necessary while accepting this use is secondary to Coroner and Mayoralty use.

Organisational Design – Implementation Progress

The Leader of the Council with Portfolio for Finance and Transformation presented a report, a copy of which had been circulated to each member of the Board and a copy of which appears as Appendix 'B' to these minutes in the Minute Book. The Leader and officers addressed a number of points raised by the Board including:

- A Board member questioned the progress made to date in delivering the new operating model, both in the savings achieved and the milestones reached. The Leader explained that the 2021/22 assumption had been reduced to £7.5million, in recognition that some of the work needed to be done before savings could be realised. He referred to the successful procurement process and the commitment to delivering the project.
- The Board was reminded of the complexity of Local Government Reform (LGR) and the speed at which it had been delivered. From 2019 the Council had focussed on designing, agreeing and implementing its programme of transformation. It had progressed as far and fast as it could in challenging circumstances.
- A Board member asked whether the total project variance figures in Appendix 4 (all currently nil) were to be expected. It was explained

that the nil variance reflected determined efforts to keep within budget and also that implementation was still at an early stage.

- A Board member asked whether an O&S member could be included on the cross-party working group. The Board was advised that O&S and the working group had separate roles. This did not mean that O&S membership on the working group would not be beneficial. This would be at the Leader's discretion and would not preclude the Board from retaining overview of the whole programme.
- Board members asked for more detailed information to be provided in future to enable more effective and visible scrutiny of the implementation of the programme. It would be helpful to have individual project plans, including timetables, targets, and risk registers. The Board was assured that this level of detail and more did exist, and while not all of it could be made public, it was intended to share much of this with the working group. The Board was also invited to arrange further dedicated sessions to look at the progress of the Transformation programme in more detail.
- Board members asked whether the reference in paragraph 15 of the report, to the 'absolutely critical need for very strong leadership within the Council to push...very hard..', suggested there were obstacles to overcome. It was explained that the report was open in acknowledging that there would be obstacles along the way and that delivering the project would not be easy. Further details could be shared with the Board without the need to go into exempt session.
- It was acknowledged that the success of the programme was fundamental in delivering the benefits and efficiencies to support the Medium Term Financial Plan and the current administration's priorities.
- There were no minutes available for the Strategic Partnership Board meetings, (dates shown as triangles in the Programme implementation chart) but there were actions/decisions arising.

In concluding the discussion, the Chairman referred to the huge amount of work done to prepare and deliver LGR and the contribution this has made to the Transformation programme. He also welcomed the assurance that more detailed project management for each workstream was being undertaken.

Smart Place Programme – 'Futures Fund' funding of Gigabit Fibre and Smart Place Resources

The Leader of the Council and the Portfolio Holder for Regeneration, Economy and Strategic Planning presented a report, a copy of which had been circulated to each member of the Board and a copy of which appears as Appendix 'C' to these minutes in the Minute Book. The Leader, Portfolio Holder and officers addressed a number of points raised by the Board including:

- There were some concerns about whether the Council financing the proposal through borrowing was the right investment to make

at this time. According to the financial appraisal the costs outweighed the savings without the Futures Fund contribution. It was explained that the project would break even over six years. It would result in a cost saving to the Council and was therefore considered value for money.

- It was noted that the ducting/fibre element had not been included in the final funding from the Transforming Cities Fund as this had not been a TCF priority.
- There were some questions about the longevity of fibre technology. The Board was assured that there was worldwide investment in fibre. It underpinned future developments in this field of technology and could be upgraded as and when required.
- Board members questioned why the private sector was not leading on this project and asked if they had been approached. The benefits to the Council in proactively installing its own fibre in specific areas of the conurbation were outlined. It would enable the Council to control its own network, and at the same time build confidence with the private sector and investors.
- A Board member commented that some areas on the map seemed better covered than others and queried the timing of the proposal when the location of Council hubs were not yet confirmed. It was explained that the network was integral to the Transformation programme, in connecting Council locations, meeting bandwidth demand and delivering long term savings. It could provide the Council with a closed network but with an option in the future to lease to others.
- There were concerns about digging up roads again when the private sector had already installed fibre across the conurbation and it was suggested that the Council should have done this work at the same time as City Fibre. It was explained that ‘piggy-backing’ in this way was not always straightforward. The Board was assured that further disruption to residents would be avoided where possible.

Board members asked whether the costs of the entire project had been factored in at this stage, including all infrastructure requirements and long term maintenance, and if so, what advice had been sought in calculating these costs. There were also wider questions about the value for money of the proposal, the use of the Futures Fund and its allocation from LGR savings, and how the financial information had been presented and accounted for in the report.

The Board was told that the Futures Fund enabled the Council to invest in its priorities as it saw fit, to reduce future costs, without the need for a traditional business case. This proposal gave the Council strategic control of its own fibre network, without the costs of leasing from the private sector, and filled a gap in the original Transforming Travel project. There had been engagement with the private sector and there was interest in working with

the Council to deliver this phase. It was noted that the costs shown in the report were the maximum and may reduce if other commercial operators installed their own ducting at the same time as the Council. It was confirmed that the costs shown included an allocation of £50k per year for maintenance. The Board was advised that the future cost avoidance was anticipated to be in the region of £9 million, but this was not taken into account in the report as it could not form part of 'invest to save' assessment.

The Finance Manager referred to the borrowing factors set out in Appendix 3 of the report. She explained that borrowing plus interest had already been included in the Medium Term Financial Plan. It was confirmed that this proposal met the purpose of the Futures Fund.

Following the discussion, it was proposed to recommend to Cabinet an additional recommendation to the report, that the installation of the gigabit-fibre network be suspended until a private sector partner was identified to contribute to this. This motion was not carried. A further proposal was made, that the Board does not have confidence that the scheme is viable and value for money and requests that Cabinet defers a decision until further information regarding the full expected savings is detailed and supplied to the Board. This motion was not carried.

In conclusion the Chairman commented on the needs of the Transformation programme and the aspiration to deliver a modern, connected conurbation. However, the debate on this issue had reflected the genuine concerns of some Board members about the uncertainty and lack of clarity in the report. The Leader indicated that he would be happy to work with O&S on ways of presenting information to members, including technical briefings.

97. Scrutiny of Finance Related Cabinet Reports

Medium Term Financial Plan (MTFP) Update – The Leader of the Council with Portfolio for Finance and Transformation presented a report, a copy of which had been circulated to each member of the Board and a copy of which appears as Appendix 'D' to these minutes in the Minute Book. The Leader and officers addressed a number of points raised by the Board including:

- There were concerns that the funding gap had now increased from £7.1million to £31.1 million. A Board member questioned the likelihood of achieving collectively all of the assumptions listed in the report. He commented on the additional spending allowed this year, the decision not to raise council tax, and that in his view the Council was acting recklessly. The Leader confirmed the current administration's commitment to delivering low council tax and the rationale for the 1.5% increase in the council tax base. He explained that the Transformation programme provided the long-term solution to delivering savings, alongside maximising opportunities to invest in new assets. He referred to the different approaches taken by the

current and previous administration and did not believe the Council was acting recklessly.

- A Board member asked whether the pay award assumption had been underestimated bearing in mind the Unions were asking for a 10% increase. It was explained that Pay and Reward had taken forward the principle of a net nil cost. It was acknowledged that the pay situation may need reviewing should inflation remain at the current level.
- The Finance Manager referred the Board to paragraph 25 of the report which listed the latest key assumptions, including the further growth in children's services and the new 1.25% in employers' national insurance contributions for the health and social care levy. Changes since the June report included the increase to 3.4% for the pay award and the increase in inflation.
- A Board member asked what the basis was for the council tax base assumption and referred to current issues in the construction industry. It was explained that the assumption was not only based on housing but also on collection rates.
- The latest position in respect of income generation was set out in the report. This indicated that while some areas had performed very well, assumptions had been adjusted to reflect that not all income streams would return to pre Covid levels until April 2024.
- A Board member asked how the Council was preparing financially for the new social care proposals. It was explained that councils had been left worse off by the proposals and further work was still required on what was a long-term issue. The Portfolio Holder was taking an interventionist approach to the adult social care market, including the recent decision in relation to extra care provision.
- A Board member asked if the Council was lobbying for new burdens funding to cover the costs of administering the allocations. It was explained that the Council was in dialogue with local MPs regarding a social care funding solution and the LGA continued to lobby on this issue.
- The Finance Manager explained that the Council was continually revising its financial estimates and assumptions. Any changes would be included in the next MTFP update report in December 2021.
- A Board member referred to the recent bin strike in Brighton and Hove and the current shortage of drivers and the risk of staff being attracted to other sectors by better pay. It was confirmed that the Council was able to agree targeted interventions to address pay where recruitment was an issue.
- The Finance Manager confirmed that the Council was in discussion with the LGA and central Government regarding a long-term solution to the ongoing concerns around the high needs budget in the Dedicated Schools Grant.

A Board member was concerned at the reliance on Transformation to deliver savings when only half of the current year's forecast had been identified and asked what plans were in place over the next six months to address this. The Chairman referred to the Council's main duty and

responsibility of delivering services to its local residents. Some genuine concerns had been raised about the projected funding gap of £86 million over the next five years, the assumption that Transformation savings would be achieved, and the potential escalation of risk and pressure on reserves. The Leader explained that financial strategy workstreams had been put in place to address the funding gap. The Council had also given a commitment to invest in its unearmarked reserves and this had been reported to the Audit and Governance Committee.

Following the discussion, it was proposed to recommend to Cabinet that it notes the revised Medium Term Financial Plan with some concern and until the funding gap is addressed all new unbudgeted expenditure should cease. This motion was not carried.

The meeting ended at 5.45 pm

CHAIRMAN