

Notice of Overview and Scrutiny Board

Date: Monday, 18 October 2021 at 2.00 pm

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



Membership:

Chairman:

Cllr S Bartlett

Vice Chairman:

Cllr V Slade

Cllr L Allison
Cllr M Cox
Cllr L Dedman
Cllr B Dion
Cllr M Earl

Cllr J Edwards
Cllr D Farr
Cllr L Fear
Cllr S Gabriel
Cllr M Howell

Cllr D Kelsey
Cllr T O'Neill
Cllr C Rigby

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?MIId=4872>

If you would like any further information on the items to be considered at the meeting please contact: Claire Johnston on 01202 118686 or email claire.johnston@bcpCouncil.gov.uk

Press enquiries should be directed to the Press Office: Tel: 01202 118686 or email press.office@bcpCouncil.gov.uk

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

GRAHAM FARRANT
CHIEF EXECUTIVE

8 October 2021



Available online and
on the Mod.gov app



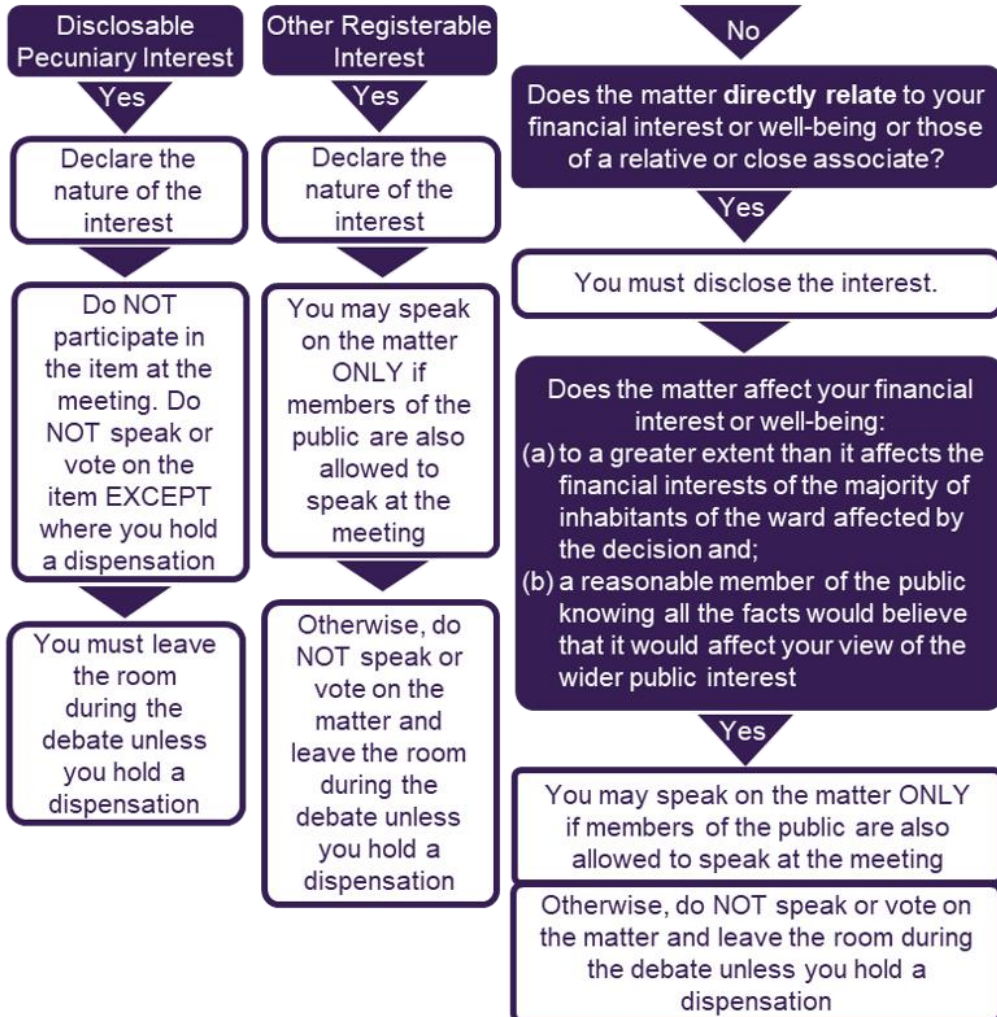
Maintaining and promoting high standards of conduct

Declaring interests at meetings

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

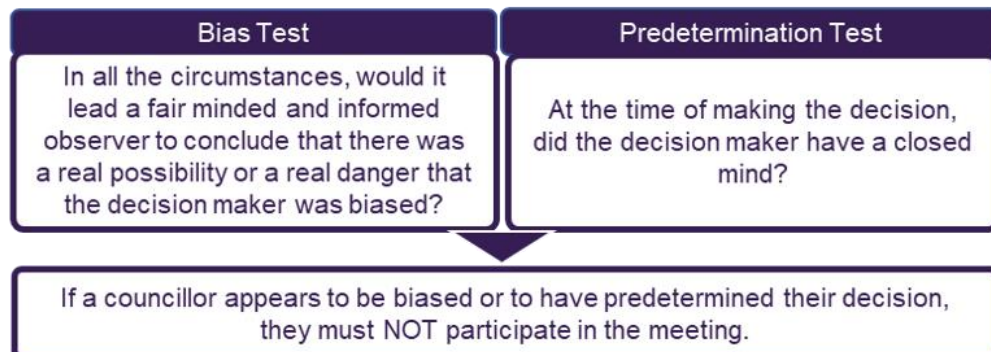
Before the meeting, read the agenda and reports to see if the matters to be discussed at the meeting concern your interests

Do any matters being discussed at the meeting directly relate to your registered 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.



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

Selflessness

Councillors should act solely in terms of the public interest

Integrity

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

Objectivity

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

Accountability

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

Openness

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

Honesty & Integrity

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

Leadership

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

AGENDA

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

1. Apologies

To receive any apologies for absence from 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. 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.

4. Confirmation of Minutes

5 - 18

To confirm and sign as a correct record the minutes of the meetings held on 20 September 2021.

4a. Action Sheet

19 - 20

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

5. Public Speaking

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 statement is midday the working day before the meeting.

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

6. Scrutiny of Transformation Related Cabinet Reports

21 - 82

To consider the following Transformation related reports scheduled for Cabinet consideration on 27 October:

- Estates and Accommodation – Poole Civic Space (pages 21 – 46)
- Organisational Design – Implementation Progress (pages 47 – 64)
- Smart Place Programme – 'Futures Fund' funding of Gigabit Fibre and Smart Place Resources (pages 65 – 82)

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, Portfolio Holder for Finance and Transformation

The Cabinet report for this item is included with the agenda for consideration by the Overview and Scrutiny Board.

7. Scrutiny of Finance Related Cabinet Reports

83 - 102

To consider the following Finance related reports scheduled for Cabinet consideration on 27 October 2021:

- MTFP 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, Portfolio Holder for Finance and Transformation

The Cabinet report for this item is included with the agenda for consideration by the Overview and Scrutiny Board.

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

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
OVERVIEW AND SCRUTINY BOARD

Minutes of the Meeting held on 20 September 2021 at 2.00 pm

Present:-

Cllr S Bartlett – Chairman

Cllr V Slade – Vice-Chairman

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

Also in attendance: Councillor Robert Lawton
Councillor Philip Broadhead
Councillor Michael Brooke
Councillor Nigel Brooks

73. Apologies

Apologies were received from Cllr M Earl and Cllr D Kelsey

74. Substitute Members

Cllr T Trent substituted for Cllr M Earl and Cllr D Borthwick substituted for Cllr D Kelsey.

75. Declarations of Interests

Cllr Bartlett declared for the purpose of transparency that in relation to agenda item 6 he was the director of a property company and also owned several properties in the area. This did not prevent him from taking part in consideration and voting on the item.

76. Confirmation of Minutes

The minutes of the meetings held on 23 August 2021 were approved as a correct record.

A Councillor commented that the item on consideration of the Council's Transformation programme was very useful and hoped that the O&S Board would be able to undertake similar in-depth scrutiny in future.

76.1 Action Sheet

The Chairman advised that the action at minute no. 28 was still awaiting a full response from the Portfolio Holder and would remain on the action sheet.

It was noted that the issues referenced on the action sheet at minute nos. 45 and 46 in relation to the Local Plan Consultation Document would be addressed by the Local Plan Working Group and could therefore be removed.

The Chairman confirmed that, in relation to the suggestion from the Board that Lead Members should produce annual report on their activities, a response had been received from the Leader of the Council. The Chairman advised the Board of the response which indicated that a report shouldn't be necessary and the reports through Cabinet should provide an indication of their work. Therefore, this action could be removed from the Forward Plan.

77. Public Speaking

No Questions, Statements or Petitions were received for this meeting.

78. Scrutiny of Homes Related Cabinet Reports

BCP Housing Strategy 2021-2026 "Our commitment to our communities" – The Portfolio Holder for Homes 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 Portfolio Holder and officers addressed a number of points raised by the Board including:

- Concerns that the commitment to social housing in new developments wasn't being adhered to. There was a need to ensure that developers worked to the targets rather than make excuses that the location or development was the wrong place for it. In response the Board was advised that the majority of Council stock was socially rented housing but the points raised would be taken into consideration
- There was a team in place who worked with external providers to address issues with housing need. It was noted that Priority no. 3 stated that the housing service had to work closely with internal and external partners, identifying specialist housing requirements and recognise the current unmet need and predict future housing requirements.
- In response to a query it was confirmed that the priority was currently identifying and addressing the current unmet need and trying to avoid crisis situations and emergency placements. However, there was also a need to look to future demands and needs and this was being done alongside the immediate priority.
- A Councillor suggested that the reason why only properties in Bournemouth and Poole were referred to should be clearly explained and an explanation that all social housing was owned by the Sovereign Housing Association in Christchurch should be provided.
- A Board member sought assurance that property construction using Modern Methods of Construction (MMC). The Portfolio Holder advised that they would not do anything which was 'cheap or quick'.

The Council would employ good labour methods and correct materials.

- In response to a query regarding homes which were unoccupied the Chief Financial Officer advised that there was a strategy set out by government on Council tax requiring a 100 percent premium if a home was empty for more than 2 years. A Board member asked if there was a strategy for bringing these back into use. The Portfolio Holder advised that there was previously an empty homes officer which they would like to reinstate, and they were looking at the resource needed to move forward the empty homes strategy.
- A Board member asked how the target Energy Performance Certificate rating of D was arrived at, given the mix of housing stock, both old and new, the newer stock being able to achieve a higher rating. By 2030 the objective was to get council houses to an EPC rating of C. A working group was examining the modelling to get properties up to this standard. It was suggested that this was confusing when there was a proposed government target set at a different level for new tenancies. Councillors commented that the strategy should be more ambitious.
- The housing waiting list was currently at 5000. A Councillor asked if it was expected that this would increase with the end to the restrictions on evictions. It was noted that there had been no indication to date that evictions or demand would significantly increase. However, this couldn't be ruled out as court dates became available.
- It was noted that there was a focus on the private rental sector but not on affordable homes for purchase. There were lots of younger people who did not want to remain in rented accommodation. There was demographic inequality in terms of the existing social housing stock and the new affordable housing stock, which disproportionately affected younger people. A Member felt that there should be a stronger commitment toward social housing
- A Councillor observed that although this was a five-year strategy it appeared to focus on a point in time. It was noted that it was a fluid and evolving document and would be under annual review.
- In response to a question, the Board was advised that the council employs measures in line with the current requirements to seek to avoid returning 'right to buy' receipts to central government.
- Regarding the income to housing cost ratio, it was confirmed that there was information in the housing needs assessment report. The Local Housing allowance was based on affordability in relation to income provided people were housed in the right accommodation for their needs. It was observed that market rents were rising significantly above the local housing allowance.
- In response to issues raised it was explained that selective licensing had been put on hold for the moment, but the housing service considered every available avenue when dealing with rogue landlords.

The Chairman summarised that whilst a number of issues had been raised the overall the Housing Strategy was welcomed. The Chairman thanked Officers and the Portfolio Holder for their responses.

Council Newbuild Housing and Acquisition Strategy – (CNHAS), 2021-26 – The Portfolio Holder for Homes 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 Portfolio Holder and officers addressed a number of points raised by the Board including:

- A Board member asked for confirmation that Templeman House was social housing. It was confirmed that this was designated for social rent and it was explained that affordable housing was often used to cover all types of affordable housing, including social rent and shared ownership.
- The majority of housing coming forward in 2022/23, would be for social rent, a total of 49 homes out of 89. The five-year programme would include a mix of affordable and social. Statistics would be brought to full council year on year.
- A Councillor commented that affordable housing would not get people off the housing register and asked whether there had been any study of what the requirements of those on the housing register were, in order to help shape what might be built on a particular site.
- A concern was raised over the definition of what 'adequately housed' meant and whether the detail of what people required from housing had been considered. There was also the hidden homeless and those in unsustainable housing, who were paying rents above what they could afford, to take into consideration.
- A Board Member asked for further detail on how the Council would actively try to retain homes within the Council's housing stock. It was noted that there were criteria which would be used to determine whether someone can apply to buy their home.
- The space for one bedroom accommodation did not provide a lot of room for people to live comfortably and sustainably. These were listed as bronze standard. There was an aim for 40 percent of builds to meet the silver standard and 10 percent should reach the gold standard.
- In terms of environmental standards it was noted that A and B standards would be the target for all new builds. All applications would be required to meet disabled standards.
- A Board member queried why the Council was investing in a sales and marketing manager when demand for homes was so high. It was noted that income generation was important for the Council and would help to keep Council Tax rates down.
- A Board member commented that the sustainability assessment had marked the paper as amber, which indicated minor negative impacts and questioned why this was proceeding if there were negative impacts.
- It was noted that there were certain areas which it was not possible to be definitive about and therefore it was recommended that it should be given an amber rating. It was noted that there were developments underway such as Luckham House which would be almost zero carbon.

- There was a query around the design guidance in relation to outside space, the importance of which had been amplified by the impact of covid. It was suggested that an amendment could be made to the document on this basis and the Portfolio Holder supported this suggestion.

The Chairman expressed his thanks to officers for a well-presented report and was pleased to hear that work on new social housing builds would be moving forward.

Following this item, the meeting was adjourned at 4.00pm resumed at 4.07pm

79. Scrutiny of Regeneration Related Cabinet Reports

BCP: New Approach to Regeneration - 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 Portfolio Holder and officers addressed a number of points raised by the Board including:

- A concern was raised regarding the implications of not achieving transformation savings on the commitments now in place. Savings on regeneration had been effectively halved. There were a number of different ways to address the sites outlined. It was not expected that a majority would be delivered directly. Preparation would be required, and the financial envelope was considered in a separate budget monitoring paper.
- In response to a question the Board was advised that there were very low borrowing rates at present and that this represented an opportunity for investment. It was noted that the first quarter budget monitoring report for 2021/22 set out two levels, should the scheme, at any point in future, need to be rebooted.
- A Councillor commented that the scheme seemed ambitious, but debt ridden and there was a 150 percent jump in budgeted spend. It was noted that there was a projected £12.6m overspend for the year and transformation savings had already been halved. It was suggested that it may be a good idea to defer agreeing to additional spending until after there had been an opportunity to consider the medium-term financial plan.

The meeting adjourned to address technical issues from 4:28pm to 4:36pm.

- The Portfolio Holder advised that the numbers were small in the context of what was trying to be achieved for the area. It needed to be taken in context of the budget for development over the next five years. The recommendation for approval of resources for 2022/23 would form part of the budget proposals and Council would not sign off this matter until December. The Development Lead advised that there was demand for

development and investment in studies at the beginning, was needed to ensure that the right options were progressed.

- A Councillor questioned how the Urban Regeneration Company would operate with inhouse functions and how they would work together to deliver projects. It was noted that there was a formal arrangement between the Council and the company as laid out in the report. There would be a full business plan for the urban regeneration company which would be coming forward in the next month. There would be a commissioning plan and contract in place. Expertise from the Urban Regeneration Team was needed to pull everything together. The Lead Officer advised that the URC Business Plan and the Council's Commissioning Plan would be mirror documents of each other. These would ensure key value for money and other success criteria. There would be regular reporting in to ensure governance was sound at appropriate gateway stages. It would provide a dual role of both enabling and monitoring.
- A Councillor commented that the Board would like to see the governance set up, as had been requested previously. It was also noted that there was expected to be cross party representation on the board of the URC. There was further work coming in in next couple of months on the URC business plan, which was supported by external advisers.
- A Councillor commented that an additional £3.4m in-year seemed a significant increase. It was suggested that this should be put into a future budget and not this year's budget. The Portfolio Holder was asked to confirm if the £3.4m was for the URC and what the costs were for the recommendations in relation to the BDC. The Chief Financial officer advised that the make up on £3.404m was detailed in the report – £1.375m was extra towards the URC and £1.649m for development enabling costs. There was also £384k towards seafront projects and Poole Quay. All of these were revenue resource requests. In terms of BDC this was the findings of the local partnerships review. These would be reviewed and implemented and would come back for decision. It was confirmed that the BDC issues were not included as part of the £3.404m.

Following discussion, it was moved by Cllr M Cox and seconded by Cllr L Dedman that Recommendation C as outlined in the report should be deleted and replaced with the following, "Cabinet notes the current year projected overspend of £12.6m and recommends that the approval of 3.404m of additional resources be put on hold until there is greater clarity from the updated MTFP in October or November".

In discussion on the motion members commented that this funding was required as investment but there was also concern that the issues were being rushed through.

Voting: 5 in favour, 10 against

The move was therefore not carried.

The Chairman noted that there was a positive plan in place to improve our towns but noted that the issues raised would probably be around for sometime.

High Streets and District Centres Strategy – The Portfolio Holder for Regeneration, Economy and Strategic Planning and the Lead Member for BCP Retail Strategy and Christchurch Regeneration 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 Lead Member and officers addressed a number of points raised by the Board including:

- Board members commented that it was good to hear that Broadstone, Highcliffe and Kinson would be part of a pilot scheme and it would be good to hear more about it in future.
- A Councillor expressed their thanks to officers for sharing the report in August with ward councillors affected by district centres and providing them with an opportunity to influence it.
- In response to a question regarding where the funding would be targeted, it was confirmed by the Director for Economic Development that it would be through other areas not covered by the three Business Improvement Districts which the Councillor had suggested placed them at a disadvantage.
- A Councillor asked why the results of the survey which took place some time ago hadn't been analysed. It was noted that this included 19 different centres and the reimagining report did draw some of the outcomes from the survey together and provided a pointer for issues but there was fine tuning which needed to be addressed to start forming a proper action plan.
- It was suggested that there was a tendency to a generic approach around issues such as parking. Reductions in car parking charges for longer stays wouldn't provide support to district centres as people didn't tend to spend long periods of time there. Officers were asked if there were any initiatives which would target district centres. This was being looked at through an economic and community lens and it was hoped that issues like this could be picked up in terms of developing a way forward. It was recognised that these things existed and influenced the high street, but the strategy wasn't about addressing them directly.
- A Councillor commented that there was very little in the report around community buildings and uses. Buildings in high streets could be put to community use but this was not covered at all within the plan. It was suggested that groups and how they went about meeting post-covid was very important.
- A Councillor commented on the place marketing strategy and the descriptive wording. It was suggested that there should be a focus on the different local towns and areas. The Lead Member suggested that successful areas had a strong place identity and that a lot of positive issues could come from this.

The Chairman thanked the Members and Officers for the report and the work that had gone into this.

The Chairman advised the Board that due to the time the next report on 'Spending Priorities for Strategic CIL' would be deferred to the 6.00pm meeting.

The meeting ended at 5.38 pm

CHAIRMAN

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL

OVERVIEW AND SCRUTINY BOARD

Minutes of the Meeting held on 20 September 2021 at 6.00 pm

Present:-

Cllr S Bartlett – Chairman

Cllr V Slade – Vice-Chairman

Present: Cllr L Allison, Cllr B Dion, Cllr J Edwards, Cllr D Farr, Cllr L Fear,
Cllr S Gabriel, Cllr M Howell, Cllr D Kelsey, Cllr T O'Neill,
Cllr C Rigby, Cllr M F Brooke and Cllr T Trent

Also in attendance: Cllr D Mellor, Cllr M Anderson, Cllr M Haines, Cllr K Rampton and
Cllr J Kelly

80. Apologies

Apologies for absence were received from Councillors Cox, Deadman and Earl.

81. Substitute Members

Councillors Brooke and Trent were substitutes for Councillors Cox and Earl.

82. Declarations of Interests

Councillor Gabriel declared an interest as manager of two leisure centres in Poole. Councillor Trent declared an interest in assisting residents in CIL bids.

83. Public Speaking

There were no public issues received on this occasion.

84. Forward Plan

The Committee noted the Forward Plan.

Scrutiny of Regeneration Related Cabinet report - Spending Priorities for Strategic CIL.

The Leader of the Council with support from the Planning Policy and Implementation Manager and Planning Research GIS & Information Manager presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'A' to these Minutes in the Minute Book.

Officers responded to comments and requests for clarification, details included:

- Clarification was provided over the membership of the Future Infrastructure Programme Board (FIPB) which included four Senior Officers and the Leader and Deputy Leader of the Council.
- It was advised that the legacy authorities managed strategic CIL and arrangements using an adopted CIL charging schedule and a Regulation 123 list which the legacy Councils used to determine which projects were invested in through the usual democratic process.
- The distribution of CIL across the legacy authorities was highlighted and some priorities previously agreed were highlighted.
- The Board was advised that the Regulation 123 list no longer existed, and it was being replaced by a public infrastructure funding statement which was appended to the Report before the Board.
- In response to a concern regarding when the new CIL charging structure would be implemented and the need to ensure a fair and equitable structure across BCP, the Board was advised that the Government had proposed changes across the planning system including the CIL regime and until whilst it was known that the charging structures needed to be refreshed working alongside the local plan, BCP Council was waiting for the proposed changes to be confirmed first.
- In response to a concern the Board was advised that the plan was to improve transparency and the process which, after being considered by the FIPB would go through the democratic process of approval by Cabinet and Council. The Board was also reassured that the Annual Funding Statement would be in the public domain.
- In response to a concern regarding spending CIL on the NHS, the Board was advised that there had been a request for CIL funding from the NHS and the proposed projects were detailed in Appendix 3 of the report. The Board was reassured that this request would be considered carefully by the FIPB and if approved by them, would continue through the democratic process.
- The Board was advised that the neighbourhood proportions of CIL would continue to be managed using the same cross party member panel.
- In response to a query, the Leader confirmed that increasing cultural structures within BCP was included in the delivery market plan but advised that this paper related to the governance and not the proposed plans to spend the CIL.
- The Leader concluded strategic CIL was about mitigating impact on the community and that all decisions would be taken in an open and transparent manner.

The Chairman thanked Board Members and Officers for their contributions.

85. Scrutiny of Regeneration Related Cabinet Reports - Spending Priorities for Strategic CIL

The Chairman advised the Board that this item had been deferred from the afternoon Overview and Scrutiny Board.

The Leader of the Council, with support from the Head of Planning and Planning Research GIS & Information Manager presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'A' to these Minutes in the Minute Book.

Officers responded to comments and requests for clarification, details included:

- Clarification was provided over the membership of the Future Infrastructure Programme Board (FIPB) which included four Senior Officers and the Leader and Deputy Leader of the Council.
- How the legacy authorities had managed strategic CIL was discussed including the distribution of CIL and some previously agreed priorities.
- The Board was advised that the Regulation 123 list was no longer in existence, and that it was being replaced by a infrastructure funding statement which was appended to the report.
- In response to a concern regarding when a new BCP wide CIL charging schedule would be prepared to ensure fair and equitable charging across BCP, the Board was advised that the Government had proposed changes across the planning system, and until the detail of any proposed changes to the CIL regime were known, the creation of a single CIL charging schedule was on hold. It was also imperative that the CIL charging schedule was prepared alongside the emerging BCP Local Plan to take into account the cost of policy requirements and viability.
- In response to a concern the Board was advised that the aim was to improve transparency and the process which, after being considered by the FIPB would go through the democratic process of approval by Cabinet and Council. The Board was also reassured that the Infrastructure Funding Statement would be in the public domain.
- In response to a concern, the Board was advised that there had been a request for CIL funding from Dorset NHS and the proposed projects were detailed in appendix 3 to the report. The Board was reassured that this request would be considered carefully by the FIPB and if approved, would continue through the democratic process.
- The Board was advised that the CIL neighbourhood portion is separate to strategic CIL and would not be affected by the proposal. It would continue to be managed using the same cross party member panel.
- In response to a query, the Leader confirmed that increasing cultural assets within BCP was included in the delivery market plan but advised that this paper related to governance and not the proposed CIL spending plans.
- The Leader concluded strategic CIL was about mitigating the impact of development upon the community through the provision of infrastructure to support the development and that all decisions would be taken in an open and transparent manner.

The Chairman thanked Board Members and Officers for their contributions.

86. Scrutiny of the Cleaner, Greener, Safer Cabinet Report

87. Scrutiny of Complaints and 2020/21 LGSCO annual report

The Policy and Performance Officer and Local Government Ombudsmen Link supported by the Chief Executive presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'D' to these Minutes in the Minute Book.

Officers responded to comments and requests for clarification, details included:

- Clarification was provided regarding the difference in the number of complaints received in a year and determined differing due to some determinations happening the year after the complaint was received.
- In response to a query about the number of complaints received that did not go to the LGSCO and dealt with internally, the Board was advised there was not currently a fixed system and each service had different ways of managing complaints. The Board was advised that the number of complaints should not be seen as an indicator, but how many were resolved satisfactorily.
- The Board was advised there were plans to centralise complaints received to provide a better overview, efficiency of monitoring and reduce pressure on front line services.
- The Board was advised of the difficulties which were encountered, for example encouraging and enabling complaints would increase the numbers and the different type of complaints which carried different weights such as a missed refuse collection compared to a complaint regarding a child's Education, Health and Care Plans.
- In response to a query from the Chairman, the Board was advised that each service had a complaints system and it was hoped that the a corporate monitoring would be in place over the next 12-18 months.

The Chairman summarised that the Board was pleased about the plan to centralise complaints management and thanked Board Members and Officers for their contributions.

88. Scrutiny of Community Related Cabinet Reports

The Portfolio Holder for Adults supported by the Lead Member for Engagement presented a report on Community Engagement and Consultation Strategy Report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'C' to these Minutes in the Minute Book.

Officers responded to comments and requests for clarification, details included:

- In response to a query, the Board was advised that there had been a large investment in asset-based community development and communicating with residents to get the best results.
- The Chair enquired about the proposed Area Forums and was advised that the outcome of the consultation was that many residents wanted them as a way of communicating and engaging with BCP Council and therefore they would be supported in the future
- In response to a concern about the consultation platform being unsatisfactory and the need for it to be more intuitive, the feedback was welcomed and the Board was advised that Officers were currently experimenting with different tools to discover what works and what doesn't.
- The Board was advised that the strategy would build on and improve consultation and engagement using every tool available, not just digital platforms.

The Chairman summarised that the Board welcomed the proposed community engagement with BCP's residents and thanked Board Members and Officers for their contributions.

89. Future Meeting Dates 2021/22

The Board noted the future meeting dates.

The meeting ended at 8.25 pm

CHAIRMAN

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

Minute number	Item	Action* *Items remain until action completed.	Benefit	Outcome
Actions Arising from Board Meeting: 14 June 2021 2:00pm				
28	Scrutiny of Regeneration, Economy and Strategic Planning Related Cabinet Reports - Approval of the Rolling 5-year BDC Business Plan -	A request from a Board Member was received on Bournemouth Development Company's contribution to affordable Housing. The Portfolio Holder undertook to provide further information on this issue. Partly Actioned: Some information received 19.07.21	In order to provide all necessary information to the O&S Board to enable thorough scrutiny.	
Actions Arising from Board meeting – 2.00pm 20 September 2021				
78	Scrutiny of Homes Related Cabinet Reports - Council Newbuild Housing and Acquisition Strategy – (CNHAS), 2021-26	A Board member requested that specific reference was made within in CNHAS concerning the need for good outside space to be included as part of new developments. Actioned: Officers suggested amendments which were reported to the Cabinet meeting held on 29 September 2021	To enable O&S views to be taken into consideration by the Portfolio Holder when making proposals to Cabinet.	See Cabinet minutes of 29 September for response to the recommendation
Actions Arising from Board meeting – 6.00pm 20 September 2021				
86		The Overview and Scrutiny Board recommended that Cabinet consider the additional recommendation as outlined below: 'That Cabinet note that pesticides do not just harm the organisms that they are designed to control. They also have a major impact on non-target	To enable O&S views to be taken into account by Cabinet when making decisions.	See Cabinet minutes of 29 September for response to the recommendation

Minute number	Item	Action* *Items remain until action completed.	Benefit	Outcome
		<p>organisms, including people. Alternative weed treatments will continue to be explored.'</p> <p>Actioned: Reported to the Cabinet meeting held on 29 September 2021</p>		

CABINET



Report subject	Estates and Accommodation - Retention of Poole civic space
Meeting date	27 October 2021
Status	Public Report
Executive summary	<p>The delivery of the council's Estates and Accommodation Strategy will enable the organisation to reduce its exposure to a large and inefficient office accommodation estate, whilst at the same time supporting the development of single council identity where staff work in modern and flexible ways, delivering services that are transformed in order to be as customer focused and financially efficient as possible.</p> <p>The creation of the BCP Council Civic Centre and relocation of the customer service offer to local libraries represents the first phase in the council's Estates and Accommodation Strategy and comprises the necessary investment in the Bournemouth campus and larger libraries, plus the associated work required to allow for new uses of the legacy Poole and Christchurch civic offices.</p> <p>In the November 2020 Estates and Accommodation Cabinet report, it stated that the intention was no longer to dispose of the Poole Civic Centre in its entirety but to maintain ownership of the core building to protect the Mayoral connection and to consider alternate uses. The Poole civic building is a 1930s listed building and has played an important part in Poole's history. BCP Council are committed to retaining it as a Poole asset.</p> <p>It is proposed that BCP will retain the freehold of the Poole Civic Centre and a 'vertical slice' will be remodelled for retention as a civic building in Poole. Consideration has been given as to the best use of this space alongside the Poole Charter Trustees. The Dorset Coroners service has been looking to relocate from Bournemouth Town Hall, and the gravitas and location of the building is a good fit for their needs. The use of the building by the Coroners service alongside the mayoralty function, located in the heart of Poole, presents a viable future for the retained building. The other sections of the Poole Civic Centre and wider campus will be repurposed in due course. The Poole Charter Trustees and Coroner have been engaged with regarding the proposed layout of this space.</p> <p>The project budget requested reflects the need to create a fit for purpose space for the Poole Charter Trustees and Coroners service.</p>

Recommendations	<p>It is RECOMMENDED that Cabinet:</p> <ul style="list-style-type: none"> a) Approves the retention of the Poole Civic vertical slice and use to accommodate the requirements of the Poole Charter Trustees and Dorset Coroners Service. b) Approves the proposed budget set out in Appendix 2 for Recommendation to Council. c) Approves the provisional scope and delegates to the Chief Executive, in consultation with the Leader, final decisions in respect of the footprint of the retained section of the building, within the agreed budget allocation. d) Authorises the commencement of the procurement process and delegates authority to award contracts to the Chief Executive in consultation with the Leader and appropriate senior officers as appropriate, in accordance with delegated authorities and the council's financial regulations <p>It is RECOMMENDED that Council:</p> <ul style="list-style-type: none"> a) Approve the budget set out in Appendix 2
Reason for recommendations	To maintain the civic presence in the historic Poole civic centre. To approve the budget and procurement approach required to successfully establish the 'vertical slice' of Poole civic centre for use by the Poole Charter Trustees and Dorset Coroners service.
Portfolio Holder(s):	<p>Councillor Drew Mellor Leader of the Council and Portfolio Holder for Finance and Transformation</p> <p>Councillor Mark Anderson, Portfolio Holder for Environment. Cleansing and Waste</p>
Corporate Director	Julian Osgathorpe, Corporate Director Resources
Report Authors	Matti Raudsepp, Director of Customer and Business Delivery
Wards	Council-wide
Classification	For Decision and Recommendation

Background

1. In November 2020 Cabinet approved the budget to deliver phase 1 of the Council's Estates and Accommodation strategy. Paragraph 4 stated that

“Specifically the intention is no longer to dispose of the Poole Civic centre in its entirety but to maintain ownership of the core building to protect the Mayoral connection and to consider alternate uses.” The approved budget included £350k to deliver the remodelling of a section of the Poole Civic centre for these purposes.

2. This followed the decision of Cabinet in Feb 2020 to remodel the current Bournemouth Town Hall complex to become BCP Council's Civic Centre.
3. As a consequence of the unprecedented situation created by the pandemic on the council's activities Cabinet agreed in June 2020 to accelerate the transition of staff from Christchurch and Poole to the new BCP Civic Centre, and thereby release the legacy buildings for repurposing as soon as possible. It was also agreed that a more pragmatic and scaled back approach would be taken to the refurbishment of the new civic centre, reflecting the financial implications the council was dealing with as a result of the pandemic.
4. In order to progress the decisions around the future of the council's wider estate, an Asset Management Plan is currently being developed. This piece of work will inform subsequent stages of the Estates and Accommodation project, and in particular the delivery of a consolidated corporate estate that meets the future needs of BCP Council, including opportunities for disposal of surplus assets which can support the council's Medium Term Financial Plan (MTFP).

Use of Poole Civic Centre– vertical slice

1. The Poole Civic Centre was given Grade 2 listed Status in 2019. The listing predominantly relates to the external facade of the original building constructed in 1932, the later 1980's extension although constructed of a similar design with similar materials is not of special architectural or historical interest. Although the listing mostly relates to the external facade there are a number of interior features identified in the listing. The Cattistock Room, The Council Chamber, Members Waiting Rooms, Committee Rooms and the Mayors Parlour are all listed specifically by name due to a number of decorative features
2. The area of the proposed vertical slice to be retained is outlined in Appendix 1. It is a fifth of the overall area of the Poole Civic Centre The red line shows an optimal section of the building and includes the car park at the front of the building. The slice outlined is symmetrical and is separated at the narrowest part of the building which facilitates the severing of services and minimises conversion costs. It also optimises fire escape provision from this section of the building.
3. The area outside of the red line will be released and allocated for an alternative use subject to an option appraisal the development of which are not within the scope of this project and report. However, there is an active workstream, led by the Future Places team, to determine the options for the future of the site. An estimate of the value of the vertical slice that will be excluded from redevelopment is £1.575m (based on a valuation by Vail Williams).
4. As the building's listing predominantly relates to the external facade of the original building, the external walls and central courtyard will be protected. BCP Council will retain the freehold of the building so access and maintenance issues will be protected. Accessibility by the Coroners service/ mayoralty to the courtyard area will be assessed when further details of the future use of the wider site are known.

5. Consideration has been given to the suitability of several different services for the continued occupation and utilisation of the vertical slice, to sit alongside the Charter Trustees for the Poole Mayoralty. In this regard, the Coroner's service is considered to be the best fit as an anchor occupant and a service that will make the most appropriate use of the unique characteristics of the accommodation.
6. The layout of the vertical slice is shown in Appendix 1. The layout indicates space to be occupied by the Dorset Coroners service (1493 m²), Poole Charter Trustees (83 m²) and unallocated space (815 m²) which will be available to officers and/or the community. The most appropriate use of this unallocated space will be determined from the outcome of the wider asset management strategy and plan, based on the respective demand and requirements that may exist.
7. The Coroners service is a Dorset wide service provided in partnership with BCP Council and Dorset Council. BCP Council has progressed discussions with both the Coroner and Dorset Council to confirm support for this proposal. Both Dorset Council and the Coroner have confirmed their support for the Poole Civic Centre vertical slice being their preferred location for the service.
8. The Coroner has long found the existing location of Bournemouth Town Hall not fit for purpose. The coroners service runs two courts three times a day in peak periods. Attendees range from 5 to over 100, dependant on the nature of the court sessions. There is only one permanently designated court in the Bournemouth Town Hall and the coroners service has been in competition with other services for use of the additional temporary courts. Access to the courts is via main reception and is less than ideal. Visitors attending the Coroners service are forced by the buildings design to mix with other building users such as wedding guests. The conflict of interest between the services are obvious and the source of much frustration.
9. The Poole Civic Centre provides ample accommodation for the Coroners service with two large courtrooms and sufficient toilet facilities. The location is central to customers Dorset wide and is well served by bus, cycle and road routes. The historic building and the gravitas it provides is a suitable setting for a court.
10. Engagement has taken place with the Poole Charter Trustees regarding the layout and use of the Poole Civic space. Feedback was received regarding the size of the vertical slice and fire safety precautions which had been outlined. These were duly noted and the area and design of the vertical slice reflects the feedback received.
11. The Mayors Parlour (including kitchen) and the Leaders Office will be retained for exclusive use of the Poole Charter Trustees, as well as a secure store for regalia and robes. There will be a bookable meeting room for use by BCP Councillors (including Poole Charter Trustees) and officers and they may make use of the Council Chamber and Cattistock room for functions when available.
12. There is a small car park that will remain with the vertical slice. This car park has two EV chargers for electric vehicles. There will be three allocated car spaces: one for Mayor, one for Sheriff (Mayor-elect) and one for the Coroner. There will also be accessible car parking bays. Officers and visitors to Civic Centre will be encouraged to use sustainable travel where possible. The Civic centre is on bus routes, cycle paths and twenty minutes walk from Poole train station. A secure cycle store for twenty cycles will be provided on site. There is a surface pay and display car park next to the Poole Civic Centre which may be used by visitors or

staff to the retained building. Should plans for the wider site affect the availability of that parking in the future, consideration will be given at that point to what alternative provision may be available to support the activities taking place in the retained building.

13. The car used by the Poole Mayor will be securely rehoused and will be available when needed.
14. Appropriate maintenance and security arrangements will be identified to manage the retained building. It is anticipated that the area outside of the vertical slice will be unoccupied from spring 2022 until it is repurposed. This may be for more than a year. Appropriate security will be maintained while the building is unoccupied (in line with the Poole unoccupied building policy).

Delivery Strategy

15. Initial design commenced in spring 2021 and listed building consent will be progressed following approval of the recommendations in this report. Assuming all approvals and consents are in place it is currently anticipated that the build timescale would be in the region of 5-6 months and be completed by end 2022.
16. The challenges involved with delivering this build include: separation and removal of the existing services to provide a stand alone space; bringing in new services such as electrical and water mains; providing appropriate fire compartmentation and escape routes; providing adequate welfare facilities (staff side and public side, include accessible WC's; complications arising from the separation of persons involved in Coroner's cases (jury/witness/defendant); Grade 2 listed status and the limitations this imposes.
17. The remodelling works will begin by severing the services (heating, electricity, water) to separate the vertical slice. This requires the building to be unoccupied. Officers will need to have transitioned to the BCP civic centre (due to complete by end May 2022). The Mayoralty will be relocated to an interim location while Poole Civic is being remodelled.

Next steps

18. If approval is secured for the recommendations in this report the next steps will be: continue detailed design and finalise costings, procurement process, ongoing engagement with stakeholders, progression of planning and associated works to vacate the wider Poole Civic site in order to facilitate timely commencement of works to the vertical slice
19. The process for developing a disposal strategy for the Christchurch and Poole legacy civic offices is underway and the options relating to these disposals and the repurposing of the Poole Civic will be reported to Cabinet in due course.
20. Following review of the asset management strategy and plan, it will be decided what the appropriate use is for the unallocated space in the retained section of the civic building.

Summary of financial implications

21. **Capital budget** - The capital budget requirement for the delivery of the Poole Civic space is estimated to be £1.07 million, inclusive of a 17.5% contingency. The budget breakdown is set out in Appendix 2 and covers the costs of creating a standalone building and remodelling of the space. The project is focussed on pragmatism and financial prudence so the refurbishment costs are limited to those works that are essential in order to optimise the use of the available space. A significant percentage of the budget is required in order to sever the services and establish an independently operating building. The uncertainty that accompanies a project of this scale and complexity means that a 17.5% contingency is considered appropriate.
22. An allowance has been made for electric heating due to the complications and costs of a new gas fired system. The electric heating could be supported with the addition of solar panels although no allowance has been made for this at this stage.
23. There are a number of repairs required to the external envelope of the building. These repairs are highly recommended as there is visible water ingress which may otherwise damage internal decorations and fittings.
24. £350k specifically for the Coroners relocation was approved by Council in the Estates and Accommodation Cabinet report in November 2020. The original estimate for the Coroners relocation did not include severing the building to create a standalone building. This paper therefore seeks a further £650k capital budget in order to increase the existing £350k approved budget to the £1.07 million required.
25. A number of assumptions underpin the £1.07m project budget estimate:
 - a. The budget is largely based on estimates rather than tender costs
 - b. Asbestos surveys have been completed but only to a non-invasive level at this stage. More detailed survey work may identify additional costs in due course
 - c. The emphasis is on reuse of suitable office furniture and equipment in order to limit refurbishment costs
 - d. The emphasis is to redecorate key rooms and make good those with significant alterations
26. All liabilities/benefits of the asset rest with BCP, therefore any capital works are the responsibility of BCP, this includes borrowing to carry out any capital works. The interest is seen as a business expense even though it is linked to the works to the asset and therefore Dorset Council will contribute towards the interest payments.
27. The table below provides an overview of where the £1.07 million cost is expected to be spent. It is expected that Dorset will contribute towards the interest cost of prudential borrowing through the annual shared service agreement which will be £6,162 pa.

	Total	Coroners Service	Charter Trustees	Unallocated
	m2	m2	m2	m2
Vertical slice (m2)	2391.2	1493.4	83.3	814.5
% space		62.45	3.48	34.06
Capital works planned	£1,074,538	£671,092	£37,433	£366,014
Annual repayment of principal	£21,491	£13,422		
Annual repayment of interest	£20,272	£12,660		
Dorset share of cost		£6,162		

- 28. Prudential borrowing** – the full £1.07m capital investment is proposed to be funded from prudential borrowing. As this is a service delivery capital project, the use of prudential borrowing is permitted under new HM Treasury borrowing rules.
29. Prudential borrowing periods are calculated on the expected life of the asset for which borrowing is undertaken. Building alterations (including service severance required to facilitate the new premises) are expected to have an economic life of (and repaid over) 50 years.
30. Interest on prudential borrowing is calculated using the council's low risk Invest to Save Framework rate of 3%.
31. **Estates and Accommodation budget** - In producing the estimates for the original Estates and Accommodation budgets for the development of the BCP Civic Centre a Transformation saving of £1.031m for 2022/23 was declared, increasing to £1.085m in 2023/24. By agreeing to the proposals for the vertical slice these savings will be reduced by an estimated £26k in 2022/23, and a further £53k in 2023/24, a cumulative increase of £79k. These figures represent the best estimates currently available and are net of contributions expected from both the Coroner's Service and the Charter Trustees. With respect to the Coroner's Service only the change in contribution received with regards the move from Bournemouth to Poole has been taken into consideration.

Vertical Slice Revenue Implications		
	2022/23	2023/24
	£'000	£'000
Increased Operational Costs	58	101
Revenue impact of Prudential Borrowing	0	42
	<hr/> 58	<hr/> 143
Contributions to Operational Costs	(32)	(64)
Contributions to Prudential Borrowing	0	(26)
	<hr/> (32)	<hr/> (90)
Net Impact	26	53

32. In addition to the costs identified as directly related to the vertical slice, further advice has been sought on rate relief applicable to other assets pending disposal leading to an increase in budgets for future years. These changes also impact on the estimated Transformation Savings. In 2022/23 an increase of £25k is needed, and a further £89k is needed in 2023/24, a cumulative total of £114k. Together these items will reduce the Transformation Saving for 2022/23 by £51k to £980k, and by £193k in 2023/24 to £892k.

Impact on Transformation Savings		
	2022/23	2023/24
	£'000	£'000
Transformation Saving	(1,031)	(1,085)
2022/23 Adjustments		
Vertical Slice net revenue cost	26	26
Estates & Accommodation rates review	25	25
2022/23 Revised Transformation Saving	<hr/>	<hr/>
2023/24 Adjustments		
Vertical Slice net revenue cost		53
Estates & Accommodation rates review		89
Revised Transformation Saving	(980)	(892)

33. Outside of the Estates & Accommodation project and Transformation Savings but as a result of the Coroner's Service moving into the Poole Civic site there will be increased accommodation costs to the service. BCP Council will have to take on its share of these additional costs, resulting in an MTFP pressure of £10k in 2022/23, with an additional £39k in 2023/24.

34. Revenue costs are still to be finalised and confirmed and partner contributions agreed. Any future changes will have further impacts on the Transformation Savings identified.

Recommended Procurement Process

35. In order to deliver the Poole civic vertical slice a combination of in-house and externally sourced design and professional skills capability will be used. This ensures that the various strands of the project can be developed concurrently which will assist in managing the interdependencies that exist within the project, and also represents the best use of internal resource.
36. With regard to the build elements of the project these will be procured in line with the council's normal procurement guidelines, and the most appropriate approach and breakdown of works will be identified once the outcome of the design phase is known.

Financial risks

37. There is financial risk around the budget estimate – current market conditions have resulted in substantial increases in tendered works to original budget. This risk is mitigated by the inclusion of 17.5% contingency within the overall budget and building survey work already undertaken.
38. Dorset Council are required to contribute 48.6% of operating expenses (including annual repayment of interest costs) of the Coroners service.
39. Planned spend has been reviewed to ensure that it is capital in nature, and therefore prudential borrowing (for a service provision capital project) is permitted.
40. The council has sufficient headroom to accommodate the additional borrowing required. This position will need to be reviewed regularly – especially as the council expects to have to undertake further prudential borrowing with respect to market related cost pressures on existing capital projects already underway.
41. A budget of £300k for direct costs in relation to the disposal of the remainder of the Poole Civic Centre has been previously approved. CIPFA accounting permits “incremental costs directly attributable to the disposal of an asset” to be deducted from subsequent capital proceeds. Disposal costs relating to non-housing land are limited to 4% of total disposal proceeds. On this basis around £224k of the £300k budget is currently assumed to be funded from future capital receipts. This capital receipt was originally anticipated within a relatively short timeframe. The remaining £76k budget is recognised as revenue spend within the MTFP.
42. This paper assumes the freehold is retained at this time, with a view to potential future disposal for either residential or commercial development. This could have funding implications for the £300k budget for asset costs up to disposal. As a matter of prudence, and in line with CIPFA guidance, such costs should only be offset against future capital receipts if there is a clear strategy for site disposal within a reasonable timeframe. Accordingly, fresh approval for the full £300k asset spend to disposal budget was obtained from Council (29 September 2021) as part of the Urban Regeneration Company revenue budget request.

43. The net capital receipt from disposal of the remainder of the Poole civic site is estimated to reduce by £1.575m (based on a valuation by Vail Williams). This will clearly have an impact on the extent of the 300k budget in paragraph 41 that could be potentially offset against this. The capital proceeds from the disposal of this site have not yet been earmarked to any council priorities.(eg for transformation).

Value for money

44. The £1.07 million investment will ensure a continued civic presence in Poole, provide a new improved Coroners service facility and provide additional office / community space within the heart of Poole.
45. There is emphasis on the re-use of existing fixtures and fittings and redecoration of civic space (rather than refurbishment) wherever possible.
46. Works will be tendered to ensure best value is achieved.

Summary of legal implications

47. The council has the power to enter into contracts pursuant to section 1 of the Localism Act 2011. The council will undertake the procurement in accordance with the Public Contracts Regulations 2015 and subject to any relevant implications arising from the UK's transition from the jurisdiction of the European Union on 31st December 2020.

Summary of human resources implications

48. Coroners employees will have to be relocated from Bournemouth Town Hall to Poole – this will affect up to 18 employees (including the Senior Coroner and Area Coroner) with up to 5 Assistant Coroners when called upon to sit in on inquests.
49. The relocation of Coroners staff from Bournemouth Town Hall to Poole Civic vertical slice means that coroners staff will require a change to their contractual workplace location. This will be affected through a consultation with staff, Dorset Police and trade unions undertaken by HR.
50. A majority of the staff will rely on their own transport with some travelling shorter distances to Poole, and others travelling longer distances. Staff living in the New Forest, Verwood and Christchurch will need to travel further distances, with those living in Weymouth, Dorchester and Blandford travelling shorter distances. There are a small number of employees living in the Poole area who are within walking distance of the Poole site.
51. Additionally the Coroners service will need to train first aiders and fire safety marshalls to provide sufficient emergency cover during periods of operation in the event of an incident or injury.
52. Lone working also needs to be considered with appropriate mitigations on risk put in place to enable safe working methods and monitoring when working out of normal operating hours.

Summary of sustainability impact

- 53. The introduction of new ways of working to accompany the outcomes of the Estates and Accommodation Project will reduce travel, with most staff spreading their working time across home and office locations. Investment made in remote working technology as a result of the Covid 19 pandemic has already demonstrated the potential in this regard, and we know following recent staff surveys that the workforce is overwhelmingly enthusiastic about working more flexibly.
- 54. The creation of an Interim Travel Plan is being progressed to support the project and it will identify measures to both encourage positive changes in travel behaviour and to discourage unnecessary travel both to/from work and whilst performing duties related to work.

Summary of public health implications

- 55. There are no public health implications arising from this report.

Summary of equality implications

- 56. An Equalities Impact Assessment (EIA) is attached at Appendix 3

Summary of risk assessment

- 57. The financial risks arising from the project principally relate to the degree of uncertainty around establishing firm costs ahead of procurement processes.
- 58. There are potential risks to the project from Covid 19, with regard to the availability of contractors and building materials which could affect delivery timescales.
- 59. A full risk register is in place to support the project.

Background papers

Cabinet, 13 November 2019

Cabinet, 12 February 2020

Cabinet, 24 June 2020

Cabinet, November 2020

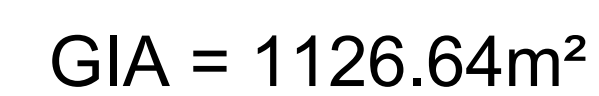
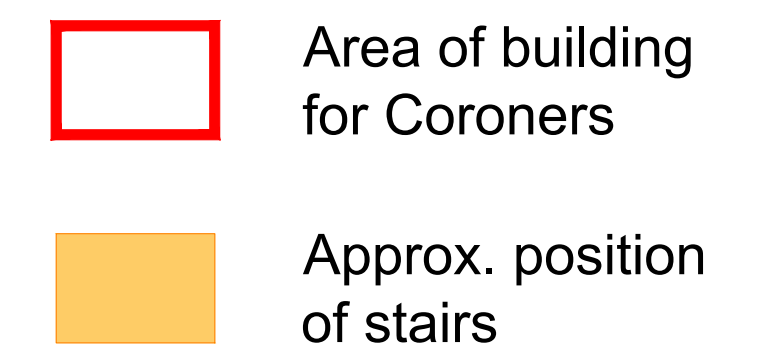
Appendices

Appendix 1 – Area and layout of vertical slice

Appendix 2 – Budget

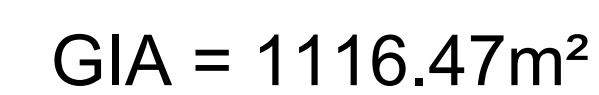
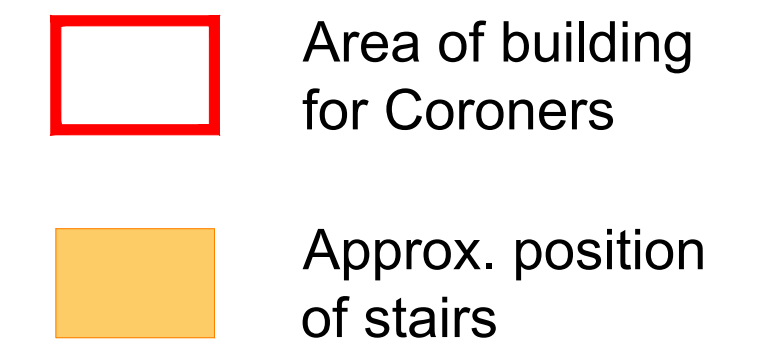
Appendix 3 – EIA

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BCP
Council

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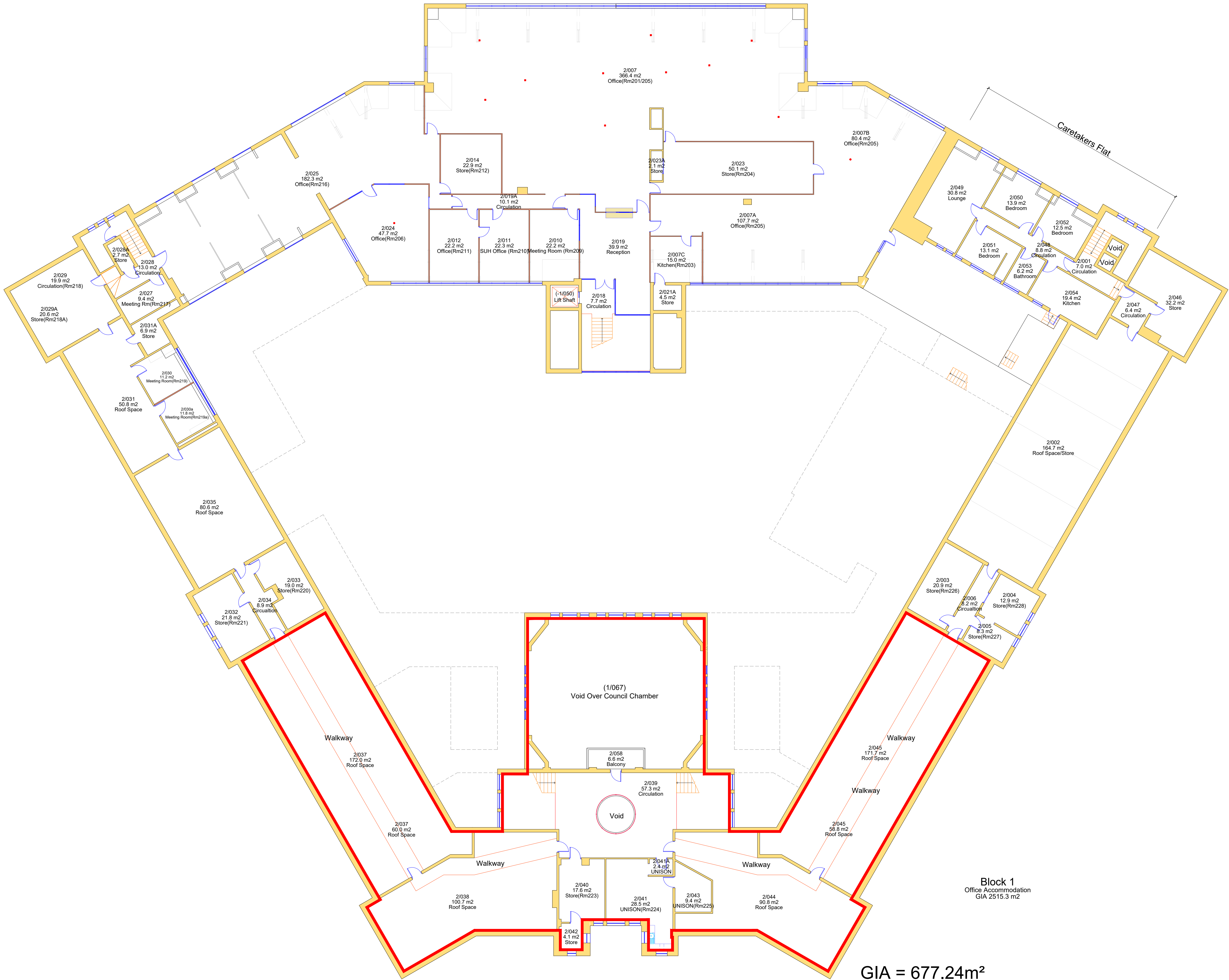
BCP
Council

**Construction
and FM**

Drawing Number:
PS20024-201 RevB Op 3



Area of building
for Coroners



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unless stated otherwise & information
should not be relied upon for any
purpose without on-site verification.



**Construction
and FM**

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0299-Civic Centre Offices
Sandbanks Road, Parkstone

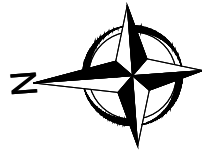
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Proposed area

Date: 21/04/2021	Drawn By: RS	Dwg Format: AutoCAD 3D
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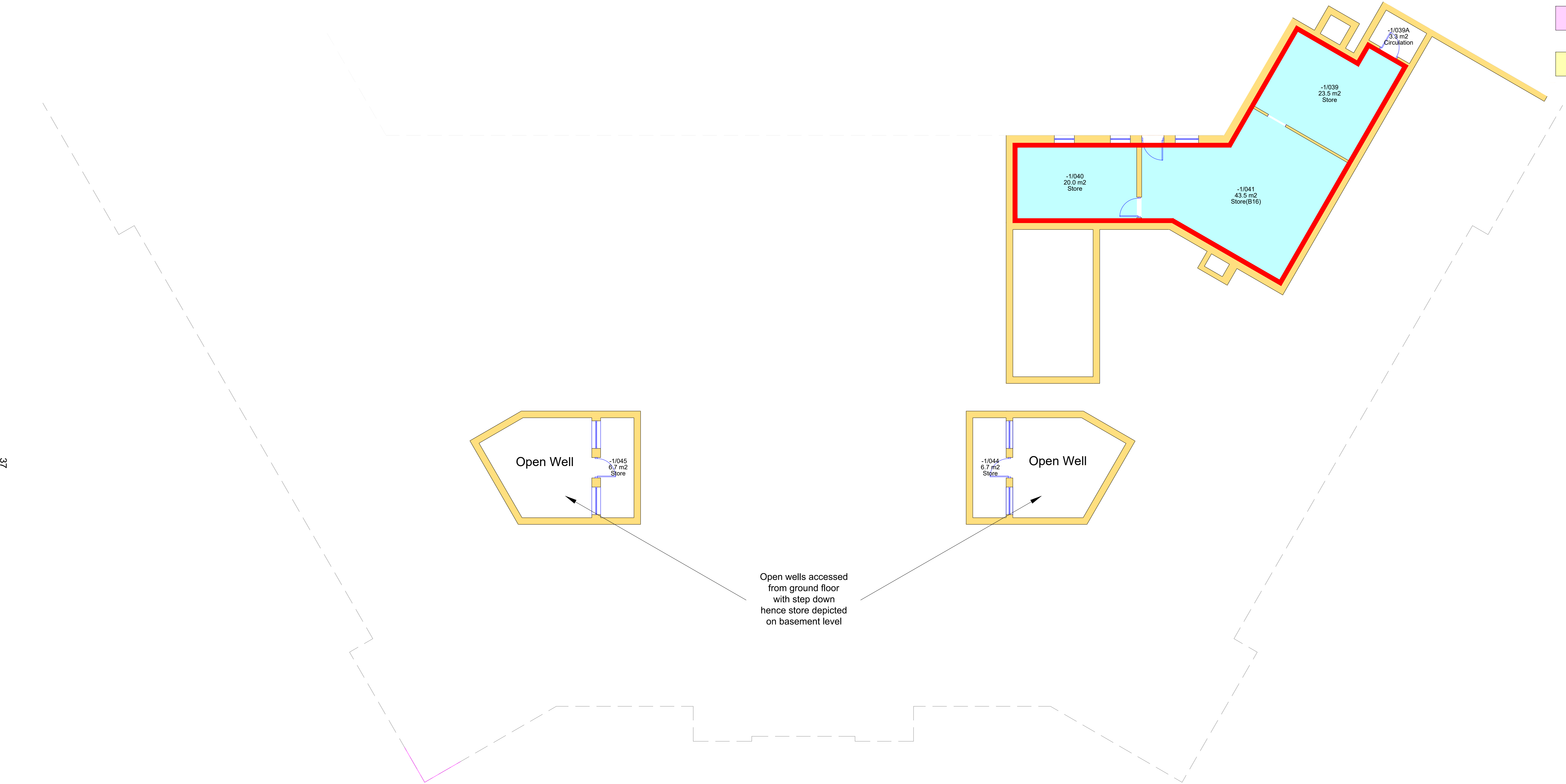
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- GIA = 88m²
- BCP
- Charter Trustees
- Coroners
- Coroners - Secure

37



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purpose without on-site verification.



**Construction
and FM**

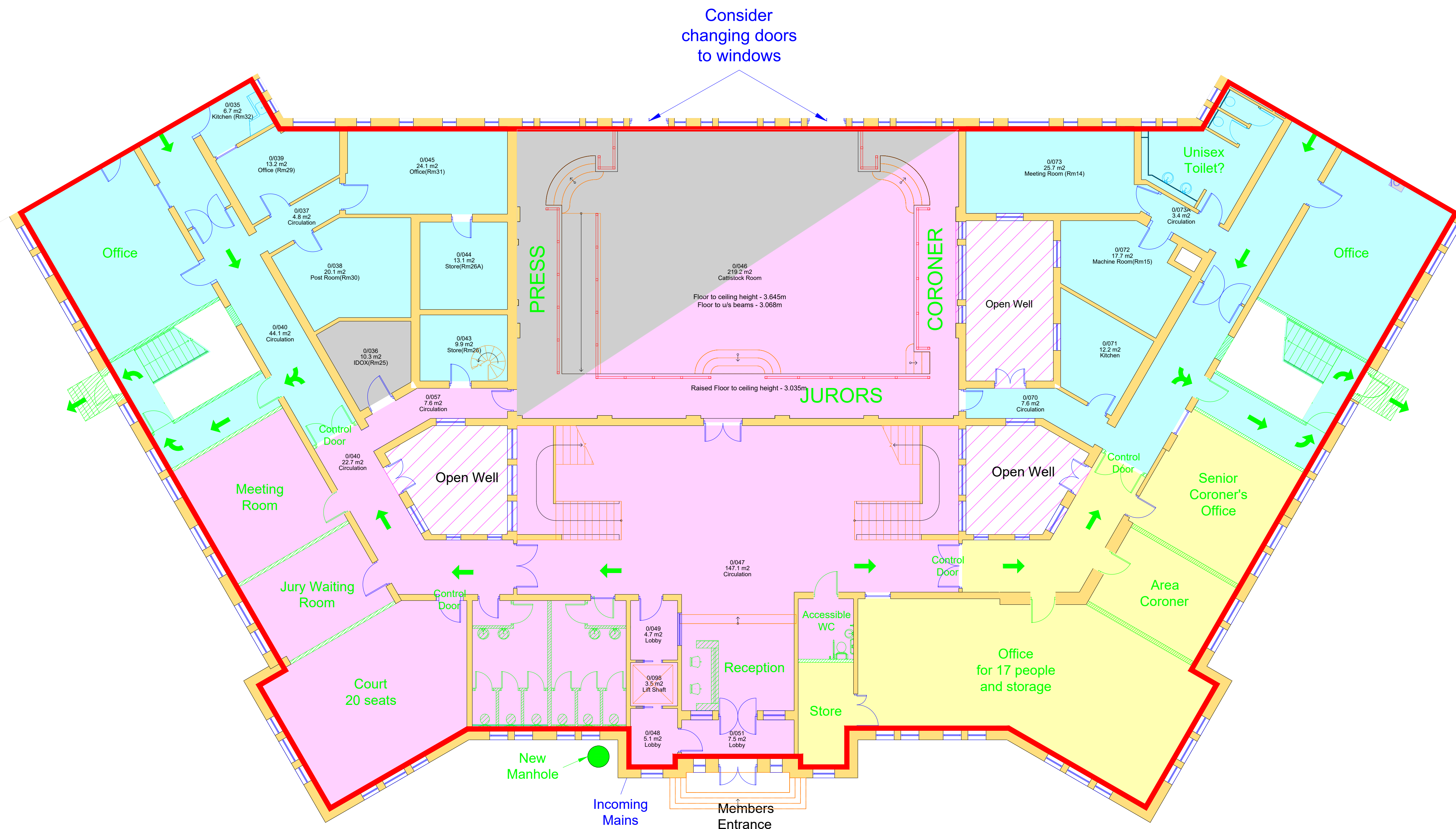
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0299-Civic Centre Offices
Sandbanks Road, Parkstone

Details:
Lower Ground Floor - Coroners -
Proposed Area

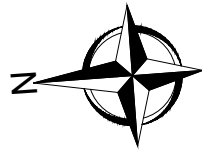
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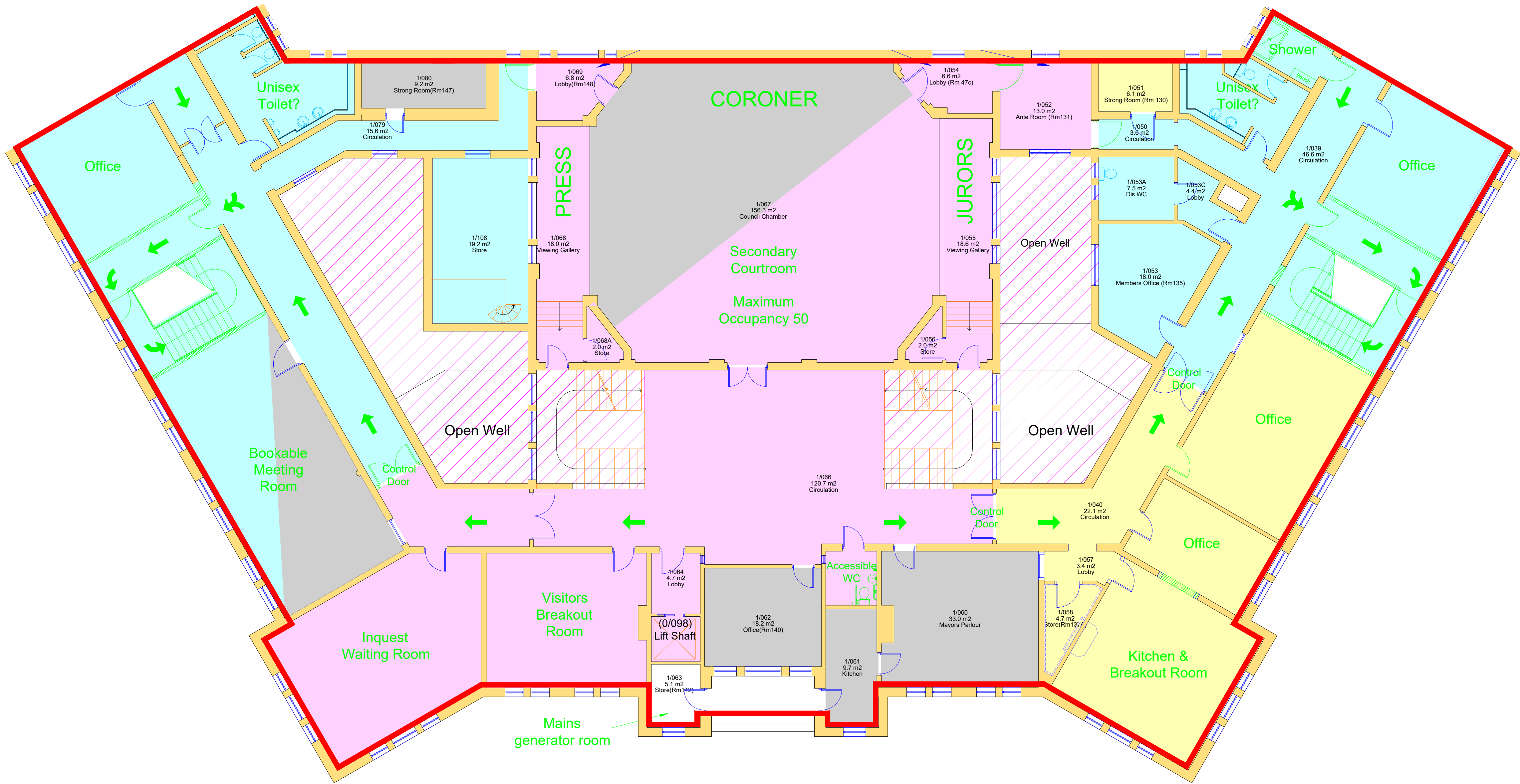
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PS21054-002 RevA



PS21054-102 RevB



- GIA = 1254m²
- Areas to exclude from GIA = 178m²
- New items
- Escape route
- BCP
- Charter Trustees
- Coroners
- Coroners - Secure



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All dimensions are in millimetres
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purpose without on-site verification.



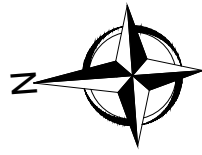
Property Name:
0299-Civic Centre Offices
Sandbanks Road, Parkstone



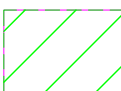



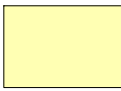
Details:
First Floor - Coroners -
Proposed Area

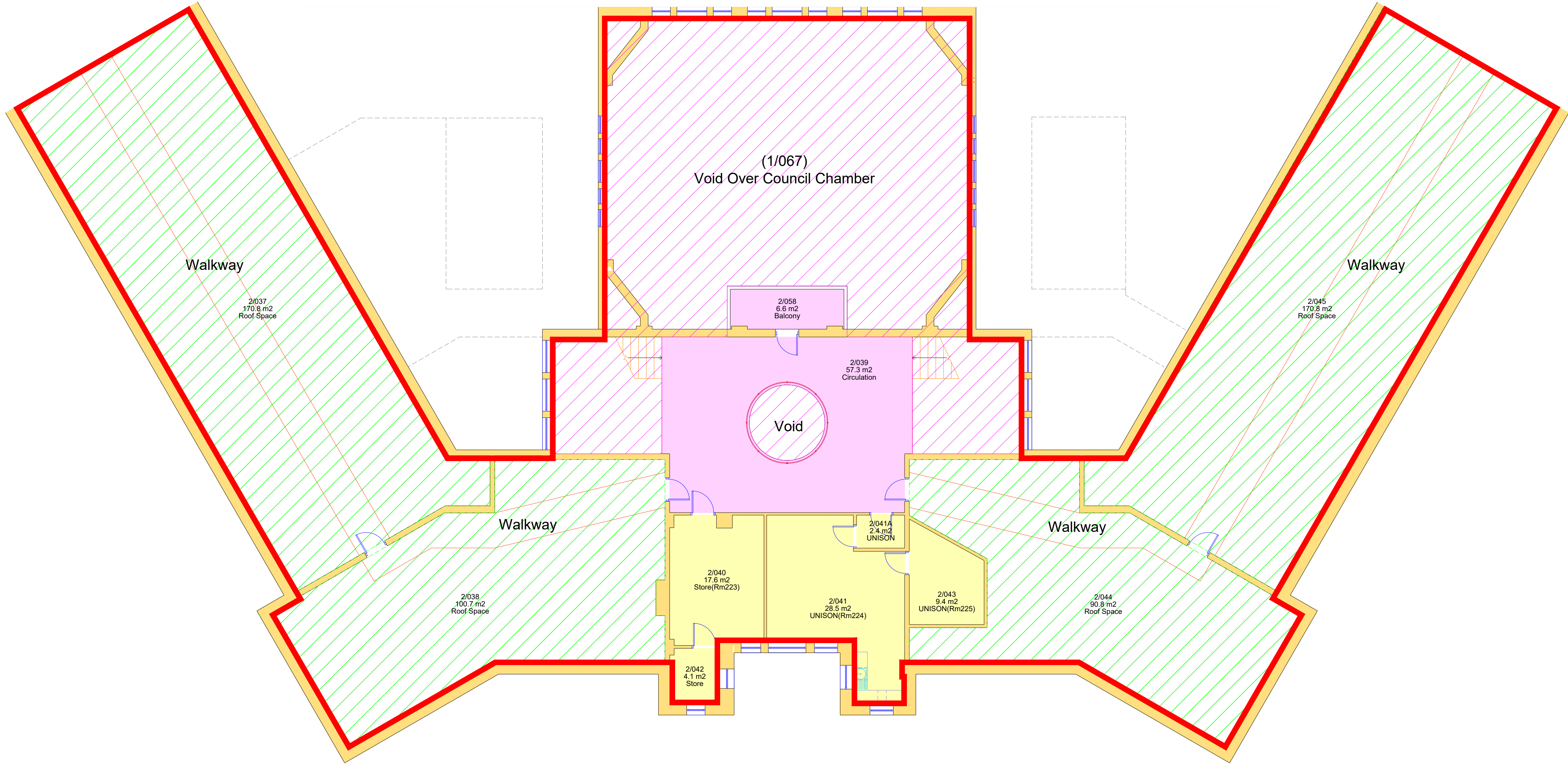
Date: 02/09/2021	Drawn By: RS	Dwg Format: AutoCAD 3D
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Scales:
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Drawing Number:
PS21054-202 RevC



-  GIA = 888m²
-  Areas to exclude from GIA = 213m²
-  Loft Space = 536m²
-  BCP
-  Charter Trustees
-  Coroners
-  Coroners - Secure



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unless stated otherwise & information
should not be relied upon for any
purpose without on-site verification.



Property Name:
0299-Civic Centre Offices
Sandbanks Road, Parkstone

Details:
Second Floor - Coroners
Proposed Area

Date: 02/09/2021	Drawn By: RS	Dwg Format: AutoCAD 3D
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Scales:
A1 1:100

Drawing Number:
PS21054-302 RevA

			Cost Code		RZ0007		Z0448					
			Coronors Office Poole Civic: Costed Measure									
			Overall GIA		2,920.00 m2							
			Measure Rate		Cost		Elem Nr					
2,920.00	2,920.00	m2	Stand Alone Fire Alarm System with smoke detection	2,920.00	10.00	29,200.00	6E					
2,920.00	2,920.00	m2	Stand Alone Intruder Alarm System	2,920.00	2.50	7,300.00	6E					
2,920.00	2,920.00	m2	R&D Asbestos Survey intrusive particular existing heating pipework runs due to removal	2,920.00	1.50	4,380.00	5Q					
2,920.00	2,920.00	m2	Estimate allowance for Asbestos removal	2,920.00	7.50	21,900.00	5Q					
2,920.00	2,920.00	m2	Remove existing heating system drain and cap where necessary remove all radiators and redundant pipework making good all penetrations with appropriate materials/firestopping allow for disposal	2,920.00	11.50	33,580.00	5N					
2	20.00	40.00	Formation of new kitchen/breakout area point of use water heating sinks small kitchenette	40.00	175.00	7,000.00	5I					
	1.00	1.00	Supply and fit new watermain from stoptap in old post room, watermain to serve two sets of m/f toilets, two accesible wc's and Kitchen area	1.00	2,500.00	2,500.00	5P					
2	14.00	84.00	Blocking off corridors and offices	168.00	260.00	43,680.00	2G					
2	3.00											
2	14.00	84.00										
	3.00											
Blocking off lofts												
2	17.94	35.88	Form two skin blockwork 140mm cavity wall tied to existing masonary Insulated two layers acoustic plasterboard painted finish	35.88	240.00	8,611.20	2G					
2	5.50	33.00	Remove redundant partitions from offices make good and dispose	33.00	12.50	412.50	5N					
	2.00	2.00	Form openings in walls with lintels for new accessible toilet doors Make good finished walls	2.00	450.00	900.00	5N					
	2.00	2.00	Form two new accessible toilets DOC M pack incl new doost link to new drainage	2.00	3,500.00	7,000.00	5I					
	2.00	2.00	Form two new Staff toilets incl new door and frame link to new drainage	2.00	2,000.00	4,000.00	5I					
	1.00	1.00	Allow for new drainage run ground and first floor to connect foul water from toilets,kitchens and breakout areas	1.00	15,000.00	15,000.00	5C					
	1.00	1.00	Access control system, leave existing card reader in place and supply access control system Paxton or similar allow for one additional reader for new entrance fire exit	1.00	12,000.00	12,000.00	5H					
	1.00	1.00	Form Reception area in Entrance hall small reception counter open top	1.00	6,000.00	6,000.00	4A					
	2.00	2.00	Knock through exterior wall to form new opening for fire exit/side door make good	2.00	1,500.00	3,000.00	5N					
	2.00	2.00	Install new powder coated side/fire exit door linked to door entry system	2.00	1,750.00	3,500.00	2H					
	1.00	1.00	Install new level access to street Shop side	1.00	12,000.00	12,000.00	2G					
	1.00	1.00	Install new level access to street Park side	1.00	22,000.00	22,000.00	2G					
	2,279.00	2,279.00	New Electric heating	2,279.00	29.25	66,660.75	5H					
	1.00	1.00	New Incoming Electric main	1.00	25,000.00	25,000.00	5P					
	1.00	1.00	Supply and fit stand alone diesel generator for lift and potentially server room if required	1.00	7,500.00	7,500.00	5H					
	2,279.00	2,279.00	Severence of Electrical Services and new distrubution and wiring/lighting	2,279.00	23.95	54,582.05	5H					
	2,920.00	2,920.00	Emergency Lighting	2,920.00	4.50	13,140.00	5H					
	1.00	1.00	ICT Installtions: New server Room and Comms	1.00	50,000.00	50,000.00	6E					
	33.60	33.60	Formation of new male and female toilets 1 set ground floor	33.60	1,800.00	60,480.00	5I					
	1.00	1.00	Allowance FFE fit out (seating rooms waiting areas etc)	1.00	20,000.00	20,000.00						
	5.40	16.31	Creating new stairways and Escape access	37.72	88.00	3,319.34						
	3.02											
	5.20	15.70										
	3.02											
	1.89	5.71										
	3.02											
	37.72	m2										
	7.00	7.00						Form openings in walls with lintels for new office doors and make.	7.00	450.00	3,150.00	
	7.00	7.00						Fire doors FD30 sapelle vision panels self closers	7.00	1,100.00	7,700.00	
	1.00	1.00						Fit out client side breakout room small kitchenette	1.00	3,500.00	3,500.00	
	1.00	1.00	Provision and installation of fire safe approx 1880 x 910 x 661	1.00	5,000.00	5,000.00						
	1.00	1.00	Known roof/gutter/fascia repairs (adjusted for increase in roof area)	1.00	67,080.00	67,080.00						
	2.00	2.00	Formation of new Staircase and Corridor for Fire Escape Route including doors incl of all	2.00	30,000.00	60,000.00						
	1.00	1.00	Allowance for carpeting rooms to be confirmed	1.00	32,000.00	32,000.00						
	1.00	1.00	Allowance for decoration rooms to be confirmed	1.00	37,500.00	37,500.00						
				Sub-Total		760,575.84						
				Prelims at 10%		76,057.58						

		m2

Allowance for fees at 8%	60,846.07
Sub-Total	897,479.49
Total	897,479.49
Contingency at 17.5%	157,058.91
Add move cost	20,000.00
Suggested Budget	1,074,538.41
Build Total	4,704,611.64
Prelims at 15%	705,691.75
Subtotal	5,410,303.39

Equality Impact Assessment: Conversation Screening Tool

What is being reviewed?	Remodelling of Poole Civic Centre – a vertical slice of Poole Civic Centre is being severed to create a standalone building
What changes are being made?	A vertical slice of Poole Civic Centre is being remodelled for retention as a civic building in Poole, to be used by Poole Charter Trustees and the Coroners service
Service Unit:	Resources - Transformation
Participants in the conversation:	Matti Raudsepp, Julian Osgathorpe, Poole Charter Trustees, Mike Morris, Beccy Brookwell, Richard Jones, Liz Hall, Dorset Council, Graham Farrant, Matt Prosser, Stephen Dunhill, Drew Mellor, Rachael Griffin, Mark Anderson
Conversation date/s:	Throughout Jan to August 2021
Do you know your current or potential client base? Who are the key stakeholders?	Poole Charter Trustees, Dorset Coroner Service, Dorset Council, Service Users
Do different groups have different needs or experiences?	<p>We will consider all equality requirements and ensure that the building is DDA (Disability Discrimination Act) compliant. There is a lift to ground and first floor and the entrance is fully accessible. We will be adding appropriate accessible toilet facilities. When design has reached an appropriate stage we will engage with DOTS Disability company and incorporate recommendations in existing design. It is proposed that the Staff toilets will be unisex and the visitor toilets will be male and female due to security concerns from Coroner.</p> <p>The current design does not incorporate a 'changing places' facility as there is one in Poole Dolphin Centre – which will become the customer contact centre/library in Poole area.</p> <p>Considerations for each different group below:</p> <ul style="list-style-type: none"> • age (young/old) – there are existing hearing loops • disability – ease of use of building – accessible rooms, lifts and accessible toilets, technology available to dial in meetings and in coroner courts. Accessible car parking bays at front of building. Main doors are powered and open automatically with card. • gender reassignment – appropriate toilet facilities – unisex toilet available • marriage and civil partnership – the building is not currently licenced for weddings, but will be considered for a future use • pregnancy and maternity – consideration is being given to include a baby changing area. • race, religion or belief – there will not be a contemplation room as do not believe it is required for building of this size and purpose – though rooms can be booked by individuals if required. • gender, sexual orientation – appropriate toilet facilities

	<ul style="list-style-type: none"> members of the armed forces community – any military services currently undertaken in the building will continue via ongoing civic connections
Will this change affect any service users?	<p>Yes – service users of Coroners Service and attendance at Coroner Inquests in Bournemouth will have to attend the Coroners Service and Court in Poole.</p> <p>Poole Charter Trustees – should be no impact for use of building – same square footage of space (apart from time when building is being remodelled and will not be occupied) – same access for events and meetings</p>
What are the benefits or positive impacts of the change on current or potential users?	<p>Attendance at Coroner inquests – good transport links bus, cycle; more readily accessible; new location more central to provide Dorset wide service; larger space and rooms more fit for purpose with dual usage better managed with more discreet space options.</p> <p>Poole Charter Trustees – no change in size of space – but refreshed and redecorated area</p>
What are the negative impacts of the change on current or potential users?	<p>Maybe less availability to use space for other uses, such as community use etc – as will have to fit around Coroners commitments daily from 08:00-17:00 hrs Monday-Friday. The Asset management strategy and plan will help identify buildings which can be used for community use if there is a need.</p>
Will the change affect employees?	<p>Coroners employees will have to be relocated from Bournemouth Town Hall to Poole – this will affect up to 18 employees (including the Senior Coroner and Area Coroner) with up to 5 Assistant Coroners when called upon to sit in on inquests. Parking arrangements are being thought through for officers and visitors. There will be accessible parking bays at the front of the building</p>
Will the change affect the wider community?	<p>Attendees at Coroner Inquests will have to go to Poole now, rather than Bournemouth however there are good transport links around the civic centre including frequent buses and cycle routes. Parking arrangements are being thought through for officers and visitors. There will be accessible parking bays at the front of the building.</p>
What mitigating actions are planned or already in place for those negatively affected by this change?	<p>Need to communicate to users of Coroners courts that changes will be happening and that the Court will be moving to Poole – outline changes and how to get there etc</p> <p>Continued engagement with Charter Trustees regarding interim arrangements while the space is being remodelled</p>
Summary of Equality Implications:	<p>Please note - An EIA has been completed for the November 2020 Cabinet Report which outlined the remodelling of the BCP civic centre for officer accommodation (included with this report) The remodelling of the Poole Civic Centre is part of the overall Estates and accommodation programme.</p> <p>We will consider all equality requirements and ensure that the building is DDA (Disability Discrimination Act) compliant. There is a lift to ground and first floor and the entrance is fully accessible. We will be adding appropriate accessible toilet facilities. When</p>

	<p>design has reached an appropriate stage we will engage with DOTS Disability company and incorporate recommendations in existing design. It is proposed that the staff toilets will be unisex and the visitor toilets will be male and female due to security concerns from Coroner. There will be accessible car parking bays at the front of the building.</p> <p>The current design does not incorporate a 'changing places' facility as there is one in Poole Dolphin Centre – which will become the customer contact centre/library in Poole area.</p>
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Report subject	Organisational Design - Implementation Progress
Meeting date	27 October 2021
Status	Public Report
Executive summary	The implementation of the Council's new Operating Model is a fundamental part of the wider "Our New Normal" transformation programme. Despite the impact of the Pandemic, significant progress has been made in setting up and beginning the four year programme of activity that will deliver the Local Government Reorganisation vision as well as underpinning the savings required by the Medium Term Financial Plan.
Recommendations	<p>It is RECOMMENDED that:</p> <p>(a) Cabinet Note the progress made on the implementation of the Council's new Organisational Design & Operating Model</p>
Reason for recommendations	To update Cabinet on the implementation of the new Operating Model.
Portfolio Holder(s):	Cllr Drew Mellor
Corporate Director	Julian Osgathorpe, Corporate Director Transformation & Resources
Report Authors	Julian Osgathorpe
Wards	Council-wide
Classification	For Update and Decision

Background

1. BCP Council's Transformation Programme is described in full through the "Our New Normal" logo and corresponding communications platform within the BCP Council Intranet:



Fig. 1

2. The programme's principal projects are as follows:
 - a. Our New Organisational Design – the design, implementation and benefits realisation in relation to the Council's new Operating Model as described and approved in the Cabinet Reports of November 2019 and June 2020;
 - b. Supporting Our Colleagues – the design and implementation of the Council's new Pay & Grading methodology along with the introduction of a single set of Terms & Conditions. This was described and approved in the Cabinet Report September 2019 and is intended to ensure equal pay and conditions for all Council employees;
 - c. Where and How we Work – the design, implementation and benefits realisation in relation to Phase 1 of the Council's estate rationalisation strategy described in the Cabinet Report February 2020 and approved in Cabinet Report November 2020.
3. While Our New Normal is managed as a single, integrated programme of transformation the high level decisions and updates to Cabinet and Council are kept separate. This extends to the budgets for each element of the programme, i.e. the budgets are outlined, approved and managed independently of each other.
4. The whole programme is fundamentally linked to the successful completion of the Local Government Reorganisation (LGR) journey. The nature of this fundamental link is two fold:
 - a. It is the delivery vehicle for the investment required to create a single, high performing and exemplar local authority and remove the inequality, complexity, duplication and end-of-life systems and processes that existed in the preceding Councils, and

- b. It is the delivery vehicle for the identification, estimation and realisation of the £43.9m in benefits and efficiencies that are required to support the Medium Term Financial Plan (MTFP) and the Financial Strategy that sits behind it.
5. This report is focussed on the “Our New Organisational Design” element of Our New normal and is intended to provide an update on the implementation of the Council’s new Operating Model.
6. The benefit classes and their estimated levels for the implementation of the Operating Model (adjusted to take account of the decision in Cabinet Report December 2020 to accelerate an element of the FTE Reduction benefit class) is shown below:

Op Model Programme benefits realisation



The design of the future Operating Model in November 2019 identified that benefits will be realised across three core areas, as set out below.

The Transformation Programme will deliver FTE effort savings in addition to those realised by Smarter Structures but this needs to be aligned with the functional delivery timeline as outlined on the next slide. To meet the MTFP the third party spend reduction projects have been accelerated to deliver benefits in 2022/23.

The below outlines how benefits will be realised across the next four financial years to meet the MTFP.

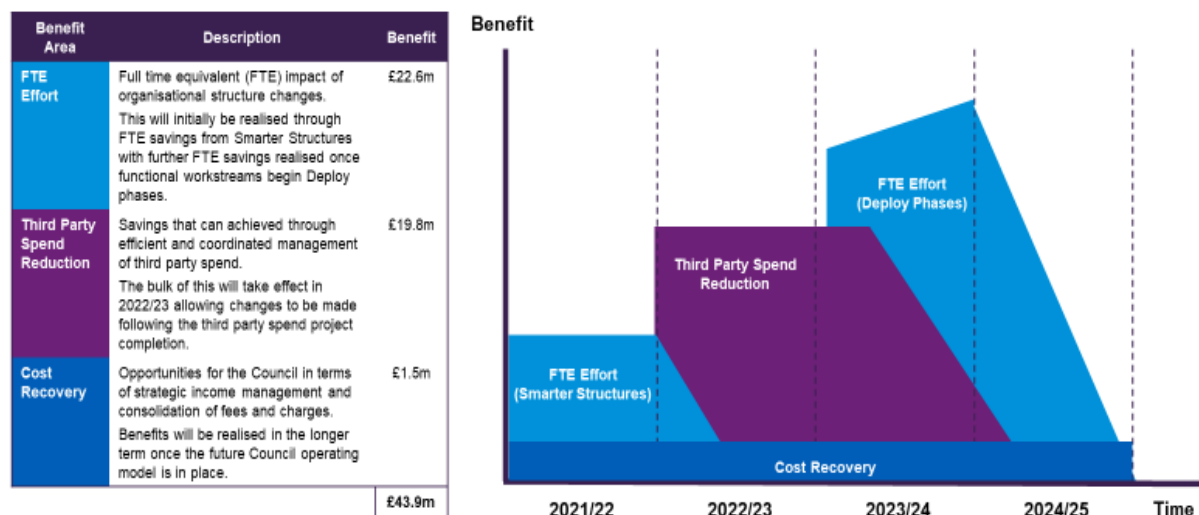
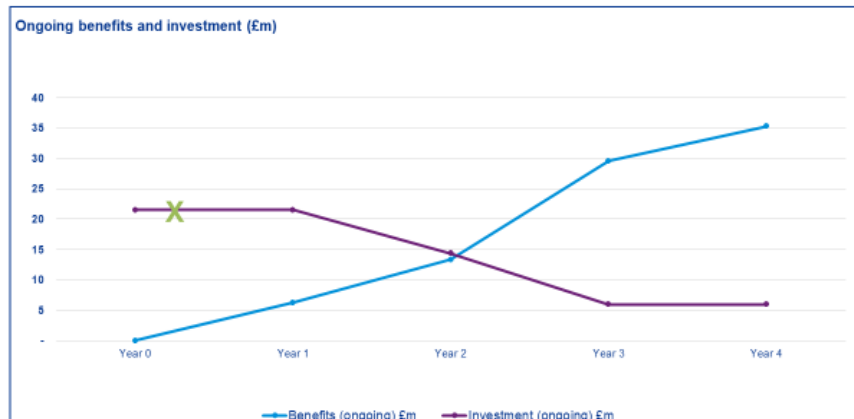


Fig 2

7. The estimated Cost/Benefit profile for the implementation of the Operating Model is shown below;

Financial Benefits Timeline



10

Fig.3

Progress to Date

8. Several key milestones have been achieved since the Cabinet report in June 2020 that established the budget for the programme and approved the procurement of a Strategic Implementation Partner (SIP) to assist in the design and implementation of the Operating Model.
9. Despite the impact of the Pandemic, the Council designed and executed an innovative procurement process in order to identify and assess the capabilities and cultural fit of a number of potential SIP candidates. This process resulted in the appointment of KPMG in partnership with Agilisys to work with the Council. This appointment was made in March 2021 and following a standstill period the mobilisation of the project commenced in April 2021.
10. It is important to note the following points with regard to the Strategic Partnering Agreement (SPA) which governs the relationship between the Council and the SIP:
 - a. It is a framework agreement rather than a traditional specification led arrangement. This means that the Council has flexibility over the coming years to respond to changes in the technology landscape;
 - b. The process of identifying, costing and delivering work under the SPA is carried out under a strong Work Package Approval Process (WPAP) which has multiple governance gateways and break points within them. This means that the Council is not committed to completing a particular work package from the outset in the event that the circumstances change or alternatively it is believed that the benefits do not justify the investment;

- c. It is not an exclusive agreement. This means that the Council is free to procure other relationships in the event that the SIP is not considered best placed to support the identified needs;
- d. It is not an outsourcing agreement. It is only intended to support the successful implementation of the Operating Model;
- e. There are intentionally very strong knowledge transfer arrangements within the SPA. Along with the WPAP these arrangements are intended to ensure that Council staff assume responsibility as quickly and effectively as possible through the lifecycle of the SPA and the implementation of the Operating Model.

11. The initial focus of the activity has been:

- a. The identification of the key workstreams required to deliver the Operating Model and the development and agreement on the description and the structure of the workstreams (Appendix 1).
- b. The translation of these workstreams into a high level plan and associated materials in order to support the implementation of the Operating Model (Appendix 2) and the release of benefits;
- c. The development of a suite of core technology capabilities required in order to deliver the Operating Model (Appendix 3) and the comparative analysis of these capabilities against the Council's current technology architecture as well as the market in order to identify the strategic systems required in the future.
- d. The first stage of work within each workstream is to explicitly describe the vision for the workstream and how it will be developed and integrated within the wider Operating Model. This work has been started on the following individual workstreams described within the Plan:
 - i. Customer
 - ii. Finance
 - iii. HR & OD
 - iv. Technology
 - v. Community & Partnerships
 - vi. Commissioning & Procurement
 - vii. Data & Insight
 - viii. Enabling services and structures

12. In addition, and considering the urgency behind the Children's Improvement Plan, the adoption, design and data migration work for a single Social Care case management system has been fast tracked.

13. Overall, at this early stage in the process and effort to implement the Council's new Operating Model the programme is performing as should be expected. There is however, a need for the Council to acknowledge that the programme has been designed to implement over a four year period, with the first half of the implementation period being focussed on designing and delivering the transformational change that will ultimately unlock the benefits realisation (see Fig. 3 above).

14. While it is expected that there will be some benefit that is achievable in the early stages (principally from the “Third Party Spend” benefit class) the Pandemic has illustrated the extent to which the Council is currently heavily dependent on its current level of resourcing in order to sustain the current way of delivering services.
15. Notwithstanding this and at this early stage, there has been nothing identified that challenges the original benefit profile. However, there is an absolutely critical need for very strong leadership within the Council as we push the transformation of our service delivery models and staffing structures very hard in order to identify and realise the savings.
16. Further to para. 3 above, there is a strong and integrated Officer governance model around Our New Normal, as well as each of the individual elements of the transformation programme. This Officer governance model is operating within the delegations agreed by Cabinet/Council under each of the respective Cabinet Reports outlined above and referenced below.
17. At the recent Scrutiny Board session dedicated to reviewing the Our New Normal transformation programme, a Member enquired whether there was a cross party Member Working group for the implementation of the Operating Model (i.e. outside of the Scrutiny Board itself).
18. Up to this early stage in the implementation, this has not been considered necessary outside of the review and approval by Cabinet/Council. However, as the implementation picks up both pace and scale, Cabinet considers that the creation of a cross party Member Working Group would be beneficial to the overall implementation effort.
19. This group will have no specific delegation(s) but would instead provide an opportunity to keep a core group of Members close to the progress of the implementation of the Operating Model, as well as to provide specific Member perspectives on different aspects of the implementation workstreams and effort.
20. In addition to this core group of Members, it is likely that some of the individual workstreams within the implementation programme will also need to engage with members through the formation of their own Working Groups. These will be convened as we move through the implementation process.
21. The composition of each of these groups will be agreed with the Leader/Portfolio Holder for Transformation in due course.

Options Appraisal

22. This section is not applicable to this report.

Summary of financial implications

23. The Budget for the implementation of the Operating Model as at 31st August 2021 is shown in Appendix 4.
24. The level of expenditure/commitment is as expected at this stage of the implementation journey, though it must be acknowledged that the level of spend during the first two years of the implementation (see Fig. 3 above) will be the highest of the anticipated four year implementation.

25. Strategically, the delivery of the Organisational Design & Operating Model element of Our New normal is absolutely critical if the Council is to meet its current commitments within the MTFP. The £43.9m in benefit target for the programme is, by far and away, the largest single element in our Plan over the next three years and we must be extraordinarily focussed, determined and resilient as we transform the organisation in order to deliver them.

Summary of legal implications

26. There are no legal implications directly arising from this report.

Summary of human resources implications

27. There are no human resources implications directly arising from this report.
28. It should be noted that each element of Our New Normal undertakes regular engagement with both Unions and the wider staff of BCP Council.

Summary of sustainability impact

29. There are no sustainability impacts directly arising from this report.
30. Each individual project within each element of Our New Normal undertakes the appropriate Sustainability Impact Assessments at the point at which proposals are defined and considered.

Summary of public health implications

31. There are no public health implications directly arising from this report.

Summary of equality implications

32. Each individual project within each element of Our New Normal undertakes the appropriate Equality Impact Assessments at the point at which proposals are defined and considered.

Summary of risk assessment

33. The Operating Model implementation team is continuing to develop a detailed Risks and Issues log and is using it on a weekly basis as we develop and implement the model.
34. A set of high level strategic risks for the implementation and/or the relationship with the SIP is attached at Appendix 5.

Background papers

Relevant background papers are directly referenced in the report above, i.e.

- Cabinet Report September 2019 – Implementation of Pay & Reward Strategy
- Cabinet Report November 2019 – Organisational Development Design Outcomes
- Cabinet Report February 2020 – Organisational Development Estates & Accommodation Strategy
- Cabinet Report November 2020 – Estates & Accommodation project
- Cabinet Report June 2020 – Organisation Design Implementation & Budget

Appendices

The following Appendices accompany this report:

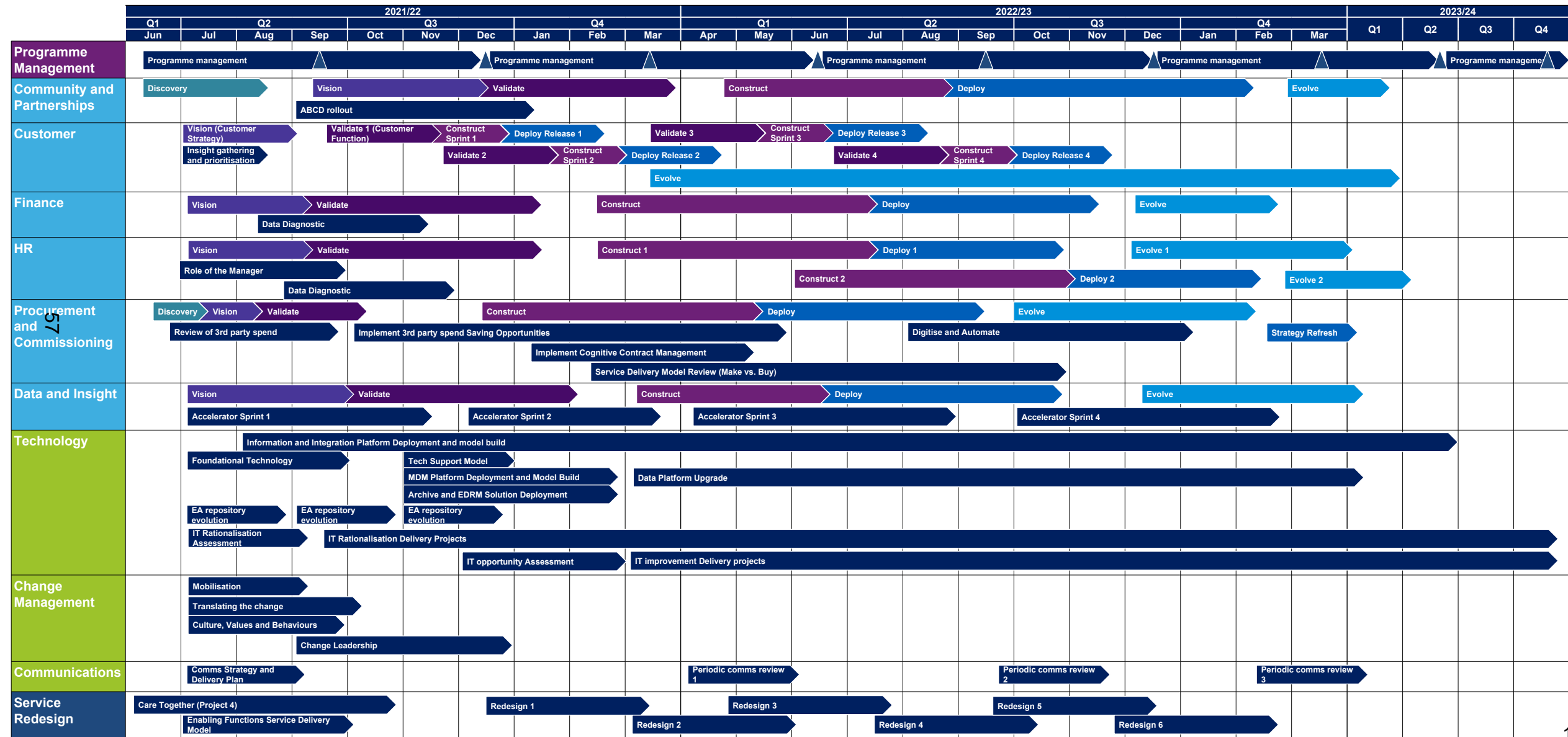
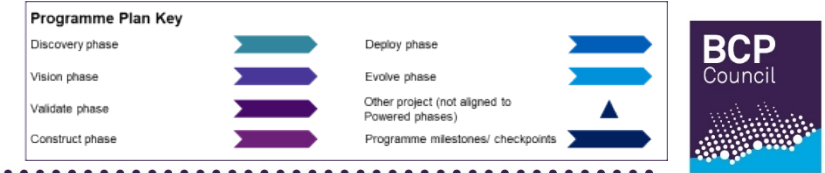
- Appendix 1 - Operating Model Workstream Structure
- Appendix 2 – Operating Model Programme Plan
- Appendix 3 – Operating Model Technical Capabilities Architecture
- Appendix 4 – Operating Model Programme Budget as at 31st August 2021
- Appendix 5 – High Level Risks for the implementation of the Operating Model

Operating Model Workstreams

		Adult Social Care	Children's Services	Place Operations	Transformation & Resources
99 Workstreams	COMMUNITY AND PARTNERSHIPS	Establish the cross-council approach to community development and prevention through partnership working			
	CUSTOMER	Council wide customer strategy and customer engagement and experience implementation, including new CRM system			
	FINANCE	Finance function transformation, including implementation of Finance ERP system			
	HR	HR function transformation, including implementation of HR ERP system			
	COMMISSIONING & PROCUREMENT	Commissioning & Procurement Centres of Excellence			
	DATA & INSIGHT	Data & Insight Centre of Excellence			
	TECHNOLOGY	Enterprise and data architecture design and oversight of technical implementation across other workstreams			
	CHANGE MANAGEMENT	Enabling teams and individuals to successfully adopt change and drive success of programme and projects			
	COMMUNICATIONS	Transformation programme communications, aligned to change management approach			
	SERVICE REDESIGN (OPERATING MODEL & BUSINESS DELIVERY)	Supporting directorates to apply the organisational design to services			

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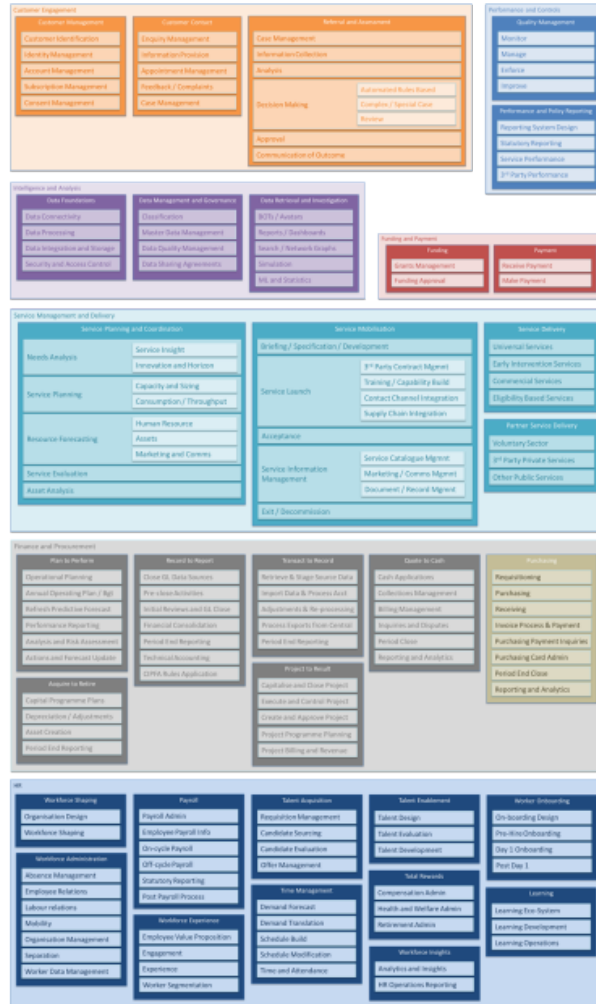
BCP Operating Model Implementation Programme plan on a page



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Operating Model Technical Capabilities

To deliver the Operating Model BCP Council will need single versions of core technical capabilities



Customer Engagement (18)

Performance and Controls (8)

Intelligence and Analysis (13)

Funding and Payments (4)

Service management and Delivery (27)

Finance and Procurement (50)

Human Resources (43)

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Organisational Design - Implementation Budget as at 31 August 2021

Cost Code RZ0006		Project Code	2020/2025				
			Total Project Budget	Total Approved Commitments to date	Actual Spend to date	Total Project Forecast	Total Project Variance
			20/25 £m	20/22 £m	20/22	20/25 £m	£m
Revenue - one-off costs							
Strategic Partner Cost <i>(assumed spend for budget planning, £18m Framework Limit)</i>	Z0400		10.26			10.26	0.00
WP1 - Strategic Programme	Z0401		0.29	0.29	0.29	0.29	0.00
WP2 - Development of Technology Options	Z0402		0.29	0.29	0.29	0.29	0.00
WP3 - Commissioning and Procurement CE and 3rd Party Spend	Z0403		0.65	0.65	0.00	0.65	0.00
WP4 - Vision: Insight gathering and prioritisation/customer and channel strategy	Z0404		0.15	0.15	0.00	0.15	0.00
WP5 - Mosaic Data Migration	Z0434		0.09	0.09	0.03	0.09	0.00
WP6 - Community & Partnerships	Z0406		0.03	0.03	0.00	0.03	0.00
WP7 - Foundation Technology Project	Z0435		0.01	0.01	0.00	0.01	0.00
WP8 - EA Repository Evolution and IT Rationalisation Opps	Z0436		0.02	0.02	0.00	0.02	0.00
WP9 - Data and Insight Centre of Excellence Vision Acceleration	Z0437		0.04	0.04	0.00	0.04	0.00
WP10 - Core HR - Discovery, Vision and Validate	Z0407		0.06	0.06	0.00	0.06	0.00
WP11 - Enabling Functions Service Delivery Model	Z0412		0.05	0.05	0.00	0.05	0.00
WP12 - Rapid Implementation Opportunities	Z0413		0.00	0.00	0.00	0.00	0.00
WP13 - Finance Centre of Excellence Discovery, Vision and Validate	Z0422		0.06	0.06	0.00	0.06	0.00
BCP Revenue requirements			12.00	1.74	0.61	12.00	0.00
IT & IS			4.28			4.28	0.00
IT & IS - Staffing	Z0425		1.29	1.29	0.32	1.29	0.00
IT & IS - 365 Tribe	Z0431		0.06	0.06	0.03	0.06	0.00
IT & IS - Spatial Data Warehouse GIS	Z0432		0.08	0.08	0.01	0.08	0.00
IT & IS - Website	Z0433		0.05	0.05	0.05	0.05	0.00
IT & IS - Mosaic	Z0434		0.11	0.11	0.00	0.11	0.00
HR	Z0405		1.30	1.10	0.04	1.30	0.00
Major Change Project Team <i>(assumes full cost split 60/40 between OD and Accommodation)</i>	Z0410		1.84	1.84	0.00	1.84	0.00
Communications	Z0411		0.08	0.08	0.00	0.08	0.00
Legal	Z0415		0.25	0.11	0.06	0.25	0.00
Financial Services	Z0420		1.58	0.00	0.00	1.58	0.00
FS-Cash Receipting System	Z0421		0.12	0.12	0.02	0.12	0.00
			11.04	4.84	0.53	11.04	0.00
Total Revenue - one-off costs			23.04	6.58	1.14	23.04	0.00
Capital one-off costs							
IT - Hardware <i>(Assumes lowest Data spend & brings forward £3.8m for spatial enablement)</i>			0.83			0.83	0.00
Laptops & Auto Pilot	Z0426		3.67	3.67	0.99	3.67	0.00
MS Teams Collaboration Telephony	Z0427		0.55	0.55	0.33	0.55	0.00
Backup and security tools	Z0429		0.35	0.35	0.00	0.35	0.00
Master Data Management	Z0430		0.40	0.40	0.00	0.40	0.00
Total Capital one-off costs			5.80	4.97	1.32	5.80	0.00
Total Project one-off Implementation Costs			28.84	11.55	2.46	28.84	0.00
Contingency <i>(may be possible to fund Enterprise MDM from this later in programme @ c£1m)</i>	10%		2.78		0.00	2.78	0.00
Total Project one-off Implementation Costs inclusive of contingency			31.62	11.55	2.46	31.62	0.00
Redundancy Costs	Z0424		6.00		1.46	6.00	0.00
Additional redundancy funding			6.90		0.00	6.90	0.00
Total Project Costs			44.52	11.55	3.92	44.52	0.00
Ongoing Increased Revenue Costs - MTFP provision				Budget			
IT Software Licences on going increased revenue cost	RS0200		4.50	3.50	1.84	3.50	
Total Increased Revenue Costs			4.50	3.50	1.84	3.50	

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BCP Operating Model level risks and dependencies



An initial list of risks and dependencies has been identified at a programme level. These risks and dependencies will be managed the Programme level. Workstream specific risks, issues and dependencies are outlined in workstream charters.

Programme level risks

3

- 1 BCP Council capacity challenges could lead to delay in projects, or the inability to support the level of concurrent change proposed.
- 2 The ability to support the volume of change activity while retaining appropriate focus on business as usual and maintaining service performance.
- 3 Change fatigue in some teams across the Council, including following the Smarter Structures Programme may lead to a lack of engagement with the Programme.
- 4 The volume of competing Council priorities (i.e. the number of service leads who feel their service area should be prioritised for transformation) could present challenges for Programme level decision-making.
- 5 Data consolidation challenges due to the number of disparate systems currently in use could lead to delays to key projects.
- 6 Cultural challenges and multiple current ways of working creates additional change management complexity.
- 7 Complexity of technology integration required to achieve full benefits of programme.
- 8 Financial benefits may not be delivered if key elements of the critical path do not take place.
- 9 Reliance on key Programme Team members could result in significant challenges if key individuals were to leave the Council.

Programme level dependencies

- 1 Capacity of skilled and knowledgeable BCP Council Officers to support multiple complex implementation projects running concurrently.
- 2 Ability of project teams to gather understanding of current ways of working, IT systems, and change programmes ongoing.
- 3 Council partner organisations engagement and desire to collaborate, including capacity and availability of key providers to enable timely integration
- 4 Effective programme level governance, management and decision making, supporting alignment of workstreams and prioritisation.

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Report subject	'Futures Fund' Allocation for the Installation of a Core Gigabit Fibre Network
Meeting date	27 October 2021
Status	Public Report
Executive summary	<p>This report sets out the case for £5.87m* of 'Futures Fund' investment in a 70.5km long core gigabit-fibre network in order to deliver operational savings for the Council. In particular these cost savings relate to the Wide Area Network (WAN) and the delivery of 'Smart' technology solutions.</p> <p><i>[*This includes £200k approved through a Member Decision Notice to enable ducting to be installed as soon as possible as part of ongoing Transforming Travel programme works]</i></p> <p>An investment analysis has indicated that with the support of the already budgeted Futures Fund, additional net savings would be delivered to the Council, with a breakeven point from Year 6 (2026/27) based on prevailing interest rates.</p> <p>In addition to providing cost savings to the Council, the installation of this fibre network supports the Council's Transformation and Smart Place programmes and also has the potential for supporting BCP Council's 'Big Plan'.</p> <p>An estimated 30km of the ducting and fibre can be installed during the course of the Transforming Travel construction programme. Utilising 'open' excavations will reduce the cost of installation of ducting by approximately 40%.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>(a) Cabinet recommends that Council be asked to approve the £5.87m Smart Places Gigabit Fibre scheme.</p> <p>(b) Cabinet recommends that Council note that the funding for the Smart Places Gigabit Fibre scheme will be from drawing down £5.87m of the £50m Futures Fund approved by Council as part of the 2021/22 Budget and associated Medium Term Financial Plan (MTFP) of the Council.</p>
Reason for recommendations	<p>(i) Delivers operational cost savings for the Council (based upon present day activity).</p> <p>(ii) Provides the core infrastructure for future digital-based Council services. It will significantly reduce future connectivity costs and increases the viability of improving services and making service savings in support of the Council's internal Transformation Programme.</p>

	<p>(iii) Better digitally accessible services are strongly supported by the residents (Smart Place Strategy public consultation).</p> <p>(iv) Supports the delivery of the Council's Smart Place programme.</p> <p>(v) Installation of ducting can be done more cost-effectively and with less disruption during the course of the Transforming Travel works.</p> <p>(vi) Gigabit connectivity along the Transforming Travel corridors can be used to deliver transport benefits and the investment in gigabit fibre can contribute towards the 'match funding' requirement of the Transforming Travel programme.</p> <p>(vii) Has the potential to support the Council's Big Plan ambitions.</p> <p>(viii) Better digital infrastructure accelerates the realisation of economic, social and health benefits.</p>
Portfolio Holder(s):	Councillor Philip Broadhead
Corporate Director	Adam Richens
Report Authors	Ruth Spencer/ Adrian Hale/Ian Woodgate
Wards	Council-wide
Classification	For Decision

Background

Summary of Rationale for the Funding Ask

1. Like many other local authorities BCP Council is facing considerable financial pressures, particularly in relation to revenue budgets. A key target for the Council is therefore to support initiatives that aim to reduce ongoing revenue costs. One area of Council revenue expenditure is digital connectivity. Typically, this includes current spend on its Wide Area Network (WAN) and emerging digital spend associated with its Transformation and Smart Place programmes.
2. In the future, the deployment of 'Smart' technologies is set to transform the way in which the Council manages its services, from providing assistive living devices to people in their homes to remote monitoring of legionella within council buildings. These technologies will deliver major savings for the Council, typically through its Transformation Programme, but will be heavily dependent upon digital connectivity which needs to be available and affordable. A key purpose of the Council's 'Futures Fund' is to invest in initiatives that unlock future potential.
3. In view of the above, this report sets out the case for £5.87m of Futures Fund investment in a 70.5km long core gigabit-fibre network in order to deliver operational savings for the Council. 70km (99%) of this network is to provide the majority of the Council's future Wide Area Network (WAN) passing 62 of the Council's 85 identified properties (73% of properties). The remainder of the properties will continue to be served by third-party ducting and fibre. It is estimated that 30km of this network can be installed during the course of the Transforming Travel works, at approximately 60% of the normal cost.
4. Once installed this network can then also be used to underpin the Transformation and Smart Place programmes as well as deliver additional benefits to the Transforming

Travel programme. In addition to helping the Council to improve its current and future statutory services, there is also the opportunity to make operational savings by investing in this core gigabit fibre network now.

5. A Public Works Loan Board (PWLB) financial analysis has been undertaken over a 54-year period with the prevailing interest rate of 1.95%. This indicates that for an upfront capital investment of £5.87m in a core gigabit fibre network, a net surplus of £4.26m is generated once Futures Fund support is applied. The breakeven year is Year 6 (2026/27).
6. The assessment therefore makes the case for investment in a core gigabit fibre network using Futures Fund support (which is already included within the Medium-Term Financial Plan). This is without factoring in the considerable wider service and operational savings that should also accrue, or the non-monitised social benefits.
7. Members of the public have been consulted on the Smart Place Strategy. In regard to creating innovative digital solutions to tackle social issues, 76% of 332 respondents agreed that this should be a priority, with 54% saying it should be a high priority. 70% of respondents considered improving digital access to services should be a priority.
8. Internally, the Council's Procurement Team has been consulted and strongly support taking the opportunity to install ducting as part of the TCF works, as this will help to reduce future costs and underpin the acceleration of digital Council services being promoted through the Transformation Programme. The Council's IT & IS team has also been consulted and have provided cost information where this is available.
9. The provision of additional ducting and fibre has the potential to attract further commercial investment into gigabit fibre. This would support the Council's Big Plan and government's ambition to go 'further, faster' in regard to the rollout of gigabit and 5G networks.

Supporting the Transforming Travel Programme (Transforming Cities Fund)

10. Ducting and fibre provision along the key transport corridors was included within the original Transforming Cities Fund (TCF) bid to the Department of Transport (DfT). This was for two key reasons, both of which are associated with reducing traffic congestion which is a major issue locally. The first is the provision of high-quality gigabit fibre connectivity, once fully deployed, enables more people to work effectively from home. This reduces traffic demand on the highway network at source, the benefit of which has clearly been seen during the COVID-19 pandemic. The second reason is that a 'digitally connected' highway network opens up the opportunity for far more effective traffic management technologies as well as creating opportunities for new transport technologies such as autonomous vehicles.
11. Unfortunately, the provision of ducting and fibre was not included within the final funding awarded by DfT, nevertheless the need for this provision remains and this can be laid very cost-effectively during the course of the TCF works. As the Council has a statutory responsibility to manage the highway network efficiently, this is an important factor in addition to any 'Invest to Save' consideration.
12. Bearing in mind the Council's obligation to find 'match-funding' in support of the TCF project any investment by the Council in the provision of ducting and fibre ought to act as a contribution.

Urgency

13. There are a number of strategic and operational factors which require the Council to act in a timely manner to help accelerate the roll out of gigabit fibre.
14. Over the next 8 months 40km of the Transforming Travel (TCF) programme routes will be constructed. This provides an immediate opportunity to install ducting for fibre during the course of any excavation works. This can be done at approximately 60% of the normal cost and reduces the likelihood of future traffic disruption resulting from duct laying.

15. The provision of additional Council-owned ducting that has the potential to be used by commercial telecommunication operators, can reduce their capital costs and increase the viability for fibre deployment. This should encourage investment and competition and help to accelerate the roll-out of more affordable gigabit fibre across BCP.
16. Accelerating the deployment of fibre will enable those social, health and economic benefits dependent upon better digital connectivity to be delivered more quickly both through the Smart Place Programme and the Council's internal Transformation Programme.

Options Appraisal

(i) Investment in Gigabit Fibre via the Futures Fund

Do Nothing (Reference Option)

17. The Council will own no additional ducting or fibre and will continue to pay commercial rates for its fibre connectivity for its Wide Area Network (WAN) and other services meaning that the opportunity to make savings will be missed. In addition, the cost of fibre to support the future deployment of Smart Place technologies in support of the Smart Place and Transformation programmes will be at commercial rates. This would impact upon the viability and delivery timescales for some Smart Place applications and services as well as Transformation Programme outcomes. It is estimated that over 50 years, over £9m of additional costs will be incurred in provision of fibre at commercial rates for these two programmes.
18. Opportunities to provide improvements to traffic network management and to reduce congestion would be missed.
19. Private investment would need to be sought for the core network, but this may not be forthcoming. Investors have indicated that they would prefer to see the Council demonstrating its commitment through investment as well.
20. This option does not deliver operational savings for the Council and does not avoid future costs. Therefore, this option is not recommended.

Option 1: Do Something – Investment in a 70.5km Core Gigabit Fibre Network

21. There is the opportunity to invest in the installation of a 70.5km core gigabit network across the BCP region to enable the Council to realise major operational savings and to facilitate service improvements. Key cost savings will be on the Council's Wide Area Network (WAN).
22. It is estimated that a major element of the ducting and fibre can be laid during the course of construction for the Transforming Travel (TCF) programme, significantly reducing installation costs.

Summary of Core Gigabit Fibre Network, Lengths and Costs

23. The installation of the proposed core gigabit fibre network consists of three elements:
 - i. A length of ducting and fibre where the WAN network coincides with the excavation for the TCF programme;
 - ii. A length of ducting and fibre where the WAN network does not coincide with the TCF programme and/or where new excavation is required to complete the majority of the WAN network (together i. and ii. will provide 73% of the WAN coverage).
 - iii. A short length of ducting and fibre for education and social purposes that coincides with the TCF programme excavation due to take place over the next 3-6 months. (This is over and above i. and ii. and the opportunity for which would otherwise be missed);

24. The indicative proposed core network is shown in **Appendix 1**. The table below sets out the overall cost of the project including the length and cost of each element of the proposed core gigabit fibre network as well as the project management costs budgeted at 15%.

Table 1. Project Costs

Core Gigabit Fibre Network Element	Utilises TCF Excavation	Length (km)	Cost
(i) WAN Network – Phase 1	Yes	30	£1.38m
(ii) WAN Network – Phase 2	No	40	£3.24m
TCF Ducting (early intervention)	Yes	0.5	£0.02m
Project Management Costs @ 15%	-	-	£0.70m
Optimism Bias @ 10%	-	-	£0.53m
Total		70.5km	£5.87m

25. The delivery programme is shown in **Appendix 2**.

Sources of Savings

26. There are many potential areas of savings for the Council, but for simplicity three areas have been assessed:
- i. Wide Area Network digital connectivity savings
 - ii. Traffic Signal Monitoring digital connectivity savings
 - iii. CCTV Management digital connectivity savings

Sources of Cost Avoidance

27. In addition to savings, by using this new, council-owned, gigabit network, there is the opportunity to avoid substantial future costs, estimated at over £9m. This cost avoidance is associated with not having to use commercial fibre rates for digital technologies related to the Smart Place programme and Transformation Programme. (As these future costs have not yet been incurred, they do not form part of the savings analysis set out below).

Assessment of Costs against Savings

28. An assessment of costs versus savings has been undertaken, using a Public Works Loans Board (PWLB) model, over a 50-year period and at both the prevailing interest rate of 1.95% and an 'Invest to Save - Low Risk Model' rate of 3%. See **Appendix 3**.
29. The installation period for the 70.5km core gigabit network is taken as four years, 2021 to 2024 inclusive and the assessment takes account of the readiness of the network over this period. It is estimated that up to 75% of the TCF routes will involve excavation. An Optimism Bias of 10% has been applied to the base installation costs, giving a total capital cost of £5.87m. It is estimated that annual maintenance costs will be a maximum of 1% of the capital costs, i.e., £58.7k per annum.
30. In regard to WAN savings IT have confirmed that the Council currently spends approximately £300k per annum on its complete Wide Area Network managed provision. There is no breakdown of this cost, but it is estimated that a minimum of £200k is associated with leasing fibre connectivity. The proposed gigabit network is approximately 70km long and expected to serve 62 of the 85 Council properties (73%). This is taken into account in the assessment.

31. In regard to traffic signal monitoring connectivity, it is estimated that the Council spends approximately £20k per annum and it is estimated that there will be 25% utilisation of the core gigabit network, leading to equivalent annual savings of £5,000.
32. In regard to CCTV management connectivity, it is estimated that the Council spends approximately £22k per annum and it is estimated that there will be 25% utilisation of the core gigabit network, leading to equivalent annual savings of £5,500.
33. The following table summarises the costs and savings for the core gigabit fibre network based upon a Public Works Loans Board model with the prevailing interest rate of 1.95%.

Table 2. Gigabit Fibre Network – Costs & Savings Assessment (PWLB @1.95%)

PWLB Model (prevailing Interest rate @ 1.95%)	Cost/(Savings) £
Costs	
Borrowing capital repaid over 54 years	5,870,000
Borrowing interest over 54 years	3,372,210
Operational expenses over 54 years	3,112,902
Total Costs over 54 years	12,355,112
Savings	
WAN savings over 54 years	(7,438,000)
Traffic Signal Monitoring savings over 54 years	(252,500)
CCTV Management savings over 54 years	(277,750)
Total Savings over 54 years	(7,968,250)
Gross 54-year position (without Futures Fund)	4,386,862
Futures Fund support over 54 years	(8,644,667)
Net 54-year position (with Futures Fund)	(4,257,805)
Breakeven year (with Futures Fund support)	6

34. This assessment takes no account of the following additional cost savings and societal benefits:
 - a. Future cost avoidance associated with fibre leasing costs for the Smart Place and Transformation programmes – estimated as at least £9m based upon current rates.
 - b. Additional savings within Council service areas facilitated by better connectivity such as adult social care, housing, waste management, tourism, transport and car parks.
 - c. Benefits to other public sector and voluntary sector organisations including the NHS or Police.
 - d. Local productivity benefits to businesses resulting from reduced traffic congestion.
 - e. Acceleration of the roll-out of public Wi-Fi, 5G and IoT networks and associated promotion of local digital innovation.
 - f. The significant economic and social benefits that would accrue from the accelerated roll-out of affordable gigabit fibre and broadband (subject to additional commercial investment in gigabit fibre).
 - g. Wider regeneration and inward investments opportunities resulting from a high-quality digitally connected area. (subject to additional commercial investment in gigabit fibre).

35. More detailed financial information is included within the financial implications section below, including a comparison between the prevailing PWLB interest rate of 1.95% and the 'Invest to Save – Low Risk Model' rate of 3%.

Summary of Option 1 – Do Something: Investment in a 70.5km Core Gigabit Fibre Network

36. In summary, based upon a PWLB analysis with the prevailing interest rate of 1.95%, for an upfront capital investment of £5.87m it is forecast that over 54 years, the borrowing costs associated with the core gigabit fibre network and associated ongoing maintenance costs will total £12.36m. Over 54 years Option 1 delivers savings to the Council of £7.97m. This produces a net deficit of £4.39m. However, this takes no account of future cost avoidance, which is estimated at over £9m over the same period. A key purpose of the Futures Fund is to invest in order to reduce future costs to the Council. **Once the Futures Fund support is applied a net surplus of £4.26m is generated over the 54-year period, breaking even in Year 6 (2026/27).**
37. In view of the favourable financial assessment and that Option 1 also helps to facilitate numerous economic and social benefits and delivers against Smart Place programme objectives and the council's Transformation Programme **this is the preferred option.**

Summary of financial implications

38. Capital investment of £5.87m is proposed as part of this scheme, with £0.2m in the current 2021/22 financial year, and a further £1.89m in each of the following 3 years until 2024/25. The proposed expenditure, which includes a contingency of 10%, will be spent on laying 70.5 kilometres of ducting for a core gigabit fibre network. It is proposed that this investment is funded from prudential borrowing via the £50m Futures Fund approved by Council as part of the 2021/22 Budget and associated Medium Term Financial Plan (MTFP) of the Council.
39. Prudential borrowing for these items is permitted under revised HM Treasury PWLB guidance as the capital investment is for service delivery and infrastructure improvements. Annual borrowing repayments are calculated at 1.95% (prevailing pwlb rate and 3% (BCP Council low risk invest to save framework rate) over the estimated useful life of the asset (50 years). Annual borrowing repayments (commencing the first full year following the year in which borrowing is taken out) is initially estimated to be £2k in 2022/23 rising to £72k per annum from 2024/25 when the full investment has been made. It should always be borne in mind that the council is required to repay principal and interest on any loans before it can determine the resources available annually to support service delivery. Bearing that in mind members will need to reflect on their responsibility to both current and future taxpayers and its fiduciary duty to be prudent in the administration of its funds. This is a specific reference to the fact that the Futures Fund capital and interest costs is a cost pressure within the Councils MTFP.
40. Appendix 3 sets out the financial evaluation of the recommended investment in gigabit fibre showing a detailed breakdown of the first 10 years plus 10-year summaries thereafter.
41. The financial models have been developed using the prevailing PWLB rate (1.95%) and the Invest to Save low risk rate (3%).
42. The investment is considered low risk as the Council has previous experience of undertaking similar works required and has good knowledge of its existing expenditure and therefore the savings that can be achieved from this investment
43. Table 3 summaries the net impact of both models on the Council's budget and Medium-Term Financial Plan (MTFP) during the first 10 years of operations after taking into consideration the application of the Futures Fund support which has already been approved and is already within the Council's MTFP.

Table 3: Impact on budget and MTFP years 1 to 10

Financial Year	Scheme Year	Prevailing PWLB Model (1.95%)	Invest to Save Low Risk Model (3%)
		£	£
2021/22	1	3,040	5,140
2022/23	2	66,830	88,144
2023/24	3	76,957	112,150
2024/25	4	(55,410)	(6,345)
2025/26	5	(52,046)	(8,961)
2026/27	6	(82,819)	(39,755)
2027/28	7	(82,847)	(39,805)
2028/29	8	(82,876)	(39,856)
2029/30	9	(82,905)	(39,909)
2030/31	10	(82,934)	(39,963)
Total Operational Phase years 1-10		(375,010)	(9,159)

44. Table 4 summarises the key financial data over the asset life from both model's perspectives. The key data is shown over a 54-year period due to a phased implementation of the works and corresponding matched borrowing.

Table 4: Key Financial Data

	Prevailing PWLB Model (1.95%)	Invest to Save Low Risk Model (3%)
	£	£
Savings over 54 years	(7,968,250)	(7,968,250)
Operational expenses over 54 years	3,112,902	3,112,902
Borrowing interest over 54 years	3,372,210	5,537,023
Borrowing capital repaid over 54 years	5,870,000	5,870,000
Futures Fund support over 54 years	(8,644,667)	(8,644,667)
Net 54-year surplus	(4,257,805)	(2,092,992)
Breakeven year	6	10

45. The financial model assumes a 50-year asset life
46. The financial model excludes inflation uplifts to both the savings and the maintenance costs. Including inflationary uplifts would improve the financial position as the assumed savings outweigh the assumed maintenance costs.
47. No capital appreciation has been assumed as part of the financial modelling. However, with effective management and maintenance of these assets there is the potential for the asset to appreciate in value.
48. The financial benefit of future costs being avoided due to the scheme being implemented, have not been taken into consideration in the models.
49. Without financial support from the Futures Fund this scheme would not be viable based on cost savings highlighted alone.

50. BCP Council is undertaking a level of due diligence to see if the financial models could be improved by finding further savings or income streams associated with the works. Neither of these are assumed in either of the financial models but they are still being explored by officers.

Summary of legal implications

51. "Local Authorities have the power to borrow under s1 Local Government Act 2003. The discretion afforded to Local Authorities to borrow under s1 of the Act is wide reaching – "for any purpose relevant to its functions under any enactment or for prudent management of [the Local Authorities] financial affairs". The content of this report indicates that the Service Unit relies upon borrowing "for any purpose relevant to its functions under any enactment" given that the aim of this project is to improve service delivery and infrastructure via installing ducting which could be utilised for traffic management, CCTV, WAN and Smart Place.
52. The Council's 2021/22 budget and MTFP includes provision to service £50m of PWLB borrowing drawn down in £10m tranches over the next 5 years. Legal Services has not had sight of the terms and conditions associated with the PWLB borrowing, however given the nature and prevalence of PWLB borrowing, it is likely that the Council's Finance team will be comfortable with the borrowing terms and interest repayments when agreements are entered into.
53. The Service Unit has been advised that in order to comply with the Subsidy Control Regime, it must ensure that any contractor used to install the ducting has been selected following the relevant procurement process in accordance with the Council's Financial Regulations and Public Contracts Regulations 2015.
54. The Service Unit must ensure that appropriate contractual arrangements are entered into with the contractor prior to the commencement of any works. Legal Services would advise that an industry standard works contract, possibly NEC, is used, however advice should be sought once a specification has been produced. The Service Unit should continue to liaise with the Procurement Team to identify whether there is a suitable framework available.
55. Prior to installation of the ducting, the Service Unit should seek advice from external legal specialists as to the Council's position under the Electronic Communications Code 2003, any relevant Ofcom authorisation / accreditation, associated membership fees and any other aspects relating to the Telecoms legal position.
56. The Service Unit must also liaise with and seek advice from Highways on the ducting installation to ensure Highways are satisfied and able to grant a licence under s50 New Roads and Street Works Act and the associated fees of obtaining the s50 licence.
57. The Service Unit must also obtain advice from Legal Services on the property elements associated with the works to include considering whether the contractor is a statutory undertaker, the powers under which the works are being undertaken, whether wayleaves and / or easements are required, potential negotiations with third party landowners etc.

Summary of human resources implications

58. It is anticipated that a temporary project manager will need to be appointed. Project management costs have been accounted for within the costings.

Summary of sustainability impact

59. A DIA has already been produced for the overarching draft Smart Place Strategy.

Summary of public health implications

60. There will be a major positive public health impact. Individuals will have better digital access to public services. This will help to tackle health inequalities, typically by enabling people to access more services, including remote GP appointments.

61. The availability of cheaper connectivity will enable the Council and private health providers to deliver more cost-effective services for clients, such as deployment of assistive living technologies and remote monitoring of housing conditions e.g. for moisture or legionella.
62. The widescale deployment of gigabit capability with very high upload and download speeds will have a considerable positive impact upon NHS communications between GP surgeries and hospitals.

Summary of equality implications

63. An Equality Impact Assessment: conversation screening tool (Form 1) has been produced at a programme level. The deployment of ducting for gigabit fibre has no other direct impact upon protected characteristics beyond those benefits outlined in the programme level EIA.

Summary of risk assessment

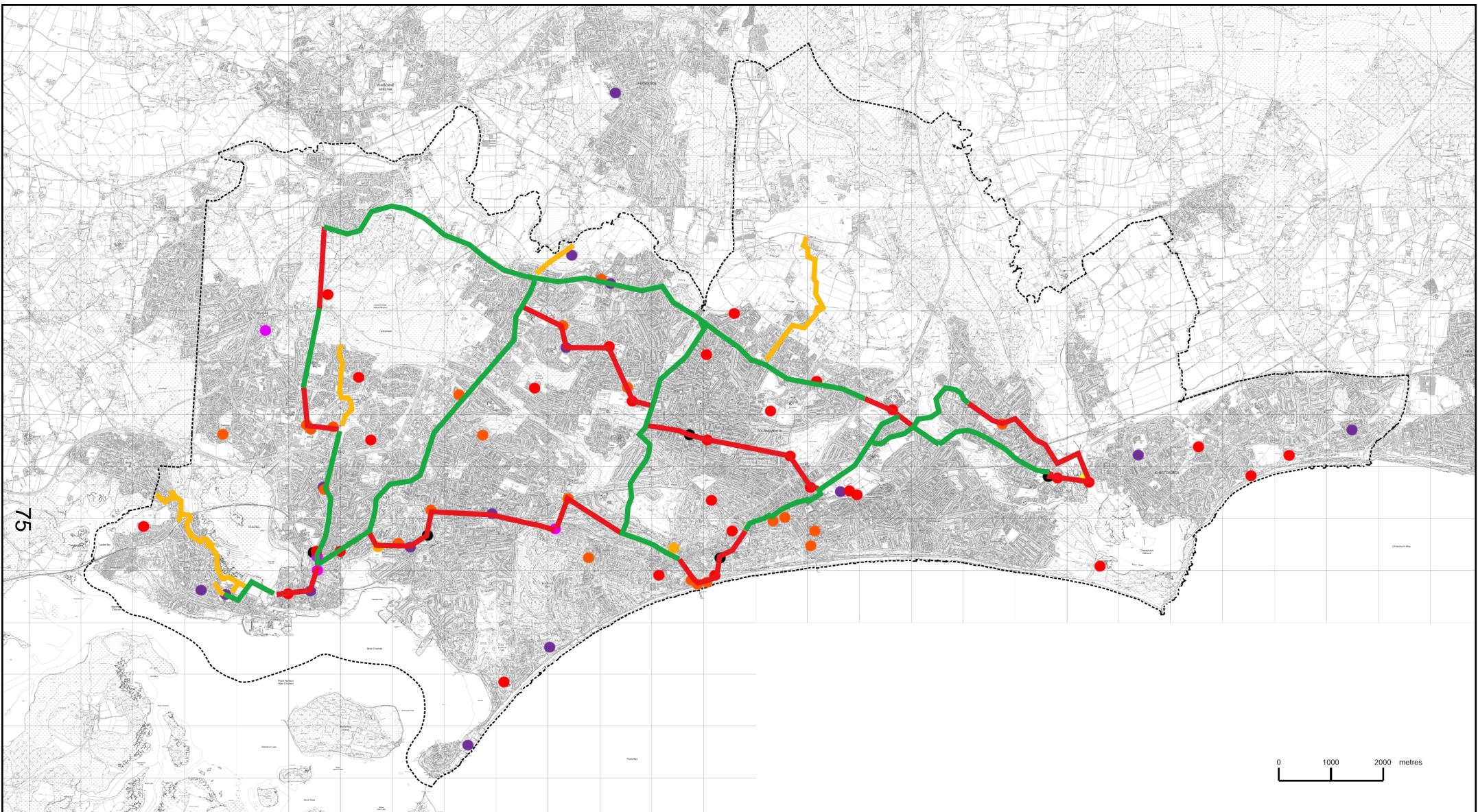
64. Three immediate risks have been identified.
 - i. Delays in ducting manufacturing supply chain: Ducting is in limited supply with lead times of 10 to 16 weeks being quoted by several suppliers. Mitigation: A source of existing ducting has been identified with near immediate availability, although this will need to be confirmed once funding approval has been given.
 - ii. Delays to the Transforming Travel programme: There is a risk that the addition of the ducting could delay the Transforming Travel programme, which could avoid the ducting being included. Mitigation: Meetings have taken place and will continue to take place with the client manager, programme manager, project manager and procurement. It has been agreed that early engagement will take place with contractors and the provision of ducting will be included in those discussions.
 - iii. Increase in rates for ducting: There is a risk that the rates for the installation for ducting could increase or that additional new excavation is required. Mitigation: Rates for current work along with initial quotes for laying ducting in open trenching have been used in estimating costs. Early engagement with contractors should ensure that ducting rates remain reasonable. An Optimism Bias of 10% has been applied to the estimated costs.
65. *(A Risk Register for the deployment of ducting for fibre will be developed shortly – Appendix 4)*

Background papers

None

Appendices

- Appendix 1: Proposed Core Gigabit Network – Indicative Layout Plan
- Appendix 2: Proposed Core Gigabit Network - Delivery Programme
- Appendix 3: PWLB Financial Assessment
- Appendix 4: Gigabit Fibre Deployment Risk Register



Proposed Smart Place Ducting and Fibre Route

Green line = proposed wide area network (WAN) network following a TCF route.

Red line = proposed WAN network not following a TCF route.

Orange line = proposed WAN network follows a TCF route but does not form part of the network 'core'.

Coloured dots mark Council sites on the corporate WAN. Their different colours denote their varying connection speeds.

Scale: 1:100000 @ A4

Date: 17 September 2021

Creator: Smart Place

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Appendix 2: BCP Council Fibre Core Network Delivery Programme

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Appendix 3 – PWLB Financial Assessment

Prevailing PWLB Rate of 1.95%

Smart Places - Gigabit Fibre

Finances - Prevailing PWLB Rate (1.95%)

10 year detailed summary	Investment Total 5,870,000	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Years 1-10	Years 11-20	Years 21-30	Years 31-40	Years 41-50	Years 51-60	Total	Years 1-54
Savings	-	-	(525)	(2,100)	(142,725)	(154,400)	(156,500)	(156,500)	(156,500)	(156,500)	(156,500)	(1,082,250)	(1,565,000)	(1,565,000)	(1,565,000)	(1,565,000)	(1,565,000)	(8,907,250)	(7,968,250)
Operational Expenditure	-	-	58,734	58,734	58,734	58,734	58,734	58,734	58,734	58,734	58,734	528,606	587,340	587,340	587,340	587,340	587,340	3,465,306	3,112,902
Net savings before borrowing costs	-	-	58,209	56,634	(83,991)	(95,666)	(97,766)	(97,766)	(97,766)	(97,766)	(97,766)	(553,644)	(977,660)	(977,660)	(977,660)	(977,660)	(977,660)	(5,441,944)	(4,855,348)
Interest on borrowing	-	3,900	40,708	77,074	112,988	111,587	110,158	108,702	107,217	105,703	104,160	882,196	949,799	758,360	526,137	244,444	11,275	3,372,210	3,372,210
Repayment of debt principle	-	-	2,398	25,105	48,255	71,856	73,258	74,686	76,143	77,627	79,141	528,470	881,454	1,009,232	1,297,013	1,573,319	520,512	5,870,000	5,870,000
(Surplus) / Deficit	-	3,900	101,315	158,813	77,252	87,777	85,650	85,622	85,593	85,564	85,535	857,021	853,594	849,932	845,490	840,102	(445,873)	3,800,266	4,386,862
Cumulative (Surplus) / Deficit	-	3,900	105,215	264,028	341,280	429,057	514,707	600,328	685,922	771,486	857,021	857,021	1,710,615	2,560,547	3,406,037	4,246,139	3,800,266	3,800,266	
Future Fund support		(860)	(34,485)	(81,855)	(132,662)	(139,823)	(168,469)	(168,469)	(168,469)	(168,469)	(168,469)	(1,232,031)	(1,684,690)	(1,684,690)	(1,684,690)	(1,684,690)	(1,684,690)	(5,135,481)	(8,644,667)
Net MTFP (surplus) / pressure		3,040	66,830	76,957	(55,410)	(52,046)	(82,819)	(82,847)	(82,876)	(82,905)	(82,934)	(375,010)	(831,096)	(834,758)	(839,200)	(844,588)	(2,130,563)	(1,335,215)	(4,257,805)
Net Cumulative MTFP (surplus) / pressure		3,040	69,870	146,828	91,418	39,371	(43,448)	(126,295)	(209,171)	(292,076)	(375,010)	(375,010)	(1,206,106)	(2,040,864)	(2,880,064)	(3,724,651)	(5,855,215)	(5,855,215)	-
Asset valuation (inflation method)		5,870,000	6,016,750	6,167,169	6,321,348	6,479,382	6,641,366	6,807,400	6,977,585	7,152,025	7,330,826	7,330,826	9,384,077	12,012,411	15,376,902	19,683,735	25,196,845	19,683,735	

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Invest to Save – Low Risk Rate of 3%

Smart Places - Gigabit Fibre

Finances - Invest to Save - Low Risk Rate

10 year detailed summary	Investment Total 5,870,000	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Years 1-10	Years 11-20	Years 21-30	Years 31-40	Years 41-50	Years 51-60	Total	Years 1-54
Savings	-	-	(525)	(2,100)	(142,725)	(154,400)	(156,500)	(156,500)	(156,500)	(156,500)	(156,500)	(1,082,250)	(1,565,000)	(1,565,000)	(1,565,000)	(1,565,000)	(1,565,000)	(8,907,250)	(7,968,250)
Operational Expenditure	-	-	58,734	58,734	58,734	58,734	58,734	58,734	58,734	58,734	58,734	528,606	587,340	587,340	587,340	587,340	587,340	3,465,306	3,112,902
Net savings before borrowing costs	-	-	58,209	56,634	(83,991)	(95,666)	(97,766)	(97,766)	(97,766)	(97,766)	(97,766)	(553,644)	(977,660)	(977,660)	(977,660)	(977,660)	(977,660)	(5,441,944)	(4,855,348)
Interest on borrowing	-	6,000	62,647	118,789	174,412	172,801	171,140	169,430	167,669	165,855	163,986	1,372,731	1,523,887	1,263,365	913,244	442,711	21,085	5,537,023	5,537,023
Repayment of debt principle	-	-	1,773	18,582	35,895	53,728	55,340	57,000	58,710	60,471	62,285	403,785	735,454	988,388	1,328,311	1,785,139	628,922	5,870,000	5,870,000
(Surplus) / Deficit	-	6,000	122,629	194,065	126,317	130,863	128,714	128,664	128,613	128,560	128,506	1,222,872	1,281,681	1,274,093	1,263,895	1,250,190	(327,653)	5,965,079	6,551,675
Cumulative (Surplus) / Deficit	-	6,000	128,629	322,694	448,951	579,814	708,528	837,193	965,806	1,094,366	1,222,872	1,222,872	2,504,553	3,778,646	5,042,541	6,292,731	5,965,079	6,292,731	
Future Fund support		(860)	(34,485)	(81,855)	(132,662)	(139,823)	(168,469)	(168,469)	(168,469)	(168,469)	(168,469)	(1,232,031)	(1,684,690)	(1,684,690)	(1,684,690)	(1,684,690)	(1,684,690)	(5,135,481)	(8,644,667)
Net MTFP (surplus) / pressure		5,140	88,144	112,150	(6,345)	(8,961)	(39,755)	(39,805)	(39,856)	(39,909)	(39,963)	(9,159)	(403,009)	(410,597)	(420,795)	(434,500)	(2,012,343)	829,598	(2,092,992)
Net Cumulative MTFP (surplus) / pressure		5,140	93,284	205,434	199,089	190,128	150,373	110,569	70,713	30,804	(9,159)	(9,159)	(412,168)	(822,765)	(1,243,560)	(1,678,060)	(3,690,402)	(1,678,060)	-
Asset valuation (inflation method)		5,870,000	6,016,750	6,167,169	6,321,348	6,479,382	6,641,366	6,807,400	6,977,585	7,152,025	7,330,826	7,330,826	9,384,077	12,012,411	15,376,902	19,683,735	25,196,845	19,683,735	

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Ref	Status	Risk	Date Raised	Raised by	Assigned to	Due Date	Strategy	Management/ Contingency Action	Impact 1 = Low 2 = Medium 3 = High	Probability 1 = Low 2 = Medium 3 = High	Residual risk factor (Impact x Probability)	Actual Closure Date	# Days Overdue
01 Key Stakeholder Support													
01-001	Ongoing mitigation	Lack of broader Council support - could make finance, legal, planning, wayleaves more challenging	01-Oct-21	I. Woodgate		Ongoing	Reduction	Positive relationships formed with Council departments. Briefings to wider Council. Formation of Strategic Board	3	1	3	N/A	N/A
01-002	Ongoing mitigation	Lack of support from telcos operating in the region	01-Oct-21	I. Woodgate		Ongoing	Reduction	Engage telcos early	3	1	3		
01-003	Ongoing mitigation	Concerns that the fibre programme could impact upon the delivery timescales of the TCF programme	01-Oct-21	I. Woodgate		Ongoing	Reduction	Engagement and coordination with TCF team to reduce impact of duct laying work on their schedule	2	1	2		
01-004													
02 Finance/Funding													
02-001	Ongoing mitigation	Cost of deployment may be higher than forecast	01-Oct-21	I. Woodgate		Ongoing	Reduction	Length of network branches can be adjusted to manage costs	1	2	2		
02-002													
03 Programme Delivery													
03-001	Ongoing mitigation	May be unable to find sufficient installers to proceed at the required pace of installation	01-Oct-21	I. Woodgate		Ongoing	Reduction	Early conversations indicate that there is sufficient supply capacity. Establish relationships and availabilities of potential suppliers early in the project	3	1	3		
03-002	Ongoing mitigation	Unexpected challenges or delay in obtaining wayleaves, section 50 licences, or other approvals	01-Oct-21	I. Woodgate		Ongoing	Reduction	Detailed design and wayleave/section 50 applications to be completed sufficiently in advance to keep wayleave applications off critical path	3	1	3		
03-003													

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CABINET



Report subject	MTFP Update Report
Meeting date	27 October 2021
Status	Public Report
Executive summary	<p>This report:</p> <ul style="list-style-type: none"> • Presents a refresh of the medium-term financial plan (MTFP) of the council to reflect the annual fundamental review and its extension to a 5-year time horizon. • Progress towards delivering a balanced budget for 2022/23 and highlights the key financial risks faced by the Council. • An update of the CIPFA Financial Management Code of Practice. • An update on the CIPFA Financial Resilience Index. • An update on the CIPFA Treasury Management and Prudential Code of Practice.
Recommendations	<p>It is RECOMMENDED that Cabinet note:</p> <p>a) The current budget position for 2022/23.</p> <p>b) The progress made in refreshing the MTFP and its extension to cover the five-year period to 31 March 2027.</p>
Reason for recommendations	<p>To comply with accounting codes of practice and best practice which require councils to have a rolling multi-year medium term financial plan.</p> <p>To provide Cabinet with the latest high-level overview of the medium-term financial plan.</p> <p>To ensure Members develop a balanced budget for 2022/23.</p>
Portfolio Holder(s):	Councillor Drew Mellor, Leader and Portfolio Holder for Finance & Transformation
Corporate Director	Graham Farrant, Chief Executive
Report Author	Adam Richens: Chief Finance Officer and Director of Finance adam.richens@bcpcouncil.gov.uk Tel: 01202 123027

Wards	Council-wide
Classification	For Decision

Background

1. Cabinet at its meeting on the 23 June 2021 received an MTFP Update report. In receiving the report Cabinet agreed the budget planning process and financial strategy to support the development of the 2022/23 budget and the proposal to extend the MTFP to cover the 5-year period to 31 March 2027.
2. The 23 June 2021 Cabinet report also provided the detail of the latest MTFP position as summarised below.

Figure 1: June 2021 Medium Term Financial Plan position

	2022/23 £m	2023/24 £m
Annual Funding Gap	10.1	(3.0)
Cumulative – Net Funding Gap	10.1	7.1

It was also acknowledged that this position would materially alter if any of the **key financial planning assumptions**, currently being adopted to underpin the financial planning framework, were to change. These key assumptions were listed as.

- a) A 4.99% increase in council tax for 2022/23 (equivalent to £10.9m in extra revenue) and a 1.99% increase in 2023/24 (£4.3m in extra revenue). It was emphasised that the 2022/23 potential council tax increase includes the 3% Adult Social Care precept deferred from 2021/22 and that a decision on the use or not of the Adult Social Care precept will be made in the budget for 2022/23 in February 2021.
- b) A 1.5% increase in the councils taxbase (number of band D equivalent properties) for 2022/23 and a 1% increase for 2023/24. The standard assumption has historically been 0.5% per annum.
- c) Total annual cumulative transformation savings of £25m underpinning the 2022/23 budget and £42.4m underpinning the 2023/24 budget.
- d) Income levels generally returning to pre-covid levels from 2022/23 onwards. The MTFP was premised on £12.3m of additional income generation in 2022/23 compared to 2021/22.
- e) The harmonisation of BCP Council's pay and grading structures within a cost neutral framework.
- f) A 2% pay award from 2022/23 onwards.
- g) The drawdown of £2.1 million from the MTFP Mitigation Earmarked Reserve in 2022/23.
- h) The council will not be required to take any action on the 1 April 2023 to mitigate the predicted £27.4m accumulated deficit on its Dedicated Schools Grant Budget (High Needs). This is when the current legislation, which avoids the council having to act, is lifted.

3. In addition, the position was underpinned by the basic assumption that no adjustments will be needed because of 2021/22 actual activity of the council as services are expected to be delivered within the parameters of the February 2021 approved budgets for the current financial year.
4. In approving the 2022/23 financial strategy the focus was on the underlying activity to deliver a number of these key assumptions, to drive down the requested service pressures, and to improve the efficiency of operation. The final potential action was to note that to enable the Council to focus on delivering the £42.4m of annual ongoing transformation savings hardcoded into this MTFP from 2023/24, consideration would be given to drawing down further resources from the £20.9m of Financial Resilience Earmarked Reserves to provide an extended timeframe for any additional savings to be delivered.

2021/22 In-year position

5. Cabinet at its meeting on the 29 September 2021 received the first quarters budget monitoring report which set out the details of a £12.6m forecast overspend within services. This forecast reflects one-off and ongoing Covid19 related pressures alongside non-Covid ongoing service pressures. The ongoing pressures will have significant implications for the councils MTFP with the most notably amongst these being the pressures within Children's Services.
6. It is important to recognise that this £12.6m pressure is reduced to a net £7.6m forecast overspend following the application of several one-off surpluses that fall within the 2021/22 accounts. This includes £2.9m released from reserves in respect of resources previously used to finance the capital programme following the decision of Council on the 14 September 2021 to agree the capital virements set out in the 2020/21 Financial Outturn report. The 2021/22 quarter one budget monitoring report set out a potential mitigation strategy should this forecast overspend materialise.
7. It is critical to acknowledge that the quarter one forecast assumes that the council delivers the £7.5m of transformation programme savings included in the budget for 2021/22. A full update on progress against this target will be included in the quarter two budget monitoring report being presented to Cabinet in December 2021. Savings from the smarter staff structures project and quick wins from a review of third party spend are the main workstreams being undertaken in this area.
8. As stated, the corporate smarter structures project will deliver some savings towards the residual target, but it will take time to establish these as the outcome of the project is currently undergoing final review across services.
9. Consideration also needs to be given to the consequences of the National Local Government Employers organisation making the offer of a 1.75% local government pay award for 2021/22. As part of the base budget revenue contingency provision was made for the equivalent of a 1% pay award which by implications requires a further provision of 0.75% to be recognised. In 2021/22 this will be managed by the application of one-off contingency resources, however in respect of 2022/23 onwards this 0.75% shortfall will present as an additional revenue pressure. The trade unions are recommending that their members reject the tabled pay offer and the possibility of a 2-year pay deal has been mooted.
10. The 2021/22 in-year monitoring is also important as a yard stick to measure the validity of some of the key MTFP financial planning assumptions which were previously being used to underpin the 2022/23 budget. Key amongst these are:

- a) The prediction that the sales, fees, and charge income will almost completely recover to pre-covid levels from the 1 April 2023 onwards enabling an extra £12.3m to be generated in support of the 2022/23 budget (compared to 2021/22).
- b) The ability of the council to deliver savings through its investment in the transformation programme. The current MTFP for 2022/23 assumes that total cumulative annual transformation savings of £25m will be delivered.

Government announcements since June 2021 Cabinet report

11. On the 7 September 2021 the government announced that the 2021 Spending Review (SR21) will be concluded alongside the Autumn 2021 Budget on the 27 October 2021. Confirmation was provided of a multi-year spending review covering the three-year period 2022/23 to 2024/25. This will be the first multi-year funding settlement in three years after Brexit and Covid19 resulted in single year departmental allocations. At this stage there appears to be a robust narrative around ensuring that the economy recovers as quickly and strongly as possible and that there will be “absolutely no return to austerity”.
12. The spending review will provide a broad outline for how much government spending will rise by in future years. The details of the package for local government are not likely to be known before the provisional 2022/23 local government finance settlement is issued in December 2021.
13. Additionally, on the 7 September 2021 the Prime Minister announced significant plans for the future of adult social care in the form of the [Build back better: our plan for health and social care](#) publication. The centrepiece of the plan is a new UK-wide 1.25 per cent Health and Social Care Levy that will be ringfenced to fund the plan's range of proposals.

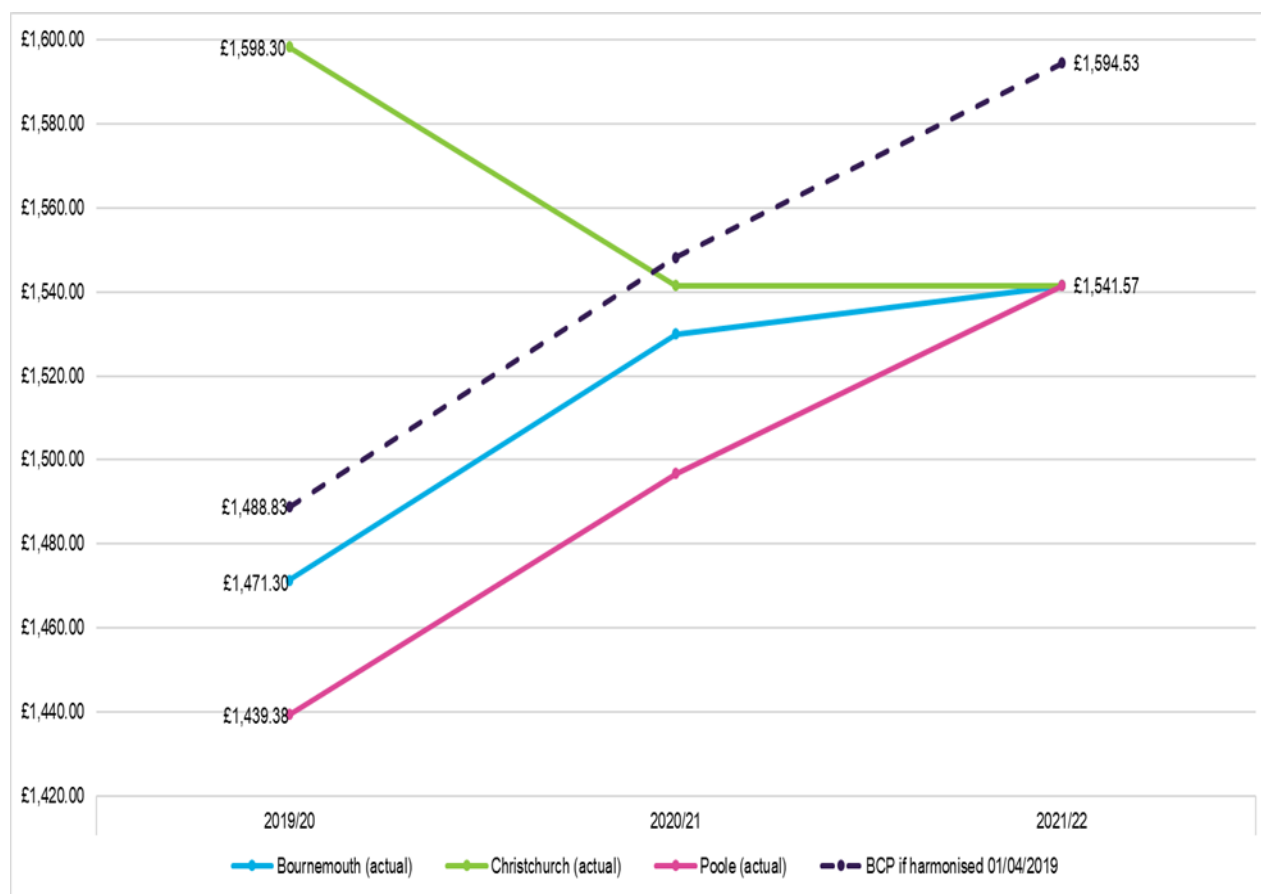
The key elements of the new plan are.

- People will no longer pay more than £86,000 in care costs over their lifetime, from October 2023. This will be implemented via a cap on personal care costs which does not include food and accommodation costs.
- Once people have reached this cap, ongoing personal care costs will be paid by local authorities.
- Those with less than £20,000 in assets (up from the current threshold of £14,250) will not have to pay towards personal care costs from their assets at all. They might have to contribute from their income.
- Those with between £20,000 and £100,000 in assets will get means-tested help towards personal care costs from the council.
- People will only be required to pay for the full cost of their own personal care if their assets are more than £100,000 (up from the current threshold of £23,250) up to the £86,000 cap.
- Self-funders will be able to request that their council arranges their care so they can access it at council-funded rates. The government intention being to end the cross subsidisation where care providers charge higher rates to self-funders compared to local authorities.
- An expectation that councils will use some of the additional funding to pay providers a 'fair price for care'.

- Investment of £500 million for new measures to support the care workforce.
 - More support for unpaid carers.
 - Investment in Disabled Facilities Grant and supported housing.
 - The tax will be raised through a 1.25% increase in both employers and employee's national insurance from April 2022 onwards. A 1.25% increase in employers' national insurance will cost BCP council approximately £1m per annum. There is also likely to be an impact on any contract or commissioned costs provided to the council were the contractor directly employ employees individuals.
 - From 2023, the National Insurance increase will become a separate Health and Social Care Levy with National Insurance rates returning to previous levels.
 - In addition, there will be a 1.25% tax rate increase in income from share dividends. This may have an impact on the valuation of the Dorset County Local Government Pension Fund.
14. The Levy is expected to raise an additional £12 billion a year on average, hypothecated for health and care, across the UK. It is estimated that £36 billion will be raised from the levy over the next three-years. It is proposed that the majority of the funds raised over the next three years will be spent on catching up on the backlog in the NHS. A smaller proportion, £5.4billion, will go towards implementing and funding the financial consequences to local authorities from having lower levels of client contributions towards care (due to the changes to the thresholds at which people contribute towards their personal social care costs). Implementing and administering the proposed new cap on care costs will be a significant undertaking for councils. Government have announced that it will consult on its proposals for the distribution of the funding and to keep the formula under review.
15. In addition, the government's plan commits to working with councils, the social care sector, people with lived experience and the NHS to develop a new white paper for wider social care reforms. It also states that the government will ensure councils have access to sustainable funding for core budgets at the Spending Review. However, the plan also states that the government's expectation is for demographic and unit cost pressures in social care to be funded through council tax, the council tax social care precept, and long-term efficiencies.
16. This statement reminds us that the strategic approach taken by government since its 2015 spending review is that local councils should be increasing council tax as the mechanism for funding cost and demand pressures in local services. Therefore, for the last 6 years in a row (since 2016/17), this has included the use of the Adult Social Care council tax precept as a means of asserting national direction on how such resources should be applied. The response to any lobbying for higher BCP Council funding allocations of government resources are always responded to by references to the amount the government have made provision for the councils "spending power" to be increased annually. The most significant element of this annual spending power increase is the amount the government have made legislative provision for the council to increase its council tax by.
17. As a reminder the below graph sets out the levels that government legislated for BCP Council to increase its council tax by compared to the actual levels of council tax set. This demonstrates that if the council had followed government guidelines then our council tax would have been £1,594.53 in 2021/22 which is 3.4% higher

than the £1,541.57 actual rate set. The government are therefore clear the council has locally decided not to generate the £7.6m per annum extra that we could have been generating and we have accepted this lower tax revenue.

Figure 1: BCP actual council tax levels compared to permitted levels.



18. In addition, it would be worth reflecting on the government's latest data estimates that highlight that economic activity nationally will not now return to pre-Covid levels until 2023. Covid led to a 10% fall in economic output over 2020 which is now only partial expected to recover in 2021 and 2022. Data from local authorities has shown that income-generating activity has been slow to improve with the Society of Local Authority Treasurers formally requesting an extension to the governments Sales, Fees, and Charge's compensation scheme to at least 31 March 2022. This request is unlikely to be supported by government as HM Treasury are of the view that they overfunded covid pressures on local councils during 2020/21.
19. Finally, it remains to be seen whether the recommendation of the Hudson Review, that provisional Local Government Finance Settlements should be announced no later than around 5 December, will be met this year.

Latest Medium-Term Financial Plan

20. The development of a medium-term financial planning process is designed to provide sound financial management and control arrangements which are integral to the delivery of good governance for the council. Such arrangements will help in supporting service delivery, accountable decision making and safeguarding stewardship whilst optimising the use of available resources.

21. The MTFP and budget for 2022/23 should be seen in the context of a rolling, evolving process structured to enable the proactive management and prioritisation of the council's resources. To support its development Cabinet agreed the following high-level budget cycle as part of the 23 June 2021 Cabinet report.

Stage One: April to June

- Closure of the accounts for the 2020/21
- High level budget planning process as set out in this June 2021 MTFP Update report to Cabinet.
- Approval of a financial strategy to support the delivery of a balanced budget for 2022/23.

Stage Two: June to September

- Initial detailed bottom up refreshed of the baseline financial resource requirements for each service. This should include a reflection on previous year's actual performance and forecast in-year performance to evaluate the realism of future year plans. The intent being to move the MTFP to a five-year time horizon (31 March 2027) was noted.
- Portfolio Holders consideration of the updated position with Cabinet and Corporate Management Board colleagues.
- Quarter One 2021/22 Budget Monitoring report.

Stage Three: October to December

- Refinement stage including councillor consideration of the implications of any proposed transformation and service-based savings proposals.
- MTFP Update reports to Cabinet in both October and December.
- Budget Café (all councillor) presentations on the 26 November 2021.
- Quarter Two 2021/22 Budget Monitoring report.

Stage Four: January to February

- Taxbase report.
- Statutory consultation with representatives of Commerce and Industry.
- Quarter Three 2021/22 Budget Monitoring report
- Finalise the 2022/23 Budget.

22. Stage one and two are substantially complete. Figure 2 below sets out the current MTFP updated to reflect the extended five-year timeline to 31 March 2027. It should be emphasised that the table shows the incremental changes, positive and negative, from the preceding year. It does not show the absolute amounts. These are included as Appendix A to the report.

Figure 2: 5-year Medium Term Financial Plan 2022 to 2027

Additional Investment into Services	22/23	23/24	24/25	25/26	26/27	Total
	£m	£m	£m	£m	£m	£m
Adult social care inc public health	10.2	11.9	12.5	9.0	9.5	53.2
Children's services	13.6	5.4	9.6	11.0	12.7	52.3
Environment and communities	2.1	2.3	2.3	0.9	1.0	8.5
Regeneration and economy	1.4	0.5	0.5	0.3	0.3	2.9
Resource services	(0.1)	0.6	0.7	0.7	0.7	2.6
Income impacted by COVID-19	(7.3)	(2.1)	(1.7)	0.0	0.0	(11.1)
Contingency - pay award	5.7	3.3	3.4	3.4	3.4	19.0
Pay Award additional 0.75% 21/22	1.3	0.0	0.0	0.0	0.0	1.3
Contingency	(1.9)	0.2	0.1	0.0	0.0	(1.6)
Core government funding changes	2.3	1.0	0.0	0.0	0.0	3.3
Transformation - ongoing revenue costs	0.5	0.5	0.0	0.0	0.0	1.0
Minimum revenue provision & interest payable	1.8	1.8	0.2	0.3	0.3	4.4
Corporate priorities (original 2021/22)	(1.4)	0.0	0.0	0.0	0.0	(1.4)
Carters Quay Regeneration Scheme	0.1	0.1	(0.1)	(0.3)	(0.1)	(0.3)
Increase in employers NICs to fund cap on social care	1.0	0.0	0.0	0.0	0.0	1.0
Contribution to unearmarked reserves	0.7	0.0	0.0	0.0	0.0	0.7
Pension fund – tri-annual revaluation impact	(0.1)	0.2	0.2	0.2	0.2	0.8
Total Additional Investment into Services	29.8	25.8	27.7	25.4	27.9	136.7
Cumulative Investment into Services	29.8	55.6	83.3	108.8	136.7	

Additional Resources	22/23	23/24	24/25	25/26	26/27	Total
	£m	£m	£m	£m	£m	£m
Council tax – income	(10.7)	(4.5)	(4.7)	(4.8)	(4.9)	(29.7)
Council Tax Base	(3.4)	(2.3)	(1.2)	(1.2)	(1.3)	(9.4)
Collection fund – (surplus) / deficit distribution net of S31 grant	(4.1)	4.8	(3.5)	0.0	0.0	(2.8)
Use of reserves - inc 75% loss drawdown	(2.1)	2.1	1.0	0.0	0.0	1.0
Local council tax support scheme grant 2021/22	3.8	0.0	0.0	0.0	0.0	3.8
Sales, fees and charges compensation 2021/22	1.6	0.0	0.0	0.0	0.0	1.6
Top slice covid pressures grant 2021/22	1.0	0.0	0.0	0.0	0.0	1.0
Investment income	(0.5)	(0.1)	(0.1)	(0.1)	0.0	(0.7)
Refinancing of capital programme	25.1	0.0	0.0	0.0	0.0	25.1
Review of inherited resources	4.7	0.0	0.0	0.0	0.0	4.7
Transformation savings	(17.5)	(17.5)	0.0	0.0	0.0	(34.9)
Service based savings	(2.8)	(2.3)	(4.2)	(0.5)	(0.2)	(10.0)
Total annual extra resource & savings	(4.7)	(19.8)	(12.6)	(6.6)	(6.4)	(50.1)
Cumulative extra resources & savings	(4.7)	(24.5)	(37.1)	(43.7)	(50.1)	

Annual – Net Funding Gap	25.1	6.0	15.1	18.9	21.5	86.6
Cumulative MTFP – Net Funding Gap	25.1	31.1	46.2	65.1	86.6	

23. The ongoing financial strategy has been to shift away from a service-based savings approach and towards delivering savings at an enterprise level as delivered via the council's transformation programme. As part of the budget cycle the detail and implications of any transformation and residual service-based savings will need to be agreed and endorsed by the Cabinet. In doing so consideration will need to be given to the extent to which it is appropriate to include transformation savings that have not been itemised in the base budget for 2022/23. The annual value of the transformation savings being assumed for 2022/23 is £25m, of which £4.7m has currently been itemised. It will therefore be a requirement on the council's Chief Finance Officer (CFO) to reflect, as part of the 2022/23 budget report, on the adequacy of the council's reserves should these savings fail to materialise.
24. At this stage members are reminded that they have a legal responsibility to balance the 2022/23 budget in a manner which reflects the needs of both current and future taxpayers.
25. The key matters for consideration in the refreshed MTFP pertinent to the position as set out, can be listed as.
- a) Fundamental rebase of resource requirements for Children's services recognising the emerging in-year 2021/22 pressures and the 10% year-on-year growth in education, health, and care plans (EHCPs).
 - b) The 1.25% increase in employers' national insurance which from 2023/24 will become the Health and Social Care Levy.
 - c) A revision to the September 2021 inflationary forecast which is used as the predictor for the following year (2022/23) pay award (3.4% from 2%)
 - d) Redistribution, as a one-off in 2022/23, a £4.8m surplus in the collection fund associated with the government arrangements for spreading 2020/21 collection fund deficits over a 3-year period and the relationship between the December 2020 estimate for 2020/21 used in the 3-year phasing and the actual outturn for the year.
 - e) A reduction in the assumed level of recovery of the council's sales, fees, and charges income base from the impact of the global pandemic. Although there are some pockets of very good performance, originally it had been assumed that the majority of income stream would recover for 2022/23. Indications are that all such income streams will not be back to pre-covid levels until April 2024.
 - f) A financial planning assumption of a basic 1.99% increase in council tax in each of the three additional years 2024/25, 2025/26, 2026/27. The current national expectation is that a 2% social care precept will be offered in each of these years, but this has not currently been assumed in the updated MTFP.
 - g) Impact of the increasing cost of energy prices such as electricity and gas to the cost base of numerous operational services.
 - h) Inclusion of £2.8m of non-transformation, service-based savings, and efficiencies.
 - i) The doubling of the support of the Climate Change and Ecological Emergency from £0.24m per annum to £0.48m per annum as per the 23 June MTFP Update report to Cabinet.

- j) An additional £0.22m investment in 2022/23 in SEND as agreed by Council on 14 September 2021.
 - k) To date, Government have not given any indication that they are formally considering extending the legislation that prevents the council having to mitigate, as part of its financial strategy the accumulated deficit on the Dedicated Schools Grant High Needs Budget. This temporary 3-year piece of legislation is due to be lifted on the 1 April 2023 which if it were would present a challenge to the financial viability of the council from that point on.
26. Financial strategy workstreams will now focus on delivering the £25 million annual transformation programme savings target for 2022/23 as the key driver of the financial strategy for the council. This is a £17.5m increase from the £7.5m budgeted for 2021/22. The MTFP assumes a further £17.4m annual increase in 2023/24 bringing the cumulative annual savings target to £42.4m from 2023/24.
27. This workstream will also consider the £44.53m previously approved expenditure programme associated with the transformation programme and the ability to redirect or extend this programme to increase the level of assurance around the currently assumed savings. Consideration will also be given to the extent to which the pace and value of these assumed savings can be increased. This programme includes:
- a) Delivering the £6.6 million transformation estates and accommodation project on time, on budget and contributing the assumed level of savings.
 - b) Driving out value from land and building assets led by the councils new Urban Regeneration Company.
 - c) Considering the extent to which, within the local government capital accounting framework, it is feasible to capitalise any of the costs the council will need to incur in support of its regeneration ambitions.
 - d) In addition, it is proposed to consider the extent to which additional capital receipts can be generated which under the flexible use of capital receipts can be used to fund transformation. Currently the council is having to use its £14.1m Transformation Mitigation earmarked reserve to provide the necessary funding over the assumed and delivered levels of capital receipts to fund its transformation programme commitments.
 - e) Further review, test and challenge by Cabinet, Corporate Management Board, service directors, and budget holders of the amounts included in the refreshed MTFP and the ability to drive down the assumed cost increases.
 - f) Delivering further non transformation service-based savings and efficiencies and driving down the cost of services and pressures included in the MTFP.
 - g) Financial monitoring of the 2021/22 approved budget with emphasise on the extent to which sales, fees and charges income streams are recovering as assumed.
 - h) Delivering the councils pay and grading harmonisation project within a cost neutral framework.
 - i) Monitoring of national and sector specific announcements including those associated with the Fair Funding Review, 75% business rates retention, future funding of social care and the pay award.

- j) Consider the extent to which assistive technology can improve service delivery and reduce the ongoing associated costs for example in adult social care.
- k) The deficit recovery plan for the Dedicated Schools Grant (DSG) with specific reference to the high needs budget.
- l) Consider the extent to which it is possible and appropriate to further support the 2022/23 Budget by the application of financial resilience reserves. By doing so this will enable a further period of recovery to prevent unnecessary adjustments to service delivery standards being made. Any such allocation will need to reflect on the risks and uncertainty in the MTFP over its entire 5-year period.

CIPFA FM Code of Practice

- 28. The Financial Management Code of Practice (FM Code) provides guidance for good sustainable financial management in local authorities to provide assurance that authorities are managing resources effectively. Although 2021/22 is the first full year of compliance, councils were expected to use 2020/21 to demonstrate how they are working towards compliance and report progress as part of their Annual Governance Statement (AGS).
- 29. The AGS, which was first reported as part of the June 2021 public inspection of the draft 2020/21 accounts, included a self-assessment of progress towards compliance. This self-assessment will be independently reviewed by Internal Audit during 2021/22 and reported to the Audit & Governance Committee in the autumn.
- 30. The self-assessment concluded that BCP Council was largely compliant across all areas of the code. That said, the following preliminary findings and actions were identified.
 - a) The children's service capital strategy is under-developed. Cabinet in October 2021 is due to receive a report which presents the capital strategy and detailed plan.
 - b) The capital strategy / estate management strategy needs to include an analysis of the overall capital requirements of the council's estate. The estate management workstream which is part of the transformation programme will consider such information in determining the appropriate corporate landlord model for the council.
 - c) Consideration of the extent to which the budget process would be enhanced by any additional consultation.
 - d) Consideration of the extent to which balance sheet items should be regularly reported.
 - e) Utilisation of the new main accounting system, which will be implemented as part of the new Enterprise Resource Planning (ERP) system and is underpinning the new operating model of the council, to record details of fixed assets rather than the use of spreadsheets.

CIPFA Financial Resilience Index

- 31. In 2019 the Chartered Institute of Public Finance and Accountancy (CIPFA) first published what they refer to as the CIPFA Financial Resilience Index. Its aim is to promote good standards of governance and financial management across the sector. The index shows the council's position on a range of measures associated with

financial risk. It is a comparative analytical tool which builds a picture of the council's financial resilience by comparing one financial year with another and by comparing BCP Council with similar and other unitary councils.

32. The index uses a combination of financial outturn data and budget data for the specific financial years in question. As year-on-year data is only now beginning to emerge for BCP Council the index usefulness is only now beginning to emerge.
33. That said, the approach of using benchmarking information to influence and shape the financial strategy and medium-term financial plan is fundamental to the council's budget process. This was demonstrated by the approach set out in the June 2021 MTFP Update report to Cabinet which proposed adjustments to the Councils self-imposed levels of debt as set out by the Capital Financing Requirement (CFR) and the year on year increases to the level of unearmarked reserves to recognise the higher level of risk associated with a higher debt position. The Council has also undertaken taken two separate pieces of work with the Local Government Association around Adult Social Care and Children's Services which included a review of the robustness of the council financial planning and monitoring processes and benchmarking to confirm if the base budget levels are appropriate to the size of the authority and suggest ways of reducing the councils cost base.
34. For information and transparency Appendix B provides a summary of the latest published CIPFA Financial Resilience Index.
35. The key matters highlighted by this document include.
 - a) Comparative information is currently only available for 2019/20.
 - b) BCP Council has submitted its data for 2020/21 which is still subject to MHCLG data validation processes.
 - c) Comparative benchmarking information with other unitary councils will not be available to later in the year. Nevertheless our 2020/21 data has been shown on the appendix along with a direction of travel.
 - d) Benchmarking information for 2020/21 is likely to be significantly caveated due to the impact of covid19 and the government's response. A good example will be the level of reserves with BCP having, as just one example, to hold £40.4m of Government compensation for the reliefs given to business in 2020/21, in it reserves on 31 March 2021 on the basis that the cash transaction is processed within 2021/22.
36. The intention will be to provide a further update once the comparative information for 2020/21 is available.

CIPFA Treasury Management Prudential Code of Practice and Local Authority Capital Financing Framework

37. CIPFA will also be issuing its revisions to the Treasury Management and Prudential Code of Practice in December 2021. The amendments follow the recommendations from the Public Accounts Committee.
38. One of the notable revisions is that borrowing to fund solely for yield generating investments, from whatever funding sources, is not permissible under the code as they represent an unnecessary risk to public expenditure. Borrowing to support service-based proposals, regeneration and housing will continue to be permitted under the code. In these instances, authorities are advised to consider carefully

whether they can demonstrate value for money and whether they can ensure the security of such funds.

39. In support, CIPFA are proposing to introduce new prudential indicators alongside an addition of a new liability benchmark.
40. MHCLG have made it clear that local authorities taking on excessive risk and any noncompliance with the framework will see increased interventions from government potentially leading to caps on borrowing. MHCLG also plan to better constrain the risks associated with complex capital transactions. This includes credit arrangements, such as PFI deals or income strips, and financial derivatives. These types of arrangement can carry more risk than traditional forms of financing and require the right expertise to support effective decisions and risk management.
41. The changes are likely to mean more data on local authority capital plans must be provided to government, with increased scrutiny from external audit and increased transparency in public reporting.

Options Appraisal

42. This report considers current and future financial sustainability. Any consequential savings and efficiency plans that are developed will each need to be tested to determine the extent to which alternative options exist.
43. Various alternatives of the 5-year MTFP have been modelled including one which assumes the continuation of the 2% annual Adult Social Care precept into future years. A model which assumes council tax increases of 3.99% per annum (1.99% basic plus 2% Adult Social Care precept) rather than just the basic 1.99% from 2023/24 onwards results in the following revised MTFP funding gaps.

Figure 3: 5-year Medium Term Financial Plan 2022 to 2027 assuming a 2% social care precept on top of the basic 1.99% from 2023/24

Additional Investment into Services	22/23	23/24	24/25	25/26	26/27	Total
	£m	£m	£m	£m	£m	£m
Annual – Net Funding Gap	25.1	1.4	10.1	13.6	15.9	66.1
Cumulative MTFP – Net Funding Gap	25.1	26.5	36.6	50.2	66.1	

Summary of financial implications

44. The financial implications of the MTFP and budget work now in hand are as outlined within the report. The work is progressed within base budget resources.

Summary of legal implications

45. Council has a fiduciary duty to its taxpayers to be prudent in the administration of the funds it holds on their behalf and an equal duty to consider the interests of their community which benefit from the services it provides.
46. It is the responsibility of members to ensure the Council sets a balanced budget for the forthcoming year. In setting such a budget members and officers of the council have a legal requirement to ensure it is balanced in a manner which reflects the needs of both current and future taxpayers in discharging these responsibilities. In

essence this is a direct reference to ensure that council sets a financially sustainable budget which is mindful of the long-term consequences of any short-term decisions.

Summary of human resources implications

47. There are no direct human resource implications of this report. However, the MTFP and budget will have a direct impact on the level of services delivered by the council, the mechanisms by which those services are delivered and the associated staffing establishment.

Summary of sustainability impact

48. The accommodation and business transformation programmes underlying the MTFP will make the council more environmentally friendly through a reduced estate and different ways of working, including the continued ability for staff to work effectively from home. This will reduce energy consumption and pollution levels as well as produce savings to protect services.
49. Consideration of further sustainability measures will be undertaken as individual proposals come forward as part of the budget setting process for 2022/23.

Summary of public health implications

50. The council will seek to maintain appropriate services for the vulnerable as well as improve the sustainability of services important for the wellbeing of all residents.
51. The rationalisation of the estate will continue to take account of the measures necessary to manage the pandemic for as long as considered necessary.
52. The budget will continue to include an allowance for personal protective equipment to protect staff and residents to ensure compliance with all guidance to be issued by Public Health England over time.

Summary of equality implications

53. A full equalities impact assessment will be undertaken as part of the final February 2022 report to members as part of the annual budget process.

Summary of risk assessment

54. Periodic review has identified the following key elements to the risk associated with the council's financial sustainability.
- a) 2021/22 in-year financial performance. The first quarters budget monitoring report for 2021/22 was presented to Cabinet on the 29th September 2021. This identified an in-year current predicated overspend of £12.6m and included the impact on Children's and Adult Social Care services due to the legacy impact of the pandemic as well as other services pressures. This forecast overspend is reduced to £7.6m by the application of one-off surpluses that naturally fall within the 2021/22 accounts.
 - b) Delivery of the currently assumed transformation programme savings which have been hardcoded into the council's budget and MTFP. The budget for 2021/22 included £7.5m of transformation related savings. The MTFP current assumes this will be increased to £25m in underpinning the 2022/23 budget and £42.4m in underpinning the 2023/24 budget.

- c) Pay and reward project. The council from its inception has assumed that the workstream to deliver harmonised terms and conditions of employment would be cost neutral.
- d) High needs deficit. As per the Medium-Term Financial Plan (MTFP) Update report to Cabinet on the 23 June 2021 the council forecast that the accumulated deficit on the Dedicated Schools Grant (DSG) due to the impact of the ongoing pressures in the high needs budget will increase from £7.8m as at the 31 March 2021, to £16.1m as at 31 March 2022, and £27.4m as at the 31 March 2023.
- e) Significant new models of funding for local government which are expected to be implemented over the MTFP period time horizon. This includes implementing changes signalled well before the start of the global public health emergency for business rates and adult social care. It is not yet possible to estimate the financial outcome of these on the council.
- f) Significant assumptions have also been made regarding the future level of demand for council services, the associated costs, the level of income attainable, and the timing and level of savings to be delivered by the transformation programme.
- g) The MTFP savings to be delivered of £42.4 million represents 17.5% when compared to the £241.1m 2021/22 net budget of the council including Adult and Children's social care.

Background papers

February 2021 Budget report to Council

[http://ced-pri-cms-02.ced.local/mgAi.aspx?ID=3925&\\$LO\\$=1#mgDocuments](http://ced-pri-cms-02.ced.local/mgAi.aspx?ID=3925&LO=1#mgDocuments)

June 2021 Medium Term Financial Plan (MTFP) Update report to Cabinet

[http://ced-pri-cms-02.ced.local/ieListDocuments.aspx?CId=285&MId=4684&Ver=4&\\$LO\\$=1](http://ced-pri-cms-02.ced.local/ieListDocuments.aspx?CId=285&MId=4684&Ver=4&LO=1)

Appendices

- A 5-year MTFP absolute basis
- B BCP Council - Financial Resilience Index data comparison.

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Medium Term Financial Plan 2022/27 (based on absolute budget)

	Adjusted Net Budget	MTFP	Net Budget	MTFP	Net Budget	MTFP	Net Budget	MTFP	Net Budget	MTFP	Net Budget
	2021/22 £m	2022/23 £m	2022/23 £m	2023/24 £m	2023/24 £m	2024/25 £m	2024/25 £m	2025/26 £m	2025/26 £m	2026/27 £m	2026/27 £m
Adult Social Care (Including Public Health)	117.0	7.0	124.1	10.0	134.1	11.1	145.2	8.7	154.0	9.4	163.4
Children's Services	68.1	13.7	81.8	5.4	87.3	9.6	96.9	11.0	107.9	12.7	120.6
Environment & Community	50.2	1.7	51.9	2.2	54.0	2.3	56.4	0.9	57.3	1.0	58.3
Regeneration & Economy	18.6	(5.3)	13.3	(2.0)	11.4	(4.0)	7.4	0.1	7.5	0.1	7.6
Resources	33.8	(0.1)	33.7	0.6	34.3	0.7	35.0	0.7	35.7	0.7	36.4
Transformation Revenue Implications	3.5	0.5	4.0	0.5	4.5	0.0	4.5	0.0	4.5	0.0	4.5
Corporate Priorities (2021/22)	6.2	(1.4)	4.8	0.0	4.8	0.0	4.8	0.0	4.8	0.0	4.8
Net cost of services	297.5	16.1	313.6	16.8	330.4	19.8	350.2	21.4	371.6	23.9	395.5
Provision for repayment borrowing (MRP)	12.0	1.6	13.7	1.9	15.5	0.1	15.7	(0.1)	15.7	0.1	15.8
Pensions	5.5	(0.1)	5.5	0.2	5.7	0.2	5.9	0.2	6.1	0.2	6.4
Revenue contribution to capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest on borrowing	3.2	0.2	3.3	0.1	3.4	0.2	3.6	(0.0)	3.6	0.1	3.7
Contingency	3.6	(1.9)	1.7	0.2	1.9	0.1	2.0		2.0		2.0
Contingency - pay award	1.8	7.0	8.8	3.3	12.1	3.4	15.4	3.4	18.8	3.4	22.1
Movement to and (from) reserves - inc unearmarked	0.7	0.7	1.4	0.0	1.4	0.0	1.4		1.4		1.4
Admin Charged to Grant Income	(0.4)	0.0	(0.4)	0.0	(0.4)	0.0	(0.4)		(0.4)		(0.4)
Use of Reserves - NNDR Section 31 Grant	(39.5)	39.5	0.0	0.0	0.0	0.0	0.0		0.0		0.0
Use of Reserves - NNDR 75% Loss Grant	(0.6)	0.0	(0.6)	0.0	(0.6)	0.6	0.0		0.0		0.0
Use of Reserves - Ctax 75% Loss Grant	(0.4)	0.0	(0.4)	0.0	(0.4)	0.4	0.0		0.0		0.0
Use of Reserves - MTFP Mitigation	0.0	(2.1)	(2.1)	2.1	0.0	0.0	0.0		0.0		0.0
Levies (Environment Agency / Fisheries)	0.6	0.0	0.6	0.0	0.6	0.0	0.6		0.6		0.6
Housing Benefits	0.1	0.2	0.3	0.2	0.5	0.0	0.5	0.0	0.5	0.0	0.5
Apprentice Levy	0.6	0.1	0.6	0.0	0.6	0.0	0.6		0.6		0.6
Revenue expenditure on surplus assets	0.2	0.0	0.2	0.0	0.2	0.0	0.2		0.2		0.2
Investment property income	(5.0)	0.0	(5.0)	0.0	(5.0)	0.0	(5.0)		(5.0)		(5.0)
Income from HRA	(1.2)	0.0	(1.2)	0.0	(1.2)	0.0	(1.2)		(1.2)		(1.2)
Interest on cash investments	(0.0)	(0.5)	(0.5)	(0.1)	(0.6)	(0.1)	(0.7)	(0.1)	(0.8)	0.0	(0.8)
Dividend income	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)		(0.1)		(0.1)
Transformation Programme Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0		0.0
Transformation Saving Target 2021/22	(7.5)	(17.5)	(25.0)	(17.5)	(42.4)	0.0	(42.4)		(42.4)		(42.4)
Refinancing of Capital Programme	(25.1)	25.1	0.0	0.0	0.0	0.0	0.0		0.0		0.0
Review of inherited resources	(4.7)	4.7	0.0	0.0	0.0	0.0	0.0		0.0		0.0
Increase in employers NICs to fund cap on social care	0.0	1.0	1.0	0.0	1.0	0.0	1.0	0.0	1.0	0.0	1.0
Net Budget	241.2	74.1	315.3	7.2	322.6	24.7	347.3	24.8	372.2	27.7	399.9
Council Tax income	(214.5)	(14.1)	(228.6)	(6.9)	(235.5)	(6.0)	(241.5)	(5.9)	(247.4)	(6.2)	(253.6)
Net income from Business Rates	(56.4)	0.0	(56.4)	0.0	(56.4)	0.0	(56.4)		(56.4)		(56.4)
Revenue Support Grant	(3.0)	0.0	(3.0)	0.0	(3.0)	0.0	(3.0)		(3.0)		(3.0)
New Homes Bonus Grant	(2.6)	1.7	(0.8)	0.8	0.0	0.0	0.0		0.0		0.0
LCTS Grant 2021/22	(3.8)	3.8	0.0	0.0	0.0	0.0	0.0		0.0		0.0
Lower Tier Service Grant 2021/22	(0.4)	0.4	0.0	0.0	0.0	0.0	0.0		0.0		0.0
Sales, fees and charges compensation 2021/22	(1.6)	1.6	0.0	0.0	0.0	0.0	0.0		0.0		0.0
Top Slice Covid Pressures Grant 2021/22	(1.0)	1.0	0.0	0.0	0.0	0.0	0.0		0.0		0.0
Collection Fund (Surplus) / Deficit Distribution NNDR	40.3	(39.5)	0.9	0.0	0.9	(0.9)	0.0		0.0		0.0
Collection Fund (Surplus) / Deficit Distribution Council Tax	2.0	(4.1)	(2.1)	4.8	2.7	(2.7)	0.0		0.0		0.0
Total Funding	(241.1)	(49.0)	(290.1)	(1.2)	(291.4)	(9.5)	(300.9)	(5.9)	(306.8)	(6.2)	(313.0)
Annual – Net Funding Gap	0.1	25.1	25.1	6.0	6.0	15.2	15.2	18.9	18.9	21.5	21.5
Cumulative MTFP – Net Funding Gap			25.1	31.1	31.1	46.2	46.2	65.1	65.1	86.6	86.6

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BCP COUNCIL FINANCIAL RESILIENCE INDEX DATA COMPARISON

Indicator	2019/20 (unitary authority group)			2020/21 BCP	BCP direction of travel	CIPFA Interpretation Notes	Comments
	Min	BCP	Max				
Level of Reserves *	10.8%	31.2%	142.6%	58.2%	↑	<ul style="list-style-type: none"> This is the ratio of the current level of reserves (total useable excluding public health & schools) to the council's net revenue expenditure It is the responsibility of the S151 officer to utilise good financial management and decide what is an appropriate level of reserves. Good financial management can be achieved with relatively low reserves, while high reserves do not always indicate good financial management. Two COVID payments paid at the end of March 2020 may have an impact on this indicator if the local authority recorded them as reserves. 	2020/21 values were submitted 27.08.21 as part of the Revenue Outturn data collection. These are still undergoing MHCLG validation checks and benchmarking information will not be available until at least November 2021.
Interest Payable / Net Revenue Expenditure	-1.0%	1.0%	17.5%	1.2%	↑	<ul style="list-style-type: none"> This shows the interest payable in 2019/20 as a % of the net revenue expenditure for that year 	Caution required in benchmarking reserves for these periods due to the accounting treatment of significant covid grants - e.g. BCP total for 2020/21 includes £40.4m relating to S31 business rate relief grants
Gross External Debt (£000)	£2,000	£270,426	£1,572,304	£202,934	↓	<ul style="list-style-type: none"> This is actual external debt which includes short term (non-capital) borrowing The Prudential Code is clear that local authorities should borrow within their means. Minimum revenue provision ensures that there is suitable debt cover. Substantial debt must be monitored, and effective risk management must be evident. 	Difference between 2019/20 and 2020/21 is mostly short term borrowing which is at lower interest rates
Social Care Ratio	28.75%	69.28%	87.93%	82.0%	↑	<ul style="list-style-type: none"> Relevant for those with responsibility for social care, therefore not relevant for districts. There are areas of demand where councils have limited control. Demand for social care is increasing. Social care is a statutory obligation, therefore it is difficult to reduce this spend. Demographic growth will show a trend towards increased expenditure. Post-COVID, there is expected to be a rise in demand for social care for both adults and children 	This represents both adults and children's social care
Fees & Charges to Service Expenditure Ratio	6.2%	13.3%	24.1%	11.5%	↓	<ul style="list-style-type: none"> Local authorities have greater control over their own ability to put charges up or down, giving more control over budget. Local authorities have the ability to raise income through certain fees and charges. Fees and charges across different sources may reduce risk. During the pandemic (after the period covered by this data) grants have underpinned income losses. 	Greater control over ability to raise fees and charges, but this income stream has become volatile due to Covid-19
Council Tax Requirement / Net Revenue Expenditure	34.1%	73.9%	94.2%	81.0%	↑	<ul style="list-style-type: none"> Council Tax is a stable form of income. Collection rates and hardship schemes have resulted in minimal impact across the board. Awareness of the pressures from COVID and the requirement for Government support. 	BCP is at the very top of the 3rd quartile
Growth Above Baseline	-4.0%	2.0%	66.0%	TBC	TBC	<ul style="list-style-type: none"> Local authorities have been able to maintain growth in business rates. There is an issue that in a reset, those with greater income above the baseline will face a greater negative impact. This makes them more vulnerable. Business rates changes have been delayed along with the fair funding review. 	Work ongoing with CIPFA to understand the basis of this calculation
Auditors VFM Assessment	Qualified 'except for'			TBC	TBC	<p>This indicator shows whether auditors have produced a non-standard conclusion on a council's accounts</p> <p><u>Explanation:</u> OFSTED undertook a targeted review of the Council childrens services and identified significant weaknesses. Although this is not a full inspection, the weaknesses identified are considered significant enough to warrant an except for conclusion. This was agreed by a Grant Thornton independent Panel.</p>	
Children's Social Care Judgement	Requires Improvement			TBC	TBC	This indicator shows the latest OFSTED judgement on the quality of children's social care	

Key:

Adverse indicator / BCP is in the 4th quartile of all UAs
 Cautious indicator / BCP is in the 3rd quartile of all UAs
 Favourable indicator / BCP is in the 1st or 2nd quartile of all UAs

Note:

* Adjusted value shown, original 2019/20 BCP value incorrectly deducted DSG deficit balance

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