

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
CABINET

Minutes of the Meeting held on 22 November 2023 at 10.15 am

Present:-

Cllr V Slade – Chairman

Cllr M Earl – Vice-Chairman

Present: Cllr D Brown, Cllr R Burton, Cllr A Hadley, Cllr J Hanna, Cllr A Martin
and Cllr K Wilson

Present
virtually: Cllr M Cox

Also in
attendance
virtually: Cllr M Tarling

53. Declarations of Interests

There were no declarations of interest made on this occasion.

54. Confirmation of Minutes

The Minutes of the meeting held on 25 October 2023 were confirmed and signed as a correct record.

55. Public Issues

Cabinet was advised that no questions, statements, or petitions had been received by members of the public on this occasion.

56. Recommendations from the Overview and Scrutiny Board

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.

57. Medium Term Financial Plan (MTFP) Update

The Portfolio Holder for Finance 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.

Cabinet was advised that the report presented the positive progress that had been made towards delivering a sustainable and balanced budget for 2024/25 and developing the latest medium-term financial plan (MTFP) position of the council.

Cabinet was informed of the context to the development of the 2024/25 budget which is summarised as: -

- The February 2023 approved general fund budget for 2023/24 was balanced on the assumption of a £30m drawdown in reserves and the delivery of £34m in savings, efficiencies, and additional resources including £9m in respect of transformation which were un-itemised.
- A funding gap of £44m for 2024/25 as set out in the July MTFP Update report to Cabinet and a 3-year funding gap to 2026/27 of £67m.
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The Portfolio Holder for Finance explained the importance of delivering a sustainable and balanced budget and what a section 114 notice would mean.

In relation to this Cabinet discussed the pressures relating to the social care system and the impact the significant reduction in central governments has had on the BCP Council and on other local authorities experiencing similar financial challenges.

RESOLVED that Cabinet: -

- (a) acknowledged the progress in delivering a sustainable balanced budget for 2024/25;**
- (b) endorsed the updated MTFP position; and**
- (c) approved the implementation of a voluntary redundancy process to support the delivery of a balanced budget for 2024/25 with delegation to the Chief Executive, in consultation with the Leader of the Council, to develop an appropriate policy.**

Voting: Unanimous

Portfolio Holder: Finance

Reasons

To comply with accounting codes of practice and best practice which requires councils to have a rolling multi-year medium term financial plan. To present progress on delivering a balanced budget for 2024/25 and a high-level overview of the current medium term financial plan position. To ensure a prudent approach to financial management based on traditional local government financial management processes. To present ongoing progress against the Best Value Notice requirement to establish a sound budget setting process and begin preparation for the 2024/25 budget as soon as possible and draft a sustainable MTFP and three-year budget by the end of September 2023.

58. Budget Monitoring 2023-24 at Quarter Two

The Portfolio Holder for Finance 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 advised that the report provided the quarter two 2023/24 projected financial outturn information for the general fund and housing revenue account (HRA).

In relation to this Cabinet was informed that February 2023 approved the general fund budget for 2023/24 which was balanced on the assumption of a £30m drawdown in reserves and the delivery of £34m in savings, efficiencies, and additional resources including £9m in respect of transformation which were un-itemised.

Cabinet was advised that based on the current projections the Council is forecasting it will instead need to draw down £34.3m from unearmarked reserves (a further £4.3m) to balance the 2023/24 budget.

Cabinet was advised that the orderly closure of BCP FuturePlaces Ltd could either reduce the drawdown of reserves by up to £2.2m or increase the drawdown by a further £1.2m based on the report to Cabinet in September 2023, and that an estimate of the outcome should be available by January.

In addition, Cabinet was informed that mitigations are being progressed by directorates, including a spending and recruitment freeze where possible, but that the risk remains that if these are unsuccessful then the council would be required to reduce its unearmarked reserves below the minimum threshold based on good practice.

In relation to this Cabinet was informed that delivering to budget remains critical as the medium-term financial plan makes no allowance for replenishing any unearmarked reserves used to balance 2023/24 and there are no earmarked reserves available to support any drawdown over the £30m assumed in the original budget.

The Portfolio Holder emphasised the significant in year pressures and the importance of having adequate reserves.

RESOLVED that Cabinet noted the budget monitoring position for quarter two 2023/24.

Voting: Unanimous

Portfolio Holder: Finance

Reasons

To comply with accounting codes of practice and best practice which requires councils to regularly monitor the annual budget position and take any action to support the sustainability of the council's financial position.

59. Future - Bournemouth Air Festival

The Deputy Leader and Portfolio Holder for Connected Communities 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 advised that the report provided background to Bournemouth Air Festival, outlined the financial and environmental challenges of continuing to run the festival after 2023, and recommended a new way forward developed from the work of the Air Festival Task and Finish group.

Cabinet was informed that this was the first time that the council had had the opportunity to look really closely at this event, and that whilst ways in which to fund the air festival for 2024 were being explored that from 2025 the council wouldn't be funding the air festival in the same way and that sustainable funding needed to be found going forwards.

Cabinet was advised that there were currently two ongoing online petitions both of which were still running and neither of which had hit the requisite number of signatures to be submitted to Council.

Councillor Tarling addressed the Cabinet commending the Portfolio Holders and officers for the work which had been carried out to date and for getting to the bottom of the actual cost of the event. In addition, Councillor Tarling advised that he wouldn't want the event to be cancelled but that alternative funding needs to be established.

Cabinet discussed future funding arrangements emphasising the importance of a robust approach to finding sponsorship for the future and to working with the private sector to find funding to close the gap.

The Portfolio Holder for Climate Response, Environment and Energy raised concerns with regards to the event not fitting with the climate emergency commitments and being unable to justify the spend as it wasn't essential.

Cabinet expressed support for the proposed way forward and thanked everyone including residents and those in industry who had assisted, in addition to this Cabinet was advised that the environmental impact was being looked at and expressions of interest for future funding of the event was always welcome.

Cabinet was advised that the proposed approach offered both a compromise and an opportunity and further thanks was expressed to all those who had been involved in the Task and Finish Group.

RESOLVED that Cabinet: -

- (a) agrees to BCP Council running a three-day Air Festival in 2024, at a net cost of £200k to BCP Council. This will require the Air Festival team to work with local businesses to bring in additional sponsorship, donations, external funding, and commercial activity of at least £100k;**
- (b) noted the inherent financial risks associated with the running of an Air Festival including weather related loss of income;**

- (c) **agreed that there will be no Council funding or direct staffing support for the Air Festival beyond 2024;**
- (d) **agreed to invite proposals from external organisations to support and fund Air Festival in 2025 and beyond; and**
- (e) **delegates to the Director of Commercial Operations in consultation with the Portfolio holders for Finance and Connected Communities, the implementation of these decisions.**

Voting: 7:1

Portfolio Holder: Connected Communities

Reason

To achieve the corporate vision of delivery of dynamic places by funding and delivering Bournemouth Air Festival in 2024, whilst also acknowledging the Council's current and future financial position and therefore the requirement to cease Council funding beyond this point. To formally invite proposals for an alternative model of delivery for 2025 onward and provide the opportunity on the Sunday following the Air Festival for an externally funded and operated community day/festival as proposed by the Task & Finish Group.

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

The Chief Executive advised that he had made one urgent decision in accordance with the Constitution in relation to the acceptance of grant funding from the Department for Transport.

A copy of the decision is available to view on the Council's website.

61. Cabinet Forward Plan

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

The meeting ended at 11.34 am

CHAIRMAN