

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
CABINET

Minutes of the Meeting held on 07 September 2022 at 10.00 am

Present:-

Cllr D Mellor – Chairman

Cllr P Broadhead – Vice-Chairman

Present: Cllr M Anderson, Cllr B Dove, Cllr B Dunlop, Cllr J Kelly,
Cllr K Rampton and Cllr M White

Present virtually: Cllr M Greene and Cllr N Greene
Lead Members: Cllr H Allen, Cllr N Brooks and Cllr J J Butt

Also in attendance: Cllr M Iyengar and Cllr L Williams (Chairman of the Corporate and
Community Overview and Scrutiny Committee)

Also in attendance virtually: Cllr M Cox, Cllr A Hadley and Cllr Dr F Rice

Apologies: Lead Member: Cllr S Baron

36. Declarations of Interests

Councillors M Greene and N Greene declared pecuniary interests in relation to Minute No. 43 (Council Newbuild Housing and Acquisition Strategy (CNHAS) – One year update) as shareholders and directors of a company which owns a share of 89 High Street Poole which was understood was being considered for purchase. Councillors M Greene and N Greene advised that this was in accordance with their declarable interests and left the meeting for the duration of the discussion and voting thereon.

In declaring the interest Councillor N Greene advised that by way of further transparency neither Councillor N Greene or M Greene have been part of any discussions in connection with the proposed purchase nor had sight of any of the confidential papers which are to be discussed.

37. Confirmation of Minutes

The Minutes of the meeting held on 27 July 2022 were confirmed and signed as a correct record.

38. Public Issues

The Leader advised that there had been no questions, statements or petitions received from members of the public on this occasion.

39. Recommendations from the Overview and Scrutiny Committees

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

40. Finance Update Includes Quarter One 2022/23 Budget Monitoring Report

The Leader of the Council presented a report and additional addendum, copies of which had been circulated to each Member and copies of which appear as Appendix 'A' to these Minutes in the Minute Book.

Cabinet was provided with an update on the council's financial position further to the financial forecasts set out in the end of June 2022 budget monitoring information. Cabinet was informed that the position includes an acknowledgment of the: -

- a) recent update to the Government's Flexible Use of Capital Receipts statutory guidance.
- b) latest forecast of the impact of the cost-of-living crisis on the council including the impact of the pay award offer made by the National Employers for local government service.

In addition, Cabinet was advised that the report also recommends how the Council can ensure that it maintains a balanced budget for the current 2022/23 financial year and prudently positions itself ahead of the requirement to deliver a balanced budget for 2023/24.

The Chairman of the Corporate and Community Overview and Scrutiny Committee addressed the Cabinet advising that at their recent meeting the Committee had discussed the report in detail and proposed the following recommendations in respect of this item:

The Committee recommends to Cabinet that Recommendation 7 and 8 in the report be amended to include the phrase "and the resilience reserves be restored", to read as follows:

- 7) *Agrees to place an update on the Financial Strategy as a standing Cabinet agenda item until such time as there is a balanced budget delivered for 2023/24 and the resilience reserves are restored;*
- 8) *Agrees that no new financial commitments will be made until such time as there is a balanced budget for 2023/24 other than with the specific agreement of the Chief Finance Officer in consultation with the Portfolio Holder for Finance and the resilience reserves are restored.*

The Committee recommends to Cabinet the following additional recommendations:

- *That the Futures Fund be suspended, and all additional commitments be closed until further notice*
- *That the Future Places ambitions and funding should be reviewed.*

In relation to this the Chairman advised that the voting for the recommendations had been 6:4 (no abstentions)

Councillor Hadley addressed the meeting emphasising that more scrutiny was welcome and that the recent scrutiny meeting had been a long and useful meeting. In relation to this Councillor Hadley stressed the need to be honest.

Councillor Brooks thanked the Scrutiny Committee for their recommendations but advised that it would not be appropriate to suspend the futures fund, and highlighted the procedures in place to ensure both the Futures Fund and Future Places are managed in the proper way.

RESOLVED that Cabinet: -

- (a) Notes that an application has been submitted under the Exceptional Financial Support process for a capitalisation direction of £76m (£20m in 2022/23) to principally fund this Councils Transformation programme as set out in this report;**
- (b) Brings forward to the 28 September Cabinet meeting proposals to prudently position the council to deliver a balanced budget for 2023/24 from traditional local government financial management processes and revenue sources;**
- (c) Agrees to bring forward a capital receipts schedule for additional, non-strategic, asset sales that could be used as an alternative method of financing the Council's Transformation Investment Programme via the Flexible Use of Capital Receipts (FUCR);**
- (d) Agrees to explore options across the council to deliver revenue through further commercialisation and a review of fees and charges as a response to the cost-of-living crisis;**
- (e) Approves the capital virements as set in Appendix D paragraph 76 to this report;**
- (f) Requests the Corporate Directors and Portfolio Holders for Children's Services, Transformation, and Operations to bring forward papers outlining
 - (i) in-year service pressures and the mitigation strategy that will be put in place to manage them.**
 - (ii) the timeline for the increase in costs for the transformation programme and provide an update on the delivery of 2022/23 budgeted and future years savings.****
- (g) Agrees to place an update on the Financial Strategy as a standing Cabinet agenda item until such time as there is a balanced budget delivered for 2023/24;**
- (h) Agrees that no new financial commitments will be made until such time as there is a balanced budget for 2023/24 other than with the specific agreement of the Chief Finance Officer in consultation with the Portfolio Holder for Finance; and**
- (i) Prepare financial forecasts based on the assumption of accepting and receiving a £20m capitalisation direction for**

2022/23 from government which will need Council approval, to be sought once a final offer has been received from DLUHC.

Voting: Unanimous

Portfolio Holder: Leader of the Council

41. BCP FuturePlaces Ltd - Appointment of Independent Chair and Non-Executive Directors (NEDs)

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

Cabinet was reminded that in May 2021, the Council approved the formation of BCP FuturePlaces Ltd, ("FuturePlaces") a wholly owned Urban Regeneration Company (URC).

In relation to this Cabinet was advised that the fundamental purpose and principles of FuturePlaces is to drive placemaking, regeneration, and property market transformation both across key sites owned by the Council and the wider area to support the aspirations set out in the Council's Big Plan.

Cabinet was informed that the business plan for FuturePlaces sets out the intention to appoint both an independent Chair and further non-executive directors (NEDs) to the company board as part of the company governance structure, and that appointment of directors is a Shareholder reserved matter under the Shareholder's Agreement.

Cabinet was advised that this report sets out the process that has been undertaken to identify an independent Chair for the company and makes a recommendation to the Shareholder to appoint Lord Kerlake to that position, and that upon the appointment of the independent Chair, the Deputy Leader of the Council will step down as Chair of the company board.

Cabinet was further advised that this report also sets out the intention to appoint two additional independent NEDs to the company board, and that once the additional NEDs have been appointed the Leader will step down from his role as a non-executive Director of the company.

Councillor Iyengar addressed the Cabinet questioning whether the role was truly independent and would provide some form of scrutiny, and highlighted that the paper doesn't highlight the scrutiny role.

RECOMMENDED that Council: -

- (a) confirms the appointment of Lord Kerlake to the position of independent Chair of the BCP FuturePlaces Ltd company board, and for him to take up that position at the next FuturePlaces board meeting;**
- (b) delegates the appointment of two further independent NEDs to the Chief Executive of BCP Council, as Shareholder Representative, in consultation with the new independent Chair of BCP FuturePlaces Ltd and bring details of those appointments back to council for information; and**

- (c) approves the resignation of Councillor Phil Broadhead from the board upon the appointment of Lord Kerslake, and the resignation of Councillor Drew Mellor upon the above appointments having been made.**

Voting: Unanimous

Portfolio Holder: Development, Growth and Regeneration

Councillor Dunlop joined the meeting at 10.50am

42. Wessex Fields Site- University Hospital Dorset Link Road

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

Cabinet was informed that on 16 December 2020 Cabinet agreed in principle to dispose of part of the Wessex Fields site to the adjoining landowner University Hospitals Dorset NHS Foundation Trust (UHD) in partnership with Bournemouth University, to deliver their proposal for a strategically relevant development with a focus on medical technology, medical research and education, and that Cabinet authorised officers to negotiate the heads of terms for the disposal.

In relation to this Cabinet was advised that a cabinet report dated 10 February 2021 outlined the terms of the disposal in a confidential appendix and highlighted that the purchase price has taken into consideration an obligation on the council to design, fund and build a new link road from the A338 through the Wessex Fields site to join hospital land.

Cabinet was further advised that the cost of providing the link road has increased due to construction industry inflation and an enhanced design based on completing more of the consented road scheme therefore the purpose of the report is to seek approval for the additional budget allocation from the Futures Fund.

Councillor Williams addressed the Cabinet expressing his support for the report.

Councillor Hadley addressed the Cabinet stressing that this won't unlock the problems of the roads and won't relieve the traffic and raised concerns with the increased costs.

Councillor Rice addressed the Cabinet expressing concern that the scheme wouldn't assist with carbon neutral targets and that it wouldn't address the congestion problems. In addition Councillor Rice stressed the importance of addressing the walking and cycling infrastructure.

RECOMMENDED that Council: -

- (a) approve the budget increase as detailed in Confidential appendix A; and**
(b) approve this is funded from the council's Futures Fund.

Voting: Unanimous

Portfolio Holder: Development, Growth and Regeneration

43. Council Newbuild Housing and Acquisition Strategy (CNHAS)- One year update

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

Cabinet was advised that the first CNHAS plan was endorsed at Cabinet in September 2021, approved by full council in November 2021 and reviewed by both in April and May 2022 respectively.

In relation to this Cabinet was advised that it has been a significant success to date in respect of progressing the direct delivery of housing at pace and scale, and that the report provides an update and presents some key decisions to continue momentum.

Cabinet was informed that the report makes 2 recommendations in respect of budget uplift;

- firstly for the Princess Road scheme due to predominantly inflationary increases, external funding is also under threat, the numbers are supported by a detailed cost analysis by Kier Construction who have worked on the project for 5 months, and that this scheme is mixed tenure including affordable housing, private rent and a family hostel, and that it generates income for the Council in the medium and longer term and will provide cost avoidance from bed and breakfast provision for the council too, in relation to this Cabinet was informed that approval to progress this quarter is sought but other options are presented also.
- second is in respect of the housing unit profile of the 250 street acquisitions (known as Programme 4a within CNHAS). This has matured since inception to reflect the diverse needs across BCP – particularly temporary accommodation types – several larger family homes are now needed – see item 4.2 below.

Cabinet was advised that specific private rented sector (PRS) opportunities have also evolved - which are 'income generation ready' and deliver rent this year, and that these mitigate the extra budget demands of those larger family homes in homeless accommodation and make the additional overall acquisition investment of the better in the long term, and that approval of some block purchases both newbuild and remodelled existing buildings to be integrated into programme 4a, is also requested.

In addition, Cabinet was informed that in order to secure Homes England capital grants, approval should be given of the execution of the AHP 21 - 26 Grant Agreement (LA).

RECOMMENDED that Council approves: -

- (a) The increase to acquisition Programmes 4a's (street acquisitions) budget previously approved by Council in February 2022 from £47.9 million to £68.8 million, subject to confirmation by the Council's Chief Finance Officer in advance of committing sums contractually, that appropriate capital**

funding has been identified and approved and that the investment demonstrates robust value for money and there is certainty that the investment is an improvement on the current budget's financial performance.

- (b) The expansion/amendment of the types of building and housing units within them that can be purchased through Programme 4a to include - where part of regeneration and/or permitted development activity: -
 - (i) Newbuild residential units, both as individual acquisitions and;
 - (ii) Block purchases of multiple units whose total costs exceed £1m but are delivered within the budgetary constraints of programme 4a and have the average individual new unit total scheme cost below £0.5m each.
- (c) Delegation to the Chief Operations Officer, in consultation with Director of Finance, Director of Housing, Monitoring Officer and Portfolio Holders for People & Homes & Development, Growth and Regeneration the approval through an Officer Decision Record process of any purchase of a Block of housing units in b)ii
- (d) Delegation to the Chief Executive to agree a process for securing an independent assessment of value for money relating to any acquisitions where Council officers or elected members have an interest. Refer 10.3 for further explanation.
- (e) BCP Council execute the Homes England Agreement entitled *Bournemouth, Christchurch and Poole Council (5069) - AHP 21 - 26 Grant Agreement (LA)*.
- (f) Option 1 be agreed as the appropriate option for the Princess Road development as detailed in the report attached as Confidential Annex 1.

Voting: Unanimous

Portfolio Holder: Development, Growth and Regeneration

Councillors M Greene and N Greene declared pecuniary interests in this item and left the meeting for the discussion and voting thereon.

44. BCP Green Infrastructure Strategy

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

Cabinet was advised that Green Infrastructure (GI) is the 'network of multi-functional green and blue spaces and other natural features, urban and rural, which is capable of delivering a wide range of environmental, economic, health and wellbeing benefits for nature, climate, local and wider communities and prosperity' (National Planning Policy Framework, 2021).

In relation to this Cabinet was informed that connecting urban, countryside and coastal areas at a range of scales and our green infrastructure network includes not only parks, playing fields and other public open spaces, but also woodland, heathland and other wildlife habitats, street trees, allotments and private gardens.

Further to this Cabinet was advised that the strategy embraces blue infrastructure assets such as rivers, streams and the sea, and in urban areas the network also includes green engineering solutions, such as sustainable drainage systems, green roofs and living walls.

Cabinet was informed that a BCP Green Infrastructure Strategy has been written to highlight the importance of our Green and Blue assets and how they should be prioritised in the future for investment.

Councillor Hadley addressed the Cabinet supporting the paper but stressing the importance of doing things immediately which will mitigate the lack of climate action.

RESOLVED that Cabinet adopt the Green Infrastructure Strategy.

Voting: Unanimous

Portfolio Holders: Environment and Place
Development, Growth and Regeneration

45. Bus Service Improvement Plan (BSIP) Implementation

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

Cabinet was advised that BCP Council has been successful in having an indicative grant award of £8.9m from the Department for Transport (DfT) to deliver it's Bus Service Improvement Plan (BSIP) over the next 3 years.

In relation to this Cabinet was informed that the purpose of this paper is to seek Council approval to accept and invest the grant.

Councillor Hadley addressed the Cabinet raising concerns as to whether the Council would receive the whole £8.9m, and stressing the importance of thinking about the whole journey including getting to and from the bus stop.

Councillor M Greene advised that just under £8.9m was expected with the first tranche of money due to be received in September.

RECOMMENDED that Council: -

- (a) Subject to confirmation of an award, accepts the £8.9m Bus Service Improvement Plan funding for the period 2022/3 to 2024/5 from the Department for Transport; and**
- (b) Delegates delivery of the Bus Service Improvement Plan (BSIP) to the Service Director for Transport and Engineering in consultation with the Portfolio Holder for Sustainability and Transport.**

Voting: Unanimous

Portfolio Holder: Sustainability and Transport

46. Extension to the Term of Office of the Chair of the Russell-Cotes Art Gallery & Museum Management Committee

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

Cabinet was advised that the Russell-Cotes is a charity which is managed by the Russell-Cotes Art Gallery and Museum Management Committee, and as the delegated sub-committee of Cabinet the Committee has a membership of 3 councillors who have voting rights and 4 external appointees and Sir George Meyrick who do not have voting rights.

In relation to this Cabinet was informed that largely due to Covid, the renewal of the Committee membership has been subject to delays and the Management Committee is due to lose 3 of its 4 external members by October 2022.

Further to this Cabinet was advised that since 2018, the Management Committee has been exploring how to improve the governance arrangements of the Russell-Cotes to ensure that it can thrive in the long term, and that it has reached a pivotal moment in this long and complicated process and over the next few months, it is anticipated that very significant decisions will need to be made on whether and how to pursue this direction of travel.

Cabinet was informed that 2022 is also the Centenary Year for the Russell-Cotes with increased programming, marketing and activities drawing attention locally, regionally and nationally.

Cabinet was advised that at their meeting on 4 May 2022, the Russell-Cotes Art Gallery & Museum Management Committee agreed to recommend to Cabinet that the Chair be given a further term of office because of these exceptional circumstances, on the basis that no precedent is set for this or any other committee.

RESOLVED that Cabinet: -

- (a) agree that the Chair of the Management Committee be given a further 3 year term of office to provide vital continuity at an exceptional time for the Russell-Cotes, both externally and internally, due to the impacts of the Covid pandemic, the pivotal moment in the governance review and the Museum's Centenary in 2022; and**
- (b) note that this decision will not set any precedent for this or any other BCP Council Committee.**

Voting: Unanimous

Portfolio Holder: Tourism, Culture and Vibrant Places

47. Urgent Decisions taken by the Chief Executive in accordance with the Constitution

Cabinet was advised that there were no urgent decisions taken by the Chief Executive in accordance with the Constitution to report on this occasion.

48. Cabinet Forward Plan

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

The meeting ended at 12.10 pm

CHAIRMAN